

**PRIME MINISTER****PRIME MINISTER'S LUNCHEON ADDRESS
TO JAPANESE INVESTMENT MISSION TO AUSTRALIA
MELBOURNE - 9 FEBRUARY 1987**

MR AMAYA, AND OTHER DISTINGUISHED MEMBERS OF THE JAPANESE DELEGATION, LADIES AND GENTLEMEN.

I AM PLEASED TO BE ABLE TO JOIN YOU FOR LUNCH TODAY AS IT ALLOWS ME TO CONVEY TO YOU PERSONALLY THE IMPORTANCE I AND MY GOVERNMENT PLACE ON YOUR VISIT.

YOUR MISSION, COMPRISING SOME ^{SIXTY} ~~FIVE~~ DISTINGUISHED DELEGATES, IS THE LARGEST INVESTMENT MISSION TO LEAVE JAPAN - WHICH I BELIEVE CLEARLY INDICATES THAT THE IMPORTANCE WE PLACE ON THESE TALKS IS RECIPROCATED BY YOU.

LET ME SAY AT THE OUTSET THAT THE AUSTRALIAN GOVERNMENT WILL DO ALL IT CAN TO MAKE YOUR VISIT A SUCCESS.

AS YOU ARE AWARE, THE INITIATIVE OF PROMOTING JAPANESE-AUSTRALIAN INVESTMENT AROSE OUT OF MY DISCUSSIONS IN JAPAN WITH MR NAKASONE LAST MAY.

SENATOR BUTTON ALSO MET WITH MR NAKASONE WHEN HE VISITED JAPAN LAST NOVEMBER AS HEAD OF THE COUNTERPART AUSTRALIAN INVESTMENT MISSION. AND I AM PLEASED TO SAY THAT THE REPORTS I HAVE RECEIVED FROM SENATOR BUTTON ABOUT THAT MISSION ARE MOST ENCOURAGING.

AS YOU KNOW THIS EXCHANGE OF INVESTMENT MISSIONS IS OCCURRING AT A PARTICULARLY CHALLENGING TIME IN THE ECONOMIC HISTORY OF EACH OF OUR COUNTRIES.

THE DRAMATIC REALIGNMENT OF THE WORLD'S MAJOR CURRENCIES WHICH HAS OCCURRED OVER THE PAST TWO YEARS HAS MEANT THAT BOTH OF OUR COUNTRIES NEED TO LOOK HARD AT OUR INDUSTRY STRUCTURES AND TRADING PATTERNS.

IN AUSTRALIA'S CASE THE DEPRECIATION OF OUR CURRENCY - RELATIVE TO THE YEN AND TO THE CURRENCIES OF OUR OTHER MAJOR TRADING PARTNERS - HAS OPENED UP A WHOLE NEW VISTA OF PROFITABLE INVESTMENT OPPORTUNITIES

OPPORTUNITIES IN MANUFACTURING AND IN THE SERVICE INDUSTRIES IN PARTICULAR.

AS YOU KNOW IT WILL TAKE SOME CONSIDERABLE EFFORT ON THE PART OF THE AUSTRALIAN COMMUNITY IF WE ARE TO TAKE FULL ADVANTAGE OF THESE NEW OPPORTUNITIES.

BUT I CAN ASSURE YOU THAT THE AUSTRALIAN GOVERNMENT AND THE AUSTRALIAN PEOPLE ARE PREPARED FOR THE KIND OF SUSTAINED EFFORT WHICH IS REQUIRED.

SOME OF YOU MAY WELL THINK OF AUSTRALIA AS A HIGH WAGE, LOW PRODUCTIVITY, STRIKE-PRONE COUNTRY.

EVEN IF THERE MAY HAVE BEEN TIMES WHEN ELEMENTS OF THAT DESCRIPTION WERE APPOSITE IN THE PAST, THE STATISTICS SHOW CLEARLY THAT AUSTRALIA'S RECORD IN EACH AREA OVER THESE PAST FOUR YEARS HAS BEEN QUITE TO THE CONTRARY.

THE REAL COST OF EMPLOYING LABOUR PER UNIT OF PRODUCTION HAS FALLEN SIGNIFICANTLY - BY SEVEN PER CENT IN THE FIRST OF THOSE THREE YEARS, WITH FURTHER FALLS EXPECTED THIS FISCAL YEAR AND NEXT.

CORRESPONDINGLY THERE HAS BEEN A SIGNIFICANT INCREASE IN PROFITS.

