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PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING, MP
HOLEPROOF FACTORY OPENING, MELBOURNE
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Thank you very much John, Phillip, Allen, John and Robert, and ladies and gentleman. It is a great pleasure to be here today John, for this opening of what you say is probably the largest investment of its kind in the industry, certainly in the State of Victoria, probably in Australia. And it is a celebration of true entrepreneurship and true management, the entrepreneurship we used to know and associate that word with, rather than paper shuffling which happened at the end of the '80s, but the entrepreneurship to identified business, to say we can succeed in it, we will be in it and we will be good at it. And the management which brings the people, the design engineers, but most importantly the staff, the workers together in a compact of pride and productivity to make it all work.

And I think that is the new era of Australia, that's the era that John Button and I hoped for when we made those historic decisions back in the early 1980s to peel away exchange controls, to float the Australian dollar and to see the tariff levels of Australia decline to produce a new wave of new industries. And we are pleased to be able to say that has happened and is happening, and the term that your chairman used, international benchmarking, is something which would have been basically a foreign phrase a decade ago because nobody would have believed that many Australian companies could actually benchmark themselves with the best of international practice, which is happening today.

And so to see in this industry one of the most competitive in the world and particularly one where there has been a high labour content in countries where there has been cheap labour costs is a very tough industry to compete in. But it has

been competed, competition has been competed with, and in competition we are seeing the development of quite sophisticated machines and production processes combined with obviously an enthusiastic labour force to produce a very productive and competitive process. And I was again very impressed by the technology which was so unique that the media were not invited to photograph it or to demonstrate how it works, processes developed by Pacific Dunlop with some of the best high tech engineering and electronic engineering firms of Australia.

This is a great tribute indeed again to the entrepreneurship of Pacific Dunlop and the interest of the production people in producing such a competitive product and being able to do it so well. Now it is not often – as you know I am always bagged for my suits, you know that – but it is not often I walk around with a product of the factory on, but I have the Holeproof undies on today I can assure you. And I don't like those little skinny briefs, I like the full ones, I like a bit of room. And when I saw them going around today, one lady there was packing them and I thought well I will just grab half a dozen of those because they will get me through the rest of the year. But the fact is, and I have probably got the socks on as well, in the TCF apparel stakes I am probably ranking quite well today. In saying so I can say I am very pleased to be so.

Now we are presiding in Australia over a very great change and I think that it is a unique change, a great partnership between the Government and business, and John was very kind enough to acknowledge John Button's efforts as the Minister for Manufacturing Industry for a decade. This must make John just about the longest serving Minister in this area of policy in the world, certainly in the OECD. It is a great thing to see something from beginning to fruition, a cultural change of the variety which John has presided over and which we are seeing in Australia. Nine years ago in 1982 we exported 14 per cent of the total production of Australia, today that figure is 23 per cent, that's nine per cent of GDP, nine per cent of the total production, the difference. Today that is worth \$36 000 million of exports that we didn't have back there in 1982. And one can just imagine what our trade and international debt, our trade deficit would be like, if in fact we didn't have that \$36 billion of exports that has occurred over the nine years, growth in exports. And it is a great story for Australia because we are now exporting more manufactured products than we export rural products or mining products and of course a large part of the exports, a significant part, is coming from apparel and clothing exports of which actually grew at an annual rate of 36 per cent between 1985 and 1991-'92 when export earnings reached \$122 million. And in the same period textile yarn and fabric exports had an average growth rate of 23 per cent.

In other words not only are we making it at home but we are also making it abroad. And it is that making it abroad which I think is one of the things which really does please all of us, that we are not just able to do it here, we can do it elsewhere.

Now John Gough mentioned the Textile Clothing and Footwear Development Authority, and the Authority is playing a wide ranging role in trying to re-establish key sectors of the TCF industries across Australia, but most particularly in Victoria and they have had a role I understand in the development also of this new facility, and they have across the whole industry in companies like Hilton, King Gee, Yakka, Jamison Austechs, Tontine, and we are also giving assistance to wool tops processing, a plant to be built at Geelong by BWK a project which will add 35 per cent in the value of Australian wool. In other words we will be exporting 35 per cent more value instead of simply exporting the raw product.

These are all phenomenal changes and they are happening across industry. This morning I had the pleasure to join the Premier in visiting Williamstown Dockyard to see the commissioning of the second frigate which the Navy told me is to a higher standard than their American counterparts. A much higher standard, on its sea trials, no faults, a much higher standard on a very highly sophisticated thing. In the same way that higher technology is again in this plant here. So we are seeing it across industry and that is the reason why there is so much hope for manufacturing in Australia and so much hope around the world.

Now I just spent a week in Japan and I have seen industry there, but there is nothing that I don't think in certain sectors that the Japanese can do that we can't do, or that we can't do things cooperatively. But in what's become a world class business for Australia, Pacific Dunlop has gone out to the world and has businesses around the Asia-Pacific area, are developing products which were first developed here.

So John could I say again congratulations to the company, it has been a marvellous result, but I think it just proves this point about the partnership between Government and business, and we have had a debate about tariffs in this country and while we all believe that we have got to get the tariffs down to levels which give the consumer a better price and have more productivity, we still believe, we have got to say we want industries. We just don't want to throw them to the wall, to let simply imports take the hindmost. And that's why it has always been a fine judgement about where these tariff levels stop, where the levels actually finish. And in apparel by the year 2000 it will be around 25 per cent, it won't be around zero. Which means this business will continue, and I doubt very much it would continue at zero, as I doubt most other businesses which have got a limited production run can compete with the huge production runs of countries in the northern hemisphere. So as always some sense and some judgement and some understanding of the business needs to be brought to bear by Governments in determining where tariff levels fall, that's what John Button had the burden of doing a couple of years ago, and I would like to say we see it as a partnership between Government and business and if what we are seeing today here is partnership it speaks volumes for the concept of partnership and getting along. And the most important partnership is of course a partnership between the management and the staff, the employees. If there is any lesson to be learned from

Japan or any of the newly industrialising countries, it is wherever you see pride in the product and pride in the value of what one is doing, you see a productive business and that is part of management's wisdom and part of the goodwill and wisdom of the staff.

That is obviously here, I congratulate you for it, I salute you for it, but most particularly it is with very great pleasure indeed that I congratulate Pacific Dunlop and declare this most modern marvellous plant officially open.

Thank you.