

# Explanatory Statement

## PIPELINES AND PETROLEUM LEGISLATION AMENDMENT (INDUSTRY DEVELOPMENT) BILL 2026

SERIAL NO. 57  
LEGISLATIVE ASSEMBLY OF THE  
NORTHERN TERRITORY

MINISTER FOR MINING AND ENERGY

### GENERAL OUTLINE

This Bill amends the *Energy Pipelines Act 1981*, the *Petroleum Act 1984*, the *Petroleum (Submerged Lands) Act 1981*, as well as making consequential amendments to other laws.

The purpose of this Bill is to promote and enable industry development in key onshore gas projects in the Beetaloo Sub-basin, and support and facilitate broader carbon capture and storage initiatives by allowing carbon dioxide to be transmitted through pipelines in the Territory, to offshore areas for permanent storage in greenhouse gas storage locations within Commonwealth waters.

The Bill is separated into six parts:

1. Part 1 addresses preliminary matters associated with an Amendment Bill.
2. Part 2 amends the *Energy Pipelines Act 1981* to allow for the conveyance of regulated substances through pipelines. Amendments create a comprehensive and contemporary compliance regime, providing tools and mechanisms to ensure activities can be regulated appropriately.
3. Part 3 amends the *Petroleum Act 1984* to modernise retention licence arrangements to better support and encourage investment and development in the Beetaloo Sub-basin. Amendments will encourage cooperation and collaboration by allowing petroleum to be transferred between interest areas for processing, storage and transport activities, reducing duplication of effort and expenses associated with appraisal and production activities.
4. Part 4 amends the *Petroleum (Submerged Lands) Act 1981* to allow for the conveyance of regulated substances through pipelines and modernise and expand inspector powers and functions to ensure authorised activities can be regulated appropriately.
5. Part 5 of the Bill makes consequential amendments to other laws that are required following other amendment made by the Bill.
6. Part 6 of the Bill provides for the automatic repeal of the Act on the day after it commences.

### NOTES ON CLAUSES

**Part 1**            **Preliminary matters**

**Clause 1.**        **Short Title.**

This is a formal clause which provides for the citation of the Bill. The Bill when passed will be cited as the *Pipelines and Petroleum Legislation Amendment (Industry Development) Act 2026*.

## **Clause 2. Commencement.**

This clause sets out how the amendment Act will be commenced.

In this case this will be done by notice given by the Administrator in the Northern Territory Government Gazette. If a provision of this Act does not commence before 6 March 2028, it will automatically commence on that day.

## **Part 2 Amendment of *Energy Pipelines Act 1981***

### **Clause 3. Act amended**

This is a formal clause, which provides that amendments are made to the *Energy Pipelines Act 1981* (the Act). Its purpose is to clarify which laws are being amended by the following clauses in this Part.

### **Clause 4. Long title replaced**

This is a formal clause, which replaces the long title of the Act to reflect that substances other than energy-producing hydrocarbons will be able to be conveyed through pipelines after the amendments in this Bill are made.

The new long title is:

An Act to provide for the construction, operation, maintenance and decommissioning of pipelines for the conveyance of certain substances, and for related purposes.

### **Clause 5. Section 1 amended (Short title)**

This is a formal clause, which changes the short title of the *Energy Pipelines Act 1981* to the *Pipelines Act 1981* to better reflect the purpose of the Act.

### **Clause 6. Section 3 amended (Interpretation)**

This clause amends section 3 of the Act, which contains definitions specific to this Act that are required to assist in the interpretation, application and operation of the Act.

Subclause (1) deletes the words ‘unless the contrary intention appears’ from the introductory paragraph of section 3(1) to align with modern drafting practices, as the *Interpretation Act 1978* provides that definitions in any Act are to be read in context.

Subclause (2) deletes existing definitions in section 3(1) for the terms ***apparatus or works***, ***energy-producing hydro-carbon***, ***inspector***, ***licence*** and ***pipeline***, as the terms are being updated to improve clarity and to remove the unnecessary hyphen from the word ‘hydro-carbon’.

Subclause (3) inserts definitions into section 3(1) of amended and new terms used throughout the Act, which are required to assist in the interpretation of the Act. Key changes to the definitions include:

- aligning the definition of ***Aboriginal land*** with the *Aboriginal Land Rights (Northern Territory) Act 1976* (Cth);
- defining ***apparatus and works***, in relation to a pipeline, as a thing connected to or associated with the pipeline that is necessary for its operation. This works with the definition of ***pipeline*** to ensure that all ***apparatus and works*** are part of the pipeline, and must be contained within a pipeline licence area;

- introducing the definition of an **approved form**, for the process set out in the new section 67D allowing the Chief Executive Officer to approve forms required under this Act;
- introducing the definition of **CEO** to mean the Chief Executive Officer; which, in line with the *Interpretation Act 1978*, means the CEO for the Agency administering this Act;
- introducing the definition of **compliance direction** to align with the process under the proposed section 58L;
- introducing the definition of **guideline** to align with the process under new section 67E, allowing the Minister to publish guidelines;
- introducing the definition of **infrastructure** aligning with the *Petroleum Act 1984* and providing clarity in relation to the use of compliance powers;
- defining an **inspector** as a person appointed to be an inspector under new section 58R;
- defining a **licence** to mean a pipeline licence for clarity;
- amending the definition of **pipeline** to simplify and capture all matters technically related to the operation of a pipeline required to enable this Bill, including the conveyance of regulated substances;
- introducing the definition of a **pipeline licence** to mean a licence granted under Part 3 or section 43;
- introducing the definition of a **pipeline management plan** to align with the proposed section 18A definition;
- introducing the definition of **regulated substance**, as energy-producing hydrocarbons, hydrogen (including a compound, precursor or hydrogen carrier used to transmit hydrogen), carbon dioxide and any gas or other substance prescribed by regulation to clarify the substances that can be conveyed through pipelines licensed and regulated under the Act;
- introducing the definition of **stop work notice** to align with the process under the proposed section 58P.

Subclause (4) amends the definition of **affected land or waters** in section 3(1) by deleting the term 'licence' and replacing it with a 'pipeline licence, or a permit sought or obtained in relation to a possible licence' to clarify that a corridor described in section 66 is affected land or waters for a permit or pipeline licence.

Subclause (5) amends the definition of **Native Title Act** in section 3(1) by deleting the phrase 'of the Commonwealth' and replacing it with '(Cth)' to conform with modern drafting practices.

Subclause (6) amends the definition of **partly cancelled** in section 3(1) by removing reference to apparatus and works and using the term 'pipeline' to provide context to the definition.

Subclause (7) amends the definition of **permit** in section 3(1) by deleting the term 'Part II' and replacing it with 'Part 2' to conform with modern drafting practices.

Subclause (8) amends the definition of **relinquished area** in section 3(1) by deleting 'a licence' and replacing it with 'a pipeline licence' to provide context to the definition.

Subclause (9) inserts a note at the end of section 3(1) to clarify that definitions contained in the *Interpretation Act 1978* may be relevant to the *Energy Pipelines Act 1981* (as amended by this Bill).

**Clause 7. Section 4 amended (Application etc.)**

This clause amends section 4 of the Act, which is an application and carve-out provision to delineate the boundary between this Act and other legislative schemes, with reference to the new proposed definition of a pipeline in section 3. The purpose of the amendment is to remove duplication and describe the limited circumstances where a pipeline is not required to be licenced under this Act.

The clause removes the exemption that allows a pipeline constructed under another Act to be exempt from licensing requirements under this Act, to ensure that all pipelines that meet the criteria for a licence under this Act are required to be licenced and regulated under this Act. It also sets out that a pipeline that forms part of a gas distribution line or network, a pipeline of a class prescribed in the regulations, and a pipeline constructed under the *Petroleum and Pipelines (Submerged Lands) Act 1981* does not require a licence under this Act.

For clarity, a technical definition is provided for **gas distribution line or network**, to mean a pipeline that:

- is located downstream of a city gate station; and
- has a maximum allowable operating pressure of no more than 1050 kPa and a hoop stress that is equal to or less than 20% of the specified maximum yield stress of the pipe.

**Clause 8. Sections 4A and 4B inserted**

This clause relocates provisions about the application of the *Dangerous Goods Act 1998* to pipelines licenced under this Act from the general application provisions in section 4, into a new section 4A and redrafts them in a more modern style.

It also introduces a new section 4B to set out the matters that may be considered by the Minister when considering if a person is a fit and proper person to hold a licence or permit under the Act.

Subsection (2) identifies that the Minister is not required to investigate to determine whether a person is fit and proper for the purposes of the Act. This is included for clarity. The purpose of the test is to allow the Minister to consider information the information that comes before them; it is not to require the Minister to undertake investigations about the person. This ensures that the Minister can act when information comes before them that indicates that a person is not fit and proper, without imposing an additional administrative burden to investigate a person prior to making a positive determination about their fit and proper status.

The test is broadly consistent with the equivalent tests in the *Petroleum Act 1984*, the *Mineral Titles Act 2010* and the *Environment Protection Act 2019*.

**Clause 9. Part II heading and section 5 replaced**

This clause repeals and replaces section 5, which relates to applications for permits to enter land to determine the route of a proposed pipeline, the location of proposed apparatus and works and any land that may need to be used to gain access to the proposed pipeline and proposed apparatus and works. New section 5 replaces the requirement for an applicant to make their application in 'a form and manner approved by the Minister' with a requirement to make the application in the 'approved form'.

Language is modernised throughout the section to replace the word 'shall' with the word 'must', and to redraft a provision that allows the Minister to require the applicant to provide additional information to support their permit application.

**Clause 10. Section 6 amended (Notice of application)**

This clause amends section 6, which requires an applicant for a permit to notify the people who have an interest in the land referred to in the application that an application for a permit has been made. Section 6 is amended to replace all references to 'prescribed form' in subsection (2) with 'approved form' as prescribed forms will no longer be used under this Act.

**Clause 11. Section 8 amended (Grant of permit)**

This clause amends section 8 to introduce additional matters the Minister must consider prior to granting a permit that may be used to access land for scoping the route of a proposed pipeline. The amendment introduces an additional consideration under subsection (1)(c) requiring the Minister to consider whether the applicant is a fit and proper person, unless the exemption under subsection (1A) applies because the applicant was determined to be a fit and proper person under other legislation prescribed by regulation, within the period prescribed by regulation.

The test and exemption are comparable with the approach taken under the *Environment Protection Act 2019*.

Subsection (1B) is introduced to provide greater clarity regarding the exercise of the power to grant the permit in relation to an application under section 5 or a variation of an application under section 7 by modernising the language and structure of this provision.

Subsection (2) is amended to modernise the section in accordance with modern drafting practices. It also introduces a requirement for the Minister to have regard to the financial and technical ability of the applicant to carry out the activities under the permit, when considering an application for a permit.

This consideration is comparable with the financial and technical ability consideration under the *Petroleum Act 1984*, other licensing decisions under this Act and the *Geothermal Energy Act 2009*.

**Clause 12. Section 11 amended (Rights conferred by permit)**

This clause updates the rights conferred by a permit to modernise language and replace the old term 'apparatus or works' with the new term 'apparatus and works'.

**Clause 13. Section 12 amended (Construction, &c., of pipeline)**

This clause amends the offences within section 12 to remove split penalty provisions; that is, the specification of a different penalty amount for an individual and a body corporate. This amendment aligns with modern drafting practices, and all split penalty provisions are replaced with a single penalty amount throughout the Act. Due to section 29 of the *Sentencing Act 1995*, where an offence specifies a fine but does not differentiate between an individual and a body corporate, the fine is taken to be the fine for an individual. If a body corporate is found guilty of an offence with a single fine, the court may impose a maximum fine equal to 5 times the fine specified in the provision.

This clause also amends the offence in section 12(2) to remove reference to a consent to commence or resume operating a pipeline granted under section 38. Section 38 of the Act is being repealed, and all operational consent requirements will be included in regulations, with corresponding offences for conducting operations without consent.

The updated offence provides that a person commits an offence if the person operates a pipeline:

- (a) without a pipeline licence; or
- (b) in contravention of the conditions of a pipeline licence.

