



Roundtable for Unconventional Gas Projects in South Australia

Exhibition Hall, National Wine Centre

Thursday, 14 March 2013

Minutes

Breakout Session 3: Regulation – Paper #3

Discussion commenced: 14.25pm

Discussion Leaders: Michael Malavazos (DMITRE)

MM: Two key regulations came out of the previous Roundtable meetings – Recommendations 9 and 7. The recommendations are a reflection of what many of the stakeholders aspire to for a regulatory regime.

DMITRE has a close open and trustworthy relationship with its co-regulators, trying to reduce red tape by developing administrative arrangements and MOUs so that we work together as one Government.

An SEO is a regulatory instrument, which can be changed as conditions change – for example new threats/technologies etc. SEOs still require some improvements, which requires stakeholder engagement.

Operator assessments –DMITRE spend a lot of time dealing with individual companies to work out how good their systems are and how trustworthy they are in doing in what they say they are doing.

Reporting requirements – Annual Compliance Reports are provided against the SEOs; DMITRE is open to see how companies can better report their performance. The Report also includes what surveillance activities DMITRE carried out. DMITRE are unable to inspect every well site, this is determined by activity categories.

DD: Are many complaints made in relation to the Regulations?

MM: No, there are not many complaints, there are occasionally contestability issues. DMITRE are currently working through the 3rd review of the Regulations, and an issues paper will be released for consultation soon. The Productivity Commission scored DMITRE very highly due to the one-stop-shop view and co-regulatory approach which has resulted in reduced red tape.

??: Cross border relationships are a key failing of The Roadmap; interaction between states is not addressed.

MM: At a working level the relationship between states works well as they are all like minded when it comes to regulation.

AT: It would be helpful to make the conversations between states, at a policy level, more transparent.

Action item: DMITRE to commit to being an advocate for cross border interaction and administration.

EA: From a promotional perspective, SA's regulatory environment is part of the mix to attract investment in Australia. Making regulation more streamlined across the border may be beneficial for companies, but it does nothing to attract investment to SA.

??: While it is great for SA to have the best regulations, the ability to attract investment would be enhanced if States had similar regulations, because resources need to move across borders.

MM: For the most part, across border problems don't seem apparent, it generally runs pretty smoothly. Regulations in other states are fairly similar, the differences come in terms of how the regulations are administered. There needs to be a willingness from States to work together.

Recommendation I – *Foster consistent reporting of exploration, appraisal and development results* – no one was clear about what this recommendation refers to.

Action item: MM to discuss well integrity regulatory requirements with Anne Daw

Tavis K: In relation to confidentiality of fracking fluid ingredients – how is this handled by DMITRE. Does DMITRE receive full disclosure?

MM: DMITRE does get full disclosure, excluding proprietary components. This issue is being addressed at the Coal Seam Gas Working Group – NICNAS and CSIRO have been commissioned to find out the best way to deal with this and to determine the criteria to assess fracking fluid against. Disclosure is an interesting issue, some contractors are more willing than others to reveal the content, because it can be a sensitive commercial issue. Ultimately it should be about what the effect the fluid has on the environment - containment is the focus of the SEO.

AT: WA has recently introduced a full disclosure policy, there has been some reluctance to use IP products because of patent protection, and not wanting the chemical components to be revealed. As a result of this some companies are using chemicals that are older which are often lower in efficiency and higher concentration.

Closed: 15.25pm



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Day One Final Discussion and Close

Discussion Leader: Barry Goldstein (DMITRE)

BAG thanked for everyone who attended.

Key Issues identified:

Establishing joint ventures of joint ventures to look at water transport and inform regulation in terms of shifting equipment and other regulated activities within the field.

How to demonstrate to the public what we say is what we do relative to fugitive emissions and other matters of public interest.

BW: Collecting water in central places; will need minimum of two depots on either side of the Cooper Creek; probably another one to the north.

PC: There are 125 Recommendations how will they be addressed?

BG: The current ranking system will be gazumped by what we can actually do. Trying to get Premier and Minister to host a dinner at APPEA and invite the Managing Directors of key operators and try and get commitment to actions. Recommendations need to get moving within 12-18 months.

AD: Whatever the actions are that do come out of this meeting, consultation must to be open and transparent especially with landowners.

Closed: