

## STATEMENT OF REASONS

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### OVERVIEW

<b>Name of proposal</b>	Sweetwater Agricultural Development Stage 1
<b>Proponent name</b>	Southern Cross Agri Pty Ltd
<b>Description of proposal</b>	Development of 3,269.37 hectares of land for cropping and associated farm infrastructure on pastoral land. The proposal will initially be a rainfed cropping system.
<b>Nature of proposal</b>	Agriculture
<b>Location of proposal</b>	Spirit Hills Pastoral Lease (PPL1200) Legune Road, Baines, Northern Territory. NT Portion 1584 NT Portion 3221

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### JUSTIFICATION

A standard assessment by environmental impact statement (EIS) is required due to:

Objects of the Environment Protection Act 2019 (EP Act)

*Describe how the objects of the EP Act have been taken into consideration in recommending the environmental impact assessment method of an EIS*

The referral of Sweetwater Agricultural Development Stage 1 for NT EPA assessment is made in accordance with the objects of the EP Act as follows:

Section 42 EP Act

*Describe how the section 42 purpose of the environmental impact assessment process has been taken into consideration in recommending the environmental impact assessment method of an EIS*

42(a) The proponent has outlined a draft ToR to quantify and confirm that the proposed clearing, development and farming will not have an unacceptable impact on the environment. This is in line with the purpose of the environmental impact assessment process to ensure that impacts are not unacceptable now or into the future.

42(b) The principles of ecologically sustainable development, including (but not limited to) environmental, cultural, social and economic impacts will be addressed through the EIS. The proponent has outlined the application of the environmental decision-making hierarchy through the referral documentation, in discussion regarding avoidance of high environmental risk or culturally significant sites. The proponent has further noted that climate change impacts will be considered in ongoing planning for the proposal. The integration of the environmental factors indicates ecosystem-based management, for example in relation to the

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interactions between surface water and groundwater systems, aquatic habitats and threatened fauna which rely on healthy aquatic habitats. The waste management hierarchy, particularly during farming operations, should be addressed in management and monitoring plans associated with desired environmental outcomes.

42(c) The proponent has indicated the use of less environmentally damaging technologies and practices than similar developments elsewhere. For example, this relates to on-farm water management. Other matters indicated include the use of solar electricity generation where possible.

42(d) The proponent has indicated existing and planned community and stakeholder engagement and consultation, with a focus on Aboriginal stakeholders and in particular Native Title holders. Residents of local community outstations (Kneebone and Marralum) are also prioritised.

42(e) Environmental management (and monitoring) consistency with approvals granted for agricultural developments on adjacent farming areas provides the opportunity to enhance existing approaches to environmental management in the area.

### Section 43 EP Act *Describe how the section 43 general duties of proponents have been taken into consideration in recommending the environmental impact assessment method of an EIS*

43(a) The proponent has and will continue to engage with Indigenous and other local and regional stakeholders, to ensure the proposed action meets expectations and can be delivered on the social and economic benefits envisaged by the NT Government in the public tender of the Spirit Hills lease for agricultural development in 2020, following decades of planning and investigations.

43(b) Culturally appropriate consultation practices are guided by MG Corporation, as the Prescribed Body Corporate representing the interests of the Native Title holders. The proponent is working with MG Corporation to ensure the interests and concerns are addressed.

43(c) The proponent has outlined approximately fifty years of research, scientific investigations and community engagement in relation to the development of agriculture on the lower Weaber Plain site (ie, Sweetwater Stage 1 area). The EIS will summarise the work completed to date, and capture historic and current research.

43(d) Aboriginal values and the rights and interests of Aboriginal communities are addressed through the stakeholder engagement planning, which will be delivered in line with the guidance provided by the NT EPA and the DCCEEW on First Nations consultation. This is outlined in the draft ToR.

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43(e) The EIS will enable the proponent to further articulate the application of the principles of ecologically sustainable development in the project design, planning and implementation.

43(f) The EIS will enable the proponent to further articulate the application of the environmental management hierarchy (avoidance, minimisation and mitigation) in the project design, planning and operational phases.

43(g) The EIS will enable the proponent to articulate the application of the waste management hierarchy in the project design and planning phases, and in particular during operations (farming).

