



PRIME MINISTER

SPEECH TO THE CONFEDERATION OF AUSTRALIAN INDUSTRY, CANBERRA
2 DECEMBER 1983

IT GIVES ME GREAT PLEASURE TO ADDRESS THIS, THE ANNUAL GENERAL MEETING OF THE CONFEDERATION OF AUSTRALIAN INDUSTRY.

THE CONFEDERATION HAS FOR MANY YEARS BEEN A FORCEFUL ADVOCATE OF AUSTRALIAN BUSINESS INTERESTS.

THE PARTICIPATION BY THE CAI IN THE SUMMIT AND DON HUGHES INVOLVEMENT IN THE EPAC HAVE BEEN ESPECIALLY APPRECIATED.

THE COMMITMENT TO AND UNDERSTANDING OF CONTEMPORARY AUSTRALIAN NEEDS DEMONSTRATED BY CAI AND DON HUGHES PERSONALLY IN BOTH THOSE FORA HAVE CONTRIBUTED IMPORTANTLY TO THE NATIONAL EFFORT TO ACHIEVE ECONOMIC RECOVERY.

THE CAI'S CONTINUING CONTRIBUTION TO PUBLIC AWARENESS AND GOVERNMENT POLICY DEVELOPMENT IS AN IMPORTANT INGREDIENT IN MY GOVERNMENT'S EFFORTS TO FORGE A NATIONAL CONSENSUS AROUND THE MEASURES NEEDED TO ENSURE SUSTAINED ECONOMIC RECOVERY.

WE MUST BEGIN WITH THE RECOGNITION THAT EVERYTHING DEPENDS ON THE GOVERNMENT ADOPTING POLICIES, AND SECURING THE NECESSARY CHANGES OF ATTITUDES BY BUSINESS AND UNIONS, THAT WILL ENABLE GROWTH TO BE SUSTAINED.

THAT IS THE MAIN THRUST OF OUR POLICY EFFORT.

OF PARTICULAR INTEREST TO YOUR MEMBERSHIP HAS BEEN THE APPROACH MY GOVERNMENT IS ADOPTING ON INDUSTRY POLICY.

THERE ARE THREE PRINCIPAL ASPECTS TO OUR INDUSTRY POLICY: THE ENCOURAGEMENT OF STRONGER GROWTH, THE PROMOTION OF EFFICIENCY IN INDUSTRY AND THE DEVELOPMENT OF A FAIR AND EQUITABLE BUSINESS ENVIRONMENT.

LET ME TAKE EACH OF THESE POINTS IN TURN.

THERE IS NOW WIDESPREAD AGREEMENT THAT AUSTRALIA HAS TURNED ITS BACK ON THE DISASTROUS ECONOMIC DECLINE THAT BEGAN IN 1981, AND CAN LOOK FORWARD TO STRONG GROWTH IN PRODUCTION OVER THE NEXT YEAR OR SO.

BUT THIS OF ITSELF, AS I HAVE SAID BEFORE, WILL NOT PROVIDE AN ANSWER TO AUSTRALIA'S ECONOMIC PROBLEMS.

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THE EFFECTS OF THE STAGNATION, THE HIGH AND RISING UNEMPLOYMENT, THAT HAVE BEEN FEATURES OF AUSTRALIA'S ECONOMIC LIFE OVER THE PAST DECADE, WILL NOT BE WIPED OUT BY A SHORT UPTURN IN LEVELS OF ACTIVITY.

AUSTRALIA NEEDS STRONG SUSTAINED AND WIDELY DISTRIBUTED GROWTH OVER A LONG PERIOD.

WE HAVE TO REPLACE THE ENTRENCHED UNDERPERFORMANCE OF THE LAST DECADE WITH PERSISTENT GROWTH IN PRODUCTIVITY, OUTPUT AND EMPLOYMENT.

THE SIGNS ARE ENCOURAGING.

THE PROSPECTS ARE FOR SUBSTANTIAL GROWTH THROUGH THE CURRENT FINANCIAL YEAR.

3.

