



New South Wales

Coal Seam and Other Unconventional Gas Moratorium Bill 2015

Explanatory note

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

Overview of Bill

The object of this Bill is to place a moratorium on prospecting for, or the mining of, coal seam gas or other unconventional gas.

Outline of provisions

Part 1 Preliminary

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 the date of assent to the proposed Act.

Clause 3 defines certain words and expressions used in the proposed Act. Words and expressions used in the proposed Act that are defined in the *Petroleum (Onshore) Act 1991* have the same meaning as in that Act, except in so far as they are defined differently in the proposed Act or the context or subject-matter otherwise indicates or requires.

Part 2 Moratorium on coal seam or other unconventional gas prospecting or mining

Clause 4 prohibits prospecting for or mining of coal seam or other unconventional gas in an onshore area from the commencement of the proposed Act until the day, if any, specified in a *moratorium lifting order* published by the Minister in the Gazette (the *moratorium period*) for the area. Any petroleum title (other than an existing production lease) relating to coal seam or

other unconventional gas ceases to have effect during the moratorium period for an area and the Minister must not grant or renew any such title. The proposed section makes it clear that any person who prospects or mines coal seam or other unconventional gas during the moratorium period for an area has committed an offence under section 7 of the *Petroleum (Onshore) Act 1991*.

Clause 5 provides for *no go zones for coal seam or other unconventional gas* to be those areas listed in Schedule 1.

Clause 6 provides that the Minister may make a *moratorium lifting order*, by order published in the Gazette, to specify a day (being a day that is no earlier than 21 days after the order is published) on which the moratorium period for a specified onshore area is to end. The Minister may only make an order if:

- (a) the Minister is satisfied that no part of the area is within the no go zone for coal seam or other unconventional gas, and
- (b) the Standing Expert Advisory Body on Coal Seam Gas or Other Unconventional Gas (the *Standing Expert Advisory Body*) has provided the Minister with a certificate to the effect that, in its opinion, the moratorium regulatory framework under proposed section 8 is in effect and being complied with, and
- (c) the Minister has published a certificate in the Gazette, prepared by the NSW Chief Scientist and Engineer and the Standing Expert Advisory Body, to the effect that any extraction of coal seam gas or other unconventional gas would be safe and not cause permanent harm to water sources and the environment and would not result in an increase of the net greenhouse gas emissions for the State during the life of the proposed petroleum title or titles for the area.

Clause 7 provides that the Minister is to establish the Standing Expert Advisory Body. The proposed section establishes the functions of the body, which include making recommendations to the Minister, providing an annual report to the Minister and designating areas for the purposes of proposed Schedule 1.

Clause 8 provides that the regulations may make provision for or with respect to the creation, administration and enforcement of the moratorium regulatory framework. The moratorium regulatory framework is to provide for the regulation of petroleum mining operations that are conducted under the authority of an existing production lease or a petroleum title granted over a part of an onshore area for which a moratorium period has ended.

Part 3 Miscellaneous

Clause 9 provides that any person may bring proceedings in the Land and Environment Court for an order to remedy or restrain a convention of the proposed Act.

Clause 10 provides that the State is not required to pay compensation in connection with the enactment or operation of the proposed Act, but may nevertheless voluntarily choose to do so.

Clause 11 provides that the proposed Act operates despite the *Petroleum (Onshore) Act 1991* or any other law.

Clause 12 enables the Governor to make regulations for the purposes of the proposed Act.

Schedule 1 No go zones for coal seam or other unconventional gas extraction

Schedule 1 lists the areas that are no go zones for coal seam or other unconventional gas and are excluded from the making of moratorium lifting orders under proposed section 6. These areas include certain local government areas, core drinking water catchment areas, the recharge zone of the Great Artesian Basin, certain reserved land and other significant areas, certain residential areas and areas within 2 kilometres of a critical industry cluster or prime agricultural land, as designated by the Standing Expert Advisory Body.