Section 59 of the  
Environment  
Protection  
Regulations 2020

*Describe the reasons for why the assessment method of environmental impact statement is proposed, addressing the criteria below:*

- (a) *the significance of the potential impact of the proposal*
- (b) *the level of confidence in predicting potential significant impacts of the proposal taking into account the extent and currency of existing knowledge;*
- (c) *the level of confidence in the effectiveness of any proposed measures identified in the referral to avoid, mitigate or manage potential significant impacts of the proposal*
- (d) *the extent of community engagement that has occurred in relation to the proposal*
- (e) *the capacity of communities and individuals likely to be affected to access and understand information about the proposal and its potential significant impacts*

A standard assessment is recommended, having regard to

Regulation 59(a) – the significance of the potential impacts of the proposed action.

Regulation 59(b) – the level of confidence in predicting potential significant impacts of the proposed action, taking into account the extent and currency of existing knowledge, particularly in relation to the

- Hydrodynamic changes to surface water activity on the floodplain
- Groundwater system changes associated with clearing, including the potential for increased natural fresh groundwater discharge into the Keep River
- Impacts on listed aquatic fauna, arising from changing Keep River dry season physico-chemical properties, with expected increased fresh groundwater inflow
- Impacts on soil, including salinity and sodicity risk
- Impacts on listed terrestrial and migratory species which may occupy or use the proposal area

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- Impacts on cultural heritage areas
- Impacts on Traditional Owners (Native Title holders) and residents in the region

Regulation 59(c) – the level of confidence in the proposed measures to avoid, mitigate or manage potential impacts with respect to the hydrogeological environment, biodiversity matters, cultural heritage areas and regional community members, including First Nations representatives.

Regulation 59(e) – uncertainty about the capacity of some community members likely to be indirectly or directly affected by the proposal to access and understand information about the proposal and its significant impacts.

Consultation outcomes

*Describe how the outcomes of any consultation undertaken by the proponent have been taken into consideration in recommending the environmental impact assessment method of an EIS*

*The decision to utilise the method of EIS has come via the strategic direction set out by all NT Government Agencies, including NT EPA, in the process of consultation undertaken by Southern Cross Agri prior to the submission of the referral document. This reasoning is more specifically outlined in the 'Attachment C – Terms of reference for a proponent-initiated EIS referral'. Pre referral consultation was also conducted with EPBC staff, and guidance was given supporting the EIS process. Consultation has also been undertaken with local native title holders, MG Corp and the appropriate engagement has been and will be undertaken, again as outlined in the Attachment C. Furthermore, a contractual arrangement has been undertaken between Southern Cross Agri and NT Land Corporation, on the undertaking that Southern Cross Agri, will enter into the development process according to good corporate stewardship, and due process. The EIS framework is also consistent with other regional approvals in the vicinity of the proposed development site.*

Other reasons

*Describe any additional reasons for consideration*

### Environmental factors and objectives.

In the context of the NT EPA's environmental factors and objectives<sup>1</sup>, Southern Cross Agri Pty Ltd acknowledges that the proposal has the potential to significantly impact environmental values. Accordingly, each relevant factor has been listed in alignment with the NT EPA's environmental factors and objectives framework.

*List each relevant factor with a justification as to why there is the potential for significant environmental impacts. Remove irrelevant factors.*

Land

- **Landforms** – The Spirit Hills rock outcrop, the only significant landform in the project area, has been excluded from the development footprint. Nevertheless, impacts from surrounding agriculture should be quantified in order to determine the level of significance.