THROUGH THE LAST FINANCIAL YEAR THERE WAS, AS YOU KNOW,
A DECLINE IN OUTPUT.

THIS YEAR'S BUDGET ANTICIPATED GROWTH THROUGH THE YEAR OF
5 PER CENT IN NON-FARM PRODUCT, AND MORE IN TOTAL PRODUCT
BECAUSE OF THE STRENGTH OF THE FARM SECTOR.

THIS TURNAROUND FROM DECLINE THROUGH 1982-83 TO VIGOROUS
EXPANSION THROUGH 1983-84 IS REMARKABLE.

AND ALL THE SIGNS ARE THAT THE BUDGET FORECASTS WILL BE
ACHIEVED AND POSSIBLY SURPASSED.

IT IS PARTICULARLY STRIKING THAT EMPLOYMENT GROWTH SINCE
THE SUMMIT IN APRIL CONTINUES TO BE RELATIVELY STRONG AND
EVERY INDICATION IS THAT THIS WILL CONTINUE IN THE YEAR AHEAD.

THE MOST IMPORTANT TASK FOR THE GOVERNMENT, HOWEVER, IS
TO BROADEN THE RECOVERY AND SUSTAIN IT INTO THE FUTURE.

THIS WILL REQUIRE A STRONG AND GROWING INDUSTRY.

IT IS MY GOVERNMENT'S FIRM VIEW THAT STRONG MANUFACTURING AND SERVICE INDUSTRIES ARE NECESSARY FOR THE ACHIEVEMENT OF FULL EMPLOYMENT AND HIGH STANDARDS OF LIVING FOR ALL AUSTRALIANS.

TO ACHIEVE THIS NEEDS ACTION IN SEVERAL AREAS.

FIRSTLY, THE RECOVERY IN ECONOMIC ACTIVITY MUST PROGRESS SMOOTHLY AND NOT BE ABORTED BY THE EMERGENCE OF BOTTLENECKS IN SPECIFIC AREAS.

THIS WILL REQUIRE THAT ALL MAJOR SECTORS CONTRIBUTE TO THE CURRENT EXPANSION IN ACTIVITY.

WE MUST BUILD ON THE RECOVERY NOW BEGINNING AND ENSURE THAT IT IS BROADLY BASED AND SUSTAINABLE, RATHER THAN BASED ON ONE OR TWO SECTORS.

NARROWLY BASED RECOVERIES IN THE PAST HAVE OFTEN BEEN SHORT-LIVED.

IN ADDITION TO THESE INDUSTRY-BASED CONCERNS, MACRO-ECONOMIC POLICIES HAVE TO BE SET TO CREATE A STABLE CLIMATE FOR INTEREST RATES, COSTS AND PRICES.

WITHOUT THIS STABILITY WE COULD REPEAT THE EXPERIENCE OF THE PAST DECADE WHERE RECOVERIES WERE ABORTED.

WITHOUT INVESTMENT THE ECONOMY CANNOT EXPERIENCE LONG PERIODS OF STRONG GROWTH.

NOR CAN COMPANIES ADOPT THE INNOVATIVE APPROACH REQUIRED TO MAINTAIN COMPETITIVENESS.

MY GOVERNMENT IS AWARE OF THE PARTICULAR IMPORTANCE OF INTEREST RATES TO THE BUSINESS SECTOR AND THAT INTEREST RATES ARE A SIGNIFICANT DETERMINANT OF A FIRM'S WILLINGNESS TO INVEST AND EXPAND.

TO EASE THE POSSIBLE PRESSURE ON INTEREST RATES ARISING FROM A LARGE PUBLIC SECTOR BORROWING REQUIREMENT OCCURRING AT THE SAME TIME AS PRIVATE SECTOR DEMAND FOR FUNDS RECOVERS, WE HAVE BROUGHT FORWARD MUCH OF THE FINANCING OF THIS YEAR'S BUDGET DEFICIT TO PROVIDE FOR THE POSSIBILITY OF A RECOVERY OF PRIVATE BORROWINGS IN THE FIRST HALF OF THE NEW YEAR.

