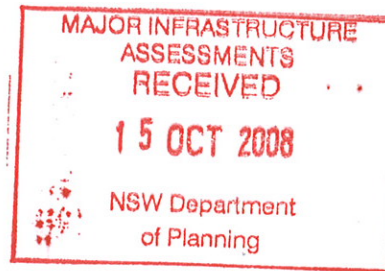




NSW Government

Department of Water & Energy

#7



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File: [ER20095_QHGP_ToA Response-10Oct08.doc]

Attention: Ms Swati Sharma

10 October 2008

Dear Ms Sharma

**Subject: MP06_0286 PROPOSED QUEENSLAND-HUNTER GAS PIPELINE
ENVIRONMENTAL ASSESSMENT**

I refer to your letter dated 16 September 2008 requesting a Test of Adequacy submission from the Department of Water and Energy on the environmental assessment (EA) for the proposed Queensland-Hunter Gas Pipeline. The Department has reviewed the exhibited documentation and provides the following comments and conditions for inclusion as conditions of consent if the Minister approves the project.

It is DWE's understanding that Aboriginal Heritage issues for this project will be addressed collectively by the Department of Planning (DoP) and the Department of Environment and Climate Change (DECC).

1. STATUTORY PROVISIONS

As detailed in previous correspondence, DWE administers the *Water Management Act 2000* (WMA), *Water Act 1912* (WA) and *Pipelines Act 1967* (PA) relevant to the proposal. Both the WMA and WA are applicable over the study area for activities relating to surface water and groundwater, and determining the appropriate licensing requirements is a critical component of finalising the recommendations for DoP approval.

The request for detailed water supply requirements and nominated water sources is reinforced in this response. Specifically, the following information will be required in the subsequent assessment of any water licence or approval application for the proposal:

- Water requirements for the construction and operation of the pipeline.
- Identification of the sources of water supply.
- Confirmation that water supplies for construction, testing and operation are sourced from an appropriately authorised and reliable supply.

For the proponents information the following list has been compiled of the relevant water sharing plans (WSP's) administered under the WMA that the pipeline traverses. The application of WSP's to this proposal for regulated surface water, unregulated surface water and groundwater sources will be discussed further below and has application to activities for both consumptive and incidental purposes. Further information regarding each of these plans can be obtained at the following website:

http://naturalresources.nsw.gov.au/water/plans_commenced.shtml

1.1 WATER MANAGEMENT ACT 2000

WATER SHARING PLANS

Regulated Surface Water

Water Sharing Plan for the Gwydir Regulated River Water Source 2002

Water Sharing Plan for the Upper and Lower Namoi Regulated River Water Sources 2003

Water Sharing Plan for the Hunter Regulated River Water Source 2003

Unregulated Surface Water

Water Sharing Plan for the Phillips Creek, Mooki River, Quirindi Creek and Warrah Creek Water Sources 2003

Groundwater

Water Sharing Plan for the Upper and Lower Namoi Groundwater Sources 2003

Water Sharing Plan for the Lower Gwydir Groundwater Sources 2003

Water Sharing Plan for the NSW Great Artesian Basin Groundwater Sources 2008

It is important to note that areas where there is no gazetted WSP, the *Water Act 1912* (WA) will apply.

Application of the relevant WSP's varies depending on whether the water source is regulated or unregulated surface water or groundwater. In terms of regulated and unregulated surface water WSP's the following points apply:

- If water is sourced for hydrostatic testing from a water source covered by a gazetted WSP, the requirement for a work approval under the WMA is considered exempt by DWE under Section 75U of the Environmental Planning and Assessment Act 1979 (EP&A) provided the extraction sites and extraction methods form part of the EA and subsequent ministerial approval.
- The requirement for a use approval and access licence for hydrostatic testing are exempt under the *Water Management Act (General) Regulation 2004*.

In terms of groundwater WSP's the following points apply:

- DWE consider the proposed pipeline construction is not a water supply work under Section 90 of the WMA.
- The requirement for a work approval, use approval and aquifer interference approval is exempt under Section 75U of the EP&A.
- The requirement for an access licence for hydrostatic testing is exempt under the *Water Management Act (General) Regulation 2004*.

CONTROLLED ACTIVITY APPROVALS

As detailed in previous correspondence, the requirement for a controlled activity approval (CAA) under the WMA for works which require excavation in or within 40m of watercourses is exempt under Section 75U of the EP&A. DWE expect all pipeline construction activities and especially the detailed watercourse crossing design and mitigation proposal to be developed in accordance with the Australian Pipeline Industry Association Ltd. *Code of Environmental Practice - Onshore Pipelines*. DWE require that the pipeline location and construction details related to specific river crossings be submitted to DWE for endorsement prior to construction.

1.2 WATER ACT 1912

SURFACE WATER

- Water extracted from unregulated rivers or creeks that are not within a WSP area and/or the extraction of water from farm dams will require a permit under Part 2 of the *Water Act 1912*.

GROUNDWATER

- Water extracted from existing authorised groundwater bores will require a licence replacement to authorise the additional purpose (hydrostatic testing) and a "supply to" condition. Acceptance of any such application will be subject to any applicable embargo notices (eg. NSW Inland Groundwater Shortage Zones Order No. 1 2008).
- Dewatering activities that remove less than 10 megalitres of groundwater are exempt within the areas covered by the NSW Inland Groundwater shortage Zones Order No. 1 & 2, 2008 (ie. areas without a groundwater WSP).
- Activities which intercept or extract groundwater that do not fit within an existing exemption or licensed activity will require assessment and licensing under Part 5 of the *Water Act 1912*.
- DWE have determined that the pipeline trench does not fall within the definition of a "bore" under Section 105 of the *Water Act 1912* for the following reasons:
 1. the pipeline construction trench will be of a shallow depth (approx. 1.5 metres) with an extremely low probability of intercepting groundwater;
 2. the pipeline construction trench will exist in an open state at any one point, for the minimal period necessary required to install the pipeline;
 3. any potential inflows of groundwater are predicted to be minimal volumes and will not be ongoing over time (i.e. post trench closure).

2. RECOMMENDED CONDITIONS OF CONSENT

1. All pipeline construction is to be in accordance with the *APIA Code of Environmental Practice- Onshore Pipelines*.
2. Site specific watercourse crossings and associated methods of construction are to be prepared in accordance with the *APIA Code of Environmental Practice- Onshore Pipelines* and submitted to DWE for endorsement prior to commencement of pipeline construction.
3. Water to be extracted or intercepted from surface water or groundwater within areas covered by the *Water Act 1912* will require licensing from DWE or application of an appropriate exemption as endorsed by DWE.
4. Where water is to be extracted from regulated and/or unregulated surface water sources which are covered by a gazetted water sharing plan, the proponent must nominate the extraction sites and extraction methods to DWE for endorsement.
5. Where water is to be extracted from groundwater within areas covered by a gazetted water sharing plan the proponent will be required to obtain a license from DWE under the *Water Act 1912*.
6. A contingency plan is to be prepared for events that have the potential to pollute or contaminate the surface or groundwater sources. The plan is to include trigger mechanisms, remediation actions and communication strategies.

7. A monitoring plan is to be prepared for activities that have the potential to pollute or contaminate the surface or groundwater sources. This plan would be linked to the contingency plan.

For general enquiries I can be contacted at the Newcastle office on (02) 4904 2549. For future water licensing inquiries please contact Mr Dennis Milling, Manager Licensing North on (02) 6676 7380.

Yours sincerely



Mark Mignanelli
Manager, Major Projects, Mines Assessment and Planning