



MEDIA RELEASE

FINAL UPDATE ON FEDERAL COALITION COMMITMENTS

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POLICY COMMITMENTS*

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The Hon Joe Hockey MP

Shadow Treasurer

The Hon Andrew Robb MP

Shadow Minister for Finance, Deregulation and Debt Reduction

Click here to read the costings table.

Click here to read the letter from the Independent Costings Review Panel.

Today we confirm our pledge: A Coalition Government will encourage economic growth and live within its means.

As a result Australians will have greater job security, reduced cost of living and a Government with less debt and an improved Budget bottom line.

The Coalition will help to achieve this by pursuing a very significant infrastructure program while making responsible savings in the Budget by cutting Labor's wasteful spending.

The Coalition's infrastructure package forms the final part of the Coalition's comprehensive economic plan to boost growth and jobs by cutting tax and budget back under control and boosting productivity.

The Coalition has already announced over \$31 billion of savings, primarily by abolishing most of the spending measures associated with Labor's Carbon Tax packages, as well as a number of other responsible savings. As previously announced these make up the great bulk of Coalition savings- as today's figures confirm.

The Coalition today announces our last tranche of Budget savings totaling \$11 billion. They build on the previously announced savings of over \$31 billion. Together with modest adjustments for interest saved on reduced debt, these bring the total savings announced by the Coalition to \$42 billion in fiscal terms.

Committed Coalition expenditure including tax cuts, pension increases and other social services expenditure on health and education total just over \$33 billion in fiscal terms.

As a result, on an underlying cash basis, the Budget impact of the Coalition will improve the Budget bottom line by \$6 billion and reduce Government borrowing.

In addition the Parliamentary Budget Office has advised that the Budget will be further improved by \$1.1 billion as a result of the abolition of the carbon tax and the resulting increase in economic growth, based on Treasury modelling of the macro economic impact of the carbon tax.

Today's announcement also confirms that the Coalition will increase spending on infrastructure to \$15 billion over the next four years.

hospitals, schools, defence and medical research – a far cry from the coming from the Prime Minister and the Labor Party that the Coalition and education.

It confirms once and for all that:

- There are no cuts to education, health, defence or medical research;
- There is no change to the GST;
- There is no “\$10 billion fraud” as alleged by Kevin Rudd;
- There is no \$70 billion black hole in the Coalition costings; and
- The Coalition will deliver a better budget bottom line than Labor.

All new spending commitments made by the Coalition have been more by savings.

Ten of the last eleven budgets brought down by the Coalition were all :

Every single one of Labor’s last eleven budgets have been deficits.

Only the Coalition will live within its means and get Australia back on t economic growth.

Election Costings Process

The Coalition’s election policy costings are the result of the most rigorous process for the costing of policies and savings ever undertaken by an (Australia.

This has involved a process of careful internal scrutiny, wide consultat stakeholders, rigorous assessment by the Parliamentary Budget Office review comprising three of the most eminent experts in public finance administration in Australia.

These three eminent Australians have confirmed that they are of the o final policy costings provided by the Coalition in the attached tables ar reasonable assumptions and calculations and, as such, represent a fai net financial impact of those policies on the Federal Budget over the p 14to2016-17, both on a cash and fiscal basis.

Today's release completes the transparent process adopted by the Coalition to inform Australians about our policies and savings measures.

The Coalition has released over 700 pages of detailed policy documents (more than twice as much as Labor – and released the great bulk of its savings measures (more than 200 pages from Labor – and released the great bulk of its savings measures) on Wednesday last week, a full 10 days before the end of the campaign. By contrast, Labor failed to fully release their costings yesterday, with many of their policies yet to be verified by anyone other than themselves.

The Coalition's policies are all fiscally responsible, fully paid for, and independently verified.

Infrastructure

A key part of the Coalition's economic strategy is a major infrastructure program involving almost \$5 billion of additional funding over the forward estimate period for key projects. Unlike Labor we have not shifted important projects well known to "never".

The Coalition will build the roads, bridges and freight rail projects despite the cost across Australia – both in our cities and in our regions.

