



PRIME MINISTER

FOR MEDIA

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LABOR'S TAX DECEIT

Labor's tax advertisements are a fraud and a cruel deception.

Not only is Mr Hawke now talking about the possibility of not giving tax cuts at all, but his advertisements neglect the fact that a higher marginal tax rate would apply to a very great number of Australians with modest incomes.

In the August Budget, the Government reduced the standard rate of tax for people earning up to \$19,500 from 32¢ to 30¢ in the dollar.

Under Labor's proposed tax scales, some 2½ million people earning between \$11,500 and \$19,500, would have their tax rate put back up to 32¢ in the dollar.

Mr Hawke doesn't propose putting up the marginal rate for people earning \$30,000, \$40,000 or \$50,000. He went straight for middle Australians. That would seem a very odd priority. That would seem a very odd way of creating incentives.

Every extra dollar those 2½ million people earned from working harder, from working overtime, from getting a promotion, would be taxed more under Mr Hawke.

So much for tax cuts.

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