

WATER CORPORATION — FEES AND CHARGES

252. Dr D.J. HONEY to the Minister for Water:

I refer to the latest Economic Regulation Authority report into the efficient costs and tariffs of the Water Corporation, which determined that the Water Corporation is recovering \$338 million, or 26 per cent more than it costs to supply.

- (1) Can the minister confirm he is over-recovering around \$400 per year per household for water and wastewater charges to the tune of \$684 million in 2018–19?
- (2) Can he also please outline to the house where the Water Corporation's governing legislation has taxing powers?
- (3) If no to (2), can he undertake to provide to the house advice on what legal basis the McGowan government is taxing the good people of Western Australia?

Mr D.J. KELLY replied:

- (1)–(3) I thank the member for his question. I welcome him to the house and to the portfolio. I am sure he will do a splendid job at adding to the diverse range of views represented on the other side of the chamber. He is a new sibling for the member for Scarborough. I welcome the member and his first question.

This issue of the Economic Regulation Authority's view of charges made by the Water Corporation is not new. I think it was in 2012 that the ERA handed down a similar report commissioned by the then Treasurer. It made similar findings and recommendations about the pricing structure of the Water Corporation. It made a range of recommendations around wastewater. One of the recommendations it made was that we move away from charging on the basis of gross rental value and, instead, charge a flat rate for all customers. The effect of that would be—I am sorry to say it; I do not want to pick on the member—that people who live in the Cottesloe electorate would have received a significant reduction in their wastewater charges. People in less affluent suburbs, some represented by people on this side of the house, would have seen a significant increase. It also recommended that we significantly reduce the subsidy for country customers. The previous government did not go anywhere near that suite of recommendations. I think the member for Warren–Blackwood was the minister at the time.

Roll it forward: under eight years of the previous government, it did not touch that range of recommendations from the ERA. The last Treasurer in the last government asked the ERA to do a similar inquiry. Unsurprisingly, it came out with a similar, if not quite identical, suite of recommendations. Some of those have the same unfair impact on customers in Western Australia. The member cannot cherry-pick; he cannot pick and choose. Like the previous government, we will consider the views of the ERA in making our pricing decisions. Ultimately, the member will hear about them in the budget, which he will hear about very shortly. I thank the member very much for the question. Unfortunately the member will learn that when he comes to this place, the party he is a member of has a history and every issue has a history.