

# PRIME MINISTER

## PRESS STATEMENT

### FOREIGN EQUITY IN MINING.

THE PRIME MINISTER, MR WHITLAM, TODAY RELEASED THE GUIDELINES AGREED UPON BY THE GOVERNMENT FOR FOREIGN EQUITY PARTICIPATION IN AND CONTROL OF THE MINING INDUSTRY IN AUSTRALIA.

MR WHITLAM SAID THE GUIDELINES, WHICH HAD BEEN COMMUNICATED TO THE JAPANESE PRIME MINISTER, MR TANAKA, DURING HIS VISIT TO CANBERRA, WERE A DEVELOPMENT OF THE POLICY OUTLINED BEFORE THE MINISTERIAL MEETINGS BETWEEN AUSTRALIA AND JAPAN IN TOKYO LAST OCTOBER. THEY WERE TO BE READ IN CONJUNCTION WITH THE STATEMENT LAST WEEK ON THE URANIUM INDUSTRY BY THE MINISTER FOR MINERALS AND ENERGY, MR CONNOR.

# PRIME MINISTER

## GUIDELINES FOR FOREIGN EQUITY PARTICIPATION IN AND CONTROL OF THE MINING INDUSTRY

### (i) Development in Australian Interests

The Government's basic aim is to ensure that Australia's mineral resources are developed in such a way as to bring maximum benefits to the Australian people. If this objective is to be achieved, ultimate responsibility for the exploration, development and processing of minerals must rest with Australians: all enterprises, whether Australian or foreign-owned, engaged in exploration, development or processing, must conform with the national interest. The Government will use all of its powers, including its export and exchange control powers, to achieve this aim.

### (ii) Equity, Control and Ownership

The Government desires, as a major objective, to promote Australian equity in and control of its resources and industries, and maximum Australian ownership compatible with Australia's long-term capital requirements and its needs for access to markets, advanced technology and know-how. The Government recognises, however, that many of the important existing enterprises engaged in the development of Australian resources are under foreign equity control. For this reason, the promotion of Australian equity in and control of our resources and industries must be viewed as a longer-term objective.

### (iii) Roles for the Public and Private Sectors

The Government recognises that private participation in exploration and development will continue to be essential. A maximum level of activity will be achieved only if there is participation both by public bodies, such as the PMA and the AIDC, and private enterprises. The Government recognises also that participation by companies will be dependent on the prospect of a return on capital employed which is commensurate with the high risks sometimes involved.

### (iv) Exploration

The Government seeks Australian participation in mineral exploration. It believes, however, that because of the risks involved and Australia's limited capital resources, it is more important to secure a high degree of Australian equity participation at the production stage. The development of any mineral discoveries will, of course, be subject to approval by the Government in accordance with these guidelines.

### (v) Processing

The Government's objective is the maximum level of mineral processing consistent with the rational use of Australia's resources,

PRIME MINISTER

(vi) Consultations with the Australian Government

The Government expects to be informed of all major mineral development proposals - by Australian as well as foreign enterprises - at an early stage. The point of contact will be the Minister for Minerals and Energy who will refer to other Australian Government Ministers matters coming within their areas of responsibility - e.g. the Treasurer on foreign ownership and on financing aspects, the Minister for the Environment and Conservation on environmental aspects, and the Minister for Urban and Regional Development on urban and regional aspects. This will assist the Government in ensuring that maximum benefits accrue to the Australian people as a whole.