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	<ul style="list-style-type: none"> <li>• <b>Terrestrial environmental quality</b> –The proposal area forms part of the Ivanhoe Land System, comprising alluvial (“black soil”) plains. While the Ivanhoe system is not listed under NT or Commonwealth environmental legislation, it is listed as a Priority Ecological Community in Western Australia. The species <i>Typhonium sp. kununurra</i> is representative of the Ivanhoe system, and is currently under consideration for EPBC listing by the Threatened Species Scientific Committee. The significance of the Sweetwater Stage 1 development to this species and the Ivanhoe Land System should be quantified in line with the precautionary principle.</li> <li>• <b>Terrestrial ecosystems</b> – Terrestrial fauna species listed under the <i>Territory Parks and Wildlife Conservation Act 1976</i> (NT), and the <i>Environment Protection and Biodiversity Conservation Act 1999</i> (Cth) may be present in the proposal area or utilise Sweetwater Stage 1 for feeding or breeding/nesting purposes. The likelihood of presence and significance of this should be quantified and assessed.</li> </ul>
Water	<ul style="list-style-type: none"> <li>• <b>Hydrological processes</b> – The proposed action may have impacts upon groundwater rise and consequent increased natural groundwater discharge into the Keep River. Local and regional groundwater and surface water hydrology may be affected. Flood plain changes with the construction of farms and levee banks may alter the hydrology of the Lower Weaber Plain.</li> <li>• <b>Inland water environmental quality</b> –There is potential for impacts upon water quality from farm practices, chemical and fertiliser use.</li> <li>• <b>Aquatic ecosystems</b> –The Keep River is known habitat for <i>Pristis pristis</i> and <i>Pristis clavata</i>, listed as vulnerable in the NT under the TPWC Act, and vulnerable under the EPBC Act.</li> </ul>
Air	<ul style="list-style-type: none"> <li>• <b>Atmospheric processes</b> –The proposal has the potential to emit significant quantities of greenhouses gases during clearing and development in particular. The extent of this should be quantified, in line with the Commonwealth National Greenhouse and Energy Reporting Act 2007</li> <li>• <b>Community and economy</b> – Community and economic impacts should be quantified to determine the significance, particularly in relation to benefits which may accrue to residents of the Northern Territory</li> </ul>
People	<ul style="list-style-type: none"> <li>• <b>Culture and heritage</b> –Aboriginal cultural heritage areas have been identified in the proposal area. Further assessment and determination of appropriate avoidance, minimisation and mitigation responses is required, in conjunction with ongoing Aboriginal stakeholder engagement in line with NTEPA and EPBC Guidelines.</li> </ul>

Terms of Reference (TOR) *State the reasons why the draft TOR provided with the referral are appropriate for use in the environmental impact assessment process.*

The draft ToR provides sufficient coverage of the range of factors, aspects, issues and impacts which must be addressed for a thorough assessment of the proposal to occur.

In particular, the ToR promotes consistency in assessment, decision-making, management, mitigation and monitoring practices as have been applied to and developed for the adjacent Knox Creek Plain agricultural area (EPBC 2014/7143) and the nearby Weaber Plain agricultural and development (EPBC 2010/5491). Both developments have also been assessed and

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approved (with conditions) by the WA Environmental Protection Authority. WA Ministerial Statement 938 applies.

It is therefore appropriate that the ToR matters are not only consistent, but also integrate with the regional referrals, given that the farming objective of the proposal is congruent with these areas.

A standard assessment is recommended. This recommendation is based upon the advice contained in the referral documentation, informed by the comprehensive suite of background environmental research and investigations documented in the bibliography attached to the referral.

SCA will undertake the necessary assessments to validate and confirm the accuracy and reliability of existing datasets and previously conducted assessments and evaluations, noting a significant number of environmental surveys and assessments, including biodiversity assessments, have been conducted over this area of land and throughout the broader region. These existing detailed assessments and survey works have been crucial in assisting inform proposed development planning.

Despite the extensive volume of comprehensive data already available, SCA propose conducting a focused, limited survey to cross-check and verify the accuracy and relevance of this information. This approach aims to identify any potential discrepancies that may have been overlooked which require further assessment.

However, it is important to recognise that this additional verification may be considered redundant, as previous assessments were conducted thoroughly and in considerable detail, demonstrating a high degree of accuracy and reliability in the collected data, assessments and evaluations.

Focus areas of the EIS, as outlined in the draft TOR, include

- Revised hydrodynamic modelling of the lower Weaber Plain area, taking into account recent and proposed land use changes and their implications for groundwater and surface water management.
- Review of groundwater implications arising from the proposed clearing, including implications for increased natural discharge into the Keep River, and potential resultant impacts on threatened aquatic species in the river.
- Impacts of soil and land system changes arising from clearing and development.
- Potential for impact to feeding and/or breeding habitat of listed terrestrial species, including migratory birds.
- Cultural values, including those associated with sacred sites present in or near the proposal area.
- Potential impacts on Native Title holders, nearby Aboriginal community outstations and other local residents.

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**Conclusion**