



PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

SPEECH BY THE PRIME MINISTER
AUCKLAND CHAMBER OF COMMERCE
AUCKLAND - 1 FEBRUARY 1990

Two years ago, Australians were caught up in the excitement and exhilaration of our Bicentennial year, celebrating two hundred years of European settlement.

It was a significant milestone for us, and our celebrations were made all the more enjoyable by the generous good wishes and participation of our friends overseas, including our New Zealand friends.

This year, New Zealanders are celebrating their own milestone with the 150th anniversary of the founding document of modern New Zealand, the Treaty of Waitangi. And you are celebrating it in fine style as magnificent hosts of the Commonwealth Games.

Let me at the outset say what a pleasure it is to be here - in New Zealand and in Auckland's brand-new Aotea Centre - and to salute you, on behalf of all Australians, on this important anniversary.

One hundred and fifty years ago, the divided Australian colonies were still many years away from treading the long path towards Federation.

So it was a remarkable achievement for Captain Hobson and the leaders of the Maori community, when they met at Waitangi, to sign a Treaty that laid the foundations of a nation.

Nor is it insignificant that New Zealanders celebrate not an arrival - as was the case with our Bicentenary - but a negotiated agreement for continued settlement. That is a very telling indicator of the maturity of this nation. It enshrines your awareness of, and your respect for, your historical and cultural diversity, and it expresses the fundamental respect between, and equality of, all New Zealanders.

So this is an important occasion and in wishing you well I am not expressing empty, formal platitudes but passing on the genuine and heartfelt sentiments of all your friends across the Tasman.

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I will be discussing with Geoffrey Palmer the tangible ways in which Australia will be giving effect to those good wishes, and I look forward to saying more about this after those talks.

By any standards, 1840 must have been a big year in this part of the world. I am told that 1840 was the year in which the first thoroughbred horse was imported into New Zealand.

The consequences of this for New Zealand's balance of payments are fairly well documented - unfortunately at Australia's expense. It took only 43 years after that for the first New Zealand-bred horse, Martin-Henry, to win the Melbourne Cup.

And they've been doing it ever since.

Another highlight of 1840 was the founding in Petone of the first New Zealand cricket club.

Today, cricket simultaneously unites us and expresses our deepest rivalries.

Anyone who tells you our relationship has no strains obviously was not watching the last day of the Perth Test match between Australia and New Zealand, when Mark Greatbatch heroically defied our bowlers for more than five hours to draw the match.

A performance like that really does test the friendship! I don't think the crowd at the WACA was thinking too many kindly thoughts about New Zealand's 150th anniversary. Satisfaction will come, I am sure, when we play the return game in March at Wellington - not too far from Petone.

Ladies and gentlemen

One of the staples of speeches that I make on my overseas visits as Prime Minister of Australia is the description of the links between Australia and the country I am visiting.

In the case of Australia and New Zealand, such a discussion is almost superfluous, because the links between our two nations are so numerous, so deep, so close and above all so natural.

Many famous New Zealanders are household names in Australia. Sir Edmund Hillary, Katherine Mansfield, Richard Hadlee, Sam Neill, 'SpliffENZ' are names as much renowned in Australia as they are here. John Clarke may not be a household name but his alter ego Fred Dagg certainly is.

It was a source of real pleasure to Australians from all walks of life that Dame Kiri te Kanawa was appointed an honorary companion of the Order of Australia in our latest honours list announced only a few days ago, on 26 January, Australia Day.

The friendship between our two countries is expressed in all sorts of surprising ways.

You may not know the saga of the Norfolk Island Boobook Owl. This is the world's rarest bird - so rare in fact that a few years ago, only one was left. This solitary Boobook Owl, a female, faced the fate of absolute extinction until officers of the Australian National Parks and Wildlife Service contacted their New Zealand counterparts about the loan of a couple of head by New Zealand Boobook Owls - matter of course.

