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File Ref: LRM2018/0094--0009

Mr Denys Stedman
Chair
Onshore Shale Gas: Community and
Business Reference Group
C/- Inquiry Implementation Taskforce
Department of the Chief Minister

Dear Mr Stedman

I am writing to inform you of the current proposed amendments to the *Water Act* being progressed by the Department of Environment and Natural Resources (DENR) and their relationship to implementation of the recommendations of the Independent Scientific Inquiry into Hydraulic Fracturing in the Northern Territory (Inquiry Report).

The Water Legislation Amendment Bill 2018 was introduced into the Legislative Assembly on 22 August 2018 by the Minister for Environment and Natural Resources, and subsequently referred to the Economic Policy Scrutiny Committee for consideration.

The scope of the Bill includes:

- repeal of sections 7(1) and 7(3) of the *Water Act* which currently limit the Act applying to mining and petroleum activities
- allowing mining and petroleum operators which have a lawful authorisation under the Mining Management Act or Petroleum Act, to continue to operate under that authorisation for a transition period
- amending offences consistent with Part IIAA of the *Criminal Code Act* and penalties consistent with contemporary Australian water industry best practice
- consequential changes to other legislation as required to enable the amended Act to function.

Repeal of section 7(1) and 7(3) of the *Water Act* is required for mining and petroleum activities to be subject to water extraction licencing and dam and bore construction permit requirements under the *Water Act* meet the requirements of recommendation 7.1 in the Inquiry Report. This recommendation specifies that the use of hydraulic fracturing will require water extraction licensing before an exploration approval under the Petroleum (Environment) Regulations can be issued.

There were around 20 original submissions made to the Economic Policy Scrutiny Committee and also over 400 campaign generated and other pro forma responses. A large number of these submissions raised concerns about the management of waste associated with onshore gas operations and anticipated that this Bill would address the bulk of water related recommendations made in Inquiry Report.

There was also concern expressed in the media, in the *Centralian Advocate* in particular, that petroleum companies would be allowed to pollute as a result of the proposed amendments. The concerns raised refer to the fact that the waste discharge control provisions in the *Water Act* are not being amended through this Bill.

With respect to waste related to petroleum activities, waste will continue to be managed through the requirement for environmental authorisations under the Petroleum (Environment) Regulations, allowing waste management to continue to be regulated in a holistic way, and considering the operator's overall approach. Environmental authorisations for petroleum activities will also be transferred to the Minister for Environment and Natural Resources who will be advised in her decision making by the NT Environment Protection Authority.

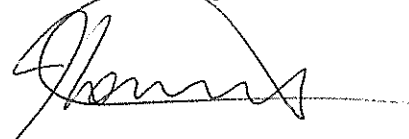
The Department has been meeting with as many submitters as practical to discuss concerns raised in their submissions to the Economic Policy Scrutiny Committee, and I am confident that this has provided a level of clarity and assurance about what this Bill is intending to achieve, and what will be addressed in future amendments to the *Water Act*, the *Petroleum Act* and its Regulations and in the proposed new environment protection Act. The Department would also be happy to brief the Reference Committee members at your convenience.

I appreciate that the Water Legislation Amendment Bill 2018 is one of a number of reforms and recommendations being progressed to meet Government's commitment to fully implement the Inquiry Report. It is however the most significant amendment to the Act since its commencement in 1992 and an important reform to the *Water Act* more broadly in terms of transparency in water licence decisions and allocations and improved and contemporary compliance and enforcements arrangements.

Dr Alaric Fisher has been invited to brief the reference group on 23 October and will elaborate on the *Water Act* amendments.

I look forward further opportunities to provide you with updates of its progress in future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jo Townsend', with a long horizontal flourish extending to the right.

JO TOWNSEND

18 October 2018