



New South Wales

Petroleum (Onshore) Amendment (Coal Seam Gas Moratorium) Bill 2019

Explanatory note

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

Overview of Bill

The object of this Bill is to amend the *Petroleum (Onshore) Act 1991*—

- (a) to impose a moratorium on the prospecting for, or the mining of, coal seam gas in New South Wales, and
- (b) to reintroduce the public interest as a ground for certain decisions relating to petroleum titles.

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 14 days after the date of assent to the proposed Act.

Schedule 1 **Amendment of Petroleum (Onshore) Act 1991 No 84**

Schedule 1[1] inserts proposed Part 2A into the *Petroleum (Onshore) Act 1991*. The proposed Part—

- (a) imposes a moratorium in all areas of the State on the prospecting for, or mining of, coal seam gas for a period beginning on the commencement of the proposed Part until the day, if any, specified in a moratorium lifting order for an area (*the moratorium period for the area*), and

- (b) provides that, during the moratorium period for an area, any petroleum title (other than an existing production lease) relating to coal seam gas that was in force immediately before the commencement of the moratorium period ceases to have effect to the extent to which it authorises prospecting for, or mining of, coal seam gas, and
- (c) prevents the Minister administering the *Petroleum (Onshore) Act 1991* (**the Minister**) from granting new, or renewing existing, petroleum titles relating to coal seam gas in an area during the moratorium period for the area, and
- (d) prevents the holder of an existing production lease in an area from conducting petroleum mining operations involving drilling or hydraulic fracturing for the purpose of increasing or extending the holder's capacity to produce coal seam gas during the moratorium period for the area, and
- (e) provides for no go zones for coal seam gas extraction to be those areas listed in proposed Schedule 4, and
- (f) provides that the Minister may, by order published in the Gazette, make a moratorium lifting order to specify a day on which the moratorium period for a specified area is to end, and
- (g) establishes the Standing Expert Advisory Body on Coal Seam Gas (**the Standing Expert Advisory Body**), and
- (h) provides that any person may bring proceedings in the Land and Environment Court for an order to remedy or restrain a contravention of proposed Part 2A, and
- (i) provides that the State is not required to pay compensation in connection with the enactment or operation of the proposed Part 2A, but may nevertheless voluntarily choose to do so.

Schedule 1[2] reintroduces the public interest as a ground for certain decisions relating to petroleum titles. The ground was first introduced by the *Mining and Petroleum Legislation Amendment (Public Interest) Act 2013*, but was replaced by a fit and proper person ground by the *Mining and Petroleum Legislation Amendment Act 2014*.

Schedule 1[3] inserts proposed Schedule 4, which lists the areas designated by the Standing Expert Advisory Body as no go zones for coal seam gas extraction.