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The patchwork approach to the regulation of fracking and unconventional

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➤ Agenda

- The current regulatory patchwork
- Regulation of fracking
- Select key issues in regulating unconventional



**The current patchwork
(and how we got here)**



➤ Context: industry perspective

Hydraulic fracturing now has:

- a history of safe operation in Australia;
- a series of independent investigations / reports
 - NSW: O'Keefe Report
 - VIC: Reith Report
 - NT: Hawke Report
 - SA: Parliamentary Inquiry
 - WA: Parliamentary Inquiry

but industry's social licence to operate remains under scrutiny...

➤ Context: fracking in the public (and political) eye



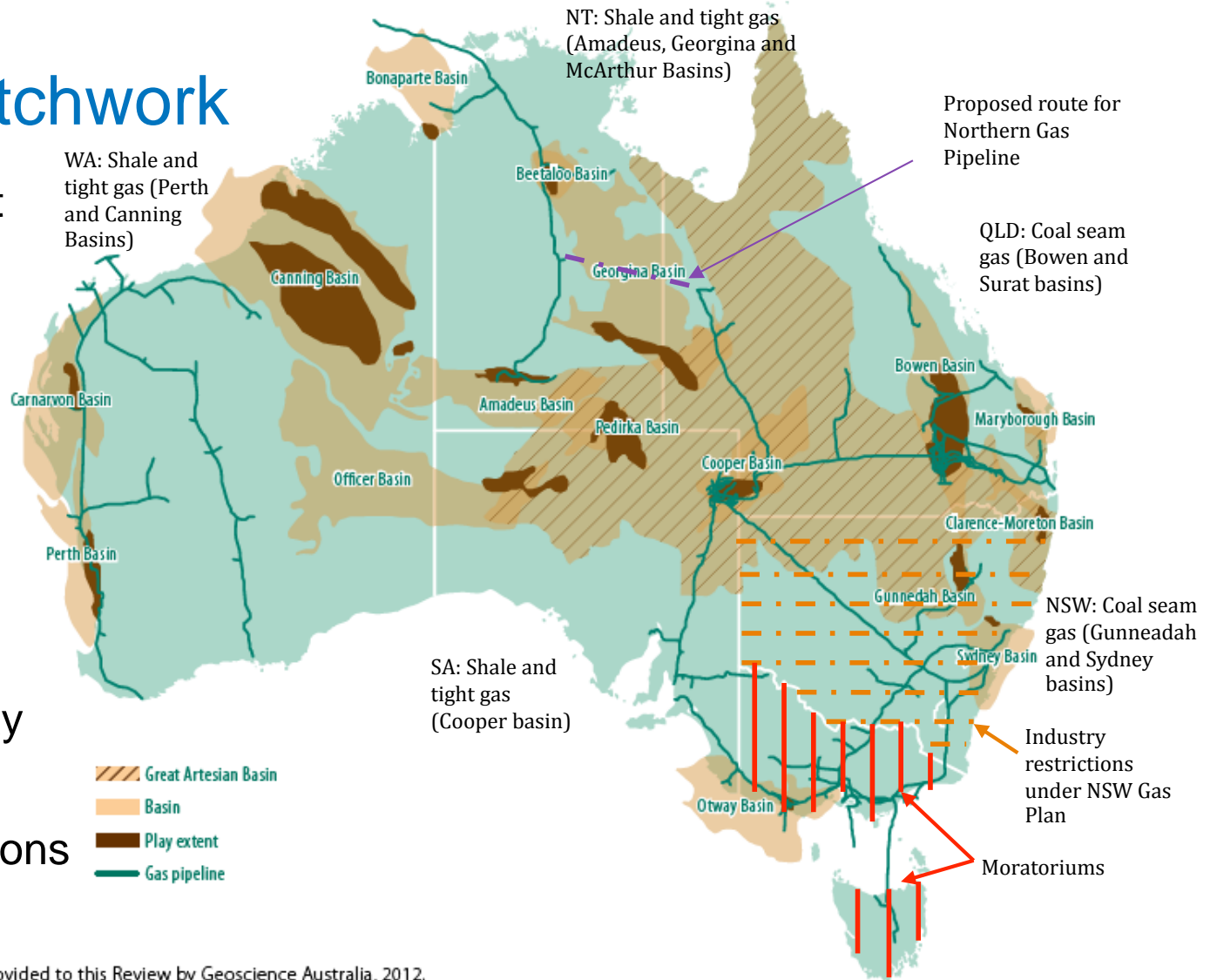
➤ How did we get here...

- Started by building on conventional petroleum regulation
- Reactive development – creating a regulatory patchwork
- Complicated by:
 - Both State and Commonwealth regulation
 - Regulation evolving in response to scientific findings, industry experience and policy developments elsewhere.
 - Regulation occurring through a mix of petroleum, environmental and water legislation, and non-legislative policy



➤ The current patchwork

- Adaptive management
 - QLD
- Measured reform
 - SA, WA, NT
- Pause and reset
 - NSW
- Moratoriums
 - VIC/TAS
- Commonwealth overlay
 - EPBC / water trigger
- Project specific conditions



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Provided to this Review by Geoscience Australia, 2012.

➤ Potential for convergence

- There should be some difference – CSG does produce different issues to the shale/tight gas elsewhere
- There are some promising signs regarding the potential for greater convergence:
 - Inquiries and reports in WA, SA and NT: are proposed reforms which will move the regimes closer together
 - The approach on CSG issues in Qld and NSW does reflect learning from each other's experience and COAG's National Harmonised Regulatory Framework for Coal Seam Gas
- COAG Energy Council Gas Supply Strategy – harmonising the regulatory framework



Regulating hydraulic
fracturing

➤ A common approach emerging on some issues

- Fracking fluid:
 - Prohibitions on BTEX chemicals
 - Disclosure of chemicals used in fracking fluid
- Conduct of fracking activities
 - Prior notice to government / landowners
 - Inclusion in approved plans
- Well integrity
- Baseline monitoring



Select key issues in regulating
unconventional

➤ Water

- Different position on whether petroleum tenure enables:
 - Taking water
 - interference with water
 - Injection of water / fracking fluids
- Beneficial use
- EPBC water trigger – CSG only
- Catchment exclusions / protections

➤ Coal seam gas issues (QLD and NSW)

- Coal seam gas water
- Overlapping tenure and incidental coal seam gas
 - Regulatory prescription (QLD)
 - Ad-hoc regulation as a last resort (NSW)
- Incidental coal seam gas



Questions?



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