SIGNIFICANCE
OF THE AUSTRALIAN MINERALS INDUSTRY

COMPARATIVE ADVANTAGES

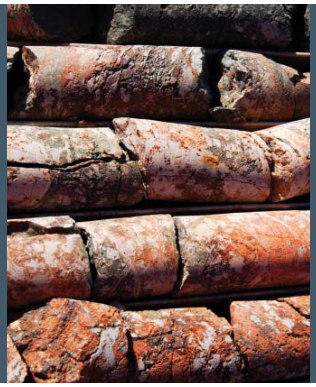
Australia has long enjoyed a 'comparative advantage' in geological wealth and has a proud tradition of minerals development. Our ability to undertake mining and minerals processing activities and sell products to overseas markets is reflected in the large trade surplus in mineral commodities.

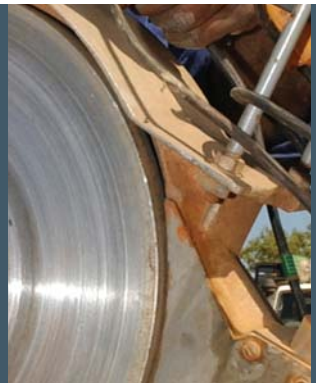
This is due to:

- an abundance of natural geological resources
- a core of experienced professionals
- access to the best human and intellectual resources to meet the demands of an expanding industry and a complementary immigration program
- a number of established, major mining houses with a sound capital base, management skills to address major projects and international linkages, both to raise funds and to market the output
- expertise in, and application of, cutting edge technological excellence in exploration, extraction and processing activities
- a stable economic and political environment
- close proximity to Asia, reducing transport costs, and a leading supplier to many other countries
- an ability to harness new technology (including biotechnology, IT, e-commerce, high technology equipment, remote sensing, satellite imagery and airborne magnetic surveying).

GLOBAL SIGNIFICANCE OF THE AUSTRALIAN MINERALS INDUSTRY:

- largest exporter of gold, iron ore and black coal
- largest producer of bauxite, alumina, diamonds (by volume), ilmenite, rutile and zircon
- fifth largest producer of aluminium and coal
- second largest exporter of uranium with the world's largest resources of low-cost uranium
- second largest producer of zinc ore
- third largest producer of iron ore, nickel and gold





CONTRIBUTION TO THE AUSTRALIAN ECONOMY

The Australian minerals industry contributes to Australia's wealth and prosperity, underpinning critical supply and demand relationships with the Australian manufacturing, construction, banking and financial, process engineering, property and transport sectors. In 2003-04 the minerals sector contributed:

> around eight per cent of Gross Domestic Product — $500 billion directly to Australia's wealth over the past 20 years

> exports of around $42 billion, representing approximately 35 per cent of Australia's total merchandise exports and 28 per cent of total exports of goods and services

> exports of mining technology, equipment and services of approximately $2 billion (60% of the mining software used in operations around the world is exported from Australia)

> around 24 per cent of private new capital expenditure in Australia

> total government revenue payments of $4.6 billion

> significant infrastructure development — since 1967: built 26 towns, 12 ports and additional port bulk handling infrastructure at many existing ports, 25 airfields and over 2,000 km of railway line.

SOCIAL AND ENVIRONMENTAL STEWARDSHIP

The minerals sector is committed to maximising the long-term benefits of its operations to the communities in which it operates. The industry in 2003-04:

> directly and indirectly employed some 321,000 Australians, particularly remote/regional Australia

> contributed more than $17 billion to community development, through domestic contracts; wages; scholarships; sponsorships; entertainment; environmental and cultural heritage projects; and the provision of sporting facilities and equipment

> committed to increasing Indigenous employment — companies are setting employment targets and contributing significant funds for training & education, enterprise facilitation & lifestyle education

> negotiated more than 350 Indigenous Land Use Agreements across more than 200 minerals companies

> contributed more than $10 million in education and training, principally through the MCA's flagship programs — the National Education Program and the Minerals Tertiary Education Council

> invested $382 million in mine-site rehabilitation — accumulated provisions of nearly $3 billion for rehabilitation

> used less than 3% Australia's total water consumption — of which 95% is industry generated from groundwater (total use less than water lost through evaporation of open irrigation channels/bores)

> was the highest 'value adder' to Australia's water resources — on average each unit of water on-site is used seven times before disposal.