



Bogged in their own quagmire

By Stephen Cannon,
Watershed President

IT'S hard not to be amused as South Gippsland's wild weather wreaks havoc on the companies that lined up to feast on the Wonthaggi desalination deal.

Last month, Leighton Holdings, the parent company of desal builder Thiess, cited the plant as a major factor in a \$900 million downgrade in its profit forecast.

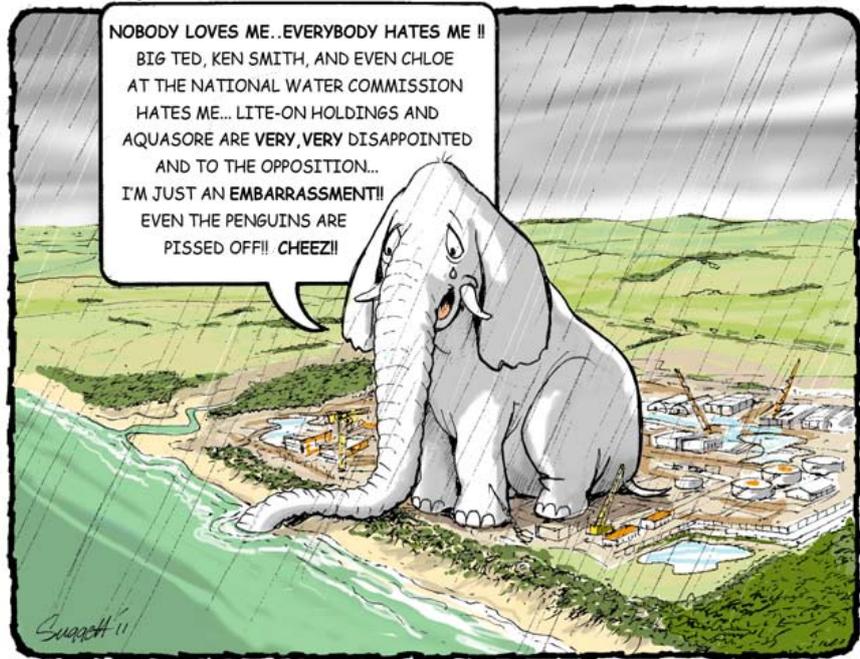
With the desal plant running six to 12 months behind schedule, the company now expects to make just \$6 million profit from the desal project rather than the \$288 million it had counted on.

A few days later, *The Age* reported that Leighton's downgrade had forced its German parent company, Hochtief, to slash its own profit guidance in half and that in turn had forced the resignation of Hochtief's CEO, Herbert Luetkestratkoeetter.

Complaining about "inconsistencies" between the tender and final design and low productivity from a workforce paid well above award rates, Leighton CEO David Stewart even suggested the company might sue the Victorian government over the ill-fated project.

As the Thiess Degremont consortium battles to meet its December deadline for producing the first desali-

White Elephant Blues...



nated water, one of Australia's leading urban water experts was advising the Coalition government to use the delays to negotiate for a much smaller plant.

Professor Peter Coombes told *The Age* a 150-gigalitre plant was unnecessary under the government's policy of boosting rainwater collection and recycling.

Professor Coombes report for the government's Living Victoria, Living

Melbourne project is helping shape water policy for Melbourne.

"Victoria does not need a desal plant of this size supplying water every day," he said. "It should be a water security option, an emergency option. And the government should be renegotiating the contract to get that outcome."

The plant must be fully operational by June 2012 or Thiess Degremont will lose \$1.8 million a day in payments.

Costs issue sinks Watershed challenge on breach of privacy

By Elizabeth McKinnon,
Environment Defenders Office

IN theory everyone has equal access to the courts. In practice, access is far from equal, because anyone unsuccessful in court proceedings runs the risk of being ordered to pay the other side's legal costs. This rule favours well-resourced governments and large corporations.

The Environment Defenders Office has been advocating for changes to court rules to allow an up-front determination that costs will be limited or capped, known as a Protective Costs Order.

