

**INQUIRY INTO RATIONALE FOR, AND IMPACTS OF,
NEW DAMS AND OTHER WATER INFRASTRUCTURE IN
NSW**

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Submission to the inquiry into the rationale for, and impacts of, new dams and other water infrastructure in NSW was self-referred by Portfolio Committee No. 7 - Planning and Environment on 12 August 2020.

Dungowan dam cannot be justified to solve Tamworth water security problems, there are better options and projects that will improve Tamworth water security that will cost a lot less money, be more guaranteed to work, and have less impact on riverine ecosystems.

Likewise the proposed Mole River Dam is 1950's thinking that ignores the science that clearly states that river regulation degrades aquatic ecosystems. The Mole River is one of the few inland rivers that is still unregulated, it should be protected from river regulation.

The riverine community below the proposed Dungowan Dam and Mole River Dam is the lowland Darling River aquatic ecological community that is listed as endangered in the Fisheries Management Act 1994. River regulation is listed as a key threatening process to the endangered ecological community, justified by countless scientific papers that identify the multitude of impacts caused by damming rivers.

The aquatic ecological community of the lowland Darling River includes all native fish and aquatic invertebrates within all natural creeks, rivers, streams and associated lagoons, billabongs, lakes, anabranches, flow diversions to anabranches and floodplains of the Darling River within NSW.

The modification of natural flows as a result of river regulation (dams, weirs etc.), leads to reduced habitat quality and complexity, loss of spawning cues, and reduced opportunities for dispersal and migration of aquatic species.

Spawning failures and habitat loss have resulted from cold water releases from dams.

The degradation caused by dams results in increased predation, competition, diseases and habitat modification associated with introduced fish species, such as carp, goldfish, redfin perch, mosquitofish and the snail *Physa acuta*.

The decision to build these dams was a political knee jerk action to be seen to be doing something about the drought, and declaring them State Significance

Infrastructure enabled Dungowan Dam to commence without the normal environmental and economic assessments.

Dungowan Dam had an economic feasibility study years ago which found it to be too expensive for the small amount of water storage.

The Mole River proposal should be dismissed entirely as environmental vandalism, and the Dungowan Dam project should be put on hold until the economic and environmental assessments have been done and all alternative options have been fully explored.

There is growing public concern that the decision to build Dungowan Dam lacks justification, and Tamworth Regional Council are also questioning the wisdom of the decision to build the dam, with several councillors pushing to have other alternatives investigated.

Within the Peel River catchment all the rain that falls is already committed to some user, predictions are that seasons are going to get hotter and drier, and the Murray Darling Basin plan needs to reclaim more water for the environment.

The second half of this submission is paper clippings that document the history of the Dungowan Dam debate.

I ask the Parliamentary Inquiry to reject Mole River Dam completely and to call for a halt to Dungowan dam until other alternative water efficiency options are fully investigated.

This project has all the hall marks of political incompetence that will require an ICAC investigation down the track.

Issues that we are requesting to be considered in each of the Terms of Reference are;

(a) the need for the projects, including the historical allocation of water and consideration of other options for ensuring water security in inland regions,

There has been no demonstrated benefit from the new Dungowan Dam which is proposed to store 22.5 GL (billion litres). The new dam will not provide long-term water security for Tamworth considering climate change predictions of more frequent and more severe temperatures and droughts.

The project was a political announcement with no justification. Previous feasibility studies for the dam found it was too expensive. The public question what has changed?

The new Dungowan Dam is unlikely to benefit Tamworth because the amount of water available to Tamworth will be much less than the 22.5GL and more like 11GL

because the decommissioning of the existing dam will negate the 6 GL already stored in it and 5 GL of the 22.5 GL has been promised to irrigators.

The 11 GL will come at a very high cost of \$231,000,000 for construction. WaterNSW has not told anyone who is going to pay for that cost or who is going to own and manage the new Dam. Either way it will likely result in higher cost to Tamworth rate payers for their water and the volume will not be guaranteed in drought years. Water restrictions could still apply if inflow to the new dam declines due to extreme heat and drought.

Managing the water to conserve it for the dry times, and efficient use and recycling of water is what Tamworth needs, not a very expensive new Dam.

The Chaffey Dam upgrade was completed in 2016 to store an extra 40GL bringing it up to 100 GL when filled. Water allocations were set at 100% after it filled which was way too high and didn't consider the predictions of below average rainfall in 2018 and 2019. That lesson still has not been learnt, even now the Available Water Determinations (AWD) modelled by WaterNSW do not take into account the extreme low flows experienced in 2019 - 2020.

History of water allocations:

Natural Resources Commission (NRC) Review of Peel River Water Sharing Plans (WSP) found:

there is a practice of placing water in general security accounts even though it is not physically available at that point in time in anticipation of possible inflows from the tributaries. (p60)

The allocation of water in the Peel River does not meet the prioritisation requirements of the NSW Water Management Act 2000 that puts town water supply, basic rights and environment as top priorities.

The Water allocations determined by the Peel Regulated Water Sharing Plan 2020 are based on the lowest accumulated inflows to the Chaffey Dam prior to July 2010 which was the two-year drought period (1964 to 1966) when inflows were 13GL. Inflows to Chaffey Dam over the two years to March 2020 were just half of that at only 6 GL. (NRC p 31).

There will be continued over allocation of water while ever planning doesn't take into account the most recent lowest inflows on record. Fixing that issue is the first step to securing the town water supply for Tamworth.

Increasing the size of Dungowan Dam will not make a difference to drought security under current water allocation rules in the Peel River water sharing plans

Other options for improving Tamworth water security with the funding available for the dam (\$484m) are; water recycling scheme, water tanks for each building, storm water harvesting and linking industry users to recycled water. There has been no adequate study of other options for securing Tamworth water supply.

Those actions to will reduce the volume of water Tamworth needs and they will be guaranteed every year, as compared to no guarantee of increased volumes from the new Dungowan dam considering the likelihood that future years will get drier and hotter and there will be less flow to fill the dams and higher evaporation rates. In summary Dungowan Dam is unlikely to provide increased volume of water to Tamworth, but it will be guaranteed to increase water costs.

Investment in improved town water supply management and demand will provide long-term water security. An expensive new dam with increasing evaporation rates and lower inflows will not.

(b) the economic rationale and business case of each of the projects, including funding, projected revenue, and the allocation and pricing of water from the projects,

The costs benefits analysis conducted by GHD in 2017¹ included the Chaffey Dam pipeline that has now been constructed. There is no updated cost benefits analysis available that includes the benefits achieved by that fast-tracked project. The GDH report is not based on a Willingness to Pay survey of Tamworth residents of businesses.

A full business case will not be completed until June 2021 and will not be fully disclosed to the public. The environmental assessment is being conducted at the same time. Meanwhile WaterNSW is ready to sign contracts for pipeline construction in Oct 2020. There is a lack of transparency and poor consultation in regard to investment of public money on a project that is likely to fail to meet its purpose.

The \$242m for Dungowan Dam and \$0.85m for the Peel Water Infrastructure Investment Feasibility Study has been funded through the National Water Infrastructure Development Fund.

Remaining funds are from NSW Govt. The source of state funding is not publicly available but likely to be the Snowy Hydro Legacy Fund.

There is confusion over who will own and operate the dam between WaterNSW and Tamworth Regional Council. The dam cannot go ahead until the Tamworth

¹ GDH 2017 Feasibility Assessment Report

Ratepayers are presented with the business case, the environmental assessment and told who is going to manage and pay for the dam. WaterNSW are saying that there are no other options to provide for Tamworth water security so the dam is going ahead regardless. No private business would throw \$480 million at a project without having a business case to justify the expense and a clear idea of how the cost will be paid for overtime. And a careful evaluation of alternatives that would provide for Tamworth water security.

No information on cost recovery, user pays, Independent Pricing & Regulatory Tribunal (IPART) process for WaterNSW customer charges. Tamworth ratepayers are already being charged for the augmentation of Chaffey Dam.

With no environmental assessment we are supposed to assume that when it is done it will consider all the impacts on the riverine ecosystem. There is no information regarding the inclusion of fish passage and mitigation of cold water pollution within project costings. The significance of the environmental costs are unknown.

(c) the environmental, cultural, social and economic impacts of the projects, including their impact on any national or state water agreements, or international environmental obligations,

Environment:

Dungowan Dam will impact on the health of the Peel River system – which is habitat for threatened native fish species listed for protection under Federal environmental law (EPBC Act) - the critically endangered Silver Perch and vulnerable Murray Cod. Other water dependent species include platypus, water rats, turtles, and water birds.

