



Legislation Review - Petroleum: Recommendations – Initial Responses - Progress

	Recommendation	Action	Initial Government Response – Feb 2013	Progress – June 2013	Status as at April 2014
1	The NT Department of Resources (NT DoR) should mandate full, transparent disclosure of all chemicals used in NT fracking operations. This disclosure should be made available on the NT DoR website, and should provide detailed information on the chemicals used and location of use.	Agreed	<p>The Department of Mines and Energy (DME) website</p> <p>http://www.nt.gov.au/d/Minerals_Energy/index.cfm?newscat1=&newscat2=&header=Chemicals%20Disclosure%20List</p> <p>includes information on location of chemicals used in fracking activities.</p>	To be updated as activity continues.	<p>Chemical Disclosure clauses are being incorporated in the Environment Regulations currently being drafted.</p> <p>In the interim Operators conducting stimulation activities must disclose chemicals intended to be used. Appropriate information is uploaded on the web. If Companies do not wish to disclose chemicals, relevant activities will not be approved.</p>
2	Given the unique climate, landforms and biodiversity of the NT, preservation of these natural features of the NT should be afforded complete environmental protection to ensure that these unique landscapes are preserved and maintained.	Noted	<p>Environmental considerations are assessed for all projects.</p>	<p>All petroleum activity applications are assessed by DME to meet leading environmental practices under the petroleum legislation.</p> <p>All petroleum activity applications are also evaluated for referral and assessment requirements under the <i>Environmental Assessment Act</i>. See NTEPA guidelines.</p>	<p>Ongoing practice of referring activities to the EPA, monthly meetings at an operation level with EPA & DME officers. During the Public Inquiry into Hydraulic Fracturing all matters are referred to EPA to share information and raise awareness of DME regulatory processes.</p> <p><i>Petroleum Act</i>, Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014.</p> <p>Ongoing</p>

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3	Given the importance of water, land and land management to indigenous peoples in the Northern Territory, access to water, use of water and prevention of aquifer contamination should be of utmost consideration when regulating the development of UGR in the Northern Territory.	Agreed	See recommendation 2 and 4. The <i>Water Act</i> & the <i>Waste Water Management Act</i> are being reviewed to ensure adequate regulation of water resources including those areas subject to petroleum activities.	In line with regulatory approvals under the petroleum legislation, groundwater baseline assessment and monitoring is required before, during and after activities. To be undertaken by the explorer/operator commensurate with the approvals of the activity.	Completed Water clauses are being included in the Environment Regulation currently being drafted. Enactment is anticipated in the second half of 2014.
4	Given the importance of water for NT cattle grazing enterprises and indigenous populations, the NT Government should embark on establishing underground water resources baseline data prior to unconventional gas resource activities. Further, during and after the development of these resources, groundwater monitoring should continue to ensure underground water resources are not polluted by these activities.	Accepted in part	The <i>Water Act</i> & the <i>Waste Water Management Act</i> are being reviewed to ensure adequate regulation of water resources including those areas subject to petroleum activities.	In line with regulatory approvals under the petroleum legislation, groundwater baseline assessment and monitoring is required before, during and after activities. To be undertaken by the explorer/operator commensurate with the approvals of the activity. Commitment by NT Government to establish Territory wide base line ground water data to enable informed future assessments of aquifers.	Completed An opportunity exists for collaboration between Industry, NT Government, CSIRO and GA to undertake baseline studies at a basin level. DME will pursue these opportunities. Completed As activities occur, base line water data is reported by Operators – Ongoing. Additionally Water clauses are being included in the Environment Regulation currently being drafted. Enactment is anticipated in the second half of 2014.
5	The development of unconventional gas resources in the Northern Territory should necessarily include opportunities for employment for Aborigines. However, given the significant literacy and numeracy impediments for indigenous residents, the Northern Territory Government will	Noted and Supported	The NT Government supports Indigenous employment opportunities.	Consultation and engagement with companies is continuing. Additional employment policy and conditions to grant conditions. Department of Education / Charles Darwin University Oil	Ongoing Ongoing Note: Employment is a corporate

