

OUR PLAN FOR

MORE JOBS IN A STRONGER ECONOMY



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KEY POINTS

A safe, secure and prosperous Australia depends on a strong and growing economy. A strong economy delivers more jobs, improved living standards and better essential services such as child care, education, health and infrastructure. A strong economy ensures our defence and security agencies have the resources necessary to keep Australians safe.

When the Liberal and Nationals Government was elected in 2013, the economy was weak, unemployment was rising and the budget was in a mess. Today, the Liberal and Nationals are building a strong economy, creating jobs and repairing the budget. We have created over 1.2 million new jobs. A record number of young Australians and women are in employment. Welfare dependency is at thirty-year lows. We have brought down a surplus budget while delivering the services that the Australian people deserve, all without raising taxes. Record schools funding, record hospitals funding, more medicines on the PBS and more access to quality healthcare. Good economic management makes it possible to balance the budget while providing better services and tax relief to hard-working Australian families.

But there is more to do. The Liberal and Nationals Government will build an even stronger economy based on individual enterprise and aspiration while looking after Australians who need a helping hand. In particular, we will:

- **Create another 1.25 million jobs** over the next five years, including **250,000 new jobs for young Australians**.
- **Deliver the largest personal income tax relief in a decade**, with tax relief of up to \$1,080 for single income families earning up to \$126,000. For a dual income family that's up to \$2,160 back in families' pockets in a few weeks' time.
- **Ensure Australians have the skills they need** through a new \$525 million skills package with 80,000 new apprenticeships in addition to record education funding.
- **Establish 10 training hubs** in regional areas to create better connections between local industry and schools to improve outcomes for young Australians.
- **Expand the Youth Jobs PaTH program** to pilot 10 industry-led job pathway programs to better target the training and internship experiences for young people.
- **Expand the successful Transition to Work program** to allow young people aged 22 to 24 years to also voluntarily access pre-employment services that help prepare them for work.
- **Transform our employment services system** to help Australians who need extra support to get a job.
- **Strengthen small and medium businesses** by lowering business tax, improving access to finance, ensuring small business is paid on time by big business and government, and increasing and expanding access to the instant asset write-off.
- **Better connect people to jobs, their homes and their communities**, and allow businesses to connect to domestic and global export markets through a \$100 billion infrastructure plan.



- **Expand export opportunities** through market-opening trade deals.
- **Continue to support farmers** by giving them the tools to capitalise when times are good – and the help they need when times are tough. This includes \$6.3 billion in support for drought-affected communities and \$3.1 billion to support the rebuilding of agriculture in flood-hit regions.
- **Ensure the Government lives within its means** with disciplined fiscal management without increasing taxes.

An uncertain international economic outlook underlines the need for a sure hand in guiding the economy. A Labor Government would mean a drastic change in economic direction.

Labor has plans that would hurt investment, productivity, wages and jobs. Labor would hit the economy with \$387 billion in new taxes on workers, retirees, superannuation, housing and family business. A Shorten Labor Government would easily be the highest taxing government in the nation's history.

And when Labor runs out of money they come after yours.

Its reckless 45 per cent emissions reduction target will harm the economy, cost 336,000 jobs and reduce wage growth while simply shifting industry and emissions off-shore. Under Labor, trade deals will stall. Militant union bosses will use old-style industrial muscle to disrupt workplaces and make unsustainable demands on business that will cost jobs and our economy.

The Australian people have the choice between a Government that is delivering a stronger economy or Bill Shorten's Labor Party that would weaken the economy.

Our Record

When the Liberals and Nationals came to office, the Australian economy was heading in the wrong direction. Unemployment was at 5.7 per cent and rising. The budget position was deteriorating rapidly, with \$240 billion in deficits recorded over Labor's six years in government. Debt was growing by 33 per cent a year, creating an unsustainable burden on future generations and costing taxpayers money-for-nothing in growing debt repayments. The Carbon Tax was increasing the cost of everything. With weak growth and a deteriorating budget, Labor had abandoned essential services, failing to subsidise life-saving drugs, and denying guaranteed funding for schools and hospitals. Promises of tax cuts were repeatedly abandoned.

