

Busselton Water Corporation —

Mr R.S. Love, Chair.

Mr D.J. Kelly, Minister for Water.

Mr M. Rowe, Director General, Department of Water and Environmental Regulation.

Mr C. Elliott, Chief Executive Officer.

Ms D. Depiazz, Acting General Manager, Business Services.

Ms N. Arrowsmith, Chief of Staff.

Mr D. Morgan, Principal Policy Adviser.

Ms P. Pedelty, Senior Policy Adviser.

Ms A. Anderson, Senior Media Adviser.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day.

Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 29 September 2017.

I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

Time is very limited but there is one question from the member for Vasse.

Ms L. METTAM: In the minister's media release of 13 May 2017, he referred to advice from government that a transfer of water assets would cost between \$3 million and \$12 million. What makes up these costs?

Mr D.J. KELLY: There were a number of reasons we did not go ahead with that transfer of assets. We took a whole-of-government perspective.

Ms L. METTAM: I am just interested in what makes up the cost.

Mr D.J. KELLY: I understand that. A figure of between \$3 million and \$12 million was the best assessment that I have received on advice both from the then Department of Water and from Treasury. I might ask the director general of the Department of Water and Environmental Regulation whether he wants to make some comments on that figure.

Mr M. Rowe: Our role as the department was to provide advice to the government on a whole-of-government perspective. We were able to liaise with Busselton Water about its proposal as well as understand from the Water Corporation's perspective what the implications might be should the assets be transferred to it. Our best estimate is that the additional costs would relate potentially to the integration of the new businesses into Busselton Water's technical and business systems and things like telemetry, for example, which could be in the order of \$3 million. The balance of the \$9 million additional cost was the potential need for duplication of existing Water Corporation regional and statewide expertise and support services. In the first three years, the share of these costs that the Water Corporation allocates to the current schemes is \$9 million. It was our responsibility to look holistically at both sides of the equation and provide advice to government about any potential additional costs that Busselton Water may not have considered as part of its business case.

[10.30 am]

Ms L. METTAM: Does that include the loss to the operational subsidy of the Water Corporation—the fact that it would no longer be receiving that as a result of providing this service?

Mr D.J. KELLY: My understanding is that that is not included in that figure.

The CHAIR: I think we have to wind it up there. That completes the examination of the Busselton Water Corporation. Thank you very much.