Further loss of fish passage will hinder population movements up and downstream. There is no clear indication how loss of fish passage and cold water pollution impacts will be mitigated.

The capture of additional natural flows will further degrade river ecosystem function – temperature, oxygenation, nutrient transfer, macroinvertebrate food sources. Loss of connectivity to the floodplain through increased water capture has a compounding environmental impact.

Natural Resources Commission report on Peel River water sharing plan notes that the proposed replacement of Dungowan Dam with a larger storage will have an impact on inflows to the Peel River and the environment.

An area of the critically endangered Box Gum Woodland will be lost in the inundation and construction area. This ecological community supports a range of threatened woodland bird and animal species.

There are likely to be water quality impacts based on land use in the inundation area.

Cultural:

Loss of Aboriginal cultural heritage in the inundation zone and loss of cultural values associated with river health.

The dam footprint is in Kamilaroi country with associations with the *Nganyaywana* language group to the north, *Birpai* language to the east and *Geawegal* language to the south

Waterways are generally places with high cultural values. Limited archaeological survey work has been conducted in the impact area. Cultural and spiritual associations with water and connections to country are highly valued by First Nations people.

Social:

Loss of natural flows to Dungowan Creek and Peel River will have social impacts through loss of amenity, impacts on basic rights and changes to water availability in connected downstream rivers in Namoi and Barwon-Darling catchments.

The loss of flows in downstream rivers has cumulative social impact on townships, health & well-being, recreational opportunities and causes prolonged drought.

Economic:

Uncertainty over the price of water, access and allocation to water users, owner-operator arrangements, charges to Tamworth ratepayers.

Change to tributary inflows to the Peel Regulated and Namoi Regulated Rivers will change water access for downstream licence holders. Water supply to downstream towns, particularly Walgett, is a major economic and social consideration.

Supplementary water access in the Peel River and Namoi River will be impacted by increased capture of tributary inflows from Dungowan Creek.

Impacts on Water Planning arrangements:

The capture of an additional 22.5 GL from Dungowan Creek inflows will impact on water sharing arrangements and rules in the Peel River Regulated water sharing plan.

There will also be an impact on flows into the Namoi regulated river that will change the share arrangements for downstream users and achievement of end-of-system flow targets.

Loss of access to supplementary inflows in the Namoi has been noted as a key issue.

The Namoi River is highly connected to the Barwon-Darling River. Namoi inflows are part of the development of the Murray-Darling Basin Plan sustainable diversion limits. Increased impoundment of water in the upper catchment will decrease the volume available downstream.

The purpose of the Basin Plan is to recover water to repair degraded river systems. Dams and instream structures are one of the key threats to river health in the Basin.

The National Water Initiative (NWI) is a national water agreement signed by all states and territories in 2004.

Clause 65 of the NWI addresses *Water Storage and Delivery Pricing* and states “(65ii) full cost recovery for water services to ensure business viability and avoid monopoly rents, including recovery of environmental externalities when feasible and practical;”

And clause 69 *Investment in new or refurbished infrastructure* states “The parties agree to ensure that proposals for new or refurbished infrastructure continue to be assessed as economically viable and ecologically sustainable prior to the investment occurring”

(d) the impacts of climate change on inland waterways, including future projections, and the role of dams and other mass water storage projects in ensuring security of water supply for social, economic and environmental outcomes

The Northern Basin river systems, including the Peel and Namoi Rivers, have had record low inflows over the past 20 years with lower rainfall and higher temperatures. (Keelty Report March 2020)

Current water management rules do not take existing droughts of record into account and do not provide for predicted increased extreme weather events caused by climate change in the future.

High temperatures cause higher evaporation rates from large dams and increased transmission losses. The failure of the augmented Chaffey Dam to secure Tamworth water supply, its prime purpose, demonstrates that dams are not the long-term solution to water security in a drying climate.

(e) water infrastructure technologies that may promote enhanced environmental outcomes,

Improved water use efficiency, effluent recycling, storm water harvesting and water tanks for households will improve water security while protecting natural flows in creeks and rivers.

(f) any other related matter.

The fast-tracking of the Dungowan Dam project by commencing auxiliary works in October 2020 prior to the completion of the business case or EIS is highly unsatisfactory and possible a waste of money and unnecessary environmental disturbance.

There is no clear communication or consultation on what these ‘shovel in the ground’ activities will be or what assessment has been carried out for their impacts eg building tracks and creek-crossings.

Dungowan Dam should be removed from the NSW Water Supply (Critical Needs) Act 2019. There is now adequate water supply in Chaffey Dam and the existing Dungowan Dam to supply Tamworth city water needs. More conservative water allocations and improved water use efficiencies are a more cost effective method of securing water supply.

Dungowan Dam is not Critical State Significant Infrastructure. WaterNSW should cancel the development application submitted to the Department of Environment, Industry and Planning.

APRIL 2018 Dungowan Dam upgrade facing axe after \$330-million blow out



• **Jamieson Murphy**

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THE state government is scrambling to find an alternative to upgrading Dungowan Dam, after a report found the work would cost \$330 million – more than three times the amount allocated.



CRASHING DOWN: The plans for Dungowan Dam upgrade have hit a major road block after a cost blow out.

The feasibility study by WaterNSW estimated the project, which involves building a new dam in front of the old one, would cost up to \$480 million.

The federal government has committed \$75 million to the upgrade and the NSW government was expect to match that, for a combined total of \$150 million.

With the cost blow out, the state government [is at risk of losing the \\$75m on the table](#) from the Commonwealth, which New England MP Barnaby Joyce fought for when he was Deputy Prime Minister and Minister for Water Resources.

Tamworth MP Kevin Anderson told *The Leader* he's investigating other ways to spent the money on local water infrastructure with Mr Joyce and NSW Regional Water Minister Niall Blair.

"We were possibly looking at \$150 million, so it does fall well short," Mr Anderson said.

"We've been having discussions about whether we upgrade the existing Dungowan Dam, or we upgrade Chaffey Dam again.

RELATED ARTICLES

- [Waters muddied for Dungowan Dam upgrade study](#)
- [Dungowan study taking too dam long: Tamworth councillor](#)

- [Spend the dam money: Barnaby Joyce warns Dungowan Dam funding could be taken back](#)

“That \$75 million was set aside for Dungowan Dam, so we need to look at if there is some flexibility.

“It’s about what’s going to get us our best bang for our buck. Ultimately we want to increase our water security and provide for the community for decades to come.”

Mr Blair refused to answer if the NSW government would still match the federal government’s \$75m in light of the report, instead distancing himself from the blow out.

“WaterNSW carried out a feasibility study into the augmentation of Dungowan Dam on the on behalf of the Commonwealth government,” a spokesperson for Mr Blair said.

“Any questions related to the outcome of that study should be referred to the Commonwealth and the relevant minister.”

Mr Joyce is concerned that if [the \\$75m already committed isn’t spent, it will be taken away](#) and “we won’t get it back”.

OCTOBER 2018

Dungowan Dam upgrade dead in the water due to \$440m price tag





NO UPGRADE: Dungowan Dam is set to remain at its six gigalitres capacity for the foreseeable future, with an upgrade deemed to be too expensive.

THE Dungowan Dam upgrade is all but dead in the water, with the state government revealing “geotechnical challenges” mean the development would be “cost prohibitive”.

In April, [*The Leader* revealed the project was in trouble, after a feasibility study found the project would cost \\$480 million](#) – more than three times the amount intended to be allocated.

At the time, the state government remained tight-lipped on the future of the project while it digested the report. This week, NSW Regional Water Minister Niall Blair addressed the study’s findings.

“The study identified some geotechnical challenges and other considerations that mean that without further investigations, the cost would be substantially more than anticipated and would be cost prohibitive,” he said.

“The NSW government is continuing to work with the Commonwealth and [Tamworth Regional Council to look at options](#) for securing the Peel Valley’s long-term water security.”

The federal government has already committed \$75 million for the project, which the state government was set to match – however, that now appears very unlikely.

READ MORE

- [Tamworth councillor slams NSW government Dungowan Dam upgrade price](#)

- [Chaffey Dam plunges below 50 per cent capacity, water restrictions predicted for late December](#)

New England MP Barnaby Joyce, who secured the \$75m during his stint as Water Minister, is concerned the Commonwealth funding will be taken away now that the project has stalled.

Mr Joyce revealed his frustration at a recent Tamworth Business Chamber event.