AS THE PRIVATE SECTOR'S DEMAND FOR FUNDS INCREASES THE COMMONWEALTH WILL BE SEEKING TO LIMIT ITS OWN DEMANDS IN THE CAPITAL MARKETS.

IN THE YEAR AHEAD THE RATE OF INFLATION SHOULD BE SIGNIFICANTLY LOWER THAN IN PREVIOUS YEARS. THIS LOWERING OF THE INFLATION RATE COMES AT THE SAME TIME AS THERE ARE PRESSURES IN MANY OVERSEAS COUNTRIES FOR AN UPWARD MOVEMENT IN PRICES AND WILL CONTRIBUTE TO THE COMPETITIVENESS OF AUSTRALIAN INDUSTRY.

TO TAKE FULL ADVANTAGE OF THE REDUCTION IN INFLATION, WE HAVE TO ESTABLISH A CLIMATE WHERE INFLATION AND INFLATIONARY EXPECTATIONS STAY ON A DOWNWARD PATH.

THE PRICES AND INCOME ACCORD IN CONJUNCTION WITH THE OTHER MACRO-ECONOMIC POLICIES WE HAVE ADOPTED IS THE ONLY WAY TO ACHIEVE THIS.

IMPLEMENTATION OF THE ACCORD WILL, OF COURSE, REQUIRE THE SUPPORT OF THE WHOLE COMMUNITY.

A FUNDAMENTAL PART OF THE ACCORD IS FULL COMPLIANCE WITH THE RECENTLY ANNOUNCED WAGE-SETTING PRINCIPLES OF THE ARBITRATION COMMISSION AND MODERATION IN NON-WAGE INCOME CLAIMS.

MR HOWARD'S SUGGESTION THAT A COALITION GOVERNMENT WOULD AMEND THE COMMONWEALTH CONCILIATION AND ARBITRATION ACT TO PERMIT EMPLOYERS AND EMPLOYEES "TO EXCLUDE THEMSELVES FROM THE AMBIT OF THE COMMONWEALTH CONCILIATION AND ARBITRATION SYSTEM", RATHER THAN HAVING THE EFFECT OF ENSURING COMPARATIVE WAGES JUSTICE WOULD INSTEAD MAKE ITS ACHIEVEMENT VIRTUALLY IMPOSSIBLE.

A CENTRALISED SYSTEM IS ABSOLUTELY NECESSARY BOTH FOR THE MAINTENANCE OF A STABLE INDUSTRIAL ENVIRONMENT AND FOR THE PRESERVATION OF CONDITIONS CRITICAL TO A RAPID ECONOMIC RECOVERY.

IF THE UNIONS ARE TO BE ASKED TO GIVE A COMMITMENT TO WAGES RESTRAINT, THEY MUST BE SECURE IN THE KNOWLEDGE THAT RESTRAINT WILL BE SHARED EQUITABLY ACROSS THE BOARD -- EQUALITY OF SACRIFICE UNDERPINS THE ACCORD AND IS MADE CREDIBLE THROUGH THE COMMISSION.

THERE IS ALSO A NEED TO CHANGE PAST APPROACHES IN THE AREA OF INDUSTRY POLICIES.

OUR POLICIES IN THIS AREA ARE DESIGNED TO REINFORCE THE GROWTH OF INDUSTRIES, TO IMPROVE THE EFFICIENCY OF THESE INDUSTRIES AND TO DEVELOP A FAIR AND EQUITABLE BUSINESS ENVIRONMENT.

FIRST, LET ME OUTLINE MY GOVERNMENT'S POSITION WITH RESPECT TO EFFICIENCY.

AS A SOCIETY AND NATIONAL ECONOMY, AUSTRALIA MUST BE MORE CAREFUL THAN IN THE PAST TO ALLOCATE RESOURCES TO THEIR MOST PRODUCTIVE USES.

MY GOVERNMENT RECOGNISES THE NEED FOR EFFICIENT AND COMPETITIVE INDUSTRIES.

