

Review of the National Competition Council's (NCC) 2003 assessment of the Burnett River Dam with regard to compliance to the CoAG Water Reform Framework

NCC Assessment

The 2003 NCC assessment of the Burnett River Dam in Queensland lacks rigour and credibility due in part to a failure to seek or assess relevant documents and facts. Additionally, there is fundamental lack of any independent assessment by the NCC of those documents which are cited.

Assessment of these documents appears to rely on advice from the Queensland Government. Therefore, the final advice on any of the important issues raised has been given to the body under assessment and this final advice has been at best superficial and at worst incorrect.

The Queensland Conservation Council (QCC) with the support of a wide range of community and industry groups, scientists and academics, economists and Queensland Government departments of Treasury and EPA, have made a clear, indisputable case that the water infrastructure developments in the Burnett Basin do not meet CoAG requirements and are economically and environmentally unsustainable.

The majority of issues raised regarding viability of these projects were submitted in the 2002 assessment. However, the NCC states page 4.41 "The council will assess these issues in a future NCP assessment if the Queensland Government decides to proceed to construction of the Paradise dam." None of these issues were assessed by the NCC in the 2003 assessment. As stated above the NCC simply relied on the Queensland Government's assessment of these issues. For instance page 4.71 "The Queensland Government considered that the economic viability and ecological sustainability of the Burnett River Dam have been clearly demonstrated..." Further, "the project passed through Queensland's environmental assessment process."

The NCC concludes page 4.72 "The Council therefore considers that the Queensland Government met its CoAG obligations to show the project is ecologically sustainable..." QCC is not satisfied that simply accepting the assessment of a project by the proponent amounts to an independent assessment. Clearly in regard to ecological sustainability the NCC has made no assessment.

This point is confirmed by inspection of the References for the 2003 assessment which shows the NCC failed to consult any of the important documents relating to the viability of the projects and supporting all the issues presented by those parties mentioned above. For instance, the NCC failed to consult the Water Allocation and Management Plan, Burnett Basin which established the environmental flow limits and extraction limits.

The NCC accepted as appropriate the Queensland Government amending its own legislation, the Water Act 2000, when it was discovered the projects could not meet flow limits. The NCC states this was only a minor alteration. This is not correct as it does not relate this "minor" alteration of numbers to actual meaning. Further, the non-compliance with extraction limits has never been addressed by the NCC or the proponent, the Queensland Government. The NCC assessment of the Condamine-Balonne was critical because the Queensland Government had not addressed extraction limits. Why is this issue important in one catchment but not in another? This issue and the facts relating to it were supplied to the NCC but the NCC has twice now failed to address the issue.

Queensland Conservation Council submission April 2004

The NCC failed to seek the Burnett Basin Least Cost Planning Study, UTS, which offers alternatives to the Paradise Dam project. Neither did the NCC assess the alternative water schemes mentioned in submissions. Again, page 4.71 the NCC relies on the Queensland Government's advice that the EIS assessed other management options but found them inadequate. The EIS could not have commented on the Least Cost Planning study as the study was not finished until mid 2002. In any case, this is not an assessment. It is simply a reliance of an opinion by the proponent and a failure to seek and assess important documents.

The NCC failed to seek Queensland Treasury assessments of the projects which were critical of the economic viability. Relying instead solely on the QCC/ACF economic assessment (Ward Report) and responses to this from reports commissioned by the proponent. Whilst it is obviously not possible to engage in a debate by opposing parties the NCC has again not made an assessment of the facts but simply relied on the viewpoint of the proponent and its contractors. The NCC has failed to address issues raised by submissions from the QCC and others which reveal flaws in the economic assessment of the proponent, in agreement with those of the Queensland Treasury, which are neither answered by the NCC or the economic consultants of the Queensland Government.

The NCC failed to address the issue of CoAG requirements for transparent accounting in regard to community service obligations. QCC provided advice and correspondence to the NCC regarding these issues raised with the Queensland Minister of State Development. This correspondence clearly showed the Queensland Government did not meet CoAG requirements and this issue was not dealt with or assessed by the NCC in the 2003 assessment. The NCC has therefore failed to address the issue of subsidies which will be incurred during the operation of the projects thereby not meeting CoAG requirements.

The NCC failed to seek the Coordinator Generals report on infrastructure in the Burnett Basin which contains numerous flaws and contradictions. However, the NCC was prepared to rely on this report as a basis for its own assessment. The report, using advice from the Boardman Reports (also not sought) states all projects are viable except the raising of Walla Weir. There is no inherent logic in this claim as the problems attributed to this project are applicable to all the projects. Again the NCC was supplied with evidence relating to these problems and has failed to address them.

