

WATER CORPORATION — FEES AND CHARGES

**149. Ms L.L. BAKER to the Minister for Water:**

I refer to the responsible financial management of the McGowan government that has allowed us to keep increases to household fees and charges at the lowest level in 13 years.

- (1) Can the minister outline to the house how the government is supporting households in being more water efficient and further lowering their water bills?
- (2) Could the minister advise the house whether he is aware of anyone making incorrect or misleading statements about household water fees and charges?

**Mr D.J. KELLY replied:**

(1)–(2) I thank the member for Maylands for her question.

Several members interjected.

**The SPEAKER:** Members, I want to hear this.

**Mr D.J. KELLY:** Just to recap for the house, the previous Liberal–National government put water bills up by 66.8 per cent, including by 28.3 per cent in its first year, which, as the Treasurer has indicated, coincided with much of the global financial crisis. We can compare that with the first three years of this government. There has been a 14.6 per cent increase in water bills, including an increase of only 2.5 per cent in last year’s budget, which is the lowest increase in over a decade. In addition to that, we have reduced by over 60 per cent the number of households that have had their water cut off for non-payment issues. Under the previous government, 2 500 households each year had their water reduced to a trickle because they could not pay their bills. We have now reduced that number by over 60 per cent because we are much more proactive in the way in which we deal with hardship cases.

Members may have heard the Leader of the Opposition on Friday. I will give a bit of context. Each year, the Bureau of Meteorology puts out a national performance report for urban water utilities. The “National Performance Report 2018–19: Urban Water Utilities” came out last week. The Leader of the Opposition jumped on Channel Nine and said that this report says that it costs \$547 to deliver the service—that is, water—to a Western Australian household, but households are paying \$1 547 for the service, so the government is overcharging by over \$1 000 per home. Of course, the report said nothing of the sort. According to the report, the typical household bill in Perth is \$1 547 a year and it says the operating cost of delivering the service to each home is \$547 per year. The Leader of the Opposition has subtracted one number from the other and got a thousand bucks and said, “You’re overcharging by a thousand bucks.” Of course, the Leader of the Opposition should know that the operating cost of providing water to a household does not include the capital cost of providing that service.

**Dr D.J. Honey** interjected.

**The SPEAKER:** Member for Cottesloe!

**Mr D.J. KELLY:** The operating cost is what it takes to run the service once it is built; the capital cost is what it takes to build the service. We do not get the desalination plants for free, we do not get the dams for free and we do not get the pipes for free. They are called capital costs. We have to include that in the cost.

**Mr A. Krsticevic** interjected.

**The SPEAKER:** Member for Carine, I heard you three times and no-one laughed. I call you to order.

**Mr D.J. KELLY:** If the Leader of the Opposition was also across the detail, she would know that the Water Corporation had other obligations put in place when the Water Corporations Act was passed by a previous Liberal government—for example, tax equivalents. The Water Corporation pays an equivalent tax rate to a private enterprise. All those things are costs that the Water Corporation is required to recover when it charges for water. The Leader of the Opposition was given two figures out of this report, subtracted one from the other and went on telly saying, “You’re overcharging people by \$1 000 a year per household.” Leader of the Opposition—wrong, wrong, wrong. She then went on to say on Channel Nine that the government chose to put water charges up by seven per cent when it knew it was already overcharging. Again, I have not seen a seven per cent increase in water charges any time recently.

**Mr B.S. Wyatt:** Not since the Libs were in power.

**Mr D.J. KELLY:** Not since the Libs were in power, the Treasurer correctly informs me. The Leader of the Opposition saw in the executive summary of this report that prices had gone up in Perth by 7.2 per cent. She clearly did not read the rest of the report, because the body of the report has a completely different figure—it says 3.9 per cent. When we saw that figure, we saw that the executive summary was clearly wrong, so we contacted BOM. Matthew Walker, BOM’s water reporting unit head, sent us an email dated 10 March, in which he says —

In the report, a typical residential bill for Western Australia utilities was erroneously reported in the Executive Summary as a 7.2% increase but should have been reported as 3.9% as per page 23 of the report.

Clearly, either the Leader of the Opposition deliberately misled the public or she just does not understand the details.

*Withdrawal of Remark*

**The SPEAKER:** Minister, you cannot say “deliberately misled”, so withdraw.

**Mr D.J. KELLY:** I am sorry, I thought I said “either”. She clearly —  
Several members interjected.

**Mr D.J. KELLY:** The opposition can tell us —

**The SPEAKER:** Minister, withdraw.

**Mr D.J. KELLY:** My apologies, Mr Speaker. I withdraw that remark.

*Questions without Notice Resumed*

**Mr D.J. KELLY:** I will let the Leader of the Opposition explain why she went on Channel Nine last week and gave some completely wrong information to the public. Did she simply not read the report? The only explanation I can see is that it was given to her by the opposition spokesperson for water.

**The SPEAKER:** Minister!

**Mr D.J. KELLY:** If the Leader of the Opposition is going to rely on information from the member for Cottesloe, she is in serious trouble.