

Busselton Water Corporation —

Mr I.C. Blayney, Chair.

Mr D.J. Kelly, Minister for Water.

Mr C. Elliott, Managing Director.

Ms N. Arrowsmith, Chief of Staff, Minister for Water.

[Witnesses introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available tomorrow. 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. The Chair will ensure that as many questions as possible are asked and that both questions and answers are short and to the point. If an adviser needs to answer from the lectern, will they please state their name prior to their answer.

The minister may agree to provide supplementary information to the committee, and I ask the minister to clearly indicate what supplementary information will be provided. I will then allocate a reference number. Supplementary information should be provided to the principal clerk by Friday, 30 October 2020. 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.

Dr D.J. HONEY: Minister, I refer to note 1, under “WA Recovery Plan”, where it states that Aqwest has supported customers by freezing water-related charges until 2021. Can the minister inform me on proposed increases in the forward estimates past the 2020–21 year?

Mr D.J. KELLY: As the member knows, increases are made on an annual basis in the budget process. So the decision on what the increase will be post next financial year will be made in the appropriate budget.

Dr D.J. HONEY: There is no particular proposal there. That is a clear answer.

Mr W.R. MARMION: Minister, when I was Minister for Water, Busselton Water had a few issues in terms of customers agreeing to putting chemicals in the water—chlorine and fluoridisation. Would the minister like to comment on whether the customers are happy with that water treatment process at the moment?

Mr D.J. KELLY: In general, I think the customers are very happy with Busselton Water. I think all the feedback I get when I visit Busselton is that the corporation is held in a very high regard. I have not had any representation from any constituents on that issue; not that I can remember, anyway. It might have been a controversial issue in the member for Nedlands’ time, but it has certainly not been raised with me during my time.

Mr W.R. MARMION: It was controversial because they did not have any fluoridation, but they do now. It was a controversial thing with a certain segment of the community, that they thought they wanted to have fresh water, so I imagine the community sentiment has changed.

Mr D.J. KELLY: That is right; it has not been raised with me as an issue. I am sure that when the member was the minister, he handled that controversy well.

Mrs L.M. O’MALLEY: Can the minister outline the successful implementation of health and safety measures within Busselton Water?

Mr D.J. KELLY: That is an excellent question. One of the things I have been very pleased with is the corporation’s determination to make its workplace as safe as possible. The corporation has recently been awarded platinum status in occupational health and safety. I will ask Mr Elliott to run us through the process that he went through in order to get the corporation on that journey and get to where it is.

Mr C. Elliott: Thank you. Yes, we are very proud of our safety performance. It has been 62 months since a lost-time injury occurred at Busselton Water, and that is a fantastic result for a water utility in our industry and sector. The secret to our success really has been continuous improvement. We identified safety as an essential centre piece of our forward strategy. It is good business; it is fundamental that we do not injure workers. We adopted the WA government WorkSafe framework. We self-audited for a few years and continuously improved. We finally got WorkSafe accredited auditors into the business in around 2016 and achieved a gold rating under the WorkSafe assessment criteria with scores across all the criteria in the high 70s. We continually improve further. In 2018 we scored in the high 80s, which reconfirmed gold accreditation, and just recently, for the 2020 audit, we have had a letter from the commissioner confirming that the audit result is in the 90s in scores, and that gives us the highest rating of platinum. We have only received a letter; we have not yet been presented with the platinum accreditation. We are looking forward to that.

Mr D.J. KELLY: Absolutely outstanding result, and I really want to commend management for taking it on, one, as an issue and, two, getting to where the corporation is at. An outstanding effort.

Dr D.J. HONEY: Just in relation to that, what is the all injury frequency rate for the corp?

Mr C. Elliott: It is zero.

Dr D.J. HONEY: So there are not lost-time injuries. What about the all injury frequency rate?

Mr C. Elliott: The all injury frequency rate is about 18.

Dr D.J. HONEY: So it is 18 per 200 000 working hours?

Mr D.J. KELLY: I am happy to let Mr Elliott answer that question, but I just remind the member that the question should come to me first.

