

P: +61 8 8982 8100
F: +61 8 8981 1405
E: darwin@chambernt.com.au

Suite 5/4 Shepherd Street
Darwin, Northern Territory
0800 Australia

GPO Box 1825
Darwin, Northern Territory
0801 Australia

ABN 36 160 572 513

www.chambernt.com.au

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Hydraulic Fracturing Taskforce
GPO Box 4396
Darwin, NT 0801, Australia

The Northern Territory Chamber of Commerce and Industry is the largest employer association in the Territory, with 1250 members from across the NT. Our members range from large corporates through to sole traders, with the majority employing less than 20 staff. The objects of the Chamber are to promote the interests of the members generally and as “The Voice of Territory Business” to promote in particular the establishment and development of trade, commerce and industry and all forms of economic and business activity whether domestic or international in the Northern Territory and Australia.

The Chamber was pleased to meet with members of the Taskforce earlier this year, to provide input to the review. At that time, from our members’ perspective, we raised the following;

- We hope the outcome of the review will be a green light for onshore gas development to proceed within a sustainable and environmentally friendly manner.
- If this is the outcome, we would like some reassurance that any royalties from onshore gas will flow immediately to the NT Government based on the number of kilojoules of energy extracted – and not depend on the companies involved reaching a profitable phase.
- This revenue can then be deployed to the benefit of all Territorians by providing strategic infrastructure and delivering better education and health services.
- We also urged the Inquiry to challenge the companies to maximise local employment and business opportunities and demonstrate how they were going to be socially responsible by avoiding a FIFO workforce.

The Northern Territory economy has historically been project driven and we are now approaching the final stages of the construction of the Ichthys LNG project. The completion of this project and the cessation of mining at Ranger in 2021 will have significant impacts on the NT economy, which will only be partly offset by planned projects such as Dept Defence infrastructure, Sea Farm’s aquaculture project and various minerals developments. The on-shore shale gas industry offers significant opportunity for economic development across the Territory, in regions where jobs and industry are in short supply.

The Chamber has regularly sought feedback from its members and, while there are differences in opinion regarding the science of hydraulic fracturing, the business community is united in recognising the imperative for further economic development in the NT. Business confidence was negatively impacted by the implementation of the moratorium and this has continued through this calendar year.

We have seen significant media attention focussed on the impacts of national gas shortages and the NT can be part of the solution through the Northern Gas Pipeline with existing gas reserves. The opening up of our on-shore shale gas reserves would present the opportunity for further investment in this infrastructure and help drive the NT economy forward.

One of the key issues facing the development of the Northern Territory is our low population growth. We have managed to overcome some of the primary barriers to attracting people to the North, through more competitive cost of living, more attractive skilled migration options and better housing opportunities. This needs to be linked to ongoing job opportunities, which the availability of competitively priced energy from our abundant on-shore gas reserves could provide, through the incentive for significant industries to develop here. Any development would need to be done within a sustainable and environmentally friendly manner, however we urge that any regulation be done using best practice that has assisted the development of the industry around the world. Tying up developments in mountains of green and red tape is not conducive to stimulating investment, regulation needs to be sensible rather than prohibitive.

The Chamber makes no assertions regarding the science of hydraulic fracturing, other than to note that it has been safely carried out in the Northern Territory at Mereenie for many years. We also note that hydraulic fracturing is acceptable in Queensland and South Australia, giving these states a significant competitive advantage over the Northern Territory in attracting investment and meeting the needs of the nation. We would like to see the Northern Territory in the same position as these two states, to ensure that Territorians have similar economic opportunities to the rest of Australia.

The Northern Territory has not been in a position to wean itself off the Federal Government funding cycle and the on-shore shale gas industry has the potential to change that dynamic. The GST formula that has delivered significant funding to the NT is under pressure from other states and to have control of the royalties that would be received into NT coffers would leave us in better control of our future.

Yours Faithfully



Greg Bicknell

Chief Executive Officer