

Australian Government Response

Rural and Regional Affairs and Transport

Senate Committee Report

**Options for additional water supplies for South East
Queensland**

Australian Government response to the Senate Standing Committee Report - *Options for additional water supplies for South-East Queensland*

Preamble

The Terms of Reference of the referral by the Senate dated 26 February 2007 to the Standing Committee on Rural and Regional Affairs and Transport required it to inquire into and report on:

The examination of all reasonable options, including increased dam capacity, for additional water supplies for South East Queensland, including:

- the merits of all options, including the Queensland Government's proposed Traveston Crossing Dam as well as raising Borumba Dam; and
- the social, environmental, economic and engineering impacts of the various proposals.

Improving water security for our towns and cities is a high priority for the Australian Government. The Australian Government's new national plan, 'Water for the Future' provides a single, coherent national framework that integrates rural and urban water issues and secures the long term water supply of all Australians.

'Water for the Future' is built on four key priorities, namely taking action on climate change, using water wisely, securing water supplies and supporting healthy rivers.

In delivering 'Water for the Future' the Australian Government will be seeking to set a new standard in national leadership and co-operative relations with all levels of government. Commonwealth funding will be tied to reform.

To help secure water supplies for the current and future needs of our towns and cities, the Australian Government has committed \$1.5 billion in new urban water investment to deliver on the key priorities of using water wisely and securing new water supplies.

- The *National Urban Water and Desalination Plan* will provide funding and tax offsets for innovative water supply projects in desalination, water recycling and major stormwater capture.
- The *National Water Security Plan for Cities and Towns* will target infrastructure refurbishment, new infrastructure and practical projects that save water and reduce water losses.
- The *National Rainwater and Greywater Initiative* will provide incentives for household and surf life saving club rainwater and greywater use.

Across Australia, there is significant investment in infrastructure occurring to meet the needs of a growing population while dealing with the uncertainties associated with climate change. New approaches need to evolve so that markets can operate more effectively to allocate water between competing uses, improve water use efficiency and deliver water to its highest value uses. Economic settings should promote affordable and timely investment in secure water supplies and water-efficient technologies that reward customers for their water conservation efforts. Improved water security in remote communities, including remote indigenous communities, will confirm Australian's basic rights

to drinking water. Finally, by ensuring water planners have the best available information on available water resources and the likely impacts of climate change, problems of poor planning, over-allocation and under-investment are avoided and the likelihood of costly water shortages into the future is minimised.

These issues are being progressed through the Council of Australian Governments (COAG) who agreed to a renewed approach to water reform. A comprehensive new work program to enhance the effectiveness of water markets, address over-allocation, improve environmental outcomes and address the key challenges in urban water has been commissioned. This work will provide new impetus to the National Water Initiative, strengthening its role as the blueprint for continuing water reform.

This response deals with the two recommendations of the Senate Committee, as well as the additional comments by Senators Macdonald, Trood, Joyce and Boswell and the recommendations arising from the additional comments by Senators Siewert and Bartlett.

Recommendation 1

The committee recommends that the Commonwealth Minister for Environment and Water Resources, when exercising authority under the EPBC Act, considers the evidence received on the potential environmental impact of the Traveston Dam on the Mary River and the species of the river. The committee also recommends that the Minister reviews the results of the audit on the Paradise Dam approval conditions to mitigate any potential effect on threatened species.

The Australian Government agrees with Recommendation 1 to the extent that the Commonwealth Minister for the Environment, Heritage and the Arts (the Minister) can consider, under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), all relevant information that relates to matters of National Environmental Significance (NES).

The Australian Government's responsibilities under the EPBC Act focus on the protection of certain defined matters of NES. These include:

- World Heritage places;
- National Heritage properties;
- Wetlands of international importance;
- Nationally threatened species and ecological communities;
- Migratory species listed under international agreements;
- Nuclear actions; and
- Commonwealth marine areas.

The objectives of the EPBC Act include the protection of the environment, especially matters of NES, and to promote ecologically sustainable development. In order to achieve these objectives the EPBC Act provides an efficient and effective national environmental assessment and approvals process.

Under the EPBC Act an action will require approval if the action has, will have, or is likely to have, a significant impact on a matter of NES. This applies to a number of Queensland Government water supply initiatives that were discussed as part of the Senate Inquiry, including the proposed dams at Traveston Crossing and Wyaralong.

