

Serial 76  
Petroleum Legislation Amendment Bill 2018  
Mr Vowles

A Bill for an Act to amend the *Petroleum Act* and the *Petroleum (Environment)  
Regulations*



NORTHERN TERRITORY OF AUSTRALIA

PETROLEUM LEGISLATION AMENDMENT ACT 2018

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Act No. [ ] of 2018

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# NORTHERN TERRITORY OF AUSTRALIA

Act No. [ ] of 2018

An Act to amend the *Petroleum Act* and the *Petroleum (Environment) Regulations*

[Assented to [ ] 2018]  
[Introduced [ ] 2018]

The Legislative Assembly of the Northern Territory enacts as follows:

## Part 1 Preliminary matters

### 1 Short title

This Act may be cited as the *Petroleum Legislation Amendment Act 2018*.

### 2 Commencement

This Act commences on the day fixed by the Administrator by *Gazette* notice.

## Part 2 Amendment of Petroleum Act

### 3 Act amended

This Part amends the *Petroleum Act*.

**4 Section 5 amended (Interpretation)**

Section 5(1)

*insert (in alphabetical order)*

**appropriate person**, to hold a permit or licence under this Act, see section 15A.

**hydraulic fracturing** means the underground gas and oil extraction process involving the injection of fluids at high pressure into a geological formation to induce fractures that conduct hydrocarbons for extraction.

**5 Section 15A inserted**

After section 15, in Part II, Division 1

*insert*

**15A Appropriate person to hold permit or licence**

- (1) In determining whether to grant a permit or licence, the Minister must be satisfied that the applicant is an appropriate person to hold a permit or licence under this Act, having regard to the following matters:
- (a) whether the person has contravened the prescribed legislation;
  - (b) whether the person has held a licence or other authority under the prescribed legislation that has been suspended or revoked;
  - (c) the person's record of compliance with the prescribed environmental legislation;
  - (d) whether in the opinion of the Minister, the action or thing to be authorised by the permit or licence is or will be under the control of a technically competent person;
  - (e) whether in the opinion of the Minister, the person is of good repute, having regard to character, honesty and integrity;
  - (f) whether the person has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty;
  - (g) whether the person, within the previous 3 years, was an undischarged bankrupt or applied to take the benefit of any

law for the relief of bankrupt or insolvent debtors, entered into an arrangement with the person's creditors or made an assignment of the person's remuneration for their benefit;

- (h) whether the person is or was a director of a body corporate that is the subject of a winding-up order or for which a controller or administrator has been appointed within the previous 3 years;
  - (i) whether the person has demonstrated to the Minister the financial capacity to comply with the person's obligations under the permit or licence;
  - (j) whether the person is in partnership, in connection with the action that is the subject of the permit or licence, with a person whom the Minister does not consider to be an appropriate person under this regulation;
  - (k) any other matters the Minister considers relevant in determining whether a person is an appropriate person to hold a permit or licence.
- (2) If the person is a body corporate, the Minister must consider the following additional matters:
- (a) whether a director of the body corporate:
    - (i) has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked; or
    - (ii) is or has been the director of another body corporate that has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked;
  - (b) in the case of a body corporate that is the subsidiary of another body or company (the **parent company**) – whether:
    - (i) the parent company or a director of the parent company has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked; or
    - (ii) a director of the parent company is or has been the director of another body corporate that has contravened the prescribed legislation or has held a licence or other authority under the prescribed legislation that has been suspended or revoked;

- (c) the record of compliance with the prescribed environmental legislation of any director of the body corporate;
  - (d) whether in the opinion of the Minister, a director of the body corporate is of good repute, having regard to character, honesty and integrity;
  - (e) whether a director of the body corporate has, within the previous 10 years, been convicted in the Territory or elsewhere of an offence involving fraud or dishonesty;
  - (f) whether the body corporate is the subject of a winding up order or has had a controller or administrator appointed within the previous 3 years.
- (3) In this section, a reference to a director of a body corporate includes a reference to a person concerned in the management of the body corporate.
- (4) Despite subsection (1), the Minister may disregard contraventions mentioned in that subsection having regard to:
- (a) the degree of seriousness of the contraventions; and
  - (b) the length of time since the contraventions occurred; and
  - (c) any other matters that appear relevant to the Minister.
- (5) The Minister must publish, on the Agency's website, the reasons why the Minister has determined that an applicant, and any parent company or associated entity of the applicant, is or is not an appropriate person to hold a licence or permit under this Act.
- (6) In this section:

