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South Australia - the most urban of the Australian States - contains the third largest industrial complex in the country.

Manufacturers are concentrated on the production of motor vehicles and consumer goods.

The State is also an important agricultural producer - notably of wine, wheat and wool - and of minerals.

It is a broad economic base from which to plan further development, but one which is still over-vulnerable to fluctuations in national demand (particularly for consumer goods) resulting from central government policies.

The development strategy we have followed since being returned to office is based on diversifying our production and markets to offset, so far as is possible, these variations in demand.

We are doing so by the encouragement of new skill industries, by broadening domestic and foreign markets and by reducing the impact of the rural recession through industrial decentralisation.

South Australia has many advantages which make it a desirable location for industrial development.

It offers a low-cost structure, availability of industrial land at competitive prices, and low wage and salary levels in relation to the rest of Australia and a central geographic location.

Generally lower prices ensure for South Australia a standard of living equal to that of other States. One reflection of this is higher productivity resulting from fewer days lost in industrial disputes compared with other States.

South Australia has, in fact, one of the best records of industrial peace in Australia. We have 9.1 per cent of the Australian workforce, but only 2.8 per cent of working days lost throughout Australia are lost in South Australia.

The South Australian Government is determined to ensure that the present pace of development is maintained or accelerated.

We are already a research and development-oriented community.

Governmental and semi-governmental centres such as the two South Australian universities, Weapons Research Establishment, Australian Minerals Development Laboratories, the Institute of Medical and Veterinary Science and Branches of the C.S.I.R.O. provide a solid base of pure and applied scientific research.

The work of these official and semi-official agencies is supplemented by a diverse range of highly skilled industries such as ICI, International Computers and Texas Instruments.

SOLA International, a South Australian firm whose optical products have won international contracts, and Paton Industries, manufacturers of scientific equipment, are local companies whose success has been largely due to the importance they place on research and precision work.

Government assistance schemes have been formulated to attract developments of equal value in the future.

The South Australian Housing Trust is empowered to provide new industries with factory premises under lease-back arrangements with guaranteed options to purchase.

A new Industries Assistance Corporation has been set up to boost smaller industries at an early and often critical stage of development.

It is able to make non-repayable grants for development and research to country industries, to lend money to industries anywhere in the State with deferred interest payments and in certain circumstances to take up a share in the equity capital.

An Industries' Research Institute provides another link in the wide ranging scheme for the planning, promotion and expansion of industry in the State.

This body will apply latest market research techniques and co-ordinate work on product research in South Australia where investigation shows this is likely to lead to the expansion of existing markets or the creation of new ones.

These agencies are geared to stimulate the growth of new enterprises with a highly skilled technological component which promise future benefits to South Australia.

In addition to encouraging skilled technical industries, the Government has set in motion a programme which will give a massive boost to the State's tourist industry.

We have natural attractions which rank with those anywhere in the world. And we are building on this solid foundation with a general up-grading of hotel, motel and restaurant facilities; the construction (with Government assistance) of an international standard tourist hotel and the establishment of a major performing arts centre.

These projects are planned to make South Australia a national convention centre as well as an important holiday region.

An important aspect of this area of development is the number of jobs it will create for women and young people with consequent strengthening of the State's employment base.

One of the most significant areas of the South Australian Government's integrated-development programme is a concerted drive to expand and diversify our export markets, both interstate and overseas.

A network of trade agents and roving trade officers feeds back information to South Australian firms on trade opportunities in South East Asia, Europe and the Middle East.

Industrial expansion in the State has recently been stimulated by the completion of a natural gas pipeline from gas fields in the north of the State to Adelaide.

Contracts have recently been finalised for the supply of natural gas to the Sydney market, and exploration indicates that South Australia most probably will have Australia's fourth commercial oil field in the north of the State.

The policies we are implementing are already proving a success.

To cite only a few of recent important developments in the field of industrial development:

- . Australian National Industries decision to establish a \$2.7m. production press forge plant at Dry Creek;
- . Levi Strauss, the international clothing manufacturer, are setting up a \$1.5m. production headquarters at Elizabeth;
- . Seraphic (Aust.) Pty. Ltd. are spending \$500,000 on a South Australian expansion programme;
- . Tubenakers of Australia Ltd. are spending nearly \$2m. on expansion of their cold drawn precision steel tube making facilities at Kilburn;
- . Fletcher Jones & Staff Pty. Ltd. are setting up a new factory at Mount Gambier.

South Australia is well endowed to take advantage of planning for future development and I believe we are excellently placed to set the pace for Australia in the Seventies.