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1. Background

On Monday 10th, 2010, we released our report on word frequencies and collocations in the budget speeches from 2005-2009. That report can be downloaded at http://www.ling.mq.edu.au/clsl/budget_speech.htm

The focus of this report is Swan's 2010 speech, and how it compares to his previous speeches. As we found in our previous study – and perhaps against expectations – word frequencies and collocations are extremely revealing as a window into the way each Treasurer positions himself, the government, the budget, and the economy. Appendix 1 provides notes on our methodology. We include a brief discussion of the reply speech by Opposition Leader Tony Abbott.

PLEASE NOTE BELOW UNDER 'TAX' WE ISSUE A SMALL CORRECTION FROM OUR PREVIOUS REPORT. Appendix 2 provides a full list of the use of the word TAX/ed/ing/s across the 6 speeches.

2. Swan's "beige budget"

Swan promised a boring budget, one apparently not designed with the opinion polls in mind. We see CENT as in PER CENT and ECONOMY as the two top words (see Table 1). These two go together as part of Swan's striving for the high ground on economic credibility. Why? Because he spent more time talking about "the economy" than he has in previous years. ECONOMY did not even make the Top 20 in his first speech. It was #10 last year (14 mentions), and is #2 this year with 22 mentions. ECONOMIC is at #20 in this year's list.

In addition, for the first time over this six year period we see STRATEGY at #14 in the Top 20. The use of STRATEGY goes with the increasing use of the word FISCAL. FISCAL also nearly made the Top 20, turning up 10 times in the 2010 speech. At times the word FISCAL is left out when the word STRATEGY is being used, but it is understood that the strategy is a fiscal one. Had Swan reiterated the word FISCAL at these points in the speech, it would

have been in the TOP 20 list. STRATEGY also turns up in the nominal group “Skills for Sustainable Growth Strategy”.

Table 1 Top 20 for Swan's 2010 Budget speech

#	Word	Count	%
1	CENT	25	1,378
2	ECONOMY	22	1,213
3	YEARS	21	1,158
4	BUDGET	20	1,103
5	MORE	20	1,103
6	TAX	20	1,103
7	HEALTH	16	0,882
8	BILLION	15	0,827
9	NEW	15	0,827
10	ENERGY	14	0,772
11	AUSTRALIANS	13	0,717
12	INVESTMENT	13	0,717
13	FUTURE	12	0,662
14	STRATEGY	12	0,662
15	YEAR	12	0,662
16	TONIGHT	12	0,662
17	INFRASTRUCTURE	12	0,662
18	WHY	11	0,606
19	RENEWABLE	11	0,606
20	ECONOMIC	11	0,606

3. Where did the GOVERNMENT go?

In his first speech as Treasurer, Swan said the word GOVERNMENT 52 times. Costello also said it a lot in his speeches, but not as much as Swan. The figures for Costello are 30 (2005), 34 (2006), 34 (2007) (see Table 6 in Appendix 2). So Costello used it consistently across his last three speeches. Swan has gone from using it 52 times in his first speech, to 23 in 2009, to just 8 times in 2010. GOVERNMENT does not even make the Top 20 for Swan this year. Figure 1 shows the dropping frequency of the term over Swan’s three speeches. Swan seems to be missing opportunities to position the government as responsible for having taken strong action on the economy.

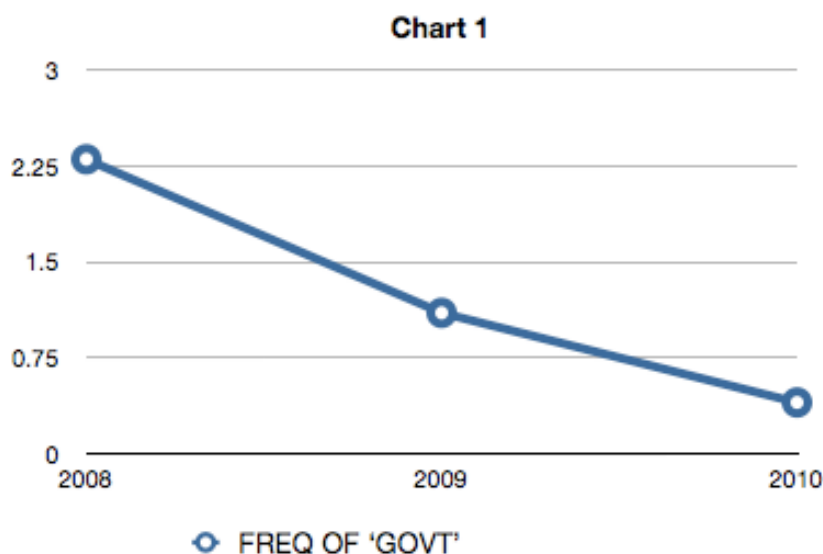


Figure 1 Frequency per 100 words of the use of GOVERNMENT in Swan's speeches

4. Is it WE the government, or WE the people?

One explanation for the low visibility of the word GOVERNMENT could be that Swan prefers to use the pronominal form WE instead. While THE GOVERNMENT is unambiguous in this context, WE can mean “we the government” or “we the people” – i.e. all Australians. You need to look at the words around the use of WE to know which WE is being invoked. Oddly, it is sometimes unclear in Swan’s speeches whether he means “we the government” or “we the people of Australia”.

Part of this confusion is his desire to give us all credit for the good economic times, as in the opening move of his speech “together we avoided recession...together we created 225, 000 jobs”. Here, WE means “we the people of Australia”. This is followed by “our shared successes put us in a position of strength from which we will build growth and opportunity and secure the future” – at this point, the most likely interpretation of WE is still “Australians”. But immediately after, we get “we will build a modern tax and retirement incomes system, invest in renewable energy and deliver historic health and hospital reform”. Shortly thereafter we get “Tonight we meet the highest standards of responsible economic management”. By now, WE should definitely mean “we the government”. Not only is it the government’s

responsibility to do things like build or reform the tax system, but there is rhetorical advantage for the government to be gained in being positioned as leading these reforms, and as meeting the highest standards. Weirdly, there is nothing to signal that WE should now be interpreted as “the government”.

5. Tax

TAX again is a prominent word in the budget speech. In our previous report, we said that TAX was only used as a noun, and never used as a verb. Sorry! There was in fact one instance of TAX as verb – out of the 163 uses of TAX and its related forms. Swan said in his 2008 that “earnings **will be taxed** at a low rate of 15 per cent.” Note the use of the passive voice here, and that the government who is doing the taxing is not mentioned. Over the 190 uses of TAX/ED/ES/ING, there are only 3 instances of the word used as a verb (see Appendix 3 for all 190 instances – we have bolded the uses of TAX as verb).

In 2010, Swan used tax as a verb twice. For example, in defending the new tax on mining companies, he said “**Taxing mining super profits** fairly means we can afford to cut the company tax rate.” Here the verb turns up in a “non-finite, embedded clause”. What this means is that it is buried away. Compare what Swan said (“Taxing mining super profits fairly will mean...”) with the following: “We will tax mining super profits fairly” – where the government is clearly signalled as the one who is doing the action of taxing.

While both NEW and TAX are prominent in the Top 20, we do not find these words collocated: i.e. there is no instance of the phrase NEW TAX. [see below on Abbott’s use of TAX in his reply speech].

6. HEALTH and RENEWABLE ENERGY

HEALTH again makes the Top 20. This time we also see RENEWABLE and ENERGY in this list. RENEWABLE and ENERGY, of course, go together. Swan lists “climate change” as one of the three key challenges targeted in the budget. The government failed to implement its policy on an Emissions

Trading Scheme – so the budget instead offers investment in renewable energy as the next best thing.

There is a strong contrast between last year's Top 20 (see Table 6 in Appendix 2), where there was a proliferation of words to do with the programmes being funded under the budget: HEALTH, RAIL, INFRASTRUCTURE, PENSION, RESEARCH, EDUCATION, JOBS. It is part of the appearance of this budget as more restrained that we see less explicit evidence in the TOP 20 of the programmes on which the money is being spent – apart from HEALTH and RENEWABLE ENERGY, the only other is INFRASTRUCTURE.

