



**Submission by Cooloola Shire Council
To the Senate Standing Committee
On Rural Affairs & Transport
Regarding the Queensland Government
Proposal for a Dam at Traveston Crossing
3rd April 2007**

1. Background

- 1.1 In the face of strong community protest and despite no guarantee of federal government approvals, the proposed megadam at Traveston Crossing is underway with extensive land purchasing for both Stage 1 and Stage 2 proceeding apace.
- 1.2 Cooloola Shire Council and the Mary River Council of Mayors representing the 500,000 people of the region have advised the Minister that the dam will have the following impact on our region: -
- Loss of extensive areas of valuable and irreplaceable agricultural land.
 - Adverse economic impact to the community.
 - Devastating social impact on families and communities.
 - Water quality and weed issues caused by shallowness.
 - Water quality issues caused by catchment conditions.
 - Impact on the Sandy Straits (including RAMSAR) environment.
 - Impact on river ecosystem and threatened and endangered species.
 - Inundation of portion of Kandanga.
 - Loss of cultural heritage.
 - Downstream riverbank instability.
 - Long term impact on remaining upstream and downstream farmers.

- 1.3 The proposed dam will affect in some way all the people who live or work in the catchment, from Caloundra to Hervey Bay and the Great Sandy Straits. Obviously the most severe impact will be in the area and vicinity of the dam, estimated by the State Government to be 2,000 people (Department of Communities, Aug 2006).
- 1.4 Council wishes to draw to the Standing Committee's attention that the State Government has deceived the people of the Mary Basin region and is progressing with the project backed by support that is either dubious or ill-founded, as per the following project dissection.

2. Department of Natural Resources & Water – Water Resource Plan Issues

- 2.1 An assurance that the proposed dam can safely provide 150,000ML/year of extra water is contained in the Water Resource (Mary Basin) Plan 2006 (WRP). The WRP was drafted between 2002 and 2005 by the Department of Natural Resources & Mines (DNRM) utilizing a panel of experts and sixteen representatives of the public from throughout the Mary Basin. The public representatives were appointed by the Minister for NRM and made up the Community Reference Panel (CRP). The purpose for having the CRP was to provide local input to the plan through an open and transparent process.
- 2.2 It now appears that whilst the formulation of the WRP was in process there was another agenda underway elsewhere. The WRP was probably being surreptitiously guided to facilitate a megadam for Brisbane water supply, unbeknown to the CRP and the DNRM facilitators assisting the CRP. The megadam agenda was not disclosed through the entire process including the public advertising phase, but must have been in progress at that time.

- 2.3 The Community Reference Panel (CRP), which provided advice during the final two years of formulation of the final plan, was in fact actively encouraged towards believing that the Government had other smaller infrastructure in mind. When the dam was announced, every available member of the Panel was so incensed they signed a petition to the Minister for NRM advising that they had been 'profoundly deceived' (letter 26/07/06). The Minister did not respond.
- 2.4 The CRP was advised by DNRM officers to 'Include allocation from a weir at Coles Crossing'. This weir, in the vicinity of the site of the now proposed megadam, was the subject of considerable negotiation at the CRP, and was ultimately supported. A \$16M weir was later formally announced as a State Government project in the August 2005 Queensland Water Plan. Council was in discussions with the government owned water operator SunWater regarding a financial stake in this weir at the time of the dam announcement.
- 2.5 The CRP was led by DNRM officers into understanding a strategic reserve in the WRP was to be for the 'region', defined by as the area from Caloundra to Hervey Bay inclusive. The requirement for water for each Council and the irrigation industry in this region alone was closely analysed and it was resolved that *"No further allocation of high priority water is required before 2020, however the reliability of supplies for Gympie, Maryborough and Noosa from Borumba Dam to Tiaro is low. Further, infrastructure options may be required before 2020."*
- 2.6 The inclusion of an unspecified "strategic reserve" in the plan did not give any indication of what the State Government's intention turned out to be. A small \$62M Mary River Water Storage project was announced in the August 2005 Queensland Water Plan. Based on State Government announcements at the time, the storage project was presumed to be the raising of Borumba Dam, or possibly Amamoor Creek Dam, neither of which would have been a concern to this Council.

