



Australia news

Treasurer faces tax battle after revealing budget focused on next election – as it happened

Amy Remeikis (now) Christopher Knaus(earlier)

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Scott Morrison insists all of tax package needs to be legislated together, including flat tax rate • This live blog is closed. Follow today's live blog for all the Australian federal budget 2018 news, reaction, and analysis

block-time published-time 12.58pm BST

And now to fall in a heap There is a lot to digest from this budget – one of those things being just how little there is in it. And what is missing – any increase to Newstart, climate change funding, foreign aid increases...

The government doesn't see it that way, of course. But that is their job.

The next big battle will be over Scott Morrison's insistence that all the tax package needs to be legislated together. Including the flat rate tax from 2024. Which will see, once again for the people at the back, someone earning \$41,000 taxed at the same rate as someone earning \$200,000.

Apparently not having learnt from the company tax debate, the government is giving this "fairness" idea another shot on a different playground.

It doesn't mean anything in real terms though. For it to become a reality, Malcolm Turnbull would need to be voted in at the next election. And then, three years after that, another Coalition leader would have to be voted in. And the Coalition would need to still be thinking it's a good idea. Which we have no idea if they will, because it is seven years away and, given governments have no idea what is coming for them the next day, they have bupkis chance of guessing what is happening in seven years.

Then there is the headline \$530 tax offset (which earners between \$41,000 and \$90,000 will receive, while above and below those markers there's a tapering off), which won't pop into tax returns until July 2019. After the election.

So plenty to chew over. For now, I shall bid you adieu, because, well, it has been a long day. And tomorrow plans on being just as long. Morrison wants to introduce his tax package legislation. There will be a lot of "budget is great, budget is terrible" commentary to cover, and there is also the high court decision. That decides Katy Gallagher – but then also Josh Wilson, Justine Keay, Susan Lamb and Rebekha Sharkie's political fates.

So we close tonight with the possibility of five byelections in our future (Tim Hammond is still to officially resign from Perth) and a general election due sometime between August and May.

I need a Bex and a lay down.

A massive thank you to Mike Bowers for keeping me sane, Christopher Knaus for holding the fort and just generally being wonderful and all of the Guardian brains trust who went above and beyond for you today to make sure you had all the details as quickly as possible. I am not kidding when I say I ran in heels for you, clutching a thermos and a computer and with a pink faux fur coat flapping behind me.

Don't say we don't care.

We'll be back bright-eyed and bushy tailed early tomorrow morning *, so make sure you get some rest and take care of you.

*This is most likely a lie.

block-time updated-timeUpdated at 1.05pm BST

block-time published-time 12.45pm BST

Ian Henschke, the chief advocate for National Seniors Australia, has described the budget as a “mixed bag”.

Henschke said the extra aged care places – 14,000 announced tonight and 6,000 announced in December – were welcome.

But it was nowhere near enough to meet demand, he said.

“But that is only 20,000 packages and we know there are 100,000 Australians who want to stay in their own homes, who are not getting the level of package that they want. So we believe there is a long way to go to meet that need.”

The \$22m for elder abuse in the budget was welcome, and showed the government had been listening to public concern.

block-time updated-timeUpdated at 12.51pm BST

block-time published-time 12.32pm BST

The lack of significant preventative health spending in the budget has drawn the ire of the Public Health Association of Australia.

Its chief executive, Michael Moore, said there was “lip service, a lot of lip service, on prevention”, but the actual expenditure had not changed dramatically from 1.5% of the health budget. Canada’s spend was 6% of its health budget, he said.

“Everybody knows that prevention is better than a cure,” he said. “There are a few good things on prevention in there, of course. We can see an injury prevention program, we can see immunisation, particularly pertussis, these are positive aspects, there’s suicide prevention.”

block-time updated-timeUpdated at 12.34pm BST

block-time published-time 12.31pm BST

If you just want to know what you will get – have a play with this [handy tool](#), put together by people at the Guardian who are much smarter than I.

block-time updated-timeUpdated at 12.34pm BST

block-time published-time 12.29pm BST

Now, that tax thing.

So the \$530 maximum offset won’t come into play until tax time NEXT year. That’s because it is May. The measure doesn’t start until 1 July 2018. It is impossible for you to receive any of the offset until your next tax cycle, in 2019. That is after the election.

block-time updated-timeUpdated at 12.35pm BST

block-time published-time 12.26pm BST

Now that the conga line of reaction is starting to wind down, I can have a look at some of the measures I didn’t get to during that insanity.

It’s sad news for celebrities – they will no longer be able to licence their face, no matter how beautiful, to a company or trust to avoid tax.

The lack of beautiful tax-avoiding faces will bring an “unquantifiable gain to revenue”.

block-time updated-timeUpdated at 12.35pm BST

block-time published-time 12.24pm BST

The peak body representing Australia’s aid organisations was highly critical of measures to cut the foreign aid budget.

Marc Purcell, the chief executive of the Australian Council for International Development, said he was hoping the government's "foot would come off of the throat" of the aid sector, following cuts of 30% in the past five years.

He was disappointed. "Unfortunately, despite a slight blip this year in going up, it continues to go down over the forward estimates," he said. "This is very disappointing given we have just announced a \$3.8bn loan, almost equivalent to the entire aid program, to arms exporters. We have rising threats and influence from China in the region.

"We really should be using our aid program to leverage our relationships and actually build stronger ties with developing countries in our part of the world."

He said there had been some increase in aid in the Pacific, which was welcome.

But he said the boost was largely due to an investment in the deep sea cable program in the Pacific, which lacked transparency and came at the expense of other areas of the aid spend.

block-time updated-timeUpdated at 12.36pm BST

block-time published-time 12.20pm BST

And if you need the text of that email to staff, here it is from Amanda Meade:

Dear colleagues,

The government has tonight announced it will freeze the ABC's annual funding indexation for three years from July 2019, which will cost the organisation \$84m. This will be compounded by the decision to cease a further \$43m in funding to support quality news and current affairs services and follows the cumulative \$254m in cuts imposed since 2014.

This decision comes at a critical time for us. As you are all aware from our conversations following this year's annual public meeting, we are at a watershed moment as a public broadcaster as we continue to strive to deliver the high standards of programming Australian audiences expect, despite escalating global competition and rising production costs.

Let me be frank with you: I am very disappointed and concerned that after the measures we have introduced in recent years to deliver better and more efficient services, the government has now seen fit to deliver what amounts to a further substantial budget cut. This decision will make it very difficult for the ABC to meet its charter requirements and audience expectations.

However, we will continue to pursue our strategy during triennial funding negotiations with the government this year to achieve the proper levels of funding we require to meet the expectations of not only our current audiences but those of the next generation.

