



Adelaide Desalination Plant Review

Select Committee Hearing 30th June 2011

Darian Hiles

The strategic management of the project, as distinct from the operational management, should include general issues, particularly in view of the stated primary intention of planning for water security for Adelaide and the State.

Did the Government consider as part of its security planning:

- The effect of changed conditions, e.g.
 - Why was the likelihood (and in fact the inevitability) of the breaking of the drought not considered?
 - Why did this inevitable breaking of the drought not then invoke the need to renegotiate the contract? If this renegotiation was not feasible then the initial planning was seriously at fault.
 - A review is needed of the desalination plant as an economic experiment, as it has also become an environmental experiment given what is known from the Adelaide Coastal Waters Study.
- New information, both internal and external, uncovered during the course of the project, e.g.
 - Further options for recycling based on research in the interim and further analysis of the example set at Salisbury. What was the plan for monitoring these alternatives?
 - As it is likely that alternatives may change the course of the project, was R&D into alternatives continued during the project and allowance written into the contract to allow renegotiation if the outcomes recommended it?
 - Has the Government established a strategic plan for stormwater harvesting and for example, identified suitable land and quarantined this land from future development to save Gulf St Vincent as part of its water security plan, with consequences for all coastal marine waters from the effect of stormwater, wastewater and desalination plant pollution?
- Adjustments needed when initial assumptions are found to be inadequate or incorrect, e.g.
 - Further information on the effects of the desalination discharge on the Gulf has been released during the project. Are critical plans in place to keep Port Stanvac jetty in the public interest, and to monitor the marine environment from the effects of increased discharge from the Christies Beach waste water treatment plant?
 - What consideration has been given to the availability of water upstream in the Basin, particularly given that agriculture economic efficiency is low in comparison to many other uses including that by households.
 - As the effect of stormwater pollutants and excess fresh water released into the Gulf are undermining its environmental viability, how is environmental water security for the Gulf being addressed?
 - What steps are being taken to reduce the damaging effects of excessive stormwater release, with its associated pollutants, into the Gulf?
 - How is the capital devoted to desalination being balanced against this fundamental requirement of the health of the Gulf?



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- Why are the costs of these preventive measures not included in the cost/benefit of the desalination plant, as the plant directly detracts from the dedication of resources to this requirement?
- As the plant detracts from the case for stormwater diversion and purification to an acceptable level, how will its business case redress this through addressing these costs? Otherwise, the management is proceeding on a false business case.

In particular the upgrade to 100GL should have addressed all these issues formally, including re-quantifying the costs of the alternatives and identifying the economic benefits of R&D foregone for the future.

These are basic requirements for planning and for responsible and professional strategic management of a fresh-water alternative for Adelaide.