

# Working Families Support Package



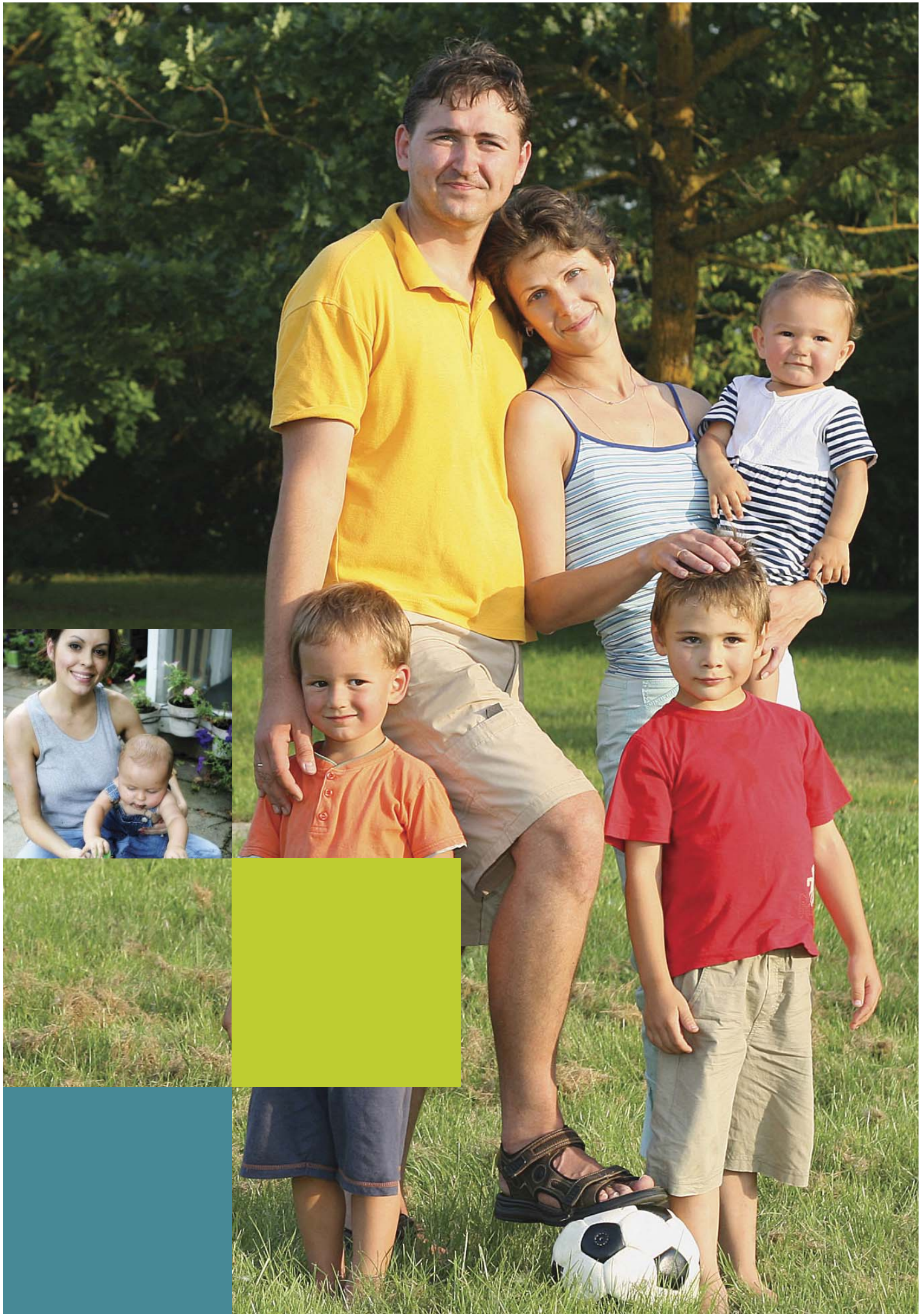
May 2008





# CONTENTS

Delivering for working families	1
Rising costs of living	2
Working Families Support Package	4
Delivering tax cuts for working families	7
Providing incentives to work	9
Supporting parents with child care	10
Helping with education costs	12
Rising mortgage and rental costs	14
Helping first home buyers	15
Assisting renters	16
Boosting housing supply	17
Better public health services	18
A fairer Medicare levy surcharge	19
Taking action at the bowser	20
Keeping track of petrol prices	21
Taking action at the checkout counter	22
Supporting seniors	23
Recognising and rewarding carers	24
Detailed family outcomes	26
Endnotes	32



Working families have done the heavy lifting that has helped make Australia the prosperous nation it is today. But rising cost-of-living pressures mean many families are now doing it tough. The Government understands this and is taking action by delivering a \$55 billion Working Families Support Package.

# Delivering for working families



The Government's \$55 billion Working Families Support Package will target those Australians who have been working hard to build a future for their families but are now finding it harder and harder to balance the family budget.

In this Budget, the Rudd Government delivers for these families by:

1. Providing **\$46.7 billion** of tax relief over the next four years aimed at working families.
2. Introducing an Education Tax Refund to help parents with the costs of educating their kids — at a cost of around **\$4.4 billion**.
3. Increasing the Child Care Tax Rebate from 30 to 50 per cent and paying it quarterly — at a cost of **\$1.6 billion**.
4. Acting on the housing affordability crisis with a **\$2.2 billion** package covering First Home Saver Accounts, a National Rental Affordability Scheme and a new Housing Affordability Fund.
5. Providing a Teen Dental Plan at a cost of **\$491 million**.
6. A fairer Medicare levy surcharge threshold for individuals and families.
7. Implementing the first ever National FuelWatch Scheme.



This is a Budget that delivers for the working families of our nation.

It is the hard work of Australians that has made the country what it is today, and they will be rewarded for it.



## Australian families are working hard ...

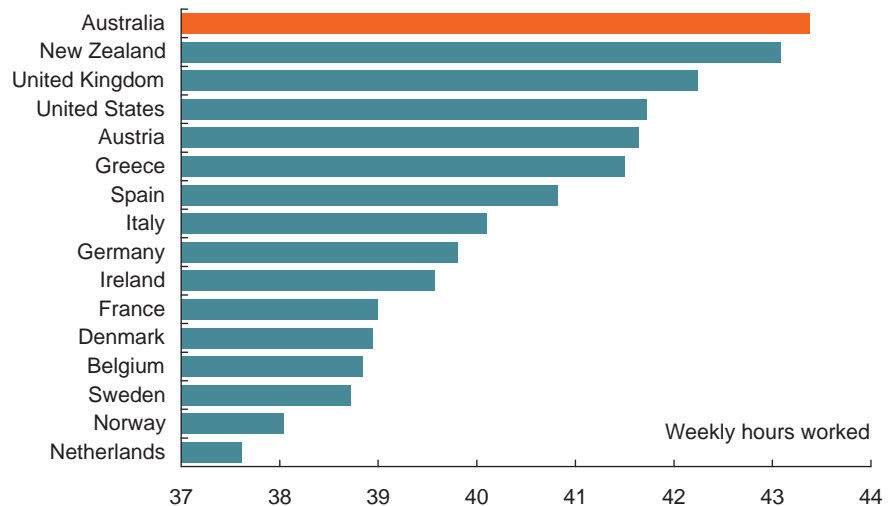
Australian employees now work the longest full-time hours among OECD countries.

Around a quarter of parents in full-time employment with children (aged under 15) are working an average of 50 hours or more per week.

The number of working mothers has also increased dramatically, with more parents combining child caring duties with employment. In 2007, around 60 per cent of families with children aged under 15 had both parents in employment.

The proportion of single parents who are employed has also risen.

Average full-time weekly hours worked by employees in their main job (OECD, 2006)



Australians now work the longest full-time hours in the OECD.

The price of essential items has gone up, putting a strain on already tight family budgets.

## ... but facing rising cost pressures



The price of everyday items such as groceries, rent and petrol have all increased by more than 10 per cent over the past two years. The Government is determined to ensure that families are not paying more than necessary and is taking steps to achieve this.

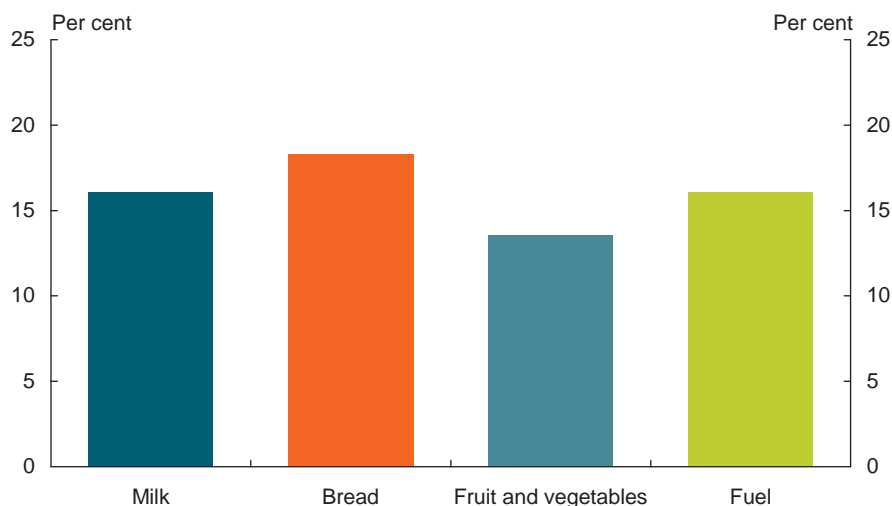
Food prices are 11 per cent higher than two years ago, with costs for some basic products growing even faster.

Since the start of 2006 average fruit and vegetable prices are up by 14 per cent, bread prices have increased 18 per cent while milk is 16 per cent more expensive.

Housing costs are a large part of most families' weekly expenses. Working families buying a first home are facing the highest mortgage repayments as a share of income on record, placing a real strain on family budgets. Rents are also increasing rapidly, up by 7 per cent over the past 12 months, and 12 per cent over the past two years.

Along with its plan to fight inflation, the Government is taking action in this Budget, delivering a Working Families Support Package to help relieve cost pressures and help ease some of the strain on family budgets.

Key price increases over the past two years



Food prices are 11 per cent higher overall than two years ago.

Working families have contributed greatly to Australia's current prosperity, but their efforts have not always been recognised.

In this Budget, the Government delivers a targeted package to reward our hard-working families and improve the lives of everyday Australians.



