



# PRIME MINISTER

## OFFICIAL OPENING OF "CONSTRUCTION HOUSE "

CANBERRA

27 APRIL 1971

Speech by the Prime Minister, The Rt Hon. William McMahon, C.H., M.P.

I would also like to thank Mr. Williams and Mr. Box on your behalf, and on behalf of my wife and myself as well, for inviting us today. It is most appropriate that the building and construction industry should decide to build this magnificent national headquarters building in Canberra. It's hard to imagine a more apt way for the industry to display its presence in the national capital. This city which is as much a tribute to the construction industry as it is to our own planners, architects and engineers. There are three industry organisation partners here in Construction House. Firstly, the Master Builders' Federation of Australia which is well known and respected in Canberra. It has been submitting the views of the industry to the Federal Government on a wide number of matters of industry concern for a long time. And last year, my Government was pleased to co-operate with your industry in sending an official survey mission to South East Asia to help Australian contractors try to win competitive contracts in that developing region.

During the last three or four years, Australian consultants have been successful throughout the South East Asian region. It would be natural for Australian building and construction companies to be looking for a similar trend in the export of their skills. This region is virtually on Australia's doorstep, and it is one where Australian building could make an important contribution in applying the world standard of competence it has reached.

I will be visiting Indonesia, Malaysia and Singapore myself soon, and my Government attaches very great importance to our relations with these close neighbours to our north - whether in defence, in aid and development programmes in cultural relations, or in the growth of trade. We would like nothing better than to see private enterprise doing more in backing up and developing the Government's efforts to strengthen our ties with these nations.

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The Australian Institute of Building is a newcomer to Canberra. But its vital role in establishing and maintaining standards is well known in the building industry. The third member of the triumvirate occupying this building, the Master Builders' Association of the A.C.T. deals with the day-to-day industry problems in Australia's fastest growing city. And it does that well, as the evidence of our eyes shows.

In a short ten years, building in Australia has grown from a modest to a very large industry. It is now an industry which helps significantly in setting this nation's growth pattern. And much of the credit for Australia's development in the past twenty years must go to it. Its influence in Australia's growth, development and standard of living are, of course, visible everywhere. Let me elaborate. Investment in physical capital is one of the mainsprings of economic progress: It has played a key role in Australia's strong rate of economic and population growth.

The building and construction industry is responsible for something over half of total fixed investment and about 14 per cent of gross national expenditure in Australia: But its importance does not end there. Through its demands for materials the industry affects output and investment throughout many sectors of manufacturing industry. It is also a very large employer of 430,000 people, or 9 per cent of the national workforce, according to the last census. But if you take account of related industries, building and construction could be said to be responsible for employing about 15 per cent of the workforce; you have rapid growth as well.

In those ten years, total spending on building and construction has gone up by about 140 per cent. That compares with an increase of 120% in gross national spending generally, because your industry is such a mass user of scarce resources, it has an important responsibility to make a maximum contribution to growth by making the best and most efficient possible use of those resources, thus both your industry and our own economic policy-makers have a strong interest in the soundly-based growth of building and construction activity.

Continuity in building and construction operation raises productivity, encourages technological innovation and facilitates longer-term planning. Stability in your industry makes it easier for us to maintain stable growth and full employment in the economy as a whole. That's why we are very pleased to see the development of, and increasing professionalism in organisations like the Master Builders' Federation.

The Federation and its affiliated bodies have also found themselves increasingly involved in industrial relations, and Master Builders' Associations have recently featured prominently in major industrial disputes in the industry. I can recall some recent disputes in New South Wales which have proved very costly both to employers and individual employees, One particular building union resorted to the use of physical violence and caused damage to property in pursuing its demands.

But I am confident that under the guidance and co-ordination of your Federal organisation now established in Canberra, industrial relations in the building industry will bring increased employer-employee harmony. I would not want to leave such a distinguished audience as you are without some comments on how we in the Federal Government see our role in relation to your industry, particularly in relation to housing.

It has become almost a cliché of the political scene that in Australia we enjoy the highest level of home ownership in the world and one of the highest rates of housing construction. But no matter how well accepted and commonplace those statements may seem to some observers, they show a solid record of achievement against which current problems and criticism must be weighed. There will always be problems to be overcome. But we are not resting on our record in this vital area of housing which is so closely identified with the everyday life and aspirations of Australians. On the contrary, we are carrying on and improving the record of successive Liberal/Country Party Governments, in the increasing involvement of the Commonwealth in housing.

Housing is one of the few portfolios that I have not held during my ministerial career - and that's mainly because it was established in comparatively recent years. I seem to have had my chance in just about all the others. The total is thirteen portfolios, they tell me. Our position as a Government with respect to housing is that we believe every Australian family should be well housed and housed in a fashion of its own choice. We recognise that Government assistance is necessary to achieve this aim. But we believe such assistance should be implemented in a co-operative rather than in a domineering and bureaucratic way.

We take the approach that we can co-operative successfully with private enterprise, and this new building and this national capital are testimony to the success of that approach. We also believe we should co-operate with the state Governments in helping them to fulfill the housing needs of the people as speedily as practicable.

More recently, we have taken a number of decisions in the housing area. For example, last December we made new arrangements for Commonwealth financial assistance to the states for housing. As a direct result there have been substantial reductions in the interest rates charged by all state authorities. They represent the greatest reduction in housing interest rates in a quarter of a century. The interest charged on dwellings sold by the state housing authorities and financed by co-operative societies have been reduced substantially, and the benefits of these reductions are being passed on to home buyers. We have also relieved the States of the need to provide housing for members of the armed forces. This has released additional funds for civilian and welfare housing.

We are also paying the States \$1.25 million a year for the next five years towards rental reductions for the really needy.

Since the last Budget, the maximum advance under the war service homes scheme has been increased by \$1,000, and interest charged by our housing loans insurance corporation has been reduced. At the Premiers' Conference in February, we provided additional funds for state works, and a number of states have stimulated their home building programmes as a result.

These are all decisions taken to assist housing, but another problem the industry faces is the rising costs of land. This problem can only be solved by co-operation between all levels of Government and private enterprise.

As for the future. You can be assured that we will continue to improve and update Government assistance in the housing area, as we have done in the past: We are proud of our record. But we acknowledge that there are still many policy aspects of housing which we should be looking at. Having said that I want to thank you again for inviting us here today, and I have much pleasure in declaring construction house officially open.

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