The maximum penalty for this offence is unchanged, that is 200 penalty units.

**Clause 14. Section 13 amended (Application for licence)**

This clause amends section 13 to replace term ‘licence’ with the newly defined term ‘pipeline licence’, and replaces the phrase, ‘in a form and manner approved by the Minister’ with the newly defined term, ‘approved form’. The amended section also ensures consistency with modern drafting practices and removes gendered language.

Section 13(5) introduces a new requirement to publish a notice on the Agency’s website in addition to the Gazette and relevant daily newspaper.

The requirement for a notice to include a statement that the Minister has received an application and that a map showing the proposed route of the proposed pipeline may be examined at the place or places, and at the times, specified in the notice, is now under the new section 13(5A). Subsection (5B) introduces that the place a map can be examined includes a website or other publicly accessible electronic format.

**Clause 15. Section 15 amended (Grant of licence)**

This clause amends section 15 to replace the term ‘licence’ with the newly defined term ‘pipeline licence’. Section 15(1) is repealed and replaced, and subsection (2) amended to include provisions that are consistent with modern drafting practices, such as the replacement of ‘shall’ with ‘must’, to modernise the language and clarify the obligation as mandatory.

The amendment introduces an additional requirement under subsection (1)(b) for the Minister to be satisfied that the applicant for a pipeline licence is a fit and proper person unless the exemption under subsection (1A) applies because the applicant is considered a fit and proper person under other legislation prescribed by regulation, within the period prescribed by regulation.

The test and exemption are comparable with the approach taken under the *Environment Protection Act 2019*.

**Clause 16. Section 16 replaced**

This clause replaces section 16, which deals with the renewal of a pipeline licence where a pipeline licence was granted before commencement of the *Energy Pipelines Amendment Act 2003* (the 2003 Act). Pipeline licences granted after commencement of the 2003 Act remain in force indefinitely. Section 16 has been redrafted to clarify the application requirements and ensure that applicants provide information about their financial and technical resources with their application. This clause also inserts a new section 16A to provide the process and requirements for the Minister to decide on the application to renew a pipeline licence.

The Minister may only grant the renewal if satisfied that the applicant is a fit and proper person to hold a licence and must have regard to the financial and technical ability of the applicant to carry out activities under the pipeline licence. The Minister is still required to consult with the licensee in relation to any proposed additional or varied conditions to be imposed on the grant, and to consider any submissions from the licensee before refusing to grant a renewal to ensure the principles of natural justice are applied to a refusal.

**Clause 17. Section 17 amended (Conditions of licence)**

This clause amends section 17 to relocate an existing provision currently located in section 38(2A), that allows the Minister to require a pipeline licence holder to take out and maintain an insurance policy of a kind approved by the Minister. Section 38 is being repealed, and this provision is more appropriately set out as a condition that can be imposed on a licence. A condition might require the pipeline licensee to take out an insurance policy for a specified value, to cover certain liabilities that may include death, personal injury, property damage, environmental damage, public liability or any other specified liability. The purpose of insurance is to mitigate claims arising from injury to person or land (including personal property) because of an action taken under a pipeline licence, and to insure and indemnify the Minister and the Territory against any such claims. The clause also replaces the word 'pipeline' with 'pipeline licence'.

**Clause 18. Section 18A inserted**

This clause inserts a new section 18A to establish a pipeline management plan within the Act to enable new compliance functions and powers that are being inserted by the Bill to operate as intended. A pipeline management plan is a plan that demonstrates to the Minister that a pipeline will be designed, constructed, operated and decommissioned in accordance with good industry practice and the standards specified in the plan to ensure the integrity of the pipeline is maintained throughout its operating life and the pipeline is appropriately decommissioned.

Subsection (2) provides that regulations may be made in relation to the preparation, submission, acceptance, revision and withdrawal of acceptance of pipeline management plans. Subsection (3) allows regulations to be made to provide for circumstances where the Minister may agree to modifications to or exemptions from requirements under a pipeline management plan.

**Clause 19. Section 20 repealed (Variation of conditions of licence etc.)**

This clause repeals section 20, which provides for a licensee to apply to the Minister to vary, suspend or waive a condition of their pipeline licence, other than a condition relating to the pipeline route or licence area. It is repealed as variation processes are being consolidated and simplified through this Bill.

**Clause 20. Sections 21A to 21D replaced**

This clause repeals and replaces sections 21A, 21B, 21C and 21D with a new section 21A that amalgamates the requirements of the pipeline licence variation process and ensures consistency with modern drafting practices. The new provision allows for a new area of land to be included in a pipeline licence area and requires listed affected stakeholders to be notified, allowing them 7 days to provide comments on the variation application.

There is no restriction on when a licensee can apply for a variation, an application can be made at any time. Previously, a pipeline licence area could only be reduced and not increased after construction was completed (but could be increased during construction). This was problematic, for example, where a compressor station or cathodic protection equipment was added to a pipeline post construction.

The Minister must not approve a variation under this section unless satisfied of the following:

- if the application is to vary the route of the pipeline or pipeline licence area:
  - the pipeline under the licence will be located within the pipeline licence area; and
  - the licence area will be no narrower than 25m, with its centreline being the pipeline markers erected in accordance with the Act;
  - the applicant has made suitable arrangements for the acquisition of land, or easements or other interests in the land to accommodate the variation; and
- the variation, suspension or waiver is justified in the circumstances and reflects good pipeline construction and operating practice.

**Clause 21. Section 22 amended (Easements over Crown lands)**

This clause amends section 22 to replace the term ‘licence’ with the newly defined term ‘pipeline licence’. The amendment also adds the term ‘easement in gross’ to allow easements to be granted over Crown land that are personal to the licensee and do not create enduring interests in Crown land.

**Clause 22. Section 32A repealed (Licence not personal property)**

This clause repeals section 32A. This provision is replaced at section 58ZS and identifies that, for the purposes of section 8(1)(k) of the *Personal Properties Securities Act 2009* (Cth) a licence under this Act is not personal property.

**Clause 23. Section 37 replaced (Ceasing to operate pipeline)**

This clause repeals and replaces section 37, which creates an offence for a licensee to cease operating a pipeline, unless certain circumstances apply to exclude them from the offence. It is amended to remove the split penalty provision and redraft the section to align with modern drafting practices. There is no change to the maximum penalty amount, or to the exclusions that apply to the offence.

**Clause 24. Sections 38 to 41 replaced**

This clause repeals and replaces section 38 to 41, and inserts a new section 39, which retains the current general duties for licensees in relation to a pipeline.

It also adds new requirements that a pipeline licensee must take reasonable steps to identify risks and hazards to pipeline integrity, and to implement or maintain measures to eliminate those risks or, if it is not reasonably practicable to do so, control them. The obligation to take reasonable steps is modelled on the *Petroleum Act 1984*.

New subsection (3) modernises the offence provision for where a licensee fails to meet their duties, with no change to the maximum penalty amount. As this provision does not specify a fault element,

Part II of the *Criminal Code Act 1983* applies. Consequently, a licensee will only be criminally responsible if the act or omission was voluntary and the resulting failure was intended or reasonably foreseeable by the licensee as a possible consequence of their conduct. Subsection (4) provides a defence where the defendant took reasonable steps and exercised due diligence to prevent the commission of the offence.

**Clause 25. Section 43 amended (Power of Minister to ensure continued use of pipeline)**

This clause amends section 43, which provides a process for a person to apply for a licence to operate a pipeline of a former licensee where the licence has expired, been surrendered or cancelled. It replaces all references to 'licence' with the term 'pipeline licence', and replaces the phrase, 'a form and manner approved by the Minister' with an 'approved form'. The provision inserts a new requirement for the applicant to provide the technical qualifications of themselves and their employees, as well as any technical advice available to them with their application. This corrects an anomaly within the Act where this information is required to be provided with an application for a permit, and an application for a pipeline licence, but was not required to be provided by an applicant for a licence under this section.

The amendment introduces an additional requirement under subsection (5A) for the Minister to be satisfied that the applicant for a pipeline licence is a fit and proper person, unless the exemption under subsection (5B) applies because the applicant is considered a fit and proper person under other legislation prescribed by regulation, within the period prescribed by regulation.

A consideration is also inserted under subsection (5C) requiring the Minister to have regard to the financial and technical ability of the applicant to carry out activities under the licence. This ensures that the relevant information provided in the application is considered in the decision-making process.

Subsection (6) retains the ability for the Minister to attach conditions to the grant.

The penalty provision contained in section 43(10), which provides a penalty for an offence of failing to comply with a direction in relation to negotiations for agreements between the applicant and former licensee, is repealed and rewritten to ensure consistency with modern drafting practices. The provision aligns with the maximum penalty with the standard sentencing framework under Part II of the *Criminal Code Act 1983*. The penalty for the offence is 40 penalty units and 2 penalty units for each day during which the offence continues.

**Clause 26. Section 44 amended (Register of licences)**

This clause technically amends the list of matters to be entered in the register in section 44 to clarify that all requirements are cumulative rather than alternative. Section 44(2)(c) is amended to use the newly defined term 'apparatus and works' instead of 'fittings, pumps, tanks, appurtenances and appliances'. A new section 42(2)(da) is inserted into the provision to provide the Minister with a discretionary power to include any additional information in the register deemed necessary for the effective administration and transparency of permits, permittees, licences or licensees.

**Clause 27. Sections 45 and 46 replaced**

This clause repeals section 45, which allowed the Minister discretionary power include additional information in the register, as this is now incorporated into section 44. It also redrafts section 46 to modernise the language and require applications for a transfer of a licence to be accompanied by

information about the technical qualifications and technical advice available to the transferee and the financial resources available to them.

In considering an application, the Minister must have regard to the financial and technical ability of the transferee to carry out the activities under the licence.

This clause also introduces a requirement for the Minister to be satisfied that the transferee is a fit and proper person to hold a licence before approving a transfer and requires the Registrar to enter a notation of a refusal to grant a transfer in the register.

**Clause 28. Section 49 amended (Approval and registration of instrument creating, &c., interests)**

This clause amends section 49 to restructure and modernise the procedures for the approval and registration of instruments creating or dealing with interests in a licence.

Subsections (4), (5), and (8) are amended to present requirements in a list format, consistent with modern drafting standards, to improve clarity for applicants and the Registrar.

Subsection (9) is repealed and replaced to consolidate the requirements for the retention and return of documents. This new subsection incorporates the substance of the former subsection (10), which is omitted. The language is modernised and allows an applicant to provide a supplementary instrument, which provides a summary of the original and excludes commercial-in-confidence information, instead of the full version of the instrument. The supplementary instrument is then entered in the Register and made available for inspection.

As electronic copies of instruments are accepted, an applicant is no longer required to provide an original and a copy of the instrument. These amendments are technical in nature and do not alter the underlying legal requirement for Ministerial approval of instruments.

**Clause 29. Section 54 replaced**

This clause repeals and replaces section 54 to remove an obsolete cross-reference to former subsection (2). It also replaces the requirement to make the register and all instruments available at all convenient times, with a requirement to make them available during normal business hours at the Agency's head office, upon payment of the prescribed fee.

**Clause 30. Parts 5B, 5C and 5D inserted**

This clause inserts a new Parts 5B, 5C and 5D into the Act. New Part 5B, which comprises sections 58J – 58ZH, sets out compliance matters for the Act. This includes directions by the Minister, CEO compliance powers, and new, expanded and modernised provisions for inspectors under this Act. The functions and powers are broadly consistent with other legislation that regulates industries, including the *Petroleum Act 1984*.

New Part 5C, which comprises new sections 58ZI – 58ZQ, provides new powers for persons to enter land for the purpose of complying with certain directions issued under the Act. These sections allow persons to enter land to undertake works in compliance with the direction and impose obligations with that entry. An additional power allows a licensee, or employee or contractor of a licensee to enter land without a direction, in the event of an emergency involving a pipeline.

New Part 5D incorporates section 58ZR, which provides for the review of identified reviewable decisions by the NT Civil and Administrative Tribunal.