“We have \$75 million which I weaselled out for Tamworth for further water infrastructure, and it’s just sitting there wanting to be spent, whistling to people as they walk past,” he said.

“And we can’t spend it, because it’s all too complicated. So we’ll probably lose that money, and if we do, we won’t get it back.”

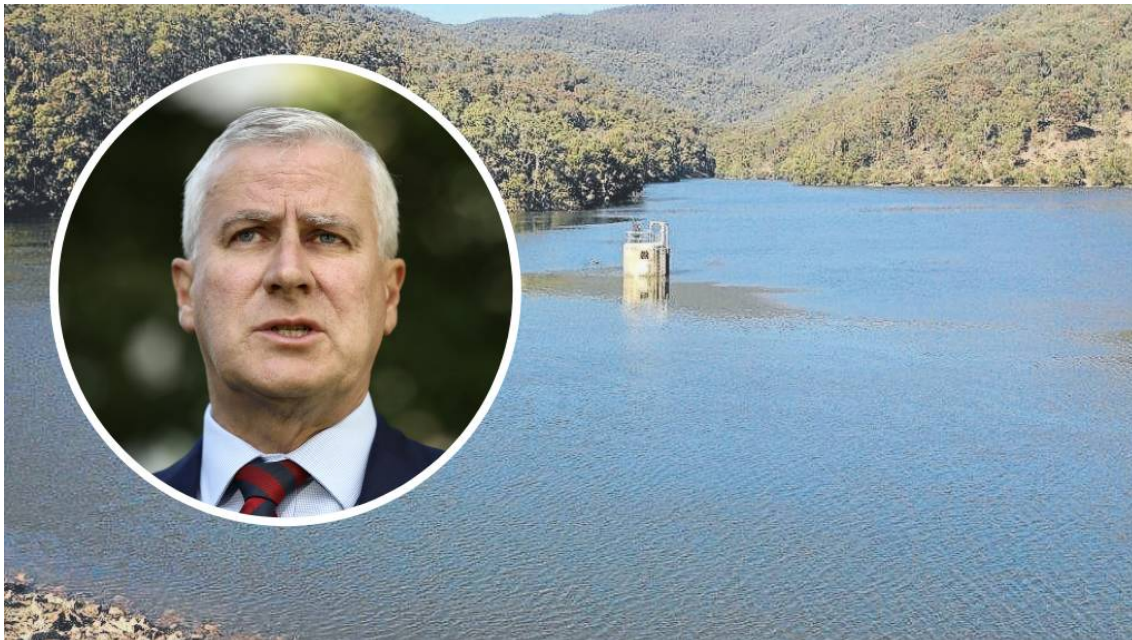
[He’s calling for the money to be reallocated to upgrade Chaffey Dam again.](#) The dam was augmented in 2016 to a 100-gigalitre capacity, however Mr Joyce says originally it was intended to be 122 gigalitres.

JUNE 2019

Open to options: Dungowan Dam \$75m could be used on alternative | Water project



Jamieson Murphy



ALTERNATIVE: Deputy Prime Minister said he was open to the money being spent on a different project in the region.

The Deputy Prime Minister will meet with the NSW government in the coming days to discuss large-scale water infrastructure projects, including what to do with the funding for Dungowan Dam.

The federal government has committed \$75 million to upgrade the dam from 6.3GL to 22GL, however the money has been sitting unused for the past three budget cycles, and there is a fear it will be lost if not used soon.

With a price tag of \$484 million, the NSW government is [reluctant to push ahead with the upgrade](#).

However, Deputy Prime Minister Michael McCormack said he was willing to let the money be used for [another water project in the region](#), and will invite NSW Water Minister Melinda Pavey to put forward alternative projects - an offer he made to her predecessor Niall Blair last year.

"The government stands by its commitment to providing \$75 million to co-fund the construction of the new Dungowan Dam," Mr McCormack's spokesperson said.

"But, it will of course listen to requests from the NSW government to consider alternative projects if there are better options that can deliver increased water supply and security for farmers and communities in the region."

MORE WATER PRESSURE STORIES

- [Draft plan reveals how Namoi's groundwater will be shared](#)

- [Water study finishing at end of 2020 'already fast tracked': Tamworth MP](#)
- [The Water Pressure podcast episode two: will we see funding](#)

Mr McCormack will also discuss opportunities for the two governments to "work together to build water infrastructure projects that will increase water supply and security for regional communities".

"The federal government is committed to working with the NSW government to build the water infrastructure that best meets the region's needs," the spokesperson said.

So far, the state government has been unwilling to commit to any large water projects in the Namoi and Peel valleys until it finishes a study, [which is due to be completed by the end of 2020](#).

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Tamworth mayor Col Murray said council had split its water security approach in to a short-term plan and a long-term plan.

"We're still keen on Dungowan as the long-term option," Cr Murray said.

"We wouldn't want to compromise the long term for the short term, but in saying that, I'm sure council would be prepared to consider [other options for the \$75 million] if they were put forward by the state government."

OCTOBER 2019

What happens to old Dungowan dam, how much water do we get from the new one?





UNDECIDED: Bruce Logan says the current dam's future is unclear

THE current Dungowan Dam may be partially decommissioned to make way for the new \$480-million dam.

Tamworth Regional Council water director Bruce Logan said early investigations revealed the expanded 22.5-gigalitre dam would increase the city's yearly water capacity by about six gigalitres.

On an average year without water restrictions, Tamworth uses about 10 gigalitres.

Mr Logan said the future of the current dam wasn't clear, but there were some safety issues.

MORE WATER PRESSURE STORIES

- [City's emergency pipeline route settled on, work to start on weirs](#)
- [Editorial: The Leader's Water Pressure campaign beginning to pay off](#)
- [Water Pressure podcast: Four big questions about the new \\$480m dam](#)

"One of the reasons the new dam is required is to address some of the safety issues with the old one," he said.

"Just because we are putting a new dam in downstream doesn't immediately rule a line through the safety concerns with the existing dams."

Mr Logan said a number of options had to be investigated, but he was confident the dam would still exist in some form.

"I don't think we will end up with a fully decommissioned dam, it's expensive to decommission a dam if nothing else," he said.

"We may for instance remove the spillway gate, which would reduce the capacity of the dam by half to around 3000 megalitres and we would leave that water in storage for use for the city, or something else."

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It's also possible [the current dam is used for a pump hydro scheme](#). A feasibility study in to the project is underway, which [could produce twice as much energy](#) as the Liddell power station.

The new dam will be located about three and half kilometres away from the current one.

When it's full, the edge of the new dam is expected to lap against the wall of the current dam.

OCTOBER 2019 Double Dungowan Dam size for an extra one tenth of the cost



• **Jamieson Murphy**



THERE are calls for the state government to consider doubling the size of the new Dungowan Dam for an additional one tenth of the cost.

There are still many unanswered questions regarding the \$480-million dam, including its size. Currently, it's pegged to be 22.5 gigalitres and will be among the most expensive dams per megalitre (\$21.3 million) ever built in Australia.

A report by Water NSW shows that for an additional \$46 million, the dam could be doubled in size to 40GL, dropping the price per megalitre to \$13.15 million.

For an additional \$89 million, the dam could be expanded to 60GL, dropping the per megalitre price to under \$9.5 million.

The final size of the dam is likely to be influenced by a number of factors, including if additional land must be purchased, how much extra water the region can draw out of its allocation from the Murray Darling Basin Authority and if a larger dam would still have an effective yield.

Shooters, Fishers and Farmers spokesperson for Tamworth, Jeff Bacon, said it's something the government should consider given the magnitude of the decision.

"This is a once-in-a-generation opportunity to build a dam and we have an obligation to do it right the first time round," Mr Bacon said.

"If there is a little extra expenditure to potentially double its capacity, commonsense says you would do that."

NSW Business Chamber regional manager Joe Townsend said it was hard to comment one way or the other without seeing a business case, however implored the government to consider all options.

"We always rely on water security, and the greater water security is, the greater the investment from private sector," Mr Townsend said.

