



The Hon Michael Gallacher MLC
Leader of the Government in the Legislative Council
Minister for Police and Emergency Services
Minister for the Hunter



Mr David Blunt
Clerk of the Parliaments
Parliament House
Macquarie Street
Sydney NSW 2000


Dear Mr Blunt

Please find attached the NSW Government response to the Final Report of the Inquiry by the General Purpose Standing Committee No.5 into Coal Seam Gas for tabling in the Legislative Council.

Yours sincerely



Mike Gallacher MLC
Leader of the Government in the Legislative Council
Minister for Police and Emergency Services
Minister for the Hunter

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Legislative Council
General Purpose Standing Committee No. 5
Inquiry into Coal Seam Gas

NSW Government response
October 2012

Introduction

The NSW Government welcomes the report of the Legislative Council Inquiry into Coal Seam Gas (the Report), and notes the substantial work undertaken by the General Purpose Standing Committee No. 5 in examining this important policy area.

Since the release of the Report on 1 May 2012, the NSW Government has released a significant reform package in relation to coal seam gas (CSG): the Strategic Regional Land Use Policy. This policy package implements or proposes more effective alternatives to many of the recommendations of the Committee. Key initiatives of the Strategic Regional Land Use Policy package include:

- a comprehensive suite of reforms to better regulate exploration activities, including mandatory community consultation requirements;
- the creation of a Land and Water Commissioner to provide guidance to landholders in relation to land access arrangements and oversight exploration licence processes;
- Strategic Regional Land Use Plans for the Upper Hunter and New England North West, mapping over two million hectares of Strategic Agricultural Land which will be subject to a heightened assessment of agricultural and water impacts if affected by project proposals;
- a state-wide Aquifer Interference Policy to ensure the assessment of impacts on aquifers against objective and rigorous technical criteria;
- the requirement for an Agricultural Impact Statement at both the exploration and development application stages; and
- two new Codes of Practice for the CSG industry in relation to well integrity and hydraulic fracturing.

This package is in addition to a number of CSG regulatory reforms already implemented by the O'Farrell Government, such as the ban of BTEX as an additive in drilling and hydraulic fracturing fluids, and NSW entering into the National Partnership Agreement on Coal Seam Gas and Large Coal Mining Development to ensure decisions affecting our valuable water resources are made using the best available scientific evidence.

With the introduction of the Strategic Regional Land Use Policy, the NSW CSG industry is now subject to the strictest controls in Australia.

Response to recommendations

1. *That the NSW Government request the Commonwealth Government's Independent Expert Scientific Committee to:*

- *work closely with the coal seam gas industry to overcome barriers to data-sharing, and*
- *fund the conduct of regional-scale water assessments in New South Wales and the development of models of cumulative water impacts as a matter of priority.*

NSW Government response:

The NSW Government will request the Commonwealth Government's Independent Expert Scientific Committee, when established, to:

- work closely with the CSG industry to overcome barriers to data-sharing, and
- fund the conduct of regional-scale water assessments in New South Wales and the development of models of cumulative water impacts as a matter of priority.

In addition, NSW is working closely with the Commonwealth Office of Water Science to provide input into a draft research strategy for the Independent Expert Scientific Committee, in an aim to ensure that research funding is targeted to areas which will provide the maximum practical benefit to NSW decision makers, industry and the community.

2. *That the NSW Government consider tightening the Draft Code of Practice for Coal Seam Gas Exploration so that the suggested measures around water testing and monitoring, including documenting existing water bores, drilling monitoring bores, regularly monitoring water impacts and paying for independent water testing, are required rather than optional.*

NSW Government response:

The NSW Government is considering this recommendation, including the possibility of developing a separate Code of Practice covering CSG water testing and monitoring requirements. In relation to hydraulic fracturing, detailed water testing and monitoring requirements are already set out in the Code of Practice for Coal Seam Gas Fracture Stimulation Activities, which has been independently peer reviewed by the NSW Chief Scientist & Engineer.

3. *That the NSW Government amend the Draft Code of Practice for Coal Seam Gas Exploration to require information on baseline data to be made publicly available.*

NSW Government response:

The NSW Government agrees that baseline environmental data, such as that relating to groundwater, should be made publicly available. The Government will give further consideration to the best means of implementing this.

Some types of baseline data, such as that relating to CSG resources or reserves, must remain confidential as it is commercially sensitive.

