



New South Wales

# Coal Seam Gas Moratorium Bill 2011

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The object of this Bill is to regulate the exploration for, and mining of, coal seam gas (which is also known as coal seam methane or coal bed methane) by:

- (a) prohibiting prospecting for petroleum, and petroleum mining operations, relating to coal seam gas in the Sydney Catchment Authority's special area and the Sydney metropolitan region, and
- (b) cancelling or suspending certain petroleum titles relating to coal seam gas, and prohibiting the grant or renewal of such titles in relation to the Sydney Catchment Authority's special area and the Sydney metropolitan region, and
- (c) prohibiting petroleum prospecting, and petroleum mining operations, relating to coal seam gas in other parts of the State during a 12-month moratorium period, and
- (d) during that moratorium period, suspending certain petroleum titles relating to coal seam gas (other than production leases) relating to land in those other parts of the State and prohibiting the grant or renewal of certain petroleum titles relating to that land.

## Outline of provisions

### Part 1 Preliminary

**Clause 1** sets out the name (also called the short title) of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on the date of assent to the proposed Act.

**Clause 3** defines expressions used in the proposed Act. *Moratorium period* is defined as the 12-month period beginning on the date of assent to the proposed Act, *petroleum title relating to coal seam gas* means an exploration licence, assessment lease, production lease or special prospecting authority under the *Petroleum (Onshore) Act 1991* in relation to coal seam gas and *protected area* means both the Sydney Catchment Authority's special area (an area of land declared to be a special area under section 44 of the *Sydney Water Catchment Management Act 1998*) and the *Sydney metropolitan region*, which is defined by reference to the local government areas that make it up.

### Part 2 Prohibition on petroleum prospecting and mining operations relating to coal seam gas in protected area

**Clause 4** prohibits petroleum prospecting and mining operations relating to coal seam gas in the protected area. The maximum penalty is 200 penalty units (currently \$22,000) or imprisonment for 2 years, or both. The proposed section applies whether or not the relevant person holds any petroleum title relating to coal seam gas.

**Clause 5** cancels any petroleum title relating to coal seam gas that authorises activities in the protected area.

**Clause 6** prohibits the granting of any petroleum title relating to coal seam gas that authorises activities in the protected area.

**Clause 7** prohibits the renewal of any petroleum title relating to coal seam gas that authorises activities in the protected area.

### Part 3 Moratorium on petroleum prospecting and mining operations relating to coal seam gas outside protected area

**Clause 8** prohibits petroleum prospecting and mining operations relating to coal seam gas outside the protected area during a 12-month moratorium period. The maximum penalty is 200 penalty units or imprisonment for 2 years, or both. The proposed section applies whether or not the relevant person holds any petroleum title relating to coal seam gas, except that it does not prohibit a person from conducting such operations as are authorised by a production lease in force immediately before the commencement of the proposed Act.

**Clause 9** suspends any petroleum title (other than a production lease) relating to coal seam gas that authorises activities on land outside the protected area for the duration of the moratorium period.

**Clause 10** imposes a 12-month moratorium on the grant or renewal of any petroleum title relating to coal seam gas that authorises activities on land outside the protected area.

#### **Part 4 Miscellaneous**

**Clause 11** provides that the proposed Act operates despite any authorisation or approval under the *Petroleum (Onshore) Act 1991*.

**Clause 12** provides for proceedings for offences against the proposed Act to be dealt with summarily by the Local Court.





New South Wales

# Coal Seam Gas Moratorium Bill 2011

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New South Wales

# Coal Seam Gas Moratorium Bill 2011

No. , 2011

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## **A Bill for**

An Act to impose a moratorium on the granting of exploration licences for, and the production of, coal seam gas; and for other purposes.

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**The Legislature of New South Wales enacts:** 1

**Part 1 Preliminary** 2

**1 Name of Act** 3

This Act is the *Coal Seam Gas Moratorium Act 2011*. 4

**2 Commencement** 5

This Act commences on the date of assent to this Act. 6

**3 Definitions** 7

(1) In this Act: 8

***moratorium period*** means the 12-month period commencing on the 9  
date of assent to this Act. 10

***petroleum title relating to coal seam gas*** means any of the following: 11

(a) an exploration licence under the *Petroleum (Onshore) Act 1991* 12  
granting the holder the exclusive right to prospect for coal seam 13  
gas on the land comprised in the licence, 14

(b) an assessment lease under that Act granting the holder the 15  
exclusive right to prospect for coal seam gas and to assess any 16  
coal seam gas deposit on the land comprised in the lease, 17

(c) a production lease under that Act granting the holder the 18  
exclusive right to conduct petroleum mining operations for coal 19  
seam gas in and on the land included in the lease, 20

(d) a special prospecting authority under that Act granting the holder 21  
the exclusive right to conduct speculative geological, 22  
geophysical or geochemical surveys or scientific investigations 23  
in relation to coal seam gas on and in respect of the land 24  
comprised in the authority. 25

