



We have also undertaken the most comprehensive reform of the micro-economy attempted by an Australian Government in 40 years. We are moving to eliminate inefficiencies and to improve competitiveness because through such reforms lies the promise of improved prosperity for all Australians.

As part of this process the Government has introduced significant reforms in the domestic aviation and liner shipping sectors. As well as those, there have been the reforms in the primary industry and telecommunications sectors, and in Government business enterprises.

Of particular interest and concern to you as exporters is reform of the waterfront, reform that is necessary to make Australia truly competitive and export oriented.

I would like tonight briefly to recount what I said on this subject to the Business Council of Australia.

From the Commonwealth's perspective, there are two basic areas which must be addressed. We need an appropriate incentive structure and competition amongst stevedoring companies to encourage a greater level of productivity. And we need a positive attitude from port authorities, both in reducing the costs they impose on exporters and importers, and in encouraging a competitive use of port infrastructure.

Port authorities are the principal Government bodies on the waterfront. While there have, very recently, been significant statements by port authorities on the need for them to encourage greater competition on the waterfront, there have been few specific initiatives.

State Governments need to ensure that the ports do not burden users with outdated work practices, nor charge for costs which are unjustifiable.

The Commonwealth's recent reforms to its own business enterprises provide a lead.

In a further move to reduce the overall regulatory burden on business, I announced that the Government had decided to adopt a requests and response procedure to review existing regulation.

Our overall policy approach has received widespread support. For example, during a visit to Australia in May this year, the Managing Director of the International Monetary Fund, Mr Michel Camdessus, stated:

"...I think the world has a good deal to learn from what is taking place in Australia now."

He went on to state that:

"...I do admire the way in which the economic strategy ... has been conceived and implemented."

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He made particular mention of the Accord between the Government and the trade union movement as having added an extra dimension to the traditional tools of economic policy making.

The constructive attitudes which underpin the Accord have been directly responsible for the creation of more than 1.1 million jobs since 1983. They have also been replicated in a broader, economy-wide sense - and this expansion of the cooperative spirit has greatly facilitated reform of the micro-economy.

We place heavy emphasis on consultation as an integral element of reform - as a means of ensuring that those parties affected by reform are involved in it, and informed about it.

It is encouraging to note the commitment with which companies are meeting the economic challenges of an increasingly deregulated environment:

The contribution of manufacturing and services (notably tourism) to export earnings has increased

- manufactured exports as a percentage of total exports have increased from 21 per cent in 1984-85 to more than 26 per cent in 1987-88
- Over the same period, tourism earnings increased from 4 per cent to 6 per cent of goods and services exports.

It is also gratifying to note that these Bicentennial Export Awards attracted a record number of applicants.

Clearly Australia has the potential to capture a larger share of the international market for its manufactures and services

It can boast a stable political environment, an abundance of raw materials, a skilled workforce, well developed infrastructure and proximity to the fastest growing region in the world.

Asia is becoming ever more important as a market for our exports. Already half of our exports are sold to Asian markets. It has often been said that our future lies in Asia. How, when we consider that the most dynamic economies on earth are just to our north, can it be otherwise?

That is why I told the Asian Studies Association in February this year that it was no exaggeration to say that as Australia enters its third century of European settlement, one of the most important and testing challenges we face is the challenge of finding our true place in Asia.

Australians should recognise that our self-interest lies in our becoming an integral part of the region, a full participant in regional efforts towards peace and security and an economic partner co-ordinating our skills and specialisations with those of Asia to the consequent prosperity of all.

Asia will continue to demand substantial supplies of our primary commodities for decades to come.

But, in addition, as the wealth of Asia increases and as the exchange rate pressures of industrial success begin to force the most rapidly growing exporters to restructure, Asia will also increasingly demand processed raw materials, manufactures and services.

Unfortunately there are certain factors which have inhibited our trade performance in Asia.

Research has shown that Australian companies enter export markets in a typical sequence, starting with New Zealand and the South Pacific, proceeding to the West Coast of the USA and then trying the UK. They are less interested in the markets of Asia, despite their high growth rates and geographical proximity.

A major factor in this relative lack of interest in Asia is that Australian business people, in general, feel less comfortable in Asian cultures than in countries where English is the natural language and familiar business practices are followed.

This year's Export Award applicants reinforce the point: finalists were much more likely to employ people proficient in languages than were non-finalists.

Sensitivity to other cultures will also be a key to Australia's ability to compete successfully in Asia. We need to look beyond the imaginary and irrelevant differences between people in order to understand and respect the real differences which together make up the rich fabric of humanity.

Again, this year's Export Award applicants confirm the point. Finalists spent twice as much time visiting their overseas customers as did non-finalists. And more effort went into visiting customers in regions such as the Middle East and Asia whose cultures are significantly different from Australia's.

Finally, I would like to congratulate all of the 1988 Bicentennial Export Awards applicants. Their determination and commitment need to be emulated by companies throughout our manufacturing and service industries if Australia is to secure a more prosperous future.

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