

CAMPAIGN 98 WEEK FIVE

Honesty charter 'doesn't apply'

By PAUL CLEARY
Economics Correspondent

The Coalition's Charter of Budget Honesty "doesn't apply" to secret Treasury documents, which indicate that the goods and services tax has up to five times the impact on the poor than shown in the tax package, the Prime Minister said yesterday in refusing to make them public.

Mr Howard refused to release documents identified by a *Herald* request under the Freedom of Information (FOI) Act, which proves for the first time that Treasury has completed a more extensive analysis of the impact of the GST than is published in the Coalition's tax package.

The Opposition Leader, Mr Beazley, claimed the Government had concealed the true impact of the GST.

"It is a massive misleading of the Australian people, a deliberate suppression, Mr Howard should immediately release those 11 Treasury papers he's sitting on," Mr Beazley said.

The leader of the Australian Democrats, Senator Lees, said her party would insist that all compensation measures be recalculated, and she called on the Government to release the Treasury documents.

Treasury assumed in the tax package that the rich and poor had identical saving and spending patterns and that the average price increase from the GST, measured across the population, was 1.9 per cent.

But the documents identified under FOI, which the Treasury and the Coalition refuse to release, show that Treasury assessed the package on the basis of the Household Expenditure Survey (HES). This analysis is believed to show a much more significant GST impact on the poor.

The HES shows how the GST would raise the cost of living for different income groups and household types.

For example, the bottom 20 per cent spends 25 per cent of its income on food, whereas the top spends just half that proportion.

An analysis of the tax package by the respected Melbourne Institute, based on the HES, found that low-income families required up to five times the amount of compensation that the Government had estimated in its tax package. On average, the institute said, the Government was giving the bottom 20 per cent only half the compensation needed to offset the cost of the GST.

Asked on Melbourne radio whether the principle inherent in the Coalition's Charter of Budget Honesty — to put everything on the table before the election — should apply, Mr Howard said: "Well, it doesn't apply here."

He said the papers identified by the search were "working documents" and should not be released. "We don't intend to make all of the working documents of the Treasury public. No government has ever done that."

Mr Howard refused bluntly to release the documents identified by the *Herald's* FOI search. "They are not going to be made public, no."

Mr Howard said the Hawke and Keating governments had adjusted pensions on the basis of an average measure of the consumer price index for 13 years, so there was no reason to make a change for the introduction of the GST.

He said the Opposition's claims were "utterly disproved by their own behaviour in government". "If, indeed, some other methodology was fairer and better and more accurate, why is it that successive governments have not employed it?"

But the record shows that Treasury relied on the HES in the 1985 Draft White Paper, while the Coalition did the same in the 1991 Fightback package. A key consultant on Fightback, Dr Neil Warren, has said the tax package is unfair because it does not account for different spending patterns.

In 1985, Treasury said failure to account for different spending patterns could leave some low-income earners worse off.

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Consider national interest as I have, urges Howard

By BERNARD LAGAN

The Prime Minister appealed to Australians yesterday to consider the national interest and re-elect his Government tomorrow in an election he said would mark a generational change for the nation.

"This is one of those moments when a nation has to decide whether it has sufficient optimism and sufficient commitment to a forward-looking view of Australia in the world of the 21st century," Mr Howard said.

"Or whether we simply run away from that, we turn inward and pretend, Micawber-like, that something else will turn up in order to solve the problem of our failing taxation system."

"Well, something else won't

Whatever the result is, I will have no regrets. Whatever the result is, I will believe that I called it right for the long-term interests of this country.

Mr Howard

turn up," he said in a nationally televised speech at the National Press Club in Canberra.

Mr Howard, who in the past week has appealed to voters to "call it for Australia" by supporting his plans for a goods and services tax, yesterday invoked the national interest when he said that it was possible Australians would fail the national interest if his Government was defeated.

Mr Howard admitted that his campaign, banking on the country's acceptance of a GST, was risky and against conventional wisdom. In an earlier radio interview yesterday, he said a lot of people had tried to talk him out of the strategy.