Decisions on whether or not to approve actions under the EPBC Act, such as the proposed Traveston Crossing Dam and the Wyaralong Dam, are made by the Minister. Before making a decision on whether or not to approve the proposal nominated by the proponent, the Minister must consider the relevant information on the potential impacts of the proposed dams on matters of NES and economic and social matters.

On 29 November 2006, it was determined that the proposal to build the Traveston Crossing Dam would require assessment and approval under the EPBC Act. The matters of NES that will be the focus of this assessment include World Heritage places, wetlands of international importance, nationally threatened species and ecological communities, and migratory species listed under international agreements.

The assessment of the Traveston Crossing Dam under the EPBC Act is being undertaken in accordance with the bilateral agreement between the Australian and Queensland Governments. This bilateral agreement requires that the assessment undertaken by the Queensland Government consider the impacts of the action on matters of NES.

The Draft Environmental Impact Statement (EIS) for the proposed Traveston Crossing Dam was released on 18 October 2007, and was made available for public comment until 14 January 2008. As part of the Bilateral assessment process the company proposing to take the action, Queensland Water Infrastructure Pty Ltd (QWI), is required to address relevant issues raised in public submissions on the Draft EIS. The public comment period provides an opportunity for all members of the community to contribute their opinion, expertise or advice to the assessment of the proposal nominated by the proponent.

Following a rigorous assessment process the Minister will make his decision on whether or not to approve the Traveston Crossing Dam under the EPBC Act. As required by the Act, the Minister will consider both environmental matters associated with the relevant matters of NES as well as economic and social matters. The information to be considered by the Minister in making his decision will include, but not be limited to, that contained within the EIS, the public submissions made on the EIS, the proponent's response to those submissions, and relevant findings of the Senate Inquiry. If the Minister is not satisfied that he has enough information to make an informed decision, he can seek further information before making a decision.

The results of the compliance audit of the Paradise Dam approval conditions will be taken into account, as relevant, to assess mitigation options and inform relevant approval conditions for Traveston Crossing Dam, should the Minister decide to approve the proposed Traveston Crossing Dam under the EPBC Act.

On 13 December 2006, it was determined that the proposal to build Wyaralong Dam would similarly require assessment and approval under the EPBC Act in accordance with the bilateral agreement between the Australian and Queensland Governments. The relevant matters of NES for this proposal include wetlands of international importance, nationally threatened species and ecological communities, and migratory species listed under international agreements. The Draft EIS for the proposed Wyaralong Dam was released on 7 November 2007, and was made available for public comment until 12 December 2007.

On 24 November 2008, the construction of the Wyaralong Dam was approved with conditions attached. It was determined that with the approval conditions in place, the proposal could proceed while still ensuring the protection of the relevant matters of national environmental significance in accordance with the requirements of the EPBC Act.

Recommendation 2

The committee recommends that the Queensland Government continues to:

- **Instigate strategies that will inform, engage and consult with members of the affected communities;**
- **Ensure that businesses affected by the proposed dams are adequately compensated and offered appropriate assistance; and**
- **Where possible, facilitate the timely release of copies of reports and information to members of the community to achieve a transparent and open process.**

Recommendation 2 is a matter for the Queensland Government. Nonetheless, the Australian Government would encourage the Queensland Government to implement the recommendation.

Additional comments by Senators Ian Macdonald, Russell Trood, Barnaby Joyce and Ron Boswell

Comment 1.1

The evidence given to the Inquiry by so many witnesses from a wide range of professional, community, social and economic backgrounds leaves us with very strong doubt that, either the Traveston Crossing Dam, or the Wyaralong Dam will be particularly useful exercises in contributing to the solution of the long term water needs for the growing south-east region of Queensland. The proposal to construct these dams suggests to us that the decision to build them was politically motivated and reached without sufficient scientific, social or economic analysis.

Improving water security for our towns and cities is a high priority for the Australian Government. The Government supports initiatives that will drive investment in diverse water supply options and encourage industry and the community to save and use water more efficiently. While the Australian Government is working cooperatively with the states and territories to address water issues, such issues are planning matters for the state, subject to certain approvals required under the EPBC Act.

The Queensland Government has identified Traveston Crossing and Wyaralong as preferred locations for surface water supply dams. QWI referred both the proposed Traveston Crossing Dam and Wyaralong Dam to the Minister for the Environment, Heritage and the Arts for assessment under the EPBC Act. As noted in response to Recommendation 1 above, in deciding whether or not to approve an action the Minister for the Environment, Heritage and the Arts must consider the relevant information on the potential impacts of the proposal nominated by the proponent on matters of National Environmental Significance, and economic and social matters.

