



PRIME MINISTER

SPEECH BY THE PRIME MINISTER, THE HON P.J. KEATING MP

PRODUCTIVE DIVERSITY IN BUSINESS CONFERENCE
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Ladies and gentlemen

I welcome you to this conference on Productive Diversity.

It is a timely and important event which may well be seen as a turning point in the way we regard multicultural Australia.

In the past decade and a half Australia's policies of cultural pluralism have been among the most innovative and creative in the world. They have also been the hallmark of a decent and far-sighted society.

In a world very often afflicted by ethnic and cultural tension, bitterness and bloodshed, Australia stands among those few countries which actually relish their diversity.

Under the umbrella of an overall commitment to the nation and its uniting values and institutions, a society of great richness and variety and remarkable harmony has evolved here.

It has been in part the product of policy, and in part, I think, the product of democratic and egalitarian values which have always run deep in Australia.

This is something of which Australians can be very proud. It should give us confidence.

If this conference should mark a turning point it will not be in the nature of a break with the past, but rather a significant change of emphasis.

It is a matter of building on achievements and creating a new multicultural agenda.

There have been three distinct phases in Australia's post-war response to its immigrants.

The first phase was characterised by an expectation that immigrants would fit into the dominant Anglo-Australian culture.

The second was characterised by the encouragement of tolerance and respect for diversity, and the effort to ensure access and equity regardless of ethnic origin. And this effort will continue.

But we now have the beginnings of a third phase.

We now must take advantage of the potentially huge national economic asset which multiculturalism represents.

That is what Productive Diversity is about. It is the harvest on the crop sown and nurtured by our immigration and multicultural policies.

The inspiration for this Conference is the perception that two things must be brought together:

- . the need for a still more competitive and diversified economy with a strong export base and
- . the cultural affinities Australians have with virtually all the countries with whom we want to do business.

These affinities might be likened to having representatives in the field who, through their understanding of our customers' culture, language and preferences, can increase our competitive edge.

To give you some examples:

- . At a time when the prospect is for increased economic opportunities in Vietnam we have in this country sixty thousand speakers of Vietnamese.
- . At a time when the triangle of southern China, Hong Kong and Taiwan is achieving staggering economic growth rates, we have in this country one hundred and seventy two thousand Australians to whom the Chinese culture and language are a given, not something which needs to be learned.
- . At a time when Australian industry aspires to pick up contracts in Eastern Europe and the Middle East, we have in this country eighty two thousand Australians whose origins were there.
- . And we have a market in Australia whose diversity is a virtual microcosm of the world into which we trade.

The inspiration for this Conference is the realisation that we must as a nation find ways to capitalise on these assets.

How can we use our diverse cultural knowledge and language skills to penetrate overseas markets - and boost Australian exports?

How can companies reach Australia's diverse domestic markets - and increase profits at home?

How can we better manage the diversity of Australian workplaces - and improve our productivity?

Australia is a country of extraordinary achievements and equally extraordinary potential.

In no small measure, this is because we are a country of immigrants.

It takes imagination, ambition and courage to emigrate to a new land.

And in my view, it is precisely these qualities that have contributed to our past achievements, and will enable us to use our potential to the full in the future.

During my recent visit to Asia, I stressed our country's capacity and willingness to change.

I said there, as I have said in various forums in Australia - the proof of our capacity to change is in the change we have already made.

We now see ourselves very differently, and we are starting to be seen differently by others.

And we are different.

Australia has opened up, both culturally and economically.

We have realised that our future depends on making ourselves relevant to the rest of the world, and especially relevant to the most dynamic region of the world which sits at our front door - the Asia-Pacific.

If only to take advantage of this great opportunity, the development of an export culture is a national priority for Australia.

The change is already well underway.

Australian export earnings have reached record levels, despite subdued world trading conditions and depressed commodity prices.

Our export volumes have risen strongly - in the nine months ended March 1992 they were over 10 per cent above year earlier levels.

The extent to which our economy relies on trade has risen by around 50 per cent since the early 1980s - exports now account for over one fifth of our total output.

There are various steps we must take to build on this success.

We need a more informed and aggressive national attitude to exporting.

We must better educate and train our workforce.

And, most critically perhaps, we must use all the resources at our disposal - one of which is our cultural and linguistic diversity.

Changes in our markets tell us this.

In the 1950s, only one quarter of our exports were sold to non-English speaking countries. Today, over three quarters of our trade is with non-English speaking countries.

Moreover, our fastest growing major markets over the past four years have all been in non-English speaking countries - principally, but by no means only, in Asia.

In the next decade income levels in Asia will rise dramatically. The potential market for Australians goods will grow in direct proportion.

The challenge for Australian business is to develop export and international business plans that take account of these new markets.

We are dealing with countries which are very different. But they are not "foreign" to all Australians.

Indeed, for every country which constitutes a potential market for Australian companies, there are Australians who know their way around.

The key to gaining better access to all markets is knowledge - knowledge of their cultures and languages, of their business practices and networks, and of their political and legal systems.

In an address to the National Conference on Arabic last year, the Deputy Director of the National Farmers' Federation, Mr Phillip Eliason, pointed out that we do not necessarily enjoy a great advantage because we speak the language of international business.

Advantage often lies, he said, with the country or language group whose communications are difficult to penetrate.

Our Asian Australian communities, through their own small-business networks, are making considerable progress in opening up new avenues of trade and consolidating commercial links with all parts of the Asia-Pacific region.

A recent study of Australian entrepreneurs from Chinese and Indian backgrounds has shown how personal networks are crucial in building export markets.

This is not confined to Asia.

The Middle East is a significant export market for Australia. It has also been a significant source of migrants.

The same applies to Eastern Europe, as well as the traditional markets of Western Europe.