4. *That the NSW Government progress as a priority the project being undertaken by the Office of Water to assess the potential volume of produced water from the coal seam gas industry.*

NSW Government response:

The NSW Office of Water (NOW) has completed its temporal and spatial assessment of 'produced water' from coal seam gas production. The remaining project work is ongoing, and NOW continues to work closely with National ICT Australia to provide progress updates.

5. *That the NSW Government not approve any coal seam gas activity without a solid waste management plan included in the relevant approval.*

NSW Government response:

Wastes produced during CSG activities are required to be assessed and classified in accordance with the NSW Environment Protection Authority (EPA) Waste Classification guidelines. This is generally required as part of environmental assessment and approval processes. For example, the Division of Resources & Energy's (within NSW Trade & Investment) environmental impact assessment guidelines, require a waste management strategy to be described where the proposed activity has the potential to generate non-trivial volumes or types of waste.

The approval authority (with advice from the EPA where required) will then decide whether the proposed waste management practices are appropriate and comply with regulatory and policy requirements.

The requirement for a waste management plan should not apply to exempt or other low-impact exploration activities. Such activities include those not directly related to the drilling of petroleum wells or the production of wastes such as brine.

6. *That the NSW Government ensure that aquifer interference requirements are introduced for any wells drilled into coal seams, including exploration wells.*

NSW Government response:

The NSW Government finalised the NSW Aquifer Interference (AI) Policy in September 2012, after substantial consultation with the community and industry. The AI Policy, for the first time in NSW, establishes and objectively defines criteria for assessing and providing advice on whether more than minimal impacts might occur to a key water-dependent asset. The AI Policy will form the basis of the assessment and subsequent advice provided by the Minister for Primary Industries (or the NSW Office of Water) at the various stages of an assessment under the *Environmental Planning and Assessment Act 1979*. The AI Policy applies to all aquifer interference activities but was primarily developed to address high risk activities, including the drilling of coal seam gas wells for exploration, appraisal and production.

7. *That the NSW Government consider expanding the monitoring of decommissioned wells. This could extend to inspections at intervals of five years up to twenty years.*

NSW Government response:

The NSW Government agrees that well integrity is critical to protecting water resources. In addition to releasing the Code of Practice for Coal Seam Gas Well Integrity in September 2012, the NSW Government will consider expanding the monitoring of decommissioned wells using a risk based approach.

8. *That the NSW Government ban the open storage of produced water.*

NSW Government response:

The NSW Government has implemented a ban on evaporation ponds as a means of disposal of produced water. However, the Government notes that temporary large storage areas may be required as part of the water treatment process, or for holding treated water prior to beneficial use.

The safe and efficient treatment of produced water is an area in which NSW will continue to develop best practice arrangements through the interagency Coal Seam Gas Working Group. This group contains representatives from the Office of Environment and Heritage, Environment Protection Authority, NSW Office of Water, Division of Resources & Energy within NSW Trade & Investment, Department of Planning and Infrastructure and Department of Premier and Cabinet.

9. *That the NSW Government continue the current ban on fracking until the National Industrial Chemicals Notification and Assessment Scheme assesses fracking chemicals for their intended use and toxicity according to international standards, and the NSW Government considers any findings of this assessment.*

NSW Government response:

The NSW Government supports the expedited assessment of hydraulic fracturing (fracking) chemicals by the National Industrial Chemicals Notification and Assessment Scheme.

However, with the introduction of the new Code of Practice for Coal Seam Gas Fracture Stimulation Activities, the NSW Government considers it appropriate to lift the moratorium on fracking to allow this practice to proceed with careful management and strict regulatory oversight. The NSW Government has also banned the use of BTEX and requires all chemical additives used in the drilling and hydraulic fracturing process to be declared and assessed by the interagency Coal Seam Gas Working Group.

A comprehensive project to assess the chemicals associated with CSG hydraulic fracturing (fracking) has been proposed by the Interim Independent Expert Scientific Committee (IESC) on Coal Seam Gas and Large Scale Mining.

The project is likely to be jointly undertaken by the National Industrial Chemicals Notification and Assessment Scheme (NICNAS), the Commonwealth Scientific and Industrial Research Organisation (CSIRO), and the Commonwealth Department of Sustainability, Environment, Water, Population and Communities (DSEWPAC).

This project is pending establishment of the permanent Independent Expert Scientific Committee (IESC). When commenced, the project is likely to take 18 months to complete an initial assessment of approximately 100 fracking chemicals.