OUR GENERAL APPROACH IN THIS AREA IS TO ENCOURAGE THE DEVELOPMENT OF A COMPETITIVE ENVIRONMENT FOR FIRMS, BUT TO INTERVENE WHERE THIS IS NECESSARY TO CORRECT MARKET FAILURE, OR TO ACHIEVE EQUITY.

WE HAVE IN THE PAST FAILED TO GRASP OPPORTUNITIES TO IMPROVE ECONOMIC CONDITIONS IN AUSTRALIA AS A WHOLE BECAUSE, ON OCCASIONS, THERE HAS BEEN A SHORT-SIGHTED INSISTENCE THAT SHORT-TERM SECTIONAL INTERESTS SHOULD COME FIRST.

WHILE THERE ARE MANY POINTS ON WHICH I WOULD FIND MYSELF AT ODDS WITH THE INDUSTRIES ASSISTANCE COMMISSION, I DO AGREE WITH IT THAT:

" . INCREASES IN REAL WEALTH, AND THUS IN THE LIVING STANDARDS OF AUSTRALIANS, DEPEND IMPORTANTLY ON ENCOURAGING THE DEVELOPMENT OF LOCAL INDUSTRIES WHICH USE THE COMMUNITY'S BASIC RESOURCES OF LABOUR, CAPITAL AND LAND MOST EFFICIENTLY.

. THE EFFICIENT ALLOCATION OF RESOURCES BETWEEN INDUSTRIES REQUIRES CHANGES IN THE STRUCTURE OF INDUSTRY AS THE ECONOMIC ENVIRONMENT CHANGES. THUS IMPROVED LIVING STANDARDS AND ECONOMIC GROWTH REQUIRE AN INDUSTRY STRUCTURE WHICH HAS THE FLEXIBILITY TO RESPOND TO CHANGING ECONOMIC CIRCUMSTANCES."

THIS BRINGS US TO THE POINT OF ASKING, IF THESE OBJECTIVES ARE TO BE REACHED, WHAT SORT OF POLICIES ARE MOST APPROPRIATE, AND IN PARTICULAR WHAT TYPE AND LEVEL OF PROTECTION SHOULD BE AFFORDED AUSTRALIAN INDUSTRY?

WHILE OVER THE LONGER TERM AUSTRALIA HAS BEEN GRADUALLY REDUCING THE PROTECTION AFFORDED LOCAL PRODUCERS IN THE RECENT PAST THIS HAS BEEN REVERSED.

THE IAC HAS NOTED IN ITS LATEST ANNUAL REPORT THAT THE AVERAGE EFFECTIVE RATE OF ASSISTANCE AFFORDED TO MANUFACTURING INDUSTRY INCREASED FROM 23 PER CENT IN 1977-78 TO 26 PER CENT IN 1981-82.

THIS INCREASE HAS RESULTED MAINLY FROM ASSISTANCE PROVIDED BY WAY OF QUOTA PROTECTION TO THE CLOTHING AND FOOTWEAR AND MOTOR VEHICLE INDUSTRIES.

LET ME FIRST SAY THIS MUCH: MY GOVERNMENT HAS ALREADY INDICATED THAT IT WILL NOT REDUCE PROTECTION TO INDUSTRY DURING THE CURRENT ECONOMIC CRISIS.

NOTWITHSTANDING THIS, THE GOVERNMENT IS LOOKING FORWARD TO FUTURE OPPORTUNITIES TO REDUCE PROTECTION TO THE MOST HIGHLY ASSISTED INDUSTRIES IN AN ENVIRONMENT OF CONFIDENCE AND SUSTAINED GROWTH.

IN VIEW OF THE COSTS OF ADJUSTMENT AND DISLOCATION ASSOCIATED WITH REDUCTIONS IN PROTECTION, ANY SUCH REDUCTIONS WILL BE INTRODUCED CAREFULLY AND GRADUALLY.

A STEADY AND WELL CONSTRUCTED PROGRAM OF REDUCTIONS IN PROTECTION WILL RESULT IN SHORT TERM COSTS.

