

WATER CORPORATION — WATER RATES

449. Mr D.J. KELLY to the Treasurer:

I refer to the budget papers that reveal that the surpluses in the years 2017–18 and 2018–19 rely on further increases in water charges of over 18 per cent. How does the Treasurer justify such massive increases in water charges when record numbers of Western Australians are already struggling to pay their water bills and the Water Corporation is making record profits?

Dr M.D. NAHAN replied:

In the forward estimates, a quite substantial return to surplus is forecast in 2018–19 to \$2.2 billion, if I remember correctly. This is largely due, of course, to the return of GST and efficiencies driven in the public sector. Water rates will go up, and will depend on whether they are for potable water or wastewater.

Mr D.J. Kelly: It is all 18 per cent, Treasurer.

Dr M.D. NAHAN: Again, I do not believe a thing the member says.

In the forward estimates, we are increasing water rates, and we are keeping those within 100 per cent of cost recovery—that is the policy. They will make a slim and small contribution to the revenue flow in that period. To say that the surplus is driven by that is almost hallucinatory. Just off the top of my head, the increases will contribute less than half a per cent to the growth in revenue. We have committed to a policy of full cost recovery for both potable water and wastewater in the metropolitan area. On top of that, which the member did not mention, are the very large and growing subsidies to rural water use, which are growing very rapidly and which dwarf the funds that we get from the Water Corporation altogether from the metropolitan area.