## **Part 5B Compliance matters**

### **Division 1 Minister's directions**

*Division 1 provides for Minister's directions and replace current sections 40 and 41.*

#### Section 58J Directions

This section relocates and replaces current section 40 of the Act, which establishes the ability for the Minister to issue directions in relation to any matter in respect of which regulations may be made under the Act. This provision is moved out of Part 4 of the Act and into a more appropriate location in new Part 5B so it sits within the new compliance provisions.

The offence for non-compliance with a Ministerial direction has been redrafted in a tiered structure, with the more serious offence requiring the prosecution to prove that the conduct was intended or foreseen as a possible consequence of the conduct, in line with the criminal responsibility provisions in Part II of the *Criminal Code Act 1983*.

Subsection (3) establishes an offence where a person subject to a direction of the Minister fails to comply with the direction and requires proof of intent or foreseeability. It has a maximum penalty of 1 300 penalty units. Subsection (4) establishes a regulatory offence where a person subject to a direction fails to comply with the direction. It has a maximum penalty of 200 penalty units.

Subsection (5) provides a defence to a prosecution for an offence against subsection (3) or (4) if the defendant took reasonable steps and exercised due diligence to prevent the commission of the offence. This is an existing defence that was previously located within section 41.

#### Section 58K Compliance with directions

This section relocates and updates current section 41 of the Act, which allows the Minister to take the action required under a direction, and recover the associated costs where a licensee fails to comply with a direction issued under section 58J. The provision is restructured in accordance with modern drafting practices.

### **Division 2 Compliance directions**

*Divisions 2 and 3 give certain compliance powers to the CEO.*

#### Section 58L Compliance directions

This section empowers the CEO to issue a compliance direction to a permittee or licensee for the purpose of securing compliance with a condition of a permit or licence, a pipeline management plan, an authorisation or direction that relates to an activity or any other requirement or obligation under the Act or regulations. It includes the formal requirements of a compliance direction; sets out what directions the notice may give and to whom.

Subsection (5) clarifies that the CEO may include in a compliance direction a requirement to do something or not do something that would otherwise be a contravention of the Act, however this would only be allowable on the advice of the Minister. This power would be used when the impacts that may result from the action or inaction are preferable to those that would occur if the permittee or licensee complied with the Act. Subsection (6) clarifies that a person is not liable for a penalty if they comply with a requirement under subsection (5). A similar provision to subsections (5) and (6) is found in section 89N of the *Petroleum Act 1984*.

### Section 58M Effect of compliance direction on need for further authorisation

This section clarifies that a person is not required to obtain a separate statutory authorisation if they have been issued with a compliance direction under section 58L requiring them to carry out an action. This ensures that compliance directions can operate without delay. A person is not liable for an offence or penalty if they comply with a compliance direction under section 58L, without obtaining an authorisation.

### Section 58N Offence to contravene direction

This section established two offences for contravening a compliance direction issued by the CEO under section 58L.

The offences are created with a tiered structure, with the more serious offence requiring the prosecution to prove that the conduct was intended or foreseen as a possible consequence of the conduct, in line with the criminal responsibility provisions in Part II of the *Criminal Code Act 1983*.

Subsection (1) establishes an offence where a person subject to a compliance direction contravenes the direction and requires proof of intent or foreseeability. It has a maximum penalty of 2 600 penalty units. Subsection (2) establishes a regulatory offence where a person subject to a compliance direction contravenes the direction. It has a maximum penalty of 500 penalty units.

Subsection (3) provides a defence where the defendant proves they took reasonable steps and exercised due diligence to prevent the commission of the offence.

## **Division 3 Stop work notices**

### Section 58P Stop work notices

In accordance with drafting conventions in the Northern Territory, there is no new section 58O because the letter 'O' can be confused with the number zero (0).

This section empowers the CEO to issue a stop work notice to a permittee or licensee while an investigation is carried out, a decision is made about what steps to take or some other action is taken, if the CEO:

- believes on reasonable grounds that circumstances exist that would allow for the cancellation or revocation of a permit or licence, or the acceptance of a pipeline management plan; or
- considers action should be taken to prevent or minimise harm to the environment or to a person, property or infrastructure.

A stop work notice is, therefore, a preventative measure that can be used by the CEO to halt activities that may cause harm. This section includes formal requirements of a stop work notice, sets out what directions the notice may give and to whom.

### Section 58Q Offence to contravene stop work notice

This section establishes offences for contravening a stop work notice issued by the CEO under section 58P. The offences are created with a tiered structure, with the more serious offence requiring the prosecution to prove that the conduct was intended or foreseen as a possible consequence of the conduct, in line with the criminal responsibility provisions in Part II of the *Criminal Code Act 1983*.

Subsection (1) establishes an offence where a person subject to a stop work notice contravenes the notice, with a maximum penalty of 2 600 penalty units. This is a significant penalty, due to the risks to people, property, infrastructure or the environment that may materialise if the defendant contravenes the notice. Subsection (2) establishes a regulatory offence where a person subject to a stop work notice contravenes the notice. It has a maximum penalty of 500 penalty units.

Subsection (3) provides a defence where the defendant proves they took reasonable steps and exercised due diligence to prevent the commission of the offence.

#### ***Division 4 Inspectors***

*Division 4 deals with inspector related matters and incorporates subdivisions 1 – 4.*

*Subdivision 1 provides for the appointment of inspectors. The sections in subdivision 1 replace current section 63.*

##### Section 58R Appointment

This section provides that the CEO may appoint a person to be an inspector, and that appointment may be subject to conditions or limitations the CEO thinks appropriate. It replaces current section 63(1).

##### Section 58S Identity card

This section replaces and expands on current section 63(2), requiring the CEO to issue an inspector with an identity card. An identity card provides evidence of an inspector's appointment, providing certainty to titleholders and members of the community that the inspector has the authority to perform the functions and exercise the powers set out in the Act. On request, an inspector is required to show their identity card before entering premises or exercising a power under this Act in relation to a person.

##### Section 58T Return of identity card

This section replaces current section 63(3) and (4) and requires an inspector to return their identity card to the CEO within 21 days of ceasing to be an inspector. This is a standard provision for inspectors under various Acts and failure to return the identity card is a regulatory offence with a maximum penalty of 20 penalty units.

*Subdivision 2 provides for the functions and general powers of inspectors and includes new sections 58U – 58ZD. These sections replace and expand on current section 64 of the Act.*

##### Section 58U Functions

This section sets out the functions of an inspector under this Act. These include monitoring compliance with and investigating contraventions of the Act. There is also an educative function of providing information and advice about compliance. An inspector may do anything or cause anything to be done, that the inspector reasonably believes is necessary for performing a function or exercising a power under this Act.

##### Section 58V General powers of inspectors

This section identifies specific powers held by inspectors to enable them to perform their functions, in particular monitoring compliance and investigating contraventions of the Act. It provides a power of entry to certain land and premises relevant to operations and activities regulated under the Act.

Upon entry, inspectors have powers to inspect, examine and make enquiries to undertake their functions under the Act. The powers include, among other things, the power to:

- take photographs, make recordings, and take copies of documents
- examine or test any infrastructure or other thing
- take a sample for analysis
- operate a drone or other device in or over any land comprised in, proposed to be comprised in or previously comprised in, a licence area or the area of a permit
- seize or secure any item the inspector reasonably believes was, is being or is about to be used in connection with an offence or proposed offence.

New section 58V also gives an inspector powers to require a person to answer questions or produce documents. The seizure power allows an inspector to move the seized item, restrict access to the seized item, or make the seized item inoperable. This recognises that some seized items may need to remain in place, but undisturbed during an investigation.

In addition to the activities an inspector may do themselves, section 58V(3)(g) allows an inspector to authorise another person to assist them. For example, an inspector may engage a person to operate a vessel or equipment. There is also a power for an inspector to require a person, who is in the area or on the premises entered to assist the inspector. This may include providing access to a computer by entering a password, or operating a vehicle, vessel or other equipment.

An inspector's power of entry, inspection and search is limited by section 58V(9). Consent of an owner or occupier or authorisation by a search warrant is required to enter any premises used for residential purposes. The provisions in new Part 5B, Division 4, Subdivision 3 deal with the granting and execution of a search warrant.

#### Section 58W Testing of seized thing

This section allows the CEO, or an inspector authorised by the CEO to carry out or arrange to carry out scientific or other tests on an item seized under new section 58V. The testing may lead to the destruction of the seized item, if that item is a sample of a regulated substance or the destruction is necessary to carry out the test and there is no other reasonable way to undertake the test.

Before conducting destructive testing of a seized item, the CEO must notify the owner of the proposed test and provide an opportunity to make submissions in relation to the testing. The CEO must consider any submissions before authorising or undertaking the destructive testing of the item.

#### Section 58X Duty of inspector in relation to seized thing

This section requires an inspector who seizes a thing under section 58V to provide a receipt to the person from whom it was seized and sets out matters such as when and how the receipt is to be provided and what information it must contain. It sets out time limits and circumstances around when a seized item must be returned to its owner and provides that a seized item may be retained beyond those time limits if the inspector reasonably believes that this is necessary to prevent it being used to commit an offence.

### Section 58Y Forfeiture of seized thing

This section provides the court with powers to order that seized things be forfeited to the Territory, where the owner of the seized thing is found guilty of an offence for which the thing was retained for evidence. It allows the CEO to destroy or otherwise dispose of a seized item that is forfeited to the Territory. These powers are in addition to any other powers the court may have under any other law relating to the forfeiture of things.

### Section 58Z Offence to contravene requirement

This section establishes a regulatory offence for contravening a requirement of an inspector under new section 58V. This offence carries a maximum penalty of 200 penalty units. Subsection (2) provides a defence where the defendant proves they took reasonable steps and exercised due diligence to comply with the requirement.

### Section 58ZA Obstruction of inspector

This section replaces the offence to obstruct or hinder an inspector currently in section 64(3) of this Act with a redrafted equivalent offence. The maximum penalty amount is 200 penalty units or imprisonment for 2 years, making the penalty consistent with the standard obstruction offence found across the Northern Territory statute book. Subsection (2) provides a defence where the defendant proves they have a reasonable excuse, and subsection (3) defines the terms **acting in an official capacity** and **obstruct** to further clarify the offence.

### Section 58ZB Interference with seized item

This section introduces a new offence to interfere or attempt to interfere with an item seized by an inspector under section 58V, without approval of an inspector. This offence supports the ability to seize an item, but leave it in place, undisturbed, over the course of an investigation. The maximum penalty for this offence is 200 penalty units.

### Section 58ZC Self-incrimination

This section abrogates the privilege against self-incrimination, where a person is required to answer a question, give information or produce a document under Part 5B, Division 4, Subdivision 2 of the Act; that is, essentially, when an inspector is exercising powers under new section 58V. The effect of new section 58ZC is that a person must comply with the requirements of an inspector under Division 4, even if it means they may be incriminating themselves or exposing themselves to a penalty.

The justification for new section 58ZC is that securing compliance with the Act, in particular preventing or minimising environmental and other harms that can result from activities undertaken under this Act, are sufficiently important objectives to justify some limitation on the right to silence.

To ensure that the abrogation of the privilege against self-incrimination is proportionate and reasonable, new section 58ZC(2) provides for direct use immunity, which means that the answer given or information or document provided is not admissible as evidence against the person in a civil or criminal proceedings. An exception is applied in relation to proceedings where the falsity or misleading nature of the answer, information or document is relevant.

### Section 58ZD Entry on Aboriginal land

This section allows inspectors, when exercising their power of entry, to enter Aboriginal land to perform their functions without needing an entry permit granted under the *Aboriginal Land Act 1978*.

*Subdivision 3 deals with the grant and execution of a search warrant.*

### Section 58ZE Search warrants

This section permits an inspector to apply to a Local Court Judge for a search warrant for a place. This section and new section 58ZF are specifically included so that an inspector may be authorised to enter and search residential premises. A search warrant is also required to enter any place or premises that falls outside the ambit of section 58V(1)(a), (b) or (c). Entry and search by warrant acknowledges the need to balance the right to privacy with the need to ensure compliance with this Act.

### Section 58ZF Announcement before entry and provision of authority

This section sets out the requirements for the execution of a search warrant, including announcing that the entry is authorised by the warrant and giving the person an opportunity to allow the entry. This section also requires the inspector to produce their identity card and provide a copy of the warrant on the request of a person who appears to have management or control of a place where a search warrant is being executed.

