

Our ref: 20160007:KRS

27 March 2026

Legislative Scrutiny Committee
GPO Box 3721
DARWIN NT 0801

By email: LSC@nt.gov.au

Attention: Committee Secretariat

Dear Sir/Madam

**SUBMISSION ON THE PIPELINES AND PETROLEUM LEGISLATION
AMENDMENT (INDUSTRY DEVELOPMENT) BILL 2026**

1. This submission is made in response to the Legislative Scrutiny Committee's (**Committee**) call for submissions on the *Pipelines and Petroleum Legislation Amendment (Industry Development) Bill 2026 (NT) (Bill)*.
2. Ward Keller is a Northern Territory legal firm that provides advice to a wide range of clients working in industries across the Territory. We provide these submissions based upon our experience advising petroleum and pipeline companies, project developers and infrastructure proponents on regulatory compliance, land access, approvals and project development. These submissions are our own and do not necessarily reflect the views of our clients.
3. Ward Keller supports the Bill and recommends that the Assembly pass it.

Energy Pipelines Act 1981 (EP Act)

Regulated substances: supported

4. The current EP Act cannot be used to licence pipeline infrastructure for hydrogen or carbon dioxide. That is a threshold problem for any proponent seeking to develop carbon capture and storage or hydrogen export projects in the Territory. The expanded definition of "regulated substance" at proposed section 3(1) resolves this and is, in our view, the single most important reform in the Bill. Without it, there is no other Territory legislation under which a pipeline for these substances can be licensed. In our view, licencing will assist in securing project financing and offtake arrangements.

Compliance framework: supported

5. While in our view the compliance tools currently available under the EP Act are sufficient, the framework at proposed Part 5B (inspector directions through CEO compliance directions, ministerial directions and stop work notices) is consistent with the approach under the *Petroleum Act 1984 (NT)*.
6. The merits review framework at proposed section 58ZR is welcome. The Committee may wish to note, however, that the new Schedule of reviewable decisions does not include ministerial directions under proposed section 58J, non-compliance with which carries a maximum penalty of 1,300 penalty units. A direction under section 58J can require a licensee to take, or refrain from taking, action in respect of any matter for which regulations may be made. That

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is a broad power with significant financial and operational consequences. Inclusion of merits review may be warranted.

Fit and proper person exemptions: supported, with a note

7. Proponents in the Territory commonly hold titles under multiple Acts. A company applying for a pipeline licence will often already hold an exploration permit or environmental approval that required a fit and proper person assessment. The cross-recognition mechanism at proposed sections 8(1A), 15(1A), 16A(2), 43(5B) and 46(8) avoids requiring the same company to be reassessed on substantially the same criteria for each application. Its effectiveness will depend on the prescribed period being set at a reasonable interval in the regulations. Too short a period would negate the benefit.

Pipeline licence variations: supported, with a concern

8. Proposed section 21A resolves a practical problem that has affected a number of pipeline licensees. Under the current EP Act, a licence area can be reduced after construction but not expanded. Where a licensee needs to add a compressor station, cathodic protection unit or other ancillary infrastructure outside the existing licence boundary, there is no mechanism to accommodate it without applying for a new licence. That is disproportionate to the nature of the change. Proposed section 21A allows variations at any time and on application, which is the right approach.
9. The 7-day period for representations under proposed section 21A(5)(b)(i) is short. A period of 28 days, consistent with the notification period for pipeline licence applications under section 13 is more appropriate.

Pipeline management plans: supported, with a note

10. Pipeline management plans at proposed section 18A are a sound regulatory tool that will align the Territory's pipeline regulation with accepted industry practice in other Australian jurisdictions.

Petroleum Act 1984

Retention licence over adjacent permit areas: supported

11. The current Petroleum Act requires a permittee to apply for a retention licence over blocks within a single exploration permit area. In the Beetaloo Sub-basin, where multiple operators hold adjoining permits over what is geologically a single basin, this creates an artificial constraint. Proposed section 31 allows applications over adjacent permit areas. Combined with the revised evidentiary requirements at proposed section 32(1)(d), which shift the focus from discovery wells to reservoir identification across the application area, this better reflects the geological reality of continuous shale gas accumulations and will allow more coherent appraisal programmes.

Division and amalgamation of retention licences: supported

12. As appraisal data is gathered, a licensee's understanding of the optimal development configuration will evolve. Under the current Petroleum Act, the only way to adjust a retention licence boundary is to surrender and reapply, which is costly, time-consuming and creates a gap in tenure that can affect financing arrangements and joint venture obligations. Proposed sections 42A and 42B provide a far more practical mechanism. The requirement that the Minister cancel the original licence and grant new licences for the remaining term (proposed section 42A(4)) preserves the integrity of the tenure system.

Strengthened renewal requirements: supported

13. The Territory has a legitimate interest in ensuring that retention licences are actively progressed towards commerciality and are not used to warehouse acreage. Proposed section

37(2A) requires second and subsequent renewal applicants to account for what has been done with the licence and to demonstrate a credible path forward. This is a proportionate response. The ability for the Minister to grant shorter renewal terms of up to 5 years under proposed section 38(2)(b), rather than the fixed 5-year term that applies to first renewals, gives the Minister the incentive to progress without the blunt instrument of refusing renewal outright.

Continuation of exploration permits: supported

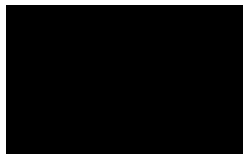
- 14. Proposed section 22A addresses a timing risk that has been a genuine concern for operators. Upon an application for a retention licence the underlying exploration permit should remain in force until the Minister determines the application. Proposed section 22A eliminates that risk.

Shared infrastructure: supported

- 15. The right to accept petroleum from another interest area for processing, refining, storing or transporting (proposed sections 29(cb), 42(1B) and 56(2)) is a practical reform. In a basin with multiple operators at different stages of development, the ability to share processing and transport infrastructure avoids the capital cost and environmental footprint of duplicated facilities.

If you have any queries, or wish to discuss any aspect of this submission, please contact me.

Yours faithfully
WARD KELLER



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