

EXPROPRIATION AND COMPENSATION IN NEW SOUTH WALES -  
COAL ACQUISITION ACT \*

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The Minister for Mineral Resources and Energy, Mr Peter Cox, today announced a compensation scheme for former owners of freehold coal.

Mr Cox said Cabinet had approved a plan to pay lump sum compensation of 50 cents for each saleable tonne of formerly private coal mined after January 1, 1982 (when the Coal Acquisition Act was proclaimed).

It would apply only to coal which was in or had a reasonable expectation of being in a colliery holding by January 1, 1986.

Compensation would be taken as 50 cents a tonne at the time the coal is mined, deflated to a January, 1982, value.

Mineral Rent of \$4 a hectare would be similarly deflated and paid as a lump sum.

This meant that a royalty to be paid in say, 1990 would be deflated to a 1982 value.

The Treasury would determine interest to be paid from January 1, 1982 to the date of compensation.

Mr Cox said charities' claims for additional compensation would be treated individually.

Recent coal purchasers would be able to lodge claims on the basis of their purchase price.

The Department of Mineral Resources would form and administer a Coal Compensation Board to receive and consider compensation claims.

A separate Coal Compensation Review Panel would also be formed to consider appeals.

Mr Cox said the compensation rate compared more than favourably with that offered when similar legislation had been passed elsewhere.

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\* (The text of this press release, dated 12 February 1985 was provided by the Department of Mineral Resources and Energy, Sydney).

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When a Conservative British Government resumed coal rights in 1938, it paid 4.55 sterling pence a tonne (equivalent to about 57 cents Aust. in January, 1982).

A substantial portion of the sum set aside for compensation was in fact paid back to the Government.

Unlike the N.S.W. Government, the U.K. Government did not give special consideration to charities.

The Menzies Government made provision for but did not pay compensation when it resumed all private mineral rights in the Northern Territory in 1953.

The Dunstan Government in South Australia followed this example when it resumed mineral rights in 1971.

In 1955, New South Wales followed the example set by the Menzies and all other State Governments when it resumed private petroleum and helium rights from all property without compensation.

However, the New South Wales Coal Acquisition Act did have one important aspect in common with these precedents - none involved any changes to surface or mining title rights.

"The package approved is well considered, equitable and fair," Mr Cox said.

"It is based on recommendations of a task force and honours commitments to allow special consideration for charities and companies and others who purchased coal rights shortly before the 1982 Act was passed may also have their claims specially assessed.

"The Coal Acquisition Act of 1982 was essential for sound, responsible Government.

"The Government has invested a billion dollars in providing rail and port infrastructure for the coal industry.

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The industry - particularly in the Upper Hunter Valley - has benefitted from a massive Government contribution to the industry and it is only proper that the Government - and taxpayers - whose funds were used to provide industry facilities - receive some return from an industry in which everyone has invested so heavily."

Mr Cox said further announcements would be made regarding when and where claims for compensation should be lodged.