INVESTING IN AUSTRALIA'S FUTURE

This Government has a strong record in meeting economic challenges. We have managed the structural economic transitions of recent years and we have navigated the challenges of the Global Financial Crisis (GFC) and the ongoing bouts of economic and financial volatility.

Our action during the GFC saved Australia from the recessions seen across the world in other OECD nations. While these countries are either just recovering, or still struggling to recover from the effects of the GFC, we have some of the strongest economic fundamentals in the developed world — economic growth close to trend; moderate unemployment; a prudent fiscal position and contained inflation.

As Australia embarks on a new era of economic transition marked by a shift from the largest investment boom in our history to more of our economic growth being sourced from the non-resource sectors of the economy, we start from a position of economic strength and resilience.

Managing this transition will be fundamental to Australia's economic prosperity. In order to ensure continued growth, productivity has to be front and centre of Australia's economic agenda. Australians deserve a Government with a proven record of successful economic management and a clear plan to ensure the current economic transition is managed smoothly.

That is why the Government is working closely with business and unions to develop and implement a new national competitiveness agenda. Only through collaboration between business, unions and government can we effectively implement the wide-ranging reforms needed to boost productivity and ensure more broad-based economic growth. This plan will build on our existing productivity enhancing policies.

Under our policies, the Australian economy has grown by around 14 per cent since we came to power; and we have laid the foundations for higher productivity and labour force participation growth in the future. This growth has occurred during the worst global recession since the Great Depression of the 1930s, continued international economic instability and rapid economic change both at home and abroad. These policies include:

- investing in traditional economic infrastructure like roads, rail and ports to increase the economy's productive capacity;

- investing in new infrastructure like the National Broadband Network (NBN) so Australia can thrive in a globalised digital economy;

- ensuring our workforce has the skills needed for the jobs of today and tomorrow by increasing funding for higher education, vocational education and training and schools, and providing additional student access and places;

- supporting all parts of the innovation chain from basic research to commercialisation through initiatives like Industry Innovation Precincts and Venture Australia;

- recognising the importance of small business to the economy by assisting people to invest in their businesses and improve their competitiveness through expanded tax arrangements and support services;

- working with Australian industry to ensure that Australia has world class businesses and high skill, high wage jobs for the future;

- empowering regional Australia to reach its potential by improving infrastructure and employment services through initiatives like the Regional Australia Development Fund; and

- commissioning and undertaking fundamental tax reform to enhance Australia's investment and productivity.

Maintaining macroeconomic stability through a prudent and sensible path to surplus over the forward estimates will provide an environment conducive to sustained economic growth. This Economic Statement reflects maintained fiscal restraint, while still funding economic and social reforms and investing in the infrastructure of the future. A gradual return to surplus will support jobs and economic growth, especially in the near term, and deliver sustainable public finances.

Our financial position is the envy of other advanced economies. Australia has one of the lowest levels of government debt as a percentage of GDP among the advanced economies. The budget deficit as a proportion of GDP is also one of the lowest among the advanced economies. We are also one of only 8 countries in the world to enjoy both a stable outlook and a AAA credit rating from all three major international rating agencies.

All Australians should share in the opportunities and benefits that come with a strong economy. This Government's policies will ensure all Australians experience the benefits of rising living standards, both directly and through more efficient and accessible government services.

Significant reforms in health, education and disability services have been achieved and will be continued. The Government has introduced Australia's first national Paid Parental Leave scheme and increased assistance to families to meet the costs of child care, primary and secondary education. Record increases to age pension payments and the Superannuation Guarantee will result in higher standards of living for Australians in retirement.

Economic prosperity depends also on protecting our environment. The potential impacts on our economy of unmitigated climate change and water scarcity are severe. Our commitment to an internationally linked market-based emissions trading scheme and the finalisation of the Murray-Darling Plan are essential components of ensuring Australia continues its economic growth in an environmentally sustainable way.