7. Mr WHY WHY WHY

For the first time in the period we have studied, the word WHY enters the TOP 20. Figure 2 shows Costello's use of WHY over his last three speeches as Treasurer. He used it once. Figure 3 shows Swan's use of WHY over his three speeches as Treasurer. He has used it a total of 18 times over this period, including 11 in his 2010 speech. This suggests a more explicit defence of his announcements in his speech, and probably says something about the more complex political environment in which the speech was given.

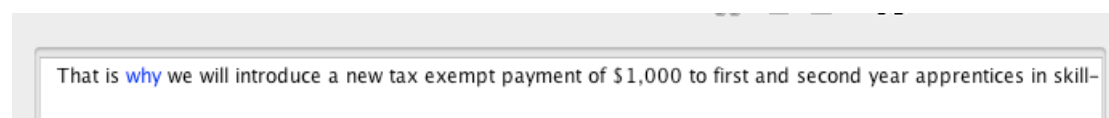


Figure 2 Concordance lines for the use of WHY by Costello in three speeches 2005-2007

That's why a key priority of this Budget is to deliver the Working Families Support Package. The \$55 billion

That's why the Government will provide an extra \$500 million to the States through the Australian Health C

That's why we will build on the effectiveness of our economic stimulus by extending two key measures.

That is why the Government will also provide immediate additional assistance by increasing the Small Busine

That's why the Government is introducing the Carbon Pollution Reduction Scheme and expanding the nation

That's why the Government is investing \$731 million over five years to deliver a Paid Parental Leave schem

That's why tonight I am also announcing some major structural savings to support the longer term sustaina

That is why we need to manage our resource wealth sustainably – capturing a fairer share for all Australians

That is why we are introducing a Resource Super Profits Tax from 1 July 2012.

That's why we have accepted a target range of reducing greenhouse gas emissions by between 5 and 25 p

That is why I announce tonight a new Skills for Sustainable Growth strategy.

That is why proceeds from the RSPT will create a new infrastructure fund.

That's why we asked Infrastructure Australia to develop a National Infrastructure Pipeline that helps give m

That's why this Government is putting so much effort into reforming our health and hospital system.

That is why I am announcing a \$772 million investment in our GPs and primary care services.

That is why I am announcing \$523 million to train and support our nurses, including in aged care and in our

That is why we have asked the Productivity Commission to inquire into aged care, and why we'll undertake r

ed care, and why we'll undertake more research into staffing levels, skills and resident care needs.

Figure 3 Concordance lines for the use of WHY by Swan in three speeches 2008-2010

8. SPEND versus SAVE

We noted in our last report that Costello was three times more likely to say SAVE/ING than to say SPEND/ING, while Swan by contrast was saying SPENDING more (average 10 per speech versus 2.3 for Costello), and saying SAVING much less (3.5 per speech versus 7 per speech for Costello). This year, SPENDING has low visibility with only four mentions. SAVINGS is up marginally. It falls just outside the Top 20 words for 2010, but if we added SAVING, SAVINGS and SAVE together, we would get enough instances to bump it up in frequency terms into the Top 20 list.

There is only one instance of SAVE as a verb, following the pattern we saw in Swan's previous speeches where he seems to have a tendency towards nouns and away from verbs. The context in which he uses it is interesting, in that it also helps explain the low visibility of THE GOVERNMENT in Swan's speech:

Mr Speaker, tonight I am outlining a reform agenda to help tackle these challenges. A reform agenda which will create jobs and encourage

investment; boost renewable energy; build capacity; save for the future; and fund better health and hospitals.

If we ask “who or what is going to save for the future”? The answer is “a reform agenda”. So Swan outlines the agenda, and then the agenda gets grammatical responsibility for creating jobs, encouraging investment, boosting renewable energy, saving for the future...etc. Again, this helps explain the low profile of the GOVERNMENT as agent of good economic deeds; and it suggests further missed opportunities by Swan to put the government front and centre as the agent of economic stability or growth.

9. Australians all let us rejoice

In this year’s speech we seemed to get a bit of a reprieve from “working families”. In fact Swan used it 6 times, compared with once in 2009. We heard it 13 times in 2008. Perhaps it didn’t seem like a lot this year, because we have all got used to hearing it so often that our collective threshold is higher. NATION BUILDING got a rest this year. NATION got a mere 4 mentions this year, compared with 20 last year.

The compensating choice is probably AUSTRALIANS which for the first time makes Swan’s Top 20. Swan tells us Australians “can be proudest of the (year) just past”, that Australians “defied global economic gravity”, that Australians “deserve high quality accessible health care”, etc.

10. Rhetorical positioning in the 2010 budget speech

We commented in our last report that while Costello consistently used the word LABOR to denigrate the legacy of his predecessors, Swan had not yet used the word Coalition in return. The word LIBERAL was also absent from his speeches. We found one instance of “the previous government” in his 2008 speech. As also noted in our last report, Swan did critique the Coalition government in his first speech as Treasurer, but he did implicitly, and in a rather diffuse fashion. This was noticeable because we were contrasting his speeches with Costello’s, whose message was consistent and singular: “we

are good economic managers, Labor were bad economic managers because they left a big debt that we had to pay off”.

Again, in this speech, Swan avoided the words COALITION/LIBERAL. His one big swipe at the Howard government was this:

Not one single pre-election budget of the former government delivered net savings over the forward estimates

Compare this jibe, with Costello in his 2006 speech:

We have now eliminated the \$96 billion of net debt that Labor left the Australian Government when it left office.

11. A great big new speech: Abbott in reply

We offer here a very brief comment on the Top 20 words in the reply speech by Opposition Leader, Tony Abbott. [Note that the number of times a word is used, and its rank can be compared, but the frequencies at this stage cannot, as we have not removed close system words for the frequency calculations].

Table 2 Top 20 words for Tony Abbott's reply speech

#	Word	Count	%
1	GOVERNMENT	41	1,168
2	TAX	40	1,139
3	NEW	23	0,655
4	MORE	16	0,456
5	CENT	16	0,456
6	TAXES	15	0,427
7	MINING	14	0,399
8	COALITION	13	0,37
9	BUDGET	12	0,342
10	GOOD	11	0,313
11	LABOR	10	0,285
12	YEARS	10	0,285
13	YEAR	9	0,256
14	BILLION	9	0,256
15	AUSTRALIA	9	0,256
16	COST	9	0,256
17	SPENDING	9	0,256
18	RATE	9	0,256
19	WAY	8	0,228
20	MINISTER	8	0,228

Any one who heard the speech will know it was a strong, explicit attack on the current government, and a pitch for votes at the next election. The Top 3 words for Abbott: GOVERNMENT, NEW and TAX. While Swan hardly used the word GOVERNMENT, Abbott used it 41 times, predominantly for purposes of denigrating the current Federal government. [There are also a couple of references to the “former government”, and a couple to the kind of government that the Coalition would be if elected].

We show you below in Figure 4 the results of the ‘Key Word in Context’ summary for TAX in Abbott’s speech. The columns show you words to the left and right of the word TAX. So ‘Left-‘ means first word to the left of the key word, ‘Left--‘ means two words to the left of the key word, and so on. Top word to the left of TAX is NEW (i.e. “new tax”). Note also ‘mining’ in the list of words to the left of the key word (i.e. “mining tax”).

