



9 February 2012

Tracey Anton  
Spokesperson  
Community over Mining

[REDACTED]

Dear Tracey

Thank you for your letter of 15 January 2012. We understand the concern in the community and welcome the chance to respond. It is important for us to explain our role and the processes we use for such applications so we are taking the opportunity to provide this detail.

#### **Our role**

Southern Rural Water (SRW) delivers water to irrigators in our irrigation districts, harvests bulk water for rural, industrial and urban use, and licenses and monitors extractions from most surface and groundwater systems south of the Great Divide. We also license the construction of farm dams and groundwater bores across our region.

#### **Matters to be considered for groundwater applications**

SRW assesses applications for the take and use of groundwater. The assessment of major or contentious applications involves a public process.

SRW's authority is delegated by the Minister for Water through the Victorian *Water Act 1989*. The Act requires SRW to have regard for the *availability* of water, existing and potential *uses* of the resource, and *policies* of the state government:

- The Department of Sustainability and Environment decides on the *availability* of water. Most groundwater in Gippsland is "capped" by *Permissible Consumptive Volumes*, which means no further groundwater licences can be granted. These caps can be viewed on the Department's website at <http://www.waterregister.vic.gov.au/Public/GroundWater.aspx>.
- Groundwater is licensed to be *used* for town drinking supplies, industry, irrigation and mining. It is also used for stock and domestic supply, the environment and recreation, all of which are unlicensed private rights.
- There are complementary *policies* such as the State Environment Protection Policies (SEPPs), Environment and Planning legislation. Partner agencies such as Catchment Management Authorities also provide input on applications for licences.



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Anyone who does not agree with a licence decision by Southern Rural Water, an applicant or opponent, whether the licence is approved, approved with conditions or rejected, can appeal to the Victorian Civil and Administrative Tribunal (VCAT).

### **Groundwater quality**

The *Water Act* protects water quality through conditions that can be included on take and use licences or approvals to dispose of matter underground.

Approvals may have conditions such as monitoring and response actions to prevent damage to aquifers. This is complemented by the SEPPs, which may require cleanup by and/or penalties for polluters.

### **When is a licence required?**

Anyone planning to drill a bore to intercept or use groundwater must have a bore construction licence issued by their rural water corporation.

However, mineral exploration bores (not for purposes of taking and using or investigating groundwater) are regulated by the Department of Primary Industries.

Anyone planning to use groundwater for commercial purposes must have a take and use licence from their rural water corporation. This includes dewatering for mining or coal seam gas production. There are no exemptions from licensing that apply to any commercial user group.

In capped areas, licences can only be obtained through a transfer of an existing entitlement. Any transfer must go through our regular approval process to demonstrate it would not have unacceptable impacts on the aquifer or surrounding users. Our regular approval process includes notifications to neighbours and referrals to other authorities.

### **Groundwater information**

SRW has been actively improving our understanding of groundwater. We are the first jurisdiction of our type in Australia to produce three dimensional mapping of groundwater. We are now producing groundwater atlases to better document and inform the community of the distribution of groundwater, licences and the characteristics of each aquifer.

The first of these has been completed in south west Victoria, and the Gippsland edition should be available towards the end of 2012, with public consultation scheduled during July/August.

Despite this work, and that geological information in the Latrobe Valley is particularly well known due to the investigations by the brown coal industry, there remain areas where our knowledge of groundwater is limited. In these areas, we apply a



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precautionary approach to its management which has been tested and supported at VCAT.

#### **Coal seam gas developments in SRW's region**

There has only been one coal seam gas development in Gippsland (or southern Victoria) that has proceeded past exploration. In this instance, licences were required to construct bores, and to take and use water. A typical approval, referral and notification process applied. This development has not entered into a production stage.

To the best of our knowledge, there are multiple methods that can be used to extract coal seam gas. Some may not take and use water, and would therefore not require our formal approval. However, we would expect to have the chance to request conditions on any works approvals issued by the Department of Primary Industries.

We cannot forecast the different impacts that would need to be understood and mitigated for an approval to proceed ahead of receiving an application. The onus is on the proponent to demonstrate impacts are manageable and acceptable. We are risk averse about approvals and conditions where there are significant risks and consequences.

There are issues you raise that are outside Southern Rural Water's jurisdiction.

We suggest addressing questions about these matters to either the Department of Sustainability and Environment or the Department of Primary Industries.

We suggest addressing questions about "fracking" or industry guidelines to Earth Resources - Department of Primary Industries, which regulates the minerals, gas and petroleum industries.

Please contact Terry Flynn, Principal Hydrogeologist on 5139 3169 for any queries relating to this letter.

Yours sincerely

**CLINTON RODDA**  
Managing Director