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Article for 'Industrial Review and Mining Year Book

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South Australia's planned, vigorous approach to development enables us to maintain a congenial lifestyle while ensuring our reputation as the national pacesetter State.

In 30 years we have moved from an economy very largely based on agriculture to being one of the nations major expanding industrial complexes.

The State remains an important producer of primary products - notably wine, wheat and wool - and of minerals, but is now the most urban of the Australian states.

Industrialisation has been dominated by the automotive and domestic appliance industries, which have made great contributions to its prosperity.

These industries are, however, subject to big swings in consumer demand. They are often the first to be hit by changes in national monetary and tariff policies, outside the State Government's control.

To reduce overdependence on these two industries, the Government encourages diversification of our production and markets.

To do this, the Government has set up or has helped to establish a series of key agencies.

The Industries Assistance Corporation helps smaller industries at the early and often critical stage of development. It can make loans to approved firms, with deferred interest payments where necessary, or can take up shares in appropriate companies.

The Development Division of the Ministry of Development and Mines has been expanded. It actively promotes the State as an industrial location, seeks out and assists firms which can be encouraged to locate here and provides a range of services to assist local industries to grow.

In addition, it seeks to diversify markets through a network of overseas trade agents and by pursuing joint venture and manufacture-under-licence-proposals.

The South Australian Housing Trust has a unique industrial premises project, through which it provides new industries with land and factory premises under attractive lease-purchase terms.

The Industrial Development Advisory Council provides a very valuable channel for liaison with private industry.

We have particularly sought to encourage industries which use a high degree of technology and skilled labour. To this end, we established the Industrial Research Institute to act as a channel to give industries access to research and development talents and organisations and to co-ordinate research problems.

We also maintain active co-operation with other bodies such as the Industrial Design Council, the Australian Mineral Development Laboratories, our two Universities, the Institute of Medical and Veterinary Science, and branches of the C.S.I.R.O.

The work of these bodies is supplemented by a range of highly skilled industries whose research and development achievements have kept us in the forefront of technological innovation. This high-technology orientation will continue to be of increasing benefit to the State.

South Australia has many advantages making a desirable location for industry.

Our cost structure is lower than the eastern States. Industrial land is very much cheaper. The cost of essential services is highly competitive and our abundant supply of cheap natural gas is a decided benefit for many industries.

Our record of industrial peace is dramatically and consistently better than any other State. Over the last seven years, days lost per 1,000 employees has been only half of the national average. The Government is taking new measures that will promote continued industrial harmony.

Part of our good industrial relations record comes from the high standard and congenial style of living enjoyed in this State.

We are determined to maintain this and we seek planned industrial development that will enhance it, not a haphazard free-for-all that will spoil it. It is important for industry, as well as for all our citizens, that Adelaide should not develop into the

polluted, congested, sprawling, urban agglomerations to the East. We will keep South Australia a fine place to live and work.

It is in this context that we planned the entirely new, uniquely Australian city of Monarto. In itself, it is one of the most exciting and advanced city development projects in the world. The new city will relieve the expansion pressures on Adelaide and provide South Australians with a series of alternative lifestyles.

Similarly, with our designated decentralised growth areas, the "Iron Triangle" in the Spencer Gulf Region, and the "Green Triangle" in the South East provide for co-ordinated development on a truly South Australian basis.

The \$400m Red Cliff petrochemical project will provide the major stimulus to the "Iron Triangle" area.

Other Major Developments include :

- \$19.8m capital expenditure in 1973-74 by B.H.P. at Whyalla, as part of a \$58m expansion programme.
- A \$40m lubricating oil refinery being built at Lonsdale, near Adelaide, by Mobil Oil Australia Ltd.
- On an adjacent site, a \$4.7m fuel refinery expansion by Petroleum Refineries (Aust) Pty Ltd.
- Expansion of capacity by Adelaide Brighton Cement Limited, costing in excess of \$10m.
- An \$8.2m expansion and modernisation programme by Actil, (Australian Cotton Textile Industries Ltd) at Woodville.
- A \$5.5m expansion of the Elizabeth Stamping Plant of General Motors Holden Pty Ltd.
- A major vineyard expansion, to cost over \$4m, by Penfolds Wines Pty Ltd.
- A 50% increase in tyre production capacity by Uniroyal Pty Ltd at a cost in excess of \$2m.