The Liberal and Nationals Government has restored the Budget and secured funding for the essential services that Australians rely on.

The economy is stronger. Taxes are lower. Funding for schools and hospitals has been guaranteed and life-saving medicines are again being subsidised. Australian exports are at record levels, boosted by trade deals that have provided Australian exporters with duty-free or preferential access to an extra 1.76 billion consumers in the world's fastest-growing regions. Our



farmers and rural communities are being supported. More than 1.2 million jobs have been created and the unemployment rate has fallen to 4.9 per cent. Wages growth is starting to increase and the cost of essential services like child care and energy are beginning to fall as a result of the Government's policies.

Over the last 6 years, the Australian economy has grown faster than virtually all developed economies, weathering the impact of the end of the mining investment boom and, more recently, the headwinds of the drought. We have fixed the budget mess we inherited from Labor while still cutting taxes. The Budget delivers a healthy surplus of \$7.1 billion in 2019-20, a \$55 billion turnaround from the deficit we inherited six years ago. Our fiscal discipline will ensure these surpluses exceed 1 per cent of GDP as we reach our goal of eliminating Commonwealth net debt by 2030 or sooner. This means we can end Labor's legacy of wasteful debt repayments and spend more on essential services while also keeping taxes low.

Our economic plan is also laying the platform for continued strong growth.

We are delivering lower taxes for hard-working Australians because we want Australians to earn more and keep more of what they earn. We have brought forward tax relief for small and medium businesses that employ millions of Australians. Our improved budget position enables us to invest more in the services that Australians rightly expect. Quality health care, aged care, disability support, child care and schools. Improved economic security for women. Record spending on infrastructure. Less congested roads. Inland Rail. And a new Western Sydney Airport and Melbourne Airport Rail Link – breaking deadlocks that had eluded successive governments for decades. Reforms that strengthen our federation by providing a fairer and more stable approach to the sharing of GST receipts. Additional resources for our corporate and financial regulators to ensure our businesses do the right thing.

Our Plan

The Liberal and Nationals Government will build an even stronger and more competitive economy, with lower taxes and more jobs.

An ambitious jobs and skills plan

The Liberal and Nationals Government understands the importance of more and better paying jobs to the living standards of hard-working Australians. In 2013, we set a target of creating one million new jobs over five years and exceeded it. Since September 2013, we have created more than 1.2 million new jobs. The majority of these new jobs are full-time.

More than 100,000 young Australians between the ages of 15 and 24 found jobs last financial year – the largest number in Australia's history.



According to the Australian Bureau of Statistics, unemployment has fallen to 4.9 per cent – the equal lowest level in a decade. The percentage of working age Australians on welfare is at its lowest level for a generation. Australians are participating in the jobs market at record levels, including record levels of female participation. Not only are there more women in work than ever before, the gender pay gap is at its lowest level on record at 14.2 per cent and well below the 17.2 per cent gap when Labor left office.

We know that work offers opportunity. We are committed to job creation. That is why a re-elected Liberal and Nationals Government will create another 1.25 million jobs over the next five years. We will do this by building a stronger economy and supporting businesses to start and to grow.

The Liberal and Nationals Government is determined to build on its strong record and get more young Australians into work. That is why we pledge that a re-elected Liberal and Nationals Government will deliver 250,000 new young Australians employment over the next five years. One in five of our new jobs will be for young Australians.

To ensure Australians have the skills they need to drive a growing economy, the Liberal and Nationals Government will invest \$525 million over five years in the vocational education and training (VET) sector to better equip Australians with the skills they need for today and tomorrow. The package of measures will include 80,000 new apprenticeships in industries with skills shortages and a doubling of incentive payments to employers (to \$8000). The new apprentices - including bakers, bricklayers, plasterers, hairdressers, plumbers and carpenters - will also receive a \$2000 incentive payment.