Left---		Left--		Left-		Right+		Right++		Right+++	
Word	#	Word	#	Word	#	Word	#	Word	#	Word	#
a	5	a	9	new	11	on	15	the	4	a	4
great	5	the	6	mining	6	is	3	not	3	means	2
putting	2	big	5	cent	3	that	3	mining	2	profits	2
40	2	per	3	normal	2	to	3	will	2	to	2
cent	2	rate	2	of	2	and	2	an	1	an	1
effective	1	new	2	super	1	and-spend	1	returns	1	election	1
an	1	an	1	cigarette	1	once	1	needed	1	put	1
put	1	with	1	this	1	was	1	added	1	most	1
with	1	election	1	economy-stopping	1	payroll	1	resources	1	projects	1
mining	1	projects	1	whammy	1	in	1	normal	1	mining	1
three	1	triple	1	replacement	1	has	1	generate	1	imposed	1
offshore	1	super	1	rent	1	as	1	super	1	depreciation	1
fund	1	this	1	payroll	1	cut	1	there's	1	jobs	1
gas	1	in	1	profits	1	break	1	opposition	1	called	1
that	1	tax	1	That	1	substituted	1	offshore	1	fund	1
recommended	1	as	1	company	1	Instead	1	so	1	rate	1
cut	1	If	1	corporate	1	not	1	all	1	as	1
It's	1	It's	1	extra	1	does	1	our	1	125	1
existing	1	resource	1	on	1	applies	1	its	1	people	1
of	1	typical	1	old-fashioned	1			threatens	1	business	1
not	1			year	1			already	1	and	1
well	1			a	1			small	1	one	1

Figure 4 Key Word in Context stats for Abbott's use of TAX

We also see TAXES in the Top 20 – while TAX has been in the Top 20 for the last 6 budget speeches, we have not seen TAXES used with great frequency in these speeches. Over 6 budget speeches, it has been used 12 times, while Abbott uses it 15 times in his one speech. Note also that SPENDING is in Top 20: Abbott accuses Labor of “unleash(ing) the greatest spending spree in Australian history”; while a Coalition government would “rein in spending” and “reduce spending”, and that “taxes and spending will always be lower and government will always be smaller under the Coalition”.

We see explicit reference to the COALITION and LABOR in Abbott’s speech, for the purposes of positioning the COALITION – for arguing his case for why voters should vote out Labor and vote in the Coalition. The word GOOD is also recruited for this purpose: the Labor government “penalizes good

projects”, is more about “looking good than doing good”, is “throwing good money after bad”. By contrast, when promoting his paid parental leave policy, Abbott argues it is “good for women”, “good for all those families who need two incomes”, and “good for the economy”.

Abbott was busier attacking the government than making his own announcements. We don’t see any words in his Top 20 which clearly signal policy announcements by the Coalition.

Essentially, Abbott’s speech takes up the themes that Costello projected and reiterated in his budget speeches regarding the Labor government which preceded Howard.

12. Summary

This has been a small scale study, where we have simply picked up high or low frequency (or absent) words, to compare the styles of our current and former Treasurer. We have done this because the budget and the budget speech are significant elements in the Australian political cycle. Word frequencies are not mere curiosities – they reveal deep preoccupations, or absences in these texts. We have just plucked the low hanging fruit, working on obvious features of these texts which can be identified with a bit of help from a handy software programme. More intensive, detailed analysis would allow us to get a better handle on how the Liberal/National and Labor parties compare in the way they project a view of the economy.

13. Appendix 1

Notes on method

Data set Word frequencies were determined using SysConc, on nine data sets: the six individual Budget speeches from the years 2005 to 2010, the set of three Liberal Party Budget speeches (years 2005, 2006 and 2007), the set of three Labor Party Budget speeches (years 2008 and 2009), and the set of all six speeches together.

Exclusions The frequencies were initially generated for all words (i.e. both lexical and grammatical items) but excluding numerals from the count. Because we are initially interested in the top 20 words in each data set, the top 20 to 25 words by rank were scanned for grammatical items, and these were then entered into SysConc as feature sets that could be excluded from the counts.

The subcategories of the feature set 'grammatical items' are:

1. prepositions
2. pronouns
3. conjunctions
4. demonstratives
5. articles (*the, a, an, some*)
6. terms of address (*mr, mrs, speaker, etc.*)
7. verbal operators (*be, have, do* and their conjugations; modal operators)
8. numeratives (cardinal and ordinal numbers spelt ialphabetically; also nonspecific numerative terms such as *many, any, etc.* **but not comparatives such as *more or less***)
9. modal items (other than modal operators; mostly modal adjuncts)

These subcategories are fairly 'loose' – several of them take in more than might usually be expected from their name.

Other subcategories that we might want to consider excluding in future if we look at a bigger set of words:

10. general verbs (e.g. *make, go, take, affect*)
11. relational verbs (e.g. *remain, turn, look, stand*)
12. aspectual verbs (e.g. *try, continue*)

Choosing the 'top 20' words In the six files of individual speeches, the data sets are small and the word counts are fairly low. This means that for each of

these smaller data sets, there tend to be a number of words at the same ‘rank’ within the top 20 ranks, so that many or all of the tokens fall within the top 20 by frequency. For example, in the 2009 speech, all 936 lexical types fall within the top 20 by frequency, with 50 words, each of which occurs only once in the text, being in 20th position. Even in the larger data set formed by combining the five files, there are two positions in the top 20 ranking that are filled by more than one word, as shown in Table 1: the words ‘health’ and ‘australian’ are both ranked 16th, with a count of 61, and the words ‘additional’ and ‘economic’ are both ranked 20th, with a count of 51.

Table 3 Top 20 lexical items in Budget Speeches 2005-2010

#	Word	Count	%
1	GOVERNMENT	181	1,455
2	BUDGET	147	1,182
3	TAX	146	1,174
4	YEARS	134	1,077
5	MILLION	131	1,053
6	AUSTRALIA	128	1,029
7	BILLION	123	0,989
8	CENT	115	0,924
9	YEAR	108	0,868
10	NEW	106	0,852
11	FUTURE	85	0,683
	MORE	85	0,683
12	TONIGHT	79	0,635
13	HEALTH	77	0,619
14	AUSTRALIANS	73	0,587
15	FUND	70	0,563
16	ECONOMY	68	0,547
	AUSTRALIAN	68	0,547
17	INCOME	65	0,523
18	ECONOMIC	62	0,498
	INVESTMENT	62	0,498

Therefore, we selected the first 20 words in each list, rather than the top 20 words by frequency. Where the 20th word in the list is equal in rank with some that follow, these are included too. Table 2 shows how many ranks the first 20 words encompass for each of the six data sets, and the total number of words included in the ‘first 20’ for each set.

Table 4 The difference between the first 20 and the top 20 words in each data set.

	Combined 2005-2010	2005	2006	2007	Lib	2008	2009	2010	Labor
Rank of 20 th word	18	12	13	12	15	12	11	10	17
Number of words at above rank	2	4	2	5	3	5	9	3	3
Actual number of words in 'first 20'	21	23	21	24	21	20	26	20	22

14. Appendix 2

Table 5 TOP 20 words for 3 Costello speeches combined and 3 Labor speeches combined

coalition speeches (2005-2007)				labor speeches (2008-2010)			
rank	word	count	frequency per 100 words	rank	word	count	frequency per 100 words
Tokens: 6363				Tokens: 6077			
Types: 1770				Types: 1798			
1	GOVERNMENT	98	1.54	1	GOVERNMENT	83	1.366
2	TAX	87	1.367	2	BUDGET	75	1.234
3	MILLION	79	1.242	3	YEARS	69	1.135
4	BUDGET	72	1.132	4	BILLION	64	1.053
5	YEAR	70	1.1	5	AUSTRALIA	63	1.037
6	AUSTRALIA	65	1.022	6	CENT	62	1.02
7	YEARS	65	1.022	7	TAX	59	0.971
8	BILLION	59	0.927	8	NEW	53	0.872
9	CENT	53	0.833	9	MILLION	52	0.856
10	NEW	53	0.833	10	ECONOMY	48	0.79
11	TONIGHT	47	0.739	11	HEALTH	48	0.79
12	PEOPLE	46	0.723	12	MORE	45	0.74
13	AUSTRALIAN	46	0.723	13	FUTURE	44	0.724
14	INCOME	43	0.676	14	FUND	39	0.642
15	FUTURE	41	0.644	15	YEAR	38	0.625
16	WORK	40	0.629	16	NATION	35	0.576
17	MORE	40	0.629	17	AUSTRALIANS	35	0.576
18	AUSTRALIANS	38	0.597	18	ECONOMIC	35	0.576
19	JULY	36	0.566	19	INFRASTRUCTURE	33	0.543
20	ADDITIONAL	36	0.566	20	EDUCATION	32	0.527
21	CARE	36	0.566	21	TONIGHT	32	0.527
				22	INVESTMENT	32	0.527

