

Environment and Communications References Committee – 23 March 2022

Oil and gas exploration and production in the Beetaloo Basin

Northern Territory Government Response to - Questions on Notice

Senator McCarthy

1. Do Environment Management Plans (EMPs) require projects in the Beetaloo to offset greenhouse gas (GHG) emissions? If so, do these requirements covers Scopes 1, 2 and 3 emissions? If not, how will these emissions be offset?

The *Petroleum (Environment) Regulations 2016* require petroleum interest holders to assess all environmental impacts and risks of their proposed activities and to reduce them to a level that is as low as reasonable practicable (ALARP) and acceptable.

This includes managing greenhouse gas emissions from petroleum activities to levels that are ALARP and acceptable. An Environment Management Plan (EMP) is required to set out how greenhouse gas emissions will be managed. This may be in the form of emissions avoidance, emissions mitigation, and/or emissions offsetting.

Additionally, the Northern Territory's Greenhouse Gas Emissions for New and Expanding Large Emitters Policy requires a proponent of any development proposal to have a Greenhouse Gas Abatement Plan (GGAP) if its activities exceed a greenhouse gas emissions threshold.

The threshold that applies to petroleum exploration and production activities is 100,000 tonnes CO₂-e of scope 1 emissions in a financial year. A GGAP must include an estimate of scope 1, 2 and 3 emissions, and identify measures to avoid, mitigate and/or offset scope 1 and 2 emissions.

The Large Emitters Policy is given effect through environmental authorisations granted under NT Legislation.

The Large Emitters Policy is available here: [Greenhouse Gas Emissions Management for New and Expanding Large Emitters - Policy Released | Climate Change NT](#)

Greenhouse gas emissions offsets will need to be consistent with the NT Greenhouse Gas Emissions Offsets Policy, currently being drafted. A copy of the draft policy has been provided to the Committee.

The Northern Territory Government is considering what further action should be taken to address greenhouse gas emissions from onshore petroleum production in response to recommendation 9.8 of the Final Report of the Scientific Inquiry into Hydraulic Fracturing of Unconventional Shale Reservoirs in the Northern Territory.

2. Is or would the offsetting of GHG emissions across Scope 1, 2 and 3 emissions be a standard requirement for gas production in the Beetaloo?

Refer to response provided to question 1 (above).

3. Do you expect all proponents of onshore petroleum activities to have a GHG Abatement Plan as part of their EMP?

Refer to response provided to question 1 (above).

4. How do you understand the projected emissions from development of the Beetaloo resource will be included in Australia's national accounts?

The Northern Territory Government's Department of Environment, Parks and Water Security understands that the greenhouse gas emissions will be included in Australia's national greenhouse gas accounts in the same manner that other emissions from the production and consumption of gas in Australia is already captured. This includes industry reporting on facility emissions under the *National Greenhouse and Energy Reporting Act 2007*. Australia's national greenhouse gas accounts are managed by the Commonwealth Department of Industry, Science, Energy and Resources.

5. How many road and pipeline projects in and around the Beetaloo have been agreed or developed by the NT Government since the moratorium on fracking was lifted in 2018?

The Northern Territory Government is jointly funding \$367 million of public road upgrades across the Beetaloo Sub-basin with the Australian Government.

The public road network within the Beetaloo sub-basin, under the care, control and management of the Northern Territory Government includes: Stuart Highway, Carpentaria Highway, Buchanan Highway, Western Creek Road and Gorrie Dry Creek Road.

The Northern Territory Government is currently in the scoping phase and assessing six priority road upgrade projects that will be delivered in the immediate to short term period as part the Roads of Strategic Importance (ROSI) program.

The design and construction tender to upgrade the Carpentaria Highway from the Stuart Highway intersection at chainage 0km to chainage 140km closed on Wednesday 23 March 2022. The construction contract period is expected to span over three to four years.

There are no pipeline projects agreed or developed at this point in time.

6. The NT Government has reportedly awarded a contract to CNC Project Management to plan a 100m wide pipeline corridor to transport gas from the Beetaloo to Darwin. Would the proposed corridor accommodate one or more pipelines and if the former, would this be a new or extended pipeline?

