



Let's call the whole thing off

By Stephen Cannon,
Watershed President

FINANCIAL analyst Kenneth Davidson has challenged Premier Ted Baillieu's claim that the new Liberal government is powerless to change the state's desalination contract with AquaSure.

In *The Age* on March 27, Davidson wrote that the contract could be broken – ethically and fairly – and it would be cheaper for Victorians if we did.

"There is no commercial contract that can't be broken, including the desalination contract with AquaSure. The issue is what is fair compensation. The courts would determine this."

Davidson points out that it would be cheaper to pay AquaSure \$6.4 billion upfront to cancel the deal than to continue paying out for the next 28 years, as specified under the contract.

In the lead-up to the November 2010 state election, the Liberal Party promised to examine the contract closely to identify possible savings and whether the contract could be renegotiated.

Once elected, the Liberals soon fell into line. In late February, Baillieu announced a PricewaterhouseCoopers analysis of

the contract signed by the previous Labor government had concluded no savings could be found.

"It is now the government's view that there are no feasible material savings available to the government in dealing with that contract," he said. "As a consequence, the contract is in place as it is."

Baillieu claimed the government was shocked to learn of the full cost of the project. He said the analysis revealed the nominal cost of the desalination plant over the next three decades could be as high as \$23.9 billion.

"It is now clear why the Labor Government went to such extreme lengths to hide this huge expenditure from Victorians.

"Under the contract signed by former water minister Tim Holding, the forecast annual payment for 2012/13 is \$654 million – and that is without one drop of water being drawn from the plant."

Water from the plant would cost \$13.58 per kilolitre (1000 litres) if the minimum 50 gigalitres (50 billion litres) was drawn in 2012-13.

If the maximum of 150 gigalitres of water was ordered it would cost Melbourne Water customers around \$5.09 a kilolitre.

Melbourne households currently pay

around \$1.80 a kilolitre for their water.

Baillieu said the higher cost would be passed on in full to Melbourne Water,

'The Kafka-esque dimension to this self-induced fiscal and environmental nightmare is in Melbourne Water's balance sheet.'

Kenneth Davidson

which would in turn pass on the costs to customers.

"This is an extraordinarily expensive desalination plant providing water to Melburnians at great cost," he said.

Davidson's analysis revealed just how much: an average household using 400 kilolitres pays about \$1400 a year now for water, including parks and sewerage; in 2012, when households will have to take 40 per cent of their water from the desal plant, they will have to pay about \$3000 for their water.

A nice little earner

THERE was only one real surprise in claims that a senior supervisor at the Wonthaggi desal plant had sold jobs for about \$2000 each – that they were going so cheap.

In February, the Australian Building and Construction Commission confirmed it had made inquiries about the claims by the Construction, Forestry, Mining and Energy Union.

Contractor Thiess Degremont said it had appointed consultants to look into the matter.

Building workers on the site earn around \$130,000 a year, with a base pay of nearly \$1400 and allowances, including a living-away-from-home allowance of \$700 a week.

One local resident was next to a group of desal workers in an upmarket watering hole recently. Their main topic of conversation, he reported, was how little work they were required to do.

Locals can only dream of working on a union-controlled site in their next working life.

The Big End of Town...



200 whales ... and still counting

By Aileen Vening and Mark Robertson

THE findings of Watershed's whale watch program during 2010 show clearly the gulf that exists between reality and what the governments (state and federal) would have us believe.

As late as July 2010, then federal Environment Minister Peter Garrett was insisting that "the assessment (ie. EES) demonstrated that whales were unlikely to occur in the ...vicinity of construction activity" (quote from a letter to Flinders MP Greg Hunt).

The reality is that between May and the end of August 2010, community members reported approximately 200 whale sightings between Phillip Island and the Cape Liptrap Coastal Park. Maps showing where these sightings were made are now on Watershed's website.

Apart from the sheer number of sightings, other important points should be noted:

1. Most of the whales identified were southern right and humpback whales (listed under the federal Environment Protection and Biodiversity Conservation Act). Clearly our coastline is a significant habitat.
2. During 2009, whales were sighted up until November (by Watershed member Geoff Glare). In 2010 there was a sharp reduction in sightings at the same time as our local newspaper reported tunneling had commenced at Williamsons Beach. Simultaneously up to eight whales took up residence at Waratah Bay for several weeks.
3. AquaSure and the Department of Sustainability and Environment admit no further studies of local whale populations have been done since the EES.

The Independent Assessor (their report is found buried in the ourwater.vic.gov.au website) reported that no noise monitoring was done during the first part of the offshore drilling.

In a letter to Watershed, our new federal Environment Minister, Tony Burke, reports there were no whale "interactions" during the drilling.

Watershed's data exposes the dismal failure of authorities to carry out their responsibilities in relation to whale protection. What are the odds other species have suffered a similar fate?

Watershed Victoria plans to conduct whale watch again this year. Three humpback whales were sighted off Cowes on the weekend of 31 January 2011.

Details of how to record your sightings will be published soon.

Good luck and steer clear, little shearwaters

By Susan Saliba

IN the next few weeks, short-tailed shearwaters (mutton birds) will begin leaving Phillip Island on their 16,000-kilometre journey to the Aleutian Islands off Alaska.

These amazing birds arrived in September, immediately finding the same burrow they use each year and spending the summer feeding, mating, producing and lovingly raising the one chick each pair produces.

Now they face their journey back.

The adults will leave in early April. Most concerning, however, is their chicks' – now juveniles' – flight. The juveniles leave several weeks after their parents and follow the same route. In

a beautiful poetic note, the short-tailed shearwaters were once called moonbirds; it seems they may use the light of the moon to help them navigate.

Sadly, these days, there's a source of illumination even brighter than the moon on their direct flight; it's the massive over-lighting of the desalination plant. This is the first year these birds will encounter such a hazard – and the consequences could be horrendous.

On Phillip Island, during the period of the juveniles' emigration, bridge lights are turned off and volunteers work at night to save birds that have been attracted to lights and become stranded on the roads.

What will be the carnage at the desalination

site where lights blaze and heavy unnatural structures loom in the sky?

One of the features of the short-tailed shearwater is that it can barely walk on land.

Once attracted to inland lights and having come to earth, the juveniles will be unable to get to water or to re-launch themselves.

We know that AquaSure staff will not care for the birds, nor will they record their injuries or deaths. They have already failed to do this regarding earlier wildlife incidents at the site.

It's crucial the lights of the desalination plant are turned off for the period during which the juvenile short-tailed shearwaters leave Phillip Island.

Please help us save these amazing birds.



watershedvictoria

Watershed Victoria Inc
c/- P.O. Dalyston, Vic. 3992
Ph: 0407 811778

Membership

Name

Email Phone Mobile

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Cost, \$15 individuals, \$30 households. Amount paid: Receipt required?

Please indicate if you would like to help in the campaign, eg. distribution, publicity, fund-raising, manning caravan

Give membership form and subscription to a committee member; OR

Post form plus cheque or postal order to Watershed Victoria, Dalyston PO, 3992; OR

Direct deposit to Bendigo Bank. Account name: Watershed Victoria. BSB: 633 000. Acc No: 134 991 850. Reference: Your name

Victoria still needs you

Watershed Victoria will continue to oppose the desalination plant because there are sustainable alternatives that would do the job better.

We will also do our best to "keep the bastards honest".

That is, while they proceed with this monstrous plant, we will continue to monitor their actions and to lobby to minimise the damage to our environment and the Bass Coast community.

See membership details below.

