



## PRIME MINISTER

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### TAX AND OVERTIME

The tax reforms and tax reductions my Government has already made in the law which will apply in eight week's time on 1st February, help Australians in all income groups.

Most people fall within the medium or middle income range and it is in this area that tax on overtime is a big factor for a lot of people.

Under the old Labor tax scales, Mr. Hayden's 1975 tax scales, the penalty rates of tax took a large bite out of extra wages and the pay packet from overtime. Under that Labor policy, the high tax of 45 cents in the dollar came in at \$200 a week, or \$10,000 a year.

Our new tax reforms have ended that discouraging situation. The normal rate of 32 cents in the dollar will apply from 1st February, right up to \$16,000 - whether that includes overtime or not.

We have achieved this by cutting back the number of tax brackets from seven to three. We now have a simpler and fairer tax system. It helps the man or woman who is prepared to work a little harder towards a goal in life by not confiscating a big part of overtime earnings.

Mr. Whitlam and the Labor party want to go back to the days of penalty tax rates. This is a negative, discouraging approach which ignores the fact that Australians have as much initiative as any people in the world if only they are given the opportunity.