The newly announced *Code of Practice for Coal Seam Gas Fracture Stimulation* requires identification and disclosure of fracking chemicals as part of a Fracture Stimulation Management Plan which is published on the Division of Resources and Energy (within NSW Trade & Investment) website. The potential impacts on human health and the environment are then jointly assessed by the Division, the Environment Protection Authority, the Office of Environment and Heritage and the NSW Office of Water. The fracking activity may then be approved by the Division.

Fracking applications are assessed by DRE, Environment Protection Authority, Office of Environment & Heritage and the NSW Office of Water. The NSW Government will not approve fracking activities which pose risks to people or the environment.

As noted above the NSW Government has also banned the use of BTEX.

Given the introduction of the new Code of Practice for Coal Seam Gas Fracture Stimulation Activities, the NSW Government considers it appropriate to lift the moratorium on fracking to allow this practice to proceed with careful management and strict regulatory oversight.

10. *That the NSW Government ban the open storage of fracking fluids, and require coal seam gas companies to store fracking fluids securely prior to treatment and disposal.*

NSW Government response:

The NSW Government supports the secure storage of fracking fluids to mitigate any risk of potential impacts to the environment. The Government notes that while additives are typically held in enclosed storage until use, the mixing of fracking fluids may occur in an open tank. There are a range of operational and safety matters particularly in regard to enclosed spaces that will need to be considered in addressing this recommendation.

11. *That the NSW Government develop an effective model to ensure that coal seam gas companies are held responsible for covering the full costs of remediating any environmental impacts, particularly any long-term environmental damage.*

NSW Government response:

Coal seam gas titleholders in NSW are already responsible for the full costs of rehabilitating any environmental impacts and are required to submit a security bond covering the full cost of rehabilitation.

12. *That the NSW Government require, in the preparation of a Review of Environmental Factors, referral to the Office of Environment and Heritage.*

NSW Government response:

Preparation of REFs

The Office of Environment and Heritage (OEH) and the Environment Protection Authority (EPA) provided detailed comments to NSW Trade & Investment in 2011 during the development of the Review of Environmental Factors (REF) Guidelines for proponents of CSG activities.

However, the responsibility for preparing a REF lies with the proponent and it is not appropriate for OEH or the EPA to provide specific assistance to individual companies during the preparation phase. Proponents may engage environmental consultants to assist with the preparation of REFs.

Assessment of REFs

Both OEH and the EPA have an advisory role in relation to the REF assessment process. OEH's role relates to threatened species, Aboriginal cultural heritage, and any potential impacts on the NSW reserve system, while the EPA provides input in relation to other environmental matters.

Once the Division of Resources & Energy within NSW Trade & Investment receives the REF from the proponent, the Division provides a copy to the EPA for review and comment. The EPA coordinates the review and the provision of a single response to the REF from both the EPA and OEH.

- 13.** *That the NSW Government establish 'shop fronts' to provide information and advice in the regions most affected by coal seam gas development.*

NSW Government response:

The NSW Government is closely considering the establishment of whole-of-government 'shop fronts' to communicate with regional communities on relevant issues in individual areas. Information on CSG development could be made available at these shop fronts.

The Division of Resources & Energy within NSW Trade & Investment has also created 40 new positions to meet increased assessment, compliance and community liaison functions. Most of these positions will be located in regional NSW.

- 14.** *That the NSW Government require the Department of Trade and Investment, Regional Infrastructure and Services to notify relevant local councils as soon as a petroleum exploration licence application is made over their local government areas.*

NSW Government response:

Local councils can register online to receive email alerts when new applications or renewals are received which relate to their local government area. At the time of this submission, 63 councils out of 152 have registered for this service.

15. *That the NSW Government implement the community consultation process as outlined in the Draft Code of Practice for Coal Seam Gas Exploration at the point of exploration licence application and on renewal.*

NSW Government response:

The Division of Resources & Energy, within NSW Trade & Investment, facilitates the advertising and receipt of public comment for all new applications for CSG exploration licences.

When finalised, the Code of Practice for Coal Seam Gas Exploration will apply to titleholders for the life of new titles. The Code of Practice can only apply as a condition of title once a title is granted, however, it cannot be imposed prior to grant of a title.

16. *That the NSW Government review the Petroleum (Onshore) Act 1991 with a view to strengthening landholder rights and achieving a fair balance between the rights of landholders and coal seam gas operators in relation to land access, and considering harmonisation with the Mining Act 1992 if possible.*

NSW Government response:

The NSW Government is undertaking a review of the *Petroleum (Onshore) Act 1991*.

