

BUDGET AT A GLANCE

This Budget supports jobs today by investing in the infrastructure Australia needs for tomorrow, while making the hard choices necessary to chart the course back to surplus.

Most challenging global economic conditions since the Great Depression

- The global economy is experiencing the worst recession since the Great Depression. This has dragged the Australian economy into recession.
- Real GDP is expected to contract slightly in 2009-10. This contraction is expected to be milder than in almost any other advanced economy.
- The downturn will impact significantly on jobs, with unemployment peaking at 8½ per cent in 2010-11.

Stimulus and nation building investment

- The centrepiece of the Budget is a significant program of investment in nation building infrastructure, including roads, rail, ports, universities and energy efficiency.
- The net measures in the Budget raise the level of GDP by ¾ of a per cent in 2009-10. These measures will support the housing sector, jobs and small business.
- This Budget supports jobs now, and invests in the future, to ensure Australians are well placed to make the most of the global recovery.

Making the hard decisions

- The Government has made the hard decisions required to deliver a fairer pension system and put the Budget on a sustainable footing.
- Government programs have been better targeted to ensure support is provided to those who need it most.

Delivering on the deficit exit strategy

- Projected budget deficits have increased mainly as a result of the impact of the global recession on revenues. The Government's strategy is expected to see the budget return to surplus in 2015-16.

KEY INITIATIVES OF THE 2009-10 BUDGET

The \$22 billion Nation Building Infrastructure centrepiece:

- \$3.4 billion for roads
- \$4.6 billion for metro rail
- \$389 million for ports and freight infrastructure
- \$4.5 billion for the Clean Energy Initiative, which includes \$1.0 billion of existing funding
- \$2.6 billion in projects focused on universities and research from the Education Investment Fund
- \$3.2 billion in projects focused on hospitals and health infrastructure from the Health and Hospitals Fund
- Partnering with the private sector to build the \$43 billion National Broadband Network

Supporting jobs, delivering for pensioners, and positioning for the recovery

- A pension increase of \$32.49 per week for singles and \$10.14 per week combined for couples on the full rate
- A crucial boost of \$2.7 billion in funding for tertiary education, research and innovation
- \$1.5 billion for the Jobs and Training Compact, providing education and services to support young people, retrenched workers and local communities
- A 50 per cent Small Business Tax Break for eligible assets
- Extending the First Home Owners Boost for an extra 6 months
- Honouring our promise of tax cuts

Hard choices and a clear strategy to return the Budget to surplus

- The global recession has stripped around \$210 billion from expected tax receipts
- Running a temporary deficit and continuing important programs is vital to support jobs
- Necessary and responsible borrowing that is markedly less than other major advanced economies
- Budget savings of \$22.6 billion over four years, including through vital structural reform
- Fully offsetting the cost of the pension package over time, notwithstanding the ageing of the population
- In the final year, the budget impact of new spending is fully offset