



The Hon Chris Hartcher

Minister for Resources and Energy

Special Minister of State

Minister for the Central Coast

MEDIA RELEASE

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TOUGHER CONTROLS ON CSG

Minister for Resources and Energy, Chris Hartcher today released a draft Code of Practice for CSG explorers and new Community Consultation Guidelines as part of a suite of tough controls regulating the industry under the NSW Government's Strategic Lands package.

The draft Code will be released for public comment for a period of eight weeks to allow the community and stakeholders to have a say.

"The NSW Government has introduced stringent controls to address community concerns about environmental standards for coal seam gas exploration and production," Mr Hartcher said.

"The Code of Practice is a landmark requirement that will apply to licence holders to ensure strong standards are set for the CSG industry during the exploration stage.

"The Code sets minimum standards of conduct expected of licence holders and once implemented, the Government expects the industry to comply fully."

The Code of Practice also establishes a best practice framework covering community relations, landholder involvement and the use and protection of water resources, and requires:

- Licence holders to make immediate contact with landholders, both in writing and in person
- Licence holders to have an Access Arrangement with all landholders on whose land they will be exploring
- Licence holders to be willing to reimburse all reasonable legal costs to allow landholders to engage a solicitor to review any proposed agreement
- Compensation to be paid to offset any inconvenience, noise, and use of land
- Explorers to keep landholders informed of progress and variations in exploration activities
- Explorers to rehabilitate discontinued well sites to their previous state or as agreed with the landowner and to a standard acceptable to the Government

All coal seam gas exploration licences will be subject to the Code of Practice which will be included in the explorer's licence conditions.

The Government's new Community Consultation Guidelines work to improve interactions between communities and coal seam gas explorers.

“The NSW Government remains committed to delivering transparency at every stage of the licencing process and ensuring communities have a say,” Mr Hartcher said.

“It’s important that communities are fully informed of projects in their area – community engagement must be at the forefront of any proposed activity.

“Communities cannot be expected to come to an informed conclusion about proposed exploration activities unless they have both immediate and ongoing access to accurate scientific facts and information.”

The new Community Consultation Guidelines require:

- Detailed advertisement of exploration licence applications
- Evidence of effective community consultation
- Annual reporting of community consultation, including how complaints and feedback have been dealt with
- Contact with the General Managers of Local Government Councils within the area of the licence

“The coal seam gas industry in NSW is now subject to the toughest controls in Australia,” Mr Hartcher said.

“The NSW Government is doubling fines to ensure companies are held to account for any unauthorised activity during the exploration stage, including damage to private or Crown land.

“We are also reviewing the security bonds currently held by the NSW Government to guarantee there are enough funds to rehabilitate any potential damage to land.”

Mr Hartcher said resource industries can and do co-exist with agricultural production and environmental protection.

“Co-existence does, however, require the appropriate management and assessment of exploration and production activities which the Government’s Strategic Lands policy works to achieve.

“Producing just six per cent of its gas needs, NSW remains heavily dependent on imported gas supplies for its energy needs sourced primarily from South Australia and Victoria.

“With gas demand in NSW expected to grow strongly by 2016 and with import supplies in decline, domestic production is essential.

“The NSW Government views the strategic management of the State’s resources as essential.

“That is why – for the first time in the history of this industry in NSW - the Government is regulating coal seam gas exploration and production to ensure the environment and high value agricultural land are protected,” Mr Hartcher said.

Further information is available at www.haveyoursay.nsw.gov.au/regionallanduse