



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

QUARTERLY REPORT TO THE MINISTER FOR WATER

September 2022



Financial Outcomes (\$'000s)















	2022/23 Budget	3 months to September 2022			
	Full Year	Actual to 30 Sep	Forecast to 30 Jun	Forecast to Budget	Last Year actual to 30 Sep
Total operating revenue (a)	18,174	7,621	18,888	714	6,798
Less: Direct operating expenses (b)	12,641	2,534	13,845	1,204	2,443
Less: Depreciation	3,486	948	3,793	307	852
Earnings before interest, tax, and developer contributions (EBIT)	2,047	4,139	1,250	(797)	3,503
Less: Interest expense	89	23	89	-	27
Add: Developer contributions	279	82	350	71	134
Operating profit/(loss) before tax and dividend	2,237	4,198	1,511	(726)	3,610
Less: Income tax expense (c)	898	1,049	378	(520)	554
Less: Dividend (d)	910	-	1,103	193	-
Operating profit/(loss) after tax and dividend	429	3,149	30	(399)	3,056
Capital expenditure (e)	38,126	950	19,766	(18,360)	1,257
Borrowings taken (repaid) (f)	9,702	(198)	-	(9,702)	(195)
Net debt (f)	14,305	-	-	(14,305)	-

Net accrual to Government (\$'000s)

Income tax equivalent	898	1,049	378	(520)	554
Local Government rate equivalent	96	-	96	-	-
Dividends provided (d)	910	-	1,103	193	-
Operating subsidy (g)	(1,232)	-	(1,274)	(42)	-
Net accrual to Government	672	1,049	303	(369)	554

- a) Increased revenue forecast from higher interest earned on cash investments.
- b) Forecast direct operating expenditure increased due to reclassification of software expenditure from capital to operating, state wages policy impacts and depreciation expense recalculations.
- c) Actual to September income tax expense is higher than full year forecast due to timing of revenue collection.
- d) Dividend due in December quarter.
- e) Reduction in Asset Investment Program due to proposed deferral of BWRRS.
- f) Due to retained equity contributions, no further borrowings are forecast for 2022/23.
- g) Subsidy instalment due in 2nd and 4th quarters.

Key Performance Outcomes

	2022-23 Target	Actual to 30 Sept	2022-23 Projected	Projected Outcome
Outcome 1: Long term financial viability				
Economic Real Rate of Return % (a)	1.3%	3.3%	0.5%	
Outcome 2: Satisfied customers				
Overall customer satisfaction rating (Customer satisfaction survey)	85%	85%	85%	
Outcome 3: Local jobs and local suppliers				
Percentage of local suppliers (Buy Local Policy target)	70%	53%	70%	
Outcome 4: Highly skilled and diversified workforce				
Increase jobs by >2% per annum	>2%	0%	>2%	
Training expenditure per annum against wages and salaries	>3%	0.8%	>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	0.4	1.0	
Strong Communities Index	1.0	0.3	1.0	
Outcome 6: Safe, reliable, high-quality drinking water				
Customers agree water is safe to drink (Customer satisfaction survey) (b)	85%	81%	81%	
Microbiological compliance (%)	100%	100%	100%	
Average frequency of an unplanned interruption (per 1000 properties)	<250	156	<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	0.2	1.0	

(a) Below target due to increased expenses as detailed in the financial outcomes

(b) Customer Survey results were lower than previous years. Fluoride concerns may have impacted this result.

(c) Recycled water project under review.