

Media Release
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HISTORY LESSONS BEING IGNORED IN MANAGING AUSTRALIA'S MINING BOOMS AND BUSTS

It seems we might be paying insufficient heed to the lessons learned in navigating our way through the historic booms and busts in Australia's mining and energy resources cycles.

A prominent industry commentator has pointed the finger at "the corporate decision-makers who sit in the boardrooms of mining firms" as among the ringleaders ensuring Australia's repeated game of 'Boom and Bust'.

The observation has been made by Dr Allan Trench, the MBA Director and Professor at the UWA Business School, in Perth, a non-Executive Director of several ASX-listed minerals companies and a representative for the independent metals and mining advisory, CRU Group.

Dr Trench's comments come ahead of his chairing a key forum on smoothing out the Boom and Bust cycle as part of a 'Big Issues' summit day at the inaugural four day convention of the Australia Geoscience Council being held in Adelaide this year from October 15 during Earth Science Week 2018.

"My hypothesis is that many investment decisions - or just as importantly, the lack of new mining investments periodically - inadvertently act to drive an exaggeration of the commodity cycle," Dr Trench said today.

"Few boards of the resources majors seem inclined to invest, for example, during a downturn.

"But on the other side of the ledger, these same boards seem to have a habit of paying too much for assets in the 'good times'.

"It seems obvious we struggle to collectively learn as an industry from these repeated mistakes."

Dr Trench said this had implications for the professional ranks of geoscientists who became little more than 'cannon fodder' each time the mining industry elected to take a turn for the worse.

"It is difficult at any time to prevent the impacts of the forces of supply and demand that drive the rise and fall of commodity prices over time," Dr Trench said.

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“However, there is an obligation on the resources industry and its board-level decision-makers, to have more positive influence on the challenges such cyclical periods throw up.

“There is even an onus on geoscientists and other industry technical professionals to ask themselves what more they could do to mitigate or avoid being in the firing-line when a downturn hits.

“They may have for example, the opportunity to learn additional skills beyond technical excellence in their respective disciplines.

“We would need to ensure however, that such multiskilling does not rob the mining and energy sector permanently of the key expertise it needs to develop and operate ever more complex and difficult ore bodies or gas and oil basins in the future.”

More than 2,000 delegates are expected in Adelaide over the four day forum, with headline speakers including an address by renowned US academic, Professor Matthew Huber from the Department of Earth, Atmospheric, and Planetary Sciences at Purdue University, Indiana.

Other key areas of attention at the Australian Geoscience Council Convention (AGCC 2018) will be the development of northern Australia, the better management of our energy generation, feedstocks and energy security and better geoscience education and communication.

The *Big Issues and Ideas* day on Tuesday October 16 is designed to highlight the fundamental role that Geoscience has as a major field of science throughout the Australasian-Pacific region.

For more information, visit www.agcc.org.au.

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