

21 May 2021

The Hon Michael Gunner MLA  
Chief Minister of the Northern Territory  
GPO Box 3146  
DARWIN NT 0801

Dear Chief Minister

**RE: PROGRESS ON THE IMPLEMENTATION OF RECOMMENDATIONS FROM  
THE FINAL REPORT OF THE HYDRAULIC FRACTURING INQUIRY - 1  
DECEMBER 2020 TO 30 APRIL 2021**

*General overview*

Field work postponed last dry season has now resumed. This includes exploration activities by the gas industry, work on the Strategic Regional Environmental and Baseline Assessment (SREBA) and consultations with Aboriginal landowners by the Aboriginal Areas Protection Authority (AAPA).

Within this context, implementation of the recommendations continues in accordance with the Inquiry's findings.

This report is to be read in conjunction with the specific recommendation updates available publicly on the website and summary update provided through the community bulletin on progress as at 30 April 2021.

*SREBA*

The SREBA has been designed to close gaps in our knowledge about critical natural systems including ground and surface water, and to understand issues concerning people and communities affected by the industry. This requires on-ground field work and establishing a relationship with people and communities, based on trust.

Field work is taking place this dry season on these components of the SREBA:

- water (ground & surface)
- terrestrial ecosystems
- aquatic ecosystems, including stygofauna and subterranean ecosystems
- methane and greenhouse gases
- economic, cultural and social aspects of the environment.

The scope of work for the environmental health component is being finalised and is due to be completed next month.

*Aboriginal Information Program & Cultural Impact Assessment*

The broad objective of the cultural impact component of the SREBA is to give Aboriginal people an opportunity to understand ways the gas industry may affect maintenance of cultural traditions; how potential harm can be mitigated and any benefits realised. This critical work only started this month and must be expedited this Dry if it is to be completed by the end of next year.

The Aboriginal Information Program is a central component of the cultural impact assessment. Its purpose is to provide independently verified, objective advice about the onshore gas industry - delivered in a culturally appropriate manner.

It has taken much longer than anticipated for the working group (NT Government, AAPA, Land Councils and APPEA) to finalise this program. To ensure this delay does not affect work on the SREBA, CSIRO have been engaged to deliver the Information Program. This includes the capability to provide information in a culturally appropriate manner and to respond to specific requests from communities (e.g. requests arising from the engagement required for the SREBA).

#### *Statutory Land Access Agreements*

From 1 January this year, petroleum companies proposing to start regulated exploration activities on a pastoral lease must have first entered into an agreement (which includes the minimum protections recommended by the Inquiry) with the leaseholder that mandates the terms of entry. This requirement is given effect through the Petroleum Regulations made under the *Petroleum Act* (as amended in June 2020).

#### *EBPC Act amendments*

Discussions are afoot between the Territory and Commonwealth Governments about implementing the Inquiry's recommendation that any onshore shale gas development that may have a significant impact on a natural water source must be approved in accordance with the Commonwealth *Environment Protection and Biodiversity Act* (EPBC Act).

#### *Cost recovery*

Consultation on a proposed cost recovery system is scheduled to take place with industry and stakeholders in the second half of this year.

#### *Merits Review & Financial Assurance Framework*

Amendments to the *Petroleum Act* are being developed to give effect to:

- merits review for decisions under the petroleum legislation with third-party standing;
- a non-refundable levy for the long term-monitoring, management and remediation of abandoned wells;
- development of a financial assurance framework to enable regulations that require an environmental bond or security for onshore petroleum activities;
- a broader range of powers to sanction under the legislation.

#### *Life cycle GHG emissions (R 9.8)*

Negotiations are continuing over a Bilateral Agreement on energy and emissions reduction with the Commonwealth Government that includes meeting the recommendation: "that the NT and Australian governments seek to ensure that there is no net increase in the life cycle GHG emitted in Australia from any onshore shale gas produced in the NT."

#### *Ensuring regional communities' benefit*

To a large extent, implementation of the Inquiry's recommendations designed to ensure that the communities in the Beetaloo Sub-Basin benefit from any shale gas industry in their region will depend on the information gained from the affected communities through the social and cultural impact studies within the SREBA.

The Onshore Gas Supply Chain Working Group, has focussed on capturing information on local procurement and targeted activities including: an Aboriginal Economic Development Strategy for the Beetaloo, “Barkly Futures” – a forum to identify development opportunities in the Barkly region, “Juno Jobs” – a pilot apprenticeships program specific to the Barkly region and a Regional Workforce Strategy specific to the Barkly Region.

The Beetaloo Regional Reference Group (BRRG) has been established as a consultative forum for community views regarding, and providing input into, the SREBA studies within the Beetaloo Region. The BRRG were briefed on upcoming work on the SREBA at their meeting in Katherine on 23rd March.

*Concluding remarks*

As foreshadowed, emphasis on the percentage of recommendations completed invites the risk of underestimating the complexity of, and hence the capabilities and resources necessary to successfully complete the Implementation Plan. Success depends on retaining and fostering the energy and spirit of collaboration between officers across the accountable agencies that, thus far, has enabled the plan to be successfully implemented. This in turn requires that agencies keep focussed on creating systems that are reflexive and adaptive and hence continually improving.

I see evidence that this is now occurring. In March, DEPWS conducted a series of workshops with all current holders of petroleum interests in the Beetaloo Sub-Basin and regulators to improve the way critical information is presented in Environmental Management Plans (EMPs). This included how to ensure transparency around how well integrity, specifically the relationship between EMPs and Well Operation Management Plans (WOMPs) in the regulatory and approval process. This work focussed on risks assessed as “low probability/high consequence” and initiated a revision of the way EMPs are assessed. A new EMP assessment framework is being developed and will be made publicly available.

The most important body of work still to be completed is the SREBA. The aspect of the SREBA involving the establishment of relationships based on mutual understanding with the people and communities affected by the onshore gas industry, must be given the highest priority if it is to be completed by the end of 2022.

I am in regular contact with the Hydraulic Fracturing Inquiry Chief Executive Officer’s Steering Group, Onshore Shale Gas Community Business Reference Group (CBRG) members, Senior Officers from across the accountable agencies, members of industry, Protect Country Alliance, other NGOs, and the broader community who have an interest in this work.

This has informed my opinion that implementation continues in accordance with the Inquiry’s findings.

Yours sincerely



DR DAVID RITCHIE  
21 May 2021