The Northern Territory Government engaged CNC Project Management to undertake the pre-feasibility work for a 130m wide infrastructure corridor. The corridor is expected to accommodate multiple infrastructure assets including pipelines and digital infrastructure.

At the present time, it is just a proposed land corridor. The details of what infrastructure is yet to be determined. However, it will be new infrastructure that may or may not connect with other existing infrastructure.

Based on information and reports reviewed, CNC has made allowance in the Pipeline Corridor to accommodate:

- 1 x Gas Export Pipeline including allowance for a second or looped Pipeline.
- 1 x Natural Gas Liquids (NGL) Export Pipeline.
- 1 x Oil Export Pipeline.
- 1 x Hydrogen Export Pipeline.
- Utility and Services including: 1 x Water Mains. 2 x Others –allowance for sewer, CO2, slurry or other medium.
- Communications Services Route (CSR) –Fiber Optic, Telecoms and other commercial opportunities
- Power Lines -Transmission and/or Distribution Power.

Senator Cox:

- 1. Why was the decision made to not comply with the Pepper recommendation so that the Department of Industry, which is charged with promoting the gas industry, is also responsible for regulating it rather than the Environment Department, as Pepper recommended?**

The Northern Territory Government has completed recommendation 14.34 of Scientific Inquiry into Hydraulic Fracturing of Unconventional Shale Reservoirs in the Northern Territory.

The recommendation is: That prior to the grant of any further exploration approvals, in order to ensure independence and accountability, there must be a clear separation between the agency with responsibility for regulating the environmental impacts and risks associated with any onshore shale gas industry and the agency responsible for promoting that industry.

The Administrative Arrangement Orders were amended on 27 February 2019, resulting in the Minister for Environment having administrative responsibility for provisions of the *Petroleum Act 1984* relating to environmental regulation of petroleum activities (including the Petroleum (Environment) Regulations 2016 and the Environmental Offences). The Department of Environment, Parks and Water Security provides support to the Minister in administering and regulating these environmental provisions, which includes environmental monitoring and compliance.

Amendments to the Northern Territory *Environment Protection Authority Act 2012* commenced on 30 November 2018 allowing for additional members to be appointed to the NT EPA and introducing changes that will allow ministers to seek the authority's advice on a range of specific proposals and plans targeting improved environmental management and protection.

- 2. Mr Louis Gomatos – Senior Director Petroleum Operations in the Department – was on the committee approving the federal Beetaloo Drilling Program. He originally said that the selection criteria had not been met with respect to Imperial's application – can you elaborate on why he formed that view, and why he subsequently changed his view to support the grant to Imperial Energy?**

As established in the Australian Government's grant guidelines, applications under the Beetaloo Cooperative Drilling Program go through a rigorous assessment process before being approved for funding.

Mr Gomatos was one of several members of an Assessment Panel (Panel) to consider the applications. Mr Gomatos was not the Chairperson of the Panel.

As part of the assessment process, on initially considering the applications, the Panel, identified certain aspects of each application that raised questions regarding the eligibility of the applications.

The panel requested that the applicant provide clarity on a range of information including timeframes, alignment of activities with existing Environment Management Plans, and level of contingencies.

Following the receipt of clarifying information, the Panel agreed on a consensus basis that the applications were eligible, subject to ineligible expenditure not being included in the grant agreement.

A timeline of the process is as follows:

1. Assessment committee met to consider Imperial Oil and Gas' (Imperial) application: 24 May 2021
2. Assessment committee clarification queries sent to Imperial: 26 May 2021
3. Imperial responded to clarification request: 28 May 2021
4. Assessment committee met to reconsider Imperial application: 1 June 2021.

3. Has Mr Gomatos, or any other of your staff members, had any role in relation to the recent announcements by Minister Pitt of grants to Imperial and Sweetpea under the Beetaloo Cooperative Drilling Program?

No. These announcements were made by the Commonwealth Government utilising Commonwealth Government appropriation.

