10 YEAR PLAN FOR AUSTRALIA’S ECONOMY

BUDGET REPAIR THAT’S FAIR

Labor
WE’LL PUT PEOPLE FIRST

Labor has a clear plan to build a stronger, fairer economy for all Australians.

Labor’s plan is focused on supporting the transition in our economy and making investments for growth into the future.

The heart of this plan is our investment in Australia’s greatest resource: our people.

We will invest in schools, TAFE and universities, as well as nation building infrastructure – roads, rail and a first rate National Broadband Network.

“When middle and working class families prosper, when small businesses prosper, Australia prospers.”

Our plan will mean innovation and more local jobs in advanced manufacturing, renewable energy and services.

Labor’s nation building infrastructure will support growth now, and boost future productivity.

Now is not the time for Mr Turnbull’s $50 billion tax cut for big business.

Labor does not accept that cutting penalty rates for low paid workers and giving tax cuts to big business is the answer – this will only take us backwards.

We will deliver our plan through responsible savings and fair tax reform.

Building a stronger and more productive economy – without hurting the things that help it grow.

Bill Shorten
Right now our economy is not delivering for many Australians. Growth is fragile, private investment is down, wages are flat-lining, hours worked are falling and living standards are in decline.

The Australian economy is being shaped by a number of profound trends – the end of the mining investment boom, a changing climate, the rise of Asia’s middle class, the impact of technology on our working lives and an ageing population.

These trends create big challenges, as workers and families face uncertainty and business models are forced to adapt. They also offer enormous opportunities if we get the policy settings right and don’t leave people behind.

LABOR'S PLAN

Labor is focused on six key priorities to build a stronger, fairer economy that will support the economic transition today while driving productivity and living standards into the future.

1. **Investing in people** – Labor will improve the quality of education and training, to drive productivity and ensure Australians are prepared for the jobs of the future.

2. **Building Australia** – Labor will facilitate the economic transition by investing in roads, rail and the NBN, creating jobs and improving the liveability and productivity of our cities and regions.

3. **Driving investment in renewables and new industry** – Labor will stand up for jobs in manufacturing and send the right signals to attract investment in renewables.

4. **Supporting innovation and startups** – Labor will drive jobs and innovation through tax relief and support for startups.

5. **Helping small business** – Labor will deliver tax cuts to small businesses while putting them on a more even playing field when it comes to competing in the marketplace.

6. **Budget repair that’s fair** – Labor will better target tax concessions to middle and working class families and ensure greater female participation in the workforce.
Labor will make the biggest investment in education in two generations – so that every child, in every school, gets every opportunity to succeed.

This is how you grow better jobs for all Australians, jobs that will benefit middle and working class families – it’s how you increase productivity and grow the economy.

According to OECD data only one country outperformed Australia in reading and maths in 2000, and in 2006 only two countries outperformed Australia in science.

Today, 16 countries outperform Australia in maths, nine in reading and seven in science.

It is more important than ever before that we make these much needed investments in our people.

There is simply no point delivering a company tax cut for big business while simultaneously running down our human capital and skills base.

Failing to invest in education will discourage future investment as businesses go elsewhere to find countries with better talent and skills.
YOUR CHILD. OUR FUTURE

Labor will invest to improve the quality of education received by every child in every school. No matter where they live or what school they go to – Public, Independent or Catholic.

In contrast, the Liberals have cut $29 billion from our schools.

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<tr>
<th>2020 Targets</th>
<th>2025 Targets</th>
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<td>95 per cent Year 12 completion.</td>
<td>Returning Australia to the top five countries in reading, maths and science.</td>
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<td>All STEM teachers in secondary schools will have a relevant tertiary qualification.</td>
<td>Meeting the OECD definition of a high quality and high equity schooling system.</td>
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<td>All students will study maths or science to Year 12.</td>
<td>Ensuring that all schools have the opportunity to engage with at least one school in Asia.</td>
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<td>Coding to be taught in every primary and secondary school.</td>
<td>Every student will have the opportunity to undertake a continuous course of study in an Asian language or culture throughout their schooling.</td>
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HIGHER EDUCATION OPPORTUNITIES

Australia won’t have a strong economy if the next generation pays up to $100,000 for a degree.