HOWEVER, THE GOVERNMENT CONSIDERS THAT SUCH AN APPROACH, PROPERLY ENGINEERED, CAN MINIMISE SHORT TERM DISLOCATION.

FURTHERMORE, AND MORE FUNDAMENTALLY, WE CONSIDER THAT ULTIMATELY THE LONG TERM REALITIES OF INDUSTRY PROTECTION MUST BE ADDRESSED.

THE REALITY OF PROTECTION IS THAT ALL PROTECTION INVOLVES A COST THAT MUST BE BORNE BY EITHER THE CONSUMER OR THE TAXPAYER.

HOWEVER, THAT IS NOT THE END OF THE EQUATION.

IF AUSTRALIA IS TO GRASP ITS OPPORTUNITIES IN THE INTERNATIONAL ARENA, AN EFFICIENT AND COMPETITIVE INDUSTRIAL BASE IS ESSENTIAL.

AS I MENTIONED RECENTLY IN BANGKOK, AUSTRALIA IS IN A UNIQUE POSITION IN THE WORLD.

OUR PROXIMITY TO THE GROWING MARKETS OF ASIA AND THE PACIFIC PRESENTS THIS COUNTRY WITH ENORMOUS PROSPECTS FOR TRADE, WHICH WOULD BENEFIT BOTH AUSTRALIA AND OUR TRADING PARTNERS.

HOWEVER, TO REALISE THIS POTENTIAL, WE MUST MEET THE CHALLENGES THAT LIE BEFORE US.

THE ONLY WAY THAT WE CAN TAKE ADVANTAGE OF THESE TRADING OPPORTUNITIES AND CONSEQUENTLY MAXIMISE OUR NATIONAL INCOME, IS IF WE ARE PREPARED TO REDUCE PROTECTION AND ENCOURAGE OUR MOST EFFICIENT INDUSTRIES.

OUR POLICIES WILL BE DESIGNED TO ENCOURAGE THE EXPANSION OF OUR MOST PRODUCTIVE INDUSTRIES AND TO PROMOTE STRONG GROWTH IN THE PRODUCTIVITY OF ALL INDUSTRIES.

THIS BRINGS ME TO THE ROLE OF NEW TECHNOLOGY IN AUSTRALIA.

THERE IS A CLEAR DISTINCTION WHICH NEEDS TO BE DRAWN BETWEEN THE DEVELOPMENT OF NEW TECHNOLOGY AND THE USE OF NEW TECHNOLOGY BY EXISTING INDUSTRIES, BOTH OF WHICH HAVE AN IMPORTANT ROLE TO PLAY IN IMPROVING PRODUCTIVITY.

THE USE OF NEW TECHNOLOGY BY AUSTRALIAN INDUSTRY, AS IT BECOMES AVAILABLE, OFFERS THE POTENTIAL TO MAINTAIN INDUSTRIES COMPETITIVENESS AND ALLOWS INDUSTRY TO GROW.

HOWEVER, NOT ONLY DOES INVESTMENT IN NEW TECHNOLOGY OFFER ADVANTAGES; FAILURE TO USE THE BEST AVAILABLE TECHNOLOGY WILL PREVENT US FROM ENJOYING THE BENEFITS IN TERMS OF HIGHER LIVING STANDARDS THAT THIS TECHNOLOGY OFFERS.

WHILE LARGE INVESTMENTS WILL BE REQUIRED TO ADOPT NEW TECHNOLOGY, WITHOUT THAT INVESTMENT, BUSINESS COMPETITIVENESS WILL SUFFER, INDUSTRIES WILL STAGNATE, AND THE NATION WILL BE DEPRIVED OF THE BENEFITS OF ECONOMIC GROWTH BROUGHT ABOUT BY THE EMERGENCE OF NEW INDUSTRIES AND THE REVITALISATION OF EXISTING INDUSTRIES.

THERE IS NO REAL ALTERNATIVE TO STAYING ABREAST OF NEW TECHNOLOGY ABROAD.

