



# Water Services Association of Australia



**Stuart Wilson**  
**Deputy Executive Director**

# Australia

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

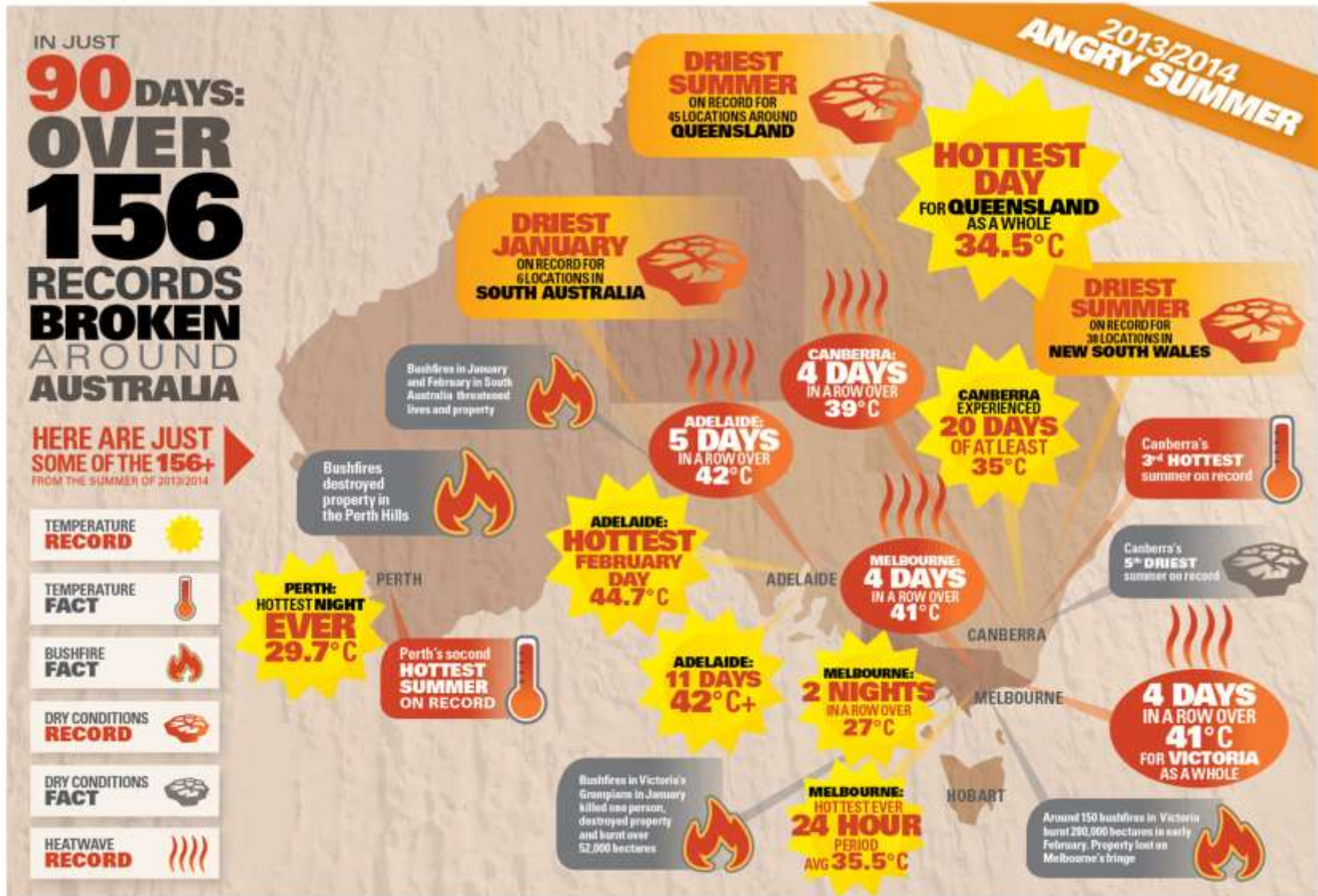
3rd most urbanised country behind Singapore and Monaco

What is unique about Australia?