Under the Liberals, Australians will be priced out of university – no matter how bright they are.

Labor will deliver a Student Funding Guarantee – removing the need for higher fees.

Currently, 23 per cent of students who start a degree don’t finish it. Labor’s policies will boost completions by 20,000 graduates each year from 2020.

“Education and public investment are the two areas of public expenditure that are estimated to be associated with higher long-term productivity.”

(OECD Economic Outlook, June 2016)
**SCIENCE, TECHNOLOGY, ENGINEERING AND MATHS**

75 per cent of the fastest growing occupations will require skills in science, technology, engineering or mathematics – STEM.

Nationally, around 60 per cent of IT teachers and 40 per cent of general science and maths teachers do not have a tertiary qualification in those areas.

Labor has a plan to turn this around and make STEM skills a national strength for Australia.

**A Shorten Labor Government will:**

- Offer 100,000 STEM Award Degrees over five years. Upon graduation, the entire HECS-HELP debt will be written off.

- Establish a STEM teacher training fund to support 25,000 primary and secondary school teachers over five years to undertake professional development in STEM disciplines – supporting teachers today.

- Encourage STEM graduates to teach, by offering 25,000 Teach STEM scholarships over five years, to address the shortage of qualified teachers for the future.

- Support all students to study STEM to the completion of secondary school.

**PROPERLY FUNDING OUR TAFES**

Labor will introduce a TAFE funding guarantee to protect public TAFE, because not everyone wants to go to university.

We will also crack down on dodgy private providers that have been ripping off students and leaving them without the skills they need.

Labor will also conduct a landmark review of vocational education to make sure it is meeting the needs of students and employers.
The Australian economy is in the middle of a transition away from mining investment to more diversified sources of growth. The Liberal Government’s only response is to offer a $50 billion company tax cut for big business and multinationals, which does nothing to support the transition today.

This is why Labor will support economic growth now, while also making investments which increase productivity and living standards into the future. Investment in nation building infrastructure has a double dividend – it creates jobs now but also boosts our future productive capacity. Under the Liberals, investment in Australian infrastructure has collapsed, which just makes the transition harder.
Labor will give Infrastructure Australia new powers to take the politics out of the process and make our investments well-planned and well-targeted. This includes a new $10 billion financing facility to kick-start public infrastructure investment in priority projects like the Brisbane Cross River Rail, Melbourne Metro and Badgerys Creek Airport Link in Sydney. Analysis by Infrastructure Partnerships Australia found that $10 billion in new infrastructure investment will directly create approximately 26,000 jobs and add an extra $7.5 billion every year to Australia’s GDP.

Labor has already committed to congestion-busting projects such as the Monash Freeway in Melbourne, the AdeLINK tram system across Adelaide, METRONET rail in Perth, the M1-Gateway merge and Ipswich Motorway in south-east Queensland, as well as the Port Botany Freight Link in Sydney. Failure to invest now in these projects costs us all in future productivity, growth and jobs.
BUILD THE NATIONAL BROADBAND NETWORK

The most important piece of infrastructure for any 21st century economy is a first-rate fibre National Broadband Network.

In 2013, Malcolm Turnbull scrapped Labor’s world class Fibre-to-the-Premises NBN. The Liberals are instead building a slower, second-rate NBN that will leave Australia behind and hamstring our economy into the future.

The NBN is signature Labor policy. It is the biggest, most important public infrastructure project in Australian history. Universal, fast, reliable and affordable broadband is the platform on which the jobs of the future will be built.

The original Labor NBN would have delivered optic fibre to 93 per cent of homes and businesses, providing speeds of up to 1 gigabit per second, a network easily scalable to much higher speeds in the future.

Fast and reliable broadband creates jobs and provides real economic benefits to households and businesses.

In 2013, Deloitte Access Economics estimated that the average annual household benefit of Labor’s NBN will be about $3,800 in 2020, in 2013 dollars, with around two-thirds of this benefit ($2,400) financial and the remainder in consumer benefits, such as travel time savings and convenience of e-commerce.

Only a Shorten Labor Government will build an NBN that delivers more fibre to more Australians.
INVESTMENT IN RENEWABLES AND NEW INDUSTRY

Labor will support strategically important industries to help manage the transition away from the mining investment boom to a more diversified economy.

