

### **FISCAL OUTLOOK**

- The 2002-03 Budget provides for an underlying cash surplus of \$2.1 billion and lays the foundations for surpluses right across the forward estimates.
- By the end of 2002-03, the Coalition Government will have reduced Labor's debt by \$61 billion.

### **ECONOMIC OUTLOOK**

- Australia outperformed most developed economies in 2001-02.
- Growth in 2002-03 should remain strong at 3¾%.
- Inflation will remain in the target band at 2¾%.
- Unemployment should fall to 6% by mid-2003.
- Business investment is expected to be strong in 2002-03.

### **DEFENCE**

- Including funding under the Defence White Paper, defence spending in 2002-03 will be over \$1.3 billion higher than in 2000-01, bringing total spending to \$14.1 billion.
- Increased funding will support the War Against Terrorism, maintain the integrity of our borders and further improve longer-term Defence Force capabilities.

### **BORDER PROTECTION**

- This Budget strengthens border protection by funding activities to deter unauthorised boat arrivals.

### **UPGRADING DOMESTIC SECURITY**

- The Government will provide \$1.3 billion over five years to upgrade domestic security. Additional funding will improve aviation security, assist in identifying possible security threats and increase Australia's capacity to respond to security incidents.

### **PLANNING FOR THE FUTURE**

- The Intergenerational Report shows governments could face significant spending pressures over the next 40 years.
- Health costs will drive most spending pressure.
- This Budget addresses key areas of recent spending growth.

## **ELECTION COMMITMENTS**

- The Budget delivers on the Government's election commitments including the Baby Bonus, superannuation, health and aged care.

## **BABY BONUS**

- The new Baby Bonus of up to \$2,500 per annum for up to five years will be available to parents of children born on or after 1 July 2001.

## **SUPERANNUATION**

- Qualifying low-income earners will receive up to \$1,000 per annum in superannuation co-contributions.
- The self-employed will be able to claim a 100% tax deduction for superannuation contributions up to \$5,000.
- The maximum superannuation surcharge rate will fall from 15% to 10½% by 2004-05.

## **HEALTH**

- More doctors to work in outer-metropolitan areas.
- The Government will provide \$73 million over four years to build new radiation oncology facilities outside capital cities and fund their operation.

## **AGED CARE**

- Extra funding of \$654 million over the next four years will go to providing better care for older Australians.

## **MORE BENEFITS FOR VETERANS**

- An extra \$93 million over four years to extend veteran access to the Gold Card for health care.
- \$85 million over four years to better compensate war widows.

## **ROADS**

- \$318 million has been provided to fund better roads.

## **MAINTAINING ACCESS TO PHARMACEUTICALS**

- Changes will be introduced to reduce the overall cost of the Pharmaceutical Benefits Scheme so Australians can continue to have affordable access to necessary medicines.

## **NEXT STEPS IN WELFARE REFORM**

- Welfare Reform – Next Steps provides for better targeted assistance for job seekers through the Job Network and greater support and requirements for people claiming or receiving a better targeted Disability Support Pension.