- 2.7 It had been comprehensively eliminated in the State Government's 1994 report on potential dam sites in the region (DPI December 1994) because of '*high capital cost, inundation of prime agricultural land and displacement of rural population*'. The substitution of a weir and a relatively small storage with the \$1.7b Traveston Crossing megadam after the WRP was adopted was totally out of accord with the three years of advice the State Government gave to the public.
- 2.8 There are serious questions with the data in the WRP which supposedly supports the megadam proposal. The data to Council's knowledge has not been verified by any second party, which means there is a risk that an error could have been made and not detected. Council understands that SunWater did make a submission on the data in the WRP, possibly questioning their integrity. DNRM's response is unknown.
- 2.9 One local scientist Mr Steve Burgess obtained a copy of the 1QQM model used by DNRM to calculate the environmental impact of the proposed dam for the WRP. He has run the model and compared the resultant environmental flows with the Moreton Plan model. His findings, which have been supplied by Council to DNRW, claim to show a bias favouring better environmental outcomes in the Moreton Basin. DNRW has advised Council in response that for unspecified reasons the comparison of environmental outcomes is '*scientifically unsound*'.
- 2.10 The assurance in the WRP that 150,000MI/year is available for extraction without impacting on environmental flows was absolute in the draft WRP, which went through public consultation without challenge. The WRP as finally adopted by the government made the achievement of environmental flow objectives to be optional only. This downgrading is presumed to be because of Departmental doubts about their ability to deliver environmental objectives in the eventually of the dam being constructed.

3. DNRW – “Water for South East Queensland - A Long Term Solution” Report Issues

3.1 The technical justification for the proposed dam was published in the ‘Water for South East Queensland – A Long Term Solution’ (WFSEQALTS) report. Council found this report seriously lacking, and provided the Premier with a detailed response accordingly (9th August 2006). No reply has been received. A few key points from the response are listed below.

3.2 The Report:-

- Was very selective in regard to what it used for environmental justification.
- Ignored social and economic issues.
- Assumed that water demand will continue to rise relatively unabated. There was no serious consideration of demand reduction methods (which are not to be confused with restrictions).
- Specifically sought a single megadam solution when there are climate change risks with this approach. The current mega-drought exemplifies this risk.
- Largely ignored the importance of non-rainfall dependent solutions such as recycling and desalination.
- Dismissed the obvious desalination site in the uninhabited portion of Bribie Island with an irrelevant comment that there “*is difficulty in siting such a facility in the heavily developed coastline areas*”.

3.3 The Report is bad science. Whilst the hydrology calculations may be favourable to a megadam, it is bad science to base a monumental decision on hydrology alone.

4. Queensland Water Commission Issues

4.1 The Commission was asked by Council to provide a liaison officer for the Mary River Council of Mayors study in to Water Supply & Demand Options for South East Queensland to be undertaken by a team led by Professor Stuart White of the Institute of Sustainable Futures. The request was

made in good faith, on the basis that some of the work Professor White would be doing should have aligned with the work the Commission was doing.

4.2 The Commission replied that it would not supply a liaison officer and advised '*It will be difficult for a narrowly focused study to address all the technical, social, economic and environmental issues that led to the decision to build Traveston Dam*' (Letter 11/10/06).

4.3 The Commission has ignored Council's written requests for the social, economic and environmental studies referred to in the above letter (Letters dated 6/11/06 and 9/02/07). Council can only conclude that their requests are being ignored because these studies were not done or were not robust.

5. General Environmental Issues

5.1 The environmental issues have been dumbed down by the State Government. It is obvious that the environmental impact of a large dam on a floodplain, half way down a river, will have enormous environmental impact somewhere but there has been very limited early acknowledgement of this. The response from government agencies to all questions in relation to this matter have been that it will be '*assessed in the Environmental Impact Statement*'. It is of great concern that potentially most of the land required for the dam will have been purchased by the time the EIS is complete.

5.2 The WFSEQALTS report assumes without question that the WRP was correct in its assessment that the remaining environmental flows, especially for the Hervey Bay receiving waters, are adequate to sustain the existing ecosystems. However, environmental consultants for DNRW (Sandra Brizca and Associates) did confirm that minor/moderate floods, which the proposed dam will catch and not pass on downstream, '*are important ecological drivers*'.

