



EMBARGO : NOT FOR RELEASE BEFORE 6.30 PM

PRIME MINISTER

MACQUARIE NETWORK WEEKLY BROADCAST

BY THE PRIME MINISTER, THE RT. HON.
WILLIAM McMAHON, CH, MP.

16 AUGUST 1972

THE BUDGET

Interviewer : Paul Lynch

Q. Prime Minister, first of all, the Budget that was brought down by Mr Snedden last night is obviously not in any sense a revolutionary Budget. It is pretty much the mixture as before with some taxes raised, others lowered. What would you say in response to this assessment of the Budget?

PM : I don't think that is the correct assessment. But naturally enough, the basic needs of life have to be treated in the Budget first, such as pensions, and similar types of matters. On this occasion, not only have we introduced a number of novel features but they have all been important. You rightly mentioned our proposals relating to the abolition of the means test, but we have also introduced child-minding centres for those people who have to go to work and can't have their kiddies looked after. We have introduced for the first time a totally new idea relating to the wives of pensioners, the wives of invalids and of certain types of beneficiaries of repatriation. They will now get pensions even though they are not eligible at the present time. We have introduced a very substantial change relating to payment of estate duty. So, too, have we introduced a change of another kind that I think will be invaluable to people on superannuation because we have introduced a means by which they will not only get a greater pension but, as they get older, the pension or their right to pension will increase. So these are all new, and in addition, I think I should make one other comment to you, and it relates to our National Health Scheme. Because we have now adopted a practice by which we can ensure that to whatever extent it is practicable, the people who go into a nursing home, or who get nursing attention at home, or whose relatives are willing to look after them, will receive assistance of a kind that has never been done in Australian history before. Now I could go on like this for a considerable time, but I think that is a big enough series of issues on which I can emphatically

(PM Contd.)

state that I think there are more revolutionary changes in this Budget than you mentioned and I think more revolutionary changes than I have known in any other Budget for the twenty-two years I have been in Parliament.

Q. Prime Minister, you have been talking very largely in terms of benefits which will accrue as a result of this Budget, that is the outgo side of the Commonwealth Government's finances. On the incoming side of your finances, with this ten per cent cut in personal income tax, do you feel there is any risk you won't be able to pay the larger social service bills?

PM: No risk whatsoever because the Commonwealth always has the power to be able to pay for the promises it makes and the legislation it introduces. But I think you do open up one other subject that in time has to be answered, and that is whether or not this could create what is called inflation by demand. I don't think so. The simple fact is that today the economy is not ticking over as rapidly or as well as we want it to do, and consequently this is an occasion when we should have internal deficit financing even of a substantial kind. It is my belief as one who has had a pretty good record for economic management as the Treasurer, I believe what we have done is just about right, and I think it will turn out to be right in the long run too.

Q. Prime Minister, have you a figure for this internal deficit that you were talking about?

PM: Yes, I believe it is about \$60 million.

Q. So obviously you think this is sound economically, the whole Budget picture. I would ask you, Sir, whether you consider it sound in political terms. You have heard the reactions or read the reactions of Mr Whitlam and of Mr Hawke and of other critics of the Budget. What do you have to say about the points they have made?

PM: Well, I have answered the question already about economic problems and whether I think this is sound economic management from a national point of view. I know it is, on the facts as we know them at present. But as to the political items that arise by Mr Hawke who seems now to have assumed the role of the titular leader of the Labor Party, and Mr Whitlam, I have this to say. Mr Hawke is talking about everything, and I do not believe that he has a proper understanding of the problems that are involved and what should be done. But if you saw him on television last night, I think he created the impression that there should have been a greater deficit than the one that we have agreed to. Our attitude has been flexibility, and if we felt we were not doing enough, of course we could do more

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that this is essential for ensuring transparency and accountability in the organization's operations.

2. The second part of the document outlines the various methods and tools used to collect and analyze data. It highlights the need for consistent and reliable data collection processes to ensure the validity of the results.

3. The third part of the document describes the different types of data that are collected and how they are used to inform decision-making. It notes that a combination of quantitative and qualitative data is often used to provide a comprehensive view of the organization's performance.

4. The fourth part of the document discusses the challenges associated with data collection and analysis. It identifies common issues such as data quality, consistency, and availability, and provides strategies to address these challenges.

