

Federal Budget Reply

May 2015

On Thursday 15 May Opposition Leader the Hon Bill Shorten MP delivered the Federal Budget Reply.

In his Budget Reply, Mr Shorten criticised both the significant cut to schools, hospitals and social security, and the new and higher taxes contained in the Federal Budget.

Mr Shorten said that Labor would support the government's measures on national security, drought relief for farmers and support for small business.

Mr Shorten's Budget Reply speech is available [here](#).

Hawker Britton's Occasional Paper on Labor's economic policy priorities, announced by Shadow Treasurer Chris Bowen in March 2015, is available [here](#).

The Economy

Mr Shorten highlighted the importance of knowledge and service industries and advanced manufacturing. In furtherance of this he committed Labor to creating a new, \$500 million, Smart Investment Fund.

The Smart Investment Fund will aim to partner with venture capitalists and licensed fund managers to co-invest in early stage and high potential companies, providing a Commonwealth investment of up to 50 per cent of the start-up capital needed to help Australian companies commercialise their ideas and innovations.

Under Start-Up Finance, Labor will examine partially guaranteeing small loans from banks and finance institutions to give start-ups the affordable capital required for their business.

The Hawker Britton Occasional Paper on Labor's policy platform for growth and entrepreneurship is available [here](#).



Infrastructure

In his speech Mr Shorten emphasised the importance of Infrastructure spending. He announced, that if elected Labor will maintain and enhance the independence of Infrastructure Australia- a federal body that aims to act as a broker, to bring together construction companies, long-term investors and State Governments to facilitate infrastructure projects. He said that, under Labor, Infrastructure Australia would play an active role in financing projects that

- benefit the economy and community
- have commercial viability
- have a capacity to enhance national productivity.

In his speech Mr Shorten committed to consulting with the Opposition on appointments to the Infrastructure Australia Board.

The Hawker Britton Agency Snapshot on Infrastructure Australia is available [here](#).

Higher Education and Schools

Mr Shorten restated Federal Labor's continued opposition to the \$30 million cuts to education announced in the 2014-2015 and 2015-2016 budgets. In his speech, Mr Shorten emphasised the importance of digital literacy to the school curriculum. In furtherance of this he announced the following policies:

- increasing the skills of 25,000 current primary and secondary school teachers;
- fund training for 25,000 new teachers who are science and technology graduates;
- write off the Higher Education Contributions Scheme (HECS) debt of 100,000 science technology, engineering and mathematics students; and
- encourage women to study and work in science technology, engineering and mathematics fields.

Superannuation and Taxation

Mr Shorten confirmed Labor's support for the governments changes to small business taxation. Mr Shorten offered to work with the prime minister to deliver bi-partisan support for the reduction of the tax rate for small business from 30 to 25 percent, including, on its funding. Mr Shorten noted this may take more than one parliamentary term.

In the speech Mr Shorten said he would introduce new measures that would save the budget \$21 billion dollars in the decade ahead.

He said this would be achieved by amending taxation on foreign multinational companies raising \$7 billion dollars and a further \$14 billion by tightening superannuation tax concessions.

Labor's superannuation policy platform is outlined in Chris Bowen's media release available [here](#).

Labor's multinational tax policy platform is outlined in Bill Shorten's media release available [here](#).



Labor's policy priorities

Mr Shorten used the speech to reiterate Labor's continued support for:

- Economic Engagement with the Region
- Superannuation Reform
- Multinational Tax Reform

Hawker Britton's Occasional Paper on Labor's economic policy priorities is available [here](#).

Further information

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