

# Community Bulletin # 12

## Hydraulic Fracturing Inquiry Implementation

### New Minister regulating environmental matters under *Petroleum Act 1984*

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#### Regulatory Reform of Petroleum Activities

Regulatory reform of the onshore gas industry reached an important milestone on Wednesday (27 February 2019) with the Minister for Environment and Natural Resources (the Minister) assuming responsibility for environmental regulation of the onshore petroleum industry.

This recent change to the Administrative Arrangement Order, has occurred in accordance with Recommendation 14.34 of the Final Report:

*That prior to the grant of any further exploration approvals, in order to ensure independence and accountability, there must be a clear separation between the agency with responsibility for regulating the environmental impacts and risks associated with any onshore shale gas industry and the agency responsible for promoting that industry.*

With this change, the Minister now holds responsibility for approval of and compliance with Environment Management Plans (EMPs), the primary environmental approval for petroleum activities under the *Petroleum (Environment) Regulations 2016*, and the environmental harm offences within Part V Division 2 of the *Petroleum Act 1984*.

Government remains committed to implementing all 135 recommendations in the Final Report from the *Scientific Inquiry into Hydraulic Fracturing in the Northern Territory* and this separation of responsibilities delivers on a key recommendation of the Final Report.

Petroleum companies with granted petroleum interests (such as Exploration Permits or Production Licences) are required to submit an EMP for assessment and the Minister must approve the EMP before any regulated activities can occur. Regulated activities are defined in the *Petroleum (Environment) Regulations 2016* as activities which have an environmental impact or environmental risk and include seismic surveys, drilling of wells and hydraulic fracturing.

The Minister for Primary Industry and Resources will continue to hold responsibility for all tenure related matters under the *Petroleum Act 1984*, petroleum resource management and operational approvals including well operations.

Having a clear separation between the Minister promoting the Industry and the Minister responsible for regulating environmental impacts of the Industry will ensure the Territory has a robust and transparent regulatory framework that enables the onshore gas industry to develop in a manner that protects the environment and provides certainty to industry and the community.

Since October 2018, a number of Legislative and administrative changes have been progressed, including;

- *Water Legislation Amendment Bill 2018* passed through the 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 2018*, 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 2018* 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 1984* and *Petroleum (Environment) Regulations 2016* (Recommendation 14.23); and ability to ensure codes of practice that are established are enforceable by law and that companies can be penalised if they do not abide by them (recommendation 5.1); The Scrutiny Committee report is due 12 March 2019; and
- The amendments to *Petroleum (Environment) Regulations 2016* ensure that 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 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).

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.

An Environment Management Plan will only be approved if the Minister for Environment and Natural Resources is satisfied that certain approval criteria have been met. [Click here](#) to access the fact sheet about Environment Management Plans.

To read more about the legislative changes that have been progressed to date, please visit [Community Bulletins](#)

To access the Administrative Arrangements Order, please click [here](#)

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

To read the Implementation Plan or access additional information regarding the progress of implementation, please visit [hydraulicfracturing.nt.gov.au](#)

To read the Inquiry report and recommendations, please visit [frackinginquiry.nt.gov.au](#)

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