15 June 2026

Opening statement to Senate Economics Legislation Committee – Warren Pearce, AMEC CEO ***Check against delivery****

"AMEC is a national industry association representing over 550 member companies across Australia. Our members are mineral explorers, emerging miners, producers, and a wide range of businesses working in and for the industry. All of which, in one way or another, rely on a successful mineral exploration industry.

Today, mineral exploration and mining make a critical contribution to Australia's economy, directly employing over 314,000 people.

Mineral exploration is Australia's original start-up.

It drives discoveries that lead to new mines, jobs, and economic growth. Its success relies on two critical components,

- men and women investing their own money and time to develop a mineral exploration company and project;
- backed by Mum and Dad retail investors taking a punt on their success.

Like the Tech and BioTech sectors, mineral exploration is a high-risk, early-stage businesses with no production, usually no income and only a very small chance of success. In fact, most exploration programs fail.

Around 1 in 1,000 exploration projects becomes an operating mine. Yet Australia's small ASX-listed mineral exploration companies are responsible for around 75 percent of Australia's economic discoveries.

In setting up and investing in these companies, the incentive is purely in the hopeful prospect of capital growth.

And that's why, like the Tech and BioTech sector, these **CGT changes would hit mineral exploration where it hurts most.**

Given their inherently speculative nature, around 80 per cent of junior explorers record a net loss in any given year. Banks, Brokers and Superfunds avoid this risk, preferring more predictable returns, so retail investors willing to engage in high-risk but potentially high-reward opportunities - are critical.

Mineral exploration already relies on a very small and shrinking pool of retail investors. Risk capital is hard to come by.

And if Mum and Dad retail investors desert mineral exploration, there will be no investment to replace it. Mineral explorers will be starved of capital, and Australia's mineral exploration effort will decrease rapidly.

That means less mineral discoveries, less mines, less jobs and less government revenue.

It will also impact government-announced priority areas such as critical minerals development where exploration in Australia has already fallen by 30%, risking vital inputs into the energy transition and our nation's sovereign capability.

As the match against Turkey shows, Australia has a history of wining against the odds. But if the Government persists with these CGT changes, it could be the greatest economic own goal our country ever scores.

Thank you, I look forward to answering your questions on our submission."

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