



PRIME MINISTER

EMBARGOED UNTIL DELIVERY

CHECK AGAINST DELIVERY

ADDRESS TO STUDENTS RESIDENT
AT THE AUSTRALIAN ADMINISTRATIVE
STAFF COLLEGE - MT ELIZA
15 FEBRUARY 1987

LADIES AND GENTLEMEN

I AM DELIGHTED TO VISIT THE COLLEGE AGAIN AND TO MEET ALL OF YOU INVOLVED WITH THE MANAGEMENT DEVELOPMENT PROGRAM. IT IS NOW FIFTEEN YEARS SINCE I LAST VISITED THE COLLEGE, AS A GUEST SPEAKER FROM THE ACTU, THOUGH FOR THE PRECEDING DECADE I HAD BEEN A REGULAR VISITOR HERE. SO IT IS A PLEASURE TO RENEW MY ACQUAINTANCE WITH THE COLLEGE AND TO ADMIRE THE WAY IT HAS GROWN.

ON MY EARLIER VISITS TO THE COLLEGE I ENJOYED THE EXPERIENCE OF ADDRESSING PEOPLE INTERESTED IN IMPROVING THE WAY BUSINESSES, UNIONS AND BUREAUCRACIES FUNCTION. I KNOW THE COLLEGE IS CELEBRATING ITS 30TH BIRTHDAY THIS YEAR AND CONTINUES TO PROVIDE MANAGERS WITH A HIGH LEVEL OF TRAINING AND INSIGHT INTO THE CRUCIAL TASKS THEY CONFRONT.

AND THEY ARE CRUCIAL. INDEED IT IS MY OPINION THAT MANAGEMENT SKILLS ARE MORE IMPORTANT THAN EVER IN TODAY'S WORLD. AUSTRALIA IS FACED WITH AN URGENT NEED TO RE-STRUCTURE ITS ECONOMY. THE RECENT SHARP DOWNTURN IN AUSTRALIA'S TERMS OF TRADE IS A TIMELY REMINDER THAT WE MUST IMPROVE THE DIVERSITY AND THE COMPETITIVENESS OF OUR INDUSTRIES.

OUR OVER-RELIANCE ON PRIMARY PRODUCTS AND PROTECTED MANUFACTURING INDUSTRY HAS PLACED US IN DANGER OF LOSING OUT ON THE ADVANTAGES OF OUR POSITION ON THE PACIFIC RIM - THE MOST DYNAMIC GROWTH AREA IN THE WORLD. WE CAN BETTER EXPLOIT THOSE ADVANTAGES IF WE LEARN TO LOOK OUTWARDS, TO COMPETE, TO EXPORT, NOT JUST IN PRIMARY PRODUCTION BUT IN MANUFACTURED GOODS AND IN SERVICES.

WE CAN NO LONGER RELY ON THE INWARD LOOKING POLICIES AND ATTITUDES OF THE PAST. WE HAVE TO REALISE AUSTRALIA IS A SMALL ECONOMY RELIANT ON TRADE FOR ITS PROSPERITY.

BUT THE PATH OUT OF OUR DIFFICULTIES IS A LONG ONE.

FUNDAMENTALLY WE NEED MASSIVE STRUCTURAL CHANGE AND A TIGHT FOCUS ON THE IMPROVEMENT OF OUR PRODUCTIVE EFFORT. ACHIEVING THAT CHANGE HAS BEEN A CONSISTENT AND CONSTANT THEME OF MY GOVERNMENT'S EFFORTS SINCE WE WERE ELECTED NEARLY FOUR YEARS AGO. BUT CHANGE ALSO REQUIRES THE CO-ORDINATED AND CO-OPERATIVE EFFORT OF ALL SECTIONS OF THE COMMUNITY.

AND IN PARTICULAR IT PLACES A GREAT ONUS ON MANAGEMENT ACQUIRING THE SKILLS OF IMPLEMENTING NEW AND MORE PRODUCTIVE METHODS OF WORK.

THIS IS WHY EDUCATION FOR MANAGERS IS SO VITALLY IMPORTANT. TO A VERY LARGE EXTENT IT WILL BECOME THE RESPONSIBILITY OF MANAGERS TO IDENTIFY AREAS WITH POTENTIAL FOR GROWTH, TO ENSURE THAT AVAILABLE RESOURCES ARE DIRECTED IN THE MOST EFFECTIVE MANNER, AND TO ADJUST INDUSTRIES AND BUREAUCRACIES TO THE CHANGED ECONOMIC ENVIRONMENT.

MAY I SUGGEST THREE MAJOR CHALLENGES WHICH FACE PRIVATE SECTOR MANAGERS IN AUSTRALIA TODAY. I BELIEVE A GROUP SUCH AS THIS IS WELL PLACED TO CONSIDER AND RESPOND TO THESE CHALLENGES.

FIRST, MANAGERS MUST LEARN TO EXPLOIT NEW MARKETS.

THE SUBSTANTIAL REAL DEPRECIATION OF OUR CURRENCY, IN CONJUNCTION WITH NOMINAL WAGE RESTRAINT, HAS CATAPULTED AUSTRALIAN INDUSTRIES INTO AN ENTIRELY NEW MARKET SITUATION.