Climate extremes: droughts and floods

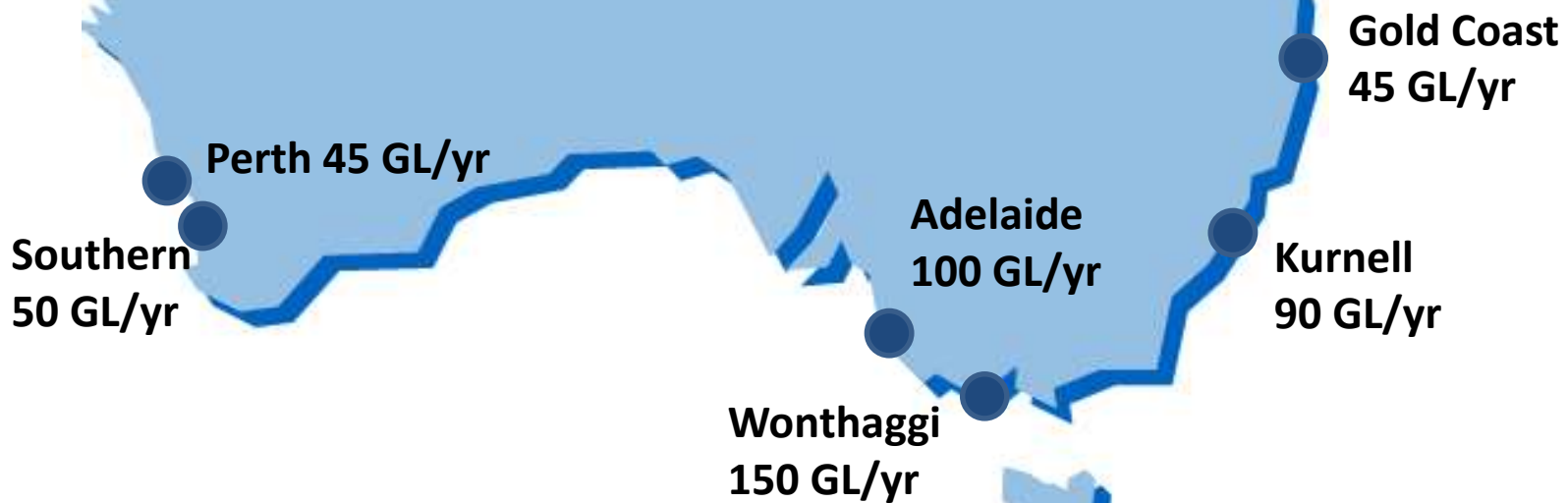


# Climate



# Water security

## Desalination plants



# Recycling and water efficiency

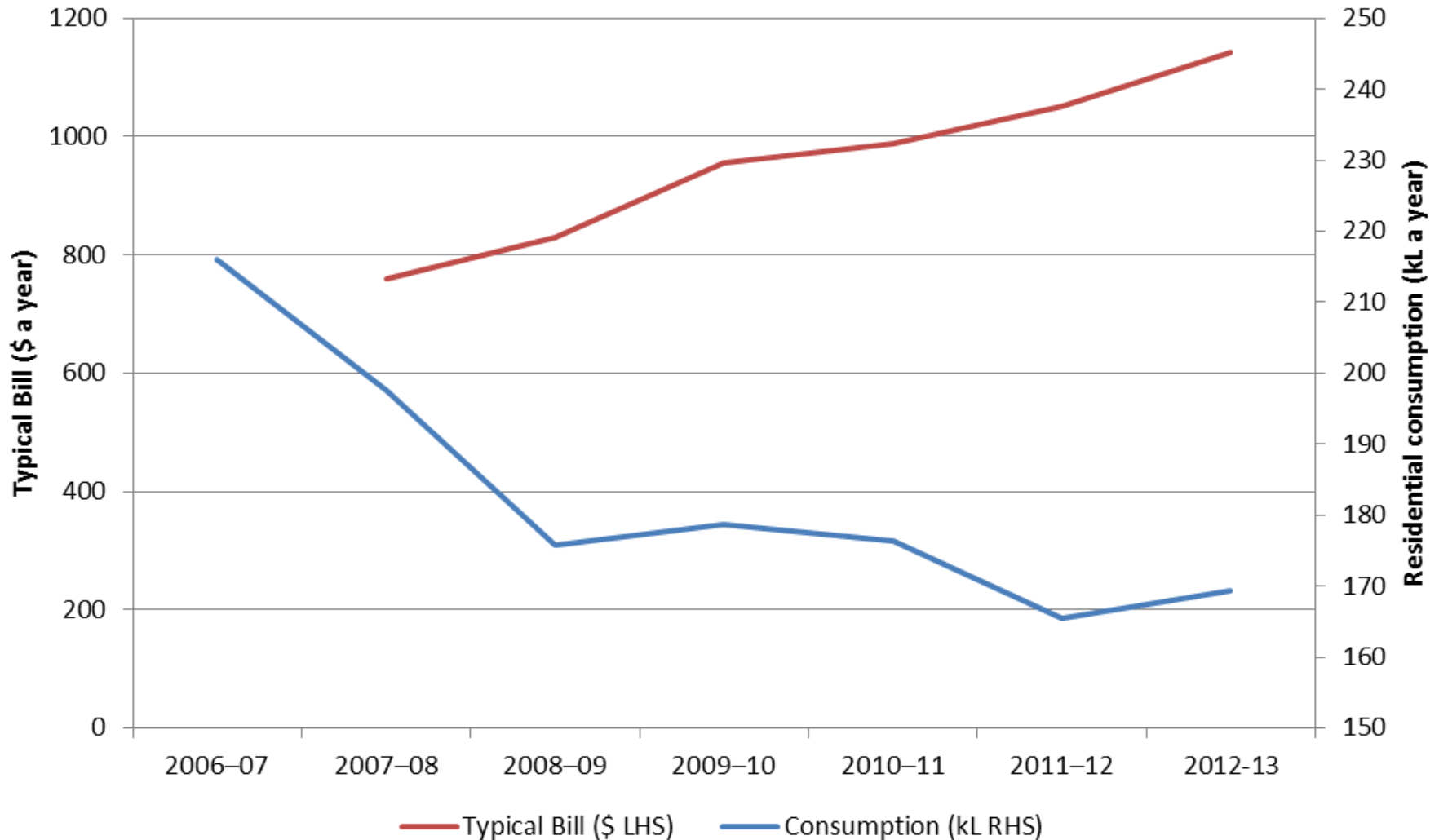
Dams +  
Recycling +  
Desalination +  
Water Efficiency =