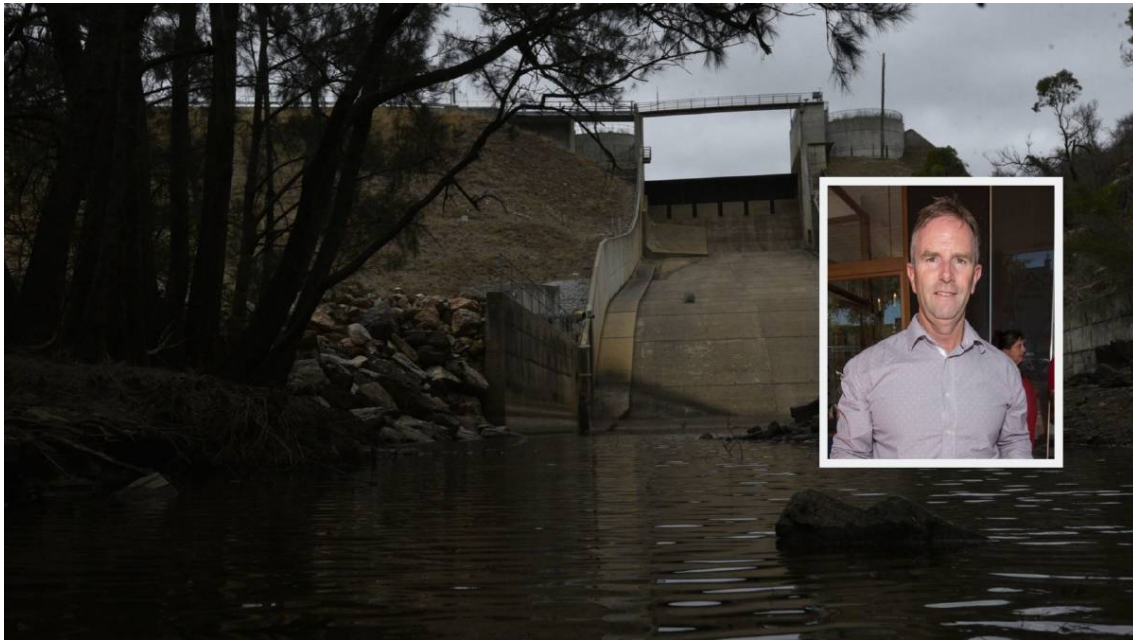
"No matter what the decision, we just need to see the dirt start to turn so business confidence can return."

OCTOBER 2019

Tamworth water supply: Mark Rodda to ask government how Chaffey Dam was drained so quickly



• Jacob McArthur



PLEASE EXPLAIN: Tamworth councillor Mark Rodda wants to know how Chaffey Dam was drained so quickly. Photos: Peter Hardin and Jacob McArthur

THE state government's water management has been called into question by one councillor who wants to see an audit of Chaffey Dam's releases.

Mark Rodda will present a notice of motion at Tuesday's ordinary council meeting calling for an explanation from the water minister on how 60 per cent of Chaffey's "capacity was released in 18 months".

He will present a request to councillors to write to the minister "to ask for an explanation about the water releases from Chaffey Dam from December 1, 2016 to June 30, 2019".

- [Water Pressure podcast: Four big questions about the new \\$480m dam](#)
- [It's about dam time: \\$480 million to build new dam near Tamworth](#)
- ['Back in business': mayor says water security is in the bag](#)

"Despite owning and managing only Dungowan dam, our council is often criticised by some for the dire water levels our storages are at," he said.

"I am often asked how we got from approximately 95 per cent in late 2016, to the critical level it is at now.

"Moving forward, we need some transparency and confidence that the state government's water manager will introduce measures to ensure that when Chaffey Dam's water level returns to a healthier level, errors aren't repeated again that deplete the dam's contents so quickly."

It comes less than a week after the state government announced it would fund the majority of a new 22.5 gegalitres dam for Tamworth near Ogunbil.

Cr Rodda acknowledged and welcomed the funding.

"These announcements can go some way to restoring optimism in many who are suffering from the scourge of drought," he said.

Questions have been raised after the announcement about which level of government will manage the new Dungowan Dam.

OCTOBER 2019 New Dungowan dam: councillor says it's unrealistic \$480m dam will go to council



• **Jacob McArthur**



ON SITE: Tamworth councillor Russell Webb talks briefly with the Prime Minister Scott Morrison at Dungowan Dam on Sunday. Photo: Jacob McArthur

MORE questions are being raised about Tamworth's dam funding windfall and the city's future supply.

Politicians have remained coy and indecisive about who will control the water captured in the new 22.5 gegalitre, \$480 million Dungowan Dam.

But Tamworth councillors agree it is a pertinent issue, with the city under level 5 restrictions about three years after an expanded Chaffey Dam hit 100 per cent capacity for the first time.

READ MORE:

- [One dam question lingers: whose water will it be?](#)
- [It's about dam time: \\$480 million to build new dam near Tamworth](#)
- ['Back in business': mayor says water security is in the bag](#)

It is also unclear what, if anything, will happen to the old 6 gigalitre dam 3.5km down the road from the new site.

Mark Rodda said there were still plenty of question marks, particularly on management of the sites, and suggested the new dam should be in council hands.

"There's plenty of people saying, 'Who cares, so long as it's built?'" he said.

"We have the example of how quickly [the state-owned] Chaffey Dam has been depleted of its capacity," he said.

"I think Tamworth Regional Council has demonstrated it is a good manager of water."

If the council doesn't own the new dam, Cr Rodda said it should at least be refunded for the land it purchased for the infrastructure.

Russell Webb said it would be "unrealistic" for the dam to be handed over to the council after the state and federal government jointly funded the project.

"Why would they give the project all of the money and then say, 'Here, you have it?'" Cr Webb said.

He said the priority was to get the dam built in a "timely manner" and "administrative details" such as the ownership could be established later.

Cr Webb, who was at Sunday's historic announcement, said it was unclear what would happen to the old Dungowan Dam once the new one was built.

He said it might "have capacity reduced for safety reasons" but would still have an important role in water storage for the city.

OCTOBER 2019

Kevin Anderson doesn't give a dam to doubling Dungowan size idea



Jamieson Murphy



TAMWORTH MP Kevin Anderson has flatly refused to consider doubling the capacity of the new Dungowan Dam for an additional tenth of the cost.

The \$480-million dam will be the most expensive dam per megalitre (\$21.3 million) built in Australia.

A report by Water NSW shows that for [an additional \\$46 million, the dam could be doubled in size](#) to 40GL, dropping the price per megalitre to \$13.15 million. However, Mr Anderson rejected the idea.

"I'm not commenting on any other report," he said.

MORE WATER PRESSURE STORIES

- [Double new Dungowan dam size for an extra one tenth of cost](#)
- [Government working double time to get Dungowan Dam done](#)
- [No changes to new water sharing plan, despite current water shortage](#)

"We've got this far, the time for talk is over. We fought so hard to get it, now it's time to get on to it.

"Other people can consider it if they want, I am focused on getting the dam started."

The dam is not expected to be completed until 2024 at the earliest.

University of NSW water expert, Professor Stuart Khan, said it was better to ask these questions before construction started.

"It's a good question to ask," Professor Khan said.

"We don't want to be in a situation where we might want to expand it again, and look back and ask why didn't we spend the extra 10 per cent."

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Professor Khan said when it came to dams, it wasn't just the size that mattered. "The yield is actually more important," he said.

"It's the amount of water that falls in the catchment. There is a maximum optimal size for every dam, and it may not have a sustainable yield at that size.

"The key question is not how much bigger the new Dungowan Dam could be, but how much extra yield we could get out of it.

"If we could get another 40 per cent yield for an extra 10 per cent, I think for sure we should be looking at that."

JANUARY 2020

New Dungowan Dam will lead to sky-rocketing water bills for Tamworth



Jamieson Murphy



COST RECOVERY: The new Dungowan Dam will have create a price hike on future water bills, how much depends on who owns it. Photo: Gareth Gardner

TAMWORTH water bills could increase by "\$2000 to \$3000 a year" because of the new Dungowan Dam, the state's opposition water spokesman has warned.

Although that figure could be inflated, there will be some increase to water bills, as the NSW government will be forced to recover the cost of the \$480-million investment over the coming decades.

Who foots the bill will depends on who owns the dam, opposition water spokesman Clayton Barr said.

If it's the state government, the burden will be shared between irrigators, Tamworth residents and other Dungowan Dam water users. If the government "gifts" the infrastructure to Tamworth Regional Council, it will be forced to increase water rates to cover future maintenance and repair costs.

EXPLAINED:[Why the new Dungowan Dam will make water bills go up](#)

In December, the *Leader* revealed the two parties had decided to [put a pin in the ownership discussion and instead focus on getting the dam started.](#)

"I think the decision to go ahead without resolving the ownership question is a massive error of judgement for all concerned," Mr Barr said.

"At the very least, they have to depreciate the asset over the next 60 years, which means over the next 60 years, they have to pass on \$480 million worth of charges.

