

PRESS OFFICE TRANSCRIPTMONDAY, 16 FEBRUARY, 1981

PRIME MINISTER INTERVIEWED ON RADIO STATION 2MW, COOLANGATTA,  
WITH PETER WHITE, LIBERAL CANDIDATE FOR MCPHERSON IN BY ELECTION:  
INTERVIEWER: THOMPSON

Thompson

...Prime Minister of Australia, Mr. Malcolm Fraser, and as you said, the Liberal candidate for McPherson in the by election coming up on Saturday, Peter White. First of all, Prime Minister, thank you very much indeed for joining us and we will be taking calls if anyone would like to talk to you. Sir, just while we are waiting for the first call; the issue of flat rate taxation appears to have become the major issue of the McPherson by election. Are you surprised at that?

Prime Minister

I am not surprised that people are talking about it, but I do not really think it is a major issue, because I believe that most people recognise it for what it is. Something that is going to more than double the tax on a bloke with a dependent wife with the modest income of \$9,000, and half the tax on somebody at \$50,000 is not exactly equitable. I do not think it will get any support on that basis. A tax change which is making lower income people pay a lot more, and the wealthy pay a lot less, is not something that we would support. But even going beyond that, it would mean a lot less revenue collected overall, and the Queensland share of reduced revenue would be \$500 million. Well now, if Joh is prepared to take \$500 million less from the Commonwealth, I will be delighted. But on the other hand, he signed a document the other day with Neville Wran and - well, all the Premiers were there - but Joh was in the company with the Socialist Premiers also, they all signed the one document, saying they wanted more, a bigger slice of taxes. Now how can he come to me, as Prime Minister, as say he wants me to give him more taxes when he is saying to the people in McPherson he wants less. I think there is a slight contradiction there.

Thompson

Prime Minister, thank you. Peter White, it is a pleasure to welcome you to 97MW as well. Peter, it has been suggested that you have a certain reputation, you developed a certain reputation in State Parliament as the Member for Southport, of being something of an anti-coalitionist and this has been brought up during the campaign. How do you react to that claim?

Peter White

Well, it has been brought fairly forcibly by the Premier, particularly in the last few days, and I just do not react at all because I think it is a pity that some of the things he's said have come down to the level of sort of personal attacks.

Peter White (continued)

I stand by everything that I have said during my term in State Parliament, because I would still (inaudible) issues and principles which I believe were very important to my electorate and to me, and to the Parliament. But having said all that, I have made it clear, and I hope it is clear to everyone, that we are now talking about a Federal Parliament. We are talking about a Federal coalition, which is most successful and has brought Australia to an unparalleled degree of prosperity with more to come. I look forward to working in that coalition, with men that I very much admire and respect.

Thompson

Thank you very much Mr. Peter White. Prime Minister, I take this opportunity to raise a point which doesn't actually come into the by election as such, but which is one touching on the electronic media; and that is the question of the blackout for the 72 hours before the election. Has there been any thought given to perhaps varying this legislation?

Prime Minister

A great deal of thought. A large part of the original blackout was because people were frightened of the power of the media which is yourself, radio, because it came in in radio days and then television also. Things being said at the last minute without a chance to rebut them. Now, that might be unreasonable, but I also think that, especially in a Federal election where people get bombarded all the time on television and radio and newspapers, that they like a bit of a rest in the last couple of days, quietly to make up their own minds, not being badgered, not having their programmes on television interrupted. That quiet period before the election - it is a bit of a cooling off. The average guy can just sit back and make his own assessment without being told all the time. I am not at all sure that is a bad thing. We have thought about it many times and we did again a short while ago, but we decided not to alter it.

Thompson

Fine. Well at least we can take it that it is being considered. Peter White: the local issues of this election campaign I think have come down to telephones, Telecom service on the Gold Coast or lack of it, and television.

Peter White

That is very important. I think of all the things that have been said, the thing that is hitting and hurting people most is the telephone service. No-one specifically is to blame because it is a result of unparalleled growth on the Coast, but the main thing is to get it fixed and last time the Prime Minister was here I brought the General Manager of Telecom on the Coast to meet him. He is well aware of the problems, and it is one of the first things that I will be taking up on the 22nd of February.

