This responsible Budget further strengthens the economy and secures future growth

Setting the highest standards for responsible fiscal management

- Strict adherence to the fiscal strategy sees the budget return to surplus in 2012-13, three years ahead of schedule
- All new spending is offset, and real payments growth has been held to below two per cent
- The forecast Budget deficit of $40.8 billion in 2010-11 is $16.3 billion less than expected one year ago
- Net debt is projected to peak at just 6.1 per cent of GDP; half of the level projected a year ago and less than one tenth of the average across the major advanced economies

Returning to surplus and paying off debt even sooner

- Return to surplus in three years, three years earlier than expected and ahead of all the major advanced economies
- The Government will continue building surpluses and achieving a rapid reduction in net debt
- The Government will maintain the 2 per cent cap on real spending growth, on average, until the surplus reaches 1 per cent of GDP

Tackling key policy challenges and consolidating the position of strength that Australia enjoys

- The Budget ensures that fiscal policy settings remain appropriate, given the strength of the economic recovery
- It takes steps to deal with a return to full capacity by growing the whole economy and harnessing the potential of the resources boom
- It builds on the investments in skills and infrastructure that are necessary to secure our future prosperity
- It begins the task of modernising the tax system, boosts national savings, makes new investments in renewable energy; and funds historic reforms to the health system

Continuing to ease the burden for working families

- The Budget builds on the Government’s progress in helping working families make ends meet, delivering the third tranche of income tax cuts
- Tax reforms that grow the economy and real wages over time, putting more in the pocket of working families
- Fairer and simpler tax returns that increase after-tax income for 6.4 million Australians
KEY INITIATIVES OF THE 2010-11 BUDGET

Easing cost of living and making tax time simpler
• Delivering tax relief, including raising the effective tax-free threshold to $16,000 from 2010-11
• Lower tax on savings — 50 per cent discount on up to $1,000 of interest income
• Standard deduction to simplify the tax system and leave more in the pocket for 6.4 million Australians

Skills for sustainable growth and building infrastructure
• $661 million for the *Skills for Sustainable Growth* strategy
• $5.6 billion for a new infrastructure fund and $1 billion to renew rail networks

Renewables and energy efficiency
• $652 million Renewable Energy Future Fund

Growing the whole economy
• Resource Super Profits Tax from 1 July 2012
• Company tax rate cut to 29 per cent from 2013-14 and 28 per cent from 2014-15
• Company tax rate cut to 28 per cent for small business companies from 2012-13
• Instant asset write off for assets under $5,000 for all small businesses from 1 July 2012

Stronger, Fairer Super
• Increasing the super guarantee to 12 per cent, assisting 8.4 million Australians
• From 1 July 2012, contributing up to $500 to offset contributions tax for those on incomes up to $37,000
• From 1 July 2012, allow catch-up contributions by older workers with super balances less than $500,000

National Health and Hospitals Network
• Total new investment of $7.3 billion over five years, and $23 billion over the rest of the decade
• Additional $2.2 billion to meet the needs of our modern health system:
  – $355 million for GP Super Clinics
  – $417 million to enhance after hours services
  – $523 million to train our nurses
  – $467 million to introduce individual electronic health records