*Subdivision 4 empowers inspectors to give certain directions and establishes an offence for failure to comply.*

### Section 58ZG Directions by inspectors

This section gives an inspector power to issue a direction to a permittee or licensee under this Act to prevent, minimise, manage or remediate certain harms or dangers, including environmental impacts and risks, and harms and risks to infrastructure. A direction may also be given to take action that is in accordance with the practices and procedures that are generally accepted as good and safe in the carrying out of activities permitted under a licence.

A direction must specify the grounds on which it is issued and allow reasonable time for compliance. A direction may be given orally but must be confirmed in writing as soon as practicable. An inspector may vary or revoke a direction, by written notice to the permittee or licensee to whom the direction was issued.

### Section 58ZH Offence to contravene direction

This section establishes a regulatory offence for contravening a direction issued under section 58ZG. This offence carries a maximum penalty of 500 penalty units. As directions are designed to prevent, minimise, manage and remediate harms and dangers, including environmental impacts from activities, the risks to the environment and infrastructure from contravening a direction justify the penalty amount.

Subsection (2) provides a defence where the defendant proves they took reasonable steps and exercised due diligence to comply with the direction.

## **Part 5C      Entry to land**

### **Division 1    Entry for purpose of complying with direction**

*Division 1 provides a statutory right of entry to land to comply with certain directions given by the Minister or CEO.*

#### Section 58ZI Definition

This section defines the term **relevant direction**, for the purpose of providing the power to enter land to comply with a direction. The relevant directions are:

- a direction of the Minister to remove property under section 28(1) and (2) after a pipeline licence has been wholly or partly cancelled or has expired;
- a Ministerial direction issued under section 58J;
- a CEO compliance direction issued under section 58L.

#### Section 58ZJ Application

This is a technical section that identifies when Division 1 applies. It provides an avenue for a person to enter land or premises to comply with a relevant direction if:

- the direction requires them to enter the land or premises; and
- the person is not the owner or occupier of the land or does not have a right of access to the land or premises required to be entered under the direction.

#### Section 58ZK Power to enter land

This section authorises a person who has been issued a relevant direction, or an employee, contractor, or employee of a contractor engaged by the person, to enter the land or premises specified in the relevant direction to comply with the direction.

Subsection (2) identifies that entry to land or premises is permitted where:

- the owner or occupier has given consent, or
- the person gives at least 7 days prior written notice to the owner or occupier, or
- in an emergency, if there is a risk of environmental harm if works are not conducted immediately.

Under subsection (3), if the person is entering land or premises in an emergency, that person must give oral notice to the owner or occupier as soon as possible before or after the entry, and must give written notice within 7 days after the entry or the oral notice being given (whichever occurs first). This acknowledges the elevated risks of environmental harm in an emergency, that may be further increased if entry were delayed by a 7-day notice period.

Subsection (4) requires a notice given to an owner or occupier to be in the approved form and include information prescribed in regulation. This will ensure consistency in information provided, and that minimum information requirements are met. Subsection (5) provides that a copy of any notice to an owner or occupier must be given to the CEO within 7 days after it is given.

Subsections (6) and (7) provide further clarity on the land and premises that may or may not be entered under this section. Subsection (6) provides that a person must not enter residential premises under this section without consent of the owner or occupier; while subsection (7) allows the entry power to be exercised in relation to the land or premises despite it being on Aboriginal land and without requiring a permit under the *Aboriginal Land Act 1978*.

#### Section 58ZL Powers and duties on entry

This section identifies what a person may do, and the obligations they must comply with once they have entered land under section 58ZK.

A person who enters land or premises, may carry out the activities or actions required to comply with the relevant direction. They must take reasonable steps to minimise disruption to the owner or occupier and must only remain on the land or premises for the time reasonably required to comply with the direction.

These duties are included to protect the activities of, and limit the impact on, landowners and occupiers, while recognising that some disruption is likely where a person is complying with a relevant direction.

#### Section 58ZM Recovery of costs

This section identifies that a person is entitled to be paid reasonable compensation for loss or damage that results from an action taken by a person issued with a relevant direction, or a contractor engaged by the person.

Subsection (2) identifies that the right to compensation is payable by the person issued with the relevant direction. This provides the person that has suffered the loss or damage with clear advice about which party should be pursued for any claim. It is expected that the person issued with the notice would implement appropriate contractual arrangements to protect themselves from any claim that resulted from the actions of their contractor.

Subsection (3) provides that the compensation is recoverable as a debt in a court of competent jurisdiction.

Subsection (4) identifies that a claim for loss or damage may not be made against the Territory. This provides certainty that the issue of a relevant direction does not itself give rise to a claim for damages.

This section is in addition to any other legal avenues a person who suffers loss or damage may have under the Act or at law.

#### Section 58ZN Offence to obstruct

This section establishes an offence to obstruct a person who is acting under this Division to comply with a relevant direction. Reference to a person is a broad reference to encompass the person to whom the direction was issued, as well as an employee, contractor or employee of a contractor who may be acting to comply with the direction. The offence carries a maximum penalty of 200 penalty units, or imprisonment for 2 years.

Subsection (2) provides a defence where the defendant proves they took reasonable steps and exercised due diligence to prevent the commission of the offence.

This offence is included in recognition that the person issued with the relevant direction, or the contractor or their employees, may not have access rights to the land, and that the owner or occupier

of the land may seek to prevent further activity occurring on the land, particularly if damage has already been caused due to concern that further damage may result.

The offence is designed to ensure that the person acting to comply with the relevant direction can fulfil their legal responsibilities as directed by the Minister or CEO.

#### Section 58ZO Offence to fail to give notice

This section establishes a regulatory offence if a person fails to give notice to an owner or occupier of land, or the CEO, as required under new section 58ZK. It carries a maximum penalty of 50 penalty units and is designed to ensure appropriate notice is given to owners, occupiers and the CEO about proposed or actual entry to land or premises to comply with a relevant direction.

#### Section 58ZP Offence to fail to comply with duty on entry

This section establishes an offence if a person who enters land or premises to comply with a direction contravenes a duty set out in new section 58ZL to minimise disruption to the owner or occupier or remains on the land or premises for longer than is reasonably necessary to comply with the direction. It has a maximum penalty of 100 penalty units.

Subsection (2) provides a defence where the defendant proves they took reasonable steps and exercised due diligence to prevent the commission of the offence.

### ***Division 2 Entry in emergency***

*Division 2 allows a licensee to enter land in an emergency to ensure public safety or make repairs after an incident.*

#### Section 58ZQ Entry to deal with an emergency

This section allows a licensee, or an employee or contractor of a licensee to enter land in an emergency to ensure public safety, to repair a pipeline, or to repair damage to the environment because of an incident involving a pipeline.

This section does not require a relevant direction to be issued and is designed to allow a licensee to immediately respond to an emergency.

Subsection (2) requires the licensee, if possible, to give oral notice of the entry to the owner or occupier of the land as soon as reasonably practicable before, on or after the entry. It also requires the licensee to give written notice of the entry to the owner or occupier within 24 hours after the entry or oral notice, whichever comes first.

Subsection (3) requires the written notice to be in the approved form and include information prescribed in regulation. This will ensure consistency in information provided, and that minimum information requirements are met. Subsection (4) provides that a copy of any notice to an owner or occupier must be given to the CEO as soon as practicable after it is given.

### ***Part 5D Review of decisions***

#### Section 58ZR Review by Tribunal

This section provides for the merits review of reviewable decisions, with subsection (1) identifying that the Northern Territory Civil and Administrative Tribunal has jurisdiction to review a reviewable decision specified in the new Schedule to the Act. Subsection (2) defines an affected person in

relation to a reviewable decision as the person specified in the Schedule for the decision. Subsection (3) provides that an affected person may apply to the Tribunal for review of the decision.

**Clause 31. Part VI heading replaced and section 58ZS inserted**

This clause replaces the current heading of Part VI 'Miscellaneous' with the new heading of Part 6, 'Miscellaneous provisions' for improved clarity and to conform with modern drafting practices.

It inserts a new section 58ZS, which relocates and replaces section 32A into a more appropriate location and identifies that, for the purposes of section 8(1)(k) of the *Personal Properties Securities Act 2009* (Cth) a licence under this Act is not personal property.

**Clause 32. Sections 63, 63A and 64 replaced**

This clause repeals sections 63, 63A, and 64, which include inspector-related matters that have been relocated to the new Part 5B. In their place, a new section 63 is inserted to provide a general power of delegation. This allows the CEO to delegate any of their powers or functions under this Act to a person, ensuring administrative efficiency and alignment with modern statutory frameworks.

This clause also inserts a new section 64, which provides that the CEO, an inspector or a person assisting the inspector are not personally liable for acts or omissions, so long as those acts or omissions are done in good faith and in the execution or purported execution of their powers and functions.

Inspectors play a crucial role in the regulation of activities under this Act, and may be required to exercise judgment, make decisions and exercise powers with limited information and in urgent circumstances. As a result, it is important that they, and a person assisting them are not deterred from exercising their skill and judgement due to fear of personal liability. Likewise, the CEO may be required to make decisions that stop works, require certain actions to be taken, or result the destruction of property and should be protected from personal liability for those decisions.

Subsection (2) clarifies that this protection from liability does not affect any liability the Territory would have for the act or omission.

**Clause 33. Section 64A amended (Inspector may cause certain work to stop)**

This clause amends section 64A to update consequential cross-references necessitated by the restructuring of the Act under this Bill. This ensures the provision continues to point to the correct requirements following the relocation of those sections.

It also amends the penalty provision in section 64A(2) to remove the split penalty provisions that relate to a body corporate. There are no changes to the maximum penalty amounts.

**Clause 34. Section 66 amended (Threat to pipeline)**

This clause amends section 66 to update consequential cross-references necessitated by the restructuring of the Act under this Bill. This ensures the provision continues to point to the correct requirements following the relocation of those sections. It also replaces 'licence' with 'pipeline licence'.

The clause amends the penalty provisions within the section to remove split penalty provisions that relate to a body corporate. There are no changes to the maximum penalty amounts.

**Clause 35. Section 67A replaced**

This clause repeals and replaces 67A, which deals with the service of documents under this Act. New section 67A establishes that a document served via electronic communication is deemed to have been received at the time it is sent to the recipient's nominated email address subject to contrary evidence. This provision modernises service requirements and provides certainty regarding compliance timelines, ensuring that statutory periods for response or action are clearly defined.

**Clause 36. Section 67C, 67D and 67E inserted**

This clause introduces a new section 67C, which establishes a limitation period for the commencement of proceedings, requiring that they be initiated within 3 years of the alleged offence occurring, or within three years of the date the CEO first became aware of evidence of the offence.

Previously, the Act did not contain a time limit for commencing prosecutions. This meant section 52 of the *Local Court (Criminal Procedures) Act 1928* would apply to limit the time in which to commence proceedings to 6 months after the matter of the complaint arose.

Additionally, the section provides that proceedings may only be commenced by the CEO, or an inspector or other person authorised by the CEO.

This clause introduces new section 67D that provides for the CEO to approve forms for use under the Act and requires them to be published on the Agency's website for transparency and ease of access.

The clause also introduces a new section 67E that allows the Minister to issue guidelines regarding the administration of the Act or compliance with licensee duties. These guidelines serve as an important regulatory tool to assist stakeholders by clarifying their statutory obligations. Any guidelines issued by the Minister must also be published on the Agency's website for transparency and ease of access.

**Clause 37. Section 68 amended (Regulations)**

This clause amends section 68, which sets out the matters for which regulations may be made under this Act. Section 68 is updated to allow for additional matters to be prescribed by regulation, including operational matters and consents, detailed requirements for record keeping, technical reporting and incident notification. Additionally, the amendment allows for the setting of fees and charges imposed under the Act, and allows for:

- fees or charges to be set at different rate for different categories of users, activities or locations;
- fees or charges to be determined according to prescribed factors or circumstances; and
- fees or charges to be set by a prescribed methodology.

