Speech By

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MEMBER FOR WARREGO

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WATER LEGISLATION AMENDMENT BILL; ENVIRONMENTAL PROTECTION (UNDERGROUND WATER MANAGEMENT) AND OTHER LEGISLATION AMENDMENT BILL

Ms LEAHY (Warrego—LNP) (11.09 pm): I rise to make a contribution to the cognate debate on the Water Legislation Amendment Bill 2015 and the Environmental Protection (Underground Water Management) and Other Legislation Amendment Bill 2016. I acknowledge both pieces of legislation are complex and interrelated. Many speakers before me have spoken on a variety of issues and I do not intend to repeat the issues that have already been raised and prosecuted in the debate. I do, however, wish to contribute in relation to the consultation of the bills and the make-good agreements which are outlined in chapter 3 of the Water Act.

To understand where we are today with this legislation, I think it is very important to know about some of the events of the past, such as what happened with the former Labor Party governments during the Beattie and Bligh era and how they handled, or maybe I should say ignored, underground water issues, particularly those in the CSG industry. In 2007 the Queensland department of infrastructure produced the *Liquefied natural gas whole of state environmental impact study: full report, version 3*. The report was known as the matrix report. It is quite an extensive report about the impacts on underground water sources due to the emerging CSG industry across the Surat Basin region.

The report acknowledged that the water impact statement required under the Petroleum and Gas (Production and Safety) Act 2004 only obliges a CSG operator to have regard to Water Act bores. The act at that time did not impose obligations on the operator in respect of the bores which are not registered under the Water Act even though the owners of such bores have entitlement to take water for stock and domestic purposes on their own land. Effectively, there were few or no make-good obligations on water quantity or quality—and this is probably one of the reasons we are now here today debating some of these make-good provisions.

The department of infrastructure and planning report in 2009 by McLennan Magasanik Associates recommended regular reporting, including an underground water impact report to be filed early in the period of tenure or lease, a pre-closure report near the time of completion, annual monitoring of reports and to review reports every two to five years. The reporting provided for the establishment and adjustment of the water impact baseline on related aquifers, as well as regular reporting against this baseline and arrangements that define when impacts may cease and the outcomes or outstanding actions of the make-good obligations on affected bores. Both of those reports clearly outline numerous impacts and made recommendations for how the industry and the government at the time should address the emerging issues.

It is quite legitimate to ask: what did the governments, particularly the Labor governments of the time, do with those reports? They left them sitting on the shelf and they ignored them. Their own department commissioned reports, and recommendations were left to gather dust term after term of

Labor government. Let us contrast this lack of action of the former Labor governments with that of the LNP when in government. The LNP did an enormous amount to try to reduce the conflict between the gas industry and landowners. I believe we should acknowledge the good work of the member for Hinchinbrook as the minister responsible during the LNP government. He was left with an absolute dog's breakfast by successive Labor governments.

The member for Hinchinbrook had only one term of government to try to right the inaction and disinterest in landholders' concerns which accumulated quickly during the years of the previous Beattie and Bligh government terms. There were numerous initiatives including a new Regional Planning Interests Act, the expansion of the strategic cropping land map, the establishment of the GasFields Commission and the reporting of the Surat Basin underground cumulative impact report, which is now updated by the Office of Groundwater Impact Assessment annually.

The former LNP government conducted a wideranging review of the land access laws and made a number of changes, the most significant being the expansion of the Land Court's jurisdiction to hear conduct matters, as well as compensation matters, when considering conduct and compensation agreement proceedings between landowners and gas companies. In addition to this, I would also point out that, under the former LNP government, the CSG Compliance Unit within the Department of Natural Resources and Mines exceeded the auditing and inspection targets of CSG infrastructure, and the former LNP government provided funding to roll out the coal seam gas landholder project workshops.

What I find interesting is that this Labor government have instigated more than 130 reviews in 21 months of government. However, they have not undertaken a proper review of the make-good provisions. Why do they not do a review? They seem to want to review everything else. Despite their preference for reviewing everything and anything, this legislation is not a product of a rigorous review of the make-good provisions.

Mr Janetzki: They're making it up as they go along.

Ms LEAHY: I take that interjection from the member for Toowoomba South—yes, they do make it up as they go along, even on make-good provisions. The bill seeks to make the following key changes to the make-good provisions—and I acknowledge that there are some amendments which have been introduced by the minister tonight. These provisions require resource companies to pay the landholder's reasonable costs in engaging a hydrogeologist for the purposes of negotiating a make-good agreement; require the resource companies to bear the costs of any alternative dispute resolution in the make-good agreement negotiation process; and insert a cooling-off period for make-good agreements. Currently there is not a cooling-off period for these agreements. I note that the amendments have actually reduced this period to five business days.

The provisions also ensure that impacts on water bores as a result of free gas from coal seam gas extraction attract make-good obligations. Migration of gas is a natural phenomenon. However, more gas would appear to be migrating due to the depressurisation of certain coal seams and other geological strata. It will be interesting to see how this legislative change will work in practice as there are some areas where water bores have been described as gassy bores by landholders well before coal seam gas extraction entered that area. The bill also seeks to address issues in the make-good agreement negotiation process relating to uncertainty in the cause of bore impairment, effectively lowering the burden of proof for causation of an impacted bore.

I note in the dissenting reports that there has been major concern expressed in relation to the consultation process and the limited time frames for the completion of the consultation. I would like to draw the attention of the House to an area in my electorate where I have been advised that six stock water bores have blown out in the last 18 months. It might be of benefit to members of the House to learn of the frustrations that landholders experience when they are dealing with make-good situations. I have a landholder who has been experiencing this since 2008. I will give a short summary of the issues that they have encountered. I have no doubt that even these amendments to the make-good provisions will not address all of the problems which I am about to describe.

Two bores are relied upon by the landholder for intensive animal production, and this particular landholder has no other access to continuous high reliability water for that intensive production. One bore was drilled in 1946. Gas bubbling could be heard in January 2016 and that had never happened before. The CSG company installed a logger which developed download data issues and had to be replaced. It took two years for that happen.

Another bore was drilled in March 2003. There were no problems pumping this bore. It started blowing out intermittently from 2008 to 2012. The bore stopped blowing out during 2012 until January 2016. The DNRM CSG Compliance Unit became involved. In July 2016—the first communication the landholder has ever had from the Department of Environment and Heritage Protection—the department advised the landholder that the company, which denied it caused the problem, had done a bore

assessment in December 2013 and fulfilled its obligation under the Water Act chapter 3. The landholders believe that waiting almost 30 months for results of the bore assessment is just a bit overdue. No legislative changes here tonight will address these delays.

The only thing that saved this landholder from serious animal and financial losses was some winter rain. This particular landholder is still trying to progress their make-good agreement for the bore that first developed issues in 2008, as this is their only water source for their intensive animal production.

I will be supporting the reforms tonight to chapter 3 of the Water Act. However, given the landholder experiences I am seeing in my electorate, there is a need for genuine consultation and a formal independent review of the make-good provisions. They need to deliver outcomes and certainty, not delays and additional costs for all involved.