



PRIME MINISTER

CANBERRA

STATEMENT BY THE PRIME MINISTER, THE HON P J KEATING MP

The attack on me today by the Opposition's Alexander Downar is outrageous. It arises from a flagrant and deliberate distortion of accounts which are perfectly normal, and which have been audited by the accounting firm KPMG Peat Marwick.

My position is not at all comparable to Dr Hewson's.

The \$4million profit referred to by Mr Downar arises from the trading company (Brown and Hatton Wholesale Pty Ltd) on its trading activities. But when grouped with the primary producing business- which carries the principal costs of production - the "profit" is properly and legitimately offset.

This is the normal operation of company grouping and the grouping provisions of the tax act, and is not tax minimisation.

Dr Hewson and Mr Downar know this, and have resorted to this distortion to defend Dr Hewson's own position. They seek to rely upon the media's inability to immediately understand the business and tax arrangements applying within a particular company or group.

Dr Hewson is reported to have minimised his tax by putting a domestic house into a company.

This is not a device available to the vast majority of Australians.

If Dr Hewson is looking for a comparable example in tax treatment, I bought a domestic house within one month of him buying his home in February 1983. I have carried all of its costs personally and absolutely - none have been deducted against other income, and the house was never placed in a company for the purposes of tax minimisation.

I have never relied upon such dubious and slick practices.

SYDNEY

January 26, 1993