

**Submission
No 64**

**INQUIRY INTO ADEQUACY OF WATER STORAGES IN
NSW**

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Subject - Inquiry into Adequacy of Water Storages in NSW

Dear Convenor

It is my opinion that the terms of reference for the inquiry are narrow and therefore will not provide the Government with useful information in relation to water planning across NSW. Dams/water storages are now considered to be old technology.

My background is as a senior policy advisor for the Department of Education and now a retiree/landowner living above the Tillegra Dam site. I have a thorough knowledge of the Tillegra Dam project and networked extensively with Government Departments during the proposal, as a member of the Tillegra Dam Community Reference Group, and later as a member of No Tillegra Dam Group and Save the Williams River Coalition.

My comments, therefore, are general comments about dams and relate more to the Hunter region:

Dams are not cost effective

The average cost overrun of dams is 56%. If you look at an example like Tillegra Dam in the Hunter the initial cost was thought to be in the area of \$250 million (Major Project Application, 2007). In the four year span since its announcement to rejection, it had skyrocketed to over \$477 million. The World Commission on Dams found that on average, large dams have been at best only marginally economically viable. IPART indicated during the Tillegra Dam proposal that costs to the ratepayers may not have been able to be controlled. Add to this the fact that approximately 13,000 Hunter ratepayers were struggling to pay their water bills, any dam would be seen by ratepayers as irresponsible when other more cost effective strategies can be implemented.

The stimulus and job creation myth

Dams don't create jobs. It was confirmed by Hunter Water documentation (Major Project Application, 2007) during the Tillegra Dam proposal that only 5 fulltime jobs would be ongoing, once the dam was finished.

Whilst it is true that the construction of dams create short-term jobs, it is equally true that jobs are lost when large agricultural areas are purchased for a dam site.

Should the Government look at alternative water capture methods and upgrades, thousands of long term, sustainable jobs are generally created in industries such as water tank construction, plumbing, electricians, delivery services, hardware services, pumps and other related machinery, as well as supporting apprenticeships and ongoing labouring jobs.

At what cost the environment?

New dams in the Hunter would contradict much legislation related to the environment. The Regional Strategy's key objectives include maintaining and improving biodiversity, protection of natural and rural assets, promoting growth through provision of housing and jobs, and providing for growth. The construction of a new dam would be contrary to at least four of these objectives.

Given the degraded state of rivers such as: the Snowy, Darling, Cooks, Georges, Nepean, Hawkesbury as well as the Macquarie Marshes, alternative approaches need to be considered.

Dams in the Hunter are not needed for population growth

Hunter Water stated repeatedly that Tillegra Dam was needed for an anticipated 160,000 population growth in the Hunter. Hunter Water's own documentation (Why Tillegra Now) and a report by BIS Shrapnel (Life's Essentials – Water and New Homes for the Hunter, 2008) confirm that these figures will not significantly change the storage simulation from current demand.

Independent Reports show that dams in the Hunter are not needed for climate change

Reports by the Department of Climate Change (Summary of Climate Change Impacts – Hunter Region, Department of Environment and Climate Change Action Plan, 2008) and Newcastle University reports by Dr Karen Blackmore and Martin Babakhan (Meteorologist) confirm that rainfall in the Hunter will increase, making the need for dams unnecessary.

Dams are an absurd level of drought security in the Hunter

The IPART SKM report of 2008 showed a minimal risk of the Hunter running out of water. The fact that Hunter Water hasn't imposed water restrictions for more 25 years reinforces that fact that the Hunter region does not have a problem with water supplies (drought security is at a 30 year high). Figures show that the risk of needing to ration water supplies in the Hunter is about 1 in 21 years.

Sydney has managed to increase their population by 1.3 million, however their water supply has not been significantly affected. This is because water wise rules and appropriate demand management strategies have been implemented.

The Review of Yield Systems by Sinclair, Knight, and Merz (December 08) demonstrated how irresponsible Tillegra Dam was. Modeling was based on the premise that Hunter customers (unlike all other Australian states) should not have to face water saving measures, like other Australian states.

New dams are not required in the long-term in the Hunter

An independent review by the Institute for Sustainable Futures found water consumption in the Lower Hunter in 2007/08 was the lowest recorded for 40 years, at 67 GL, and the five-year average was 70 GL per year, which is trending downwards from earlier decades.

The review also found that Hunter Water has unnecessarily reduced its estimate of available supply for the existing supply system from 90 GL to 67 GL per year.

A more reasonable approach to estimating the available water supply would see the system yield remain at 90 GL per year. Water demand forecasts by Hunter Water appear overestimated and more realistic projections show that with demand management, water consumption in the Lower Hunter could remain well below 90GL per year until 2050.

The Lower Hunter is far from an emergency situation with regard to either long-term

water supply or drought security. In fact, spare supply capacity and drought security have been increasing for several decades.

The alternative: a sustainable urban water strategy the public can support

Because the Hunter region is in no immediate danger of water shortages, adequate time is available for a full, open and integrated sustainable urban water planning process, which includes genuine community engagement.

The NSW Government directives to Hunter Water should be to commence a planning process based on current water industry practice. Such a process would consider all the options. This would mean taking demand management, wastewater re-use, rainwater collection and stormwater harvesting seriously, properly assessing them and funding them appropriately.

This planning process would almost certainly include the most cost-effective water conservation measures such as 'long-term water savings rules' or 'water wise rules' and 'mandatory water savings action plans' for high consumers. Such measures are in place in other large Australian cities but are not yet implemented in the Lower Hunter.

Most importantly the planning process would involve the community in the key decisions about urban water in the Lower Hunter. This would lead to a sustainable urban water strategy with public support (ref: ISF Report, 2009).

Conclusion

Dams have become a contentious issue within the Hunter region. It was almost certain during the Tillegra Dam proposal that Labor seats were lost when the then Government failed to listen to public opinion. Two formal polls (Morgan Research and Hunter Valley research Foundation) and numerous Newcastle Herald informal polls demonstrated the public's view about dams and their interest in demand management and water conservation strategies.

Recently Hunter Water has mooted another dam proposal (Native Dog Creek Dam) on the same site as the Tillegra Dam site. This would have the same environmental and socio-economic impacts as Tillegra Dam and is a disingenuous way of getting the Tillegra Dam proposal back on the agenda. The Department of Planning spent 18 months analysing the merits of Tillegra Dam and commissioned independent reports which demonstrated that it was unnecessary, environmentally damaging and of no benefit to the people of the Hunter. Native Dog Creek Dam would have the similar impacts.

The Victorian Government recently concluded a Parliamentary Inquiry into Melbourne's water supply. It took three years and MPs from both sides of the Parliamentary House to set future water supply directions.

The Central Coast's Water Plan 2050 is another example of good water planning. This plan underwent extensive community consultation before its release, unlike the Hunter Water Corporation's H250 Plan.

At present, there is no water supply crisis in the Hunter. In fact, according to Hunter Water documents obtained by No Tillegra Dam Group through Freedom of information, *'the risk of running out of water was 1 in 10 million'*.

Rather than build any more dams in the Hunter, there now needs to be a diversification of strategies and Hunter Water needs to concentrate on demand management and water conservation strategies.

Yours sincerely

Linda Bowden