REVITALISE AUSTRALIAN MANUFACTURING

Labor will always stand up for manufacturing - our commitment is more than hollow slogans and empty promises.

To secure the long-term future of our manufacturing industries, we need to make smart use of the opportunities in front of us and build on Australia’s natural strengths.
That’s why a Shorten Labor Government will:

■ Commit $59 million to the Manufacturing Transition Boost jobs package - to attract new investment in advanced manufacturing and help automotive businesses transition to new products and markets.

■ Maximise the use of Australian steel in infrastructure and other government projects.

■ Clamp down on unfair dumping of steel from overseas, as well as imports that don’t meet Australian standards.

■ Double the funding of the Australian Industry Participation Authority and cut Australian Industry Participation thresholds by half - ensuring Australian fabricators get the best opportunities to supply large investment projects.

■ Create a National Steel Supplier Advocate - to help Australian steel manufacturers win major contracts.
INVESTMENT IN RENEWABLES

Climate change is driving the most profound restructuring of the world economy this century: the transition from fossil fuel based energy to renewable energy.

Australia has a competitive advantage in renewable energy. We have some of the best natural resources in the world and our research in renewable energy technology is world leading. Harnessing our advantage in renewables with lower, stable energy prices will significantly improve Australia’s competitiveness.

With the right policies the renewable energy sector provides immense opportunities. It will drive job creation, drive manufacturing investment and put downward pressure on power prices for families and small businesses.

Setting a long term signal for renewable energy will attract investment. Over $2.5 trillion is expected to be invested in renewables in the Asia Pacific region to 2030 – it’s our job to make sure that as much as possible of that investment is made here.

That’s why a Shorten Labor Government will:

■ Ensure that 50 per cent of the nation’s electricity is sourced from renewable energy by 2030.

■ Provide certainty and flexibility with less red tape and more technology options for investment to the Clean Energy Finance Corporation.

■ Provide $207 million to the Australian Renewable Energy Agency (ARENA) to support a specific Concentrated Solar Thermal funding round.

■ Establish a Community Power Network and Regional Hubs with an investment of $99 million over four years.

■ Ensure the Federal Government leads by example as a direct purchaser of renewable energy.
Our future prosperity depends on harnessing Australian ideas, attracting foreign investment and creating new global markets and world-leading products.

Australian startups are crucial to driving innovation and building the jobs of the future.

That’s why Labor has a plan to boost innovation, grow Australia’s entrepreneurial talent and supercharge the formation of startups.

A Shorten Labor Government will:

- Back great ideas through co-investing in early stage and high potential companies through the $500 million Smart Investment Fund.
- Provide income contingent loans to encourage the participation of aspiring entrepreneurs in university accelerators or similar incubators run by successful entrepreneurs.
- Deliver tax relief to angel investors through the Australian Angel Investment Scheme, to attract greater private financing support for startups in the early stage of their development.
- Bring together the superannuation, venture capital and startup sectors in an Innovation Investment Partnership to identify barriers holding back investment in Australian-based venture capital funds and early-stage enterprises.
- Improve access to finance for startups and micro-businesses through a partial guarantee scheme, Startup Finance.
- Establish a Regional Innovation Fund, which will kickstart a range of initiatives to expand the role of Australia’s regions in contributing to the national innovation effort.
- Seek to reduce trade barriers to open up export markets for our goods and services, to back Australia’s innovative businesses to succeed on the world stage – from clean, green Australian farm and food products, to high-quality education, business and tourism services, to supplying sophisticated components into global manufacturing supply chains.
HELPING SMALL BUSINESS

SUPPORT FOR SMALL BUSINESS

Small businesses make a huge contribution to national prosperity and Australian jobs.

Labor stands for helping our small businesses succeed in a competitive global economy.

That’s why Labor will support the cut in the company tax rate for small businesses to 27.5 per cent as proposed in the 2016 Budget. This means 83 per cent of all businesses in Australia will get a tax cut under Labor.

Labor will not support changing the definition of small business to include businesses with a turnover of up to $1 billion. These are not small businesses.

We will introduce practical measures to help small business grow.

