



“YOUR LOCAL WATER SUPPLIER”  
**AQWEST**

Quarterly Report – September 2020

## Financial outcomes (\$'000s)

	2020/21 Budget		3 months to September 2020		
	Full Year	Actual to 30 Sep	Forecast to 30 Jun	Forecast to Budget	Last Year actual to 30 Sep
Total operating revenue	16,222	6,674	16,428	206	6,366
Less: Direct operating expenses	10,485	2,253	10,391	(94)	2,190
Less: Depreciation	2,882	741	2,965	83	640
<b>Earnings before interest, tax and developer contributions (EBIT)</b>	<b>2,855</b>	<b>3,680</b>	<b>3,072</b>	<b>217</b>	<b>3,536</b>
Less: Interest expense (a)	241	30	241	-	3
Add: Developer contributions	259	199	750	491	61
<b>Operating profit/(loss) before tax and dividend</b>	<b>2,873</b>	<b>3,849</b>	<b>3,581</b>	<b>708</b>	<b>3,594</b>
Less: Income tax expense	986	482	1,217	231	615
Less: Dividend	1,840	-	2,110	270	-
<b>Operating profit/(loss) after tax and dividend</b>	<b>47</b>	<b>3,367</b>	<b>254</b>	<b>207</b>	<b>2,979</b>
Capital expenditure (a)	15,858	1,293	15,858	-	not reported
Borrowings taken (repaid)	12,872	(191)	12,872	-	(14)
Net debt (b)	17,253	2,887	17,253	-	-
Income tax equivalent	986	482	1,217	231	617
Local Government rate equivalent	83	-	83	-	-
Land tax	34	-	34	-	-
Dividends provided	1,840	-	2,110	270	-
Operating subsidy	(726)	-	(726)	-	-
<b>Net accrual to Government</b>	<b>2,217</b>	<b>482</b>	<b>2,718</b>	<b>501</b>	<b>617</b>

## Financial performance indicators

	2020/21 Budget		3 months to September 2020	
	Full Year	Forecast (a)	Variance	Last Year
Return on assets (%)	5.0 %	4.2 %	(0.8) %	7.5
Funds from operations (FFO) to interest times coverage (a)	13 x	13 x	-	not reported
Funds from operations (FFO) to debt (a)	14.3 %	14.3 %	-	not reported

a) Newly reported indicators in 2020/21 Statement of Corporate Intent

b) Projected to 30 June 2021 based on September 2020 results. \$11.9m expected to be converted to State Government Equity contribution at confirmation of 2020/21 mid-year review adjustments.

# Performance against Strategic Priorities





## Sustainability

Commitment: Permanence

### Objectives

- ✓ Act in an environmentally responsible way and respond to climate change, by implementing the Environmental Sustainability Strategic Plan

### Performance Measurement

	Target	Forecast	Outcome
S1. Quantity of water produced within licensed allocation (GL)	< 7.6 GL	< 7.6 GL	
S2. Real water losses (Litres/connected property/day)	< 105 L	< 105 L	
S3. Average annual residential water supplied (kL/connected property)	< 250 kL	< 250 kL	
S4. Energy from renewable sources increasing	Yes	Yes	







## Customer Service

Commitment: Excellence

### Objectives

- ✓ Develop and implement programs and train staff to assist customers in hardship
- ✓ Achieve excellence in the provision of service to customers
- ✓ Deliver better services through digital transformation

### Performance Measurement

	Target	Forecast	Outcome
CS1. Microbiological compliance	100 %	100 %	
CS2. Water quality complaints (per year, per 1,000 properties)	< 2.0	< 2.0	
CS3. Water service complaints (per year, per 1,000 properties)	< 2.0	< 2.0	
CS4. Billing and account complaints (per year, per 1000 properties)	< 2.0	< 2.0	
CS5. Percentage of connections meeting pressure and flow requirements	100 %	100 %	
CS6. Percentage of customer complaints resolved in less than 15 business days	100 %	100 %	



## People

Commitment: Development, equity and safety

### Objectives

- ✓ Continue to engage stakeholders in developing and maintaining the following:
  - a) Enterprise Agreement
  - b) Strategic Workforce Plan
  - c) Equal Employment Opportunity and Diversity Plan
  - d) Staff Code of Conduct
- ✓ Maintain a safe working environment and culture
- ✓ Ensure positive working relationships with relevant unions
- ✓ Maintain ISO 45001 – Occupational health and safety certification

### Performance Measurement

	Target	Forecast	Outcome
P1. Staff Attitudinal Survey completed	Yes	Yes	
P2. Safety Index measured and monitored	Yes	Yes	







## Assets

Commitment: Efficiency

### Objectives

- ✓ Ensure facility location, system capacity and capability are always sufficient to meet future demand
- ✓ Ensure compliance with all relevant Regulations and Statutory requirements
- ✓ Keep abreast of emerging water treatment technology and continue to invest in water production, treatment and distribution infrastructure;
- ✓ Ensure sufficient resources are available to fund the full life cycle costs of assets.

### Performance Measurement

	Target	Forecast	Outcome
OP1. Average frequency of an unplanned interruption (per 1000 properties)	< 250	< 250	
OP2. Average duration of an unplanned interruption (minutes)	< 60 mins	< 60 mins	
OP3. Energy Consumption (kWh/kL)	< 0.45	< 0.45	
OP4. Properties served per km of water main	> 40	> 40	
OP5. Water main breaks (per 100km of water main)	< 20	< 20	
OP6. Off peak energy use	> 70 %	> 70 %	





## Owner

Commitment: Value

### Objectives

- ✓ Ensure long term financial viability of the business
- ✓ Ensure compliance with all relevant regulations and statutory requirements
- ✓ Investigate opportunities to add value to the business
- ✓ Align with Government wages policy
- ✓ Deliver an 85% dividend to the State Government annually
- ✓ Continue relationships with DWER, other Departments and GTEs to ensure a whole of government and collaborative approach
- ✓ Maintain an effective risk management system.

### Performance Measurement

	Target	Forecast	Outcome
SV1. Return on assets (a)	> 7.5 %	4.2 %	
SV2. Percent of fixed costs recouped by supply fee	> 45.0 %	56.0 %	
SV3. Funds from operations (FFO) to interest times coverage	> 5 x	104 x	
SV3. Funds from operations (FFO) to debt	> 15.0 %	69.0 %	

a) Budgeted 5.0% return, forecast has reduced due to higher than budgeted value of fixed assets at 30 June 2020.



## Community and Stakeholders

Commitment: Engagement

### Objectives

- ✓ Remain accountable and responsive to community needs
- ✓ Develop corporate relationships through active consultation, communication and engagement with the community
- ✓ Maintain a positive public profile
- ✓ Meet all community obligations and responsibilities
- ✓ Meet all requirements of the Water Services Code of Conduct
- ✓ Hardship Policy
- ✓ Ensure procurement processes follow the State Government's Buy Local Policy
- ✓ Develop and implement a Reconciliation Action Plan

### Performance Measurement

	Target	Forecast	Outcome
CE1. Develop and implement a Reconciliation Action Plan	Yes	Yes	
CE2. Develop and implement a Customer Advisory Panel	Yes	Yes	

## Business information

3 months to September 2020	2020	2019	2018
Connected properties - residential	16,032	15,898	15,835
Connected properties - non-residential	1,521	1,535	1,522
Water produced (GL)	1.13	1.1	1.1