Our priorities have and always will be to our audiences and the programming we create for them. Our success in this is a tribute to the talent, dedication and high-quality work of our teams right across the country and the world.

Our public interest journalism, breaking news coverage and independent analysis are highly valued by the community, including across regional Australia. The drama, comedy and children's content we deliver every hour are likewise important to the cultural life of the country. And services like triple j, RN and ABC Local remain crucial channels for audiences everywhere to join the national conversation.

Unfortunately, the government has overlooked this contribution and the trust and value more than 80% of Australians place in us as an independent national broadcaster.

In a [statement in response](#) I have made clear this decision will have an impact on our audiences.

We will continue to oppose the decision and seek every opportunity to reverse the cuts in the coming months before they take effect.

Michelle Guthrie

block-time updated-timeUpdated at 12.23pm BST

block-time published-time 12.19pm BST

Perhaps unsurprisingly, super funds aren't overly happy with the budget measures hitting the sector. Christopher Knaus reports:

Super funds are furious with two budget measures. The government announced it will seek to reunite Australians with their inactive super funds, to prevent them being gradually eroded through fees.

The Association of Superannuation Funds of Australia says the change will see inactive super funds handed to the Australian Taxation Office, where the funds will only attract returns equal to the consumer price index.

Martin Fahy, the chief executive, is also “very concerned” about a decision to stop young people being billed for life insurance through superannuation automatically. He said “large numbers” of people aged 25 or younger had dependents, and the changes put them and their children at risk. He described it as “a very undesirable move”.

block-time published-time 12.18pm BST

Michelle Guthrie has emailed ABC staff about the cuts:

enltrMichelle Guthrie has emailed all ABC staff saying she’s “disappointed and concerned” their funding has been cut in [#Budget2018](#). An all staff meeting has been called for Wednesday. pic.twitter.com/14OqQygMnV

— Alice Workman (@workmanalice) [May 8, 2018](#)block-time published-time 12.16pm BST

The foreign aid spending cuts are rippling out across the sector:

enltrSTATEMENT: Plan International Chief Susanne Legena slams foreign aid in [#Budget2018](#) as 'narrow-minded', as sector reels from \$141m loss.

[#AusPol#foreignaidhttps://t.co/phmxYQyK5Cpic.twitter.com/Ccm5P2fgbM](#)

— Plan Australia (@PlanAustralia) [May 8, 2018](#)block-time published-time 12.12pm BST

Here’s a bit more from Richard Di Natale :

Bottom line is, when I hear tax cuts, as somebody who worked as a doctor, I heard crowded emergency departments, people on waiting lists, people having to spend more to see their GP, people having to spend more to buy books and stationary. What I hear when I hear tax cuts, we are not going to fund essential services. Newstart, we have people who are living on, barely living on 40 bucks a day. At the same time, we are promising over\$100 billion in tax cuts”

block-time published-time 12.09pm BST

The IPA is not overly happy:

“The proposed income tax cuts in the 2018 Budget are too timid and too slow. Tax cuts for all Australians should be delivered right now, not on the never-never,” said Daniel Wild, Research Fellow at the free market think tank the Institute of Public Affairs.

Under the 2018-19 Budget released today, debt is expected to reach a record \$561 billion, taxes a record \$473 billion, and spending a record \$484 billion.

“The so-called ‘tax speed limit’ is a smokescreen to hide the fact that this is the highest taxing, highest spending, and highest debt Budget in Australia’s history.

“The true cause of higher taxes is higher spending. Every dollar in extra spending must be paid for with higher taxes, either now or in the future.

“The only way to deliver permanent tax cuts is to implement permanent spending cuts.

“They are repeating the mistake they made with the business tax cut by not cutting the top personal income tax rate until 2024.”

End statement

block-time published-time 12.08pm BST

The retail sector is happy with the budget.

Russell Zimmerman, executive director of the ?Australian Retailers Association, said the income tax cuts would flow through to the retail industry, as would the infrastructure spend.

He said the commitment to tackle black market sales of tobacco was welcome.

“Currently in Australia there is about 14% of all tobacco that comes in that is illegal product,” he said.

block-time published-time 12.08pm BST

Kylie Walker, chief executive, Science & Technology Australia:

"We're delighted, after campaigning for many years, to see strategic and strong investment in scientific research infrastructure.

"In this budget, the government has committed to \$1.9bn over ten years, and front-loaded that over the next four years.

"This infrastructure is satellites, we're talking about super computers, ships, and the particle accelerators that enable important scientific research to take place.

"STEM is going to be the future of this country so we're very pleased to see that.

"We're also pleased to see a specific commitment to gender equity initiatives in science and technology and mathematics, particularly initiatives to encourage girls and women to not only study science and technology but also to pursue a career and stay in science and technology.

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block-time published-time 12.07pm BST

The chief executive of Oxfam, Helen Szoke, said the federal aid budget had been cut by \$141m in the next four years, adding to existing cuts for a total of \$444m that "will be taken away from the vulnerable in our region and people in countries we should be supporting".

"Overseas aid is less than 1% of the overall government spend and yet again it's been treated just like taking money out of the bank - without regard to our roles and responsibilities across the world," she said.

block-time published-time 12.06pm BST

Jason Davies-Kildea, of the Salvation Army, has slammed the lack of investment in social housing or an increase to Newstart.

Davies-Kildea said there was nothing for the budget in this helped by the Salvation Army, those who struggled to put food on the table and keep the lights on.. He said their "plight has gone unheard".

"There may be a few people tonight who are glad about what they are getting out of tonight's budget, but they won't be any of the people, unfortunately, who come to the Salvation Army for help," he said.

"If you're one of the 116,000 people who are homeless tonight, or one of the 100,000 on the social housing waiting list, unfortunately there is no good news for you in this budget."

block-time published-time 12.04pm BST

ABC \$83 million cut 'can't be absorbed by efficiency measures alone' Michelle Guthrie has responded to the news of the \$83 million indexation cut (with part of that funding being redirected to Communications and the Arts, which is contributing to the Captain Cook memorial statue in Scott Morrison's electorate).

From Guthrie's statement:

The government's decision to freeze the ABC's indexation from July 2019 will cost the broadcaster \$84 million over three years and will be compounded by the decision to cease a further \$43 million in funding to support quality news and current affairs services.

This decision comes at a critical time for the ABC as it commences triennial funding negotiations with the government and comes on top of a cumulative \$254 million in cuts imposed since 2014.

The ABC's independence and its commitment to in-depth analysis and commentary has never been more valued or trusted by Australian audiences, nor so critical to the challenges facing the nation.

ABC managing director Michelle Guthrie said the impact of the decision could not be absorbed by efficiency measures alone, as the ABC had already achieved significant productivity gains in response to past budget cuts.