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	need to work in partnership with relevant groups and individuals to improve rates of participation in education, particularly in remote traditional communities, to provide future employment opportunities in the unconventional gas sector.			and Gas Centre is skilling appropriate oil and gas resources for Industry.	consideration, although when title granted on ALRA affected land, Indigenous employment is incorporated in the terms and conditions of the access agreements. On Native Title affected land, the Tripartite Deed has an additional ancillary agreement outlining terms, conditions and dollar values in relation to the proposed activities. Although DME is not party to nor views the ancillary agreement, employment conditions are known to be included.
6	The development of unconventional gas resources in the Northern Territory should necessarily include detailed infrastructure planning and analysis prior to the development of large-scale production operations. This planning should necessarily consider the geographical features of the Darwin Peninsula, and plan for considerable expansion of petroleum transport and processing facilities.	Noted	Planning for proposals which require new, or the use of existing infrastructure, requires a whole-of-government approach.	Greater Darwin Area development plans to include consideration for oil and gas exploration, development and transmission to market. Energy policy on NT Government strategic future development plans being developed.	Currently geographical studies of the NT around petroleum are being conducted (NTGS). DME participates in infrastructure planning at a cross government level. APA is also conducting a feasibility study into an NT east coast connection pipeline. Underway
7	Given the existence of remnants of safety provisions within the Schedule of Onshore Petroleum Exploration and Production Requirements, the NT DoR should, in conjunction with NT WorkSafe, undertake an assessment of the existing Schedule of Onshore Petroleum Exploration and Production Requirements to ensure that ALL safety provisions have been transferred to NT WorkSafe.	Agreed	The revised Schedule (2012) has been drafted in collaboration with NT Worksafe and all OH&S matters have been removed. Schedule (2012) is on the DME website.	Revised Schedule of Onshore Petroleum Exploration and Production Requirements 2012 on DME website. Petroleum Regulations (Environment Management and Resource Management) drafted to replace Schedule.	Completed Environment Regulations draft being reviewed. Outcome of review due end of June 2014. Following stakeholder consultation, enactment is anticipated in the second half of 2014. <i>Petroleum Act</i> review and drafting to take place 2014/2015 and enactment anticipated January 2016. Risk/outcomes based approach to be considered.

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8	The NT DoR draft Resource Management and Administration Regulations for the regulation of onshore petroleum activities, including the regulation of unconventional gas resource activities.	Agreed	Drafting of Petroleum Regulations has commenced and planned to be available for comment 2013.	Petroleum Regulations (Environment Management and Resource Management) being drafted to replace Schedule	<i>Petroleum Act</i> , Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014, followed by the Resource Management Regulations which will replace the Schedule.
9	The NT DoR undertakes to develop standardized onshore approvals processes for onshore petroleum activities, including the regulation of unconventional gas resource activities. These processes should mirror the processes already established for offshore petroleum activities.	Agreed	The development of DME standards is based on leading practices and national agreed requirements for oil and gas activities and mirrors the offshore legislative approval process where appropriate. Approval process requirements are available at: http://www.nt.gov.au/d/Minerals_Energy/index.cfm?header=Energy%20Forms%20and%20G	Standards completed	Conversion to Regulations underway (refer item 7).
10	The NT DoR undertakes planning for the future development of staff resources to accommodate likely increases in workloads relating to the approval and regulation of onshore unconventional gas resource development.	Agreed	DME is considering the best approach to resource future regulatory requirements. An agreement is in place which enables the NT Government to source suitably qualified resources from neighbouring jurisdictions when required.	NT Government has established the Energy Directorate in DME to administer the full life cycle of Energy, from upstream exploration and production, midstream infrastructure for delivery of oil and gas and downstream supply / customer base / business. Including long term policy and strategic planning of Territory energy needs. Staff resources are being considered and will be recruited to the appropriate level.	Ongoing Energy Directorate established. Recruitment in progress to gather the necessary expertise to administer the full life cycle of energy. Energy Policy being developed, following consultation with relevant stakeholders, assessment of infrastructure and the input of resources when recruitment is finalised.

