

Gloucester Gas Project Community Update.

AGL understands that there are concerns about water impacts in Gloucester. AGL also cares deeply about water resources and the overall environment in which we operate.

What we have done to investigate and protect water

AGL has conducted water studies in the area since 2007. These studies provide the most comprehensive assessment of Gloucester's water resources ever undertaken.

The Gloucester Community Consultative Committee (CCC) selected and commissioned an independent expert to peer review the water studies that AGL has conducted on the Gloucester Gas Project. The 24 recommendations of the independent expert (Dr Richard Evans) and AGL's commitment to action those recommendations can be found under the "news section" of the Gloucester Gas Project's website at agl.com.au/Gloucester.

In addition to this, AGL's hydrogeologists have in place more than 30 dedicated surface and groundwater monitoring sites to record water levels continuously and to provide essential water quality data. AGL will continue to monitor the local water resources and publish on our website an annual status report on the groundwater and water quality monitoring programs.

Reasons for not completing a Basin-wide study immediately

AGL's current area of focus is the Stage 1 Gas Field Development Area, and not the entire Gloucester Basin, which is in accordance with the project approval issued by the NSW Planning Assessment Commission in February 2011. The project's approval contained a number of strict groundwater conditions designed to avoid and minimise adverse impacts to aquifers. These included best practice gas well design construction and operation, performance criteria for wells, phased gas well development with hold points based on

satisfactory management of groundwater risks, a capped volumetric allocation, development hydrogeological models which will be peer reviewed and a groundwater management plan.

Any subsequent stages of the Project will need separate approval through the NSW Government State Significant Development process and the recently released Strategic Regional Land Use Policy process. Through these processes, further detailed studies expanding into the broader Gloucester Basin area would be required.

AGL is taking advice on the appropriate extent of groundwater monitoring from experts in the field of hydrogeology (Parsons Brinckerhoff) who are working with AGL's internal hydrogeologists, with this work reviewed by the independent expert. None of these experts has recommended that it is necessary or appropriate for AGL to carry out a detailed Basin-wide groundwater study to support the activities we are pursuing.

Whilst we are therefore not currently undertaking an entire Gloucester Basin water study, AGL has completed a catchment water balance study and is working on a numerical model that will consider the surface water and groundwater attributes of the entire Gloucester Basin.

The research to date has found that groundwater flow and interactions are localised. Our understanding of surface water and groundwater flow, the substantial confining layers between shallow aquifers and deep water bearing zones, and the low rock permeability all suggest that the water extracted from the northern part of the Basin should not have any effects on the southern part of the Basin. These are the technical reasons why a Basin-wide study is unnecessary at this time.

Questions? Contact us on 1 300 886 170.

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