


## NOTICE OF DECISION AND STATEMENT OF REASONS

Section 55 of the *Environment Protection Act 2019* (EP Act)

Regulations 58(1)(b), 63 and 64 of the *Environment Protection Regulations 2020* (EP Regulations)

<b>Proposed action name</b>	Sweetwater Agricultural Development – Stage 1
<b>Proponent name</b>	Southern Cross Agri Pty Ltd
<b>NT EPA reference</b>	EP2025/042
<b>Nature of proposed action</b>	Agriculture
<b>Description of proposed action</b>	<p>The proposed action is to develop Stage 1 of an agricultural farm on Spirit Hills Station (parts of NT portions 1584 and 3221) in the Keep River area of the Northern Territory, adjacent to the Western Australian border.</p> <p>The proposed action includes a 4,525 hectare development envelope to allow flexibility in farm layout. Key components include:</p> <ul style="list-style-type: none"> <li>• clearing a minimum of 3,269 hectares of native vegetation for farm and associated infrastructure development</li> <li>• construction of water storage facilities with a capacity of 10 gigalitres and footprint of 200 hectares to retain harvested stormwater for irrigation</li> <li>• development of supporting infrastructure, including water distribution and drainage networks, levee banks, river crossings, storage facilities and worker accommodation, to service farming operations</li> <li>• rotational farming of annual crops.</li> </ul> <p>The proposed action is intended to operate over 100 years.</p> <p>The proposed action does not include potential future farm expansion, and/or surface water diversion from Lake Argyle (Western Australia).</p>
<b>Person authorised to make decision</b>	<p>Dr Paul Vogel AM, Chairperson</p> <p>Northern Territory Environment Protection Authority (NT EPA)</p> <p>Delegate of the NT EPA under section 36 of the Northern Territory <i>Environment Protection Authority Act 2012</i></p>
<b>Decision</b>	<p><b>Standard environmental impact assessment is required</b> in accordance with section 55 of the EP Act and regulation 58(1)(b)(i) of the EP Regulations</p> <p>The method of environmental impact assessment to be by <b>Environmental Impact Statement</b> in accordance with regulation 58(1)(b)(ii)</p>
<b>Signature</b>	
<b>Date of decision</b>	22 October 2025

**Matters considered under EP Regulation 56**

The NT EPA has considered the following:

- the accepted referral (including the referral form, referral report, proponent statement of reasons and draft terms of reference), and
- submissions received on the accepted referral during the public consultation period.

No additional information was requested by the NT EPA under EP regulation 40.

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**Consultation**

**NT EPA consultation**

Submission period:

- 13 August 2025 to 24 September 2025

Submissions received:

- government authority submissions: 11
- public submissions: 11

Submissions are available on the NT EPA website.

Key issues raised in public and government authority submissions include:

- uncertainty regarding how the proposed action and future stages relate to a broader 67,500-hectare agricultural development in the Keep Plains region
- risks of land degradation and soil salinisation, with a need for site-specific risk assessments
- insufficient information to assess potential impacts on threatened and migratory species and important habitats from vegetation clearing and land use change, requiring targeted terrestrial and aquatic ecological surveys to inform farm design and mitigation actions
- insufficient information on local hydrological and hydrogeological conditions to assess land suitability for water retention, flood risks, and potential impacts on the Keep River, dry season pools (critical refugial habitat) and the downstream Legune Coastal Floodplain.
- potential indirect impacts on vegetation (including *Typhonium sp.* Kununurra), and on existing and proposed agricultural precincts and infrastructure in Western Australia, due to potential changes in hydrological regimes, spray drift and weed introduction
- the need for stakeholder engagement and assessment of potential impacts to social, economic and Aboriginal cultural heritage values
- a requirement for a comprehensive cumulative impact assessment including the proposed action, nearby agricultural developments (Legune, Knox and Goomig) and other foreseeable proposals.
- potential transboundary impacts from potential surface water diversion from Lake Argyle, including impacts on the Lakes Argyle and Kununurra Wetlands Ramsar site.

The relevant issues raised in submissions have been considered by the NT EPA and are incorporated into the terms of reference for the environmental impact statement (EIS). There will be future opportunities for consultation following submission of the draft EIS.

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Statement of Reasons

Overview

The NT EPA considers that the proposed action has the potential to have a significant impact on environmental values associated with nine environmental factors<sup>1</sup> as outlined below. The significance of impacts and the ability to meet the NT EPA's factor objective for each factor is uncertain.

