

BUSSELTON WATER BOARD (SUPPLY OF WATER TO DUNSBOROUGH) BILL 2009

Second Reading

Resumed from 21 October.

HON SALLY TALBOT (South West) [5.58 pm]: The Labor Party will be supporting this bill. I have made comments in this place about the fact that, as a house of review, we need to look at every clause of every bill that comes before us very carefully to ensure that, firstly, it is doing what was expressed in its intent, and, secondly, that it does it in the most effective way. We have another bill before us at the moment that, as my good comrade the member for Mandurah said in the other place, is a dead stinking cat of a bill. That is the Waste Avoidance and Resource Recovery Amendment Bill. As I told the house, we are taking a considerable amount of time to go through that bill line by line. This bill is not like that at all. As Labor's lead speaker on this bill, I am very happy to indicate that we will be supporting it. I doubt that I will need to go beyond six o'clock to make my comments.

Basically, this bill is about the fact that the area south of Dunsborough to about Prevelly is running out of water. I understand from the excellent briefing that I received from Mr John Roberts from the Department of Water that this does not literally mean that Dunsborough is running out of water. It means that we do not have the infrastructure to provide enough water for the Dunsborough area. A couple of alternatives were looked at. I understand that these deliberations started when Hon John Kobelke was the responsible minister. One solution was to spend money upgrading the infrastructure, which I am told would have cost in the region of \$31.5 million. That would have involved refurbishing pipelines and building extra capacity into the system. The second alternative was to change the boundaries so that the boundaries that the Busselton Water Board works with at the moment would be extended to cover the area around Dunsborough and south of Dunsborough that does not have the capacity. Both of those alternatives were rejected in favour of this quite small, straightforward amendment bill that we look at tonight. I can understand why those decisions were made. This measure seems to be the most straightforward way of making the change.

I understand that there are only two water boards in Western Australia—the Bunbury Water Board and Busselton Water.

Sitting suspended from 6.00 to 7.30 pm

Hon SALLY TALBOT: Before we got up for dinner I was making my opening remarks, which were virtually also my closing remarks, on this bill. I noted that there are only two water boards in Western Australia—Busselton Water and the Bunbury Water Board, Aqwest. The Busselton Water Board is the one that is the subject of this bill. Virtually all the rest of the state is under the authority of the Water Corporation, with the exception of a few private providers here and there. I know some of the good folk at Busselton Water, all of whom are community members, and Busselton Water has not, I suspect through some quite careful planning, drawn all its allocation. Its allocation comes largely from the Yarragadee aquifer, and it has drawn only 52 per cent of that allocation. It also has a licence to draw from the Leederville aquifer; its draw from that is only one per cent of its allocation, so it has plenty of spare capacity.

As I was saying before dinner, the alternatives that were looked at in the preparation of this bill included the expenditure of approximately \$31.5 million on upgrading infrastructure, and changing the boundaries between the Water Corporation's area and Busselton Water's area. This bill represents a reasonable compromise between those two options; it at least defers very significant government capital expenditure for probably a couple of decades, and it solves the problem at hand. I am not entirely sure why a surplus has accrued in Busselton, but as I say, I suspect it is because the Busselton planners have always known that there would be a significant population expansion there and perhaps made some provision for that, which has resulted in the surplus. On the other side of the ledger is the fact that the area from Dunsborough down the cape to Prevelly has grown very, very fast. That is why there is simply no longer the capacity to properly service that area with water.

This bill has been brought on very suddenly, but I understand that it is not an urgent bill in the true sense of the word; if I am wrong about that, I will stand corrected. I understand that although Dunsborough goes very close every summer to reaching its capacity drawdown, there will be no problem this summer and indeed, even if we passed this bill tonight, the work will not commence until later next year and the new provisions will not come into effect until the summer of 2010-11. We know that this bill has been around for a while and I suppose that is why we are dealing with it now. As Hon Peter Foss used to say, it is a "roughage" bill—we are introducing some things into the system to get the system moving. The opposition is happy to contemplate the bill on that basis.

I will make one further point. We are on the cusp of a very significant conceptual change in the way that we use water. The National Water Initiative will certainly have an effect and make demands on the state governments and their authorities about the ways in which they plan for water. The Department of Water document "South

West groundwater areas allocation plan” is extremely thorough and very informative. I am told that the new provisions of the National Water Initiative will result in the production of many more such documents, providing the same degree of detail, and that is something the opposition welcomes.

