



# LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

15<sup>th</sup> Assembly

## LEGISLATIVE SCRUTINY COMMITTEE

### Public Briefing Transcript

### Inquiry into the Pipelines and Petroleum Legislation Amendment (Industry Development) Bill 2026

9.45 am, Tuesday 24 March 2026

Litchfield Room, Level 3, Parliament House

**Members:** Mrs Oly Carlson MLA, Chair, Member for Wulagi  
Mr Clinton Howe MLA, Deputy Chair, Member for Drysdale  
Justine Davis MLA, Member for Johnston  
Mr Chanston Paech MLA, Member for Gwoja  
Mrs Laurie Zio MLA, Member for Fannie Bay

**Witnesses:** *Department of Mining and Energy*  
James Pratt: Senior Executive Director, Energy Development  
Emily Collard: Director Regulatory Reform, Energy Development

**INQUIRY INTO THE PIPELINES AND PETROLEUM  
LEGISLATION AMENDMENT (INDUSTRY DEVELOPMENT) BILL 2026  
Department of Mining and Energy**

**Madam CHAIR:** On behalf of the committee, I welcome everyone to this public briefing into the Pipelines and Petroleum Legislation Amendment (Industry Development) Bill 2026.

I welcome to the table to give evidence to the committee James Pratt, Senior Executive Director, Energy Development, Department of Mining and Energy; and Emily Collard, Director, Regulatory Reform, Energy Development, Department of Mining and Energy. Thank you for coming before the committee. We appreciate you taking the time to speak to the committee and look forward to hearing from you today.

This is a formal proceeding of the committee and the protection of parliamentary privilege and the obligations not to mislead the committee also apply. This is a public briefing and is being webcast through the Assembly's website. A transcript will be made for use of the committee and may be put on the committee's website. If at any time during the hearing you are concerned that what you say should not be made public, you may ask the committee to go into a closed session and take your evidence in private.

Could you each state your name and the capacity in which you are appearing.

**Mr PRATT:** James Pratt, Senior Executive Director, Energy Development, Department of Mining and Energy.

**Ms COLLARD:** Emily Collard, Director, Regulatory Reform, Energy Development, Department of Mining and Energy.

**Madam CHAIR:** My name is Oly Carlson. I am the Member for Wanguri and the Chair. My deputy, the Member for Drysdale, is online; the Member for Fannie Bay; the Member for Johnston; and also online we have the Member for Gwoja, Chansey Paech.

Mr Pratt, would you like to make an opening statement?

**Mr PRATT:** Thank you, Chair, I will.

Thank you to the committee for the opportunity to brief you on the Pipelines and Petroleum Legislation Amendment (Industry Development) Bill 2026. As the title of the Bill suggests, its purpose is to support, facilitate, encourage and enable onshore NT gas industry development and offshore carbon capture and storage projects.

As outlined in the explanatory statement tabled by Minister Maley last week, this Bill amends the *Energy Pipelines Act 1981*, the *Petroleum Act 1984* and the *Petroleum (Submerged Lands) Act 1981*. These are three Acts that authorise and regulate the exploration, appraisal and production of gas and transmission pipelines in the Territory. The amendments within the Bill will broadly fall within four key categories:

1. expanding the types of substances that can be transmitted through licensed pipelines
2. modernising and improving compliance and enforcement provisions
3. amending retention licence arrangements to better suit shale gas development to enable industry's Beetaloo development strategies
4. making practical improvements to support the efficient administration of the Acts.

The department's intention through this briefing is to provide the committee with an overview of the key amendments for this Bill to assist with its inquiry and report.

Transmission of substances through pipelines: the Bill amends the *Energy Pipelines Act 1981* and the *Petroleum (Submerged Lands) Act 1981*, together referred to as the pipelines legislation, to allow substances other than just energy-producing hydrocarbons or petroleum to be transmitted through licensed pipelines. The primary purpose of these amendments is to facilitate Territory-based carbon capture and storage projects that will require carbon dioxide to be conveyed through pipelines in the Territory out to Commonwealth offshore waters for permanent geological storage.