# Working Families Support Package

Australian families are working long hours and more parents are joining the workforce.

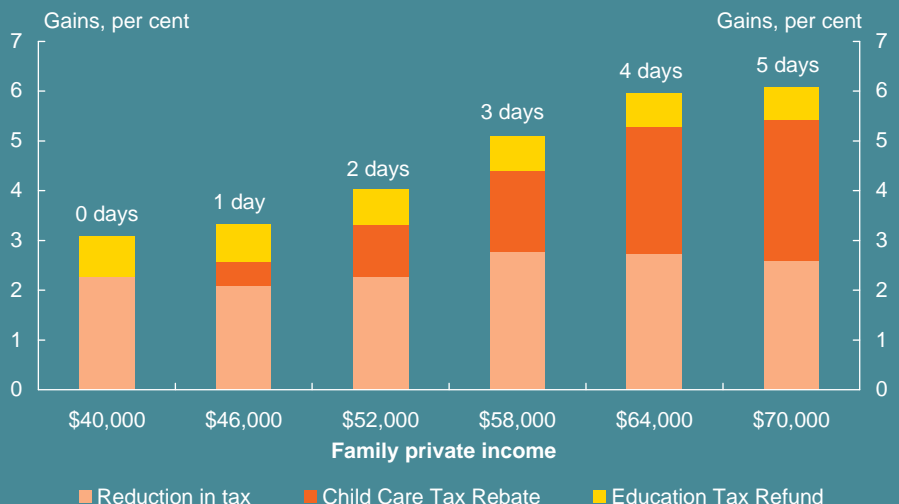
At the same time, the cost of everyday items is placing a real strain on the family budget and there is pressure on housing affordability.

The Government believes that more can be done to reward working families for their contribution to Australia's prosperity.

The take-home pay of working families should be a fair reward for their effort. Families need to be able to secure affordable rental housing while still being able to put money aside towards a deposit on their own home. They should also be able to afford to send their kids to child care and school to secure their future.

This Budget takes an important step in helping them realise these goals.

For a family with two young children, one parent earning \$40,000 a year and the second parent earning \$30,000 a year if working full time, the chart below shows the percentage gains in income from the Government's package for different days worked by the second parent.



\* See note 12 on page 32

## Simon and Mary

Simon and Mary are a couple with two girls aged 2 and 4. Mary has decided to return to work three days a week to help boost the family income. While Mary is at work, the girls attend long day care.

Simon earns \$40,000 a year and Mary earns \$18,000 a year. The Government recognises the financial strains placed on working families such as Simon and Mary's.

Increases in the Child Care Tax Rebate mean that Simon and Mary will receive an extra **\$1,430** in child care assistance. And because of the Government's tax cuts, the couple will now have an extra **\$1,500** in disposable income in 2008-09.

This means Simon and Mary will be almost **\$2,930** better off in 2008-09.

See notes 3, 6 and 10 on page 32



## In this Budget, the Government is delivering for working families

**More money for working families** — tax cuts to ensure working families keep more of the money they earn, including an increase in the Medicare levy surcharge thresholds.

**Better access to more affordable health care** — a \$491 million Teen Dental Plan, \$3.2 billion for health and hospital reform, including \$600 million to slash elective surgery waiting lists in public hospitals and \$275 million to establish GP Super Clinics in local communities, and an immediate \$1 billion injection to relieve the pressure on our public hospitals.

**Accessible and affordable child care** — increased child care places and an increase in the Child Care Tax Rebate from 30 per cent to 50 per cent and paid more frequently.

**Help with education costs** — a new 50 per cent Education Tax Refund for education expenses providing up to \$375 a year for each child in primary school and \$750 per year for each child in secondary school.

**Making housing affordable** — by making it easier for families to save for and buy their first home (First Home Saver Accounts), increasing the supply of affordable rental housing (the National Rental Affordability Scheme) and boosting housing supply (the Housing Affordability Fund).

**Improving competition on everyday items** — working to increase competition in grocery and petrol markets, including the introduction of a National FuelWatch Scheme.

**Helping seniors** — by increasing the Utilities Allowance and Seniors Concession Allowance, delivering the Seniors Bonus and increasing the Telephone Allowance for those with an Internet connection.

**Helping carers** — expanded eligibility for Carer Payment (child) and eligibility for the Utilities Allowance; lump sum bonuses of \$1,000 to recipients of the Carer Payment and \$600 for each eligible person in their care to recipients of the Carer Allowance.



### **Matt and Leah**

Matt and Leah are a couple with two boys aged 6 and 8. Now that the boys are of primary school age, Leah has decided to return to work 5 days a week. She has placed the boys in after school care.

Matt earns \$60,000 a year and Leah earns \$45,000 a year. The Government's tax cuts mean that Matt and Leah will now have an extra **\$1,650** to spend in 2008-09. They will also receive, for the first time, a **\$750** Education Tax Refund.

In addition, Matt and Leah will receive a Child Care Tax Rebate of more than **\$1,030** in 2008-09.

All up, Matt and Leah will have more than **\$3,430** extra in their pockets in 2008-09.

See notes 4, 6, 7 and 10 on page 32

## Supporting families

Patrick and Susie have two small children, Josh is 6 years old and Megan is 4. Patrick works full time and earns \$60,000 a year and Susie has recently returned to paid work at three days per week, earning \$27,000.

Thanks to the Government's Working Families Support Package, Patrick and Susie will be around \$4,160 a year or \$80 a week better off for 2008-09. Megan's child care costs and Josh's after school care costs will be reduced by \$1,255 due to the increase in the Child Care Tax Rebate from 30 to 50 per cent. Receiving the rebate quarterly will also make their family's budgeting easier. The new Education Tax Refund will help to buy a computer and children's educational software for Josh who is at primary school.

Importantly, Susie and Patrick will keep more of what they have earned from their days at work. The Government's tax cuts will reduce their family's tax bill by \$1,050 in 2008-09.

Susie and Patrick have started saving to buy their first home, but it seems like it will be years before they can raise the deposit.

The Government's First Home Saver Accounts (FHSAs) will help them save for their own home, with the Government contributing 17 per cent on the first \$5,000 of contributions that they each make into their individual accounts each year. Susie and Patrick set aside 10 per cent of their combined earnings into their FHSAs in 2008-09 (\$8,700, split evenly between their FHSAs). For Susie and Patrick this will mean around \$1,480 of Government contributions will go towards saving for their own home. After 5 years of such saving they will have a combined balance of around \$64,800 for their own home and be around \$10,100 better off than if they had used term deposits with the same 7 per cent earnings rate and the same contributions.

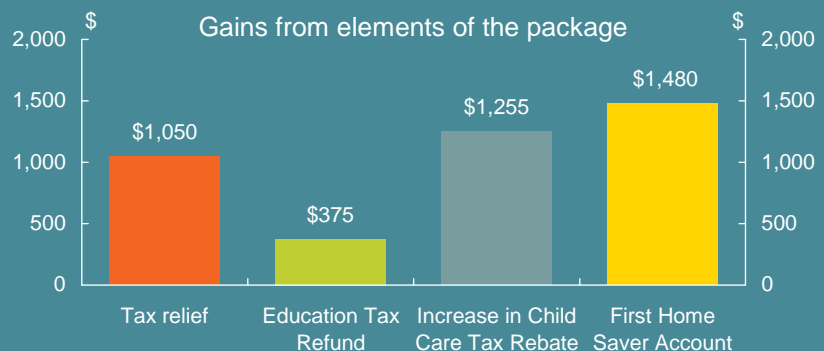
In the meantime, the Grocery Price Inquiry and the National FuelWatch Scheme will also help Susie and Patrick get a better deal at the checkout and bowser.



### ▶ A package of support:

- ▶ Tax relief
- ▶ Child Care Tax Rebate
- ▶ Education Tax Refund
- ▶ Housing affordability
- ▶ Health care
- ▶ National FuelWatch Scheme
- ▶ Grocery Price Inquiry

The Working Families Support Package targets the things that put most pressure on family budgets — housing, child care, education expenses, and petrol and grocery prices — and reduces the burden of tax on families.



\* See notes 3, 4, 6, 7 and 10 on page 32

The Government is delivering tax cuts that reward the hard work of Australian families. This tax plan ensures that all Australians share in the nation's prosperity while providing real incentives to return to work.

# Delivering tax cuts for working families

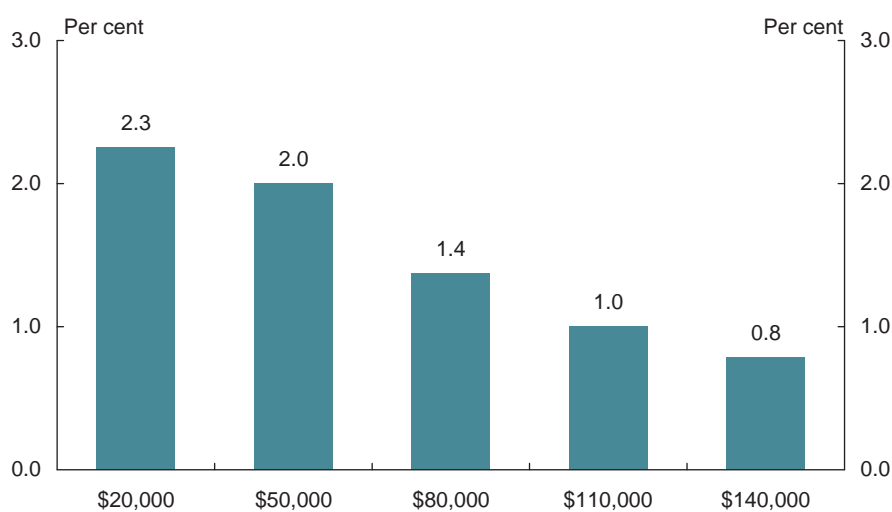


This Government is delivering substantial tax cuts targeted squarely at those who deserve it most, Australia's working families.

These cuts, totalling **\$46.7 billion** over the next four years, will provide real help to families and incentives to encourage workforce participation to secure the nation's economic future.

The Government's tax cuts provide substantial support to low- and middle-income families, helping tip the scales back in their favour.

2008-09 tax cuts as a per cent of taxable income



The Government's tax cuts provide greater support to working families.

The tax cuts will increase the rewards from working and assist families with cost of living pressures.