Ensuring rising Australian living standards

Australia has experienced 22 years of continuous economic growth but we do face challenges in coming years. Sustaining growth in living standards in the context of declining terms of trade and an ageing population will require an improvement in Australia's productivity growth performance and international competitiveness.

National Competitiveness Agenda

The core of the Government's national competitiveness agenda will be an agreement between government, business and unions to lift our annual productivity growth rate to two per cent per annum or more.

This collaborative approach is crucial to ensure all sectors of the economy have a shared sense of ownership of the reform agenda so that reforms are developed collaboratively and implemented smoothly. Thus far, the Government has agreed on seven priority areas to boost Australia's productivity performance.

1. A key priority is reforming domestic electricity price regulation, moving to an emissions trading scheme, and ensuring the future availability of competitively priced domestic gas supplies.

2. The Government will continue to examine any unintended rigidities arising in the labour market and will work with businesses and unions to harness the full productive potential of the *Fair Work Act 2000*.

3. The Government will consider improvements to business productivity, with the Business Council of Australia recently identifying project management and effective use of capital by management as areas for improvement. Businesses also need to improve company board and executive-level Asia-relevant experience if Australia is to capitalise on opportunities in the Asian region.

4. The Government recognises that Australia needs a new approach to the regulatory impost on business from all levels of government. This particularly

applies to multiple and conflicting environmental assessment requirements for state and territory governments and the Australian government.

5. Australia's national objective must be to build the best-educated, best-trained, and best-skilled workforce in the world. Vocational education and training is particularly important, given the recent withdrawal of effort by many of the states.

6. Australia needs to embrace new forms of infrastructure financing.

7. We must improve the operating environment for small business in this country. This involves access to capital and other productivity drivers, such as the effective take-up of the NBN.

Better Schools Plan

The Government's Better Schools Plan will provide a historic investment in Australian schools, delivering over $15 billion additional funding over the next six years if all states and territories sign up to the agreement.

In partnership with participating states and territories, the Government is putting in place reforms of Australian school funding arrangements to better align funding with student needs, delivering greater consistency in the distribution of funding and helping drive improvement at the student, school and national levels. The extra funding will enable more one-on-one individual attention for school students. It will also help Australian children compete with those in Asia, and get highly skilled, highly paid jobs for the future. This reform is critical to boost Australia's future productivity and, thus, its prosperity.

To date, partnerships have been settled with New South Wales, South Australia, the Australian Capital Territory, and Tasmania. The Government has also reached agreement with the Catholic and independent schooling sectors. The Better Schools Plan now covers 63 per cent of Australian students.

Improving vocational education and training

The Government has a track record of reform and investment in vocational education and training (VET), skills and workforce development, with total annual Australian Government funding growing from $2.3 billion to $3.4 billion between 2006-07 and 2012-13, an increase of about 25 per cent in real terms.

To drive VET reform, the Government entered into a five-year, $1.75 billion National Partnership Agreement on Skills Reform with the states and territories, with implementation plans now signed with all jurisdictions.

A new skills and workforce development partnership with industry was also created through the Building Australia's Future Workforce package, which includes a National Workforce Development Fund to support training and workforce development for more than 170,000 workers across six years, and additional funding to expand the Workplace English Language and Literacy Program, which trained more than 72,000 employees between 2007 and 2011.

HIGHER EDUCATION REFORM

The Government has implemented a suite of reforms to higher education that will create the educated and productive workforce of the future, including an uncapped funding model for undergraduate university places; generous indexation arrangements across learning, teaching and research; and stronger support for research excellence.

This has resulted in a 75 per cent increase in Commonwealth funding for university places between 2007 and 2013, from $3.5 billion to $6.1 billion, supporting an additional 190,000 students to access higher education. Greater, more equitable access to university means that Australia is on track to achieve the goal of 40 per cent of the 25-34 year old population holding a bachelor degree qualification or above by 2025.

