

BINNINGUP
DE-SAL ACTION
GROUP

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Submission to the Economic Regulatory Authority – January 2008

The Binningup Desalination Action Group has considered the Draft Report “Inquiry on Competition in the Water and Wastewater Services Sector” and offers the following submission.

The Binningup Desalination Action Group was appointed by the community at a public meeting held just after the announcement of the decision to build a desalination plant was made public. A petition opposing the desalination plant, signed by 980 people (representing 590 from the Shire of Harvey of whom 359 were residents of Binningup and 52 were residents of Myalup) has been presented to Parliament.

The group fully supports the recommendations of the draft report.

This local community is outraged about the way in which the decision to build a desalination plant at Binningup was made. We have an expectation that a Government decision to make a billion dollar investment would at least have been made on more than a brief environmental study and a brief consideration of possible sites. We believe that the process of triple bottom line accounting should be applied to achieve the best economic, environmental and social outcome. This has not occurred.

The decision to build a second desalination plant at Binningup appears to be a purely political one to deal with the public outcry against the South West Yarragadee proposal. We believe that the Binningup location was chosen over the Rockingham and Secret Harbour proposals, which had been properly researched, because there were only about 900 votes and it was likely (and subsequently proven) that the redistribution of electoral boundaries would put Binningup into a safe Liberal seat. This was evidenced by the response from Water Corporation employees that they were as surprised as the community by the unexpected decision of the Premier. We understand that Dr Jim Gill was called to the Ministers office expecting a sign off with the South West Yarragadee and walked out with a desalination plant at Binningup. We do not believe that this is the way in which the State should be conducting its affairs.

We have been advised that part of the decision making process was that the Water Corporation owned land in the area with a waste-water treatment plant servicing a part of Binningup. It is interesting to note that only a small proportion of this land is suitable for this development and the Water Corp has had to purchase additional land adjacent to their existing site.

In the Government decision to build the desalination plant at Binningup there appears to have been little consideration given to environmental factors (marine and terrestrial) for the process, the plant, the pipeline and the power supply or to the social impact on the local community at both the construction and the operation stages and, obviously from the ERA draft report, to the economic factors. This is again evidenced by the fact that the Water Corporation is currently undertaking studies that should have been carried out before any decision was made. We have grave concerns that the studies will now be skewed towards a desired outcome rather than looking for the best outcome.

The Government, in making this knee-jerk decision, has also failed to consider the loss in property value of the northern parts of Binningup and the opportunity cost of constraining all residential development between Binningup and Myalup in what could be very high value, desirable land especially when the Perth – Bunbury Highway is completed putting the area within 1½ hours range of Perth. The establishment of the plant in an industrial area, where it should be, would have avoided all of these economic impacts on the local community and landowners.

From the information provided from the Kwinana plant, a desalination plant running at 45 gicalitres will require 185-gigawatt hours/year of electricity, sufficient energy to run 30,000 houses. The Water Corporation states that the process will be powered by renewable energy however we have to ask, given the current energy crisis in the State, if this is the best use of this potential resource and what is the opportunity cost of using this energy in an incredibly power hungry process rather than developing the green power sources as a replacement for coal or gas fired power stations.

We fully accept that the climate change needs to be addressed and that the Government needs to make fully informed and rational decisions to deal with future risk however it is interesting to note that last year, when the Government made a panic decision to go with desalination as the only option, the Wellington Dam overflowed.

There are many avenues and options open however, the Water Corporation seems to be reluctant to investigate due to a blinkered monopolistic approach and being controlled by a political imperative. The Draft Report highlights many of these options and we fully support the rigorous investigation of all alternatives to produce the best outcome.

We agree that a billion dollar investment will totally stifle any alternatives for many years to come and will remove any incentive for research or for greater efficiencies in the storage, distribution and use of water.

Given that this year has seen above average rainfall in the southwest, the decision to build a desalination plant anywhere should be held in abeyance until all the alternatives have been properly researched and evaluated to achieve the best outcome from an economic, environmental and social perspective.

Yours faithfully

Tim Hunter - Secretary