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Press statement - Michells Expansion

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PRESS STATEMENT.FROM: THE PREMIER (MR. DUNSTAN)SUBJECT: MICHELLS

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Australia's largest manufacturer of wooldtops, G.H. Michell & Sons Pty. Ltd. of Adelaide, is about to embark on a multi-million dollar development program to relocate its South Australian wool processing operations at Salisbury South. Announcing the Company's plans today, the Premier (Mr. Dunstan) said that when the program was completed by mid-1973 it would give South Australia the most modern mechanised wool processing plant in Australia.

The Company, which last year celebrated its centenary, has been established in the Hindmarsh district since the 1890's.

Its new SA complex will be on a 30-acre site on the Main North Road at Salisbury South.

Mr. Dunstan said the Housing Trust of South Australia would provide the land and erect the buildings as part of its program to encourage greater industrial development in this State.

"The factory will cost about \$2.5m. and will be leased to the company on a 15 year term, while the total investment will be more than \$5m."

The decision by Michell and Sons to embark on such an ambitious program at this time underlined the company's confidence in the future of the wool industry.

With processing plants in four States, the company produces wooldtops for world-wide markets, and is a major exporter of greasy, scoured and carbonised wools. It is also a large supplier to Australian wool textile mills.

The Company produces approximately 70 per cent of wooldtops exported annually from Australia, and about 40 per cent of all tops made in this country.

Mr. Dunstan said the Company also contributed strongly to the State's economy as it handled all types of wools produced in South Australia and annually processed more than 10 per cent of the wool grown in the State.

The Premier pointed out that the opening of the new plant should assist woolgrowers in South Australia.

The additional processing potential means greater value to South Australia's industrial output for instead of being shipped from our ports in greasy form, the wool will be processed - bringing with it better returns to the grower and employment for the State", he said.

The new processing plant and administrative office will be located at the corner of Main North Road and Nylex Avenue, Salisbury South, and the site will allow for future expansion. The move will consolidate the Company's SA wool scouring, carbonising and combing operations under one roof.

The Premier said that while Michell felt confident that its present employees at Hindmarsh would continue with the Company, the move to Salisbury South would ultimately provide additional employment opportunities for people living in the Elizabeth-Salisbury district.

The Chairman of G.H. Michell & Sons, Mr. R.J. Michell, said it was hoped that building of the new plant would commence about August, and that the first section to move, the carbonising plant, would be in operation at Salisbury South by early 1972. Other wool processing and administrative operations would then be progressively transferred to the new plant during 1972.

Mr. Michell said that although the Company's sheepskin tannery and private wool buying operations would remain in the Hindmarsh-Thebarton area, the move would mark the end of an era of close relationships between the Company and Hindmarsh.

"The management regrets the breaking of this traditional link, but in order to achieve our aim of growing with Australia we must move to a new area in which there is scope for improvement in productivity and expansion of our operations."