Thompson

Prime Minister, back to the point of the flat rate tax, which I hope it never comes in because it is hard enough to say as it is, but the National Country Party has been the advocate of this yet I believe that the National Farmer's Federation which I would think would be a supporter of the National Party, has found it necessary to oppose the National Country Party's ideas. Why do you think this is so?

Prime Minister

Well, when Glen Sheil announced the details of the flat rate tax he said that he wanted to make up some of the shortfall with a 20% capital gains tax - not on your house of residence, but on everything else that you might buy or sell. That immediately sends all the farmers up the wall, but I think it would also send small businesses up the wall. This was one of the things we specifically rejected. The Labor Party had it in their programme at the last election. I was very surprised to see Glen Sheil pick up a capital gains tax. The other side of it of course is that I was also surprised to see Joh impliedly supporting it, because he had - I give him credit for this - he abolished death duties. He got in just before the Commonwealth in getting rid of death duties, but only just, and then to have him impliedly supporting policies that would replace a death duty on the dead with a death duty on the living - which is what Glen Sheil's proposal would do - I just do not think it makes sense and it would be a very regressive move for development in a vital area such as the Gold Coast. People starting a small business - it is sometimes hard enough anyway. Well, to be landed with a capital gains tax would just make it that much harder. I am very much against it.

Peter White

I just do not understand how any so-called anti-socialist party could propose such a tax, and it is causing a great deal of concern on the Coast. On the Coast particularly, because look at the property sales here on the Coast, and the economy would be killed overnight. Anyway, it has got no chance of coming in so I think we can dismiss it for what it is.

Thompson

Prime Minister, what then is the Liberal Party's attitude to taxation and do you have any plans for relief to what is considered to be a high rate of taxation? Personal.

Prime Minister

Yes, I understand that. We are reviewing, as I think everyone is aware, the tax structure and the tax balance at the moment. To get reductions in tax overall, the only real way you can do it is by restraining expenditure. We have done that pretty vigorously

Prime Minister(continued)

over the last five years. Our Public Servants - which is one measure - are 10,000 less in total than five years ago. Over the same period, the Queensland Public Service has risen. The whole service has risen, and I think by - what was it? - 60% in the years that Joh has been Premier. The expenditure per head has risen enormously in real terms over the last few years in this State. It is not just a question of restraint in expenditure on the part of the Commonwealth, but also on the part of the State, because the States and local government spend 50% of all the taxes collected; we spend 50%. We have reduced taxes, we have abolished death duties, we have provided special incentives to industry, to tourists, and I know the one thing that many people would want is reduced income tax. Unless all Governments are prepared to restrain expenditure a good deal more than they have been up to the moment, and unless State Governments are prepared to join us in that, it is going to be very difficult to reduce income tax substantially unless at the same time you can replace it with another form of tax. People then go to indirect taxes as Mr. Anthony did the other day. Would it be wise to take a decision that could add anything from 3% to 5% on Australia's rate of inflation? We have struggled so hard to get that down, and it is a beacon right around the Western world because we have performed better. But if we put it up by a change in the balance of taxation - this is the difficult question or matter of judgement that is going to be before the Federal Government. But when we have a Premier's Conference, especially in the light of the policies of this State, I will be looking for contributions from the Premiers to the general purpose of tax deduction in a very realistic way. There is now question of that. If this by election has convinced me of anything, it has convinced me perhaps that Joh would take that \$500 million less for Queensland which his tax proposals will involve.

Thompson

You are listening to the voice of the Prime Minister, Mr. Fraser. He is with us in our twin-town studios at 97MW. If you would like to talk to the Prime Minister, our telephone number is 373344. We have a caller, Prime Minister and Mr. White, on the line right now. We have from Burleigh Heads, Mr. John Clark. Good afternoon John Clark.

Caller

Good afternoon, how are you.

Thompson

Fine thank you. Could you speak up a little bit please and would you like to pose your question?

.../5

Caller

Right. My question is to either the Prime Minister or Mr. White, and from the position of a swinging voter, particularly on say the capital gains tax or the 20% taxation that they are looking at bringing in - not bringing, but Senator Sheil is campaigning for. How can we have a Coalition Government that is a National Country Party and also a Liberal Party Government, one Party advocating, or with the candidate advocating that he would like a 20% tax, and another member of the opposite Party saying that is not going to happen. Where does that leave that swinging voter?

