

WATER CORPORATION — FEES AND CHARGES

**642. Dr D.J. HONEY to the Minister for Water:**

Mr Speaker —

**Mr M. McGowan:** Exhibit 1!

Several members interjected.

**The SPEAKER:** Members!

**Dr D.J. HONEY:** Mr Speaker, I refer to the Economic Regulation Authority report, which found that the government is overcharging struggling Western Australian families \$400 per year —

Several members interjected.

**The SPEAKER:** Is the question going to the Premier?

**Dr D.J. HONEY:** No; it is to the Minister for Water.

Several members interjected.

**The SPEAKER:** Members!

**Dr D.J. HONEY:** I continue to learn, members; I continue to learn.

**The SPEAKER:** Do you want to start again, member for Cottesloe?

**Dr D.J. HONEY:** I do; thank you, Mr Speaker.

**The SPEAKER:** Please explain who the question is to.

**Dr D.J. HONEY:** My question is to the Minister for Water. I refer to the Economic Regulation Authority report, which found that the government is overcharging struggling Western Australian families \$400 per year for water services and that water prices should come down. I further quote an article from March in *The West Australian*, which states that the Minister for Water —

... attacked the conclusions, saying they would benefit well-heeled suburbs at the expense of poorer ones.

Can the minister confirm his subsequent mean-spirited 40 per cent increase to Western Australian households consuming greater than 500 kilolitres of water has hit larger families in developing suburbs hardest, and that Baldivis, Canning Vale, Ellenbrook and Byford are not so-called well-heeled suburbs?

**Ms J.J. Shaw:** Do you even know where they are?

**The SPEAKER:** I know where you are, member for Swan Hills; I call you to order for the first time.

**Mr D.J. KELLY replied:**

There were a couple of issues in the question from the member for Cottesloe. I appreciate his new-found interest in the suburbs of Ellenbrook and the like. That interest was not evident in his inaugural speech, but we all learn as we progress in our journey in this chamber. A couple of issues were raised. One was the question of wastewater charges. The question spoke about the Water Corporation charging in excess of cost reflectivity for wastewater charges. The member will be surprised to know that that position existed under the previous government. Just for the information of the member for Cottesloe, in 2016–17, under the previous Liberal–National government, cost reflectivity for wastewater charges in the metropolitan area was 186 per cent. In the current 2017–18 period, the figure is 188 per cent—it is only a two per cent difference. The member for Cottesloe has tried to create great colour and movement around this issue, but this situation existed under the previous government in almost identical circumstances. What the member does not talk about is that the Water Corporation charges below cost recovery for a range of services that it provides, principally in country areas. People in the country areas of Western Australia get significant subsidies on their water prices. When the two are put together—the issue of cost reflectivity and Water Corporation charges across the state—it comes in slightly under 100 per cent. I wish the member for Cottesloe would give the full picture. If he is advocating that we should have no more than cost reflectivity, is he suggesting, as the ERA report did, that we should do away with subsidising water in the country across the board and increase charges in country Western Australia in order to deliver cost reflectivity across the state? Is that the member's view? It certainly was not the view of the previous government—it ran a mile from the ERA when it made these suggestions.

The other suggestion the ERA made was that we should stop using gross rental values to determine wastewater charges. Currently, wastewater charges move according to the value of the property. The ERA wants a single figure across the metropolitan area. Coincidentally, that would deliver a reduced wastewater charge for people who live in the electorate of Cottesloe. The people of Cottesloe would get a significant reduction in their wastewater charge. People in the suburbs that the member mentioned in his question—Ellenbrook and elsewhere—

**Extract from Hansard**

[ASSEMBLY — Wednesday, 12 September 2018]

p5722b-5723a

Dr David Honey; Mr Dave Kelly; Mrs Liza Harvey; Mr Vincent Catania

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would get an increase. If that is what the member for Cottesloe wants, he should just announce it as a policy position. We are very happy to argue that between now and the next election.

The second issue the member raised in his question was the increase in charges applied to people who use more than 500 kilolitres of water a year. Seven per cent of the population use almost 20 per cent of scheme water. That seven per cent use more water than the Water Corporation budgets to fall into our dams. So we actually think it is a very good idea to encourage those people to use less water.

A suburb like Baldivis is much, much bigger in number than the suburb, for example, of Dalkeith. In Dalkeith, something like 20 per cent of households will be impacted upon by that change, whereas in Baldivis, the number is less than 10 per cent.

Several members interjected.

**The SPEAKER:** Members!

**Mrs L.M. Harvey** interjected.

*Withdrawal of Remark*

**The SPEAKER:** I hope you were not referring to the minister as a drip, were you? Withdraw, and I will call you to order for the first time.

**Mrs L.M. HARVEY:** I withdraw.

*Questions without Notice Resumed*

**The SPEAKER:** Minister, wrap this up, please.

**Mr D.J. KELLY:** Member for Cottesloe, Baldivis has more houses in it than a suburb like Dalkeith. That is why we cannot use raw household numbers. It is much more informative to use percentages. I am sure the member understands percentages. The other issue is that in a suburb like Baldivis, many people live on large semirural blocks. The member cannot assume that someone in Baldivis who is using more than 500 kilolitres is a battler on a small standard block. They are more likely to be someone on a large block in a semirural setting.

Who is the member for Cottesloe really supporting? Is he interested in the battlers in Ellenbrook, or the people in his suburbs, who do, on a higher percentage, use far more water than people in most other suburbs in Perth?

*Withdrawal of Remark*

**The SPEAKER:** Member for North West Central, I ask you to withdraw your remark from before.

**Mr V.A. CATANIA:** I withdraw. You did not give me a chance.

**The SPEAKER:** I beg your pardon?

**Mr V.A. CATANIA:** I withdraw.

**The SPEAKER:** Thank you.