Table 6 Top 20 for each of the six individual speech

2005				2006				2007				2008				2009				2010			
rnk	word	ct	per 100 words	rnk	word	ct	%	rnk	word	ct	%	rnk	word	ct	%	rnk	word	ct	%	rnk	word	ct	%
Tokens: 2074				Tokens: 2094				Tokens: 2195				Tokens: 2246				Tokens: 2017				Tokens: 1814			
Types: 860				Types: 907				Types: 902				Types: 906				Types: 936				Types: 844			
1	GOVERN- MENT	30	1.446	1	TAX	38	1.815	1	GOVERN- MENT	34	1.549	1	GOVERN- MENT	52	2.315	1	BUDGET	29	1.438	1	CENT	25	1.378
2	BUDGET	28	1.35	2	GOVERN- MENT	34	1.624	2	TAX	30	1.367	2	YEARS	38	1.692	2	MILLION	24	1.19	2	ECONOMY	22	1.213
3	WORK	28	1.35	3	MILLION	31	1.48	3	YEARS	28	1.276	3	BILLION	34	1.514	3	AUSTRALIA	23	1.14	3	YEARS	21	1.158
4	PEOPLE	25	1.205	4	AUSTRALIA	28	1.337	4	YEAR	25	1.139	4	AUSTRALIA	31	1.38	4	GOVERN- MENT	23	1.14	4	BUDGET	20	1.103
5	MILLION	23	1.109	5	NEW	28	1.337	5	MILLION	25	1.139	5	CENT	27	1.202	5	NATION	20	0.992	5	MORE	20	1.103
6	BILLION	20	0.964	6	YEAR	27	1.289	6	BILLION	22	1.002	6	BUDGET	26	1.158	6	BUILDING	17	0.843	6	TAX	20	1.103
7	YEARS	20	0.964	7	BUDGET	24	1.146	7	BUDGET	20	0.911	7	TAX	26	1.158	7	BILLION	15	0.744	7	HEALTH	16	0.882
8	FUTURE	19	0.916	8	AUSTRALIAN	21	1.003	8	AUSTRALIA	20	0.911	8	FUND	25	1.113	8	NEW	15	0.744	8	BILLION	15	0.827
9	TAX	19	0.916	9	BILLION	17	0.812	9	CARE	18	0.82	9	FUTURE	23	1.024	9	GLOBAL	15	0.744	9	NEW	15	0.827
10	YEAR	18	0.868	10	CENT	17	0.812	10	CENT	18	0.82	10	NEW	23	1.024	10	ECONOMY	14	0.694	10	ENERGY	14	0.772
11	CENT	18	0.868	11	YEARS	17	0.812	11	INCOME	16	0.729	11	MILLION	20	0.89	11	HEALTH	14	0.694	11	AUSTRALIA NS	13	0.717
12	AUSTRALIA	17	0.82	12	ADDITIONAL	16	0.764	12	TONIGHT	16	0.729	12	FAMILIES	20	0.89	12	RECESSION	13	0.645	12	INVEST- MENT	13	0.717
13	TONIGHT	17	0.82	13	PROVIDE	15	0.716	13	FUND	16	0.729	13	EDUCA- TION	20	0.89	13	TAX	13	0.645	13	FUTURE	12	0.662
14	AUSTRA-	16	0.771	14	INCREASE	15	0.716	14	FUTURE	15	0.683	14	YEAR	19	0.846	14	RAIL	12	0.595	14	STRATEGY	12	0.662

LIANS					
15 NEW 16 0.771	15 TONIGHT 14 0.669	15 MORE 15 0.683	15 NATIONAL 18 0.801	15 INFRA-STRUCTURE 12 0.595	15 YEAR 12 0.662
16 MORE 15 0.723	16 RATE 14 0.669	16 ADDITIONAL 14 0.638	16 HEALTH 18 0.801	16 PENSION 11 0.545	16 TONIGHT 12 0.662
17 SERVICES 15 0.723	17 INVEST-MENT 14 0.669	17 FUNDING 14 0.638	17 INFLATION 15 0.668	17 RESEARCH 11 0.545	17 INFRA-STRUCTURE 12 0.662
18 JULY 15 0.723	18 PLAN 13 0.621	18 WANT 13 0.592	18 MORE 15 0.668	18 CENTRAL 10 0.496	18 WHY 11 0.606
19 INCOME 14 0.675	19 INCOME 13 0.621	19 EDUCATION 13 0.592	19 ECONOMIC 15 0.668	19 PRIVATE 10 0.496	19 RENEW-ABLE 11 0.606
20 CARE 13 0.627	20 BUSINESS 12 0.573	20 NATIONAL 12 0.547	20 SPENDING 15 0.668	20 MORE 10 0.496	20 ECONOMIC 11 0.606
21 ECONOMIC 13 0.627	21 SECURITY 12 0.573	21 PROVIDE 12 0.547	21 WORKING 15 0.668	21 SYSTEM 10 0.496	
22 ANNOUNCE 13 0.627		22 JULY 12 0.547		22 EDUCATION 10 0.496	
23 AUSTRALIAN 13 0.627		23 CHILD 12 0.547		23 PROJECTS 10 0.496	
		24 AUSTRALIAN 12 0.547		24 JOBS 10 0.496	
				25 CENT 10 0.496	
				26 YEARS 10 0.496	

15. Appendix 3

All instances of word TAX/ES/ED/ING across 6 years of budget speeches

1		Tax	payers earning \$30,000 paid \$6,222 in income tax in 1999. From 1 July 2007 they will only pay \$2,850 a reduction of around 54 per cent.
2		Tax	payers will be able to go online to access an income tax return prepared by the Commissioner of Taxation, including income from salary and wages, interest, dividends, information on private health insurance, and any benefits paid from the Government, including the family tax benefit.
3		Tax	rules for employee share schemes will be amended to prevent unfair tax minimisation.
4		Tax	ing mining super profits fairly means we can afford to cut the company tax rate to 29 per cent in 2013-14 and 28 per cent in 2014-15.
5	In order to improve incentives for people to move out of welfare into work, tonight I am announcing a	tax	cut for low income earners. The 17 cent tax rate which applies between \$6,000 and \$21,600 will be cut to 15 cents in the dollar. This change will take effect on 1 July 2005.
6	At the core of the plan is the proposal to exempt Australians aged 60 or over from any tax on their end benefits where these are paid from a	tax	ed superannuation fund. This would apply from 1 July 2007. There would be no tax on a lump sum. There would be no tax on a superannuation pension. This would be the most direct way of cutting through the complexity of the current system.
7	This will be available for the 9 million taxpayers who currently lodge their tax return electronically, either directly or through a	tax	agent. There are 10 million taxpayers in Australia.
8	In last year Budget I announced the most comprehensive reform of Australia superannuation system ever. Taxes on benefits paid from a	tax	ed fund to those over 60 will be abolished from 1 July 2007 no tax on pensions, no tax on lump sums.
9	We need a	tax	system that is fairer, that is simpler, that better rewards people for their hard work, that responds to our environmental and demographic challenges, that makes us internationally competitive, and that creates the incentives to invest in our productive capacity. One that supports national prosperity beyond the mining boom.
10	Last year I announced a new scheme for low and middle income earners under which a Government co-contribution of \$1.50 would be paid into superannuation for each after	tax	dollar a qualifying person contributed themselves. I also announced a plan to reduce the superannuation surcharge for middle and upper income earners.
11	Also tonight I will announce tax cuts for business and	tax	cuts for individuals to drive growth in our economy.
12	Also tonight I will announce	tax	cuts for business and tax cuts for individuals to drive growth in our economy.
13	At the core of the plan is the proposal to exempt Australians aged 60 or over from any	tax	on their end benefits where these are paid from a taxed superannuation fund. This would apply from 1 July 2007. There would be no tax on a lump sum. There would be no tax on a superannuation pension. This would be the most direct way of cutting through the complexity of the current system.
14	These measures include: ensuring appropriate	tax	is paid on income distributed by Australian resident trustees to non-resident trusts; increasing resources for the High Wealth Individuals Taskforce; funding the co-ordinated law enforcement action code-named Operation Wickenby to get