This ensures that the fee structure is proportionate and equitable, allowing costs to be scaled to the specific technical complexity or regulatory effort required for different pipeline operations.

This clause also allows the regulations to adopt any document as in force or existing at a particular time or from time to time, ensuring that external technical requirements may be incorporated into the Territory's regulatory framework. The CEO is required to ensure that a document applied, adopted or incorporated into the regulations is made available for inspection, free of charge, by the public during normal business hours at the Agency's head office.

**Clause 38. Part 9 and Schedule inserted**

This clause inserts a new Part 9 and Schedule, which provides for transitional arrangements for the Bill.

Section 73 Definitions

This section creates definitions for **amending Act** and **commencement** that are relevant to the new Part 9 of the Act.

The term **amending Act** is defined as the *Pipelines and Petroleum Legislation Amendment (Industry Development) Act 2026*, which is the name this Bill will take once passed.

The term **commencement** is defined as the day on which section 3 of the amending Act commences. Section 3 is the provision that sets out that Part 2 amends the *Energy Pipelines Act 1981*.

Section 74 Licence becomes pipeline licence

This section established that on commencement of the amending Act, a licence as defined before commencement that was in force immediately before commencement is taken to be a pipeline licence.

Section 75 Application for permit or variation of permit made before commencement

This section establishes that Part 2 of the Act, as in force prior to commencement of the amending Act, continues to apply to an application for a pipeline permit or for a variation to a pipeline permit made before commencement but not yet decided.

Section 76 Application related to licence made before commencement

This section establishes that Part 3 of the Act, as in force prior to commencement of the amending Act, continues to apply to an application made for the grant or renewal of a pipeline licence or for a variation to a pipeline licence made before commencement but not yet decided.

Section 77 Consents to operate given under repealed section 38 before commencement

This section establishes that the Regulations may deem a consent given by the Minister under repealed section 38 before commencement of the amending Act to be taken as a consent given under the Regulations.

Section 78 Directions given under repealed section 40 before commencement

This section establishes that a direction given by the Minister under section 40, as in force immediately before commencement of the amending Act, is taken to have been given under the new section 58J.

Section 79 Application to use constructed pipeline made before commencement

This section establishes that an application made under section 43 prior to commencement of the amending Act, but not determined, will be determined under section 43, as in force prior to commencement.

### Section 80 Application for approval of transfer of pipeline licence made before commencement

This section establishes that an application for a transfer of a pipeline licence under section 46, made before commencement of the amending Act but not determined, will be determined under section 46 as in force prior to commencement.

### Section 81 Inspectors

This section establishes that an inspector appointed under section 63 prior to commencement of the amending Act is taken to be an inspector appointed under new section 58R.

### Section 82 Offence provisions – before and after commencement

This section establishes that the offence provisions, as amended by the amending Act, only apply in relation to offences committed after commencement. Offence provisions as in force prior to commencement continue to apply in relation to any offences committed prior to commencement.

### Section 83 Superseded references

This section establishes that from commencement, a reference to the *Energy Pipelines Act 1981* in any instrument, contract or document of any kind is taken to be a reference to the *Pipelines Act 1981*.

### Section 81 Transitional regulations

This section allows for transitional regulations to be made within 12 months after the commencement. It allows for transitional regulations to have retrospective operation to the commencement day but does not allow retrospective operation to decrease a person's rights or impose liabilities on the person.

### Schedule

The clause also introduces a new Schedule which lists the specific administrative decisions that constitute reviewable decisions. This provides a clear and transparent framework for licensees and applicants to identify their rights of appeal, ensuring that significant regulatory decisions are subject to appropriate scrutiny and merits review.

### **Clause 39. Act further amended**

This clause provides a signpost to identify that Schedule 1 of the Bill includes additional amendments to the *Energy Pipelines Act 1981*.

### **Part 3 Amendment of Petroleum Act 1984**

#### **Clause 40. Act amended**

This is a formal clause, which provides that amendments are made to the *Petroleum Act 1984*. Its purpose is to clarify which laws are being amended by the following clauses in this Part.

#### **Clause 41. Section 5 amended (Interpretation)**

This clause amends section 5 of the *Petroleum Act 1984*, which defines various terms to assist in the interpretation, application and operation of the Act. This clause amends the definitions for the terms: ***appraisal production infrastructure*** and ***surface infrastructure*** to reflect the change to the short title of the *Energy Pipelines Act 1981*, which becomes the *Pipelines Act 1981* through this Bill.

It also amends the definition of **land** to update the reference to the *Petroleum (Submerged Lands) Act 1981*, which becomes the *Petroleum and Pipelines (Submerged Lands) Act 1981* through this Bill.

**Clause 42. Section 22 amended (Term of exploration permit)**

This clause amends section 22, which establishes a 5-year term for an exploration permit and provides that the Minister may not renew a permit more than twice. This section lists other sections in the Act that may affect the term of an exploration permit. A reference to new section 22A is added to the list of relevant sections, as it provides for the continuation of an exploration permit, in its final term, if an application for a retention or production licence is accepted by the Minister prior to expiry.

**Clause 43. Section 22A inserted**

This clause inserts a new section 22A into the Act to allow for the continuation of an exploration permit, in its final term, if the Minister accepts an application for a retention or production licence prior to expiry of the exploration permit. Where an exploration permit is continued, the Minister may impose conditions on the permit while it remains in force. The purpose of this section is to ensure that activities being conducted under an exploration permit can continue while the Minister considers a relevant application, if circumstances prevent the Minister from deciding on the application prior to expiry.

To support this provision, amendments are made to sections 32 and 45 of the Act to provide a process for the Minister to accept or reject an application for a retention licence or production licence; and to sections 35 and 39 to provide that the term of an exploration permit is not affected by a relevant licence application, unless section 22A applies.

**Clause 44. Section 29 amended (Rights conferred by exploration permit)**

This clause amends section 29 of the Act, which sets out the rights conferred under an exploration permit. It inserts a new right that allows petroleum that is recovered under another petroleum permit or licence to be accepted into the permit area for processing, refining, storing or transporting the petroleum. This right is subject to approval by the Minister and will allow the permittee to undertake the same activities in relation to the accepted petroleum as petroleum recovered under their permit.

The purpose of this section is to support and enable collaboration and cooperation between petroleum interest holders and reduce potentially duplicative practices relating to the construction and operation of facilities. This Bill provides equivalent rights under a retention licence and a production licence.

**Clause 45. Section 31 replaced**

This clause repeals and replaces section 31 of the Act, which sets out when an exploration permittee is entitled to apply for a retention licence over their permit area. New section 31 allows a permittee to apply for one or more retention licences in relation to all or part of permit area or adjacent permit areas held by the permittee, subject to a notice of discovery of petroleum within the permit area or areas being given to the Minister in accordance with section 64.

This will allow a permittee to apply for a retention licence over an area that incorporates blocks from two adjacent exploration permits, subject to meeting the requirements of section 33, which deals with the size and shape of retention licences. This recognises that shale reserves are continuous and likely extend across multiple permit boundaries. An example for section 31 sets out some of the ways retention licences may be granted over adjacent exploration permit areas.

This change is supported by amendments to section 32, which require the applicant to demonstrate to the Minister that the section 64 discovery is the discovery of a reservoir within the application area.

**Clause 46. Section 32 amended (Application for retention licence)**

This clause amends section 32 to update application requirements for a retention licence to support the ability to grant retention licences over blocks from adjoining exploration permits. It also clarifies the evidence required to demonstrate that a discovery relates to the application area, to ensure that the Minister is provided with appropriate information to consider before the grant of a retention licence. The applicant must provide evidence, satisfactory to the Minister that:

- a discovery of petroleum in their permit area or areas notified under section 64 is the discovery of a reservoir in the application area;
- the discovery of petroleum is potentially commercial; and
- production from the application area is not yet commercially viable.

Previously arrangements relied on a discovery well being located within each application area and did not consider the extent of a shale gas accumulation. This limited the ability for exploration permittees to apply for several individual retention licences over their exploration permit area, unless each proposed area contained its own discovery well.

This clause updates the technical works programme requirements for a retention licence application, modernising the language and clarifying that the programme needs to include works to be undertaken to appraise the extent of a discovery and assess the commercial viability of the discovery. It also introduces a process for the Minister to accept or refuse to accept a retention licence application, to support the extension of the final term of an exploration permit established in new section 22A. The Minister may refuse to accept an application that does not meet the application requirements, but a refusal does not prevent the applicant from amending and resubmitting their application.

In addition, this clause inserts a new subsection (1A), which provides that if an application relates to a permit held by more than one person, the application may be made by one of the holders of the permit with the consent of the other holders. This will mean that, subject to consent between the parties, each permittee who jointly hold an exploration permit will be able to make an application over a proposed retention licence area that they will hold as an individual licensee. This is supported by amendments to section 66 that enable a retention licence to be granted to one or more, but not all holders of an exploration permit, with the consent of all holders.

**Clause 47. Section 34 amended (Grant or refusal of retention licence)**

This clause amends section 34 of the Act, which sets out the process for the Minister to grant or refuse to grant a retention licence. It replaces subsection (1) to provide the Minister with the discretion to approve the grant of a retention licence to a permittee despite any non-compliance with their exploration permit, if the Minister is satisfied that circumstances exist to justify the grant of the retention licence. This discretion recognises that non-compliance encompasses a broad spectrum of conduct, which should be considered on a case-by-case basis at the time a decision is made. A minor non-compliance should not prevent a permittee from being granted a retention licence.

This discretion exists for other licensing decisions under the Act, such as the renewal of an exploration permit, the first renewal of a retention licence and the first renewal of a production licence. It is being extended to apply to all licensing decisions of the Minister.

**Clause 48. Section 36 replaced**

This clause replaces section 36 of the Act, which sets out that the term of a retention licence is 5 years commencing on the date it is granted, subject to other sections dealing with a surrender, cancellation or a requirement to apply for a production licence. New section 36 provides that the grant of a new retention licence under section 34 is for a 5-year term commencing on the date of grant, with a note to identify that other sections provide for different terms for a renewed licence or a licence created through a division or amalgamation process. It is not necessary to refer to a retention licence term being affected by a surrender, cancellation or requirement to apply for a production licence, so these references are removed.

**Clause 49. Section 37 amended (Application for renewal of retention licence)**

This clause amends section 37 of the Act, which provides the process to apply for a renewal of a retention licence. It inserts a new subsection (2A) to set out a range of supporting information required to be submitted with a second or subsequent renewal application and inserts a new subsection (2B) to provide that the Minister may, by written notice, request the applicant to provide further information in relation to the applicant or the application.

The supporting information that must be provided with an application includes an analysis of the work undertaken and expenditure incurred during the licence term, a statement of reasons as to why the applicant has not applied for a production licence, and a technical works programme for the proposed renewal period that demonstrates how the applicant will progress towards establishing commercial viability. The applicant must also provide details of the status of any other retention or production licences they hold in the Northern Territory, along with the works undertaken, expenditure incurred and the volumes of petroleum that have been produced, sold or otherwise used.

The purpose of requiring this information with a second or subsequent renewal application is to ensure that the Minister receives and considers all relevant information, to decide in the best interests of the Territory. While mandatory for a second or subsequent renewal, the Minister will have the discretion to request the same information be provided with a first renewal application.

**Clause 50. Section 38 amended (Grant or refusal of renewal of retention licence)**

This clause amends section 38 of the Act, which sets out the process for the Minister to grant or refuse the renewal of a retention licence. It replaces subsection (2) with a new subsection (1A) to provide the Minister with the discretion to approve the renewal of a second or subsequent retention licence despite any non-compliance, if the Minister is satisfied that circumstances exist to justify the grant of the retention licence. This discretion already exists for a first renewal and recognises that non-compliance encompasses a broad spectrum of conduct, which should be considered on a case-by-case basis at the time a decision is made. A minor non-compliance should not prevent a retention licence from being renewed.

This clause also inserts a new subsection (2), which provides that a retention licence that is renewed for the first time under this section is renewed for a further 5-year term, while a second or subsequent renewal may be renewed for a term of up to 5 years. This provides additional discretion for the Minister to grant second and subsequent renewals for shorter terms, which may be subject to additional conditions to ensure the licensee actively uses their retention licence to progress towards establishing commerciality of the petroleum in the licence area.

