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13th June 2014

The Research Director
Agriculture, Resources and Environment Committee
Parliament House
George St
Brisbane QLD 4000

Dear Sir/Madam,

Re: Mineral and Energy Resources (Common Provisions) Bill 2014.
Inquiry Overview – About The Bill – item 6.

On behalf of many small miners at Miclere and potential miners this submission has been compiled to address issues that at the present time adversely affect us.

In the main the cost of fees from various Government bodies that do not differentiate between small miners and large mining operations and have a deterrent effect on potential small miners, and a crippling effect on current small lease holders.

We look forward to having our concerns seriously considered and favourably addressed.

Yours faithfully

Danica Krco

Attachment: Extracts taken from the Explanatory notes – Pages 8,9 and 10.

SUBMISSION FOR THE REDUCTION OF RENT AND FEES FOR SMALL SCALE MINING AT 'MICLERE'

This is a submission on behalf of the Small Miners who mine for Gold at Miclere, north of Clermont Queensland.

The State Government has recognised the contribution that small miners have in specific areas such as opal mining at Winton and sapphire mining on the Gemfields. We are seeking that the Government also recognise, in a similar way the small alluvial gold mining entities at Miclere and give relief by not charging small miners the same as large mining entities. Under the current legislation small gold miners are required to carry the same cost of lease rental as any large mining operation.

We respectfully request that the following points be taken into consideration and moves be made to lower the fees being charged.

1. Small scale miners at Miclere are made up of husband and wife as a team and individuals, who are seeking to be self-employed as they find themselves out of work due to the current economic situation, and, those who require to supplement their income.
2. The category of mining is Level 2. This limits the area that a miner can work at any one time, and the methods used which is vastly different to Level 1 mining but the rental fees do not differentiate this. The rent payable to the State Government is the same as the rent paid by the Level 1 mining \$54 per hectare. (this has since increased) It is an extremely high rent to pay in view of the capital investment of the small miners' entity.
4. The rent far exceeds the rates payable on the valuation of (one example) \$12,000 this means that in less than five years the rent paid is more than the value of the land.
5. The rent may not be a heavy expense for the large miners, but not 'one size fits all' in the mining industry. This has been shown by the fact that concessions have been made to sapphire miners and opal miners. Small gold miners are in the same situation as the gem miners. A reason given by the Department is that gold mining has a different Level of impact than gem mining. At Miclere the small gold mining is interchangeable with gem mining, in fact the exact same equipment is interchangeable and the methods used are almost exactly the same. The area of land needed to be viable varies depending on where, and how much gold the land carries. Alluvial gold is different than reef gold as it is not concentrated as reef gold is therefore a larger area of land is required.
6. In the recent May 2013 'The Queensland Plan' one article refers to 'Saving money for small businesses'. The money paid out for the high rental could be better spent by miners to purchase equipment to assist further in developing their own business/mining. These small miners at Miclere spend their money locally assisting other small businesses in Clermont which in turn assists the local economy.
7. Each and every miner's situation is different but in common we are seeking a reduction in State charges as described in the attachments by the miners. I know that the State Government is aware of unemployment of many previous workers of large mining companies, and also many other industries such as the building industry. Many are looking

to employ themselves by working gold leases because they have equipment now standing idle, families to feed and mortgages to pay, expertise in mining and working with earth moving equipment that cannot be sustained any other way.

8. The fees charged to small miners for the Emergency Management Fire and Rescue Levy (EMFR levy) has also been brought to the attention of the Premiers' Department, the QFES Commissioners' department, Mr Johnson MP office, and replies have been received, always stating the status quo. It is the status quo which needs to be changed or modified to facilitate small miners. *Please look at this again.* We understand why it was introduced and how it is based. The letter from the Office of the Premier states "The Premier appreciates that paying the EMFR for the first time is a significant challenge for some property owners. That is why the Government took steps to cap the levy for class E properties at levy group 6". Does that mean that the Premier expects that the more often we pay this exorbitant levy, which it is for small miners at \$657.80 per person, it will get easier?

9. At Miclere there is quite a lot of potentially viable gold bearing ground that is, and has, been tied up for years by companies who do not work at winning the gold from the ground but do it on paper. In today's situation can the State Government afford not to give those who wish to work at gold mining the opportunity to do so? Can the State Government afford to have costs that, make it for those who are actually mining, such a burden that it inhibits and deters them from trying to make a living from mining this very much sort after commodity - gold?

10. Exemption from rent for areas that are environmentally sensitive and come within a mining lease, yet cannot be mined would reduce some of the costs from small miners.

11. We sincerely hope that the Mineral and Energy Resources (Common Provisions) Bill 2014 Inquiry Overview will specifically consider revision to the reduction of ALL fees pertaining to small alluvial miners at Miclere.

12. The Emerald Office of the Department of Mines will verify this that there has been and increase recently of folk taking out leases in Miclere, therefore the State Government is receiving an increase in revenue on land from which it already receives revenue from the grazier. Surely a reduction to mining cost payable to the State Government is not an unreasonable request.

ATTACHMENTS: Individual requests for the reduction of fees for Level 2 small scale mining at Miclere.

