

Ensuring local communities receive economic benefits

Inquiry findings

The onshore shale gas industry is expected to create opportunities for local communities. However, the Inquiry found there is a risk that these communities will not receive these benefits, and instead be economically disadvantaged. Without appropriate NT Government action to develop local economic opportunities, there is a risk that adverse impacts will outweigh positive benefits. The risks identified by the Inquiry include:

- damage to the amenity of the local area, including detrimental effects on existing industries, such as agriculture, tourism, or pastoralism, among others
- the potential for 'boom and bust' cycles to bring volatility to rental and housing prices, squeezing local residents out of the market
- damage to social unity within communities, particularly where benefits and opportunities associated with the onshore shale gas industry are not equitably distributed.

NT Government mitigations

The NT Government has accepted the recommendations of the Inquiry to mitigate these risks and ensure local communities benefit from the development of the onshore shale gas industry.

- The NT Government strengthened landholder protections by requiring onshore gas industry proponents to actively negotiate land access agreements, which must include minimum landholder protections set out in legislation.
- The NT Government implemented a minimum mandatory compensation scheme payable to all landholders, including pastoral lessees, for onshore gas activity on their land. Landholders are entitled to compensation when onshore gas activities cause damage to their land, reduce the land's market value, prevent the landholder from using or enjoying the land, and for every well drilled on the land.
- The NT Government is developing a new agency budget system to improve reporting on where revenue is generated and where it is spent in the Territory. This will show whether revenue generated from the onshore shale gas industry is spent in the regions where industry activity occurs.
- The NT Government will use the Regional Development Framework and Local Decision-Making agreements to make sure budget allocations in regional areas match local priorities.
- The NT Government is working with the Australian Government and the Barkly Regional Council to implement the Barkly Regional Deal to deliver \$84.7 million in social and economic infrastructure projects, as well as social and cultural programs, for communities in close proximity to the Beetaloo Sub-basin.
- The Australian and NT Governments are jointly funding \$367 million for road upgrades to the Carpentaria Highway, sections of the Stuart Highway, Buchanan Highway, Western Creek Road and Gorrie/Dry River Road. This will improve freight productivity, road safety, improve connectivity with jobs and services, including access to health and social services for regional and remote indigenous communities.
- The NT Government is funding the Northern Territory Beetaloo Skills Audit, which will be undertaken with assistance from the Industry Skills Advisory Council NT and delivered in 2023. The report will identify potential gaps in skills and requirements, align existing capabilities and guide future training investments.
- The NT Government will facilitate information sessions for Territory businesses which identify upcoming work opportunities with the onshore gas industry. The sessions will inform businesses of pre-qualification and contract requirements and processes for registering interest. Territory Business Centres and Small Business Champions will assist Territory businesses to prepare for quality assurance certifications, and to align their capabilities with industry expectations.
- Baseline data on housing demand was established through the Strategic Regional Economic Baseline Assessment, the *Bringing Land to Market Report*, and data contained in the regional economic growth plans for the Big Rivers and Barkly regions. This data will inform investment decisions to address housing needs and will be used when assessing project specific-impacts.
- New amendments regarding Environment Management Plans (EMPs) require interest holders to identify, assess, and manage social impacts on an ongoing basis. When considering an EMP the Department of Environment, Parks and Water

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Security (DEPWS) may require a Social Impact Management Plan, if a significant impact is considered likely.

- NT Government initiatives aimed at improving the ability of the onshore gas industry and Aboriginal communities to engage in consultation about onshore gas development include:
 - in consultation with the Aboriginal Interpreter Services (AIS), the NT Government developed the *Principles of Engagement when using Aboriginal Interpreters* to guide the use of interpreters when engaging with Aboriginal people.
 - the Aboriginal Information Program identified information requirements and developed fact sheets with clear, factual and relevant content about the onshore gas industry. The AIS translated the fact sheets into 17 Aboriginal languages, which are publically available in audio files. Work to identify and respond to information needs in Aboriginal communities will continue over coming years through the Community Engagement and Information Program.

Ongoing monitoring into the future

- Working with businesses and industries in the Territory, the NT Government has introduced a local benefit reporting mechanism that captures agreed local benefit objectives and effective performance measures, including specific outcomes for Aboriginal people. The NT Government will also publish an annual industry-level Local Benefit Report.
- The NT Government will continue to consider mechanisms to build relationships with the community, including ongoing engagement and monitoring of community sentiment, the planned monitoring framework outlined in the Strategic Regional Environmental Baseline Assessment (SREBA) social, cultural and economic study and the Community Engagement and Information Program being delivered by the CSIRO.
- The Department of Industry, Tourism and Trade (DITT) will monitor onshore gas industry activity and consult with stakeholders over the course of each phase of the industry's development to ensure local content outcomes and local economic and employment opportunities are being identified and realised.

- The ongoing new budget reporting system, which identifies where revenue is generated and spent, in conjunction with priorities identified by Regional Development Framework will continue to inform local decision making agreements.
- The NT Government will use baseline data on housing demand and updates to the Northern Territory Land and Property Transactions Report to monitor housing demand, including analysing property sale price activities and the volume of transfers to communities in the Beetaloo region.

Where can I find more information?

Find out more about these reforms in Chapter 10 of the Scientific Inquiry into Hydraulic Fracturing Final Implementation Report.

The NT Government will produce an annual Local Benefit Report which will be available to the public on the NT Government website at nt.gov.au

NT Government decisions about EMPs, including social impact assessments, are available to the public on the DEPWS website at depws.nt.gov.au

The SREBA baseline reports, technical reports and data catalogue, are available at depws.nt.gov.au/sreba

Fact sheets and audio files in Aboriginal languages are available at hydraulicfracturing.nt.gov.au

To report regulatory breaches by the onshore gas industry, anyone can make a toll free, anonymous call to the Onshore Gas Non-Compliance Hotline. The hotline is available 24 hours a day on **1800 413 889**.