This review is in addition to the creation of a Land and Water Commissioner position, which will provide guidance to landholders and the community in relation to landholder rights, access arrangements and compensation. Specifically, the Commissioner will supervise the finalisation and implementation of standard land access arrangements for mineral and petroleum exploration, collate and publish general remuneration information to assist parties in relation to negotiations on land access arrangements, and provide advice on the arbitration process if requested.

Development of a template access arrangement for exploration is underway in consultation with the Australian Petroleum Production and Exploration Association, NSW Farmers Association, the NSW Irrigators Council and Cotton Australia.

17. *That the NSW Government amend the Petroleum (Onshore) Act 1991 to require a licence holder to enter into an access agreement with a landholder for coal seam gas production.*

NSW Government response:

The Minister for Resources and Energy currently grants a production title following the grant of development consent under the *Environmental Planning and Assessment Act 1979* by the Minister for Planning and Infrastructure or the Planning Assessment Commission. Affected landholders are given the opportunity to make submissions during the development application process.

Further the *Petroleum (Onshore) Act 1991* prevents a proponent from carrying out mining activities within certain distances of a dwelling.

A separate negotiation of access arrangements following the grant of development consent would duplicate the *Environmental Planning and Assessment Act 1979* and reduce certainty for proponents. The NSW Government's Coal Seam Gas Working Group will continue to monitor this issue.

18. *That the NSW Government lead the development of a template access agreement in conjunction with the NSW Farmers' Association and the Australian Petroleum Production and Exploration Association, as a matter of priority. The template access agreement should:*

- *be comprehensive and cover both the exploration and production of coal seam gas, and*
- *include a clear statement about the right of landholders to seek legal advice.*

NSW Government response:

As noted above, the development of a template access arrangement for exploration is underway in consultation with the Australian Petroleum Production and Exploration Association, NSW Farmers Association, the NSW Irrigators Council and Cotton Australia.

The template will include a clear statement about the right of landholders to seek legal advice.

The Land and Water Commissioner will oversight the finalisation of the template access arrangement for exploration.

19. *That the NSW Government require coal seam gas operators to reimburse landholders for reasonable legal costs incurred in the review of an access agreement.*

NSW Government response:

The Government supports this proposal and proposes to amend the *Petroleum (Onshore) Act 1991* accordingly.

Further, the draft Code of Practice for Coal Seam Gas Exploration provides that an explorer should be willing to reimburse all reasonable legal costs in the review of an access arrangement.

20. *That the NSW Government recruit officers to inform landholders of their rights and responsibilities when dealing with coal seam gas companies and locate these officers in regional 'shop fronts'.*

NSW Government response:

The Division of Resources & Energy within NSW Trade & Investment has created 40 new positions to meet increased assessment, compliance and community liaison functions. Most of these positions will be located in regional NSW.

In addition, the new Land and Water Commissioner will have a clear role in providing guidance to landholders and the community in relation to applications for mineral and CSG exploration licences, regulatory approval and assessment processes, compliance and enforcement matters (e.g. compliance with exploration licence conditions), landowner rights, access arrangements and compensation, and the rights and responsibilities of exploration companies.

21. *That the NSW Government require coal seam gas companies to reimburse landholders for the reasonable costs of arbitration to resolve disputes about access agreements.*

NSW Government response:

The costs of arbitrators are currently borne by the coal seam gas companies.

22. *That the NSW Government ensure that the template access agreement for exploration and production take a default position whereby the landholder would be compensated in the sum of \$5,000 per well head per annum.*

NSW Government response:

As noted above, the development of a template access arrangement for exploration is underway in consultation with the Australian Petroleum Production and Exploration Association, NSW Farmers Association, the NSW Irrigators Council and Cotton Australia.

The Land and Water Commissioner will oversight the finalisation of the template access arrangement for exploration.

23. *That the NSW Government require an Agricultural Impact Statement to be prepared for all exploration licence applications.*

NSW Government response:

Under the NSW Strategic Regional Land Use Policy, all exploration activities requiring a Review of Environmental Factors must submit an Agricultural Impact Statement as part of the application for approval.

