

Submission
No 28

**INQUIRY INTO PETROLEUM (ONSHORE) AMENDMENT
(CANCELLATION OF ZOMBIE PETROLEUM
EXPLORATION LICENCES) BILL 2021**

Organisation: Department of Regional NSW

Date Received: 15 July 2021

The Hon. Mark Banasiak, MLC
Chair, Portfolio Committee No. 4 – Industry
Parliament House Macquarie Street
SYDNEY NSW 2000
By email: PortfolioCommittee4@parliament.nsw.gov.au

15 July 2021

Dear Chair

As advised on 1 July 2021, the Department of Regional NSW has declined the Legislative Council Portfolio Committee No.4 – Industry’s invitation to give evidence at the joint hearing for the inquiries into the Petroleum (Onshore) Amendment (Cancellation of Zombie Petroleum Exploration Licences) Bill 2021 and the Coal and Gas Legislation Amendment (Liverpool Plains Prohibition) Bill 2021. However, it provides the following written submission to support the Committee’s consideration of these matters.

The NSW Government takes the management of the NSW resources sector seriously, adopting a balanced approach to the future of coal and gas, designed to deliver certainty to industry and the community.

In June 2020 the NSW Government released the Strategic Statement on Coal Exploration and Mining in NSW (Future of Coal Statement). Recognising that the world is moving to cleaner forms of energy generation, the NSW Government’s goal is to manage change over the coming decades without unnecessarily undermining businesses, jobs and communities, especially regional communities.

The Future of Coal Statement sets a clear and consistent policy framework for coal exploration and mining NSW in the context of progressive diversification. It supports investment certainty and responsible coal production as the sector responds to global demand. It also supports the diversification of coal-reliant regional economies in response to the expected decline in thermal coal mining over the longer term.

The Future of Coal Statement rules out considering a significant proportion of the state’s coal regions for proactive release and identifies certain areas where coal mining is prohibited. The NSW Government will carefully assess a limited number of new areas for future coal exploration prior to making any decision to release. The release of any areas does not guarantee future coal mining will occur. Further information is available at: <https://www.resourcesandgeoscience.nsw.gov.au/miners-and-explorers/programs-and-initiatives/future-of-coal-statement>

Like coal, gas will have an important role to play over the next few decades during the global move to clean energy sources.

In November 2020, the NSW Government released the Strategic Opportunities for Gas in Regional NSW statement, recognising the importance of gas in NSW. The document confirms the NSW Government's commitment to ensuring that a diverse energy mix, including domestic and imported sources, is available to support NSW regional industries. For manufacturing industries such as construction materials, food processing, plastics and fertiliser production to survive and prosper, access to secure, long-term affordable gas supply is essential. More information is available at: <https://www.nsw.gov.au/gas-statement>.

Building on the November 2020 statement, the NSW Government is developing a comprehensive strategy and statement on the Future of Gas in NSW. Where coal and gas projects are underway, the NSW Government's comprehensive regulatory framework delivers strong and certain controls to ensure safe and environmentally responsible resource exploration and production. Authorisations are subject to strict conditions, codes of practice, policies and regulatory requirements to ensure appropriate protections. These continue to apply where titles are being assessed for renewal.

I trust this information is of assistance to the Committee during their deliberations.

Yours sincerely,

Georgina Beattie
Deputy Secretary
Mining, Exploration and Geoscience