A Shorten Labor Government will:

■ Ensure small businesses can seek timely, affordable redress against anti-competitive behaviour through its Access to Justice for Small Business policy.

■ Promote competition among lenders through its Access to Finance for Small Business policy, making it easier for small businesses to access finance by allowing banks to share positive as well as negative credit information, such as account details.

We will maintain confidence on the High Street by not attacking family budgets and by not introducing a 15 per cent GST on everything.
Labor’s economic plan is about supporting middle and working class families and small business: the engine room of our economy. When middle and working class families prosper, when small businesses prosper, Australia prospers.

**NO 15% GST**

Make no mistake – after the election Malcolm Turnbull will try and increase the GST to 15 per cent, no matter what he says before the election. Malcolm Turnbull says one thing but he does another. He is committed to increasing the GST.

**AFFORDABLE HOUSING**

For most young families, the dream of home ownership is almost completely out of reach. That’s why Labor has announced a policy that will help level the playing field for first home buyers competing with investors. Labor will reform negative gearing and halve the Capital Gains Tax discount from 50 per cent to 25 per cent, effective from 1 July 2017. Our policy puts the dream of home ownership back within reach of middle and working class families.

**TAX CUTS FOR SMALL BUSINESS**

Labor will deliver tax relief for small businesses with a turnover of less than $2 million per year. We won’t give a $7 billion windfall to the big banks. 83 per cent of all businesses in Australia will get a tax cut under Labor. Our proposal will improve the budget by $50 billion over a decade.

**MAKE MULTINATIONALS PAY THEIR FAIR SHARE**

It is not fair that Australian businesses are paying more tax in Australia than big multinationals. Every tax dollar that gets sent offshore is a dollar that can’t be spent on things that matter here at home: like schools, hospitals and roads. Labor will shut down loopholes which allow big multinational companies to send profits overseas, ensuring they pay their fair share of tax just like everyone else.
Only 67 per cent of women are in paid work compared with 78 per cent of men. This means that women earn less over their lifetimes and save less money for their retirement than men. It means the Australian economy does not perform to its full potential.

The Grattan Institute has estimated that if Australian women were supported to work as much as women in Canada then Australia’s economy would be $25 billion larger each year.

"If we did nothing else in this country as a whole in the next 15 years but install women to a place of equal treatment in our society, we will be a richer, more prosperous country with a far better prospect of a brighter future."

*(Bill Shorten, International Women’s Day, March 2016)*

Flexible, available and affordable parental leave and child care are essential to support women’s participation in the workforce. That’s why Labor is acting to improve child care and paid parental leave - this will be better for parents and for the economy.

Labor will provide a boost in assistance to families from 1 January 2017 - increasing the Child Care Benefit by 15 per cent and lifting the Child Care Rebate cap from $7,500 to $10,000 per child per year.

Labor will also protect new parents from Malcolm Turnbull’s cuts to paid parental leave which will mean that 80,000 new mums each year will be as much as $11,800 better off than they would be under the Liberals.
The Liberal Government promised to fix the budget. After three years, the independent Pre-Election Economic and Fiscal Outlook shows the budget deficit has tripled since 2014 with net debt now $100 billion more than when the Liberals came to power. The Liberal Government has put Australia's AAA credit rating at risk.

THE LIBERAL GOVERNMENT HAS TRIPPED THE DEFICIT

In contrast, Labor will deliver budget repair that is fair. We know the Liberals' deep cuts in the 2014 budget damaged confidence and hurt our economy. As the OECD has pointed out, fiscal repair should be achieved over the medium term and back loaded so as to not hurt our economy.

That is why Labor is making its plans for the budget over both four and ten years and we will have more saving than spending over the decade. Labor believes in returning the budget to balance in a way which supports economic growth over the next four years. That’s why our budget savings like negative gearing build over time and deliver a substantial fiscal dividend over the medium term.
The most recent OECD Economic Outlook recommends a range of policies to support aggregate demand including raising public investment in infrastructure while at the same time making important longer term productivity enhancing investments in education and infrastructure, including broadband.

BACKING IN NATION BUILDING INFRASTRUCTURE INVESTMENT
“A very powerful fiscal tool to raise demand, productivity and income would be to increase public investment... Infrastructure is often perceived to be deficient, and many governments are now able to borrow at very low interest rates for long maturities.”