Prime Minister

The Government has the policies of Government and that is quite clear. At the moment as a Government we are examining the tax issue. Mr. Anthony has said he is attracted to the flat rate tax concept but has said very plainly that it has got difficulties and he fully understands the financial difficulties in the proposal. It is true that the National Party in Queensland has a policy of flat rate tax, which as I indicated earlier would be very inequitable on lower income people in the community and the Liberal Party will not and would not embrace it. The Divisions of the Liberal Party, the Divisions - State Divisions - of the National Party all have bits and pieces of policy at different times. That does not mean to say they are necessarily the policies of the Federal Government. Obviously we take account of our organisations, but they are separate organisations and they do not determine the policy of the Government. That is determined by the Cabinet which is one Cabinet, one Coalition.

Caller

But don't the people, don't the electors, have a chance, like to say when going for Senator Sheil for example, or ex-Senator Sheil, people voting for him are possibly going to be wanting this taxation to come in. Correct?

Prime Minister

Well, it cannot come in, you see, because on the one hand you cannot afford it - a flat rate tax. On the other hand, if you have an income of \$9,000 which is lowish by today's standards and a dependent wife, your tax would go up by about 130%. If you have \$50,000 and a dependent wife your tax would be halved. Now, I think that is a pretty inequitable proposal and any Party that tried to embrace that in terms of election policy in a serious way would I am quite certain be soundly defeated.

Caller

So what you are saying is that everybody that may vote for Mr. Sheil on that issue, is really wasting their vote.

Mr. White

Exactly.

Prime Minister

They would be wasting their vote, because if it cannot ...

Caller

...if you are totally against it.

Prime Minister

It would be wasting your vote because it could not come in. You cannot match it on financial grounds and in terms of equity it is a selfish proposal. But there is another side to this story. I used a figure of loss of revenue of about \$5,000 million last time I was up here. Well, John Howard got that figure re-done and if you keep the present tax-free area - nobody paying tax up to about \$4,000 - the cost is about \$7,000 million and when you come back to the tax-sharing arrangements we have with the States, Queensland's share of that is \$500 million. Now what chance is there of Joh coming to the next Premier's Conference and saying "ah Malcolm, I am prepared to give up \$500 million". That puts it into some sort of perspective.

Caller

It sounds very much like a swinging voter or a Country Party voter in the McPherson electorate is not going to really have any say then, is he. Any policy is being dictated by a Liberal Party.

Prime Minister

I am not dictating.

Caller

But you have just said that it will not come in.

Prime Minister

But it cannot you see.

Caller

Mr. White just said it won't come in.

Prime Minister

But it cannot come in because it is inequitable, and I hope you would agree that it is. Do you really think that for somebody on \$9,000 with a dependent wife, that it would be a fair thing to increase that person's tax by 130%.

Caller

Possibly not.

Prime Minister

No, well you see that was part of the proposal, so you are agreeing with me.

Caller

Right.

Prime Minister

And do you think it is fair, while you are doing that, to halve the tax on somebody on a more comfortable income of \$50,000 a year.

Caller

Hmmm.

Mr. White

Peter White here. I think what you said before - that it would be a wasted vote - is correct, because Dr. Sheil knows very well that it has never been proposed to the Government and it is not an option open to the Government. However superficially attractive it might be. The sums just do not add up and no Government could introduce it on financial grounds or on the grounds of social justice.

Thompson

Prime Minister, I wonder if I could ask a question right now. During the campaign Mr. White has raised the subject of the need for a new bridge over the Tweed River at Boyds Bay(?). Now is one very close the heart of 97MW because we are trying as a community service to get a little bit of interest in getting some Government funds from somewhere to build this bridge, at least duplicated, or perhaps build a new one. I presume that you have been briefed on this particular campaign. Peter, have been on the job?

Peter White

No, I do not think we have got to that one today Ross. I just might throw a couple of comments in.

Thompson

Well before you do, what I wanted to bring up was the point that the NSW Premier, Mr. Wran, has already indicated that the NSW Government is not interested in building a new bridge, that their plan is to simply duplicate the existing bridge after they have completed the widening of the highway to six lanes. Now, to me there seems to be something gone totally wrong. I was going to ask the Prime Minister if there was anyway we could some Federal funds on this one. Perhaps you would like to explain first.