The Liberal and Nationals Government will establish 10 industry Training Hubs to address the challenge of high youth unemployment in regional areas. The Hubs will create better connections between local industry and schools to improve outcomes for students, employers and the VET sector. They will be an on-the-ground presence where new approaches are needed to help students transition from school to training and work.

The Hubs will facilitate additional education for trainers as well as career advice and mentoring for young people with a specific focus on traditional in-demand trades. A career facilitator will form partnerships between industries in sectors of local skills shortages and those providing advice and education to students. This initiative will support Year 11 and 12 students at 10 pilot sites across Australia.



| State | Location | Youth Unemployment Rate |
|-----------|---------------|-------------------------|
| NSW | Grafton | 24.3% |
| | Gosford | 13.2% |
| NT | Alice Springs | 12.1% |
| QLD | Maryborough | 19.8% |
| | Townsville | 17.7% |
| SA | Port Pirie | 17.6% |
| TAS | Burnie | 15.8% |
| VIC | Shepparton | 16.7% |
| WA | Wanneroo | 16.4% |
| | Armadale | 15.4% |
| Australia | | 11.5% |

The 10 regions selected for the Training Hubs will also be eligible for the Commonwealth Scholarships Program for Young Australians. This Program will support young Australians to enter the VET sector and gain the skills they need for a successful and rewarding career. Successful candidates will be eligible for up to \$17,500 in funding, varying based on scholarship length and type of study or training, for a maximum period of three years.

Priority will be given to eligible applicants in the following cohorts:

- individuals who have exited from the Australian Defence Force (ADF) in the previous 2 years (the age criteria will not be applicable for ADF applicants)
- Indigenous young Australians
- young Australians with a disability, and
- young Australians from culturally and linguistically diverse backgrounds.

In addition to the broader Skills Package, a re-elected Liberal and Nationals Government will also build on the success of our employment programs for young people. By providing access to training, internships and wage subsidies, our targeted Youth Jobs PaTH Program has already helped over 43,000 young Australians into a job. The Liberal and Nationals Government will expand this program to pilot 10 industry-led job pathway programs to build collaboration between employers and jobseekers and enhance the opportunities for young people in growth industries. The new programs will commence on 1 January 2020, cost between \$50,000 and \$2 million each, and be run by group training organisations or employer bodies.

The Liberal and Nationals Government will also expand access to the successful Transition to Work employment service to young people aged 22 to 24 years. Until now, the program has been targeted at 15 to 21 year olds, helping over 32,000 young people into a job or training activity. The expansion of access will assist an extra 2,000 young people annually.



To provide unemployed Australians with the help they need to get back into the workforce as quickly as possible, the Liberal and Nationals Government is embarking on the biggest overhaul of the employment services system in a generation. From 1 July 2020, we will pilot a new system which provides more intensive and targeted support to those who most need help; gives greater flexibility to those who are capable of getting their own job; and which works better for business by giving them access to the workers they need, when they need them.

Our reforms will ensure that even more Australians can benefit from our strong economy and experience the dignity and choice that employment brings.

The Liberal and Nationals Government is ensuring the VET training system is flexible and responsive to critical skills shortages as they emerge. For example, the Liberal and Nationals Government will increase the lifetime loan limit available to aviation students studying at a VET Student Loans (VSL) approved provider to \$150,000, up from \$104,440. This change, which comes into force in January 2020, addresses concerns from industry that the existing combined lifetime loan limit doesn't adequately cover the cost of training for the licences and ratings issued by the Civil Aviation Safety Authority. This change has also been extended to those who study at higher education providers.

Boosting regional employment

The Liberal and Nationals Government knows that for a strong Australia we need strong regions. And strong regions need strong employment. Under the Coalition, regional unemployment has fallen from 6 per cent to 5.5 per cent.