IN PARTICULAR OUR MANUFACTURERS AND OUR SERVICE INDUSTRIES NOW HAVE OPPORTUNITIES OPEN TO THEM WHICH PREVIOUSLY COULD NOT EVEN BE DREAMED OF.

BUT THE ESSENTIAL POINT IS THAT THOSE OPPORTUNITIES ARE WORTHLESS - TO BUSINESS, TO THE COUNTRY - UNLESS MANAGERS ARE PREPARED TO BREAK OUT OF THE SECURITY OF SERVICING TRADITIONAL MARKETS AND SEEK OUT AND WIN NEW SALES IN UNFAMILIAR MARKETS.

THE SECOND CHALLENGE IS PEOPLE MANAGEMENT. I HAVE LONG STRESSED THE VIRTUES OF CO-OPERATION AND CONSENSUS IN PUBLIC LIFE - ESPECIALLY COMPARED TO THE BARRENNESS OF CONFRONTATION AND DIVISION.

THAT HAS BEEN THE KEY TO OUR APPROACH TO INDUSTRIAL RELATIONS AND OUR ECONOMIC PERFORMANCE SINCE 1983 - BUT IT ALSO HAS AN IMPORTANT NEW DIMENSION IN MEETING AUSTRALIA'S NEEDS IN 1987.

LAST SEPTEMBER I CALLED A UNIQUE MEETING OF THE PEAK EMPLOYER BODIES AND THE ACTU TO DISCUSS THE REFORM OF WORK AND MANAGEMENT PRACTICES. THIS TASK IS NOW URGENT : IT PROVIDES A SURE VEHICLE TO RAISING PRODUCTIVITY AND THUS PRESERVING OUR NEW COMPETITIVENESS INTO THE LONGER TERM.

CHANGE IS ALWAYS EASIEST TO ACCOMPLISH WHEN BOTH THE NEED FOR AND THE CONSEQUENCES OF IT ARE WELL UNDERSTOOD.

THIS NEED FOR GOOD COMMUNICATION IS ALL THE GREATER WHEN TECHNOLOGICAL CHANGE IS INVOLVED - AND IT IS THE MANAGEMENT OF TECHNOLOGY WHICH IS THE THIRD OF THE GREAT CHALLENGES FACING AUSTRALIAN PRIVATE SECTOR MANAGERS TODAY.

THROUGHOUT THE US AND EUROPE, BUSINESS MANAGERMENTS ARE RECOGNISING THAT SURVIVAL AND PROSPERITY DEPEND UPON THEIR BECOMING MORE INNOVATIVE AND MAKING BETTER USE OF TECHNOLOGY.

BUT IN AUSTRALIA, WE HAVE BECOME LOCKED INTO TRADITIONAL PRODUCTS WITH LITTLE SCOPE FOR PRODUCT DIFFERENTIATION. WE HAVE TRADITIONALLY CONCENTRATED ON USING TECHNOLOGY TO CHIP AWAY AT WASTE AND INEFFICIENCY - THROUGH AUTOMATION AND COST CUTTING, FOR EXAMPLE - WHICH IS AN INADEQUATE RESPONSE TO THE NEED TO RESTORE COMPETITIVENESS.

THERE IS NO SUBSTITUTE FOR IN-HOUSE RESEARCH AND DEVELOPMENT, WHICH MUST BE SEEN AS A CENTRAL, INTEGRAL AND CONTINUING PART OF EVERY MANUFACTURING COMPANY'S OPERATIONS.

AS FOR THE PUBLIC SERVICE, LEST ANYONE IMAGINE THAT WE ARE FAILING TO PRACTICE WHAT WE PREACH ABOUT THE NEED FOR IMPROVED MANAGEMENT, LET ME POINT IN PASSING TO THE VERY CONSIDERABLE SUCCESS WE HAVE HAD IN STREAMLINING THE COMMONWEALTH BUREAUCRACY. I NOTE THAT A NUMBER OF COMMONWEALTH ORGANISATIONS HAS SENT PEOPLE HERE TO UPGRADE THEIR SKILLS.

ALL OF US, IN THE PRIVATE AND THE PUBLIC SECTORS, MUST WORK TO DEVELOP A NEW BUSINESS STYLE IN THIS COUNTRY IF WE ARE TO TAKE ADVANTAGE OF THE OPPORTUNITIES BEFORE US.

IN HELPING MANAGEMENT MEET THESE CHALLENGES I HAVE OUTLINED, INSTITUTIONS SUCH AS THE ADMINISTRATIVE STAFF COLLEGE HAVE A GREAT ROLE TO PLAY.

THE GOVERNMENT IS COMMITTED TO ENSURING THAT MANAGEMENT EDUCATION CONTINUES AND EXPANDS IN AUSTRALIA.

HAVING MET YOU TODAY I HAVE EVERY CONFIDENCE YOU RECOGNISE THE NEED FOR SOUND MANAGEMENT PRACTICES AND ARE WELL PLACED TO PROMOTE THEM.

MAY I CLOSE THEN BY WISHING YOU GOOD LUCK BOTH IN YOUR STUDIES HERE AND, EVEN MORE IMPORTANTLY, WHEN YOU RETURN TO YOUR MANAGEMENT TASKS IN THE OUTSIDE WORLD.
