



The Hon Barry O'Farrell MP

Premier of NSW

Minister for Western Sydney

MEDIA RELEASE

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TOUGH NEW RULES FOR COAL SEAM GAS ACTIVITY

NSW Premier Barry O'Farrell and Deputy Premier Andrew Stoner today announced tough new measures to further strengthen the regulation of the Coal Seam Gas industry in NSW.

"The NSW Government has listened to community concerns about CSG – these new measures build on what are already the toughest controls in the country," Mr O'Farrell said.

"We have declared country towns and suburbs across NSW 'no go zones' for CSG activities in NSW, and established the Environment Protection Authority as the cop on the beat to enforce environmental and health regulations.

"The NSW Government has listened and acted. Local Liberals & Nationals MPs have also made strong representations and brought community concerns to Ministers."

Under the package endorsed by Cabinet:

- The independent Environment Protection Authority (EPA) will be the lead regulator of environmental and health impacts of CSG activities in NSW with responsibility for compliance and enforcement;
- All exploration, assessment and production titles and activities will be required to hold an Environment Protection Licence;
- The Chief Scientist and Engineer will conduct an independent review of all CSG activities in NSW, including the potential impact on water catchments;
- A two kilometre exclusion zone will be imposed around residential zones to prevent new CSG exploration, assessment and production activities (both surface and underground);
- Exclusion zones will apply to identified Critical Industry Clusters - viticulture and the equine industry; and
- An Office of CSG Regulation will be established within the Department of Trade and Investment to enforce other regulations.

Mr O'Farrell said the establishment of exclusion zones will ensure there is no repeat of the former Labor Government's granting of exploration licenses over residential zones across NSW.

A two kilometre buffer will be imposed for CSG activities across existing residential zones, as well as lands identified for future residential growth.

Critical Industry Clusters identified under the Strategic Regional Land Use Plans - horse breeders and wine producers - will also be excluded from CSG activities.

These exclusion zones will apply to any CSG activity that has not yet been approved under the EP&A Act or the Petroleum (Onshore) Act.

Mr Stoner said currently responsibility for approving and regulating CSG activities was spread across a number of agencies leading to confusion and complexity for the community and industry.

“The EPA is a respected and trusted independent watchdog – it will be tasked as the agency responsible for ensuring the compliance of environmental and related health regulations for CSG activities,” Mr Stoner.

“It will be empowered to enforce conditions under the relevant environmental and mining laws – including potential revocation of licences in the case of serious breaches.

“In 2011 we re-established the EPA as an independent environment regulator and it is the appropriate body to take an expanded role in relation to CSG.”

An independent review by the Chief Scientist and Engineer will provide an evidence base to support better understanding of the CSG industry in NSW and identify any gaps in the management of risks arising from CSG activities, particularly as they relate to human health, the environment and water catchments.

The Chief Scientist will also consider appropriate ways to manage the interface with residential properties in non-urban areas. A preliminary report is to be delivered to the government in July this year.

“We want a sustainable CSG industry in NSW but it must be developed safely and with the appropriate environmental protections in place,” Mr Stoner said.

“The NSW community should never forget that it was Labor that handed out CSG exploration licenses with no regulation and scant regard for local residents or the environment.

“Once again this Government is working hard to clean up Labor’s mess.”