



PRIME MINISTER

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GOVERNMENT POLICY ON THE MOTOR INDUSTRY

STATEMENT BY THE PRIME MINISTER,
MR. E.G. WHITLAM AND THE
MINISTER FOR SECONDARY INDUSTRY,
DR. J.F. CAIRNS

Cabinet has laid down new rules and objectives for the Australian motor industry. The Government desires to improve the efficiency with which the community's productive resources are used and to recognise the interests of consumers.

The Tariff Board has been informed of the Government's policy. Motor vehicle firms, including Nissan and Toyota, are being invited to submit to the board statements of action they propose to take, and of action they consider the Government should take, to give effect to the policy. The board has been asked to present its report by the end of October 1973. Firms are urged to furnish their statements to the board as promptly as possible.

The Government intends that the industry must operate at the highest possible level of efficiency and economic management and with high Australian content. The vehicles must afford a high level of safety in construction and use and have effective anti-pollution devices. The industry must be well located for social, employment and environmental purposes. There should be improved labour relations and production techniques, and a substantial Australian participation, including equity, in the industry.

The Government does not believe that its policy can be implemented by conventional tariff action alone. The Government believes that its policy will involve product rationalisation, joint use of resources, prevention of model proliferation and relatively greater manufacture of light cars in Australia. It is envisaged that some regulation of imports may be necessary.

As part of the Government's plan, the Minister for Defence and Supply, Mr. Barnard, has been authorised to obtain a report from the Government Aircraft Factory on the possibility of its manufacturing a car in Australia.

Australia is now a regional centre for the automotive industry, and the Government's policy recognises that manufacturers may wish to co-ordinate their Australian production with other manufacturing facilities in the Asian and Pacific region. Manufacturers' import and export plans would therefore be related to Australian production.

The Government has agreed that the Japanese companies, Toyota and Nissan, should be offered an opportunity to manufacture in Australia. All companies in the industry, including Nissan and Toyota, will be invited to submit to the Tariff Board statements of the action they propose to take to give effect to the policy objectives of the Government.

Since Nissan and Toyota are only now commencing manufacture in Australia, the Minister for Secondary Industry has been authorised to have discussions with them about Government participation in their operations in Australia.

The Government expects the Tariff Board, in making its recommendations, to indicate the cost to consumers and the other effects, including those upon employment and environment, of any action it recommends. The board will also be asked to consider other measures, such as subsidies, taxation concessions and Government investment, which together with tariffs and "plan-type" recommendations, would best insure the effective implementation of the Government's aims.

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