



PRIME MINISTER

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**SPEECH BY THE PRIME MINISTER
COMMISSIONING OF ERICSSON'S AUTOMATED PRODUCTION PLANT
BROADMEADOWS - 14 JUNE 1990**

From time to time, there comes an event that captures in one moment the aspirations and hard work of many people over many years. The commissioning today of this sophisticated production facility by Ericsson Australia is one such event. It encapsulates in freeze-frame many of the critically important changes underway today in Australia - changes that have been sought and envisioned by policy makers in Canberra since 1983, and changes that are increasingly being implemented by employers, investors and trade unionists throughout the national economy.

I know it's traditional for speakers such as me, at occasions such as this, to express the formal sentiments of pleasure at being here. But I hope you will understand that on this occasion, I do indeed feel a great deal of pleasure, not to mention satisfaction, pride and encouragement, at what we are witnessing here.

It's an achievement in its own right for Ericsson Australia to expand its operations in this way.

I'm told by Ericsson's that a robotic cell is a so-called clever system in that it learns from its mistakes and automatically takes measures to correct them.

That might be quite handy in politics. In fact it might be even useful in the media.

I mean to convey a serious point. We are all familiar with that perhaps traditional and understandable media tendency to focus on shortcomings in Australian industry. When there is a strike, a delay or a missed opportunity, you can be sure that's news. But when something positive is done, when an Australian firm or union gets it right, when we kick a goal in a tough international environment, that's rarely seen as news.

Today Ericsson really is kicking a goal. It is newsworthy, and I hope we read and hear about in the news media.

This robotic cell, in a new plant for the production of public telephone exchange equipment, confirms Ericsson's status as a world class producer of telecommunications equipment, and positions it well for the successful further expansion of its role in Australia, in our region and beyond.

In all these regards Ericsson's individual achievement is very accurately to be considered an achievement for the economy and the nation as a whole.

Because what this robotic cell stands for is years of research, extensive training, substantial and continuing new investment, and significant new export potential, in an industry that is at the cutting edge of new technology.

In other words, it symbolises Australia's emerging identity as 'the clever country' - not content to rely simply on the bounty of our agricultural and mineral wealth but eager to diversify our skills and capacities. It is only by becoming a truly capable player in the world economy - a vigorous exporter of a broad range of products, a confident producer of sophisticated technologies, a reliable trading partner and joint venturer - that living standards in this country will be underpinned and enhanced.

From the Government's point of view, developing this kind of competitiveness and diversity has been the central thrust of our activity since 1983. In a rapidly changing and increasingly competitive global environment, we have provided the lead, through our international diplomacy and our domestic budgetary decisions, and not least, through our plans for the reform of the micro-economy.

I've made it clear that in the telecommunications industry, what we should be trying to ensure is that we get the most effective service. I'm not wedded to any particular solution or formula; and I've said that we will not allow any vested interest to dictate the terms of the final decision we take. The only criteria can be effectiveness; and that means we need to look at options that would increase competition in this area.

The success of the Government's endeavours since 1983 in creating a positive environment for the growth and diversification of the Australian economy has relied ultimately on winning the co-operation of others.

It is up to individual decision makers to respond: to find new export markets, to invest in new capital, to formulate more efficient award structures - and to develop and implement new technologies.

So that is why this event today in Broadmeadows has truly national significance.

Indeed, perhaps the most exciting aspect of this initiative is its long-term international significance.

Ericsson Australia is already an established exporter of telephone exchange equipment to the Asia-Pacific region.

The robotic cell is part of a substantial capital investment program that will reinforce Ericsson's international competitiveness. With this new technology Ericsson Australia will be well equipped to meet the tender requirements for a major overseas contract - the second digital telephone network in Indonesia.

Ericsson estimates that success in this bid could generate more than \$1 billion worth of exports down the track. This would confirm the international status of our domestic telecommunications industry.

It is because of this potential that the Australian Government decided last year to offer DIFF (Development Import Finance Facility) support to the Ericsson bid to the amount of \$83.4 million. I take this opportunity to repeat the Government's support for the bid.

In other respects, too, Ericsson is displaying its commitment to the varied tasks of economic restructuring.

It has been a success story of our new Industry Development Arrangements for local telecommunications manufacturers. These IDAs aim to foster the commitment of local manufacturers to research and development, export and domestic value adding, and Ericsson's contribution so far has been outstanding.

Ericsson has also shown that it understands the importance of people, by sponsoring the establishment of a joint government-industry training initiative known as the Australian Electronics Development Centre. This Centre is unique in Australia in its provision of training for the electronics industry and shows again the capacity and commitment of this company to fostering a more capable Australian telecommunications effort.

The emerging status of Australia's telecommunications industry is another reason why we should be looking closely at our existing services.

I want before closing to pay tribute to Ericsson's Managing Director, Mr Lars Estberger, who is soon to retire. Lars has been at the helm of the Australian operation since 1982 and presided - as we have seen - over a period of significant growth in the company. His work has made possible the investment program we are commissioning today and contributed to the world class standard of Ericsson Australia.

It takes a significant commitment on the part of an individual and on the part of all employees to get the results that Ericsson has achieved. It is the sort of commitment which Australia requires if it is to compete in the international environment, and I am proud to be involved in the demonstration of this commitment today.

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