Peter White

I think I must just set the background a little bit for him. We have a major problem in Doug Anthony's electorate here on the road, on the bridge, and of course what is good for the Coast is good for his electorate as well, in tourist terms. I have suggested that after the election that I go and see Doug Anthony and see if we can have a combined approach to try and remove that bottleneck because 85% of our tourists...

Prime Minister

Is it on a major highway, or national highway?

Peter White

Oh, yes, on the Pacific Highway.

Thompson

Number 1 highway, Prime Minister.

Peter White

-It is a major bottleneck in this area, and with 85% of your people coming by road, it is something that we can perhaps have a joint approach to.

Prime Minister

If that is on the major highway, the national highway, that is a matter to take up with Ralph Hunt, because we have been trying to work to a situation a little more and more where we have greater responsibility for national highways, the States have more responsibility for the arterial roads and make judgements in relation to that, but that we also support roads that are under the care of local government. Therefore, that is a matter to take up with Ralph, and if it is possible for him to do something I am sure he will.

Peter White

I certainly intend taking it up with Ralph Hunt, but I thought if I could get Doug Anthony on side, it would be a bit of clout.

Prime Minister

I have no doubt that would help.

Thompson

It covers both electorates. Prime Minister we have on the line Mr. Dawes of Murwillumbah who would like to talk to us about funding for over-70 pensioners. Mr. Dawes, good afternoon.



Caller

Good afternoon.

Prime Minister

You come from Doug's country, do you?

Caller

Yes, I do indeed.

Prime Minister

Right close by? I have never been to Murwillumbah. It must be nice country.

Caller

It is. It's great country, and a little bit wet at the moment. That is all the better for the farmer and what have you.

Prime Minister

-I would sooner have too much rather than too little water I think.

Caller

That is right.

Prime Minister

I have seen a lot of droughts.

Caller

Mr. Prime Minister, the question that I would like to ask you is: could the Federal Government give consideration to exempting the over-70 pensioner from the means test.

Prime Minister

There is of course a base pension which people over 70 get, and then if they want to get additional pension, there is a means test for it. It all comes back to the general level of taxation that people want to pay. What we have been trying to do in recent times is to protect the person who has got no other income, and to provide maximum support and maximum increases in the areas where people are totally dependent upon Government. Of course, if somebody over 70 has no other resources, they do get the maximum pension. It is only for those who have some other income that might not qualify for it. It is a matter that has been judged in the past, but we believe that the welfare dollars ought to be spent more specifically for those who have got the greatest need. That is why we have not done what you suggest up to this point.

Thompson

Again on the subject of pensions, we have on the line Mr. Keep(?) from Tweed Heads.

Caller

Mr. Prime Minister, I am a returned serviceman. A while ago you were talking with a chappie and you mentioned the fact that if anyone was working on below \$9,000 per year, per annum, they would be of course on a very low wage.

Prime Minister

I think I said it was a modest wage by today's standards, yes.

Caller

I would say most modest. Now, my wife and I - and I served through the Middle East, the Islands, and Korea - my wife and I are existing on \$50 per week. How does that sound? Is anything going to be done about this.

Prime Minister

Prime Minister

How is that worked out, because it is very hard to talk about an individual case unless you know all the details.

Caller

Well, it is the same with everyone. When they reach a certain age, this is the commitment the Government feel that they have towards personal ...

Prime Minister

Is this the Service pension you are talking about?

Caller

Service pension, yes.

Prime Minister

Well, that is not \$50 between the two of you.

Caller

No, it is not \$50. It is \$50 each. That works out at \$5,000 per year roughly, in my estimation.

Prime Minister

In terms of priorities for returned servicemen, what we do each year is to sit down with the RSL and go through with the National Executive the priorities of the National Executive for advances and improvements in payments for benefits to returned servicemen.

Prime Minister(continued)

In the last two or three Budgets I have had quite specific talks with the National President, Sir William Keyes, and we will certainly continue that practice leading up to the next Budget. What we have tried to do in this area of assistance to ex-servicemen is to, as far as possible, meet the priorities that the League itself sets.

