

**Ministerial Correspondence Unit - IM13/45631 (FYI) CSG A RISK TO WATER**

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**To:** Ministerial Correspondence Unit <mcudop@planning.nsw.gov.au>  
**Date:** 11/13/2013 12:00 PM  
**Subject:** IM13/45631 (FYI) CSG A RISK TO WATER  
**Attachments:** MO Corro Action Sheet.doc

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**From:** Chris J Lewis [<mailto:chrisilewis29@outlook.com>]  
**Sent:** Wednesday, 6 November 2013 2:04 PM  
**Subject:** FW: CSG A RISK TO WATER

MOST professionals in the water industry believe that coal-seam gas exploitation poses a risk to groundwater, a new survey says.

The finding is a fillip for farmers and environment groups but a blow to business groups that had opposed the "water trigger" that allows the federal government to scrutinise the effect of CSG and coal projects on water supplies.

The yearly report into the state of the water sector, to be released today by Deloitte and the Australian Water Association, reveals that 71 per cent of the 1500 people surveyed believe coal-seam gas extraction is a significant or moderate risk to the management of ground and surface water. About 16 per cent say they don't know.

The concern is highest in NSW, Queensland and the ACT: the states most affected by CSG. Water has been a major concern for environmental groups worried about the impact on aquifers used by farmers near sites used for drilling for CSG and the nation's largest groundwater basin, the Great Artesian Basin.

The survey says there is strong concern in the water industry about using recycled water for drinking, with just 9 per cent of the industry thinking it was suitable for potable use. While the West Australian government has taken steps towards using recycled water after a trial of the technology was declared a success, a plan to turn wastewater into drinking water in Queensland's Toowoomba died at a referendum in 2006.

While 61 per cent feel there is more scope for dams to be built, there are concerns about "not in my backyard" attitudes and community resistance. In opposition, Tony Abbott said Australia needed to avoid "dam phobia" after the leak of draft Coalition plans to build 100 dams, while the plan for northern Australia included the prospect of building dams there.

On prices, the survey says the number of people in the sector who think prices are too high has increased to 27 per cent from 21 per cent last year. In recent years, water prices have soared because the cost of capital investments -- such as desalination and water recycling projects -- have been passed on to customers, although some utilities had price freezes in the last financial year.

Price concerns are highest in Queensland and South Australia but lowest in WA and the ACT, even though WA prices are among the highest. "This suggests concerns about whether prices are too high depend not only on absolute level of bills, but also reflect . . . standards of service -