Today, well over 20 per cent of Australians were born in another country. More than half of them came to Australia from non-English speaking countries in Europe, the Middle East, Asia and South America.

Combined with their Australian-born children, they constitute 40 per cent of our population.

Such diversity in human resources is rare by any standards.

The advantages of such diversity are not confined to "ethnic" businesses. All Australian businesses have easy access to it. All Australian businesses can profit from this specialised knowledge.

Australian firms can draw upon the wealth of language and cultural skills that resides in their own workforce, or they can draw upon them by forging partnerships between "mainstream" and "ethnic" businesses.

The Government, through the Office of Multicultural Affairs, has been piloting and exploring a number of initiatives which illustrate these possibilities.

For example:

- . In conjunction with New South Wales TAFE, a pilot program to train exporters of primary products in selling to Asian and Middle-Eastern countries.
- . A proposal to create from ethnic chambers of commerce and other agencies a supportive national network for small and medium sized businesses.

- . A pilot program to place overseas-trained professionals into Australian businesses.
- . Sponsoring a consultancy group which provides cultural, linguistic and market expertise to companies.

The opportunities go beyond exports. They concern productivity and efficiency.

A study of migrant skills undertaken in 1989 showed that some Australian employers fail to understand or discount the value of training acquired overseas.

It further showed that employers tend to perceive immigrants from non-English speaking backgrounds as identical, whether or not they have skills.

Through the National Office of Overseas Skills Recognition, the Government is attempting to stem this waste of talent.

Of course, there is a significant issue of social justice involved here, as well.

But rational self-interest alone dictates that we try to liberate resources locked away.

And, in the interests of both fairness and economic efficiency, the Government is taking further measures to assist those job seekers whose lack of functional English is impeding their employment prospects.

As part of the Employment Package, an additional \$55 million has been allocated over the next three years so that all registered job seekers without functional English can be referred to English as Second Language classes. This will assist approximately 48,000 job seekers.

Central to the Government's micro-economic reform agenda - and to our national prosperity - is the determination to revolutionise vocational training based on key competencies.

Australians from Non English Speaking Backgrounds and the value of the languages they speak cannot be ignored in this process.

This conference will hear of work to identify and document the practical methods some companies have employed to make the most of competencies in languages other than English, or to work around language barriers, or to communicate cross-culturally.

It is not just the opening up of overseas markets that can enhance our economic future. There are also markets on the home front.

Ethnic niche markets in suburbs where 70 per cent of the population speak languages other than English at home.

The National Australia Bank has put in special efforts to reach ethnic niche markets.

Indeed NAB has sponsored an ethnic small business award scheme and I look forward to speaking to the award ceremony tonight in Sydney, via satellite.

Telecom Australia, for example, recently commissioned a study of the needs of its clients from non-English speaking backgrounds.

The study will also identify any cultural or linguistic barriers to telephone use among this client group.

Telecom already advertises on SBS television, and I believe that the motivation for this study combines two aspects of the Government's multicultural policies - social justice and economic growth.

In fact the Government has itself seen the need to understand its domestic market better. Through the Office of Multicultural Affairs we've set up a network of more than 600 people who are experts in communicating with ethnic communities and groups.

The network was developed in response to the Government's need to identify the views of individuals or groups when planning policies and services.

It acts as a channel for the views of those Australians who for reasons of language, culture or geography have been overlooked in the past.

Tonight I am pleased to announce that, subject to ensuring that the public interest is not compromised in any particular case, this network will be made available to the business sector on a commercial basis - to test products, services and advertising for local niche markets and potential export markets.

Managing a culturally diverse workforce may not be perceived as a challenge by managers and business owners, many of whom think that their workforce is able to speak and communicate adequately in English.

But a number of studies have shown that there are productivity costs in not paying attention to communication issues. And some companies have seen that it is shrewd to invest in English language training themselves.

We are also exploring the option of contributing, along with business and community partners, to a scholarship scheme for Australians with language and cultural skills to develop international management and marketing skills at the University of Sydney Graduate School of Business.

This would complement Austrade's existing business fellowship scheme for Asia.

I said before that the Government itself is not exempt from the need to make better use of Australia's multicultural skills.

We need to ensure that key agencies providing economic and trade advice and support to business - the Department of Industry, Trade and Commerce, the department of Foreign Affairs and Trade, as well as Austrade - also tap into these skills.

On the face of it, the evidence suggests that Government could do better - for the public service is disproportionately of English-speaking background.

So as another practical step, I'm asking the Public Service Commission and relevant agency heads to look closely at what special efforts can be made to ensure that we recruit people from culturally diverse backgrounds and utilise their particular skills.

We are a nation rich not only in natural resources, but in human resources as well.

If we are to maximise our potential, to achieve all that we are capable of achieving, we need to harness these resources.

In doing so, we will achieve our twin aims of economic development and social justice for all Australians.

Tomorrow, the conference will focus on how we can best use the local knowledge and language skills of our diverse workforce to penetrate foreign markets, how companies can lift their profits by tapping domestic niche markets, and how we can exploit our manifold workplace skills to lift productivity.

You will be exchanging ideas and, I hope, developing strategies which will do much to guarantee our economic place in the world and, with it, growth and prosperity.

Ladies and gentlemen

I am very confident about the future of Australia, and one of the principal reasons for my confidence is our proven capacity in recent years to adapt and meet new challenges.

This is a very determined generation of Australians. It is also a very worldly and knowledgeable one.

This conference is a means of ensuring that for Australia's sake - and for theirs - we do not waste their ambition and skills.

It is, itself, another reason for confidence in our future.

Whatever you come up with - whatever you say - I can assure you, I'll be listening.

I congratulate CEDA, the Office of Multicultural Affairs, and all those who have contributed to this very important conference - and I wish you well.

Thank you.