

MT3: Mineral leases

Purpose

To outline the proposed changes to mineral leases under the *Mineral Titles Act 2010* (the Act).

Overview

A mineral lease (ML) is a mineral title that gives the title holder the right to occupy the title area and the exclusive right to:

- mine for minerals and conduct other authorised activities in the title area
- conduct activities in the title area that are ancillary to mining (conducted under another ML granted to the title holder)
- conduct tourist fossicking in the title area.

Expanding our mineral lease categories

In continuing to meet the emerging needs of our small scale miners and the fossicking industry, a number of new mineral lease categories are proposed. This includes MLs for small scale mines, tourist fossicking and general fossicking.

Mineral lease for small scale mines

A new ML for small scale mines (MLSSM) is proposed to accommodate small scale mining operations. Application requirements would be less stringent than those of a general ML.

The new MLSSM would:

- exclude the requirement for small scale miners to provide 'evidence of an ore body or anomalous zone of likely economic value' when applying for a title area that does not exceed 40 hectares
- allow the title holder to apply to reduce or simplify reporting on MLSSMs where there is low level activity.

Mineral lease for tourist fossicking

A new ML for tourist fossicking (MLTF) is proposed to allow a title holder to conduct general fossicking activities for tourists who pay a fee to participate in those activities.

The new MLTF would allow title holders to:

- conduct commercial fossicking tours on a title area no greater than 40 hectares
- use mechanical tools to push back topsoil to a maximum depth of 1 metre to facilitate fossicking

- apply for a MLTF for a maximum grant period of five years which can be renewed more than once
- have exclusive right to apply for a MLSSM should a mineral resource of economic interest be discovered.

The Minister would retain the discretion to limit the number of MLTFs that can be granted in any particular area at any one time.

Mineral lease for fossicking

A new ML for fossicking (MLF) is proposed to allow a title holder to conduct general fossicking activities outside the scope of Part 8 of the Act, but not to the extent permitted under the proposed MLTF, in relation to commercial fossicking tours.

The new MLF would allow title holders to:

- conduct fossicking activities on a title area no greater than 20 hectares
- use mechanical tools to push back topsoil to a maximum depth of 1 metre to facilitate fossicking (this is currently not permitted under Part 8 of the Act)
- apply for a MLF for a maximum grant period of five years which can be renewed more than once.

The Minister would retain the discretion to limit the number of MLFs that can be granted in any particular area at any one time, with the requirement to notify the Minister should a mineral resource of economic interest be discovered.

The two new mineral leases MLTF and MLF are specifically designed to provide for tourist fossicking and independent fossicking activities. These activities would be administered outside of the existing fossicking provisions under Part 8 of the Act.

Improving our mineral leases

Authorised activities

The Act outlines the authorised activities that may be conducted on a ML, however does not specifically provide for the title holder to conduct care and maintenance activities.

It is proposed to include in the Act that when mining activities and operations in connection with those activities have been suspended, that care and maintenance activities should be convened. This new requirement would also apply to MLSSMs.

New expenditure condition

The [Mineral Development Taskforce Final Report](#) recommended the introduction of a reportable minimum expenditure condition on MLs. While it is yet to be determined on how this provision would work, one proposal for MLs would be to apply the expenditure condition only if the ML is licensed under the *Environment Protection Act 2019* to conduct:

	Minimum amount
Exploration or other development activities (prior to the commencement of production)	\$10,000 or \$100 per hectare
Care and maintenance activities	\$2,000 or \$50 per hectare

It is proposed to apply this new condition to the two new MLs for fossicking and tourist fossicking, however the expenditure condition would be applied at a lower rate. A fee for non-compliance is also proposed to be introduced.

A ML title holder who is subject to an expenditure condition would be able to apply for a variation of conditions.