

Estimates - 12 October 2010

Australian Zircon Mindarie

Mr PEDERICK: Minister, I refer to Budget Paper 4, Volume 2, page 6.12, Sub-program 1.1: Minerals. Can the minister give the committee an update of the current status of the Australian Zircon Mindarie mine, and what is the immediate future for that mine?

The Hon. P. HOLLOWAY: Australian Zircon announced to the Australian Stock Exchange on 5 October last year (just over a year ago) that the company decided to put the operation on care and maintenance while the review of operational matters, including cost structure, reserve estimates and financing operations are being completed. They advised that 65 staff had been stood down. They followed that announcement, on Monday 12 October 2009, with a further announcement advising that the board of Australian Zircon had decided to place the company into voluntary administration.

At the creditors' meeting on 11 February, creditors voted to allow Australian Zircon to operate under a 'deed of company arrangement'. The administrator reiterated his intention to complete all rehabilitation on farming land. On 9 August this year, Pitcher Partners made an announcement to the Australian Stock Exchange that the deed of company arrangement was made effective from 31 July 2010. Accordingly, the AZC Group (Australian Zircon Group) is back in control of the directors and unsecured creditors were paid on 13 August 2010.

Perhaps I will ask Dr Heithersay if there is any more recent information that might be available in relation to that.

Dr HEITHERSAY: We are also now aware that all the rehabilitation liabilities have been paid or have been worked through and we now await to see what DCM Metals propose to do with the project thereafter. There is still a resource there; there is still a mill there; so there will be a commercial outcome. One of the important things for us is that the rehabilitation is being done and will be done as per their MARP program.