As the Committee is aware, Mr Gomatos was a member of the Commonwealth Government's assessment Panel for grant applications for the Beetaloo Cooperative Drilling Program.

Senator Thorpe:

1. Recommendations 11.4 of the Pepper inquiry recommends that a statement be given to Native Title Holders to give them information so they can negotiate fracking. Has this happened? If not, why not?

The recommendation has been completed.

The Northern Territory Government has updated its *Petroleum Exploration Permit Application and Conditions* guideline to reflect the requirement for petroleum companies seeking to negotiate an exploration agreement on Native Title Land, to provide a statement to native title claimants in line with the provisions of section 41(6) of the *Aboriginal Land Rights Act 1976* regarding potential future exploration activity. This will ensure native title claimants have a clear understanding of the nature of the potential future exploration activity.

The *Aboriginal Land Rights Act 1976* s41(6) details in a very prescriptive nature the information that is required to be provided by petroleum companies (regarding potential exploration activities) to both inform and commence negotiating an exploration permit with Traditional Owners on Aboriginal Land.

The *Native Title Act 1998* is Commonwealth legislation and cannot be amended by the Northern Territory Government.

2. Recommendation 11.5 of the Pepper inquiry recommends that interpreters are provided for Aboriginal people who speak English as a fifth or seventh language so that they can understand consultations.

It is unclear what the question is however it is confirmed draft principles are being developed in consultation with the Northern Territory Aboriginal Interpreter Services as a complementary resource available for any consultations with Aboriginal people.

The Principles will not only emphasise the importance of using interpreters when explaining complex scientific matters, but also recognise the significance of respecting community and culture when consulting with Aboriginal people. The objective is to promote consistent, effective and accountable engagement with Aboriginal people through working together and include the themes of: Respect and Integrity; Clarity; Commitment; Inclusion; Accountability; and Working Together.

The Principles once finalised will be made public and also linked to key resource sites to ensure the Principles are accessible to any proponents and stakeholders engaging with Aboriginal community members. It is recognised that the Land Councils and AAPA have their own resources and expectations regarding culturally appropriate engagement with Aboriginal community members, therefore the Principles are an additional high level document to support those specific resources.

3. Recommendation 11.5 of the Pepper inquiry recommends that in collaboration with the Government, Land Councils and AAPA, an independent, third-party designs and implements an information program to ensure that reliable, accessible, trusted and accurate information about any onshore shale gas industry is effectively communicated to all Aboriginal people who will be affected by any onshore shale gas industry. That the program be funded by the gas industry. Has this happened? how many to date have been conducted? How much money have gas corporations provided for this to happen?

Recommendation 11.5 of the Scientific Inquiry into Hydraulic Fracturing is: *That interpreters be used at all consultations with Aboriginal people for whom English is a second language. Interpreters must be appropriately supported to ensure that they understand the subject matter of the consultation.*

Recommendation 11.6 is: *That in collaboration with the Government, Land Councils and AAPA, an independent, third-party designs and implements an information program to ensure that reliable, accessible, trusted and accurate information about any onshore shale gas industry is effectively communicated to all Aboriginal people who will be affected by any onshore shale gas industry. That the program be funded by the gas industry.*

This response relates to Recommendation 11.6. In 2020, the Commonwealth Scientific and Industrial Research Organisation (CSIRO) worked collaboratively with land councils to develop initial fact sheets with information that is: clear, factual and relevant content for communication material to distribute to communities potentially affected by shale gas development and hydraulic fracturing in the Northern Territory, particularly for translation into languages of local Aboriginal communities.

While delivery of this project has been delayed, Group members, particularly land councils and AAPA, continue to be engaged and supportive of the approach being taken to ensure delivery of the project achieves the desired intent.

The following fact sheets and frequently asked questions have been identified as the immediate information requirements:

- groundwater
- methane
- “about shale gas”
- unearthing shale gas
- unearthing conventional gas

Content has been finalised by CSIRO and provided to the Northern Territory Aboriginal Interpreter Service (AIS) for scripting and interpretation into all 18 languages AIS are able to offer translation services for.

