



Changes to landowner rental distribution arrangements to apply from 1 July

The State Budget released on 6 June 2024 included changes to eligibility for landowner rental distributions under the [Mining Act 1971](#).

These changes were communicated to freehold landowners with mining tenements associated with their land in June 2024 by email and post. The Department for Energy and Mining (DEM) is now writing to freehold landowners to advise that the changes were passed by parliament on 6 February 2025 and will apply from 1 July 2025.

This aligns South Australia's rental regime with other states and territories, where miners and landowner(s) negotiate directly, and agree on compensation that reflects the impact on and disturbance to the landowner(s).

Importantly, to ensure that existing landowners who negotiated agreements under the previous regime are not unduly impacted, the changes do not apply retrospectively.

Background to landowner rental distributions

Under Section 56M of the *Mining Act 1971*, all rental collected from tenement holders is paid into Treasury general revenue unless the mining lease, retention lease or miscellaneous purposes licence is granted over freehold land, or native title land that is held in exclusive possession. In these cases, 5% of the rental is retained by government and the remaining 95% is distributed to the relevant owners of the land, subject to eligibility.

Changes to eligibility

From 1 July 2025 freehold landowners will not be eligible to receive landowner rental distributions for land associated with new applications received on or after that date, for a mining lease, retention lease or miscellaneous purposes licence. Under such new applications, landowners and miners will directly negotiate compensation arrangements.

From 1 July 2026 where a freehold parcel is transferred the new landowner will have reduced eligibility for the landowner rental distributions relating to that parcel, equal to 50% of the full entitlement. Transfers associated with deceased estates and interfamilial transfers will be excluded from this change and maintain their existing level of landowner rental distributions.

To be satisfied that a transfer constitutes a familial transfer, the parties to the transfer may be required to provide information or evidence to DEM.

I do not receive landowner rental distributions – why have I received this notification?

This notification has also been sent to freehold landowners who are also tenement holders, or partly the same party as the tenement holder, or a 'related body corporate' of the tenement holder. Landowners in these circumstances are not currently entitled to receive landowner rental distributions.

This approach has been taken to ensure that those freehold landowners are aware of the changes which, while currently having no impact on them, may impact the eligibility for future owners of the land they hold.

DEM's website provides examples of where a freehold landowner is not entitled to landowner rental distributions.

Further information

Further information about landowner rental distributions, including examples of eligibility, is available on the DEM website: <http://energymining.sa.gov.au/industry/minerals-and-mining/communities-and-land-access/mineral-exploration-and-land-access/landowner-rental-distributions>

If your query is not addressed on the website, you can contact the DEM Tenements Finance Team directly by emailing DEM.TenementsFinance@sa.gov.au.

18 February 2025