

House: Legislative Assembly- Reading - Cognate Debate Second Reading
Date: Wednesday, 17 May 2006
Member: Barnett, Mr Colin; Wyatt, Mr Ben; Johnson, Mr Rob; Radisich, Ms Jaye; Woodhams, Mr Grant; O'Gorman, Mr Tony; Redman, Mr Terry; **Castrilli, Mr John; McRae, Mr Tony; ACTING SPEAKER; Waldron, Mr Terry; Constable, Dr Elizabeth; Day, Mr John; Trenorden, Mr Max**
Subject: APPROPRIATION (CONSOLIDATED FUND) BILL (NO.1) 2006
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Mr G.M. CASTRILLI: While I am on the topic of lack of vision, I will consider the Yarragadee proposal. The south west is united in its opposition to the Yarragadee proposal. It is now getting outside support for its opposition, despite the best efforts of the Water Corporation to stifle and refute any discussions other than that conducted through its own research. I expect that all members read the article in *The West Australian* on 15 May regarding the independent reports of the Yarragadee. A few points are worth restating. The Commonwealth Scientific and Industrial Research Organisation water economist, Donna Brennan, has refuted the Water Corporation's economic claim that the 45 gegalitres of water taken from the Yarragadee would have a better economic benefit in the metropolitan area than in the south west.

[Member's time extended.]

Mr G.M. CASTRILLI: The report found that the Water Corporation claimed a \$4.5 billion net public benefit to Western Australia if the water went to Perth compared with a \$1 billion net public benefit if it was used in the south west. Donna Brennan's independent research found that if the project began on the proposed start-up date of 2009, Perth would receive a \$39 million benefit. However, by 2013 the strong growth of the south west would have reversed the situation, with a slight net gain if the water stayed in the south west. By 2020 the state would be enjoying an \$18 million benefit if the water stayed in the south west rather than if it went to Perth to give the green lawns extra sparkle.

Aqwest's report on the Yarragadee found it to be an environmental disaster. The Water Corporation must take a step backwards and remove itself from the Yarragadee debate. It is appropriate for it to make a submission to the decision makers such as the Environmental Protection Authority, but it is far from appropriate for the Water Corporation to appoint itself as the spokesman and expert on all things Yarragadee when it has an obvious conflict of interest in the requirements of the Yarragadee.

The government's budget refers to capital expenditure. Members know that all the revenue and expenditure, including capital works expenditure from Aqwest, is derived from its own resources. All of its income and expenses are derived from the people of Bunbury only. I make this point very clear: when the Bunbury Water Board was split from the Bunbury city council in 1997 to become an independent water board called Aqwest, all the assets, cash reserves and staff were transferred to the new entity. I have raised some serious concerns during discussions about the Yarragadee and the possible implications that project might have on Bunbury's independent water board. What will happen if the drawing of water by Aqwest for the use of Bunbury people must cease because of the possibility that drawing 45

gigalitres of water to Perth causes saltwater intrusion into Bunbury and the water becomes too salty for use? What will happen if the government decides to cease the operations of Aqwest for any other reason and allows it to be incorporated into the Water Corporation? Will all the assets, including the cash reserves, be gobbled up by the government and put into the consolidated revenue fund? I certainly hope not. According to the water board's act, all the assets revert to the government. It would be criminal if that were to happen. All those assets have been accumulated with moneys derived from the people of Bunbury. I want an assurance from the government that if anything whatsoever happens, for any reason, all the assets, including the reserves, building land and infrastructure, will be handed back to the City of Bunbury for the benefit of the people of Bunbury. I ask the minister to give that guarantee. I assume that this would affect the Busselton Water Board, which is in a similar position.