PRESS RELEASE

MALCOLM FRASER 28 APRIL, 1967

MINERALS AND NATURAL GAS

Over the last few years there have been great developments in the field of minerals and natural gas.

Tremendous new discoveries have been made in both these fields. Present signed export contracts for iron ore total 640 million tons, worth $3,000 million. This is still only about 3½% of our known reserves of 18,000 million tons.

These exports will take place over the next 20-25 years and they will almost certainly lead to the establishment of a second steel industry in Australia. Other significant discoveries and developments are taking place. Large reserves of bauxite at Weipa in Queensland, at Gove in Northern Territory, at Jarrandale in Western Australia are now under development.

Exports of bauxite up to a weight of 16 million tons are to be consigned from Weipa.

An alumina plant with a processing capacity of 600,000 tons per year is to be built at Gladstone. A slightly smaller plant is to be built at Kwinana. By 1968 300,000 tons a year will be being exported to the United States from this plant. Another large plant is being built at Gove which will process 500,000 tons per year.

Other discoveries and developments of manganese,
uranium, copper, lead, zinc and silver have also been made.

The Value of mineral production is growing rapidly. Between 1963 and 1965 the value of mineral production increased from $562 million to $726 million and over this same period the value of mineral exports rose by $109 million.

Our present known reserves of oil total about 175 million barrels which would be enough to provide 10% of our needs. Present known reserves of natural gas equal about 5 million cubic feet, only 3 million of which is found in areas close enough to areas of population to lead to development at this point of time.

The Gippsland off shore discoveries will be able to supply all the natural gas which is required in Southern and Eastern Australia.

It is sometimes thought that these great discoveries in minerals and gas just happen, but this is not the case. They occur because Governments have established the kind of circumstances which make it possible for various enterprises to be established. They occur because there is confidence and trust between all the parties involved and because there is deliberate planning designed to bring about a certain end - the rapid development of Australia.

Over the recent years the Government has spent about $60 million on oil search subsidies and this has attracted a further $250 million private expenditure by the companies. As a result we have known assets worth $400 million in oil and $500 million in gas. Over twenty years the agreements that have already been made should result in about $90 million
in royalties being paid to the States concerned.

The Government's policy has been particularly important in the field of oil search. Between 1951 and 1953 only six wells were drilled. Then there was a small discovery at Rough Range. This led to a peak of 32 wells being drilled in 1955. Thereafter the drilling fell off until 1958 when the subsidy was introduced. Between 1962 and 1966 712 wells were drilled and present activities are costing about $60 million per year.

You may think that this is remote from Western Victoria but it is not. The great discoveries in the Marlin and Barracouta fields off the Gippsland coast will have a significant impact for the whole State. Already more drilling rigs are being prepared for the Victorian coast. The Sedco rig which we saw at Portland is operating 20 miles from Warrnambool. This rig is capable of drilling 20,000' in 600' of water. It is as high as a fifteen storey building and it produces enough power for a town of 6,000 people. Nobody can be certain that oil or gas will be found off the coast of this part of Victoria in commercial quantities but the people who know about these things are reasonably optimistic that commercial discoveries will be made. If this is so the impact on the economy of Western Victoria and of the future development of industry in this part of the State should be of the greatest significance.

I am sorry that there seems to be so many facts and figures in this particular talk but it is not reasonably possible to demonstrate the great changes that have taken place in these fields without resorting to figures. So I hope you will forgive me for using them on this occasion.