## Delivering tax cuts for working families

### ▶ Real savings for working families

Andrew and Jane are a couple with one child, Amy, in year 9 at school. Andrew earns \$60,000 a year while Jane earns \$30,000 a year. The Government's tax cuts reduce Andrew's tax bill by **\$600** in 2008-09. Andrew's tax bill is **\$900** less in 2009-10 and **\$1,350** less in 2010-11 than in 2007-08. Jane receives a tax cut of **\$450** in 2008-09. Jane pays **\$600** less tax in 2009-10 and **\$750** less tax in 2010-11 than in 2007-08.

Andrew and Jane's family will take home an extra **\$1,050** in 2008-09, **\$1,500** in 2009-10 and **\$2,100** in 2010-11 relative to 2007-08, because of the Government's tax cuts. In addition, Andrew and Jane will benefit from the new Education Tax Refund. Over three years they will be able to claim back up to **\$2,250** of expenses on Amy's education. From 2008-09 to 2010-11, Andrew and Jane's family will have up to **\$6,900** extra in their pockets from the Government's tax changes.

See notes 5, 7 and 11 on page 32

From the first round of tax cuts on 1 July 2008, working families will receive an extra:

- ▶ \$20.19 per week for families on a single income of \$40,000 (a 16.8 per cent reduction in tax)
- ▶ \$21.15 per week for families on a single income of \$80,000 (a 5.8 per cent reduction in tax)
- ▶ \$31.73 per week for families on a combined income of \$100,000 with the primary earner on an income of \$60,000 (an 8.8 per cent reduction in tax).

These fairer tax cuts provide families with more money in their pockets which helps them with their day-to-day costs of living.

Projected weekly savings from tax cuts 2008-2010

Annual taxable income	From 1 July 2008 (per week)	From 1 July 2009 (per week)	From 1 July 2010 (per week)
\$ 30,000	\$ 8.65	\$ 11.54	\$ 14.42
\$ 40,000	\$ 20.19	\$ 25.96	\$ 34.62
\$ 50,000	\$ 19.23	\$ 25.00	\$ 33.65
\$ 60,000	\$ 11.54	\$ 17.31	\$ 25.96
\$ 70,000	\$ 11.54	\$ 14.42	\$ 20.19
\$ 80,000	\$ 21.15	\$ 24.04	\$ 29.81
\$ 90,000	\$ 21.15	\$ 27.88	\$ 35.58
\$ 100,000	\$ 21.15	\$ 31.73	\$ 41.35

The tax cuts coupled with the increased 50 per cent Child Care Tax Rebate will boost incentives for low-income earners to work, including super mums who juggle the demands of work and raising children.

# Providing incentives to work



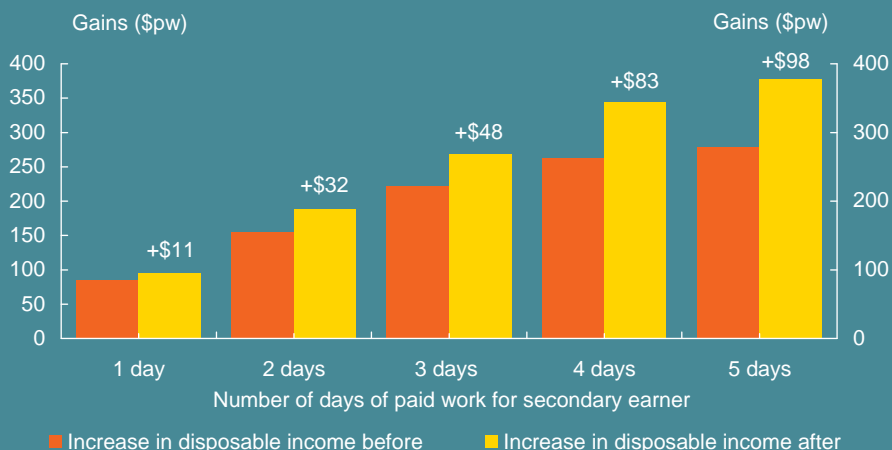
The Government understands that many parents find it difficult to go back to work because of the cost of child care. These tax cuts combined with the increased Child Care Tax Rebate will help family members who want to gain or return to part-time work.

The Government's tax cuts will allow Australians to earn up to **\$14,000** in 2008-09 (up from **\$11,000** in 2007-08) without incurring a net tax liability, providing a real benefit to part-time workers.

By 2010-11, a typical second-income earner will be able to work 14 hours per week without paying any tax.

The Government's tax plan will boost the number of people in the workforce at a time when there are too few workers available.

The chart shows the increase in a family's disposable income where one parent earns \$60,000 and the other parent decides to return to work for 1, 2, 3, 4 or 5 days a week earning full-time equivalent of \$45,000. Their two children are in long day care. Where the other parent goes from not working to working three days a week, the family's disposable income increases by \$269 a week. This is \$48 a week more than it would have been without the Government's Working Families Support Package, comprising \$39 a week of increased Child Care Tax Rebate and \$9 a week of tax cuts.



\* See notes 3, 6, and 10 on page 32.

## ▶ Helping single parents to rejoin the workforce

Cynthia is a sole parent working full time and earning \$45,000 a year. She has two children: 8-year-old Jacob and 6-year-old Rebecca. The Government's tax cuts reduce Cynthia's tax bill by **\$1,050** in 2008-09. By 2009-10, her tax bill is **\$1,350** less than in 2007-08, and **\$1,800** less by 2010-11. Over those three years, Cynthia's benefits from the tax cuts add up to **\$4,200**.

Cynthia is also entitled to almost **\$480** more in Child Care Tax Rebate to help with the costs of after school care. She also benefits from up to **\$750** in Education Tax Refund to help her with the costs of educating Jacob and Rebecca.

See notes 4, 6 and 7 on page 32

Access to affordable, quality child care is essential to many working families.

The Government is taking steps to make sure the costs of child care are affordable and there are more child care places available.



## Supporting parents with child care

The Government recognises the challenges working families face in finding affordable and accessible child care, and will help families with these pressures.

The Government will increase child care assistance, lifting the Child Care Tax Rebate from 30 per cent to 50 per cent of out-of-pocket costs, and increase the annual cap from \$4,354 to \$7,500 per child. The rebate will also be paid quarterly to give parents assistance closer to when they incur out-of-pocket expenses. This assistance is in addition to any Child Care Benefit payable.

To further assist parents, the Government will expand the number of child care places. The Government, over the long term, has committed to ensure 260 child care centres are built in priority areas.

To drive improvement in the quality of child care, the Government will develop rigorous new standards for child care. A new five category quality rating system will be introduced to give parents more information about their child care centre.



### ▶ Child Care Tax Rebate

After taking time out from work to raise her two children, Alison is offered a part-time job with the local newspaper. Alison's husband Brendan already works full time.

Brendan and Alison need to be able to access affordable child care to ensure they both can work. The Government is increasing child care assistance to help working families, like Brendan and Alison's, with the cost of returning to work.

Brendan currently earns \$60,000 a year. With Alison returning to work, their family income will increase to \$87,000 a year. With their two children in long day care while Alison works, Alison and Brendan will receive more than **\$12,400** in child care assistance. This accounts for around 70 per cent of their gross child care costs.

Alison and Brendan will now receive over **\$2,000** more in child care assistance thanks to the Government's Working Families Support Package.

See notes 3 and 6 on page 32

Families where both parents or the sole parent work, study or train for at least 15 hours per week are eligible to receive:

- ▶ up to 50 hours of Child Care Benefit per child per week
- ▶ a rebate of 50 per cent for their remaining out-of-pocket child care expenses, up to a maximum of **\$7,500** per child per year.

Parents re-entering the workforce or who have just entered the workforce may be eligible for additional assistance to cover most of the gap between child care costs and the Child Care Benefit.

### ▶ Assistance for parents re-entering the workforce

Joan is a single parent of 4-year-old James, and in receipt of Parenting Payment. Joan is currently completing a Diploma of Primary Teaching, and plans on working at a primary school in her local neighbourhood when she finishes.

While Joan is studying, she is entitled to:

- ▶ the Child Care Benefit
- ▶ the Child Care Tax Rebate
- ▶ the Jobs Education and Training Child Care Fee Assistance, which covers almost all of her remaining child care costs.

When Joan begins full-time work, she will be entitled to:

- ▶ the Child Care Benefit
- ▶ the Child Care Tax Rebate
- ▶ the Jobs Education and Training Child Care Fee Assistance, for the first 26 weeks of her new job.



### ▶ Assistance for parents working full time

Denise and Wayne are parents working full time to provide for their two children, Shane and Sally. Denise earns \$90,000 a year and Wayne \$60,000 a year.

With both of them working full time, Denise and Wayne need access to quality child care for their children. Sally attends long day care for 10 hours a day, while Shane attends after school care for 3 hours a day.

Denise and Wayne pay just over \$16,900 in child care costs but receive just over **\$8,450** in child care assistance, accounting for 50 per cent of their gross child care costs. This is around **\$2,050** more than they would have received without the Government's Working Families Support Package.

See notes 3, 4 and 6 on page 32

Every parent wants to give their children the best possible start in life. That's why the Government is boosting assistance for working families to help cover education costs.



## Helping with education costs

### Education Tax Refund

Sarah and Michael have worked hard to provide every opportunity for their two children, Petra, who's about to start secondary school in Victoria, and her brother Jack, now in grade three.

Under the Government's Education Tax Refund, Sarah and Michael can claim 50 per cent of the cost of the new \$1,500 laptop computer they're buying for Petra, a refund of **\$750**.

They'll also be able to claim Jack's education software and school textbooks up to the value of \$750, receiving up to **\$375** as a refund when they fill out their tax return.

By the time both children have finished secondary school, Sarah and Michael will have been able to claim back up to **\$10,875** in educational expenses through the Education Tax Refund.

See note 7 and 11 on page 32

To help families meet the cost of educating their children for the future, the Government will introduce a new 50 per cent Education Tax Refund from 1 July 2008 at a cost of around **\$4.4 billion** over the next 4 years.

Parents entitled to Family Tax Benefit Part A, or whose school children receive Youth Allowance or similar payment, will be able to claim:

- a 50 per cent tax refund of up to \$750 in educational expenses for each child undertaking primary school studies (that is, a refund of up to **\$375** per child, per year)
- a 50 per cent tax refund of up to \$1,500 in education expenses for each student undertaking secondary school studies (that is, a refund of up to **\$750** per child, per year).