The Liberal and Nationals Government is determined to ensure that young Australians in rural and regional areas have the opportunity to secure an apprenticeship while ensuring regional small businesses have the skills they need. That's why we introduced a new trial wage subsidy program to support eligible new Australian apprentices located in regional areas facing skills shortages to take up opportunities in areas such as plumbing, mechanical, electrical, painting trades and hairdressing. Under the subsidy, eligible employers will be able to receive payments based on the apprentice's relevant award wage rates. Subsidies are provided at 75 per cent of the apprentice's award wage in the first year, followed with 50 per cent in the second year and 25 per cent in the third year. The \$60 million program commenced on 1 January 2019.

We are also investing in innovative local solutions to employment challenges. Our \$18.4 million Regional Employment Trials program enables local stakeholders to develop regional approaches to assist unemployed people in 10 disadvantaged regions where there are limited job opportunities.

Our Stronger Transitions package provides a targeted package of intensive assistance to retrenched workers to find new jobs and take advantage of labour market opportunities across



Australia. Through partnerships with employers, the plan offers skills and training, employment support, labour mobility and access to small business opportunities.

We will also continue to support Australian farmers with tools to capitalise when times are good – and the help they need when times are tough. This includes the Future Drought Fund and the Drought Communities Program to help farmers and local communities that rely on them, prepare for and respond to drought. The Liberal and Nationals Government will also continue to support farmers, families and communities with extra support to help rebuild agriculture in flood-hit zones, particularly via the North Queensland Livestock Industry Recovery Agency.

Lower taxes

The Liberal and Nationals Government wants Australians to earn more and to keep more of what they earn. Lower taxes are a critical part of our plan to deliver a strong economy and record job creation.

In 2018, the Coalition's three-part plan delivered \$144 billion in personal income tax cuts. The legislated package had three elements. To provide immediate relief to address cost of living pressures, protect income earners from bracket creep and to simplify and incentivise the tax system by abolishing an entire tax bracket.

A re-elected Liberal and Nationals Government will provide an additional \$158 billion in tax relief for hard-working Australians. It represents the largest personal income tax cuts since the Howard Government. The changes will more than double the low- and middle- income tax offset from 2018-19. Taxpayers earning up to \$126,000 a year – including teachers, tradies and nurses – will receive a tax cut this year. For a single income family, this will mean tax relief of \$1,080 each year and up to \$2,160 for families on a dual income.

More than 10 million taxpayers will benefit, with 4.5 million receiving the full amount. And the relief will flow quickly and be available to Australians after tax returns for the 2018-19 year are submitted in July. This tax relief will lift household incomes, ease cost of living pressures and boost spending at local businesses.

More than 10 million taxpayers will benefit, with 4.5 million receiving the full amount. And the relief will flow quickly and be available to Australians after tax returns for the 2018-19 year are submitted in July. This tax relief will lift household incomes, ease cost of living pressures and boost spending at local businesses.

A re-elected Liberal and Nationals Government will also deliver long-term structural reform by lowering the 32.5 per cent tax rate to 30 per cent from 1 July 2024. This will cover all taxpayers earning between \$45,000 and \$200,000 and mean that 94 per cent of taxpayers will pay no more than 30 cents in the dollar.



Unlike Labor, a re-elected Liberal and Nationals Government will place a speed limit on taxes, and ensure that tax as a share of GDP does not rise above the 23.9 per cent cap.

Taxes will always be lower under the Liberal and Nationals Government.

Backing small and family business

The Liberal and Nationals Government believes that small and family businesses are the beating heart of Australia's economy. When small businesses are healthy, all Australians are better off. It means more jobs, more choice, better living standards and more vibrant and connected communities. The Liberal and Nationals Government wants small businesses to prosper. We want them to employ even more Australians.

The Liberal and Nationals Government is pursuing a number of measures to strengthen small and medium businesses and the national economy.