			at international tax evasion and crime. These measures will recover revenue of around \$2.3 billion over the next four years.
15	As in the last two Budgets, there will be an additional \$600 payment this financial year to those people receiving Carer Allowance. It is estimated that around 370,000 people will receive this additional payment. It will not affect the carer's social security entitlements and the bonuses are	tax	free.
16	This is a key step towards a 'tick and flick' system of pre-filled tax returns that will make life easier for working families at	tax	time.
17	The cut in the lowest rate of tax benefits Seniors too and means that Senior Australians eligible for the Senior Australian	Tax	Offset will now pay no tax on their annual income up to \$21,968 for a single and no tax on equal incomes up to a joint \$36,494 for a couple.
18	These changes will make the Australian	tax	system more competitive and bring Australia's upper income tax rates into line with OECD averages.
19	Senior Australians who are eligible for the Senior Australians	Tax	Offset will pay no tax on their annual income up to \$24,867 for singles and up to \$41,360 for couples.
20	Senior Australians who are eligible for the senior Australians	tax	offset will now pay no tax on their annual income up to \$25,867 for singles and up to \$43,360 for couples.
21	Both the seniors and the carers bonuses will be paid by 30 June 2007. These payments will be	tax	-free and not treated as income when calculating social security payments.
22	Forests play a key role in reducing greenhouse gases. Tonight I announce that the costs of establishing qualifying carbon sink forests will be	tax	deductible with immediate deductibility for five years commencing 1 July 2007 and concessional depreciation arrangements after that.
23	We will introduce enhanced First Home Saver Accounts. The first \$5,000 of individual contributions will now attract a Government contribution of 17 per cent, earnings will be	tax	ed at a low rate of 15 per cent, and withdrawals will be tax-free if used to buy or build a first home. The Government will provide assistance of \$1.2 billion over four years through the Accounts.
24	We will introduce enhanced First Home Saver Accounts. The first \$5,000 of individual contributions will now attract a Government contribution of 17 per cent, earnings will be taxed at a low rate of 15 per cent, and withdrawals will be	tax	-free if used to buy or build a first home. The Government will provide assistance of \$1.2 billion over four years through the Accounts.
25	The Government will also reduce the complexity of small business tax arrangements. In April this year, the Government announced reforms to the fringe benefits	tax	in response to the Task Force on Reducing Red Tape.
26	Our reform efforts are focused on a better balance between	tax	and transfer payments.
27	This means less time with the Tax Pack, more time with loved ones, and for 6.4 million Australians it also means a bigger	tax	refund.
28	Since last year's Budget,	tax	ation receipts have been revised down by around \$210 billion over the forward estimates.
29	And the Australian Government will continue to support business to get full relief from state government stamp duties and business	tax	es that were to be abolished by the GST.

30	second a major improvement in business	tax	; and
31	Our plan here has two parts depreciation and reform of small business	tax	ation.
32	The measure will cut business	tax	by \$3.7 billion over the next four years. It will encourage Australian business to undertake investment in new plant and equipment, to keep pace with new technology, and to remain ultra-competitive.
33	The Government will also reduce the complexity of small business	tax	arrangements. In April this year, the Government announced reforms to the fringe benefits tax in response to the Task Force on Reducing Red Tape.
34	Our key business	tax	reforms will increase real wages by around 1.1 per cent in the long run, putting an extra \$450 a year into the pockets of workers on average earnings.
35	Small Business	Tax	Break increase
36	That is why the Government will also provide immediate additional assistance by increasing the Small Business and General Business	Tax	Break to 50 per cent for eligible assets ordered between December 2008 and December 2009, in addition to assistance for small businesses to take advantage of e-business opportunities.
37	BUSINESS	TAX	
38	The Government will also reimburse 30 per cent of the remaining out-of-pocket expenses after the payment of the Benefit. From 1 July 2007, families will receive the 30 per cent Child Care	Tax	Rebate as a direct payment shortly after the financial year in which they incur out-of-pocket child care costs. Families who incur out-of-pocket child care costs in both 2005-06 and 2006-07 will receive two rebates in 2007-08 one through the tax system under existing arrangements, and the other as a direct payment. The maximum payment will be \$4,096 per child in respect of 2005-06 and \$4,211 per child for 2006-07.
39	Mr Speaker, the Government will ease the burden of child care costs, and make it easier for parents who wish to return to work, by increasing the Child Care	Tax	Rebate from 30 per cent to 50 per cent. This will ensure that, in addition to any Child Care Benefit payable, half of a family's out of pocket child care costs will be met every year.
40	The cap on the amount that can be paid will be lifted from \$4,354 to \$7,500 per child, and the Government will pay the 50 per cent Child Care	Tax	Rebate quarterly, to ensure support is available when it is most needed. The total cost of these reforms is \$1.6 billion over four years.
41	In order to improve incentives for people to move out of welfare into work, tonight I am announcing a tax cut for low income earners. The 17 cent	tax	rate which applies between \$6,000 and \$21,600 will be cut to 15 cents in the dollar. This change will take effect on 1 July 2005.
42	The 42 per cent	tax	threshold will increase from \$58,000 to \$63,000 on 1 July 2005 and to \$70,000 on 1 July 2006.
43	From 1 July this year, the 30 per cent	tax	rate will only apply to income over \$30,000:- up from the current threshold of \$25,000.
44	So from 1 July 2011 Australians will be able to obtain a 50 per cent	tax	discount for the first \$1,000 of interest they earn, including interest earned on deposits held in banks, building societies and credit unions, and on bonds, debentures and annuity products.
45	Now the Australian Government is debt free in net terms. We do not have to collect	tax	es to pay the Government's interest bill. We are saving over \$8 billion per annum in interest payments.
46	We recently received a report on the International Comparison of Australia's taxes. It showed that our company	tax	rate which this Government cut to 30 per cent is internationally competitive but that Australia had the equal lowest value of depreciation allowances in comparator countries. Evidence suggests that a diminishing value rate of 200 per cent is more appropriate in a world of rapidly advancing technology than Australia's current rate of 150 per cent.

			Therefore we will move to enhance our taxation arrangements by moving to a 200 per cent diminishing value rate on eligible business assets acquired after tonight.
47	Taxing mining super profits fairly means we can afford to cut the company	tax	rate to 29 per cent in 2013-14 and 28 per cent in 2014-15.
48	From 2012-13, small businesses will receive a head start on the 28 per cent company	tax	rate. They will enjoy an instant write-off for assets costing less than \$5,000, and a simple but generous depreciation pool for other assets.
49	The RSPT, including the effective removal of royalties, and lower company	tax	rate will strengthen the business case for new investment, including in the mining sector.
50	◆for a new comprehensive	tax	plan;
51	Mr Speaker, tonight I am announcing a new comprehensive	tax	reform plan with three parts:-
52	A NEW COMPREHENSIVE	TAX	PLAN
53	I also announce changes to the tax treatment of certain legitimate business costs which are currently not recognised under the law. Allowing deductions for these so-called ◆blackhole◆ expenditures from 1 July 2005 will cut	tax	by \$205 million over three years.
54	We have cut	tax	es in the last four Budgets.
55	◆It establishes an historic system of paid parental leave, and delivers	tax	cuts for working families.
56	From 1 July 2010, we will also replace the current research and development	tax	concessions with an expanded tax credit that rewards firms for research and development.
57	The Government does not believe hard earned	tax	dollars are best spent on cash payments to the wealthiest Australians. It is simply not defensible.
58	The Government will support parents who are providing opportunities for their children by investing in their education, with a new Education	Tax	Refund, costing \$4.4 billion over four years. We have funded this in large part by redirecting tax cuts for people earning more than \$180,000 a year.
59	Families affected by this measure will be among the main beneficiaries of other initiatives introduced by this Government, including the doubling of the Low Income Tax Offset; the Education	Tax	Refund; the Teen Dental Health Plan; and Paid Parental Leave.
60	Working families have also benefited substantially from the increase in the Child Care Rebate, the Education	Tax	Refund, and the Teen Dental Plan.
61	We will have increased the effective	tax	free threshold from \$11,000 in 2007-08 to \$16,000 in 2010-11 through increases in the Low Income Tax Offset.
62	In last year◆ Budget I announced the most comprehensive reform of Australia◆ superannuation system ever.	Tax	es on benefits paid from a taxed fund to those over 60 will be abolished from 1 July 2007 ◆no tax on pensions, no tax on lump sums.
63	From 1 July 2010, we will also replace the current research and development tax concessions with an expanded	tax	credit that rewards firms for research and development.
64	Taxpayers will be able to go online to access an income tax return prepared by the Commissioner of Taxation, including income from	tax	benefit.

