

Submission
No 229

INQUIRY INTO PROPOSAL TO RAISE THE WARRAGAMBA DAM WALL

Organisation: Rivers without Boundaries International Coalition

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Submission to Inquiry into the Proposal to Raise the Warragamba Dam Wall

Dear Committee,

Please accept this joint submission to the NSW Legislative Council's Select Committee Inquiry into the Proposal to Raise the Warragamba Dam Wall. We consent to having this submission and our names being published in full.

The Snowy Mountains Engineering Corp (SMEC), the engineering firm tasked with completing the Environmental and Cultural Assessments for the Warragamba Dam wall raising in Australia, has an established history of abusing Indigenous rights across the globe. These abuses have taken place as part of environmental and cultural assessments for other dam projects, notably in Southeast Asia, Mongolia and Africa. We detail these instances below. These instances of misconduct call into question how the firm has been chosen as the lead consultant for the Warragamba Dam Raising project by the NSW Government.

In 2013 SMEC faced criticism from the scientific community and regional civil society for its involvement in the **Don Sahong Dam project in Laos**. SMEC did not respond to requests regarding the Cambodian, Vietnamese and Thai governments' calls to the Lao government for the Don Sahong dam to be submitted to the Mekong River Commission's intergovernmental prior consultation procedure.¹ The construction of the Don Sahong Dam project threatens Mekong fisheries, the main source of livelihoods and food security for communities in Laos and populations living downstream of the dam in Cambodia. The construction of the dam has further driven poverty and environmental degradation in an area that is highly sensitive to such impacts². SMEC did not ensure adequate consultation for populations affected by the project, including those in Cambodia. SMEC did not respond to concerns from civil society or to questions regarding the project's failures to comply with requirements under the 1995 Mekong Agreement.

In 2015 SMEC faced further controversy for undertaking the Environmental and Social Impact Assessment for the **Mong Ton (or Tasang) Dam in Myanmar, which is predicted to eventually displace as many as 300,000 indigenous people** - with over 100 villages and towns to be flooded. This dam also threatens the existence of 104 migratory species of fish that are crucial to the livelihoods of groups living along the Salween River. Significant funding for the project came from Chinese state-owned companies³.

The Mong Ton Dam was proposed amid ongoing armed conflict and serious human rights abuses throughout Myanmar, including within the indigenous states of the country where Mong Ton will be constructed and cause extensive impacts on the river system. The Salween River has been described as the lifeblood of millions of ethnic people in Myanmar, with its interruption and destruction by damming leading to death of culture⁴. SMEC took a blatantly pro-dam position in their assessments, downplaying the negative impacts of the project. In a concerning tactic, SMEC "did not even bother visiting four of the villages they were supposed to carry out assessments in...[Their] EIA/SIA process [was] simply a sham, aimed to rubber-stamp the Mong Ton dam plans, rather than objectively assess the project's actual impacts"⁵.

¹ <https://www.business-humanrights.org/en/cambodia-vietnam-thailand-govtscall-on-laos-to-submit-don-sahong-dam-to-an-intergovernmental-assessment-citing-potentially-high-impact-on-fisheries#c103094>

² <https://www.internationalrivers.org/campaigns/don-sahong-dam>

³ <https://apjjf.org/-Peter-Bosshard/4243/article.pdf>

⁴ <http://www.mizzima.com/news-domestic/shan-representatives-deliver-dam-petition-australian-consultants-yangon>

⁵ <https://asiancorrespondent.com/2015/06/burmese-villagers-say-they-are-being-misled-on-tasang-dam-project/>

This dam project has not only jeopardised the ways of life for a significant number of unique ethnic groups that are Indigenous to the borderlands of Myanmar, it also has allowed the government to militarise these areas and commit further abuses against the groups. The dam is set to destroy “ancestral lands of ethnic peoples in Myanmar struggling to protect their indigenous rights, culture livelihoods, and traditional way of life.”⁶ The dam itself will provide little benefit to local communities or even the state of Myanmar, with 90% of the hydropower generated intended for sale to Thailand and China. Like the Don Sahong Dam project, funding and engineering support for this dam also came from Chinese state-owned companies⁷.

Following approval from Myanmar Government, SMEC started the environmental and social impact assessment process in October 2014. SMEC’s involvement in the Mong Ton Dam has been controversial from the outset, with strong opposition from communities, civil society, among others.

Between July and September 2015, civil society organisations and networks continued to express major concerns over Mong Ton Dam, including calling on SMEC to withdraw from the project. In August, Shan community representatives presented 23,717 signatures to SMEC Myanmar office, stating opposition to building dams on the Salween River. In September, an open letter was sent to SMEC calling on them to withdraw from the project. Endorsed by over 200 organisations and networks, the letter also stated their refusal “to participate in this highly flawed [EIA] process that threatens to exacerbate conflict and undermines peace building in our country.”

Local activists reported “SMEC’s consultations are entirely insufficient. The first consultation was only two hours. You cannot discuss anything in two hours. And they announced this consultation via a tiny ad in one of the last pages of the newspaper”⁸. The activist also reported that military authorities in Shan State sent a tank through the villages “to remind them to participate in the consultations” run by SMEC⁹.