The ABC is now more important than ever given the impact of overseas players in the local media industry and the critical role the ABC plays as Australia's most trusted source of news, analysis and investigative journalism.

Our talented and dedicated content makers consistently deliver award winning public interest journalism, regional services and critically acclaimed original Australian programs and content.

Stable, adequate funding is essential if we are to continue to deliver for Australian audiences.”

The ABC’s long-term strategy published at an Annual Public Meeting in February 2018 outlines the broadcaster’s plan to respond to changing audience expectations, and to remain as relevant in the future as it always has been in the past.

The ABC will continue to negotiate its funding requirements with the Government to ensure it can deliver on this commitment to a future which ensures the ABC remains relevant in the digital age.

Guthrie also rejected as unnecessary the proposed efficiency review given efficiency programs introduced by the ABC in recent years.

block-time updated-timeUpdated at 12.16pm BST

block-time published-time 12.01pm BST

Kirsten Deane, Every Australian Counts campaign:

Tonight we’ve taken a step in the very long road to the National Disability Insurance Scheme (NDIS).

We’ve seen the NDIS funded, not just in this budget, but across the forward estimates, so in budgets to come.

It’s great to finally see the NDIS become a permanent part of the Australian economic and social landscape.

It was great to hear the treasurer say that every single dollar and every single cent that is needed for the NDIS will be there and always will be.

Our message to the treasurer is: We will hold you to that.

We’re going to be here next budget, and the budget after that, and the budget after that, and the budget after that

We’re going to be eternally vigilant to make sure every single government honours its commitment to people with disability and their families and funds the NDIS, and it will be a brave politician in the future who decides to mess with the NDIS.”

block-time updated-timeUpdated at 12.14pm BST

block-time published-time 11.59am BST

Tim Storer is also on that ABC panel. Here’s his first take:

I’m encouraged by the prospect of reducing debt. I didn’t see a lot of broadening of the tax base. I am encouraged by the income tax cuts in the short-term for lower and middle-income earners. I do see the longer term being quite less progressive than we have in Australia at present.

Health and aged care has been addressed. Education not so much. Inequality I don’t feel has been addressed. There is nothing for Newstart and reduction in aid and other migrant programs. Infrastructure I am encouraged by the spending in that area.”

block-time published-time 11.57am BST

Derryn Hinch is on that same ABC panel:

I was watching it and thinking about Paul Keating and bringing home the bacon budget. This won’t do that. It will put a few rashers in the frying pan. It’s done for the election. It hasn’t offended many people, apart from Richard! It hasn’t shaken many people. I’m very impressed by the aged care issues, if they follow through on those. The fact you can now join the ski club and spend the kids’ inheritance, you can mortgage your home to the government and you can draw down 1.5 times the pension so it gives you more quality of life. That is good. The fact they will appoint an aged care quality and safety commissioner, they haven’t done ratios in aged care. I didn’t hear him mention company tax cuts at all. Did anybody else?”

To answer that question - it is in there, but until the Senate - in particular Tim Storer and Derryn Hinch, move, it remains a pipe dream.

block-time updated-timeUpdated at 12.11pm BST

block-time published-time 11.54am BST

James Pearson, chief executive, Australian Chamber of Commerce and Industry (ACCI):

"This is a budget that's taken the country in the right direction. It would have been good to see more ambition on long-term budget repair.

"The Australian business community welcomes government's commitment to staying the course to deliver business tax cuts and it's welcome, too, to see the extension of the instant asset write off which so many small businesses around the country taken advantage of and using to reinvest in their businesses.

"It's good to see the government's giving back to people on lower incomes some of their own money in the form of tax relief and that over time they'll be addressing the pernicious issue of bracket creep, which is taxation by stealth, and extending that tax relief to higher income earners.

"We're pleased to see there'll be significant investment ... in regional cities and communities.

"The budget forecasts are built on an expectation of strong economic growth, and that depends on the business community to deliver.

He ended by calling on both major parties, and the Senate, to support the government's plan to help businesses invest.

block-time updated-timeUpdated at 12.10pm BST

block-time published-time 11.53am BST

Richard Di Natale is now on the ABC - and he is pointing out that the tax plan put forward by the government is "a US-style tax plan" and says the Greens will NOT be supporting the flat tax.

We have a progressive taxation system in this country. We want to have a fair and decent society. The more you earn, the more you pay into the tax system. We have a big problem with income inequality in Australia. Under this plan, if you are on 40K, you get a few hundred bucks in terms of a tax break. You are on \$200,000, you get over \$7,000. This will rip over \$100 billion that's money that could go into schools, into hospitals, world-class NBN, public transport. We should be increasing Newstart, and instead we've got this Trump US-style flat tax being proposed by the government. No, we won't support those changes.

block-time updated-timeUpdated at 12.06pm BST

block-time published-time 11.50am BST

The Greens respond The Greens leader, Richard Di Natale, has said the income tax cuts will "turbocharge inequality" but would not commit to block the tax plan.

He said:

Under the rewriting of the tax rules, somebody on \$200,000 - when you look at the full implementation of this plan - will get \$7,000. If you're on \$40k or \$50k you get a few hundred dollars - that's not fair, that's turbocharging inequality.

Nadine Flood, the national secretary of the Community and Public Sector Union, said the budget "continues the government's ideological obsession with privatising public services" and giving contracts to big business. She said it introduces new initiatives but does not hire public servants to do the jobs.

Flood noted the budget cuts Centrelink's numbers by 1,200, argued the Australian Securities and Investment Commission is busy chasing banks caught out in the royal commission and yet its jobs were also cut.

The Rural Doctors Association of Australia president, Adam Coltzau, backed the government plan to cut foreign doctors and said an increase in Australians training to be doctors meant that "slowly over time we won't need as many foreign doctors... we'll have our own home-grown doctors".

Bastian Seidel, the president of the Royal Australian College of General Practitioners, welcomed funding for 3,000 extra doctors to become specialist GPs. He also backed the cut to foreign GPs, arguing it was "entirely appropriate" given the doubling of Australian medical graduates in the last 10 years.

He said:

"I'm an overseas-trained doctor and, quite frankly, that was fine 10 years ago but right now we have domestic medical students, we have local graduates and they need to be trained. There are bottlenecks now - we need

to create more internship places, and we need to create postgraduate training opportunities for our domestic students.”

block-time updated-timeUpdated at 12.05pm BST

block-time published-time 11.48am BST

The Climate Council points out that there is no money for climate change. (TELL THAT TO THE BUDGET TREE).

From their statement:

Climate Council Acting CEO Dr Martin Rice said it was disappointing the federal government’s 2018 budget had appeared to ignore climate change, despite the nation’s greenhouse gas pollution levels continuing to rise for more than three consecutive years.

