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## Top advisers warned against desal plant, north-south pipe

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ONE of the State Government's top strategic consultants advised cabinet against building the controversial desalination plant and the north-south pipeline in an alternative water plan that has since been suppressed.

The \$295,000 cabinet-commissioned review of the city's water crisis was delivered to ministers in early June 2007. Two weeks later, the Government unveiled its \$4.9 billion water package, featuring the Wonthaggi desalination plant and the pipeline, two of the state's most contentious projects.

The consultancy firm ACIL Tasman, which sits on a variety of strategic advice panels for the State Government, had told cabinet not to commission projects such as the desalination plant until it was absolutely necessary. Rather, it advised cabinet to ensure it was "ready" to proceed if required — by, for example, smoothing the way for planning approval and conducting feasibility studies.

*The Sunday Age* believes the report also recommended a significant investment in water-saving measures.

The report, *Review of Victorian Water Supply-Demand Options and Risks*, was described by the Department of Sustainability's media advisers as "highly sensitive" and suppressed by the Government, which cited cabinet confidentiality. Attempts by *The Sunday Age* to obtain it under freedom-of-information laws have twice been thwarted by the department.

In denying *The Sunday Age* access, department secretary Peter Harris said the document was "specifically commissioned and prepared for consideration by a Committee of Cabinet".

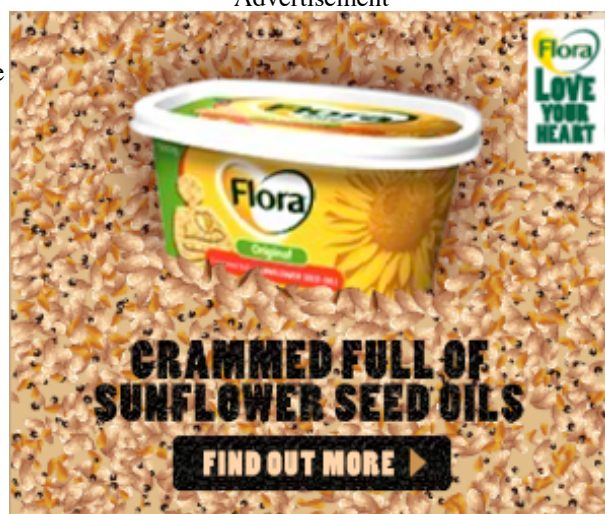
Critics of the Government's water plan say cabinet failed to consider and investigate other alternatives — such as reusing and recycling water, rain tanks and stormwater capture — before committing to the energy-intensive desalination plant and the pipe that channels water from the country to the city.

But Water Minister Tim Holding told *The Sunday Age* that if the Government had followed the report's advice "Melbourne would run out of water in the next couple of years". The advice was based on the inflows of water to the city's catchments between 2004 and 2006. These years saw an average of 354 billion litres of water flow into Melbourne's dams each year, but the annual average for 2006 to 2008 was 274 billion litres.

"The 'worst-case scenario' outlined in the report has since proven to be far too optimistic," he said. "The Government adopted a far more conservative and prudent approach through committing to build Australia's largest desalination plant and implementing a \$2 billion project to save water lost through leaky old irrigation channels.

"The current state of our storages and the extreme weather pattern we are experiencing reinforce the importance of the Government acting immediately to invest in major projects to boost water supplies."

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Opposition urban water spokeswoman Louise Asher said the Government's water strategy had been to pray for rain. "That hasn't worked and the existence of this report is evidence that the Government is ... making decisions not based on proper advice."

ACIL Tasman is one of the 20 hand-picked contractors on the Department of Treasury and Finance's \$8 million strategic research panel. According to the Government's contract website, it was initially contracted to "deliver a best practice urban water investment decision-making framework".

*This story was found at: <http://www.theage.com.au/national/top-advisers-warned-against-desal-plant-northsouth-pipe-20090207-80fr.html>*