WA fraccing ban to be partially lifted

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Today the McGowan Government announced its much anticipated policy statement on fraccing in Western Australia. The announcement follows today's publication of the final report of the Independent Scientific Panel Inquiry into fraccing in Western Australia.

The final report of the Independent Scientific Panel broadly concludes that risks to people and the environment of fraccing are generally low provided that a petroleum well incorporating fraccing is properly executed and located.

The State Government has accepted all 44 recommendations of the final report and has announced that it plans to lift the moratorium on existing onshore petroleum exploration and production licences, which cover approximately 2% of Western Australia. The government plans to maintain the fraccing ban over areas such as national parks, the Dampier Peninsula (boundaries to be defined), public water source areas and the Perth metropolitan, South-West and Peel regions.

Significantly, the State Government has stated that the consent of traditional owners and farmers will be required before fraccing production is allowed on their land.

In addition, the State Government intends to remove the two tiered royalty rate of 5% which may be applicable to unconventional onshore oil and gas production.

We note this is a statement of the Government's policy intention and we await the implementation of this policy into legislation. We consider that implementation will need to answer several key outstanding issues in today's policy announcement such as the impact on current ungranted applications and the extent of the veto right. We note that the Petroleum and Geothermal Energy Resources (Hydraulic Fracturing) Regulations 2017 which introduced the current ban and moratorium on fraccing in the State are still in force.

For more information in relation to fraccing in Western Australia, please contact HopgoodGanim's Resources & Energy team.

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