

Petroleum Legislation Miscellaneous Amendments Bill 2019

Mr KIRBY (Primary Industry and Resources): Madam Speaker, I thank everyone for their contributions. It is a bit surreal on a day like today to try to get on with the business of enacting a very important industry in the Northern Territory, making sure the protections are right for the industry and the people on the land. It is important business, and I appreciate everybody's comments.

I thank the Legislation Scrutiny Committee. It is a power of work that the people on those committees have to do: the Members for Spillett; Araluen; Katherine; and Brennan, as the Chair. I thank the Member for Karama for her hard work as the previous Chair. Our new Member for Johnston is starting to learn what committees are all about, and the detail of the work that goes through them.

I also thank the department, which has done a power of work to get things where they are. Before I lead in to the detail of it, I will clear up a couple of issues.

There are travel bans through the Territory. People know that the borders were locked down this afternoon while we were in here. If companies have workers in locations, and they can prove that it is safe for them to proceed, as with the rest of society they are proceeding as they have done. That is how things are proceeding today. If workers need to move through the Territory or interstate there is another level of complexity.

As much as some people say we need to lock the entire Territory down, the best examples we can give would be Central Petroleum in Alice Springs regions or Eni near Wadeye. If we stop people going to those sites, we are going to be in for some pretty rude shocks through the Northern Territory very quickly because we will not have power and we will not have it for quite a few months. The next level down from that is making sure that people are safe to travel through those areas. Processes have been developed to make sure that people have plans and those plans are signed off by the Territory health officers and that they adhere to those plans as the government has set out to not come into contact with other members of the community or remote communities.

It is not worth me trying to explain the detail of those plans because they vary in each instance. There are exemptions that people are able to work through but they still have to be able to prove to the Territory health experts that they have done that body of work. There are ways to work with the restrictions that we have in place.

The Leader of the Opposition brought up a couple of queries about our land access agreements and tried to assert that we were moving away from our convictions on the Pepper inquiry and report. 'Start drifting away' was the terminology. The bill that we will put before the House today will allow the regulations to be developed.

The Cattlemen's Association, APPEA and pastoral leaseholders will all be involved in the development of these regulations and have been involved in getting this bill and the detail to be worked out in the regulations. The regulations will be enshrined under the act so it still has the same effect. There has been no watering down and no straying. They will make sure that land access agreements are in place before any of these movements happen over people's land.

We are very confident and stand here hand-on-heart to say that all these minimum provisions will be covered in the regulations. That is a commitment that we gave to industry, the cattlemen and the pastoral leaseholders and we have not strayed away from that.

I appreciate the Member for Spillett's involvement in the committees and the hard work that they do. We may not agree on the capacity to have all of those 135 recommendations enshrined in that Pepper inquiry that gives Territorians the comfort they need to progress with that industry without the moratorium. There is no way that we could have got that body of work done while industry was progressing.

I wanted to go on record and explain clearly that we could not have had one without the other and that everyone through society understands the 135 recommendations are some of the world's best regulations. Companies have worked their way through them and have had to meet a higher level of regulation than they ever have previously. There have been times when they have not enjoyed that but they have worked their way through that and they will continue to operate in the Northern Territory.

I thank everybody on those committees. I was pleased to see participation from a lot of members of the community for this bill. The community engagement has been fantastic. The assessment of the comments received from the public is crucial in getting this bill before the Assembly today.

The committee sent its report to the Speaker on 18 March 2020 and was tabled in the Assembly on 24 March 2020. I am pleased to say that the committee has recommended that the bill be passed with some minor amendments. We accept all six recommendations from the Legislation Scrutiny Committee's report on the bill. We will discuss how the amendments are being adopted in the bill during the committee stage.

In reaching this point of the debate I express my thanks to the Department of Primary Industry and Resources staff—some of whom we have in the box with us today. They have worked not just bill but in my time as minister over the last 12 months, they have done a massive body of work. As with some of the stuff we are working our way through with COVID-19, there is no rule book if you have not had an industry or an incident like this in the Territory before. I wholeheartedly thank them for all of the hard work they have done and will no doubt continue to do.

I thank the Office of the Parliamentary Counsel for their hard work as well. This bill has been a bit challenging with the time frames and we appreciate everybody's hard work.

The Pepper inquiry was required to investigate the environmental, economic, social and cultural risks and impacts of the hydraulic fracturing. In this respect, the inquiry was comprehensive and wide-ranging. Justice Pepper created an inquiry where people's concerns were listened to and the community's views regarding hydraulic fracturing were acknowledged and noted—both for and against. The inquiry mapped Territorians' issues and risks with hydraulic fracturing. It set about investigating these in the context of the existing legislative frameworks and community expectations. It also made detailed recommendations in the final report to mitigate to acceptable levels or eliminate completely these risks.

It is clear that Territorians engaged with the inquiry in a very thorough manner. The stats from the inquiry showcase the huge effort of Territorians to be engaged with the inquiry. There were 151 public hearings in which more than 1250 public submissions were received and considered. There were also 52 community forums in which thousands of Territorians participated.

I have mentioned in this House before that is probably one of the widest ranging consultative processes that has ever happened in the Northern Territory and we are extremely proud we gave Territorians the opportunity to have their say.

The inquiry determined in its final report that if the 135 recommendations were implemented, they would mitigate to acceptable levels or eliminate altogether the risks associated with an onshore petroleum industry in the Northern Territory.

The government's implementation plan was published in July 2018 and provides a staged approach to implementing the inquiry's recommendations across government. There has been a significant amount of work undertaken, not only in the Department of Primary Industry and Resources in completing recommendations, but across other departments as well, including the Department of Environment and Natural Resources and the Department of the Chief Minister. I thank all of those hard-working public servants and ministerial staff who have been involved in all of that.

This whole-of-government response to the inquiry is central to the effective implementation of the recommendations to mitigate or eliminate risks to the onshore petroleum industry.

The government appointed Dr David Richie as the independent officer to oversee the implementation of the inquiry's recommendations. The role of the independent officer is to provide independent advice to government on how the implementation of recommendations is progressing and being managed. The implementation of 135 recommendations requires careful management and coordination and the appointment of the independent officer is an important mechanism to ensure transparency and accountability.

Since his appointment, Dr Richie has provided four reports to the Chief Minister. Dr Richie's latest report provides that he remains of the opinion that implementation continues satisfactorily in accordance with the inquiry's recommendations.

To date, 55 of the 135 recommendations have been completed, including recommendations that had to be finalised before exploration could recommence. We laid them out in a chronological order to make sure we got the right ones done first so exploration could commence.

We are also pleased that the data also shows that the new regulatory framework is not a deterrent for exploration, as I have mentioned before. The recent stats released by the Australian Bureau of Statistics

show that, as of December 2019, the expenditure for onshore petroleum exploration through the Territory reported to the Australian Tax Office was \$229m in 2019, an increase of \$80m from 2018.

Exploration is important for the Territory more generally, for some of our small and medium businesses to be involved in that processes. Businesses provide services to the petroleum industry and employment opportunities for Territorians in regional areas. These small business can include anything from local firms providing on-the-ground environmental surveys to the drilling of water bores for monitoring purposes, to civil works for access roads onto pastoral properties.

The passing of this bill is significant for further strengthening the laws surrounding the development of the onshore petroleum industry in the Northern Territory and enhancing the public engagement in decision-making under the *Petroleum Act 1984*.

The passing of the bill is critical because it implements, in whole or in part, nine additional recommendations of the Inquiry. The bill does this in two ways. The first is creating a head of power in the act to amend regulations under the act to enable the progression of several recommendations including in relation to land access agreements. The second is through direct changes to the act to complete recommendations when the bill is passed.