It is intended the ongoing delivery of the Aboriginal Information Program will form part of the Community Engagement and Information Program contracted to CSIRO, which includes a dedicated CSIRO officer, based within the Land and Water Division of the CSIRO Darwin Office to develop ongoing engagement materials and deliver the program in person across the Northern Territory ongoing.

Whilst Recommendation 11.6 suggested the gas Industry fund the Aboriginal Information Program, strong feedback from stakeholders has been that such arrangements would create a perceived conflict of interest and impact on the fundamental aim of the program delivering independent information to communities effected by shale gas development. As a result of the feedback, the gas industry funded an initial piece of work over 18 months ago, however the Northern Territory Government, as part of its broader community engagement and information program will fund the translation of fact sheets and ongoing provision of information through a 5 year funding arrangement with the CSIRO.

Senator Cox for NT Environment Department:

1. Does the Department dispute the claims made in the hearings that Minister Eva Lawler travelled to Dallas Texas and Amarillo Texas in November 2019 to attend meetings with oil and gas industry including Halliburton and toured related infrastructure projects at a cost of \$34,162.46 to NT taxpayers?

Yes, the Minister travelled to Amarillo Texas but it was to meet with Bell Helicopters not the oil and gas industry.

2. Does the Department dispute the claims made in the hearings that less than 3 months after going on this trip you the Minister met with Traditional owner Ray Dimakarri Dixon and local constituent Bodil Conroy on Thursday 16th of January 2020 and informed them that there has been no problems with shale gas fracking in America?

The Minister met with Ray Dixon and Bodil Conroy on 16 January 2020. The conversations focused on the oil and gas industry in the Beetaloo in the Northern Territory.

3. Has the Minister since then visited Ray Dimakarri Dixon in his community?

The Minister for Environment met with Mr Dixon and others on 10 May 2021. The Minister was not able to meet with Mr Dixon in his community due to the COVID-19 biosecurity restrictions placed upon the region by the Commonwealth Government for much of the remainder of 2021, and into 2022. It should be noted that restrictions to homelands were extended after Bio Security restrictions were lifted with a clear direction from the Northern Territory Government and Indigenous Land Councils for essential travel only.

Senator Cox for Industry Department

4. How long did Mr Louis Gomatos, Senior Director Petroleum technology and Operations in Department of Industry, Tourism and Trade work for Halliburton and in what capacity?

Mr Gomatos was employed with Haliburton for 24 years and 9 months. Over this period he held various roles in management, engineering and business development throughout Australia and in multiple countries worldwide.

5. Does Mr Louis Gomatos still have any financial interests in Halliburton?

No.

6. Does the Department dispute claims that NT Government officials Alister Trier, Ian Scrimgeour and Louis Gomatos travelled to Houston, Texas between January 31 and February 10 2020, with other NT Government officials Alister Trier and Ian Scrimgeour to meet with gas representatives at a cost of \$48,618 to NT taxpayers?

The Department wishes to clarify information as Senator Cox's question contains factual errors. Dr Ian Scrimgeour did not travel to Houston, Texas between 31 January and 10 February 2020.

Mr Alister Trier as Chief Executive Officer of the former Department of Primary Industry and Resources (DPIR) and Mr Louis Gomatos, Senior Director of Petroleum Operations (DPIR) travelled to Houston Texas between 31 January and 10 February 2020. Ms Dorothy Close, Director Regional Geoscience of the Northern Territory Geological Survey also represented the Northern Territory Government on this trip.

7. Please list the gas companies these officials met with on this trip.

The Northern Territory Government officials did not hold any meetings with 'gas companies' on this trip.

Officials' duties included:

- Representing the Territory and Australia at the North Australian Prospect Expo (NAPE), promoting the geological prospectivity of the Northern Territory. This activity is coordinated by the Australian Government, through Geoscience Australia in coordination with Austrade, under the banner of Petroleum Australia.
- Meeting with the Texas Railroad Commission of Texas. The Commission is the regulator of petroleum activity in Texas.
- Meeting with the Department of Mineral Resource, North Dakota.