

# Delivering Water Policy in Queensland

## CASE STUDY

### Not too late to stop the disaster that is our desalination plant

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**The Auditor-General's report has revealed the true cost of the state's desal facility.**

The multibillion-dollar water policy chickens are coming home to roost. A report by Victoria's Auditor-General, tabled in Parliament last week, has underlined what was known for at least two years before the desal contract was signed - that Melbourne didn't need the water, that the plant would be an environmental disaster and the cost would put a massive burden on Victorians for the next three decades either as water consumers or taxpayers.

The question now is how to minimise the cost. The Auditor-General's report gives the clue. The \$18 billion capital cost is difficult to escape. The plant should be mothballed. This will at least save the \$5.8 billion that it could cost to buy water from the plant.

Advertisement: Story continues below There must be a royal commission that looks at the role of the politicians involved in the decision. One hopes they will be also be punished by the electorate in the November state election.

It will be the task of a new government to clean out the bureaucrats in the departments of Sustainability and the Environment and the Treasury who have ticked off on this boondoggle. These bureaucrats have been well and truly captured by the financiers who put together this deal and other public- private partnerships impoverishing this state.

The contract for the desalination plant must be released in full before the election. Part of the reverse osmosis plant is suitable for processing stormwater to class A status and could be shifted to the present water treatment plant at Carrum for this purpose.

The desalination plant's inlet pipe designed to bring 500 gigalitres of sea water into the plant and Melbourne's grid connections can be used to connect Melbourne to existing dams in north-west Tasmania. This would mean Victoria would have a reliable source of water, even with the worst scenarios for water due to climate change. At present this north-west Tasmanian water flows out to sea after it generates hydro-electricity.

The north-west Tasmanian outflow as waste water is 5000 gigalitres - 10 times the volume needed by Melbourne and twice that used by the whole state of Victoria.

The financial disaster of the Wonthaggi desalination plant can be turned into an opportunity by sidestepping the impending disaster for the Murray-Darling Basin - as revealed in the Murray-Darling Basin Authority's policy of irrigation water licence buybacks announced last week.

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The MDBA has come with a solution to save the Murray River that involves the amputation of one of the three major irrigation areas - centred on Mildura, Shepparton and Griffith.

The authority may think that the pain of water licence buybacks can be spread evenly across the three irrigation districts. If one-third of the farmers across the basin stopped irrigating, there would not be enough farmers to maintain viable local economies. The costs of the remaining farmers would rise by a third.

More importantly, even if one of the irrigation districts is closed, it doesn't mean any more water for the river during drought. During the past 13 years of drought, banks and superannuation funds have been purchasing water licences from distressed farmers with the aim of making money by selling those licences to the federal government.

These licences are backed by water in times of normal rainfall when the river is not stressed but are worthless to the river during drought.

Water licences now sell for \$2300 per megalitre. Once the licence is sold the land is worthless for crops requiring irrigation and the remaining irrigators will have to pay 30 to 40 per cent more for water to cover fixed costs.

For the MDBA, they will have to spend \$7-\$9 billion for licences that won't be backed by water during drought. Only rain, not licences, can produce extra water for the river.

It is hard to believe, but the buyback scheme looks crazier than the desalination plant and north-south pipeline, which is designed to take water out of the Eildon Weir on the Goulburn River. The weir is often empty during severe drought and that is the only time when Melbourne might need the water.

The farmers screaming about the MDBA plan are justified. The only practical, environmentally responsible and financially prudent policy is to bring water into the basin.

Practical solutions require no pumping. This means the only new source of water involves piping water from north-west Tasmania that can supply the whole of Melbourne. This frees up 90 per cent of Melbourne's water from the Thomson and Upper Yarra dams.

This water can be diverted by a tunnel (already surveyed) into Eildon dam and into the Murray via the Goulburn River. Both the Tasmanian pipeline and the tunnel from the Upper Yarra to Eildon do not require pumping. They are simple engineering tasks and involve the expenditure of no more than \$2 billion, which is less than one-third of the buyback scheme proposed by the MDBA. This plan has the added virtue of using part of the desalination plant that must be paid for irrespective of whether it is used or not.