

The key points



- Budget deficit \$29.8 billion
- Economic growth 2.5 per cent
- Unemployment 6.25 per cent
- Inflation 2.25 per cent
- Temporary tax increase of 2 per cent for for high-income earners
- Fuel excise indexation re-introduced
- Abolishing carbon tax and mining tax
- Family Tax Benefit changes to reduce payments to families
- Pension age eligibility rises to 70 from 2035
- Pension asset and income test thresholds indexed
- Unemployed under 25 to get youth allowance, under 30 to wait six months before entering Work for the Dole
- Concessional trade support loans of up to \$20,000 over a four-year apprenticeship
- \$10,000 payments to a business employing an Australian over 50 who has been on the dole
- Infrastructure growth package of \$11.6 billion to take government investment to \$50 billion by the end of the decade
- Growth in Foreign Aid budget reduced to save \$7.9 billion over five years
- 16,500 public servants to lose their jobs over the next three years
- Scoping study on government ownership of assets like defence housing, ASIC registry and the Royal Australian Mint
- One-year freeze on MPs and senior public servant salaries
- ABC and SBS funding cut by \$43.5 million over four years as a down payment on efficiency study
- Cutting company tax by 1.5 per cent for 800,000 businesses
- Universities to set own tuition fees from 2016 but existing students keep current arrangements until 2020
- \$20 billion Medical research Future Fund established
- Funded by \$7 Medicare co-contribution for GP visits starting in July 2015, and changes to the PBS until fund reaches \$20 billion
- Defence spending to be increased to 2 per cent of GDP
- Australian Border Force created consolidating roles of immigration and customs



HEALTH

- \$7 co-payment for GP visits and out-of-hospital pathology and imaging services.
- Capped at 10 visits or \$70 for concessional card holders and children.
- \$5 increase in cost of PBS medicines.
- Concession card holders will only have to pay an additional 80 cents PBS safety net will also be increased to \$1597.80 a year.

DEFENCE

- Funding to increase more than \$800 million to \$29.2 billion, with further increases over next four years.
- Government says it wants to achieve defence funding at two per cent of gross domestic product in a decade.
- 600 Defence public servants to go next year and more in future years. 2000 Defence public servants to go in four years.
- Defence superannuation scheme to close to new members from 2016, reducing unfunded liability by \$126 billion by 2050.
- Government to conduct scoping study for sale of Defence Housing Australia.

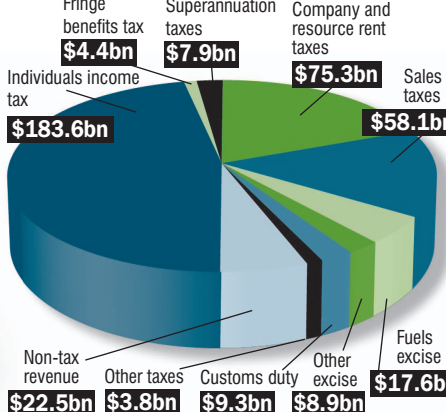
EDUCATION

- Deregulated course fees means universities can charge what they like.
- New uni students pay higher proportion of course costs from 2016.
- Commonwealth will upcap places it pays for students doing diplomas and advanced diplomas.
- New uni scholarships to help disadvantaged students.
- HELP loans remain but government will charge higher interest, up to 6 per cent from CPI now.
- Income threshold for HELP repayment drops to \$50,638.
- Fee and loan changes won't apply to current students until the end of 2020.
- \$820 million to expand access to higher education.

JOBS

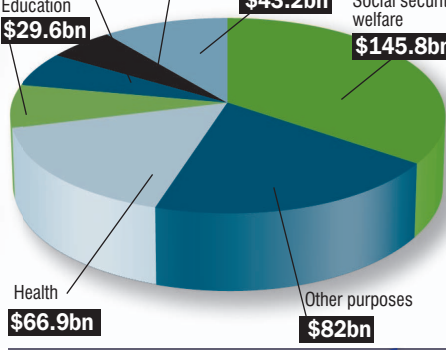
- Unemployed under 25 to get youth allowance instead of Newstart.
- People under 30 to wait six months before getting the dole and participate in Work for the Dole.
- Concessional trade support loans of up to \$20,000 over a four-year apprenticeship.
- \$10,000 payments to a business employing an Australian over 50 who has been on the dole.

