

## Submission to the NT Fracking Inquiry, Humpty Doo 9.2.18

In its interim final report, the Committee, has recognised the significant reservations expressed by members of the public about both the ability and willingness of governments to effectively regulate mining activity, and the apparent ease with which mining companies both flout, and show contempt for attempts to regulate their activities.

In referring to "ownership" of petroleum 14.3.1 it is stated that while Government owns the petroleum "it does not explore for, or produce petroleum resources. To do so is risky and expensive... (so it) relies upon gas companies .. to shift the risk away from the Government (and the taxpayer)"

I would suggest that the very favourable tax exemptions for petroleum explorers (as explained by the Australia Institute) effectively mean that the Taxpayers are indeed paying for (and taking the risk of) exploring for new resources.

According to the Australia Institute these taxation concessions are so favourable, and indeed disproportionate to those enjoyed by other taxpayers, that companies are even able to offset some of their profits from other areas, which may be why so few miners actually pay taxes.

Therefore, notwithstanding my continued absolute rejection of fracking in the Northern Territory I make the following comments/recommendations

Recommendation 14.1 touches on regulation:

***That the Government design and implement a full cost recovery system for the regulation of any onshore gas industry.***

The panel noted that, based on the schedule of fees payable, there is scope for fee increases.

I would argue that the scale of fees is laughable, especially given that the fees are tax deductible.

I would suggest that in recommending the strengthening of the Independent Assessment Authority, that the EPA's independence be enshrined in legislation and that it be given the resources and powers to approve and regulate mining activities independent of the Mining and Resources Department.

Consistent with the principle of full cost recovery I would recommend:

- ***That all Mining Companies which have expressed interest in exploration related to shale gas extraction be levied an annual fee sufficient to fully fund a robust regulator;***
- ***That companies which decline or refuse to pay the levy would be legislatively precluded from any future role in gas or other mineral extractions in the NT;***

And consistent with the concerns raised by the public about the ability and willingness of Government and the Industry to effectively regulate that industry, I would recommend:

- ***That any person with a background in any aspect of the petroleum or gas industries be precluded from becoming an executive of the independent EPA***

Richard Creswick  