<b>LAND</b>	<ul style="list-style-type: none"> <li>• <b>Landforms</b> – The Spirit Hills rock outcrop is a significant landform in the proposal area, with inherent culture and heritage values. While it has been excluded from the development footprint, there is potential for indirect impacts to this landform. Assessment of this factor should be considered in conjunction with the Culture and Heritage factor.</li> <li>• <b>Terrestrial environmental quality</b> – There is potential for significant impacts on soil integrity and quality from vegetation clearing, erosion, flooding, irrigation-induced salinity, and the application of agricultural chemicals. Potential impacts on soil quality may result in impacts on inland water quality and its users.</li> <li>• <b>Terrestrial ecosystems</b> – The extent / maximum area of vegetation clearing is not known. There is potential for significant impacts on listed threatened (including <i>Typhonium sp.</i> Kununurra) and migratory species, known or expected to occur within and around the proposal area, from vegetation clearing, flooding and irrigation-induced salinity.</li> </ul>
<b>WATER</b>	<ul style="list-style-type: none"> <li>• <b>Hydrological processes</b> – There is insufficient information on the water source/s, its availability and long-term sustainability to meet the crops' water requirements. The proposed action may also alter local and regional groundwater and surface water hydrology through vegetation clearing, land use change, the capture of rainfall-runoff, and irrigation. These changes have the potential to significantly impact the hydrodynamics of the Keep River and its floodplains, as well as ecological, cultural and heritage values in the area.</li> <li>• <b>Inland water environmental quality</b> - There is potential for significant impacts on water quality from erosion, irrigation-induced salinity, the application of agricultural chemicals, and any uncontrolled water releases.</li> <li>• <b>Aquatic ecosystems</b> – There is potential for indirect and cumulative impacts of the proposal on the Keep River, including its lower tidal sections, in relation to ecological integrity, functioning and values.</li> </ul>
<b>AIR</b>	<ul style="list-style-type: none"> <li>• <b>Atmospheric processes</b> – The proposal will generate greenhouse gas emissions through vegetation clearing, construction, land use change and associated farm activities over 100 years. As no emission estimates have been provided, the volume of greenhouse gas emissions generated is uncertain. An assessment is required to determine the ability to meet the NT EPA's environmental objective for atmospheric processes.</li> </ul>
<b>PEOPLE</b>	<ul style="list-style-type: none"> <li>• <b>Community and economy</b> – The proposal has the potential to significantly impact local and regional communities, including Aboriginal stakeholders, both adversely and beneficially.</li> <li>• <b>Culture and heritage</b> – A number of Aboriginal sacred sites, heritage places and objects are known to occur within and around the proposal area, including within the Keep River. There is potential for the proposed action to impact these known values, as well as any</li> </ul>

<sup>1</sup> [NT EPA Environmental factors and objectives](#)

additional unknown culture and heritage values in the area, through changes to land and water.

The NT EPA considered other environmental factors during its consideration of the referral; however, the impact on those factors was not considered to be significant.

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### Justification

A standard assessment by **environmental impact statement** is required having regard to:

- Regulation 59 (a)      The proposal has the potential for significant impacts on nine environmental factors as described above.
- Regulation 59 (b)      There is a high level of uncertainty in predicting the potential significant impacts of the proposal. To improve the NT EPA's level of confidence, consideration of the extent, relevance and currency of existing knowledge (including previous assessments and technical studies) and contemporary information is required, particularly on:
- threatened and migratory species in terrestrial, aquatic and estuarine environments
  - soil and inland water quality
  - hydrological and hydrogeological regimes, including potential changes to flood risks and groundwater contributions to the Keep River and seasonal pools
  - Aboriginal stakeholders and local residents
  - Aboriginal cultural heritage values (including sacred sites and heritage places/objects)
  - greenhouse gas emissions.
- Regulation 59 (c)      There is a need to develop measures to avoid, mitigate or manage potential significant impacts, and increase the NT EPA's confidence in the effectiveness of the proposed measures, particularly with respect to:
- threatened and migratory species
  - the hydrological and hydrogeological environments including soil/water quality and dependent ecological values
  - Aboriginal culture and heritage values
  - welfare of Aboriginal native title holders, traditional owners and local residents.
- Regulation 59 (d) & (e)      The extent of community engagement that has occurred in relation to the proposal, and therefore, the capacity for communities to access and understand information about the proposal. Early stakeholder consultation has occurred with various stakeholders and is ongoing. Further engagement is required, particularly with the Northern Land Council, native title holders and their representative body.

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### Conclusion

The NT EPA considers that the proposed action has the potential for significant impacts on nine environmental factors, and that environmental impact assessment is required. The method of assessment will be environmental impact statement.

In making its decision under EP Regulation 58, the NT EPA has considered:

- the objects of the Act in section 3 of the EP Act
- the purpose of the environmental impact assessment process in section 42 of the EP Act
- the matters under regulation 56 of the EP Regulations
- the matters relevant to a consideration of the method of environmental impact assessment in regulation 59 of the EP Regulations.