The Liberal and Nationals Government will continue to deliver tax relief to small and family businesses. The company tax rate for small and medium-sized companies with a turnover of less than \$50 million has been lowered to 27.5 per cent. This rate will be lowered further to 25 per cent by 2021-22 as the Government accelerates its plan to deliver lower tax rates. Similar timing applies to the increases in the unincorporated small business tax discount rate, which will increase to 16 per cent by 2021-22 (up to the cap of \$1,000).

The instant asset write-off threshold has been increased from \$25,000 to \$30,000 and expanded to include medium-sized businesses with annual turnover of less than \$50 million. The initiative will benefit around 3.4 million businesses employing around 7.7 million workers.

The Liberal and Nationals Government will make it easier for aspiring and existing small businesses to secure finance to start or expand their business. The \$2 billion Australian Business Securitisation Fund will increase access to more competitive finance following analysis that small to medium enterprises did not have access to the finance they need to start or grow their businesses. The new pool of capital will help address this gap, as smaller banks and non-bank lenders will have access to more capital specifically for the sector.

The Liberal and Nationals Government will also ensure small business is paid on time, both by government and big business.

Affordable and reliable energy

The Liberal and Nationals Government's Energy Plan will deliver affordable, reliable and sustainable energy for Australian households and businesses.



The Liberal and Nationals Government has given the green light to the Snowy 2.0 project by committing to a \$1.4 billion equity injection. The project will firm up intermittent renewable energy by bringing 2000 megawatts (MW) of new renewable pumped hydro capacity into the system that will provide up to 175 hours of storage which can meet the peak demand of up to 500,000 homes.

The Liberal and Nationals Government has joined with the Tasmanian Government to accelerate the Battery of the Nation and Marinus Link projects by providing \$56 million for the Marinus Link interconnector – a second electricity transmission connection between Tasmania and Victoria. To ensure a sufficient supply of reliable energy, the Liberal and Nationals Government is delivering a program to underwrite investment in new reliable generation. This will support increased competition in the National Electricity Market and help reduce wholesale electricity prices. The Liberal and Nationals Government has agreed to a shortlist of 12 projects representing a combined capacity of 3,818 MW equivalent to around 7 per cent of the National Electricity Market.

To reduce electricity costs for households, a re-elected Liberal and Nationals Government will stop price gouging by energy companies.

This includes banning sneaky late payment penalties, making energy retailers pass on savings in wholesale prices and stopping anti-competitive behaviour. A price safety net will stop big power companies ripping off loyal customers.

The Liberal and Nationals Government will also provide relief for electricity consumers through a one-off, income tax exempt payment of \$75 for singles and \$125 for couples to around 5 million eligible social security payment recipients, assisting with their next power bill and cost of living expenses.

Building modern and productive transport infrastructure

The Liberal and Nationals Government has a \$100 billion, 10 year infrastructure plan to better connect people to jobs, their homes and their communities, and allow businesses to connect to domestic and global export markets. Since 2013, the Coalition has made commitments to more than 770 major projects, as well as thousands of smaller upgrades across every local government area and region in Australia. Over 270 major projects have already been completed, with over 160 under construction, providing over 50,000 direct and indirect jobs.

Investing in infrastructure projects that support the productive capacity of the economy supports growth and supports the Budget. The Coalition's reforms to project selection, including assessment by Infrastructure Australia for projects receiving over \$100 million, will ensure benefits flow across the economy.



The Liberal and Nationals Government has developed a rolling 10-year infrastructure pipeline, locking in funding over the medium-term to give greater certainty for state and territory governments to plan for new projects and for industry to invest in business and workforce capacity. The Liberal and Nationals Government will work with state and territory governments - who are responsible for procurement on their road and rail networks - to ensure tendering processes encourage competition. This will ensure taxpayers get value for money, while also building the diversity and capability of the Australian construction sector.

Creating more export opportunities through better infrastructure

Quality infrastructure is essential for the nation's productive capacity and to better connect us to international markets. The Liberal and Nationals Government will continue to invest in the transformation of Australia's transport corridors to open new markets to Australian businesses and make it easier to move goods from our primary producers and industries to domestic and overseas markets.

