

# Prospectors & Miners Association of Victoria Inc.

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## **Prospectors & Miners Association of Victoria's Submission to the Economic Development & Infrastructure Committee's Inquiry into greenfields mineral exploration and project development in Victoria.**

Having spent over 20 years as a PMAV executive, I am well experienced preparing submissions but have had enormous trouble writing this one.

I couldn't understand why, then realised that my problem equated with the problems surrounding the regulation and control of mining and exploration in Victoria. There is just too much to say as there are simply too many people who are involved in making decisions about mining and exploration in Victoria.

As a result this Submission is largely an overview of the situation from our viewpoint and included suggested remedies. We have made a few specific comments on the Terms of Reference in part two of the submission.

There are also a few supporting documents, see appendices. Included in these documents is a submission written for the PMAV by Doctor of Geology, Allan Rossiter. While Dr. Rossiter's submission was written for another purpose it is very relevant to this Inquiry.

Also attached is an electronic copy of our journal – the Eureka Echo – for the Committee's information.

We would appreciate the opportunity of appearing before the Committee to give more details on the points raised.

Victoria has enormous mineral potential, the interests of PMAV members focuses primarily on gold but there are a range of minerals that could be there - we just need to encourage the right people to look for them and to keep restrictive regulation to a minimum.

## **PMAV Submission – Part 1**

### **What is wrong?**

We tried to do our own flow chart showing how difficult it is to obtain a mining licence in Victoria - it was too complicated. You will find (appendix 1) a new 'simplified' flow chart prepared by DPI on how to obtain a work permit - this is an example of just how complex the situation has become.

Anything to do with resource development is becoming the land use of last resort. If it isn't a national park, recreation reserve, wallaby habitat, within 100 metres of a school, Aunt Ginnie's favourite spot for a walk, swift parrots may want to perch on a tree on that block, etc. then just maybe, if we jump through numerous hoops, we may get a permit to mine or explore.

There are over 20 Victorian Acts that have a significant role in both the decision making and regulation surrounding resource development.

When applying for a Licence, so many people have the right to say 'no' (or yes with a long list of conditions) that the situation has become unworkable. Let's face it, if you ask a local council for comments on a proposal to mine they feel it is their responsibility to condition the licence further. Give a bureaucrat a chance to regulate something and they just cannot resist.

The Department of Primary Industry has a purely regulatory approach with almost no customer support and no focus on encouragement. We regularly (too regularly) are involved in reviews of various procedures. Few of these reviews focus on improving the situation for the resource industry - it is all about more and tighter regulation.

We cannot think of any other industry that is subject to a similar amount of regulation as the resources.

What encouragement there is for industry focuses on the larger operators. It is time that the potential of smaller operations was recognised and encouraged. Individual prospectors through to medium sized companies should be thriving in Victoria as many of the mineral deposits are suitable for development by that sector. Rio and BHP have tried Victoria on many occasions and left. They understand the scale, it is time our government did.

Even simple prospecting under the Miners Right is controlled by so much regulation that there is no-one in authority who can provide a list of those areas where prospecting is prohibited. For many years we have tried to obtain this and given up. When we discussed this with a State Government Minister not that long ago, he said well just go where you like until someone says you can't.....

So why is Victoria missing out on the resources boom? **It is just simply hard to work here!**

**If you aren't sure whether or not we have a problem – see the gold production graph in Appendix 2**

**So having identified the problem, our suggested solutions follow:**

As a priority a 'Bureau of Mineral Resources' be established with the sole responsibility for co-ordinating, promoting and assisting mineral development of all levels.

As an important part of this bureau GeoVic conducts projects that benefit all levels of activity, not just the mega-miners.

Permit the Mining Warden to hear disputes with any state or local government authority. The Mining Warden understands the peculiarities of the industry, VCAT members are not specialised in mining matters.

A public relations unit be established within the Bureau to assist with public understanding of the importance of the resource industry to the wellbeing of the state.

Remove the need for 'community consultation' for small mining operations. As was previously the case, an advertisement in the local paper should suffice to inform the locals that a mine is to be established.

Set out clear rules for DSE so that they can't misuse native vegetation protection as a reason to stop mining or exploration.

