

## GOVERNMENT STRIPS COMPENSATION RIGHTS

The Queensland Government, in their wisdom, made amendments to the *Petroleum and Gas (Production and Safety) Act 2004* last Wednesday 29 August 2012.

The motive behind some of these amendments is questionable, however it is our opinion that the slyest amendment is the change to the definition of 'occupier'.

By way of summary, a CSG company has an obligation to compensate each owner and occupier of the Land for the compensatable effects (i.e. diminution of value, cost, loss, damage etc.) they suffer because of the company's activities.

Last week, the definition of occupier changed from 'a person who has the right to occupy a place...' to 'a person who, under an Act, or, for freehold land, a lease registered under the Land Title Act 1994, has a right to occupy the place...'. Up until last week, a CSG company had an obligation to negotiate with and compensate:

1. Owners of the Land; and
2. Occupiers of the Land, which included anyone who had a 'right to occupy' the Land, being companies, family trusts, partnerships and other like arrangements.

With the amendments, a CSG company only now has the obligation to compensate:

1. Owners of the Land; and
2. Occupiers of the Land, which is essentially just those with a registered lease.

The government explanation for the change is:

"The Bill also contains a minor amendment to the definition of 'occupier' in the *Petroleum and Gas (Production and Safety) Act 2004*, to fix an inconsistency with other resource legislation."

This so called 'minor amendment' has effectively stripped every family trust, partnership, company etc., who runs an operation on the Land, of their entitlement to compensation unless they happen to be the owner of the Land or if they have a lease registered on the title, which most do not.

The majority of landholders in Queensland operate their properties with family trusts, companies and/or partnerships with unregistered leases, and it is these entities who have been stripped of their right to compensation.