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PRIME MINISTER

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ELECTORAL TALK

The Government's first budget is a budget of reform. First and foremost it is a people's budget. It is not just a budget for business, for mining companies or for large producers. It is a document that recognises that people come first.

The budget strategy follows a strong and consistent Liberal approach to national progress - it places emphasis on individual opportunity and concern for those in need.

Tonight I want to talk to you about the real reforms this budget presents to all Australians.

In every sense, the Liberal/NCP Government has pursued a consistent course for reform that was long overdue. Just on nine months ago, we told Australians there were many reforms we wanted to introduce. We said that some could - and must - be introduced immediately. That was last year, before the election. What has happened since?

Quite simply, the Government has honoured its promises. We have brought in some of the most significant social reforms since Federation. And these reforms have been introduced in such a way that the community can afford.

On May 20, the Treasurer announced a family allowance scheme that provided immediate and direct cash benefit to 300,000 Australian low income families and 800,000 children. This scheme is already in full operation. A great deal of personal hardship and suffering has been alleviated and a great deal more avoided. It has been applauded by trade unions, social welfare organisations, community groups ... and even supported by our political opponents.

At the same time, we announced the introduction of full indexation of personal income tax. We said we would do it within three years. It took just six months.

Both of these reforms - reforms that put people first - were an integral part of our budget strategy. They are a keystone of Liberal philosophy.

They were introduced before the formal August budget to provide the much-needed confidence and relief to those many thousands of Australians on low incomes who were not previously protected against the destructive forces of inflation.

We took the unprecedented step of introducing a major part of our budget strategy three months before the budget was introduced in the Parliament. We believe that those three months were too precious to waste. We could not let Australia wait.

The formal budget introduced by the Treasurer last week followed our consistent course to reform. The Government allocated \$5389 million for our continuing commitment to maintain and improve Social Security benefits and welfare services.

This figure - about one quarter of the total budget outlay - represents a 23 percent increase over the amount spent in this area last year.

The Government has been concerned to make sure that people in greatest need receive the greatest assistance. We believe that this budget allows us to do just this.

Our concern for people is illustrated in many ways. Pensions will now be automatically adjusted in line with Consumer Price Index increases. This move will protect pensioners against increased living costs. For the first time it will take pensioner payments out of the political arena.

The separate property component in the means test for pensioners has been abolished. From early November pensioners will be means tested on income only. This will include income from property. It is not a test based on the combined value of income and property.

Many pensioners will gain from this significant reform. It will prevent injustices where many people are now denied the pension simply because they own property.

For the thousands of Australia's handicapped this has been a budget of real reform. No other Australian Government has done more for the handicapped than this Government. Allowances to handicapped children have been increased by 50 percent. From the beginning of November the allowance will jump from \$10 to \$15 a week. Also, the handicapped children's benefit paid in respect to handicapped children in institutions has been increased from \$3.50 a day to \$5 a day. These two increases will benefit about 21,000 handicapped children.

Funds for handicapped persons assistance will be \$121 million over the next three years. This will assist voluntary organisations set up and operate sheltered workshops, therapy and training centres and to provide accommodation for handicapped children and adults.

For all of Australia's handicapped children and adults - and the friends, relatives or guardians of the handicapped - this Government's first budget is a social document in the truest sense.

The Government has shown to the handicapped that we are concerned first with people, and not just with figures.

As previously announced, the Government has allocated \$225 million over the next three years to subsidise the building of aged persons accommodation. This again is a significant degree of assistance to an area of real need. It will provide urgently needed accommodation for about 15,000 aged people.

This programme will also assist voluntary organisations by ensuring a continuing of planning and building for the next three years. They will be able to borrow in this first year against the allocation for the remaining two years.

In our budget we also introduced a special deduction to apply where an interest in an estate passes to a surviving spouse. The Government regards this as a necessary and important reform as it is an area of the law where personal tragedies are commonplace.

Following a view put by the Henderson Inquiry into Poverty, the Government has decided to implement a trial programme designed to assist low income earners choose their own rental accommodation on the open market.

If successful it will provide the Government with a new mechanism to make welfare housing sensitive to the needs of the users rather than those of the planners. The Government will look closely at progress in this important social welfare area.

From those in need of special assistance to ordinary working men and women this is a budget that puts people first. For the first time in four years, Australians were not hit with indirect taxes to help pay for expensive and wasteful Government programmes. There was no extra indirect tax on cigarettes, wine, beer or petrol. It was not needed, it was not wanted.

In my Policy Speech late last year, I said that Australia needed reform. Our first budget - that includes the May statement - has advanced Australia one major step in fulfilling that need.