- 5.3 The environmental report considered in the WFSEQALTS was primarily focussed on comparison of two separate dam options in the Mary River system. As such it has minimal relevance to the broad issue of environmental impact.
- 5.4 This issue of native fish passage along the Mary River is critical. Council has an unlicensed weir 800mm high not far from the dam site. On the 23rd August 2006 Council was issued a formal Show Cause Notice by the Department of Primary Industries (DPI) in relation to this weir. DPI contends that the weir '*creates a long term barrier to the migration of native freshwater fish species two of which are threatened, the Australian Lungfish (Neoceratodus forsteri) and the Mary River Cod (Maccullochella peelii mariensis)*'. As such it may have to be removed. A 40m high dam wall, even with a fish ladder, will have infinitely more impact yet has apparently been ruled acceptable.
- 5.5 QWI Pty Ltd and other government agencies have been referring to the success of the environmental mitigation measures utilised for the Paradise Dam. Council is continually receiving strong advice to the contrary, that their fish passage system is in fact a failure for native fish.
- 5.6 The Environmental Impact Statement (EIS) proposed by the QWI Pty Ltd is limited to Stage 1 only, which catches 153,000ML of flow, compared to Stage 2 which catches 570,000ML. The State Government has advised that Stage 2 was not required to be assessed by the Federal Government who thought it was too far out in time (discussions Qld Govt 21/02/07). Yet the Premier has stated that Stage 2 will be built now. Limiting the EIS to Stage 1 is a benefit to the State Government because of the likely difficulties with the EIS for Stage 2. It is pointed out that using a staged approach to environmental approvals may be in breach of EPBC Act legislation.
- 5.7 QWI Pty Ltd is proud of the fact that '*Stage 1 of the proposed dam will not affect the low flow environmental performance at the Estuary*' (Project

Update March 2007). This is irrelevant if Stage 2 is being constructed now.

- 5.8 The degree of investment achieved already by the State Government with land purchase and design for both stages of the dam confirms the efficacy of the statement by the Premier that the dam “will be built regardless” (Gympie, 5/07/06). Where does that put this Enquiry, the EIS, and natural justice?

6. QWI Pty Ltd Issues

- 6.1 QWI Pty Ltd is a government-owned company set up and staffed to construct the dam. It is of concern therefore that QWI Pty Ltd is undertaking the Environmental Impact Study. Even with the best of intentions, it is doubtful that QWI Pty Ltd (the proponent) can truly carry out an impartial study of the impacts of the project it wants to construct.
- 6.2 QWI Pty Ltd has misrepresented many facts in their promotion of the proposed dam. For example, they have been quoting the average depth as 16.25m (QWI Fact Sheet). This is impressive, however it is the depth measured from the bed of the river which is less than one percent of the dam. The true average depth will be less than half of this at full capacity and about 5m at average capacity. To most people familiar with water weed problems, the shallowness of the average depth is the cause for great alarm. The weed infestation at nearby Lake Macdonald is well known.
- 6.3 The new Kandanga is being promoted by QWI Pty Ltd as a place for sailing, shore fishing and board walking (QWI Fact Sheet). The problem is that for much of the time (as the dam drops) the facilities for same will be nowhere near the water. The local people have resented the assumption that they are that gullible.

- 6.4 QWI Pty Ltd promised that 'key transport routes will be upgraded and improved' (QWI Fact Sheet). The loss of the road access from Imbil to the highway (Tuchekoi Road) can only mean that it must not have been a key transport route. Because of the importance of this route to the timber industry, talks are currently underway with QWI Pty Ltd to determine if an alternative route is possible in the event that the dam proceeds.
- 6.5 QWI Pty Ltd, QWC and the Premier have at their disposal unlimited public funds for the public relations campaign they are currently running to garner support for their cause. Council, community groups and individuals do not have such funding thereby placing them at a significant disadvantage in their attempts to get their message to the community, especially the Brisbane ratepayers.