24. *That the NSW Government expedite the development of the remaining strategic regional land use plans for the Central West, Southern Highlands, Murrumbidgee, Alpine, Western and coastal regions.*

NSW Government response:

The NSW Government has commenced work on Strategic Regional Land Use Plans (SRLUPs) for the Central West and Southern Highlands. Work on the SRLUPs for the Murrumbidgee, Alpine and Western regions will commence in 2013. Regional Strategies for the Far North Coast, Mid North Coast, Lower Hunter, Central Coast, Illawarra, South Coast, Sydney-Canberra Corridor and Murray will be reviewed and updated over the next two years.

25. *That the NSW Government prepare and publish projections of the employment opportunities that could be created by the coal seam gas industry in regional areas.*

NSW Government response:

The Australian Petroleum Production and Exploration Association would be a more appropriate body to prepare and publish projections of employment opportunities that could be created by the CSG industry in regional areas.

26. *That the NSW Government continue to publish forward estimates of the royalties expected to be paid by the coal seam gas industry.*

NSW Government response:

The NSW Government publishes a combined royalty figure for coal, minerals and CSG as part of the budget process. The Division of Resources & Energy within NSW Trade & Investment provides information furnished by petroleum titles holders in accordance with Part 13 and section 133 of the *Petroleum (Onshore) Act 1991*. As there is currently only one company producing petroleum in NSW, it is not appropriate to publish information which is clearly attributable to one titleholder.

27. *That should the coal seam gas industry proceed in New South Wales, the NSW Government should require coal seam gas companies to pay the full royalty rate from the first date of production under a petroleum title, and that coal seam gas companies be advised of this at the time of their exploration licence application or renewal.*

NSW Government response:

The NSW Government supports this proposal.

The NSW Government introduced legislation into Parliament on 23 October 2012 to amend the *Petroleum (Onshore) Regulation 2007* to remove the royalty 'holiday'. The *Petroleum (Onshore) Amendment (Royalties and Penalties) Act 2012* was assented to on 29 October 2012.

CSG companies will be required to pay royalties from the first date of production following the commencement of these amendments on 1 January 2013.

28. *That should the coal seam gas industry proceed in New South Wales, the NSW Government should collaborate with the Local Government and Shires Associations of NSW to develop a 'Royalties for Regions' program similar to that operating in Western Australia.*

NSW Government response:

The NSW Government is proposing to establish Regional Community Funds. A gas producer may, when applying for development consent, elect to contribute an amount into a fund which will be separate from the producer's royalty liability. For every \$2 provided to a fund, the Government would provide that producer with a \$1 tax rebate on their royalty liability, up to a maximum of five percent of the Government's total royalty revenue from the contributing producer in that region. The fund will provide critical infrastructure and human services projects, with funding priorities to be determined according to community needs, in consultation with the industry and community.

29. *That should the coal seam gas industry proceed in New South Wales, the NSW Government should implement a domestic gas reservation policy, under which a proportion of the coal seam gas produced in New South Wales would be reserved for domestic use, similar to the policy in Western Australia.*

NSW Government response:

As prospective CSG fields in NSW are not currently tied to liquefied natural gas export facilities, the only location for NSW CSG reserves to be utilised is the NSW domestic market, making a reservation policy unnecessary. Additionally, implementing a reservation policy as the industry is trying to develop will be a disincentive to investment and add to project development costs.

The NSW Government could reconsider this issue once the CSG industry has been established, if required.

- 30.** *That the NSW Government include in all conditions of consent a requirement for petroleum production to minimise fugitive emissions and to comply with an upper limit of 0.1 per cent fugitive emissions.*

NSW Government response:

The NSW Government is considering this recommendation in the context of avoiding duplication with Commonwealth initiatives, such as the carbon tax and other Clean Energy Futures measures. The Coal Seam Gas Working Group will further examine this recommendation to determine any additional benefits that implementation would bring to NSW.

- 31.** *That the NSW Government establish a position for a Petroleum Ombudsman.*

NSW Government response:

The NSW Government will appoint a Land and Water Commissioner to provide independent advice to the community regarding exploration activities throughout the State. The Commissioner will facilitate greater consultation between government, community and industry. The Commissioner will also be responsible for overseeing the finalisation of the standardised land access agreements which are being developed in conjunction with key agricultural sector and minerals/petroleum industry representatives.

