

# AN UPDATE FROM AQUASURE

Last week we achieved a very significant milestone on the finance front.

The Victorian Desalination Project is being delivered as a public private partnership (PPP) under the State Government's Partnerships Victoria framework. A PPP is an arrangement where the private sector partners with Government on a project to provide innovative design and the best value for money outcome for Victorians.

AquaSure has a contract with Government for 30 years. It will provide the funding to construct the project and will then operate it. However, Victoria's new desalination plant will at all times be publicly owned.

When we were awarded the project in July this year, we had secured \$1.9 billion in debt funding and we committed to raising a further \$1.75 billion within three years. The Government agreed to act as lender of last resort if we were unable to do this.

However, I'm extremely pleased to tell you that will not be necessary. In fact, 34 financial institutions all around the world, including Australian banks and superannuation funds have now committed to support the project as debt lenders.

In such a challenging financial climate the interest in and support for the project has been tremendous and means that it will be fully funded by the private sector, with absolutely no requirement for Government funds.

This achievement is a tribute to the support of Government, the skills of our financial advisor, Macquarie Capital and to the outstanding work, both in Australia and overseas, of our lead banks NAB and Westpac. There is worldwide financial support for this project.

Closer to home, we have to ensure that our local community is also very comfortable with what we are doing.

Last week, Bass Coast Shire Council launched a new website for rental housing for desalination workers.

The website lists rental accommodation that meets the requirements of the Housing Accord which Council, Thiess Degrémont and local real estate agents developed together.

The Accord aims to minimise impacts on the long-term rental supply and tourism markets by tapping into a new source of accommodation – holiday homes that are not normally available for rent.

Council's desalination housing website is the **only** accommodation website that Thiess Degrémont will promote to its employees, subcontractors and suppliers. Home owners with eligible housing will have received a letter from Council recently, encouraging them to request their real estate agent to list their property on the website.

If you are one of these home owners, we encourage you to make contact now. Thiess Degrémont is now launching the site to its staff, so don't miss out.

In other news, Thiess Degrémont recently awarded another major supply contract to a Victorian manufacturer. Olex from Tottenham has been awarded a \$43 million contract to supply 260km of high voltage underground power cable to the project.

This is a great example of our desire to source locally wherever possible and is the latest in a string of local contract awards recently, including:

- \$150,000 contract to undertake property surveys, awarded to Gippsland Building Approvals from Wonthaggi
- \$250,000 contract to construct a truck wheel wash and additional site amenity buildings, awarded to Pro-rent from Morwell
- \$810,000 contract for surveying awarded to Beveridge Williams & Co Wonthaggi and RE&LM Gertzel Cheltenham

On top of this, local businesses around town are no doubt already feeling the flow-on benefits of the project. This will continue as the workforce grows and demand for everyday services builds.

Out on site, earthworks are steaming ahead, with almost 500,000 cubic metres of earth shifted to date.

The sites for the pre-treatment facilities (that clean the water of impurities) and the reverse osmosis building (where the salt is removed) are being carved out as we speak and a number of the dunes are approaching completion, with only a layer of top-soil to go before the dunes begin to be planted out next year.

Our Board of Directors, which includes people from France, Japan, Korea and Hong Kong, as well as Australia, met for the first time last week and visited the site to see this progress.

We then had lunch, joined by Mayor John Duscher and Council CEO Allan Bawden, at the Kilcunda Hotel overlooking the site and the magnificent coast, knowing that the construction of the plant will not affect that view. Indeed, the project will create a 225 hectare coastal reserve in which the plant will sit, screened by the dunes, the trees and the very sensitive design.

Regards

**Chris Herbert** CEO, AquaSure

## X FICTION

The footprint of the desalination buildings on site is huge. They will take up most of the 263 hectare site.

## ✓ FACT

The desalination facilities comprise 29 buildings that take up just 38 hectares of the total site. The remaining 225 hectares will become a coastal park, home to more than 3.5 million new trees and shrubs, wetlands, woodlands and reconstructed dunes.

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