

10 July 2015

The Secretary
Environment and Planning Committee
Legislative Council Parliament House
Spring Street
MELBOURNE VIC 3002

Dear Secretary

Re: Inquiry into Unconventional Gas in Victoria

Thank you for the invitation to make a submission to the Inquiry into Unconventional Gas (CSG) in Victoria.

VicWater is the peak body of the Victorian Water Industry with its membership constituted of Victoria's 19 statutory water corporations. Those corporations are responsible for the provision of urban water and wastewater services, rural water supply including irrigation and related drainage services. VicWater has been an active participant in this issue for some time, including making a submission to the Gas Market Taskforce in March 2014 and coordinating a water industry workshop as part of the Government's subsequent onshore natural gas consultation in September 2014. VicWater's March 2014 submission is attached.

With responsibility for the provision of water- and wastewater-related services and managing groundwater in Victoria, water corporations' interest in CSG focuses on the need to mitigate risks to water resources associated with gas exploration, including:

- ◆ Large scale depressurization of aquifers leading to reduced ground water levels, changes flow regimes, reduced volumes and changes in water quality
- ◆ Poor well integrity resulting in pollution of the surface and sub-surface environments
- ◆ Management of any production by-products such as brine to ensure there is no contamination of surface waters.

To manage these risks, VicWater has suggested the following regulatory changes, prior to lifting any moratorium on CSG exploration:

- ◆ Water corporations be given referral powers over individual CSG developments under the *Mineral Resources (Sustainable Development) Act 1990*.
- ◆ Dedicated facilities must be installed to monitor aquifer impacts from individual CSG developments

- Robust standards for wells and other CSG extraction infrastructure to prevent surface or groundwater contamination.

VicWater looks forward to hearing from the Environment and Planning Committee as this inquiry progresses. Please contact [REDACTED] with any questions or matters for clarification.

Yours sincerely

Tony Wright
Chief Executive Officer