

TARGET30

REDUCING THE BURDEN FOR FUTURE GENERATIONS

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There is now a budget emergency.

— Prime Minister Tony Abbott (then in opposition)

...the budget emergency is well and truly upon us.

— Treasurer Joe Hockey and Minister for Trade and Investment Andrew Robb (then in opposition)

We are dealing with the Budget emergency...

— Treasurer Joe Hockey

Having repeatedly told the Australian people there is a budget emergency, the government must act to resolve Australia's budget problems. Australia must also cut wasteful government spending to prepare for the fiscal challenges we will face from an ageing population and rising health costs.

Here is how we could save between \$18.7 billion and \$20.4 billion.

Table 1: Items in the Emergency Budget Repair Kit

Budget Fix	Annual Savings (\$millions)
#1 Reform the Family Tax Benefit	5,900
#2 Shut down or sell SBS and ABC3	250–350
#3 End corporate welfare	8,000
#4 Abolish the federal Department of Education	130
#5 Stop rorting by providers and consumers in health	720
#6 End duplication in Agriculture	650–1,220
#7 Bring back Medicare co-payments	1,460
#8 Curb indexation of income support payments	1,000–2,000
#9 Stop paying for ineffective mental health rebates	630
ESTIMATED TOTAL SAVINGS	\$18.7 billion–\$20.4 billion

SBS duplicates content provided by the ABC or available on the Internet. There is no reason to have two publicly funded broadcasters.

FIX 2

Shutting down SBS would save \$250m a year, while another \$100m could be saved by scaling back the children's content on the ABC.

Another option to curb the growth of welfare spending is to standardise and limit indexation of income support payments. Pensions should be indexed to changes in cost of living (the CPI) rather than wages.

FIX 8

Changes to indexation could save between \$1bn and \$2bn a year.

GP Management Plans have been rorted by both providers and consumers, as non-chronically ill consumers pressure doctors to provide management plans in order to receive 'free' allied health care and shift the cost on to Medicare.

FIX 5

Ending the rorted GP Management Plan scheme would save \$720m a year.

Shutting down the federal Department of Education would save \$130 million a year.

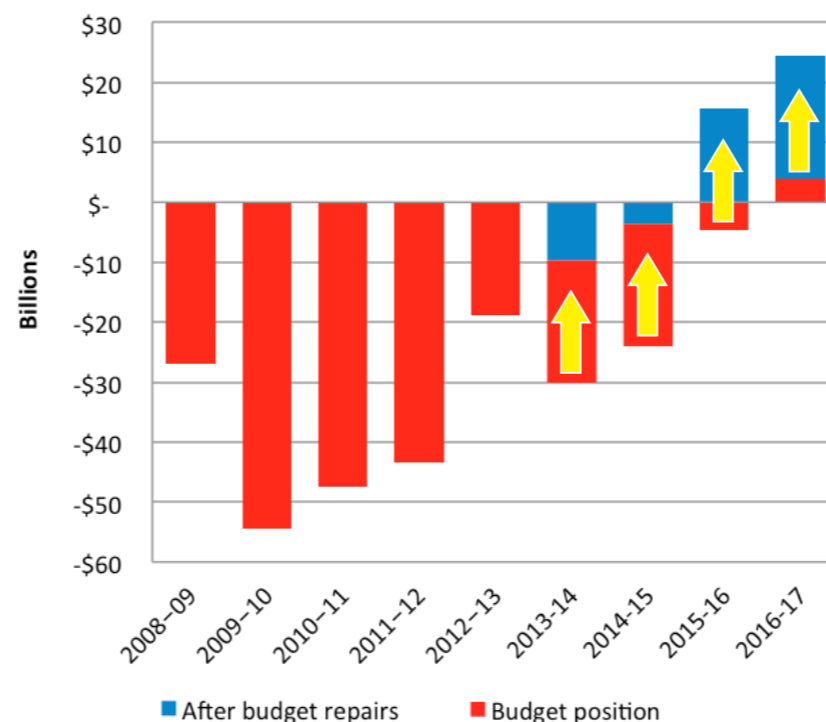
FIX 4

Education is a state responsibility. While the federal government has a continuing role in funding education, we don't need the 1,000 staff in the federal Department of Education who are not accountable to schools or teachers.

Government must stop duplicating services

There are many areas where the federal government duplicates functions and services provided by the states; at times it even duplicates its own services. This duplication of government functions blurs the lines of responsibility and accountability, and creates inefficiency and increases the cost to taxpayers.

Figure 1: Repairing the budget



Source: Final Budget Outcome and Economic Statement 2012-13 (August 2013).

We can't afford waste in health

Increasing health spending has made the single largest contribution to growth in federal government expenditure over the last decade. Excluding the \$60 billion the federal government spends each year on Medicare from the budget review process makes no sense.

Getting people to pay for the health care they are using would save the federal government at least \$1.4 billion a year.

FIX 7

Spiralling health costs mean we can't afford to provide free health care forever. The government should introduce a small co-payment of \$5 for GP and other specialist care, pathology, and diagnostic and optometry tests, combined with a corresponding \$5 reduction in MBS rebates for these services.

Abolishing the federal Agriculture portfolio (except for fisheries management and the pesticides and veterinary medicine authority) would save between \$650m and \$1.22bn.

FIX 6

There is too much overlap between the states and the Commonwealth in Agriculture. The states have their own departments subsidising research in agriculture and we don't need another bureaucracy doing the same.

Taxpayer money doesn't always go to the needy

There is only so much money that government can tax, borrow and spend. If governments spend money on people who can afford to look after themselves, there is less available for people who really need it.

FIX 3

Ending corporate welfare would save \$8bn a year.

Taxpayer money shouldn't be used to prop up businesses. Industry assistance hurts business and taxpayers, is economically inefficient, and is a waste of money.

Changes to Family Tax Benefits would generate savings of \$5.9bn a year.

FIX 1

Family Tax Benefits paid to middle income families should be ended. FTB Part B and the Schoolkids Bonus must be abolished and FTB Part A limited to low-income families.

Scrapping the Better Access scheme would save \$630m a year.

FIX 9

The Better Access to Mental Health Services scheme funds counselling for people who could afford to pay for their own treatment. There are better ways to assist the truly disadvantaged and build capacity in underserved country and low socioeconomic status regions.

What is TARGET30?

TARGET30 is a campaign to reduce government spending from its current level of 35% of Gross Domestic Product (GDP) to 30% within the next 10 years.

Why does Australia need TARGET30?

Having a smaller government will increase economic growth in Australia and strengthen social and family bonds, leading to better communities and better outcomes for all Australians.

Without TARGET30, by 2050 government could be clawing more than 50% of the value of all goods and services produced in the economy.

What does TARGET30 involve?

TARGET30 is a campaign promoting the benefits of small government, supported by a series of research papers and companion activities, including public events. TARGET30 provides concrete plans and policy suggestions for reducing the size of government in key areas, including **welfare, education and health care.**

The campaign focuses on ensuring that the crucial services Australians need are delivered efficiently and effectively by all levels of government while curbing the uncontrolled growth of inefficient spending.

**For more information on how you can be involved in TARGET30
visit cis.org.au**

TARGET30 – because smaller government means a bigger future for us all.

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THE CENTRE FOR
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