He told the National Press Club luncheon: "But whatever the result is, I will have no regrets. Whatever the result is, I will believe that I called it right



Waving the flag . . . Isabella Dunne, 3½, listens to Mr Howard at the site of the National Museum of Australia in Canberra.

Photograph by ANDREW MEARES

for the long-term interests of this country."

Mr Howard admitted he had made mistakes as Prime Minister and that he had learned while in office.

But he said his theme of which side of politics would provide the most competent economic management for Australia had been a constant in his campaign and he asked if

people seriously believed that the Labor Party could provide better economic management for Australia in difficult economic times.

But despite accusing Labor of playing upon the fears of voters, Mr Howard claimed that if a Labor government was elected it would increase existing indirect taxes and would, in time, bring in

a tax on some services.

He said that because of the campaign against a goods and services tax run by the Labor Party, it would not be able to bring in "sensible" tax reform if elected.

"You will, in fact, end up with the worst of all worlds if the Labor Party wins on taxation."

"You'll have increased

indirect taxes . . . it will be done in such an ad hoc and clumsy way that it will add further Band-Aids to an already failing and antiquated system," Mr Howard said.

Towards the end of his speech, Mr Howard said Australian society was not without blemish and referred to Australia's early treatment of Aboriginal people.

"In particular our treatment of the indigenous people is something that readily comes to mind when I speak of the blemishes of our history," he said.

He also attacked One Nation, saying his greatest criticism of the party was the manner in which it had "described people according to their race".

PM's Senate plea to ACT

The Prime Minister urged Canberrans yesterday not to vote for the Democrats ACT Senate candidate Mr Rick Farley, who is threatening to oust Liberal Senator Margaret Reid, because the result would leave them cut out of government.

If Mr Farley were to win the second Senate seat he would take his place immediately, according to different electoral laws regarding Territory senators, giving the Democrats the balance of power.

An opinion poll in *The Canberra Times* shows Labor Senator Kate Lundy will easily reclaim her position while Senator Reid will need to rely on preferences to protect the ACT's second spot from a challenge by Mr Farley.

Asked on Canberra radio what this would mean, Mr Howard abandoned his usual practice of declining to comment on opinion polls, saying such an outcome would not be "healthy" for the ACT. "I will say to the people of the ACT, if you elect a Democrat and a Labor senator it will mean that none of the representatives from the ACT will be a member of the Government parties. Now, I don't think that that is healthy even for the people in the ACT who don't vote for the Liberal Party."

STEPHANIE PEATLING

Stiff-arm tactics, plus Viagra in key seat

By MARIAN WILKINSON
National Affairs Editor

Ross Cameron's enemies say he's got a boost from Viagra. Well, not literally. They say a big donation from the maker of Viagra, the multinational pharmaceutical company Pfizer, which has a factory in Parramatta, has put a kick in the Liberal MP's campaign.

The candidate can't resist a smile. "One of my colleagues said yesterday, 'I heard Pfizer gave you \$50 [thousand]. I would love it if that was the case — but it was a fraction.' \$10,000? 'More around that,' he agrees."

With his leg thrown over the chair and his ear half cocked to his mobile phone, Mr Cameron is talking about money, power and marginal seats.

Outside his office, Parramatta is a political battlefield. No voter can escape the assault from a barrage of political leaflets, personalised letters, postcards, posters and pollsters. From dawn to dusk, voters are stalked at the railway station, on the ferry, at the shopping mall and in their homes. Whoever wins Parramatta tomorrow will probably win government so it's hand-to-hand combat for every vote. It's gruelling and it's very, very expensive.

The serious candidate, Liberal or Labor, must come armed with a fistful of dollars. "If you are a Member of Parliament in a marginal seat, one of your key skills has got to be to raise money, that's just the fact of modern political life," Mr Cameron says honestly.

"I did a lot of work for Pfizer over about 12 months," Mr Cameron explains. The company was looking to expand its factory, raising the possibility of another 100 jobs in Parramatta, but it was worried about the Government's policy changes over drug price subsidies.