Remove prohibitions on prospecting under a Miners Right and only reinstate if there is adequate peer-reviewed science or a genuine social reason (eg a cemetery or school area) to support the prohibition.

Conduct a trial of recreational eductor dredging. There is a current proposal being considered by DPI and DSE for a company to dredge rivers to remove mercury. Why not permit recreational dredgers to do this and remove the gold at the same time? The removal of dredging licences was purely based on politics - not science.

Remove the current prohibitions on mining and exploration in national and state parks except where it can be proved that these activities will have a detrimental, long-term environmental impact.

At the very least, impose a depth limit on these parks, similar to that in place under the Greater Bendigo National Park. At present parks extend to the centre of the earth.

## **PMAV Submission – Part two**

### Specific responses to Terms of Reference

#### **a. Victoria's mineral endowment**

Victoria is, not was, one of the world's greatest gold provinces. The importance of the early rushes to the development of Victoria is well recognised. Without gold Victoria would be a completely different place.

It is only recently that Western Australia overtook Victoria as the main gold producing state. Since that time we have been steamrolled by their production levels, while ours drops through the floor. We refer you to the attached gold-production graph (appendix 2).

Gold (and for that matter any mineral) is where it is. It is not where some bureaucrat (or greenie) would like it to be.

Gold also happens to occur around goldfields' towns. These towns have developed from tent-cities established during the early rushes. It should be no surprise, or a source of alarm, for residents of these areas when a company or individual wishes to explore or prospect for gold. Unfortunately some operations have been the victim of the NIMBY attitude – for example the debacle of the failed Mt Egerton project.

It still amazes us that in Victoria it is illegal to look for or find uranium or similar minerals. It is time Victoria moved to the 21<sup>st</sup> century and removed this ridiculous piece of legislation. It is akin to worrying about the millennium bug!

#### **b. The regulatory environment – see also overview.**

Vast areas of prospective land in Victoria are locked away in national and state parks. These areas are often even out of bounds for prospectors with their metal detectors or gold pans.

There should be a review of current prohibitions on activities – including prospecting.

This would also allow each application for exploration or mining to be considered on its merit.

Parks often cover areas of extensive mineral deposits. We currently have the situation where we could have a resource worth billions, but it can't even be investigated if it is in a national park. I am sure our struggling hospital system would appreciate a billion dollar boost!

During the 1990's the Environment Conservation Council conducted an Inquiry into use of public land in the Box and Ironbark region of Victoria. This covers most of the central Victorian goldfields. The ECC's findings were decided before the Investigation was finalised. As an example – the draft report contained many mathematical errors, some concerning millions of dollars (all favouring the conservation argument). We detailed this to the Council in a multi-page document and suggested they withdraw and correct

the Draft Report or at least issue an errata statement. They refused to do so and steam-rolled on. This so called Inquiry led to the establishment of a series of national and state parks across the goldfields that excluded mineral activities, even though there was no evidence that prospecting, exploration or mining does any long-term environmental damage. It should be noted that following later lobbying direct to parliament by the PMAV, prospecting is permitted in limited areas of some of the parks.

Each time there is an Inquiry by the LCC, ECC, VEAC, etc. the resources industry loses access to more ground and yet no-one has bothered to investigate whether this is environmentally or socially necessary. The effects on the mining and extractive industries are ignored.

No-one has ever investigated the possibility of undoing some of the prohibitions.

When the Box and Ironbark Investigation concluded we were (and continue to be) angry with the result but felt some consolation in the fact that at least we knew where we stood and now had clear boundaries on areas that were available. Not so! Bureaucrats are now imposing their own ideological beliefs to stop mining in any forested areas. They are using, or misusing, the native vegetation controls to prohibit mining.

Subservience of MR(SD)A legislation. The Act charged with administering resource development in Victoria is reliant on too many other pieces of legislation.

There needs to be a review of the direction of those administering relevant legislation – we need an attitude of assistance to industry at all levels, rather than the purely regulatory role that the Department of Primary Industry has adopted and the hostile attitude of the Department of Sustainability and Environment.

