

WATER CORPORATION — ASSET INVESTMENT PROGRAM

1917. Mr D.J. Kelly to the Minister for Water:

I refer to page 7 of the 2013–2014 Mid Year Review, and ask, can you please outline how the Water Corporation will achieve the budgeted \$259 million of savings from its Asset Investment Program across the forward estimates, including:

- (a) the name of the projects affected;
- (b) the funding allocated to each of these projects in the 2013–2014 Budget; and
- (c) the savings to be made from each project in 2013–2014, 2014–2015 and 2015–2016?

Ms M.J. Davies replied:

- (a) The \$259 million consists of the following components:

- Change in escalation rates (\$146 million)
- Capital efficiency initiatives (\$113 million)

Each of these components reduces the cost of all projects, without affecting the scope of what is being delivered.

- (b) These changes apply equally to all projects in the Asset Investment Program (AIP), the funding allocated to the AIP in the 2013–2014 State Budget was \$999.9 million.
- (c) The impact of these initiatives across the AIP for the forward estimates is shown below:

	2013/14 \$M	2014/15 \$M	2015/16 \$M
Change in escalation rates	\$16	\$31	\$44
Capital efficiency initiatives	\$0	\$38	\$37
Total	\$16	\$69	\$81