

MCMPR 3 COMMUNIQUÉ

SUMMARY OF MINISTERIAL COUNCIL MEETING, 26 SEPTEMBER 2003, MELBOURNE

The 3rd Session of the Ministerial Council on Mineral and Petroleum Resources (MCMPR) met in Melbourne on 26 September 2003. The meeting was chaired by the Minister for State Development for Western Australia, the Hon Clive Brown MLA.

The main outcomes are detailed below.

Competitiveness

A Vision for the Development of the Minerals and Petroleum Sector

Council adopted a long term, strategic Vision for Australia's minerals and petroleum industry. The Council also endorsed an agenda for achieving the Vision. Encompassing the three strategic priorities already adopted by the Council (competitiveness, sustainability and Indigenous relations), the agenda lists a number of priority actions which the Council will undertake in pursuit of the Vision. The Vision and its accompanying agenda will direct the work program of the Council into the future, ensuring that it is targeted towards maintaining Australia as a world class mineral and petroleum resource province which enhances the sector's contribution to national wellbeing.

The Vision was developed following significant consultation with industry. The Council thanks those who contributed for their involvement in the process. A copy of the Vision is at **Attachment A**.

Mineral Exploration

The Council valued a presentation by Mr Peter Lalor, Chair of the Strategic Leaders Group (SLG) for the Mineral Exploration Action Agenda (MEAA) on the outcomes from the process.

Council agreed to cooperate in the development of a package of measures to reinvigorate exploration. In particular, the Council initially will focus on land access and geoscience strategies.

The Council has been concerned with the outlook for mineral exploration for some time and has supported the need to consider strategies to improve this outlook. Recent inquiries into the issues which reflect the level of concern, include the House of Representatives Inquiry into Resources Exploration Impediments (the Prosser Inquiry) and Western Australia's Mineral Inquiry into Greenfields Exploration (the Bowler Report). A healthy exploration sector is the lifeblood of the resources sector's future. While global economic growth offers the best prospects for sustained recovery in the level of exploration, governments need to examine their roles.

Upstream Gas Competition

The Council considered a number of issues arising from the CoAG Energy Market Review (the Parer Review). In its consideration, Council noted the communiqué from the meeting of the Ministerial Council on Energy (MCE) on 1 August 2003.

Council has referred a number of issues to the Upstream Petroleum Subcommittee for report prior to determining Council's response to the MCE.

Council noted that the MCE has proposed that the MCMPR conduct a review of exploration effort in offshore petroleum production licences where the areal extent of the

licence substantially exceeds the areal extent of the field being produced. Council agreed to conduct a scoping study of this issue before the end of 2003 and to advise the MCE of the outcome.

Council considered a review of the offshore petroleum retention lease regime and agreed that the objectives of the regime are sound and are being achieved through current administrative arrangements.

Sustainability

National Offshore Petroleum Safety Authority

Ministers noted that the Bill to establish the National Offshore Petroleum Safety Authority was introduced into the Commonwealth Parliament on 17 September. The introduction of this Bill marks an important milestone in the efforts of the State, Northern Territory and Australian Governments to work together to deliver a consistent and effective national safety regime for the offshore petroleum industry. The Authority is expected to commence operation on 1 January 2005.

Ministers confirmed the agreement reached at their meeting on 13 September 2002 in Perth that the Authority's operations are to be fully funded on a cost recovery basis by an industry safety fee.

Carbon Dioxide Geo-sequestration

The use of fossil fuels and minerals processing play a major role in the build-up of greenhouse gases. The MCMPPR, therefore, has a key role in seeking effective and efficient solutions to carbon dioxide emissions. Council noted that a range of new technologies has the potential to provide medium term, affordable, and environmentally and socially acceptable solutions. Council agreed to support the assessment of geo-sequestration as one of a suite of potential responses to greenhouse emissions.

Council agreed to establish the Australian Regulatory Working Group to advise on technical, regulatory and administrative standards to ensure a consistent approach to facilitate national and international carbon dioxide geo-sequestration projects for the development of appropriate regulatory systems.

Strategic Framework for Tailings Management

Council endorsed the *Strategic Framework for Tailings Management* and agreed to its public release. The Framework will foster improved regulation and management of mine related tailings (wastes) by establishing agreed principles that can be applied to tailings facilities by government regulators and industry. The Framework was a cooperative effort between the Minerals Council of Australia, the MCMPPR and industry.

MINISTERIAL COUNCIL FOR MINERAL AND PETROLEUM RESOURCES

Vision

The Ministerial Council for Mineral and Petroleum Resources (MCMPR) consists of the Commonwealth Minister for Industry, Tourism and Resources and State and Territory Ministers with responsibility for minerals and petroleum.

MCMPR's **Vision** for Australia's Minerals and Petroleum Industry in 2025 is:

Australia is recognised as a world-class location for minerals and petroleum exploration and development, with a competitive resources industry valued for its contribution to the sustainable development of the nation and the world.

This recognition comes from:

- **Australia's attractiveness as an investment location, including its competitive fiscal regime;**
- **Its demonstrated resource potential, resulting from the high quality and availability of resource information;**
- **Its commitment to protecting the natural environment and implementation of best practice occupational health and safety;**
- **Its excellent science, technology and research and development capabilities;**
- **Its skilled, productive and educated people;**
- **The stability, certainty and efficiency of its regulatory environment, and**
- **The high level of community engagement and community appreciation of the industry's contribution to a sustainable future.**