

Response to Anna Bligh Media Statement of 23 February 2007 “Bligh questions Mary Valley Mayors report”

The Institute for Sustainable Futures (ISF) wishes to respond to the critiques of the report *Review of Water Supply Demand Options for South East Queensland* put forward by the Queensland Deputy Premier, Treasurer and Minister for Infrastructure Ms Anna Bligh. The boxed statements below contain the text of Ms Bligh’s media release. The statements below each box are the responses from ISF.

The Mary Valley Mayors report into the proposed Traveston Crossing Dam was a self-serving and flawed assessment which failed to consider the broader long-term water needs of South-East Queensland.

Ms Bligh has misrepresented the overall content and nature of the report. The report deals specifically with the broad long-term water needs of South-East Queensland. The water supply-demand balance for Queensland is considered to 2050 and the analysis for this planning period accounts for the various water needs of the region relating to industrial water use, domestic water use and water needs associated with population growth.

Deputy Premier, Treasurer and Minister for Infrastructure Anna Bligh today dismissed the report commissioned by the Mayors saying it contained significant holes.

“Their plan fails to account for population growth in Australia’s fastest growing region as well as the impacts of climate change and also relies on South-East Queensland living on long-term water restrictions,” Ms Bligh said.

The rapid population growth currently experienced by South East Queensland is considered in the report, which bases water demand calculations on population growth estimates released in 2006 by the Queensland Population and Forecasting Information Unit. These figures are the same as those used by the Queensland Government for planning purposes.

The report in no way relies on South East Queensland living on long-term water restrictions and the authors of the report do not advocate permanent water restrictions as part of their proposed long term strategy for ensuring water security. The base demand assumed in the report is that used by the Queensland Government and does not include savings from restrictions. Ms Bligh is mistaken in her interpretation of the demand figures used in the report.

The report assesses the Queensland water supply situation into the future based on figures for prudent yield of existing supplies issued by the Queensland Government. If these figures do not account for the impacts of climate change, this is a failing of the Queensland Government, not of the Mayors’ report. Furthermore, the alternative water strategy proposed by the report directly and explicitly addresses the impacts of climate change by proposing a diverse suite of options which reduces reliance on any one option, in particular those that rely on geographically specific rainfall such as the Traveston Crossing dam. Furthermore, the report advocates that the principles of adaptive management inform long term water planning in South East Queensland. Adaptive management is widely regarded as best practice approach for high uncertainty scenarios such as that of climate change.

"It wants SEQ to live on a knife edge with respect to water security. We do not," she said.

The report is specifically concerned with water security and does not advocate a 'knife-edge' approach to water management. In fact, the report proposes a strategy for meeting the water supply and demand balance to ensure supply security for South East Queensland to 2050 including both the supply-demand balance in the long term and during times of drought.

"I can understand that some of the mayors are reacting to a very strong lobby in their shires that is putting pressure on them to oppose the Traveston Crossing Dam, but our Government has to look at the broader picture.

"In contrast, our water security plan unashamedly ensures that our rapidly growing region has all the water it needs, even with climate change and without having to go on permanent restrictions."

The report does not dispute the benefits of the Queensland Government strategy as a whole and commends the Government on the development of a diverse portfolio for meeting the short and long term water needs of the region. However, it is important to consider each of the options within that portfolio according to their relative costs and benefits. On this basis, Traveston Crossing scheme stands out as a high cost, high risk option. This is an analysis based solely on the costs (\$) and benefits (in terms of water gained) of the scheme and does not take into consideration the perspectives of landholders in the Traveston Crossing region.

Ms Bligh said the Mayors report was right when it claimed the Traveston Crossing Dam would not help the current drought.

"But the dam is not a drought measure and was always planned as a long term response to meet our region's future water needs," she said.

Development of the Traveston Crossing scheme has been facilitated by its inclusion in the Water Amendment Regulation (No.6), which is in the words of the regulation "a water supply emergency regulation" (Part 8, cl 1). The Traveston Crossing scheme is part of the Government's drought response legislation and is therefore by their own admission a drought response measure. If as Ms Bligh states, this is not the case, the legislation is misleading.

"The short-term measures our Government is taking in response to the drought include building:

- A new desalination plant on the Gold Coast
- One of the world's largest and most advanced recycled water schemes to supply purified recycled water to our major power stations, industry, and households; and
- A water grid of more than 500km of interconnecting pipelines between new and existing dams and other water storages that will move water to where its most needed in SEQ

In addition we are also reducing water demand through:

- Funding rebate schemes for rainwater tanks, water efficient washing machines, pool covers and other water efficient measures

- Subsidizing the cost of a plumber to fix leaky taps and install water efficient devices such as showerheads; and
- Water restrictions for households, business, industry and government

"Our planning, including the dams, desalination plant at the Gold Coast, SEQ Grid, recycled water projects and demand and supply management are about meeting our current water needs and also providing long-term security.

