

# LAND COURT OF QUEENSLAND

CITATION: *Re Wirralie Mines and Crocker* [2009] QLC 0071

PARTIES: **In the matter of Application for Mining Lease No 1079 by Wirralie Mines Pty Ltd and Joyce Iris Crocker**

FILE NO: MLC00056/2009

PROCEEDING: Application for determination of compensation

DELIVERED ON: 29 May 2009

DELIVERED AT: Brisbane

MEMBER: Mr BR O'Connor, Judicial Registrar

ORDERS:

- 1. I determine compensation under s.281 in the sum of \$97,600**
- 2. I award an additional amount of \$9,760 in accordance with s.281(4)(e).**
- 3. I direct that the miner pay the total compensation in the sum of \$107,400 (rounded) to landowner for the time being; \$35,800 within three months of notification of grant of renewal of the mining lease by the Mining Registrar; thereafter in two instalments each of \$35,800 on the fifth and tenth anniversary of the first payment being one.**
- 4. No order for costs.**

CATCHWORDS: MINING LEASE – DETERMINATION OF COMPENSATION

*Mineral Resources Act* 1989, ss 279, 281

*S.P. White v Warner* [2003] QLRT 40  
*Smith v Cameron* [1986-87] 11 QLCR  
*Shaw v Heritage Holdings Pty Ltd* [1992-93] 14 QLCR

APPEARANCES: Not applicable – Heard on the Papers

## Background

[1] The applicant Wirralie Mines Pty Ltd (the miner) seeks the renewal of grant of Mining Leases 1079 in the Charters Towers District. The applicant seeks a term of 15 years. The application was lodged at the office of the Mining Registrar Charters Towers on 6 May 2008.

- [2] The leases are located on Pastoral Holding 2090. Access is through the same property. A grazing operation is conducted on the property. The leases is over a surface area of 1300ha (rounded) and is sought for the purpose of mining for gold and other minerals.

### **The Act**

- [3] Section 279 of the *Mineral Resources Act 1989* (“the Act”) provides that a mining lease shall not be granted or renewed unless an agreement in relation to compensation has been filed at the office of the Registrar, or in the absence of such an agreement, a determination of compensation has been made by the Court. In this instance, no agreement has been lodged with the Registrar and the matter has been referred to the Court for determination.

- [4] The matters which must be considered by the Court are set forth in s.281(3) of the Act. Although s.281 sets out the matters to be considered, it does not define any method of assessment. In *Smith v Cameron* (1986) 11 QLCR. 64, the Land Court held at p.74...”

“The section in my opinion merely identifies matters which shall be taken into consideration in making the assessment. It does not prescribe a method of valuation. No doubt each case will depend on its own facts and circumstances but it seems to me that either method is open to the valuer.”

- [5] In *Shaw v Heritage Holdings Pty Ltd* (1992-93) 14 QLCR 139, the Court at p.146 said:

“the method of assessment remains a matter which will be governed by the facts and circumstances of each case in which event emphasis may shift from one method to another.”

- [6] In considering *Mitchell v Oakhill and Mitchell* (10 March 1998) unreported, The President of the Land Court, referring to s.281(3) of the *Mineral Resources Act*, found:

“the latter section does not prescribe a method of assessment. In my view, as long as the amount of compensation finally determined sufficiently accounts for each of the matters referred to in the sub-section, it is not necessary to quantify an amount in respect of each of the matters referred to.”

### **The evidence**

- [7] Neither party sought to appear before the Court and this matter has been dealt with on the papers. Neither party filed statement or other supporting material. Some documentation in relation to factual matters was provided by the Registrar. In these

reasons I refer to the salient points but not all the evidence that I relied upon in making my determination.

- [8] There was no formal valuation evidence to consider, therefore the Court does not have that assistance in arriving at a determination. Due to the relatively small area involved, the cost of a valuation would outweigh any award for compensation. Due to the area involved, co-use or co-occupation would not be feasible, and the land owner has lost the use of the lease area of 1301ha for the term of the lease.
- [9] Prior determinations and agreements for leases and claims in the Charters Towers area range from about \$5 per hectare per year to \$15 per hectare per year.
- [10] In summary, there was no evidence called to support any claim under any other head of compensation, nor was any matter raised which would necessitate consideration under paragraphs (a), (c), (d), or (e) of subsection 4 of section 281 of the Act.

### **Access**

- [11] From details provided in the copy of the application for grant, it appears access is through the same property. There are no details of this access or the effect it will have on the operation of the landowners. I award a nominal sum of \$100 in relation access to the claim, noting that the term of the lease is not of a short duration.

### **Blot in Title**

- [12] Due to the amount of compensation awarded, no separate allowance is made for blot on title.
- [13] In making this determination I take into account that the only other viable use of the land is low intensity grazing. I consider mining operation on this lease of this size would have no measurable effect on the operations conducted on the property for at least half of each year, probably longer. There would be some minor effect which would include the noise of machinery and the movement of people and vehicles on or about the lease area and along the access road. There is no evidence of severance of one party of the property from any other part and I make no allowance for injurious affection of the balance of the property.
- [14] It is not the usual event that the mining lease is fenced to keep stock out, and it is common practice for the balance of the lease not disturbed by mining to be left available for grazing by stock and native fauna. This determination will reflect the

level of usage of the surface of the lease by the miner against the right of the landowner to receive compensation and place the landowner is as near a position that a monetary award can as if the lease did not exist.

- [15] Having regard to all the circumstances, I consider that the following award will satisfy the requirements of s.281 for the term of the lease for the limited purposes authorised by the grant of the lease. Drawing then on the limited evidence that is available, I determine compensation under Part 7 of the *Mineral Resources Act 1989*, to satisfy all heads of compensation set forth in subsection 3 of section 281 of the *Mineral Resources Act 1989* shall be the sum of \$5 per annum per hectare for the term of the lease. I award the additional sum of \$100 for access. The aggregate total of these awards is \$97,600. I further award the sum of \$9,760 under s.281(4)(c) to reflect the compulsory nature of the action taken under this part. The total amount is rounded to \$107,400.

#### **Terms of payment**

- [16] In relation to the terms, conditions and times when payments should be made, I take into account the quantum of the order, the size of the lease and the period of the lease. In these circumstances, I order that the miner pay compensation to the current landowner in the sum of \$35,800 within a period of three months from notification of grant of renewal of the mining lease by the Mining Registrar; thereafter two instalments each of \$35,800 on the fifth and tenth anniversary of the first payment being due.

#### **Costs**

- [17] Neither party has sought an order for costs and in this matter it is not appropriate that costs be awarded.

**BR O'CONNOR  
JUDICIAL REGISTRAR**