INVESTING IN INFRASTRUCTURE

The Government has, and continues to, invest strongly in nationally significant economic infrastructure. Since coming to Government we have allocated around $60 billion to roads, rail and public transport through the Nation Building programs. One of the Government's key achievements has been completing the full duplication of the Hume Highway, Australia's most important freight corridor.

We established Infrastructure Australia (IA) in 2008 to help drive the development of a long-term, coordinated national approach to infrastructure planning and investment. IA has put in place a National Priority List to guide investment in the projects that offer the highest economic and social returns. The Government has continued to prioritise funding for projects ranked as 'ready-to-proceed' by IA.

The Government recognises that the future growth of infrastructure will require a new approach to funding and financing. We will need to foster greater private sector involvement in infrastructure and unblock the current bottlenecks that are preventing the construction of new infrastructure projects.

BUILDING THE NBN

The NBN is the largest single nation-building infrastructure project in Australia's history. It will underpin productivity improvements across the economy, transforming the way business operates. It will deliver download speeds of up to one gigabit per second to 93 per cent of homes, schools and businesses via optical fibre. The remaining seven per cent of premises will have access to a combination of next-generation fixed wireless and satellite technologies, providing peak download speeds of up to 25 megabits per second. On 4 July 2013, NBN Co announced that it had met its revised fibre rollout targets, passing around 207,500 homes and businesses. Fibre rollout to over 4.8 million Australian homes and businesses is scheduled to be underway or completed by the middle of 2016.

BUILDING AN INNOVATION CULTURE IN AUSTRALIA

Innovation is essential to the future success of Australian businesses.

The Government has increased overall funding for science, research and innovation by 30 per cent from $6.6 billion in 2007–08 to $8.6 billion in 2013-14, supporting all parts of the innovation chain from basic research to commercialisation. Funding for university research has increased by 58 per cent, from $1.8 billion to $2.8 billion.

This is crucial for developing the new technologies, products and processes that will underpin more broad-based growth in the coming years and decades. Innovation enables businesses to increase productivity through the development and adoption of new technologies and it allows new products, markets and jobs to be created.

HELPING AUSTRALIAN INDUSTRY THRIVE

The Government wants to ensure that Australia has competitive industries and high skill, high wage jobs for the future. Attracting investment and helping firms adjust to changes in the economy is necessary to achieve this.

The $1 billion Plan for Australian Jobs will ensure Australian firms get fair access to work on major projects, win new business abroad and help small businesses grow. It will create internationally competitive businesses and jobs by promoting collaboration between businesses and research institutions through Industry Innovation Precincts.

The Government is investing $500 million to establish up to 10 precincts around Australia. We have established the Advanced Manufacturing and Food Industry Innovation Precincts in Melbourne, with eight more Industry Innovation Precincts to be announced in coming months. These new precincts will allow industry to lead research and innovation priorities and will involve collaborations with Australia’s top researchers, ensuring innovation is focused on real economic outcomes.

Small and medium-sized businesses and start-up companies will also be provided with a broader set of business services through Enterprise Connect and better access to finance through the $378 million Venture Australia package to stimulate Australia's venture capital market.

TAX REFORM TO SUPPORT INVESTMENT AND PRODUCTIVITY

The Government has delivered a substantial and continuing program of tax reform, starting with the Rudd Government's first budget in 2008 when it commissioned the Australia's Future Tax System (AFTS) Review — the most comprehensive review of the tax and transfer system in a generation. The Government has already implemented more than one third of the 138 recommendations contained in the AFTS Report and is continuing to add to that record.

A key focus of the Government's tax reform agenda has been reforms aimed at ensuring the tax system better supports national productivity. The Government recognises how important productivity growth is for higher living standards. That is why we are implementing reforms to support businesses responding to changes in the economy and investment.

