



## PRIME MINISTER

For media

31 July 1984

I greatly welcome the announcement by the Victorian State Government and Alcoa of Australia Limited, that agreement has been reached on the development of the Portland Aluminium Smelter.

This project will be important to sustaining the strong recovery that is evident in the Victorian economy, and the Australian economy as a whole.

It is an immensely important project in itself, and will give a particular lift to the construction and heavy engineering industries. Construction and heavy engineering this year have been showing the first stirrings of growth after a disastrous decline in 1982 and 1983, in the aftermath of the so-called resources boom.

The agreement between Victoria and Alcoa represents a creative reconciliation of the interests of the public in receiving a reasonable return on its resources and capital commitments, and the investors' requirements of a reasonable return on their outlays. The arrangements for power pricing achieve this reconciliation through a formula that shares equitably the inevitable risks associated with major export-oriented investment.

The Australian Government sees developments of this type - involving the intensive use of Australian workers' skills, Australian natural resources, and international markets in Australia's region and beyond - as being critically important to the industrial restructuring that we need for sustained long-term growth. Continued expansion of industries of this type can make a major contribution to continued rapid employment growth with rising living standards.

Unlike the Fraser government, we do not look to a boom in a single sector to make Australia's economic future. We seek mutually reinforcing growth across many sectors and industries. And in this broad-based development, the expansion of highly productive, export-oriented mineral processing has a crucial part to play.

The Australian Government believes that the combination of stable domestic economic conditions, creative State Government policies, co-operative industrial relations and intelligent business management will restore growth to the important resource and processing industries, and the related construction and heavy engineering industries, in the period ahead.

The Portland announcement is an important step. Sunday's announcement by New South Wales Premier Neville Wran of a package of measures to revitalise the base metals industries based on Broken Hill was another. I am confident of further progress through the year ahead.