



Department of Environment
Land, Water & Planning

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Mr Keir Delaney
Secretary - Council Standing Committees
Parliament of Victoria
Department of the Legislative Council
Parliament House, Spring Street
East Melbourne VIC 3002

Ref: SBR008104



Dear Mr Delaney

UNCONVENTIONAL GAS PARLIAMENTARY INQUIRY - DELWP RESPONSE TO QUESTIONS ON NOTICE

I am pleased to submit the Department of Environment, Land, Water and Planning's response to the Question on Notice taken by Dr Sharon Davis, Executive Director Water Resources at her appearance before the Inquiry Committee on 18 August 2015.

If you have any questions please contact Dr Davis on phone number (03) 9637 8622 or via email at sharon.davis@delwp.vic.gov.au.

Yours sincerely

Kathryn Anderson
Acting Secretary

29/9/2015

Encl.

Question on Notice – Parliamentary Inquiry into Unconventional Gas

Responses to matters taken on notice from Dr Davis (DELWP) - 18 August 2015

Question 7 – What is being done in other states in relation to co-produced water?

The states of Queensland and New South Wales have policies for the management of co-produced water. These policies, as well as South Australia's position on the matter, are summarised below.

Queensland

- The extraction of co-produced water in Queensland is a right under the Queensland *Petroleum and Gas Act 2004*. This differs from New South Wales (NSW) and South Australia, where the extraction of co-produced water is licenced under a water entitlement framework.
- Queensland released a coal seam gas (CSG) water management policy¹ in 2012.
- This policy encourages beneficial use of co-produced water rather than treating it as a regulated waste. The policy extends the same principles to the management of salt and brine waste streams.
- After treatment, co-produced water has been used in Queensland for irrigation and urban use.
- Co-produced water may be used by CSG operators to meet their 'make good' obligations under the *Water Act 2000* (Qld) as part of their water management strategies and plan.
- The policy states "In all but exceptional circumstances, evaporation dams have been banned as a management option for CSG water. Existing CSG operators are required to continue the decommissioning or conversion of any remaining evaporation dams."

New South Wales

- In NSW co-produced water taken from an aquifer as a result of CSG activities must be licensed under the New South Wales *Water Management Act 2000* and in accordance with the relevant water sharing plan.
- NSW released its aquifer interference policy² in 2012.
- The reuse, recycling or disposal of CSG co-produced water is managed by an approval issued under the *Petroleum (Onshore) Act 1991* by the Division of Resources and Energy in NSW Trade & Investment.
- As part of this approval process, CSG activities are assessed under the *Environmental Planning and Assessment Act 1979* (EP&A Act). Activities seeking approval under the EP&A Act are made on a case by case basis, with the Minister considering and providing advice on the method for disposal of co-produced water.
- The use of evaporation dams for storing co-produced water is banned in NSW. All co-produced water must be treated for recycling to encourage beneficial re-use in industry or irrigation.³

¹ <http://www.ehp.qld.gov.au/management/non-mining/documents/csg-water-management-policy.pdf>
accessed 7 September 2015

² <http://www.water.nsw.gov.au/water-management/law-and-policy/key-policies/aquifer-interference>
accessed 7 September 2015

Question on Notice – Parliamentary Inquiry into Unconventional Gas

South Australia

- The South Australian state submission to the South Australian Parliament Natural Resource Committee inquiry into Unconventional Gas (Fracking)⁴ states that co-produced water extracted in South Australia must be licenced under the Natural Resource Management Act 2004 and in accordance with the relevant Water Allocation Plan.
- This submission to the South Australian inquiry states (on page 7) that CSG co-produced water could be managed for beneficial use, re-injection into aquifers or evaporated from lined ponds.
- There is currently no policy to manage co-produced water in South Australia. However a Statement of Environmental Objectives prepared under the Petroleum and Geothermal Energy Act 2000 (SA) for CSG operations may indicate how co-produced water will be managed to optimise reuse or safe disposal.

³ http://www.resourcesandenergy.nsw.gov.au/data/assets/pdf_file/0004/516145/Protections-and-Controls-CSG-Fact-Sheet-4.pdf

⁴ http://petroleum.statedevelopment.sa.gov.au/data/assets/pdf_file/0009/240120/Inquiry_into_Unconventional_Gas_Fracking.pdf accessed 7 September 2015