

## 2016 Federal Budget in Reply

May 2016

On Thursday 5 May Federal Opposition Leader the Hon Bill Shorten MP delivered the 2016 Federal Budget in Reply.

In his Budget in Reply, Mr Shorten outlined an ongoing commitment to a suite of changes to the taxation system, including detailed projected figures.

Mr Shorten said that Labor would use investment in schools, infrastructure, renewable energies and health as drivers of economic growth.

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

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### The Economy leading up to a Federal Election

Mr Shorten reiterated the Opposition's commitment to maintaining Australia's AAA credit rating.

He also said that a Shorten Government would use the following markers to drive economic growth:

- Education
- Jobs
- Medicare
- Climate Change
- Affordable housing and fair taxation
- Equality for women
- Our belief in young Australians



### **Transport and Infrastructure**

Mr Shorten outlined the Opposition's policy of providing Infrastructure Australia with a \$10 billion funding facility. He also outlined a pipeline of priority infrastructure projects expected to create 26,000 jobs including:

- Cross River Rail in Brisbane;
- Melbourne's Metro;
- Western Sydney Rail line;
- Perth Metronet; and
- Gawler line electrification and AdelINK light rail in Adelaide.

### **Superannuation and Taxation**

Mr Shorten confirmed Labor's support for the tax cut for small businesses with a turnover of less than \$2 million per year. Mr Shorten however, outlined Labor would not support a reduction in the company tax rate for businesses with a turnover of up to \$1 billion..

Further, Mr Shorten outlined Labor would not support a reduction in the marginal tax rate for individuals who earn more than \$180,000 a year, stating that a preliminary estimate from the independent Parliamentary Budget Office that this would save the Budget \$16 billion over the coming decade.

On superannuation, Mr Shorten stated Labor would support certain aspects to the changes announced in the Government's Budget on Tuesday however expressed concern that the proposed changes were retrospective, "unprecedented" and decided upon without consultation.

Mr Shorten said Labor's reforms to superannuation would provide certainty to account holders especially to low income earners, with tighter tax concessions.

### **Jobs and climate change**

Mr Shorten outlined action on climate change and the renewable energy sector as a key driver of job creation. Jobs in the sector are expected to flow from Labor's policy of 50 per cent renewable energy by the year 2030. Mr Shorten noted that there is expected to be \$2.5 trillion investment in the renewable industry sector in the Asia Pacific region by 2030.

### **Education**

Mr Shorten restated Federal Labor's continued opposition to the \$30 billion cuts to schools and \$2.5 billion from Vocational Education Training. In his speech, Mr Shorten highlighted Labor's commitment to preparing for a transition to a knowledge economy, by investing in education, including early childhood, schools, TAFE and university. He announced that, under Labor would:

- Invest \$37.3 billion for schools, which will see funding allocated to students on the basis of need; and



- Cap Vocational Education loans at \$8,000 per student per year, saving an estimated \$6 billion over the decade.

#### **Labor's policy priorities**

- A commitment to closing the gender pay gap
- A commitment to deliver a redress scheme for survivors of institutional child abuse
- A commitment to eliminating family and domestic violence through measures such as the restoration of funding for Community Legal Centres
- A commitment to closing the justice gap for Aboriginal and Torres Strait Islander Australians

#### **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](#).