



# PRIME MINISTER

FOR MEDIA

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## ELECTORATE TALK

The campaign for the Federal Elections on October 18 begins in earnest this week, when I address a public meeting in Melbourne on Tuesday on behalf of the Liberal/National Country Party Government.

Later in the week, the Labor Party Leader will be putting his case in a pre-packaged, heavily edited and carefully rehearsed television programme. This election is about responsibility in Government, which is the theme of my policy speech.

I will be asking Australians for their support on the basis of our record over the last five years and the undertakings we are giving now to continue along the same path of good management, responsibility and confidence in Australia's ability to face the challenge of the future.

The Government which you choose will be the Government that leads Australia forward into the 1980s. The world has entered uncertain times, Soviet aggression, and countries in conflict, have cast a shadow over world peace. Countries around the world face the problems of inflation and what flows from it: loss of business confidence, declining trade, and unemployment. Australia's stability, security and prosperity will depend on the way we tackle the challenges at home and abroad.

Our achievements over the last five years are considerable. The Government has brought run-a-way public spending under control, and cut inflation back from 17 per cent to between 10 and 11 per cent. Australia has become competitive again in world markets. Investment is once more flowing into Australian industry, our country is once more developing. More than 200,000 new jobs have been created over the past year as a result of our policies.

Australia today is far better placed than many others to weather the storms and meet the challenges of the 1980s. Over the coming years, it is the Government's intention to maintain our strengthening economy, and with it to continue to creation of employment, stability and prosperity for Australian working men and women. The Government will continue to restrain its own spending and to hold down taxes and maintain the fight against the inflation which now besets so many countries.

Australia has great resources: coal, minerals, natural gas and farmlands; and a people with talent, skill, enthusiasm and initiative. It deserves a Government which will continue the current policies of development, economic responsibility, and of care and concern for those members of the community who are in need. It needs and deserves a Government dedicated to security and stability, to good management and responsibility.

Over the last week, the Labor Party has been engaged in its typical electioneering programme of inflated promises and unreal programmes. Let me remind you what happened between 1972 and 1975 when Labor was in Government. Government spending rose to more than 30 per cent of Gross Domestic Product, so that despite the huge increase in taxation revenues, the Labor Party found it necessary to increase the Budget deficit enormously and to go to the printing presses.

The promises already made by the Labor Party now show that another Labor Government would be just as irresponsible in its economic management. Six promises alone made by Mr. Hayden so far would cost an extra \$2½ billion every year as costed by the functional departments and the Department of Finance. That is equivalent to more than \$8 a week for every taxpayer in Australia.

It should be remembered that if the same rate of tax still applied as in the Budget which Mr. Hayden brought down in 1975 when he was Treasurer, then a taxpayer on average weekly earnings with a dependent spouse and one dependent child would be paying out \$22.50 a week more in taxation than he pays today.

We have substantially reformed the tax structure. Those reforms included a reduction in rates, and a simplified three step scale which restores incentive and makes overtime and pay increases worthwhile. For example, under Labor in 1975-76, an income earner was paying 35 cents in the dollar on an income between \$5,000 and \$10,000. He paid 45 cents in the dollar on incomes between \$10,000 and \$15,000, and 55 cents in the dollar from \$15,000 to \$20,000. Under our scales the tax on taxable income is 32 cents in the dollar up to more than \$17,000 - a very substantial difference indeed. The latest tax cut, from July 1 this year, is worth between \$4½ and \$5 a week to a wage earner on the standard rate with a dependent spouse.

The tax threshold has been raised to over \$4,000, and in the case of taxpayers with dependent spouses, the first \$6,500, or a little more, is tax free. As a result of our reforms, over half a million low income earners no longer have to pay tax. The spouse allowance has been doubled and the sole parent rebate has been increased. Commonwealth estate and gift duties have been abolished.

Labor has indicated that if it ever returned to office, it would impose a capital gains tax, a wealth tax, a resources tax, and a punitive tax on higher incomes. These taxes threaten enterprise, initiative and economic freedom. The wealth and the resources of the community would flow away from the community and into the coffers of the Government.

Their expenditure and tax policies would mean a return to rising inflation; a collapse of economic growth and development; and a loss of the competitiveness which has been won over the past five years. There would be lower living standards; reduced opportunities for individuals and for families; a loss of confidence in the future; and a decline in jobs for Australian men and women.

Every time the Labor Leader makes a promise, it is at the expense of the Australian taxpayer and of the Australian community. What he is promising belongs to you, not to him or to his Party. It is to conceal these facts that Labor has launched its campaign on the basis of misrepresentation and false claims. The Labor Party attempts to make people believe that all problems can be solved by governments with enough power and enough money.

The reality is that to the Labor Party and to the Socialist Parties everywhere, governments are more important than individuals and families, and re-distributing wealth is more important than creating it. They attempt to make people believe that the services provided by Government are free, when in fact they are paid for by the taxpayer, and that social progress can be achieved without economic progress.

Perhaps the greatest deception that Labor is attempting to perpetrate is the nature of the leadership which they are offering. For the purposes of the campaign, the Labor Party is running an electoral Troika. They are putting forward a team comprising the Premier of New South Wales, the Candidate for Wills, and Mr. Hayden.

The Labor strategists are trying to give the impression that the Labor Party has more to offer than Mr. Hayden. Of course, Mr. Wran remains in the New South Wales Parliament with some responsibilities to that State, while Mr. Hawke would have to win the vote of the Labor Party Caucus if he is even to remain Spokesman on Industrial Relations. Mr. Hayden's avalanche of promises could only be fulfilled by imposing a burden of costs which would hurl the country into a new round of inflation, destroying the economy and creating more unemployment on a massive scale, as it did between 1972 and 1975.

My policy speech will demonstrate that our continuing and overriding commitment is to sound and responsible Government, a Government concerned for the future and for the security, in the broadest sense, of every Australian.