



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Due Diligence Assessment Summary

Queensland Lower Balonne River
System Bifurcation Weirs Project

Northern Basin Toolkit Measures Program



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Queensland Lower Balonne River System Bifurcation Weirs Project

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Department of Climate Change, Energy, the Environment and Water
GPO Box 3090 Canberra ACT 2601
Telephone 1800 900 090
Web dcceew.gov.au

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Review Summary

Location: Lower Balonne catchment, south-west Queensland

Purpose of evaluation: Assess whether the project will be funded and implemented as part of the Northern Basin Toolkit Program

Evaluation Outcome: Project not approved for implementation

Proponent: Queensland Department of Regional Development, Manufacturing and Water

Estimated Capital Cost: \$39.49 million over the forward five years

Indicative delivery period: estimated completion in 2027

Evaluation date: September 2023

The Enhance the Flexibility and Capability for Distributing and Managing Low Flows through the Lower Balonne River System Bifurcation Weirs Project (Lower Balonne River System Bifurcation Weirs Project) aimed to enable weirs to release water down different branches of rivers to better support wetlands and ecological sites.

The Australian Government provided \$1.122 million to the Queensland Government to develop a business case to inform a Commonwealth decision on Northern Basin Toolkit implementation investment. Queensland submitted the business case on 20 April 2023, with additional information submitted in May and June 2023.

The Department of Climate Change, Energy, the Environment and Water has completed a due diligence assessment on the business case using the Commonwealth Resource Management Framework. The assessment also used ecological advice from Murray Darling Basin Authority and Commonwealth Environmental Water Holder officers, alongside financial and engineering technical advice from GHD Pty Ltd.

The assessment concluded that the project should not receive Australian Government Toolkit investment to progress to implementation. The business case does not provide sufficient evidence that the project will achieve the proposed environmental outcomes. The project also does not present a good value for money proposition for the government as the economic indicators show the project benefits do not outweigh project costs and the project does not provide a net benefit to the community. The project cannot be delivered within the Toolkit funding envelope or by the Toolkit project commitment timeframe of June 2024, nor the ministers' agreed extension to December 2026. There are also significant risks to project implementation that are likely to lead to an escalation of costs and longer than expected delivery timeframes.

Project Description

The Queensland Department of Regional Development, Manufacturing and Water developed a business case for the project aimed at improving delivery of environmental flows and fish passage through the Lower Balonne. The works include the installation of structures and devices on weirs and low-level breakout channels in the Lower Balonne River system to enable low flows to be better directed to deliver targeted environmental outcomes, including at Narran Lakes (Ramsar site). The project activities also include the installation of two fishways to improve native fish access to aquatic habitat on the Culgoa River in the Lower Balonne system.

Business Case Assessment - summary

Table 1. Assessment of the Queensland Lower Balonne River System Bifurcation Weirs Project using the Commonwealth Resource Management Framework

Theme	Details
Efficient <i>Relates to the achievement of the maximum value for the resources.</i>	<ul style="list-style-type: none"> The cost estimates provided are within an acceptable range, however they do not include potential for cost increases due to supply item escalation, wet weather, flooding and site accessibility. The business case does not adequately define sound treatment strategies for the key risks identified. The limited preliminary investigations conducted would result in inefficiently operated fishways. There is no provision for the trash rack and clearing of debris from the fishway exits, which may lead to sub-optimal performance of the fishway and increase costs. The proposed project timeframe for commencement in 2025 and completion in 2027 is beyond the implementation timeframe agreed by Basin ministers for the Toolkit projects.
Effective <i>Relates to characteristics, especially price, quality and quantity, and the degree to which these contribute to specified outcomes.</i>	<ul style="list-style-type: none"> The business case does not provide sufficient evidence and information, such as ecological, hydrological, or hydraulic modelling, to provide confidence in the extent to which the project could achieve improved and enduring environmental outcomes in the northern Basin. There is no allowance for additional equipment or works necessary to monitor whether the flow outcomes are being achieved under the Monitoring and Evaluation Plan. There are risks to the current gate automation strategy using 4G service.
Economical <i>Relates to minimising cost and emphasises the requirement to avoid waste.</i>	<ul style="list-style-type: none"> The Benefit–Cost Ratio of the project is 0.8, which indicates the project benefits do not outweigh the project costs. The Net Present Value of the project is –\$4.7 million, demonstrating that the project does not provide a net benefit to society. The Australian Government would need to provide an estimated \$39.49 million in capital costs over the forward 5 years, which is more than the funds remaining under the agreed funding envelope for the Toolkit projects.
Ethical <i>Relates to honesty, integrity, probity, diligence, fairness, and consistency.</i>	<ul style="list-style-type: none"> Although stakeholder engagement was undertaken, a significant number of stakeholders in the Lower Balonne have not been adequately consulted in the development of the business case. This includes landowners of potentially affected properties in New South Wales and First Nations stakeholders.

Conclusion and Recommendation

The department does not recommend the project progress to implementation. In particular, the business case does not provide sufficient evidence that the project will achieve the environmental outcomes and does not present good value for money. Also, the project cannot be delivered within the Toolkit funding envelope or by the project commitment timeframe of June 2024 nor the Murray—Darling Basin ministers' recently agreed extension to December 2026.