

are limited to natural sulphur, asbestos and potash. Recent diamond discoveries in Western Australia have changed the country from a net importer into a significant exporter of diamonds. Also, natural gas products (LNG and LPG) are important export commodities with increasing potential.

Large-scale investment in mineral projects since the mid-sixties has added an important new dimension to the economy. The most important Australian minerals are coal, iron ore and gold. Most iron ore is from the Pilbara region of Western Australia and it is the second largest single export mineral after coal. Coal, which is used as fuel for power stations and in the production of coke for the domestic and steel industries, has played a significant role in the country's industrial development. Currently, metal and mineral exports account for more than 28 per cent of export earnings.

Increasing production of gold has led to new capital investments despite the Australian government's intention of imposing a "Gold Tax" in 1991. Gold export earnings for 1987-88 rose by 82 per cent from the preceding year to A\$2 415 million. Growth production is anticipated to rise by a further eight per cent in 1988-89.

Australia is estimated to have more than one-third of the world's bauxite reserves. Discoveries of large deposits have led to the development of an integrated aluminum industry with facilities for the mining of bauxite ore, production of alumina, aluminum smelting and some fabricating.

Discoveries of commercial quantities of nickel in Western Australia have led to the establishment of a nickel mining and refining industry, with substantial amounts of nickel being exported. Australia is also a major world supplier of lead, zinc and silver.

Australia is approximately 67 per cent self-sufficient in crude and has a surplus of gas (although regional deficiencies exist). Most crude comes from the ESSO/BHP operation in Bass Strait. The main gas-producing areas are Bass Strait, the Cooper Basin in South Australia and the North West Shelf project area in Western Australia. Encouraged by the Commonwealth government's policy of pricing new crude relative to world parity, new oil reserves are being found in Bass Strait, Cooper Basin and Timor Sea areas. Exploration reached unprecedented levels in 1982 and, although it diminished slightly in 1983, it is still high by