



PRIME MINISTER

FOR MEDIA

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The wage tax family package announced tonight substantially addresses the issues raised with me by representatives of the Women's Tax Convention.

The tax cuts, in particular the reduction in the lowest rates, will benefit women workers.

The majority of women workers earn less than \$25,000 a year.

A single taxpayer on average female earnings of about \$17,000 will receive a tax cut of \$11 a week, or a fall of almost 19 per cent in the amount of tax paid.

The wages strategy in the Treasurer's statement will ensure minimum award rates of low income earners will rise.

These rises will be provided in a responsible manner in the context of award restructuring.

Together with the tax cuts these award rates increases will substantially raise the earnings of many women workers.

Under the wages strategy, wage increases for low income earners will be phased in carefully to raise the minimum award rates of some low paid workers. By phasing in the increases adverse employment effects will be avoided.

The wage tax strategy targets low income earners as called for in resolutions from the recent Women's Tax Convention.

The Government has also recognised the cost of children in a substantial family package. Recognition of the cost of children through increased family allowance payments was a high priority of the Women's Tax Convention.

I am pleased the Government has been able to address those concerns. The family allowance will be increased to \$9 per child per week for the first three children and \$12 for subsequent children. This will give a family with two children an extra \$5.25 a week tax free.

Families in receipt of Family Allowance Supplement will receive an additional \$3.10 per week for children aged 13-15 years.

One income families, including sole parents, will receive additional assistance of \$3 per week through the tax system.

The indexation of the family components of the package will ensure that the value of the assistance to families will be maintained.

The measures for pensioners included in the Government's package will also benefit women as they make up the majority of pensions.

All pensioners will benefit from the decision to bring forward by 12 weeks the timing of indexation of pensions and benefits.

The alignment of the income and tax thresholds so that full rate pensioners pay no tax will save single pensioners up to \$7.50 per week in 1989-90 and up to \$12.50 per week in 1990-91 when the measure is fully phased in.

Women made their voices heard in the lead up to tonight's package. The structure of the package is evidence that their concerns were taken seriously.