AVERAGE MONTHLY WORKING DAYS LOST SINCE APRIL 1983 IS HALF THAT OF THE SEVEN YEARS BEFORE THAT.

. AND IF YOU EXCLUDE COAL MINING, A SECTOR IN WHICH SOME INTRACTABLE INDUSTRIAL ISSUES HAVE HAD TO BE FACED, THE UNDERLYING TREND IN INDUSTRIAL DISPUTATION GENERALLY SPEAKING HAS BEEN DOWNWARDS SINCE 1983.

BUT THESE STATISTICS - BOTH FOR LABOUR COSTS AND DISPUTES - ARE BUT SYMPTOMATIC OF A BROADER POINT. AND THAT IS THAT THE AUSTRALIAN ECONOMY IS BECOMING MORE INTERNATIONALIST IN OUTLOOK, MORE DYNAMIC, MORE ENTREPRENEURIAL, MORE WILLING TO TAKE RISKS AND WORK HARDER TO WIN EXPORT ORDERS.

AND OF COURSE, WE ARE WELL PLACED GEOGRAPHICALLY AT THE EDGE OF THE FAST-GROWING WESTERN PACIFIC RIM TO EXPLOIT OUR NATURAL ADVANTAGES OF ABUNDANT RESOURCES, POLITICAL STABILITY, AND SKILLED LABOUR.

THE GOVERNMENT HAS TAKEN A NUMBER OF STEPS TO ENCOURAGE THIS DEVELOPMENT, INCLUDING:

- . LIFTING THE BURDEN OF GOVERNMENT REGULATION;
 - . REFORMING THE TAX SYSTEM TO PROVIDE INCENTIVE FOR EXTRA EFFORT;
 - . PROVIDING INCENTIVES TO ENCOURAGE INDUSTRIAL RESEARCH AND DEVELOPMENT;
 - . PROVIDING INCENTIVES AND FACILITATING INDUSTRY AGREEMENTS TO PROMOTE GREATER EFFICIENCY AND PRODUCTIVITY
- ESPECIALLY IN AREAS IN WHICH OUR INDUSTRIES HAVE BEEN PREVIOUSLY HIGHLY PROTECTED AND INWARD LOOKING; AND

SUBSTANTIALLY REDUCING THE RESTRICTIONS PREVIOUSLY
PLACED ON FOREIGN INVESTMENT.

THE GOVERNMENT WILL CONTINUE TO PURSUE SUCH POLICIES.

I CAN ASSURE YOU THAT JAPANESE AND OTHER FOREIGN INVESTORS
WILLING TO PARTICIPATE IN THE INDUSTRIAL REBIRTH OF THE
AUSTRALIAN ECONOMY WILL FIND A WARM WELCOME - AND ONLY THE
MINIMUM OF RESTRICTIONS.

AND WE ARE ALWAYS HAPPY TO DISCUSS PROPOSALS WITH
POTENTIAL INVESTORS TO HELP WHEREVER POSSIBLE TO
OVERCOME ANY DIFFICULTIES OR MISUNDERSTANDINGS.

I CAN ASSURE YOU ALSO THAT THE TRADE UNIONS ARE COMMITTED TO
EXPANDING OUR INDUSTRIAL BASE AND WILL BE HAPPY TO HAVE
CONSULTATIONS WITH POTENTIAL INVESTORS TO PROMOTE THE
NECESSARY CO-OPERATION BETWEEN EMPLOYER AND WORKFORCE. I
BELIEVE YOUR OWN DISCUSSIONS WITH UNION LEADERS WILL AMPLY
COMPLETE THIS.

I AM CONFIDENT YOUR MISSION WILL FIND INVESTMENT
OPPORTUNITIES HERE IN MANY AREAS OF OUR ECONOMY. I AM ALSO
CERTAIN THAT, IN THE COURSE OF YOUR TRAVELS AND DISCUSSIONS,
YOU WILL FIND A WIDESPREAD AND DURABLE COMMITMENT AMONG
GOVERNMENT, BUSINESS AND TRADE UNIONS TO IMPROVING OUR
INTERNATIONAL COMPETITIVENESS AND INVESTMENT CLIMATE.

I WISH YOUR MISSION EVERY SUCCESS. AND I HOPE TOO THAT YOU
WILL HAVE TIME TO TAKE IN SOME OF THE DELIGHTS OF THE
AUSTRALIAN LANDSCAPE AND CULTURE WHICH ARE BEING SAMPLED BY
THE INCREASING NUMBERS OF JAPANESE VISITORS WE NOW WELCOME TO
OUR COUNTRY.