OBVIOUSLY THE GOVERNMENT RECOGNISES THAT THERE ARE PROBLEMS ASSOCIATED WITH THE USE OF NEW TECHNOLOGY.

THE INTRODUCTION OF SUCH TECHNOLOGY MAY LEAD TO DIRECT DISPLACEMENT OF LABOUR.

AT THE SAME TIME HOWEVER, WE MUST RECOGNISE THE POSITIVE AND DIRECT IMPACT ON EMPLOYMENT GENERATED BY THE DEVELOPMENT AND INTRODUCTION OF NEW TECHNOLOGY.

THE GROWTH IN REAL INCOME ASSOCIATED WITH TECHNOLOGICAL CHANGE AND THE ASSOCIATED ECONOMIC GROWTH SHOULD IMPROVE THE OVERALL DEMAND FOR LABOUR.

DEMAND WILL ALSO BE STIMULATED BY THE PROSPECTS OF REAL PRICE REDUCTIONS BROUGHT ABOUT BY THE IMPROVEMENT TO EFFICIENCY ASSOCIATED WITH NEW TECHNOLOGY.

THE INTRODUCTION OF NEW TECHNOLOGY NEEDS TO OCCUR IN A BALANCED MANNER, AND FOLLOWING CONSULTATION BETWEEN EMPLOYERS, UNIONS AND GOVERNMENT.

IN THIS WAY THE BENEFITS FROM THE INTRODUCTION OF NEW TECHNOLOGY AND THE SOCIAL COSTS ASSOCIATED WITH THE CHANGE ARE MOST LIKELY TO BE ACCOMMODATED.

IN ADDITION TO INDUSTRY TAKING FULL ADVANTAGE OF AVAILABLE TECHNOLOGY, THERE IS A PLACE FOR INNOVATIVE AUSTRALIAN FIRMS TO CAPITALISE ON NEW DISCOVERIES AND APPLICATIONS TO BUILD FOR THEMSELVES A NICHE IN THE EXPANDING MARKET FOR HIGH TECHNOLOGY PRODUCTS.

THE GOVERNMENT RECOGNISES THE NATIONAL BENEFITS OF THE EMERGENCE OF VIGOROUS, COMPETITIVE, HIGH TECHNOLOGY INDUSTRIES IN TERMS OF STIMULATING GROWTH AND HAS MOVED TO ASSIST THESE INDUSTRIES.

PERHAPS THE MOST IMPORTANT FORM OF SUCH ASSISTANCE IS THE ENCOURAGEMENT TO THE DEVELOPMENT OF A VENTURE CAPITAL MARKET IN AUSTRALIA TO FUND THESE HIGH RISK VENTURES.

THIS BRINGS ME TO THE LAST ASPECT OF OUR INDUSTRY POLICY: THE DEVELOPMENT OF A FAIR AND EQUITABLE BUSINESS ENVIRONMENT.

ONE PARTICULAR FEATURE OF OUR POLICY FRAMEWORK IS DIRECTED TOWARDS SMALL BUSINESS.

THE GOVERNMENT RECOGNISES THAT SMALL ENTERPRISES PLAY A VITAL ROLE IN GENERATING INVESTMENT AND EMPLOYMENT OPPORTUNITIES, IN PROMOTING COMPETITION AND IN PROVIDING THE MEANS FOR ENTRY INTO BUSINESS OF NEW ENTREPRENEURIAL TALENT.

THIS GOVERNMENT ALSO RECOGNISES, HOWEVER, THAT SMALL FIRMS MAY BE PLACED AT A DISADVANTAGE PURELY BECAUSE OF THEIR SMALL SIZE.

TO ADDRESS THIS PROBLEM, WE HAVE ACTED TO INCREASE THE AVAILABILITY OF FINANCE FOR SMALL FIRMS.

BOTH THE COMMONWEALTH DEVELOPMENT BANK AND THE AUSTRALIAN INDUSTRY DEVELOPMENT CORPORATION HAVE BEEN GIVEN GREATER SCOPE TO BORROW FUNDS FOR ON-LENDING TO FIRMS.

