

## DECISION ON TILLEGRA DAM

Sunday 28 November, 2010

**After a merit-based assessment process, the NSW Government has refused the planning application for the proposed Tillegra Dam near Dungog. No further plans for a dam in the Hunter will be considered.**

The decision not to approve the application was made by Planning Minister, Tony Kelly, on advice from the Department of Planning. That advice followed a 14-month assessment process and unprecedented technical and environmental scrutiny.

The refusal, as recommended by the Department of Planning after its merit assessment process, was based on a number of key planning grounds, including:

- **An unacceptable level of uncertainty** about potential impacts on the environment, particularly the Hunter Estuary and its internationally-recognised wetlands;
- **Potential impacts on licensed water users** in the area, including on farmers and power stations; and
- **Insufficient justification for the dam.** The Hunter still needs a bulk water supply, however Tillegra Dam is not considered the most appropriate way of delivering this.

The proposed 450 billion litre Tillegra Dam was to span 19 kilometres of the Williams River, and was designed to inundate more than 2,100 hectares of land.

The project was assessed under the critical infrastructure provisions within Part 3A of the *Environmental Planning and Assessment Act, 1979*.

The assessment included a detailed community consultation process, where more than 2,600 submissions were received from the public – 97 per cent of which opposed the dam.

In addition to the detailed assessment and community consultation processes built into Part 3A, an additional five independent reviews were undertaken into the proposal, as follows:

- The need for the project, and its justification;
- The cost and benefits of the dam;
- The hydrology of the Williams River;
- The hydrodynamics and water quality of the Hunter Estuary; and
- The ecology of the Hunter Estuary.

Premier Kristina Keneally made the announcement in Newcastle today with Minister for Planning, Tony Kelly, and Minister for Water, Phil Costa.

**“The NSW Government subjected the Tillegra Dam proposal to an unprecedented level of technical and environmental scrutiny,” Ms Keneally said.**

**“Significant effort was dedicated to the assessment of this proposal, and that process concluded the dam could have unacceptable environmental impacts.**

**“In line with the outcome of this independent assessment, the proposal for Tillegra Dam will not proceed.**

**“The Government will now work with local communities in this region, and develop new ways to secure water supplies.**

**“And as Tillegra was to be funded through Hunter Water bills, measures will be now taken to refund money already paid, and adjust future bills downward.”**

Mr Kelly thanked the many Department of Planning staff and independent experts who were involved in the assessment of the project.

**“This was one of the most detailed and extensive planning processes in this state’s history, which is why I am confident this decision is the right one,” Mr Kelly said.**

**“What we have here is possibly the clearest ever demonstration of the independence and effectiveness of the planning review process that this Government established.**

“The decision followed thorough and considered canvassing of the facts and community views, including more than a year of rigorous assessment and community consultation.

“Of course there are potential environmental impacts from any dam proposal, and our challenge was to consider those impacts as well as the water supply needs in the region.

“My decision is that the dam proposal could not sufficiently address the potentially extensive environmental and social impacts, even with amendments or conditions.

“After a detailed review, there was still significant uncertainty about this project’s potential impacts, and that’s why I rejected the proposal.”

Mr Costa said work will start immediately on exploring alternative ways of securing Hunter water supplies, and formally closing the Tillegra Dam proposal.

**“The fact is the population of Newcastle and the Hunter will grow by an extra 160,000 people by 2031, and we need to secure water supplies in the region,” Mr Costa said.**

**“The State’s planning system has determined Tillegra Dam is not the best way to secure that supply, so now we will consider a range of other options.**

**“The Government will now direct the Office of Water to develop a new Lower Hunter Water Plan, and do so in close consultation with the local community.**

**“The new plan will be scrutinised by an Independent Review Panel, including local water experts, before being considered by Government.”**

Mr Costa said he will now do the following:

- Write to IPART, which sets water prices, and request they:
  - Calculate a refund for money collected for Tillegra through people’s water bills. This will be returned to Hunter residents in their 2011 bills.
  - Conduct an immediate price adjustment for Hunter customers, to exclude Tillegra from future water bills.
- Immediately instruct the NSW Office of Water to begin developing a new plan to secure water supply for the Lower Hunter. Options that will be considered include demand management, recycling, stormwater harvesting and desalination.
- Call for local water experts to be part of an Independent Review Panel, which will scrutinise the work of the Office of Water before presentation to Government.
- Ask Hunter Water to start negotiations with people whose land was purchased with the provision of a buy back clause, as part of planning for Tillegra Dam. Buy-back clauses will be honoured should land owners wish to repurchase their land.

## **Background notes**

### Specific findings of the planning assessment

- A full copy of the Tillegra determination is available at [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au)
- Key findings are as follows:
  1. Significant levels of uncertainty about the extent of reduction of freshwater inflows to the Hunter Estuary as a result of the proposal under various climatic conditions;
  2. The dam could have resulted in a 22 per cent reduction in flows from the Williams River to the Hunter Estuary, which when combined with average reductions from existing infrastructure of 21 per cent, would have seen a cumulative reduction of 43 per cent;
  3. The potential for serious or irreversible damage to the internationally-listed Hunter Estuary Wetlands;
  4. Insufficient demonstration that the proposed dam is the best option to meet the long term water supply needs of the region – particularly given that approval would have resulted in 84 per cent of Hunter Water's supply being reliant solely on the Williams River catchment, resulting in a lack of diversity in supply and increased vulnerability to the effects of reduced rainfall as a result of climate change; and
  5. The potential for inequitable impacts on other licensed water users throughout the Hunter system, particularly in the absence of an ecologically sustainable diversion limit for the Hunter Estuary which is currently being developed by the NSW Office of Water.

### Dungog Business Investment Fund

- Remaining funds from the \$500,000 Dungog Business Investment Fund, to encourage business investment and job creation in Dungog, will continue to be available.

### Funding of Main Road 301

- The NSW Government's commitment through the RTA of \$1 million for Main Road 301 in the Dungog area will be fulfilled.

### Associated works and environmental offset package

- As the dam is not proceeding, the environmental package and other funding committed by Hunter Water as part of the Environmental Assessment process will be withdrawn.

### Federal Government review

- As a result of the planning decision, the proposal will no longer be assessed by the Federal Government under the *Environment Protection and Biodiversity Conservation Act (1999)*.

### Hunter water storage capacity

- The Hunter's current water storage is at 89 per cent capacity (at 19 November). This is equivalent to 255,000 Megalitres and represents about 3 years supply.