The federal government’s continuous failure to seriously tackle climate change is an embarrassment,” he said. “Australia is one of the most vulnerable countries to climate change in the developed world, with worsening extreme weather events including severe heatwaves, supercharged storms, heavy rainfall, flooding, droughts and bushfires.

block-time updated-timeUpdated at 12.02pm BST

block-time published-time 11.46am BST

CARE Australia is not happy:

Australian aid projects will be scaled-back as the result of this year’s Federal Budget, CARE Australia has warned.

CARE Australia Chief Executive Sally Moyle said the aid cuts announced in the budget, which follow years of consecutive cuts, would have devastating consequences.

“This is a selfish decision by the federal government,” Moyle said.

“There is no reason for these cuts. Budget repair is well underway and it is shocking and deeply saddening that next year fewer children will be vaccinated, educated and lifted out of poverty.

“We are prosperous, we can help people move out of poverty – at home and abroad.

“We are a rich nation in a neighbourhood of developing nations and we should be doing all we can to support them. At a time when other world powers are investing in influence and diplomacy, it is reckless of Australia to be taking a step back.

“We’re part of a global community and we must do what we can to ensure everyone has access to things like education and health services, not just the privileged few.”

Moyle said Australian aid was needed now more than ever.

“Myanmar refugees are suffering absolutely atrocious conditions brought on by monsoon rains in Bangladesh. Meanwhile, conditions in Syria and Yemen continue to deteriorate and there are fears East Africa could face another food crisis this year. This is a time when Australia should be stepping up not retreating.”

Moyle said the unpredictable nature of the Australian aid budget had made it more difficult to respond to the long-term needs of people living in poverty, particularly in our own region.

“When Australian aid invests in women’s and children’s health, it saves lives. But like any good investment, aid needs extensive planning and predictable funding streams to be effective. This constant uncertainty helps no one and it’s the world’s poorest people who suffer as a result.”

End statement*

block-time updated-timeUpdated at 12.02pm BST

block-time published-time 11.45am BST

The Brotherhood of St Laurence’s Conny Lenneberg points out that once again, there is nothing for those on Newstart.

"The long forgotten people of this federal budget - yet again - are Australians who rely on Newstart to make ends meet," said Lenneberg. "After 25 years of economic growth, our country's unemployment benefit remains far too low."

Lenneberg said increasing Newstart is not just about being fair - it makes good economic sense.

"Newstart is so utterly inadequate – as little as \$38.98 a day – that many people on the payment can't afford to properly conduct their job search. They are struggling to cover the basics of life. The truth is that there are costs involved in looking for work: maintaining a mobile phone, paying for transport and having presentable clothing to attend interviews.

"Disturbingly, housing costs are so high these days that an increasing number of vulnerable people on Newstart are forced into homelessness. Newstart should enable people to get into work, but the unintended consequences of very low rates is that it presents a huge barrier to employment. How can you properly look for a job when you can't even afford to keep a roof over your head?"

In the lead-up to the next federal election, the Brotherhood of St Laurence urges all parties to commit to address this deep flaw in our social security system.

"Fixing Newstart is a moral challenge for our democracy. It is not fair to consign people searching for work to poverty amid such a run of economic prosperity. It is not only welfare groups, but economists and business who are calling for an urgent increase in Newstart. We must share the pie," Ms Lenneberg said.

block-time updated-timeUpdated at 12.01pm BST

block-time published-time 11.43am BST

Uniting Care national director, Claerwen Little, said the budget failed to introduce critical supports for the nation's most disadvantaged. She said she was "very, very disappointed" in the lack of any rise in the Newstart allowance.

She also criticised the lack of support for refugees and new migrants.

"We'll be working with the government to see what we can do about that," she said.

Andrew Conway, chief executive of the Institute of Public Accountants, which represents small businesses, likened the budget to a "ever-lasting gobstopper" rather than a sugar hit for his members.

Conway said the income tax cuts would flow through to small businesses. Infrastructure spending would also help to boost the stocks of small business, he said.

"The PAYG concessions and reductions will benefit small businesses both directly and indirectly as Australians go out and spend their tax cuts," he said.

Disability advocates have welcomed the government's commitment to fully fund the NDIS. People with Disability Australia co-chief executive Therese Sands said she hoped the funding, outlined in the budget papers, would "end the uncertainty for people with disability".

"We will be holding all sides of government to account for the clear statement in the budget papers that the NDIS is fully funded, now and into the future," Sands said.

block-time updated-timeUpdated at 11.59am BST

block-time published-time 11.40am BST

The Australian Medical Association's president, Michael Gannon, described the budget as "safe and steady".

He welcomed a raft of measures, including the 20,000 aged care places, funding for Indigenous health, eye health, ear health, mental health and remote dialysis treatment.

"We welcome the centrepiece, a workforce package, focussed around trying to overcome the inequity that rural Australians suffer in terms of access to health services," he said.

"We're pleased that government has listened to the AMA's arguments, saying we don't need a new medical school, but end-to-end training in five cities and towns should help to overcome some of this disadvantage."

But he warned a lot of questions remained after the budget. "Perhaps the main point of this budget is what it doesn't say," Gannon said.

"There's no mention of the government's signature reform, the healthcare homes. There's no mention of how any savings from the MBS reviews are going to be reinvested in healthcare."

block-time updated-timeUpdated at 11.58am BST

block-time published-time 11.39am BST

PwC labels this the 'Slurpee budget' Jeremy Thorpe, partner and chief economist, PwC Australia

You know when you stick your hand behind the sofa and you find some loose change? Well that's what this budget is like.

Scott Morrison stuck his hand under the sofa and found an additional \$35bn since December last year.

So what did he do with it? Well, he spent \$15bn of it, but he saved \$20bn. And on that basis the government is claiming budget repair.

But this is a lost opportunity to really address and further advance the paying down of debt to save that burden on our future generations.

This budget actually poses challenges from an intergenerational perspective and creates additional tensions. While individually meritorious, the additional funding provided to the baby boomers certainly poses a challenge for later generations that will need to pay that back, over and over again.

The budget is the Slurpee Budget. We're going to get a sugar high, an initial hit as the windfall spending flows through the economy.

Hopefully we avoid the brain freeze. But maybe in the long run it would be better if we didn't have that sugar hit at all.

block-time updated-timeUpdated at 11.50am BST

block-time published-time 11.38am BST

Back to some of that reaction:

From Chris Knaus :

Annie Butler, the secretary of the Australian Nursing and Midwifery Federation, welcomed the government's announcement of increased aged care funding, including the additional 20,000 aged care places. But she warned it was not enough to fix the aged care "crisis" in Australia.