In New Zealand you call them Morepokes - but they are a very similar sub-species and the closest living relation of the Norfolk Island Boobook Owl. The New Zealand response was positive. This piece of international cooperation led in the fullness of time to the hatching of Boobook chicks and the consequent survival of the line.

You can't get closer international relations than that.

The basic truth of the Australia-New Zealand relationship is that we are as close as any two nations can be. The barrier presented by the Tasman is, increasingly, being eroded by the movement of people, goods, sporting teams, services, investment capital, communications and ideas.

The Tasman will for a long time to come continue to mark an international border and not just a purely interstate border in some larger Australasian federation. I am not one who believes that political union is on the agenda now as an attainable option.

But I do most certainly and firmly believe that as we enter the next century the Tasman will continue to diminish - to evaporate - as a meaningful limit of economic activity. The economic fortunes of Australia and New Zealand are inextricably bound up together.

Australia and New Zealand are relatively small in population, and Western in the patterns of our political organisation, our life style, and our cultural pursuits. Europe will continue to exert an important influence on us not least as a source of new economic opportunities in the wake of 1992 and also, we hope, following the spectacular way in which the East Europeans have thrown off the shackles of despotism.

But we need look no further than the atlas to confirm that our economic future lies, together, in the Asia-Pacific region whose southern perimeter we share - the region that has emerged as the most dynamic economic region of the world.

It is our responsibility, to ourselves and to the future of our two peoples, to ensure that the opportunities presented by that geographical fact are maximised.

In this sense, the real bilateral significance of 1988 lies less in the trans-Tasman friendship expressed during our Bicentenary than in the decision taken then by our two Governments to accelerate the CER Agreement.

And the real bilateral significance of 1990 lies less in the reciprocal expressions of goodwill on the occasion of your 150th anniversary of the Treaty of Waitangi than in the fact that on 1 July this year, as a result of that 1988 decision, we will initiate full free trade of goods across the Tasman.

From its inception, the CER Trade Agreement represented a fundamental change of approach in our long-term bilateral economic relationship. Trans-Tasman trade has grown at an average annual rate of 14 per cent since then to over \$A 4 billion in 1988-89. Investment has risen from about \$A 1.5 billion to over \$A 10 billion.

In 1988-89 Australia was New Zealand's largest source of imports, and the second-largest market for New Zealand exports. Australia remains far and away New Zealand's largest market for manufactured exports.

In the 1988 review of CER, we decided to widen it to include most services from 1 January last year, as well as to bring forward the achievement of full free trade in goods from 1995, to 1 July this year.

We are also removing the red tape that hinders our economic development. We are harmonising business law, customs policies and procedures, and quarantine administration, and we concluded a memorandum of understanding on technical barriers to trade.

We have committed ourselves to discussing the scope for an investment agreement. Australia will do what it can to facilitate further trans-Tasman investment, consistent with our international treaty obligations.

New Zealand now has membership of the Australian National Preference Agreement. This gives New Zealand bidders equal access with Australian bidders to nearly \$A 15 billion of Federal and State Government purchasing.

All these initiatives indicate the determination at Government level on both sides of the Tasman for CER to succeed. That enthusiasm is shared, I believe, by business leaders and the broader business community who have realised the dramatic way in which opportunities have been opened up and who are in fact pushing for us to do more and to do it more quickly.

Operating in a more sharply competitive environment is not necessarily a more comfortable way to do business but it is without doubt a more productive and, ultimately, a more satisfactory one.

At the end of 1990 our two countries are to review the services area. This area has only begun to be addressed in multilateral trade forums - but, typical of the Australia-New Zealand relationship, the current CER provisions have already broken new ground in this critical area.

But at the end of 1990 we will be looking at duplicating in services our progress in the free trade in goods.

Achievement of this objective is necessary to complete our task of closer economic relations.

The final removal of economic barriers between Australia and New Zealand will of course be an important achievement. But it should not be seen as an end in itself.