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11	The NT DoR should ensure that API standards pertaining to well design, construction and completion are incorporated into any regulations drafted.	Agreed	API Standards are currently a requirement of the <i>Petroleum Act</i> Schedule, and where appropriate, will be included in the drafting of Petroleum Regulations.	Petroleum Regulations (Environment Management and Resource Management) being drafted to replace Schedule. API standards will be referenced in regulations.	<i>Petroleum Act</i> , Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014. Followed by the Resource Management Regulations which will replace the Schedule.
12	The <i>Petroleum Act</i> (NT) requires amendment to incorporate field development planning and field abandonment. The requirements for field abandonment should also be incorporated into any regulations drafted.	Agreed	An Environment Management Plan is currently required under the <i>Petroleum Act</i> Schedule, which includes addressing field development and abandonment planning, will be considered for 'uplifting' and inclusion in the drafting of Regulations.	Petroleum Regulations (Environment Management and Resource Management) being drafted to replace Schedule. Complete cycle of field development to be referenced in regulations.	<i>Petroleum Act</i> , Environment Regulation currently being drafted. Enactment is anticipated in the second half of 2014. Followed by the Resource Management Regulations which will replace the Schedule.
13	Given the unique landforms, extremes in climate and importance of water resources to all stakeholders, the NT DoR should implement drilling competency standards for all drillers operating in the NT. In addition, all drillers should undertake mandatory induction training for drilling in the NT, encompassing safety, environment and resource management.	Agreed	Drilling competency standards are required by NT Worksafe for OH&S. Petroleum regulations for environment and resource management are required to meet API standards.	Develop and introduce "drilling standards" or policy / procedures for environmental and resource considerations that are unique to the NT. To compliment Worksafe requirements.	Underway
14	The environmental protection regulatory framework for petroleum should be reviewed. Regard should be given to implementation of a separate, overarching environmental protection act, or the application of current water, waste management and pollution control legislation to petroleum activities.	Agree in part	The NT Government has undertaken a review of environmental regulation. The NT Environment Protection Authority (NTEPA) provides an overarching independent body for assessment and investigation of environment matters. The <i>Waste Management and Pollution Control Act</i> and the <i>Water Act</i> are being reviewed.	The NTEPA has developed new guidelines on: <ul style="list-style-type: none"> The referral of applications for assessment under the <i>Environmental Assessment Act</i>; and Environmental assessment of proposals using fracking techniques. These will address water and waste management. 	Completed Guidelines for drilling, well integrity and fracturing currently in place and practice. During the Hydraulic Fracturing Inquiry all activities are referred to the EPA. Currently a Fracking Inquiry is being undertaken, this may result in amendment to current practices. <i>Petroleum Act</i> , Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014.

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				Both guidelines were available for public comment prior to finalisation. The NTEPA is reviewing the <i>Environmental Assessment Act</i> , the <i>Waste Management and Pollution Control Act</i> .	Followed by the Resource Management Regulations which will replace the Schedule.
15	Regulation of petroleum resources management and the environment should be split within the NT DoR. One agency should be responsible for environmental assessment in relation to onshore petroleum resource activities.	Noted	Current and prospective workloads and the structure and resourcing of DME are not considered to warrant the separation of regulation for resource management and environmental assessment for petroleum projects at this time. The NT EPA provides overarching independent transparent environmental assessment for petroleum activities. Water and pollution issues are part of the reviews of the <i>Waste Management and Pollution Control Act</i> and the <i>Water Act</i> .	With the formation of the Energy Directorate, and the current workloads for each, resource management and environmental management have two (2) separate teams within DME. Current Industry activity does not warrant any further separation at this time, to be assessed on a regular basis. All petroleum activity applications are also evaluated for referral and assessment requirements under the <i>Environmental Assessment Act</i> . See NTEPA guidelines. The NTEPA is reviewing the <i>Environmental Assessment Act</i> and the <i>Waste Management and Pollution Control Act</i> . The Department of Land Resource Management (DLRM) is reviewing the <i>Water Act</i> .	Ongoing During the Public Inquiry into Hydraulic Fracturing all matters are referred to EPA to share information and raise awareness of DME regulatory processes. As part of DME's assessment of resourcing requirements, the need to establish an environmental function was recognised and a recruitment process is underway. Additionally there will be separation of the approval and audit functions. The NTEPA is reviewing the <i>Environmental Assessment Act</i> and the <i>Waste Management and Pollution Control Act</i> . Consultation when required is conducted with Land Resource Management – Water. This will be firmed up when the water clauses are included in the <i>Petroleum Act</i> , Environment Regulations. The <i>Water Act</i> is also being reviewed although this is not within DME jurisdiction.

