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PRIME MINISTER

FOR MEDIA

MONDAY, 9 NOVEMBER 1981

SPEECH AT COMMISSIONING OF
G.M.H. ENGINE PLANT, FISHERMAN'S BEND

I am very pleased to be here today for the commissioning of this new G.M.H. engine plant.

The plant represents a significant investment in the future of Australia. It surely reflects confidence in the stability and the economic prospects of this country. For six years, the Government has worked consistently to encourage this kind of confidence, to help create the conditions in which productive and profitable investment will take place in Australia on the scale required and I believe that the level of investment that is now occurring, as evidenced by a great engine plant such as this, helps confirm that our policy approach has been right.

The construction of this plant was obviously closely linked with the Government's decision in 1979 to introduce export facilitation measures. In making that decision, the Government recognized the desirability of the Australian automotive industry becoming more integrated with the world industry, thus contributing to the viability and competitiveness of the industry, especially in the longer term and enabling Australia to keep abreast of technological advances, especially in connection with the development of high quality fuel efficient vehicles.

Obviously a four cylinder engine plant on anything like this scale would have been unthinkable only a few years ago and the situation in which, as I am advised, two-thirds of an expected annual production of 300,000 engines will be exported to General Motors plants overseas would have been equally unthinkable. Such exports will increase production runs and help achieve really significant economics of scale in production. They can help to counter the problem of the relatively small Australian domestic market. This response by G.M. towards the increasing international integration of automobile production will no doubt assist in improving the firm's cost structure.

The acceptance of the "world car" concept is clearly significant in terms of the Australian industry becoming more outward looking and G.M.H.'s involvement in the production of G.M.'s "J"-car, is to be commended.

In this industry in particular, co-operation at every level of the productive process is essential especially in achieving reliability of production and quality in the products. Management has a responsibility to marshal technology, organise productivity and maximise marketing opportunities. The workforce has the crucial responsibility for the standards of workmanship which enable the manufactured products to stand against those of other countries in meeting the requirements of consumers. Australian goods can and do meet this test in very many fields indeed. Australian workmanship and Australian management are the equal of any in the world.

I believe that Australians should work together so that "made in Australia" will become more and more synonymous with high quality workmanship and good design in all areas of industry. If people can work together in pursuit of that aim, then a great deal will already have been done to meet the challenge of improving Australian living standards.

In the motor vehicle industry, Australian management and labour have combined to produce higher quality cars than ever before in the history of the industry. I believe that consumers are becoming increasingly aware of this and no doubt the motor industry itself will want to do everything in its power to keep improving the quality of Australian made cars and thus strengthen this turnaround in opinion.

It is not so many years since the label "fully imported" was regarded by many Australians as almost sufficient recommendation for a product and I cannot say how pleased I am that Australians have broken down that myth by improving our own products.

I cannot emphasise too strongly that while Government policies, both in this and other countries, obviously have very significant effects on manufacturing industry, the underlying key to whether products will sell is their quality, their desirability in the eye of the consumer, and whether they are good value for money. Every manufacturer knows this, every manager knows it, every worker knows it, and I really believe we must bring it more and more to the forefront of our minds as a nation when we are thinking about what we must do to keep increasing our living standards.

A healthy, growing economy is the only road to increasing prosperity. No cloud must ever be allowed to blot out or blur our awareness of that fact. And a healthy, growing economy has to depend on how well our goods and products compete in the market place.

I have referred to the impact of government policies in this process and the Government's policies towards protection of industries are currently gaining particular attention. Questions about protection have seldom been easy to resolve in Australia and the decision which the Government now faces in relation to the I.A.C. report on the motor vehicles industry is particularly difficult. One thing that the people who are so concerned about this issue really ought to realise is that it would be inconceivable that this Government, having worked so hard and so consistently for six years to create the conditions under which the manufacturing sector has been built up, would now take actions to destroy this.

Protectionism and protection levels are issues of vast importance to the long and short term future of Australia and it would be quite wrong for the Government to be rushed into decisions before all the factors and all the possibilities have been properly weighed up.

How much better it would be if we could look at these issues with a constructive spirit on all sides so that the views and interests of everyone affected can be properly considered so that a proper balance can be achieved between the interests of people working and investing in the industry on the one hand, and consumers on the other, and so that we can make sure that as a result of the decisions we take, we will be pursuing the right objectives in the right way. And having said that, I also want to say that so far as the Government is concerned, two fundamental points on which all the discussions which are to take place must be premised are an awareness of the reliance of thousands of Australian families on the industries involved and the fact that a strong and internationally competitive manufacturing sector is essential to Australia's future.

The Government's objective of increasing the international competitiveness of Australian industry is well-known and so is the fact that gradualism and predictability have been key elements in our strategy on protection. It is this Government which has recognised that when change is desirable, industry and the community together need clear guidance on the framework within which the changes are to take place as well as time and incentives to adapt.

I do not want to talk at length today about this issue, vital as it is. But I would just say that this Government has shown that it has a capacity and a determination to make the kinds of decisions on these difficult issues that steer the balanced course in the interests of all sections of the Australian community. So against that background, let me come back to this magnificent engine plant and I just want to say that it must be seen as a tremendous development in this industry and that I speak for millions of Australians when I say that I hope and believe it will be most successful in an operational sense.

It gives me great pleasure to perform the commissioning ceremony.