

2018 Federal Budget in Reply

May 2018

On Thursday 10 May Federal Opposition Leader the Hon Bill Shorten MP delivered the 2018 Federal Budget in Reply.

In his speech Mr Shorten outlined Labor’s proposal for income tax cuts for low- and middle-income Australians, detailed Labor’s health and education spending and committed to a programme of debt reduction.

The Opposition Leader announced a future Shorten Labor Government would revitalise Australia’s vocational education system, and reverse the Government’s freeze to university funding.

Labor’s alternative Budget would return to surplus in the same year as the Government’s projections: 2019-20.

Mr Shorten’s Budget in Reply speech is 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 announced an income tax offset that would provide 10 million Australians earning up to 87,000 up to \$928 per year, at a cost of \$19.2 billion over the forward estimates.

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 also 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 re-affirmed its commitment to [reforming negative gearing and capital gains taxes](#), targeted tax treatment of discretionary trusts, [adjusting the payment of franking credits](#) and capping the amount individuals can deduct for the management of their tax affairs at \$3000.

Education

The Opposition Leader committed Labor to restoring \$17 billion worth of funding to schools over the next decade. This quantum was originally factored into the implementation of the Gonski reforms undertaken by the Gillard Government.

Skills and training

A future Shorten Labor Government will provide \$470 million to TAFEs across the country, waiving fees for 100,000 enrolments. 20,000 adult re-training enrolments will be funded for those seeking to re-skill and enter new sections of the job market.

The Opposition Leader committed to spending two-thirds of all funding on vocational education in the public sector. Labor will also undertake renovations to TAFE campuses and build new sites.

Labor will also end the freeze to university funding, allowing for an additional 200,000 local enrolments and ending the uncertainty faced by the tertiary education sector.

Health

The Opposition Leader outlined Labor's \$2.8 billion *Better Hospitals Fund*, which will be invested between 2019-2025 to target the reduction of emergency department and elective surgery waiting times.

Labor committed to \$80 million to increase the number of eligible MRI machines and approve 20 new licences, allowing for 500,000 more scans funded by Medicare over the course of a first Labor budget.

Infrastructure

Labor re-affirmed its commitment to several key projects: Western Sydney Rail Link, Melbourne Airport Rail Link, Queensland's Cross River Rail and Bruce Highway, Tasmania's Bass Highway, and Western Australia's Mitchell Highway.

Banking

The Opposition Leader committed \$25 million to establish a Corporate Crime Taskforce, to equip the Commonwealth Public Prosecutor to respond to recommendations for criminal prosecution stemming from the Financial Services Royal Commission.

Wages

Labor outlined a plan to increase Australia's rate of wage growth through: restoring Sunday penalty rates; cracking down on wage theft and 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 defence 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.

The Opposition Leader re-affirmed a plan to institute a [\\$1 billion Australian Manufacturing Future Fund](#) to support financing in the manufacturing sector, ensuring the industry is able to adapt and continue to expand after the closure of automotive manufacturers around the country.



Other

The Opposition Leader also committed to:

- A National Integrity Commission to improve accountability in politics and public life.
- A world-class National Broadband Network.
- Supporting a national redress scheme for survivors of institutional sexual abuse.
- 50 per cent renewable energy by 2030.
- Tackling dementia and delivering quality aged care.
- Healing initiatives for stolen generations.
- Reducing the number of indigenous children growing up away from their cultural homes.

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](#).