



# Austwide Newsletter

December 2015 Edition

**Welcome to our December 2015 Austwide Newsletter. Austwide thanks its clients for its support this year and we wish you all a Merry Christmas and happy and exciting New Year!**

*\*Please note Austwide will be trading throughout Christmas and the New with the exception of the public holidays.*

## Exploration Development Incentive (EDI) modulation factor announced

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The modulation factor for the EDI is 1 for an entity's maximum exploration credit amount for the 2015-2016 income year.

The EDI legislation which became effective from 1 July 2014, is based on an exploration tax credit system.

The EDI will enable eligible

companies to pass on to their Australian resident shareholders a proportion of eligible exploration expenditure in the form of a tax credit. Previously, such deduction would have been held as a 'loss' in the company's Balance Sheet until such time as it was able to claim that loss as a tax deduction.

## Mining Rehabilitation Fund (MRF) winner of Premier's Award for Excellence in Public Sector (WA)

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The Department of Mines and Petroleum's MRF initiative was awarded for developing the Economy, one of the seven Premier's Awards.

According to the DMP, during the initial non-compulsory year, companies voluntarily paid more than \$6.7 million into the MRF.

AMEC has reported that since its introduction, over \$1 billion has been returned to the industry from the relinquishment of environmental bonds and replaces with annual levy payments to MRF.



## Update on Proposed Amendments to the Mining Act (WA)



Recognition of the 2015 Red Tape Reduction Report Card was recently acknowledged by the Minister for Mines and Petroleum and Finance, Bill Marmion.

On 17 November 2015, the government announced it will abolish the requirement to submit geological evaluations for approval for iron ore exploration saving up to \$2 million a year.

The Minister said other important red tape reforms recognised in the inaugural report card include cutting approval times from 60 calendar days to 30 business days by enabling mining environments and native vegetation clearing approvals together and creating a single point of contact for mining tenements.

The *Mining Legislation Amendment Bill 2015* amends the *Mining Act 1978* ("**Mining Act**") to broadly consolidate and clarify the requirements on tenement holders relating to environmental management. Consequential amendments have also been made to the *Environmental Protection Act 1986* and *Mining Legislation Amendment Act 2014* and including a minor amendments to the *Mining Rehabilitation Fund Act 2012*. A new Part is inserted into the Mining Act to consolidate all environmental manager provisions of the Mining Act that deal with the grant and administration of mining tenure.

Some notable *Mining Legislation Amendment Bill 2015* amendments to the Mining Act are noted below:

- The *Mining Regulations 1981* to prescribe activities as 'low-impact activities' for prospecting and exploration in relation to

### Introduction of a Designated Tenement Contact



On 19 November 2015, Roy Burton, Jacqui Chamia and Kevin Connell attended the AMEC presentation in relation to the introduction of a single point of contact for correspondence in relation to a Tenement, i.e. Designated Tenement Contact (DTC). Such amendment is contemplated by *Licensing Provisions Amendment Bill 2015*.

The current method of contact adopted by DMP to communicate with applicants and holder is inefficient, subject to delay and costly.

The DTC is a point of contact (email address, address and phone number) for a tenement provided by the tenement holder/applicant for a mining tenement. The DTC email will not be used (as the sole form of communication) where formal notification is required under legislation or by DMP policy and in processes under the *Native Title Act* and Warden's Court.

The target date for the implementation of the amendments providing for the DTC contact is July 2016.

Austwide will be provide the DMP with our DTC should the amendment be accepted.

the new Part IVAA – Environmental Management.

- Requirement of certain activities (as opposed to the current position regarding all exploration and prospecting activities requiring approval) to be approved by submitting a programme of works or mining proposal (including mine closure plans).
- Allowing certain low impact activities to be carried out without approval (provided notice has been give of the proposed activity).
- Prevention of successive applications for exploration licences by the same applicant and effectively "tying up ground".
- Tenements liable for forfeiture for breach of compliance with conditions for preventing, reducing or remediating environmental harm.
- Maximum penalty of \$20,000 for providing false or misleading information in any document or notice under the new Part IVAA.

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