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PRIME MINISTER

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ELECTORAL TALK

This week in Federal Parliament, the Government announced three major initiatives that will benefit both Australian industry and hundreds of thousands of families and individuals.

In separate statements the Government unveiled its long term blueprint for the motor vehicle industry; it set out clear and sensible guidelines for foreign investment in Australia and presented new initiatives for the home buyer.

The motor vehicle industry and foreign investment moves will play a real role in greatly enhancing stability and security in Australian industry while the home savings plan will offer new hope for those who wish to own their own home.

I want to briefly comment on each of the three initiatives.

It is worth noting that our plans for the motor vehicle industry have already received the support of the industry, the trade union movement, consumers and State Governments.

Broadly, the Government has decided that its long term objective for the passenger motor vehicle industry can best be achieved by an 85 percent local content plan, supported by appropriate tariff arrangements.

In examining the industry, the Government pinpointed areas of special concern.

We looked at the importance of the industry as an employer of labour and capital. Many Australian cities and towns rely on the motor vehicle industry as the main source of employment. We specifically looked at the importance of the industry to South Australia and I am pleased that the South Australian Premier strongly supports our moves.

Of course, another major concern was that consumers had access to reasonably priced cars. One of our objectives is to avoid fragmentation of production, and encouraging economies of scale and thus help keep production costs down.

The Government also took into account the growing demand for smaller four-cylinder cars and the importance of Japanese firms in the overall Australian market, because of the consumer acceptance of their products.

The last point I want to make on the motor vehicle industry is that the Government is anxious that the necessary changes in the industry are effected in a way that can be sustained by the economy. Accordingly, our policies have been deliberately tailored to make sure this change occurs in a controlled and manageable manner.

Our foreign investment policy reflects our determination to put Australia back on its feet again.

We wish to encourage overseas funds and skills because of the contribution they can make to the national growth and to standards of living in Australia. At the same time we wanted to offer Australians the greatest possible opportunity to play an effective role in the ownership and control of our own natural resources and industries.

In our considerations on foreign investment we recognised that

our partnership with foreign capital must be of mutual advantage.

We are far past the stage of welcoming all foreign capital with open arms with no questions asked. Today, Australia can afford to take a more discerning attitude towards the inflow of overseas funds.

Accordingly, the Government will examine each proposal by overseas companies on individuals merits. Apart from levels of local equity we will make sure that the economic benefits, employment opportunities and the likely effect on our social and economic policies are closely checked in each case.

In key areas - oil and gas production, uranium mining, agricultural and pastoral projects, forestry and fishing projects - we will apply specific rules on the level of Australian equity and control.

The Government also expects the Australian Industry Development Corporation to work closely with the newly set up Foreign Investment Review Board. The Corporation plays an important role in helping to generate funds for Australian companies.

The home ownership question was also spotlighted in the Parliament.

The Home Savings Grant Scheme is the most progressive and far reaching programme ever offered by a Federal Government to people wanting to own their own home.

We are determined to give Australians a real chance to own their own homes. This philosophy of home ownership has been one of the great platforms of Liberal Governments. In fact, the Liberal Country Party government introduced the present Home Savings Grant Scheme in 1964 to help young couples buy their first home.

Our new grants scheme goes even further than my election pledge to increase the grant for first home buyers from \$750 to \$2,000.

The grants work on a sliding scale. Home buyers next year will get \$667 if they have saved \$2,000 this year.

The grant will increase to \$1,333 for savings of \$4,000 in any two year period after the start of this year.

The maximum grant of \$2,000 will be payable on savings of \$6,000 over three years.

Home buyers will now receive the first payouts early next year, two years earlier than promised.

The Scheme will be extended to cover all first home buyers regardless of age or marital status.

A special feature of the scheme is that it allows people on farms to get grants even though they do not own the land on which they are building. This feature will apply to all homes or rural properties bought or contracted to be built after last Wednesday.

Finally, I believe that our decisions in these three areas alone will convince Australians of our desire to make this nation a land of opportunity and one where we can all plan ahead with confidence and optimism.
