



"YOUR LOCAL WATER SUPPLIER"
AQWEST
OWNED BY THE PEOPLE OF W.A.

QUARTERLY REPORT

September 2021



Financial outcomes (\$'000s)

	2021/22 Budget	3 months to September 2021			
	Full Year	Actual to 30 Sep	Forecast to 30 Jun*	Forecast to Budget	Last Year actual to 30 Sep
Total operating revenue (a)	17,280	6,798	16,793	(487)	6,674
Less: direct operating expenses (b)	10,932	2,443	11,695	762	2,253
Less: depreciation (c)	3,035	852	3,454	419	741
Earnings before interest, tax, and developer contributions (EBIT)	3,313	3,503	1,644	(1,668)	3,680
Less: interest expense	118	27	118	-	30
Add: developer contributions (d)	2,522	134	2,522	-	199
Operating profit/(loss) before tax and dividend	5,717	3,610	4,048		3,849
Less: income tax expense	1,687	554	1,194	(493)	482
Less: dividend (e)	-	-	-	-	-
Operating profit/(loss) after tax and dividend	4,030	3,056	2,854	(1,175)	3,849
Capital expenditure (f)	18,464	1,257	31,317	(12,854)	1,293
Borrowings taken (repaid) (g)	4,773	(195)	(784)	(5,557)	(191)
Net debt (g)	6,949	-	6,949	-	2,887















Net accrual to Government (\$'000s)

Income tax equivalent	1,687	554	1,194	(493)	482
Local Government rate equivalent	86	-	86	-	-
Dividends provided	-	-	-	-	-
Operating subsidy	(798)	-	(856)	(58)	-
Net accrual to Government	975	554	424	(551)	482

* Forecast includes 2021/22 Mid-Year Review adjustments pending approval.

- a) The budget included \$511,000 of potable water sales based on advice provided by Main Roads WA for the construction of the Bunbury Outer Ring Road. Recently informed this is unlikely to occur.
- b) Impact of workforce planning requirements, as 2021/22 Mid-Year Review submission pending approval.
- c) Historical depreciation discrepancy corrected in 2020/21 financial statements and resulting in additional depreciation previously not budgeted for.
- d) Includes a provisional \$2.25 million contribution from Main Roads WA to be used for the Bunbury Water Resource Recovery Scheme (BWRRS).
- e) Dividend to be retained as per Government directive.
- f) Significant increase to project cost for the BWRRS.
- g) Net cash positive at 30 September 2021. Significant expenditure for BWRRS forecast to occur in second half of 2021/22 resulting in a return to debt position.

Key Performance Outcomes

	2021-22 Target	Actual to 30 Sep	2021-22 Projected	Projected Outcome
Outcome 1: Long term financial viability				
Economic Real Rate of Return % (a)	3.6%	3.0%	3.4%	
Outcome 2: Satisfied customers				
Overall customer satisfaction rating (Customer satisfaction survey)	85%	86%	86%	
Outcome 3: Local jobs and local suppliers				
Percentage of local suppliers (Buy Local Policy target)	70%	49%	70%	
Outcome 4: Highly skilled and diversified workforce				
Increase jobs by >2% per annum (b)	>2%	n/a	>2%	
Training expenditure per annum against wages and salaries	>3%	1.53	>3%	
Safety Index	1.0	1.0	1.0	
Outcome 5: Strong supported community				
Customer awareness of Aqwest services (Customer satisfaction survey)	85%	95%	95%	
Employee Diversity & Wellbeing Index	1.0	0.4	1.0	
Strong Communities Index	1.0	0.2	1.0	
Outcome 6: Safe, reliable, high-quality drinking water				
Customers agree water is safe to drink (Customer satisfaction survey)	85%	86%	86%	
Microbiological compliance (%)	100%	100%	100%	
Average frequency of an unplanned interruption (per 1000 properties)	<250	167	<250	
Outcome 7: Safe, reliable, recycled water available				
Make available 2.0 GL of recycled water per annum (b)	2 G	0 G	0 G	
Outcome 8: Environmentally sustainable operations				
Environmental Sustainability Index	1.0	0.4	1.0	

(a) Target return unable to be met due to forecast reduction in forecast profit.

(b) The Bunbury Water Resource Recovery Scheme scheduled completion date has been delayed until September 2022, therefore no recycled water will be produced in the 2021/22 financial year.