



PRIME MINISTER

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E & OE - PROOF ONLY

JOURNALIST: Prime Minister, the Liberal Party's tax policy seems to be a bit of an electoral winner.

PM: Would you like to bet? Just let me say this briefly about this misnomer that was issued yesterday. It's called an economic action plan. I'd say three things about it. It is economically irrelevant. It is socially outrageous. And it is factually false. Let me indicate what I mean by that. It is obviously economically irrelevant. It is not an economic action plan. It offers no alternative to the basic economic strategy that is being followed by this Government. Indeed it would inevitably mean higher interest rates under their proposals. Secondly it is socially outrageous because it represents an immediate return by the Liberals and National Party to the socially divisive and inequitable policies that characterised their period in government before we came to office in '83. It represents a situation where they will increase payments to the well off in the community at the expense of those legitimately in need - the poor, the Aborigines, the migrants - and it disadvantages in education terms the lower income groups in the community. Thirdly it is factually false. It says in the document in regard to the investment boom that is going on at the present time, it says in much of the investment we have seen it's been in areas it says with little prospects of producing significantly higher export incomes. In this same week that they have produced this falsehood, Access Economics, the organisation which they used to cost their programs, has published a report on investment in this country. They list 500 projects of \$5 million or more each which are either under construction, or are committed, or under consideration, which total \$90 billion. Of that \$90 billion of project, 54% are actually in the category of being under construction or committed. And in respect of those, Access Economics in its document says that they will generate increases on an annual basis in export income of \$5 billion and in total with those under consideration \$10 billion. So, as I say, the document is economically irrelevant. It is socially outrageous. And it is patently, on the basis of the Liberal's own organisation that they've used, Access Economics, it is factually false.

JOURNALIST: Prime Minister, you said this helps the well off. Most Australian families with children wouldn't consider themselves well off.

PM: No, but I'm not saying that in the area of families that they are not a legitimate area of consideration. That's why in fact we have in our period of office done the things which are important for families. Most particularly of course in the area of education where we have now created a position where the children of this country, irrespective of the income levels of their parents, now have an infinitely greater access to, commitment to, and retention within the education system. What I am saying is that in the area of their massive handouts that they are proposing they are putting no income testing on it. So that families which are very, very well off and who according to the philosophy which has been outlined for instance by the president of the Liberal Party who says that all outlays in the welfare area should be means-tested, they have abandoned any pretense at means-testing so that the most well off in the community will get increased benefits while those who are most in need, and legitimately in need, will have benefits taken away from them. It will be a case of the poor paying for the wealthy. It will be a case of the rich getting richer and the deserving poor getting poorer.

JOURNALIST: Is it a clever political document Prime Minister?

PM: No I don't believe it's a clever political document. I believe that it contains further seeds of the destruction of this discredited conservative coalition.

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