IN ADDITION, THE NATIONAL COMPANIES AND SECURITIES COMMISSION IS CURRENTLY CONSIDERING A PROPOSAL FOR AN OVER-THE-COUNTER MARKET FOR UNLISTED SHARES IN SMALL PUBLIC COMPANIES.

FOR THE GOVERNMENT'S PART WE ARE MOVING TO IMPROVE COMMUNICATION BETWEEN THE SMALL BUSINESS SECTOR AND THE GOVERNMENT.

WE ARE KEEN TO ENSURE THAT WE RECEIVE ADVICE FROM PEOPLE WORKING IN SMALL FIRMS ON SOLUTIONS WHICH ARE APPROPRIATE TO CURRENT PROBLEMS EXPERIENCED BY SMALL BUSINESS.

THE APPOINTMENT OF A REPRESENTATIVE FROM SMALL BUSINESS TO EPAC, REPRESENTS THE ESTABLISHMENT OF AN IMPORTANT CHANNEL OF COMMUNICATION BETWEEN SMALL BUSINESS AND GOVERNMENT.

ON THE MORE GENERAL ISSUE OF EQUITY, THE GOVERNMENT HAS JUST COMPLETED A REVIEW OF CERTAIN PARTS OF THE TRADE PRACTICES ACT.

THE GOVERNMENT HAS UNDERTAKEN THIS REVIEW FOLLOWING CRITICISMS OF PARTS FOUR AND FIVE OF THE ACT AS IT CURRENTLY STANDS, AND IN THE BELIEF THAT ALL MEMBERS OF THE COMMUNITY SHOULD BE PROTECTED FROM MISUSE OF MARKET POWER.

HOWEVER, WE ARE CONCERNED TO ENSURE THAT THE PROVISIONS OF THE ACT SHOULD NOT STIFLE HEALTHY COMPETITION NOR INVOLVE PROHIBITIVE COMPLIANCE COSTS.

WE PROPOSE TO RELEASE BEFORE THE END OF THE YEAR AN EXPOSURE DRAFT TO ELICIT PUBLIC COMMENT ON THE PROVISIONS OF AN AMENDING BILL.

YOU WOULD APPRECIATE THAT IN PROCEEDING THIS WAY THE GOVERNMENT IS INTERESTED IN THE WIDEST POSSIBLE CONSULTATION WITH INTERESTED PARTIES.

THE EXPOSURE DRAFT OFFERS A SPECIFIC BASIS UPON WHICH COMMENTS CAN BE DEVELOPED.

MY GOVERNMENT'S AIM, AT LEAST IN PART, IS TO ENSURE THE MAINTENANCE OF COMPETITIVE MARKETS BY PROHIBITING UNFAIR BUSINESS PRACTICES.

WE BELIEVE THAT FAIR COMPETITION IS ESSENTIAL IF EFFICIENT FIRMS, WHICH COULD BE THREATENED BY LESS EFFICIENT BUT MORE POWERFUL COMPETITORS, ARE TO SURVIVE.

IN CONCLUSION, LET ME STRESS THAT NONE OF THE THREE ASPECTS OF THE GOVERNMENT'S INDUSTRY POLICY CAN ALONE PRODUCE A PANACEA FOR OUR INDUSTRY PROBLEMS.

MOREOVER, GOVERNMENTS ACTING IN ISOLATION CANNOT HOPE TO ACHIEVE THE NECESSARY CLIMATE FOR INDUSTRY DEVELOPMENT.

17.

TO BE A SUCCESS, INDUSTRY POLICY REQUIRES COMMITMENT AND
CO-OPERATION FROM GOVERNMENTS, EMPLOYERS AND UNIONS.

THE CHALLENGE IS TO DEVELOP A COMPETITIVE INDUSTRY WHICH
WILL CONTRIBUTE TO THE IMPROVEMENT OF OUR STANDARDS OF LIVING
AND TO A STRONG AND PROSPEROUS AUSTRALIA.

LET US JOIN TOGETHER IN MEETING THIS CHALLENGE.