7. ACIL Tasman Issues

- 7.1 The Department of State Development and Trade commissioned a report from ACIL Tasman on future economic and business development scenarios (Scoping Economic Futures – Traveston Crossing Region – Feb 2007).
- 7.2 Most facts and conclusions in the Report appear to be either out of date or incorrect. The significant 'finding' is that the proposed dam will be a '*catalyst*' to enhance links between Gympie and Traveston Crossing and the Sunshine Coast economic. It challenges logic that a large dam between Gympie and the Sunshine Coast could be seen to '*deepen the connections*' within the region. Using similar logic, the Report finds a dam will be a '*major opportunity to reinvigorate existing agricultural production*' after most of the good agricultural land (7,000ha) is flooded.
- 7.3 Council consequently commissioned Economic Associates Pty Ltd to review the quality and accuracy of the ACIL Tasman report. Economic Associates Pty Ltd concluded, inter alia, that: -

- *The potential flow-on effects resulting from the construction of the proposed Traveston Crossing Dam identified in the ACIL Tasman report are generally already occurring without the proposed dam, are potentially overstated (e.g. locally sourced workforce) or likely to be insignificant (e.g. recreational or tourism related spin-offs); and*
- *The report focuses predominantly on the stimulus or economic impacts created by the proposed Traveston Crossing Dam as opposed to the net benefit of the proposed dam to the regional community.*
- *The report uses of measures that are not explained – ‘potential prosperity indicator’ and ‘socio-economic dynamism’ to reach conclusions about the Cooloola Shire economy that other data suggest to be unsustainable.*

7.4 There is a strong argument that the ACIL Tasman report misrepresents the true situation and is another miscarriage of natural justice of the people of Cooloola.

8. Financial Impact on Council’s Revenue Raising Capacity

8.1 Cooloola Shire Council was established in 1993 following the State Government forced amalgamation of Gympie City and Widgee Shire Councils. No financial assistance was given by State Government to establish the newly formed local government. This Council has single handedly meet the very difficult challenges created by the amalgamation in providing the necessary infrastructure required by the larger and diversified operations of the amalgamated Council. As an example this Council has just completed a \$4 million single works depot and is planning for \$10m administration centre to house all staff in the one building. To date the State Government has provided no funds for these projects. This information is provided to enable those unfamiliar with the past challenges this community has faced due to direct government actions.

- 8.2 The State Government owned company Queensland Water Infrastructure P/L has given an undertaking to pay rates and charges to Council for properties acquired for dam purposes during the preliminary investigation phase of the proposed Traveston Crossing dam. No such undertaking has been given to continue paying rates should the dam proceed.
- 8.3 Cooloola Shire has a total land area of 295,597ha of which 193,117ha (65%) is rateable and 102,480ha (35%) non rateable. Estimates for stage 1 & 2 of dam will increase the non rateable land area by a 12,125ha thus bring the area of non rateable land in the Shire to 39%. No allowances have been made for the yet to be determined land resumption required for realignment of road infrastructure.
- 8.4 Should the dam proceed the loss of rate revenue from the land acquired for the proposed dam will have a significant short/medium term effect on Council's ability to provided and maintain existing services to the community and will delay much needed capital infrastructure planned for the Shire.

Revenue sourced from identified properties in the 2006/07 financial year is as follows.

| | | |
|---------|------------------|-----------------|
| | General Rates | % of Total Levy |
| Stage 1 | \$312,717 | 1.887% |
| Stage 2 | \$185,430 | 1.119% |
| | Waste Management | % of Total Levy |
| Stage 1 | \$15,440 | 3.37% |
| Stage 2 | \$9,701 | 2.12% |
| | Environment Levy | % of Total Levy |
| Stage 1 | \$2,383 | 0.986% |
| Stage2 | \$2,094 | 0.866% |

| | | |
|---------|---------------------|-----------------|
| | Dump Infrastructure | % of Total Levy |
| Stage 1 | \$4,976 | 0.974% |
| Stage 2 | \$4,404 | 0.862% |
| | Cleansing Charge | % of Total Levy |
| Stage 1 | \$2,378 | 0.084% |
| Stage 2 | \$10,844 | 0.384% |
| | Water Charge | % of Total Levy |
| Stage 1 | \$4,915 | 0.105% |
| Stage 2 | \$6,691 | 0.142% |

8.5 The total loss of revenue over both stages of the dam in 2006/07 \$s would be \$561,993 per year. This income is lost forever, but Council will still have to maintain all of its current services. Whilst growth will continue to occur in other parts of the Shire, other demands will come with this growth which will absorb the new income. Hence this is a direct financial imposition that the remaining ratepayers will have to bear because of this ill conceived environmentally damaging dam.

