



## PRIME MINISTER

OFFICIAL OPENING OF NABALCO PTY. LTD. ALUMINA PLANT  
GOVE, N.T.

1 JULY 1972

Speech by the Prime Minister, the Rt. Hon. William McMahon  
CH, MP.

Many of you have come from other parts of the world for this ceremony, and many more of you have flown in from "down South". I have come from Darwin and Kununurra, where I have had the pleasure of inaugurating several other northern development projects.

I want to thank you, Mr Meyer, the Chairman of Swiss Aluminium Limited of Zurich, and the Australian partners, for inviting me to take part in this opening ceremony.

I am sure I speak on behalf of all the guests when I say how impressed and enthused I am by what I have seen and heard. I understand that this impressive and massive alumina plant has been "working up" for about a month now. And I am told, too, that we may have to wait a few weeks more before we see the first production alumina - perhaps another five or six weeks. I wish I could stay that long but, as you will know, it would pose difficulties in a year like this.

Mr Chairman, you and your partners in this European and Australian joint venture can take pride in the fact that this plant will be "on stream" one month ahead of the company's own schedule, and five months ahead of the deadline agreed to with the Federal Government.

It is now just over three and a half years since the joint venture agreement was signed, with the present level of 30 per cent Australian participation. The partners then thought that exports of bauxite would commence in 1971, that the first stage of an alumina plant of half a million tons per annum capacity would be complete by the end of 1971, and that expanded production of a million tons a year of alumina would be achieved by the end of 1974.

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In 1969, these objectives had to be revised to take account of the delay flowing from financial reconstruction of the project. Taking this into account, it is all the more remarkable that in this remote and undeveloped part of Australia, where literally all the basic infrastructure had to be provided before construction could begin, you have completed this alumina plant ahead of target. There must be few projects of this size, cost and complexity anywhere in the world which have been completed in such a short period.

This is a tribute not only to you, Mr Meyer, and to your executives, but to the many contractors and sub-contractors and to the multinational workforce who have met their deadlines, and shown again that Australian and international partnership can operate successfully to bring a major mineral project into operation.

We have already seen this happen in the West, we are seeing it here again today in the North. I am sure that with experience as a guide and barring the unpredictable, as the project develops, it will beat the forecasts and the target dates for future development.

Another illustration of this success story is that the plant will produce one million tons of alumina per annum by next July, sixteen months ahead of schedule. By then, the Gove Project will be generating an annual export income of \$60 million, and that income could double in the foreseeable future, with expansion of the alumina capacity and possible eventual development into aluminium refining.

There has been, as we all know, a downturn in the aluminium industry. That is true, but the speed at which this venture is going ahead shows the confidence of the industry in the fact that this is a temporary situation.

This project has in fact an assured market for the whole of its alumina production for twenty years, and the Australian partners may choose to sell up to 30 per cent of production themselves.

For the basic raw material, bauxite, Gove alumina can arrange contracts for up to 40 million tons over 20 years. It has already contracted 33.5 million tons, including 19.5 million tons to Japan, and 14 million tons to Europe. This is private enterprise in action and deserves to be praised by all of us.

To gain some idea of the significance of this project to the Territory, we should recall that the total value of mineral production here in the Northern Territory in 1962-63 - only nine years ago - was \$7.5 million, and five years ago, it was only a little over \$20 million.

Gove is a project of great national significance. It makes its contribution in many ways - to export income, to employment and, if you will forgive me as a former Treasurer, to our taxation income.

It bears mentioning again that these achievements have been made possible by a co-operative effort between Australian and overseas investment, investment that has been welcomed because it has played a dynamic role in Australia's general economic development throughout the postwar period. It has added to our domestic savings, even though they have been high by world standards. These investments have also brought here technological resources and managerial know-how which might not otherwise have been available to us.

Recently, in Canberra, we have completed a far-reaching review of overseas investment policies. As a result, we will soon be presenting five papers to the Cabinet dealing with -

- whether there should be some regulation or control of capital inflow;
- whether we need better guidelines for borrowing;
- the question of interest rates;
- whether Australian companies should have greater flexibility to invest overseas; and
- whether there should be more flexibility in overseas corporations borrowing here from us.

These papers will be considered with the objective of ensuring that the decisions made are unmistakably in the best interests of Australia and Australians.

It is obviously in the national interest to ensure that there is major participation by Australian companies in ventures of this kind. I am glad that the Australian equity of 30 per cent may be increased to 50 per cent depending on future programmes.

Australian companies may not have the majority financial holding in this venture, but I understand there has been a true takeover on the staff side, and that Australians now occupy some 60 per cent of senior managerial positions. As well, it is the company's policy that Swiss managers will be progressively replaced by Australians.

Mr Meyer, it is more than satisfying to me, as Prime Minister of Australia, to open this plant with the knowledge that it will process Australian natural resources in accordance with the policy of the Federal Government, and it will make an important contribution, not only to decentralisation and northern development, but to the prosperity of this wonderful and developing country of ours.

Mr Meyer, to you and your Australian colleagues and to all the people present here too, I can say that it is with the greatest pleasure that I officially open this plant and look forward to seeing it get really into production.

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