Water  life

Source: NSW Metropolitan Water Plan

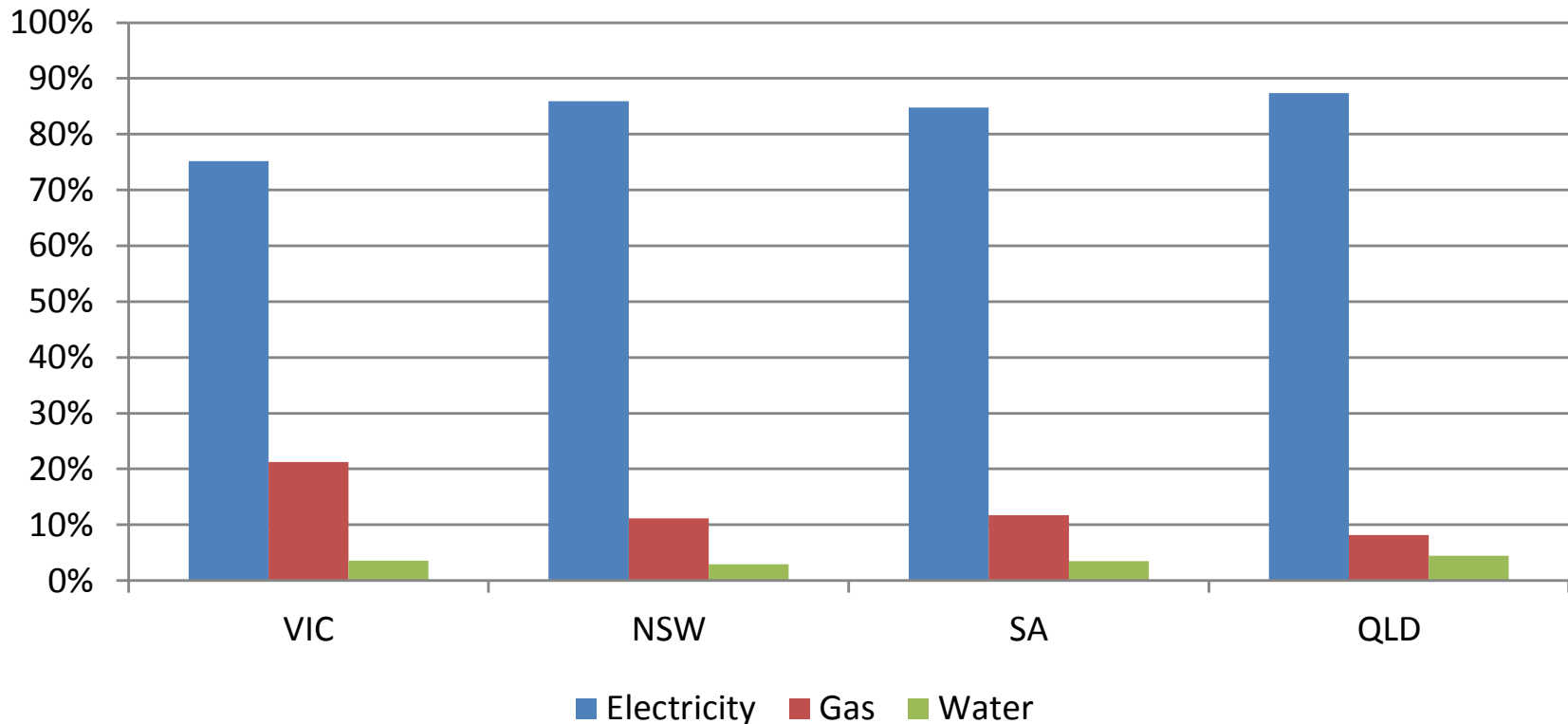
# Using less paying more!