***protected area*** means: 26

(a) an area of land declared to be a special area under section 44 of 27  
the *Sydney Water Catchment Management Act 1998*, and 28

(b) the Sydney metropolitan region. 29

***Sydney metropolitan region*** means the local government areas of City 30  
of Sydney, Ashfield, Auburn, Bankstown, Blacktown, Blue Mountains, 31  
Botany Bay, Burwood, Camden, Campbelltown, Canada Bay, 32  
Canterbury, Fairfield, Hawkesbury, Holroyd, Hornsby, Hunters Hill, 33  
Hurstville, Kogarah, Ku-ring-gai, Lane Cove, Leichhardt, Liverpool, 34  
Manly, Marrickville, Mosman, North Sydney, Parramatta, Penrith, 35  
Pittwater, Randwick, Rockdale, Ryde, Strathfield, Sutherland Shire, 36



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The Hills Shire, Warringah, Waverley, Willoughby, Wollondilly and Woollahra.	1
(2) Words and expressions used in this Act, that are defined in the <i>Petroleum (Onshore) Act 1991</i> , have the same meaning as in that Act.	2
	3
	4

Clause 4	Coal Seam Gas Moratorium Bill 2011	
Part 2	Prohibition on petroleum prospecting and mining operations relating to coal seam gas in protected area	

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<b>Part 2</b>	<b>Prohibition on petroleum prospecting and mining operations relating to coal seam gas in protected area</b>	1
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<b>4</b>	<b>Permanent prohibition on petroleum prospecting and mining operations relating to coal seam gas in protected area</b>	4
		5
(1)	A person must not conduct any petroleum prospecting or petroleum mining operations relating to coal seam gas in relation to land in the protected area.	6
		7
		8
	Maximum penalty: 200 penalty units or imprisonment for 2 years, or both.	9
		10
(2)	This section applies whether or not the person holds any petroleum title relating to coal seam gas.	11
		12
<b>5</b>	<b>Cancellation of certain petroleum titles relating to coal seam gas in protected area</b>	13
		14
	On and from the commencement of this Act:	15
(a)	any petroleum title relating to coal seam gas that is in force solely in relation to land in the protected area is cancelled and ceases to have effect, and	16
		17
		18
(b)	any petroleum title relating to coal seam gas that is in force in relation to land that includes land in the protected area ceases to have effect in relation to that part of the land that is in the protected area.	19
		20
		21
		22
<b>6</b>	<b>Permanent prohibition on grant of petroleum titles relating to coal seam gas in protected area</b>	23
		24
	The Minister administering the <i>Petroleum (Onshore) Act 1991</i> must not grant any petroleum title relating to coal seam gas in relation to land in the protected area.	25
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<b>7</b>	<b>Permanent prohibition on renewal of certain petroleum titles relating to coal seam gas in protected area</b>	28
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	The Minister administering the <i>Petroleum (Onshore) Act 1991</i> must not renew any petroleum title relating to coal seam gas in relation to land in the protected area.	30
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<b>Part 3</b>	<b>Moratorium on petroleum prospecting and mining operations relating to coal seam gas outside protected area</b>	1
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<b>8</b>	<b>Moratorium on petroleum prospecting and mining operations relating to coal seam gas outside protected area</b>	4
		5
(1)	A person must not, during the moratorium period, conduct any petroleum prospecting or petroleum mining operations relating to coal seam gas in relation to land outside the protected area.	6
		7
		8
	Maximum penalty: 200 penalty units or imprisonment for 2 years, or both.	9
		10
(2)	This section applies whether or not the person holds any petroleum title relating to coal seam gas. However, it does not prohibit a person from conducting petroleum mining operations that are authorised by a production lease relating to coal seam gas in force immediately before the commencement of this Act.	11
		12
		13
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		15
<b>9</b>	<b>Suspension of certain petroleum titles relating to coal seam gas outside protected area</b>	16
		17
	On and from the commencement of this Act:	18
(a)	any petroleum title (other than a production lease) relating to coal seam gas that is in force solely in relation to land that is outside the protected area is suspended until the end of the moratorium period, and	19
		20
		21
		22
(b)	any petroleum title (other than a production lease) relating to coal seam gas that is in force in relation to land that is outside the protected area ceases to have effect until the end of the moratorium period in relation to that part of the land that is outside the protected area.	23
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<b>10</b>	<b>Moratorium on grant of certain petroleum titles relating to coal seam gas outside protected area</b>	28
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	The Minister administering the <i>Petroleum (Onshore) Act 1991</i> must not, during the moratorium period, grant or renew any petroleum title relating to coal seam gas in relation to land that is outside the protected area.	30
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Clause 11      Coal Seam Gas Moratorium Bill 2011

Part 4          Miscellaneous

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## **Part 4    Miscellaneous**

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### **11    Operation of Act**

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This Act operates despite any authorisation or approval under the  
*Petroleum (Onshore) Act 1991*.

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### **12    Proceedings for offences**

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Proceedings for an offence against this Act are to be dealt with  
summarily before the Local Court.

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