

WATER CORPORATION — 2015 ANNUAL REPORT

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

On behalf of the member for Mandurah, I would like to acknowledge president of the Mandurah RSL Dave Mabbs who is in the Speaker's gallery today with other members of the committee. Welcome.

I refer to the Water Corporation's 2015 annual report that shows a net payment to government of \$335 million for 2014–15, which is \$90 million higher than the previous year and more than double what it was in 2012.

- (1) How can the minister justify water price increases to consumers of more than the rate of inflation each year since her government was elected?
- (2) Does this record payment to government not show that the government's water price increases of more than 60 per cent since 2008 have been all about revenue raising rather than recovering costs?

Ms M.J. DAVIES replied:

I thank the member for the question.

- (1)–(2) The Water Corporation's annual report was tabled in this house today, and the figures the member referred to are for the 2014–15 financial year. It shows that the Water Corporation delivered a net accrual to government of \$335 million. That was slightly higher than we expected, and there are a number of reasons this has occurred. In that period we had a record high of developer contributions. We have also, as members have heard me speak about in this house, an ongoing task for the Water Corporation board and management to drive efficiencies to ensure that we are delivering the best outcome for taxpayers. In that period we also had a more competitive construction market, so some of our contracts came in under what was expected.

The member did not talk about the fact that we as a state government deliver \$573 million worth of operating subsidies back into the Water Corporation to ensure that regional and metropolitan households pay the same rates, that we support our concession card holders and that we provide for and support our pensioners. Can I just point out that the member opposite is saying that this is a cash grab; I have heard him say that outside this house. The Water Corporation is one of 16 public corporations that deliver six per cent of the state government's revenue. It is one of 16 within that six per cent total budget. It is a small proportion of the state government's revenue. The net accrual to government is \$335 million, and the member understands and knows very well, because we have this conversation in the house every time an annual report is tabled, that that funding goes back in to delivering hospitals, teachers, police, housing and roads. It is invested back into this state government and taxpayers for the benefit of Western Australians.