



PRIME MINISTER

FOR PRESS

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ADDRESS AT THE OPENING OF THE B.H.P. PLANT - GEELONG

I am very pleased to be here today to open B.H.P.'s new Geelong rod rolling mill.

B.H.P. is of course one of the major contributors to industrial development in Australia, and the new mill will be an important addition to industry in Geelong.

When the mill is fully operational it will provide jobs for over 100 people and most of these will be recruited locally. The jobs and income generated by the operation of the mill will help, in turn, to maintain and create jobs in other industries in Geelong.

As leader of a Government which believes in the enormous contribution private enterprise can make to Australian prosperity, I am naturally delighted to see the confidence with which B.H.P. is planning for the future.

There can be no sustained recovery without a strong and healthy private sector. Since the election last year, the Government has introduced a large number of measures to help private enterprise get back on its feet.

The bloated public sector is being trimmed down. Government spending has now been brought under control. The size of the Federal Public Service has been, and is now being further, reduced. By June next year there will be 26,000 fewer Federal Government employees than under Labor's guidelines for 1975-76.

A major objective, of course, of this restraint on Government is to make way for expansion in the productive private sector.

Many firms have now accepted the challenge. B.H.P. is setting a valuable example.

In the steel industry alone, B.H.P. has some \$366 million of projects approved and at various stages of development. At Port Kembla, Newcastle, Whyalla and in coal mining, these projects alone, I understand, will provide some sixteen hundred jobs over the next four years.

B.H.P. is also involved in other major projects which could involve very large capital investments. Among these is the North West Shelf oil and gas venture, which will be the biggest development ever undertaken in Australia, and which could involve the investment of over \$2,000 million. B.H.P.'s purchase of an interest in the Shelf has lifted Australian ownership to nearly fifty percent. And the recently announced partnership with Shell has brought into the project an international company with great technical and financial capabilities.

Unless business picks up the challenge, unless private enterprise shows that it can do the job, Australia will not realise the great potential that we all know is there.

The Government's job is to create the conditions in which enterprise and initiative can expect decent rewards, in which it is possible to plan for the future and not see those plans disrupted by ill-considered Government action.

This year we have introduced a number of important tax reforms as well as specific incentives for business designed to create those conditions.

Among the principal measures introduced by the Government since coming to office are a 40% tax allowance for investment in plant and equipment, that is available for investment expenditure by all sectors of the economy; exemption of new oil discoveries from the levy on crude oil; phasing out over a period of three years of the levy on coal exports; a greatly reduced write-off period for mining development expenditure that will assist with cash flows of new projects, as well as deductions for expenditure on developing port facilities; a new system of trading stock valuation adjustment that applies at a rate of at least 50% to 1976-77 business incomes. This will give companies a very substantial tax off-set in future years.

We have thus set the framework for the private sector to increase investment, raise production and to take up the unused resources in the economy. There are increasing signs now that Australian enterprise is beginning to expand again after the damage suffered in the last few years.

A substantial number of new projects have been put on the drawing boards this year - those that have been publicised and drawn to our attention will involve estimated expenditure of very substantial sums. These are primarily mining ventures but also involve investment in building and construction, motor vehicle plants, oil refineries and miscellaneous other industries.

Some of these have already been announced as firm programmes and expenditure is already under way. Many of them will involve the injection of overseas funds.

Another company which has made an investment decision of particular significance to Geelong is Ford Australia Limited. Ford responded to the Government's policy of encouraging the private sector and to the Government's motor vehicle plan by deciding to invest \$72 million to build a new range of Australian cars. This would not have occurred had it not been for the modifications made to the motor vehicle policy.

This investment will mean continuing employment in the company's Geelong operations. We look to every business to invest in its future and the future of Australia and hence to make a positive contribution to economic recovery. There is an important contribution to be made to recovery by everyone who works in industry - employees and management.

We all recognise that good industrial relations are going to be a major factor in reviving the economy. Management can make one of its most important contributions to recovery by taking company employees into its confidence - by encouraging recognition of the common interests everyone has in a profitable and successful enterprise.

B.H.P.'s new rod rolling mill is a welcome development particularly for Geelong. It embodies the latest technology, and it will produce a higher quality, closer tolerance product than other Australian mills.

Australian wire industries, its neighbour and principal customer, will benefit particularly from its operations.

I congratulate all those who have played a part in its planning and development. It gives me great pleasure to declare the mill open.

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