9. Alternative Viewpoints and Solutions

- 9.1 The Mary River Council of Mayors, in its yearning to understand what has gone wrong for the State Government to be so adamant that the dam is the best option for South East Queensland to 2050, commissioned Professor Stuart White of the University of Technology, Sydney, and Dr Trevor Johnson from Cardno to undertake a Review of Water Supply-Demand Options for South East Queensland.
- 9.2 The Review found that the proposed dam is not warranted, and is a bad decision if a dam could have been justified. The Review finds that demands have been overestimated, and that there are alternatives to supply the extra water that is needed.

- 9.3 Of considerable alarm is that the construction of this dam will dramatically increase water rates in Brisbane. Professor White predicted a unit cost for Traveston Crossing Dam water of \$3.00/Kl (This price has since been confirmed by the Water Commissioner). He also points out that the people of Brisbane have not had their say on whether they want water efficiency measures at low cost, or a megadam at high cost; there has been no transparency in the process.
- 9.4 The dam has been included in emergency legislation, but is unlikely to be in service by 2012, after which it has to fill. Filling is subject to rain in the right place.
- 9.5 SEQ Water independently developed a Regional Drought Strategy Contingency Supply Plan in June 2006 which demonstrated how the drought problems in South East Queensland could be successfully overcome. The proposed Traveston Crossing Dam was not part of the solution, presumably because all measures needed to be in place by 2009.
- 9.6 The Review concluded that '*The Traveston Crossing scheme should not be considered for implementation and human and financial resources currently allocated to this project should be re-allocated to dealing with the response to the current drought*'. This assessment from some of the industry's best scholars has thus far been disregarded or dismissed by the Queensland Government.
- 9.7 The Review has recommended a range of measures and infrastructure options, all of which have the support of this Council and the Mary River Council of Mayors. These recommendations are social, environmentally and economically responsible in total contrast to the proposed Traveston Crossing Dam. Dam options have been included, but at sites more fitting with need, cost and impact considerations. (The review is attached)

10 Current Situation

10.1 Notwithstanding all of the evidence, the Premier and Deputy Premier continue to declare to Queenslanders that the dam “will be built” and that the solution to failing dams is to build more dams. As recently as Friday 30th March 2007 on Brisbane television, the Deputy Premier announced that in 2006 the inflow for Traveston Crossing dam if it had been built would have been 94,560MI. What she did not say is that if Gympie/Noosa water supply and environmental flow releases, evaporation and seepage losses are taken out, not much would have been left. It is not clear where the 70,000MI for Brisbane would have come from.

10.2 The State Government is about to release an Economic Development Strategy for the Traveston Crossing/Mary Valley Area. It remains to be seen if there are any new ideas therein. It is important that this Study is not just a precursor to many more studies before there is any action. Further, the remaining people in the area must have a say in what type of new industries are being advocated whether they are in reality feasible or otherwise.

11 Conclusion

Assuming the decision-making process for the dam was free from political interference, it appears that:-

- There was a process of deception used to conceal the planning of the dam whilst public support was being obtained for a resource management plan for the Mary River.
- The need for this dam has been confused with a drought response.
- The purported need for the dam has been completely discredited by the Institute for Sustainable Futures.
- There has been a program of misinformation to justify the dam.
- The risk of relying on more dams in an era facing climate change has not been addressed.

- The environmental and social consequences of the dam have been ignored.
- The true cost to South East Queensland ratepayers of this dam compared with other alternative water solutions has been ignored.
- The Cooloola Community will have to bear losses which they are incapable of offsetting.
- Natural justice has been denied to the people of the Mary Valley and, it will turn out, to the people of Queensland.