



## PRIME MINISTER

FOR PRESS

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### COMMONWEALTH TO AID MT. LYELL

The Commonwealth Government will meet almost all the cost of interim assistance to keep the Mt. Lyell copper mine going at Queenstown on the west coast of Tasmania.

The decision was made today after the Tasmanian Premier, Mr. Neilson, told the Minister for Employment and Industrial Relations, Mr. Street, and the Minister for Business and Consumer Affairs, Mr. Fife, that Tasmania was not prepared to continue to share equally with the Commonwealth in interim arrangements which were announced on August 15.

Prior to the meeting with the Tasmanian deputation, the Minister for Environment Housing and Community Development, Mr. Newman, and the Member for Braddon, Mr. Groom, met Mr. Street and Mr. Fife and stressed the importance of the Mt. Lyell mine to Tasmania.

At the Ministers' meeting the Premier said that if the Tasmanian State Government were asked to continue with the dollar for dollar agreement, he would have no alternative but to tell the people that the mine would have to close.

The issue of the Mt. Lyell mine has major social implications. Because of the Commonwealth Government's deep concern for the people of Queenstown and for the people of the west coast who rely heavily on the mine, it has decided to make it possible for the mine to keep going. This will inject confidence into the area.

In these circumstances, the Commonwealth has decided to meet the full cost of the advance to safeguard the cash position of Mt. Lyell, less the amount of payroll tax collected by the State Government.

There are great benefits to Tasmania in enabling Mt. Lyell to keep going at Queenstown.

The Commonwealth is disappointed that the Tasmanian Government is not prepared to share this responsibility equally with the Commonwealth.

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However, the Commonwealth Government is not prepared to allow the Mt. Lyell copper mine to be closed at a time when the whole of the Australian copper industry is under examination by the Industries Assistance Commission.

Present Commonwealth legislation provides for a 50-50 sharing arrangement with the Tasmanian Government.

In the present circumstances, the Commonwealth is prepared to advance ahead of time tax reimbursements to Tasmania to allow regular payments to be made to Mt. Lyell.

Legislation will be introduced as soon as possible into the new Parliament to give effect to today's decision.

The Tasmanian Government collects about \$475,000 from Mt. Lyell in a full year as payroll tax. It will now be asked to forego payroll tax for approximately eight months.

The Commonwealth Government will meet the balance of the estimated \$4.8 million in short-term assistance recommended last month by the I.A.C.

The I.A.C. Report on the Australian Copper Industry is expected to be brought down in the first half of next year.

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