

Media Release

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Queensland water sector concerned about State's economic regulation: State of the Water Sector Report 2014

15 October 2014: Queensland water professionals have highlighted their concern about the effectiveness of economic regulation in the State in this year's *State of the Water Sector Report* released today by the Australian Water Association and Deloitte.

Chief Executive of the Australian Water Association, Jonathan McKeown, said the report was based on a survey of professionals working across Australia's water industry, both urban and rural, and highlights the need for transparency of economic regulation across all states and territories.

"The results show that Queensland respondents have remained sceptical about the overall effectiveness of economic regulation of the water sector with 37% rating it as minimally effective at best, only a 1% decrease from last year. A mere 3% said regulation was 'very effective' in the state.

"In Queensland, unlike most other jurisdictions, the Competition Act provides for the regulatory oversight of water monopoly business activities. However its powers are limited to making recommendations to the Ministers about their pricing practices, rather than determining the prices.

"The survey results show there is strong support (67%) for economic regulators to periodically review the prices charged to ensure monopoly power is not abused.

"It will be interesting to track how this sentiment changes over the coming years as the Queensland Government is currently reviewing the long-term regulatory arrangements for South-East Queensland," said Mr McKeown.

Deloitte Risk Services Partner and National Water Leader Matt Williams said 17% of Queensland respondents who indicated the price of water was "much too high".

"This is somewhat surprising, given the State's utilities have been operating under price caps that have been imposed by government and weren't cost-reflective," he said.

In 2013, the Queensland Commission of Audit observed that: "Over time, it is unsustainable to have a situation in which prices do not reflect the actual cost to deliver services as this will require an ever-increasing call on the Budget which Government will find too costly to sustain.

The full report is available at www.awa.asn.au/State_of_the_water_sector_report

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About the Australian Water Association

The Australian Water Association is Australia’s leading membership association for water professionals and organisations. AWA is independent and not for profit. It plays an essential role in supporting the Australian water sector in the delivery of effective and sustainable water management practices. Our mission is to foster knowledge, understanding and advancement in sustainable water management – its science, practice and policy – through advocacy, collaboration and professional development. We operate across all Australian States and Territories through an active branch network as well as maintaining extensive international links, including with the International Water Association. AWA’s provides a comprehensive program of conferences, workshops, publications, industry programs, training courses, networking and B2B opportunities. AWA’s Annual Conference and Exhibition is Australia’s largest water industry event.

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