

11<sup>th</sup> July 2021

Ms Simone Symonds  
Project Officer, Dpt of Climate Change, Environment Division  
Department of Environment, Parks and Water Security  
GPO Box 3675  
DARWIN NT 0801

Forwarded via email: [environment.policy@nt.gov.au](mailto:environment.policy@nt.gov.au)

Dear Simone,

**APPEA Submission: Environmental Chain of Responsibility Laws – Information paper**

As the peak national body representing companies engaged in oil and gas exploration throughout the Northern Territory and Australia, the Australian Petroleum Production & Exploration Association (APPEA) welcomes the opportunity to make a submission to the Department regarding the introduction of Environmental Chain of Responsibility (CoR) Laws.

APPEA supports a mechanism that ensures environmental liabilities and the costs associated with managing liabilities to be 'redirected' to a 'related person' of the company (or person) responsible for the environmental liabilities.

We note that the intent of the CoR provisions apply to all activities and industries. It is important to recognise that onshore gas projects don't necessarily have sustained, cyclical, commodity driven care and maintenance periods like minerals projects.

General Comments in relation to existing provisions

APPEA understands that CoR provisions should not operate in isolation, the information paper makes clear reference to the existing EP Act or a prescribed act. As the information paper identified, there are already powers to intervene, more guidance is required to understand when the CoR provisions would be called upon.

- APPEA seeks to understand how the CoR requirements interact with the security bonds held as per the *Petroleum Act 1984*.
- It is unclear how the provisions of the *Petroleum Act* will inform the 'categorisation of a high risk company' – 'under suspicion / of reasonable concern'. We seek to understand the processes for procedural fairness.
- It is also unclear how the Department's compliance strategy will seek to integrate categorisation surveillance monitoring. This becomes an important secondary issue for cost recovery and distributing government resourcing to required compliance monitoring. The CoR should only

apply to compliance obligations/ requirements where those requirements are likely to result in a potential liability to the regulator. A number of obligations are administrative and APPEA questions if the CoR provisions are the most appropriate mechanisms to respond.

APPEA makes the following recommendations after reviewing the CoR information paper:

1) The CoR legislative framework will be supported by a number of definitions and appropriate parameters that guide when and how the CoR powers may be applied. Given the lack of specific detail in the information paper on the legislative framework definitions and parameters, it is recommended that additional engagement with industry be conducted on the proposed draft legislation prior to finalisation.

2) The proposal appears largely based on the Queensland chain of responsibility laws. One of the main industry concerns with the Queensland CoR laws has been in regard to the breadth of the definition of related person, which can potentially make a very wide range of persons / entities liable. In Queensland, these types of concerns were addressed through the release of a guideline, therefore it is recommended that:

- a) a guideline be developed and circulated for industry review; this would define when the Department would consider issuing an environmental protection order to a 'related person'.
- b) that any NT laws would require a degree of culpability if a related person were to attract liability and this would be built into the legislation, rather than be left to a guideline.

If you have any queries or for further information in relation to the contents of this letter and our submission, please contact me on 0434 590 589 or at [cschmidt@appea.com.au](mailto:cschmidt@appea.com.au).

Yours Sincerely,



**Cassy Schmidt**  
Director – Northern Territory  
0434 590 589