	salary and wages, interest, dividends, information on private health insurance, and any benefits paid from the Government, including the family		
65	Since 1996 we have doubled assistance to families through the Family	Tax	Benefit system. The maximum payment per child under Part A has increased from around \$2,400 to \$4,200 a year.
66	Tonight I am announcing further enhancements to Family	Tax	Benefit Part A.
67	So from 1 July 2008, an income test will be introduced so that Family	Tax	Benefit Part B will only be available to families in which the principal earner does not have an annual income exceeding \$150,000.
68	The Government is also changing family payments to index the Family	Tax	Benefit Part A to the Consumer Price Index only. This change will maintain the real value of future payments, but they will not grow by as much as they otherwise would.
69	We will meet them stronger with this plan for	tax	reform for individuals, for business and the largest superannuation reform in decades.
70	And our reforms to medicines pricing under the Pharmaceutical Benefits Scheme, and a new Community Pharmacy Agreement, will deliver \$2.5 billion in net savings over five years from 2010-11 and provide better value for money for	tax	payers.
71	If you rob capital or earnings from the Future Fund,	tax	payers will have to make up the difference. You are passing our bills, our obligations, from our generation to the next. This will limit their future. We will strongly oppose any irresponsible attempt to raid this national investment for cheap political advantage.
72	Australia Future	Tax	System
73	Tonight, I confirm the most comprehensive review of Australia tax system since World War 2. The Australia Future	Tax	System (AFTS) review will be reporting progressively from this July through to the end of 2009.
74	This Budget takes progress much further with a range of measures which will reduce the complexity faced by small business. These include changes to make the Simplified Tax System more attractive, aligning thresholds for small businesses to make it easier for them to understand their eligibility for various concessions, and simplifying and extending access to the small business capital gains	tax	concessions. These changes will provide benefits worth \$435 million to small business over the next four years.
75	We are also improving	tax	system integrity to crack down on loopholes exploited by a small number of high-income earners.
76	That why a key priority of this Budget is to deliver the Working Families Support Package. The \$55 billion package comprises targeted initiatives in	tax	, child care, education, housing, and other essential components of family budgets.
77	With the new tranche of personal tax cuts from 1 July, we will have delivered \$47 billion in	tax	relief over four years, targeted squarely at working families.
78	Mr Speaker, tonight I announce further personal income	tax	cuts worth \$21.7 billion over four years.
79	These tax cuts will assist low income earners, boost disposable incomes, reward participation and hard work. They build on the \$14.7	tax	cuts provided in last year Budget.

	billion in income		
80	These changes ensure that more than 80 per cent of taxpayers face a top marginal income	tax	rate of 30 per cent or less over the forward estimates period. And from 1 July 2006, the top marginal rate will apply to only 3 per cent of taxpayers.
81	first another instalment in income	tax	reform;
82	Our tax system exists to fund the decent services in health and aged care and other services that Australians legitimately expect and are entitled to receive. If we can fund these services, balance our Budget, defend and secure the country, and reduce the tax burden we should aim to do so. This year we will do so. And we will reduce personal income	tax	very significantly.
83	These changes will make the Australian tax system more competitive and bring Australia upper income	tax	rates into line with OECD averages.
84	We commenced cutting personal income	tax	in 2000.
85	Tonight I announce income	tax	cuts for the fifth year in a row. These tax cuts will take effect in two stages: from 1 July 2007 and 1 July 2008.
86	The low income	tax	offset will also rise from \$600 to \$750 and will begin to phase-out from \$30,000. This means that low income earners eligible for the offset will not pay tax until their annual income exceeds \$11,000.
87	Taxpayers earning \$30,000 paid \$6,222 in income	tax	in 1999. From 1 July 2007 they will only pay \$2,850 a reduction of around 54 per cent.
88	These income	tax	changes will ensure that more than 80 per cent of taxpayers face a top marginal tax rate of 30 per cent or less across the forward estimates period. They mean the top tax rate only applies to around 2 per cent of taxpayers. Back in 1996 the top marginal rate which was higher than it is today applied from \$50,000. If that threshold had been indexed it would have stood below \$68,000 on 1 July next year. In fact it will be \$180,000.
89	Tonight I am also announcing a programme to dramatically simplify income	tax	returns for the next financial year commencing on 1 July 2007.
90	Taxpayers will be able to go online to access an income	tax	return prepared by the Commissioner of Taxation, including income from salary and wages, interest, dividends, information on private health insurance, and any benefits paid from the Government, including the family tax benefit.
91	Personal income	tax	cuts
92	The Government will fully implement our promise to reduce personal income	tax	by \$47 billion over four years. This tax cut is directed to low and middle income families the backbone of the economy.
93	For low income earners, the Low Income	Tax	Offset will increase from \$235 to \$600. It will phase out from \$25,000 to \$40,000. It means a low income earner will not pay tax until their annual income exceeds \$10,000.
94	Families affected by this measure will be among the main beneficiaries of other initiatives introduced by this Government, including the doubling of the Low Income	Tax	Offset; the Education Tax Refund; the Teen Dental Health Plan; and Paid Parental Leave.
95	We will have increased the effective tax free threshold from \$11,000 in 2007-08 to \$16,000 in 2010-11 through increases in the Low Income	Tax	Offset.

96	INCOME	TAX	CUTS
97	A strategy that will pay off debt three years sooner - again ahead of every major advanced economy - without increasing	tax	es as a share of the economy beyond the level we inherited from our predecessors.
98	These measures include: ensuring appropriate tax is paid on income distributed by Australian resident trustees to non-resident trusts; increasing resources for the High Wealth Individuals Taskforce; funding the co-ordinated law enforcement action code-named Operation Wickenby to get at international	tax	evasion and crime. These measures will recover revenue of around \$2.3 billion over the next four years.
99	They deserve this recognition. It will cost \$317 million in this year. It will not affect the carer social security entitlements and it is	tax	-free.
100	While interest is	tax	ed at the saver's marginal rate without any discount, capital gains on assets held longer than a year receive a 50 per cent discount.
101	We have delivered major	tax	relief to low- and middle-income earners because we are guided by the belief that the tax system best rewards hard work.
102	Individuals who wish to contribute to this visionary initiative will be able to make	tax	deductible gifts to be managed along with the Government endowment. The Endowment will be managed by the Guardians of the Future Fund.
103	From 1 July this year, the 17 per cent marginal	tax	rate will be cut to 15 per cent.
104	Since 2000 we have reduced the marginal	tax	rates at the lower end of the income scale.
105	Tonight I announce that from 1 July 2006 we will reduce the marginal	tax	rates at the upper end of the income scale. We will reduce the 47 and 42 cent rates to 45 and 40 cents. This will give Australia four marginal tax rates of 15, 30, 40 and 45 cents.
106	Tonight I announce that from 1 July 2006 we will reduce the marginal tax rates at the upper end of the income scale. We will reduce the 47 and 42 cent rates to 45 and 40 cents. This will give Australia four marginal	tax	rates of 15, 30, 40 and 45 cents.
107	Across the forward estimates more than 80 per cent of taxpayers will have a top marginal	tax	rate of 30 cents. Only 2 per cent of taxpayers will be affected by the top marginal tax rate on 1 July.
108	Across the forward estimates more than 80 per cent of taxpayers will have a top marginal tax rate of 30 cents. Only 2 per cent of taxpayers will be affected by the top marginal	tax	rate on 1 July.
109	Six years ago the threshold for the top marginal	tax	rate was \$50,000. If that threshold had been indexed in 1996 it would have stood below \$64,000 by 1 July this year. By 1 July this year that threshold will be \$150,000.
110	These income tax changes will ensure that more than 80 per cent of taxpayers face a top marginal	tax	rate of 30 per cent or less across the forward estimates period. They mean the top tax rate only applies to around 2 per cent of taxpayers. Back in 1996 the top marginal rate which was higher than it is today applied from \$50,000. If that threshold had been indexed it would have stood below \$68,000 on 1 July next year. In fact it will be \$180,000.
111	This will be available for the 9 million	tax	payers who currently lodge their tax return electronically, either directly or through a tax agent. There are 10 million

