



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

# QUARTERLY REPORT TO THE MINISTER FOR WATER

December 2021



## Financial outcomes (\$'000s)















	2021/22 Budget		6 months to December 2021		
	Full Year	Actual to 31 Dec	Forecast to 30 Jun	Forecast to Budget	Last Year actual to 31 Dec
Total operating revenue (a)	17,280	9,921	16,957	(323)	9,631
Less: direct operating expenses	10,932	5,192	11,178	247	4,710
Less: depreciation (b)	3,035	1,727	3,454	419	1,569
<b>Earnings before interest, tax, and developer contributions (EBIT)</b>	<b>3,313</b>	<b>3,002</b>	<b>2,325</b>	<b>(989)</b>	<b>3,352</b>
Less: interest expense	118	53	103	(15)	73
Add: developer contributions (c)	2,522	231	481	(2,041)	447
<b>Operating profit/(loss) before tax and dividend</b>	<b>5,717</b>	<b>3,180</b>	<b>2,703</b>	<b>(3,015)</b>	<b>3,726</b>
Less: income tax expense	1,687	1,272	1,081	(607)	1,136
Less: dividend (d)	-	-	-	-	2,110
<b>Operating profit/(loss) after tax and dividend</b>	<b>4,030</b>	<b>1,908</b>	<b>1,622</b>	<b>(2,408)</b>	<b>480</b>
Capital expenditure (e)	18,464	3,213	12,942	(5,522)	2,796
Borrowings taken (repaid) (f)	4,773	(390)	(784)	(5,557)	(383)
Net debt (f)	6,949	-	-	(6,949)	5,771

## Net accrual to Government (\$'000s)

Income tax equivalent	1,687	1,272	1,081	(607)	1,136
Local Government rate equivalent	86	-	104	19	-
Dividends provided (e)	-	-	-	-	2,110
Operating subsidy	(798)	(457)	(856)	(58)	(430)
<b>Net accrual to Government</b>	<b>975</b>	<b>815</b>	<b>329</b>	<b>(646)</b>	<b>2,837</b>

- 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) Historical depreciation discrepancy corrected in 2020/21 financial statements and resulting in additional depreciation previously not budgeted for.
- c) Budget included a provisional \$2.25 million contribution from Main Roads WA to be used for the Bunbury Water Resource Recovery Scheme (BWRRS). This is unlikely to occur in 2021/22.
- d) Dividend to be retained as per Government directive.
- e) Updated project schedule for the BWWRS, expenditure shifted into 2022/23.
- f) Net cash positive at 31 December 2021. Due to delays in the project schedule for the BWWRS and the receipt of an equity contribution to fund this, the cash positive position is likely to remain at 30 June 2022.

## Key Performance Outcomes

	2021-22 Target	Actual to 31 Dec	2021-22 Projected	Projected Outcome
<b>Outcome 1: Long term financial viability</b>				
Economic Real Rate of Return % (a)	3.6%	2.6%	1.7%	
<b>Outcome 2: Satisfied customers</b>				
Overall customer satisfaction rating (Customer satisfaction survey)	85%	88%	88%	
<b>Outcome 3: Local jobs and local suppliers</b>				
Percentage of local suppliers (Buy Local Policy target)	70%	57%	70%	
<b>Outcome 4: Highly skilled and diversified workforce</b>				
Increase jobs by >2% per annum (b)	>2%	23.2%	23.2%	
Training expenditure per annum against wages and salaries	>3%	2.3	>3%	
Safety Index	1.0	1.0	1.0	
<b>Outcome 5: Strong supported community</b>				
Customer awareness of Aqwest services (Customer satisfaction survey)	85%	93%	93%	
Employee Diversity & Wellbeing Index	1.0	0.5	1.0	
Strong Communities Index	1.0	0.6	1.0	
<b>Outcome 6: Safe, reliable, high-quality drinking water</b>				
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	165	<250	
<b>Outcome 7: Safe, reliable, recycled water available</b>				
Make available 2.0 GL of recycled water per annum (c)	2 G	0 G	0 G	
<b>Outcome 8: Environmentally sustainable operations</b>				
Environmental Sustainability Index	1.0	0.4	1.0	

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

(b) Significant increase in FTE due to a large amount of vacant roles at 30 June 2021.

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