For clarity, this Bill does not create a regime for the geological storage of carbon dioxide onshore or within NT coastal waters; it simply allows for the transmission of CO<sub>2</sub> (carbon dioxide) through pipelines within the Territory. The Commonwealth Government's *Offshore Petroleum and Greenhouse Gas Storage Act 2006* establishes a licensing and authorisation regime for the offshore storage of carbon dioxide. However, there is currently no legal ability to transport carbon dioxide from and through the Territory via pipelines into

Commonwealth waters for permanent underground storage. This Bill corrects that deficiency by allow carbon dioxide to be transported through pipelines.

This regulatory change is key to several projects based at Middle Arm, including INPEX's carbon capture storage in the Bonaparte Basin west of Darwin, Santos' CCS project at its Bayu-Undan field and Vopak's multi-user carbon dioxide import storage and handling terminal. Both INPEX and Santos have foreshadowed final investment decision timelines for these projects in 2027, and having a regulatory framework in place for CO<sub>2</sub> transmission in pipelines is one of the key items in making those decisions.

Compliance and enforcement provisions: the Bill amends the pipelines legislation to provide a modern and comprehensive suite of inspector powers and functions. These changes will ensure inspectors have the contemporary tools they need to monitor activities and enforce compliance.

Inspector powers and functions align with those in the *Petroleum Act 1984* to provide consistency across energy resource legislation with one key exception. Under the pipelines legislation the department's chief executive officer or an inspector authorised by the CEO will be able to arrange to carry out tests on an item that has been seized by an inspector which could include destructive testing if there is no other way to achieve the purpose of the test. This provision requires consultation with the owner of the seized item, generally a pipeline company, and the CEO must consider any submissions made by the owner before an item is destroyed.

The Bill will also introduce CEO compliance powers into the *Energy Pipelines Act 1981* that will allow the CEO to issue compliance directions and stop-work notices to secure compliance or halt activities while the matter is investigated and further compliance action is considered.

Retention licence amendments: this Bill amends retention licence arrangements under the *Petroleum Act 1984* to better suit shale gas project developments, providing flexibility for industry to progress with identified development strategies in the Beetaloo Sub-basin using what industry refers to as checkerboarding arrangements.

Checkerboarding involves the creation of multiple smaller petroleum interest areas owned by a range of companies, rather than large petroleum interest areas being slowly developed. Checkerboarding provides a number of strategic, commercial and regulatory advantages during early to mid-stage basin development. It enables broader ownership and investment opportunities which are designed to increase the pace of development so that companies can better understand the shale gas resource and move at advanced pace towards commercial development.

Checkerboarding, from a tenure ownership perspective, reduces the reliance on a single operator to advance development over large areas like we have in the Beetaloo Sub-basin. This is important because if one operator slows their activity due to capital constraints or other forces, this has a significant effect and delays the progression of a basin.

The amendments will allow retention licences to be granted over land from adjoining exploration permits and provide a process to apply, divide or amalgamate retention licence areas so that interest holders can determine the most appropriate area for future production licences.

While providing flexibility for interest holders during the appraisal stage, this Bill also makes amendments to ensure retention licences are used effectively for their intended purpose, which is to establish the commerciality of the petroleum to enable a production licence to be granted.

The Bill requires additional information to be provided by applicants seeking a second or subsequent renewal of their retention licence and allows the minister to grant them for shorter terms with new or amended conditions for the term of the renewal.

These proposed amendments will enable companies in the Beetaloo, like Tamboran Resources and Daly Waters Energy, to advance their checkerboarding development strategies which, in turn, involves attracting global oil and gas companies to the Beetaloo to invest their capital in the drilling of wells. This ultimately will result in increased economic benefits for the Territory and energy security for Australia and our region. In terms of practical improvements this Bill will:

1. reduce duplication by removing operational consents by the minister or their delegate and notification requirements by industry from the *Energy Pipelines Act 1981* that are replicated in the Energy Pipelines Regulations 2001
2. introduce approved forms rather prescribed forms

3. simplify processes for variation of pipeline licence conditions, including to vary a pipeline route or licence area
4. formalise a fit-and-proper person test within the pipelines legislation that has been applied to decisions under departmental policy since 2019
5. allow for the electronic service of documents.

