

Legislative Council—No 101

As received from the House of Assembly and read a first time, 18 May 2011

South Australia

Mining (Royalties) Amendment Bill 2011

A BILL FOR

An Act to amend the *Mining Act 1971*.

Contents

Part 1—Preliminary

- 1 Short title
- 2 Commencement
- 3 Amendment provisions

Part 2—Amendment of *Mining Act 1971*

- 4 Amendment of section 17—Royalty
- 5 Amendment of section 17A—Reduced royalty for new mines
- 6 Amendment of section 17F—Processed minerals
- 7 Amendment of section 92—Regulations

Schedule 1—Transitional provision

- 1 Transitional provisions
-

The Parliament of South Australia enacts as follows:

Part 1—Preliminary

1—Short title

This Act may be cited as the *Mining (Royalties) Amendment Act 2011*.

2—Commencement

- 5 This Act will come into operation, or will be taken to have come into operation, as the case requires, on 1 July 2011.

3—Amendment provisions

In this Act, a provision under a heading referring to the amendment of a specified Act amends the Act so specified.

Part 2—Amendment of *Mining Act 1971*

4—Amendment of section 17—Royalty

- (1) Section 17(4)(b)—delete paragraph (b) and substitute:

- (b) in the case of minerals other than extractive minerals—

- 15 (i) in the case of declared mineral ores and concentrates—5% of the value of the minerals, as assessed in accordance with subsection (5) (the *royalty assessment principles*);
- (ii) in the case of declared refined mineral products—3.5% of the value of the refined mineral products, as assessed in accordance with the royalty assessment principles;

- (iii) in the case of declared industrial minerals or construction materials—3.5% of the value of the minerals, as assessed in accordance with the royalty assessment principles;
- (iv) in any other case—5% of the value of the minerals, as assessed in accordance with the royalty assessment principles.

(2) Section 17—after subsection (12) insert:

(13) For the purposes of this section, the Minister may, from time to time—

(a) by notice in the Gazette—

- (i) declare specified types of mineral ores or concentrates to be declared mineral ores and concentrates; and
- (ii) declare specified types of refined mineral products to be declared refined mineral products; and
- (iii) declare specified types of minerals to be declared industrial minerals or construction materials; and

(b) by subsequent notice in the Gazette, vary or revoke a declaration under paragraph (a).

(14) A notice under subsection (13) will have effect from a date specified in the notice by the Minister.

5—Amendment of section 17A—Reduced royalty for new mines

(1) Section 17A(2)—delete "of paying the first royalty payment under this Act" and substitute:

on which the first royalty payment under this Act is due and payable

(2) Section 17A(2)—delete "1.5" and substitute:

2

6—Amendment of section 17F—Processed minerals

Section 17F—after "processed minerals" insert:

or, as the content requires, refined mineral products

7—Amendment of section 92—Regulations

Section 92(1)(q)—delete "\$1 250" and substitute:

\$10 000

Schedule 1—Transitional provision

1—Transitional provisions

(1) In this clause—

new rate means the rate of royalty applying to new mines under section 17A of the principal Act on account of the amendment effected by section 5(2) of this Act;

principal Act means the *Mining Act 1971*.

(2) The amendments made by this Act to section 17 of the principal Act apply in relation to minerals recovered on or after 1 July 2011.

(3) The amendments made by this Act to section 17A of the principal Act apply in relation to any mine under that section that comes within the ambit of that section on account of an application lodged with the Director of Mines on or after 16 September 2010 (including a mine declared to be a new mine before the commencement of this clause).

(4) If a mine to which subclause (3) applies is declared to be a new mine before 1 July 2011, the new rate will be taken to have applied in relation to the mine from the date on which the mine was declared to be a new mine for the purposes of section 17A of the principal Act (and any royalty that becomes payable on account of the operation of this subclause must be paid in accordance with any determination of the Minister made for the purposes of this subclause).

(5) The amendments made by this Act to section 17A of the principal Act do not apply in relation to any mine that comes within the ambit of that section on account of an application lodged with the Director of Mines before 16 September 2010 (and section 17A, as in existence immediately before the commencement of this clause, will continue to apply in relation to such a mine as if section 5 of this Act had not been enacted).