Comment 1.2

We thank the Queensland public servants for their assistance and willingness to give evidence to the Inquiry. They have found themselves in a difficult position having had to justify publicly and before a parliamentary committee, elements of a policy with which they were plainly uncomfortable. In all they acted responsibly and professionally and were a credit to the public service system they serve. Yet none of this overcomes what appeared to us an exercise in trying to defend the indefensible.

It is not appropriate that the Australian Government respond to this comment.

Comment 1.3

The report of the Committee highlights the many discrepancies in and challenges to the information of the Queensland Government, much of which seems to have been prepared ex post-facto the decision to construct the two dams.

It is not appropriate that the Australian Government respond to this comment.

Comment 1.4

With regard to the Traveston Crossing Dam, the cost in financial, economic, environmental and social terms of stages one and two of the dam will dwarf any intended benefit to residents of Southeast Queensland. The overall negative impact of the dam on the people of the Mary River Valley will be in many cases grievous.

All decisions on whether to approve an action made under the EPBC Act require consideration of economic and social matters in addition to matters of national environmental significance. This is to ensure these important matters are taken into consideration before making a final decision.

Comment 1.5

Considering the evidence provided to the Committee we have a very real concern that Australian native fauna which is unique to the Mary River system will be in serious danger of extinction if the dam proceeds. The evidence along these lines appears to be overwhelming and very persuasive.

As noted above, in considering whether to approve the proposed Traveston Dam the Minister for the Environment, Heritage and the Arts will consider impacts on matter of NES. These include nationally-listed threatened species such as the Australian Lungfish, Mary River Cod and the Mary River Turtle; listed migratory species including migratory shorebirds, the Green Turtle, and the Dugong; the Great Sandy Strait Ramsar wetland; and the World Heritage values of Fraser Island.

Comment 1.6

Our conclusions on the Traveston Crossing Dam are reinforced by the actions of the Queensland Government. In dealing with the people of the Mary River Valley, the experts engaged by them and the volunteers supporting them, the government has been frequently evasive and inattentive to their desire for information on the dam.

It is not appropriate that the Australian Government respond to this comment.

Comment 1.7

At the completion of the Inquiry we have been left with the very firm conclusion that the Traveston Crossing Dam in particular, is a political response to a serious problem, but is not one which will solve the problem.

It is not appropriate that the Australian Government respond to this comment.

Comment 1.8

We believe there are many other possible solutions to Southeast Queensland's obvious needs for a more reliable long term supply of water that would be more cost effective and would have infinitely less economic and social impact on those affected by the proposed Traveston Crossing Dam.

The choice of water supply options is a matter for the Queensland Government.

Where, as with the proposed Traveston Crossing Dam, a proposal is likely to have a significant impact on a matter of NES, it is then assessed by the Minister for the Environment, Heritage and the Arts under the EPBC Act as described above.

Comment 1.9

We believe that no work should be undertaken on the construction of the Traveston Crossing Dam without these alternatives being properly and fully investigated.

Works can only commence on Traveston Crossing Dam if and when all required State and Commonwealth approvals have been granted, including approval under the EPBC Act. The Minister for the Environment, Heritage and the Arts will take into account all relevant information when deciding whether or not to approve the proposed Traveston Crossing Dam under the EPBC Act.

Comment 1.10

We believe that the Queensland Government should further pursue:

- **their already initiated water saving measures, including rain water tanks and demand reduction;**
- **further work on increasing the capacity of the Borumba and other dams;**
- **a serious assessment of additional desalination projects;**
- **with greater vigour, their existing proposals on water recycling;**
- **and**
- **the possible advantages of the new technology in increasing use of grey water for non-potable purposes.**

It is not appropriate that the Australian Government respond to this comment.

Comment 1.11

While the federal Minister for the Environment and Water Resources is required to follow strict processes in assessing the Traveston Crossing Dam under the Environmental Protection and Biodiversity Conservation Act, we urge the Minister to:

- require the Queensland Government to apply for EPBC Act approval for both stages one and two. The two stages of the project are so integrally entwined that we see very little logic in the two stages being separated for environmental assessment, especially when the proposed dam wall is intended to be constructed to stage two height at the outset. We consider it highly unlikely that stage one will have much benefit without proceeding to stage two, and even then the proposal is deeply flawed as a way of meeting southeast Queensland's future water needs;**
- pay close attention in his determination of the social and economic impact of the dam's construction as required by the EPBC Act;**
- very seriously consider the overwhelming evidence on the danger to unique fauna species in the river system which the imposition of conditions will not overcome; and**
- very seriously investigate the allegations of the failure by the Queensland Government to comply with conditions imposed on the Paradise Dam.**

The process by which the Traveston Crossing Dam will be assessed under the EPBC Act is described above in the response to Recommendation 1 of the Senate Committee report.

