

GOLDFIELDS WATER SUPPLIES

771. Hon MURRAY CRIDDLE to the Minister for Government Enterprises:

Given that the current Labor Minister for the Environment, Hon Judy Edwards, said publicly in Kalgoorlie-Boulder, prior to the last election when she was shadow Minister for Water Resources, that too many reports had been done on bringing a new water source to the goldfields and that a future Labor Government would just get on and do it, I ask -

- (1) Why has the Labor Party not got on and done it?
- (2) Does the Labor Party intend to provide an alternative water source to the goldfields, or was Hon Judy Edwards just blatantly canvassing votes at the last election and not intending to provide one for the people of the goldfields?

Hon NICK GRIFFITHS replied:

I think some of my colleagues are looking forward to asking a question, but I do not mind answering questions. I thank Hon Murray Criddle for some notice of this question, as it is a very important issue. I think the people of Kalgoorlie-Boulder are very much aware of what this Government is doing on this issue and of the interest I have had in this issue. I will provide the member with the full answer that he wishes to have. I am not aware of comments made by Hon Judy Edwards when she was shadow Minister for Water Resources. However, I provide the following information on the Government's efforts to progress an alternative supply of water to the goldfields.

- (1)-(2) Soon after taking office in 2001, the Government called for expressions of interest for the provision of a sustainable water supply to the goldfields-Esperance region, which led to the development of the draft goldfields-Esperance water supply strategy.

In February 2003, as part of the state water strategy, the Government reviewed the feasibility of an alternative fresh water supply to the goldfields industry. A group comprising representatives from the Office of Water Regulation, the Water Corporation and United Utilities Australia Pty Ltd was established to furnish the Government with advice on the viability of the scheme. After ascertaining future demand and assessing the price users would be required to pay for the water, the proposed project was deferred until such time as increased demand or advances in technology reduced the per kilolitre cost of providing alternative supplies. The group agreed that even under the most optimistic of scenarios the project would prove viable only if taxpayers subsidised the scheme by between \$155 million and \$ 226 million over a 25-year period. Since then, however, United Utilities has worked hard to establish demand for the project, and at a recent meeting with Premier Geoff Gallop and me, United Utilities' chairman, Hon Nick Greiner, indicated that substantial commitments to take water had now been received from a number of goldfields companies.

The Government, at the request of United Utilities, has now sought the advice of the Economic Regulation Authority to establish a price at which bulk drinking water from the project could be purchased by the Water Corporation for sale and distribution to its customers in the goldfields region without increasing the level of community service obligation payments by the Government.

There is no doubt that if this project were to proceed, it would contribute significantly to the economic expansion of the goldfields-Esperance region, provide a cost-effective alternative water supply to Kalgoorlie and help to free up water from other users served by the integrated water supply scheme. I assure the people of Kalgoorlie-Boulder and the goldfields-Esperance region in general that if this project has the capacity to go ahead, it has my full support.