Since 2003 SMEC has been engaged to conduct site investigations, prepare a detailed design and supervise construction for the 11MW Taishir hydro power project located on the **Zavkhan river in the western area of Mongolia**. While Synohydro was the contractor for construction, the transfer of expertise in all aspects of the project to the Mongolian state-owned Energy Authority was central to SMEC's role¹⁰ of designer and general supervisor. Taishir HPP has 3 turbines with 3.5MW capacity, but in real the maximum output from turbine reaches only 2.5MW due to the incorrect modifications of equipment when it was being built and tested¹¹. The project involves a large reservoir of almost 1 cubic kilometre volume on a small river, and the "hydrology risk" has not been carefully considered prior to project commitment. This resulted in extended reservoir filling duration due to drought means and deferred revenue to the owner, extending resource commitments of other parties¹².

The Zavkhan River is the sole source of water for several hundred families of indigenous nomadic herders in the area, with their community living along the Zavkhan River. According

⁶ <https://thediplomat.com/2017/01/chinas-myanmar-dam-hypocrisy/>

⁷ <https://www.sciencedirect.com/science/article/pii/S0301479708002739>

⁸ <https://www.tandfonline.com/doi/full/10.1080/07900627.2016.1179176>

⁹ <https://www.tandfonline.com/doi/full/10.1080/07900627.2016.1179176>

¹⁰ <https://www.waterpowermagazine.com/news/newssmec-selected-for-mongolian-project>

¹¹ https://www.seforall.org/sites/default/files/Mongolia_RAGA_EN_Released.pdf

¹² <https://www.waterpowermagazine.com/projectprofiles/projectprofilesextreme-dam-building/>

to local officials and community elders the herders were severely affected by losses of large portions of their herds while dam was filling in 2007-2015 as all flows in Zavkhan River was contained in dam to fill reservoir for several years¹³. This effect was not anticipated by dam designers and supervisors and led to massive outmigration of herders from ancestral lands. Since the hydropower station has begun to generate energy, herders reported large losses of livestock during winter when the dam releases its largest flows to support operation of the power station at peak level. The indigenous herders have since reported that their livestock have fallen through undermining of ice sheets by the dam's fast release of water. They have also reported that their winter shelters for livestock (yurts and living quarters) have been flooded during peak winter flows, with the herders having to relocate their livestock and communities during these times. Herders claim that their cultural sites have been drowned by the reservoir, including portions of historic monastery lands¹⁴. Their losses during filling and operation of the dam have not been compensated.

In Africa since 2016 SMEC also acted as Project Management Consultant in assisting Uganda Electricity Generation Company Limited (UEGCL) in overseeing the performance of various contractors for a 183 MW Isimba Hydropower Project located on the Nile River¹⁵. Isimba project is being developed by a company-subsiary of the China Three Gorges Co, which is a company that uses money from the Exim-bank of China at a site with important cultural and natural values, that had previously been set aside as conservation offset land during construction of Bujagali hydro¹⁶.

In 2017 SMEC was debarred by the World Bank from working in development and aid projects in Sri Lanka, India and Bangladesh following allegations of bribery and corruption. The Australian Federal Police raided their Sydney offices to investigate claims that SMEC "staff allegedly bribed officials to secure a \$2.3 million aid-funded sewerage project in Sri Lanka in 2011 and...a \$2.2 million power plant project in Bangladesh in 2007"¹⁷.

Given the appalling track record SMEC Engineering has with indigenous consultation and environmental assessments for large dam projects, we saw it as necessary to enlighten the Parliamentary Inquiry of our experiences of SMEC Engineering. Given the media articles¹⁸ detailing the nature of consultation with Blue Mountains indigenous peoples to date, it would seem SMEC Engineering and its sub-contractors are continuing to disregard indigenous rights and serious environmental damage that dam projects cause globally.

We call on the committee of inquiry to reject SMEC Engineering's Cultural and Environmental Assessments for the Warragamba Dam wall raising project, and that a company with appropriate credentials be put forward to re-do all relevant assessments.

Signatories can provide verbal evidence to the inquiry by telephone link if required.

¹³ <http://www.ipsnews.net/2013/07/river-diversion-project-spells-disaster/>

¹⁴ http://www.sric.org/enr/docs/20170729_Taishir_Presentation.pdf

¹⁵ <https://www.smec.com/what-we-do/projects/Isimba-Hydropower-Project>

¹⁶ <http://www.isimbadam.com/>

¹⁷ <https://www.smh.com.au/business/australian-companies-linked-to-bribe-scandals-in-sri-lanka-and-congo-20160823-gqyzlp.html>

¹⁸ <https://www.theguardian.com/australia-news/2018/mar/25/warragamba-dam-wall-plan-would-flood-50-aboriginal-heritage-sites> & <https://www.theguardian.com/australia-news/2019/aug/14/warragamba-dam-level-report-deadline-too-short-traditional-owners-say>

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