

15th August 2019

Attention: Mr. Cameron Fitzgerald
Managing Director
Southern Rural Water

**Close Out Report from the Barwon Downs Licence Renewal Application
Community Reference Group**

I submit this letter on behalf of the “Barwon Downs Licence Renewal Application, Community Reference Group” (CRG). The letter’s purpose is to provide you with a brief close out report on the Group’s deliberations.

The CRG was established by Southern Rural Water (SRW) in 2018, to assist in its consideration of Barwon Water’s application to renew its groundwater licence to operate the Barwon Downs Borefield. This borefield is located in the Gerangamete Ground Water Management Area (GMA). The CRG was established in parallel with an Independent Technical Reference Panel (TRP), which SRW had set up to also help inform its decision making in respect of the licence application.

The application to renew the licence was submitted by Barwon Water in late 2018. Barwon Water subsequently withdrew their licence application on the 14th of March 2019, before SRW had made any determination in relation to the application. As a consequence, the role of the CRG has become redundant. None the less, in its two meetings, the CRG did consider a range of issues that it wishes to put on the public record. This may assist SRW with any future deliberations in relation to the regulation of the Gerangamete GMA.

The CRG met twice with the purpose of each meeting being as set out below:

- 14th of February 2019, to discuss and understand the application process, clarify the roles of the CRG and agree a process for providing feedback to SRW on the application; and
- 2nd of April 2019, to gain an update on the licence renewal application (given it had been withdrawn prior to that meeting by Barwon Water), meet with the new SRW Managing Director and seek the CRG’s views on future community engagement to assist SRW in its role as the groundwater regulator for the Gerangamete GMA.

In respect of the issues covered by the CRG, I have grouped them into two areas for the purpose of this report:

1. The process for regulating the Gerangamete GMA; and
2. Site specific issues relating the Gerangamete GMA and related ecosystems.

In respect of the process for regulating the Gerangamete GMA, the CRG wishes to put the following points on the public record:

- a) SRW are to be commended to putting in place a structured engagement process to assist in their regulation of the GMA. The CRG endorses the continuation of such engagement into the future;
- b) To this end, the CRG proposed SRW consider establishing a community engagement group to provide input into the assessment of the s78 Remediation Plan for the Gerangamete GMA and related ecosystems;
- c) It is noted that SRW ran a process of seeking public submissions in relation to the licence renewal application, in parallel with CRG's deliberations. SRW also hosted a community drop-in information session on the 18th of February 2019. It is noted that there was strong alignment between the issues raised in these public submissions and the views of the CRG;
- d) There is a view held by the majority of the CRG that the original licence conditions for Barwon Water's extraction from the Gerangamete GMA were sub-optimal and the licence was not being robustly regulated by SRW. SRW should be encouraged to continuously review and improve their approval and regulatory processes with respect to groundwater extraction and management;
- e) The CRG noted that groundwater modelling was a critical input into the licensing and regulation of the Gerangamete GMA. It was also noted that much of the recent modelling has been undertaken by a single firm and it has mainly been commissioned by Barwon Water, who are the licence holder. The CRG strongly recommends that in the future any groundwater modelling that forms a critical input into licensing, remediation and sustainable yield deliberations, be peer reviewed;
- f) It was noted that there were a range of related processes being progressed in parallel with Barwon Water's application for a groundwater extraction licence renewal. This included issuing of a s78 Remediation Notice upon Barwon Water, DELWP reviewing the Permissible Consumptive Volume for the Gerangamete GMA and Barwon Water running its own engagement processes to assist in their development of the licence renewal application and response to the remediation notice. This created confusion for both the CRG and general

public. In the future this should either be avoided or SRW should provide a clearer explanation of these processes and how they relate with one another; and

- g) It is noted that there has been environmental damage across the Gerangamete GMA and associated ecosystems as a result of past extractions and other factors. The CRG felt it would be difficult for SRW to objectively consider any licence renewal applications in this context and to thus determine the sustainable yield of the aquifer as part of the licence renewal.

In relation to Gerangamete GMA site specific issues, the CRG wishes to put the following points on the public record:

- a) It is noted that there has been both anecdotal and scientifically verified evidence of damage to the ecosystems linked to the Gerangamete aquifer. It is also noted that it has been determined that Barwon Water's past extractions have been a significant contributing factor to this damage. This in turn has resulted in the government issuing Barwon Water with a Notice pursuant to section 78 of the Act that requires Barwon Water to prepare a Remediation Plan;
- b) The CRG has strong concerns about the scope of any remediation plan for the Gerangamete GMA and related ecosystems. These concerns relate to the scope not being broad enough to address the potential extent of damage caused to the GMA and related ecosystems. The CRG strongly recommends that SRW carefully consider the scope of any remediation plans to ensure the full extent of environmental damage to the aquifer and related ecosystems is adequately considered in such plans;
- c) While the CRG did not have the opportunity to fully consider Barwon Water's licence application, it did note a number of matters that it felt SRW needed to have regard to in respect of the application:
 - i. Barwon Water needed to robustly demonstrate it had fully considered a range of alternative water supply and demand options as part of its long-term planning, to justify any application for a licence renewal;
 - ii. That SRW needed to consider the requirements of other potential users in the area;
 - iii. SRW needed to consider the full environmental impacts (flora and fauna);
 - iv. Fishing is a highly valued recreational activity in the region and needs to be considered;
 - v. The threat of peat fires;
 - vi. The activation of Acid Sulphate Soils and acid flow events;
 - vii. Intergenerational equity;
 - viii. Subsidence created by declining groundwater levels;
 - ix. The negative impacts on local farming communities; and
 - x. Ensuring not only long-term sustainable extraction rates, but also sustainable short-term and diurnal extraction rates.

On behalf of the CRG, I wish to thank SRW for the opportunity to provide input into their licence renewal application review. I should note that the CRG are comfortable with this report being put in the public domain and we would encourage SRW to post it on their web-site.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'S. Cox'.

Shaun Cox
Independent Chair of the Barwon Downs
Licence Renewal Application
Community Reference Group