

# Tenementality

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## Victoria introduces infringement notices and fines for non-compliance

With effect from The Department of Economic Development, Jobs, Transport and Resources (DEDJTR) has commenced issuing infringement notices for non-lodgement of Expenditure and Activities Returns for both exploration and prospecting licences, and mining licences.

Penalties for non-compliance are provided for in Section 110 of *the Mineral Resources (Sustainable Development) Act 1990*, and prescribe a fine of up to 2500 units (currently \$369,025) for a corporation

The infringement notices are issued pursuant to the *Infringements Act 2006*, and will automatically be issued on failure to submit the Returns within the requisite timeframe.

If the infringement notices are not paid within the due date, recovery of the debt will be referred to Civic Compliance Victoria (the Magistrates Court) for action.

At the time of writing, no notices have yet been issued.

## Victoria publishes policies for the first time.

On 06 July 2015, and in conjunction with the implementation of infringement notices, DEDJTR has published its first "Guide to Tenement Compliance" at

<http://www.energyandresources.vic.gov.au/earth-resources/licensing-and-approvals/minerals/guidelines-and-codes-of-practice> .

Features of the published policies include for the first time tabulated minimum expenditure requirements, giving applicants certainty as to the level of

commitment required, and introduces a new category of lower "halo" expenditure for exploration licences which surround existing mining operations.

Rent obligations for ELs have also been clarified, with rent now due on 01 July of each year and payable by 28 July, or risk licence cancellation.

## Michael Davie-Smythe



Michael holds an Honours Degree in Geology from the University of Melbourne, and has over twenty-five years experience in geological and tenement administration, with over ten years at TAS in charge of the Melbourne Office.

Michael especially specialises in "sorting messes" for clients with tenements in Victoria, Tasmania and South Australia, and handles portfolios across Australia.

To contact Michael call (03) 9553 4696

## Farm-in Agreements (QLD)

The *Payroll Tax Rebate, Revenue and Other Legislative Amendment Act 2015* was passed on 02 June 2015 which will affect farm-in agreements between exploration companies in Queensland.

*The Bill will amend Section 8 of the Duties Act 2001 (imposition of transfer duty). Farm-in Agreements are now classed as a dutiable transaction and will attract transfer duty (stamp duty).*

The Act includes three farm-in agreement scenarios:

1. Upfront farm-in agreement
  - A written agreement entered into by a farmor and another person “farmee” in relation to an exploration permit which the farmor must make 1 or more transfers to the farmee of a stated interest in the exploration permit, each interest being less than 100% of the total interest.
2. Deferred farm-in agreement
  - Which is a written agreement entered into by a farmor and another person “farmee” in relation to an exploration permit which the farmee is entitled to 1 or more transfers from the farmor of a stated interest with each interest being less than 100% and;
  - The entitlement to each transfer only arises if the farmee spends a stated amount after the agreement is entered into.
3. 100% transfer farm-in agreement
  - Which is an upfront farm-in agreement or deferred farm-in agreement that upon completion of all of the transfers of interest that are proposed within the agreement/s will result in the farmee holding 100% interest of the exploration permit.

The amendments take effect from 01 July 2015.

<https://www.legislation.qld.gov.au/Bills/55PDF/2015/PayTaxRebRevOLAB15.pdf>

For more information, contact Mathew Johannesen in our Brisbane Office.

Tenement Administration Services Pty Ltd “TAS” is pleased to offer complimentary:

### *White Paper: 17 Essential Questions when Administering Exploration and Mining Holdings*

The White Paper was updated in July 2015 in response to collective general enquiries received by TAS and is intended to identify some of the essential questions needing to be asked by Exploration and Mining stakeholders regarding administration and compliance of tenement obligations.

Tenement management encompasses a broad spectrum of speciality areas and the advice of qualified experts in the field of Tenement Administration is imperative in order for tenement holders to navigate the matrix of complexity for their tenure portfolio to be secure and compliant.

If you are interested in receiving this White Paper, please visit [www.landadmin.com.au](http://www.landadmin.com.au) and send your request from the homepage.

