

MINERAL RESOURCES AMENDMENT BILL 2002

EXPLANATORY NOTES

GENERAL OUTLINE

Policy objectives of the Bill

The purpose of the Mineral Resources Amendment Bill 2002 (the Bill) is to introduce legislative amendments to the *Mineral Resources Act 1989*:

- To provide consistent penalties for late payment of rents on mining tenements granted under the *Mining Act 1968* and the *Mineral Resources Act 1989*; and
- To provide consistent treatment of land ceasing to be subject to coal and non-coal exploration permits granted under the *Mineral Resources Act 1989*.

Means of achieving objectives

The rental penalty rate for mining claims, mineral development licences and mining leases granted under the *Mineral Resources Act 1989* is 25%, whereas the rental penalty rate for mining leases granted under the *Mining Act 1968* is 15%. To provide consistent treatment, it is proposed to reduce the rental penalty rates for applicable mining tenements granted under the *Mineral Resources Act 1989* to 15%. It should be noted that all current mining claims and mineral development licences would have been granted under the *Mineral Resources Act 1989*.

As it currently stands, land ceasing to be subject to coal exploration permits is made available for new application(s) on the day following its surrender. For non-coal exploration permits, any land relinquished is made available for application two calendar months following the end of the month in which the cessation occurs. This is a more effective arrangement as it allows time for information on the prospectivity of land to be published and to be made available to a larger number of possible applicants for exploration rights to land. The deletion of Sections 135(3) and 239(2) of the *Mineral Resources Act 1989* will ensure that land ceasing

to be subject to a coal exploration permit is treated in the same manner as the current arrangements for land ceasing to be subject to a non-coal exploration permit.

These amendments are routine in nature and non-controversial.

The legislative approach is a reasonable and appropriate way of achieving the policy objectives. The proposed amendments arise from ongoing stakeholder consultation on operational and business issues, as well as internal review processes. The amendments will improve the day-to-day operation of the *Mineral Resources Act 1989*.

Estimated cost of Government implementation

There will be no administrative cost to Government regarding implementation of the Bill.

Consistency with Fundamental Legislative Principles

The Bill is consistent with fundamental legislative principles.

Consultation

Government

The Departments of Premier and Cabinet, State Development, Main Roads, Local Government and Planning, Employment and Training, Justice and Attorney-General, Queensland Transport, Tourism, Racing and Fair Trading, Emergency Services, Primary Industries, along with Queensland Treasury, the Land and Resources Tribunal and the Office of Rural Communities have been consulted in relation to the preparation of the Bill.

The Office of Queensland Parliamentary Counsel has prepared the Bill.

Industry

Limited consultation was undertaken regarding the Bill's amendments as they are considered to be routine and non-controversial.

However, the Queensland Mining Council was consulted on the amendments.

Results of consultation

All parties consulted support the proposed amendments.

Purpose and intended operation of each clause of the Bill

Clause 1 provides the short title of the Act – the *Mineral Resources Amendment Act 2002*.

Clause 2 names the Act to be amended. The Act to be amended is the *Mineral Resources Act 1989*.

Clause 3 reduces the mining claim rental penalty rate from 25% to 15% by amending Section 95 (rental payable on mining claim). Specifically, Section 95(5)(b) is amended by deleting “25%” and inserting “15%”.

Clause 4 amends Section 135 (no application for exploration permit within 2 months of land ceasing to be subject to exploration permit) by deleting Section 135(3). The result is that under Section 135(1), land ceasing to be subject to a coal exploration permit cannot be the subject of an exploration permit application until the expiration of two calendar months following the end of the month in which that cessation occurs.

Clause 5 amends Section 193 (rental payable on mineral development licence) by reducing the mineral development licence rental penalty rate from 25% to 15%. Specifically, Section 193(5)(b) is amended by deleting “25%” and inserting “15%”.

Clause 6 amends Section 239 (restriction on mining leases where land freed from exploration permit) by deleting Section 239(2). The result is that under Section 239(1), land ceasing to be subject to a coal exploration permit cannot be the subject of an application for a mining lease for a period of two calendar months following the end of the month in which that cessation occurs.

Clause 7 amends Section 290 (rental payable on mining lease) by reducing the mining lease rental penalty rate from 25% to 15%. Specifically, Section 290(5)(b) is amended by deleting “25%” and inserting “15%”.