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16	The NT DoR should draft environmental regulations for the protection of the environment with respect to onshore petroleum activities, including the regulation of unconventional gas resource activities. The drafting of these regulations should be high priority.	Agreed	As per recommendation 8: Drafting of Petroleum Regulations has commenced and are planned to be available for comment 2013.	Petroleum Regulations (Environment Management and Resource Management) being drafted to replace Schedule	<i>Petroleum Act</i> , Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014. Followed by the Resource Management Regulations which will replace the Schedule.
17	The NT DoR should ensure that API standards pertaining to environmental protection are incorporated into the environmental regulations when these regulations are drafted.	Agreed	As per recommendation 11: API Standards are currently a requirement of the <i>Petroleum Act</i> Schedule and where appropriate, will be included in the drafting of Petroleum Regulations.	Petroleum Regulations (Environment Management and Resource Management) being drafted to replace Schedule. API standards will be referenced in regulations	<i>Petroleum Act</i> , Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014. Followed by the Resource Management Regulations which will replace the Schedule.
18	The process for the allocation and regulation of water resources in the Northern Territory should be reviewed. Legislative provisions rather than soft law provisions should be adopted for water resource allocations to all users, including those undertaking petroleum or mining operations, to ensure that all stakeholders have adequate and equitable access to water resources.	Noted	The <i>Water Act</i> provides for the inclusion of mining and petroleum activities in water allocation planning. Water and pollution issues are part of the reviews of the <i>Waste Management and Pollution Control Act</i> and the <i>Water Act</i> .	All petroleum activities to be regulated under the <i>Waste Management and Pollution Control Act</i> and the <i>Water Act</i> . The NTEPA is reviewing the <i>Waste Management and Pollution Control Act</i> . DLRM is reviewing the <i>Water Act</i> .	Ongoing <i>Petroleum Act</i> , Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014. Followed by the Resource Management Regulations which will replace the Schedule. Water allocation is legislated through other departments.
19	An inter-departmental water panel be established, comprising appropriate staff from NRETAS and NT DoR, to ensure that water planning and allocation for all activities, including UGR activities, is coordinated between the agencies.	Agree in principle	The taskforce is to consider options for strengthening interdepartmental liaison on water allocation planning where potential unconventional oil and gas industry activities may be involved.	Committee / panel formed to consider strategic planning of water resources involving Energy exploration and production requirements.	Water issues are referred to and commented on by DLRM – water. The DME Energy Directorate is currently in discussion with the Executive Director, Water Directorate about the review of the <i>Water Act</i> and establishing an MOU between the agencies.

