



Trade &
Investment

CSG Regulation

Santos PEL456 Scone CCC

Division of Resources & Energy

§ NSW Trade & Investment

– Division of Resources & Energy (DRE)

- Resources Branch

- Environment

- Safety

- Titles

- Royalties

- Geological Survey

§ Minister for Resources & Energy (Chris Hartcher)

CSG regulatory framework

§ *Petroleum (Onshore) Act 1991*

§ Other legislation applies:

- *Environmental Planning and Assessment Act 1979*
 - *Part 5 environmental assessment*
 - *Part 4 State Significant Development*
- *Water Management Act 2000*
- *Protection of the Environment Operations Act 1997*
- *Threatened Species Conservation Act 1995*
- *Environment Protection and Biodiversity Conservation Act 1999*
- etc.

Agency regulatory roles

- § DRE – titles, exploration approvals, safety, rehabilitation and enforcement
- § DP&I – production approvals
- § EPA – pollution licensing
- § NOW – water licensing & approvals

(all the above agencies are jointly involved in environmental assessment and enforcement of CSG activities)

Petroleum (Onshore) Act 1991

§ Petroleum titles:

- Petroleum Special Prospecting Authority (PSPA)
- Petroleum Exploration Licence (PEL)
- Petroleum Assessment Lease (PAL)
- Petroleum Production Lease (PPL)

§ PEL is a prerequisite for CSG exploration

§ Subject to conditions

§ No exploration can occur without a landholder access arrangement

Landholder rights

§ Access arrangements can cover:

- the time during which the explorer is to be permitted access to the land
- the parts of the land which may be explored
- the means by which the explorer may gain access to those parts of the land
- the kinds of exploration that may be carried out
- the conditions to be observed by the explorer
- the compensation to be paid to the landholder
- the manner of resolving any dispute
- the manner of varying the arrangement

Landholder rights (continued)

- § The explorer is required to pay the reasonable legal costs of the landholder in obtaining initial advice about the making of the arrangement.
- § Arbitration and recourse to the Land and Environment Court are also available.
- § A standard access arrangement is being negotiated (NSWFA & APPEA).
- § Landholders are protected from any liability in relation to exploration activities on their land.

Title conditions

§ Petroleum title conditions cover:

- Activity approval and environmental assessment requirements
- Pollution controls
- Erosion controls
- Rehabilitation requirements
- Security bond requirements

Government initiatives

- § BTEX ban
- § Evaporation pond ban
- § Codes of Practice
 - Exploration
 - Well Integrity
 - Fracture stimulation
 - Emissions detection & reporting
- § Gateway process/Commonwealth IESC
- § Aquifer interference policy / water licencing
- § Community consultation

CSG activity approval process

§ Most CSG activities require approval by DRE

§ Comprehensive new guidelines apply:

www.resources.nsw.gov.au/environment/pgf

§ All CSG drilling and associated activities are jointly assessed by:

- Division of Resources & Energy (DRE)
- Department of Planning & Infrastructure (DP&I)
- Environment Protection Authority (EPA)
- NSW Office of Water (NOW)

as part of the approval process.

Compliance & enforcement

§ DRE undertakes regular audits and inspections

§ Responses to a compliance issue include:

- Preliminary investigations to gather information about the nature of the event/incident, the seriousness and potential risks to the environment or public safety
- Formal investigations, in coordination with other key government agencies (where necessary), to gather information and evidence about the event/incident and the level of impact
- Taking appropriate enforcement action, including prosecution, against breaches of legislation, regulations or title conditions

Enforcement options

The following escalating actions aim to achieve an outcome which is proportionate to the risk and potential impacts of the non-compliance:

- Remedial advice and formal communications
- Auditing
- Compliance investigations
- Warning notices/letters
- Statutory directions
- Penalty Infringement Notices
- Suspension of operations
- Prosecution
- Cancellation of title or authorisation

More information

§ See www.resources.nsw.gov.au for:

- General information
- Landholder rights
- New title applications (Minview)
- Title conditions (DIGS)
- Activity approvals
- DRE enforcement actions
- Making a complaint