Mr C. Elliott: Let me clarify that. The frequency rates are normally how many injuries per 100 000 man-hours, so the injury frequency rate for lost time injuries is zero. Given the size of our workforce, one injury of any kind per year equates to a frequency rate of about 20, and we are running at about one minor injury per year, close to 20 frequency rate.

Mr W.R. MARMION: I refer to page 774 and the “Asset Investment Program”. Note 2.2 refers to the ICT solutions. With water technology, telemetry information can be used and there is no need to even read the meters. I was just wondering how far the corporation’s ICT program has gone and how successful it is.

Mr C. Elliott: We are well advanced with intelligent water meters and meter reading. We have had radio frequency meters for about 10 years covering the whole customer base. That is unique. We read those meters through drive-by technology, and that has been a magnificent innovation because it saves the labour associated with regular meter reading. We also get more regular up-to-date information that helps detect leaks and provide advice to customers about water efficiency. It is an area where every water utility is striving to improve. We have been seeking to keep at the forefront of developments in this. We are staying very close to the technology. We have a range of trials running. We are testing new state-of-the-art digital meters in partnership with Telstra and other suppliers. We have had a range of trials over the years and they are continuing, and we are very excited about being able to eventually implement an intelligent water network with the best technology available.

Mr W.R. MARMION: What percentage of the network is on drive-by meter reading?

Mr D.J. KELLY: They all are.

Mr W.R. MARMION: The whole lot—100 per cent?

[7.10 pm]

Mr D.J. KELLY: Yes, that is right; they have been for 10 years.

Dr D.J. HONEY: Minister, what are the proposed tariff changes over the forward estimates?

Mr D.J. KELLY: I think the member has already asked me that question and I have already given him the answer.

Dr D.J. HONEY: No; the minister has not; he said year by year.

Mr D.J. KELLY: That is exactly what the answer is.

Dr D.J. HONEY: It is more than that. I asked about costs going forward, not tariffs, but that is okay.

Mr D.J. KELLY: The decision on prices are made each year in the budget process, as the member knows.

Dr D.J. HONEY: Cheers.

Mr W.R. MARMION: Just one on water monitoring, minister. Has the minister been involved in the testing for drugs or COVID in the water? Has that been part of the program this year for Busselton Water?

Mr C. Elliott: Is the member referring to testing with wastewater?

Mr W.R. MARMION: Yes.

Mr C. Elliott: Busselton Water does not have any wastewater services, so we are not involved.

Dr D.J. HONEY: I refer to page 774, point 2.5, the \$8.4 million for planned asset replacement and infrastructure upgrades. Is it possible to outline some detail on what those are, please?

Mr D.J. KELLY: Mr Elliott can deal with that.

Mr C. Elliott: A summary of the capital works investment, the asset program going forward, over the four years of estimates ahead of us, the bottom line is \$2.9 million, \$2.9 million, \$4.4 million, \$4.6 million, so it is a slightly increasing trend. I might add that, given the nature of our business, we are a one-town water supply and we have a bore field of eight bores and we have three treatment plants and a distribution network. Most of our program is just lots and lots of small projects. In the 2020–21 program, the figure is \$2.9 million. There are six categories and they relate to building land and land improvements; ICT, as has been mentioned already; new connections for new meters; water mains and services; plant and mobile plant et cetera; and water treatment plants. Water treatment plants is the biggest sub-program and the figure for 2020–21 is \$1.7 million. That follows through the four years, as similar numbers for the four years. If we broke that \$1.7 million in 2020–21 down, the biggest single project is \$416 000 in the current year for variable speed pumps or drives across all our system, so that we are targeting improved efficiency. I could go on with some other smaller projects, but that gives the flavour.

Dr D.J. HONEY: No, I was mainly interested in if there were any major lumpy projects. I assume the minister would be expecting a reduction in power charges for the corporation with the variable speed drives going in? Is there an estimate of the saving on energy?

Mr D.J. KELLY: The corporation has actually been doing a lot on renewable energy, so it has been actively trying to reduce their power bill—solar panels and the like—but I do not have a figure for the projection over the next period.