Caller

Whilst not going quite along with that sir, \$7 per day, \$7 per day, per person, to exist on in this particular day is very lucky to even buy one shout in your company at the present time I imagine, of beer. I do not think this is very fair. I have contributed, besides leaving a family to carry on, and my father had nine children.

Prime Minister

Well, that's a pretty good effort.

Caller

My word it is. Well I am afraid the Government are not giving anything of that effort that we have put into Australia back to us, sir.

Prime Minister

Well, we are spending record sums on...

Caller

We know where they are being spent sir, but they are not being spent to keep the people alive.

Prime Minister

Well, we are spending record sums on welfare, and in a number of areas we have indexed pensions twice a year. We have altered the earlier complex means test with an income test which has helped quite a large number of people. In this last Budget in particular we have provided substantial additional support to welfare beneficiaries who have got dependent children. We did that because we thought...

Caller

If I may intercede there sir. Just one final point. (Inaudible). Could you live on this?

Prime Minister

I am not saying it would be easy, but let me give an example. I know youngsters who are out working and running a car on a net wage of about...

Caller

I am not a youngster sir, I have lived my life and I have...

Prime Minister

Yes, but people can live on that sort of wage, because I have had my own kids do it when they have been jackarooing.

Caller

Are they fully paid?

Prime Minister

Well, they are young, and they are learning a job so they are not necessarily on an award wage.

Caller

I put my best into my country sir, and I am not getting much back from it.

Prime Minister

Again, what about taking that up through your own local RSL.

Caller

I have done sir, apparently they get - as Mr. Yeo(?) said a couple of years ago - we are getting nowhere.

Prime Minister

I think the RSL has got quite a long way, and if take it up through the RSL and get the matter put on a priority in the National Executive's list, then that is something that can be looked at.

Thompson

We will leave Mr. Keep there. Thank you very much indeed, Mr. Keep, on that subject. I think we have had a fair go with your question. We have another caller on the line now from Palm Beach on a similar subject, Prime Minister. It looks like this might be the sleeper issue of the campaign: pensioner earnings. And on the line, Mrs. Hegney (?) of Palm Beach.

Caller

I was going to bring up this funny story about Dr. Sheil saying he is going to (inaudible) for the pensioners being allowed to earn \$50 a week. Now, I will tell you my story. Three years ago I was on a small invalid pension because my husband was earning. Then he died and I went to Social Security after (inaudible) now I go on another pension. And they said "oh, no, it makes no difference", you go on a single invalid pension. I have two teenagers still at home, and they said in a couple of years you get the other pension automatically - the aged pension. When I was on an invalid pension, with two teenagers at home, I got a letter that I was

Caller (continued)

allowed first \$1 and then \$2 a week to earn, and if I earned more than \$2 a week I would have to let them know immediately. Now, that was funny. Being an invalid, of course, I accept that. But now, because I am too old to be an invalid, Dr. Glen (inaudible) is going to go hell for leather to let me earn \$50 a week. If I had been able to earn any money, I would have never been on the Social Security. It is only since 1975 that I have not been able to work. Now, he is going to let me earn \$50 a week, because I am an ex-invalid. I am sure my neighbours - I live next door to a pensioner's unit - the block I look at through my kitchen window have six pensioners in it. Three of them are over 80 and the other three are between 76 and 80. They are all hell for leather getting their running boots out to start earning \$50 a week.

Prime Minister

I am not sure that that is going to be the best way to help people such as yourselves.

Caller

Of course it is not.

Prime Minister

We have tried to do that in other ways, and I hope we have been able to help a bit. If there is any particular aspect of your own pension that you want me to look into, I would be very happy to do so, but not over the air. I could get somebody to contact you over the 'phone to take down any details.

Caller

Oh, it is just not me. There are many of us. Just because we are too old to be on an invalid pension, we can immediately go out and start earning money.

Prime Minister

It is really not a very practical proposal that I think has been put forward.

Caller

No, it's not. These are (inaudible) indirect taxes. Do you know I am on \$79 a week, and have a 17 year old boy at home. He was on the dole until last week. He has a job now.

Prime Minister

How is he going?

Caller

Well he is not going very well because he has been trying to get an apprenticeship with motor mechanics for the last 13 months and he has done one year of tech college (inaudible)...