This clause also replaces subsection (4), which allowed the Minister to request additional information in relation to a renewal application. New subsection (4) provides that the Minister may, before deciding to grant or refuse to grant the application, require an applicant for a first renewal to provide the same supporting information required under section 37(2A) for a second or subsequent renewal application.

**Clause 51. Section 42 amended (Rights conferred by retention licence)**

This clause amends section 42 of the Act, which sets out the rights conferred under a retention licence. It amends subsection (1) to clearly identify that the rights conferred under a retention licence also apply to an agent or employee of the licensee.

It also inserts a new subsection (1B) to provide a right that allows petroleum that is recovered under another petroleum permit or licence to be accepted into the licence area for processing, refining, storing or transporting the petroleum. This right is subject to approval by the Minister and will allow the licensee to undertake the same activities in relation to the accepted petroleum as petroleum recovered under their licence.

The purpose of this section is to support and enable collaboration and cooperation between petroleum interest holders and reduce potentially duplicative practices relating to the construction and operation of facilities. This Bill provides equivalent rights under an exploration permit and a production licence.

**Clause 52. Sections 42A and 42B inserted**

This clause inserts new sections 42A and 42B into the Act to provide a process to enable retention licensees to apply to divide or amalgamate their retention licence areas. This will provide flexibility during the appraisal phase for licensees to adjust and refine retention licence areas while working towards developing the commerciality of the petroleum resource, to ultimately identify the ideal location for a production licence or licences.

**Section 42A Division of retention licences**

This section sets out the process for a retention licensee to apply to divide their retention licence into 2 or more retention licences. Applications may only be made if the size and shape of each proposed licence area will meet the requirements set out in section 33.

Applicants must demonstrate to the Minister that the division is justified and will facilitate the effective evaluation of the development potential of petroleum within the proposed retention licence areas. They must also provide a detailed technical works programme in relation to each proposed licence area that demonstrates how they will progress towards establishing the commercial viability of petroleum production within each proposed retention licence area.

If the Minister approves the division, the Minister must cancel the original retention licence and grant new retention licences for the remaining term of the original licence. The licences may be granted subject to conditions the Minister thinks fit. A well operations management plan that has been approved for the original retention licence prior to the division will continue to apply to a well within a new retention licence area created through the division. This will not prevent the well operations management plan from being reviewed under section 61B. The licensee is not entitled to any refund of part of an annual fee paid in relation to the original licence before the division.

### Section 42B Amalgamation of retention licences

This section sets out the process for a retention licensee to apply to amalgamate all or part of two or more retention licences. Retention licences may only be amalgamated if they are held by at least one common licensee and are on adjacent areas of land. Applications may only be made if the size and shape of the proposed amalgamated licence area, and any remaining area from an original retention licence conforms to the size and shape requirements set out in section 33.

Applicants must demonstrate to the Minister that the amalgamation will support the efficient and effective evaluation of the development potential of petroleum within the proposed amalgamated area and reduce wasteful or duplicative practices. They must also provide a detailed technical works programme in relation to the proposed amalgamated licence area that demonstrates how they will progress towards establishing the commercial viability of petroleum production, as well as updated technical works programmes for any original retention licence area that is not to be incorporated into the amalgamated licence.

If the Minister approves the amalgamation, the Minister must grant a new licence in respect of the amalgamated licence area for a term of up to 5 years. The Minister must also reissue any original licence in respect of the area that is not included in the amalgamated licence area for the remaining term of the original licence. If an entire original licence is incorporated into an amalgamated licence, the Minister must cancel the original licence.

The Minister has discretion to impose conditions on a new or reissued licence created because of an amalgamation. A well operations management plan that has been approved for the original retention licences prior to the amalgamation will continue to apply to a well within the new retention licence area created through the amalgamation, or to any retention licence area retained under an original licence (as applicable). This will not prevent a well operations management plan from being reviewed under section 61B. The licensee is not entitled to any refund of part of an annual fee paid in relation to an original licence before the division.

### **Clause 53. Section 45 amended (Application for production licence)**

This clause amends section 45 of the Act to update the application process for a production licence. It introduces a process for the Minister to accept or refuse to accept a production licence application, to support the extension of the final term of an exploration permit established in new section 22A. The Minister may refuse to accept an application that does not meet the application requirements, but a refusal does not prevent the applicant from amending and resubmitting their application.

### **Clause 54. Section 52 amended (Grant or refusal of renewal of production licence)**

This clause amends section 52 of the Act, which sets out the process for the Minister to grant or refuse the renewal of a production licence. It replaces subsection (2) to provide the Minister with the discretion to approve the renewal of a second or subsequent production licence despite any non-compliance, if the Minister is satisfied that circumstances exist to justify the grant of the renewal. This discretion already exists for the first renewal of a production licence and recognises that non-compliance encompasses a broad spectrum of conduct, which should be considered on a case-by-case basis at the time a decision is made. A minor non-compliance should not prevent a production licence from being renewed.

**Clause 55. Section 56 amended (Rights conferred by production licence)**

This clause amends section 56 of the Act, which sets out the rights conferred under a production licence, to clearly identify that the rights conferred under a production licence also apply to an agent or employee of the licensee.

It also inserts a new subsection (2) to provide a right that allows petroleum that is recovered under another petroleum permit or licence to be accepted into the licence area for processing, refining, storing or transporting the petroleum. This right is subject to approval by the Minister and will allow the licensee to undertake the same activities in relation to the accepted petroleum as petroleum produced under their licence.

The purpose of this section is to support and enable collaboration and cooperation between petroleum interest holders and reduce potentially duplicative practices relating to the construction and operation of facilities. This Bill provides equivalent rights under an exploration permit and a retention licence.

**Clause 56. Section 57AAA amended (Recovery of petroleum on appraisal basis)**

This clause amends section 57AAA of the Act, which allows an exploration permittee or retention licensee to apply to recover petroleum on an appraisal basis from their petroleum interest area. Subsection (2) is amended to provide that a permittee who has applied for a retention licence, or a retention licensee who has applied for a division or amalgamation may apply to the Minister for approval to recover petroleum on an appraisal basis under the proposed retention licence. This will allow the application for the grant of the relevant licence and the application to recover petroleum on an appraisal basis to be submitted and considered concurrently.

This clause also inserts a new subsection (6A) to specify that a condition of an approval to recover petroleum on an appraisal basis may provide for the use of appraisal production infrastructure operated under the approval to process, refine, store, transport or use petroleum recovered under another permit or licence. This provision supports the new right for petroleum interest holders to accept petroleum recovered under another permit or licence into the relevant interest area, if approved by the Minister.

**Clause 57. Section 66 amended (Exploration permit held by 2 or more persons)**

This clause amends section 66 of the Act, which provides that retention licences and production licences are to be granted in the name or names of the holders of the exploration permit or retention licence from which the licence derives but may be granted in different shares to those originally held at the request of the applicants. Subsection (2) is replaced by a new subsection (2), which provides that a retention licence derived from an exploration permit held by 2 or more parties may be granted in the names of all parties, or in the name of one or more, but not all parties, with the consent of all parties.

New subsection (2A) retains the ability for the retention licence to be granted in different shares from those in which the exploration permit was held.

**Clause 58. Section 69A amended (Ability to waive, suspend or reduce annual fee or levy)**

This clause amends section 69A of the Act, which provides the ability for the Minister to waive, suspend or reduce annual fees and levies. The section is amended to insert a new subsection (1AA) to provide that the Minister may, on application or their own initiative, waive, suspend or reduce a fee payable for an application made in relation to a permit or licence. This will include a fee payable

in relation to an application for approval of a plan under the Act or the *Petroleum (Environment) Regulations 2016*. The heading is updated to reflect that other fees, and not just annual fees may be waived, suspended or reduced.

**Clause 59. Part VII, Division 7 inserted**

This clause inserts a new Part VII, Division 7 encompassing new sections 139 - 142 for transitional matters associated with the amendments of this Bill.

Section 139 Definition

This section defines the term **commencement** as the day on which section 40 of the *Pipelines and Petroleum Legislation Amendment (Industry Development) Act 2026* commences. Section 40 is the provision that sets out that Part 3 amends the *Petroleum Act 1984*.

Section 140 Application of section 22A

This section provides that new section 22A only applies in relation to an exploration permit if an application for a retention licence or production licence is made in relation to the permit after the commencement.

Section 141 Application related to retention licence made before commencement

This section provides that applications for the grant or renewal of a retention licence that are made, but not determined before commencement, will continue to be dealt with under the relevant sections as in force prior to commencement.

Section 142 Application for renewal of production licence made before commencement

This section provides that an application for the renewal of a production licence that is made, but not determined before commencement, will continue to be dealt with under section 52 as in force before the commencement.

**Clause 60. Schedule 1 amended (Decisions subject to principles of ecologically sustainable development)**

This clause amends Schedule 1 of the Act to correct an identified error by removing an entry for a decision that was previously repealed. The *Petroleum Legislation Amendment Act 2022* repealed section 73(1C), but the entry remained in Schedule 1 following the repeal. It also updates references to relevant decisions that have been updated or relocated through this Bill.

**Clause 61. Schedule 2 amended (Judicial Review of decisions or determinations)**

This clause amends Schedule 2 of the Act to update entries for relevant decisions that have been relocated or expanded by this Bill.

**Clause 62. Schedule 3 amended (Reviewable decisions and interested persons)**

This clause amends Schedule 3 of the Act to insert entries that make decisions of the Minister to refuse to grant a division or amalgamation of retention licences reviewable by the applicant for the division or amalgamation. It also corrects a referencing error in an entry relating to a decision of the Minister to impose conditions on the grant or renewal of a production licence.

**Clause 63 Act further amended**

This clause provides a signpost to identify that Schedule 2 of the Bill includes additional amendments to the *Petroleum Act 1984*.

**Part 4 Amendment of Petroleum (Submerged Lands) Act 1981****Clause 64. Act amended**

This is a formal clause, which provides that amendments are made to the *Petroleum (Submerged Lands) Act 1981*. Its purpose is to clarify which laws are being amended by the following clauses in this Part.

**Clause 65. Long title amended**

This is a formal clause, which changes the long title of the *Petroleum (Submerged Lands) Act 1981* to better reflect its scope and purpose. This Bill makes amendments that will allow other substances, and not just petroleum to be conveyed through pipelines so the long title is amended to incorporate that change. The new long title is:

An Act to make provision with respect to the exploration for and the exploitation of the petroleum resources, and certain other resources, of certain submerged lands adjacent to the coasts of the Northern Territory, for the conveyance of certain substances through pipelines on those lands and for other purposes.

**Clause 66. Short title amended**

This is a formal clause, which changes the short title of the *Petroleum (Submerged Lands) Act 1981* to the *Petroleum and Pipelines (Submerged Lands) Act 1981* to recognise that other substances may be conveyed through pipelines under this Act.

**Clause 67. Section 4 amended (Interpretation)**

This clause amends section 4 of the *Petroleum (Submerged Lands) Act 1981*, which defines various terms to assist in the interpretation, application and operation of the Act.

The clause deletes definitions of terms being removed from the Act by this Bill, namely **listed OHS laws**, **OHS inspector** and **Safety Authority**. Each of these terms relate to the occupational health and safety (OHS) scheme under this Act, which is being removed by this Bill.

The clause replaces the definition of **adjacent area** to remove redundant provisions and improve clarity, and the definition of **Commonwealth Act** to refer to the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) as amended from time to time. The definition includes a signpost reference to identify that a different definition for **Commonwealth Act** applies to Part I, Division 2 of this Act.

Subclause (2) inserts new terms for the Act, namely **CEO**, **environment**, **environmental impact**, **fit and proper person**, **greenhouse gas substance**, and **regulated substance**. Each of these terms are used in new sections inserted by the Bill and need to be defined to ensure clarity. The term **greenhouse gas substance** is defined by reference to the definition in the *Offshore Petroleum and Greenhouse Storage Act 2006* (Cth) to ensure this Act links appropriately with the Commonwealth Act.

