



NEWS RELEASE

Myalup–Wellington Project on Infrastructure Priority List

26 February 2020. Collie Water’s Myalup–Wellington Project is one of only two WA projects currently identified as Priority Projects in the latest Infrastructure Australia Priority List.

Infrastructure Australia today released the latest edition of the Infrastructure Priority List, presenting 147 infrastructure proposals of national significance – the largest number since the list’s inception.

Infrastructure Australia Chief Executive, Romilly Madew said the Infrastructure Priority List reflects both the diversity and urgency of our nation’s future infrastructure needs.

“Resilience was a key theme of our 2019 Australian Infrastructure Audit and this focus continues to be reflected in our latest edition of the Infrastructure Priority List,” Ms Madew said.

“Compounding issues of unprecedented infrastructure demand, severe drought and other environmental changes, require a focus on our resilience strategies and a consensus on where to invest now for our nation’s future prosperity.”

“As an independent advisory body, it’s our role to bring these problems and opportunities into the national spotlight to spark investment and coordinated action from industry and government,” Ms Madew said.

Infrastructure Australia has specifically identified a new High Priority Initiative for a National water strategy well as a new Town and city water security High Priority Initiative.

“In response to this call to action, we’re expecting a range of solutions to be considered for capturing, managing and distributing water, along with improvements in reporting and use of data in the water sector,” Ms Madew said.

Ms Madew also reaffirmed the role the Priority List plays in business case assessment. “The Priority List has a strong record of driving national investment and has become a key reference point for all levels of government,” Ms Madew said.

The latest edition of the Priority List identifies a project pipeline worth more than \$58 billion – including 6 New High Priority Projects and 17 New Priority Projects.

The Priority List is a collaborative document, developed using data from the 2019 Australian Infrastructure Audit and submissions from all levels of governments, industry and the community.

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MWP on Infrastructure Priority List
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**Infrastructure
Australia**

February 2020

Infrastructure Priority List

Infrastructure Australia's Project Summaries noted the Myalup–Wellington Water Project is a response to increased salinity in the Wellington Dam catchment and in the dam itself, and inefficiency in the water distribution network below the dam. The impacts of salinity and/or reduction in water allocations restrict production in the region and constrain potential export growth opportunities.

The project is made up of a number of integrated above and below dam components, targeted at reducing salinity in Wellington Dam and the surrounding area, and increasing the efficiency of water distribution infrastructure.

Priority List Projects are advanced proposals that have a full business case, which Infrastructure Australia has assessed as capable of addressing a nationally significant problem or opportunity and delivering robust economic, social or environmental outcomes

Infrastructure Australia's role is to advise on national infrastructure priorities and assesses the economic merits of projects with fully-developed business cases. Funding decisions are made by governments or the private sector.

The revised Infrastructure Priority List is available at www.infrastructureaustralia.gov.au.

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About the Myalup–Wellington Project

The Myalup–Wellington Project is an industry developed initiative, led by Collie Water, in response to increased salinity in the Wellington Dam catchment and in the dam itself, and inefficiency in the water distribution network below the dam. Increased salinity and reduced reliability of groundwater has restricted high yield fruit and vegetable agricultural activity in the Myalup Irrigated Agricultural Precinct (MIAP), and a progressive abandonment of agricultural activity in Harvey Water's Collie River Irrigation District, as growers return water entitlements.

The project is a significant economic development project involving Collie Water, the State Government and the Commonwealth and key stakeholders, to substantially increase production capacity, create jobs and allow economic uplift in the region.

The project will be majority funded by Collie Water. In addition, the State Government has committed \$35 million in grant funding and the Commonwealth will contribute \$140 million from the National Water Infrastructure Development Fund.

About Collie Water

Collie Water is the trading name of Myalup Wellington Water Corporation Pty Ltd. Collie Water is a special-purpose company formed to implement and operate the Project. Collie Water was established by WA water solutions provider Aqua Ferre.

Aqua Ferre was founded by corporate advisory group Pendulum Capital and agri-supplier Regal Grange Group, to develop water projects across the state.

Infrastructure Priority List

Project and Initiative Summaries



A prioritised
list of nationally
significant
infrastructure
needs

Priority Projects

Myalup–Wellington water project

Location
South-west WA



Geography
Small towns, rural communities and remote areas

Category
Opportunity for Growth

Indicative delivery timeframe
Near term (0–5 years)

Proponent
Western Australian Government

Evaluation date
6 November 2017



Problem to be addressed

The Myalup–Wellington Water Project is a response to increased salinity in the Wellington Dam catchment and in the dam itself, and inefficiency in the water distribution network below the dam. Increased salinity and reduced reliability of groundwater has resulted in reduced high-yield fruit and vegetable agricultural activity in the Myalup Irrigated Agricultural Precinct (MIAP), and a progressive abandonment of agricultural activity in the Collie River Irrigation District, as growers return water entitlements.

The MIAP is a key part of Western Australia’s agriculture industry, responsible for over 60% of the south west’s horticultural production. It is considered integral to domestic supply and potential growth in Australian exports. Growers have expressed concerns about high salinity levels on their properties, and difficulty in achieving crop germination. They are also experiencing a shortage of water supply, which limits capacity for increased productivity and expansion.

The impacts of salinity and/or reduction in water allocations restrict production in the region and constrain potential export growth opportunities.

Project description

The proposed project is located in the south-west of Western Australia, approximately 200 km south of Perth, east of Bunbury. The project is made up of a number of integrated above and below dam components, targeted at reducing salinity in Wellington Dam and the surrounding area, and increasing the efficiency of water distribution infrastructure.

Economic, social and environmental value

Economic benefits include those for irrigators and water producers. Irrigators would benefit through increased production value due to an increase in the number of hectares farmed and a shift to more valuable products. The producer, Collie Water, would benefit from the sale of potable water to Water Corporation.

The proponent’s stated benefit-cost ratio is 1.6, with a net present value of \$389 million (7% real discount rate).

Capital cost of initiative as stated by proponent (2017 business case) \$394.1 million (nominal, undiscounted) | Australian Government contribution To be determined | State government contribution To be determined | Private sector contribution To be determined.