***prescribed environmental legislation*** means the following:

- (a) the *Environmental Assessment Act 1982*;
- (b) the *Waste Management and Pollution Control Act 1998*;
- (c) the *Environment Protection and Biodiversity Conservation Act 1999* (Cth);
- (d) the *Environment Protection Act 1997* (ACT);
- (e) the *Protection of the Environment Operations Act 1997* (NSW);
- (f) the *Environmental Protection Act 1994* (Qld);

- (g) the *Environment Protection Act 1993* (SA);
- (h) the *Environmental Management and Pollution Control Act 1994* (Tas);
- (i) the *Environment Protection Act 2017* (Vic);
- (j) the *Environmental Protection Act 1986* (WA);
- (k) an Act of another jurisdiction that is similar in nature and purpose to an Act listed above.

**prescribed legislation** means the following:

- (a) prescribed environmental legislation;
- (b) the *Territory Parks and Wildlife Conservation Act 1976*;
- (c) the *Work Health and Safety (National Uniform Legislation) Act 2011*;
- (d) the *Work Health and Safety Act 2011* (Cth);
- (e) the *Work Health and Safety Act 2011* (ACT);
- (f) the *Work Health and Safety Act 2011* (NSW);
- (g) the *Work Health and Safety Act 2011* (Qld);
- (h) the *Work Health and Safety Act 2012* (SA);
- (i) the *Work Health and Safety Act 2012* (Tas);
- (j) the *Occupational Health and Safety Act 2004* (Vic);
- (k) the *Occupational Safety and Health Act 1984* (WA);
- (l) the *Petroleum Act 1984*;
- (m) the *Offshore Petroleum and Greenhouse Storage Amendment Act 2013* (Cth);
- (n) the *Petroleum Act 1998* (VIC);
- (o) the *Petroleum (Onshore) Act 1991* (NSW);
- (p) the *Petroleum and Gas (Production and Safety) Act 2004* (QLD);
- (q) the *Petroleum and Geothermal Energy Resources Act 1967* (WA);

- (r) the *Petroleum and Geothermal Energy Act 2000* (SA);
- (s) the *Mineral Resources Development Act 1995* (TAS);
- (t) the *Corporations Act 2001* (Cth);
- (u) the *Australian Securities and Commission Act 2001* (Cth);
- (v) an Act of another jurisdiction that is similar in nature and purpose to an Act listed above.

#### **6 Section 16 amended (Application for exploration permit)**

After section 16(3)(e)

*insert*

- (ea) evidence that the applicant, and any parent company or associated entity of the applicant, is an appropriate person or body to be granted an exploration permit; and

#### **7 Section 45 amended (Application for production licence)**

- (1) Section 45(1), after "lodging"

*insert*

the following

- (2) After section 45(1)(e)

*insert*

- (ea) evidence that the applicant, and any parent company or associated entity of the applicant, is an appropriate person or body to be granted a production licence;

- (3) Section 45(1)(j)

*omit*

and

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**8 Part II, Division 6, Subdivision 1 inserted**

Before section 57AB, in Part II, Division 6

*insert*

**Subdivision 1 Judicial review****57ABA Judicial review of decision or determination**

Any person may seek judicial review by the Supreme Court of a decision or determination specified in the Schedule, whether or not any right of the person has been affected by, or as a consequence of, the decision or determination.