Following the Bill's debate in the Legislative Assembly, if passed, it will commence by gazette notice once the necessary amending regulations have been made. This is anticipated to occur before year's end, with drafting of the amending regulations already underway.

I acknowledge the efforts of the team within Energy Development in the department for their efforts with this Bill, which has been led by Emily Collard. I extend this appreciation to Geraldine Lee, Louis Gomas, Christine Cakebread and Brett Easton.

Thank you, committee.

**Madam CHAIR:** Thank you, Mr Pratt. I will now open the floor up for questions.

**Mrs ZIO:** Thank you for being here today. I appreciate that explanatory statement.

My first question was going to be: why is this Bill required? But I think you have explained quite well why the Bill is required. Did you want to add anything to that line of questioning?

**Mr PRATT:** No. I will reiterate that this Bill, as I said, is for industry development, enabling a new industry for the Northern Territory through carbon capture storage projects that commence onshore and take carbon and transition carbon offshore. It is an industry that is not yet up and running in the Northern Territory. We have seen Santos and INPEX both publicly talk about these projects and their willingness to move them forward. This proposed regulatory amendment that will enable those two new industries to operate in the Northern Territory, reducing carbon emissions and enabling some economic development activities for the Northern Territory.

The other key amendment in the Bill regarding retention licences, as I mentioned, enables the checkerboarding approach, which is breaking up the very large exploration permit acreage we have in the Northern Territory and allowing it to be more suitably developed for shale gas development. One of the key reasons for doing this is the *Petroleum Act* was created in 1984, and it was written for conventional gas exploration and production. In 1984 I do not think anyone thought shale gas activity would be happening in the Northern Territory, so large allotments of land were issued for exploration which was suitable for conventional opportunities, but with the arrival of shale gas and the understanding of geology and shale gas technology, allowing this smaller proportionate use will be highly effective for the Northern Territory and the development of the Beetaloo Sub-basin.

**Mrs ZIO:** Thank you; I appreciate that response.

The next question is around the consultation that went out through the development of this Bill. I understand you started it in 2024. Can you give us an overview of the consultation process, who was consulted and how many responses you received in relation to the submissions?

**Mr PRATT:** Discussions around checkerboarding and the CCS components of transmitting carbon in a pipeline probably started slightly earlier than 2024. Both INPEX and Santos have been talking about their activities offshore for a number of years now, and obviously our legislation does not permit the transmission of carbon in a pipeline at this point in time. Both companies and the broader industry in the CCS space have raised this with government previously.

Noting their long times to develop these geological storage options, plan and understand that the reservoir is suitable and then progress to making financial investment decisions around this, plus getting their regulatory approvals from the Commonwealth in place, we proceeded to develop the appropriate amending Bill suitable for that in the last year or so. That will meet the timelines for industry as they progress towards that.

Last year we saw Vopak awarded some land in Middle Arm through a do-not-deal arrangement which will also allow them to import carbon, process it and transmit it to those two potential operators in INPEX and Santos.

It has been a work in progress by industry for their planning and execution to realise those projects, and they have worked with government to understand what the regulatory framework could look like for that. In regard to the checkerboarding arrangement, again industry had raised this with us about 18 months ago. We have obviously done significant reform to the *Petroleum Act*—over the last, it feels like, eight to 10 years—following the Pepper inquiry, the implementation of 135 recommendations. We have amended the *Petroleum Act* three times to implement those recommendations. We have implemented a new suite of petroleum regulations, so there has been significant effort to modernise that Act. Obviously as shale gas exploration technology and development trends occur, some further requirements for amendment have evolved.

In terms of consultation, we engaged with industry formally in December last year. We provided them some consultation information to be assessed from a technical perspective. Obviously petroleum and carbon capture storage has a lot of technical aspects to it both for compliance and regulatory requirements around pipelines and petroleum development, so we wanted to understand from them the proposals we were making to include in this Bill were technically suitable, would not impede their progress and also make sure from our perspective they are a suitable regulatory climate within the Bill for them to operate in and for us to be satisfied of their activities. They were provided information in December. They were provided further information in late January. We undertook a briefing with industry and they provided some feedback in February, and we are here now. We also engaged with the Northern and Central Land Councils and the Northern Territory Cattlemen's Association.

