



## AN EVEN GREATER CONTRIBUTION

2004 has been an extraordinary year for the minerals business.

As the organisation that represents the leading companies in the Australian resources sector, the Minerals Council of Australia is an important contributor to the success of our industry. At no time has that role been more important than it is today. The global minerals market is undergoing significant structural change, a shift that presents both challenges and opportunities for our member companies.

China's growth trajectory, along with that of India, and the continued strength of traditional markets in East Asia suggests that this change is not a temporary cyclical upturn. A structural change in the global market is underway that demands a matching response from both the industry and Australia's policy-makers.

The resources sector has historically made a very substantial contribution to Australia's wealth to the benefit of all Australians. It is now responding to these new opportunities in a way that will further increase this contribution. Investment is expanding, projects are being fast-tracked, and employment is growing, particularly for Indigenous Australians. The benefits are being felt in the wider economy with Australia's terms of trade forecast to improve by 12.5 per cent in 2005-06. This is our best performance in 50 years.

But opportunities are being missed because of supply capacity constraints. Skills shortages have forced the postponement of some minerals projects, while the rationing of port facilities has added costs and caused delays to the export trade. Our minerals inventory is not being adequately replenished. Exploration is the lifeblood of our business and ways must be found to ensure that this continues at high levels, both in good times and bad.

The full benefit of the opportunities that the present situation presents can only be realised if the public policy framework within which we operate facilitates ongoing development.

We are committed to working closely with governments, at all levels, to promote an economic and social environment that supports the full contribution that our industry can make to Australia's prosperity. To achieve this we must continue to address the limitations that shortcomings in 'hard infrastructure' have posed for our export trade. We must work with government to tackle the structural factors that present obstacles to exploration.

Our Industry greatly values its social licence to operate. Production growth must take place consistent with our commitment to sustainable development. We need to retain the confidence of the community at large, but especially in the communities in which we operate. To do that, we seek to continuously reduce the impact on the environment and further improve on our world-class safety and health performance.

These are the tasks that confront us. We will tackle them with the same determination and vigour that has characterised the past achievements of this great Australian industry.

**GREIG GAILEY**  
CHAIRMAN