Australia

What is unique about Australia?

80% goods and services generated on 0.2% of our land mass

3rd most urbanised country behind Singapore and Monaco

Climate extremes: droughts and floods
Perth 45 GL/yr
Southern 50 GL/yr
Wonthaggi 150 GL/yr
Adelaide 100 GL/yr
Kurnell 90 GL/yr
Gold Coast 45 GL/yr
Recycling and water efficiency

Dams + Recycling + Desalination + Water Efficiency = Water 4 life

Source: NSW Metropolitan Water Plan
Using less paying more!

Typical residential water and wastewater bill and water consumption

- **Typical Bill ($ a year)**
- **Consumption (kL a year)**

![Graph showing typical residential water and wastewater bill and water consumption from 2006-07 to 2012-13. The graph indicates a decrease in typical bill and an increase in consumption over the years.](chart.png)
Water sector performance

Proportion of complaints by sector 2012-13

Note: Latest Victorian data is 2011-12
Source: State Energy and Water Ombudsman annual reports

Note: Latest Victorian data is 2011-12
Source: State Energy and Water Ombudsman annual reports
Rising bills creates pressure for change

- Efficiency and productivity
- Private sector involvement
- Competition
- Regulation
- National Role?
Typical water utility ownership

- State Government SHAREHOLDER
- Water utility
  - Board
  - Executive
- Customers
- Independent regulation
  - Economic Regulation (Prices and service standards)
  - Environment Regulation
  - Health Regulation
- Dividends
Private involvement in Australia

Public Provided

Outsource Services

DBO/Alliances

PPPs

Single asset sales

Private utility

Use in Australia
Competition and private involvement

- Further outsourcing of services when efficient
- Bulk water markets still some way off
- Growing contestability for new services: niche developments in brownfield and greenfield areas
- Little market interest in retail only competition (contrast with UK)
- Constrained state balance sheets generating interest in assets sales or ‘capital recycling’
- Interest in the institutional structure to support entry and competition
Fragmented state-based regulation

- Weak financial position of many utilities
- Need regulation focussed on long term interests of customers
- Incentives for productivity and efficiency
- Review and appeal mechanisms

1 regulator

23 million people

7 regulators
Commonwealth leadership?

• National Water Commission closing at the end of December
• Blueprint for water reform released by NWC
• Other Federal reviews calling for national action (Harper Competition Review)
What needs to happen?

- Customer value and engagement
- A national agreement for economic regulation
- Recognition of water as fundamental to Australia’s wealth, prosperity and liveability
- A revised National Water Initiative
How to find us

Twitter
@wsaa_water

LinkedIn
Water Services Association of Australia

Web
www.wsaa.asn.au