BACKING IN FAIRNESS AND INVESTING IN PEOPLE
“Better and more education is associated with higher growth and productivity, and also greater income equality.”

“Education and public investment are the two areas of public expenditure that are estimated to be associated with higher long-term productivity. They should thus receive priority in government budgetary plans.”

BACKING IN MEDIUM TERM BUDGET REPAIR WITH GOOD STRUCTURAL REVENUE MEASURES
“Fiscal consolidation should be back-loaded in light of economic uncertainties. Tax reform should be a core element of structural policy.”

BACKING IN INVESTING IN INFRASTRUCTURE AND AN NBN
“Sound ICT infrastructure and continuing education reform are also key for productivity performance. In addition, education reform will boost inclusiveness through stronger low-end skills and better ICT infrastructure can reduce gaps in economic opportunity by improving access in rural areas.”
THE LIBERALS’ FALLING LIVING STANDARDS

UNDER THE LIBERALS, LIVING STANDARDS HAVE FALLEN FOR EIGHT CONSECUTIVE QUARTERS – THE MOST SUSTAINED DECLINE IN LIVING STANDARDS SINCE RECORDS BEGAN IN THE 1970s

Change in living standards from 2007 to 2016 (Real Net National Disposable Income Per Capita)

The Liberals promised to lift living standards, yet we’ve seen living standards plummet by 3.5 per cent since the Liberal Government came to office.
THE LIBERALS' RECORD OF FAILURE ON THE ECONOMY

After three years in government, the Liberals’ record on economic management is in tatters. The Liberals promised to deliver an “adrenaline charge” of confidence to the economy and to lift living standards.

Under the Liberals the economy has experienced the most sustained fall in living standards since records began, and wages growth is at record lows. Private investment is collapsing and the economic transition is struggling with the outlook for non-mining investment getting worse, not better.

The Liberals have the wrong priorities when it comes to the economy and the budget. While Labor has a clear plan to boost growth and deliver responsible savings and fair tax reform over the medium term, the Liberals will:

- Cut and privatise Medicare.
- Under-fund your local schools.
- Cut your health and hospital services.
- Dip into your super savings.
- Cut your pensions and your family payments.

The Liberal Government simply doesn’t get it. Giving a tax cut to big business which isn’t fully realised for 10 years will not help the economy transition now to broader and more diversified sources of growth.

The Government’s attack on family budgets is not only unfair, it threatens near-term growth. Now is not the right time to deliver a $50 billion tax cut to big business because it would make the medium term budget challenge harder and would see billions of dollars flow to offshore investors.

Labor is the only party with a policy agenda which facilitates the economic transition now through nation building infrastructure while ensuring a stronger and more productive economy in the future by investing in our best resource – our people.
WAGES GROWTH IS NOW THE LOWEST IT’S BEEN SINCE RECORDS BEGAN

Under the Liberals, we’ve seen wages growth tumble to the lowest level on record which puts more pressure on households trying to pay the bills and pay down their mortgages.

BUSINESS INVESTMENT HAS COLLAPSED UNDER THE LIBERALS

Private investment has fallen heavily under the Liberal Government which reflects businesses not feeling confident about the future health of the economy. Less investment means less jobs and less growth.
UNEMPLOYMENT UNDER THE LIBERALS HAS BEEN HIGHER THAN UNDER THE PREVIOUS LABOR GOVERNMENT, EVEN WITHOUT A GLOBAL FINANCIAL CRISIS

Unemployment has been higher under the Liberal Government even without experiencing a Global Financial Crisis. There are now more than 1 million people in Australia who are underemployed which means people can’t get the hours they want at work to support their families.
A UNITED LABOR TEAM WILL PUT PEOPLE FIRST

From the day Bill Shorten became Leader, Labor’s team has remained united, with a single-minded commitment to deliver those policies that put people first. A healthcare system underpinned by Medicare. An education system that gives every child in every school more individual attention – Public, Catholic or Independent. University and TAFE that is accessible for all.

WE HAVE PUT FORWARD OUR POSITIVE PLANS. WE ARE UNITED. WE ARE READY.