**Mrs ZIO:** Did it go out for consultation on anything like the Have Your Say website or for wider consultation across the Territory?

**Mr PRATT:** No, it did not. As I said earlier, we have undertaken enormous reforms to the *Petroleum Act* regarding implementation of Pepper inquiry recommendations. A lot of that has been based around technical matters as well. With those amendments being settled in the last few years, these are what we call minor amendments to ensure technical suitability for the regulatory framework. In short, no, it did not go on the Have Your Say website.

**J DAVIS:** This is a specific question on clause 24 in relation to the integrity of the pipeline. If there is a breach in pipeline integrity, who is liable? I understand that this clause says that the licensee is only liable if the act or omission was voluntary. If it is not voluntary, who would be liable for that?

**Ms COLLARD:** To clarify, the offences in the *Energy Pipelines Act* are all old-style offences. They comply with Part II, not Part IIAA, of the *Criminal Code Act*. That Act does not include any mental elements, fault elements, for the offences, so the only way that you can prosecute someone is by proving that they intentionally or recklessly had knowledge that what they were doing was at fault. If they were not at fault, then no-one is responsible.

**J DAVIS:** If there is a breach to pipeline integrity, no-one is responsible?

**Ms COLLARD:** If it was intentional or they had knowledge that what they were doing was going to cause a breach, then, yes, they are responsible.

**J DAVIS:** If it was not intentional, what would happen then?

**Mr PRATT:** I will answer that.

Through a pipeline management plan, companies are required to undertake compliance and monitoring of their activities, report that to the department and the department also undertakes frequent inspections. In theory, you should be able to detect integrity defects over time or concerns, and then companies are directed by the regulator or they do it through their own voluntary admission to improve the integrity. I guess like anything mechanical, sometimes it can just happen. I guess that is the rationale for being accountable.

A company is always accountable for their pipeline—let me be clear. That is what the Act authorises them through, through their pipeline licence and their pipeline management plan.

I guess what Emily was saying was around fault and liability. If an operator disobeyed a direction from us to repair a slightly faulty or lacking-integrity pipeline issue and they went away from that direction, that would be their fault.

As I said, sometimes materials can degrade over time and that cannot be the fault of any one individual.

**J DAVIS:** Understood. I am curious about if it is no-one's fault and there is a breach in the integrity and there is some kind of harm done, it is us who pays for fixing that up; is that right?

**Mr PRATT:** Absolutely not. Taxpayers do not bear the cost of repairing industry pipelines. Through enforcement and compliance powers, a company can be directed by the minister to undertake remediation to integrity of pipelines.

I think we are talking about highly extreme and rare cases here. The pipeline companies we have operating in the Territory are first-class in the Australian standard. If a make-safe was needed to be done—this is a hypothetical example. I do not like getting into hypotheticals, but if a company disobeyed a direction and did not want to fix a pipeline, there would be efforts by the department to engage a contractor, as the regulator. The department would then direct the industry to pay for that bill, but we are talking about an extreme and hypothetical case, so I do not want to go too much further into that. The taxpayer would not be paying for the repair of a pipeline if that situation arose.

**J DAVIS:** Would that include also not paying for remediation work? That would be ...

**Mr PRATT:** Absolutely not. That is conditions of a pipeline licence when issued, and they are binding under a pipeline management plan.

**J DAVIS:** Under clauses 30 and 83, exercise of coercive powers, the Bill seeks to expand the powers that CEO-appointed inspectors may exercise. I think you have outlined that. The new powers include enabling inspectors to exercise search and seizure powers and use reasonable force. Can you explain why it is necessary for inspectors to be able to exercise these new powers and, in particular, why they may be able to use reasonable force?

