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PRIME MINISTER

For Media

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GAINERS AND LOSERS UNDER THE LIBERAL TAX/FAMILY PAYMENTS PACKAGES

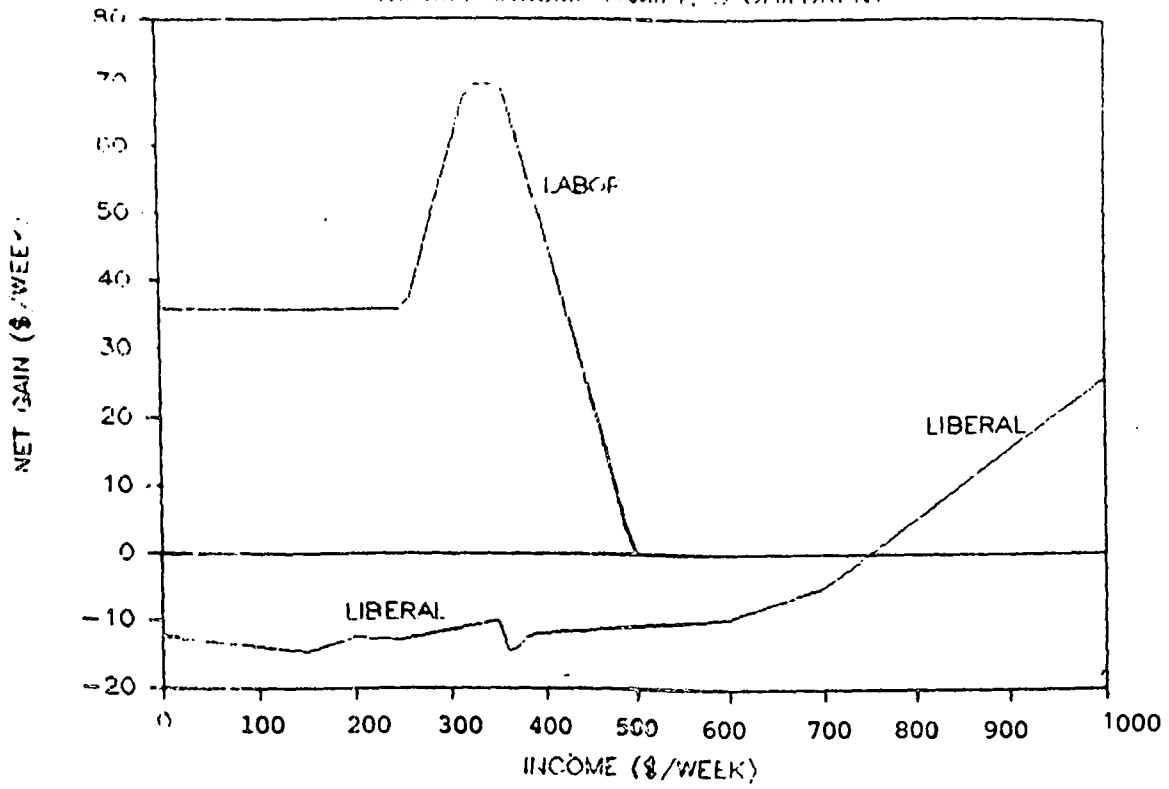
The attached tables and graphs provide a comparison of the position of various types of families under the Liberal proposals as compared with Labor's well targetted family package.

They show:

- . Labor's proposals benefit the needy, the Liberals the well off
 - allowing for the effects of extra health costs, the loss of the 1.5 per cent second tier wage increase and the potential impact of the promised massive Liberal spending cuts a single income family (the Liberals' "best" case) would need to be earning \$750 per week before they would be better off under the Liberals.
 - after that the gains come rapidly
- . It is not true that the average family is \$26 per week better off under the Liberals.
 - single income families on \$500 per week are net losers by \$10.77 per week;
 - but most wage earners earn \$19,000 or less;
 - moreover less than 20 per cent of households conform to the case quoted by the Liberals of 2 parents, single income with kids.
 - the table shows clearly that at \$19,000, every household with kids is substantially worse off under the Liberals' proposals and substantially better off under Labor's.

