

Record No: D2014/259648
Container No: F2013/1927

The Commissioner
Hydraulic Fracturing Inquiry
GPO Box 4396
Darwin NT 0801

Dear Dr Allan Hawke

Re: Power and Water Corporation: Submission to Hydraulic Fracturing Inquiry

Power and Water Corporation provides this submission to clarify its interests and responsibilities with respect to the inquiry into hydraulic fracturing (fracking) in the Northern Territory.

Power and Water Corporation (PWC) supplies power, water and sewerage services to communities across the Northern Territory. We supply drinking water to customers in 91 locations consisting of 5 major and 14 minor centres and 72 indigenous communities scattered across the Territory. These range from small, isolated settlements of less than 50 people, through to major population centres such as Alice Springs and Darwin. Most Territorians are completely reliant on our water supplies: our borefields, our reservoirs and their catchments, and as such we believe they warrant the highest standards of protection.

The great majority of drinking water supplies are obtained exclusively from groundwater sources. In most communities there are no viable alternative water supplies. These communities rely on PWC to ensure the protection and sustainability of public drinking water supplies.

PWC is committed to proactive and effective protection of water sources which is fundamental to a catchment-to-consumer, multiple barrier approach to providing reliable high quality drinking water supplies to our customers; an approach required by the *Australian Drinking Water Guidelines*.

PWC's management of drinking water sources is articulated in our *Catchment and Water Source Protection Policy* and *Catchment and Water Source Protection Strategy* (attached¹) and includes the following principles:

¹ Also available at http://www.powerwater.com.au/news_and_publications/publications/water

- The protection of public health and safety, including the maintenance of high quality drinking water supplies, is the highest priority.
- A precautionary risk-based approach is used to inform and balance water source protection activities.
- Developments or activities within water supply catchments with the potential to increase net risks to drinking water quality, public safety, environmental or other values require management to minimise risk.
- Borefields and surface water sources and their catchments/recharge zones require protection through statutory and/or legal recognition of appropriate protective buffer zones.
- Effective monitoring, compliance and enforcement programs are essential to ensure water source protection.

PWC's primary interests in relation to fracking are consistent with these principles and focus on the need to ensure the security, sustainability and protection of **public drinking water sources** and their catchments (or recharge zones in the case of groundwater systems). PWC has no specific comment with regards to the broader risks to aquifers and groundwater resources from fracking activities; this is considered to be the responsibility of other relevant agencies, including the Department of Land Resource Management (DLRM) through the NT *Water Act*.

PWC expect that these same principles could and should be applied to proposals for new fracking (or any petroleum) exploration and development projects in proximity to communities and their water sources (including catchments/recharge zones).

PWC has concerns with regards to the regulatory and administrative framework (assessment and approvals processes) for fracking activities; specifically:

- The level of resources in the Department of Mines and Energy (DME) and NT Environment Protection Authority (EPA) with appropriate technical skills and expertise to adequately assess and regulate fracking.
- The reliance of EPA/DME on PWC and DLRM for hydrogeological advice relating to potential groundwater impact from fracking and other potentially polluting activities.
- PWC is not resourced to provide detailed technical advice on the number and scale of fracking applications that are expected, and it is understood that other agencies face similar resourcing constraints.
- In recent years with the retirement or loss of experienced professionals to other industries, there has been a general loss of knowledge of the Northern Territory's water resources, which is a significant challenge and impediment to the provision of good advice on development applications.

PWC requests that the inquiry acknowledge the current paucity of hydrogeological professional resources and expertise within regulatory and referral agencies as significant risk to the sustainable management of fracking development in the Northern Territory.

- The timeframes allowed for stakeholders and referral agencies (including PWC) to assess applications. PWC is concerned, based upon recent experience with other proposals circulated for assessment, that insufficient time is allowed to provide properly informed comment and advice, which often requires internal referral and mobilisation of limited resources away from other tasks and priorities. This constrains the quality of advice being provided, on which regulatory assessments and approvals are being made. Given the reliance of the regulators upon expertise and advice from PWC and partner agencies, this is a significant risk to the sustainable management of activities such as fracking in the Northern Territory.

PWC requests that the inquiry recommend more adequate minimum timeframes be mandated for provision of expert professional advice in regards to hydraulic fracturing exploration and development applications.

We trust that this and the supporting information provided will help clarify PWC's interests in respect to the emerging issues of fracking activities, and prove helpful to your inquiry in its deliberations.

Yours sincerely

John Baskerville
Managing Director

June 2014