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Title:

Press release: Successful Consortium - Red Cliffs

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As you are aware I have been negotiating for a petro-chemical industry at Red Cliff Point for some time; in fact, a petrochemical industry to back up industries which would give benefits to this State far in excess of just a mere petrochemical complex.

In Canberra this morning the Federal Minister of Minerals and Energy, Mr R.F.X. Connor, mentioned in answer to a question that negotiations had proceeded to such a stage that an announcement could be made of the successful consortium, which is ICI/Alcoa/Mitsubishi and other partners, including Australian companies, yet to be finalised.

I deferred making my announcement myself as I felt it would be more courteous to first tell the other major contender involved, i.e. Dow Chemical Company, of the decision of the South Australian Government. I was only able to do this this morning as I did not want to do it on the telephone or by letter, and particularly as that group of companies had spent well in excess of \$1.4M. in their examination of the project.

On Tuesday evening, with my colleague the Minister of Development and Mines, and senior officers of the Public Service, detailed negotiations were held with the Petrochemical Consortium of South Australia, which is the name given to their group by ICI/Alcoa/Mitsubishi. They indicated that they had both the capability and the technical knowhow to carry through such a project, ever conscious of the environmental factors which need to be protected. The other partners in the group will be Australian companies including Ampol and the A.I.D.C. has played a co-ordinating role in assuring a satisfactory degree of Australian equity. I have been discussing this possible participation with Ampol since February of this year.

I made it quite clear that at the stage of reaching an announcement of the successful consortium, they would have to clarify the precise shape of what the consortium was to be, and to agree to build into any indenture act assurances satisfactory to the Department of Environment and Conservation.

The consortium has satisfied the Government that it could meet State requirements and had taken a constructive role in the initiation and development of environmental impact studies associated with the project.

We have required that into any indenture would be built their future development programme details so that there would be no case of empty promises made at the beginning not being kept in the future. With my officers we also discussed housing and the social infrastructure that would be involved.

To co-ordinate the whole project, the Government is proposing to make Mr W.M. Scriven, the Director of Industrial Development, the Chief Project Officer, and he will be spending most of his time on bringing to fruition this project, with the help of a full-time Project Officer from his Division, Mr E.G. Knuepffer. I also arranged for my colleague, the Minister Assisting the Premier, Mr D.J. Hopgood, to chair a special Project Co-ordination Committee comprising Mr Scriven in his capacity of Chief Project Officer, Mr G. Inglis, the Chief Environmental Officer from the Department of Environment and Conservation, and Mr R.D. Bakewell, and Permanent Head of my Department. This group will be the basic co-ordinating body with which the consortium will deal, although from time to time various members of Government Departments as well as the Commonwealth will be seconded to assist.

The environmental aspect is the most important factor and the results of joint studies by the State Departments of Environment and Conservation and Fisheries and the consortium will be published in a comprehensive Environment Impact Statement now being developed.

Heads of agreement and much of the detail of the indenture are well advanced. A Bill for acquisition of the land will be introduced shortly, with leasing provisions subject to the ratification of the indenture by Parliament. It is anticipated that the Indenture Bill will be put before the House and referred to a select committee in February, and that site works will commence in April next year.

The consortium will now complete technical studies made by ICI/Alcoa/Mitsubishi confirming economic feasibility of the study in the light of the new group structure.