



PRIME MINISTER

Press Statement No. 468
12 March 1975

OIL AND URANIUM EXPLORATION GOVERNMENT GUIDELINES

The Government reaffirms that it seeks Australian participation in oil exploration, but has decided that foreign companies undertaking oil exploration in Australia need not necessarily seek Australian participation at the initial or 'grass roots' level of their exploration activities i.e. up to the detailed proving stage, but that in exploitation and development beyond these stages, the Australian Government expects such companies to offer Australian interests, private and public, every reasonable opportunity as is practicable for participation in these projects.

The Government reaffirms that the development of any oil discoveries, as for minerals generally, will be subject to approval by the Government in accordance with the guidelines published by the Prime Minister on 3 November 1974.

The Government makes clear too, that search for uranium in the Northern Territory will be done only by the Atomic Energy Commission. Export licences will not be issued where there is exploration with foreign participation arranged after 31 October 1974. The Australian Atomic Energy Commission will be the only exporter of uranium wherever found.

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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 AISC, 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.

(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.

3 Dec 1971