

The Plan

Our CHALLENGE:

In 2009 Australians are facing a vastly different global economic environment to the one they knew even just a year ago. The world is currently caught in the worst economic crisis since the Second World War, a crisis that has delivered recessions in the United States, the United Kingdom, Japan and the Eurozone. The International Monetary Fund (IMF) is forecasting advanced economies to contract by 3 per cent collectively in 2009. Growth has slowed dramatically in key emerging economies. All these factors have caused a rapid unwinding of the mining boom in Australia, with major consequences for Australian revenues, growth and jobs. The global recession has pushed the Budget into deficit, even before policy action is taken. Even after the revenue lost and economic stimulus measures, the Australian Government budget still remains amongst the strongest in the world. The global recession has naturally begun to impact on our everyday lives. In households across Australia, decisions are being made around the kitchen table about how to make the family budget go further. Decisive action is required now to meet the challenges of strengthening the Australian economy, protecting Australian families and supporting jobs.

Our SOLUTION:

A temporary deficit is the only responsible course of action to support jobs and economic growth. To this end, the Government is delivering a \$42 billion Nation Building — Economic Stimulus Plan to support jobs and invest in future long term economic growth. The IMF has endorsed this approach to help kick start the Australian economy, advising that the budget has to go into deficit in these circumstances. The initiatives in the Nation Building — Economic Stimulus Plan will provide a boost to economic growth of around ½ per cent of GDP in 2008-09 and around ¾ per cent to 1 per cent of GDP in 2009-10.

Our ACTIONS:

In stimulating the economy the Australian Government is looking to fund projects which will have lasting benefits for communities across the nation. And which will also boost local infrastructure and support jobs.

In getting on with the job, the Australian Government is funding:

- A new 21st century school library, multipurpose hall, or classroom modernisation for each primary school in Australia.
- New science labs or language centres for 500 secondary schools.
- Grants of up to \$200,000 for individual school communities to fund much-needed maintenance.
- Ceiling insulation for around 2.7 million Australian homes.
- Increased rebates for solar and heat pump hot water systems.
- 20,000 new social housing dwellings.
- 802 new houses for the Australian Defence Force.
- Urgent maintenance to upgrade around 2,500 vacant social houses.
- An additional 30 per cent tax deduction for small and general businesses buying eligible assets.
- 350 additional projects in the Black Spot Program
- Installation of around 200 new boom gates at high risk rail crossings.
- \$650 million funding boost for local community infrastructure and maintenance on Australia's national highways.
- One off cash payments to eligible families, single workers, students, drought affected farmers and others.
- If you earned less than \$100,000 in the 2007-08 financial year and paid tax you could be eligible for a tax bonus payment of up to \$900.