

2019 Federal Budget in Reply

April 2019

On Thursday 4 April Federal Opposition Leader the Hon Bill Shorten MP delivered the 2019 Federal Budget in Reply.

In his speech Mr Shorten reiterated Labor’s proposal for income tax cuts for low- and middle-income Australians and detailed Labor’s health, infrastructure and education spending.

The Opposition Leader announced a future Shorten Labor Government would increase funding to Medicare for cancer treatment, and address climate change through targeted investment including an electric vehicle policy.

Mr Shorten stated Labor’s election pledge to create budget surpluses and reduce national debt.

Transcripts of Mr Shorten’s speeches are available [here](#).

Hawker Britton’s Occasional Papers on Federal Labor’s policy announcements and other key information are available [here](#).

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Tax

Labor confirmed it will match the Government’s income tax cuts for 6.4 million Australians earning between \$38,000 and \$126,000 a year.

Labor will extend income tax cuts to 3.6 million Australians earning less than \$40,000 a year, at a cost of \$1 billion.

A future Shorten Labor Government will introduce the [Australian Investment Guarantee](#), allowing all companies investing in Australia to “immediately expense” 20 per cent of the value of eligible depreciable assets in the first year of all new investments, with regular depreciation schedules to apply from the first year onwards.

Labor affirmed its commitment to the reduction in company tax for small businesses.



The Opposition Leader re-affirmed Labor's opposition to the Government's company tax cuts for larger businesses.

Labor also confirmed its commitment to [reforming negative gearing and capital gains taxes](#), targeted tax treatment of discretionary trusts and [removing the payment of franking credits](#).

Labor will implement measures to reduce multinational and high-wealth tax avoidance, aimed at generating \$4.8 billion in additional taxation revenue over the next decade.

Education

Labor has indicated it will fund a review of all higher education within the first 100 days in office. Terms of reference are available [here](#).

Labor committed to restoring \$14 billion over 10 years to public schools, and \$250 million to disadvantaged catholic schools with its first two years of government.

Skills and training

Mr Shorten announced a Labor Government will double its 'rebuilding TAFE fund' to \$200 million dollars to renovate campuses in suburban and regional areas.

Labor will pay the up-front fees for 100,000 TAFE places in high priority courses including 20,000 for aged care workers in the National Disability Insurance Scheme.

Labor will also end the freeze to university funding, allowing for an additional 200,000 local enrolments.

The Opposition Leader confirmed Labor's proposal to provide universal access to preschool and kinder for three- and four-year old children.

Health

Labor announced it will end the Medicare rebate freeze within its first 50 days, should it win government.

The Opposition Leader outlined Labor's detailed Medicare Cancer Plan to reduce out-of-pocket costs for cancer patients. An additional \$2.3 billion in Medicare funding will include \$600 million for out of pocket diagnostic imaging and \$430 million for specialist consultations over four years, covering the cost of all MRI machines.

Infrastructure

In addition to its other infrastructure announcements, Labor committed \$1.5 billion to upgrade Queensland's Gateway Motorway from Bracken Ridge to the Pine River and the next stage of the Bruce Highway from the northern suburbs to Caboolture.

Wages

Labor outlined a plan to increase Australia's rate of wage growth through: introducing a living wage; introducing a Tradie Pay Guarantee; restoring Sunday penalty rates; cracking down on wage theft and misuse of labour hire; ensuring enterprise bargaining is working fairly between employers and employees; and ensuring Australia is on track to achieve gender pay equity.

Support to the renewable energy manufacturing industry, with an emphasis on use of local content, was stated as a priority. Under a Labor Government, one in ten workers on Government projects will be apprentices.



Climate change

Mr Shorten referred to Labor's [Climate Change Action Plan](#) policy which includes a plan for electric vehicle manufacturing and infrastructure investment.

Labor will provide a [\\$2000 rebate for household solar battery storage systems](#), and has committed to a \$1 billion investment in hydrogen technologies.

The Opposition Leader also committed to:

- Fund the ABC and provide \$10 million to support regional news and emergency broadcasting, especially in areas affected by natural disasters.
- Remove the staffing cap on the NDIS.
- Eliminate mobile black spots.
- Create a more reliable NBN for small business.
- Support for dairy farmers
- Restore the Murray Darling to health,
- Enshrining a voice for First Australians in the Constitution.
- Provide assistance to restock the cattle herd of North Queensland.

Further information

For more information, please contact your Hawker Britton consultant [Simon Banks](#) on +61 419 638 587.

Further Hawker Britton Occasional Papers on the activities of the Federal Opposition are available [here](#).