Butler said it would still not guarantee safe care for older Australians. It was still not enough to ensure private providers would employ enough staff and nurses.

"The best way to do that is to mandate minimum staffing ratios in aged care," she said. Butler also slammed large for-profit aged care companies that were taking huge amounts in taxpayer subsidies, while avoiding their own tax obligations."

block-time published-time 11.36am BST

On to Labor's plans:

Question: Under Labor's plans, top taxpayers will pay 50 per cent of their income to the government. The former Labor Prime Minister Paul Keating has described that as unacceptable, why do you think that is okay?

Bowen: The government's priority was to give a tax cut to people earning more than \$180,000. We don't see the case made for that. Again, our options remain but we will have more to say on Thursday.

Question: Why should people who have potentially worked hard, or they might have reached the top of their field, have to give half of their income to the government?

Bowen: The Medicare Levy wouldn't apply above \$80,000. The budget repair levy was brought in to repair the budget. The budget is not repaired. We don't have a healthy and sustainable surplus. Tough decisions are necessary. People have to make a contribution to help get the budget back into balance. We are being up front and honest about that before an election. I believe our plans will stand the utmost scrutiny by you at the next election.

Question: Given the unexpected revenue windfall, when would Labor anticipate having the budget back in surplus?

Bowen: The same year as the government.

block-time published-time 11.33am BST

And the bracket creep measure (moving the higher tax threshold from \$87,000 to \$90,000).

You want to see bracket creep – you want to see taxes as low as can be affordable. We will have plenty to say, not only about tax but about budget repair, about getting the budget back to a healthy sustainable surplus. This government has given up on what we were told was the debt and deficit disaster. They used to have a clear objective of 1% of GDP in the immediate future. Now we don't see that until the end of the decade. They have given up. This is a government, a prime minister and treasurer desperate to try and claw back their political goodwill and they are giving away tax cuts in 2024 in an attempt to do so."

It is essentially the same answer for the abolishment of the higher tax bracket.

That comes in 2024. They would make a significant change to the tax system, they want to legislate that now when we don't know what the financial circumstances will be in 2024. We will have plenty more to say. There is not even a cost of that particular measure in the budget papers. I mean, as I said, you would be very critical of us if we tried that. This government is saying vote for us, sign up, we should sign up for something in 2024, two elections away, keep voting for us and we will give you a tax cut

block-time updated-timeUpdated at 11.53am BST

block-time published-time 11.30am BST

But as for the 2024 plan?

It is ridiculous to say the tax cut will be in place in 2024. We will have plenty more to say about our plans for the Australian people. There is not a breakdown in the budget papers. If I did that, you would be laughing me out of the studio as the treasurer of Australia. These guys are being completely reckless.

block-time updated-timeUpdated at 11.52am BST

block-time published-time 11.30am BST

Will Labor vote on the tax offset?

Yes, we will support the tax cuts which apply on the 1 July 2018 with low wages growth, that is justified. On the other tax cuts, firstly, I think the Australian people look cynically at Malcolm Turnbull and Scott Morrison, who last year were telling them we needed to increase tax through the Medicare levy. Now saying we know what the situation will be in 2024 and we will be able to give you an income tax cut. You don't know what the economic circumstances will be in 2024, I don't. It is a hoax."

block-time updated-timeUpdated at 11.44am BST

block-time published-time 11.29am BST

Chris Bowen is now in front of Leigh Sales.

He says that Labor is very much looking forward to facing off against the government with their competing tax plans:

If you look at this budget, in the best global economic circumstances in a decade, we have a wafer-thin surplus which doesn't get to 1% of GDP until the end of the decade. And we have gross debt over half a trillion dollars. Now on the matter of what's in it for the Australian people? We have a government doubling down on their \$80 billion of corporate tax cuts. Still making Australians work until they are 70 to get the age pension. All the elements of the budget that have failed remain in this budget as well."

block-time updated-timeUpdated at 11.43am BST

block-time published-time 11.27am BST

Tony Mahar, chief executive, National Farmers Federation:

Australian agriculture is currently valued at around \$60bn. We are striving towards a \$100bn industry. What we were looking for from the government from tonight's budget was a greater commitment to mobile black spots and telecommunications.

If we are going to get to a \$100bn industry, telecommunications digital technology is going to play a key part in that journey.

We were also looking for great funding and resources to risk management in the Australian agriculture sector [that] would help contribute to a \$100bn industry.

We welcome from the government measures that will develop our markets, including greater commitment to ag counsellors in some of these overseas markets where we sell so much high-quality food and fibre, and measures that will address the non-tariff barriers and non-tariff measures that stop Australian food and fibre getting off the ports onto supermarket shelves.

block-time updated-timeUpdated at 11.43am BST

block-time published-time 11.26am BST

That tax offset will help boost the economy Scott Morrison says, because people will spend it, not bank it.

He knows this, because he spends a lot of time talking to ordinary Australians. And they will need it for school uniforms, and car rego and things.

They need to deal with a lot of pressure. Paying for those things, whether it is your quarterly electricity bill, it's a half-year's electricity bill. That is important. That is important relief. They need it now. We are giving it to them."

Except they are not giving it to you now. You'll get it at tax time.

block-time published-time 11.24am BST

And here are the lines we are going to hear again and again and again:

It is their money. It is theirs. I trust Australians to look after their own money and spend it on what they think is most important to them. Others may want the government to make those decisions for them. I don't think those Australians do. That - I know you are not suggesting this - it is an offensive idea that you should give your money to the government because they know best. We have set what our number is. It should be no higher than 23.9%. It is based on the post-GST period. That is a sensible level of taxation. We don't think you should breach that speed limit; if you drive too fast, you'll crash the car.

block-time updated-timeUpdated at 11.41am BST

block-time published-time 11.22am BST

Leigh Sales pulls Morrison up on this trend of having 10-year budgets – quite rightly pointing out that there is no such thing as a 10-year budget – that the budget goes over four years (and even those outlier years are a guessing game).

Here is what Morrison says in regards to debt:

Okay, it comes down by \$30 billion over the next four years, \$30 billion reduction in net debt in the next four years alone in this budget. Then it falls over the medium term. As Peter Costello said on your program, it takes a good decade of being in surplus to turn these things around. And that is what we are planning for. You can't achieve that, as he knows, without a stronger economy because that is what that Coalition government was able to provide for and that is what this Coalition government is providing for, a stronger economy.

block-time updated-timeUpdated at 11.40am BST

block-time published-time 11.20am BST

Scott Morrison is really taken with this idea of a speed limit (so much so, that the budget papers had a speed limit sign with 23.9 mocked up on it. I kid you not. It was the one laugh I had during those loooooong hours).