"That's a conversation we need to have with people of Tamworth: are you happy to possible have an extra \$2000 to \$3000 a year on your water bill? That's a massive amount for any household.

"When the wall needs to be rebuilt or repaired in 60 years, council has to be sitting on the repair money needed in 60 years time."

READ ALSO

- [Dam by 2022: Water Minister promises dam business case before election](#)
- [Council and govt put a pin in new Dungowan dam ownership question](#)
- [Govt's lack of questions about missing Chaffey water labelled 'bizarre'](#)

Mr Barr said Peel Valley irrigators already faced some of the highest water rates in the state.

"Historically, mass storage dams have been about 80 per cent funded by irrigators," he said.

"80 per cent of Dungowan is \$390 million in cost, fees and charges that will be passed on. That's a really big conversation we need to have, but we can't without resolving the question of who will own the dam."

Mr Barr said the new dam was a "knee-jerk" reaction from a "government desperate for an announcement".

"They've done no homework and failed to be transparent with the people it will impact most," he said.

The *Leader* asked NSW Water Minister Melinda Pavey if any cost recovery modelling had been done, however she did not respond.

Ms Pavey has promised pre-construction [work will start on the new dam by the end of the year and the business case will be completed by 2022.](#)

JANUARY 2020

Explainer: Why the new Dungowan Dam will make water bills go up

Comment

Comments



There's no such thing as a free lunch, so it's time to talk about the cost of the \$480-million Dungowan Dam upgrade before the cheque hits the table.

It's complicated, but to put it simply, the cost of large-scale infrastructure must eventually be recovered to keep money in the coffers.

The easiest and fairest way to do that, is for the people using that infrastructure to all chip in a little bit over a long period of time.

That's exactly what's happening with the Sydney Desalination Plant. It's an expensive piece of infrastructure at a cost of \$1.08 billion. It was decided every Sydney water user chips in an extra \$87 annually for the infrastructure. When it g

But that \$1 billion cost is split between Sydney's 5.3 million residents.

The \$480-million cost of Dungowan Dam will be shared between a much, much smaller user group, most likely confined to the Peel Valley.

So how much extra will people be charged over what period? There's an independent government agency set up to answer that very question - the Independent Pricing and Regulatory Tribunal (IPART).

IPART aims to balance the government's need to get the money back without putting too much strain on residents - but it's a tough balance to strike.

Irrigators in the Peel Valley already have some of the highest water rates in the state, and one of the contributing factors is that a relatively small number of water users in the valley (compared to other valleys) are paying off a large piece of infrastructure (the \$43-million Chaffey Dam upgrade).

The state government does have the ability to 'gift' the Dungowan Dam infrastructure to Tamworth Regional Council.

However, the cost recovery responsibility then falls to the council (and its residents), who won't be trying to get back the money from the initial investment, but instead create a long-term nest egg for when the dam inevitably needs large-scale repairs or maintenance in several decades' time.

So will your water bill go up? Yes. By how much? We don't know, let's talk about it.

FEBRUARY 2020

Tamworth water: Dungowan Dam work to start by year's end



• **Jacob McArthur**



CASH SPLASH: Barnaby Joyce, Deputy Prime Minister Michael McCormack, Premier Gladys Berejiklian, Prime Minister Scott Morrison and Deputy Premier John Barilaro at the Dungowan Dam announcement. Photo: Jacob McArthur 131019JMA32

PRELIMINARY construction work on the new Dungowan Dam is expected to begin before the end of the year.

However, key questions of ownership remain unanswered as the government forges ahead.

The NSW government has moved to fast-track the \$480 million projects and announced a new "dam delivery team" within Water NSW.

READ MORE:

- [New Dungowan Dam will lead to sky-rocketing water bills for Tamworth](#)
- [Water Pressure podcast: Why a bigger dam means you get a bigger water bill](#)

Dungowan and Wyangala dams will be prioritised by the state government with deputy premier John Barilaro calling for "shovels in the ground" by the end of the year.

Water NSW will also fast-track the expressions of interest process to get the project moving quicker.

It comes after the government passed new legislation to bypass some checks and measures to build "critical water infrastructure".

While the government has fast-tracked parts of the project since its October announcement, mystery surrounds key questions about the \$480 million dam.

The *Leader* put questions to Mr Barilaro about who would operate the dam and whether cost-recovery measures would result in inflated water bills for the region. A spokesperson for the minister said "matters of custodianship" would be "considered throughout the construction phase and in consultation with council and other stakeholders".

Tamworth MP Kevin Anderson welcomed the formation of the dam delivery team.

"This is about getting on with the job and the dam delivery team is overseeing the planning and development of the new Dungowan Dam, with preliminary construction to begin late this year," he said.

MARCH 18 2020

New Dungowan Dam won't create more water licences, just security



Jamieson Murphy



SECURITY: The new Dungowan dam won't create new water licences. Photo: Peter Hardin

THE new \$480-million Dungowan dam near Tamworth won't create any more water allocations, instead providing more security for existing licences, the Water Minister revealed.

Under questioning during the budget estimates, NSW Water Minister Melinda Pavey said the dam would not change to the Peel Valley's sustainable diversion limit, which is the amount of water it can extract under the Murray Darling Basin Plan.

"It is not actually about putting more allocation in, it is about giving more water security to the communities of Dungowan and the Peel Valley as well as the Lachlan Valley," Ms Pavey said.

"It is about ensuring that, in this time of climate change where we have such variability of rainfall and opportunity, we have bigger storages to capture those events that we have experienced over the past month or so.

"It gives more security because you have collected more water."

READ ALSO:

- [The local fallout: all you need to know about coronavirus](#)
- [Just 12 ICU beds as hospital faces critical covid-19 patient surge](#)
- [Strike force nets third arrest after break-in at local club](#)

Water NSW chief executive David Harris said the new Dungowan dam would "largely, if not exclusively" be for town water supply.

"Any growth in use will be managed so that overall take in the Peel Valley remains within the extraction limit," Mr Harris said.

"Just to give you an example, Tamworth Regional Council currently has an entitlement for about 16.4 gegalitres, but they currently use between nine gegalitres and 10 gegalitres a year of that entitlement.

"So, by way of example, delivery to those customers is not currently constrained by their entitlement limit, but rather the reliability of water being captured and available."

Department of Planning, Industry and Environment executive director Vanessa O'Keefe said the new dam would end the "boom and bust system" in the Peel Valley.

"If you have a small dam it runs out more easily, and then we end up in the situation where we are now," she said.

"[Instead] you will have a bigger dam and the supply for the town is much smoother."

'Very aggressive' time line for Dungowan

The state government plans to have "shovels in the ground" for pre-construction work in October, which involves replacing the existing Dungowan to Tamworth pipeline, with construction of the dam to start in October 2021.

The dam is currently set to be 22.5 gigalitres, however Water NSW head honcho David Harris said further design work had to be done before the department could "accurately determine what the increase in yield" would be.

"We cannot calculate the yield yet from the new dam because that is a function of its final design, its height in particular, its final site, and therefore the catchment size, and those dimensions are subject to design work which is in early stages at the moment," he said.

The normal timeline for a dam such as Dungowan would be four-and-half years, however the project had been condensed into a "very aggressive time frame".

Mr Harris said the first stage of the stakeholder engagement was almost completed, and the department was in the middle of preliminary environmental and heritage assessments.

"There is a fair bit of work already complete and underway," he said.

"We are also scoping and procuring technical investigations and concept design. We are also working through or determining the delivery model and procurement strategy for that project in terms of developing the business case."

MARCH 31 2020

SMEC appointed by NSW Government as advisors for Dungowan Dam project



Billy Jupp



THE NSW Government has taken the next step in the construction of the Dungowan Dam by teaming up with WaterNSW to appoint an engineering and environmental advisor for the project.

Nation-wide construction firm SMEC has been selected to carry out the next stage of works such as geotechnical studies, which are slated to begin in April.

The appointment comes after the state government began preliminary environmental investigations, concept designs and lodged planning documents for the project with the Department of Planning, Environment and Industry.

Read Also:

- [Soaking rain brings welcome reprieve across the Tamworth region](#)
- [Lithgow company faces charges over water meters at Narrabri farm](#)
- [Lack of recent rain drives down region's dam storage levels](#)

NSW Water Minister Melinda Pavey said the government was pleased to announce the progress of not only Dungowan Dam, but also the raising of the Wyangala Dam wall in the Lachlan Valley and the business case for a dam on the Mole River.

"Local communities across NSW, now more than ever, need projects that will stimulate their economies and provide jobs in the near future to aid in the recovery following the drought and now COVID-19," Mrs Pavey said.

