



PRIME MINISTER

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SPEECH BY THE PRIME MINISTER
BHP CENTENARY DINNER - MELBOURNE - 13 AUGUST 1985

Ladies and gentlemen. I very much appreciate this opportunity to join you tonight.

This celebration by BHP of its centenary is a very special occasion.

The last 100 years have seen BHP prosper.

- It is now the largest Australian company, and a very large company by world standards, rating equal to some of the companies in the top 50 US corporations.

BHP's magnificent centenary publication "Australians in Company" has vividly documented BHP's rise to the great enterprise it is today.

- There was the move into iron and steel, which started it along the path to being a leading force in Australia's secondary industry.
- There was the development of minerals exploration, mining and export.
- There was the development of energy resources, particularly in Bass Strait and on the North West Shelf, and
- There was the move offshore, most particularly by the purchase of Utah, to become a substantial multinational corporation.

The development of BHP through these phases mirrored the development of Australia itself:

- The development of an indigenous iron and steel industry, and the associated metal handling industries was an important part of the industrial development of Australia, and is still an important contributor to the vitality of Australian manufacturing industry.
- The development of Australia's resources, particularly minerals, has played a crucial part in generating exports, in stimulating economic growth, and in fostering closer ties to other countries through international trade.

Two features of BHP's performance stand out.

- BHP always has always been known for its technical proficiency in resource-related industries.
- BHP has in recent time made a most successful effort to restructure itself, to orient itself more closely towards the international marketplace, within the new international disciplines to strengthen efficiency and competitiveness, and to take advantage of opportunities provided throughout the world.

Australia needs competitive, outward looking companies, companies that know the recipe of long-term success.

Only in this way will the Australian economy grow and afford all Australian a better standard of living. Only in this way can real inroads be made into the unemployment queues and secure employment be provided at the high living standards which Australians, rightly, expect.

We have seen these processes begin their work in the Australian economy in the last two years. As the economy has been turned around, as Australian industry has adjusted and conditions of international competitiveness have been reestablished, the employment situation in this country has been transformed. Unemployment has now been reduced to 8.2 per cent, the lowest level in nearly three years and the total number of new jobs created since the Summit has reached over 410,000 - well on the way to our three year target of 500,000 new jobs.

If these gains are to be maintained, sound macro-economic policies will have to be sustained. It is particularly important that, within the framework of the Accord, labour cost pressures continue to be controlled. Certainly the Government for its part will be acting responsibly to ensure that a debilitating

inflationary spiral does not emerge out of the cost pressures that have become apparent since the devaluation. This will be an important factor in sustaining Australian industry competitiveness.

Restoring industry competitiveness also requires a sound Government industry policy.

The Government's approach to the problems of the steel industry immediately after we came to office was a clear example of what was needed.

The steel industry in early 1983 was experiencing major difficulties to which quotas on imports were an ineffective and inappropriate response. Now, following nearly two years of the steel plan and nearly two years since quotas were replaced with assistance more relevant to the market, the steel division is again profitable with a more certain future.

The Government is determined that assistance arrangements not become a substitute for improved efficiency; rather assistance should be short-term and the minimum necessary to encourage industry to reorganise and become more competitive.

A recent most notable example of BHP's involvement in an exercise of great national significance has been the company's key role in the development with China of the Australian iron and steel initiative.

The development of the Chinese economy holds great promise for commercial co-operation between Australia and China.

- In no industrial sector is there greater complementarity and hence opportunity for co-operation between our two countries than in iron and steel.

The Government, through a program of frequent high-level contacts with Chinese leaders and the establishment of the Iron and Steel initiative, has provided official momentum for the pursuit of opportunities by commercial entities in both countries.

- BHP has been at the forefront in developing the commercial aspects of co-operation, most rapidly in relation to manganese and iron ore exports, and semi-processed steel from Whyalla and the east coast centres. Together we look forward to the conclusion of further and larger contracts, to the benefit of all parties.

In the final analysis, it is up to individual companies to take advantage of the opportunities afforded them.

BHP has positioned itself well to meet the emerging challenges.

- It has expanded its activities by diversifying widely in Australia and by purchasing international assets.
- .. Utah is the most spectacular.
- It has reorganised its own management and operating structure announced under the banner "Organising for Profit and Growth" to reflect its new pattern of activities.

The diversity of BHP's trade, often involving both raw materials and processed products, requires it to be aware of any sensitivities in the world market. The new corporate plan facilitates the flow of communication within the management structure, essential if BHP is to take full advantage of opportunities offered to its different corporate activities.

I believe that BHP has every reason to be confident of the future:

- A future based on outward-looking, competitive attitudes to international trade.
- A future which recognises the advantages of a properly structured management.
- A future where productivity levels and new activities see competitiveness in world markets maintained.

BHP and the strength of the Australian economy, are closely intertwined. This is particularly apparent in BHP's role in the development of Australia's national mineral and energy resources.

The framework established for the development of these resources allows this to be done in a manner beneficial to all Australians.

- BHP plays an important part in that process.
- A process always evolving as was most recently attested through the announcement of the go-ahead for the export stage of the North West Shelf.

BHP's further spectacular move to multinational status involves it in a new order of responsibility. It will inevitably bring it into closer contact with the aspirations and policies of a range of Governments.

BHP's move in this direction - this internationalising of BHP - mirrors closely the internationalising of the Australian economy during the term of this Government.

Our decisions to float the dollar, to permit foreign bank entry and to pursue a committed course of deregulation of foreign exchange markets have transformed the Australian economic scene.

These have been paralleled by our steady progress to open Australian production of goods gradually to greater international competition, notably in steel, motor vehicles, textiles, clothing and footwear and (the Senate willing) dairy products.

In a quite unprecedented way Australia is now open to the challenges and opportunities of the international market place.

BHP is obviously a key player in this new scene.

Certainly, in the last 100 years it has a proven track record in Australia. It has worked hard for its name "Australia's BHP". It has done so on the basis of the contribution to the company and to this country of many thousands of Australians.

- Sir James Balderstone, in his forward to "Australians in Company", said "Today and for the years immediately ahead the company sees its mission as achieving profitable growth servicing diverse markets as a competitive international producer and supplier of resource-related products and services, while growing in other areas by making use of the expertise drawn from its existing businesses".

BHP's success in this mission is important to all of us.

Certainly I know everyone here joins me in congratulating BHP on its centenary and joins me in wishing it every success in the next 100 years.

It is my particular pleasure now formally to ask all guests to join me in toasting the past success and future prosperity of BHP.