The Government is supporting businesses to invest and adapt to a transitioning economy through reforms to allow companies to carry back losses to get a refund of past tax paid, worth $150 million in 2013-14 and growing to $300 million in 2015-16; an instant asset write-off for small business, worth $1.2 billion in 2013-14; and an accelerated deduction for motor vehicles worth $200 million in 2013-14.

The Government is also improving incentives to support up to $25 billion in nationally significant infrastructure spending by the private sector, by preserving the real value of tax losses over time and making it easier for investors to access these losses.

The Government is supporting investment in research and development (R&D) by doubling the rate of assistance for small and medium-sized companies and improving cash flow by providing a 45 per cent refundable tax offset. Further refinements commencing from 1 July 2013 will ensure the incentive is targeted at small and medium companies more likely to undertake additional R&D as a result of the incentive.

The Government has also acted to promote greater fairness and sustainability in the tax system by removing out-dated or poorly targeted tax concessions.

Recent reforms include phasing out the dependent spouse tax offset which imposes high effective marginal tax rates on secondary earners and dates back to a time when male breadwinners supported a housewife. The Government has also consolidated other dependency offsets into a single offset that targets assistance to taxpayers supporting carers and relatives with a disability.

The Government has introduced a number of reforms to better target fringe benefits tax (FBT) exemptions and ensure they operate as intended, including by:

- ensuring the tax concessions for living-away-from-home allowances and benefits can only be used for the expenses of people who are legitimately maintaining a second home in addition to their actual home in Australia, for a maximum period of 12 months;
- removing the concessional FBT treatment for 'in-house' fringe benefits that are accessed by way of a salary sacrifice arrangement; and
- targeting the FBT exemption for car fringe benefits to actual business use rather than including personal use, providing a more level playing field for all workers.

The Government's vision for a stronger tax system that supports productivity and economic growth also extends to reform at the state and territory level. The AFTS Review found that some of the most inefficient taxes are levied by the states and territories and identified reforms to improve or abolish taxes that are a drag on the economy. The Government supports the efforts of state and territory governments to reform their tax system, in line with the Government's vision in commissioning the AFTS Review.

SUPPORTING AUSTRALIAN SMALL BUSINESSES

The Government assists small business in improving its management and business processes through Small Business Advisory Services and the Enterprise Connect programs. It also established the first national Small Business Commissioner to provide a one-stop shop for small business services and information, and to ensure that the interests of small business remain at the forefront of Government policy making.

The Government has implemented a number of substantial and ongoing reforms to assist small businesses including: personal income tax cuts as part of the tax plan for Australia's future and, as noted above; an instant asset write-off for small business, worth $1.2 billion in 2013-14; the accelerated deduction for motor vehicles worth $200 million in 2013-14; and loss carry-back.

The Small Business Superannuation Clearing House is a free service that takes the pressure off small business owners and reduces the time spent by employers on paying different superannuation funds for different employees. It has distributed more than $1 billion in superannuation payments on behalf of small business owners across the country.

The Government has delivered a national business names registration system. This saves businesses both time and money by replacing separate state and territory systems with a single national system. Previously the cost of registering a business name in every state and territory was over $1000 for three years, now it is only $76.

The national business names registration system is complemented by a new online Australian Business Account to help businesses manage online interactions with all levels of government in a smarter way. The new Australian Business Licence and Information Service also enables businesses to access licence, permit and other important information through one online portal.

The Government is also expanding the online Standard Business Reporting (SBR) initiative, which makes it simpler, easier and faster for businesses to meet reporting obligations. Under SBR, businesses are able to use SBR-enabled accounting software to prepare and lodge key government forms directly from their software to agencies participating in the SBR program.

Sharing the benefits of a growing economy

DisabilityCare Australia

The Government will provide more than $14 billion in new funding over seven years from 2012-13 to roll out DisabilityCare Australia across the country by July 2019. DisabilityCare Australia, the national disability insurance scheme, will provide people with significant and permanent disability with reasonable and necessary support over their lifetimes, and more choice and control over how their support is delivered. As well as improving the lives of hundreds of thousands of Australians with disability, their families and carers, this reform will create opportunities for many of those people to participate more fully in the community and in the economy.

