



WORK OF THE INQUIRY TO DATE

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2.1 Stakeholder engagement program

As stated in Chapter 1, the Inquiry was directed to consult widely with Territorians about their views on the development of any onshore unconventional shale gas industry in the NT.

The Inquiry implemented an extensive stakeholder engagement program that included opportunities for the public to make written submissions and consult directly and indirectly with the Inquiry. The issues raised during the course of this program that fell within the Terms of Reference have informed the work of the Panel.

The first round of consultation took place in March 2017, following the release of the Issues Paper. It consisted of public hearings and community information and engagement sessions, or 'community forums'.

Following the release of the *Interim Report* in July 2017 (**Interim Report**), a second round of consultation was undertaken during August 2017 in the same format as the first round. And following release of the *Draft Final Report* in December 2017 (**Draft Final Report**), a final round of consultation was undertaken in February 2018.

A summary of the discussions that occurred during the first, second and third rounds of consultations is contained in Chapter 3.

2.1.1 Public hearings

Two rounds of public hearings were conducted in 2017 and one round in 2018. The hearings were open to anyone who had registered in advance. The Inquiry held 151 public hearings in Alice Springs, Tennant Creek, Katherine and Darwin. Presenters included members of the public, environmental groups, the gas industry, pastoralists, Aboriginal land managers, Land Councils local governments, and other stakeholders. A full list of those who attended the hearings is found at Appendix 7.

The hearings were recorded and live-streamed on the Inquiry's website to facilitate access for those who could not otherwise attend in person. During March and August 2017 and February 2018, the live-stream was viewed by almost 2,000 people, including those in Canada, US, Ireland, UK, Hungary, Spain and Switzerland. The video recordings are available to be viewed on the Inquiry's Submission Library website page at www.frackinginquiry.nt.gov.au/submission-library. The video recordings and transcripts of each hearing, as well as any documentation provided by the presenters (the documents were tabled as a submission to the Inquiry), are available to view on the Inquiry's Submission Library website page listed under the name of the organisation or person who presented at www.frackinginquiry.nt.gov.au/submission-library.

The hearings were open to the public and the media. Media were also allowed to separately record the hearings.



Public hearing held in Katherine. August 2017.

2.1.2 Community forums

Consultation during the Inquiry has also included community forums. These forums were designed to encourage active discussion and participation by those who attended. They were open for anyone. Prior registration was not a prerequisite to attendance. A full list of the community forums is contained in Appendix 8.

Media were allowed to attend but were not permitted to audio record the forums, in order to facilitate open discussion.

The first round of community forums commenced with a brief presentation from either Prof Peter Flood or Dr Ross Smith, explaining the process by which onshore shale gas is extracted. The attendees then broke into smaller roundtable groups, each with an allocated Panel member, to discuss the issues raised by the presentation, identified in the Issues Paper, or any other concerns or comments that the community wanted to raise. At the conclusion of the group discussions, each Panel member presented a summary of the group discussion to the entire forum.

The second and third round of community forums featured a presentation by the Panel of the Inquiry's work to date, the content of the Interim Report and the Draft Final Report and a description of future work of the Inquiry. Group roundtable discussion occurred following the presentations.

The group roundtable format was designed and utilised to encourage broad participation from the community by enabling a greater number of people to speak in a smaller setting. The roundtable format was very well received by attendees in all communities.



An Inquiry community forum held in Elliott. July 2017.

2.1.3 Northern Territory visits and stakeholder consultations

Between 20 and 24 February 2017, the Chair and the Deputy Chair, Prof Barry Hart AM, met with stakeholders at various locations in the Territory to discuss the work of the Inquiry and to seek their input into the first round of community consultations.

A full list of stakeholder meetings is at Appendix 5.

On 4 July 2017, the Chair and Dr Alan Andersen travelled to Newcastle Waters to meet with the traditional owners of that area and then on to Elliott to meet with a number of community members. Representatives from the Northern Land Council (**NLC**) attended the meeting at Newcastle Waters. At both meetings, a range of issues were discussed, including the need to be properly and fully informed and consulted in respect of any potential onshore shale gas activities on Aboriginal and native title land (that is, the need to be told of both the benefits and the potential adverse consequences of the development); the need for the NLC to act in a wholly disinterested manner in conducting negotiations with gas companies on behalf of Aboriginal people, the concern of Aboriginal people of the capacity for environmental and cultural damage to occur as a result of any onshore shale gas industry (especially with respect to water, traditional cultural practices, bush tucker and sacred sites); and the need to ensure that the benefits of any onshore unconventional gas development flowed to the communities upon whose land the development would take place, in particular, the need to create and retain local employment opportunities.