"I gave them some advice on what they need to do to educate politicians about those issues," he says. He told Pfizer's executives all

the various ministers, health bureaucrats, backbench committees and parliamentary secretaries they needed to see. His Canberra staffer escorted company executives around Parliament, indeed did it so well that he left Mr Cameron to work for Pfizer.

"I regard this as just the bread and butter of democracy and of politics, working as a clearing house, having an effective communication between government and industry," says Mr Cameron.

Pfizer has yet to make its decision on expansion but the company not only kicked in for the campaign, it also forked out for a fundraising dinner for Mr Cameron and the Health Minister, Dr Wooldridge, along with several other big pharmaceutical and health companies. They of course made sure they went to the dinner for Labor's health spokesman, Mr Michael Lee, at the Ritz Carlton, as well.

But it's not just money that wins a marginal seat. It's picking up those few thousand critical votes that make all the difference.

Working hard for Mr Cameron in Parramatta is the Right to Life movement, which is letterboxing widely against the Labor candidate, Paul Elliott, over abortion and euthanasia. Parramatta has one of the highest Catholic votes in Australia, and Labor did well getting Kim Beazley to visit with a commitment to help rebuild the city's Catholic cathedral, St Patrick's. But Labor is worried the Right to Life campaign will win many elderly Catholic voters over to the Liberals. Right to Life's local propaganda praises Mr Cameron, a committed Christian, as "a Member of Parliament who votes to uphold the value of human life" and damns Mr Elliott as, "not satisfactory" on "the present taxpayer funding of abortion".

With Mr Elliott trailing 10 points in the polls, the Right to Life campaign is one more hurdle. But not as big as the one posed by One



Mr Cameron . . . "It's getting pretty vicious."

Nation. Like many other marginal seats in this election, One Nation's preferences will probably hurt Labor. One Nation is expected to poll at least 7 per cent in Parramatta despite its candidate, Mr Ian Hale, suffering the humiliation of having one of his press advisers exposed as "Miss Amber" a local bondage exponent.

While Mr Hale insists his how-to-vote card tomorrow "will not favour any political party", already versions of the card are appearing around Parramatta favouring the Liberals. When Mr Elliott first saw it, the look on his face made it clear it's a big blow, even though he says it was expected.

But the wild card in this marginal seat will be the ethnic vote, especially among the Chinese. The Chinese community which has by and large stayed neutral or lent to the Liberals, is mobilising against John Howard. Many are angry over the Prime Minister's response to Pauline Hanson. Throughout Chinatown in Parramatta's Church Street, posters have appeared for the multicultural Unity Party and

its local candidate Matthew Wong. Unity is directing its preferences clearly to Labor.

The Chinese alone represent over 6 per cent of the seat's population. Combined with the South-East Asian community and a big Lebanese community, the ethnic vote is substantial.

Labor is exploiting Unity's anti-Hanson campaign to the full. A letter targeted at the local Carlingford Chinese community went out this week reminding it that Mr Cameron, along with his brother and campaign manager, Jock, visited Ms Hanson after her infamous maiden speech to congratulate her.

Mr Cameron told the *Herald* he is upset by the letter, explaining he visited new Labor members to congratulate them as well on their maiden speeches, in the Christian spirit of "love your enemy". "It's getting pretty vicious," Mr Cameron complained. "It's a statement of fact but there is a way to put a spin on this which is pretty damaging to me."

Given his work in the Arabic community, Mr Cameron is not too worried about the ethnic vote, but, he says seriously: "the Chinese are a much more inscrutable group."

Mr Elliott, a long-time local politician and former Lord Mayor of Parramatta, believes he has never seen the Chinese community so involved. "The community is more politically active this time than they have ever been but time will tell what implications that has vote wise."

The Chinese may be Labor's last line of defence. But the advance attack weapon is still the GST and Labor knows it. As Mr Elliott leaves his office for a last visit to a retirement village for more hand-to-hand voter combat, he steps over bundles and bundles of GST leaflets tied up in plastic bags, each numbered for distribution to the besieged voters of Parramatta. A small fortune spent in a morning. That's the modern marginal seat campaign.

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