



MEDIA RELEASE

Friday 5 December 2014

HUNTER WATER ANNOUNCES SALE OF SUBSIDIARY

Hunter Water Corporation (Hunter Water) has agreed to sell its fully owned subsidiary Hunter Water Australia Pty Limited (HWA) to a group comprising of HWA employees and local private investors, in a deal that will see the engineering consulting business remain locally based.

In parallel, Hunter Water has sold the laboratory business of HWA to Australian Laboratory Services Pty Limited, a subsidiary of ALS Limited (ALS). As part of the transaction, a long term agreement has been put in place under which ALS will provide high quality laboratory services to Hunter Water. This includes a binding commitment to ensure that facilities are retained in Newcastle for at least the medium term, thus protecting both local capabilities and local jobs.

As a result of discussions between Hunter Water and the Australian Services Union and Professionals Australia, an agreement has been reached that will offer employment within Hunter Water for a small number of HWA employees who have been identified as not being required by the new owners.

These HWA employees will have the option of entering a redeployment pool for a maximum of six months before being offered a fulltime position by Hunter Water should they have been unable to secure alternative employment.

Hunter Water Managing Director Kim Wood said the two transactions are a good outcome for both businesses.

“The investments in HWA ensure both businesses remain locally based while allowing Hunter Water to focus on its core responsibilities of delivering water and waste water services.

“For Hunter Water, the next decade will be about laying the groundwork for the predicted growth in the region’s population to 1 million people, by 2050.

“The Hunter is brimming with development opportunities. For that expansion to occur, Hunter Water needs to increase its almost 10,000 kms of mains throughout the region as well as increase the capacity of many of its treatment plants.

“We are at a critical point in the Hunter’s development. Hunter Water looks forward to continuing the expansion of its water and wastewater infrastructure; the building blocks that will allow more than 50,000 people to move to Maitland and Port Stephens alone over the coming few decades,” Kim Wood said.

For the sale of HWA, Pottinger acted as business advisor to Hunter Water and Spark Helmore acted as the legal advisor.

The completion of the sale is expected by 31 December 2014.

Jeremy Bath | M 0419 267 789 | jeremy.bath@hunterwater.com.au