The big conceptual changes are about the treatment of water as a property in its own right with its own rights accruing to it, and the whole concept of water trading. I am told that none of those provisions will negate the provisions in this bill, but I would like it to be noted that the opposition looks forward to seeing some of the specific measures associated with the National Water Initiative brought forward, and we also look forward to giving them some scrutiny in this house. I suspect that that is when we will get the chance to talk about how to make the transition from the current system, under which we rely on water licences, to the system that will be in place under the National Water Initiative, under which we will be talking more in terms of water access entitlements and a trading regime.

My final comment is that this is clearly a move that will save the government a significant amount of money. It would have cost approximately \$31.5 million to upgrade the infrastructure to provide water for Dunsborough under the existing arrangements, compared with just over \$2 million under these provisions, which will be entirely met by the Water Corporation, although a proportion of it will be carried out by Busselton Water. There is obviously a significant cost saving there for the government. I had hoped that there would be some indication that some of that saving might be put into reintroducing some of the infill sewerage programs that were cancelled as part of this government’s budget measures. When the Minister for Water changed his mind about putting deep infill sewerage back into the area around Cockburn, I had hoped he might be looking at some other problematic areas. The one that I would have liked to have been included is Murray Bend. We have spent some time in this house, today and other days, talking about the water quality of some of our rivers and estuaries. I can tell members without a shadow of a doubt that the water quality of the Murray River between Pinjarra and Mandurah is being very seriously impacted on by the 60 or so dwellings that now exist at Murray Bend where sewerage is, in some cases, running straight into the Murray River. I would have thought that that is an area that we should look at addressing with the cost savings that the government is making through these measures.

HON COL HOLT (South West) [7.38 pm]: The National Party will support the Busselton Water Board (Supply of Water to Dunsborough) Bill 2009. We are very conscious of the fact that water will be an important asset for Western Australia going forward, and we are always looking at ways of creatively solving local water issues. What has been done to address the Dunsborough issue is a nice way of doing things, and it is good to see that it is actually saving the government money. It is a nice, efficient use of funds to solve this issue. Although people think of the south west as a wet area of the state, I can tell members that the south west faces the same water resource issues as those faced in any other area of the state. The fact that it is a growing region puts added pressure on this finite resource. It is great that the government is saving money, and obviously it can spend that money on other priorities. I agree with Hon Sally Talbot that the infill sewerage program is one such priority. There are some vital issues in the south west to do with that program, and I am sure that they will be on the government’s priority list when it reviews the infill sewerage program. The National Party supports this bill.

HON ALISON XAMON (East Metropolitan) [7.41 pm]: The Greens (WA) will support the Busselton Water Board (Supply of Water to Dunsborough) Bill 2009. We recognise that it is a necessary measure to deal with the increasing population in the south west. We also recognise that it is a cheaper alternative to the Water Corporation drilling even more bores in Dunsborough. As a stopgap measure for dealing with a shortage of water, it is an elegant solution. We are conscious of the fact that the pipeline route that will be required is yet to be determined. We are aware that the pipeline route will need to undergo an environmental impact assessment to take into account acid sulphate soils and biodiversity issues such as the habitat of the western ring-tailed possum. We are quite sure that the Water Corporation will be aware of its obligations in this area, and we trust that this will not be too much of an issue. We are also aware that this project potentially puts increased pressure on the drawing of water from the south west Yarragadee aquifer, although the current allocation has not been used. We are hoping that this will not be the thin end of the wedge of further pressure being put on the Yarragadee aquifer.

The passage of this bill has really highlighted the need for the water resources legislation to be brought forward. We are concerned to make sure that these sorts of measures will not be implemented in an ad hoc way while we are waiting for that long-term sustainable vision for our water future to be put forward. We have been waiting a while for the water resources legislation to be introduced, and it appears we will be waiting some more, and we do not want to see a proliferation of these sorts of measures. We are looking forward to seeing the long-term environmentally sustainable plan for our water future, particularly for the metropolitan area and the south west. We urge the government to prioritise this. As I stated at the outset, as an interim measure, the Greens are happy to support this bill.