**Ms COLLARD:** Reasonable force in this context would be things like breaking a lock to gain access to a place. It is not about any interactions with a person. It is basically making sure that the inspector can gather the evidence they need, can identify any deficiencies and rectify them so that we do not have any incidents or noncompliance.

**J DAVIS:** They would not be able to use reasonable force against a person?

**Ms COLLARD:** Absolutely not.

**J DAVIS:** Will inspectors be required to have any particular skills, training or experience?

**Mr PRATT:** Yes, a very good question. All our engineers who are regulators within our department undergo a Certificate IV in Government Investigations. They usually come to us from significant industry experience. They have the technical and operational understanding from an engineering perspective. Some of them we have recruited have also worked in other regulatory environments.

We have a program where we have a Certificate IV in Government Investigations. It has been tailor-made directly to the *Petroleum Act* and the *Energy Pipelines Act*. It is not just come along and hope you can understand your regulatory requirements. They go through that system. We have had about 14 engineers over the past few years go through this process.

**J DAVIS:** Will they need to have a warrant from a judge when exercising their powers?

**Ms COLLARD:** Only if they are going to enter a residential area, which is quite unlikely. They have authority to enter into a permit area or a licence area to undertake their functions. They can only do that in performing their functions under the Act, so they do not just have a general power to go anywhere they like.

**Mrs ZIO:** This Bill includes transitional provisions that specify individuals who are currently appointed as inspectors under the *Energy Pipelines Act* and the *Petroleum (Submerged Lands) Act* are taken to be appointed under the new provisions—so previous in the new one. How many inspectors are currently appointed under the *Energy Pipelines Act* and the *Petroleum (Submerged Lands) Act*?

**Mr PRATT:** I believe currently I have nine engineers in our Energy Development team who are suitably qualified through a Cert IV in Government Investigations. That also covers the *Geothermal Energy Act* of the Northern Territory in addition to the *Petroleum Act*, the *Petroleum (Submerged Lands) Act* and the *Energy Pipelines Act*.

**Mrs ZIO:** Do you think with the introduction of this new legislation that you would be expecting to bring on board more inspectors to be able to take up this work if there are more activities happening?

**Mr PRATT:** Interesting question. I always love to have more resources, but that is a matter for government. At this present time, we have enough inspectors and engineers to accommodate the level of development in the Northern Territory, from a pipeline and Beetaloo and Amadeus perspective. At this point in time we are suitably resourced.

**Mrs ZIO:** The Bill also seeks to allow inspectors to be assisted by a person in exercising their powers. Can you talk to us a little bit about this person who is assisting the inspector and their ability to use coercive powers, including force and searching and seizing property?

**Ms COLLARD:** In terms of a person assisting the inspector, that is consistent with the *Petroleum Act*, the inspector powers and functions there. It is designed to allow, say, if there is a specific technical matter that our inspectors are going out to look at and they might need an expert who is suitably qualified to take out with them to assist them, they can do that.

Force, I think we covered with the Member for Johnston's question.

In terms of seizure of items, this is also provided for in the *Petroleum Act*. Under the pipelines legislation an inspector can seize an item or a substance if they reasonably believe that it is being used in contravention of the Act. If they reasonably believe that an offence is being committed or is about to be committed using an item or a substance, they can seize it.

There are some provisions in the Act, as James mentioned in the opening statement, to allow us to arrange to test the seized item which may include destructive testing if there is no other way to determine the outcome. For example, we are aware of the situation in Queensland where these equivalent provisions were used where there was a pipeline incident and a portion of the pipeline was seized and taken to a university. They conducted scientific tests on it to determine the root cause so that they can prevent it happening again.

**Mrs ZIO:** The person assisting—you explained they might be an engineer or somebody who is qualified in the field and need to attend with an inspector—do they have to have any other specific qualifications to be able to assist with the inspector?

**Mr PRATT:** It all depends on what the situation is, but if they are suitably qualified and have the technical expertise that our inspectors say is required to conduct the activity, they do not need to undergo a Cert IV in Government Investigations or anything else of the like. They come along with their experience and skill sets as required and are accompanied by an inspector.