			taxpayers in Australia.
112	This will be available for the 9 million taxpayers who currently lodge their tax return electronically, either directly or through a tax agent. There are 10 million	tax	taxpayers in Australia.
113	Mr Speaker, a modern economy demands a more modern	tax	system, which helps build the nation.
114	A position of strength from which we will build a modern	tax	and retirement incomes system, invest in renewable energy, and deliver historic health and hospital reform.
115	That is why we will introduce a new	tax	exempt payment of \$1,000 to first and second year apprentices in skill-shortage trades to top up their wages. It will be for those under 30 years of age. It will give them better wages while they are training. First and second year apprentices in skill-shortage trades, regardless of age, will also be entitled to a voucher of \$500 which they can use to help offset course fees for their training.
116	The cut in the lowest rate of tax benefits Seniors too and means that Senior Australians eligible for the Senior Australian Tax Offset will now pay no	tax	on their annual income up to \$21,968 for a single and no tax on equal incomes up to a joint \$36,494 for a couple.
117	The cut in the lowest rate of tax benefits Seniors too and means that Senior Australians eligible for the Senior Australian Tax Offset will now pay no tax on their annual income up to \$21,968 for a single and no	tax	on equal incomes up to a joint \$36,494 for a couple.
118	Senior Australians who are eligible for the Senior Australians Tax Offset will pay no	tax	on their annual income up to \$24,867 for singles and up to \$41,360 for couples.
119	At the core of the plan is the proposal to exempt Australians aged 60 or over from any tax on their end benefits where these are paid from a taxed superannuation fund. This would apply from 1 July 2007. There would be no	tax	on a lump sum. There would be no tax on a superannuation pension. This would be the most direct way of cutting through the complexity of the current system.
120	At the core of the plan is the proposal to exempt Australians aged 60 or over from any tax on their end benefits where these are paid from a taxed superannuation fund. This would apply from 1 July 2007. There would be no tax on a lump sum. There would be no	tax	on a superannuation pension. This would be the most direct way of cutting through the complexity of the current system.
121	Senior Australians who are eligible for the senior Australians tax offset will now pay no	tax	on their annual income up to \$25,867 for singles and up to \$43,360 for couples.
122	In last year's Budget I announced the most comprehensive reform of Australia's superannuation system ever. Taxes on benefits paid from a taxed fund to those over 60 will be abolished from 1 July 2007. There will be no	tax	on pensions, no tax on lump sums.
123	In last year's Budget I announced the most comprehensive reform of Australia's superannuation system ever. Taxes on benefits paid from a taxed fund to those over 60 will be abolished from 1 July 2007. There will be no tax on pensions, no	tax	on lump sums.

124	From 1 July 2008, a worker on \$48,000 average weekly earnings will receive a weekly tax cut of \$20. And low income workers earning \$14,000 or less will pay no	tax	at all.
125	Tonight I announce \$1.8 billion of	tax	cuts to enhance the competitiveness of Australian business. From midnight tonight, the 3 per cent tariff on imported business inputs which do not have substitutes manufactured in Australia will be abolished. This will save business \$1.3 billion over five years.
126	These changes ensure that more than 80 per cent of	tax	payers face a top marginal income tax rate of 30 per cent or less over the forward estimates period. And from 1 July 2006, the top marginal rate will apply to only 3 per cent of taxpayers.
127	These changes ensure that more than 80 per cent of taxpayers face a top marginal income tax rate of 30 per cent or less over the forward estimates period. And from 1 July 2006, the top marginal rate will apply to only 3 per cent of	tax	payers.
128	The cut in the lowest rate of	tax	benefits Seniors too and means that Senior Australians eligible for the Senior Australian Tax Offset will now pay no tax on their annual income up to \$21,968 for a single and no tax on equal incomes up to a joint \$36,494 for a couple.
129	Across the forward estimates more than 80 per cent of	tax	payers will have a top marginal tax rate of 30 cents. Only 2 per cent of taxpayers will be affected by the top marginal tax rate on 1 July.
130	Across the forward estimates more than 80 per cent of taxpayers will have a top marginal tax rate of 30 cents. Only 2 per cent of	tax	payers will be affected by the top marginal tax rate on 1 July.
131	These income tax changes will ensure that more than 80 per cent of	tax	payers face a top marginal tax rate of 30 per cent or less across the forward estimates period. They mean the top tax rate only applies to around 2 per cent of taxpayers. Back in 1996 the top marginal rate which was higher than it is today applied from \$50,000. If that threshold had been indexed it would have stood below \$68,000 on 1 July next year. In fact it will be \$180,000.
132	These income tax changes will ensure that more than 80 per cent of taxpayers face a top marginal tax rate of 30 per cent or less across the forward estimates period. They mean the top tax rate only applies to around 2 per cent of	tax	payers. Back in 1996 the top marginal rate which was higher than it is today applied from \$50,000. If that threshold had been indexed it would have stood below \$68,000 on 1 July next year. In fact it will be \$180,000.
133	Taxpayers will be able to go online to access an income tax return prepared by the Commissioner of	Tax	ation, including income from salary and wages, interest, dividends, information on private health insurance, and any benefits paid from the Government, including the family tax benefit.
134	For too long, working families have watched the proceeds of the boom directed elsewhere, in the form of	tax	cuts skewed to those already doing very well.
135	If more people are able to move from welfare to work then this will help them with higher incomes and better participation in mainstream economic life. It will also reduce the obligation on other	tax	payers whose taxes pay for the welfare support.
136	We recently received a report on the International Comparison of Australia taxes. It showed that our company tax rate which this	tax	ation arrangements by moving to a 200 per cent diminishing value rate on eligible business assets acquired after tonight.

	Government cut to 30 per cent is internationally competitive but that Australia had the equal lowest value of depreciation allowances in comparator countries. Evidence suggests that a diminishing value rate of 200 per cent is more appropriate in a world of rapidly advancing technology than Australia's current rate of 150 per cent. Therefore we will move to enhance our		
137	Mr Speaker, a fundamental part of our	tax	system is the assistance that we provide to families who are raising children. Helping families is one of the highest priorities of this Government.
138	Our	tax	system exists to fund the decent services in health and aged care and other services that Australians legitimately expect and are entitled to receive. If we can fund these services, balance our Budget, defend and secure the country, and reduce the tax burden we should aim to do so. This year we will do so. And we will reduce personal income tax very significantly.
139	Our	tax	system exists to fund the decent services in health, education, aged care, and other services that Australians legitimately expect and are entitled to receive. If after we provide for those services, invest for the future, and balance our Budget, we can reduce the tax burden, we should do so.
140	For low income earners, the Low Income Tax Offset will increase from \$235 to \$600. It will phase out from \$25,000 to \$40,000. It means a low income earner will not pay	tax	until their annual income exceeds \$10,000.
141	The low income tax offset will also rise from \$600 to \$750 and will begin to phase-out from \$30,000. This means that low income earners eligible for the offset will not pay	tax	until their annual income exceeds \$11,000.
142	With the new tranche of personal	tax	cuts from 1 July, we will have delivered \$47 billion in tax relief over four years, targeted squarely at working families.
143	PERSONAL	TAX	CUTS
144	Australians deserve the lowest possible	tax	es consistent with responsible budget management and the provision of efficient government services.
145	This is a key step towards a 'tick and flick' system of pre-filled	tax	returns that will make life easier for working families at tax time.
146	That is why we are introducing a Resource Super Profits	Tax	from 1 July 2012.
147	So we have decided to provide	tax	payers the choice of a standard deduction instead of the hassle of shoeboxes full of receipts and the costs of professional assistance.
148	From 1 January 2011, eligible parents will receive	tax	able payments at the rate of the Federal Minimum Wage, for up to 18 weeks.
149	The Government will support parents who are providing opportunities for their children by investing in their education, with a new Education Tax Refund, costing \$4.4 billion over four years. We have funded this in large part by redirecting	tax	cuts for people earning more than \$180,000 a year.
150	After we balance our budget, reduce Labor's debt, and fund our services we should reduce	tax	es as far as is prudent.

