



**PRIME MINISTER**

FOR MEDIA

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ELECTORATE TALK

Last week's Budget continues the Government's responsible approach to economic management. It consolidates the gains of the last five years and provides a blueprint for the development of Australia in the years ahead. Above all, it maintains the fight against inflation.

Our main objective during our five years in office has been to strengthen the economic health of Australia and to provide the foundation for renewed economic growth. This has meant an unrelenting fight against inflation, which has required hard decisions. Unlike Labor we have been - and are - willing to face up to reality and take those decisions.

The fact that this Budget will achieve a balanced domestic position is a landmark in Australia's economic recovery. No longer is Australia living beyond its means. We have paid off Labor's debts.

This Budget - the first of our Budgets for the 80s - squarely faces up to the challenges that the decade will hold. Above all, it provides a base for the continuing growth and expansion of industry and for the development of our great natural resources. It is essential that growth should open up opportunities for all Australians to share in these developments. There is no merit in development for development's sake. But the reason my Government encourages development is that it enables more Australians to have lasting and decent jobs; it enables more families to pursue their own future in their own way; it also gives Governments the resources to provide the kind of care and concern for those people most in need. Let's not forget that Australia's greatest natural resource is the people of Australia. There is simply no point in development and growth unless all sections of the community, particularly the disadvantaged, the handicapped, the elderly, the young and the sick, are able to share in its benefits.

We believe that together with voluntary organisations, Governments have an obligation to help those least able to help themselves. Almost \$10,000 million is earmarked this year for social security and welfare programmes. This is a 12.4 per cent increase over last year.

Some of the increased welfare payments in this year's Budget include:

- the handicapped child's allowance will be increased by \$8 to \$73 a month. The double orphan's pension will be increased by \$8 to over \$55 a month;
- the additional pension or benefit payable to eligible persons with dependent children will be increased by \$2.50 to \$10.00 a week for each child. About 560,000 children will benefit as a result;
- single pensioners with children and supporting parent beneficiaries will receive an additional \$2 a week. About 190,000 single parent families will benefit,
- the six month waiting period for the supporting parent's benefit will be removed, providing benefits for an additional 15,000 or more supporting parents.

As we all know, Australia is to the forefront in many areas of science and medicine. Our researchers have achieved the highest levels of excellence and international recognition. We believed that there was a need to encourage further that outstanding work. To meet that need, Budget outlays for medical research were increased by 30%, and the allocation for the Australian Institute of Marine Science has been increased by over 50%. Here we had particular regard to the obligations in relation to the Great Barrier Reef and to the need to learn more about the 200 mile economic zone which is of such importance to us.

The Budget was framed in a period of heightened world tension. Soviet power play around the world has meant an increased obligation on Australia as an independent and middle-ranking power - and indeed on all democratic countries - to upgrade our defence preparedness. We have increased defence spending by over \$500 million, or 7% in real terms. Much of this increased vote will be spent in Australia on purchases and equipment made within Australia. Our objective is to lift capital equipment expenditure to about 25% of the total defence budget.

While these funds would have had to be provided for defence in any case, the increased Government revenues from our oil pricing policy have certainly assisted us in meeting this particular objective. In addition, those revenues are also making possible the tax cuts of over \$600 million which applied from 1 July this year, and which is very much an integral part of our total budgetary approach. The oil revenues also assisted in helping us to reduce the deficit. These are three important objectives.

The 1980-81 Budget demonstrates our integrity as economic managers. We have refused to enter into a public auction for votes with the taxpayers' money. There is no way we will follow Labor down that path.

This is a Budget of responsibility; a Budget of stability; a Budget which enables all Australians to be confident in their individual and national capacity. And, above all, it is a Budget of compassion and concern; a Budget which promotes the economic health and continuing economic strength of this country. It will further assist in making our economy the envy of many around the world. It is a Budget in which, I believe, we have discharged our responsibilities to all Australians with fairness and with honour:

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