

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Budget Estimates, 2 June – 4 June 2009

**Question: bet 49**

**Topic: Budget Speech - Tax Cuts of \$18 Billion**

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**Senator Coonan asked:**

**Senator COONAN**—Given that last answer, do you know why there was no mention in the budget address of \$18 billion worth of tax cuts?

**Dr Watt**—I do not think we can answer that question. You will have to direct that to Treasury.

**Senator COONAN**—Minister, do you know why? For the first time in living memory huge tax cuts were not even mentioned in the budget speech.

**Senator Sherry**—I am happy to take it on notice. The Treasurer writes the speech. I certainly have no input into it.

**Answer:**

The Budget speech is a high level document where the Government traditionally summarises the major themes of the Budget.

The 2009-10 Budget speech discussed the challenging prevailing economic conditions and the measures that the Government has developed in direct response to the global recession. These measures included nation building infrastructure, clean energy initiatives, world class universities, research and hospitals, secure and sustainable pensions, and paid parental leave.

The changes to personal income tax thresholds and rates was a \$47 billion measure announced in the 2008-09 Budget, to be implemented over a three year period. The 2008-09 Budget speech outlined the tax cuts that the Government had committed to.