151	We recently received a report on the International Comparison of Australia	tax	es. It showed that our company tax rate which this Government cut to 30 per cent is internationally competitive but that Australia had the equal lowest value of depreciation allowances in comparator countries. Evidence suggests that a diminishing value rate of 200 per cent is more appropriate in a world of rapidly advancing technology than Australia's current rate of 150 per cent. Therefore we will move to enhance our taxation arrangements by moving to a 200 per cent diminishing value rate on eligible business assets acquired after tonight.
152	Tonight, I confirm the most comprehensive review of Australia	tax	system since World War 2. The Australia Future Tax System (AFTS) review will be reporting progressively from this July through to the end of 2009.
153	The surcharge was introduced in 1996 when Labor left a large Budget deficit. We have now paid off most of Labor's legacy. We have previously tried to reduce this surcharge but the Labor Party has blocked it, so tonight I announce the complete abolition of the surcharge from contributions and termination payments made or received from 1 July 2005. This measure will save	tax	payors \$2.5 billion over the next four years.
154	Ten years ago the Australian Government owed a net debt of \$96 billion. The Government was paying an interest bill of \$8.5 billion a year. Today we are debt free in net terms. And our net interest payments are zero. This is saving	tax	payors \$8.5 billion a year.
155	Mr Speaker, the Government supports the aspirations of Australian business, including small business, for a simpler	tax	system and less regulation.
156	This Budget takes progress much further with a range of measures which will reduce the complexity faced by small business. These include changes to make the Simplified	Tax	System more attractive, aligning thresholds for small businesses to make it easier for them to understand their eligibility for various concessions, and simplifying and extending access to the small business capital gains tax concessions. These changes will provide benefits worth \$435 million to small business over the next four years.
157	People who are unable to find work deserve support from the	tax	es paid by those who are working. But those who are working deserve to know that others capable of work are at least looking for work in return for their income support.
158	I also announce changes to the	tax	treatment of certain legitimate business costs which are currently not recognised under the law. Allowing deductions for these so-called blackhole expenditures from 1 July 2005 will cut tax by \$205 million over three years.
159	Our tax system exists to fund the decent services in health and aged care and other services that Australians legitimately expect and are entitled to receive. If we can fund these services, balance our Budget, defend and secure the country, and reduce the	tax	burden we should aim to do so. This year we will do so. And we will reduce personal income tax very significantly.
160	Mr Speaker, this Budget also includes measures to protect the integrity of the	tax	system.
161	For a person on average wages the	tax	cut I announce tonight will be around \$16 a week. For those below it can be more, for example, at \$30,000 the tax cut will be \$21 a week.
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163	Our tax system exists to fund the decent services in health, education, aged care, and other services that Australians legitimately expect and are entitled to receive. If after we provide for those services, invest for the future, and balance our Budget, we can reduce the	tax	burden, we should do so.
164	If the	tax	payer is satisfied with this pre-prepared statement, they will be able to click online and file their return without any further action. If there is additional information to provide, this can be added to the pre-prepared return.
165	The Government will also reimburse 30 per cent of the remaining out-of-pocket expenses after the payment of the Benefit. From 1 July 2007, families will receive the 30 per cent Child Care Tax Rebate as a direct payment shortly after the financial year in which they incur out-of-pocket child care costs. Families who incur out-of-pocket child care costs in both 2005-06 and 2006-07 will receive two rebates in 2007-08 ◆one through the	tax	system under existing arrangements, and the other as a direct payment. The maximum payment will be \$4,096 per child in respect of 2005-06 and \$4,211 per child for 2006-07.
166	Fairness and integrity in the	tax	and transfer systems
167	From 1 July 2008 the	tax	rate for luxury vehicles will be increased from 25 per cent to 33 per cent.
168	The Government is determined to bring a greater focus on preventative health. Our National Binge Drinking Strategy brings the	tax	treatment of ◆ready-to-drink◆alcoholic beverages in line with full-strength spirits to help address binge drinking among young Australians, particularly young women. We will work with the States and draw from the revenue raised to fund preventative health measures.
169	◆it increases the	tax	break small businesses need to invest in difficult times.
170	We have delivered major tax relief to low- and middle-income earners because we are guided by the belief that the	tax	system best rewards hard work.
171	This will reduce the	tax	burden on less profitable resource projects and projects in their early stages, supporting greater resource sector investment and more production.
172	The investments we are making in infrastructure and our changes to the	tax	system will create a stronger economy.
173	Right now, there is considerable variation in the	tax	ation treatment of alternative savings vehicles.
174	Mr Speaker, the	tax	cuts and other initiatives in this Budget continue to ease the cost-of-living burden carried by working families.
175	This means less time with the	Tax	Pack, more time with loved ones, and for 6.4 million Australians it also means a bigger tax refund.
176	This will be available for the 9 million taxpayers who currently lodge their	tax	return electronically, either directly or through a tax agent. There are 10 million taxpayers in Australia.
177	Mr Speaker, in framing this Budget, foremost in our considerations are the Australians who work hard, pay their	tax	es, and demand little more than a fair go.
178	These	tax	cuts will assist low income earners, boost disposable incomes, reward participation and hard work. They build on the

			\$14.7 billion in income tax cuts provided in last year ♦ Budget.
179	Tonight I announce income tax cuts for the fifth year in a row. These	tax	cuts will take effect in two stages: from 1 July 2007 and 1 July 2008.
180	These	tax	changes provide further incentives for those outside the workforce to enter it and for those in part-time work to take additional hours.
181	These	tax	cuts will allow low-income earners, including part-time workers, to keep more of their income and ease the financial pressure on families. And they will provide further incentives to participate in the workforce.
182	The Government will fully implement our promise to reduce personal income tax by \$47 billion over four years. This	tax	cut is directed to low and middle income families ♦the backbone of the economy.
183	The standard deduction will be phased in over two years so that \$500 will be available to	tax	payers from 1 July 2012, increasing to \$1,000 from 1 July 2013.
184	These income tax changes will ensure that more than 80 per cent of taxpayers face a top marginal tax rate of 30 per cent or less across the forward estimates period. They mean the top	tax	rate only applies to around 2 per cent of taxpayers. Back in 1996 the top marginal rate ♦which was higher than it is today ♦applied from \$50,000. If that threshold had been indexed it would have stood below \$68,000 on 1 July next year. In fact it will be \$180,000.
185	Tax rules for employee share schemes will be amended to prevent unfair	tax	minimisation.
186	You can balance the budget by dramatically pushing up	tax	es and slashing and burning vital services in key areas like health, leading to a deeper and longer recession, and higher unemployment.
187	From 1 July 2008, a worker on \$48,000 ♦average weekly earnings ♦ will receive a weekly	tax	cut of \$20. And low income workers earning \$14,000 or less will pay no tax at all.
188	If more people are able to move from welfare to work then this will help them with higher incomes and better participation in mainstream economic life. It will also reduce the obligation on other taxpayers whose	tax	es pay for the welfare support.
189	Our nation has the potential to be a financial services hub in the Asia Pacific Region ♦the fastest growing region in the world. To support this ambition, the Budget begins the process of significantly reducing the withholding	tax	, by reducing the current interim rate of 30 per cent to a final rate of 7.5 per cent for most non-resident investors.
190	A phase-down in interest withholding	tax	, reforms to promote a deep and liquid corporate bond market, arrangements to promote cross-border marketing of managed funds, and a new Centre for International Finance and Regulation will all help us capitalise on the strengths of our financial services sector.