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ABBOTT'S BUDGET, HIGHER DEBT, HIGHER DEFICIT, NO SURPLUS IN 4 YEARS

Tony Abbott has a big test ahead of him tonight to come up with some specific costed savings in his Budget Reply speech. Before he even gets to the dispatch box tonight, Mr Abbott's Budget is in deficit until at least 2014-15.

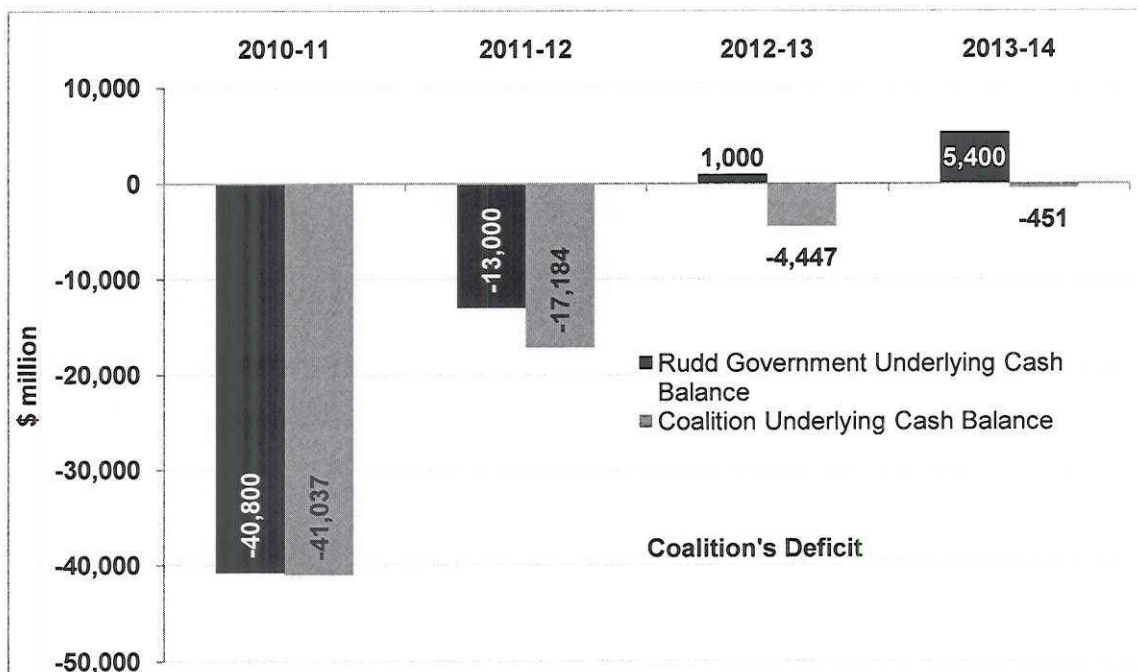
Mr Abbott's existing wasteful spending commitments and a refusal to nominate real savings means he will slow the budget return to surplus to a wasteful and risky crawl.

Without real spending cuts and real savings worth more than \$15.7 billion over the next four years:

- The Abbott budget would never get back into surplus within the four forward years of the budget;
- An Abbott Government would only get back to surplus in 5 years in 2014-15, 2 years later than forecast.
- The Abbott deficit would be higher every year for the next four years of the budget:

Mr Abbott needs to understand that taking the economically irresponsible decision to scrap the investment in the National Broadband Network does not improve the bottom line.

These calculations conservatively exclude consideration of the Henry Tax Reforms where the Liberals oppose the tax, but seem to support the associated expenditure. If included the Abbott budget blow out would be much higher.



In his budget reply tonight Tony Abbott must outline a fully funded and fully costed pathway to surplus and the year that a Liberal Government would return the Budget to surplus.

The Liberals have delivered a sequence of dog-ate-my homework excuses about when they are going to put forward serious savings and explicit commitments to pay for all the promises the Opposition has put forward.

There are four tests Tony Abbott's Budget reply speech needs to pass:

1. Explain how they will pay for the measures they have already announced as well as fill the hole they've created by blocking the Rudd Government's savings measures.
2. If they oppose the Resources Super Profits Tax they need to explain how they will pay for each of the associated tax cuts and expenditures, including for small business.
3. Tony Abbott must match the Government's commitment to continue the 2 per cent annual cap on real spending growth, on average, until the budget surplus is at least 1 per cent of GDP.
4. And finally, Tony Abbott must guarantee that he will maintain the projected 2012-13 and 2013-14 surpluses.

If Mr Abbott wants to be taken seriously, he has to present some credible, costed savings over the forward estimates to show where the money is coming from to fund the Liberal party's promises.

By this stage in 2007, the then Leader of the Opposition, now the Prime Minister, had announced \$3 billion worth of savings commitments out there, virtually all of which have since been delivered.

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