

North Queensland Conservation Council Inc.
114 Boundary St, Railway Estate Qld 4810
PO Box 364, Townsville City Qld 4810
Email: coordinator@nqcc.org.au

10 August 2022

To: Senator Hon. Katy Gallagher
Minister for Finance and Minister for the Public Service

Re: Broaden the review of Hells Gates Dam, to review operation of the National Water Grid Fund

Dear Senator Gallagher,

On behalf of the North Queensland Conservation Council (NQCC), I would firstly like to congratulate you on your recent Ministerial appointments.

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. This is not the only instance of apparent misuse of public funds. NQCC would like to suggest that this review be broadened to cover the operation of the **National Water Grid Fund** as a whole.



Fig 1. Hells Gates Dam: Townsville Enterprise Ltd (TEL) Feasibility Study, 2018

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 (BFD), and the Bowen Water Transfer Pipeline. With the exception of the raising of the BFD, the development of the questionable feasibility studies and business cases for these proposed projects has been driven by federal funding from the former Morrison Government.

... **the voice for the environment in North Queensland**

The National Water Grid Fund has been the source of funds for the Detailed Business Case for these projects. NQCC believes that this is an inefficient and inappropriate use of public funds for the Morrison Government's narrow political purposes. As a result, NQCC would urge you to expand any review of Hells Gates Dam funding, to review the whole operation of the National Water Grid Fund. 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%. It suggests yields for bananas and other crops are 2-3 times the state average.

NQCC estimates that there is over \$70 million currently in play for various Detailed Business Cases for the Burdekin River alone.

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 to be awarded a further **\$280 million** for the detailed design of Hells Gates Dam. TEL also played an inappropriate partisan political role in the recent federal election campaign calling on all candidates from all parties to publicly pledge support for the Morrison Government's announcements for the Hells Gates Dam and Urannah Dam projects before the receipt and/or independent evaluation of the business cases they developed.

NQCC is aware that there are other dam projects in QLD (Emu Swamp) and NSW (Dungowen and Warragamba) which are also 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.**

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 were promoted by the Morrison Government.



North Queensland Conservation Council

... the voice for the environment in North Queensland

NQCC has 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.

Yours sincerely,

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

Crystal Falknau
Coordinator
North Queensland Conservation Council