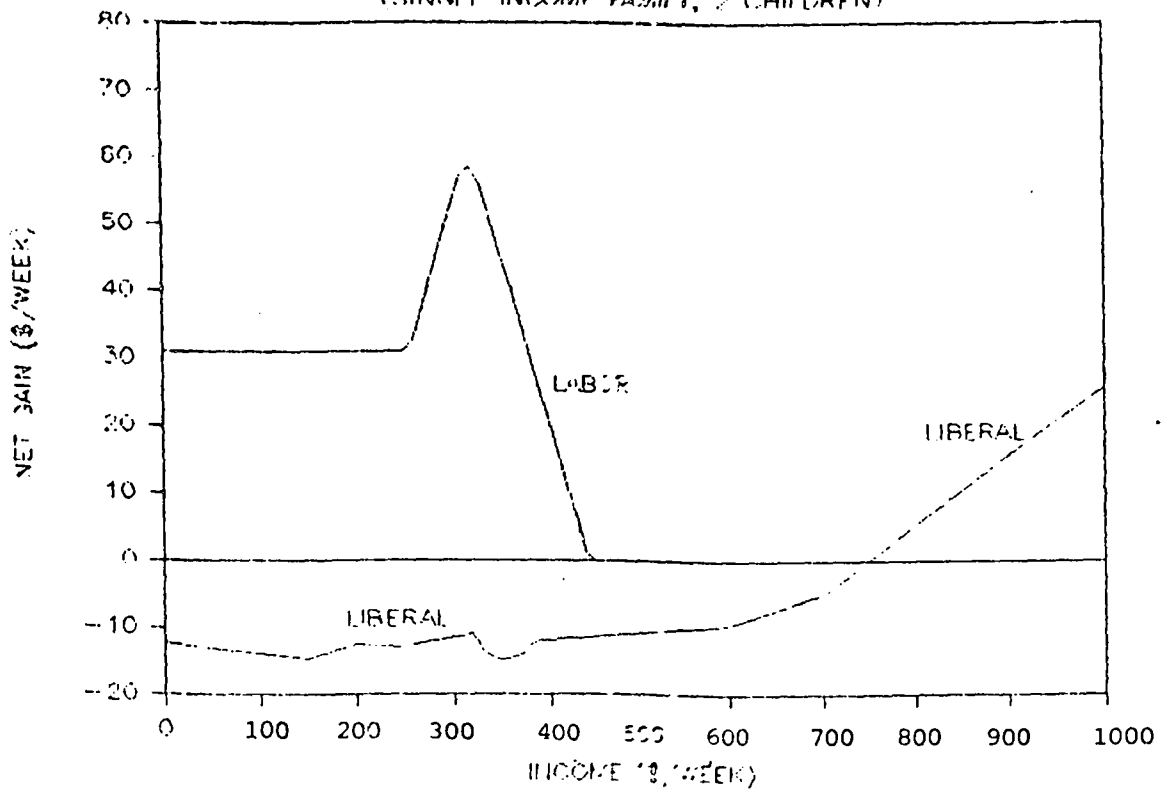
LABOR'S CONCERN FOR THE POOR

(SINGLE INCOME FAMILY, 3 CHILDREN)



LABOR'S CONCERN FOR THE POOR

(SINGLE INCOME FAMILY, 2 CHILDREN)



SINGLE INCOME FAMILY

PRESENT INCOME		AFTER TAX VALUE OF 1.5% EXTRA TIER 1	LIBERAL HEALTH CARE IMPACT	LIBERAL TAX CUT	NET LIBERAL TAX CUT	LIBERAL CHILD PAYMENT FOR SINGLE INCOME FAMILY*	EFFECT OF LIBERAL SPENDING CUTS**	NET BENEFIT TO SINGLE INCOME FAMILY*
\$pa	\$pw							
15,000	288	3.07	-	3.68	0.61	15.34	27.70	-11.75
17,000	326	3.47	2.40	5.20	-0.67	15.34	27.70	-13.03
19,000	364	3.89	4.79	6.72	-1.96	15.34	27.70	-14.32
21,000	403	3.64	4.79	8.95	0.52	15.34	27.70	-11.84
23,000	441	3.97	4.79	9.70	0.94	15.34	27.70	-11.42
25,000	479	4.32	4.79	10.46	1.35	15.34	27.70	-11.01

*NOTE: THIS IS THEIR BEST CASE

**SPENDING CUTS HAVE BEEN APPORTIONED EVENLY ACROSS HOUSEHOLDS, WHICH IS BROADLY CONSISTENT WITH THE FINDING OF AN ABS STUDY OF PUBLIC EXPENDITURE BASED ON THE HOUSEHOLD EXPENDITURE SURVEY.

Comparison of Net Benefits of Liberal and Labor
Family Packages at \$364 per week
(roughly median earnings)

	Liberal \$ p.w.	Labor \$ p.w.
<u>Single Income Family</u>		
. 2 kids, both under 13		
- <u>not</u> renting	-14.32	18.00
- renting privately	-14.32	33.00
. 3 kids, all under 13		
- <u>not</u> renting	-14.32	46.00
- renting privately	-14.32	61.00
. 3 kids, 1 over 13		
- <u>not</u> renting	-14.32	52.00
- renting privately	-14.32	67.00
. 4 kids, all under 13		
- <u>not</u> renting	- 9.52	59.50
- renting privately	- 9.52	74.50
<u>Sole Parent Family (a)</u>		
. 2 kids, all under 13		
- <u>not</u> renting	-24.87	18.00
- renting privately	-24.87	33.00
<u>Two Income Family (b)</u>		
. 2 kids, all under 13		
- <u>not</u> renting	-22.75	18.00
- renting privately	-22.75	33.00

(a) Additional payments for extra children are identical, under Labor's proposals, to the case of a single income earner, shown above.

(b) Secondary earnings assumed to be half the primary earnings.