*Note for section 57AB*

*Order 56 of the Supreme Court Rules applies in relation to judicial review.*

**Subdivision 2 Review on merits****9 Section 58 amended (General conditions)**

- (1) Section 58(a), (b)(ii) and (c) to (g), at the end

*insert*

and

- (2) After section 58(a)

*insert*

(ab) comply with any code of conduct adopted under this Act; and

**10 Section 93 amended (Approval of transfers)**

- (1) Section 93(9)(a) and (b), at the end

*insert*

and

- (2) Section 93(9)(c)

*omit*

all words after "or"

*insert*

licence:

- (i) the technical capacity and financial resources and standing of the transferee; and
- (ii) evidence that the transferee, and any parent company or associated entity of the transferee, is an appropriate person or body to hold a permit or licence under this Act; and

## **11 Section 118 amended (Regulations)**

- (1) Section 118(2)(a) to (g), (h)(ii) and (j) to (q), at the end

*insert*

and

- (2) After section 118(2)(r)

*insert*

(ra) the making and the enforcement of a code of practice, including by providing that a contravention of the code or standard is an offence against the regulations; and

- (3) After section 118(3)

*insert*

- (4) In addition to the matters mentioned in subsection (3), regulations for protection of the environment may provide for a scheme under which persons proposing to undertake certain activities under this Act must obtain prior Ministerial approval of an environment management plan.
- (5) A scheme mentioned in subsection (4) may include the prescribing of decisions made under the regulations and who may apply for judicial review or merits review of those decisions.
- (6) A scheme mentioned in subsection (4) may also require that a plan submitted for approval be accompanied by other documents as the Administrator considers appropriate.
- (7) In this section:

***environment management plan*** means a plan that addresses potential environmental risks and impacts that might arise from carrying on the activities contemplated by the plan.

**12 Schedule inserted**

After section 125

*insert***Schedule Judicial Review of decision or determination**

section 57ABA

Provision	Decision or determination
section 9(1)	A decision to reserve blocks from exploration permit or licence
section 10(1)	A decision to revoke or vary reservation of block
section 13(4)	A decision to give or refuse consent to negotiations
section 13(7)(a)	A decision to withdraw consent
section 13(7)(b)	A decision to refuse application
section 13(8)(b)	A decision to later give, or again give, consent
section 16(1)	A decision to invite applications for grant of exploration permit
section 17(2)	A decision on which application has greatest merit
section 20(3)	A determination to grant or refuse exploration permit
section 23(3)(b)	A decision to accept application for renewal of exploration permit
section 24(4)	A decision to accept application for renewal of exploration permit despite non-compliance
section 24(5)(b)	A decision to give directions concerning blocks in respect of which application may be made
section 24A(4)	A decision to grant exemption from the requirement to reduce permit area
section 24A(6)	A decision to extend term of exemption

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Provision	Decision or determination
section 25(1)(b)	A decision to renew exploration permit despite non-compliance
section 27	A decision to grant or renew exploration permit subject to conditions
section 28(2)	A decision to vary, suspend or waive a condition of exploration permit
section 28(3)	A decision to extend term of exploration permit
section 29(3)	A decision to grant production licence subject to conditions considered appropriate
section 30(1)	A decision requiring permittee to show cause
section 30(2)	A decision directing permittee to apply for production licence
section 30(3)	A decision to cancel exploration permit
section 30(4)	A decision to allow longer period to show cause
section 34(1)	A determination to grant or refuse retention licence
section 37(3)(b)	A decision to accept application for renewal of retention licence
section 38(1)(b)	A decision indicating preparedness to renew retention licence despite non-compliance
section 38(2)	A decision indicating preparedness to renew retention licence
section 38(3)	A decision to refuse to renew retention licence
section 41(2)	A decision to vary, suspend or waive condition of retention licence
section 41(3)	A decision to appoint person to evaluate proposal to vary, suspend or waive condition
section 42(2)	A decision to grant production licence subject to conditions considered appropriate
section 43(1)	A decision to require retention licensee to show cause

