

LEGISLATIVE COUNCIL
Question Without Notice

Tuesday, 24 September 2019

C1183. Hon Peter Collier to the Minister for Regional Development representing the Minister for Water

I refer to your media release of Saturday 24th August and the claim that with the Water Corporation resuming services previously outsourced under the Perth Regional Alliance (PRA), savings of between \$2m - \$3m per annum will be achieved and I ask:

1. What is the annual cost of these services now under the PRA and what is the cost under the Water Corporation alternative?
2. Has the PRA's performance over the past seven years not met the KPIs established by the Water Corporation and if so which KPIs were not met?
3. Has the PRA delivered savings to the operations of the Water Corporation over the past seven years, and if so what is the value of the savings?
4. Will the decision by the Water Corporation to cancel the PRA and bring services back in house incur any additional or transition costs, and if so what are they?

Answer

(1) The annual costs of these services vary from year to year. The Water Corporation expects around \$2 million per annum would be saved through bringing these services back into the Water Corporation.

(2) With the exception of the 2012-13 financial year, PRA has met the overall performance expectations of the Water Corporation.

Water Corporation recently completed a review of the delivery of its operation and maintenance services in the Perth and Mandurah Region. The review resulted in the Water Corporation Board determining that in-sourcing would be the best model for the future. This is consistent with the way the services are delivered by Water Corporation in all other parts of the State.

(3) PRA has delivered on average two per cent operational savings. This is consistent with the Corporation's own overall long term efficiency target which continues to achieve two per cent annual savings.

(4) As above, the savings are expected to be in the order of \$2 million per annum. In the first year there will be some business costs in managing the transition of PRA back into the Water Corporation, however these will not exceed the expected savings.