



30 September 2002

Ms Sue Brown
Senior Petroleum Tenements Officer
Department of Natural Resources and Environment
PO Box 500
EAST MELBOURNE, Vic, 3002

Dear Ms Brown,

Re: Proposed Mineral Resources Development Regulations 2002

The Victorian Minerals & Energy Council has reviewed the proposed Mineral Resources Development Regulations 2002 and is pleased to provide the following comment.

The Victorian Minerals & Energy Council Inc is an industry association that represents the corporate minerals and energy industry of Victoria. The members of the Council are engaged in mineral processing, mining, exploration, or the provision of services to the industry.

The mission of the Council is to create the best possible environment for the continued sustainable development of the minerals and energy industry in Victoria by:

- Working with all levels of Government to ensure an effective legal and regulatory framework that supports and governs the industry;
- Encouraging members to achieve best practice in all aspects of their business through networking and exchanging of ideas;
- Communicating with Victorians on the nature, effects and benefits of the minerals industry including the environmental and social programs, along with economic benefits; and
- Working in partnership with educators and students to enhance teaching and learning about the minerals industry.

We appreciate the need for the new Regulations and the rationale to combine the various Regulations made under the Mineral Resources Development Act (MRDA) into one Regulation. However, we have concerns with several matters proposed in the new Regulation and a few minor matters that we wish to bring to your attention as follows:

Advertising Requirements

We are concerned that the RIS, Regulations and Schedules are inconsistent with respect to the advertising requirements for mining licences.

The RIS states that applications for mining licence need only advertise in a local newspaper and include a map.

Regulation 16 requires exploration and mining licence applications to be advertised in statewide newspaper and a local newspaper.

Under Schedule 7 for ELs, a map is required to be included in the local newspaper advertisement. We are supportive of this.

Schedule 8, for mining licence applications, requires that for licences of greater than 5 hectares, a map is required in both the local and statewide newspapers. We are unhappy with the requirement to publish a detailed map in the statewide newspaper. This would be prohibitively expensive and serve little value as all affected landowners are to be served with a copy separately. We believe the requirement in Schedule 8 (3)(h) should state that the map is only required in the local newspaper. We are happy to continue to provide a simple advertisement in the statewide newspaper for mines of greater than 5 ha.

It is also noted that the time limit of 21 days for objections to mining licence applications has not been included in Schedule 8(3). Wording similar to that in Schedule 7 should be used.

Agricultural Land Owner Rights and Obligations

We are concerned that the words specified in Schedule 8(5) relating to the economic significance clauses of the MRDA are far too complex, could confuse a landowner of their rights and obligations at this early advertising stage and highlight what is only one of several rights and obligations of landowners. We believe that the issue should be rewritten to paraphrase the process of the economic significance test in plain English and mention that landowners are encouraged to contact the Dept to gain a copy of the booklet 'Land Owner's Questions Answered'.

Coal Bed Methane

We are concerned that the detail specified for exploration and mining work plans for coal bed methane projects in Schedules 12 and 13 are inconsistent with the requirements for other minerals. We note that much of the information requested will be unknown at the exploration and development stage and that the details would be far better covered by a guideline.

We are comfortable with the concept that good safety practice should be incorporated into work plans but this requirement should apply to all minerals, not just coal bed methane.

We recommend that Schedule 12(6) and Schedule 13(8) be deleted and replaced by a simple statement that sound safety arrangements are incorporated into the work plan.

Incorporation of Small Excised Areas

Regulation 29, items 3,4,5 and 6 relate to the inclusion of the land of a small mining licence once it expires into a surrounding EL or MIN. We are concerned that the surrounding EL or MIN holder must apply for the land to be included after a 28 day moratorium. This unreasonably exposes the EL or MIN holder to the possibility of other parties also applying for the land.

Old Regulation 220 provided for the holder of the surrounding licence to request the inclusion of the smaller area within 28 days. In order that the sovereign risk to large tenement holders is not diminished it is important that this priority request for inclusion be reinstated. Should other parties wish to apply for a 5 hectare MIN in an EL they can do so through the provisions that permit this under Section 25A of the MRDA.

Reporting Dates

Regulations 26 and 27 specify a complex arrangement for reporting dates for the annual activity and expenditure returns and the technical reports for exploration licences. It is not certain exactly what the aim of the proposed range of dates is to achieve.

We are comfortable with the requirement for mining licences to report on 30 June each year.

For ELs, we would like to see the Regulation provide an opportunity for the reporting date to be set at the end of a quarter that would be agreed between the Department and the company. In this case it would be appropriate for the company to nominate in the EL application the quarter they wish to report on. This would provide an option for the reporting date to be aligned with the other company reporting deadlines. This nominated date could be added in Schedule 2 and Regulations 26 and 27 simplified considerably.

Minor Issues

We note a typographical error with the Royalty table in Regulation 7. The rate for tailings is aligned incorrectly.

We note a typographical error with Schedule 8 Item 3 where ‘allicence’ should read ‘a licence’.

The above issues are important to members of the Victorian Minerals & Energy Council. It is also important that the new Regulations provide an effective means of administering the MRDA in a clear and transparent manner. We commend the above issues and proposed changes to you.

We would be pleased to meet with you or representatives of the Department of Natural Resources and Environment to discuss our submission. I can be contacted on 9629 1851.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'C Fraser', written in a cursive style.

Chris Fraser
Executive Director