SPECIFIC BUDGET PROPOSALS

By: Malcolm Fraser, Member for Wannon.

In this article you may remember that, two weeks ago, I wrote about the general framework of the Budget and the principles upon which it has been based at the present time. The limiting factor on the amount of concessions that could be given in this year was the extent to which the Government was prepared to go into the "red". As it is, it will be spending £110 Million more than it will be receiving, and as I said before, it would be unwise at the present time for this figure to be exceeded because deficit financing of this kind must, to a certain extent, increase our demand for imports and it would be foolish to do this when export prices are low.

There is one point I would like to make which is an effect of last year's Budget. Last year, considerable concessions were made which would total £56 Million in a full year but which only totalled a little over £20 Million last year, the reason for that being that the Budget was brought in well after the financial year had begun and the extra concessions did not work for the full year. Therefore, as a result of last year's Budget, the concessions for this year are greater than one might originally think.

Primary producers should be glad to know that the special depreciation allowance which has operated since 1951 and which was to end at June 30th, 1959 has been extended for a further 3 years to June, 1962. This is the provision under which 20% of the capital value of pretty well every kind of investment for the land is allowed as a taxation deduction in each 5 years. There is a welcome extension of this depreciation allowance to the fishing and pearling industries. I hope this will aid quite an important section of Australian primary producers and I hope also that it will be of local benefit to the fishermen of Port Fairy or Portland.

The Government has given much greater taxation reductions to people who live in our remote north and in the northern areas of Western Australia but the Treasurer also said, quite categorically, that
these taxation reductions do not represent the Government's last word on these problems. I believe that, as a result of the Prime Minister's visit to these areas in the last few months, he has been deeply impressed by the need for further assistance and further development and the Government will be considering ways and means to bring this about.

Greater incentives have also been given to those who invest in oil exploration.

Small increases have also been given in certain Repatriation and Social Service benefits. The special rate war pension for cases of totally and permanently incapacitated ex-servicemen has been increased 10/- per week to make a pension of £11.10.0. The allowance for children and the domestic allowance for war widows has also been increased.

In the field of Social Services, the Government has recognised an important new principle. In the past, the pension rate has been a flat rate for all pensioners and no allowance has been given for the fact that some pensioners, under the Social Service benefits, can be well off while others can be suffering extremely severe hardship. For example, it is possible for a married couple to own their own home and get the maximum pension each and the maximum permissible income making a total of £15.15.0. Such a pensioner couple should be able to live in comfort. On the other hand, it is possible for a pensioner to have nothing but the pension and to have to pay rent in addition. The Government has recognised that those pensioners who do not own their own homes and who have to pay rent are in a special category and it is proposed to give them supplementary assistance of 10/- a week.

I believe that as time continues, this process of special allowance will be continued and I believe in this way we will be able to relieve hardship amongst a greater number of pensioners and, at the same time, we will get better value for money for the taxpayers of Australia who must, of course, pay for the pensions.

In addition to this innovation, the property limit to the means test has been very greatly relieved. For a single person it has been
raised £500 to £2,250 and for a married couple it has been raised £1,000 to £4,500. Ownership of your own home does not count as property for means test purposes.

If any person is not sure whether or not they are entitled to a pension under the new arrangements or whether or not they are entitled to this new rent allowance, I would strongly recommend that they contact the local Social Services Office or myself.

There is one final thing that I would like to say. When we speak of these pensions in terms of individuals the amount seems small but when we add up the totals they are very large indeed, much larger than most people would think. For instance, the total cost of Repatriation Services is just under £130 Million, and the cost of all our Social Services, including hospital and medical benefits is over £273 Million making a total of £400 Million, which is, roughly one-third of the revenue available to the Commonwealth.

August 21st, 1958.