Better quality health and aged care

Since 2007, the Government has made significant investments in the healthcare system and undertaken a series of fundamental reforms to drive better quality healthcare for all Australians.

The Government established the Health and Hospitals Fund (HHF) in 2009 to invest $5 billion in major health infrastructure programs to make strategic investments that underpin significant improvements in efficiency, access and outcomes in healthcare. One priority of the HHF has been cancer centres and health infrastructure in regional areas.

In 2011, the Government and all states and territories signed the National Health Reform Agreement to increase accountability and transparency, reduce waste and waiting times, and continue to ensure future generations enjoy world-class patient care. Under this agreement the Commonwealth will share the burden of funding growth in the costs of providing public hospital services, easing the pressure on public hospitals and state budgets. The agreement guarantees that hospitals will receive a minimum of $16.4 billion in additional Commonwealth funding from 2014-15 to 2019-20 than would otherwise have been received.

In 2011, the Government made mental health a national priority by investing $2.2 billion over five years in mental health reform to deliver additional services, a greater focus on prevention and early intervention, and a better integrated system.

The Government announced a $4.1 billion dental health reform package in 2012 to improve access to dental services and boost the dental workforce, including $2.7 billion for a Child Dental Benefits Scheme (Grow up Smiling).

In 2012, the Government unveiled the Living Longer Living Better aged care reform package with $3.7 billion over five years to provide more support and care in the home, better access to residential care and strengthen the aged care workforce.

The Government has also invested almost $1.5 billion over four years in new listings and amendments to listings on the Pharmaceutical Benefits Scheme (PBS) since the 2013-14 Budget.

SUPPORTING REGIONAL COMMUNITIES TO REACH THEIR FULL POTENTIAL

The Government has worked closely with local communities to support better economic, social and environmental outcomes for Australia's regional communities, as well as to develop region-specific solutions for communities in transition. This has included:

- almost $1 billion through the Regional Development Australia Fund to support specific regional, economic and community infrastructure needs;
- $2.9 billion under the Health and Hospitals Fund to improve access to essential health services for rural, regional and remote communities;
- $1.5 billion under the Remote Jobs and Communities Program to provide a more integrated and flexible approach to employment and participation services;
- approximately $400 million to support the historic Tasmanian Forests Agreement, Australia's presence in Antarctica and the development of jobs, skills and accelerated investment in key sectors of the Tasmanian economy;
- continuing the underwriting of essential air services to Norfolk Island and the Indian Ocean Territories;

- providing $4.0 million over two years from 2013-14 for the Lord Howe Island Aerodrome Improvement Works project; and
- supporting northern Australia to realise its potential for growth by taking advantage of the opportunities presented by the Asian century and diversifying and expanding exports and services into Asian markets.

INVESTING IN OUR CHILDREN'S FUTURE

The Government's National Quality Framework commenced on 1 January 2012 for most long day care, family day care, preschool (or kindergarten) and outside schools hours care services. The Framework aims to raise quality and to drive improvement and consistency in these services. Key initiatives include the introduction of a national legislative framework and a National Quality Standard for services. Specific requirements, such as educator qualifications and educator-to-child ratios, are being gradually phased in between 2012 and 2020.

The introduction of the National Assessment Program — Literacy and Numeracy (NAPLAN) in 2008 has provided nationwide data on literacy and numeracy for the first time. NAPLAN tests give parents, teachers, schools, governments and students valuable insights into how well students and schools are performing compared to their peers across Australia.

As a key element of the Government's 2009 Nation Building and Jobs Plan, $16.2 billion was provided to update school infrastructure as part of the Building the Education Revolution initiative. This initiative supported jobs during the Global Financial Crisis and will deliver ongoing benefits through improved school facilities in around 9,500 schools, supporting student achievement and bringing communities together.