"This week we have appointed the key engineering and environmental advisors for each project at Wyangala, Dungowan and Mole River.

"We are focused on delivering these critical projects to significantly improve future drought resilience and improve water security.

"We expect shovels in the ground by October on these nation-building projects."

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Tamworth MP Kevin Anderson said he was delighted to see the project progressing, especially given the impact of the COVID-19 pandemic on the economy.

"What we have to do is we have got to continue to push on with projects like these," Mr Anderson told the *Leader*.

"Just because we are in unprecedented times doesn't mean we can lose focus on what needs to be in place for the future.

"We can't afford to be in the same position as we were recently when it comes to our dam capacity."

Mr Anderson said people needed to be vigilant about their water use, despite recent rainfall.

"At the moment, COVID-19 is dominating the front pages but water is still a major concern," he said.

"Thankfully, we have had some rain lately.

"However, very little has gone into the catchments, so it is crucial we push ahead with this project to ensure our future water supply."

[*Have your say, send a letter to the editor.*](#)

The announcement comes as the final works are being done to complete the Dungowan to Chaffey Dam pipeline project.

"The guys out there have done a fantastic job," Mr Anderson said.

"Our goal was always to have the project complete and operational within the first couple of weeks of April.

"At this stage, that looks to be the case and hopefully we will be able to make an announcement on that later in the week."

WaterNSW will now carry out community engagement works surrounding the project.

MARCH 2020

Water minister Melinda Pavey doesn't rule out passing on the cost of Dungowan Dam project to Tamworth residents



Billy Jupp



DECISION PENDING: NSW Water Minister Melinda Pavey and Tamworth MP Kevin Anderson were not ruling out any measures for the cost recovery of the Dungowan Dam project.

THE NSW Water Minister Melinda Pavey hasn't ruled out passing the cost of the Dungowan Dam upgrade on to Tamworth residents.

Earlier this week, during a parliamentary estimates hearing, Ms Pavey was questioned by Shooters, Farmers and Fishers MP Robert Borsak about the cost recovery process of the project.

When asked by Mr Borsak if residents could "be hit with any charges to recover some of this cost or assist in the funding of this project", Ms Pavey said all avenues of cost recovery would be explored.

Read More:

- [New Dungowan Dam will lead to sky-rocketing water bills for Tamworth](#)
- [New Dungowan Dam won't create more water licences, just security](#)
- [New dam: state and federal governments announce \\$480 million to build new Dungowan Dam near Tamworth](#)

"In respect of the construction, we have commitments from both the state and federal governments," Ms Pavey said.

"For instance, Tamworth Regional Council is looking at hydro capacity. That might come with a cost.

"I am not going to rule anything in or out. It would be irresponsible for me to do that.

"There will be public and fair processes going forward to ensure that the community is engaged.

"The big cost of this is being stumped up by the state and the federal governments."

[Have your say, send a letter to the editor.](#)

Tamworth MP Kevin Anderson said the new Dungowan pipeline was near completion and the project was a necessity for the region.

"This project is of state significance and to me is still critically important," Mr Anderson told the *Leader*.

"Limited rainfall around the catchments means we're pushing ahead with that pipeline from Chaffey Dam through to Tamworth.

"It's near completion, which is great and we are looking at doing early works on Dungowan Dam later in the year."

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Mr Anderson said he was eager to push on with the project and the subject of cost recovery would be addressed in the future.

"Just because we have had some rain and things are looking a bit greener, doesn't mean we can take our foot off the pedal," he said.

"It's about getting the dam built; my focus is about getting the dam built and getting water security.

"We will have those discussions down the track."

The state government plans to begin pre-construction work in October, which involves replacing the existing Dungowan to Tamworth pipeline.

That will then be followed by the construction of the dam, which is slated to start in October 2021.

MAY 2020

Dungowan Dam project: WaterNSW confident it can deliver \$480 million project with ambitious timeline



Madeline Link



SHORED UP: Water Minister Melinda Pavey signs the contract for the new Dungowan Dam in May. Photo: Peter Hardin 250520PHA206

AN AMBITIOUS timeline for the half-a-billion dollar Dungowan Dam project should see shovels in the ground in three months for the pipeline.

WaterNSW delivered the Chaffey Dam to Dungowan pipeline recently in just nine months and under budget, and is confident it can do the same for the new dam.

Construction of the dam itself should start in October 2021 given the relevant approvals and environmental impact statement, a WaterNSW spokesman said.

"We are taking a very innovative approach to early planning and concurrence of activity that will allow us to start these projects on time," he said.

The contract for the \$480 million project [was signed off by NSW Water Minister Melinda Pavey in May.](#)

WaterNSW has partnered with KBR and Aurecon to deliver the project as quickly as possible, and has already met with more than 100 landowners along the proposed pipeline route that will bring water from the new dam to Tamworth.

A WaterNSW spokesman said landowners had shared particular concerns about the route on the private property, so it would be working with them to allay those.

"Continued close engagement with landholders throughout the project is a key priority for the team," he said.

"WaterNSW will be engaging with a wide range of stakeholders including Aboriginal groups, local residents, our existing customers, community groups and environmental stakeholders."

Read also:

- [Council water breach could mean residents rely on dwindling supply](#)

- [Why the councillors who resigned may not be replaced](#)
- [Airport costs soaring in COVID, left to pick up Virgin's \\$100,000 debt](#)

In an effort to support local businesses and contractors, expressions of interest have been opened to anyone who thinks they can pitch in on the dam build.

Already more than 100 submissions have been made on the project portal.

A web conference hosted by Tamworth Business Chamber and WaterNSW was attended by more than 30 businesses, the WaterNSW spokesman said.

"We are providing the details of local businesses to our project partners and major contractors in advance of the construction contracts to enable them to identify local providers as part of their tenders," he said.

MAY 10 2020

New Dungowan Dam: state government announces \$245 million to start Dungowan Dam work among three state significant projects

- **Newsroom**



DAM MONEY: New England MP Barnaby Joyce, Deputy Prime Minister Michael McCormack, Premier Gladys Berejiklian, Prime Minister Scott Morrison and Deputy Premier John Barilaro at Dungowan Dam near Tamworth in October last year. Photo: Jacob McArthur

THE construction of the new \$480 million Dungowan Dam is a step closer after the government announced part one of the funding to kickstart the pre-construction works.

On Sunday, the state government confirmed \$245 million in funding to start stage one of the delivery of the new dam; as well as the Wyangala Dam project in the Central West; and further investigations into a third dam on the Mole River near Tenterfield.

Water Minister Melinda Pavey made the announcement with NSW Deputy Premier John Barilaro, confirming the money will help to finalise the business cases of the two dam projects, as well as pre-construction and preliminary works.

[The new 22.5 gegalitre storage will be built about 3km downstream from the current Dungowan Dam](#), which is owned by Tamworth council.

READ ALSO:

- [Tamworth quarantine rekindles some fond memories for Warriors hooker](#)
- [Commonwealth Bank closes branch in Tamworth amid COVID-19](#)
- [Project Paper Hearts to help elderly in isolation](#)

The \$480 million project was first revealed on October 13 during a fly-in visit to Dungowan by Prime Minister Scott Morrison and NSW Premier Gladys Berejikilian.

The dam funding came after a sustained 'Water Pressur'e' campaign by *Leader*, [revealing the critical water shortages and supplies across the Tamworth region](#).

Since the announcement, the [NSW Government has also funded and constructed a pipeline from Chaffey Dam](#) to Dungowan to sure up water supplies for Tamworth. [The pipeline, which was finished in April ahead of schedule](#), stops transmission losses when water is released from the dam to the Calala treatment plant for supply to residents.

The three new dams have been declared critical state significant infrastructure projects.

Mr Barilaro said the three projects could create hundreds of jobs for the bush [and secure water for the three different regions](#).

He said the three projects could also provide a much-needed economic and social boost to towns who have been ravaged by drought, bushfires and now COVID-19.

"The time is now to build dams in NSW, to be bold in our vision for regional communities and take control of our future," Mr Barilaro said.



DAM SURE: Dungowan Dam near Tamworth in October last year. Photo: Jacob McArthur

"We are disadvantaging future generations if we don't learn our lesson in this drought and build more dams now.

"Today sets a new precedent for building dams in NSW and will act as the blueprint for growing the prosperity in our regions by investing in our state's water security."

In October last year, Ms Berejikilian said she wanted the Dungowan Dam finished by 2025, and wanted to see construction works begin by the end of this year.

