

Media Release

EMBARGOED UNTIL WEDNESDAY 15 OCTOBER 2014

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

15 October 2014: South Australia's water professionals have highlighted dissatisfaction with 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.

"Similar to last year's report, South Australian water professionals' dissatisfaction with economic regulation remains very high, with 39% of respondents indicating minimal, if any, satisfaction with the effectiveness of economic regulation of water.

"Nearly 70% of SA respondents indicated that the primary role of economic regulators should be ensuring that monopoly power is not abused," said Mr McKeown.

Deloitte Risk Services Partner and National Water Leader, Matt Williams, went on to say that South Australian water professionals are also concerned about water prices and how the industry responds to community concern over pricing.

"46% of South Australian respondents believe prices are too high, an increase from 37% in 2013," he said.

"The reason for this is not clear given that water prices and average bills actually fell in 2013-14 compared to 2012-13, the first year of SA Water's new three-year regulatory period.

"It's possible the increased concern reflects the much larger price increases in 2011-12 and 2012-13.

In the 2014 survey responding to community concern about rising prices was the fourth most frequently identified issue across Australia, nominated by 37% of respondents nationally. In South Australia, 52% identified it as an issue, making it the highest ranking issue in South Australia, almost double the percentage since 2012.

"However, Governments appear to be directly responding to customer concerns about rising prices and where necessary are augmenting regulatory processes to do so. In South Australia the Government offered one-off rebates and increased concessions to alleviate bill pressures in 2012-13," said Mr Williams.

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

Follow Deloitte on Twitter – @DeloitteNewsAU and @DeloitteER

Follow AWA on Twitter – @Australianwater

For further information:

Amanda White
National Manager – Communications and Policy
Australian Water Association
M: 0403 884 485
E: awhite@awa.asn.au

Simon Rushton
National Manager Corporate Affairs & Communication
Deloitte
M: 0450 530 748
E: srushton@deloitte.com.au

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.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms. Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 200,000 professionals, all committed to becoming the standard of excellence.

About Deloitte Australia

In Australia, the member firm is the Australian partnership of Deloitte Touche Tohmatsu. As one of Australia's leading professional services firms, and winner of both the Australian Financial Review/CFO Audit Firm of the Year and Accounting Firm of the Year awards 2013, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, and financial advisory services through approximately 6,000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit Deloitte's web site at www.deloitte.com.au