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## MEDIA RELEASE

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# TANNER'S NUMBERS IN TATTERS

Yesterday the Coalition announced an unprecedented \$46.7 billion in recurrent and capital savings to rein in Labor's reckless spending, ease cost of living pressures and pay down their massive debt. Today the Coalition is releasing its expenditure measures announced to date, totalling nearly \$4.8 billion.

"These costings leave in tatters the desperate claims of the Finance Minister, Mr Tanner, that Coalition promises add up to \$15.7 billion," said Andrew Robb, Shadow Minister for Finance and Debt Reduction.

Given the commitment to release the costings of already announced policies following is a table of costings relating to our \$4.8 billion spending commitments including, our Direct Action Plan to combat climate change, the Green Army, Paid Parental Leave, Toowoomba bypass and our commitment to private health insurance to keep pressure off the public health system.

<b>Expenditure Commitments</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>TOTAL</b>
	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>	<b>\$M</b>
Direct Action Plan on Climate Change	0	-462	-667	-922	-2051
Green Army	0	-50	-100	-250	-400
PHI Rebate Protection	142	-758	-703	-732	-2051
Toowoomba Bypass	0	-50	-80	-150	-280
Paid Parental Leave (self-funding)	0	0	0	0	0
<b>Total</b>	<b>142</b>	<b>-1320</b>	<b>-1550</b>	<b>-2054</b>	<b>-4782</b>

Of course if we get more information from the budget senate estimates process we will factor that into these estimates.

All capital account savings are to be used solely to reduce the debt, and not for recurrent expenditure, contrary to the false claims of Mr Tanner. Of course, any debt repaid generates savings in gross interest payments which is a current account saving.

The Green Army program will be phased over time to avoid the problems seen in government programs such as the school halls and pink batts fiascos.

"In view of the massive \$57 billion deficit, the \$100 million that this government is borrowing every day and the net debt reaching up to \$120 to \$130 billion (including NBN borrowings), any other past commitments have been discontinued," said Mr Robb.



Those worthy initiatives which are no longer Coalition policy in light of Labor's reckless and debt driven spending include:

- The small business carry back for losses which was proposed in the context of the Global Financial Crisis; and
- The reinstatement of 2008 concessional caps on superannuation.

Mr Tanner, in his press release of 13 May 2010, also claimed that the Coalition was to spend \$2.38 billion on reversing reforms to reinstate payments to people earning in excess of \$150,000 per annum. This is simply not true. It is another dishonest misrepresentation from a Finance Minister who doesn't dot his l's or cross his t's.

In addition to these announced spending initiatives, around \$3 billion in offsets, involving more effective policy responses in the areas of education, training and broadband, will be funded against the \$24.7 billion of savings.

In 2007, as part of \$15 billion of new expenditure, the Labor Party announced \$10 billion of savings, of which half were offsets. This meant Labor announced \$5 billion of unfunded expenditure.

Further significant savings will be announced by the Coalition in due course.

### **Correcting government spin**

#### Number 1- NBN

In relation to Labor's high-risk NBN Mr Tanner can try and spin it however he likes, but the reality is he plans to borrow at least \$26 billion in the name of taxpayers to fund it. This includes \$18 billion in borrowings over the next four years, which will incur billions of dollars in interest payments.

The Coalition will reduce Federal government debt by this \$18 billion over the next four years, as well as a further \$4 billion from the sale of Medibank Private.

#### Number 2 - Savings

To suggest that a range of programs, costing an amount similar to the forecast revenue from the mining tax, are not real savings because of Coalition opposition to the tax, is a totally false claim.

Is the government suggesting that if forecast revenue of \$12 billion from the tax is half that amount because of an event such as a significant fall in commodity prices, that the government will only fund half of these measures? Of course not.

Further, the government response is totally confused. The government can't have it both ways. They can't say the savings aren't real while Minister after Minister have been issuing media statements identifying the things people will miss out on if the Coalition is elected.

#### Number 3 Labor's "House of cards" Budget

The flakiness of Labor's Budget forecasts has been further highlighted by the recent drop in Australia's exchange rate as a result of the proposed mining tax.

Australia is no longer seen as "a safe haven" for nervous mobile capital. The budget was predicated on an exchange rate of 90 Australian cents to the \$US. The vulnerability of the forecasts have been clearly exposed less than two weeks after the budget was delivered.

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