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DEVELOPMENT EXPENDITURE IN THE AUSTRALIAN MINERAL INDUSTRY

By

D.J. Ives

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DEVELOPMENT EXPENDITURE IN THE AUSTRALIAN MINERAL INDUSTRY

By D.J. Ives.

The post-war period has been one of major expansion in the Australian mineral industry made possible by continued expenditure on the development of mining and smelting facilities. In recent years the bulk of this expenditure has been in the iron and steel industry, in coal mining and in lead-zinc mining and smelting.

This pattern will change somewhat in the future with the growth of the domestic aluminium industry and increased expenditure on copper and tin. In addition the development of the Moonie oilfield represents, it is hoped, only the first stage in the development of a significant domestic oil industry.

A tabulation of announced development projects in the Australian mineral industry is given below. The amounts of expenditure wherever possible, have been obtained from company sources. In some cases where estimates have been used, it is considered that a reasonable indication of the order of expenditure involved is given.

DEVELOPMENT PROJECTS IN THE AUSTRALIAN MINERAL INDUSTRY

<u>Company</u>	<u>Locality</u>	<u>Project</u>	<u>Proposed Expenditure</u>	<u>Remarks</u>
Aluminium				
Alcoa of Australia Pty. Ltd.	Jarrahdale and Kwinana, W.A.	Bauxite mining and alumina plant	£11m.	Bauxite mining operations began at the end of July 1963. The alumina plant is due to commence operations in October 1963.
	Point Henry, Vic.	Smelting and fabricating plant	£23m.	The new smelting facilities were commissioned in April 1963; the first unit of the fabricating plant will be in pilot operation in October 1963. Total expenditure on this complex is expected to rise to about £45m. with the development of private power facilities at Anglesea (see Coal).
Comalco Industries Pty. Ltd.	Weipa, Qld.	Bauxite mining, port development	£5m.	Expenditure of more than £4m. had been incurred by February 1963; the bulk of this expenditure was on port development. Bauxite shipments began in May 1963.
	Gladstone, Qld.	Alumina plant	£35m.	A plant with a capacity of 360,000 tons per annum by early 1967 has been proposed. In August 1963 it was announced that Alcan would participate in this project and it was suggested that capacity might be lifted to 500,000 tons involving a total capital expenditure of about £45m.
	Bell Bay, Tas.	Expansion of smelting facilities	£10m.	This expansion has been completed and capacity has been lifted to 52,000 tons per annum.
	Invercargill, N.Z.	Aluminium smelter	£40m. (?)	Proposed capacity of the smelter is about 120,000 tons, the N.Z. Government has agreed to finance a power scheme at Lake Manapouri but there is some uncertainty as to the dates of commencement and completion of this project. No indication of the date of establishment of the smelter has been given.
Gove Mining and Industrial Corporation Ltd.	Gove, N.T.	Bauxite mining, alumina plant and port development	£45m. (?)	The company is examining the possibility of establishing an alumina plant of 500,000 tons per annum by the end of 1970.
Beach Sands				
Laporte Titanium Ltd.	Bunbury, W.A.	Pigment plant	£4m.	This plant will have a capacity of 10,000 tons of pigment per annum and is due for commissioning at the end of 1963.
Australian Titanium Products Pty. Ltd.	Burnie, Tas.	Expansion of pigment plant	(e) £1.5m.	Expansion of plant capacity by 5,000 tons has been completed.
Rutile and Zircon Mines (Newcastle) Ltd.	Belmont, N.S.W.	Expansion of mineral treatment plant	(e) £0.6m.	This expansion is now complete although further expansion may be necessary in future.
Associated Minerals Consolidated Ltd.	Hexham, N.S.W.	New mineral treatment plant	£0.25m. (first stage)	The first stage of the plant will be completed by the end of 1964.
In addition to these projects general expansion plans, including development of bulk loading facilities, might involve expenditures of the order of £2.5m. over the next five years.				
Coal				
Thiess Peabody Mitsui Coal Pty. Ltd.	Kianga-Moura, Qld.	Coal mining development	£15m.	Some development has been completed, including the commissioning of a £1.7m. walking dragline, but much development is still outstanding including the building of a 120 mile railway to Gladstone. £5m. had been spent by the beginning of 1963.
Coal and Allied Industries Ltd. Electricity Commission of N.S.W. State Mines Control Authority	Vales Point N.S.W.	Development of three new mines	(e) £15m.	These mines are being developed to supply fuel to the Vales Point and Murrumbidgee power stations. The first generator of the Vales Point power station has been commissioned and the Coal and Allied mine is in operation; the Vales Point station will be completed in 1967 and the Murrumbidgee Station soon after.

<u>Company</u>	<u>Locality</u>	<u>Project</u>	<u>Proposed Expenditure</u>	<u>Remarks</u>
Commonwealth Government) N.S.W. State Government)	Balmain, N.S.W. Pt. Kembla, N.S.W. Newcastle, N.S.W.	Port development and harbour facilities	£10m.	New facilities are in operation at Balmain; work is proceeding at Pt. Kembla and completion is expected in late 1963; work at Newcastle is still in the early stages and planned completion date is mid-1965.
Commonwealth Government) Queensland State Government	Gladstone, Qld.	Port and harbour facilities	£0.5m.	Some work has been done but this project will not be completed until 1964 or 1965; the facilities will also be available to Comalco when its alumina plant is built.
State Electricity Commission of Victoria	Morwell, Vic. Hazelwood, Vic.	Power station and brown coal mining equipment	£120m.	The bulk of this expenditure (£90m.) will be on the Hazelwood power station but considerable expansion of brown coal production at Morwell will be necessary, involving expenditure of about £30m.
Alcoa of Australia Pty. Ltd.	Anglesea, Vic.	Power station and brown coal mining equipment	£11m.	The bulk of this expenditure will be on a power station but considerable expenditures will be necessary for mining development.

