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## PRIME MINISTER

CHECK AGAINST DELIVERY

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AUSTRALIAN DESIGN AWARD,  
MELBOURNE, 30 SEPTEMBER 1985

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Members of the Design Council  
Distinguished Guests,  
Ladies and Gentlemen,

I am honoured to be here today to present the Australian Design Award to Consolidated Electronics for their "CEICART" Autophase 2000 Stereo Replay Machine - a precision machine which automatically rectifies phase differences in stereo reproduction and allows for complete clarity in broadcast sound.

In so doing, I want to congratulate the Australian Design Council, not only for its activities in promoting the importance of design in the commercialisation of products, but also in promoting technological change and innovation in Australian industry.

This year's choice for the Australian Design Award has three important characteristics:

- . it is technologically advanced;
- . its design is innovative, making it highly competitive with imports; and
- . it has substantial export potential;

These three characteristics exemplify the Government's goals for our manufacturing industry. For Australian industry to grow and develop it must become internationally competitive and export oriented.

For me, there is a fourth characteristic - the company is situated in Australia's No. 1 Electorate - Wills.

Indeed, the development and application of new technology must be embraced as one of the driving forces

behind the process of economic change with important consequences for the competitiveness of industries. There is no escaping the fact that industrial innovation is essential to Australia's future economic wellbeing, not only in industries producing glamorous new products, but throughout established industries as well.

However, the achievement of growth through innovation and technological change requires commitment by both industry and the Government.

My Government has recognised that there are barriers to successful technological innovation, and we have put into place policies and programs to overcome many of these barriers. These include:

- . the successful establishment of an economic environment conducive to industry growth and development which has resulted in a resurgence of profits from which investment in research and development, among other things, can proceed;
- . incentives to stimulate private sector research and development, in particular the 150% tax incentive which has been effective from 1 July 1985. These incentives are aimed at directly stimulating firms to undertake more and longer term investments in R & D projects;
- . the provision of venture capital through the Australian Industry Development Corporation as well as through taxation concessions for selected management investment companies for investments in technologically intensive firms; and
- . an examination of the methods by which public sector research can be transferred to industry

These are the major Government measures.

However, industry has an equal responsibility to overcome barriers to technological development and innovation. It is industry that stands to gain most in the long term.

In the changing economic environment of the 1980s no longer can industry rely on protective barriers to maintain market shares, nor indeed can it rely on borrowed product and process technology that often operates on a scale less than that for which it was originally designed.

The introduction of new or at least relevant technologies is essential if Australian industry is to once again significantly contribute to the Australian economy.

In the Government's view there is a growing awareness in Australia that our major competitors, especially those within our own region, are undertaking new long term investments, adopting new business strategies and applying new technology. Our location in the most dynamic, forward-looking part of the world imposes on our industries a need to develop new technologies - new products and processes - if we are to compete effectively. Rapid growth of our trading partners will provide many market opportunities for future exploitation - but only if we can improve our competitive performance.

While the challenges are great, Australians need not be daunted or seek to avoid them. In fact, Australia is better placed than many of us appreciate. While there is plenty of room for improvement of our educational system and research establishments, they are much higher in quality than in most countries within our region and reasonably good by the standards of industrial countries around the world. It is an advantage that our children grow up speaking English, the language of modern technology. In combination with our strong resource base, these human resources should enable Australia to move flexibly and effectively to take advantage of the emerging opportunities.

In meeting these challenges, Australian industry must recognise the importance of, and increase its investment in, research and development.

Countries such as Japan, America and Sweden, which have in the past recognised the importance of investment in research and development and innovation, have had growth patterns far in excess of Australia's. Australia, on the other hand, has a level of private sector R & D less than nearly all comparable OECD countries.

Australian Industry, therefore, must change its attitudes towards technological development and innovation and take advantage of the opportunities afforded to it by Government policies and programs which are designed to promote long-term structural change and economic growth. Strong, steady and sustained economic growth requires the progressive adoption of productive new technologies, structured change and high levels of investment.

I am heartened that there are some bodies such as the Australian Design Council which recognise and actively promote the importance of and the inter-relationship between technology, innovation and economic growth.

I thank the Australian Design Council for promoting innovation and once again I congratulate Consolidated Electronics for their "CEICART" Machine. and I wish them and their employees a highly prosperous future.

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