Subclause (3) amends the definition of **inspector** to update the signpost reference as inspector provisions are relocated and redrafted by this Bill.

Subclauses (4) and (5) amend the definitions of **pipeline**, **pumping station**, **tank station**, and **valve station** to replace references to 'petroleum' with references to a 'regulated substance'. These amendments will help to clarify that a pipeline can convey a regulated substance.

**Clause 68. Section 6A repealed (Disapplication of Territory occupational health and safety laws)**

This clause repeals section 6A of the Act, which disapplies prescribed Territory OHS laws in relation to facilities, people at facilities and activities under this Act. This will have the effect of applying the *Dangerous Goods Act 1998* and the *Work Health and Safety (National Uniform Legislation) Act 2011*, as administered by the Work Health Authority (NT WorkSafe), to work and activities under this Act.

Other amendments in the Bill support this repeal by removing the OHS scheme under this Act. Overall, this will mean that the same OHS standards apply whether work is being conducted onshore or in the adjacent area.

**Clause 69. Section 10 replaced**

This clause replaces section 10 to update outdated definitions for Part I, Division 2, which sets out arrangements for the Minister to perform functions and exercise powers under the Commonwealth Act as a member of the Joint Authority. The Joint Authority is comprised of the NT Minister and the Commonwealth Minister who together make certain decisions in relation to the Principal Northern Territory offshore area under the **Commonwealth Act**.

The term **Commonwealth Act** is defined for Part I, Division 2 to mean the *Offshore Petroleum and Greenhouse Gas Storage Act 2006* (Cth) and any Act of the Parliament of the Commonwealth with which that Act is incorporated. This will ensure that a Commonwealth Act that confers a function or power on the Joint Authority is captured, without requiring a further amendment to list the specific Acts in this section.

The **Principal Northern Territory offshore area** is defined in this section, with reference to section 7 of the **Commonwealth Act**.

**Clause 70. Section 16 replaced**

This clause repeals and replaces section 16, which allows the Minister to delegate their powers and functions under this Act to any person. The provision is modernised and simplified, removing an outdated requirement to publish instruments of delegation in the *Gazette*, which is not required under other resources legislation.

**Clause 71. Section 18B inserted**

This clause inserts a new section 18B into the Act to introduce a fit and proper person test that the Minister must apply when considering whether to grant or renew a permit, lease, licence, pipeline licence or special prospecting authority. The fit and proper person test has been applied to relevant decisions under this Act since 2021 as a matter of policy but will now be formalised in section 18B.

This test is consistent with the fit and proper person test contained in the *Environment Protection Act 2019*, setting out the matters the Minister must consider when determining if a person is fit and

proper to hold a title under this Act. The matters include whether the person has contravened a law of the Territory or another jurisdiction that relates to:

- regulation of petroleum or pipeline activities
- regulation of the environment
- heritage, health or cultural matters, including sacred sites
- work health and safety
- taxes and royalties
- fraud or dishonesty.

For certainty, subsection (2) identifies that the Minister is not required to conduct an investigation to determine whether a person is a fit and proper person. The fit and proper person test is designed so that the Minister considers the information before them, rather than imposing an administrative burden to investigate the person.

Subsequent amendments are made to sections relating to applications under this Act, to require the applicant to provide evidence with their application to demonstrate that they are a fit and proper person.

**Clause 72. Section 21 amended (Application for permits)**

This clause amends section 21 to require an applicant for an exploration permit to provide evidence with their application that they are a fit and proper person to hold an exploration permit. The information provided must address the matters set out in section 18B that the Minister must consider when determining whether the applicant is fit and proper. It also technically amends the list of requirements for an application to clarify that all requirements are cumulative rather than alternative.

**Clause 73. Section 38A amended (Application by permittee for lease)**

This clause amends section 38A to require an applicant for a retention lease to provide evidence with their application that they are a fit and proper person to hold a retention lease. The information provided must address the matters set out in section 18B that the Minister must consider when determining whether the applicant is fit and proper. It also technically amends the list of requirements for an application to clarify that all requirements are cumulative rather than alternative.

**Clause 74. Section 41 amended (Application for licence)**

This clause amends section 41 to require an applicant for a production licence to provide evidence with their application that they are a fit and proper person to hold a production licence. The information provided must address the matters set out in section 18B that the Minister must consider when determining whether the applicant is fit and proper. It also technically amends the list of requirements for an application to clarify that all requirements are cumulative rather than alternative.

**Clause 75. Section 64 amended (Application for pipeline licence)**

This clause amends section 64 to require an applicant for a pipeline licence to provide evidence with their application that they are a fit and proper person to hold a pipeline licence. The information provided must address the matters set out in section 18B that the Minister must consider when

determining whether the applicant is fit and proper. It also technically amends the list of requirements for an application to clarify that all requirements are cumulative rather than alternative

The clause also requires an applicant to identify the regulated substance intended to be conveyed in the pipeline within their application and replaces a reference to petroleum with a reference to a regulated substance.

Subclause (5) deletes section 64(2), (3) and (5), which provide a process for a licensee or operator of a pipeline to seek preferential rights to the grant of a pipeline licence under this Act, where a person who is not a licensee or operator has applied for a licence. These provisions are redrafted and relocated to new section 64A.

**Clause 76. Section 64A inserted**

This clause inserts new section 64A to redraft and relocate the process for a licensee or operator of a pipeline to seek preferential rights to the grant of a pipeline licence under this Act. Where an application is made for:

- a pipeline licence for the conveyance of petroleum recovered under a licence; or
- a pipeline licence for the conveyance of petroleum recovered under a petroleum production licence under the Commonwealth Act or a corresponding law; or
- a pipeline licence for the conveyance of a greenhouse gas substance to or from a place outside the adjacent area that is within the area of an interest granted under the Commonwealth Act or a corresponding law;

and the applicant is not the pipeline operator or holder of the relevant licence or interest; the licensee or pipeline operator may apply to the Minister, within 3 months of a notice of the application being published in the *Gazette*, for the application to be rejected and themselves apply for the licence for the relevant pipeline.

If the Minister grants the licence to the licensee or pipeline operator, the Minister must reject the original application.

**Clause 77. Section 65 amended (Grant or refusal of grant of pipeline licence)**

This clause amends section 65 of the Act, which sets out the process to grant or refuse a pipeline licence. It updates references to the provisions relating to preferential rights to the grant of a pipeline licence that are relocated from section 64 into section 64A and deletes superfluous words that impact readability. It amends the definition of ***pipeline operator under the Commonwealth Act or a corresponding law*** to include reference to a pipeline used for the conveyance of a greenhouse gas substance for the injection or storage of the substance.

It also includes a note to identify that the Commonwealth Act and certain corresponding laws provide for activities relating to the injection and storage of greenhouse gas substances. These amendments ensure that a pipeline licence can be granted to convey a greenhouse gas substance through the adjacent area for injection or storage under the Commonwealth Act or a corresponding law.

**Clause 78. Section 78 amended (Approval and registration of transfers)**

This clause amends section 78 to require a transferee, who is not a registered holder of the title, to provide evidence with a transfer application that they are a fit and proper person to hold the

transferred title. The information provided must address the matters set out in section 18B that the Minister must consider when determining whether the applicant is fit and proper.

It also replaces a reference to a 'prescribed form' with an 'approved form' as forms will now be approved by the CEO under this Act, rather than prescribed in regulation.

**Clause 79. Section 111 amended (Special prospecting authorities)**

This clause amends section 111 to require an applicant for a special prospecting authority to provide evidence with their application that they are a fit and proper person to hold a special prospecting authority. The information provided must address the matters set out in section 18B that the Minister must consider when determining whether the applicant is fit and proper. It also technically amends the list of requirements for an application to clarify that all requirements are cumulative rather than alternative

**Clause 80. Sections 125 and 126 repealed**

This clause repeals sections 125 and 126, which deal with the appointment of inspectors and sets out their powers under this Act. Inspector provisions are redrafted and modernised by this Bill and relocated to new Division 6B.

**Clause 81. Section 135 replaced**

This clause amends section 135, which provides that there is no time limit for commencing proceedings under this Act. The language is modernised to clarify that despite any other law, proceedings for an offence under this Act may be brought at any time.

This clause also provides that proceedings for an offence under this Act may only be commenced by the CEO or an inspector or another person authorised by the CEO.

**Clause 82. Section 137AB amended (Liability for approval given under this Act, &c.)**

This clause amends section 137AB of the Act, which protects decision-makers under the Act from liability where they give an approval in good faith. A reference to an inspector is removed from this section, as an inspector is not a decision-maker and protection from liability for inspectors is provided for in new section 173 being inserted by this Bill.

**Clause 83. Part II, Division 6B inserted**

This clause inserts a new Part II, Division 6B into the Act to provide for new, expanded and modernised provisions for inspectors under this Act. The provisions give greater clarification and guidance about the functions and powers of inspectors, thereby giving greater transparency to the performance of those functions and exercise of those powers. The functions and powers are broadly consistent with other legislation that regulates industries, including the *Petroleum Act 1984*.

*Subdivision 1 sets out the definitions for relevant terms used in Part II, Division 6B.*

Section 137F Definitions

This section defines the terms ***environment***, ***environmental impact***, ***interest under this Act***, and ***premises*** to assist in the interpretation, application and operation of new Part II, Division 6B.

Each of these terms is used within the Division, particularly in relation to the exercise of inspector powers. By clearly defining these terms, the Act sets out where, how, and for what purpose inspector powers can be used.

*Subdivision 2 provides for the appointment of inspectors and includes new sections 137G – 137J. These sections replace current section 125 of this Act.*

#### Section 137G Appointment

This section provides that the CEO may appoint a person to be an inspector, and that appointment may be subject to conditions or limitations the CEO thinks appropriate. It replaces current section 125(1).

#### Section 137H Identity card

This section replaces and expands on current section 125(2), requiring the CEO to issue an inspector with an identity card. An identity card provides evidence of an inspector's appointment, providing certainty to titleholders and members of the community that the inspector has the authority to perform the functions and exercise the powers set out in the Act. On request, an inspector is required to show their identity card before entering premises or exercising a power under this Act in relation to a person.

#### Section 137J Return of identity card

This section replaces current section 125(3) and requires an inspector to return their identity card to the CEO within 21 days of ceasing to be an inspector. This is a standard provision for inspectors under various Acts and failure to return the identity card is a regulatory offence with a maximum penalty of 20 penalty units.

*Subdivision 3 provides for the functions and general powers of inspectors and includes new sections 137K – 137T. These sections replace and expand on current section 126 of the Act.*

#### Section 137K Functions

This section sets out the functions of an inspector under this Act. These include monitoring compliance with and investigating contraventions of the Act. There is also an educative function of providing information and advice about compliance. An inspector may do anything or cause anything to be done, that the inspector reasonably believes is necessary for performing a function or exercising a power under this Act.

#### Section 137L General powers of inspectors

This section identifies specific powers held by inspectors to enable them to perform their functions, in particular monitoring compliance and investigating contraventions of the Act. It provides a power of entry to any part of the adjacent area, premises in the adjacent area, or other premises used in connection with operations and activities regulated under the Act. Upon entry, inspectors have powers to inspect, examine and make enquiries to undertake their functions under the Act. The powers include, among other things, the power to:

- take photographs, make recordings, and take copies of documents
- examine or test any infrastructure or other thing
- take a sample for analysis

- operate a drone or other device in or over any area that is, was or is proposed to be an area of an interest
- seize or secure any item the inspector reasonably believes was, is being or is about to be used in connection with an offence or proposed offence.

New section 137L also gives an inspector powers to require a person to answer questions or produce documents. The seizure power allows an inspector to move the seized item, restrict access to the seized item, or make the seized item inoperable. This recognises that some seized items may need to remain in place, but undisturbed during an investigation.

In addition to the activities an inspector may do themselves, section 137L(3)(g) allows an inspector to authorise another person to assist them. For example, an inspector may engage a person to operate a vessel or equipment. There is also a power for an inspector to require a person, who is in the area or on the premises entered to provide assistance. This may include providing access to a computer by entering a password, or operating a vehicle, vessel or other equipment.

