



# COAL SEAM GAS PROTECTIONS AND CONTROLS

The Coal Seam Gas (CSG) industry in NSW is governed by tough regulations that control the exploration and production of the State's vast natural gas reserves.

The NSW Government's policy framework is aimed at balancing the growth of the CSG industry with the need to protect our environment, valuable agricultural land, water resources and residential communities.

Any company or individual seeking to explore for petroleum (including CSG) must first apply to the NSW Minister for Resources and Energy for a title under the *Petroleum (Onshore) Act 1991*. If a licence is granted, the title holder must still seek multi-agency approval before undertaking any exploration activities.

The NSW Government has announced tough new regulations for the CSG industry.

As part of the measures:

- The independent Environment Protection Authority (EPA) is the lead regulator of environmental and health impacts of CSG activities in NSW with responsibility for compliance and enforcement;
- CSG operations, including exploration, assessment or production titles, will be required to hold an Environment Protection Licence;

- The agricultural impacts of a project must specifically be addressed by the applicant in an Agricultural Impact Statement, at both the exploration and development application stages;
- A two kilometre exclusion zone will apply to existing and future residential areas to prevent new CSG exploration and production activities (both surface and underground); and
- Exclusion zones will also apply to identified Critical Industry Clusters such as the viticulture and equine industries in the Upper Hunter region.

In addition, the NSW Chief Scientist and Engineer will conduct an independent review of all CSG activities in NSW, including the impact on water catchments.

The **Strategic Regional Land Use Policy** is being implemented to protect strategic agricultural land through an independent scientific assessment prior to the development application stage. This is known as the **Gateway Process**. Under the Gateway Process, a panel of independent experts will assess the agricultural and water impacts of a proposal against set criteria. If a proposal cannot demonstrate that it meets these criteria, it will be subject to recommendations that must be addressed at the development application stage.

To ensure community concerns are adequately addressed, the NSW Government appointed

the State's first **Land and Water Commissioner** in 2012. Farmers and landholders can contact the Commissioner for guidance during any stage of a CSG application, exploration or production process. The Commissioner also provides information about compliance and enforcement matters, land access agreements, remuneration, compensation and the rights and responsibilities of exploration companies.

Other new controls include:

- The development of new **Standardised Land Access Agreements** to deliver greater consistency and fairness for landholders;
- An **Aquifer Interference Policy** to assess and protect water resources across NSW;
- A **Code of Practice for Coal Seam Gas Fracture Stimulation** which establishes a leading

practice framework to improve standards and ensure prevention of inter-aquifer leakage;

- A **Code of Practice for Coal Seam Gas Well Integrity** which means CSG wells must be encased in layers of steel and cement to withstand high pressure and prevent aquifer contamination;
- A **Code of Practice for Coal Seam Gas Explorers** to ensure strong standards are set for industry when initiating negotiations with landholders for access to land during the exploration phase;
- **Community Consultation Guidelines** to improve the transparency and effectiveness of the decision-making process and to ensure communities are fully informed of new licence applications. The new consultation process gives communities the opportunity to voice their concerns and make submissions on all new proposals;
- The development of an **Industry Fund** which will encourage coal seam gas production companies to invest in local communities.

The NSW Government has also:

- **Banned** the use of evaporation ponds for storing water used in the production process. All produced water must be treated for recycling to encourage beneficial re-use in industry or irrigation; and
- **Banned** the use of harmful BTEX chemicals (Benzene, Toluene, Ethylbenzene and Xylene) to help protect ground water.



NSW regulation protects the State's valuable water resources.