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Provision	Decision or determination
section 43(2)	A decision to direct licensee to apply for production licence
section 43(3)	A decision to cancel retention licence
section 43(4)	A decision to allow longer period to show cause or apply for production licence
section 46(3)	A decision to grant production licence for less than 1 block, or more than 1 discrete area if satisfied
section 47(1)	A determination to grant production licence if satisfied of certain matters
section 47(2)	A determination to grant or refuse to grant production licence
section 51(3)	A decision to accept application for renewal of production licence
section 52(1)(b)	A decision indicating preparedness to renew production licence despite non-compliance
section 52(2)	A decision indicating preparedness to renew production licence
section 55(2)	A decision to vary, suspend or waive condition of production licence
section 55(3)	A decision to appoint person to evaluate proposal to vary, suspend or waive condition
section 57(4)	A decision to repeal or vary a declaration by production licensee
section 57A(3)	A decision to grant or refuse to grant access authority
section 57A(4)	A decision to impose conditions on access authority
section 57A(5)	A decision to vary access authority area or condition
section 57A(10)	A decision to renew access authority
section 57A(11)(b)	A decision to cancel access authority

Provision	Decision or determination
section 57A(12)	A decision to direct removal of thing from area of previous access authority, or rehabilitation of area
section 57B(3)	A decision to declare that Part IIA of Act not apply in relation to prescribed petroleum act
section 57C(1D)	A decision to do prescribed petroleum act
section 57K	A decision to direct parties to attend meeting
section 57KA(1)	A decision to refer native title objection to Tribunal
section 57L(2)	A decision to accept or reject recommendation, reject, vary, substitute or add conditions
section 57N(2)	A determination for prescribed petroleum act
section 57N(3)	A determination for prescribed petroleum act
section 57N(4)(b)(ii)	A decision to do an act, or impose conditions, taking matters into account
section 61	A decision to release information
section 68	A decision to require area of permit or licence to be fenced
section 69(1)(a)	A decision to add blocks to area of licence
section 69(1)(b)	A decision to require preparation of scheme to work and develop petroleum pool as one unit
section 71(1)	A decision to give directions to permittee or licensee
section 72(1)	A decision to do thing required by direction if direction not complied with
section 73(3)(a)	A decision to give directions before accepting surrender
section 73(3)(b)	A decision to accept partial surrender
section 74(1)	A decision to cancel permit or licence
section 77(1)	A decision to direct removal of thing from area of previous permit or licence, or rehabilitation of area

Provision	Decision or determination
section 78(1)	A decision to remove and dispose of property
section 79(1)	A decision requiring security be lodged
section 79(3)	A decision to vary amount of security
section 80(1)	A decision requiring security for compensation
section 83(1)	A decision to do prescribed petroleum act
section 93(4)	A decision to accept application to transfer interest
section 93(11)	A decision requiring transferee to lodge security
section 96(6)	A decision to approve or refuse to approve instrument lodged for approval
section 119(2AA)	A decision to renew lease granted under repealed Act
section 119(2F)	A decision to give direction

## Part 3 Amendment of Petroleum (Environment) Regulations

### 13 Regulations amended

This Part amends the *Petroleum (Environment) Regulations*.

### 14 Regulation 3 amended (Definitions)

Regulation 3, definition ***environment management plan***, paragraph (a), after "management plan"

*insert*

, as defined in section 118(7) of the Act

**15 Part 2, Division 7, Subdivision 1 inserted**

Before regulation 29, in Part 2, Division 7

*insert*

**Subdivision 1 Judicial review****29AA Judicial review of decision**

Any person may seek judicial review by the Supreme Court of a decision specified in Schedule 1A, whether or not any right of the person has been affected by, or as a consequence of, the decision.

*Note for regulation 29AA*

*Order 56 of the Supreme Court Rules applies in relation to judicial review.*

**Subdivision 2 Review by Tribunal****16 Regulation 29 amended (Review by Tribunal)**

Regulation 29(4)

*omit*

**17 Schedule 1 amended (Information to be included in environment management plan)**

(1) Schedule 1, clause 10, before "A"

*insert*

(1)

(2) After schedule 1, clause 10(1)

*insert*

(2) In this clause:

**legislative requirements** includes the requirement to comply with a code of practice.

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**18 Schedule 1A inserted**

After Schedule 1

*insert*

**Schedule 1A Judicial Review of decision**

regulation 29AA

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Provision	Decision
regulation 11	A decision to approve plan subject to conditions or refuse to approve plan
regulation 20	A decision that revision still required
regulation 27	A decision to revoke approval of current plan

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**Part 4 Repeal of Act**

**19 Repeal of Act**

This Act is repealed on the day after it commences.