
INFORMATION FOR CATEGORY 3 MINING LEASES ON PRIVATE LAND

This information is for Category 3 (Construction mineral) operations conducted on private land.

OBLIGATIONS UNDER THE MINERAL RESOURCES DEVELOPMENT ACT 1995

- Category 3 Minerals are owned by the owner of the surface of the land regardless of the depth at which they occur.
- The Crown retain ownership of all minerals for areas of land that was Crown Land and has been disposed of by the Crown (e.g. sold to a private party).
- A mining lease is not required for Category 3 minerals on private land where it is mined for the use of the owner or occupier of that land, or sold at a rate of less than 100 tonnes each year.
- However, a mining lease will be required if the Category 3 minerals are to be sold at a rate of more than 100 tonnes each year.
 - Sell includes offer or agree to sell; keep or have in possession for sale; dispose of; barter or exchange; transfer; expose for sale; send, deliver or receive for sale; cause or permit to be sold.
- A lease will only be granted in respect to private land if the applicant has entered into a compensation agreement with the owner or occupier of the land, where the applicant is not the owner of the land.
- Compensation is payable by the lessee to the owner or occupier of private land for any compensable loss suffered or likely to be suffered as a consequence of mining under the lease.
 - Compensable loss means damage to the land (including: damage to the surface of the land, damage to crops, buildings, improvements on the land, the destruction or loss of, injury, disturbance or interference with stock; loss of recreation and conservation values, any decrease in the market values of the land).
- Mining operations under a lease, on private land, must not be undertaken within 100 metres of a lake or dwelling or substantial building unless the holder or operator of the lease has consent of the owner and/or occupier of the land to do so.
- The lessee, when also the owner of the land, must advise Mineral Resources Tasmania (MRT) if the land subject to the mining lease is sold.

FINANCIAL REQUIREMENTS OF THE ACT

- Lessees must pay rent to the Crown in respect of a lease at a prescribed rate.
 - Lessee's who are the owner of land and minerals to which a lease relates are generally exempt from rental payments.
 - This exemption only applies where the name of the lessee corresponds with that of the land title holder.
- 6 months' rent is payable in advance upon application for a mining lease
- Annual rent falls due on 1 July of each year.
- The best way to avoid the obligation to pay rent is to ensure both the landowner and lessee are exactly the same person on the land title and lease document.
- If the ownership of land subject to a mining lease is transferred to a family member, then to avoid future rental payments and the need for a compensation agreement, a lease transfer may become necessary.

Other requirements:

- It is the responsibility of the landowner to ensure that all regulatory requirements are met and any required permits in place prior to commencing any operations.