Mrs Pavey said these works were desperately needed to ensure more water can be stored to sustain local communities between periods of drought.

"Last year the NSW Government made a commitment to build new dams in NSW and despite the challenges of COVID we are getting on with the job of delivering these essential projects, which will benefit local communities now and into the future," Mrs Pavey said.

"These once-in-a-generation infrastructure projects will improve water security for farming, irrigation, industry and homes and boost local economies."

AUGUST 11 2020

Dungowan dam to get a grilling with new parliamentary inquiry set investigate the merits of massive half-a-billion upgrade



Andrew Messenger



DAM PLAN: New England MP Barnaby Joyce, Deputy Prime Minister Michael McCormack, Premier Gladys Berejiklian, Prime Minister Scott Morrison and Deputy Premier John Barilaro announce the half-a-billion-dollar new Dungowan Dam in October last year. Photo: Jacob McArthur

A new inquiry into the case for and the politics behind the \$500 million new Dungowan Dam isn't an "anti-dams inquiry" according to the Greens chairperson of the committee.

Cate Faehrmann said the half-a-billion dollar project will get a grilling before the new inquiry.

But despite criticising government's secrecy and lack of business case for the scheme, she was quick to insist members would remain objective about the dam.

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- [House party in same street key to probe after 21yo stabbed to death](#)
- [Mayor pushes for 'common-sense' resolution to dam debate](#)
- [Border confusion leaves agriculture businesses scrambling](#)

"It's not like this is an anti-dams inquiry," she said,

"But it will be looking very thoroughly at whether dams are the right solution now. What we know is that dams won't make it rain.

"Obviously [the dam projects] were an election commitment by the National party. Usually election commitments aren't based on a thorough cost-benefit analysis and that's what the government should have done before hitting go on these projects."

When opened in 2025 the \$480 million, 22.5 gigalitre storage dam will be the first built in NSW in nearly 30 years.

The massive dam project was fast-tracked under new planning rules.

But Ms Faehrmann said the project, which won't have a public business case until eight months after construction starts, was approved without a genuine consideration of alternatives to improve water security.

"For the government to be allocating half-a-billion-dollars towards an infrastructure project without looking at alternatives, without having on the table the impacts to all communities - that classic cost-benefit analysis if you like - it's extraordinary.

"It beggars belief that this hasn't been done."

She echoed comments made by Tamworth Mayor Col Murray, that the new dam could be just a waste of half-a-billion-dollars on not much, if government won't change water rules like the Peel Valley Water Sharing Plan.

Leaders from the Commonwealth and State governments announced in October last year they would split the cost of the project 50/50.

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Premier Gladys Berejikilian said she wanted the Dungowan Dam finished by 2025, with construction slated to begin by the end of 2020.

A key function of the inquiry will be to look at the rationale of the project, Ms Faehrmann said.

"That doesn't just mean the financial rationale - the business case, if you like - but also really what the politics are behind these decisions.

"Who has influenced who in terms of these decisions.

"They're very controversial, there are a lot of stakeholders in fact all across the state that are extremely concerned at how these projects have been fast-tracked and who is to benefit."

[Have your say, send a letter to the editor.](#)

Ms Faehrmann said the committee will remain objective about the merits of the project.

The inquiry, though led by a Greens politician, will also include MLCs from the Liberals, Nationals and Labor parties and the Animal Justice Party representative.

The inquiry will investigate whether changes to water sharing arrangements, or rules about recycled water could achieve the same outcome, cheaper.

It will also examine the rationale for the Wyangala and Mole River projects, the Macquarie River re-regulating storage project and the Western Weirs project.

The Committee will hand down its report in the first half of 2021, with an interim report expected in 2020. The inquiry's terms of reference have not yet been approved by its members, but they are expected to be signed off by Wednesday.

AUGUST 10 2020

'\$500 million on bugger all': mayor queries dam benefit

By [Harriet Alexander](#)

Sydney Morning Herald

The mayor of one of the towns that stands to benefit from the state government's fast-tracked dam projects has questioned whether it will deliver enough water to justify the cost, amid concerns the dams are more purposed to irrigation than town water security.

As NSW heads into summer with barely replenished dams, the government is accelerating plans to raise the wall of Wyangala Dam on the Lachlan River, build a new dam on the Mole River near the Queensland border and replace Dungowan Dam, which supplies Tamworth in the state's north-east.

Tamworth mayor Col Murray at the opening of Chaffey Dam, which supplies about half the town's water, in 2016. *CREDIT: GARETH GARDNER*

But with early works set to begin eight months before the business case is due to be delivered, there is speculation over how the government selected which projects to prioritise, whose interests they will serve and whether the same results could be delivered more efficiently by other means.

Tamworth mayor Colin Murray said he had not been told how much more water would be available to his town when the new Dungowan dam was built. The existing Dungowan dam is owned by the council, whereas the new one will be owned by Water NSW and the council will be one of many customers.

"The purpose of the dam was always water security for Tamworth, and if there's going to be very little water available for the city there's going to be a huge question over who's made the decision to spend \$500 million on bugger all," Mr Murray said.

"We may not be better off than we were with the old dam that was council-owned."

Local irrigators said they had not been consulted and did not know whether they would have access to any of the water or if they would have to pay more for it. Dungowan Creek and Peel Valley Water Users Association secretary Peter Bagshaw said downstream landholders were concerned about the viability of the creek.

The fast-tracked projects were selected from a 20-Year Infrastructure Options Study published in 2018, which contained dozens of recommendations to improve water security for towns and irrigators in every rural valley in the state. The \$1 billion package will be jointly funded by federal and state governments.

Fears two NSW dam projects will ignore economic, financial safeguards

Add to shortlist

Water NSW said many of the questions about the dams could be answered once the business cases were complete. A cost-benefit analysis would form a fundamental part of those cases.

"Work on the development of the proposed Dungowan Dam is only in its early stages," a spokesman said. "Estimates of the practical benefits and additional availability of water for the community of Tamworth will be clearer once the final business case is complete in 2021."

But Independent MP Justin Field said the business case for each dam should be released before approvals were granted.

"The taxpayer is being expected to cough up billions of dollars for new fast-tracked dams under the banner of town water security but it looks like the big beneficiaries are going to be the industrial and agricultural water users," Mr Field said.

"These projects were cherry-picked from an options paper that contained no assessment of the feasibility, cost benefit analysis or consideration of alternatives for town water security," Mr Field said.

Scientists have told the government that the raising of the Wyangala Dam wall and a separate proposal to replace the weir on the Macquarie River would cause significant damage to downstream ecosystems and wetlands. Communities in the Lachlan valley supplied by Wyangala Dam include Cowra, Forbes, Condobolin, Lake Cargelligo and Hillston.

Water NSW said the project was about using water that was already in the system more efficiently, particularly in times of flood.

Hugh McLean, a grazier and spokesman for the Lachlan Floodplain and Wetlands Group, said there were cheaper ways than dams to improve town water supplies that would not compromise the environment, such as using recycled water.

"It's a 21st-century problem we're facing here, this is the result of climate change and we're using an early 20th-century solution," Mr McLean said.

"It's such a regressive way of looking at natural resource management because you're not capturing more water, you're re-distributing it from one area to another."

However, Tamworth Regional Council's water and waste director, Bruce Logan, said in his town's case all other options had been exhausted and further infrastructure was required.

AUG 2020

Tamworth ecologist Phil Spark questions benefits of proposed Dungowan Dam project



• **Billy Jupp**

Latest News



CAUTIOUS APPROACH: Tamworth ecologist Phil Spark is calling for the business case for the Dungowan Dam to be finished before construction starts. Photo: Peter Hardin

A Tamworth ecologist has called for details around the operation of the new Dungowan Dam to be made clear.

The \$480 million dam was announced in October last year, but a business case outlining ownership and the allocation of water has yet to be determined.

Tamworth MP Kevin Anderson said the business case for the dam would be outlined by Water NSW and would be released early next year.

Read Also:

- [New inquiry into half-a-billion Dungowan upgrade not 'anti-dams': chair](#)
- [Mayor pushes for 'common-sense' resolution to dam debate](#)
- [Meeting fails to result in change for council's water reform push](#)

"In terms of ownership of the dam and things like that, it is still a bit too early to have those discussions," Mr Anderson said.

"It is in the hands of Water NSW and what I am most looking forward to is the amount of local jobs this new dam will create during construction."

However, ecologist Phil Spark said the business case needed to be complete before construction began to ensure the dam was "value for money".

"I think there needs to be a lot more consideration of the supposed benefits," Mr Spark said.

