



# COAL SEAM GAS PROTECTIONS AND CONTROLS

The coal seam gas (CSG) industry in NSW is governed by tough regulations that control the exploration and production of the State's vast natural gas reserves.

The NSW Government regulates the CSG industry using the following controls. As part of the measures:

- The independent Environment Protection Authority (EPA) is the lead regulator for environmental and health impacts of CSG activities in NSW with responsibility for compliance and enforcement;
- CSG operations, including exploration, assessment or production titles, will be required to hold an Environment Protection Licence;

- The agricultural impacts of a project must specifically be addressed by the applicant in an Agricultural Impact Statement, at both the exploration and development application stages;
- A two kilometre exclusion zone now applies to exploration and production activities for residential and village areas.

In addition, the NSW Chief Scientist and Engineer is conducting an independent review of all CSG activities in NSW, including the impact on water catchments. The Chief Scientist released her initial report in July 2013.

The Strategic Regional Land Use Policy is being implemented to protect strategic agricultural land through an independent scientific assessment prior to the development application stage. This is known as the Gateway Process. Under the Gateway Process, a panel of independent experts will assess the agricultural and water impacts of a proposal against set criteria. If a proposal cannot demonstrate that it meets these criteria, it will be subject to recommendations that must be addressed at the development application stage.

To ensure community concerns are adequately addressed, the NSW Government appointed the State’s first Land and Water Commissioner in 2012. Farmers and landholders can contact the Commissioner for guidance during any stage of an application, exploration or production process. The Commissioner also provides information about compliance and enforcement matters, land access arrangements, remuneration, compensation and the rights and responsibilities of exploration companies.

### Other controls

- The development of new Standardised Land Access Agreements to deliver greater consistency and fairness for landholders.

- An Aquifer Interference Policy to assess and protect water resources across NSW.
- A Code of Practice for Coal Seam Gas Fracture Stimulation which establishes a leading practice framework to improve standards and ensure prevention of inter-aquifer leakage.
- A Code of Practice for Coal Seam Gas Well Integrity which means CSG wells must be encased in layers of steel and cement to withstand high pressure and prevent aquifer contamination.
- A Code of Practice for Coal Seam Gas Explorers to ensure strong standards are set for industry when initiating negotiations with landholders for access to land during the exploration phase.

- Community Consultation Guidelines to improve the transparency and effectiveness of the decision-making process and to ensure communities are fully informed of new licence applications. The new consultation process gives communities the opportunity to voice their concerns and make submissions on all new proposals.
- The development of an Industry Fund which will encourage coal seam gas production companies to invest in local communities.

A hold on exploration and extraction of CSG in the ‘Special Areas’ zone of the Sydney drinking water catchment also now applies pending an investigation by the NSW Chief Scientist and Engineer on the impact of these activities.



NSW regulation protects the State’s valuable water resources.

The NSW Government has also:

- **Banned** the use of evaporation ponds for storing water used in the production process. All produced water must be treated for recycling to encourage beneficial re-use in industry or irrigation; and
- **Banned** the use of harmful BTEX chemicals (Benzene, Toluene, Ethylbenzene and Xylene) to help protect ground water.