"2019-20 is when we will return to balance. These conditions in these times are different. That government went through their period, their expenditure grew at 3.3% above inflation, ours is 1.9% above inflation. On that measure, our expenditure growth has been the lowest of any government in the last 50 years. And our tax to GDP is also lower because we have set a clear speed limit on taxes. 23.9%, and that is a hard limit, it is in our fiscal rules. If you control your taxes, you control your spending. You shouldn't give anyone any government a blank cheque on taxes and we refuse to take one and no-one should offer any such measure."

Just a reminder that that number is also largely arbitrary.

block-time updated-timeUpdated at 11.38am BST

block-time published-time 11.18am BST

Dr John Falzon, St Vincent de Paul Society:

If you're locked out of a job or locked into an insecure job, tonight's budget doesn't even bring home the two minutes noodles. It does, however, bring home the caviar for the corporates.

As for being an infrastructure budget, there's nothing wrong with building rail and road, but if you want to build a nation you've got to do more.

You've got to build roads for people out of poverty, and not just out of poverty on Newstart and into poverty in paid work, because everyone deserves a fair crack at happiness.

Tonight we were looking for a vision of hope, but for the people experiencing unemployment, underemployment, homelessness and housing stress, they have been yet again served dollops of despair.

If you want to build a nation, you'd invest in social infrastructure. Social housing that is so desperately needed because everyone deserves to have a place to call home.

Fairly funded education and health for all, not just those who can fork out without feeling the pinch.

And surely you would lift the rate of Newstart for the people this government continues to tear down.

block-time updated-timeUpdated at 11.37am BST

block-time published-time 11.18am BST

At least one ratings agency remains to be convinced As we've learned this evening, the treasurer has produced a budget with a package of income tax cuts costing \$140bn over the medium term, and because it's a pre-election statement, there are very few nasties.

S&P Global Ratings says in response, hmmm, maybe... not.

It's keeping its negative outlook on Australia's AAA credit rating.

This is S&P's statement:

The budgetary position has improved over the past year, aided by strength in the Australian and global economies. The government has also shown a commitment to fiscal prudence with its plan to return a balanced budget earlier than previously announced. These developments have helped ease the negative pressures on the Australian sovereign ratings.

Nevertheless, risks to the country's fiscal outlook remain, including increasing external economic uncertainties in recent months. Global trade tensions, coupled with rising investor aversion to emerging markets in recent months, may dampen economic growth among Australia's key trading partners.

As such, risks to the government's plan for an earlier return to budget surpluses are significant. The outlook on the long-term Australian sovereign ratings remains negative for now to reflect these uncertainties.

block-time updated-timeUpdated at 11.31am BST

block-time published-time 11.16am BST

The budget website has crashed.

It's only 8.16pm

block-time published-time 11.16am BST

Here is what Morrison had to say about that whole giving away half of the additional revenue:

We are not giving anything away, it is their money. They earned it. They pay us tax. We don't - this isn't a spend. We are saying when taxes rise too high, we say we've got to give the money back. If you run taxes too high as an economy, it ends up costing them their own jobs, their own investment, their own futures.

block-time published-time 11.15am BST

The government has taken \$84m from the ABC and effectively handed some of it _ \$17.6m _to SBSin a move sure to increase the enmity between the two public broadcasters.

The budget has once again shown no love for Auntie, despite perceptions managing director Michelle Guthrie is keen to please the Coalition.

The cut over three years is certain to lead to even more job losses and reduced services. The additional funding for ABC news gathering in the last budget has not been continued, which will also leave a big gap.

Communications minister Mitch Fifield is expected to announce a second efficiency review of the ABC, further adding to the pain.

block-time published-time 11.14am BST

But he is outright denying that the government is benefiting from stronger conditions - which he is.

"I disagree with that. Over the last several years, we have done everything from expanding our defence industry programs, we have lowered taxes for small and medium-sized businesses, for new start-up businesses, we have invested in science and technology, we have a \$75 billion infrastructure program. We have been investing in a growing economy."

It's true that a growing economy has helped - but a lot of that has been driven by mining companies. And the government is spending about half of the extra revenue it was handed.

block-time published-time 11.12am BST

Scott Morrison has made it to the ABC studios: and says that stronger economies "don't happen by accident".

You have to work hard. Businesses and employees work hard and that is what is happening in the Australian economy. We have turned around an economy as an Australian people that several years ago was seeing investment in the negative. Now it is in the positive. Business confidence is up. Conditions are up. Businesses are starting. This is happening because of the settings that are in place and the hard work and enterprise of Australians."

block-time updated-timeUpdated at 11.24am BST

block-time published-time 11.06am BST

Cassandra Goldie, the chief executive of the Australian Council of Social Services, has said although the government may claim the budget benefits low and middle income earners "this is not that budget".

Goldie said that in the first four years, most of the benefit of tax cuts will go to people earning \$48-90,000 a year. Those earning more than \$37,000 "will be lucky to get \$4 a week", and those earning less due to casual or intermittent work will get "no benefit whatsoever". Acoss is most disappointed the budget did not lift the Newstart payment.

The Australian Industry Group chief executive, Innes Willox, said the budget is a "great cause for optimism", citing the fact it moves the budget back towards surplus, confirms the company tax cuts, gives low income earners a tax cut and commits to infrastructure spending. But the budget needed to "significantly more on skills and training", he said.

Willox said AiG "thinks the forecasts do stand up", but notes to achieve wage rises of more than 3% economic activity will have to increase. He noted in March wage rises in enterprise agreements were 2.5%, above inflation, citing it as evidence wages are improving.

Correna Haythorpe, the president of the Australian Education Union, said the budget had "failed preschools, schools and TAFE". Teachers particularly wanted a guarantee schools would reach 100% of the schools resource standard, and are disappointed that funding to give four year olds 15 hours of preschool was only rolled over one year to 2019.

block-time published-time 11.03am BST

Now Scott Morrison is RUNNING through the halls to get to the ABC studios for the traditional treasurer interview with 7.30.

block-time published-time 11.03am BST

The treasurer finishes his speech. There's a standing ovation. Malcolm Turnbull looks like he has actually met Santa Claus. There are hugs and handshakes and happy faces.

On one side of the chamber.

block-time published-time 11.02am BST

So far the “women’s budget” appears to be a bunch of other measures rolled together. Here is what Kelly O’Dwyer had to say:

Economic capability for women

More women than ever are working, with 5.8 million now employed in Australia. We are committed to ensuring that women have every opportunity to engage in paid work, have the right support to expand their skills, take advantage of new employment opportunities and save for their retirement.

