



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

QUARTERLY REPORT TO THE MINISTER FOR WATER

March 2022



Financial outcomes (\$'000s)















	2021/22 Budget	9 months to 31 March 2021			
	Full Year	Actual to 31 Mar	Forecast to 30 Jun	Forecast to Budget	Last Year actual to 31 Mar
Total operating revenue (a)	17,280	14,143	17,473	193	13,220
Less: direct operating expenses	10,932	7,933	10,981	(41)	7,137
Less: depreciation (b)	3,035	2,624	3,484	449	2,311
Earnings before interest, tax, and developer contributions (EBIT)	3,313	3,586	3,098	(215)	3,772
Less: interest expense	118	78	103	(15)	115
Add: developer contributions (c)	2,522	367	531	(1,991)	460
Operating profit/(loss) before tax and dividend	5,717	3,875	3,526	(2,191)	4,117
Less: income tax expense	1,687	1,550	1,410	(277)	1,070
Less: dividend (d)	-	-	-	-	2,110
Operating profit/(loss) after tax and dividend	4,030	2,325	2,116	(1,914)	937
Capital expenditure (e)	18,464	5,354	10,407	(8,056)	3,768
Borrowings taken (repaid) (f)	4,773	(606)	(808)	(5,581)	(576)
Net debt (f)	6,949	-	-	-	-

Net accrual to Government (\$'000s)

Income tax equivalent	1,687	1,550	1,410	(277)	1,070
Local Government rate equivalent	86	-	89	3	-
Dividends provided (e)	-	-	-	-	2,110
Operating subsidy	(798)	(457)	(856)	(58)	(430)
Net accrual to Government	975	1,093	643	(332)	2,750

- 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) Due to delays in the project schedule for the BWWRs and the receipt of an equity contribution to fund this, no new borrowings will be required prior to 30 June 2022.

Key Performance Outcomes

	2021-22 Target	Actual to 31 Mar	2021-22 Projected	Projected Outcome
Outcome 1: Long term financial viability				
Economic Real Rate of Return % (a)	3.6%	5.2%	2.9%	
Outcome 2: Satisfied customers				
Overall customer satisfaction rating (Customer satisfaction survey)	85%	88%	88%	
Outcome 3: Local jobs and local suppliers				
Percentage of local suppliers (Buy Local Policy target)	70%	56%	70%	
Outcome 4: Highly skilled and diversified workforce				
Increase jobs by >2% per annum (b)	>2%	23%	23%	
Training expenditure per annum against wages and salaries	>3%	1.9	>3%	
Safety Index	1.0	1.0	1.0	
Outcome 5: Strong supported community				
Customer awareness of Aqwest services (Customer satisfaction survey)	85%	93%	93%	
Employee Diversity & Wellbeing Index	1.0	0.6	1.0	
Strong Communities Index	1.0	0.6	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	171	<250	
Outcome 7: Safe, reliable, recycled water available				
Make available 2.0 GL of recycled water per annum (c)	2 G	0 G	0 G	
Outcome 8: Environmentally sustainable operations				
Environmental Sustainability Index	1.0	0.5	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.