The action that has been referred by the proponent (Queensland Water Infrastructure Pty Ltd) and that is currently being assessed under the EPBC Act, includes building of the Traveston Crossing Dam wall to 'stage two' height, with inundation and operation of the dam at 'stage one' level only.

The Queensland Government has confirmed that no decision has been made on whether or not to progress operation of the dam at stage two capacity and that such a decision is not anticipated until closer to 2035. The Queensland Government has also advised that the potential consequential impacts of inundation and operation of the dam at stage two capacity will be considered, to the extent that is possible, during the current assessment process.

The Queensland Government have been notified that if stage two is pursued in the future, it will also need to be referred to determine if assessment and approval under the EPBC Act is necessary before it can proceed.

Comment 1.12

Although the proposal to build the Wyaralong Dam received less attention during the inquiry, we consider the evidence tended to the Committee regarding its shortcomings to have been compelling. The Queensland government's case for constructing Wyaralong is far from convincing, especially in the light of the many apparently superior proposals for supply in the area. Before committing any further resources to this project, we would urge the Queensland government to re-examine the alternatives more closely and reconsider its decision.

It is not appropriate that the Australian Government respond to this comment.

Comment 1.13

Many of the concerns we have expressed with regard to procedures and dealing with affected residents in relation to the Traveston Crossing Dam apply equally to the management of the Wyaralong proposal.

It is not appropriate that the Australian Government respond to this comment.

Additional comments by Senator Rachel Siewert on behalf of the Australian Greens

Recommendation 1

The Traveston Dam should not go ahead.

The proposed Traveston Crossing Dam will be assessed in accordance with the requirements of the EPBC Act, as outlined in the response to Recommendation 1 above of the Committee report.

Recommendation 2

The Queensland Government should pursue alternative water supplies such as demand and supply management, rainwater tanks and recycling.

It is not appropriate that the Australian Government respond to this comment.

Recommendation 3

The Queensland Government needs to ensure that population growth in the south east region of Queensland is sustainable. It should not be granting planning and development approvals unless proponents can demonstrate the necessary water is available and that planning processes address sustainable water supplies.

It is not appropriate that the Australian Government respond to this comment.

Additional comments by Senator Andrew Bartlett

Recommendation 1

All political parties, and particularly the two major parties who are competing to form the next government, should give an unequivocal statement that they will use the powers in the EPBC Act to stop either or both of the Traveston and Wyaralong Dams if the evidence clearly shows there will be a significant impact on a matter of national environmental significance.

The Australian Government is committed to proper and transparent administration of the EPBC Act. As set out above, it has been determined that the proposal to construct the Traveston Crossing Dam requires assessment and approval under the EPBC Act.

As outlined in the response to Recommendation 1 above of the Committee report, the construction of the Wyaralong Dam has been assessed under the EPBC Act and was approved with conditions attached on 24 November 2008. It was determined that with the approval conditions in place the proposal could proceed while still ensuring the protection of the relevant matters of national environmental significance in accordance with the requirements of the EPBC Act.

Recommendation 2

Whilst there have been some positive projects developed by the Queensland government in recent times encouraging water tanks and other rainwater harvesting, there is far more that can be done and can be achieved in this area. Should the Queensland government continue in its refusal to adopt a comprehensive evidence based, best practice approach to delivering sustainable and secure long-term water supplies for south-east Queensland, the federal government should use its powers and responsibilities under the National Water Initiative to ensure the large amounts of money being splashed around are properly applied.

All Australian Governments have committed, in the National Water Initiative, to ensure proposals for investment in water infrastructure are assessed as economically viable and ecologically sustainable prior to the investment occurring. The National Water Commission has the function to advise the Council of Australian Governments on whether the parties to the NWI are implementing their commitments under the initiative.

The Australian Government has established Infrastructure Australia to provide advice on infrastructure needs and priorities. It will provide advice on infrastructure gaps and bottlenecks that hinder national economic growth and prosperity, including in the water sector. It will also identify investment priorities, and examine policy and regulatory reforms to improve the efficient utilisation of existing infrastructure. As a result of discussions at the October COAG meeting, the Commonwealth has asked Infrastructure Australia to bring forward by the end of 2008, an interim report on infrastructure priorities across the nation.