Specifically, the roles and responsibilities of the Land and Water Commissioner will include:

- providing guidance to landholders and the community in relation to:
 - applications for mineral and petroleum (including coal seam gas) exploration licences throughout the State;
 - exploration activities throughout the State;
 - Strategic Regional Land Use Plans;
 - regulatory approval and assessment processes;
 - compliance and enforcement matters (e.g. compliance with exploration licence conditions);
 - landowner rights, access arrangements and compensation; and
 - the rights and responsibilities of exploration companies

- overseeing land access arrangements by:
 - supervising the finalisation and implementation of standard land access agreements for mineral and petroleum exploration;
 - collating and publishing general remuneration information to assist parties in relation to negotiations on land access agreements; and
 - assisting with the appointment of a mediator if requested by either party.

32. *That the NSW Government establish an Industry Unit within the Division of Resources and Energy in the Department of Trade and Investment, Regional Infrastructure and Services to provide a coordinated response to coal seam gas developments in New South Wales. The Unit should:*

- *issue licences for coal seam gas development,*
- *drive policy development on the coal seam gas industry, and*
- *provide a repository of knowledge within Government about coal seam gas issues.*

NSW Government response:

The Division of Resources & Energy, within NSW Trade & Investment, already performs a number of the functions specified in this recommendation. The Division issues licences for coal seam gas development and, in conjunction with other relevant agencies, drives policy development and contributes to the repository of knowledge about CSG issues.

However, as the regulatory framework for CSG involves multiple agencies and statutes, it is appropriate that policy development and the provision of knowledge around CSG should be driven through an approach involving all relevant statutory authorities, and not by NSW Trade & Investment alone. The existing interagency CSG Working Group, established as part of the development of the Strategic Regional Land Use Policy, ensures a consistent, whole-of-government approach to policy development in this area.

33. *That the NSW Government establish a Compliance Unit within the Environment Protection Authority. The Unit should:*

- *undertake regular monitoring of coal seam gas operations,*
- *address community complaints, investigate incidents and take enforcement action where required, and*
- *be comprised of specialist compliance officers, as many of whom as possible should be located in regional 'shop fronts'.*

NSW Government response:

The Environment Protection Authority (EPA) already undertakes a compliance function with respect to requirements under the *Protection of Environment Operations Act 1997*, and in relation to for the issuing of licences and approvals for air, water and noise pollution and waste management. The Division of Resources & Energy, within NSW Trade & Investment,

undertakes a compliance function with respect to the requirements under the *Petroleum (Onshore) Act 1991*.

EPA regional offices are distributed across the state. These regional offices are already effectively regional 'one stop shop fronts' where industry, the community, and government and non-government organisations can seek advice, make complaints and request that the EPA investigate specific matters.

34. *That the NSW Government establish a dedicated Complaints Hotline within the Compliance Unit. The Hotline should:*

- *answer calls from community members seeking to report concerns about potential environmental pollution or the behaviour of coal seam gas companies, and*
- *refer complaints to the Compliance Unit for investigation and possible action.*

NSW Government response:

The EPA already operates a 24-hour, seven days a week complaints hotline; the Environment Line. The Environment Line, established in September 1996, is a state-wide pollution reporting service, which, amongst other things, receives complaints and enquiries about coal and CSG. These questions and complaints are recorded in an internal database and the matter referred to the relevant EPA region for appropriate action where required. Each EPA region has an officer on-call after normal business hours and a well established process for responding to pollution incidents.

A separate complaints hotline for CSG activities is not required as the suggested functions are already performed through the Environment Line. A separate line would reduce the EPA's efficiency and is likely to reduce the timeliness of EPA's ability to respond to urgent CSG matters. Running two separate systems would increase the EPA's costs for providing an information and complaints service.

It should be noted that the EPA has no regulatory role in the exploration stage of CSG and therefore is not the appropriate agency to respond to enquiries and complaints about these activities. Enquiries of this nature are passed on to the Division of Resources & Energy within NSW Trade & Investment by Environment Line operators or regional EPA staff. The Division of Resources and Energy within NSW Trade & Investment has an existing complaint mechanism in place- see <http://www.resources.nsw.gov.au/environment/complaints-and-incident-reporting>. NSW Trade & Investment website provides contact details for front line staff across a range of regions for immediate issues, as well as an opportunity to contact the Director of Environmental Sustainability in NSW Trade & Investment in relation to formal complaints or concerns.

35. *That the NSW Government issue no further production licences until a comprehensive framework for the regulation of the coal seam gas industry is implemented.*

NSW Government response:

As demonstrated throughout the Government response to the Report, the NSW Government's Strategic Regional Land Use Policy package has implemented a comprehensive framework for the regulation of the CSG industry.