



Hon Bill Johnston MLA
Minister for Mines and Petroleum; Commerce and Industrial Relations;
Electoral Affairs; Asian Engagement

Your Ref: A689636
Our Ref: 71-06612

Hon Alanna Clohesy MLC
Chair
Standing Committee on Estimates and Financial Operations
Parliament House
PERTH WA 6000

icefoc@parliament.wa.gov.au

Alanna
Dear Ms Clohsey

2018-19 BUDGET ESTIMATES - QUESTIONS PRIOR TO HEARINGS

I refer to your letter of 21 May 2018 in relation to the 2018-19 Budget Estimates – Questions Prior to Hearings.

As requested, please find attached responses posed to the Department of Mines, Industry Regulation and Safety.

Yours sincerely

Hon Bill Johnston MLA
Minister for Mines and Petroleum; Commerce and Industrial Relations;
Electoral Affairs; Asian Engagement

Att

30 MAY 2018

Public / Internet

13/06/18

**LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2018-19 BUDGET ESTIMATES - QUESTIONS PRIOR TO HEARINGS

Department of Mines, Industry Regulation and Safety

The Committee asked:

1. What are some of the implications for your agency from the Commonwealth Budget released on 8 May 2018?

Answer:

The Junior Minerals Exploration Incentive, which provides a tax offset worth \$100 million over four years to small companies with no mining income to offset the cost of exploration activities, has the potential to generate additional exploration licence and environmental applications for assessment.

Additional funding (totalling \$260 million) allocated to improve the accuracy of GPS and satellite imagery is expected to result in more accurate environmental and mine rehabilitation data utilised by the Department.

The extension of funding to Geoscience Australia's Digital Earth Australia platform will also assist with environmental monitoring, as well as mineral exploration.

**LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2018-19 BUDGET ESTIMATES - QUESTIONS PRIOR TO HEARINGS

Department of Mines, Industry Regulation and Safety

Hon Peter Collier MLC asked:

1. How many Aboriginal people were employed by the agency/department on July 1st 2017 and April 30th 2018?

Answer:

1 July 2017 - 26

30 April 2018 - 26

2. How many Aboriginal people employed by the agency/department were Level 8 and above (including Senior Executive Service positions) on July 1st 2017 and April 30th 2018?

Answer:

Nil for both dates

**LEGISLATIVE COUNCIL STANDING COMMITTEE ON ESTIMATES AND
FINANCIAL OPERATIONS**

2018-19 BUDGET ESTIMATES - QUESTIONS PRIOR TO HEARINGS

Department of Mines, Industry Regulation and Safety

Hon Robin Chapple MLC asked:

1. I refer to the Exploration Incentive Scheme Continuation and footnote (b) found in Budget Paper No 2, Volume 1, Page 207: 'The Department collects additional revenue for Mining Tenement Rentals (MTR). The increased revenue from 2018-19 onwards supports the continuation of the Exploration Incentive Scheme with funding of \$5 million in 2018-19 and a further \$10 million per annum from 2019-20 onwards, which also enables the Department to promote continued investment in the State and deliver services more effectively in response to industry needs.' and ask:

- (a) how will small miners and prospectors be impacted by:
(i) the mining tenement rents increase at 6 per cent; and

Answer:

All mining tenement holders will pay an additional 6 per cent per hectare on their tenements (excluding exploration licences in their first 3 years from approval). Current area contained within tenements for small miners as at 2016-17 is very small and the number of small miners are disproportionately high so impacts at the individual company level for small miners will be low. The majority of area under tenements is held by large companies, which will bear most of the burden of the additional increase. This is demonstrated by the top 20 companies contributing approximately 30 per cent of the mining tenement rental income each year.

- (ii) exploration licence fees increase at 1.5%;

Answer:

Small miners and prospectors will pay an additional 1.5 per cent per block held within their exploration licence in the first 3 years from approval. The standard CPI rate as published in the 2018-19 Budget Papers was 1.5 per cent. Exploration revenue represents less than 30 per cent of total revenue generated by annual mining tenement rents. The majority of blocks held within exploration licences are attributable to large miners and as such, there will only be a minor impact on small miners.

- (b) will there be a threshold for small miners and prospectors;

Answer:

No

- (c) if yes to (b), what will the threshold be; and

Answer:

Not applicable

- (d) if no to (b), why not?

Answer:

Small miners and prospectors will continue to be subject to lower rental charges if they operate on prospecting licences. The rental charge per hectare for a prospecting licence will continue to be approximately one-sixth of the rental charge per hectare for a mining lease. All companies paying the rents have the opportunity to benefit from the co-funded drilling (\$5 million per annum) and the precompetitive data (\$5 million per annum). It is a decision made by a company whether to apply for co-funded drilling, or use the available pre competitive data downloadable from the Department's website at no cost.