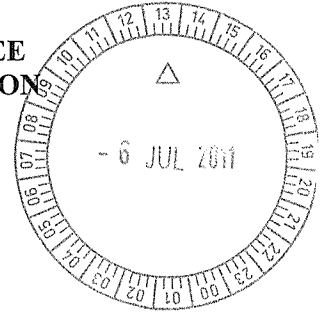


**PUBLIC**

**ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE  
QUESTIONS ON NOTICE SUPPLEMENTARY INFORMATION**



**Thursday, 16 June 2011**

**Water Corporation**

*Questions No. 1-15: Hon L. Ravlich asked –*

***Savings in Agency Staff and Programs***

1. *What targeted savings in agency programs will be made in the out years?*
2. *What specific programs will be cut in 2011-2012?*
3. *What targeted savings will be achieved by the agency through the new round of voluntary separations?*
4. *How many cuts to agency programs will that mean since September 2008?*
5. *How many additional FTE will be cut through -*
  - 5.1 *Voluntary severance*
  - 5.2 *Involuntary severance*
6. *What will this bring the total cuts to in each of the above categories since September 2008?*

***Strategic Review***

7. *Has there been a strategic review of the agency's activities to ensure that the activities and service delivery is aligned with the Government's priorities?*
8. *If yes to (7), when was it conducted and by who?*
9. *Can the review be provided to the Committee and if not why not?*

***Value for Money Review***

10. *Has there been a value for money review of the agency to determine the efficiency of agencies' service delivery and the effectiveness of the outcomes achieved?*
11. *If yes to (10), when was it conducted and by who?*
12. *Can the review be provide to the committee and if not why not?*

***Cost and Demand Models***

*13. Has the agency developed cost and demand models to strengthen the budget process to develop a more in-depth understanding of the cost and demand drivers in key service delivery areas?*

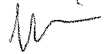
*14. If yes to (13), when was it conducted and by who?*

*15. Can the review be provided to the Committee and if not why not?*

Answer:

1 - 15. Not applicable

The Water Corporation is not part of the Public Service and therefore cannot respond to these questions.



**ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE  
QUESTIONS ON NOTICE SUPPLEMENTARY INFORMATION**

**Thursday, 16 June 2011**

**Water Corporation**

*Questions No. 16: Hon S. Talbot asked –*

***Page 877, Line item title “Total Cost of Asset Investment Program”***

*The estimated expenditure for 08-09 was \$1.7 billion on capital works. This has been reduced each budget under your Government, now standing at \$860.7 million for 11-12. Given the dire circumstances facing WA for the future supply of water, how can you justify these cuts?*

**Answer:**

- The May 2008 State Budget capital works program for the financial year 2008/2009 was \$1.098 billion not \$1.7 billion.
- Government applied a 14% cut to capital works in response to the Global Financial Crisis as part of the May 2009 Budget process. These cuts were applied to the Water Corporation’s forward estimates on the understanding that the reduction was in accordance with a forecast reduced level of growth, and that funding would be returned in the event that this reduced growth did not materialise. The subsequent resumption in growth has resulted in an increase in the Corporation’s budgets for the forward estimates period to levels in excess of those previously budgeted in the May 2008 Budget process.
- The construction of the Southern Seawater Desalination Plant created a ‘peak’ in the Water Corporation’s Capital Budget. This peak was evident in the Budget of May 2008 (although the peak was initially expected in 2008/09 and 2009/10, as shown below). The figures quoted showing the Corporation’s Budget reducing from \$1.025 billion in 2010/11 to \$860.7 million do not reflect a ‘slashing’ of the Corporation’s capital works budget, but rather reflect the end of a period of peak activity that included the construction of the SSDP.
- A year-by-year comparison reveals that in May 2008 the Water Corporation’s Budget for 2010/2011 was \$887.0 million. Under the present Government, the Budget for 2010/2011 is \$1,025.4 million. The present Government Budget for 2010/2011 is a billion dollar budget and is \$138.4 million dollars greater than the previous Government allocated for the 2010/2011 financial year in the May 2008 Budget.
- The Budget allocated in May 2008 for the 2011/2012 Financial Year was \$790.7 million. The present Government’s May 2011 Budget has increased funding for the 2011/2012 financial year to \$860.7 million. This represents \$70.0 million dollars of additional capital expenditure for the 2011/2012 financial year.

	<b>Forward Estimates \$M</b>	<b>2008-09 \$M</b>	<b>2009-10 \$M</b>	<b>2010-11 \$M</b>	<b>2011-12 \$M</b>	<b>2012-13 \$M</b>	<b>2013-14 \$M</b>	<b>2014-15 \$M</b>
May-08	\$ 4,026.7	\$ 1,098.5	\$ 1,250.5	\$ 887.0	\$ 790.7			
May-09	\$ 3,529.8		\$ 1,132.1	\$ 805.6	\$ 684.4	\$ 907.8		
May-10	\$ 3,409.6			\$ 1,025.4	\$ 679.2	\$ 833.9	\$ 871.1	
May-11	\$ 3,609.4				\$ 860.7	\$ 967.6	\$ 892.3	\$ 888.8



**ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE  
QUESTIONS ON NOTICE SUPPLEMENTARY INFORMATION**

**Thursday, 16 June 2011**

**Water Corporation**

*Questions No. 17: Hon S. Talbot asked –*

***Page 877, Line item title “Total Cost of Asset Investment Program”***

*Where are the new programs going forward? All the capital works listed on page 876 have been there for years, where is the investment from the Liberal-National Government?*

Answer:

Programs of works such as Country Wastewater Treatment and Conveyance, Metropolitan Wastewater Treatment and Conveyance, Country Water Sources and Distribution, and Metropolitan Water Sources and Distribution are continuous programs of works.

There are too many projects to itemise for the period 2009/2010 to 2012/2013. At any one time, there are over 2,500 individual projects of various scale, location and cost in the four-year forward estimates.

The bundled programs of works vary as a flexible response to business risk and customer needs.



**ESTIMATES AND FINANCIAL OPERATIONS COMMITTEE  
QUESTIONS ON NOTICE SUPPLEMENTARY INFORMATION**

**Thursday, 16 June 2011**

**Water Corporation**

*Questions No. 18: Hon A. Farina asked –*

*18 I refer to page 876 Total Appropriations and ask -*

*18.1 What if any of this funding has been allocated to provide sewerage connection in the South West region in 2011/12?*

*18.2 Where in the South West is sewerage connection being provided and what is the funding allocation for each location?*

Answer:

18.1 - Approximately \$13.1 million in 2011/12 has been allocated for infill sewerage in the South West Region.

18.2 - The funding allocation for each location in the South West is as follows:

- Bunbury - \$7.1 million
- Bridgetown - \$6.0 million

