

AUSTRALIAN[®] WATER

ASSOCIATION

MEDIA RELEASE

Greater investment needed fund critical water infrastructure

12 October 2016:

The Australian Water Association and Arup have just released the Australian Water Outlook – the results of the Australian Water Survey which investigates attitudes to water issues among the Australian water industry and the wider community.

The survey attracted 2500 responses, and Australian Water Association CEO Jonathan McKeown said the results reaffirmed that there are serious problems with water quality in some parts of Australia that require significant investment in infrastructure.

“The Australian Water Outlook has shown us that there is a major disparity in water quality between urban, regional and rural areas,” Mr McKeown said.

“While 77% of industry respondents describe urban water as high quality, this reduces to 37% in regional areas and to only 9% in rural areas - where 25% say rural water quality is low. This shows us that in a first world country like Australia, we still have a way to go to ensure there is a quality and reliable water supply available to all; and this is going to require significant infrastructure investment.”

Nationally, 91% of community respondents and 97% of industry respondents thought there was at least a moderate amount of investment in new infrastructure required to ensure Australia has a secure water supply.

“Across the country there is a clear call for more investment in our water infrastructure. Given the urgency of the problem, industry, government and the private sector must work together to find the best solutions and the best way forward.”

“Australasian Water Leader Daniel Lambert said: “Water quality is directly linked with community health and prosperity, and Australia needs to prioritise investment in supporting water infrastructure for our urban, regional and rural areas as we grapple with our booming population growth. Fifty-six per cent of community respondents said they were not very or not at all confident in city planning and urban growth and those living in rural areas shouldn’t be denied access to high quality drinking water. We must get the equity across the water quality equation right.”

The water industry is extremely capital intensive and highly regulated, with standards varying across each state. Australia currently invests between \$3.5 billion and \$4.5 billion in water and wastewater infrastructure—equating to 8.7 per cent of national infrastructure investment (ABS 2015). Australian government’s own and operate approximately \$100billion in urban water infrastructure assets (Infrastructure Australia).

To maintain the level of water security expected by the community, these assets must be replaced as they reach the end of their useful lives, refurbished to extend their lives, and/or, expanded to meet the needs of a growing demand from increasing population and industry.

AUSTRALIAN[®] WATER

ASSOCIATION

Most water utilities are owned by State and Territory Governments, whose balance sheets and credit ratings are under pressure as they seek to fund infrastructure in other important areas such as transport, education and health.

An initiative that increases the availability of capital for water infrastructure will reduce that pressure and enable governments to apply their funds elsewhere.

“We have seen alternative financing models work extremely well in the UK, with the Thames Tideway Tunnel (TTT), a model which accessed superannuation funds to build a 25 kilometre long sewage interception, storage and transfer tunnel below the Thames River to prohibit overflows.” Mr McKeown continued.

“There are many water infrastructure funding options available to Australian governments in addition to the TTT model depending on what the need is, including Green Bonds, Public-Private-Partnerships, Direct Structured Leases, Indirect Structured Financing, and Long Term Lease agreements, concessional loads, and grants just to name the more common ones.”

The Australian Water Association is currently developing a discussion paper in partnership with ANZ and Allens Linklaters due for release next month, which looks at these various models and how they can be applied to the Australian water sector.

Australian Water Outlook 2016 highlights:

- Only 4% of industry and 3% of community respondents are confident that Australia currently has sufficient water security to meet all social, environmental and economic needs.
- 94% of industry were concerned about water shortages in Australia
- 97% of industry respondents thought there was at least a moderate amount of new investment in water infrastructure required

The Australian Water Outlook will be launched at the World Water Congress in Brisbane on Wednesday October 12.

The full report can be found [here](#).

ENDS

To arrange an interview with Jonathan McKeown or Daniel Lambert contact Ashleigh James 0488 160 277.

About the Australian Water Association

The Australian Water Association) is an independent, not-for-profit association for water professionals and organisations, providing leadership in the water sector through collaboration, advocacy and professional development. As Australia’s peak water industry body, the Australian Water Association has the largest broadly based membership, with approximately 700 corporate members and 5,000 individual members representing the diversity and breadth of the Australian water industry.

www.awa.asn.au

AUSTRALIAN[®] WATER

ASSOCIATION

About Arup

Arup is the creative force at the heart of many of the world's most prominent projects in the built environment and across industry. We offer a broad range of professional services that combine to make a real difference to our clients and the communities in which we work. We are truly global. From 90 offices in 35 countries our 13,000 planners, designers, engineers and consultants deliver innovative projects across the world with creativity and passion. Founded in 1946 with an enduring set of values, our unique trust ownership fosters a distinctive culture and an intellectual independence that encourages collaborative working. This is reflected in everything we do, allowing us to develop meaningful ideas, help shape agendas and deliver results that frequently surpass the expectations of our clients.

The people at Arup are driven to find a better way and to deliver better solutions for our clients.

We shape a better world.

www.arup.com