



Australian Government

Department of Climate Change, Energy,
the Environment and Water

Due Diligence Assessment Summary

Queensland Reconnecting
Catchments: Condamine–Balonne
Project

Northern Basin Toolkit Measures Program



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Queensland Reconnecting Catchments: Condamine–Balonne Project

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Review Summary

Location: Near St George, 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: \$102.97 million over the forward 5 years

Indicative delivery period: Estimated completion in 2027

Evaluation date: September 2023

The Queensland Reconnecting Catchments: Condamine–Balonne Project aimed to install fishways to facilitate better native fish passage.

The Australian Government provided \$1.362 million to the Queensland Government to develop a business case for the project 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 fish passage near St George. The works involved the installation of fishways at Jack Taylor Weir and E.J. Beardmore Dam on the Balonne River to re-establish native fish connectivity along the Balonne River and access to aquatic habitat in the northern Basin, and connection to southern streams from the Condamine and Maranoa rivers.

Business Case Assessment - summary

Table 1. Assessment of the Queensland Reconnecting Catchments: Condamine–Balonne Project using the Commonwealth Resource Management Framework

Theme	Details
<p>Efficient</p> <p><i>Relates to the achievement of the maximum value for the resources.</i></p>	<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 proposed project timeframe for commencement in 2026 and completion in 2027 is beyond implementation timeframes agreed by Basin ministers.
<p>Effective</p> <p><i>Relates to characteristics, especially price, quality and quantity, and the degree to which these contribute to specified outcomes.</i></p>	<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. The fishway will only operate for a limited time as there is no water allocation for river connectivity purposes. The proximity of Jack Taylor Weir and Beardmore Dam means remediating one without the other will provide no material improvements to river length where fish can move unimpeded. There are low effectiveness rates and uncertainty regarding fishway design. The business case does not detail any allowance for coffer dams downstream of weirs so works are only possible when there are no downstream flows.
<p>Economical</p> <p><i>Relates to minimising cost and emphasises the requirement to avoid waste.</i></p>	<ul style="list-style-type: none"> The Benefit–Cost Ratio of the project is 0.9, indicating the project benefits do not outweigh the project costs. The Net Present Value of the project is –\$1.1 million, demonstrating that the project does not provide a net benefit to society. The Australia Government would need to provide an estimated \$102.97 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.
<p>Ethical</p> <p><i>Relates to honesty, integrity, probity, diligence, fairness, and consistency.</i></p>	<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.