If elected, the Coalition will start building immediately to kick-start economic growth, create jobs and ensure Australians receive the productivity benefits of infrastructure sooner rather than later.

The Coalition has committed to over \$20 billion in new or upgraded infrastructure projects. An elected Coalition Government would immediately start discussions with the Department of Treasury, State Governments and the private sector so that funding can start flowing as soon as practical.

The Coalition's positive infrastructure platform includes:

- \$6.7 billion to fix Queensland's Bruce Highway;
- \$1.5 billion to ensure the Westconnex project gets underway in Sydney;
- \$405 million for the Sydney F3 to M2 link;
- \$1.5 billion to commence construction for the East West Link in Melbourne;
- \$1 billion to support the Gateway Motorway upgrade in Brisbane.

- \$1 billion to support the Gateway Motorway upgrade in Brisbane;
- \$615 million to build the Swan Valley Bypass on the Perth to Darwin Highway;
- \$686 million to build the Perth Gateway project;
- \$500 million to support the upgrade of Adelaide's North-South Road Corridor;
- \$400 million to upgrade the Midland Highway in Tasmania; and
- \$5.6 billion to complete the duplication of the Pacific Highway from Newcastle to the Queensland border.

This infrastructure agenda will all be fully funded from a reprioritisation of budget resources and a reduction in the growth of the foreign aid Budget.

Foreign Aid

It is unsustainable to continue massive projected growth in foreign aid if the Australian economy continues at below trend growth.

Australia needs a stronger economy today so that it can be more generous in the future.

The Coalition will cut the growth in foreign aid. We will index the increase in foreign aid to the Consumer Price Index.

	Coalition Commitment to Foreign Aid (\$billion)
2012-13	3.9
2013-14	4.0
2014-15	4.0
2015-16	4.1
2016-17	4.2

Reductions in projected aid spending of \$4.5 billion will be allocated to infrastructure policy priorities, including productive infrastructure such as Melbourne's WestConnex (\$1.5 billion), Sydney's WestConnex (\$1.5 billion) and the Brisbane Gateway upgrade (\$1 billion).

The Coalition remains committed to the Millennium Development goal of reducing foreign aid to 0.5 per cent of GNI over time, but cannot commit to a date.

... strength and to the per cent of GDP over time, but cannot continue to a current state of the federal budget after six years of Labor debt and de

As well, the Coalition will re-prioritise foreign aid allocations towards N Organisations that deliver on-the-ground support for those most in ne

Additional new savings

The Coalition has additional modest new savings including a rephasing Darling Water Buyback Scheme (\$650 million) to spread four years' work over six years, and a further 0.25 per cent efficiency dividend on the pu million) through prudent limitations on Government advertising and co well as on Government travel.

An ambitious tax reduction agenda

The Coalition has already announced an ambitious tax reduction strategy for growth and encourage job creation.

The Coalition will abolish Labor's carbon tax – but we will keep the current and fortnightly pension and benefit rates so that Australians will get tax increases without the impost of the carbon tax.

We will also cut company tax to 28.5 per cent, get rid of the mining tax \$1.8 billion Fringe Benefits Tax hit on Australian car manufacturers, and thousands of working Australians.

Spending where it is needed

The Coalition will engage in measured and responsible spending initially to ease-of-living pressures, boost jobs growth, increase productivity and restore sovereignty.

We will provide more money for health, more money for education, more for agriculture, more money for disadvantaged regions, fairer indexation of superannuation, policies to increase workforce participation, and more

Summary

The Coalition's prudent economic plans will leave the Budget better off and stronger economic growth in the near term.

We have been careful and methodical in our assessment of our savings

we have been careful and methodical in our assessment of our savings responsible and prudent in our spending promises.

Unlike Labor, whose budget position has been deteriorating by \$3 billion in the May Budget, the Coalition will live within its means.

When Australians head to the polls on Saturday there need not be any doubts about how we will pay for our policies and improve the budget.

The Coalition is the only party that can be trusted to be responsible with the budget. We have done it before and we will do it again if we are elected this year.

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