To do this, Budget 2018-19 will:

- make personal income taxes lower, fairer and simpler for all Australians through the Government’s Personal Income Tax Plan;
- encourage more women to pursue STEM education and careers by providing \$4.5 million over four years;
- help women take advantage of opportunities in the health care and social assistance industry by providing \$64.3 million to establish a Jobs and Market Fund to grow the National Disability Insurance Scheme’s workforce;
- develop women’s financial capability by providing \$10 million for initiatives to put women in control of their financial lives, now and in the future, as part of a \$50 million fund to promote the financial capabilities of Australian consumers;
- support the national rollout of the Skills Checkpoint for Older Workers Program for women, and men, between 45 and 70 years of age by providing \$3.3 million as part of the More Choices for a Longer Life Package; and
- help to protect the superannuation balances of nearly 2 million women in Australia, with low and inactive accounts, from undue erosion which will enable women to make the most of their hard earned superannuation savings by:
 - capping certain fees at 3 per cent for accounts with balances less than \$6,000 (low balances);
 - banning exit fees;
 - offering insurance only on an opt in for young members, inactive accounts, and low balance accounts; and
 - empowering the ATO to reunite people’s lost and low and inactive accounts with their active accounts where possible.

Protecting women’s safety and welfare

The Turnbull Government has zero tolerance to violence against women and is committing \$54.4 million to services for women affected by violence and for online safety initiatives in this Budget. This includes:

- an additional \$11.5 million for the national sexual assault, domestic and family violence counselling service 1800RESPECT over two years;
- \$6.7 million to maintain funding for DV-alert to continue its domestic violence response training for community frontline workers;
- \$14.2 million over four years for the Office of the eSafety Commissioner to help make cyberspace safe for women; and
- \$22 million over five years to address abuse of older Australians, which affects up to 20 per cent of elderly women.

This builds on the more than \$300 million that has been spent on women’s safety.

Enhancing women’s health and wellbeing

The Turnbull Government is guaranteeing the essential services that Australians rely on. This Budget builds on the Government’s record investment in health care, which is expected to increase from \$78.8 billion in 2018-19 to \$85 billion in 2021-22. This funding will provide critical investments that support women’s health and wellbeing at every stage of life, including:

- targeted investment of \$20.9 million over five years to improve the health of new families, particularly pregnant women and children;
- \$1 million over three years to improve diagnosis and treatment of endometriosis, in addition to the \$2.5 million already announced for research as part of the first National Action Plan for Endometriosis;
- \$703.6 million to list Ribociclib (Kisqali®) on the Pharmaceutical Benefits Scheme from 1 July 2018 to treat advanced or metastatic breast cancer – without a subsidy, the treatment would cost patients over \$71,820 per year;
- adding 3D breast tomosynthesis to the Medicare Benefits Schedule as an interim measure while long-term funding is considered by the Medical Services Advisory Committee;
- providing the whooping cough (pertussis) vaccine to every pregnant woman in the country, protecting both baby and mother from this life-threatening disease; and
- delivering an additional 14,000 high-level home care packages through the More Choices for a Longer Life Package to support older Australians.

block-time updated-timeUpdated at 11.09am BST

block-time published-time 11.00am BST

On foreign affairs spending, Julie Bishop got some good news (not unexpected, given what we have seen going on in the region).

We will strengthen relationships with our Pacific partners and work together to support the region's stability, security and economic opportunities. The region will benefit from over \$1.3 billion in aid in 2018-19 – our largest ever contribution.

This includes funding for undersea telecommunications cables to Papua New Guinea and Solomon Islands, delivering faster, cheaper and more reliable communications infrastructure, and providing economic and development benefits.

The budget also further delivers on the government's largest diplomatic expansion in over 40 years and the white paper's commitment to open more overseas missions over the next 10 years, providing \$10.8 million for a new consulate general in Kolkata, India. The new consulate general will help Australian businesses access opportunities in India's growing mining sector, and protect and advance our interests in a changing Indo-Pacific. We will also provide \$8.4 million to open a high commission in Tuvalu. Tuvalu is a key member of the Pacific Islands Forum and an important partner in the Pacific.

We will invest an estimated \$4.2 billion in total eligible Official Development Assistance in 2018-19, including \$410 million for humanitarian funding, helping those most in need after a crisis.

An additional \$10 million will support the new Australian Aid: Friendship Grants scheme for Australian community groups to tackle poverty in the Indo-Pacific.

block-time updated-timeUpdated at 11.04am BST

block-time published-time 10.59am BST

On Indigenous affairs:

There is \$550 million over five years for a new agreement with the Northern Territory government for remote housing.

And, as already pointed out, the government will implement reforms to the Community Development Programme (CDP) from 2019 with changes to jobseeker support, participation requirements and reporting requirements.

block-time updated-timeUpdated at 11.01am BST

block-time published-time 10.57am BST

The peak seniors' body, Cota, has embraced the government's aged care package:

Australia's leading seniors' advocacy organisation, COTA Australia has welcomed the Federal Budget as a positive step towards preparing for and supporting an older population and capitalising on the opportunities it presents.

COTA Australia Chief Executive Ian Yates said the Government's More Choices for a Longer Life Package will ensure better co-ordination of services across government and more support for Australians at every stage of their life.

This is the first time we have had a full ageing package that takes a proactive approach to an ageing Australia and takes a life cycle approach that recognizes the need to prepare properly for an ageing population and support all Australians as they move through life.

The challenge now is to make sure that this is not a one off, so we will be asking the government to commit to an Ageing Strategy that will tie the budget measures together, monitor their progress and recommend change and expansion based on experience, making sure the momentum begun tonight carries through for all Australians as they age.

Every cent spent on supporting independence as we age, keeping people connected to the workforce and community, and on preventative health, is money saved in emergency wards, acute health care and on our already stretched aged care system.

This Budget goes a significant way towards helping Australians continue to work if they choose to do so, help Australians plan financially for their retirement, and support us all as we get older by improving access to home care and choice in aged care.

block-time updated-timeUpdated at 11.04am BST

block-time published-time 10.55am BST

The chaplaincy program is now permanently extended: with a focus on anti-bullying measures.

block-time updated-timeUpdated at 10.59am BST

block-time published-time 10.54am BST

While Scott Morrison continues talking, we are out there gathering the reaction for you, from the stakeholders and lobby groups.

It's a long line, but we'll start bringing you that reaction as soon as possible.

block-time published-time 10.51am BST

A key point to take from Labor's response is that they will back the personal income tax measures - which provide up to \$530 as a tax offset for people earning between \$41,000 and \$90,000.

The opposition doesn't mentioned whether or not it will support the measures from 2024 - which will see that flat rate tax put in, where everyone on \$41,000 up to \$200,000 will pay the same tax rate.

