

FOR PRESS :

NORTHERN TERRITORY DEVELOPMENT OF GOVE
BAUXITE DEPOSITS

Statement by the Prime Minister

The Prime Minister announced today that, following negotiations conducted by the Minister for National Development, Senator Sir William Spooner, and the Minister for Territories, Mr. Hasluck, the Government had approved the issuing of special mineral leases to the Gove Bauxite Corporation over bauxite deposits in the Gove Peninsula of Arnhem Land, Northern Territory. The leases would be subject to conditions requiring the construction of an alumina plant with an annual capacity of not less than 500,000 tons. The plant, when completed, would cost in the vicinity of £45m., provide direct employment for about 800 operatives, support a population of about 3,000 and yield export income at the rate of £12½m. per annum.

In this venture Gove Bauxite Corporation would be associated with the Pechiney Company of France, the largest producer of aluminium in Europe and the fifth largest in the world. In due course, on application, the leases would be transferred to an Australian subsidiary of Pechiney.

The conditions of the leases, which cover an area of about 57 square miles and are for a period of 42 years, with a right of renewal, require the lessee to make an immediate start on the mining and export of 10m. tons of bauxite and to carry it out within a period of 18 years. This operation, which will include the construction of a port, will involve an immediate expenditure of about £2m.

The lessee will be required within three years after the granting of the leases to incur expenditure of not less than £300,000 in carrying out further exploration of the leased area and otherwise assessing the economic feasibility of the construction of an alumina plant of not less than 500,000 tons annual capacity. The lessee will also be required to submit within three years after the granting of the leases a plan acceptable to the Government for the development of the leased areas, including the erection of the alumina plant and to complete such plant by the end of 1970.

Failure to comply with these conditions render the leases liable to forfeiture.

The Minister for Territories will accord the lessee ancillary rights to enable it to establish the facilities needed on its project such as harbour works and loading facilities, roads, railways, town site and to obtain its requirements of water, building materials, etc.

Gove Bauxite Corporation Ltd. was granted a prospecting right over the area in July, 1961, with the right to apply for leases if it proved the existence of sufficient bauxite to enable 1.0m. tons of bauxite to be mined for export and the existence of further deposits sufficient to justify consideration of the establishment of an alumina plant for treatment of the bauxite on the spot.

The Corporation fulfilled its obligations under the permit within the stipulated time.

The Prime Minister said that this project represented a further major step forward in the Government's efforts to develop the Northern Territory. In addition to the direct employment provided by it, its influence will extend to other sections of the Northern Territory economy.

As the area over which mineral leases are to be granted falls within the Arnhem Land aboriginal reserve, the bauxite mined will attract double the normal rate of royalty, the proceeds of which are to be paid into a trust fund for the general benefit of aborigines in the Territory.

The deposits covered by the leases referred to in this statement are in what is known as the "Gove Perimeter". An adjacent lease, Special Minerals Lease No.1, is at present held by British Aluminium.

CANBERRA

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