It would be a sad reflection on us all if we saw the development of a single Trans-Tasman market of 20 million people as the final objective of the CER process. We can do much better than that.

We can translate the lessons and benefits of CER onto the regional and world stage, so that we can use our new-found joint economic strength to take the fullest advantage of regional and world markets.

We can ensure that Australia and New Zealand work together, as good neighbours, so that our comparative economic advantages are strengthened.

This thinking was a central element in my initiative on Asia-Pacific economic cooperation.

Last year, in Canberra, twelve economies from the Asia-Pacific region including Australia and New Zealand met for the first time to discuss ways of enhancing the dramatic economic growth that now characterises this increasingly dynamic region.

Rapid growth and structural change in the Asia-Pacific region has been accompanied by increasing regional interdependence. Stronger regional links have been forged through investment, tourism, and increasingly, technology flows.

It is in both of our interests that this process of growth, dynamism and increasing regional interdependence continues.

It can provide significant opportunities for both our economies to build upon the increased efficiency we have achieved through CER and our programs of micro economic restructuring - and to translate this into new and productive trade, investment and other links.

CER therefore serves a wider purpose than enhancing economic co-operation across the Tasman, important though that is. It changes business psychology; it schools us in international competition; it gives us experience essential in going out to compete - as we are - in the wider region and the world.

We also have a shared interest - and it is an absolutely vital interest - in supporting and strengthening the open multilateral trading system, given that this has been one of the key foundations of growth not only in the Asia-Pacific region but in every market around the world in which we operate. Through the Cairns Group of fair trading nations, we have been putting our mouths where our money is - seeking a positive outcome to the Uruguay Round of world trade talks.

In these ways, C.R., Asia-Pacific Economic Co-operation, and the Cairns Group all show our capacity to work together to improve our own economic well-being and to protect and expand opportunities for growth.

But there is I believe a broader goal still.

We should not underestimate the significance of the lesson we are teaching. For all that the advantages of closer economic relations are clear to us, we can't overlook the trade tensions that do exist elsewhere, and that are posing such a profound threat to the global trading regime which has underscored world economic prosperity since World War Two.

So the commonsense and the courage we are displaying in managing our own economic relationship is surely a model for a wider world audience. By opening up opportunities, by creating trust, by removing barriers, by adopting flexibility as the watchword, by creating this extraordinarily close and beneficial economic relationship - one of the closest, most open in the world - we are showing the way forward to the world.

Ladies and gentlemen,

In this year of anniversaries, let me close by referring to one further, and very significant event whose anniversary we celebrate in 1990.

For all our pride in the Bicentenary and the Treaty of Waitangi, some people argue that neither New Zealand nor Australia attained full independence - at least in the eyes of the world and, perhaps, even in our own consciousness - until much later.

Seventy five years after the Treaty of Waitangi, and 75 years ago, Australian and New Zealand soldiers forged the immortal legend of ANZAC on the inhospitable shores of Gallipoli.

Survivors of that campaign are now in their 90s, and this 75th Anniversary of Anzac Day is, sadly but realistically, the last significant anniversary at which we can expect to enjoy the company of many of them. Some survivors will be returning to Gallipoli this Anzac Day to join with their British comrades and their Turkish erstwhile foes in a special commemoration service at Anzac Cove.

I am looking forward to participating in that service, and I believe it will be an occasion to remember not just the bravery and the sacrifice of the ANZACs themselves but also, in a larger way, to recognise again their role, literally, as nation builders.

Ladies and gentlemen

I come here today as Prime Minister of Australia, but more fundamentally as a friend and neighbour, to share in your celebration of the achievements of the past 150 years.

Both our nations are blessed with great resources, not least with two great peoples. The constant people-to-people links between Australia and New Zealand ceaselessly replenishes and renews our relationship, making it to a large extent a self-generating one. This provides us with the firmest possible foundation for an even better and brighter future.
