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MEDIA RELEASE

Diving in to help solve Australia's ageing water infrastructure dilemma

Upgrading and investing in new water infrastructure presents challenges for governments, the private sector and stakeholders. A report, by the Australian Water Association, looks at the issues and considers ways in which new funding models present serious business opportunities for investors.

Australian Water Association CEO Jonathan McKeown says it's going to be crucial for the sector to look at alternative ways to pay for water infrastructure projects if it is to meet the growing needs of the world's driest inhabited continent.

In a new discussion paper titled *Alternative models for financing water infrastructure* and written in partnership with ANZ and law firm Allens , the Association has called on a recognition for increased synergies between our water infrastructure needs and the capacity of private sector finance.

"Unprecedented burdens on existing infrastructure caused by urbanisation, climate change and our booming population means current funding models have simply not been able to keep up," Mr McKeown said.

"Over the years utilities have increased their borrowings with consequential impacts on their commercial performance and ability to take on additional debt. It's crucial we find sustainable ways of financing our water projects, and we hope this discussion paper will register new interest on alternative sources of finance.

"The Association's user friendly guide on alternative funding models gives utilities, governments and the private sector a quick reference tool to see the types of funding options open to them.

"Alternative financing models that decrease the cost of capital to utilities, particularly in our regional and rural areas, can lead to more affordable projects and reduce costs on water users. It will also reduce pressure on the balance sheets of State Governments. Most importantly, these alternative sources of finance will enable water infrastructure projects to proceed to meet the requirements of our expanding population," Mr McKeown continued.

The *Alternative models for financing water infrastructure* discussion paper presents a number of financing models for water infrastructure projects, and presents case studies on how these models have been used already and their application to the water industry. The paper also identifies new opportunities for developments that can meet future needs.

"As the need to upgrade water infrastructure becomes increasingly apparent, so does the need to understand the funding implications and options. The models outlined in our report shed light on some of the viable alternatives available to the government, private sector and community alike", said Katharine Tapley, Head of Sustainable Finance, ANZ.

"Investors want surety and long-term vision – innovative funding models such as those proposed in our report balance the needs of investors, governments and the community

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ensuring new, sustainable water infrastructure into the future," said Kate Axup, Partner, Allens.

The full discussion paper can be downloaded [here](#).

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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 broad-based membership, with approximately 700 corporate members and 5,000 individual members representing the diversity and breadth of the Australian water industry.

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