

To the Board of Directors,

National Australia Bank Head Office,  
800 Bourke St,  
Docklands 3008

#### **NAB's Investment in the Wonthaggi Desalination Plant:**

On the 31<sup>st</sup> July, Aquasure, a consortium made up of Suez Environment (affiliated to Degremont), Theiss and Maquarie Capital announced that it would be building the Wonthaggi desalination plant.

Aquasure and the State of Victoria secured a financing package, 'lead by NAB and Westpac', and supported by banks from Belgium, China, France, Italy, Japan, Spain and the UK.

NAB's decision to finance the project is contrary to your stated principles of responsibility toward the environment and your adoption of the "Equator Principles" in October 2007. NAB could not legitimately claim that this project met even the most basic of environment requirements, due to the following :

**1. Lack of credible environmental assessment of the site before works began.** The shortest Environmental Effects Study (EES) on record took place - inadequate and insufficient for such a complex public infrastructure project, planned to be the largest desalination plant in Australia.

**2. The long term effects of the construction and operation of the desalination plant have not been properly assessed.** Comprehensive baseline data collected over 2 - 3 years is required prior to construction / operation in order to develop an optimal monitoring plan. In addition, no completed Cultural Heritage Management Plan, required for a comprehensive assessment and planning, was completed.

**3. Location adjacent to Bunurong Marine Park, in a migration paths and activity zone for whales.** The marine investigations in the EES were inadequate and deficient in their examination of the impact of the discharge from the desalination plant on marine life. There are significant gaps in the existing reports regarding failure to highlight known important EPBC listed species (e.g. three native orchids, Dwarf / Antarctic Minke Whales) and the frequency of presence of species, particularly migratory marine mammals.

#### **4. Marine effects:**

**Mixing** - There has been no analysis of the social, environmental or economic cost in the event that the coastal upwelling shifts the brine pools along the Victorian coast. **The outlet pipeline needs to be at least 2 km off shore** (the current Aquasure plan shows pipe only 1.1km in length). An outlet on a true sandy bottom is "world's best practice" and is essential to minimise negative impacts of brine and other chemical accumulation. The planned outlet is on moderate relief reef, rich in marine life.

**Intake** - The cumulative impacts of the entrainment of eggs, plankton, fish, larval life stages and other small marine invertebrates in the intake of seawater. Studies are required into the effect of entrainment of eggs and larvae of marine fauna.

**Outlet** - The cumulative impacts of the discharge of ecotoxins, and the potential for pooling of ecotoxins on the marine environment and human health. The effect that the long term accumulation of organic detritus (typically includes the bodies of dead

organisms or fragments of organisms) will have upon the marine environment was not assessed.

**Other areas of concern** - Impact on coastal habitats, including the Powlett River, other coastal estuaries, rivers, inlets and bays; impact of construction and the operation of the desalination plant on endangered birds, such as the Hooded Plover that breeds within close proximity of the subject site; impact of the construction and the operation of the desalination plant (particularly noise emissions) on protected marine species including: Blue, Southern Right and Humpback whales; Dolphins; Little Penguins; Seals and sea lions; Leatherback Turtles; Sharks, specifically the Great White Shark.

**5. French infrastructure company GDF Suez, whose subsidiary Suez Environment is a lead member of the Aquasure consortium, has a track record of breaches of performance requirements, after illegally logging Amazon rainforest during the construction of the \$5.6 billion hydro-electric dam in Brazil.** It was fined \$305,000 in February for clearing 19 hectares of rainforest, some of which was protected by a permanent reserve. The project has been fiercely opposed by environmentalists, who say it will flood 520 square kilometres of rainforest, triggering tonnes of greenhouse gases from rotting vegetation, as well as impeding fish migration. According to Spanish news agency EFE, the company also used dynamite to kill 11 tons of fish in local rivers.

**6. Carbon emissions associated with huge energy use:**

With only one larger desalination plant operating anywhere in the world, the scale of desalination proposed would prevent as many as 900,000 tonnes of existing emissions being avoided every year. **The surplus energy from wind and hydro projects, that would still be available if cheaper water supply options had been chosen, will not be available to actually reduce existing emissions.**

**There has been little, if any, critical analysis of the desalination project promoting and complying with the principles of ecological sustainable development, which includes the precautionary principle.**

**NAB have signed on to a set of corporate environmental principles to guide their investment strategies. I find it difficult to see how they can be reconciled with investing in the Wonthaggi desalination plant.**

**I appreciate that NAB would be undertaking due diligence on this proposed investment and that it may find this investment not consistent with its stated corporate responsibilities and obligations toward the environment.**

**I urge the bank to investigate the many threats to the environment caused by the construction and operation of the desalination plant in Wonthaggi.**

**Yours faithfully,**

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Address .....

.....Postcode.....