Prime Minister

I wonder would it be possible to take your name and address and the name of your lad in case we can do anything about getting an apprenticeship.

Caller

Oh, that would be terrific, yes, because he has (inaudible)... and everywhere.

Thompson

We'll just get you to stay on the line if you would please Mrs. Hegney.

Prime Minister

And give that information to the station. I will follow it up personally and I know Peter White will also.

Caller

Thank you very much.

Thompson

Thank you Mrs. Hegney. Peter, you are sitting there taking this all in, I can see that.

Peter White

It's nice to see someone else in the hot seat. It's nice to have such a heavyweight here taking it.

Thompson

Prime Minister, another on the subject of pensions from Ballambal(?) we have Mr. Brunner on the line.

Caller

I am not a pensioner, or holding my hand out for more pensions. I was just harking back to the days of Bill Wentworth in 1972 when he proposed a scheme for eliminating the means test. It sounded very good at the time. You possibly remember the details.

Prime Minister

I do. Yes I do.

Caller

Mr. Whitlam killed all that of course. And the Government, the Liberal Party, has not taken it up since. I wondered if there was any reason for not taking it, or ...

Prime Minister

Yes. The reasons we have not taken it up is the overall cost of it, the implications for taxes generally on people who are already fairly highly taxed, and because we believe that the welfare dollars that we spend ought to be more specifically directed to those with a real need. You cannot do that if you are going to say that somebody over 70 with \$100,000 a year is still entitled to the pension. So there is a means test. It is the only way really that you can help to concentrate the welfare dollars which are now very substantial on the people who need the help most.

Caller

Actually a feature of that scheme that seemed attractive to me - not that I am an expert, I just look from the outside - was that in those days there was an age, a taxation allowance, where people over 65 were not taxed on a level pretty well double what others were. Like, the non-taxable income I think was \$1,500 in those days and over 65 it was \$3,000.

Prime Minister

Yes, there was an age allowance, wasn't there?

Caller

Yes, there was an age allowance. The feature of this scheme to me seemed to be that without a means test the person's own income put together with the pension would sort of produce its own means test whereby it would become a taxable income over a period of time and the tax coming back on these taxable incomes would eventually put a person in a position where he wouldn't want to get the pension anyway because it would be up with the tax. So it sort of evened itself out.

Prime Minister

Wasn't it Mr. Whitlam who abolished the age allowance also?

Caller

He abolished the age allowance, yes. Has the Government considered bringing that sort of thing in again?

Prime Minister

We have looked a number of times at specific measures that might be provided to assist in this area, but we decided at the time of the last Budget for example, that the money we had available we should quite specifically spend in increasing the allowances for dependent children or in the Budget before in increasing the number of people eligible for the pensioner medical benefit card for example, and the extra dollars we spent in those ways, which is going quite specifically to areas of need. The age allowance - it was a very useful thing. Maybe the time will come when we should look at it again.

Thompson

Okay, Mr. Brenner, thank you very much indeed for joining us on the open line this afternoon. We hope you have enjoyed your discussion with the Prime Minister. Prime Minister, you do have other pressing engagements I know, and a very busy afternoon. I think we have been given the nod that you are to move on. How are you feeling. Would you like to talk to some more, if there is ...

Prime Minister

I would be delighted to more ...

Thompson

Lovely, lovely. That is the sort of thing we like to hear.

Prime Minister

I am a captive. I often do what I am told to do.

Thompson

It is nice to have you make a decision for us. On the line we have John Melvin of Karoul(?). Good afternoon John.

Caller

Mr. Fraser, in the new elections or you are looking forward to putting on a straight tax for the people, there is some comment about under 9% is going to double our tax, but it is true that this will give the worker a lot more incentive to get out and do a lot more work?

Prime Minister

Under the flat rate tax that Glen Sheil is proposing - it is not part of the Liberal Party proposal - the bloke on about \$9,000 a year with a dependent spouse would have his tax increased by about 130%, which is an enormous increase on somebody with, by today's standards, a relatively modest income. On the other hand, the bloke on \$50,000 a year with a wife would have had his income halved. I do not think that that would be really a very fair proposition. I suppose in a sense you could say everyone has got more incentive to work if we had no income tax, but that is not real life because people want hospitals, they want schools, they want roads, and governments somehow or other have to provide it. We do have to try and restrain Government expenditure as much as possible, and that is the best way of making way for realistic tax cuts which will help people and families.