5. The fifth part of the document concludes by summarizing the key findings and recommendations. It stresses the importance of ongoing monitoring and evaluation to ensure that the data collection and analysis processes remain effective and relevant over time.

6. The sixth part of the document provides a detailed overview of the data collection and analysis process. It includes a description of the data sources, the methods used for data collection, and the tools used for data analysis.

7. The seventh part of the document discusses the results of the data collection and analysis. It presents the findings in a clear and concise manner, highlighting the key trends and insights that have been identified.

8. The eighth part of the document provides a final summary and conclusion. It reiterates the importance of data collection and analysis in supporting the organization's strategic goals and provides a final set of recommendations for future action.

(PM Contd.)

on a subsequent occasion. But as I said, on the facts as we know them at the moment, we think we have done exactly what is right, and those views are supported by the financial authorities, those who give us the advice on which the Budget is drafted. As to Mr Whitlam, quite frankly, and I don't like saying this too much, but Mr Whitlam knows nothing at all about economics or finance, and those who listen to him in the House will know just how barren of economic and financial knowledge he is. He is playing politics, he doesn't care what the impact of his statements might be. We have to take our action. We must be responsible for what happens.

Q. Turning to women's issues this year, there have been two leading issues that women have been pressing for this year so far - asking for relief in the Budget in two forms. One is child-minding centres, and the other is the reduction or the abolition of the sales tax on contraceptives of 27½ per cent sales tax. You have indeed entered the field of Commonwealth-funded child-minding centres. Why did you not tackle the issue of contraceptives?

PM: We didn't tackle any of the issues associated with sales tax on any type of goods, or for that matter on motor vehicles. And we did not look at the question of the abolition of sales tax on contraceptives.

Q. Two ancillary points, Sir. First of all, outside the Budget itself, you have announced that your Government's policy on the poverty issue has changed and you are appointing a national enquiry into poverty. Why this change, Sir?

PM: I personally accepted the view, and I have said it over and over again, that I believe it is the responsibility of every Government to find out where the poverty line is, and then to make adequate provision in the Budget - or outside the Budget if necessary - in order to ensure that the poverty line is at least covered with something to spare for the beneficiaries. Now we have had the advantage in recent years of a Henderson Group Report on Poverty in Melbourne - an invaluable document, a study in depth by people who know what they are talking about. And in our Budget -- or prior to the Budget - I had decided that this would be our guideline to decide where reform should take place; as for example in the case of pensions, in the case of widows, in the case of invalids, and also, as I have mentioned before, in the case of health, that is in the nursing homes and home nursing attention. Now, my colleague

.../4

(PM Contd.)

the Minister of Social Services will, during the course of the next few days, show exactly what we have done, and I think in every case, with two or probably three exceptions, you will see that the benefits we have given take the people involved above the poverty line. Now, therefore, this is a remarkably good achievement and one of which I happen to be proud. So this is not a bad time in which a poverty enquiry can -- a new poverty enquiry can be carried out. That is why I decided, because the churches were pressing so strongly, and others were pressing so strongly that against the background that we have created or the foundations we have created, that I was willing once again to look at the problem of whether we would have a poverty enquiry, and we decided that we would do so, and I announced it yesterday.

Q. And the other ancillary point, Sir, it struck some people as curious that the day before the bringing down of the Budget that the Treasurer would announce the terms of his enquiry into income tax and other taxation reforms. Will it be a year before the results of these enquiries can be reflected in any future Budget or Government fiscal policies?

PM: Longer than that, I believe, unless the Commissioner in his wisdom desires, or intends to make preliminary or reports from time to time. That is up to him. I have not given it very great thought as to whether he should do so, but I hope he does. But the report will take some considerable time. I doubt whether we will be able to get the final report within a period of one or two years. But we haven't waited for that. In fact, on the average, we reduced income tax by ten per cent. and we gave the greatest benefits to those on the smaller incomes. And people on \$20 or less per week will not be required to put in income tax returns unless special circumstances exist. So we haven't waited until this report has been fully completed. As we believe the need or the necessity arises, we will take action. We have already taken action in fact, and if we have to take action in the future, we will do so.

Q. Prime Minister, thank you.