As noted above, the Mary River Mayors report does not dispute the benefits of the majority of the Queensland Government drought response measures and indeed commends the Government on the development of a diverse portfolio of water supply and demand options. The report states:

"The SEQ proposed 2007 to 2009 supply-side initiatives are a mixture of smaller surface water, ground water, reuse and desalination...they represent a diverse mixture of sources that are less affected by climate variability than the existing predominantly "rain fed" SEQ supply sources currently affected by the drought. As such, a number of the SEQ proposed demand and supply-side options will provide relief within a timeframe that could assist in slowing the rate of drawdown from storages to such an extent that the probability of the system "failing" in the current drought is significantly reduced."

"The Mayors report seems to make no allowance for climate change and places great reliance on maximum delivery from existing storages.

Ms Bligh has also been misinformed about the report's assumptions about delivery from existing storages. Assumptions in the report about the delivery from existing water supply sources are drawn from Queensland Government calculations as outlined in the 2006 policy document *Water for South East Queensland: A long term solution*. Method used in the report to calculate the delivery which can be expected from existing storages are the methods described by the Queensland Government in this report.

On the issue of climate change, as noted above, the alternative water strategy proposed by the report directly and explicitly addresses the impacts of climate change by proposing a diverse suite of options which reduces reliance on any one option, in particular those that rely on geographically specific rainfall such as dams. Furthermore, the report advocates that the principles of adaptive management inform long term water planning in South East Queensland. Adaptive management is widely regarded as best practice approach for high uncertainty scenarios such as that of climate change.

"Their report in short seems overly optimistic on being able to control demand projections and costs while being overly pessimistic on Government projections on population growth and the Traveston Crossing Dam's costs.

"The report is based on achieving water saving outcomes that are not guaranteed. For example Noosa and Cooloola shires would have to permanently halve their consumption.

Ms Bligh is broadly misrepresenting the content of the report through erroneous statements regarding the population and water demand projections used in the report, which are in fact the Government's own figures.

"I'm sure the people of Bribie Island must be absolutely overjoyed that the Mary River Council of Mayors has also decided to put a desalination plant in their back yard. This is classic NIMBY stuff."

The report does not advocate pre-emptive construction of a desalination plant on Bribie Island. Rather, it suggests that plans for a plant be developed so that desalination can proceed in the event that a drought worse than the current drought occurs. This is highly unlikely at least until after 2030. Even in the event of such a drought occurring, the report advocates, as a priority and in preference to Bribie Island desalination 'readiness', the use of indirect potable reuse (extended up and down the coast, including on the Sunshine Coast) as a preferable 'drought readiness' option.

Ms Bligh said the report also contained basic factual errors.

"It says approximately 900 Mary Valley homes and properties will be affected by the dam," she said.

"The facts have been out in the public domain since October last year. Stage 1 – 332 properties including 76 homes. Stage 2 – 265 more properties including 128 more houses. Total 597 not 900.

The authors of the report acknowledge the updated figures noted in the Queensland Government press release, dated 31st of October 2006, which suggests that results of in-depth modelling and geotechnical investigations have reduced Government estimations of the number of properties to be inundated by the Traveston Scheme. However the figures issued by the Queensland Government have varied considerably and those stated in the report were correct at the time of writing. In any event, the extent of damage in terms of properties inundated as a result of dam construction is irrelevant to the key report findings which clearly show that the Traveston dam is not needed as part of the suite of supply and demand measures to ensure water security for South East Queensland.

"The report says economic impacts are likely to negatively impact Mary River communities – but it offers no supporting evidence.

"It fails to take into account the impact of spending \$1.7 billion in this community and the economic spin off that it will create.

The likely negative impacts of the Traveston Crossing scheme on the local area, though widely reported elsewhere, are not the key messages in the Mayors' report. As noted above, the key findings of the report show that the Traveston dam is not needed to ensure water security for South East Queensland.

"The report cites the work the Institute for Sustainable Futures did for the New South Wales Government in February 2006, *Review of the Metropolitan Water Plan*.

“That report advised that desalination was not needed in the next four years and probably not for the next 10 to 15 years and yet in February 2007 the NSW Government has had to move forward its projects and is presently seeking tenders for a 125ML/day plant – the same size as what we are building at Tugun.

“This example underscores just how cautious governments have to be in ensuring they deliver water security.”

The *Review of the Metropolitan Water Plan* advocates that the NSW Government should refrain from building a desalination plant pre-emptively. Instead, the review proposes a lower cost strategy of maintaining the ‘readiness’ to construct such a plant if dam levels decline due to a worse drought than any on record, with a trigger level to commence construction only when dam levels fall to 30%. Dam levels are currently at 37%.

The ‘readiness’ approach advocated in the *Review of the Metropolitan Water Plan* is a widely supported strategy. This approach underpins the water supply strategy proposed in the Mayors’ Mary River report. The Mayors’ report does not propose immediate construction of indirect potable reuse systems or a desalination plant but suggests instead that the Queensland Government be prepared to proceed with these projects only if the need arises in a future severe drought.

Stuart White

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