



PRIME MINISTER

**STATEMENT FROM THE PRIME MINISTER, THE HON P J KEATING, MP
MCARTHUR RIVER PROJECT MOVES AHEAD**

Mount Isa Mines' (MIM) and its joint venturers' decision to seek a coordinated board level approval for the huge McArthur River Zinc Project was today welcomed by the Prime Minister, Mr Keating.

The Prime Minister's comments coincided with the introduction into the Northern Territory House of Assembly of the McArthur River Project Agreement Ratification Act. This Act will provide a legislative basis for the Franchise Agreement negotiated between MIM and the Northern Territory Government.

Introduction of the Act represents a milestone for the McArthur River Project as all government requirements for its commencement have now been fulfilled.

First discovered in 1955, the McArthur River Zinc/Lead/Silver Deposit is one of the world's largest, yet most remote mineral reserves. Its development will involve capital expenditure of \$290 million and at today's zinc prices will generate annual export earnings for Australia of \$230 million.

Associated infrastructure development will provide a fillip to the neighbouring township of Borroloola while a Commonwealth Government training and employment strategy will aim to ensure that local aboriginals benefit from new job opportunities.

The mine's prospects were enhanced by initiatives announced in the February "One Nation" Statement. It is the first major project to benefit from the "fast tracking" arrangements announced in One Nation and will be one of the first to receive the Federal Government's 10 per cent special development allowance.

Under the One Nation Facilitation Arrangements Commonwealth environment and foreign investment approvals were obtained a mere six months after MIM's initial approach to the Government, through the Parliamentary Secretary to the Prime Minister.

Obtaining all approvals for the project so quickly would not have been possible without the total coordination of Commonwealth and Territory processes. It is testimony to what intergovernment collaboration on projects of substance, projects of real benefit to Australia, can achieve.

Indeed McArthur River has the potential to become a model of cooperation under the One Nation framework.

There has been cooperation between governments on all environmental and related approvals, cooperation between governments and the project proponents, and cooperation between an Australian company, MIM, and its foreign joint venture partners in developing Australia's resources and infrastructure.

The foreign joint venturers, Nippon Mining, Mitsubishi Materials Corporation, Mitsui and Co and Marubeni hold interests totalling 28 per cent in the feasibility study and have options to acquire the same levels of participation in the project.

The involvement in the project of these four Japanese mining giants represents a significant vote of confidence in Australia's future, and builds upon MIM's earlier commitment to participate in the development of a new zinc smelter in Japan.

It represents another expansion of the mutually beneficial economic relationship Australia and Japan have developed in the post war period, a relationship I sought to further encourage with my recent visit.

CANBERRA

1 October 1992