TOUGH NEW RULES FOR COAL SEAM GAS EXPLORATION

Sunday 19 December 2010

The NSW Government will introduce tough new rules for coal seam gas exploration licences – including rigorous community consultation and tighter environmental controls during the approval process.

The new requirements will be subject to a staged implementation and will involve the Department of Environment, Climate Change and Water (DECCW), the Department of Planning (DoP) and Industry & Investment NSW (I&I).

The changes to the coal seam gas exploration process mean:

- Applicants will now have to submit forward work plans thoroughly detailing any expected environmental impacts. The plans will be reviewed by DECCW and DoP and made public before any drilling occurs;
- I&I will provide DECCW and DoP with the review of environmental factors, including detailed applications for any drilling or related activities such as hydraulic fracturing ('fraccing') and must take their recommendations into consideration before approving any license to drill;
- All chemical additives used in the process of exploring for coal seam gas must be included as part of the review of environmental factors in title applications; and
- The following new community information and consultation conditions will be introduced, requiring licence holders to:
 - Provide detailed information about their activities to all affected councils and landholders;
 - o Establish a hotline for community enquiries; and
 - o Distribute I&I information on landholder rights in the process.

The NSW Government will also examine banning the use of Benzene, Toluene, Ethylbenzene and Xylene (BTEX) chemicals in situations which may pose a risk to groundwater.

"We recognise community concerns about coal seam gas exploration – and we are listening to them," Premier Kristina Keneally said.

"The reality is natural gas is an important part of cleaner and more sustainable energy sources into the future.

"However, it is important to get the balance right: managing our natural resources in an environmentally responsible way, with extensive community consultation – while moving the industry forward to a cleaner source of power.

"BTEX chemicals are not currently used in any hydraulic fracturing activities in NSW – but the idea of banning these chemicals is certainly something we are investigating."

<u>These new requirements build upon recent planning process changes regarding development applications – designed to increase transparency within mining development.</u>

Since July this year, all submissions received during the exhibition of Part 3A and Part 4 applications for developing mines have been available on the relevant departmental websites.

Primary Industries Minister Steve Whan said: "There is no doubt that natural gas will be an important source of energy for our homes, schools and hospitals into the future, but we can't allow this to progress unchecked.

"Communities need to have a voice here – they need to be kept informed of any developments and they need to be fully aware of their rights.

"The involvement of DECCW in the exploration licence process will ensure that both short term and long term environmental impacts are taken into account.

"Further, the involvement of the Planning Department in coal seam gas applications from the exploration stage onwards will ensure a streamlined approach to potential mining activities.

"These proposed changes will enhance existing environmental checks and strengthen community involvement in any decisions made about coal seam gas exploration into the future."