An inspector's power of entry, inspection and search is limited by section 137L(9). Consent of an owner or occupier or authorisation by a search warrant is required to enter any premises used for residential purposes. The provisions in new Part II, Division 6B, Subdivision 4 deal with the granting and execution of a search warrant.

#### Section 137M Testing of seized thing

This section allows the CEO, or an inspector authorised by the CEO to carry out or arrange to carry out scientific or other tests on an item seized under new section 137L. The testing may lead to the destruction of the seized item, if that item is a sample or the destruction is necessary to carry out the test and there is no other reasonable way to undertake the test.

Before conducting destructive testing of a seized item, the CEO must notify the owner of the proposed test and provide an opportunity to make submissions in relation to the testing. The CEO must consider any submissions before authorising or undertaking the destructive testing of the item.

#### Section 137N Duty of inspector in relation to seized thing

This section requires an inspector who seizes a thing under section 137L to provide a receipt to the person from whom it was seized and sets out matters such as when and how the receipt is to be provided and what information it must contain. It sets out time limits and circumstances around when a seized item must be returned to its owner and provides that a seized item may be retained beyond those time limits if the inspector reasonably believes that this is necessary to prevent it being used to commit an offence.

#### Section 137P Forfeiture of seized thing

This section provides the court with powers to order that seized things be forfeited to the Territory, where the owner of the seized thing is found guilty of an offence for which the thing was retained for evidence. It allows the CEO to destroy or otherwise dispose of a seized item that is forfeited to the Territory. These powers are in addition to any other powers the court may have under any other law relating to the forfeiture of things.

#### Section 137Q Offence to contravene requirement

This section establishes an offence for contravening a requirement of an inspector under new section 137L. This offence carries a maximum penalty of 200 penalty units for an individual and 1 000 penalty units for a body corporate. Subsection (2) provides a defence where the defendant proves they took reasonable steps and exercised due diligence to comply with the requirement.

#### Section 137R Obstruction of inspector

This section replaces the offence to obstruct or hinder an inspector currently in section 126(3) of this Act with a redrafted equivalent offence. The maximum penalty amount is increased from 100 penalty units for an individual and 500 penalty units for a body corporate, to 200 penalty units or 2 years imprisonment for an individual and 1 000 penalty units for a body corporate. This increase makes the penalty consistent with the standard obstruction offence found across the Northern Territory statute book.

Subsection (2) provides a defence where the defendant had a reasonable excuse, and subsection (3) defines the terms **acting in an official capacity** and **obstruct** to further clarify the offence.

#### Section 137S Interference with seized item

This section introduces a new offence to interfere or attempt to interfere with an item seized by an inspector under section 137L, without approval of an inspector. This offence supports the ability to seize an item, but leave it in place, undisturbed, over the course of an investigation. The maximum penalty for this offence is 200 penalty units for an individual and 1 000 penalty units for a body corporate.

#### Section 137T Self-incrimination

This section abrogates the privilege against self-incrimination, where a person is required to answer a question, give information or produce a document under Part II, Division 6B, Subdivision 3 of the Act; that is, essentially, when an inspector is exercising powers under new section 137L. The effect of new section 137T is that a person must comply with the requirements of an inspector under Subdivision 3, even if it means they may be incriminating themselves or exposing themselves to a penalty.

The justification for new section 137T is that securing compliance with the Act, in particular preventing or minimizing environmental and other harms that can result from activities undertaken under this Act, are sufficiently important objectives to justify some limitation on the right to silence.

To ensure that the abrogation of the privilege against self-incrimination is proportionate and reasonable, new section 137T(2) provides for direct use immunity, which means that the answer given or information or document provided is not admissible as evidence against the person in a civil or criminal proceedings. An exception applied in relation to proceedings where the falsity or misleading nature of the answer, information or document is relevant.

*Subdivision 4 deals with the grant and execution of a search warrant.*

#### Section 137U Search warrants

This section permits an inspector to apply to a Local Court Judge for a search warrant for a place. This section and new section 137V are specifically included so that an inspector may be authorised to enter and search residential premises. A search warrant is also required to enter any place or premises that falls outside the ambit of section 137L(1)(a) or (b). Entry and search by warrant

acknowledges the need to balance the right to privacy with the need to ensure compliance with this Act.

#### Section 137V Announcement before entry and provision of authority

This section sets out the requirements for the execution of a search warrant, including announcing that the entry is authorised by the warrant and giving the person an opportunity to allow the entry. This section also requires the inspector to produce their identity card and provide a copy of the warrant on the request of a person who appears to have management or control of a place where a search warrant is being executed.

*Subdivision 5 empowers inspectors to give certain directions and establishes an offence for failure to comply.*

#### Section 137W Directions by inspectors

This section gives an inspector power to issue a direction to the registered holder of an interest under this Act to prevent, minimise, manage or remediate certain harms or dangers, including environmental impacts and risks, and harms and risks to infrastructure. A direction may also be given to take action that is in accordance with the practices and procedures that are generally accepted as good and safe in the carrying out of activities under this Act.

A direction must specify the grounds on which it is issued and must allow reasonable time for compliance with the direction. A direction may be given orally but must be confirmed in writing as soon as practicable. An inspector may vary or revoke a direction, by written notice to the registered holder.

#### Section 137X Offence to contravene a direction

This section established an offence for contravening a direction issued under section 137W. This offence carries a maximum penalty of 500 penalty units for an individual and 2 500 penalty units for a body corporate. As directions are designed to prevent, minimise, manage and remediate harms and dangers, including environmental impacts from activities, the risks to the environment and infrastructure from contravening a direction justify the penalty amount.

Subsection (2) provides a defence where the defendant proves they took reasonable steps and exercised due diligence to comply with the direction.

#### **Clause 84. Part III repealed (Occupational health and safety)**

This clause repeals Part III of the Act, which establishes a separate OHS scheme under that operates outside Territory OHS laws. The scheme is being removed from this Act, and the *Dangerous Goods Act 1998* and the *Work Health and Safety (National Uniform Legislation) Act 2011* will apply, providing consistent protection to workers whether their work involves petroleum operations or pipeline operations onshore or in the adjacent area. Responsibility for the regulation of OHS will sit with NT WorkSafe as the Work Health Authority.

#### **Clause 85. Section 170 replaced**

This clause repeals section 170 of the Act, which allowed transitional regulation to be made in relation to OHS, as it is no longer required. The clause inserts new sections 170 – 172, which deal with various administrative matters for this Act. It also inserts a new Part V, encompassing new sections 175 - 178 for transitional matters associated with the amendments of this Bill.

Section 170 Delegation

This section allows the CEO to delegate any of their powers and functions under this Act to another person to enable administrative efficiencies and streamline decision-making.

Section 171 Approved forms

This section provides that the CEO may approve forms for this Act, and that any approved forms must be published on the Agency's website.

Section 172 Guidelines

This section provides that the Minister may issue guidelines for this Act, and that any guidelines must be published on the Agency's website.

Section 173 Protection from liability

This section provides that the CEO, an inspector or a person assisting the inspector are not personally liable for acts or omissions, so long as those acts or omissions are done in good faith and in the execution or purported execution of their powers and functions.

Inspectors play a crucial role in the regulation of activities under this Act, and may be required to exercise judgment, make decisions and exercise powers with limited information and in urgent circumstances. As a result, it is important that they, and a person assisting them are not deterred from exercising their skill and judgement due to fear of personal liability. Likewise, the CEO may be required to make decisions that result the destruction of property and should be protected from personal liability for those decisions.

Subsection (2) clarifies that this protection from liability does not affect any liability the Territory would have for the act or omission.

Section 174 Service of documents

This section sets out how notices, directions, instruments or other documents under this Act may be served. It allows for electronic service of documents, and provides that subject to evidence to the contrary, a notice, direction, instrument or other document is taken to be given to the recipient when it is sent to the recipient's email address.

***Part V Transitional matters for Pipelines and Petroleum Legislation Amendment (Industry Development) Act 2026***

*Part V sets out relevant transitional arrangements related to the commencement of the Pipelines and Petroleum Legislation Amendment (Industry Development) Act 2026.*

Section 175 Definitions

This section provides definition for the terms ***amending Act*** and ***commencement***, used in subsequent sections in this Part.

The term ***amending Act*** is defined as the *Pipelines and Petroleum Legislation Amendment (Industry Development) Act 2026*, which is the name this Bill will take once passed.

The term **commencement** is defined as the day on which section 64 of the amending Act commences. Section 64 is the provision that sets out that Part 4 amends the *Petroleum (Submerged Lands) Act 1981*.

#### Section 176 Application of section 18B

This section provides that the fit and proper person test inserted into section 18B only applies in relation to a grant or renewal if the application was made after commencement.

#### Section 177 Application for pipeline licence made before commencement

This section provides that sections 64, 65 and 66 as in force before commencement continue to apply to an application for a pipeline licence made before commencement that is not yet determined. These sections relate to preferential rights for pipeline licences, and the rights conferred under a pipeline licence.

#### Section 178 Inspectors

This section provides that an inspector appointed under section 125 of the Act immediately before commencement will be taken to be an inspector appointed under section 137G from commencement. This provision will ensure that an inspector does not have to be reappointed to perform their functions or exercise their powers after commencement.

#### **Clause 86. Schedule 4 repealed (Occupational health and safety)**

This clause repeals Schedule 4 of the Act, which further sets duties, obligation and processes for the separate OHS scheme under this Act. As the OHS scheme is being removed, this Schedule is no longer required.

#### **Clause 87. Act further amended**

This clause provides a signpost to identify that Schedule 3 of the Bill includes additional amendments to the *Petroleum (Submerged Lands) Act 1981*.

#### **Part 5 Consequential amendments**

#### **Clause 88. Other laws amended**

This clause provides a signpost to identify that Schedule 4 of the Bill includes amendments to other laws of the Territory.

#### **Part 6 Repeal**

#### **Clause 89. Repeal of Act**

This is a standard clause, which provides that the Act is repealed on the day after it commences. As this Bill will create an amending Act, there is no need to retain the Act on the statute book once all the amendments have taken effect.

#### **Schedule 1 Energy Pipelines Act 1981 further amended**

This Schedule sets out further minor amendments to the *Energy Pipelines Act 1981*. These amendments largely relate to the replacement of the term 'licence' with 'pipeline licence' where relevant throughout the Act to improve clarity and readability. Amendments replace references to energy-producing hydro-carbons with regulated substances and correct referencing where provisions have been relocated by the Bill.

They also amend offences throughout the Act to remove split penalty provisions and replace them with a single penalty amount that applies to an individual. Body corporate penalty amounts will be equal to 5 times the penalty amount specified in each provision as set out in section 29 of the *Sentencing Act 1995*.

#### **Schedule 2 Petroleum Act 1984 further amended**

This Schedule sets out further minor amendments to the *Petroleum Act 1984*. Amendments insert references to new section 22A into sections 35 and 49 to identify that the term of an exploration permit may be affected by section 22A. They amend sections 40 and 54 to ensure that the Minister can impose conditions on the renewal of a retention licence or production licence and correct minor typographical errors.

A final amendment inserts a reference to section 69(A)(1AA) into section 117Q to ensure that the Environment Minister can also waive, suspend or reduce a fee payable for an application made in relation to a permit or licence.

#### **Schedule 3 Petroleum (Submerged Lands) Act 1981 further amended**

This Schedule amends sections 13, 14 and 15 of the *Petroleum (Submerged Lands) Act 1981* to update the old term 'Northern Territory PSL area' with the new term 'Northern Territory offshore area'. It also makes various amendments to replace the term 'petroleum' with the term 'regulated substance' to give effect to other amendments in this Bill.

#### **Schedule 4 Other laws amended**

This Schedule amends various other Northern Territory Act and Regulations to replace references to the *Energy Pipelines Act 1981* with references to the *Pipelines Act 1981*; and references to the *Petroleum (Submerged Lands) Act 1981* with references to the *Petroleum and Pipelines (Submerged Lands) Act 1981*.

It also amends regulation 31(b) of the *Pastoral Land Regulations 1992* to expand the entry relating to pipelines to ensure regulated substances are captured. This will enable pastoral subleases to be granted in association with pipelines that convey substances other than energy-producing hydrocarbons.