

Issue

In its *Framework for Sustainable Development – Planning for Agriculture and Extractive Industries*, NSW Farmers Association called for a pause on mining exploration and production licences. Since releasing the framework on Tuesday 26 October 2010, there appears to have been some confusion regarding the scope of the proposed moratorium.

Where the Moratorium Would Apply

The moratorium would apply only to:

- New applications for mineral and gas tenements;
- Renewal applications; and
- Extension of work programmes.

It would not affect current coal mining or exploration programs. For example, it would not affect current coal exploration for BHP in Caroona, Shenhua in Watermark, current mines at Cadia and North Parkes or any other existing mine. Similarly, it would not affect current exploration for Coal Seam Gas by Santos.

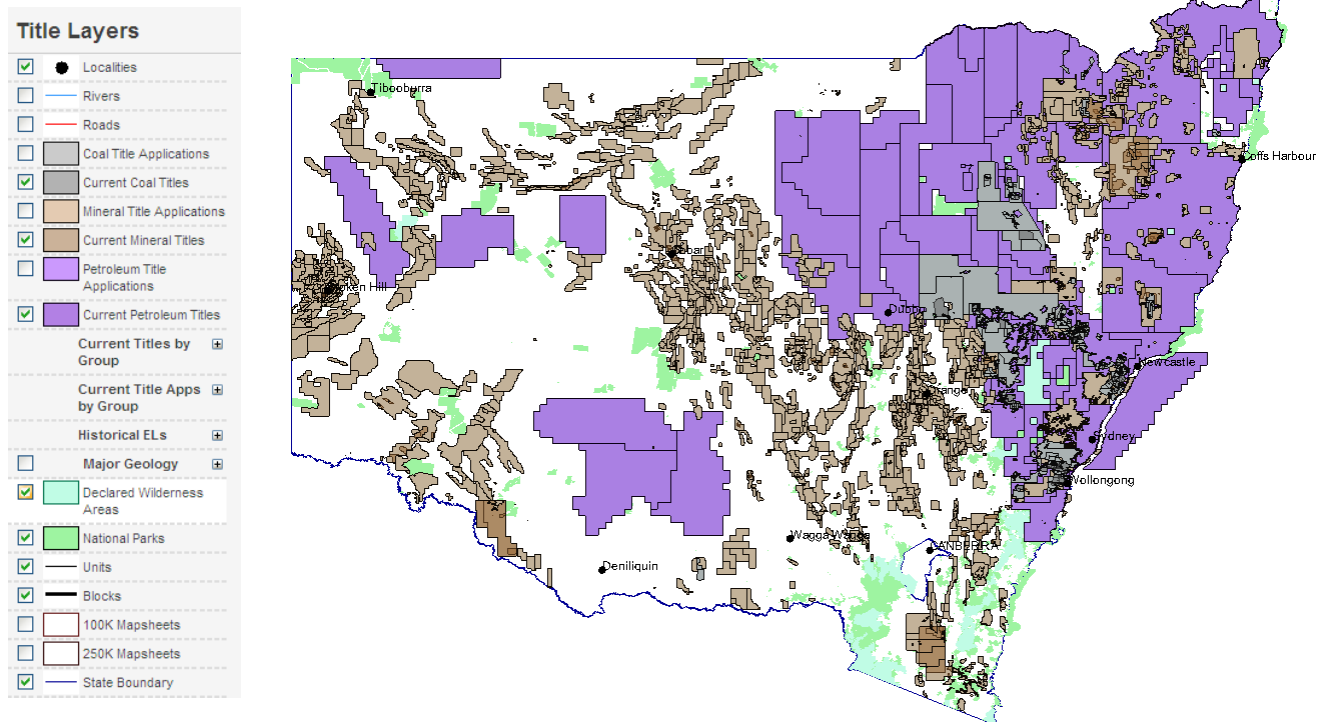
The moratorium would only be in place until such time as the Sustainable Development Framework is developed. Given that it will be utilising information that is already available, it is anticipated that this would take only 18-24 months.

Where the Moratorium Would Not Apply

The moratorium would not apply to:

- Current coal titles;
- Current mineral titles;
- Current petroleum titles; or
- Current exploration licences.

The map below provides a visual representation of these current titles.



Anticipated Impact on Royalties

In the case of coal seam gas, it should be recognised that there is a five-year holiday on production from petroleum discoveries in NSW. In the case of coal, royalties could continue to be collected for existing mineral and gas tenements. As such, there should be no impact on current royalties for the State, which are projected to be some \$1.768 billion in 2010/11 (NSW State Budget, 2010/11).