



PRIME MINISTER

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ELECTORAL TALK

This week I want to talk with you about people and Government.

The damage of big government and its potentially great power to the kind of life style that Australians want is far reaching. It can effect every part of society.

The exercise of centralised power by big government removes incentive; it stifles initiative; it encourages laziness; it imposes uniformity and conformity and it greatly lessens the opportunity for self respect.

Centralised power creates a society where people become servants of a government, rather than masters.

The further away the decisions making process takes place, the less chance there is of correct decisions being made.

My Government - and the Liberal National Country Parties in all states - is determined to reverse this trend.

We made a number of significant steps in achieving this aim at the last Premiers Conference.

First, all State Governments agreed with the Federal Government on the operation of a new tax sharing arrangement.

After this reform, everyone will have a clear and precise knowledge of which government - State or Federal - is spending their money. It is a much needed reform which will give people a greater control over Government spending.

Some people have suggested that this reform is double taxation. That view is totally false. There will be one form, one assessment, one set of tax rules and one system.

Let me be perfectly clear on this Governments views on personal income tax. A fundamental freedom Australians must have is control over the income they earn.

Freedom to spend one's income is clearly a tangible expression of the right to choose.

This freedom has in fact being eroded in Australia. Ever rising inflation has fueled the taxation growth which has paid for many socially irresponsible welfare programmes.

Last August the Labor Government budgeted for a net pay as you earn tax of \$8.7 billion. This is three times the size of the 1972/73 figure.

Frequently rising taxes create a vicious circle of dependence where families can no longer cope adequately with their own needs because so much of their income goes to centralised government to finance extravagant, inefficient and often wasteful programmes.

It is little wonder the person on average earnings has found it difficult to save for a house, buy the best education for his children and look after his ageing parents or relatives as he would wish.

My Government is pledged to block this unlegislated tax grab by Canberra.

We are going to introduce tax indexation - the most important tax reform in Australia's history.

Tax indexation will put earnings back into the hands of individuals and will eliminate as far as possible total dependence on big government programmes.

Our Parliamentary opponents shed crocodile tears about our plans to put government responsibility back into national economic management. They seem incapable of understanding that it is not enough that programmes are worthy. Worthy goals are limitless, but resources are limited.

There is no doubt that if government indulges all worthy programmes, it would destroy utterly the freedom of individuals to choose for themselves.

This Government's approach to welfare is to place emphasis on directing assistance to those in real need. The Government does not believe that the poor and disadvantaged can be best helped by increasing the dependence of everyone on what the Government chooses to provide.

Our tax indexation reform will strongly reassert the right of people to retain their own earnings so that wherever possible they can meet their needs as they see fit.

Another of the fundamental issues that is concerned with the relationship between government and people was also discussed at the Premiers Conference.

The Conference agreed to set up an independent council that will examine the inter relationship between each level of Government.

The council will bring together representatives of each tier of government and private citizens. Significantly the Chairman of the council will be a private citizen.

The Government believes that the effective interation between the three tiers of government is crucial if we are to improve the quality of representative government.

Communities are becoming more complex. Their demands on specialist government services require more and more on the spot information and expertise.

Only if government can operate where its effects are felt can Australians truly claim to be part of a meaningful and democratic political system.