

Media Release – State of the Water Sector 2012 released

EMBARGOED TIL MIDNIGHT, 31 OCTOBER 2012

1 November 2012: A new report, *The State of the Water Sector 2012*, has found that the sense of crisis engendered by long running drought conditions has abated. The joint report from Deloitte and the Australian Water Association has also revealed the industry's top five concerns in 2012 to be:

1. Managing and augmenting infrastructure
2. Ensuring water supplies are secure
3. Managing catchments effectively
4. Reducing the skills shortage in the water sector
5. Responding to community concerns over rising costs

Deloitte Partner, Paul Liggins, said the report was based on a survey of around 2,000 members of Australia's water industry and highlighted a move towards securing the long term sustainability of a healthy water industry.

“This year's report indicates a very clear realignment of priorities for Australia's water industry with managing existing infrastructure the top concern (42%). The last time we conducted this survey in 2010, the key concerns were sustainability, water security and water scarcity. This year, ageing infrastructure was only the fourth most important concern.”

Australian Water Association Chief Executive, Tom Mollenkopf, said the drought-breaking rain across most of the east coast of the country has led many respondents to refocus their attention on asset management and system maintenance. However there was a strong expectation that water security would resurface as the most important issue in five years' time.

“Ensuring the security of water supplies (36%) and managing catchments effectively (29%) are important priorities for many in the industry, reflecting the recent memory of critical and persistent drought in the east and continuing dry weather in the west,” he said.

The survey also identified community concerns over pricing as a key issue for industry, with 69% of respondents believing water prices are about right or too low while only 22% believe they are too high. However, many respondents recognized the importance of responding to community concern over the rising price of water.

“Some of the concern over the price of water has stemmed from some very significant investments over the past five years, including the construction of desalination plants. It is concerning, that 67% of those surveyed believe investment in desalination has been ‘not very or not at all cost-effective’. However, delving deeper into this issue, a majority (59%) said the construction of desalination plants was timely, but almost half of that majority (29%) also felt the plants were also too large or costly,” Mr Mollenkopf said.

While many of the top five concerns are being addressed effectively by the industry, Mr Liggins identified one that was likely to continuing challenging the industry in coming years.

“The water industry, like many sectors, will be competing with the opportunities available in the resources sector for some time to come,” Mr Liggins said. “If it is going to have a sustainable future, the Australian water industry needs to find new strategies to attract and retain the talent it needs or it risks losing out to other sectors.”

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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 activities are centred around 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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