

Dear Sirs

Our business Prospecting Supplies Australia based in Melbourne supplies prospecting and small mining equipment to Australia New Zealand and South Pacific countries mainly on a wholesale basis to dealers but with some retail overseas where there are no dealers see www.prospectingsupplies.com.au

Some 5 to 10 percent of the business is to Victorian dealers and prospectors which is disproportionately low to the area and richness of the goldfields in Victoria and should be a higher percentage. The reason that the Victorian prospecting and small mining community are not great buyers of our product range is that they feel hamstrung by regulation and red tape.

In New Zealand where we sell most of the dredging equipment that we handle there are hundreds of dredging licences and on the West Coast there are about 220 black sand licences. As the inquiry would know dredging was banned in Victoria in 1990 not due to any science but for raw political reasons alone . In 1995 dredging was reinstated in New Zealand with very little fuss and is today a mainstream recreational activity without the green groups having any great interest in the activity. This speaks volumes because again as the inquiry would know New Zealand is a very environmentally aware country priding itself on its clean and green image around the world. Their major tourist marketing logo is "Pure New Zealand"

We have a great deal of contact with New Zealand clients and whilst they have some access issues we have yet to hear about environmentalists or landholders opposing dredging as an activity.

Conversely we hear from prospectors and small miners in Victoria that the bureaucracy and regulations are so complicated and difficult to deal with that they just don't start.

We submit that the major impediment to new greenfields exploration in Victoria is the regulatory noose that hangs around the neck of all intending prospectors and small miners. As the inquiry would know there is a MR(SD)A review being conducted at the moment which will conclude shortly and the writer has had considerable input to this however we have very little confidence that this will have any significant impact on the regulatory regime in Victoria.

Yours Faithfully

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