



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

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MEDIA RELEASE

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Budget 2006 – Good for families, superannuants & roads No joy for petrol prices or renewable energy sources

Independent Member for New England, Tony Windsor has described the 2006-07 Budget as economically responsible delivering a surplus with government debt eliminated.

“The winners appear to be families, road funding, mental health and superannuants while little has been done to alleviate the rising price of petrol and encourage renewable energy sources.

Family tax benefit payments and tax cuts will also provide families with some assistance to keep up with higher fuel prices and increased costs of living as a result.

The lowering of tax rates and increasing thresholds will address bracket creep and give people more money in their pockets, however the jury is still out on the impact this will have on inflation and interest rates.

Low income earners will not pay tax until their annual income exceeds \$10,000 because of an increase in the low income tax offset to \$600. But this measure stops short of raising the tax free threshold for all taxpayers. The 15% tax threshold has increased to \$25,000 up from \$21,600 and the 30% tax threshold up to \$75,000 up from \$63,000, the 40% threshold increases to \$150,000 and 45% thereafter.

Another point of interest is that Telstra may not be sold yet,” Mr Windsor said.

The following are some comments on specific points in the budget.

Roads to Recovery boost welcome but GST on petrol up for country motorists

The addition of another \$307 million to this year’s Roads to Recovery Program is a welcome outcome for Local Government to boost their local road upgrades.

However it is country motorists who will be paying for this increase through the loss of the Fuel Sales Grant Scheme thereby increasing the amount paid by country motorists as a direct result of the GST – something the Prime Minister, the Nationals and the National Farmers Federation all said should not happen.

As of June 30, country motorists will have to pay an extra 1-3c per litre as a direct result of the GST or some \$270m per year. This Scheme was introduced to smooth over the introduction of GST’s impact on fuel prices and was an annual subsidy. The increase in the Roads to Recovery is a once only extra payment just for this year.

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No cuts in petrol excise and alternative energy commitment lacking

The Government has not moved to address the issue of skyrocketing petrol prices. We should never underestimate the far reaching effect of high petrol prices on our economy and lives particularly in country Australia.

Country Australians can't just jump on public transport to get to work or for other activities if they can't afford to run a car.

Country Australians are beholding to having to run a car and our rural industries are dependent on using fuel to run their machinery and get their produce to market both domestic and export markets.

There doesn't appear to be much attention paid to encouraging the development of Australia's alternative energy resources and in light of our growing dependence on overseas oil, this oversight should not go unaddressed.

No decision on Telstra sale yet

The Government's handling of the sale of Telstra is very non-committal in terms of timing and value saying only that "... the Government has not made final decisions in relation to the sale, including the structure of the sale, the nature of the securities to be sold, or the quantity of shares to be sold. The structure that is ultimately adopted may vary depending on market circumstances and expert advice at the time."

Murray Darling Basin gets \$500m but water compensation still to be taxed

Mr Windsor is pleased to see money provided for addressing some of the issues relating to the Murray Darling Basin, however he is disappointed that despite visits to the country by the Prime Minister's water man, Malcolm Turnbull there is no sign of a turnaround in the attitude to the taxing of compensation paid to groundwater users for their loss of water entitlements for the environmental good.

New England Highway

The Budget has confirmed previous commitments of over \$300m in funding commitments to the New England Highway given as part of the Auslink Program which include:

- the Sunnyside upgrade north of Armidale including the intersection of Sunnyside Road and the New England Highway
- Halcombe Hill upgrade and realignment
- Weakleys Drive Intersection
- F3 Freeway – New England Highway link road

Melbourne – Brisbane and Sydney- Brisbane Rail Corridors

The current studies with regard to the rail corridors into and through the region will be finalised in the next few months with a view to being implemented as part of the continuation of the Auslink Program into the future with \$270m allocated to rail infrastructure upgrades that will benefit the north of the state.

Rural Financial Counsellors boosted

A well deserved funding boost to the Rural Financial Counselling Service was also announced in the Budget. These people have worked very hard to provide a much needed service to drought-stricken farmers the value of which can never be underestimated both in financial and social benefit.