

WATER CORPORATION — FEES AND CHARGES — WASTEWATER

**286. Dr D.J. HONEY to the Minister for Water:**

Can the minister confirm that the Water Corporation's level of cost recovery for wastewater is nearly double the true cost of recovery at 186 per cent, which equates to a \$400 million tax grab in 2018–19?

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

It is nice to have the member for Cottesloe in the house. I did not get any questions on water before the member arrived. He may be surprised to know that as the preselection process for his seat developed, he had a lot of supporters on this side of the house. It is nice to have him here. He was not quite going to be Labor's man in Cottesloe, but he is the next best thing!

The member asked about cost recovery for Water Corporation for sewerage. I presume he is talking about in the metropolitan area.

**Dr D.J. Honey:** Yes.

**Mr D.J. KELLY:** The member did not say that, but I presumed as much because the figure he gave was for the metropolitan area. If he had given the figure for the country area, it would have been substantially different because, according to the Economic Regulation Authority figures, the Water Corporation over-recovers in metro areas and substantially under-recovers in country areas. If members look at the whole of the Water Corporation's operations, they will see there is no over-recovery across metropolitan and country —

**Mr D.C. Nalder:** Yes, there is.

**Mr D.J. KELLY:** Just listen; just listen!

This position, and the figures that the member has given, are remarkably similar to the figures that existed throughout the eight years of the former government. They are remarkably similar. If members opposite are going to complain about over-recovery in the metropolitan area and ignore the under-recovery in country areas, are they now saying that the Liberal Party is moving away from the longstanding policy of subsidising regional water services? Is that what the Liberal Party is now saying?

Several members interjected.

**The SPEAKER:** Members, there is a wall of noise!

**Mr D.J. KELLY:** If the Liberal opposition does not want us to subsidise water services in regional areas, it should just tell us, because that would be a major change to what for a long time has been a bipartisan position in this place. Members of the National Party are quickly consulting their phones and looking at their feet because they do not want to be seen to be part of what would be that side of the house moving away from supporting the Labor Party's position of subsidising water services —

Several members interjected.

**The SPEAKER:** Members!

**Mr D.J. KELLY:** This would be a much shorter answer if members would let me get through it. The cost-recovery position on water is very similar to the cost-recovery position that existed throughout the eight and a half years of the previous government. If the Liberal opposition wants to move away from a policy of subsidising water service prices in regional areas, it should just let us know. We will be more than happy to talk to people in regional areas about that major policy shift!