

The Government has a clear path to return the budget to surplus by 2016-17 while supporting jobs and growth and building a stronger economy, a smarter nation and a fairer society.

Australia's economy continues to outperform most of the developed world. The unusual combination of a sustained high Australian dollar and falling commodity prices has led to weaker profits and reduced budget revenues. The budget charts a path to surplus, although the hit to revenues will see a budget deficit of \$18 billion in 2013-14.

Stronger

This Budget builds a stronger economy by investing \$24 billion in roads, including highways and rail in our cities and regions. It also provides \$1 billion in a plan for Australian jobs, supporting Australian industry by backing Australian companies to win more work at home and abroad, and helping small and medium businesses to grow and create new jobs.

Smarter

This Budget builds a smarter nation, ensuring our children have the education they need for the high-skilled, high wage jobs of the future. It invests \$9.8 billion over six years from 2014-15 for A National Plan for School Improvement, which provides fairness and will drive improved student outcomes, representing a once-in-a-generation reform to Australia's schools. The Budget also undertakes a record \$1.1 billion investment in early childhood education.

Fairer

This Budget builds a fairer society by investing \$19.3 billion over seven years from 2012-13 to deliver DisabilityCare Australia, one of the biggest social reforms in our nation's history, to ensure that Australians with significant and permanent disability get the care and support they deserve. It also builds on the \$16.4 billion National Health Reform Agreement to continue improving access to high quality care, medicines and support services and makes important investments in rural and regional Australia.

Savings for the longer term

The Budget builds on the Government's record of identifying enduring savings to make room for critical economic and social reform priorities and to ensure ongoing fiscal sustainability. This Budget makes \$43 billion of savings across the forward estimates and fully funds priority investments for over a decade.

KEY INITIATIVES OF THE 2013-14 BUDGET

Historic investment in Australian schooling

- \$9.8 billion over six years in once-in-a-generation school reforms to enhance Australia's future productivity and wellbeing, ensuring that every student in every school gets the help they need.
- Undertaking a record \$1.1 billion investment in early childhood education.

DisabilityCare Australia

- Investment in DisabilityCare Australia of \$14.9 billion over seven years - Australia's most fundamental social policy reform since Medicare.
- Raising the Medicare levy by half a percentage point to provide a strong and enduring funding stream for DisabilityCare Australia.

The next wave of Nation Building

- Committing to new infrastructure investment, bringing the Government's total investment to around \$60 billion from 2008-09 to 2018-19.
- Transformative road and rail infrastructure investments, including \$4.1 billion for the Bruce Highway, \$3 billion for Melbourne Metro, \$1.8 billion for Sydney Motorways, \$448 million for the Adelaide South Road upgrade and \$418 million for the Swan Valley Bypass in Perth.

Investing in key health services

- \$226 million to improve cancer prevention, detection, treatment and research, and provide better patient care and support.
- \$691 million over five years in new listings under the Pharmaceutical Benefits Scheme, including for chronic nerve pain, hepatitis C and Parkinson's disease.

Boosting productivity through innovation, education, skills and research

- \$1 billion investment in boosting Australian innovation, productivity and competitiveness under A Plan for Australian Jobs.
- \$300 million over four years to support jobseekers in the work transition, including lifting the Income Free Area under Newstart Allowance.
- \$135 million for 150 four-year Future Fellowships.

Supporting stronger regions

- \$330 million to support the historic Tasmanian Forests Agreement.
- \$99 million investment in a new Farm Household Allowance to support farmers in hardship.

Making our retirement income system stronger and fairer

- Raising the Superannuation Guarantee from 9 to 12 per cent from 1 July 2013 to 1 July 2019, boosting retirement savings of 8.4 million Australians.
- \$112 million pilot to assist age pensioners to downsize their family homes, via a means test exemption of up to \$200,000 for ten years.