Parents can simply claim the refund against eligible expenses incurred from 1 July 2008, when they complete their 2008-09 income tax return.

The Government will also roll out universal access to early learning for all four-year-olds by 2013. The Government will fund 15 hours per week for 40 weeks per year of play-based learning and development programs.





## Eligible education expenses under the Education Tax Refund

Under the Government's Education Tax Refund, eligible Australian families will be able to claim a number of education-related expenses including:

- ▶ laptops
- ▶ home computer and associated costs
- ▶ home Internet connection
- ▶ printers and paper
- ▶ education software
- ▶ school textbook materials (including prescribed textbooks, associated learning materials, study guides and stationery)
- ▶ prescribed trade tools.



### ▶ Supporting the future of our children

Elise is currently studying science in year 10 and dreams of becoming a physicist. The Education Tax Refund will help her parents, Dean and Leonie, to provide a calculator, a broadband Internet connection to access materials online, and a new laser printer to prepare Elise's school assignments.

The refund will also cover advanced mathematics software to help Elise develop the mathematics skills she needs to make the grade.

Dean and Leonie will be able to claim 50 per cent of the cost of these expenses, which means they'll receive up to **\$750** back on their tax return next financial year.

### Potential benefits to working families

#### Family with two school-aged children

##### Benefit per year

Both in primary school	\$ 750
One in primary and one in secondary school	\$ 1,125
Both in secondary school	\$ 1,500

**Maximum family benefit over full school life \$ 14,250**

#### Family with three school-aged children

##### Benefit per year

All in primary school	\$ 1,125
Two in primary and one in secondary school	\$ 1,500
One in primary and two in secondary school	\$ 1,875
All in secondary school	\$ 2,250

**Maximum family benefit over full school life \$ 21,375**

\* See note 7 and 11 on page 32

See notes 7 and 11 on page 32

The family home is central to the Australian way of life. The Government understands this and is taking action to make housing more affordable.



## Rising mortgage and rental costs

Most Australians aspire to owning their own home. But record house prices and interest rates at 10-year highs have made it harder for many young Australian families to realise this dream.

First home buyers are being particularly hard hit, with the deposit needed to afford a first home at record highs. The Housing Industry Association housing affordability index indicates that typical home buyers now have to spend around a third of their income on mortgage payments, the largest share on record and around double what was needed 10 years ago.

Rent increases are hurting Australian families, particularly those on low incomes.

Housing stress now affects around 575,000 families with children, placing financial and emotional strains on these families.

To help Australians experiencing rental and mortgage stress, the Government is increasing funding for financial counselling services.

Housing stress now affects around 575,000 families with children, placing financial and emotional strain on these families.

Housing affordability is at record lows



Many Australians worry that they will never be able to buy a home.

# Helping first home buyers



The Government will introduce enhanced First Home Saver Accounts to help families boost their savings for a first home, bringing home ownership within the reach of more Australians.

Following consultation, the Government has made the accounts fairer and simpler.

Australians will now receive a 17 per cent Government contribution on the first \$5,000 of contributions made to their account each year. This represents an increase in the Government contribution for average wage earners from 15 to 17 per cent.

Earnings on the accounts will be taxed at a low rate of 15 per cent.

Withdrawals from the accounts will be tax free when used to buy or build a first home.

Helping people to save more will mean they need to borrow less for their first home. Lower levels of debt will place first home buyers in a more secure financial position when they are starting out.

## ▶ First Home Saver Accounts

On 1 October 2008, Belinda and Josh each open their own First Home Saver Accounts.

They both earn average wages of \$61,000 and save 10 per cent of their salary to their individual accounts. Each receives a 17 per cent Government contribution on the first \$5,000 of contributions made to their accounts each year.

After five years, Belinda and Josh will have together saved a deposit of around **\$88,500** to buy their first home.

This compares to a house deposit of around **\$75,900** if Belinda and Josh had saved using a term deposit with the same 7 per cent earnings rate and the same contributions.

Belinda and Josh will benefit from using First Home Saver Accounts by around **\$12,600** after 5 years.



Rents have been rising and affordable rental housing has become harder to find. This is making it even harder for low-income families and individuals who are renting to get by.



## Assisting renters

### ▶ Helping renters

Barry and Judith are a low-income couple with three young children and have been on the waiting list for public housing for over a year. In the meantime, they have been paying **\$325** per week for a three bedroom unit in the private rental market.

As a result of incentives provided under the National Rental Affordability Scheme, a superannuation fund, a developer and a not-for-profit housing provider combine to build a number of new affordable rental properties. The newly built dwellings must be made available to low-income households at least **20 per cent** below market rent for the area.

Barry and Judith are offered one of the new rental properties for **\$260** a week — **\$65** below the market rent for similar properties and also a **\$65** weekly saving on their current rent.

More than 2 million Australian households are renters. A large proportion of this group are low-income earners who are hardest hit by rising housing costs.

- Commonwealth, State and Territory governments will together provide \$8,000 per dwelling each year to investors for up to ten years to encourage the construction of new dwellings by institutional investors.
- By 2011-12, the scheme is expected to deliver 50,000 new rental properties, with a further 50,000 from 2012-13 if demand remains strong.
- Dwellings built through the scheme must be rented out to low-income families or low-income singles at rents that are at least **20 per cent** below market rates.

This way, the scheme will both boost housing supply and deliver savings to some of the people in the greatest need.

Through lower rents, the National Rental Affordability Scheme will help more renters to make ends meet and save for their future.



A lack of housing has increased house and rental costs. Australia now needs around 190,000 new houses each year to meet its housing needs, but only 150,000 are being built. The Government is introducing a coordinated approach to reduce barriers to the supply of new housing.

# Boosting housing supply



The Government understands that more houses are needed to improve housing affordability in the long term.

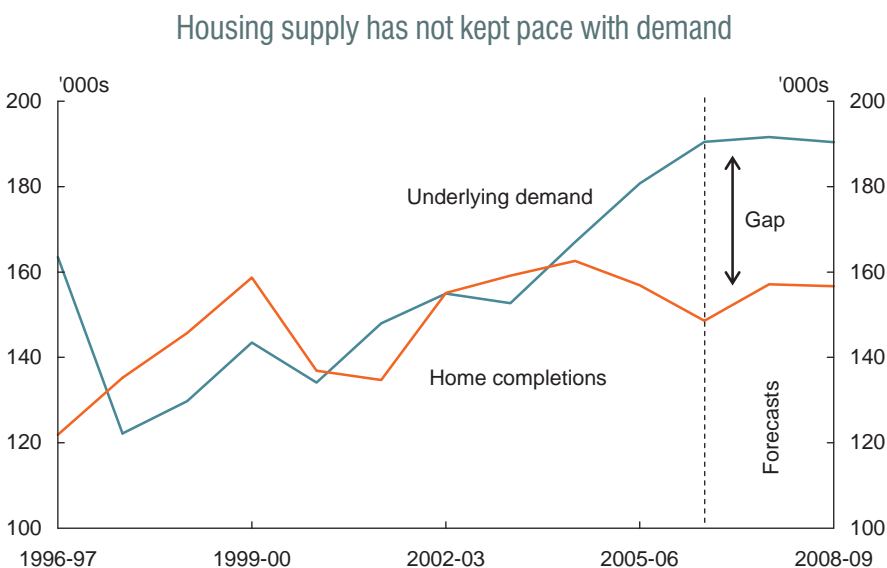
To help achieve this, the Government has created the Housing Affordability Fund. It will provide **\$500 million** to local and State governments to:

- speed up development approval processes
- provide infrastructure for new housing.

The funding is being targeted so that savings are passed on to new home buyers.

The Government will also be releasing extra land, with the aim of boosting housing numbers, improving the quality of surrounding suburbs and creating new jobs.

Addressing the seriousness of the housing problem is a priority for the Government. It now has a Housing Minister dedicated to the issue and is working in partnership with State and Territory governments to put better housing policies in place. The Government is also setting up a National Housing Supply Council to examine the adequacy of housing supply over the next 20 years.



The Government is taking steps to ensure that more houses are built to improve housing affordability in the long term.

The Government understands working families need access to high-quality health care and is investing in a strong public health system for the future.



## Improving hospitals and health services

### Teen Dental Plan

Brian and Brenda want to keep their children's teeth in good health but worry about the cost of going to the dentist. They have two children, Kyle and Caitlin. Kyle is aged 13 and his older sister Caitlin is 16 years of age.

As they receive Family Tax Benefit Part A, Brian and Brenda's family are eligible for a dental rebate under the Government's Teen Dental Plan. After 1 July 2008, they will be able to claim up to **\$150** per year for a preventative dental check for each of their teenage children.

This means Brian and Brenda can receive up to **\$300** a year to help them with the dental costs of looking after Kyle's and Caitlin's teeth.

The Government understands that it is important to be able to access high quality, affordable health care. That is why the Government is providing **\$3.2 billion** for health and hospital reform. This includes **\$600 million** to slash elective surgery waiting lists in public hospitals, and **\$275 million** to establish GP Super Clinics in local communities.

Many Australians avoid visiting the dentist because of the cost involved. To help address this, the Government is providing **\$491 million** for a Teen Dental Plan. Eligible families will be able to claim up to **\$150** per year for a preventative dental check for each of their teenage children. This will make it more affordable for families to access dental services.

The Government has also committed to an immediate injection of **\$1 billion** to relieve the pressure on public hospitals for the benefit of our community.

In addition, the Government will re-focus our health system towards prevention. Bowel cancer screening will now include 50-year-olds, boosting early detection of cancer. Children will be encouraged to develop healthy eating habits, and a basic health check will be available for all children when they start school.



Working families want a fair health system where they are not penalised for their health insurance choices.

# A fairer Medicare levy surcharge



It is not fair that working families on average incomes are required to pay the Medicare levy surcharge if they do not choose to take out private health insurance. The income thresholds have not been changed since 1997 but incomes have, resulting in people on average wages now becoming liable for the surcharge.

To make the surcharge fairer, the Government will refocus the Medicare levy surcharge on higher income earners by increasing the thresholds.

From 1 July 2008, singles with incomes up to \$100,000 and families with incomes up to \$150,000 will no longer be subject to the surcharge. Singles without private health insurance will save up to **\$1,000** and families will save up to **\$1,500** from these changes. Families with more than one child will have a higher threshold and therefore may save more than \$1,500.

All Australians who choose to take out private health insurance will continue to benefit from the private health insurance tax rebate. This rebate reduces the cost of private health insurance for working families.



