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Title:

'Advertiser' - State of the State Feature: Industrial Development

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For Adelaide Advertiser:

STATE OF THE STATE FEATURE.

Industrial Development

By Don Dunstan.

Practical results of general benefit to South Australia are now flowing from the co-ordinated programme for industrial development which we set out at the last election and which we have been implementing since our return to office.

The South Australian Housing Trust has the heaviest call in its history on funds for factory development in many parts of South Australia through its lease-back system.

A stream of orders is coming to firms here as a result of the operations of the new overseas trade representatives and agents.

A significant number of South Australian and interstate businessmen have commented to me in recent days that South Australia, almost alone in the country at present, shows substantial movement in development of many areas of industry.

There has been traditional bi-partisan support in the State for industrial development policies which maximise the advantages of our low cost structure and central geographic location -- and which produce more jobs as a consequence.

We felt, however, that, although effective in the past, these policies were in need of overhaul and that, in addition, there was an urgent need for programmes to lessen our dependence on domestic markets for consumer goods and to provide a wider base of employment.

The two major problems which now confront us economically are the need to diversify our manufacturing base and the need to provide employment for the increasing number of women and school

leavers who are finding it difficult to get work.

The solution to these problems is to diversify and decentralise our production base and to widen and expand the markets available to us.

There is, of course, a limit to the activities of any State Government in this area, imposed by the existing Commonwealth-State financial structure and fiscal and economic measures taken at Federal Government level.

Within these limitations, however, there is much that the States can do, and much that we are doing.

A principal agency for diversification and decentralisation of manufactures is the new Industries Assistance Corporation.

The Corporation, created by Act of Parliament, is empowered to make loans (including deferred interest loans) or grants to industries at the formative, often crucial, stage of their development, or even to take up equity capital.

The aim is to encourage the establishment here of firms utilising the pool of high-skill manpower which we have available and which can apply the new technologies being developed here and abroad. It can also provide practical assistance to companies seeking to set up operations outside the metropolitan area.

The Corporation's activities are complemented by those of the Housing Trust in its provision in approved cases of factory premises for new development and by the publicity and informational efforts of the Industrial Development Branch of my Department.

Expansion of the markets available to us is being fostered by the roving trade representatives we have appointed to service European and the Middle Eastern and South East Asian centres, and the trade agents in Singapore, Tokyo, Hong Kong and Djakarta.

They have a specifically South Australian brief, supplying businessmen in their areas with information about our products and relaying marketing potential back here.

In addition to this export sales drive we are seeking to expand our non-domestic (and Australian) markets through product improvement by means of increased grants for industrial design and an expansion of product research through a new Industrial Research Institute.

There is one other major area of Governmental activity in the broad developmental area which we believe can have dramatic short-term stimulatory effect on employment and which we are now emphasising.

This is tourism. There has been a general world-wide boom in tourism in recent years but this explosion of activity has generally passed by South Australia.

The Government is convinced that we have -- climatically, scenically and culturally -- the potential to become a major tourist area for interstate and overseas visitors.

But if we are to secure such development, with the very great direct and indirect benefits it brings - we have to provide the infrastructure necessary to induce visitors across our borders.

This is why we are assisting such projects as an international standard hotel in Adelaide and a cultural complex.

These are not frills. They followed a hardheaded appraisal of the facts of the situation and acceptance that we require such facilities to get tourists.

We can get them and once we do so, there will be immediate and dramatic effects on employment stability in this State.

At a time when there is general uncertainty about economic prospects in Australia, South Australia stands out in development activity and potential. We are indeed well on the way to achieving our aim of leading the nation in this area.