In addition power station development involving the expenditure of about £90m. by 1970 is planned in Queensland; increased fuel supply will be necessary and expansion of existing mines is planned. Production at Leigh Ck. (S.A.) is also being expanded for power requirements.

Normal capital expenditure in the N.S.W. coal industry is of the order of £9m. per annum; this has included expenditure on the Vales Point mines in the past few years.

Copper, Lead, Zinc, Tin

Mount Isa Mines Ltd.	Mt. Isa, Qld.	Mine and plant expansion	£50m.	About £35m. of this had been committed by mid-1963 and it is planned that expansion will be completed about mid-1965. About £8m. will be spent in 1963/64.
Commonwealth Government) Queensland State Government	Mt. Isa, Qld.	Collinsville-Townsville-Mt. Isa railway rehabilitation	£30m.	This project is partially completed and is due for completion at the end of 1964.
Cobar Mines Pty. Ltd.	Cobar, N.S.W.	Copper mine development	£6m.	Due to begin operations in mid-1965.
Depuch Shipping and Mining Co. Ltd.	Whim Ck., W.A.	Copper mine development	£1m.	Mine began full scale operations in August 1963.
Peko-Wallsend Investments Ltd.	Ivanhoe, N.T.	Development of copper mine	n.a.	Milling planned to commence before mid-1965.
North Broken Hill Ltd.	Broken Hill, N.S.W.	New operating shaft	£7m.	This shaft was opened in October 1962.
Commonwealth Government) South Australian State Government	Pt. Pirie, S.A.	Standardisation of line from Broken Hill to Pt. Pirie	£20m.	No date has been announced for the commencement of this project.
B.H.A.S. Pty. Ltd.	Pt. Pirie, S.A.	New blast furnace	(e) £2m.	Work on installation proceeding at present.
Aberfoyle Tin Development Partner- ship	Various areas	Tin mining developments	n.a.	Various developments are expected e.g. Greenbushes, Mt. Cleveland etc. No expenditure plans have been announced. Ardlethan Tin N.L., a public company in which Aberfoyle Holdings has an interest, is due to begin operations in January 1964; capital expenditure involved is of the order of £0.5m.

<u>Company</u>	<u>Locality</u>	<u>Project</u>	<u>Proposed Expenditure</u>	<u>Remarks</u>
Iron and Steel				
Capital expenditure in the iron and steel industry by B.H.P. in recent years has been of the order of £40-50m. per annum. Annual expenditure on mining plant and development is some £4-5m. The bulk of total expenditure in recent years has been on the expansion of the steelworks at Pt. Kembla and Newcastle. This work is now largely completed and in future expenditure will be directed more to other centres such as Whyalla (S.A.) and Kwinana (W.A.) where extensive development has been planned.				
Major projects to be completed are the steelworks at Whyalla (by early 1965), quarry development and loading facilities at Koolan Is. in Yampi Sound, and plant development and quarry development at Kwinana and Koolyanobbing respectively.				
In addition to these company developments about £41m. will be spent on the standardisation of the Kalgoorlie-Kwinana railway line, mainly for the purpose of allowing the transport of iron ore from Koolyanobbing. Work on this project, which is sponsored by the Commonwealth Government and the Western Australian State Government, began in November 1962.				
Tentative projects announced for iron ore export development are -				
Hamersley Iron Pty. Ltd.	Hamersley Ra., W.A.		£78m. (?)	The company is examining the possibilities of establishing export facilities (£30m.), a processing plant (£8m.) and a steelworks (£40m.).
Mt. Goldsworthy Mining Associates	Mt. Goldsworthy, W.A.		£25m. (?)	Export of ore only involved, with port and town development.
Mineral Mining and Exports (W.A.) Pty. Ltd.	Scott R., W.A.		£15m. (?)	Upgrading and pelletising plant proposed.
Western Mining Corporation Ltd. and Associates	Tallering Peak, W.A.		£2.25m. (?)	Mining and possible beneficiation facilities.
Industrial and Mining Investigations Pty. Ltd. and Associates	Savage R., Tas.		n.a.	Mining, beneficiation and possibly steelworks involved.
Salt				
Hooker Investments Ltd. - Leslie Salt (U.S.A.)	Port Augusta, S.A.	Development of solar salt industry	£3.1m.	The field will produce up to 500,000 tons of salt per annum. Development of the field will cost £2m., and bulk loading facilities £1.1m. Operations are due to begin in 1967 or 1968.
Shark Bay Salt Pty. Ltd.	Shark Bay, W.A.	Development of solar salt industry	£0.75m.	This field will produce 250,000 tons of salt per annum by 1965.
Oil				
Union Oil Development Corporation	Moonie, Qld.	Development of oilfield for production	(e) £1.25m.	The drilling of wells subsequent to the initial discovery well is estimated to have cost about £1.25m.
Moonie Pipeline Company Pty. Ltd.	Moonie-Brisbane, Qld.	Pipeline construction	£4.5m.	The pipeline will have an initial capacity of 10,000 b.p.d.; commissioning date is January 1964.