

Community Bulletin # 9

Hydraulic Fracturing Inquiry Implementation

Building trust through transparency – Progressing the implementation of the recommendations from the Scientific Inquiry into Hydraulic Fracturing in the NT

The past two months has seen extensive legislative changes made to strengthen onshore gas regulation, with further recommendations from the *Scientific Inquiry into Hydraulic Fracturing in the Northern Territory* coming into effect.

A strengthened regulatory regime will ensure robust decision making by the government and provide Industry with certainty to inform their future work plans. Further regulatory changes are progressing and will be introduced to the house in the coming months.

Extensive regulatory changes have been introduced

Legislative and administrative changes that have been progressed to date include:

- *Water Legislation Amendment Bill* passed through Parliament that will ensure that the requirement for water licensing and permits to access water resources will apply to mining and petroleum activities; along with updating offences and penalties (recommendation 7.1);
- Passing of the *Environment Protection Authority Amendment Bill*, providing the Northern Territory Environment Protection Authority (NTEPA) additional members with specialist skills and experience in the assessment and management of the environmental impacts of onshore gas development, positioned to deliver independent expert advice to the Minister for Environment to inform decision making (Recommendation 14.34);
- Introduction of the *Petroleum Legislation Amendment Bill to the Legislative Assembly* in November 2018, with proposed amendments to ensure petroleum companies, as applicants, are 'fit and proper' to hold exploration permits or production licences (Recommendation 14.12); providing provisions for open standing for judicial review for decisions made under the *Petroleum Act* and *Petroleum (Environment) Regulations* (Recommendation 14.23); and ability to ensure codes of practice that are established are enforceable by law and companies can be penalised if they do not abide by them (recommendation 5.1); This Bill is currently with the Scrutiny Committee with submissions due by 30 January 2019. The Scrutiny Committee report is due 12 March 2019.
- Amendments to *Petroleum (Environment) Regulations* have occurred that ensures all draft Environment Management Plans for the drilling of petroleum wells and hydraulic fracturing activities must be published in print and online and available for public comment prior to Ministerial approval, and that all comments made on draft Environment Management Plans must be published online (recommendation 14.15); that cumulative impacts are given consideration (recommendation 14.19); that all notices and reports of environmental incidents and reportable incidents are published online (recommendation 14.16); and that information

about hydraulic fracturing fluids proposed to be used are disclosed and published and flowback and produced water composition must be reported and published (recommendation 7.10);

These changes mean that for the first time ever, Territorians will now have the opportunity to comment on Environment Management Plans for drilling of petroleum wells and hydraulic fracturing before they are considered by Government. The Minister will be bound by law to consider the comments before making a decision to approve or refuse the Environment Management Plan.

Transfer of responsibility for Environment Management Plan approval will happen early next year

In early 2019, the responsibility for the *Petroleum (Environment) Regulations* will transfer from the Minister for Primary Industry and Resources, where it currently sits, to the Minister for the Environment and Natural Resources via an Administrative Arrangements Order (AAO) change.

Onshore Gas Experts Join NT EPA

The amendments to the *Northern Territory Environment Protection Authority Act* that passed in November have allowed for two additional members with specialist skills relating to the assessment and management of the environmental impacts of onshore gas development to be appointed to the NTEPA.

The introduced changes will also allow Ministers to seek the NTEPAs advice on a range of specific proposals and plans targeting improved environmental management and protection.

The Northern Territory Administrator last [week](#) appointed Dr Vaughan Beck AM and Dr Rod Lukatelich to the NT EPA following legislative changes that passed through Parliament [recently](#).

The NT EPA is an independent authority that, in part, assesses the environmental impact of development proposals and the appointments of Drs Beck and Lukatelich will complement the environmental regulatory expertise of current members.

Drs Beck and Lukatelich have specialist skills and experience in the assessment and management of the environmental impacts of onshore gas development and their appointment fulfils a key recommendation (14.34) of the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory.

As a former member of the Western Australian Environment Protection Authority, Dr Lukatelich has regulatory experience coupled with an extensive technical background in petroleum exploration and development, which has been applied to collaborative research projects across Australia. He has more than 30 years of experience in environmental management and holds a PhD in marine biology.

Dr Beck has a PhD in risk engineering and is a Fellow at both the Australian Academy of Technological Sciences and Engineering (ATSE) and the Institution of Engineers, Australia. He has also provided advice on the regulation of onshore shale gas, both to the Northern Territory and at the national level.

The appointments of Drs Beck and Lukatelich also strengthen the NT EPA's ability to advise the Minister for Environment and Natural Resources on the environmental management of the onshore gas industry.

Onshore gas now subject to Water Act

Amendments to the *Water Act* that were passed in November means that all petroleum activities are now required to obtain bore work permits and groundwater extraction licences like any other industry. These licences will be required to demonstrate that proposed water take is sustainable and will not adversely impact other water users.

The amendments also substantially increase penalties for non-compliance with the Act. The amendments will commence in early January 2019 and immediately apply to activities associated with hydraulic fracturing.

Other changes will see requirement for the approving Minister to consider the cumulative impacts of other proposed developments when making a determination about whether an onshore gas activity should go ahead.

CSIRO Report – Ground survey baseline methane monitoring in the Beetaloo Sub-basin

CSIRO has published an [interim report](#) following its first tranche of on ground surveys for baseline methane monitoring in the Beetaloo Sub-basin.

The interim report presented data from surveys conducted over a 12-day period during the dry season between the 29th July and the 10th August 2018. Additional surveys were conducted in November 2018 for the fire season and planned for January to cover the wet season.

These atmospheric methane concentrations surveys were undertaken by vehicles which had three mounted gas analysers.

Targeted surveys were made at 11 plugged and abandoned or suspended petroleum wells, and 21 water bores. No elevated methane concentrations were detected at the petroleum wells and water bores that were specifically investigated during this field survey. A section of the Daly Waters to McArthur River Gas Pipeline adjacent to the Carpentaria Highway was also surveyed for the presence of methane.

The interim report found that overall, the majority of methane concentrations recorded during the surveys were within the range of 1.77 to 1.85 parts per million (ppm), which is close to normal background concentrations expected in rural or natural areas, of about 1.8 ppm.

Isolated pockets of slightly elevated methane concentrations were observed in some areas, and the sources of these were identified as:

- grazing cattle;
- urban areas;
- small grassfires;
- a natural spring; and
- a section of above-ground gas pipeline and associated valves.

CSIRO's Dr Damien Barrett has advised the observations at the above ground gas pipeline infrastructure recorded 0.3, 0.08 and 0.05 parts per million (ppm) concentrations of methane.

Interestingly, termite mounds are known to be sources of methane in tropical regions; however, no elevated methane concentrations were detected near the mounds during these surveys.

The second interim report will be published in early 2019 relative to the on ground monitoring conducted in November 2019.

Onshore Gas Non-Compliance Hotline

The Onshore Gas Non-Compliance Hotline is now operational. All reports received by the hotline of potential non-compliance will be referred to the responsible agency for case management and investigation.

To report any potential non-compliance by the onshore gas industry, please call 1800 413 889.

To access detailed information about key legislative and administrative changes, and the implementation of each specific recommendation, visit www.hydraulicfracturing.nt.gov.au You can download [Actions by Recommendation](#) for a full overview of the implementation process.

To read CSIRO's Baseline Methane Monitoring Interim Report [click here](#)

To read the latest from the NTG Newsroom, please visit [NTG Newsroom](#)

To read the Implementation Plan or access additional information, please visit hydraulicfracturing.nt.gov.au