## Typical residential water and wastewater bill and water consumption



# 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

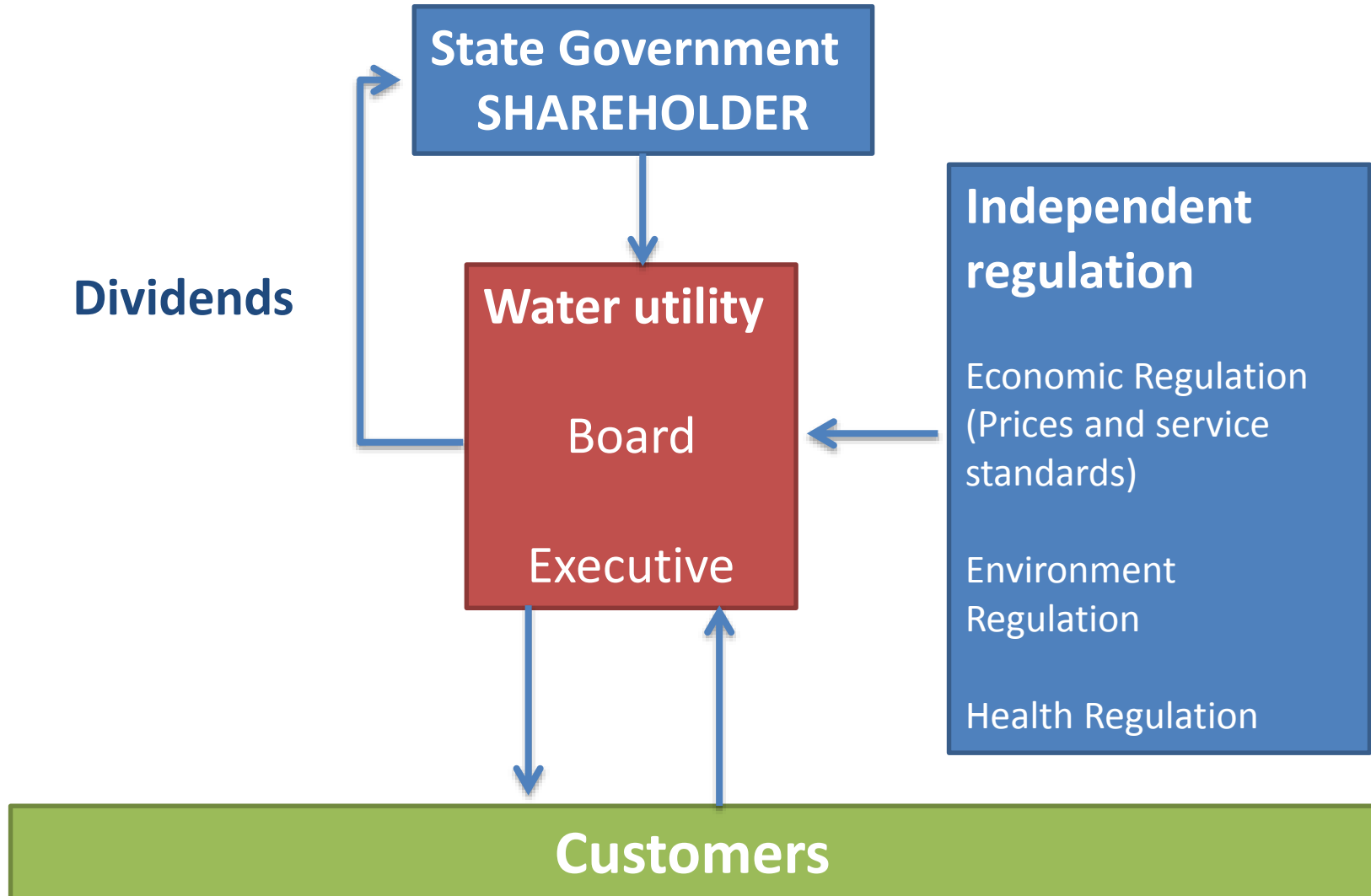
# Rising bills creates pressure for change

