

# HOW WILL Electricity, Gas, Water & Waste PERFORM IN 2018?

A JPABUSINESS 2018 INDUSTRY ECONOMIC SNAPSHOT

## Australian Electricity, Gas, Water and Waste Services industry performance 2006/07-2015/16

Source: ABS/JPAbusiness



## BACKGROUND

- The industry experienced solid growth from 2007 to 2014. Growth has moderated due to a variety of factors.
- Introduced regulatory frameworks have pressured revenue growth in energy transmission and distribution.
- Electricity distribution revenue is determined by regulators in Australia, having a significant impact on industry price and revenue growth.
- Gas supply experienced rising demand and international price influences, which supported industry revenue growth.
- Waste volumes have increased alongside population growth, supporting industry demand.



## DRIVERS OF INDUSTRY GROWTH

- Global demand for LNG and Australian gas products.
- Increasing population and net demand for energy consumption.



## OUTLOOK

- Overall industry revenue is anticipated to remain relatively flat, not experiencing significant growth.
- The price of natural gas is anticipated to increase further in 2018, as global demand for gas likely increases.
- Increasing population likely to support demand for energy consumption, in both electricity and gas.
- Government regulators will likely continue to pressure price growth responses in the domestic markets.
- Waste services also expected to experience increased demand as population grows.



## RISKS TO INDUSTRY GROWTH

- Political pressures to reduce energy bills pressure regulators to reduce energy prices, therefore industry revenue growth.
- Increasing environmental concerns.