

Water Corporation —

Mrs M.R. Marshall, Chair.

Ms S.F. McGurk, Minister for Water.

Mr P. Donovan, Chief Executive Officer.

Ms D. Evans, Chief Finance Officer.

Mr E. Hambleton, General Manager, Assets Planning and Delivery.

Mrs K. Willis, General Manager, Customer and Community Group.

Dr S. Gallacher, Chief of Staff, Minister for Water.

[Witness introduced.]

The CHAIR: This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available online as soon as possible within two business days. Questions must relate to the operations and budget of the off-budget authority. The chair will allow as many questions as possible. Questions and answers should be short and to the point.

A minister may agree to provide supplementary information to the committee. I will ask the minister to clearly indicate what information they agree to provide and will then allocate a reference number. Supplementary information should be provided to the principal clerk by noon on Friday, 31 May 2024. If a minister suggests that a matter be put on notice, members should use the online questions on notice system to submit their questions.

I give the call to the member for Cottesloe.

Dr D.J. HONEY: I thank the advisers from the department for coming along. I would like to spend about two hours with the advisers today, but we have only 15 minutes. Government members might say that is our fault! I am sure the member for Cannington will remind us.

Mr W.J. JOHNSTON: It is your fault!

Dr D.J. HONEY: Can I cut to the chase. It is all important, member.

On page 808 of budget paper No 2, reference is made to greenhouse gas emissions and renewables. At one stage, the Water Corporation had a proposal to spend \$255 million on installing its own battery network, if you like, as part of its renewable response. Infrastructure WA did an assessment of that proposal and said that it would not be a good use of the corporation's money. I am intrigued to learn why the Water Corporation considered that and is it considering similar ventures in the future?

Ms S.F. McGURK: I will start to answer and then I will hand over to Mr Donovan. The corporation's energy procurement plan is an important part of the organisation's work. As the member would be aware, the state government has given a commitment to reduce its greenhouse emissions by 80 per cent by 2030 and, of course, the Water Corporation's emissions will be taken into account. It is a big user of energy. It has some internal goals, but its obligations as a corporate citizen are important. Over the last five years, almost half of Perth's drinking water has come from the two desalination plants in Perth. The latest planning indicates that multiple new water sources delivering between 75 gegalitres and 125 gegalitres a year will be required over the next decade. Of course, the first of these new water sources is in Alkimos. Initially, it is expected to deliver 50 gegalitres when it comes into operation by mid-2028. Although desalination is a secure water source because it does not depend on rain, it is energy intensive. The process of desalination is four times more energy intensive than groundwater collection and more than 40 times more energy intensive than water sourced from dams. That is why the Water Corporation has set itself a target of net zero by 2035 and committed to securing up to 400 megawatts of additional renewables through wind. This will enable all three Water Corporation desalination plants to be powered with renewable energy. The state government has taken the next significant step towards achieving the target of net zero by securing the development rights for one of WA's largest renewable projects at Flat Rocks wind farm stage 2. Since procuring the development rights of the wind farm from developers, the Water Corporation has been investigating means to further increase the capacity of that project. It will continue to do this work in terms of not only desalination, but also its own energy footprint with its fleet vehicles, carbon offsets and the like. Before I hand over to Mr Donovan, I add that around 5 400 solar panels have been installed on 50 Water Corporation sites statewide and about 9 000 megawatt hours of power have been produced at Woodman Point by capturing and reusing biogas, a byproduct of wastewater treatment processes, which reduces emissions by some 5 800 tonnes. A soon-to-be-completed renewable generator at the Beenyp water resource recovery facility in Craigie will reduce carbon emissions by more than 10 000 tonnes a year. The generator provides biogas to the stage 2 advanced water-recycling plant. The design of the Perth and southern desalination plants reduces overall energy use by up to 60 per cent. I have also mentioned the electric and hybrid vehicles within the Water Corporation's fleet.

[12.50 pm]

Mr P. Donovan: The minister has covered the landscape really well. Talking to the examples of all the areas we are looking at to reduce our carbon footprint, particularly, as the minister mentioned, with desalination being energy intensive, as we know, we need to ensure that we are doing all we can to reduce our carbon footprint. Batteries was one of the things we evaluated. We put a business case through for batteries as an option. We continue to evaluate many other ways of reducing our carbon footprint. Obviously, we have acquired the rights to develop a wind farm in Kojonup, which was part of our plan. We continue to look at all options, including acquiring land for providing Australian Carbon Credit Units and offsets. That is the way we would approach anything when developing a business case and then running it through the process.

Dr D.J. HONEY: Are there any more plans for the corporation to install its own battery banks?

Ms S.F. McGURK: I will outline and reiterate the Water Corporation's commitment as part of the government's overall objective of reducing our emissions by 80 per cent by 2030. We mentioned some of those in detail. Wastewater recycling is another element worth adding, along with the revegetation projects that Pat Donovan mentioned. This is an ongoing piece of work to make sure that the proposals that are in place—for instance, Flat Rocks wind farm stage 2—are delivered and able to produce power and contribute to the reduction and other mechanisms, which will be ongoing, not just until 2030 or to meet the Water Corporation's internal goal of net zero by 2035. We will obviously keep on top of that. That ongoing reduction will be a big part of the corporation's work in the future.

