

North Queensland Conservation Council Inc.
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8 July 2022

To: Hon. Madeleine King MP
Minister for Northern Australia

Re: Case for broadening review of Hells Gates Dam to include operation of the National Water Grid Fund

Dear Ms. King,

On behalf of the North Queensland Conservation Council, I would firstly like to congratulate you on your recent appointment as Federal Minister for Northern Australia.

Recent articles in *The Sydney Morning Herald* (30 May) and *The Age* (9 June) have indicated that budget commitments for Hells Gates Dam will be reviewed. NQCC would welcome a rigorous and transparent review of this and other water resource development projects promoted by the Morrison Government during the recent federal election campaign without the benefit of a comprehensive business case.



Fig 1. Hells Gates Dam: Townsville Enterprise Feasibility Study 2018

MORRISON GOVERNMENT'S IRRESPONSIBLE APPROACH TO NORTHERN AUSTRALIAN DEVELOPMENT

Hells Gates Dam is just one of five, multi-billion-dollar water infrastructure projects proposed for the Burdekin River, alongside Big Rocks Weir, Urannah Dam, the raising of Burdekin Falls Dam, and the Bowen Water Transfer Pipeline.

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We would urge you to expand any review of Hells Gates Dam to review the operation of the National Water Grid Fund, from which the funds would have come. The reasons for this are outlined below:

- Hells Gates Dam and Urannah Dam were judged by the Queensland Department of Resources (formerly DNRME) on their 2018 Feasibility Studies to be unviable on several counts: doubtful profitability for farmers; lack of markets for high-value crops (avocados and capsicums); and poor return on public funds.
- Despite the above assessments, the Morrison Government awarded the proponents of these projects a further \$24 million and \$22.65 million respectively to develop Detailed Business Cases.
- While the Detailed Business Case for the Hells Gates Dam is not available publicly, the Detailed Business Case for the Urannah dam is now on the Business Queensland website. We judge this to be inadequate for such a substantial investment, unrealistic in its projected activities, and unreliable in its content. For example, it states that half the water from Urannah would support banana production, which would increase cultivation of bananas for Queensland by 30%. Yield claims provided for bananas and other crops are 2-3 times the state average.

As noted above, the funding for these Feasibility Studies and Detailed Business Cases were awarded by the Morrison Government through its National Water Grid Fund. **Along with the above and other projects, we estimate that there is over \$70 million currently in play for various Detailed Business Cases for the Burdekin River alone.** This is detailed in the note attached.

In addition to the above studies, Hells Gates Dam proponents Townsville Enterprise Limited (TEL) and their consultants SMEC Australia have been vocal in their "Unlock the North" prospectus and in the national press, calling for a further \$280 million for the detailed design of Hells Gates Dam. TEL also played an inappropriate political role during the recent election, calling on candidates from all political parties to endorse the Morrison Government's \$6 billion announced commitments to these two projects, even though the business cases for these initiatives were either not available or had not been openly and transparently evaluated by State and Commonwealth officials.

We are aware that there are also dam projects in Queensland (Emu Swamp) and NSW (Dungowen and Warragamba) supported by the National Water Infrastructure Authority that have similar issues with justification and the integrity of their Detailed Business Cases, and Environmental Impact Statements. **Thus, we believe that the operation of the National Water Grid Fund and its decision making in allocation of funds should be urgently reviewed.**

A BETTER PROPOSAL FOR NORTH QUEENSLAND AND NORTHERN AUSTRALIA

As a North Queensland-based organisation, we do see positive opportunities for investment in water infrastructure in our region. There are significant water savings to be gained in the Lower Burdekin through investment in irrigation architecture and automation to develop a **Modern, Water-Efficient Irrigation Precinct**.



Fig 2. Open manual irrigation in the Lower Burdekin

Raising Burdekin Falls Dam by 2m would cost approximately \$500-600 million to capture a further 150,000ML. The development of a modern, water-efficient irrigation precinct in the Lower Burdekin would save a similar volume of water at a similar cost, while also offering high returns to investment and stimulating agriculture in the Lower Burdekin.

As a Great Barrier Reef catchment, an investment in improved farming practices and water management in the Lower Burdekin would support farmers to meet water quality targets. Such a project would demonstrate to the world that Australia is taking strong action to protect the Great Barrier Reef World Heritage Area.

NQCC proposes that the funds currently allocated to Hells Gates Dam (Budget Paper #2, p.147) be redirected for a Detailed Business Case to be conducted on a Modern, Water-Efficient Irrigation Precinct in the Lower Burdekin.

This would provide a tangible way to follow the recommendations of the recent National Productivity Commission's **National Water Reform 2020**, for Australia to invest in water efficiency. A similar strategy is expressed in the Queensland State Infrastructure Strategy (released June 2022). It is difficult to think of a more appropriate way in which this could be put into action. It would be the beginning of Australia's shift away from questionable, high cost, high risk green-field projects towards efficiency and intensification which will be imposed upon us by a changing climate.



North Queensland Conservation Council

... the voice for the environment in North Queensland

The long-term protection of North Queensland's environment is our aim. For this, we need to ensure that investments made in our infrastructure will lead to positive long-term outcomes for both our regional economy and our terrestrial, aquatic and marine environments. Nothing would be worse for sustainable development in Northern Australia than the approval of the recent suite of environmentally destructive projects with such a limited potential to produce even narrowly defined economic benefits that have promoted by the Morrison Government.

We have accumulated substantial background information on our website (https://www.nqcc.org.au/burdekin_basin) and are prepared to provide further information or assistance on this matter as required. Please feel free to contact Mr John Connell, head of our Burdekin Basin sub-committee for further information.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Crystal Falknau', is placed over a light grey rectangular background.

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