

Terms of Reference

Review of Environment Protection Licence (EPL) Conditions for Hydrocarbon Facilities in the Darwin Airshed (EPL217 and EPL228)

Purpose

The review aims to assess whether environment protection licence (EPL) conditions for air emissions in the Darwin airshed are contemporary, risk-based and enforceable, and to identify opportunities to modernise, clarify or strengthen regulatory settings where warranted, to enhance community confidence in air quality management.

This Terms of Reference sets out the scope and process for the review. It does not predetermine the outcome of the review or the specific EPL conditions that may ultimately be recommended.

Principles

The review will be conducted in accordance with the PACTT (proportionate, accountable, consistent, targeted, transparent) regulatory principles, which guide the NT EPA and Department's conduct as regulator during the review process.

In applying these principles, the review will:

- be **accountable**, with a clearly documented methodology, evidence base, and decision-making process;
- apply a **consistent technical and regulatory** review process, informed by comparable regulatory reviews undertaken by the Department, and applied consistently between EPL holders, while recognising that recommended EPL conditions may differ where facilities present different risk profiles;
- be **transparent** about the scope, process, and outcomes of the review, including communication with EPL holders, stakeholders, and the broader community; and
- be **targeted** to matters within the NT EPA's regulatory remit and priorities, avoiding unnecessary duplication or misalignment with other regulatory frameworks.

Recommended EPL conditions will be developed on a risk-based basis, **proportionate** to the environmental and human health risks posed by air emissions in the Darwin airshed.

The review will be conducted without presumption as to whether existing EPL conditions require substantive amendment, recognising that the review may conclude that current conditions are appropriate.

Scope

The review will primarily consist of a technical and regulatory assessment of EPL conditions relating to air emissions and air quality monitoring, including emission limits and requirements for monitoring and reporting. In particular, the review will comprise the following:

- Benchmarking environmental licence conditions for comparable hydrocarbon facilities across Australian jurisdictions to inform consideration of contemporary practice and identify potential for improvement, having regard to local operating contexts and risk profiles.
- Assessing the adequacy of EPL conditions to address human health risks from air emissions, including review of requirements for ambient air quality monitoring.
- Assessing the adequacy of EPL requirements for community engagement and information dissemination.
- Assessing consistency of regulatory requirements between the Santos and INPEX EPLs, having regard to differences in facility characteristics and risk profiles.
- Considering whether EPL conditions appropriately reflect contemporary best practice in air quality management, including requirements for monitoring, quality assurance and quality control, data verification, and independent review of management and monitoring systems, having regard to risk, feasibility, and regulatory context.
- Considering enforceability of conditions.
- Providing recommendations in relation to EPL228 (Ichthys) and EPL217 (Santos), which may include confirmation of the adequacy of existing conditions, or recommendations for amendment.

Process

The review will be conducted by the Department of Lands, Planning and Environment with oversight from the NT EPA. External air quality, human health and legal expert advice may be commissioned as required.

The review will assess existing EPL conditions and, where appropriate, identify potential refinements or amendments that may be applied. To support procedural fairness, EPL holders, will be consulted on the proposed conditions prior to finalisation. Feedback received through this consultation will be considered in determining the final recommended conditions. Any subsequent amendments to EPL conditions will be implemented, subject to NT EPA approval, in accordance with the standard statutory processes for amending EPLs.

Output

A report will be provided to the NT EPA for consideration. The report will provide analysis and recommendations and does not itself constitute a regulatory decision.

A summary of the findings, recommendations and outcomes of the review will be made available on the NT EPA website.

Governance

The review will be conducted by the Department of Lands, Planning and Environment with oversight from the NT EPA. External expert advice may be commissioned as required.

Background

The Ichthys LNG project, operated by INPEX, was initially assessed by the NT EPA in 2011 under the previous environmental assessment legislation, the *Environmental Assessment Act 1982*. An [assessment report](#) was issued in May 2011 making 24 Recommendations to ensure environmental protection.

In December 2017 Ichthys LNG Pty Ltd was issued EPL228 under the *Waste Management and Pollution Control Act 1998* (WMPC Act) for the operation of the facility. The licensed activity commenced on 14 September 2018 after receipt of offshore Ichthys Field gas to the licensed premises through the gas export pipeline.

Since commencement of the EPL, the following amendments and renewals have occurred: EPL228-01 (amended on 22/06/2018), EPL228-02 (amended on 03/07/2019), EPL228-03 (amended on 08/11/2019), EPL228-04 (amended on 06/05/2020) and EPL228-05 (renewed on 13/12/2022). The current EPL, EPL228-05, was issued on 13 December 2022 and expires on 12 December 2027. Previous licence versions are available on the NT EPA website.

As part of their EPL requirements, INPEX are required to minimise pollutant emissions to air, as well as monitor and report on emissions.

In early 2025, the Department of Lands, Planning and Environment identified discrepancies between emissions reporting to the National Pollutant Inventory (NPI) and emissions reporting required under the EPL for the year 2023/24. It is understood that this, and broader public interest in pollutant emissions, prompted INPEX to conduct an internal review of its estimation methodology. Subsequently, in October 2025, INPEX revised its emissions estimates for 2023/24 upwards by a significant amount, in particular the amounts of benzene and toluene, leading to concerns about human health risks from pollutant emissions.

In light of this new information about the magnitude of emissions to the Darwin airshed, the NT EPA has initiated a range of measures to ensure public health is protected, future reporting is accurate and environmental regulation of the industry is effective and contemporary. The EPL review is one of these measures.

The Santos Darwin LNG project (formerly operated by Conoco Philips) is the second large hydrocarbon facility and licensed emitter in the Darwin airshed. Santos operate under EPL217, which was recently renewed by the NT EPA. This EPL review includes Santos' EPL to maintain consistency, to ensure cumulative emissions are appropriately considered and to align requirements across the industry.