

# BUDGET AT A GLANCE

2012-13

## **We are returning the budget to surplus while ensuring families and small businesses share in the benefits of the resources boom.**

The Government is returning the budget to surplus on time and as promised.

At the same time, this Budget ensures the benefits of the boom are spread to families and businesses across Australia. Revenue from the Minerals Resource Rent Tax will:

- increase family payments by \$1.8 billion, with around 1.1 million families receiving an increase of at least \$300 per year and around 690,000 families with two or more children receiving \$600 per year from 1 July 2013.
- create a new Supplementary Allowance worth \$1.1 billion to assist Australians who are hardest hit by the increases in the cost of living — the unemployed, students, and parents with young children — by providing a yearly allowance of \$210 for singles and \$350 for couples, paid in two instalments, with the first payment to commence on March 2013.
- introduce loss carry-back to support once profitable businesses to return to profit by providing a tax benefit of up to \$300,000 per year.

This Budget also provides \$2.1 billion to help more families with school children with more generous, timely and flexible support. It also looks after the most vulnerable members of our society by investing \$1 billion in the first stage towards a National Disability Insurance Scheme, \$3.7 billion in reforming the aged care system and \$515.3 million to provide dental services for those who can least afford it.

Returning to surplus is appropriate as Australia has strong economic fundamentals, with solid growth, low unemployment, record levels of mining investment, and commodity prices still around historical highs.

It is important that the budget return to surplus as it:

- allows monetary policy to respond to economic developments as appropriate, taking account of the near-term challenges facing certain workers and businesses as a result of the patchwork economy and a strong Australian dollar;
- sends a strong message of confidence to the rest of the world of the strength of our economy during a period of heightened global uncertainty. Australia's strong public finances is a reason for Australia receiving a AAA credit rating with a stable outlook from all three major rating agencies for the first time in our history. One of only eight countries that currently meets this standard.
- is Australia's best defence at a time when the global economy is undergoing dramatic structural changes and the global outlook remains uncertain. Surpluses strengthen the Government's balance sheet and rebuild our fiscal reserves to create a buffer in uncertain global economic times.

## KEY INITIATIVES OF THE 2012-13 BUDGET

### Spreading the benefits of the boom

- \$1.8 billion to increase Family Tax Benefit Part A for all eligible families, commencing 1 July 2013
- \$1.1 billion for a new Supplementary Allowance for the unemployed, students and parents with young children, on income support, with the first payment commencing March 2013
- In addition, an extra \$2.1 billion over five years on a new Schoolkids Bonus, paid directly to eligible recipients
- From 1 July 2012, more than tripling the tax-free threshold from \$6,000 to \$18,200, freeing up to 1 million Australians from the need to lodge a tax return

### First steps towards a National Disability Insurance Scheme

- \$1 billion over four years for the first stage of a National Disability Insurance Scheme
- 10,000 participants will start being assessed from July 2013, increasing to 20,000 participants from mid-2014

### Helping business to invest

- Allowing companies to carry back tax losses so they get a refund against tax paid in the previous year, providing a tax benefit of up to \$300,000 per year
- From 1 July 2012, delivering tax breaks for small business, like the increase to the instant asset write-off threshold to \$6,500

### Investing in key health services

- \$515.3 million to improve dental services and strengthen the future dental workforce
- Delivering 76 major new regional health infrastructure projects across Australia, worth \$475 million

### Building an aged care system for the future

- A \$3.7 billion package to ensure a better, fairer, more sustainable and nationally consistent aged care system
- Increasing the number of Home Care packages by nearly 40,000, to nearly 100,000, over the next five years

### Building a more productive workforce

- \$1.75 billion National Partnership Agreement on Skills Reform as agreed with COAG in April this year
- Investing an additional \$225.1 million in Jobs, Education and Training Child Care Fee Assistance
- An additional \$101 million of new skills measures to improve quality and better support mature age workers

### Building productivity by investing in nation building infrastructure

- Investing \$3.6 billion to duplicate the Pacific Highway by 2016, conditional on agreement with the NSW Government
- \$350 million per year for the Roads to Recovery program
- \$232 million towards the Torrens and Goodwood rail project in Adelaide