

# BUDGET AT A GLANCE

2010-11

## **This responsible Budget further strengthens the economy and secures future growth.**

Setting the highest standards for responsible fiscal management

- Strict adherence to the fiscal strategy sees the budget return to surplus in 2012-13, three years ahead of schedule.
- All new spending is offset, and real payments growth has been held to below two per cent.
- The forecast Budget deficit of \$40.8 billion in 2010-11 is \$16.3 billion less than expected one year ago.
- Net debt is projected to peak at just 6.1 per cent of GDP; half of the level projected a year ago and less than one tenth of the average across the major advanced economies.

Returning to surplus and paying off debt even sooner

- Return to surplus in three years, three years earlier than expected and ahead of all the major advanced economies
- The Government will continue building surpluses and achieving a rapid reduction in net debt.
- The Government will maintain the 2 per cent cap on real spending growth, on average, until the surplus reaches 1 per cent of GDP.

Tackling key policy challenges and consolidating the position of strength that Australia enjoys

- The Budget ensures that fiscal policy settings remain appropriate, given the strength of the economic recovery.
- It takes steps to deal with a return to full capacity by growing the whole economy and harnessing the potential of the resources boom.
- It builds on the investments in skills and infrastructure that are necessary to secure our future prosperity.
- It begins the task of modernising the tax system, boosts national savings, makes new investments in renewable energy; and funds historic reforms to the health system.

Continuing to ease the burden for working families

- The Budget builds on the Government's progress in helping working families make ends meet, delivering the third tranche of income tax cuts.
- Tax reforms that grow the economy and real wages over time, putting more in the pocket of working families.
- Fairer and simpler tax returns that increase after-tax income for 6.4 million Australians.

## KEY INITIATIVES OF THE 2010-11 BUDGET

### Easing cost of living and making tax time simpler

- Delivering tax relief, including raising the effective tax-free threshold to \$16,000 from 2010-11
- Lower tax on savings — 50 per cent discount on up to \$1,000 of interest income
- Standard deduction to simplify the tax system and leave more in the pocket for 6.4 million Australians

### Skills for sustainable growth and building infrastructure

- \$661 million for the *Skills for Sustainable Growth* strategy
- \$5.6 billion for a new infrastructure fund and \$1 billion to renew rail networks

### Renewables and energy efficiency

- \$652 million Renewable Energy Future Fund

### Growing the whole economy

- Resource Super Profits Tax from 1 July 2012
- Company tax rate cut to 29 per cent from 2013-14 and 28 per cent from 2014-15
- Company tax rate cut to 28 per cent for small business companies from 2012-13
- Instant asset write off for assets under \$5,000 for all small businesses from 1 July 2012

### Stronger, Fairer Super

- Increasing the super guarantee to 12 per cent, assisting 8.4 million Australians
- From 1 July 2012, contributing up to \$500 to offset contributions tax for those on incomes up to \$37,000
- From 1 July 2012, allow catch-up contributions by older workers with super balances less than \$500,000

### National Health and Hospitals Network

- Total new investment of \$7.3 billion over five years, and \$23 billion over the rest of the decade
- Additional \$2.2 billion to meet the needs of our modern health system:
  - \$355 million for GP Super Clinics
  - \$417 million to enhance after hours services
  - \$523 million to train our nurses
  - \$467 million to introduce individual electronic health records