

# Expenditure condition exemptions under the Ministerial Statement of Opinion

13 April 2020

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With the first months' of expenditure reports for periods which may have been affected by COVID-19 or restrictions imposed by governments in response to the COVID-19 pandemic falling due we look at the recently published Ministerial Statement of Opinion on applications for exemption from expenditure conditions.

In our 31 March 2020 [article](#), we wrote that the Minister for Mines and Petroleum had announced that he would be issuing a Ministerial Statement of Opinion in order to streamline consideration of applications for exploration expenditure relief from explorers and producers who are facing difficulties in meeting their tenement minimum expenditure conditions due to the COVID-19 pandemic.

On 3 April 2020, the Ministerial Statement of Opinion was published in the Western Australian Government Gazette. The Statement sets out that, until 31 March 2021, a holder of a mining tenement may apply for an exemption from expenditure conditions under section 102 of the Mining Act 1978 (WA) if "the holder was unable to meet the expenditure requirements relating to the tenement as the direct result of COVID-19 or restrictions imposed by governments in response to the COVID-19 pandemic".

As anticipated, the process will be run as an application under the general Ministerial discretion for relief available under section 102(3) of the Mining Act.

The Statement clarifies that: "Applicants should therefore provide a statement demonstrating that exploration expenditure conditions have not been met because of a direct result of the effects of COVID-19 and/or the restrictions imposed by governments in response to the COVID-19 pandemic; which will then be considered in determining the application."

While useful as a starting point, the published Statement shows that the application for exemption is no "gimme" and applicants should take care to provide sufficient supporting materials to give themselves the highest possible chance of being successful.

We remain hopeful that the Department of Mines, Industry Regulation and Safety will take a pragmatic and supportive approach to assessing applications for exemption under pursuant to 102(3) and the Ministerial Statement of Opinion.

For more information or advice, please contact our [Resources and Energy](#) team.

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