Extract from Hansard

[COUNCIL - Tuesday, 17 November 2009]

p9036b-9039a

Hon Dr Sally Talbot; Hon Col Holt; Hon Alison Xamon; Hon Helen Morton

HON HELEN MORTON (East Metropolitan — Parliamentary Secretary) [7.44 pm] — in reply: I thank members for their support of the Busselton Water Board (Supply of Water to Dunsborough) Bill 2009. I will deal with a couple of points that have been raised during this debate. Hon Sally Talbot raised the issue of the current Busselton Water Board having excess supply for its needs. I will just mention that that excess is actually after a decrease that has already occurred. The decrease in the allocation is already in reserve for future uses. The amount of water that will be provided by the Busselton Water Board to the Water Corporation for the people of Dunsborough is within an already decreased level of allocation. I will not even talk about the deep sewerage or the Murray River and Murray Bend business. It has no implication whatsoever for this legislation; it is totally irrelevant.

Hon Sally Talbot and Hon Col Holt both raised the issue of the savings and suggested that these savings could be made available to take pressure off some other initiatives. These are not fortuitous windfall savings; it is not as if the Water Corporation has suddenly come into some funding that can be redirected somewhere else. This is expenditure that was not yet budgeted for and therefore did not have to be spent. It is not as if there is any fortuitous saving in this process that can be redirected somewhere else.

I agree entirely that this is a very elegant solution to the issues, and I will take a few seconds to talk about a number of solutions in a way that people can understand. On the one side there is the Dunsborough water supply scheme. This is a discrete water supply area allocated under the Water Services Licensing Act 1995, and it is not connected to any other water service or system; it is a totally discrete service for supplying water to Dunsborough. It has its own bore field in the Leederville aquifer, which is a very superficial aquifer. The water in the superficial aquifer has already been captured, basically, and that is why obtaining water at another level would have cost an enormous amount of money.

The owner of the infrastructure that enables the water to be obtained and taken to people's households and businesses—I call it the water carrier—is the Water Corporation, which is licensed by the Economic Regulation Authority to supply that water to people living within that very discrete boundary. Of course, that amount of water is allocated by licence from the Department of Water. As a result of the massive population growth in the Dunsborough area over the past 20 years, that water scheme approaches peak capacity during the summer months, so an alternative needs to be found to provide sufficient water. As has already been mentioned, the options explored included this one and another that would have cost in excess of \$31.5 million. That was the option that we did not want to pursue.

On the other side of this very discrete boundary is the Busselton Water Board, which again is a very discrete scheme licensed under the Water Services Licensing Act, and it is not connected to any other water supply. These two neighbouring water supply services are not connected to each other or to any other water supply anywhere else in the state. They are individual, discrete water supply systems. The Dunsborough scheme, operated by the Water Corporation, needs more water, and the Busselton scheme, operated by the Busselton Water Board, has an allocation in excess of what it needs. The idea is that the Busselton Water Board will sell its water to the Water Corporation, which operates the Dunsborough service. Doing this will allow the Water Corporation to defer that planned capital expenditure of \$31.5 million. Rather than going into any great details about the amounts, I will just say that where the two water supplies meet, infrastructure will need to be built to bring water from the Busselton scheme to the Dunsborough scheme. Meters will be installed at that point to adjust the flow of water from Busselton to Dunsborough. A number of mechanisms built into the way in which that water will be purchased will be a disincentive to the Dunsborough water supply utilising more than what is allocated. I thought that Hon Alison Xamon would like that. We therefore need this bill to go through Parliament because currently there is no authority under the Water Boards Act 1904 for Busselton Water Board to supply water to the separate Water Corporation supply services in Dunsborough, and this is the most straightforward solution to make that happen. The term of the agreement is 65 years. Busselton Water Board will supply the Water Corporation with the daily water entitlement of 2.5 megalitres a day, and the Water Corporation will have the option of increasing this daily entitlement to a maximum of 23 megalitres a day. The Water Corporation must at its own cost install, operate and maintain all the delivery systems. The Water Corporation will pay Busselton Water Board a monthly water price made up of a base rate and the excess surcharge rate adjusted annually in a monthly capital payment. The entire legislation is to enable the Busselton Water Board to sell some of its excess water to the Dunsborough water supply service operated by the Water Corporation, which is a neighbouring service. I believe every member supports and agrees with the legislation. I believe that there is no further question that any member wants to ask. With that, Mr Deputy President, I move that the bill be read a second time.

Question put and passed.

Bill read a second time.

Leave granted to proceed forthwith to third reading.

Extract from *Hansard*

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Hon Dr Sally Talbot; Hon Col Holt; Hon Alison Xamon; Hon Helen Morton

Third Reading

Bill read a third time, on motion by **Hon Helen Morton (Parliamentary Secretary)**, and passed.