Mineral production has always played an important part in the development and prosperity of South Australia, and solid growth

in this field continues. The total value of all South Australian mineral products sold or used in manufacture in 1973 (the latest figures available) increased by 14% to \$138m.

This increase came from gains in copper, iron, natural gas, and opals.

The importance of mining to South Australia is shown by the fact that the mining industry supplied 20% of the State's primary production, compared with the pastoral industry's 42% and agriculture's 24% in 1972-73.

Copper was South Australia's most important mineral product from the State's early days until the closure of the Wallaroo-Moonta Mine 50 years ago. It is again a major contributor, and will grow in importance in the future.

Kanmantoo Mines Ltd now have their open cut mine in full operation, and are installing additional treatment plant at a cost of approximately \$1.2m. The mine will follow the 1% copper ore underground when the limits of the open cut are reached in several years time.

Pacminex Pty Ltd have spent \$6m on equipment for the "Cattlegrid" deposit at Mt. Gunson, south east of Woomera. This plant will treat 1,500 tonnes of ore per day.

At Burra, the Stage II treatment plant of Samin Ltd will be fully commissioned soon, to increase the treatment rate to 1,000 tonnes per day.

Utah Development Corporation has joined Northland Minerals Ltd in their investigation into the feasibility of re-opening the old Kapunda Mine by open cut methods to win the low grade remnant ore which has been shown up by extensive drilling.

Iron ore is South Australia's most important mineral. Since 1914, the Middleback Ranges, near Whyalla, mined by the B.H.P. Co., have yielded 147 million tonnes of iron ore. They still supply more than half the ore used in Australia's iron and steel industry.

Iron ore production in 1973 was valued at nearly \$58m, and accounted for over 40% of the total mineral production of South Australia.

The B.H.P. Co is adding a \$14m magnetite plant to their Whyalla works to produce 1.3 million tonnes per annum of artificial magnetite feed for their pellet plant from low grade iron ore.

In these days of steep rises in the price of imported oil, South Australia is fortunate in being able to supply almost all its requirements of light, heat and power from its own resources.

This was not always the case. Less than 30 years ago, the State was almost entirely dependent on imported fuel. Then after the war, the State Government introduced special burning grates for the high-ash Leigh Creek coal. This coal is used in the Playford power station near Port Augusta, commissioned in 1954.

In 1973, 1.5 million tonnes of Leigh Creek coal was used to provide 37% of the State's electricity.

In recent years, check drilling at Leigh Creek and neighbouring areas by the Electricity Trust of South Australia has produced considerable increases in proven reserves of coal suitable for future open-cut production.

The Trust is also investigating the Inkerman-Balaklava deposits of Tertiary Brown Coal, where over 400 million tonnes are indicated to be present. The State's fuel reserves have also increased by exploration work on the Lake Phillipson deposit of steam quality coal, where over 500 million tonnes are estimated to be available for open cut.

The production of natural gas increased in 1973 by 15%, and was valued at \$11.5 m at the "city gate". This gas provided 60% of the State's electricity, and all of Adelaide's town gas.

Oil and gas exploration declined during 1973-74 and no successful wells were drilled. However, adequate reserves have been proven in the Cooper Basin to satisfy existing South Australian contracts, and also the Sydney market.

Delhi-Santos have commenced work on a gas treatment plant at Moomba to supply Sydney by mid 1975, and construction of the pipeline has commenced.

Opal production again showed a large increase, particularly from Coober Pedy. Total opal sales for 1973 were estimated to be over \$30m.

With the increase in price of imported stone, demand for local ornamental stone increased, particularly for black granite from near Mannum.

Two companies are working on the jade deposits near Cowell, and good prospects exist for opening up an export market for this product.

Mineral exploration activities have continued vigorously, at about the same level as last year. As at 30th June, 1974, 182 Exploration Licences were current, covering 75,000 square kilometres, and were held by 48 companies.

Despite the present economic difficulties both nationally and internationally, South Australia's manufacturing and mining industries are maintaining their development momentum. Sensible planning and continued co-operation between Government and private enterprise, allied with the State's many natural advantages, will ensure that this continues in the future.