## ▶ Choice about private health insurance

Ben and Emma are married. Ben has a good job and earns \$70,000 a year. Emma recently graduated with a maths degree and has gone from part-time work to a full-time graduate job. Her income has increased from \$15,000 to \$45,000 a year.

Ben and Emma are young and healthy. They never thought they would need to take out private health insurance.

Under the previous Medicare levy surcharge arrangements, if Ben and Emma's combined income increased to over \$100,000 they would have been required to pay the surcharge.

The new Medicare levy surcharge thresholds will ensure that Ben and Emma do not get hit unexpectedly by the surcharge.

The Government is listening to the concerns of working families on the cost-of-living pressure caused by rising petrol prices.



## Taking action at the bowser

Petrol prices have been rising over the past five years, placing increasing pressure on working families' budgets. While international factors are a major cause of rising petrol prices, the Government is committed to ensuring that working families do not pay any more than they have to when filling up at the bowser.

The Government has taken a number of significant steps to promote competition and transparency in Australia's petrol market.

### Appointment of the Petrol Commissioner

The Government has appointed the first ever Petrol Commissioner at the Australian Competition and Consumer Commission (ACCC). The Petrol Commissioner's responsibilities include the oversight of petrol price monitoring and the establishment of a National FuelWatch Scheme.

### Formal price monitoring

The Government has given the ACCC tough new powers to formally monitor the prices, costs and profits of businesses selling unleaded petrol.

The Government is committed to ensuring that working families get a better deal at the bowser.

Average petrol prices (from FUELtrac)





The Government is taking action to help ensure working families are not paying more than they have to at the bowser.

# Keeping track of petrol prices



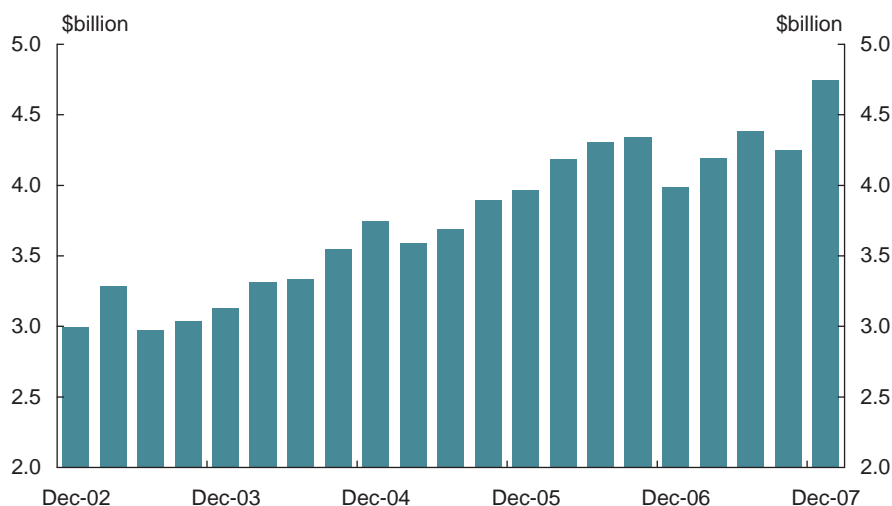
## A National FuelWatch Scheme

The Government will promote competition and transparency in the retail petrol market through the introduction of a National FuelWatch Scheme, commencing on 15 December 2008.

No longer will motorists drive past a petrol station in the morning only to return in the afternoon to find a 10 cent jump in the price of petrol. Under the National FuelWatch Scheme, petrol stations will be required to advise the ACCC of their next day's prices by 2.00 pm each day and keep prices at this level for 24 hours.

Motorists will be able to find out petrol prices for the next day simply by making a phone call or logging on to a website. This means families will know where and when to buy the cheapest petrol in their area, rather than having to guess the best time and place. The National Fuelwatch Scheme will cost **\$20.9 million** over four years from 2008-09.

Household petrol expenditure



Motorists will know where and when to buy the cheapest petrol in their area.

The Government understands working families are feeling the pinch from rising grocery prices, and is taking action to help ensure they are not paying a cent more at the checkout counter than necessary.



## Taking action at the checkout counter

The Government believes more can be done to ensure that working families have access to a competitive market for everyday food items.

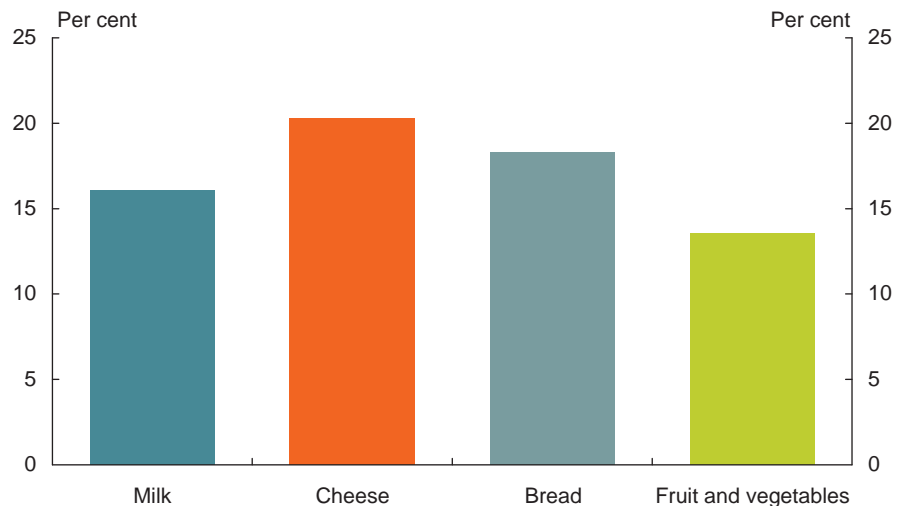
The Government has directed the Australian Competition and Consumer Commission (ACCC) to conduct an inquiry into the competitiveness of grocery prices in Australia covering all aspects of the grocery supply chain — from the farm gate to the checkout counter.

The Government is also committed to ensuring maximum transparency in the grocery market and has instructed the ACCC to provide a monthly survey of the prices for typical grocery baskets (for example, meat, vegetables and dairy products) across Australia. This will help people find the cheapest supermarket chain in their area.

The Government has also made it easier for new overseas competitors to enter the Australian marketplace by relaxing restrictions that have prevented them from buying vacant land to build new supermarkets.

The Government will help consumers locate the cheapest groceries in their area.

Grocery price increases over the past two years



Many older Australians are struggling with the increasing cost of essential items such as food, housing and utility bills. That is why the Government is providing financial support to help seniors with these price increases.

# Supporting seniors

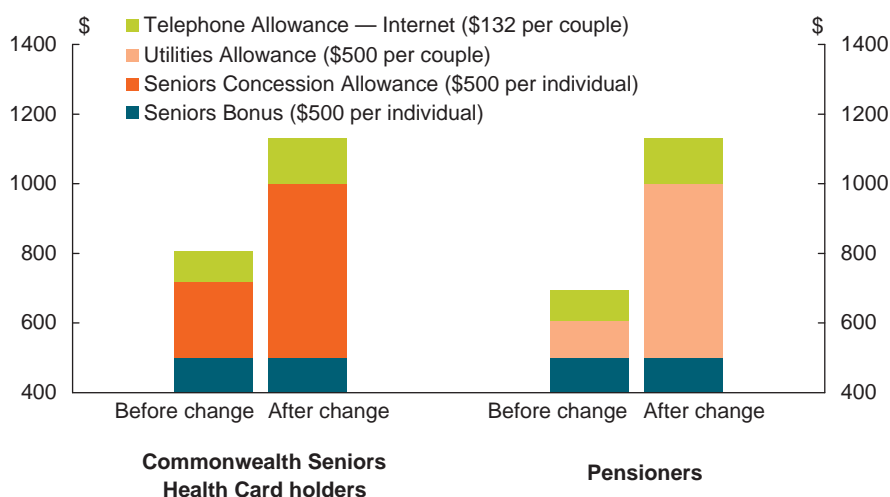


To assist older Australians with the cost of household bills, the Government has:

- increased the Utilities Allowance from \$107.20 to **\$500** per year
- increased the Seniors Concession Allowance from \$218 to **\$500** per year
- increased the Telephone Allowance from \$88 to **\$132** per year for those with an Internet connection
- committed to paying the **\$500** Seniors Bonus again this year.

The Government also recognises that many seniors are concerned that their cost of living may rise faster than the consumer price index. To address this, the Government will guarantee that the Age Pension will increase in line with the higher of the consumer price index, increases in male total average weekly earnings or the living cost index for age pensioner households. These arrangements will ensure that the Age Pension keeps pace with increases in prices and improvements in community living standards.

The Government has increased payments to older Australians to help meet living cost



## ▶ Helping seniors to meet rising costs

Don and Barbara are aged pensioners. They have worked hard all their lives and raised their now grown up kids.

Don is a member on the board of his bowling club, and Barbara volunteers at the local nursing home.

Don and Barbara are now well into retirement and are finding it tougher to get by, especially because the cost of their everyday food has gone up.

Don and Barbara will receive a **\$500** Utilities Allowance in 2008-09. They will use this to help pay their electricity and water bills.

To help with his board duties, Don decided to get the Internet on his home computer; as such he will receive a **\$132** Telephone Allowance.

Don and Barbara will also each get a **\$500** Seniors Bonus in June 2008. They are planning to use this **\$1,000** to visit their new grandchild interstate.

Carers play a valuable role in the community, often at great personal cost. The Government is committed to providing greater support for carers in recognition of the important economic and social role they play.



## Recognising and rewarding carers

The Government has extended eligibility for the Utilities Allowance to Carer Payment and Disability Support Pension recipients, and increased the Telephone Allowance from **\$88** to **\$132** per year for those with an Internet connection. This will provide some extra help for carers and people with disabilities in meeting their household costs.

In recognition of their contribution in caring for people with disabilities and the frail aged, the Government will pay lump sum bonuses of **\$1,000** to recipients of Carer Payment and **\$600** to recipients of Carer Allowance at a cost of **\$427 million**. Recipients of Carer Payment and Carer Allowance will be eligible for both payments. This is in addition to the annual **\$1,000** payment to recipients of the Carer Allowance for each child cared for under the age of 16.

An inquiry will be established to consider ways to provide more secure long-term support for carers, including a National Action Plan for carers and the introduction of federal carer recognition legislation.