"It concerns me that it's all to enable increased water extraction, which is the bottom line, at a time when we should be looking at improving water efficiency."

Mr Spark's comments come after an inquiry by the NSW Upper House into the rationale of Dungowan Dam was announced.

Greens MP Cate Faehrmann will chair the committee, which will seek to explore the impacts of the project.

"I think this inquiry is a very good idea," Mr Spark said.

"The Murray Darling Basin inquiry identified that we had to return a hell of a lot of water to the rivers and by building this dam and increasing extraction, we are aiming to do the contrary to that objective.

"Sooner or later we have to really get serious about setting ourselves limits and we can't just keep inviting development to town."

Have your say, send a letter to the editor.

Mr Spark said he would be shocked if the state government did not assume ownership of the dam once it was finished and if local water prices did not rise as a result.

However, a Water NSW spokesperson said ownership of the dam had not yet been decided, nor had any decision on the impacts on water bills.

"Water NSW is working with Tamworth Regional Council to progress the development of the project, noting that the decision on ownership will form part of the final business case and ultimately sits with the state government," the spokesperson said.

"[As for raised water costs] Ultimately this will form part of the final business case due to be completed by mid 2021, with cost recovery mechanisms and any resultant price changes to be determined by IPART."

AUGUST 2020

Northern Daily Leader letters to the editor: Saturday, August 15, 2020

- **Letters**

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Dungowan Dam.

Council questioning the \$500m Dungowan Dam

It is very heartening to see Tamworth Regional Council questioning the justification for building Dungowan Dam. It is a very expensive dam that the Tamworth water users will end up paying for and get little benefit.

Announcing the dam came with a lot of fanfare at a political opportune time for all levels of government to be seen to be doing something about the worsening water security. But now that it has rained and a more calculated consideration of the benefit is possible, it seems that it could be a very expensive \$500 million dollar puddle that may or may not be of benefit Tamworth.

The fast track approach to get the dam built and to dodge the normal environmental and economic assessment processes gave very little confidence that it was thought through properly.

What business would rush into a multi-million dollar development without a business case to justify the cost? The decision happily ignored that the Dam had failed to pass prior economic feasibility studies.

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The dam is expensive, by comparison the Chaffey Dam enlargement stored an extra 38,000 megalitres, whereas Dungowan dam will store just 22,000 megalitres and that won't be all for the city users. The cost difference is also dramatic at \$1139 per megalitre for Chaffey upgrade, and \$21,511 per megalitre to construct Dungowan dam. That costing would be optimistic, as the real cost is likely to blow out as they all do.

The Tamworth water users need to question is it a wise use of \$500,000,000?

There are better options that Tamworth Regional Council should investigate that would provide benefit quickly and would be guaranteed to work. The recycling of waste water is the most obvious option, and subsidising storage for homes and industries to be more self-sufficient would reduce demand for water considerably.

The predictions are for more frequent extreme weather events. It doesn't matter how many dams you have, they are not going to make it rain more, whereas recycling and increasing storage will be guaranteed to make less water go further.

Phil Spark, Tamworth

Dungowan Dam

It would appear that the proposed new Dungowan Dam is attracting a lot of publicity lately. Many reports of criticism by various commentators have appeared in the print media, but very few answers have been forthcoming.

In a letter to the Editor of the *Leader* on 5th August, Peter Gill writes that a series of letters he has written enquiring about the lack of consultation with the public about the dam have been unanswered by Kevin Anderson or Water NSW.

In the *Sydney Morning Herald* of 10th of August the Mayor of Tamworth, Col Murray, was asking the question - "Whether the dam will deliver enough water to justify the cost of nearly \$500 million amidst the concerns the dams are more purposed to irrigation than town water security?"

Also in the SMH, Independent MP, Justin Field, said - "Business cases should be released before approvals were granted."

"The taxpayer is being expected to cough up billions of dollars for new fast-tracked dams under the banner of town water security but it looks like the big beneficiaries are going to be the industrial and agricultural water users."

More fingers were pointed at litigators when Peter Hannam wrote in the SMH on 3rd August that - "NSW's main irrigation lobby group pressed the Berejiklian government to place the state's water plans above the federal law and sought to tap water earmarked for the environment."

The demands are detailed in a letter, obtained by the Herald, that NSW Irrigators Council sent to the state's senior water bureaucrat in April.

At the time, the government was putting final touches to new water-sharing plans it has since submitted to the Murray-Darling Basin Authority for accreditation. The irrigators sought the insertion of words that would "confirm primacy" of the plans over the 2007 Commonwealth Water Act, a move environmental lawyers say would trigger legal challenges.

The council also backed a narrowing of a definition of what constitutes so-called planned environmental water, a call it said Water Minister Melinda Pavey had taken up. The irrigators thanked the Planning Department for the removal of some environmental rules.

Environmental Defenders Office special counsel Emma Carmody said that while it was normal for a lobby group to advocate its members' interest, it was surprising to see the NSWIC seek provisions to the water-sharing that were at odds with the Basin Plan and Water Act.

Independent NSW MP Justin Field said the Irrigators Council had complained in a letter that its concerns were not being addressed. This leaked document, though, was "proof that they were being heard at the highest levels of government and are getting their way."

The NDL, through Andrew Messenger on 11th August, tells us that a new inquiry into the case for, and the politics behind, the \$500 million new Dungowan Dam isn't an anti-dams inquiry according to the Greens' Chair of the Planning and Environment Committee, Cate Faehrmann.

Ms Faehrmann said the project, which won't have a public business case until eight months after construction starts, was approved without a genuine consideration of alternatives to improve water security.

The inquiry will include MLCs from the Liberals, Nationals and Labor parties and the Animal Justice Party representative.

From my own point of view I would like to see water in the Peel River all the time, providing it rains some of the time. The death of at least one platypus was shocking to see when the powers that be stopped all of the flow in the Peel River. What a poor example of our care for our unique native wildlife. Let's hope that, after all the inquiries and inquests, have taken place, the river is restored and the wildlife can return.

Ron Webster, Tamworth

AUG 2020 Tamworth mayor Col Murray pushes for clarity regarding new Dungowan Dam water allocations



• **Billy Jupp**

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WATER WOES: Tamworth mayor Col Murray is pushing to ensure Tamworth gets its share of water from the new Dungowan Dam while Tamworth MP Kevin Anderson believes a balance between all users is needed.

TAMWORTH mayor Col Murray is calling for Tamworth to have its fair share of the water allocations from the new Dungowan Dam.

The project, which was announced last October, has been fast-tracked to help combat the region's drought conditions.

However, ahead of the beginning of construction later this year, distribution of the dam's water between the environment, high-security users and general-security users has not been announced.

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"I think we are in that awkward time in the project where we should acknowledge the fast-tracked planning, which has allowed the project to proceed quickly," Cr Murray told the *Leader*.

"It was fast-tracked under the emergency legislation to address water shortages and thank God it did because otherwise we may not have been talking about a funding commitment for another year or two.

"However, while that part has been fast-tracked, things like the water sharing plan and who gets how much water, aren't travelling as quickly.

"The minister has indicated that construction of the project would begin later this year, so just when we will have an outcome on everything else, we're not sure."

Cr Murray questioned the project's validity if supplying the region's population wasn't a top priority.

"I guess the only comment I can make about it is that I hope common sense prevails," he said.

"The emergency legislation was to provide water security to the city and I just hope that's the case in the final outcome."

Cr Murray's push for clarity comes after [Tamworth Regional Council representatives met with NSW Water Minister Melinda Pavey last week.](#)

Tamworth MP Kevin Anderson said a timeline of when allocations would be known was outlined during the meeting.

"The business case will be put forward by Water NSW and the mayor was in a meeting with us when the business case in relation to who has what percentage of water from the dam was being worked up," Mr Anderson said.

"The council will certainly be part of those discussions, as per the meeting and they are looking to have the business case done by early next year."

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Mr Anderson said finding a balance between all water users would be key to formulating the business case.

"The environment we find ourselves in means we have to look at industry, community and our businesses, which include the farming sector," he said.

"The agricultural sector is very important to our region, so there are many competing factors for every drop of water and the balance has to be right."

A Water NSW spokesperson said the final decision on water allocation would rest with the NSW Department of Primary Industries and Environment (DPIE).

"Estimates of the practical benefits and additional availability of water through improvements in water security and reliability for the community of Tamworth will be confirmed as part of the final business case, due to be completed by mid 2021," the spokesperson said.

"Ultimately however, how water is allocated is a decision for DPIE and will be defined in the water sharing plan."