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20	A legal framework should be implemented that confers the regulation of all aspects of water pollution and contamination arising from petroleum activities under a single agency and a single Act.	Noted	To be considered during review of the <i>Waste Management and Pollution Control Act</i> and the <i>Water Act</i> .	All petroleum activities to be regulated under the <i>Waste Management and Pollution Control Act</i> and the <i>Water Act</i> .	Refer Point 19
21	In implementing a regulatory framework for the management of unconventional gas resource activities, the NT DoR should require the integration of a wastewater management plan into the exploration and production of petroleum, incorporating well abandonment and field abandonment. This plan should be based on best practice, taking into account domestic and international experiences. It should be regulated by the government agency best equipped to monitor and regulate water resources.	Agreed	The taskforce has implemented interim arrangements for petroleum activities including those for well integrity and water management. The review of the <i>Petroleum Act</i> is to include legislating of the interim arrangements.	Petroleum Regulations (Environment Management and Resource Management) being drafted to replace Schedule. Water requirement will be described in legislation; waste water management is included in the environment management plan approvals.	<i>Petroleum Act</i> , Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014. Followed by the Resource Management Regulations which will replace the Schedule.
22	The NT DoR should ensure that API standards pertaining to water are incorporated into the regulatory framework.	Agreed	API Standards are a requirement of the current <i>Petroleum Act</i> Schedule and where appropriate, will be transitioned into the Petroleum Regulations.	Petroleum Regulations (Environment Management and Resource Management) being drafted to replace Schedule. API standards will be referenced in regulations	<i>Petroleum Act</i> , Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014. Followed by the Resource Management Regulations which will replace the Schedule.

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23	Recognising the significant effects of UGR petroleum activities, especially drilling activities, on the environment, water resources and landforms, on-site inspection of critical UGR well activities, including hydraulic fracturing and well abandonment, should be undertaken. The DoR should consider the funding of these Inspectors on a cost recovery basis similar to the regulation of offshore petroleum safety.	Agreed	Leading industry oil and gas practices based on those used by the Western Australian Government and the Australian Petroleum Production and Exploration Association's (APPEA) Code of Practice for Fracturing have been mirrored in NT requirements. Cost recovery for regulating activities may warrant further consideration and assessment of practices undertaken in other jurisdictions.	Petroleum Regulations (Environment Management and Resource Management) being drafted to replace Schedule. These include the complete cycle of fracturing / stimulation of a well. Inspectors are included in the structure of the Energy Directorate and will be appropriately skilled. Cost recovery options are being considered.	<i>Petroleum Act</i> , Environment Regulations are currently being drafted. Enactment is anticipated in the second half of 2014. Followed by the Resource Management Regulations which will replace the Schedule.
24	The NT DoR should develop a Land Access Code for landholders. Preferably, the Land Access Code should be modelled on the existing Queensland Code.	Noted	The NT Government is working with the Commonwealth and other jurisdictions in formulating a National Framework for Land Access.	The Energy Directorate is a member of the workgroup for the National Multiple Land Use Framework under SCER. The NT will utilise relevant sections of the framework where suitable for NT conditions.	Land access negotiations form part of the application negotiation processes either under ALRA or <i>Native Title Act</i> (NTA). A Model Access and Compensation Agreement which will be co-badged by APPEA and the NTCA is near completion. This will guide both pastoral lessees and oil and gas proponents in developing their land access agreements.
25	The NT DoR should, in consultation with the NT Mineral Council, develop a code of conduct for onshore petroleum explorers in the NT.	Agree in Principle	DME is to consider developing a code of conduct for onshore petroleum explorers in consultation with APPEA.	APPEA and DME are developing a Code of Conduct for petroleum explorers and producers that will take into account land access, multiple land use, landowner rights, etc. similar to the Mineral Explorers Code of Conduct.	Industry is taking a national approach in developing a code of conduct to guide onshore oil and gas field lifecycle activities.
26	The NT DoR should consider land use activities in the grant of petroleum titles, and that land use reservations should be adopted where appropriate.	Noted	Consideration to other land use is given prior to the grant of petroleum tenure. The review of the <i>Petroleum Act</i> will further assess this process.	Already part of the application / grant process under Petroleum Legislation.	There are existing processes. Land use considerations form part of the application negotiation processes either under ALRA or NTA. Reserved Blocks (no petroleum activities

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					<p>can occur) in place. E.g. Greater Darwin Area, Katherine, Tennant Creek, Alice Springs and the West McDonnell Range, Uluru.</p> <p>The DME is working with the Department of Parks and Wildlife towards creating Reserve Blocks over other sensitive areas.</p>