The Government is providing greater recognition and support for carers.



Carers of disabled children will receive a fairer deal as a result of expanded eligibility for Carer Payment (child). This will provide much-needed support for around 19,000 additional carers.



The Government will implement a new assessment process to determine eligibility for Carer Payment (child) based on the amount of care required, rather than the rigid medical criteria currently used to assess eligibility for the payment. Carers of children will also be able to access the payment on a short-term or 'per episode' basis.

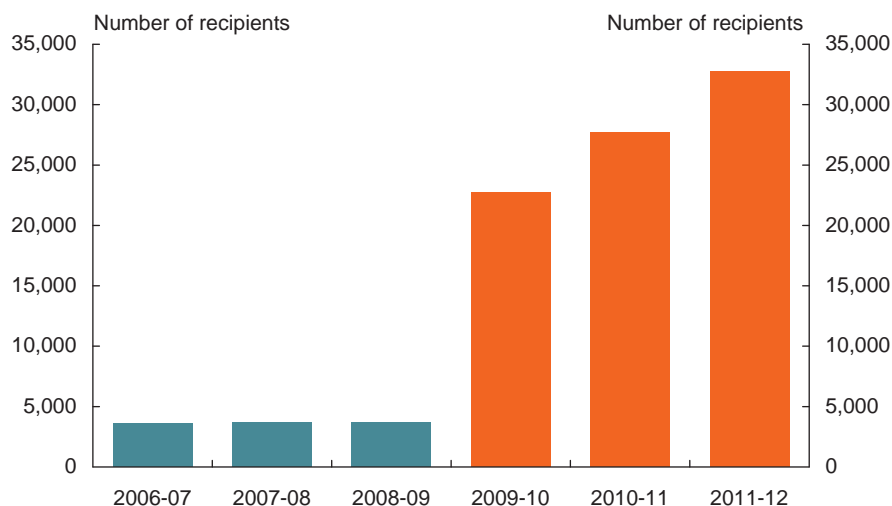
In recognition that the caring role does not end simply because a child is admitted to hospital, the Government will remove the limit on the number of days a child can remain in hospital before payment ceases.

These changes will result in a much larger number of carers receiving Carer Payment (child). These changes will apply from 1 July 2009.

The Government has also allocated **\$20 million** over four years to assist families who need support to care for a young child diagnosed with a major disability or injury.

People with disabilities will benefit from **\$100 million** to be provided to the States in June 2008 to build new supported accommodation. Coupled with this, the Government will transfer **\$900 million** to the States for ongoing disability services.

An additional 19,000 carers of children with severe disability are expected to access Carer Payment (child) in 2009-10



### ▶ A better assessment process

Laura's son Andrew is blind, deaf and unable to speak, he cannot walk and cannot use his hands. Under the current rules, Andrew is not classed as a 'profoundly disabled child' because his condition did not meet three of the required conditions on the medical report. As a result, Laura is not eligible for Carer Payment even though she spends all day, every day, looking after Andrew, which makes it impossible for her to gain employment.

The Government's changes to the assessment process for Carer Payment (child) will ensure that carers like Laura are not denied support through such rigid medical criteria.

# Detailed outcomes

(Young families)



Couple with 2 children aged 2 and 4, both in long day care at \$5.60 per hour\*

Family private income	Second earner works	Disposable income before Budget	Gains from tax cuts	Change in assistance for child care	Education Tax Refund and Teen Dental Plan	Disposable income after Budget	Change in disposable income (Annual)	Change in disposable income (Weekly)
<b>Primary earner \$40,000 and secondary earner \$30,000 when working full time</b>								
\$ 40,000	No days	\$ 46,268	\$ 1,050	\$ 0	\$ 0	\$ 47,318	\$ 1,050	\$ 20.19
\$ 58,000	3 days	\$ 52,254	\$ 1,500	\$ 1,430	\$ 0	\$ 55,183	\$ 2,929	\$ 56.33
\$ 70,000	5 days	\$ 54,557	\$ 1,500	\$ 2,624	\$ 0	\$ 58,681	\$ 4,124	\$ 79.31
<b>Primary earner \$60,000 and secondary earner \$45,000 when working full time</b>								
\$ 60,000	No days	\$ 55,969	\$ 600	\$ 0	\$ 0	\$ 56,569	\$ 600	\$ 11.54
\$ 87,000	3 days	\$ 67,490	\$ 1,050	\$ 2,027	\$ 0	\$ 70,568	\$ 3,078	\$ 59.19
\$ 105,000	5 days	\$ 70,455	\$ 1,650	\$ 4,070	\$ 0	\$ 76,175	\$ 5,720	\$ 110.00
<b>Primary earner \$90,000 and secondary earner \$60,000 when working full time</b>								
\$ 90,000	No days	\$ 73,135	\$ 1,100	\$ 0	\$ 0	\$ 74,235	\$ 1,100	\$ 21.15
\$ 126,000	3 days	\$ 85,285	\$ 2,150	\$ 2,549	\$ 0	\$ 89,984	\$ 4,699	\$ 90.37
\$ 150,000	5 days	\$ 95,291	\$ 1,700	\$ 3,278	\$ 0	\$ 100,269	\$ 4,978	\$ 95.73



Couple with 2 children aged 4 (in long day care at \$5.60 per hour) and 6 (in outside school hours care at \$4.40 per hour)\*

Family private income	Second earner works	Disposable income before Budget	Gains from tax cuts	Change in assistance for child care	Education Tax Refund and Teen Dental Plan	Disposable income after Budget	Change in disposable income (Annual)	Change in disposable income (Weekly)
<b>Primary earner \$40,000 and secondary earner \$30,000 when working full time</b>								
\$ 40,000	No days	\$ 46,268	\$ 1,050	\$ 0	\$ 375	\$ 47,693	\$ 1,425	\$ 27.40
\$ 58,000	3 days	\$ 54,152	\$ 1,500	\$ 887	\$ 375	\$ 56,914	\$ 2,762	\$ 53.12
\$ 70,000	5 days	\$ 57,982	\$ 1,500	\$ 1,645	\$ 375	\$ 61,502	\$ 3,520	\$ 67.69
<b>Primary earner \$60,000 and secondary earner \$45,000 when working full time</b>								
\$ 60,000	No days	\$ 55,969	\$ 600	\$ 0	\$ 375	\$ 56,944	\$ 975	\$ 18.75
\$ 87,000	3 days	\$ 70,192	\$ 1,050	\$ 1,255	\$ 375	\$ 72,872	\$ 2,680	\$ 51.54
\$ 105,000	5 days	\$ 75,765	\$ 1,650	\$ 2,553	\$ 375	\$ 80,343	\$ 4,578	\$ 88.04
<b>Primary earner \$90,000 and secondary earner \$60,000 when working full time</b>								
\$ 90,000	No days	\$ 73,135	\$ 1,100	\$ 0	\$ 375	\$ 74,610	\$ 1,475	\$ 28.37
\$ 126,000	3 days	\$ 89,423	\$ 2,150	\$ 1,577	\$ 0	\$ 93,150	\$ 3,727	\$ 71.67
\$ 150,000	5 days	\$ 101,538	\$ 1,700	\$ 2,056	\$ 0	\$ 105,293	\$ 3,755	\$ 72.21

\* See notes on page 32

# Detailed outcomes

(Young / older families)



Couple with 2 children aged 6 and 8, both in outside school hours care at \$4.40 per hour\*

Family private income	Second earner works	Disposable income before Budget	Gains from tax cuts	Change in assistance for child care	Education Tax Refund and Teen Dental Plan	Disposable income after Budget	Change in disposable income (Annual)	Change in disposable income (Weekly)
<b>Primary earner \$40,000 and secondary earner \$30,000 when working full time</b>								
\$ 40,000	No days	\$ 45,250	\$ 1,050	\$ 0	\$ 750	\$ 47,050	\$ 1,800	\$ 34.62
\$ 58,000	3 days	\$ 55,051	\$ 1,500	\$ 345	\$ 750	\$ 57,646	\$ 2,595	\$ 49.90
\$ 70,000	5 days	\$ 61,407	\$ 1,500	\$ 667	\$ 750	\$ 64,324	\$ 2,917	\$ 56.10
<b>Primary earner \$60,000 and secondary earner \$45,000 when working full time</b>								
\$ 60,000	No days	\$ 54,951	\$ 600	\$ 0	\$ 750	\$ 56,301	\$ 1,350	\$ 25.96
\$ 87,000	3 days	\$ 72,893	\$ 1,050	\$ 484	\$ 750	\$ 75,177	\$ 2,284	\$ 43.92
\$ 105,000	5 days	\$ 81,075	\$ 1,650	\$ 1,035	\$ 750	\$ 84,511	\$ 3,436	\$ 66.08
<b>Primary earner \$90,000 and secondary earner \$60,000 when working full time</b>								
\$ 90,000	No days	\$ 72,116	\$ 1,100	\$ 0	\$ 750	\$ 73,966	\$ 1,850	\$ 35.58
\$ 126,000	3 days	\$ 93,561	\$ 2,150	\$ 604	\$ 0	\$ 96,315	\$ 2,754	\$ 52.96
\$ 150,000	5 days	\$ 107,784	\$ 1,700	\$ 834	\$ 0	\$ 110,318	\$ 2,534	\$ 48.73



Couple with 2 children aged 10 and 13, no child care\*

Family private income	Second earner works	Disposable income before Budget	Gains from tax cuts	Change in assistance for child care	Education Tax Refund and Teen Dental Plan	Disposable income after Budget	Change in disposable income (Annual)	Change in disposable income (Weekly)
<b>Primary earner \$40,000 and secondary earner \$30,000 when working full time</b>								
\$ 40,000	No days	\$ 46,436	\$ 1,050	\$ 0	\$ 1,275	\$ 48,761	\$ 2,325	\$ 44.71
\$ 58,000	3 days	\$ 57,445	\$ 1,500	\$ 0	\$ 1,275	\$ 60,220	\$ 2,775	\$ 53.37
\$ 70,000	5 days	\$ 64,812	\$ 1,500	\$ 0	\$ 1,275	\$ 67,587	\$ 2,775	\$ 53.37
<b>Primary earner \$60,000 and secondary earner \$45,000 when working full time</b>								
\$ 60,000	No days	\$ 56,137	\$ 600	\$ 0	\$ 1,275	\$ 58,012	\$ 1,875	\$ 36.06
\$ 87,000	3 days	\$ 74,586	\$ 1,050	\$ 0	\$ 1,275	\$ 76,911	\$ 2,325	\$ 44.71
\$ 105,000	5 days	\$ 84,700	\$ 1,650	\$ 0	\$ 1,275	\$ 87,625	\$ 2,925	\$ 56.25
<b>Primary earner \$90,000 and secondary earner \$60,000 when working full time</b>								
\$ 90,000	No days	\$ 72,116	\$ 1,100	\$ 0	\$ 1,275	\$ 74,491	\$ 2,375	\$ 45.67
\$ 126,000	3 days	\$ 96,120	\$ 2,150	\$ 0	\$ 0	\$ 98,270	\$ 2,150	\$ 41.35
\$ 150,000	5 days	\$ 112,050	\$ 1,700	\$ 0	\$ 0	\$ 113,750	\$ 1,700	\$ 32.69

