

NSW Gas Plan legislation update

December 2015

Four components of the NSW Gas Plan legislation will commence from 18 December 2015. These are:

Operational Allocation (Coal)

Existing holders of exploration licences, assessment leases and mining leases will be able to apply for a coal exploration licence for smaller parcels. Operational allocation will give options such as expanding operations, extending the life of a mine, developing a better mine design, avoiding coal sterilisation or obtaining an exploration licence above or below existing titles, depending on the stage of development.

New criteria than those previously used for direct allocation will be applied. Operational allocation areas are now capped by an area threshold (instead of a tonnage threshold) and companies at the exploration or assessment stage will be able to apply. Those interested will need to lodge a [new application form](#), which replaces the forms for interim coal allocation or direct allocation process. [Operational Allocation guidelines](#) are also available.

Strategic Release Framework (Coal and Petroleum)

As set out in the legislation, the implementation of the Strategic Release Framework will mean the release of new exploration areas will be overseen by the [Advisory Body for Strategic Release](#). It will make recommendations to the Minister for Industry, Resources and Energy on areas to be released for exploration. The next step in the process will be the appointment of an Independent Chair to the Advisory Body for Strategic Release in early 2016.

Many stakeholders have expressed an interest in providing input into these processes. This feedback will be provided to the first meeting of the Advisory Body to inform the development of detailed business processes to support strategic release. Following the appointment of the Chair, the first meeting is likely to occur within the first quarter of 2016.

Download the [guidelines about resource assessment](#) and read the [preliminary regional issues assessment](#) web page (taking into account social, economic and environmental issues).

Seismic survey notifications

Also from 18 December 2015, the new notice requirements applying to seismic surveys to be undertaken on public roads comes into effect, changing the process by which operators inform landholders. Those conducting seismic surveys as part of their exploration activities are now required to send a notification to adjacent landholders who have a dwelling, significant improvement or garden within the setback distances that are set out in the [Mining Act 1992](#) and the [Petroleum \(Onshore\) Act 1991](#).

Titleholders will be required to give written notice of at least 21 days of the carrying out of seismic testing on a public road where the testing will occur within 200m, of a dwelling house or 50m of a garden, or over a significant improvement.

Beneficial use of gas

Also commencing on 18 December 2015 is new legislation that will allow petroleum prospecting operators to use gas that is released during prospecting operations, albeit within strict thresholds and limitations. This delivers on better environmental outcomes.

Next steps

While all existing codes (including rehabilitation and environment) will continue to be enforceable, 2016 will see DRE review many more systems and processes behind the scenes.

In the first quarter of next year, DRE will provide additional guidelines on titles administration, compliance and enforcement, drilling and enforceable undertakings.

IMER reforms will be reviewed in mid-2016, to ensure that the settings are operating seamlessly. Following the recent forms review project conducted with industry, updated forms will be released from February.

If you have questions or feedback about these processes or other legislative reforms, please email legislation.reforms@industry.nsw.gov.au.

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