- 1. Stephen and Greg Slater - [REDACTED]
- 2. C & S Slater [REDACTED]
- 3. Col and Chris Johnson [REDACTED]
- 4. Jovan & Danica Krco [REDACTED]
- 5. E. J. Slater [REDACTED]
- 6. Yvonne Palmer [REDACTED]

List of persons requesting to be mentioned on the submission as they have an interest in having the fees reduced as they have had experience in mining and/or earth moving equipment operations:

1. Aden Doss & Glen Deaves - recently pegged out a lease and are being shocked at the amount of the fees applicable and the ongoing cost they will be expected to pay to be able to supplement their income.
2. Michael Shuch – a family man who manages and works the lease as a source of income for his family.
3. David Sutherland – who has a mining lease application pending approval, and who is looking to work the lease as a source of income.
4. Mark Bayly - has an application for a lease pending approval and who is seeking this lease to be able to be self- employed.
5. Philp Langley - A unemployed family man who if the fees were reduced expressed that he would peg and work a lease as he lives at Miclere. This would also benefit his son who at present is also unemployed and seeking work.
6. Colin Robertson – PO Box 275 Clermont - Who has Mining lease No70407 and who has invested a considerable sum to enable himself to have an income working how and when he is able. He is virtually unemployable due to an industrial accident, for which he has had major reconstruction surgery and has been out of the workforce for seven years.

EXTRACTS TAKEN FROM THE EXPLANATORY NOTES – Pages 8,9 and 10

1. The amendments made by the Bill will provide greater flexibility and autonomy to small scale miners to determine the most appropriate size and area to achieve their operational objectives when applying for a mining lease. While reducing the costs of a resource operator, the changes will also deliver savings for the government by effectively rolling multiple applications into a single application, which will enable government resources to be focussed on other high value administration requirements.

2. Mining Applications

The government is committed to reducing red tape for the mining industry. The Bill delivers on this commitment by providing a more flexible application process, reduced costs and greater certainty about assessment timeframes. While these amendments were initiated to assist the small scale alluvial mining sector, their implementation under the Mineral Resources Act 1989 mining lease tenure and Environmental Protection Act 1994 environmental authority frameworks will also benefit the broader mining sector.

3. Notification and objections

The current notification and objection process for a mining operation is overly regulated, with a single approach that does not take into account the size and impact of the mining operation and duplicated requirements under the Mineral Resources Act 1989 and the Environmental Protection Act 1994. As a result, smaller operations that are unlikely to have a significant or widespread impact are required to follow the same process as a large-scale operation anticipated to have extensive impacts. For example, a small scale alluvial gold mine complying with standard conditions under their environmental authority that may only directly impact a single landholder is required to go through the same process as a mid-size coal mining operation requiring assessment as a site-specific application environmental authority that will impact several landholders, the local government and the broader community. The process is further duplicated for large scale mining operations with similar notification and objection requirements under the State Development and Public Works Organisation Act 1971.

MR JOVAN & MRS DANICA KRCO
[REDACTED]
SAPPHIRE QLD 4702

The Honourable Mr Andrew Cripps MP
PO Box 15216
City East QLD 4002

Dear Mr Cripps,

Re: Request to lower the fees charged to small alluvial gold miners at Miclere.

My wife and I work mining lease number [REDACTED] at Miclere which is a historical well know area for gold mining. We do this not only to supplement our pension, we are both of pension age, but also to do well worth work in which we have had many years of experience. Small scale mining has been my forte.

After years of going through Land Court our lease was finally granted. We have invested what is for us a considerable sum in our mining operation. Our investment and the Level 2 mining operations that we carry out in no way compares with the type of large scale mining that is carried out nearby by the big coal miners. However we are billed by the State Government at the same rate of rent \$52.76 per hectare. Our rental fee was \$2625.00 for an area of land that the State Government also charges rent to the grazier.

Recently we approached all and sundry to have an equitable Emergency Management Fire and Rescue Levy as befits our and many other small miners here implemented. The levy for us works out at **\$657.80 each** per annum. As pointed out this so called levy is 150% of the amount of Council rates charged on the same lease. This is more than the insurance we pay on all our equipment. Fair, Equitable???? We don't think so.

Before we make one cent to put toward the running costs of our gold mining we need to pay out \$6000.00 per annum for rent, rates, fees, levies and compensation. This does not include the initial costs of obtaining the lease and the security monies held by the EPA.

When speaking to the officers of various Departments about having fees reduced to reflect more fairly the scale and type of our mining operation, like to children we are told why and how these fees are based, and that is that.

This submission is to seek the reduction of costs and fees for small miners at Miclere because we are charged fees out of proportion to the type of mining we are doing. More small miners are coming on track because people are out of work. When speaking to many from Brisbane to Cairns and further afield who are considering alluvial gold mining as a means of self-employment, it's the costs of *buying a job* until some returns are made that put them off. Yet we have a commodity sitting there that, in our opinion, is specifically suitable for small scale mining.

Yours faithfully

Jovan Krco [REDACTED]

Danica Krco [REDACTED]

Date: 12/06/14