\* See notes on page 32

# Detailed outcomes

(Older families)



## Couple with 2 children aged 13 and 14, no child care\*

Family private income	Second earner works	Disposable income before Budget	Gains from tax cuts	Change in assistance for child care	Education Tax Refund and Teen Dental Plan	Disposable income after Budget	Change in disposable income (Annual)	Change in disposable income (Weekly)
<b>Primary earner \$40,000 and secondary earner \$30,000 when working full time</b>								
\$ 40,000	No days	\$ 47,622	\$ 1,050	\$ 0	\$ 1,800	\$ 50,472	\$ 2,850	\$ 54.81
\$ 58,000	3 days	\$ 58,631	\$ 1,500	\$ 0	\$ 1,800	\$ 61,931	\$ 3,300	\$ 63.46
\$ 70,000	5 days	\$ 65,998	\$ 1,500	\$ 0	\$ 1,800	\$ 69,298	\$ 3,300	\$ 63.46
<b>Primary earner \$60,000 and secondary earner \$45,000 when working full time</b>								
\$ 60,000	No days	\$ 57,323	\$ 600	\$ 0	\$ 1,800	\$ 59,723	\$ 2,400	\$ 46.15
\$ 87,000	3 days	\$ 74,586	\$ 1,050	\$ 0	\$ 1,800	\$ 77,436	\$ 2,850	\$ 54.81
\$ 105,000	5 days	\$ 84,700	\$ 1,650	\$ 0	\$ 1,800	\$ 88,150	\$ 3,450	\$ 66.35
<b>Primary earner \$90,000 and secondary earner \$60,000 when working full time</b>								
\$ 90,000	No days	\$ 72,116	\$ 1,100	\$ 0	\$ 1,800	\$ 75,016	\$ 2,900	\$ 55.77
\$ 126,000	3 days	\$ 96,120	\$ 2,150	\$ 0	\$ 0	\$ 98,270	\$ 2,150	\$ 41.35
\$ 150,000	5 days	\$ 112,050	\$ 1,700	\$ 0	\$ 0	\$ 113,750	\$ 1,700	\$ 32.69



## Couple with 3 children aged 9, 13 and 14, no child care\*

Family private income	Second earner works	Disposable income before Budget	Gains from tax cuts	Change in assistance for child care	Education Tax Refund and Teen Dental Plan	Disposable income after Budget	Change in disposable income (Annual)	Change in disposable income (Weekly)
<b>Primary earner \$40,000 and secondary earner \$30,000 when working full time</b>								
\$ 40,000	No days	\$ 52,800	\$ 1,050	\$ 0	\$ 2,175	\$ 56,025	\$ 3,225	\$ 62.02
\$ 58,000	3 days	\$ 63,533	\$ 1,500	\$ 0	\$ 2,175	\$ 67,208	\$ 3,675	\$ 70.67
\$ 70,000	5 days	\$ 70,900	\$ 1,500	\$ 0	\$ 2,175	\$ 74,575	\$ 3,675	\$ 70.67
<b>Primary earner \$60,000 and secondary earner \$45,000 when working full time</b>								
\$ 60,000	No days	\$ 62,225	\$ 600	\$ 0	\$ 2,175	\$ 65,000	\$ 2,775	\$ 53.37
\$ 87,000	3 days	\$ 78,345	\$ 1,050	\$ 0	\$ 2,175	\$ 81,570	\$ 3,225	\$ 62.02
\$ 105,000	5 days	\$ 88,054	\$ 1,650	\$ 0	\$ 2,175	\$ 91,879	\$ 3,825	\$ 73.56
<b>Primary earner \$90,000 and secondary earner \$60,000 when working full time</b>								
\$ 90,000	No days	\$ 75,275	\$ 1,100	\$ 0	\$ 2,175	\$ 78,550	\$ 3,275	\$ 62.98
\$ 126,000	3 days	\$ 96,120	\$ 2,150	\$ 0	\$ 0	\$ 98,270	\$ 2,150	\$ 41.35
\$ 150,000	5 days	\$ 112,050	\$ 1,700	\$ 0	\$ 0	\$ 113,750	\$ 1,700	\$ 32.69

\* See notes on page 32



# Detailed outcomes

(Sole parents)



Sole parent with 2 children aged 4 (in long day care at \$5.60 per hour) and 6 (in outside school hours care at \$4.40 per hour)\*

Family private income	Sole parent works	Disposable income before Budget	Gains from tax cuts	Change in assistance for child care	Education Tax Refund and Teen Dental Plan	Disposable income after Budget	Change in disposable income (Annual)	Change in disposable income (Weekly)
\$ 0	No days	\$ 27,690	\$ 0	\$ 0	\$ 375	\$ 28,065	\$ 375	\$ 7.21
<b>Primary earner \$30,000 when working full time</b>								
\$ 12,000	2 days	\$ 35,358	\$ 18	\$ 417	\$ 375	\$ 36,168	\$ 810	\$ 15.58
\$ 18,000	3 days	\$ 37,238	\$ 450	\$ 626	\$ 375	\$ 38,689	\$ 1,451	\$ 27.90
\$ 30,000	5 days	\$ 40,232	\$ 1,050	\$ 1,016	\$ 375	\$ 42,673	\$ 2,441	\$ 46.94
<b>Primary earner \$45,000 when working full time</b>								
\$ 18,000	2 days	\$ 37,968	\$ 450	\$ 417	\$ 375	\$ 39,210	\$ 1,242	\$ 23.88
\$ 27,000	3 days	\$ 40,634	\$ 859	\$ 626	\$ 375	\$ 42,495	\$ 1,861	\$ 35.79
\$ 45,000	5 days	\$ 44,732	\$ 1,050	\$ 1,175	\$ 375	\$ 47,332	\$ 2,600	\$ 50.00
<b>Primary earner \$60,000 when working full time</b>								
\$ 24,000	2 days	\$ 40,402	\$ 589	\$ 417	\$ 375	\$ 41,783	\$ 1,381	\$ 26.56
\$ 36,000	3 days	\$ 43,271	\$ 1,050	\$ 626	\$ 375	\$ 45,322	\$ 2,051	\$ 39.44
\$ 60,000	5 days	\$ 50,869	\$ 600	\$ 1,457	\$ 375	\$ 53,301	\$ 2,432	\$ 46.77



Sole parent with 2 children aged 13 and 14, no child care\*

Family private income	Sole parent works	Disposable income before Budget	Gains from tax cuts	Change in assistance for child care	Education Tax Refund and Teen Dental Plan	Disposable income after Budget	Change in disposable income (Annual)	Change in disposable income (Weekly)
\$ 0	No days	\$ 26,960	\$ 0	\$ 0	\$ 1,800	\$ 28,760	\$ 1,800	\$ 34.62
<b>Primary earner \$30,000 when working full time</b>								
\$ 12,000	2 days	\$ 32,166	\$ 450	\$ 0	\$ 1,800	\$ 34,416	\$ 2,250	\$ 43.27
\$ 18,000	3 days	\$ 34,093	\$ 450	\$ 0	\$ 1,800	\$ 36,343	\$ 2,250	\$ 43.27
\$ 30,000	5 days	\$ 41,462	\$ 450	\$ 0	\$ 1,800	\$ 43,712	\$ 2,250	\$ 43.27
<b>Primary earner \$45,000 when working full time</b>								
\$ 18,000	2 days	\$ 34,093	\$ 450	\$ 0	\$ 1,800	\$ 36,343	\$ 2,250	\$ 43.27
\$ 27,000	3 days	\$ 38,912	\$ 450	\$ 0	\$ 1,800	\$ 41,162	\$ 2,250	\$ 43.27
\$ 45,000	5 days	\$ 50,198	\$ 1,050	\$ 0	\$ 1,800	\$ 53,048	\$ 2,850	\$ 54.81
<b>Primary earner \$60,000 when working full time</b>								
\$ 24,000	2 days	\$ 36,362	\$ 450	\$ 0	\$ 1,800	\$ 38,612	\$ 2,250	\$ 43.27
\$ 36,000	3 days	\$ 45,382	\$ 1,050	\$ 0	\$ 1,800	\$ 48,232	\$ 2,850	\$ 54.81
\$ 60,000	5 days	\$ 57,323	\$ 600	\$ 0	\$ 1,800	\$ 59,723	\$ 2,400	\$ 46.15

\* See notes on page 32

# Detailed outcomes

(Couples without children)



## Dual income couple with income split 50:50, no children and no private hospital cover\*

Family private income	2008-09 income tax cuts			Medicare levy surcharge threshold increase			Combined gains from tax cuts and Medicare levy surcharge threshold increase	
	Before	After	Saving	Before	After	Saving	Annual	Weekly
\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0.00
\$ 20,000	\$ 1,464	\$ 564	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 30,000	\$ 2,064	\$ 1,164	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 40,000	\$ 2,700	\$ 1,800	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 50,000	\$ 4,200	\$ 3,300	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 60,000	\$ 5,700	\$ 4,800	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 70,000	\$ 9,100	\$ 7,000	\$ 2,100	\$ 0	\$ 0	\$ 0	\$ 2,100	\$ 40.38
\$ 80,000	\$ 12,500	\$ 10,400	\$ 2,100	\$ 0	\$ 0	\$ 0	\$ 2,100	\$ 40.38
\$ 90,000	\$ 15,900	\$ 13,800	\$ 2,100	\$ 0	\$ 0	\$ 0	\$ 2,100	\$ 40.38
\$ 100,000	\$ 19,200	\$ 17,200	\$ 2,000	\$ 0	\$ 0	\$ 0	\$ 2,000	\$ 38.46
\$ 110,000	\$ 22,200	\$ 20,600	\$ 1,600	\$ 1,100	\$ 0	\$ 1,100	\$ 2,700	\$ 51.92
\$ 120,000	\$ 25,200	\$ 24,000	\$ 1,200	\$ 1,200	\$ 0	\$ 1,200	\$ 2,400	\$ 46.15
\$ 130,000	\$ 28,200	\$ 27,000	\$ 1,200	\$ 1,300	\$ 0	\$ 1,300	\$ 2,500	\$ 48.08
\$ 140,000	\$ 31,200	\$ 30,000	\$ 1,200	\$ 1,400	\$ 0	\$ 1,400	\$ 2,600	\$ 50.00
\$ 150,000	\$ 34,200	\$ 33,000	\$ 1,200	\$ 1,500	\$ 0	\$ 1,500	\$ 2,700	\$ 51.92



