

**PETROLEUM (COMPENSATION) AMENDMENT BILL
1985**

EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The object of this Bill is to amend the Petroleum Act 1955 so as—

- (a) to expand the grounds on which compensation may be payable by holders of licences and leases under that Act and by persons to whom easements and rights of way have been granted under that Act; and
- (b) to provide that appeals concerning assessments of compensation made by the warden under that Act shall lie to the District Court and to the Supreme Court,

for the purpose of making the provisions of that Act relating to compensation more consistent with those of the Mining Act 1973.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act will, with minor exceptions, commence on a day appointed by the Governor-in-Council.

Clause 3 defines the Principal Act.

Clause 4 lists the Schedules to the proposed Act. Schedule 1 contains amendments to the scheme provided by the Principal Act for determining the compensation payable for loss caused as a consequence of exploration and mining for petroleum and Schedule 2 contains a saving and transitional provisions.

Clause 5 is a formal provision that gives effect to the Schedule of amendments.

Clause 6 is a formal provision that gives effect to Schedule 2.

Schedule 1 (1) omits section 48 of the Principal Act which section is made redundant by the proposed amendment to section 55 of that Act.

Schedule 1 (2) (a), (b), (c) and (d) make amendments to section 53 of the Principal Act so as to make it clear that the compensation payable under that Act is for actual loss and likely future loss referred to in section 55 of that Act.

Schedule 1 (3) substitutes section 55 (1) of the Principal Act with proposed section 55 (1) and (1A) so as to expand the present grounds for compensation required to be taken into account in making an assessment. Except for the retention (in proposed section 55 (1A)) of a ground which is peculiar to the case in which an easement or right of way is granted under the Principal Act so as to affect a licence or lease previously so granted, the new grounds parallel those set out in section 124 (1) (b) of the Mining Act 1973.

Schedule 1 (4) substitutes section 56 (1) of the Principal Act as a consequence of the proposed amendment which will permit appeals against assessments of compensation to be made to the District Court and, in certain cases, to the Supreme Court.

Schedule 1 (5) inserts proposed sections 56A and 56B into the Principal Act. Proposed section 56A ensures that further assessments of compensation may be made under that Act after an initial assessment has been made if further loss has been incurred. That proposed section is parallel to section 126 of the Mining Act 1973. Proposed section 56B applies provisions of the Mining Act 1973 permitting appeals to the District Court against any assessments of compensation made under the Principal Act by the warden. Those provisions also enable further appeals against decisions made by the District Court relating to those assessments to be made to the Supreme Court, where the amount of the original claim or the value of the property involved exceeded \$500, and for appeals to be made from a warden's court directly to the Supreme Court on a point of law arising out of any such assessment. Proposed section 56B parallels section 127 of the Mining Act 1973.

Schedule 2 saves any regulations made under the Principal Act relating to the manner in which compensation is required to be assessed, which would otherwise be repealed by the substitution of section 56 (1) of that Act (clause 1) and provides—

- (a) that assessments of compensation made pursuant to an application or complaint notified to the warden before the commencement of the proposed amendments to the Principal Act shall be dealt with as if that Act had not been amended (clause 2 (1)); and
 - (b) that the arbitration procedures formerly laid down in section 127 of the Mining Act 1973 shall continue to apply to any disputes concerning any such assessment of compensation (clause 2 (2)).
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