



## PRIME MINISTER

FOR MEDIA

13 September 1985

Federal Cabinet this week discussed the future of phosphate mining on Christmas Island.

Following the meeting the Prime Minister sent the following message to the Administrator of Christmas Island:

"In 1984 the Christmas Island phosphate operation was restructured in an attempt to restore the commercial viability of the Phosphate Mining Company of Christmas Island Ltd.

Unfortunately, the expectations of the restructuring programme have not been fulfilled.

The Commonwealth will not support an uneconomic phosphate operation.

Therefore the Commonwealth had decided that the present uneconomic phosphate operation will cease before the end of the 1986.

The cessation of mining operations is to be orderly and to assist with this, selective redundancies will apply. Termination payments will be in accordance with award conditions at mainland parity rates.

The feasibility of alternative commercial enterprises on Christmas Island will be looked at immediately. However, any prospects will not have an influence on the decision to close the present uneconomic phosphate operation.

The Government has established a working party, including union, ACTU, Government and other community representatives to consider and report as a matter of urgency on the future of Christmas Island."