

WATER CORPORATION — AUDITOR GENERAL'S REPORT

21. Mr D.J. KELLY to the Minister for Water:

I refer to the report released by the Auditor General today that shows that the Water Corporation lost 43 billion litres of water in 2012–13. The report also states that the scale of the water loss will diminish its credibility as an advocate of water saving amongst its customers.

- (1) Why has the minister's government ripped over \$350 million from the asset investment program for the Water Corporation?
- (2) Why did the government spend \$1.5 million on its Fresh Water Thinking campaign asking customers to save water when the Water Corporation itself is losing so much water?
- (3) How much will people's water bills increase due to the government's refusal to adequately manage its own agency?

Ms M.J. DAVIES replied:

- (1)–(3) I thank the member for the question. There are a couple of issues in there. Obviously, we have seen the report from the Auditor General handed down today, and we have had a short opportunity to go through it. Our view at the moment is that it is generally positive, but with some constructive recommendations. As always, we welcome the interest of the Auditor General in our business. There is no doubt that the people of Western Australia have every right to understand that we are managing a very precious resource effectively and efficiently. The Water Corporation and its business are incredibly complex. It delivers over 350 billion litres of high-quality drinking water across a very large area. In fact, it is one of the biggest areas in terms of its spread; it is over more than 2.5 million square kilometres. We operate over 33 000 kilometres of water mains, and that is in addition to the sewer mains, the wastewater treatment plants and the wastewater pumps. It is a complex business. When we look at what the Auditor General has made recommendations around, we see that it is generally positive. There are some constructive recommendations.

Several members interjected.

The SPEAKER: Member for West Swan, I call you to order for the first time. I ask you, the member for Cannington and the member for Warnbro to stop continually making snide comments amongst yourselves while people are speaking. It does not escape my attention.

Ms M.J. DAVIES: Thank you, Mr Speaker.

I think we have a good track record. I am pleased to note that the Auditor General acknowledged in the report, despite the high-profile burst we had in Wellington Street last year, that our overall rate of leaks and breaks is the lowest when compared with 10 other water utilities that are approximately the same. We are always within the operating licence that we operate under and we comply with those standards and have done so for the past five years at least.

The member spoke about the fact that we ripped funding out of the asset investment program. I am assuming that he is referring to the numbers in the midyear review. I can state today that there have absolutely not been any cancellations or deferrals of programs in our maintenance or operation programs. The same programs will be delivered at a reduced cost. This government is about finding efficiencies within the budgets that we already have; we are delivering the same projects. There are three factors that influence the numbers that have come through the midyear review that the member was referring to. It is about the rate of inflation when the budget was first devised and those rates of inflation are now lower. We have also seen some changes in the economy, which means we found some efficiencies in the contractors and the suppliers that we will be utilising over the forward estimates. Again, I put on record that the Water Corporation is consistently looking to find efficiencies.

Several members interjected.

The SPEAKER: Members!

Ms M.J. DAVIES: They are clearly not interested in the answer.

What I am trying to impress is that the Water Corporation is constantly looking for efficiencies with its own organisation so that it can deliver better value for money to the taxpayers. I am 100 per cent behind the Fresh Water Thinking campaign; it is absolutely right and proper that we encourage people in the drying Western Australian climate to work towards reducing our use in our households and industry. There are some comments in the Auditor General's report about improving our rate of leaks and bursts. I am told the Water Corporation has made an increase in its asset investment program from \$9 million up to \$44 million a year. Therefore, we have already started to address some of the issues that have been identified in that report. I am very confident that we

will be able to work constructively through those recommendations and that we will be able to meet the time lines that the Auditor General suggested in his recommendations.