



Budget at a Glance

Backing Small Business

The Coalition Government knows that small businesses are the engine room of Australia's economy. The stronger our economy the more opportunities there are for all Australians. By backing small business we can further strengthen our economy and plan for the future with confidence.

- Australia's inflation rate remains low and stable, keeping pressure off small business interest rates.
- Personal income tax cuts worth \$31.5 billion over 4 years will put more spending money in the pockets of all working Australians.
- Child care assistance is being increased enabling more families to participate in the workforce helping to ease the skills shortage.
- The small business sector will receive tax cuts worth \$540 million over 4 years. Compliance costs will also be reduced — but only by the Coalition Government!
- From 1 July 2007, businesses with turnover below \$75,000 will not need to register for GST.
- From 1 July 2008, taxpayers who voluntarily register for GST and choose to report and pay GST annually may also pay their Pay As You Go instalments annually.
- The new Commercial Ready Plus programme will provide \$90.3 million over 10 years to provide grants for small businesses — to help turn innovations into successful commercial products.

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 and real wages are up by 20%.
- The unemployment rate is at a 30 year low while 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 4 years.
- From 1 July 2007, the low income tax offset will increase to \$750 per year and the 30% 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% threshold will increase to \$80,000 and the 45% 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 3500 Commonwealth scholarships.
- More assistance to apprentices and the VET sector.
- \$549 million for 1st and 2nd year apprentices in skill-shortage trades for a \$500 education voucher to offset fees and, if under 30, a \$1000 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.

Strengthening Defence and National Security

- \$6.1 million 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.
- \$31.7 million will be provided over the next 4 years to increase patrols and protection of the Ashmore Reef and Cartier Island Marine Reserves.

Investment in Land Transport Infrastructure

- \$22.3 billion will be provided over 5 years from 2009-10 for Australia's road and rail infrastructure, including \$16.8 billion for the national network.
- \$243.0 million to upgrade sections of the Great Northern Hwy and to plan for a Kununurra bypass on the Victoria Hwy.

Increasing retirement savings for low income earners

- \$500 one-off bonus payment to ensure older Australians share in the economic growth they helped to create.
- \$1000 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 June 30 2007.

Sustaining the 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.

Improving Child Care Assistance

- From 1 July 2007, rates of Child Care Benefit will increase by 10% on top of indexation.
- 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.

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.