

Natural Resources Legislation Amendment (Rural Environmental Services) Bill 1999

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The objects of this Bill are as follows:

- (a) to amend the *Electricity Supply Act 1995* to enable holders of retail supplier's licences under that Act to develop strategies for purchasing energy from certain biomass electricity generation sources and for offsetting greenhouse gas emissions through carbon sequestration,
- (b) to amend the *Forestry Act 1916*:
 - (i) to expand the objects of the Forestry Commission (now known as State Forests) in relation to Crown-timber lands so that they extend to land owned by it or otherwise under its control or management, and
 - (ii) to make it an object of the Commission to provide natural resource environmental services (whether within or outside the State), and
 - (iii) to enable the Commission to confer forestry rights (whether in respect of timber, carbon sequestration or otherwise) over State forests as well as over land owned by the Commission,
- (c) to amend the *Mining Act 1992* to encourage the afforestation and reforestation of areas damaged by mining for purposes such as carbon sequestration or related environmental purposes.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides for the commencement of the proposed Act on a day or days to be appointed by proclamation.

Clause 3 is a formal provision giving effect to the amendments to Acts set out in Schedules 1–3.

Schedule 1 Amendment of Electricity Supply Act 1995 No 94

At present, clause 6 (4) of Schedule 2 (Licences) to the *Electricity Supply Act 1995* requires the Minister to impose certain conditions concerning environmental matters on each retail supplier's licence issued under that Act. In particular, clause 6 (4) (a) requires the imposition of a condition requiring a licence holder to develop strategies to help reduce greenhouse gas emissions from electricity supplied to customers in New South Wales as specified in clause 6 (6). Clause 6 (4) (c) (ii) requires a condition to be imposed requiring a licence holder to develop 1, 3 and 5 year plans for purchasing energy from sustainable sources.

Schedule 1 [1] amends clause 6 (4) (c) (ii) of Schedule 2 to require retail supplier's licence holders to consider the purchase of energy from biomass sources that are sustainably harvested in meeting a licence condition to develop 1, 3 and 5 year plans for purchasing energy from sustainable energy sources.

Schedule 1 [2] amends clause 6 (6) (a) of Schedule 2 so that the strategies developed by licence holders in respect of the reduction of greenhouse gas emissions are in accordance with national greenhouse policies approved by the Council of Australian Governments.

Schedule 1 [4] inserts a new clause 6 (6A) in Schedule 2 to enable net reductions in greenhouse gas emissions resulting by processes such as carbon sequestration (within the meaning of section 87A of the *Conveyancing Act 1919*) by planted forests to be taken into account in developing strategies of the kind referred to in clause 6 (6) to meet a licence condition to develop strategies to reduce greenhouse gas emissions by electricity retailers.

Schedule 1 [3] makes a consequential amendment to clause 6 (6) (b) of Schedule 2 to ensure that carbon sequestration levels referred to in strategies are subject to independent verification in the same way that greenhouse gas emission levels referred to in such strategies presently are.

Schedule 2 Amendment of Forestry Act 1916 No 55

Schedule 2 [1] inserts definitions of *carbon sequestration* and *natural resource environmental service* in section 4 of the *Forestry Act 1916*. **Schedule 2 [7]** makes a consequential amendment to section 33B of the Act.

Schedule 2 [2] amends section 8A (1) (a)–(c) of the Act to extend the following existing objects of the Commission to land owned by the Forestry Commission or otherwise under its control or management:

- (a) the conservation and utilisation of the timber on Crown-timber lands to the best advantage of the State,
- (b) the provision of adequate supplies of timber from Crown-timber lands for building, commercial, industrial, agricultural, mining and domestic purposes,
- (c) the preservation and improvement, in accordance with good forestry practice, of soil resources and water catchment capabilities of Crown-timber lands.

Schedule 2 [4] also amends section 8A of the Act to make the provision of natural resource environmental services (whether within or outside New South Wales) an object of the Commission. **Schedule 2 [3]** makes a consequential amendment to section 8A.

Schedule 2 [6] amends section 11 of the Act to make it clear that the Commission has power to confer forestry rights (whether in respect of timber, carbon sequestration or otherwise) over State forests and land owned by the Commission. **Schedule 2 [5]** makes a consequential amendment to section 11.

Schedule 3 Amendment of Mining Act 1992 No 29

Schedule 3 amends section 239 (Rehabilitation etc of area damaged by mining) of the *Mining Act 1992* to enable the Minister or a mining registrar, at the request of an applicant for or holder of an authority or mineral claim, to impose a conditions on the grant or renewal of the authority or claim relating to the afforestation and reforestation of areas damaged by mining for purposes such as carbon sequestration or related environmental purposes.