The bill inserts a regulation-making powers into the act to:

- allow the regulations to prescribe statutory land access agreements for entry onto pastoral leases in accordance with recommendation 14.6 from the inquiry
- allow the regulations to prescribe minimum protections in statutory land access agreements with pastoral lessees in accordance with Inquiry recommendation 14.7
- allow the regulations to prescribe minimum mandatory compensation for production activities on pastoral leases in accordance with Inquiry recommendation 14.8
- allow the Petroleum (Environment) Regulations 2016 to prescribe environmental security bonds for regulated activities in accordance with recommendation 14.13 in part.

In making its recommendations the inquiry focused on mandating outcomes and setting objectives. The inquiry generally did not specify how those outcomes and objectives were to be achieved. This is in recognition of the fact that the government has a whole range of tools available to regulate the onshore petroleum industry including through the act, regulations, codes of practice and policies or a combination of those instruments.

I am confident, as was the Legislation Scrutiny Committee, that the implementation of the four recommendations, including for land access, can and should be implemented through regulations. The inquiry's recommendations about land access have been of great interest to the petroleum industry and pastoralists. My department has engaged with the Australian Petroleum Production and Exploration Association and the Northern Territory Cattleman's Association about land access agreements and the practical implementation of the inquiry's recommendations. We stand here proud knowing that both of those key players are on board and willing participants in assisting us draft up those regulations. I am pleased to report that those discussions have been productive and collaborative and that there is much common ground between these stakeholders.

A key issue I hear from all stakeholders is the need to create certainty and making regulations for land access agreements will do that. Specifically the regulations will:

- require a land access agreement to be in place prior to any access to the land
- remove any concerns as to a power imbalance between the petroleum industry and pastoralists
- create 24 standard minimum protections in every statutory land access agreement, creating a solid base for the petroleum companies and the pastoralists to negotiate from and form an ongoing and productive relationship.

It is envisaged that once this bill is passed, the drafting of the regulations can be commenced.

The bill also makes direct changes to the act to amend the current process regarding land release for exploration in the act so that so that there is public engagement on issues of coexistence between the

onshore petroleum industry and the current land users. This is in accordance with inquiry recommendation 14.2. I am confident that with this amendment and the public's engagement, I will have the best and most detailed information available to make a decision on the release of land for exploration. This is also consistent with this government's promises to restore integrity to government and by building trust through transparency.

The bill amends the act to allow for public objections to the intention to grant an exploration permit. This is in accordance with inquiry recommendation 14.10 and again, ensures that I have access to all the relevant information in my decision-making. Currently only people with an interest in the land within the application area can object.

The bill amends the act to ensure that the principles of ecologically sustainable development are considered when making decisions under the act and the regulations. This is in accordance with inquiry recommendation 14.11.

Broadly, the principles of ecologically sustainable development are about development that meets the needs of Territorians today while conserving the environment for the benefit of future generations. The Member for Spillett touched on that before. We are not just making decisions for the here and now and not for the people in this Chamber, but for our kids and the Territory going forward.

It is the aim of this Government to have an onshore petroleum industry while protecting the Territory's environment for our children.

It also amends the act to create consistency between the Code of Practice: Onshore Petroleum Activities in the NT, which is empowered under the Petroleum (Environment) Regulations 2016 and the act. The code of practice was made and has been in force since mid-2019. The code, which provides minimum standards, has been enforced by the regulators since that time. All environment management plans must be compliant with the code.

The Inquiry made recommendations mandating setbacks of certain petroleum infrastructure from improvements on the land. These setbacks are cautionary. Government remains committed to ensuring the remainder of the 135 recommendations are completed prior to production approvals for unconventional reservoirs are considered by the relevant ministers.

The balance of these recommendations will require further consultation with the community and the petroleum industry, we understand that. These recommendations will require further legislative change and policy development. There is still much work to be done by this government. We acknowledge the significant work we have done so far and thank all who have been involved.

We will have the strongest laws to protect the environment; ensure protections for landholders, instil community confidence in our regulatory system and create jobs for Territorians through the development of an onshore petroleum industry in the Northern Territory.

I thank everybody for their input and I commend the bill to the House.