

NT lifts moratorium on fracking

April 2018

On 17 April 2018 the Northern Territory Chief Minister Michael Gunner announced the moratorium on fracking in the Northern Territory would be lifted.

The announcement follows an independent Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the Northern Territory. The Gunner Government committed to implementing all [135 recommendations of the Inquiry](#).

The Territory Government has allocated \$5.33m over three years towards implementing the recommendations. Work on a detailed implementation plan will begin immediately and be completed and released to the public in July 2018.

The 135 recommendations the Gunner Government will implement include:

- The Territory Government will explore developing and implementing a tiered regulatory model such as the one in South Australia, whereby gas companies with a demonstrated record of good governance and compliance require a lower level of monitoring, with a corresponding reduction in regulatory fees.
- Prior to the granting of any further exploration approvals, the Territory Government will develop and implements a transparent compliance and monitoring strategy, having regard to the principles set out in the *ANAO Administering Regulation: Achieving the right balance* guide, and the policy in South Australia.
- Prior to the granting of any further production approvals, the Territory Government will explore establishing a one-stop-shop, independent shale gas regulator to oversee all aspects of any onshore shale gas industry in the NT (with the exception of the grant of exploration permits and the grant of water approvals).
- The Territory Government will formulate a cost recovery model to ensure companies contribute to responsible operation of the industry.
- Prior to any further exploration approvals, the Water Act and Petroleum Environment Regulations be amended; and prior to any further production approvals, whistleblower protections be introduced.

As part of the response, the Gunner Government committed to strict new laws and environmental protection measures, with an independent officer to be appointed to oversee the implementation. Environmental protection measures include:

- 49% of the Territory being off limits for fracking, including in National Parks, Conservation Areas, Indigenous Protected Areas, towns, residential and strategic assets, and areas of high cultural, environmental or tourism value.
- All Environmental Management Plans for fracking to be assessed by the EPA and signed off by the Minister for the Environment.
- New requirements to be met before exploration approval is granted including codes of practice for well integrity and well decommissioning, development of wastewater management frameworks, and a requirement for gas companies to obtain a water license.
- New requirements to be met before production can take place including the development of monitoring strategies, discussions with industry and pastoralists regarding land access requirements and compensation, and release of all Environmental Management Plans for public comment.
- Broad powers to seek judicial and merits review of statutory decisions.



- New powers to sanction non-compliance, civil enforcement proceedings and increased criminal penalties for environmental harm.

The Territory Government will soon seek comment on draft Climate Change and Environmental Offset policies which it hopes to finalise in 2018.

Chief Minister Gunner has written to the Prime Minister, Malcolm Turnbull, and the Federal Leader of the Opposition, Bill Shorten, seeking their agreement to partner with the Territory Government in offsetting additional emissions.

A community and industry reference group will be established to ensure Territorians have a mechanism to formally contribute to the implementation of the recommendations.

Further Information

Further information on the NT Government's response to the Inquiry is available at <https://frackinginquiry.nt.gov.au/>.

For more information contact your Northern Territory Hawker Britton consultant [Claire March](#) on +61 403 937 849.