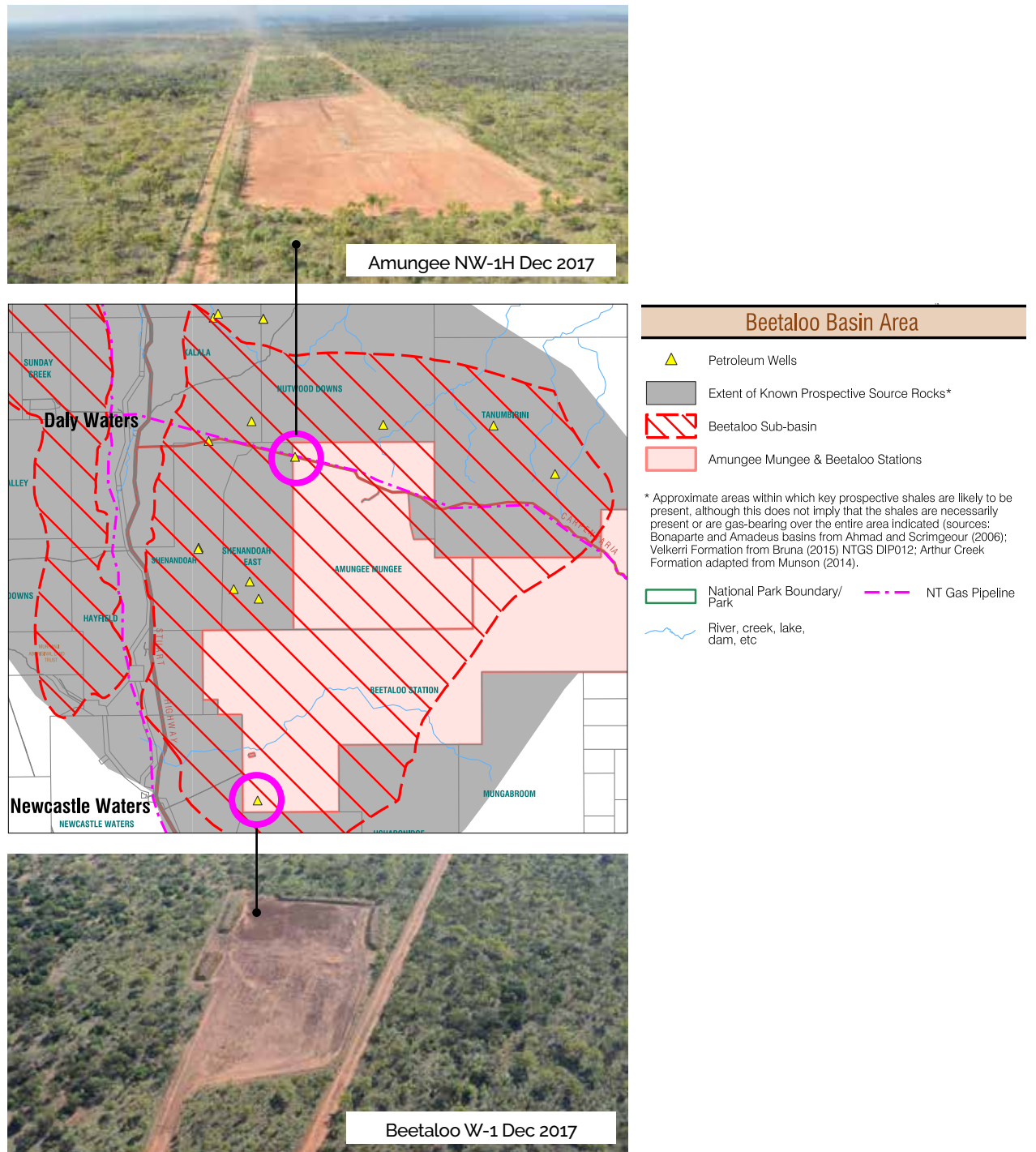
On 5 and 6 July 2017, the Chair, again accompanied by Dr Andersen, visited two NT pastoral stations, namely, Hayfield Station, operated by the Dyer family, and Maryfield Station, operated by North Star Pastoral Pty Ltd. The purpose of this visit was to understand, firsthand, the operation of a cattle station in order to assist in evaluating the potential impacts, both adverse (for example, disruption to business) and beneficial (improvements in infrastructure and the creation of an ongoing revenue stream) that any onshore shale gas development might have on that industry.