Caller

Is it true that in West Germany they have brought in incentive bonuses into enterprise so that the people who are given X amount of dollars for their work also get an X amount of dollars for a good job well done.



Prime Minister

There might be. I would not know the details of that. I would be interested to look it up. But that is really like either a productivity payment or a payment for producing an extra amount, and some contracts and some people in Australia are already paid on that sort of basis. It is not always just a flat hourly or a flat weekly rate. A lot of people are paid on the basis of what they produce. Then, the more they produce the more they earn in a week. I think that is a good thing.

Caller

There was a time a few years ago that I was working in a service station and I took home, for two weekends in a row, I took home less money than I took home for working one weekend. Can you see that that gives any incentive for a guy to go and work two weekends.

Prime Minister

No, I cannot. And that is one of the reasons why we introduced very substantial tax reforms four or five years ago, because the tax scales that operated when we came into government had you paying 45¢ in the dollar at \$10,000 and 55¢ in the dollar at \$15,000. Now, you are on a standard rate of 32¢ up to something over \$17,000. This was to, as much as anything, to try and do away with that particular problem that you were talking about, because blokes were working overtime and they were getting into the 55¢ in the dollar bracket. Who would have incentive on that basis? But now many of those people are still on the 32¢ rate. We would love to be able to reduce taxes more, but it does get back to expenditure. Governments are a bit like families. We have to balance our books.

Thompson

John Melvin, thank you very much indeed. I hope that answers your question. We do have other calls, so let's take the next one, coming up now Prime Minister, from Pottsville, we have Mrs. Ray Mitchell. Good afternoon to you Mrs. Mitchell.

Caller

Mr. Fraser, I represent a sea rescue organisation, and I was wondering if you could inform us as to how I could go about getting a grant for - Government grant - for our organisation?

Prime Minister

You would basically have to go to the State authorities for that, because for these purposes, we provide general revenue funds to the States, and then they decide how the money ought to be spent. Generally, the Premiers are all telling me 'give us general purpose funds and we will decide how it is spent. We know better for Queensland than you would from Canberra'. I am happy to accept that sort of judgement, but it does mean that they have got to set their own priorities. What sea-rescue organisation are you part of, because they are terribly important and they do a wonderful job, they really do.

Caller

Yes, I agree. It is Tweed Coast Sea Rescue. We are only a very small organisation at the moment, and with this growing area of ours we need a Government grant or some other way of getting funds to purchase equipment.

Prime Minister

Do you have a boat, and whatever.

Caller

A very small one. This is the thing. We need a bigger one at the moment. We have a rubber ducky at the moment.

Prime Minister

Well some of them - they can still do a pretty job.

Caller

See our problem is shallow waters, that's why our members are after a depth(?) boat at the moment.

Prime Minister

I think it would be a good thing to get on to your local member.

Caller

Mr. Anthony.

Prime Minister

And get him to do what he can. He can speak to the NSW authorities for you. If you like, I will take your name and address here and when I am seeing Doug tomorrow I will let him know that one of his constituents needs his help.

Caller

Yes, that would be great, I really would appreciate it.

Prime Minister

Well, if you will give your name and address to the station, I will be very happy to pass that on for you.

Caller

Thank you very much Mr. Fraser.

Thompson

Thanks Mrs. Mitchell. If you would like to stay on the line I know our switchboard will take your name and address and pass that on to the Prime Minister.

Thompson(continued)

Prime Minister, we have been given the word that we must let you go. It is to our great regret. Our thanks to you for joining us on 97MW this afternoon, but we do hope that you enjoy your stay on the Gold Coast and perhaps you don't have to go through the turmoil that we do with telephones while you are here.

Prime Minister

Well, thank you very much indeed. I am aware of the problems of telephones and I hope that Telecom's planning can fix the difficulties. Well, it has just got to. But thank for the opportunity of being able to speak with some of your listeners, and thank you for the opportunity to try and answer some of their questions. Maybe I can repeat it one day and come back when Peter is not the candidate, when he is the member.

Thompson

How lovely. Prime Minister, thank you very much indeed.

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