

WATER CORPORATION — FEES AND CHARGES

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

I have a supplementary question. Will the minister admit that the water price increases are really hurting Western Australians in the lead-up to Christmas, especially the 39 000 households with usage of more than 500 kilolitres that have been slugged with water use charge increases of up to 40 per cent?

Mr D.J. KELLY replied:

As the member for Cottesloe knows, in the last budget we introduced a higher tariff for people who use more than 500 kilolitres a year. That is what we did for the top end of users.

Dr D.J. Honey: Mostly families.

Mr D.J. KELLY: How many people live in a household is not the key determinant of how much water a household uses. Over 40 per cent of household water use is in the garden. Gardens do not vary in size depending on how many people are in the household. It really is disingenuous of the member to say that high water users are mainly large families. When we look at who those people are, we see that they are disproportionately people who live in wealthier suburbs such as Nedlands, Dalkeith and Cottesloe. On a percentage basis, they are the high water users in the metropolitan area. But by increasing the water tariffs for the highest users, we were able to halve the expected increase in the service charge. The service charge was increased in the last budget by only three per cent, not six per cent, which is what the member for Cottesloe would have done had he been the Minister for Water.

One of the common complaints that low-income earners make is that no matter how much water they save, the bulk of their bill is in the service charge. Therefore, we halved the expected increase in the service charge so that people who are frugal with their water would be rewarded. We recovered that lost revenue by increasing the water charge for people who use the most water—the seven per cent of users in Western Australia who collectively use 17 per cent of scheme water. We have given a price incentive—something that which even the Chamber of Commerce and Industry applauded us for—to the biggest users, and at the same time given some price relief, through a lower surcharge increase, for those people at the frugal end of the water use scale.