- Efficiency and productivity
- Private sector involvement
- Competition
- Regulation
- National Role?





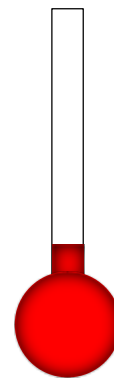
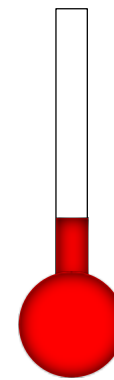
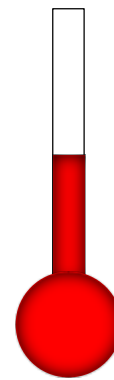
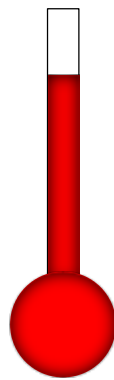
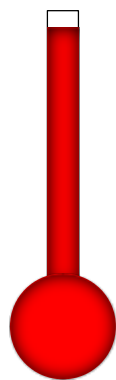
# Typical water utility ownership



# Private involvement in Australia



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



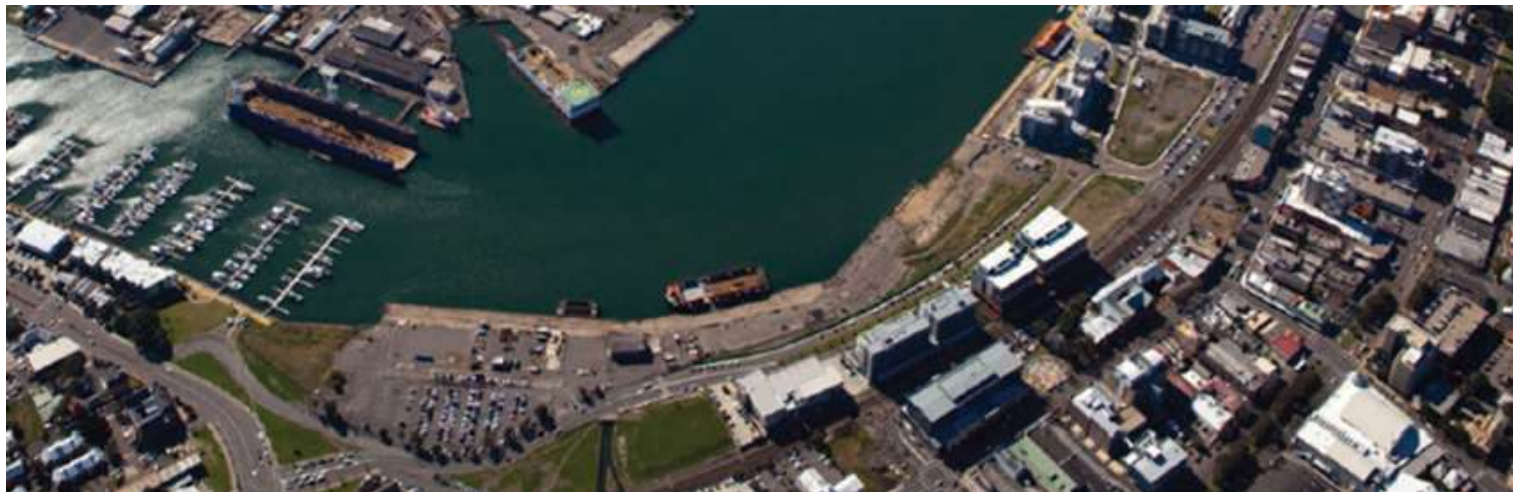
# Commonwealth leadership?

- 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



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