Late last year, the EDO filed an action

in the Supreme Court on behalf of two Watershed members, Chris Heislars and Stephen Cannon, seeking review of the decision of the Victorian government to enter into a Memorandum of Understanding (MoU) that allowed for the transfer of private information on protesters from government bodies to AquaSure, the private consortium building the desalination plant.

Neither Chris nor Stephen stood to gain any benefit to their private interests; it was wholly in the public interest, raising what the EDO, our clients and many others see as significant privacy and other human rights issues. Chris and Stephen applied for a protective costs order up-front.

Unfortunately, in this case the Supreme Court did not agree with submissions made that the costs issue needed to be dealt with first if Chris and Stephen were not to be shut out of the process. Finding themselves in the impossible position of exposing themselves to significant financial risk, they adopted the only rational course and recently accepted an offer from the defendants to walk away from the case. This means they will not have a chance to test the legality of the sharing of government information about protesters with the private developer of the desalination plant.

The case demonstrates that this is really an area that requires legislative reform.

The whales are coming

Following the outstanding success of last year's winter whale watch, Watershed Victoria is launching 2011 Winter Whale Watch. Aileen Venning reports.

BETWEEN May and August 2010, 200 whale sightings were recorded along the Bass Coast between Cowes and Waratah Bay. Most of these sightings were of endangered humpback and southern right whales. Other species recorded were dolphins, a great white shark and possibly pilot and killer whales.

The aim of the program is to gather data about the number of whales of different species and observe their behaviour as they pass along our coastline.

It was prompted by a belief that the Environmental Effects Statement preceding construction of the desalination plant was completely inadequate with regard to the potential effects on marine species. The EES stated that whales only visit our coastline occasionally. Unfortunately the federal Environment Department, instead of doing independent research about listed endangered species, chose to sim-

ply restate what was in the EES.

Whale Watch co-ordinator Mark Robertson described one event during 2010 where construction works at the desalination plant may have had a significant (but not fully understood) impact on migrating whales. He said that immediately following a report in the local paper that sea tunnelling had commenced in late July, sightings of whales virtually ceased between Cowes and Inverloch. At the same time a number of whales took up residence at Waratah Bay for several weeks. In 2009, sightings had been made locally up until November.

Whale Watch is a great way for surfers, beachgoers, anglers and tourists to enjoy our precious beaches. Everyone can help add to our knowledge of Victorian whale movements and at the same time witness one of nature's great spectacles.

Watershed Victoria is launching Winter



Whale Watch 2011 at the Kilcunda Hall at 2pm on Sunday May 29. Residents can learn about last year's sightings and how and where to look for whales. Bring binoculars if the weather is fine.

Sightings can be recorded on the Whale Watch hotline: 0438 646 677.

The final count's in: desalination just doesn't add up

The Productivity Commission's inquiry into water has found little clarity or transparency about the way government objectives and policies are being applied to the urban water sector.

In a report released this month, the commission stated that Australian governments had largely responded to low rainfall with water restrictions and large investments in desalination capacity. "But the costs to consumers and the community have been high ... based on case-study modelling of Melbourne and Perth undertaken

by the Commission, the costs to consumers and the community of proceeding with desalination plants ahead of lower-cost alternatives could be of the order of \$1.8 billion to \$2.5 billion for these two cities combined over a 10-year period and \$3.1 billion to \$4.2 billion over a 20-year period.

The report stated that large investments in desalination plants, often came after political intervention and/or consideration of a limited set of options.

"There is sufficient evidence available to the inquiry to conclude that much of the recent investment in supply augmentation using desalination could have been smaller in scale and from a source other than desalination, while maintaining security of supply.

"Lower-cost sources of water supply, such as urban-rural trade and aquifers, have been available in several jurisdictions, but large investments in desalination have been preferred."



watershedvictoria

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Membership

Name

Email Phone Mobile

Address

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.

