



New South Wales

Petroleum (Onshore) Amendment (Prohibit Coal Seam Gas) Bill 2015

Explanatory note

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

Overview of Bill

The object of this Bill is to amend the *Petroleum (Onshore) Act 1991*:

- (a) to prohibit prospecting for, or the mining of, coal seam gas in New South Wales, and
- (b) to reintroduce the public interest as a ground for certain decisions relating to petroleum titles.

Outline of provisions

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 day that is 14 days after the date of assent to the proposed Act. This day is also the *prohibition commencement day* for the purposes of the provisions to be inserted by the proposed Act.

Schedule 1 **Amendment of Petroleum (Onshore) Act 1991 No 84**

Schedule 1 [1] inserts a new Part in the Act dealing with prospecting or mining coal seam gas. On and from the prohibition commencement day, the new Part:

- (a) prohibits prospecting for or mining coal seam gas in all areas of New South Wales except in accordance with an existing production lease, and
- (b) provides for any petroleum title (other than an existing production lease) relating to coal seam gas that is in force immediately before that day to cease to have effect to the extent to

which it authorises prospecting for or mining coal seam gas in any area of New South Wales, and

- (c) prevents the Minister from granting new, or renewing existing, petroleum titles relating to coal seam gas, and
- (d) prevents the holder of an existing production lease from conducting petroleum mining operations involving drilling or hydraulic fracturing for the purpose of increasing or extending the holder's capacity to produce coal seam gas, and
- (e) enables the Minister to cancel a petroleum title that has entirely ceased to have effect because of the operation of the new Part, and
- (f) provides that the State is not required to pay compensation in connection with the enactment or operation of the new Part, but may nevertheless voluntarily choose to do so.

Schedule 1 [2] reintroduces the public interest as a ground for certain decisions relating to petroleum titles. The ground was first introduced by the *Mining and Petroleum Legislation Amendment (Public Interest) Act 2013*, but was replaced by a fit and proper person ground by the *Mining and Petroleum Legislation Amendment Act 2014*.