Dr D.J. HONEY: This was about the variable speed drives reducing cost.

Mr C. Elliott: We have done the numbers. There will be a payback over time because the energy levels to maintain water pressures can be lowered. The variable speed drivers are going in this year. Within the forward estimates we are seeing a progressive improvement in the energy efficiency per kilolitre, and that is reflecting the gains we expect from variable speed drives combined with solar energy improvement. We are getting paybacks on those projects. I know the solar energy ones had a three and a half to four-year payback. Until we see the performance from the variable speed drives, we cannot be certain of the payback period, but we are monitoring that very closely. To give a feel for the scale, energy is quite a big cost item for Busselton Water. It is very flat, as most people know, and there are no hills. All the tanks are flat on the ground, so water is delivered to customers under pressure. Our energy bill is towards \$1 million in our total cost structure, so we are looking for savings in the order of \$50 000 to \$100 000 over time.

Dr D.J. HONEY: Minister, how much water does Busselton Water sell to other corporations or other towns outside of its normal retail customers?

Mr D.J. KELLY: Does the member mean other corporations?

Dr D.J. HONEY: Yes.

Mr D.J. KELLY: Yes, it does supply some. Chris might have a figure.

Mr C. Elliott: Busselton Water has a commercial agreement with Water Corporation to top up supplies to Dunsborough. Dunsborough is a neighbouring town to Busselton, and Water Corp runs the scheme for Dunsborough. The volume of water, if that helps, is in the order of 0.3 gegalitres per year. I think the existing source for Water Corporation at Dunsborough is in the order of 1.5 gegalitres, and that is the base supply for Dunsborough. As Dunsborough grows, I think it is using 1.8 or 1.9 gegalitres now, and the Busselton Water scheme is making up the growth. It is in the order of 0.3 gegalitres and growing.

Dr D.J. HONEY: What capacity does Busselton Water have to abstract and sell more water? What would be the limit of the capacity of Busselton Water to provide additional water to other users?

Mr D.J. KELLY: It all depends on the growth in Busselton itself. Busselton is one of the fastest growing areas of the state, so Busselton has an existing water licence for eight gegalitres. The advice is that that is sufficient for the foreseeable future to meet Busselton Water's requirements, as that will obviously come first. If the Water Corporation is looking for other water, it will consider every available source, and if it is commercially appropriate, it would purchase it from another corporation. But it is a bit of a crystal ball exercise. It all depends on population demand. It depends on obviously how hot it is. Places like Dunsborough and Busselton are highly seasonal towns; the population goes from zero to 100 in summer. It all depends on the weather, population growth and all those sorts of things, so it is a bit hard to give a hard figure.

Dr D.J. HONEY: What is the current water consumption in Busselton in gegalitres?

Mr D.J. KELLY: Per person?

Dr D.J. HONEY: No, total.

Mr D.J. KELLY: Total.

Dr D.J. HONEY: There is an eight-gegalitre licence, so I wonder how much of that is used.

Mr C. Elliott: We are currently using just over five gegalitres of an allocation of around eight gegalitres, and the five gegalitres is supplying Busselton, as well as the 0.3 gegalitres for Dunsborough. Another relevant fact is, as suggested by the minister, that there is more water in the groundwater system down in Busselton. We are fortunate. There is a public drinking water reserve, so as Busselton and Dunsborough grow, there is quite a good reserve backing us up for the future.

Dr D.J. HONEY: The Department of Water and Environmental Regulation—I know this is another hat of the minister—has been reviewing groundwater licences in light of a drying climate and looking at a reduction in the number of licences. Is the eight gegalitres for Busselton under threat of reduction or is that seen to be a sustainable long-term take?

Mr D.J. KELLY: I am not aware of any prospect of that being reduced, but the member can ask me that under the DWER segment if he likes. No, I have no advice in that regard.

Dr D.J. HONEY: Obviously, in Wanneroo there are changes.

The CHAIR: That completes the examination of the Busselton Water Corporation.
[7.20 pm]