



PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING, MP
HOLDEN'S ENGINE COMPANY, TWO MILLIONTH EXPORT ENGINE
MELBOURNE, 2 MAY 1994**

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Well, thank you very much, Peter (Thomas), Tom McDaniel and Bill Hamel, Your Excellencies, the Consul General of Britain, and the Federal Republic of Germany and other distinguished guests, and my Parliamentary colleagues, the Leader of the Opposition in Victoria, and ladies and gentlemen.

It is a great pleasure to be here on this occasion, and the point is not lost on me that in a week when the Government will deliver a White Paper on employment in this country, the first in over 45 years, was the same time 45 years ago when the then Chiefly Labor Government, the Government that produced the first White Paper on employment and post war reconstruction, was the Government which was negotiating with the General Motors Corporation to see the development of the General Motors Holden Company in this country.

And now, just on half a century later, we have this amazing coincidence of the Governments, Australia's, second White Paper on employment coinciding with the export of these high technology products, the two millionth Holden engine.

On the occasion when the General Motors Holden Company unveiled its first car, my predecessor, Ben Chifely, doffed his hat to the car. Well, I don't happen to have a hat to doff, but if I did I would doff it to those high technology engines on that clamp. Because what we are seeing here is the face that the General Motors Company has displayed in this country from the days of the old Holden Motor Body Company and the engines which General Motors Corporation of the United States used to sell to the collaborative program, the acquisition and then the building of GMH in Australia.

And it was to many Australians recognition of the fact that we have come of age as an industrial country, when we can produce our own motor vehicles. And we saw the fledgling Australian motor vehicle industry emerge from that time. We also saw Holdens being sold all over the world, but I am sure we would have thought in market terms, in those days, of markets like New Zealand and like South Africa and the developed countries of the Southern Hemisphere, we wouldn't have been thinking in term of mainstream products in the mainstream international markets of the Asia-Pacific, of your largest customer for engines in Korea, or indeed supplying General Motors engines to other parts of the General Motors Corporation Companies throughout the world.

So, the Holden's Engine Company has now a very great and distinguished performance since its inception, and the tradition of the belief and faith that the General Motors Company has had in this country and its working is borne out of the successes the company is having today. And it gives me very great pleasure to acknowledge and to salute that success.

We have been through, all of us, an amazing transformation in the last decade. We turned our back on tariff protection, we've said we want to engage with the world, we want to be part of the story of the Asia-Pacific. We want to be part of the story of a confident, outward looking, dynamic economy. And the changes which we have made, and we have all made them together, all of us, have produced a now confident, externally oriented country which can do things which we wouldn't have dreamt of ten years ago.

And so we are now seeing at this point that the country that lived its life on wheat and wool, and then more latterly iron ore and coal, now finds that its fastest growing exports are its Elaborately Transformed Manufactures.

We don't want to be a low wage, low productivity society. We want to be a high wage, high productivity, high innovation society. We want to do the clever things which can be done by research and development, product innovation, education and training, commitment, employer to employee, unions to management so that we advance as a country doing the skilful things which millions of countries in this region won't, or will not be able to do for many years into the future.

Fundamental to our view of Australia has been the belief that our great comparative advantage is not our paddocks of wheat or the great harvest of the bales of wool or the natural endowments of our minerals, but our great comparative advantage has been our education system.

Australia is at a point now where this year eight kids in ten will complete secondary school. That was three in ten, ten years ago. We are streaming now 40 per cent of those through tertiary institutions and we are now rebuilding vocational education along side the universities to carry the rest into training and skills and to reskill them for life's work. The statement which I'll introduce this week will say a lot more about education and training and

particularly the importance we give on the school to work transition regarding the period 15-19 years of age as a period of vocational preparation for work and where we see the skills path start to open up already in secondary schools.

This is the rock upon which all of our innovations in the future will be built. But perhaps beyond that the great structural change of the last ten years has been the collaborative and co-operative attitude of Australian employees at work. And the attitude of Australia's employees and our unions and the corroboration that has been engendered between them and management across the country have given us now an inflation rate under 2 per cent; an inflation rate for the last quarter of .4 per cent; the lowest interest rates in thirty years; the highest profit share in our history and now coupled with a company tax rate competitive with most any rate in the Asia-Pacific - massively competitive when compared to other industrial developed nations - these are the ingredients of a productive culture which Australia has not really known in the past.

So, we're seeing this transformation across the economy, but I was glad that Peter Thomas (Managing Director, Holden's Engine Company) mentioned the suppliers here today. Let me pay tribute to you too. Because I'm sure many suppliers don't regard themselves primarily as exporters, but in fact they have become exporters because the product which they produce, the efficiency with which it is produced, the quality control and the delivery schedules, all of these things that make up a good on-going commercial relationship have come to pass and now we've got this great team spirit between suppliers and particularly in the motor vehicle industry this has become very apparent.

It wasn't so many years ago, not so many, when motor companies in this country would say to the Government we find it very difficult to survive without a tariff wall of great size because we can't get the competitiveness into a vehicle components parts industry; we can't get the commitment of component parts suppliers. Well, that has happily all changed. I think one of the things which changed it is the fact that we decided that we would be competitive and throw off the protection of high tariffs and as we've seen tariffs decline over the period, this has put competitive disciplines on companies, on motor vehicle manufacturing management, but it has also brought the suppliers to the party so that now, together, we are all able to produce cars of greater quality and lower price so that Australians can enjoy owning a car of comparable international standards, but at prices which are far more competitive than would have been the case a couple of years ago.

This has been a great endeavour and a great outcome by the motor vehicle industry in this country and in this respect the commitment of General Motors Corporation of GMH to that its national undertaking, has been central to the change in the quality and price of their cars, to their export potential and, of course, the spin-off in manufacturing of engines as we see in this plant here today.

So, this is a considerable success story and it can't be there simply because of an enlightened management; it can't be there with enlightened and competent plant managers, it can only be there with the commitment of the workers, the employees to a partnership with the management that makes these things possible and a commitment by the company to product innovation and to playing a role in Australia's exports.

So, it is with a considerable degree of pride and genuine pleasure that I come to this place, to Fishermens Bend, where Ben Chifley came nearly half a century ago to take his hat off to the first Australian made car. And, as I have the pleasure as leader of the Labor party and Prime Minister to introduce a White Paper on employment in this country, on the development of regions in this country; of industry policy; of training and re-training and a commitment to the young, on this occasion, in this week nearly half a century later I have the historic opportunity to visit Fishermens Bend and to not doff my hat, but to pay a well earned round of tribute and praise to everyone involved in the production of the engines of the Holden's Engine Company.

So, ladies and gentlemen, distinguished guests, one and all it is with very great pleasure that I am here in the company of the Chief Executive Officers of the Corporation and to be here on this the occasion of the building and packing of the two millionth Holden engine.

Thank you very much indeed.