## Dual income couple with income split 60:40, no children and no private hospital cover\*

Family private income	2008-09 income tax cuts			Medicare levy surcharge threshold increase			Combined gains from tax cuts and Medicare levy surcharge threshold increase	
	Before	After	Saving	Before	After	Saving	Annual	Weekly
\$ 10,000	\$ 150	\$ 0	\$ 150	\$ 0	\$ 0	\$ 0	\$ 150	\$ 2.88
\$ 20,000	\$ 1,302	\$ 402	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 30,000	\$ 2,064	\$ 1,164	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 40,000	\$ 2,700	\$ 1,800	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 50,000	\$ 4,200	\$ 3,300	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 60,000	\$ 6,840	\$ 5,340	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 28.85
\$ 70,000	\$ 9,480	\$ 7,980	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 28.85
\$ 80,000	\$ 12,500	\$ 10,700	\$ 1,800	\$ 0	\$ 0	\$ 0	\$ 1,800	\$ 34.62
\$ 90,000	\$ 15,690	\$ 13,800	\$ 1,890	\$ 0	\$ 0	\$ 0	\$ 1,890	\$ 36.35
\$ 100,000	\$ 18,850	\$ 17,200	\$ 1,650	\$ 0	\$ 0	\$ 0	\$ 1,650	\$ 31.73
\$ 110,000	\$ 22,010	\$ 20,360	\$ 1,650	\$ 1,100	\$ 0	\$ 1,100	\$ 2,750	\$ 52.88
\$ 120,000	\$ 25,170	\$ 23,520	\$ 1,650	\$ 1,200	\$ 0	\$ 1,200	\$ 2,850	\$ 54.81
\$ 130,000	\$ 28,500	\$ 26,680	\$ 1,820	\$ 1,300	\$ 0	\$ 1,300	\$ 3,120	\$ 60.00
\$ 140,000	\$ 32,100	\$ 30,240	\$ 1,860	\$ 1,400	\$ 0	\$ 1,400	\$ 3,260	\$ 62.69
\$ 150,000	\$ 35,700	\$ 34,000	\$ 1,700	\$ 1,500	\$ 0	\$ 1,500	\$ 3,200	\$ 61.54

\* See notes on page 32

# Detailed outcomes

(Couples and singles without children)



## Dual income couple with income split 70:30, no children and no private hospital cover\*

Family private income	2008-09 income tax cuts			Medicare levy surcharge threshold increase			Combined gains from tax cuts and Medicare levy surcharge threshold increase	
	Before	After	Saving	Before	After	Saving	Annual	Weekly
\$ 10,000	\$ 300	\$ 0	\$ 300	\$ 0	\$ 0	\$ 0	\$ 300	\$ 5.77
\$ 20,000	\$ 1,122	\$ 522	\$ 600	\$ 0	\$ 0	\$ 0	\$ 600	\$ 11.54
\$ 30,000	\$ 2,065	\$ 1,165	\$ 900	\$ 0	\$ 0	\$ 0	\$ 900	\$ 17.31
\$ 40,000	\$ 2,700	\$ 2,100	\$ 600	\$ 0	\$ 0	\$ 0	\$ 600	\$ 11.54
\$ 50,000	\$ 5,150	\$ 3,650	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 28.85
\$ 60,000	\$ 7,980	\$ 6,480	\$ 1,500	\$ 0	\$ 0	\$ 0	\$ 1,500	\$ 28.85
\$ 70,000	\$ 10,800	\$ 9,310	\$ 1,490	\$ 0	\$ 0	\$ 0	\$ 1,490	\$ 28.65
\$ 80,000	\$ 13,350	\$ 12,140	\$ 1,210	\$ 0	\$ 0	\$ 0	\$ 1,210	\$ 23.27
\$ 90,000	\$ 15,900	\$ 14,850	\$ 1,050	\$ 0	\$ 0	\$ 0	\$ 1,050	\$ 20.19
\$ 100,000	\$ 18,450	\$ 17,400	\$ 1,050	\$ 0	\$ 0	\$ 0	\$ 1,050	\$ 20.19
\$ 110,000	\$ 21,770	\$ 20,070	\$ 1,700	\$ 1,100	\$ 0	\$ 1,100	\$ 2,800	\$ 53.85
\$ 120,000	\$ 25,590	\$ 23,440	\$ 2,150	\$ 1,200	\$ 0	\$ 1,200	\$ 3,350	\$ 64.42
\$ 130,000	\$ 29,410	\$ 27,260	\$ 2,150	\$ 1,300	\$ 0	\$ 1,300	\$ 3,450	\$ 66.35
\$ 140,000	\$ 33,230	\$ 31,080	\$ 2,150	\$ 1,400	\$ 0	\$ 1,400	\$ 3,550	\$ 68.27
\$ 150,000	\$ 37,050	\$ 34,900	\$ 2,150	\$ 1,500	\$ 0	\$ 1,500	\$ 3,650	\$ 70.19



## Single person with no children and no private hospital cover\*

Family private income	2008-09 income tax cuts			Medicare levy surcharge threshold increase			Combined gains from tax cuts and Medicare levy surcharge threshold increase	
	Before	After	Saving	Before	After	Saving	Annual	Weekly
\$ 10,000	\$ 750	\$ 300	\$ 450	\$ 0	\$ 0	\$ 0	\$ 450	\$ 8.65
\$ 20,000	\$ 1,501	\$ 1,051	\$ 450	\$ 0	\$ 0	\$ 0	\$ 450	\$ 8.65
\$ 30,000	\$ 2,850	\$ 2,400	\$ 450	\$ 0	\$ 0	\$ 0	\$ 450	\$ 8.65
\$ 40,000	\$ 6,250	\$ 5,200	\$ 1,050	\$ 0	\$ 0	\$ 0	\$ 1,050	\$ 20.19
\$ 50,000	\$ 9,600	\$ 8,600	\$ 1,000	\$ 0	\$ 0	\$ 0	\$ 1,000	\$ 19.23
\$ 60,000	\$ 12,600	\$ 12,000	\$ 600	\$ 600	\$ 0	\$ 600	\$ 1,200	\$ 23.08
\$ 70,000	\$ 15,600	\$ 15,000	\$ 600	\$ 700	\$ 0	\$ 700	\$ 1,300	\$ 25.00
\$ 80,000	\$ 19,100	\$ 18,000	\$ 1,100	\$ 800	\$ 0	\$ 800	\$ 1,900	\$ 36.54
\$ 90,000	\$ 23,100	\$ 22,000	\$ 1,100	\$ 900	\$ 0	\$ 900	\$ 2,000	\$ 38.46
\$ 100,000	\$ 27,100	\$ 26,000	\$ 1,100	\$ 1,000	\$ 0	\$ 1,000	\$ 2,100	\$ 40.38
\$ 110,000	\$ 31,100	\$ 30,000	\$ 1,100	\$ 1,100	\$ 1,100	\$ 0	\$ 1,100	\$ 21.15
\$ 120,000	\$ 35,100	\$ 34,000	\$ 1,100	\$ 1,200	\$ 1,200	\$ 0	\$ 1,100	\$ 21.15
\$ 130,000	\$ 39,100	\$ 38,000	\$ 1,100	\$ 1,300	\$ 1,300	\$ 0	\$ 1,100	\$ 21.15
\$ 140,000	\$ 43,100	\$ 42,000	\$ 1,100	\$ 1,400	\$ 1,400	\$ 0	\$ 1,100	\$ 21.15
\$ 150,000	\$ 47,100	\$ 46,000	\$ 1,100	\$ 1,500	\$ 1,500	\$ 0	\$ 1,100	\$ 21.15

\* See notes on page 32

# Endnotes

1. In the couple family examples, the primary earner is assumed to be working full-time and outcomes for the family are presented for the secondary earner in: no paid work; 3 eight-hour days; and 5 eight-hour days per week for the year.
2. In sole parent family examples, outcomes for the family are presented where the sole parent is in: no paid work; 2 eight-hour days, 3 eight-hour days; and 5 eight-hour days per week for the year.
3. For children aged under 5, who are not yet at school, the secondary earner (in a couple) or sole parent uses 10 hours of long day care for each day of work, at a cost of \$5.60 per hour. Where the family is using 50 hours of care, the cost is 8 per cent lower. This reflects the lower hourly rate generally charged for full-time care.
4. For children aged 5 to 12, who are at school, the secondary earner (in a couple) or sole parent uses 3 hours of outside school hours care for each day of work, at a cost of \$4.40 per hour.
5. Children aged over 12 are assumed to not require any child care. In the families with a child aged over 12, the older child is assumed to take care of their younger sibling(s).
6. All examples assume that the pattern of child care usage is the same in all 52 weeks of the year.
7. Education Tax Refund (ETR) calculations assume that the family spends enough on eligible expenses for the ETR to claim \$375 for each primary school child and \$750 for each secondary school child (the maximum refund amounts in 2008-09). The maximum ETR will be indexed each year, although this additional benefit has not been built into the cameos or analysis.
8. Teen Dental Plan calculations assume that the family spends enough on dental services to claim the maximum rebate of \$150 for each teenager.
9. Components may not exactly sum to totals due to rounding.
10. Disposable income is the sum of private income and government cash transfers (including child care assistance) less net tax paid and the cost of child care.
11. The calculation of benefits for families over full school life assumes that the children commence school in 2009 or later and that they spend 8 years at primary school and 5 years at secondary school.
12. This chart shows the percentage gains in disposable income (after net child care costs) for different days worked by the second parent. The children in the family are aged 4 (in long day care) and 6 (in after-school care).