The NCC has relied heavily on the Water Resource Plan (WRP) and the Resource Operations Plan (ROP) to claim the projects are viable. Again submissions were made which disputed the factuality and efficacy of these documents which have not been addressed by the NCC. For example, the Eidsvold Weir project is 11,000mg storage with 33,000mg of water allocated per annum under the ROP. This means the weir will be filled and emptied 3 times per year. Clearly the most casual of assessments would reveal the serious nature of this type of flaw in the ROP. As further evidence of these flaws academics that provided the scientific data and advice to the WRP have since publicly called for the project to be scrapped as it is, in their view, ecologically unsustainable. The NCC has not acknowledged this situation or made an assessment of it.

The NCC failed to address the statement by the Queensland Minister of Environment, Dean Wells, which supported all the issues raised by the QCC and other concerned community members. "I am a democrat, I am an environmentalist but I am a democrat before I am environmental and the election undertaking [to build the Burnett River Dam] and democracy overrides everything else." - (ABC Bundaberg radio interview July 2003).

Dean Wells was responding to a leaked EPA report (the Least Cost Planning study) given to the ABC which concluded the Burnett River Dam was not the best option in terms of providing water for growth in the Burnett region. This interview most clearly stated the governments opinion, whilst not position, is in concordance with those of the QCC. For the NCC to assess that the Queensland Government holds a different opinion which is compliant with CoAG obligations provides the clearest evidence that the NCC has failed its objectives.

Conclusion

Given that the NCC has approved the infrastructure projects, it is now probable that the true cost will only become evident after construction or during operation. An opportunity has been missed to avoid the cost in terms of taxpayer dollars to the community as a whole and the continuing financial burden imposed on other industries i.e. the commercial and sport fishing industry, the tourism industry and non-target primary production industries.

A continuation of serious and identified negative impacts will be experienced by species and ecosystems resulting in both cultural, amenity and financial burdens into the future far beyond any proposed financial benefits. The assessment of non-compliance of the Walla Weir project by the NCC and the Coordinator General are the direct result of the Boardman recommendations. Boardman recommended that no new infrastructure projects be approved until the assessments of Walla Weir were completed. This recommendation was ignored by the Queensland Government for all projects except Walla Weir. The NCC must acknowledge this contradictory situation and redress it.

The NCC Water Reform Assessment Framework 2004 states the 2004 assessment should include a stock take on whether water allocations are significantly different from that identified by the best available science etc. (page 40). Currently, this information is already available for the Burnett Basin and has already been provided to the NCC. QCC would therefore strongly encourage the NCC to critically review this data and not rely solely on information provided to the NCC by the proponent. It is recommended the NCC undertake to form an advisory group with the ability to assess technical information beyond the current abilities of the Council similar to the independent assessment undertaken on the Condamine-Balonne River system.

It is also recommended the NCC take the logically meaningful position that new projects are required to meet all economic and environmental viability requirements prior to the commitment to proceed with the project, not during construction or during operation. Clearly once these events have been reached any assessment and therefore compliance issues can only deal with peripheral matters.

The Queensland Government has not achieved certain approval conditions set by the Federal Government and QCC therefore finds it difficult to understand how the NCC could find that the Queensland Government has complied with CoAG requirements.

Courier Mail

Edition 6 - Late CityWED 14 APR 2004, Page 011

Dam plan dismissed as fool's paradise

By Brendan O'Malley

THE State Government could save taxpayers up to \$70 million if it scrapped the Paradise Dam and encouraged farmers to save water, a report has found.

The Environmental Protection Agency commissioned Sydney's University of Technology to estimate the cost of alternatives to the dam, planned near Gayndah in the Burnett region. Its findings were suppressed by former environment minister Dean Wells, who took the report to Cabinet so it could not be viewed under freedom of information laws.

But a Queensland Conservation Council researcher found a draft on a bookshelf in the EPA's library.

The draft concluded that paying farmers to save water and build a series of small dams on their farms would be marginally cheaper than building the Paradise Dam.

As well, farmers would enjoy bigger yields, resulting in more than \$360 million in extra income if water was applied to their crops in a less wasteful way.

QCC rivers campaigner Rupert Quinlan said that since the draft came out in March 2002, the costs of the dam had spiralled.

``They now have to put in a fish ladder costing millions of dollars, they have been forced to prepare management plans for several endangered species and buy land to replace what they removed from Goodnight Scrub National Park," Mr Quinlan said.

``The cost of the dam is certainly above \$200 million by now and maybe as high as \$250 million. If they went ahead with water conservation they would not only not have to build a huge dam across a river that is already heavily overcommitted, they would save 80 per cent of the yield of the dam."

Mr Quinlan said the report estimated water savings as high as 119,000 million litres a year, equivalent to 80 per cent of water that could be safely released from Paradise Dam in an average year.

State Development Minister Tony McGrady dismissed the report as ``ancient history".

``This is an election commitment we gave to the people of Wide Bay the election before last. We make no apologies for it," he said.

``The dam has met all the relevant state and federal environmental conditions."

He said construction of Paradise Dam would help the ailing Wide Bay economy.

Section: NEWS