As part of the Coalition's \$100 billion 10-year infrastructure plan, significant investments are being made in rail, road and intermodal facilities, such as the Gladstone Port Access Road (\$100m), the Shepparton Bypass on the Goulburn Valley Highway (\$208m) and Tranche 3 of the Tasmanian Freight Rail Revitalisation Program (\$68m). The signature Roads of Strategic Importance initiative has been increased to \$4.5 billion to ensure our key freight roads efficiently connect agricultural and mining regions to ports, airports and other transport hubs, and manufacturers can connect to their market.

The Coalition will continue to deliver the \$9.3 billion Inland Rail from Brisbane to Melbourne, a once-in-a-generation infrastructure project connecting regional Australia to national and international markets.

This project – already under construction – will deliver economic and social benefits across the country.

The nature of the freight task is evolving and freight volumes remain on track to double in the 20 years to 2030.

A co-ordinated national approach will drive action in investment, planning and data and technology. To help position Australia to meet this challenge, the Coalition will finalise a National Freight and Supply Chain Strategy with all tiers of government.

Creating more export opportunities through trade deals

In just six years the Liberal National Government has embedded Australia into the major economic engines of our region. The Government has concluded export agreements with China,



Japan, Korea, the 10 economies of the Trans-Pacific Partnership (TPP-11)¹, the 10 countries of the Pacific Agreement on Closer Economic Relations (PACER Plus)², as well as Indonesia, Peru and Hong Kong. Australian exporters now have duty-free or preferential access to 2.8 billion consumers around the world, up more than 1.75 billion since the Coalition came to office. Australia's free trade partners account for more than 55 per cent of global GDP, or over \$44 trillion.

Our trade deals have created substantial new opportunities for Australian exporters, including our farmers, manufacturers, miners and service providers. For example, the value of exports of fresh or chilled Australian beef to Japan has increased by 42 per cent to \$1.2 billion since the Japan-Australia free trade agreement came into force. The value of Australian exports of fresh grapes to China has increased more than 9 times to \$150 million since the China-Australia Free Trade Agreement came into force. And there's more to come. The Liberal and Nationals Government's export agreement with Indonesia, once in force, will provide a major boost for Australian farmers. Under the agreement, producers of grains, live cattle and meat, dairy and horticulture, and many other products will benefit from lower tariffs and improved access to Indonesian markets. Australian grain growers will be able to export feed grains into Indonesia tariff free, building on our substantial milling wheat exports.

A re-elected Liberal and Nationals Government will prioritise the conclusion of a free trade agreement with the European Union, the implementation of the India Economic Strategy and the expansion of the Trans Pacific Partnership. Other market-opening opportunities include a free trade deal with the United Kingdom as soon as they are ready to do so as well as a trade agreement with the 4 nation Pacific Alliance.

The Liberal and Nationals Government will also help more Australian businesses to take on the world. The 2019-20 Budget provided an additional \$60 million for Export Market Development Grants to allow small and medium businesses to capitalise on these opportunities.

Ensuring the Government lives within its means

The Liberal and Nationals Government has restored our nation's finances. This turnaround has been achieved by building a strong economy and applying careful fiscal discipline. Real spending growth is at its lowest level of any government for half a century.

Australia's budget is back in the black with a surplus of \$7.1 billion in 2019-20. Over the next four years, the budget will deliver \$45 billion in surpluses, growing to more than 1 per cent of GDP from 2026-27.

We will reach our goal of eliminating Commonwealth net debt by 2030 or sooner. This is a critical achievement as the interest bill on Labor's legacy of debt in just one year was \$18 billion – enough to build 500 schools or a world-class hospital in every state and territory.



The Choice

There is a lot at stake at this election. And there is a clear choice. A choice between a Government that is delivering a strong economy or a Labor Party that would weaken our economy. A choice between a Government that is fixing the budget or a Labor Party that can't manage money. A choice between a Government that is making life easier for families by lowering taxes or a Labor Party that will put more strain on households by imposing \$387 billion in new taxes on workers, retirees, families and small business.