SUPPORTING AUSTRALIAN FAMILIES

Since 2007 the Government has taken significant steps to improve and better target assistance to families, making sure assistance goes to families who need it most, when they need it most, and supporting them to participate in the workforce.

Availability of quality child care is vital to many Australian families and, since 2007, the Government has more than doubled support for child care, an increase of 115 per cent. A key part of this is the Government's improvements to the Child Care Rebate, which has been increased from 30 per cent to 50 per cent of out-of-pocket child care expenses, up to an increased cap of $7,500 per child per year (increased from $4,354 in July 2008).

In 2011, the Government also committed $731 million over five years to establish Australia's first Paid Parental Leave (PPL) scheme. Now, around 95 per cent of working women have access to paid leave (an increase from around 50 per cent) and, as of March 2013, over 280,000 families have benefitted from PPL.

The Government has also invested $2.1 billion to replace the Education Tax Refund (ETR) with the Schoolkids Bonus of $410 per year for primary school students and $820 per year for secondary school students. The Schoolkids Bonus is paid directly to all eligible FTB-A families as an automatic payment rather than a tax refund, providing more flexible and timely assistance.

From 1 January 2012, the Government also increased FTB-A for dependent teenagers in full-time secondary school by up to $4,208 a year for 16 and 17-year olds, and up to $3,741 a year for 18 and 19-year olds, recognising the higher costs of older children and helping families to support their teenagers to stay in school.

Since 2008, the Australian Government has invested $31 billion to make housing more affordable and assist people to move out of homelessness, the largest single investment in housing and homelessness in Australian history. As part of this, the Government has directly contributed to the construction of one in every 20 new homes since 2008, through programs such as the Social Housing Initiative, the Housing Affordability Fund, the Building Better Regional Cities program, and the National Rental Affordability Scheme.

Australians value a fair society that rewards hard work and provides opportunity for all Australians. The Government has taken steps to increase the reward for effort and encourage workforce participation through successive rounds of tax cuts.

From 1 July 2012, the tax free threshold has more than tripled from $6,000 to $18,200, the largest increase in Australia's history. Together with the Low Income Tax Offset, this reform has increased the effective tax free threshold to $20,542 which means people with annual taxable income below this threshold will no longer pay any tax or Medicare Levy on that income. As a result, tax time will be made simpler, with up to one million taxpayers no longer needing to lodge a tax return.

All taxpayers with incomes up to $80,000 received a tax cut in 2012-13, with around 60 per cent of taxpayers getting a tax cut of at least $300. Many part-time workers, including many women, will receive a tax cut of up to $600, further encouraging workforce participation. These tax cuts build on the three previous rounds of tax cuts delivered by the Government since 2008, worth $47 billion, which have benefitted all Australian taxpayers.

REFORMS TO RETIREMENT INCOMES

Australians are living longer and they need to feel that the retirement incomes system is fair and sustainable. Since 2007, the Government has undertaken important reforms to ensure that all Australians can enjoy a dignified and assured retirement.

The Government's 2009 Secure and Sustainable Pension Reforms provided the largest single increase in the age pension in its 100-year history and improved indexation arrangements for the base pension to better reflect changes in pensioners' living costs.

We also need to do more to lift private retirement savings. In the long term, the most significant reform is the gradual increase in the Superannuation Guarantee (SG) rate from 9 per cent of wages in 2012-13 to 12 per cent of wages in 2019-20. This will boost the retirement savings of an estimated 8.6 million Australians.

In addition, the Government has acted to boost the superannuation savings of 3.6 million workers who earn up to $37,000, by cutting the contributions tax on SG contribution from 15 per cent to zero and placing the money into their superannuation accounts. This measure commenced on 1 July 2012 and the first of these payments will be made in the next few months. The reform will benefit 3.6 million workers, including sales assistants, cleaners, electricians and child care workers.

