

Fiscal outlook

- The 2007-08 Budget provides for an underlying cash surplus of \$10.6 billion, the Government's tenth surplus.
- A strong budget allows continuing investment to improve Australia's long-term economic growth and prosperity.

Economic outlook

- The Australian economy continues to grow in its longest period of expansion ever recorded.
- Since 1996, there are 2 million more people in jobs, real wages are up by 20 per cent. The unemployment rate is at a 30 year low. Household wealth has more than doubled.

Personal income tax reform

- All taxpayers will benefit from a further \$31.5 billion in tax cuts over the next four years.
- From 1 July 2007, the low income tax offset will increase to \$750 per year and the 30 per cent threshold will rise from \$25,000 to \$30,000.
- This will further reward effort and improve work incentives for lower income and part-time workers.
- From 1 July 2008, the 40 per cent threshold will increase to \$80,000 and the 45 per cent threshold will increase to \$180,000.

Realising Our Potential

- A comprehensive investment in Australia's education sector, covering universities, VET and schools.
- \$5 billion will be invested in a new Higher Education Endowment Fund to provide a perpetual source of funding for university capital works and research facilities. The Government will make further contributions from future surpluses.
- \$768 million for universities to simplify and boost funding and to increase funding and enrolment flexibility.
- \$222 million for increased income support for tertiary students and an extra 3,500 Commonwealth scholarships.
- More assistance to apprentices and the VET sector.
- \$549 million for 1st & 2nd year apprentices in skill-shortage trades for a \$500 education voucher to offset fees and, if under 30, a \$1,000 tax-free wage top-up.
- \$843 million extra to improve the quality of teachers and the education of all Australian school children. \$700 tutorial vouchers to help students meet literacy and numeracy standards.

Improving child care assistance

- From 1 July 2007, rates of Child Care Benefit will increase by 10 per cent on top of indexation.
- From 1 July 2007, the Child Care Tax Rebate will be available as a direct payment shortly after the end of the year.
- These measures help more than 700,000 families.

Investment in land transport infrastructure

- \$22.3 billion will be provided over the five years from 2009-10 for Australia's road and rail infrastructure, including \$16.8 billion for the national network.

Increasing retirement savings for low income earners

- One-off doubling of superannuation co-contribution for eligible contributions made in 2005-06 to improve superannuation savings for low income earners by \$1.1 billion.

Rewarding older Australians and carers

- \$500 one-off bonus payment, to ensure older Australians share in the economic growth they helped create.
- \$1,000 bonus payment to recipients of the Carer Payment and recipients of both the Carer Allowance and either the Wife Pension or Veterans' Affairs Partner Service Pension.
- \$600 bonus payment to recipients of the Carer Allowance.
- These bonuses will be tax-free and paid by 30 June 2007.

Sustaining our environment

- \$741 million for practical climate change initiatives, including the doubling to \$8,000 of rebates for the installation of solar panels by households.
- \$10 billion over 10 years to conserve and sustain Australia's water supply.
- \$2 billion to extend the Natural Heritage Trust.

Supporting rural areas

- An additional \$314 million in Exceptional Circumstances assistance bringing to \$1.6 billion assistance since 2002-03.
- \$342 million for improved rural services.
- \$205 million to help primary producers through extending the Agriculture – Advancing Australia initiative.

Strengthening defence and national security

- \$6.1 billion over 10 years to enhance recruitment and retention of military personnel and logistics.
- \$702 million for national security initiatives to further safeguard against terrorism, including better e-security.

Better health and aged care

- \$772 million for improved detection and treatment of chronic and complex conditions.
- \$486 million for medical research infrastructure in 2006-07.
- \$1.6 billion for aged care initiatives.