A choice between a Government that can afford to pay for better infrastructure and services or a Labor Party that would max out Australia's credit card. A choice between a Government that has secured our borders and is keeping Australians safe or a Labor Party that has learned nothing from its border security failures.

An uncertain international economic outlook underlines the need for a sure hand in guiding the economy. A Labor Government would mean a drastic change in economic direction.

A Shorten Labor Government would easily be the highest taxing government in the nation's history. And when Labor runs out of money they come after yours.

An economic leap in the dark

A Shorten Labor Government will be very different from a re-elected Liberal and Nationals Government. Under Labor, personal and business taxes will be higher not lower. Labor's track record tells you there will be budget deficits instead of surpluses. A reckless emissions reduction target instead of a responsible one. Policy based on envy rather than aspiration. Union muscle rather than the rule of law. Mr Shorten will take Australia in a very different direction. It will be an economic leap in the dark.

Labor's plan means fewer jobs

In the last 6 years, the Liberal National Government created more than 1.2 million jobs. In the next 5 years, a re-elected Liberal and Nationals Government will create another 1.25 million jobs. It's a credible promise because the Liberal Nationals have a proven record in job creation.

The opposite is true of Labor. When the last Labor Government was elected in 2007, the jobless rate was 4.4 per cent. When Labor left office 6 years later, the jobless rate was 5.7 per cent and rising. And there were 54,700 fewer young people with jobs. That's a record of job destruction not creation.

Labor's key policy proposals will not create new jobs. Labor's plan for \$387 billion in new taxes will strangle economic growth. That means fewer jobs not more. Labor's reckless 45 per cent



emissions reduction plan will kill 336,000 jobs by 2030, according to independent peer-reviewed modelling. Labor's plan to give militant unions the power to control workplaces will destroy jobs, especially for young Australians.

Labor will blow the budget

Since 1989-90, Labor Governments have delivered 12 budgets, but not a single surplus. Like the Rudd/Gillard/Rudd Governments, a Shorten Labor Government will never deliver a surplus budget. It is a habit Labor cannot break.

Labor regularly and cynically leaves massive deficits for incoming Coalition Governments to fix. In 1996, the incoming Howard Government inherited an underlying cash deficit (in today's dollars) of \$26 billion or 1.5 per cent of GDP¹. The Howard Government returned the Budget to surplus. In 2013-14, Labor left the Coalition Government an underlying cash deficit of \$48.5 billion or 3 per cent of GDP. Like the Howard Government a decade ago, the Coalition has again repaired Labor's budget mess and this year returns the Budget to surplus.

If given the chance, Labor will squander the surplus again, even with tens of billions in new taxes, as they did before. We must not reward Labor's cynicism. We cannot repeat this cycle again. We must not give up all the gains we have made.

Labor's tax assault will weaken essential services

Labor's \$387 billion of higher taxes over the next decade will reduce the capacity of the economy to fund essential services like health, education, infrastructure and national security. This is equivalent to an extra yearly household tax bill of \$5,400 within a decade.

A potential Labor Government would be the highest taxing Australian government on record. This would be a dangerous experiment on a scale that has never been conducted before.

When taxes rise, economic growth slows. When growth slows, government revenue falls. When government revenue falls, budgets slide deeper into deficit. It becomes harder to provide high quality essential services including health, education, infrastructure and national security. Business and consumer confidence fall. Growth slows further. Deficits deepen. The cost of servicing the debt grows. The economic downward spiral accelerates.

A Shorten Government will bow to the iron fist of militant union bosses

The Labor Party has never been more deferential to militant union demands.

¹ See Hon. Peter Costello AC, 'To the Brink 1997-2001: Black Holes to Surplus Budgets,' *Address to University of NSW*, Canberra 15 November, 2017.



Labor would put militant union bosses back in charge. They have promised a return to lawlessness in the construction industry by abolishing the Australian Building and Construction

Commission. Last time they abolished the construction industry watchdog, days lost to industrial action in the industry increased by 660 per cent.

