

QUESTION ON NOTICE

No. 828

asked on Wednesday, 25 May 2011

MR HOPPER ASKED THE MINISTER FOR ENVIRONMENT AND RESOURCE MANAGEMENT (MS JONES)—

QUESTION:

As landholders have been operating under a regulated water entitlement regime for many years, will the Minister advise why the CSG industry is not required to operate under the same Water Act that irrigators have to?

ANSWER:

In the vast majority of cases, coal seams and aquifers are separate rock formations, and the water extracted from coal seams is not from the same source as water used for irrigation.

Under the Water Act CSG operators are subject to strict rules about the management and mitigation of water extraction, which do not apply to irrigators.

For example, CSG operators must undertake baseline assessment of water bores and must make good any impacts that might occur to landholder bores. In addition, the industry will be managed as a whole, with the independent Queensland Water Commission currently working on an underground water impact report for the Surat Basin.

In light of the underground water impact report, approvals for CSG projects can be changed or revoked to ensure impacts are avoided or mitigated.

The Queensland Government has spent the last year reforming laws around the coal seam gas (CSG) to liquefied natural gas (LNG) industry to ensure they meet the community's expectations and protect the environment.

Examples of reforms to strengthen the regulatory framework have included:

- Establishing the LNG Enforcement Unit in the Surat Basin, with 50 new staff.
- Ensuring that the 300 random water bore inspections in 2011 and 2012 are on-track;
- Announcing \$3.5 million, over three years, to help landholders negotiate with the CSG industry;
- Continuing work on the \$5 million Healthy Headwaters study which is assessing opportunities and management options for CSG water;
- Establishing the independent Queensland Water Commission (QWC) to manage the cumulative impacts of the CSG industry on groundwater – currently the QWC

is working on and Underground Water Impact Report for the Surat and part of the Bowen Basins.;

- Declaring Queensland's first Cumulative Management Area in the Surat and Southern Bowen Basins, protecting landholders and the Great Artesian Basin;
- Requiring the independent QWC to develop a regional groundwater model and underground water impact report for this area - to ensure that aquifers and bores are protected;
- Issued project approvals that can be changed or revoked – in light of the underground water impact report, or other new information – to ensure impacts are avoided or mitigated.
- Banned BTEX from fracking fluids;
- Requiring CSG companies to complete baseline assessments on bores to establish baseline data for 'make good' agreements;
- Banning evaporation dams, except in exceptional circumstances;
- Requiring CSG companies to make good any impacts on CSG groundwater supplies;
- Imposing strict guidelines for the management of CSG water – meaning that reinjection and beneficial reuse, such as use in the agricultural or mining industries – are prioritised; and
- Implemented the Coal Seam Gas Well Head Safety Program - an industry wide audit found that 98% of more than 2700 well heads tested showed no reportable leaks.

The underground water management framework established in the Water Act:

- protects landholders' existing and new water supply bores from the impact of petroleum tenure holders extracting underground water, by establishing make good obligations for tenure holders - including the requirement for bore assessments;
- introduces the requirement for petroleum tenure holders to undertake baseline assessments of water bores;
- requires tenure holders to manage their impact on natural springs through the requirement for a spring impact management strategy;
- provides for the management of cumulative impacts on underground water extraction by petroleum tenure holders by declaring cumulative management areas (CMA);
- expands the requirements for underground water impact reports (UWIR);
- expands the role of the Queensland Water Commission as an independent body to oversee the groundwater impacts of the petroleum industry; and
- provides a dispute resolution process for the negotiation of make good agreements.