

## **A Sound Base for the Future**

- 10.1 Any inquiry into an industry currently facing difficulties is bound to concentrate on the negative aspects of the industry and the problems as the inquiry panel sees them.
- 10.2 During the course of its inquiry into resources exploration impediments, the Committee did identify some fundamental issues besetting the Australian resources industry that it believes require responses and, in some cases, quick responses. Indeed, the Committee found some of the problems facing the industry to be global in nature and, hence, the nation's ability to influence them limited.
- 10.3 However, the Committee believes that the Australian resources industry has a fundamentally sound future. Almost all resources commodities demanded by modern society are represented in the nation's resources inventory albeit for some, the current drawdown rate is exceeding the replenishment rate. Nonetheless, the prospects for discovery of new resources of those commodities in "short" supply and the discovery of the few that aren't presently represented in the inventory, are reasonable. The Committee's optimism arises because vast tracts of territory out to Australia's continental margin remain under-explored due to the depth of cover sequences for minerals and the depth of water for petroleum.
- 10.4 Australia has a recent history of exploration successes that went against the exploratory trends of their day – Bass Strait petroleum, Kalgoorlie nickel sulphides, Olympic Dam copper/uranium/gold, Cannington lead/silver. They resulted from good exploration and are outcomes that demonstrate that the pool of geoscientists working in Australia are capable of world-class resources discoveries.

- 10.5 The Committee recognises that technology will play an important role in future resources discoveries and there is evidence that the nation's geoscientific researchers are meeting the challenges. Essentially the intellectual and technological tasks of finding more world-class deposits and accumulations are being tackled competently such that credible deposit concepts and incremental research and development breakthroughs are materialising regularly.
- 10.6 Diligence and perseverance by the nation's educators in combination with the financial support of the community are also sound bases to generate the higher level knowledge base that converts top science students into successful ore-finders.
- 10.7 The Committee recognised that the industry is facing structural challenges. In the Committee's view these challenges are manageable. The minerals and petroleum sectors are globalising and the trend is likely to continue, particularly in the minerals sector. There was enough evidence presented to the Committee to suggest that successful exploration companies are those that see Australia as an active participant in, rather than a victim of, an international exploration market.
- 10.8 Similarly, successful exploration companies are accepting that Native Title is here to stay and must be worked with. The resources industry has signalled that it has embraced the equity concept but is lamenting the cumbersome process of resolution of the land access issues. The Committee believes that Native Title processes are maturing as precedents are established and useful template agreements crafted. Similarly, the Committee is confident that the resolution of land access negotiations and Indigenous heritage issues will accelerate as explorers and Native Title holders and claimants become more used to negotiating with each other.
- 10.9 To its credit the resources industry continues to match statutory and self-imposed environmental standards.
- 10.10 Australia is fortunate to possess a sound resources base, stable economic and political systems, an excellent pool of exploration and research geoscientists and experienced and successful explorers prepared to pass on to their successors how to find world-class deposits. Explorers also have governments in Australia that seek exploration and resources production growth, and a broader community that generally recognises the importance of the resources industry.
- 10.11 The Committee believes that if the industry embraces a "can do" attitude, then investors' funds will flow in. The inquiry recommendations will certainly assist the minerals and petroleum exploration sectors, albeit

following some structural and operational refinements, to engage a bright economic future.

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Chairman

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