**Madam CHAIR:** The Bill seeks to provide for immunity from criminal and civil liability to be extended to the CEO, inspectors and individuals assisting inspectors. Why is it necessary to extend immunity from civil and criminal liability?

**Ms COLLARD:** That is quite standard for this sort of legislation. We have our inspectors who are undertaking activities and trying to enforce compliance and make sure people are complying with their obligations. This makes sure they are not prevented from doing what they are supposed to do by fear of being prosecuted or being held civilly or criminally liable for what they are doing.

**Madam CHAIR:** Clauses 32 and 85: the Bill seeks to enable the CEO to delegate their powers and functions under the *Energy Pipelines Act* and the *Petroleum (Submerged Lands) Act* to a person. Why is it necessary to delegate the CEO's powers?

**Mr PRATT:** It is efficiency of administration of regulations. We already have delegations in place within the Department of Mining and Energy from the minister to the CEO to me. If the CEO in this case is unavailable on a plane or remote and cannot be contacted for authorisation, we have a mechanism in place not to be held up by that delay.

**Madam CHAIR:** Will that person exercising those powers and functions be required to possess any particular qualifications and skills or training?

**Mr PRATT:** The role is a very senior role in government, reporting to a CEO, so it comes with an expectation through a merit recruitment process that person is suitably qualified to undertake that activity. The responsibilities come with the job and the job is appointed to the person deemed most suitable to undertake it.

**Mrs ZIO:** You have explained why we need to have delegation to be able to delegate powers. If you move on to the *Petroleum (Submerged Lands) Act*, the Bill seeks to remove the requirement to publish the delegation notice in the gazette when the minister delegates the power to a person. Can you explain why a delegation notice is no longer required?

**Mr PRATT:** That is contemporising what is common across all the delegations in other legislation. This is a very old piece of legislation where historically—we are talking back in the 1980s—delegations were published in the gazette. The *Petroleum Act*, *Energy Pipelines Act*, *Geothermal Act*—none of those have that requirement, and I am pretty confident that the other resource legislation in the Northern Territory also does not have that requirement.

**Mrs ZIO:** I support your response. I know that other delegation notices have changed over the years. Are they advertised anywhere other than the gazette? Is it something that is published anywhere?

**Mr PRATT:** No, they are an internal policy document. I am getting into the detail a little bit, but any delegation within the department related to legislation is approved by the minister. The department does not just decide, 'Those three people over there have delegation for these important matters'; it is actually put to the minister and he authorises the approval of delegations down to a certain level. It is a ministerial decision of who holds that responsibility. It is an internal policy document of the Northern Territory Government.

**Mrs ZIO:** My final question is around changes in legislation. I think most people in the Northern Territory would want to be reassured that the changes to the legislation do not risk any safety concerns, they do not minimise any regulation or compliance that goes with the changes. Can you talk a little around that, please?

**Mr PRATT:** Yes, I can give you that assurance, Member for Fannie Bay. I do not want to harp on it, but we have reformed the *Petroleum Act* numerous times since the introduction of the Pepper inquiry recommendations. That legislation has been amended three times to implement those 135 recommendations, which were to mitigate the risks and issued identified by experts and the community. The *Petroleum Act* is a leading piece of resource legislation in the Northern Territory and, dare I say it, in the world.

These efforts to make these amendments relating to, firstly, carbon transmission in a pipeline—we already have rigorous standards that are applied. This is just allowing a new substance to go through a pipeline. We have pipeline management plans in place, inspectors, integrity and reporting, so I am very confident that allowing the transmission of carbon in a pipeline will not result in any untoward effect.

Similarly for the *Petroleum Act*, we are talking about tenure changes, so it is not actually anything operational; it is the management of tenure from an exploration permit through a retention licence. That is not, I guess, industry activity.

However, the proposal to do the checkerboarding is to see increased development. Our colleagues in the Department of Lands, Planning and Environment regulate the environmental aspects of petroleum through an environment management plan. Again, there are rigorous standards being put in place through implementation of inquiry recommendations.

No is the answer to your question.

**Madam CHAIR:** Thank you, Mr Pratt and Ms Collard, for attending today's committee hearing.

---

The committee suspended.

---