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**10th February 2022**

**‘ORI10-1: Origin Energy Multi-well Drilling, Stimulation and Well Testing Program for Exploration Permit (EP) 98 & 76 Environment Management Plan’ submission**

The Arid Lands Environment Centre (ALEC) is Central Australia’s peak community environmental organisation that has been advocating for the protection of nature and ecologically sustainable development of the arid lands since 1980. The ALEC community have been closely following the development of the Beetaloo Basin for 8 years now. ALEC’s policy work on fracking has focused on close engagement with the Scientific Inquiry into Hydraulic Fracturing in the Northern Territory handed down by Justice Pepper (Pepper Inquiry) and its subsequent implementation. In the past year consulted with our membership and community on the AMGP pipeline, Senate Inquiry into the Beetaloo Cooperative Drilling Policy, the Greenhouse Gas offsets policy and co-organised a webinar on this EMP and others proposed for the Beetaloo Basin in late Jan which was attended by 148 people. ALEC actively contributes to the development of energy and resources policy through regulatory reform, written submissions, community education and advocacy within the community.

ALEC welcomes the opportunity to provide a submission on Origin Energy’s Multi-well Drilling, Stimulation and Well Testing Program for Exploration Permit (EP) 98 & 76 Environment Management Plan

ALEC’s response will first focus on the regulatory environment of shale gas activities in the Beetaloo Basin and the failure to implement key recommendations of the Pepper Inquiry which limit the capacity for any exploration drilling project to be adequately and safely regulated, and the climate implications of the proposed EMP.

**Pepper inquiry implementation as the regulatory environment of shale gas activities in the Beetaloo Basin.**

As noted in the final report of the Pepper inquiry:

“The recommendations in this Report are a complete package. It is only the implementation of the entire package that will create the framework that will mitigate the risks associated with any onshore shale gas industry in the NT to an acceptable level. If the Government does not implement all the Panel’s recommendations, then the Panel, in the Panel’s assessment, is not able to state with certainty that the identified risks will be mitigated to acceptable levels.”<sup>2</sup>

Despite the Pepper Inquiry providing a pathway for fracking to occur in the Northern Territory, the viability of the industry from a regulatory standpoint remains unknown. The implementation of all 135 recommendations (which were consequently split into 138 for implementation) remains critical to the Territory Government's license to regulate, in addition to the gas industry's social license to operate.

Recent analysis<sup>1</sup> of the progress of Pepper Inquiry recommendation implementation shows that after 4 years, *only 36 of the 138* of the recommendations have been fully implemented, despite the government's continued promise that all recommendations will be fully implemented before gas extraction in the Beetaloo Basin reaches production stage<sup>2</sup>. Exploration activity like that proposed by Origin in this EMP expanding to 6 wells send a clear signal that there is an increased urgency around exploration. The Northern Territory Government<sup>3</sup> and Origin Energy's timelines also suggest that production licenses may be issued as early as 2023. In this context, it is deeply alarming that so much regulatory reform has not yet been progressed, indicating that the pace of exploration has outstripped that of the regulatory reform needed to effectively regulate shale gas exploration.

## **Erosion of trust in the SREBA process**

The SREBA is a central component of the Pepper Inquiry involving the completion of 6 baseline studies over an advised 3-5 year period.<sup>4</sup> A transparent and robust SREBA was a key feature to restore public confidence in the shale gas industry, in addition build confidence in the regulatory regime.

However at this stage the SREBA is incomplete and inadequate. Rather than the 3-5 year timeline as advised in the Pepper Inquiry, or the 3 years emphasised in the Draft SREBA framework (2019), elements of the SREBA, notably the social cultural and economic study have been reduced to a period of 18 months and the whole process is being fast tracked so as to conclude in December 2022. This has been done with no public consultation, nor has there been any communication outlining how and why this decision was made, when and by who. The decision to substantially erode the timeframe for research is unacceptable. The SREBA makes up 30 of the 135 recommendations of the Pepper Inquiry. A decision to compromise its timeline has implications for many of these recommendations.

The Pepper Inquiry was clear in the need for transparency and accountability in decision making. It was stated that, "transparent decision-making by an accountable regulator is the cornerstone of a trusted and efficient regulatory regime"<sup>5</sup>. The handling of the SREBA process is undermining trust in the regulatory regime.

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<sup>1</sup> Lock the Gate, 2022. 'Whatever Pepper: Only ¼ of NT fracking recommendations implemented nearly four years since inquiry'. Accessed 10 February 2022.

<sup>2</sup> Gunner, M, 2018. Fracking moratorium lifted - strict laws to be in place before exploration or production can occur, 2018. Accessed: <https://newsroom.nt.gov.au/mediaRelease/25488>

<sup>3</sup> Commonwealth of Australia, 2021. 'Unlocking the Beetaloo: the Beetaloo Strategic Basin Plan'.

<sup>4</sup> Scientific Inquiry into Hydraulic Fracturing in the Northern Territory *Final Report*, p.451-452.

<sup>5</sup> Scientific Inquiry into Hydraulic Fracturing in the Northern Territory *Final Report*, p.431.

## **Failure to achieve regulatory separation**

ALEC remains seriously concerned that regulatory separation has not occurred, with the Department of Industry, Tourism and Trade (DITT) still maintaining key responsibilities around the regulation of fracking. The Pepper Inquiry was very clear in Recommendation 14.34, stating:

“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”.<sup>6</sup>

DITT still manages Well Operation Management Plans (WOMPs) which are a key process which can have significant environmental impacts, such as regulating well integrity. WOMPs remain hidden from the public, again undermining the Pepper Inquiry and the need for transparency. While it was established that all environmental regulations of the shale gas industry are to be regulated by the Department of Environment, Parks and Water Security (DEPWS), this is not currently occurring.

## **Greenhouse gas emissions**

Origin estimates that its proposed drilling and fracking process will emit 146,518 to 273,030 tonnes of avoidable greenhouse gases into the atmosphere. This is equivalent to 1.3 percent of the NT's annual per capita emissions for a single exploration drilling EMP and is incompatible with NT government's commitment to move towards net zero greenhouse gas emissions. It is also likely to bring them over the threshold of the large emitters policy. The Federal Government's Beetaloo Strategic Gas Basin plan states that, gas companies like Origin could be drilling and fracking 20-40 new wells annually in the next few years, and 200-300 if the industry heads into full-scale production. That would mean 1-2 million tonnes of greenhouse gases in the next few years, and 10-15 million tonnes every year for a full-scale fracking industry.

Origin is required to assess the cumulative impacts of its proposed activities. Origin only includes its own existing exploration wells as the basis for its cumulative impact assessment, ignoring its own expected future production and publicly reported exploration activity from other gas companies in the Beetaloo. This clear misinterpretation of the cumulative impact assessment requirement allows Origin to mischaracterise the scale of the risks posed to the climate by the expanding industrialisation of the Beetaloo.

Though this EMP is for a smaller scale exploration drilling project, the much larger climate implications of origin's production plans must be taken into account when assessing the appropriateness of this project, as working towards production is the sole purpose of the proposed activity. The NT doesn't yet have a greenhouse gas policy relating to fracking, so there are no obligations on Origin to reduce or offset the carbon emissions from its fracking

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<sup>6</sup> Scientific Inquiry into Hydraulic Fracturing in the Northern Territory *Final Report*, p.431.

plans. This situation poses an unacceptable risk to the global climate, and approving the EMP would significantly undermine the Territory's target of net zero emissions by 2050.

Kind Regards,

Hannah Ekin,

Central Australian Frack Free Coordinator