On 28 August 2017, the Panel visited a gas field operated by Central Petroleum Limited (**Central Petroleum**) in Palm Valley, Central Australia. The Palm Valley Gas Field is not currently producing gas. The Panel viewed gas well infrastructure, including pipelines and water retention ponds.

On 13 December 2017, the Panel travelled to the Beetaloo Sub-basin to speak with pastoral lessees regarding exploration, well construction and testing of shale gas wells on their properties. The Panel met Mrs Jane Armstrong on Beetaloo Station (7,078 km²) and Mr Adrian Brown on Amungee Mungee Station (3,169 km²). These stations fall within EP 98 and EP 117 respectively, both of which are administered by Origin Energy Limited (**Origin**). Beetaloo Station has had two wells constructed on it over the past 10 years: one by Sweetpea Petroleum Pty Ltd (prior to 2010); and one by Origin in 2015. The first well did not proceed to production and has since been abandoned. The second well has been drilled and tested but not hydraulically fractured. The single horizontal well which was drilled on Amungee Mungee Station is the most recently hydraulically fractured well in the NT and the first that has been horizontally drilled and production tested. The Panel inspected that well and the well pad.

Finally the Panel visited Central Petroleum's facilities at Mereenie gas field on 14 December 2017. The Mereenie gasfield covers an area of approximately 130km² in the Western Amadeus Basin, 250km west of Alice Springs. The fields are located on Luritja Aboriginal land and are contained within NT petroleum leases OL4 and OL5. Production commenced in 1984. The workforce constitutes approximately 40 people, of which 60% are based in Alice Springs and 12 are Aboriginal. Forty-five of the 65 predominantly vertical sandstone wells (tight gas) located on the gasfield have been hydraulically stimulated.

Figure 2.1 Extract from the Beetaloo Sub-basin showing stations visited by the Panel and respective well locations.



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2.2 Departmental briefings

Various government departments, both within the NT and from other jurisdictions, have briefed the Panel on subjects relevant to the work of the Inquiry. The purpose of these briefings was to provide essential background information on a range of topics. A list of the briefings is set out at Appendix 6.

It should be noted, however, that apart from these briefings and the written submissions provided to the Inquiry, no Government department or agency has made a public appearance before the Panel. This has done little to enhance public confidence and trust in the Government.

2.3 Interstate visits and stakeholder meetings

On 31 January 2017, the Panel undertook an interstate visit to South Australia (**SA**) to consult with officers of the Energy Resources Division of the Department of State Development about the regulatory framework governing conventional and unconventional onshore gas development in that State. Consultation also took place with the Nuclear Fuel Cycle Royal Commission Consultation and Response Agency to discuss models of community engagement.

On 1 and 2 February 2017, the Panel travelled to Moomba in SA to conduct a two day site visit of Santos Ltd's (**Santos**) operations in the Cooper Basin.

The purpose of the visit was to observe drilling and hydraulic fracturing activities associated with deep gas (shale and tight gas) extraction, rather than CSG extraction.

The type of gas extraction witnessed at Santos's operation in the Cooper Basin was tight gas, not shale gas. However, the infrastructure, processes and supporting operations observed were relevantly comparable to those of a typical onshore shale gas operation.

The field trip was an important activity to undertake during the early stages of the Inquiry in order to better understand the size and scale of the hydraulic fracturing process for deep gas extraction and its impact on the local environment.

During the two day visit, the Inquiry witnessed the hydraulic fracturing of a fracture stage at the Allunga 2 and 3 well pads, as well as the equipment and processes associated with the hydraulic fracturing. At the site, the Panel observed a demonstration of the composition and mixing of hydraulic fracturing fluid used at that location. The Panel also visited a producing gas well at the adjacent Allunga 1 well pad.

At the Caraka 2 well site, the Panel witnessed the drilling of a well for the purpose of hydraulic fracturing, and the associated infrastructure and equipment. The Panel had a tour of the drilling rig floor and the storage area used for surface and production casing.

While on-site board and lodgings (one night) and ground transportation were provided by Santos, the remaining costs associated with the trip were paid for by the Inquiry.



Hydraulic fracturing operation in Moomba, South Australia.

On 18 and 19 July 2017, the Panel went to Canberra, ACT, to meet with a range of Commonwealth stakeholders, including the Department of the Environment and Energy. The environmental risks of the chemicals used during CSG extraction were discussed, together with the funding announcement in the 2017 federal budget for combined geological and bioregional resource assessments. Also discussed was Australia's current emissions reductions targets, whether or not a supply of natural gas to the east coast of Australia could assist in meeting these targets, and the role of the Northern Gas Pipeline.