In the 1980's the process to obtain a Miners Right Claim was simple. The time delay between application and getting on the ground could be as little as a few days – yet the environment wasn't destroyed. In fact areas worked in that time ended up being in much better condition than before work started. Those areas are often now difficult to identify as areas that were disturbed. What has been gained by the increase in complexity, detail and costs of obtaining a Mining Licence to work similar ground? Nothing.

There has been an explosion in forms emanating from the bureaucracy. It's time this was reviewed and limited to only those necessary to ensure adequate control and monitoring of operations, not those that just keep bureaucrats in a job!

### **c. Fees, charges and royalties**

The PMAV supports the continuation of the different charges applied to large compared to small operations.

We strongly do not support a royalty on gold.

**d. Perceptions of and by the industry**

While this Term is obviously aimed at industry, we believe the perception of the public towards the resource sector is also important.

There is a problem with the knowledge and therefore attitude of the general public to mining and exploration. The average person is not aware that Victoria has any mines, from that point some are vaguely aware of the brown coal mines – but gold mines? Really?

Presently, the Department administering the MRSDA hides in the lofty towers of 1 Spring Street. There is no evidence to the public that DPI does anything relevant to resources. There is no pride in the fact we have world class resource deposits and that it is thanks to one of those projects we can turn the lights on reliably. A public presence by the Earth Resources Division of DPI would go some way towards improving public awareness of Victoria's potential mineral bonanza.

The Minerals Council's Education Unit does an admirable job, however it is time that children were taught a balanced view of the resource industry through the school system. They would hopefully take some of this information home to their parents!

**e. Success and failure of projects**

Below is an example of what industry is up against:

*A miner recently applied for a 5 hectare Mining Licence. He had done preliminary exploration work using hand tools under his Miners Right. Based on his work, he estimated that the deposit was worth several million dollars. This miner has a sound history of working and rehabilitating sites. He also contracts to DPI to do rehabilitation work. The area concerned was included in the Environment Conservation Council's Box and Ironbark investigation and was still categorized as Unrestricted Crown Land.*

*DSE refused to allow him to work the site, saying 'you couldn't possibly rehabilitate this area to an acceptable level'. Problem is, this miner's uncle worked the area in the 1930's – a time when rehabilitation wasn't required. So the area has rehabilitated itself to a condition where it is worthy of extra protection by DSE and yet it cannot be mined using modern mining and rehabilitation techniques?????*

A book could be written about the failed Mt Egerton project. The best person to tell this story is the proponent. The licensee, Terry Delahunty, left Victoria in despair and now lives in Queensland. We can supply his contact details if required.

**f. Other jurisdictions**

Eductor Dredging is permitted in New Zealand. We understand that Prospecting Supplies Australia has made a submission on dredging. The principal of PSA is an executive with the PMAV and we support his stand on this issue.

**g. Role of government – industry engagement, facilitation and information.**

The PMAV is a purely volunteer organisation. We do not have any offices, paid staff or other resources. Most work is done in a volunteer's own time and with the volunteer's own equipment. To say we struggle with the demands of government is a serious understatement. We are regularly required to assist DPI with various projects affecting prospectors, miners and explorers. The complexity of the information required on these matters is of increasing complexity and detail.

We have recently engaged an experienced consultant to remove some of the load from our volunteers. Some assistance from government to assist with the cost of employing this consultant would make our participation in government enquiries and reviews easier and more professional.

Recent projects by the Geological Survey have all been focused on the larger end of the industry. "Gold undercover" is beyond anyone other than the largest corporates. Yet smaller operators have a better history of finding viable deposits.

GSV should be encouraged to assist prospectors at all levels with relevant information and research.

**h. Increase of net benefits**

No comment at this stage.

**i. Costs and benefits of greenfields mineral exploration / conflicts between exploration and other land users.**

No comment at this stage.

**Credentials of the author**

Rita Bentley has been working as a volunteer with the PMAV for over 20 years. I first became involved in the Association during the development of the Mineral Resources Development Act in 1988.

Prior to that time, I had been working as a full-time miner on Miners Right Claims. I earned my living in this way for over 10 years.

**Appendices**

Appendix 1 – DPI's Simplified Gold production graph.

Appendix 2 – Gold Production Graph

Appendix 3 – PMAV Submission to a recent DPI Review

Appendix 4 – Winter 2011 Eureka Echo.