

Has The Industry And The NSW Government Struck A Balance?

The NSW Strategic Regional Land Use Policy was released by the State Government on 11 September, which includes 27 new measures designed to provide greater protections for farmers and to better balance competing land uses.

The NSW Government said that it is protecting prime agricultural land and water resources while providing greater certainty for landholders and the resources industry.

APPEA said that the tougher regulations will mean more costs and delays but finally allow for new jobs and investment. They warn that more regulations around the production of CSG in NSW will cause project delays and increase costs for industry and said that these regulations will ultimately delay approval processes for projects by up to three months, while they recognised the regulatory regime aimed at ensuring a safe and secure gas industry for NSW.

APPEA Chief Executive David Byers said: "We are now without question one of the most heavily regulated industries in Australia. There is an enormous obligation placed on energy companies through this policy.

"This package of new regulations contains 27 elements that will lead to drawn-out assessment processes with increased security deposits and fees.

"While industry can now finally start investing in exploration, job creation and investment for NSW regional communities, we need to recognise that these regulations will force up costs and delay projects.

"Around 95% of gas used in NSW by households and businesses comes from interstate, yet the potential to develop local reserves will not only create thousands of jobs but also contribute millions of dollars annually through royalty streams.

"Industry has effectively been stalled in NSW for the best part of two years. Our latest quarterly data shows employment positions in the NSW CSG industry increased by just 39 positions to 332 in the first half of this year and exploration has been brought to a standstill.

"That's in stark contrast to Queensland where 18,500 people are now working on CSG to LNG projects worth \$50 B. Almost 7000 jobs have been added to the Queensland gas sector in the first half of 2012."

Byers described the appointment of a Land and Gas Commissioner as an important link between all stakeholders, particularly between landholders and gas companies.

"We recognise that our success as an industry will depend on maintaining the trust of the communities in which we operate. The appointment of a Land and Water Commissioner will help ensure the industry's benefits are delivered to local communities and the issues that are important to them are addressed."

The use of BTEX chemicals for hydraulic fracturing is currently banned in Queensland and industry supports similar action for NSW.

Minister for Planning Brad Hazzard said the package of initiatives provides comprehensive protection for valuable agricultural land and water resources, while allowing for the responsible development of the State's resources.

"The previous Labor government failed to protect our valuable agricultural land or deliver certainty for the resources industry. Since last year's election, we have been working hard to strike the right balance to protect agricultural land, water and the environment, and believe this policy achieves that balance," Hazzard said.

The Policy, which has been the subject of extensive community and stakeholder engagement, extends well beyond the NSW Liberals & Nationals' pre-election commitments.

Hazzard said that changes to the Policy had been made following an extensive period of consultation during which over 2000 submissions were received and over 1100 people attended public forums and information sessions.

"Recognising that mining operations require investment certainty, the Gateway process will focus on proposals which extend beyond the boundaries of an existing mining lease or where a new lease is required," Hazzard said.

"All mining proposals, whether subject to the Gateway or not, will still go through a full merit assessment process – including community consultation – when they lodge a development application."

Over two million hectares of Strategic Agricultural Land has already been identified

across the Upper Hunter and New England North West regions, with mapping of the Central West and Southern Highlands underway and other areas of the State, including the North Coast, also to be mapped.

Minister for Resources and Energy Chris Hartcher said, "We have spent the last 16 months introducing stringent new controls to regulate the industry and have considered feedback from the consultation process before any coal seam gas exploration licences are renewed."

With the CSG industry now subject to the strictest controls in Australia, the Government will commence the exploration licence renewals process by making offers of renewal to a number of CSG companies across the State.

NSW Deputy Premier Andrew Stoner said the creation of a new Land and Water Commissioner to oversee the regulation of exploration activity right across the State, the creation of Regional Community Funds and the removal of the royalty holiday for CSG producers would restore community confidence in the processes governing CSG exploration and production activities.

"The Commissioner will provide independent advice to the community regarding exploration activities and will facilitate greater consultation between Government, the community and industry," Mr Stoner said.

"The Strategic Regional Land Use Policy empowers landholders and communities, particularly in relation to exploration activity, and requires the mining and coal seam gas industries across NSW to meet higher standards.

"I would like to thank the farmers, miners, vigneron, horse stud owners and many other stakeholders who have contributed to the development of these policies, which sees NSW now boast the strongest regulation of coal seam gas exploration in Australia."

Minister for Primary Industries Katrina Hodgkinson said, "The Aquifer Interference Policy is a critical step to protect our valuable groundwater systems from potential impacts of mining and CSG exploration and extraction. This Policy works hand-in-glove with the Strategic Regional Land Use Policy to ensure we have the best available science and information protecting our water." ■