

# Submission: *Beetaloo Basin Drilling, Stimulation & Well Testing Program Environmental Management Plan*

***The NT Government accepted the NT Fracking Inquiry finding that greenhouse gas emissions from fracking must be fully offset. Yet the very first proposal to frack in the Territory contains does not propose to offset its 76,000 tonnes of emissions. Proponents Origin should be required to offset these emissions before approval is given. The NT Government should finalise offset arrangements before allowing any fracking.***

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The Australia Institute is a public policy research organisation based in Canberra. Our dedicated Climate and Energy program conducts a range of research into areas including energy and emissions relating to petroleum exploration and hydraulic fracturing.

The Australia Institute welcomes the opportunity to comment on Origin's Environment Management Plan (EMP) for assessment under the *Petroleum (Environment) Regulations 2016*. Origin proposes the construction of an exploration petroleum well, hydraulic fracturing and well testing in the Beetaloo sub-basin. The EMP covers a number of activities including the drilling, testing and hydraulic fracturing of an exploration well, construction and operation of a temporary camp, installation of up to two water extraction bores and routine maintenance and monitoring activities and minor works.

## EMISSIONS

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Origin's EMP notes the project will generate 73,478tCO<sub>2</sub>e (tonnes of Carbon Dioxide equivalent) of greenhouse gas (GHG) emissions.

However, the EMP claims GHG emissions are not a 'key environmental risk mitigation area'.<sup>1</sup> The EMP dedicates just one page to GHG emissions, comparing emissions from one exploration project to emissions from all of the Northern Territory (NT). The NT has very large emissions given its population, due to the large scale of gas production.

Although the EMP only covers exploration and testing activities, such activities intend to lead to future petroleum production and downstream emissions.

The NT Government's *Scientific Inquiry into Hydraulic Fracturing in the Northern Territory* (Fracking Inquiry) found emissions from fracking could increase Australia's national emissions by 5%, and that this impact was "unacceptable".<sup>2</sup> For this reason, it recommended that all emissions from fracking and domestic consumption be offset.

Importantly, the EMP includes no provisions for offsetting the emissions.

## NT INQUIRY FINAL REPORT

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Despite numerous eminent scientists and experts urging that "onshore shale gas and shale oil development ... not go ahead in the Northern Territory under any circumstances",<sup>3</sup> the NT government lifted the NT fracking moratorium in April 2018.

The lifting of the moratorium was premised on the conclusion of the Fracking Inquiry that the risks from fracking the NT would be acceptable *only if* the government adopted *all of the recommendations* of the Fracking Inquiry. The NT government subsequently lifted the prohibition and adopted the Fracking Inquiry's 135 recommendations.

The Fracking Inquiry included the finding that emissions of the scale involved in fracking would be "unacceptable". In Recommendation 9.8, the Fracking Inquiry urged:

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<sup>1</sup> Origin (2019), Beetaloo Basin Drilling, Stimulation and Well Testing Program: Kyalla 117 NT Environmental Management Plan, p 8

<sup>2</sup> Scientific Inquiry into Hydraulic Fracturing in the Northern Territory (2018) Final Report, p 230

<sup>3</sup> The Australia Institute (2018) An Open Letter to the Scientific Inquiry into Hydraulic Fracturing in the NT and the Northern Territory Government  
<http://www.tai.org.au/sites/default/files/NT%20Fracking%20open%20letter%20Feb%202018.pdf>

That the NT and Australian governments seek to ensure that there is no net increase in the life cycle GHG emissions emitted in Australia from any onshore shale gas produced in the NT.<sup>4</sup>

For fracking to meet the “acceptability criteria” and go ahead, the Fracking Inquiry states that ‘the increase in life cycle GHG emissions in Australia from any onshore shale gas produced in the NT ... must be fully offset’.<sup>5</sup>

In committing to the recommendations of the Fracking Inquiry, the NT government has agreed that fracking projects must only go ahead if their lifecycle emissions are fully offset.

## BREACH NT GOVERNMENT POLICY

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Origin’s EMP claims that it is in compliance with the findings and recommendations of the Fracking Inquiry. The EMP states that:

The approach aligns with the findings of the NT Inquiry Final Report and associated recommendations (as implemented via the Petroleum Codes of Practice or legislation).<sup>6</sup>

This is false.

The EMP does not contain provisions to offset greenhouse gas emissions. It therefore does not align with all recommendations of the Fracking Inquiry. To comply with the Fracking Inquiry’s recommendations, the EMP must contain offsetting provisions.

The EMP notes that the emissions from exploration are relatively low when compared to the total GHG emissions for the NT.<sup>7</sup> It would follow that fully offsetting those emissions should not be a costly endeavour and could be included within Origin’s EMP.

As the Australia Institute argued in its submission to the NT Government’s climate policy consultation (attached below), offsetting fracking emissions in line with stated policy should be the NT government’s main and urgent priority for climate change.

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<sup>4</sup> Scientific Inquiry into Hydraulic Fracturing in the Northern Territory (2018) Final Report, p 239

<sup>5</sup> Ibid, table 9.4, p 231

<sup>6</sup> Origin (2019), Beetaloo Basin Drilling, Stimulation and Well Testing Program: Kyalla 117 NT Environmental Management Plan, p 90

<sup>7</sup> Origin (2019), Beetaloo Basin Drilling, Stimulation and Well Testing Program: Kyalla 117 NT Environmental Management Plan, p 54

Gas production is pushing up both the NT's and Australia's emissions. In the absence of a fracking moratorium, offsetting lifecycle emissions of fracking projects is an urgent priority. It is also necessary that gas companies, not the taxpayer, pay for these offsets.

Current NT government plans are to finalise the offset policy by the end of 2021. This represents very poor environmental management. As the present EMP shows, significant activity and expenditure will have occurred by then.

The offsets policy should be finalised before approving any fracking activity.