REVENUE 2014-15



Fringe benefits tax	\$4.4bn
Superannuation taxes	\$7.9bn
Company and resource rent taxes	\$75.3bn
Sales taxes	\$58.1bn
Individuals income tax	\$183.6bn
Fuels excise	\$17.6bn
Other excise	\$8.9bn
Customs duty	\$9.3bn
Other taxes	\$3.8bn
Non-tax revenue	\$22.5bn

EXPENSES 2014-15



Defence	\$24.2bn
General public services	\$23.2bn
All other functions	\$43.2bn
Social security welfare	\$145.8bn
Health	\$66.9bn
Other purposes	\$82bn
Education	\$29.6bn

THE WINNERS

- **Business:** company tax cut by 1.5 per cent to 28.5 per cent for 800,000 businesses
- **Medical research:** \$20 billion Medical Research Future Fund created
- **Universities:** can set own tuition fees from 2016
- **Private colleges and TAFEs:** government to provide grants to students doing diploma and sub-bachelor courses
- **Apprentices:** Trade Support Loans up to \$20,000 over four year apprenticeship (replaces tools allowance)
- **Older workers:** \$10,000 payment for companies employing over-50s who have been on unemployment benefits for six months
- **Infrastructure programs:** \$11.6 billion infrastructure growth package
- **Mothers:** paid parental leave scheme from July 2015, albeit reduced to \$100,000 income cap

THE LOSERS

- **Sick people:** new \$7 co-payment to see a doctor; Pharmaceutical Benefits Scheme co-payment increased for medicines over \$42.70; states and territories authorised to charge fee for GP-type emergency department visits
- **Families:** assistance rates frozen for two years; freeze on thresholds for private health insurance rebate; Family Tax Benefit B threshold capped at \$100,000 income and limited to families where youngest child under six years of age
- **Pensioners:** retirement age to increase to 70 by 2035; pension increases slowed by indexing to inflation instead of wages
- **High-income earners:** people on \$180,000 plus paying additional 2 per cent income tax for three years
- **Unemployed people:** under 25s to get Youth Allowance, not Newstart; under 30s face six-month wait for benefits and must work for the dole
- **Retirees:** untaxed super income included in test for new recipients of Seniors Health Card. Annual seniors supplement abolished from July 1 2014
- **Motorists:** increase in petrol excise and indexation reintroduced to raise \$2.2 billion over four years
- **Public service:** 16,500 job cuts in next three years
- **Science:** cuts totaling \$147 million over four years at CSIRO, Australian Nuclear Science and Technology Organisation and Australian Institute of Marine Science loses
- **Politicians, senior pub servants:** one-year pay freeze, gold pass wound back then abolished
- **Poor nations:** foreign aid growth cut by \$7.9 billion over five years
- **Clean energy:** Australian Renewable Energy Agency abolished, saving \$1.3 billion over five years from 2018; \$460 million over three years cut from Carbon Capture and Storage Flagships research program

HOW MUCH YOU WILL PAY UNDER THE BUDGET REPAIR LEVY

Taxable Income (\$)	2014/15 (\$)	2015/16 (\$)	2016/17 (\$)
up to 180,000	0	0	0
190,000	200	200	200
200,000	400	400	400
210,000	600	600	600
220,000	800	800	800
230,000	1000	1000	1000
240,000	1200	1200	1200
250,000	1400	1400	1400
260,000	1600	1600	1600
270,000	1800	1800	1800
280,000	2000	2000	2000
290,000	2200	2200	2200
300,000	2400	2400	2400
350,000	3400	3400	3400
400,000	4400	4400	4400
450,000	5400	5400	5400
500,000	6400	6400	6400

