

LEGISLATIVE ASSEMBLY OF THE NORTHERN TERRITORY

WRITTEN QUESTION

Mr Guyula to the Minister for Environment, Climate Change and Water Security:

Fracking

- 1. During estimates I asked how recommendation 9.8 of the Pepper Inquiry has been met. In your answer you stated that there has been a “huge body of work done in dealing with emissions”. Could you please detail what exact parts of this body of work meet the requirements of recommendation 9.8?**

Answer:

This question was asked of, and a response was provided during Estimates by, the Minister for Mining and Industry on Tuesday 13 June 2023. This response is provided by the Minister for Environment, Parks and Water Security, being the Minister responsible for delivery of recommendation 9.8 of the Independent Scientific Inquiry into Hydraulic Fracturing.

Effective emissions management by the onshore gas industry is necessary for the Northern Territory (NT) to achieve our economy wide target of net zero emissions by 2050, and for us to contribute to Australia’s national emissions targets.

Recommendation 9.8 requires that *‘the NT and Australian governments seek to ensure that there is no net increase in the life cycle greenhouse gas emissions emitted in Australia from any onshore shale gas produced in the NT’*.

The recommendation requires both the NT and Australian governments to use their best efforts to ensure that emissions resulting from onshore shale gas production in the NT are offset by, or balanced against, emissions reduction elsewhere across the national economy to result in no net increase in life cycle emissions in Australia.

The broad scope of the recommendation captures both upstream emissions from shale gas extraction in the NT (extraction of gas at a well site, transport to production facilities and refinery operations) and downstream emissions (known as scope 3 emissions) from the consumption of that gas anywhere in Australia (such as combustion to generate electricity or use in industrial processes). Downstream emissions account for approximately 80% or more of life cycle emissions (depending on the end-use of the gas).

The recommendation does not relate to emissions overseas (i.e. from the use of Australian gas exports).

The Inquiry Panel recognised that the NT has limited control over full life cycle emissions from onshore shale gas production in the NT. The NT does not have control over emissions that occur elsewhere in Australia from the consumption of gas sourced from the NT.

The NT Government (NTG) has introduced a suite of regulatory and policy initiatives to address emissions from the onshore gas industry where those emissions are within its control:

- we have established the capacity to assess and regulate greenhouse gas emissions from large emitters through the *Environment Protection Act 2019*, and emissions from onshore gas activities through the Petroleum (Environment) Regulations;
- we have established policies to support the regulation of greenhouse gas emissions, including the ‘Management of Greenhouse Gas Emissions from the Onshore Gas Industry’ Policy that requires all onshore gas producers to have a plan to achieve net zero by 2050, and the ‘Greenhouse Gas Emissions Offsets Policy’; and
- these policies are already being applied to environmental management plan approval decisions for gas exploration in the Beetaloo Sub-basin.

Specific to the onshore gas industry, the NTG has required the industry to comply with a code of practice that establishes minimum standards for monitoring and managing emissions from upstream activities:

- established the ‘Management of Greenhouse Gas Emissions from the Onshore Gas Industry’ Policy that requires all onshore gas producers to have a plan to achieve net zero by 2050 for their scope 1 and scope 2 emissions; and
- amended the *Petroleum Act 1984* to enable industry applications for the use and sale of appraisal petroleum in preference to flaring or venting emissions.

The NT’s requirements on emissions from onshore shale gas activities complement those of the Australian Government’s Safeguard Mechanism, which imposes binding and declining emission limits (or baselines) on large industrial emitters.

Specific to shale gas extraction in the Beetaloo Sub-basin, the Safeguard Mechanism establishes a baseline of net zero scope 1 emissions (those emissions released directly from gas extraction activities in the Beetaloo).

Collectively, these regulatory requirements ensure a comprehensive and stringent approach to managing greenhouse gas emissions from the onshore

gas industry in the NT. These requirements are more onerous than those imposed on other industry in the NT, and other gas producers across the country.

The Australian and NTG's are further considering the management of scope 3 emissions and will be reporting on this work to the Energy and Climate Change Ministerial Council.

2. Will mining management plans and water extraction data be legally required to be made public so that appropriate public scrutiny of all mines' water extraction can occur?

Answer:

The question regarding mining management plans will need to be directed to the Department of Industry, Tourism and Trade.

Water extraction licensing under the *Water Act 1992* is a transparent process. All water extraction licences are made publically available, including details about the licence holder, the maximum water entitlement, and conditions on the extraction of water. Water Extraction Licence Decisions, which outline the factors considered by the Controller of Water Resources in making the decision, are also made publically available. A notice of decision is also circulated in the NT News for all water licence decisions for the beneficial use of mining activity. These documents are easily accessible online through the NT Water Licensing Portal: [Water licensing portal | NT.GOV.AU](https://www.nt.gov.au/water-licensing-portal)

Extraction data must be submitted as a condition of water extraction licences on a regular basis (monthly or quarterly). This data which relates to the compliance of individuals, is not made publically available.