Ms M. BEARD: This is something that I have raised in the past, so it will not be new to the minister. It relates to the fixtures charge. It is known as a toilet tax in my patch. It is a fee charged to people for every toilet in their business. It is not based on a user-pays system; it is an annual charge. I think it is \$1 127 for one toilet and then it scales down. I can show the minister where it is in the budget papers. I am interested to know what portion of the revenue collected that charge represents. Can it be broken down into what it represents in the regions as a percentage of their income? I am trying to determine whether it is a large or small amount. At the moment, some people in the regions are really struggling with the costs of doing business. In some areas, tourism is down by 50 per cent and business owners still have to pay this fixed fee, which they are struggling to pay.

Ms S.F. McGURK: It may not be surprising, but I do not have specific details on the revenue for additional toilets. I was trying to get hold of—I know I looked at it—the subsidy provided to regional water users by the Water Corporation, which is a significant country water pricing subsidy. I understand that the water pricing component of this subsidy is \$475 million for one year. That is the subsidy that the state government pays, through the Water Corporation, to ensure cost reflectivity for country water users so they are not charged the actual cost of supplying water to their communities. There is also the question of cost reflectivity; that is, how much do we charge as a proportion of what it costs to provide those services? It is vastly underallocated in regional WA. Less than 50 per cent of what it costs to provide water is charged to those providers. I do not have any information on the member's specific question about the additional charges for extra toilets.

Ms M. BEARD: Is it possible to get that information?

Ms S.F. McGURK: These questions are off-budget. I ask the member to put the question on notice. Are we talking about regional areas? Are we talking about all additional toilets for commercial or residential use? I reiterate that the extent to which regional communities are subsidised for their water use is sometimes underestimated.

Mr W.J. JOHNSTON: It is the same as power and emergency services.

Ms M. BEARD: I appreciate that. I will not have an opportunity to further explain outside of this place that I am talking about businesses. For example, a motel with 60 rooms—so there are 60 toilets—is charged an individual fee. It might be busy for only four or five months a year, with a really low occupancy for the rest of the year. Those facilities are not used during that time. The toilets are not being flushed. I want to bring this to the minister's attention. I am advised that the only thing people can do is get the water flow to the toilets cut off by a registered plumber, which comes at a cost. To get them reinstated, it is a whole new outfit. This is causing issues around the potential growth of tourism in the regions.

The purpose of my question is to find out whether there is another way to take some pressure off those businesses. I appreciate what the minister is saying about the subsidies, but it is having an enormous effect. It has come to such a point that the owners of one caravan park have put cracker dust through the whole park and taken out the lawn as they say it is like putting liquid gold onto their lawn, which is just the cost of water. That is a choice they have made. On top of that is the fee they are paying for the toilets. They are not renting out the rooms and they cannot recoup those costs.

Ms S.F. McGURK: In response to that, I will just say that I have been the Minister for Water for 18 months and this issue has not been raised with me. I am happy to look at it. I am not sure that it is a new charge.

Ms M. BEARD: No, it is not.

Extract from Hansard

[ASSEMBLY ESTIMATES COMMITTEE B — Wednesday, 22 May 2024]

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Dr David Honey; Ms Simone McGurk; Ms Merome Beard; Mr Bill Johnston; Chair

Ms S.F. McGURK: It has been in place over successive governments, so there have been other opportunities for this to be addressed. At the end of her question, the member asked what sort of green spaces or water efficiency measures are in place for different businesses. As we know, we live in an increasingly drying climate, which is something that the Water Corporation and the state government take really seriously. We need to adapt. We try to ensure that green areas in public spaces or within a business are waterwise and that we are using efficient watering systems and native vegetation. All those measures are being taken. Quite a few subsidies are available to assist businesses. The CEO just pointed out to me that the Waterwise business program is an example. Information and, in some cases, grants and subsidies are available. That business program in itself has saved 135 billion litres of water since 2007. Programs are available, information is certainly available and, in some cases, subsidies are available.

Ms M. BEARD: I have one last question.

The CHAIR: Noting the time, we will probably have to wrap it up. Can we be quick.

Dr D.J. HONEY: I have a new question, which is a quick one.

Ms S.F. McGURK: Did the member for Cottesloe just interrupt the member for North West Central?

Dr D.J. HONEY: I did.

Ms S.F. McGURK: He completely overruled her question.

Dr D.J. HONEY: She understands. Minister, how many maintenance workers have been insourced into the Water Corporation as part of the insourcing of the Water Corporation's maintenance program?

Ms S.F. McGURK: Through the chair, it is one o'clock. The member for North West Central had started to ask a supplementary question. She was interrupted by the member for Cottesloe, who wanted to ask his question. He can put a question on notice. He has adequate opportunity to do that. Not only was it rude, but also he has had the four hours during which I have been sitting here to time his questions. He can put the question on notice.

Dr D.J. HONEY: We are a dynamic team over here!

The CHAIR: Given the time, that completes the examination of the Water Corporation.

Meeting suspended from 1.00 to 2.00 pm