



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 24/10/2022

Proposal No: C726
Date Published: 20/03/2023

Proposal Title: Cancel Warragamba Dam wall raising

Cluster: Transport for NSW

General Government Sector Impacts

	2022-23 \$'000	2023-24 \$'000	2024-25 \$'000	2025-26 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	(3,943)				(3,943)
Depreciation					-
Less: Offsets					-
Revenue					-
Net Operating Balance:	3,943	-	-	-	-
Capital Expenditure			-	-	-
Capital Offsets					
Net Capital Expenditure:	-	-	-	-	-
Net Lending/(Borrowing):	3,943	-	-	-	3,943

Total State Sector Impacts

Net Lending/(Borrowing):	3,943	-	-	-	3,943
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Notes and costing assumptions

The policy proposes to cancel the raising of the Warragamba Dam wall.

The impact of this policy is equal to the reversal of costs that will not be spent or committed if the project is cancelled. This is estimated to be a reduction in expense of \$3.9 million in 2022-23. These costs are related to the planning of the project and environmental assessment.

Background

The Warragamba Dam project aims to raise the wall of the dam by approximately 14 metres to better manage the risk of floods in the Hawkesbury-Nepean Valley.

Infrastructure NSW (INSW) advised that the proposed Warragamba Dam raising has an estimated cost of construction of \$1.95 billion. There will also be biodiversity offset costs that will need to be paid to compensate for the environmental impacts of the development. The value of these offsets will be determined by the Biodiversity Conservation Trust.

Notes and costing assumptions continued:

Assumptions

NSW Treasury advised that the construction of the Warragamba Dam wall is not currently in the budget except for funding that was allocated to INSW in 2022-23 for ongoing work associated with project planning and assessment. As of 7 November 2022, the planning approval is still underway.

The current year allocation to INSW is \$15.8 million. INSW assumes that majority (75 per cent) of the funds will be paid to Water NSW by April 2023. Advice from Water NSW is that the funds will be fully spent or fully committed. Its existing commitments include:

- investigations for geotechnical design
- phase two of the Environmental Impact Statement (post exhibition)
- submissions report for the Preferred Infrastructure Report (post exhibition)
- project management costs

Other activities not committed but planned include stage two investigations for design and remaining project management costs.

INSW advised that there is no reservation fund for this project.