Between 24 and 28 July 2017, the Inquiry travelled to Queensland to meet with stakeholders directly affected by CSG exploration and extraction, consult with government regulators and visit a CSG field operated by Santos.

During an evidence gathering tour of the Darling Downs and south west region of Queensland, the Panel met with landowners, local government and businesses in Dalby, Roma and Miles that were directly involved with or affected by CSG development. The Panel spoke with people who had been adversely affected by CSG development, especially landowners whose interactions with unconventional gas operators had been unfavourable, including Ms Helen Bender and Mr John Jenkyn. Some of the people the Panel spoke to complained of the deleterious health effects of living in close proximity to CSG development. With others, the detrimental social impacts of a rapid escalation in CSG activity were discussed (see Chapter 12).

But, the Panel also met with farmers who had enjoyed the beneficial use of processed produced CSG water for irrigation and cattle grazing, which had resulted in increased productivity and income. The Panel also visited the Miles State High School Trade Centre, which in partnership with Origin provides vocational education and employment pathways for its students. Similarly, the Panel heard from local business people and local government officials who gave examples of infrastructure improvements, such as new or improved roads, paid for by gas companies.



Inquiry Chair Justice Rachel Pepper and Prof Barry Hart AM with students from the Miles State High School Trade Centre.

While in Queensland, the Panel travelled to Brisbane to meet with a range of regulatory agencies and government departments. The Panel learnt about the resulting governance structures and industry standards that have evolved to meet public expectation and afford improved levels of social licence. Meetings were facilitated with various stakeholders such as AgForce, the Queensland Farmers' Federation, the Commonwealth Scientific and Industrial Research Organisation (**CSIRO**), the Gas Industry Social and Environmental Research Alliance (**GISERA**), the University of Queensland's Centre for Coal Seam Gas (**CCSG**), the Department of Natural Resources and Mines, the Department of Environment and Heritage Protection, and the Office of Groundwater Impact Assessment (**OGIA**). The consistent theme of these talks and presentations

was the need to ensure that an appropriately robust regulatory framework was in place before the development of any unconventional gas resource, a matter that many of the regulators conceded had not been attended to in Queensland prior to the large number of CSG activities occurring in that State, leading to many of the adverse social impacts experienced in that jurisdiction.

Further, the Panel toured a Santos operated CSG field in Roma where the Panel saw various multi-pad well sites and the disturbance footprint of those sites. The Panel also inspected a cattle grazing operation in co-existence with a CSG development. On the same visit, the Panel visited Santos's Roma gas processing hub and Unburri, the Roma field workers' camp.

On 7 September 2017, the Chair and Dr Vaughan Beck AM travelled to SA to further consult with the Department of State Development about the governance of unconventional gas in that State and the potential application of a similar regulatory regime the NT.

2.4 Overseas visits and consultations

The Panel consulted with the Alberta Energy Regulator (**AER**). The purpose of this engagement was to better ascertain the statutory framework within which the onshore unconventional gas industry operates in that Province, and moreover, to determine whether there are governance measures from that jurisdiction that can be appropriately adapted and applied in the NT. The consultation resulted in the AER making a formal submission.¹

On 21 December 2017, while on leave, the Chair met with various representatives of the BC Oil and Gas Commission (**BCOGC**) in Victoria, Canada, to discuss various aspects of the regulation of onshore shale gas activities in that province, and the structure and functioning of the BCOGC.

The Chair has also consulted with Dr Ray Gosine, Chair of the Newfoundland & Labrador Hydraulic Fracturing Review Panel, where a range of topics were canvassed, including the timing of the implementation of the recommendations made as a consequence of that Review.²

2.5 Panel meetings

Since the Inquiry was constituted on 3 December 2016, the Panel has formally met on 12 occasions (see Appendix 4).

2.6 Presentations by the Panel

Members of the Panel have been invited to present a summary of the work of the Inquiry to date to the organisations listed in Appendix 9.

2.7 Community updates

In order to keep Territorians regularly informed of the work of the Inquiry, the Inquiry has released 31 community updates. A list and brief description of these updates is appended to this Report at Appendix 10.

2.8 Media engagements

As a matter of transparency, it was important that the media had access to the Inquiry. In this regard, the Chair has participated in 37 media engagements. These have included television and radio interviews (both live and pre-recorded), articles, and letters to various newspapers. A list of the Chair's media engagements is located at Appendix 11.

¹ Alberta Energy Regulator submission 483.

² Newfoundland & Labrador Report.