

Fiscal Outlook

- The fiscal outlook for Australia remains positive, with a forecast underlying cash surplus of \$2.4 billion in 2004-05.
- Across the forward estimates, the Government will maintain the budget in surplus, after providing \$36.7 billion in new assistance to families, tax cuts and increased incentives to boost retirement savings.

Economic outlook

- The outlook for the Australian economy is for continued growth, with low unemployment and low inflation.
- GDP growth is forecast to moderate slightly from 3¾ per cent in 2003-04 to 3½ per cent in 2004-05.

More help for families

- This Budget includes the largest package of assistance for families ever, with an additional \$19.2 billion over five years.
- More generous Family Tax Benefit arrangements will significantly help families with the costs of raising children and improve the rewards from working.
- A new Maternity Payment and the expansion of outside-school-hours child care and family day care places will assist families balancing work and family commitments. The changes to Family Tax Benefit will help women re-enter the workforce after having children.

Cutting income tax

- Reductions in personal tax worth \$14.7 billion over four years will improve rewards from work and more than 80 per cent of taxpayers will face a marginal tax rate of 30 per cent or less.

Boosting retirement savings

- \$2.7 billion to enhance the superannuation co-contribution scheme and reduce the superannuation surcharge, boosting incentives to save for retirement.
- More than three quarters of the benefits will go to low and middle income earners.

Providing for carers and aged care

- \$461 million over five years to provide support to carers.
- \$2.2 billion over five years to increase the number of aged care places, improve the quality of care and help providers build and maintain facilities.

Investing in health and education

- \$41 billion spending on health and aged care in 2004-05 which amounts to a doubling of spending by the Government since coming to office.
- Investment of \$32 billion in schools is further commitment to a skilled, productive and healthy workforce and society.

Investing in Australia's future

- A substantial investment in Science and Innovation of \$5.3 billion to provide more funding for research and commercialising ideas.

Investing in infrastructure - AusLink

- \$1.1 billion over five years for our road and rail systems, in addition to the \$2 billion announced in January 2004.

Investing in Australia's security

- \$755 million to enhance Australia's intelligence capabilities and strengthen security arrangements.
- Defence measures exceeding \$1.5 billion over five years, bringing to \$39.7 billion the total amount of additional defence spending by the Government since 1996.

Enhancing support for our veterans

- A \$289 million package (over five years) to provide extra assistance to veterans and their families.
- Funding of \$158 million over four years will ensure veterans retain access to medical specialists.

Assisting rural and regional Australia

- \$73 million in extra drought assistance will make a total of \$1.1 billion to support farmers in regions declared eligible for Exceptional Circumstances.
- \$236 million to extend the Agriculture – Advancing Australia package.
- \$338 million tax relief for wine producers.
- \$444 million over five years for sugar industry reform.

Sustaining our environment

- Funding of \$248 million to implement the Government's Climate Change Strategy.
- \$70 million over three years to the Murray-Darling Basin Commission for capital works and important salinity mitigation work.

Delivering more funding to the States

- In 2004-05, every State and Territory is expected to receive more revenue than it would have received had the Australian Government not implemented tax reform.

Support for M2006 Commonwealth Games

- \$273 million over three years to contribute to the successful staging of M2006.