

Experiences of the first gold mining companies in Australia

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Abstract

More than 70 companies, mostly British-based, were proposed to exploit the newly discovered Australian goldfields in the early 1850s. Together with nearly 40 similar proposals for the Californian goldfields, they were the subject of frenzied speculation on the London market, giving rise to their being known as 'gold bubble' companies.

Collectively, the Australian ventures sought to raise about £7 million, but a number were hastily conceived proposals that did not progress beyond the preliminary stages. Nearly 40 went on to become incorporated companies with a combined capitalisation of over £5 million. Only an estimated £1 million was actually raised.

Twenty-four companies sent men and machinery to Australia, involving over 500 mining professionals, miners, artisans, and labourers, together with an indeterminate number of dependents. A little over half of these companies attempted operations in New South Wales which was a more 'company friendly' colony, but relatively gold poor.

The remainder of the companies struggled to compete with tens of thousands of independent, anti-company diggers on the far richer alluvial goldfields of Victoria. Dogged by inept management, poor planning, unrealistic expectations and anti-company sentiment, all but one of the companies had failed by 1856.

By then, Victoria's alluvial gold resources were dwindling, when the sole surviving 'gold bubble' company seized the opportunity to place itself at the forefront of the transition to hard rock gold mining. Within two years the Port Phillip and Colonial Gold Mining Company became the premier gold mining operation in nineteenth century Australia.