



**PRIME MINISTER**

TRANSCRIPT OF DOORSTOP, PARLIAMENT HOUSE, 20 FEBRUARY 1989

E & O E - PROOF ONLY

JOURNALIST: Prime Minister you suggested this morning that pensioners would have more reason to vote for you at the next election. Why should that be?

PM: Well I didn't really say something then that I haven't said before. I've indicated that I have two processes going. One is the review being conducted now under the leadership of the Minister, Brian Howe, consulting with various organisations around the country in the light of the Bettina Cass report on retirement incomes. The second thing I've established is the backbench committee, which is going round the country listening to and talking with pensioner groups. Out of these processes there will come decisions calculated to and which will in fact improve further the position of pensioners in this country. Now that's what's going to happen and all I said this morning is to remind them that that's going on, that will happen.

JOURNALIST: On another subject Prime Minister, Senator Button suggested over the weekend that there ought to be action taken to encourage Australians to save rather than spend. Do you support such moves?

PM: Well he said that this is something that is worth considering, this is not new of course. It's a matter that we've considered in EPAC. It is the case here as in some other countries that the savings ratio is too low. It's legitimate for Senator Button to raise that. As I say it's been considered in EPAC, it's something that the Government may consider.

JOURNALIST: inaudible

PM: No I'm not going to any details of that.

JOURNALIST: Do you think you can overcome the tax avoidance problems that most ... such schemes raise?

PM: I mean you're getting - you're trying to take me beyond what I'm prepared to do. I'm saying that the question of the relatively low savings ratio is something of a concern. It's something that's worth looking at. But I'm not saying we are going to be looking at a tax deduction scheme. It may come into the consideration.

JOURNALIST: Are people saving for a home being penalised by having their savings taxed?

PM: Well I suppose that anyone who is saving for any objective, whether it's for a home or something else, would say that they would rather not be paying tax on their interest, that's understandable.

JOURNALIST: When you say the issue is worthy of consideration does that mean that any incentive might be linked to the announcement of tax cuts?

PM: No, again you're just trying to unsuccessfully take me further than I'm prepared to go. I've said no more than that the level of the savings ratio is of some concern, so much so that it's been considered by EPAC before. I haven't got anything on the agenda about it.

JOURNALIST: Will the Government take up Senator Button's suggestion and at least look at the matter or do you think that that's already been covered in the EPAC situation?

PM: Well there's been some reference to it in the EPAC paper. It was considered. If the Senator wished to raise it in the Cabinet well of course he would have that right. But I'm not being coy or tricky about this. It's something that's not on our agenda at the moment.

JOURNALIST: Mr Hawke do the airline pilots have a case to strike today?

PM: No. That's an act of gross irresponsibility.

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