They would allow a return to corruption by dodgy trade union bosses by abolishing our anti-corruption agency for unions and employer associations, the Registered Organisations Commission. They would threaten the livelihoods of 35,000 owner truck drivers by promising a return of the union-friendly trucking tribunal that threatened to put them out of business. And they are a risk to the CFA volunteer firefighters that we protected from a hostile union takeover despite constant opposition from Labor.

Labor would also completely change the rules of industrial relations.

Labor has already promised to impose industry-wide strikes, allow politicians to interfere with pay decisions, tear up enterprise bargaining, give union bosses the upper hand in negotiations, give unions the power to pilfer workers' entitlements held in accounts they control, reverse reforms that make coastal shipping more competitive, exempt union-run industry super funds from tax hikes, impose a union veto on trade agreements and restrict backpacker work visas that help our farming sector. This alone will hurt jobs and the economy. And who knows what other changes former union leader Bill Shorten would make to keep militant union bosses happy.

Labor's reckless emissions reductions will flatten the economy, jobs and wages

Labor's reckless 45 per cent emissions reduction target will damage virtually every sector of the Australian economy.

Labor also wants to increase the cost of family SUVs and tradies utes by \$5,000 and restrict choice of vehicles with its new car tax.

Economic modelling by respected economist Dr Brian Fisher has found Labor's 45 per cent target will slash economic growth, jobs and wage growth. Over the decade to 2030, there will be a \$472 billion hit to the Australian economy, 336,000 jobs will be lost and average yearly full-time wages will shrink by nearly \$9000 by 2030. All sectors, except iron ore, will shrink. Electricity prices will nearly double under Labor's target.



The Choice

| Issue | Labor | Coalition |
|---|---|---|
| Unemployment | <i>5.7 per cent</i> in September 2013. | <i>4.9 per cent</i> in February 2019. |
| Economic growth | <i>2.1 per cent</i> when Labor left office. | The economy is forecast to grow by <i>2.75 per cent in 2019-20</i> . |
| Trade: our ability to compete in global markets | In 2012-13 Australia had a trade <i>deficit</i> of \$19.9 billion. | In 2018 Australia enjoyed a trade <i>surplus</i> of over \$22 billion. |
| Budget | Labor's last budget delivered final outcome of a <i>\$48.5 billion deficit</i> . | Return to a <i>surplus of \$7.1 billion</i> in 2019-20 and cumulative <i>surpluses</i> of \$45 billion over forward estimates. |
| Rate of spending growth | Annual real spending growth under Labor was <i>4 per cent</i> . | Annual real spending growth under the Coalition remains <i>below 2 per cent</i> – the lowest of any government in the last 50 years. |
| Bulk billing rates | <i>82.2 per cent</i> under Labor (2012-13). | <i>86.1 per cent</i> under Coalition (2017-18). |
| Hospital funding | Public hospital funding in Labor's last budget (2012-13) was <i>\$13.3 billion</i> . | Public hospital funding in 2019-20 is <i>\$22.5 billion</i> , and forecast to increase to \$29.1 billion annually by 2024-25. |
| Education funding | Schools left unfunded and students not funded on the basis of need. Labor's 27 special deals meant a student in the same circumstances in one state would receive less support than a student in exactly the same circumstances in a different state. | Record funding guaranteed and provided on the basis of student need. Since we were elected, school funding has increased by more than 50 per cent overall and more than 60 per cent for public schools. We have guaranteed a further \$310 billion in future funding – a 62 per cent increase in funding per student. |
| Defence spending as a share of GDP | Under Labor, defence spending fell to <i>1.56% of GDP</i> – the lowest level since 1938. | The Coalition is restoring Defence funding to <i>2 per cent of GDP</i> by 2020-21. |



Cost

The Coalition's Plan for a Stronger Economy and More Jobs will not place additional costs on the Budget.

