

STATE BUDGET, WATER RESOURCES, FUNDING ALLOCATION

178. Mr P.D. Omodei to the Minister assisting the Minister for Minister Assisting the Minister for Water Resources

I refer the Minister to pages 388 and 389 of the 2005-2006 State Budget and ask -

- (a) will the Minister provide a breakdown of the \$79.7 million allocated to water sources as part of the New Work for Water Programs allocation;
- (b) will the Minister provide a breakdown of the \$407.1 million estimated cost of water sources as part of the New Work for Water Programs;
- (c) will the Minister provide a breakdown of the \$178 million estimated cost of capital support costs as part of the New Work for Capital Overheads Support Programs;
- (d) will the minister provide a breakdown of the \$358.5 million estimated total cost of the South West Yarragadee program;
- (e) will the Minister provide details of where the \$396,005 million in borrowings for the capital works program will be sourced from; and
- (f) will the Minister provide details on the interest cost associated with the \$396,005 million in borrowings for the capital works program?

Mr J.C. KOBELKE replied:

- (a) Yes. [See paper 692.] These allocations are reviewed for optimal scope, quality and timing as part of the Corporation's gateway approval process and the attached allocations may change.
- (b) The estimate of \$407.1 million includes \$79.7 million for 2005-2006 as detailed in answer (a) above. The remaining \$327.4 million relates to an estimate for the development of future water sources during the period 2009-2010 to 2014-2015 to meet growth and climate change as part of the Water Corporation's Source Development Plan.
- (c) The \$178 million for the Capital Overheads Support program is a notional estimate of the support costs to deliver the Water Corporation's Capital Program over the next ten years, with \$16 million allocated for 2005-2006. These costs include activities such as program management, procurement management and project co-ordination, with the major component being salary costs.
- (d) The breakdown of the costs for \$358.5 million South West Yarragadee Program at the time of the Water Corporation's capital submission was:

Project	\$M
South West Yarragadee Main Trunk	184.4
Whicher Borefield Collect Mains and Power	87.4
Whicher Water Treatment Plant, Pump Station and Tank	41.5
Tamworth Pump Station upgrade	16.0
Tamworth Reservoir to Mundijong Trunk Main	6.0
Ravenswood Transfer Pump Station	16.0
South West Yarragadee Scheme SCADA	2.5
South West Yarragadee Definition and Investigation Study	4.7
Total	358.5
- (e) All the Water Corporation's borrowings are from the Western Australian Treasury Corporation.
- (f) The current average interest rate is 5.87%. Interest rates may fluctuate marginally between now and when the funds are borrowed. Based on the current rate, the full year interest impact of \$396 million new borrowings would be \$23 million.