

NORTHERN TERRITORY GOVERNMENT LIFTS MORATORIUM ON FRACKING

20 April 2018 | Australia

On 17 April 2018, following the release of the independent Scientific Inquiry into Hydraulic Fracturing of Onshore Unconventional Reservoirs in the Northern Territory on 27 March (**NT Fracking Inquiry Report**), the Northern Territory Government announced that it would support, or support in-principle, all 135 recommendations in the NT Fracking Inquiry Report and lift the moratorium on hydraulic fracturing of onshore unconventional shale gas resources in the Northern Territory.

In particular, as part of the implementation of the recommendations:

- there will be certain “no-go” zones for fracking (i.e. National Parks, Conservation Areas, Indigenous Protected Areas, towns, residential and strategic assets, and areas of high cultural, environmental or tourism value), though approximately 51% of the Territory would remain open for fracking activities; and
- a strict regulatory framework will be put in place prior to the recommencement of fracking activities, including additional pre-exploration environmental requirements, increased criminal and civil sanctions for non-compliance with the regime and broader administrative rights of appeal for third parties stakeholders.

The implementation of these recommendations will be a staged process. More than 30 of the recommendations will need to be implemented before any fracking can take place, including:

- the implementation of codes of practice for well decommissioning and well integrity;
- legislative establishment of the “no-go” zones described above; and
- amendments to environmental regulations and legislative regimes for the approval of fracking activities.

Permit holders will also be required to obtain water extraction licences and an Authority Certificate from the Aboriginal Areas Protection Authority prior to the grant of any exploration or production approvals. From an environmental monitoring perspective, baseline methane gas levels around existing wells are required to be monitored for at least 6 months prior to the grant of any new exploration approvals and 12 months prior to the grant of any new production approvals. Based on the estimated time required to implement the initial set of recommendations, the Northern Territory Government estimates that exploration will be able to recommence around the middle of 2019.

In the interim, the Department of the Chief Minister will establish a dedicated implementation team made up of experts in law, community engagement, environmental science, and petroleum operations. An implementation plan will be released by the implementation team in July 2018 which will give a clearer indication of the way forward. An industry reference group, the Community and Onshore Oil and Gas Industry and Business Reference Group will also be established for during the initial planning phase for consultation purposes.

Further information, including the NT Fracking Inquiry Report, can be found on the [Government's website](#).

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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