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Winning Markets

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PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING, MP
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This is a good thing that we do today.

I am very pleased, and very proud, to come together with representatives of the States, the Territories and the business community, to launch AusIndustry.

I am proud because AusIndustry is another investment by the Government in Australia, in a stronger nation and a more productive people.

I am proud because AusIndustry is the product of dialogue and cooperation between Commonwealth, State and Territory governments. It is a strategic partnership, between the different tiers of government, and between government and industry, and it shows just how well the Federation can work when there is good will all around.

I am proud because AusIndustry shows that there is room for innovation and enterprise within the public sector, and reflects the Government's desire to achieve world's best practice in the delivery of programs to the community.

AusIndustry was one of the initiatives announced last year in the Government's White Paper on Employment, *Working Nation*.

In the White Paper, we asserted that the strongest and fairest kind of nation is a working nation. We erected practical measures to increase employment, because that is the most equitable, and the most efficient, thing to do.

Much of *Working Nation* was devoted to moving the long-term unemployed - and those at risk of becoming long-term unemployed - into jobs: the Youth Training Initiative, the Job Compact, the National Training Wage.

But we also recognised the long-term imperative: that in order to create more jobs with higher wages, and hence improve the living standards of Australians, the country has to be more productive - and that requires Australian industry to be extended and strengthened.

For the last twelve years, the Government has been building the kind of competitive environment in which Australian industry can succeed and Australian firms can flourish.

We have done it by opening up the economy, and facing it - for the first time - towards our own region.

We have done it by floating the dollar, and deregulating the financial sector.

We have done it by dismantling the high tariff walls behind which the Australian manufacturing sector was crumbling away, and by putting in place measures to help businesses engage the global market place.

And we are doing it through labour market reforms which increase the flexibility and productivity of Australian work places without tearing at the rights and living standards of Australian working people.

Today, the Australian economy is far more competitive, alert and dynamic than at any time in the past.

Australia's communications network is smarter and livelier, our transport system smoother and more efficient, and our financial sector infinitely more sophisticated than a decade ago.

Overall, the economy is almost 40 per cent more competitive than it was in the early 1980s.

We are finding that in this new competitive environment, new species of successful Australian firms are springing up.

The McKinsey survey on emerging exporters, and all the studies since, have remarked on these successes.

The studies have shown that the firms achieving the biggest wins all share a similar character.

They are ambitious and alert, vigorous and adventurous.

They are exploiting the revolutions in transport and communications to get to new markets, and they are operating very close to those markets.

They are innovative, and able to manage and respond to a wide range of emerging conditions.

There are a lot of firms like this - it's approaching a critical mass. Their success depends on knowing what they are good at. And this is where government has a very significant role to play - by helping these firms to develop their human capital.

Many of the most mobile and energetic Australian businesses are small and medium enterprises. Unlike their cousins in big business, they cannot afford to maintain on-line access to the skills, information and resources that are essential to business development.

By helping Australian firms obtain these services, governments can help them identify their strengths, isolate their weaknesses, and harness and direct their energies.

The advice and ideas might deal with skills, education and training, access to finance, long-term planning, the application of technologies or the development of trade opportunities.

The aim of industry development of this kind is not to pick winners, but to keep the winners moving. Experience shows us that government and industry work better when they work in concert.

This kind of advice has always been offered by governments - but through a plurality of sources in a variety of agencies.

Before the Government brought down *Working Nation*, business people told us they were confused about the range of services provided by governments and, in some instances, were not even aware of the existence of key Commonwealth Government programs.

An independent review of the development and delivery of government business programs, conducted by Mr Ian Burgess, told us much the same thing.

AusIndustry is the Government's response to these criticisms.

AusIndustry will help our businesses to achieve world's best practices, and to successfully engage world markets. It will serve as a single entry-point to the array of government programs already in place to assist firms in developing their managerial, technological, financial and marketing resources. And it will help to build better Australian firms by allowing us to deliver an integrated, cohesive and holistic service to each individual business client.

The most effective enterprise development programs are those which are informed by the views and driven by the needs of business. To ensure that AusIndustry maintains a strong client focus, we have appointed a private sector-led Board, headed up by Dick Warburton.

May I commend the States and Territories for having the wit and vision to sign on to the AusIndustry partnership. Bringing all our business service activities under a single umbrella makes good economic and logistic sense, and will allow us to draw on the resulting synergies.

So, with the launch of AusIndustry, industry development assistance will be delivered, for the first time, on an all-governments, whole-of-government basis.

AusIndustry will direct businesses to the government service most suitable for their needs. These services have already achieved many success stories - stories worth telling.

Like the Victorian-based Moss Products, a manufacturer of technical plastic and metal components, which called on private sector experts subsidised by AusIndustry to stream-line its product development, renovate its corporate identity and establish a strategy for the future.

Or the Adelaide construction firm, Glenn Industries, which deals in leading edge building technology, and specialises in the manufacture of glass fibre reinforced cement. Parliament Station in Melbourne and the Capita Finance Building in Sydney are good examples of the work of this firm. Support from Government industry assistance programs and Austrade helped Glenn Industries form a joint venture with a Singapore firm, and eventually win \$13 million worth of contracts, including the Singapore Merlion Tower.

Or the National Recording Studios, a business which has already gone a long way down the information highway, developing interactive CD-Rom packages for both the Government and corporate sectors. NRS accessed a Commonwealth Government program which assists new and existing exporters to strategically plan for and manage their exporting activities. Sales into a range of territories, including the USA, Italy, Taiwan, Israel and South Africa have followed.

In the final analysis, of course, the credit for their successes, and the onus for achieving them in the future, lies with the businesses themselves. They must make their own way in a very competitive environment. But as these examples show, government can support them in their efforts.

AusIndustry will provide that support. It is a timely and intelligent policy initiative which will help set up Australian industry for the future.

Ladies and gentlemen,

Earlier this month, with the standardisation of the rail line between Melbourne and Adelaide, the Government completed the construction of a national standard gauge rail highway from Brisbane to Perth, via Sydney, Melbourne and Adelaide.

The establishment of AusIndustry is perhaps not of quite the same order, but the intent is the same. Each will guarantee a more unified system, and provide a better service to Australians. And each will, I am sure, come to be seen as a national asset.

I congratulate all those involved with the establishment of AusIndustry, and wish them the best of luck for the future.

I am confident that AusIndustry will make Australia a much more industrious nation, and I am happy to declare it open for business.

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