



PRIME MINISTER

FOR MEDIA

17 OCTOBER 1988

JOINT STATEMENT WITH THE MINISTER FOR INDUSTRY, TECHNOLOGY
AND COMMERCE, SENATOR BUTTON

I - together with the Minister for Industry, Technology and Commerce, Senator Button - today welcome the decision by North Broken Hill Holdings Limited, and Noranda Forest Inc of Canada, to proceed with the building of a world scale pulp mill in northern Tasmania.

This \$A1 billion project is the largest single investment in manufacturing in Australia ever made by private industry and is of major national significance.

In many ways the investment decision is a watershed. The project represents a major green field investment where around 90 per cent of the output will be for the export market. It will mean up to \$300m net annual addition to the Balance of Payments.

The participation of Noranda Forest in this project is particularly welcome. With its extensive forest products interests and market network around the world, Noranda Forest brings significant expertise to the project.

The North Broken Hill/Noranda Forest decision to invest reflects the underlying strength now evident in the Australian economy. The improved competitiveness of manufacturing following changes to company taxation and other important structural changes in the economy achieved by this Government, has made major internationally oriented growth in industry a real prospect.

The mill will be of enormous benefit to the Tasmanian economy. It is expected that some 2,400 direct and indirect jobs will be created during the construction phase and some 700 direct and indirect jobs in the operating phase.

Senator Button said the Government has worked closely with the companies and the Tasmanian Government to ensure the project went ahead.

"But the benefits are not limited to Tasmania. The local content of the project, including infrastructure and construction works, will be around 80 per cent. At least 60 per cent of the plant and machinery required by the project will be sourced in Australia, which will benefit manufacturing firms Australia wide.

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"This project will inevitably concentrate attention in other areas of the forests industry where there is opportunity for similar investment to add value to current woodchip exports.

"Such large scale internationally competitive pulp resources will also open up the opportunity for downstream investment in world scale paper manufacturing, another major step in the value adding chain," he said.

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