

LEGISLATIVE COUNCIL**Question on notice**

Tuesday, 16 June 2015

3268. Hon Robin Chappie to the Minister for Agriculture and Food representing the Minister for Mines and Petroleum.

I refer to recent media reports and ASX announcements regarding Mount Gibson Iron Ltd's (MGI) agreement with Qube Ltd for the development of a supply base on Koolan Island for the offshore oil and gas industry, and I ask:

- (a) what mining leases or other mining-related tenements granted under the *Mining Act 1978* does MGI currently hold on Koolan Island;
- (b) will the Minister provide a comprehensive list of those current tenements held by MGI on Koolan Island, their location, when they were granted and, in summary, what rights, purposes and conditions apply to each of them and, if not, why not;
- (c) does MGI currently hold any other legal rights over any part of Koolan Island beyond those mining tenements;
- (d) if yes to (c), under what Act, and section or sections of those Acts, are each of those additional leases or tenements granted and what is the purpose of those leases;
- (e) is MGI in full compliance with all relevant conditions on each of the leases or other tenements it holds under the *Mining Act 1978*:
 - (i) if no to (e), in which case(s) is it non-compliant and why;
- (f) given the recent seawall collapse and halt to mining on Koolan Island, is MGI under investigation or has it been under investigation by the Department of Mines and Petroleum;
- (g) if yes to (f), what stage have these investigations reached and when will decisions be made as to whether MGI breached its legal obligations under the Mines Act on Koolan Island;
- (h) is the Minister aware that MGI has been conducting negotiations and signing agreements with a third party to develop Koolan Island for a completely different purpose to that which its mining leases allow:
 - (i) if yes to (h), when and how was the Minister made aware of these negotiations and agreements; and
 - (ii) on what legal basis is MGI conducting these negotiations and signing these agreements; and
- (i) has the Minister or the Department of Mines and Petroleum specifically authorised these negotiations and agreements:

(i) if yes to (i), when did this authorisation take place and under what provisions of the *Mining Act 1978* was it given; and

(ii) if no to (i), will the Minister intervene and direct MGI to cease such negotiations and cancel such agreements and, if not, why not?

Answer

The Department of Mines and Petroleum advises:

- (a) Koolan Iron Ore Pty Ltd is a wholly owned subsidiary of Mount Gibson Iron Ltd and currently holds Mining Leases 04/416 and 04/417; Exploration Licence 04/1266; and Miscellaneous Licences 04/29 and 04/68 on Koolan Island.
- (b) The list of relevant tenements is provided in the answer to (a). The location, date of grant, purposes and conditions that apply to each of these tenements is publicly available information which can be obtained through the Department of Mines and Petroleum's Mineral Titles Online and Tengraph systems.
- (c) The Department of Mines and Petroleum is not aware of any other legal rights. The underlying tenure for Koolan Island is Vacant Crown Land.
- (d) Not applicable
- (e) A check within the Department of Mines and Petroleum indicates Mount Gibson Iron Ltd is compliant with conditions of its Mining Act tenements. No non-compliances with tenement conditions were identified by the Department of Mines and Petroleum during the last inspection of Koolan Island on 18 May 2015.
 - (i) Not applicable
- (f) The cause of the seawall failure continues to be under investigation.
- (g) The investigation is ongoing and it is not appropriate to discuss likely outcome at this time.
- (h) Yes
 - (i) Through public statements reported in May 2015 relating to options to develop Koolan Island as a logistics base.
 - (ii) As the Minister for Mines and Petroleum I am not a party to commercial discussions between Mount Gibson Iron Ltd and Qube Holdings Limited.
- (i) No
 - (i) Not applicable

- (ii) No. The Minister has no obligation to intervene in private arrangements between companies that are not known to be breaching an Act or Regulation.

A handwritten signature in black ink, consisting of a stylized 'W' followed by a horizontal line and a small dot above it.