

Rose-Anne Hawkeswood
A/ Team Leader
Energy & Resources

Dear Ms Hawkeswood

**Narrabri Gas Project (6456)
Draft Conditions**

The Department of Planning Industry & Environment (DPIE) Water Group has reviewed the draft conditions of consent for the Narrabri Gas Project. We believe that the essence of the requirements previously submitted to DPIE-Planning & Assessments by DPIE Water is included in the draft conditions of consent. However, we recommend changes in the edited document (Attachment B) to ensure the intent of the condition is clear and comprehensive. Our key topics of concern include:

- Baseline, monitoring and modelling requirements
- Timeline of obligations
- Licencing and reporting

Please note further explanation is provided in Attachment A and recommendations/comments in the edited draft conditions (Attachment B).

Please send any further referrals to Department of Primary Industry & Environment: Water by email to landuse.enquiries@dpi.nsw.gov.au.

Yours sincerely



Jim Bentley
Chief Executive Officer
DPIE Water
9 October 2019

Attachment A

Detailed advice to DPIE Planning & Assessment about the Narrabri Gas Project (6456) Draft Conditions

The current draft conditions require that the:

- Field Development Plan must be developed prior to the start of Phase 1 (B6)
- The Water Technical Working Group must be established prior to Phase 2 (B40)
- The groundwater model updated prior to Phase 2 (B41)
- Prepare a water management plan prior to Phase 1 including: site water balance, surface water management plan and groundwater management plan (B42).
- Phase 1 cannot commence until any management plan, program or strategy required under condition D5 is prepared. (B6)

1.0 Baseline, monitoring and modelling requirements

We recommend that the conditions clearly articulate that the work programs for baseline data acquisition and modelling work must be defined prior to the start of Phase 1 (exploration drilling and appraisal). This is so this information can be incorporated in the model update and water management plan to the satisfaction of the Planning Secretary prior to the start of Phase 2 (construction). Currently the draft conditions only require the groundwater model to be updated prior to Phase 2. The draft consent conditions should include direct reference to a groundwater modelling plan which is approved prior to the start of Phase 1 and which clearly describes the timing for data acquisition which will be used in the modelling work. This will also better address the requirement in B6 where any management plan, program or strategy relevant to condition D5 such as a groundwater model update must be developed prior to Phase 1.

Other suggested changes include that:

- The groundwater monitoring adequately verifies the actual indirect take.
- The trigger action response plan includes tiered triggers linked to monitoring sites with increasing levels of risk management based on the water source.
- A new gauging station is constructed at Bohena Creek to enable the Bohena Creek water discharge trigger to be implemented.
- The groundwater model is updated if performance measures detailed in Table 6 are exceeded.

2.0 Timeline of obligations

DPIE Water recommends that the timeline for what is required for the different phases is reviewed as it is inconsistent and difficult to follow in some areas. The consent conditions need to clearly stipulate what is required to be done prior to each phase.

The timeline requirements to be met are provided in different sections of the draft condition of consent (B6, B41, B42, D5). The timeline, inclusions of activity and presentation are inconsistent. For example:

- Condition B5 (Field Development Plan) requires the proponent to prepare a Field Development Plan 'prior to the construction of any gas field infrastructure' which we understand as Phase 2 (construction). Whilst Condition B6 requires the proponent to develop the Field Development Plan prior to Phase 1 (exploration drilling & appraisal).
- B41 (Groundwater Model) and B42 (Water Management Plan) are set out differently in relation to when these activities are required by. This makes it harder for the proponent and stakeholders to find the relevant information. For example, B42 addresses all the detail required in the water management plan except for when it should be prepared by. This is documented in B43 and confirms the applicant must not commence Phase 1 until the Water Management Plan is approved. This is different to how B41 (Groundwater Model) is set out.
- The draft conditions document that the creation of a Water Technical Working Group is to be in place before the start of Phase 2. The Water Technical Working Group should be established prior to Phase 1 so that they can review and advise on the strategies and programs for modelling, monitoring and baseline data acquisition.
- It is important that the Programs for the implementation of the Surface Management Plan and the Groundwater Management Plan are in place prior to the start of Phase 1 to enable the collection of comprehensive baseline data prior to the production phase. To get the groundwater model right we need at least three years of monitoring data collected prior to Phase 2. Santos should be required to establish the programs some years ahead of the transition to Phase 2. DPIE Water recommends that this should be more clearly stressed either in the actual conditions are by including a note.

.3.0 Licensing & Reporting

DPIE-Water supports the requirement that the proponent must demonstrate that it has adequate water licences to account for the maximum predicted water take for the applicable Phase.

However, we are concerned that the acquisition by Santos of licences in some groundwater sources is not guaranteed, as some sources are fully allocated with high competition for groundwater entitlement. Hence, we recommend that the consent conditions require Santos to obtain the entitlement at least one year prior to the commencement of the relevant stage.

An additional condition is required on the metering of any take so that Santos is compliant with the NSW Non-Urban Water Metering Policy and the Water Management (General) Regulation 2018 and subsequent amendments.

The Proponent must report all take (distinguishing between direct and indirect take) for each licence between the period 1 July and 30 June (the water year). This data is required for inclusion in the Department's assessment of extraction limit compliance, this then determines the available water determination (AWD) made on 1 July each year for each water source. This data must be made available to DPIE Water via the Annual Review by 1 May each year, including an estimate of take between 1 May and 30 June.