To ensure that members who do not choose a particular fund have a simple, low-cost default superannuation option, the Government has introduced MySuper products, which authorised funds have been able to offer from 1 July 2013. Other measures will help older workers continue to save for their retirement by increasing the cap on concessional contributions for older Australians, making excess contributions tax fairer and removing the maximum age limit on receiving the Superannuation Guarantee. These long-term reforms will ensure that the superannuation system continues to support Australians' retirement incomes as our population ages.

The Government has announced it will establish a Super Council to ensure any future changes to superannuation are consistent with an agreed Charter of Superannuation Adequacy and Sustainability. The Charter will be legislated and include a commitment to a five year moratorium on changes to superannuation tax policy.

Avoiding the economic costs of climate change

A LOWER CARBON PRICE

The Government will bring forward the start date of emissions trading by one year to 1 July 2014. Based on current forecasts, this will result in a lower carbon price of around $6 in 2014-15, compared to $25.40 under the original fixed price arrangements, due to the link with the European Union Emissions Trading Scheme. It is estimated that this will reduce the growth in overall consumer prices by around ½ of a percentage point through the year to June 2015.

A lower carbon price of around $6 will result in reduced costs to households and businesses through lower electricity, gas and other prices. It would be expected to reduce average household expenditure by around $3 a week, or over $150 in a year, on electricity bills, and around $1.10 per week, or $57 over the year, on gas bills. In total, Australian households will see their costs fall by around $380 next financial year, on average.

Businesses and the economy will also benefit from a lower carbon price, while still allowing Australia to transform the economy away from carbon-intensive energy and meet internationally agreed emission reduction targets. This is because under emissions trading, net carbon pollution is capped. The annual pollution cap will continue to be set in light of the advice of the independent Climate Change Authority.

An internationally-linked emission trading scheme means Australia will be part of an international solution to the global problem of climate change. Australian businesses will be able to take advantage of low cost international abatement and Australia will share the same carbon price as some of our most important trading partners.

MURRAY-DARLING BASIN PLAN

The Government is committed to a better approach to balancing the water needs of communities, farmers and the environment.

Since 2007, the Australian Government has delivered a plan to restore the Murray-Darling Basin's rivers and wetlands while supporting strong regional communities and sustainable food production.

To support the implementation of the Murray-Darling Basin Plan, the Government provided $3.5 billion in the 2013-14 Budget to improve the environmental outcomes of the Basin Plan, improve the efficiency of the Commonwealth's water holdings, and support further research and community engagement in the Basin.

The Government is also investing in a South Australian River Murray Sustainability Program, which will further South Australia's contribution to a healthy working Murray-Darling Basin through investments in water efficiency and improvements in the productivity of the South Australian River Murray irrigation industry.

Advancing our National Security interests

Since the 2009 National Security Statement, the Government has focussed on building a cohesive approach to national security, as epitomised in the 2013 National Security

Strategy. The Government has released a series of documents, including the Defence White Paper 2013, the 2011 Independent Review of the Intelligence Community and the Cyber Security Strategy (2009), and has strengthened legal frameworks and powers to ensure enforcement agencies have the appropriate tools to fight terrorism and combat organised crime.

The Government has also ensured that Defence is adequately resourced, providing more than $100 billion across the forward estimates for Defence in recent Budgets, and ensuring new capabilities such as the new Growler electronic warfare aircraft announced in the 2013-14 Budget.

While the Australian Defence Force's (ADF) mentoring role in Afghanistan will come to an end in 2013, the Government has confirmed Australia's continuing commitment to Afghanistan, with the ADF focussed on a training role at the Afghan National Army Officer Academy, and through civilian efforts on development and capacity building.

The Government has also acted to address people smuggling in our region, and to prevent further deaths on our seas. The Government is implementing the Regional Resettlement Arrangement with Papua New Guinea to remove the incentive for people to risk their lives on dangerous boat journeys to Australia.