Scott Morrison wants to put that through as one big package - legislate it all together or bust, but that's today.

And there is nothing stopping Labor from legislating it out of existence, if it wins government.

block-time updated-timeUpdated at 10.58am BST

block-time published-time 10.48am BST

Labor has just responded to the budget, with Chris Bowen issuing a press release declaring the government to have "failed":

Tonight was Malcolm Turnbull's last chance to fix five years of unfairness – and he failed.

This unfair budget gives big business and the banks an \$80 billion tax handout, and makes Australians pay for it with savage cuts.

* It fails the fairness test on pensioners – Turnbull is cutting the energy supplement, costing pensioners \$14 a fortnight, and forcing people to keep working until they are 70.

* It fails the fairness test on education – Turnbull is still cutting \$17 billion from schools, and has \$270 million in new cuts to TAFE.

* It fails the fairness test on hospitals – Turnbull's cuts mean Australians will be stuck on hospital waiting lists for longer.

* It fails the fairness test on Medicare – Turnbull's freeze on the rebate for specialists means Australians will pay even more when they visit the doctor.

Any budget that gives a handout to big business but hurts pensioners is a bad budget.

This budget also fails the fiscal test. Even with \$40 billion in additional tax revenue:

* Net debt for this coming year is double what it was when the Liberals came to office; and

* Gross debt, which crashed through half a trillion dollars on their watch for the first time in history, will remain well above half a trillion dollars every year for the next decade.

Clearly the government has committed billions of dollars on the back of a temporary global economic upswing – we have seen how that plays out before.

Labor will back the personal income tax measures that begin on July 1 this year, and we'll have more to say in the future about how else we'll help working people.

We know middle class and working class people are struggling with the cost of living – this is overdue relief, but it doesn't make up for Turnbull's cost of living increases and cuts to penalty rates.

Most of this package is off in the never never – it's a hoax for Mr Turnbull to tell people they have to vote for him at least two more times before they tax relief in 2024.

Funding just 14,000 new in-home aged care packages over four years is another hoax, with funding being cut from residential aged care to pay for it. There are still 100,000 people on Turnbull's waiting list for in-home care. It's a particularly cruel hoax after promising older Australians they would address the crisis.

After five years of the Liberals – health care costs more, housing costs more, education costs more and energy costs more.

Every budget is about choices. Yet again, Turnbull has chosen the top end of town – and he's making you pay for it.

A Shorten Labor government will make different choices.

We will improve our schools, fix our hospitals and save Medicare.

We will make university more accessible, guarantee the future of Tafe and put local jobs first.

We will deliver genuine tax relief for working Australians, protect pensioners and improve the budget bottom line.

A Shorten Labor government will deliver a fair go for Australia.

End statement

block-time updated-timeUpdated at 10.57am BST

block-time published-time 10.46am BST

The super stuff Scott Morrison has just mentioned is actually very good - and potentially one of the best, and long overdue, measures of the budget.

"Through the Australian Taxation Office, we'll be proactively finding your lost super and have it sent automatically to your active superannuation account, ensuring it doesn't get eaten up in ongoing fees. We are banning exit fees on superannuation accounts for when you want to change funds, because you should be able to do so when you want to.

We will stop superannuation funds forcing people under 25 to pay for life insurance policies they have not asked for, or do not need."

They'll also be limiting fees on accounts under \$3,000 to 3%.

block-time updated-timeUpdated at 10.53am BST

block-time published-time 10.43am BST

While we are looking at this budget, David Leyonhjelm has allowed the Parliamentary Budget Office to publish the costings he requested for some of the government's policies.

You'll find the detail on that, [here](#)

block-time published-time 10.40am BST

The government has apparently conceded its remote work-for-the-dole scheme is a failure. The budget has revealed a redirected \$1.1bn for a drastic reform of its key elements, after several years of criticism that it unfairly targeted Indigenous people, was discriminatory and overly punitive, and didn't take into account the realities of remote community life.

Under the reforms the program will be reshaped to more closely resemble the non-remote Jobseeker program.

From 1 February next year, the number of hours a CDP participant must work has been reduced from 25 to 20, and the penalty system, which critics said led to vulnerable families going without food and essentials, has been scrapped and replaced with the Job Seeker demerit-based system.

From next year payment recipients can fulfil their work requirements through current CDP job providers, or through one of up to 6,000 newly subsidised positions in communities. Eligible employers can apply for wage subsidies of up to \$26,034 over two years, with bonus payments based on job seeker retention.

The CDP will still run separately to the Jobseeker program.

The \$1.1bn will come from the departments of prime minister & cabinet, social services, and human services. Treasury officials said the money will cover the entirety of the program.

block-time published-time 10.36am BST

The Speech What does Scott Morrison want you to remember? How is the government going to sell the budget?

For that – let's look at the speech:

What have you achieved? (He opens with this and quickly moves on when the chamber starts laughing. Probably not the greatest opening line)

What are you going to do now? What does it mean for me?

These are the questions Australians want answered tonight. So let me get to it.

A stronger economy. More jobs. Guaranteeing essential services. The government living within its means. That is what this budget is about.

The Australian economy is now pulling out of one of the toughest periods we have faced in generations.

The global financial crisis was significant. But coming off our once in a hundred years mining investment boom had an even bigger impact, ripping \$80 billion out of our economy.

This directly impacted Australians and their families, including holding back wages.

During this difficult time, the government has been working to strengthen the Australian economy and get the budget back on track. And we have been making real progress.

... Our national economy is strengthening, but it is also true that the benefits are yet to reach everyone. This will take more time.

... We live in a very competitive world. If we make the wrong calls, other countries will "cut our lunch".

There's a lot to lose. We can't ease off.

In this year's budget, there are five things we must do to further strengthen our economy to guarantee the essentials Australians rely on:

1. Provide tax relief to encourage and reward working Australians, and reduce cost pressures on households, including lowering electricity prices.
2. Keep backing business to invest and create more jobs, especially small and medium sized businesses.
3. Guarantee the essential services Australians rely on, like Medicare, hospitals, schools, and caring for older Australians.

4. Keep Australians safe, with new investments to secure our borders,

and, as always:

5. Ensure that the government lives within its means, keeping spending and taxes under control.

block-time updated-time Updated at 10.47am BST

block-time published-time 10.33am BST

10 things you need to know about the budget 1. Tax changes are a-coming. Low and middle income earners will save between \$200 and \$530 a year on their tax bill, through a tax offset. But the government has also flagged its intentions for wider tax reform, introducing a flat tax rate of 32.5% for everyone earning between \$41,000 and \$200,000, while abolishing the 37 % tax bracket entirely – but not until July 2024.

2. There's a big chunk of money earmarked for infrastructure funding – but most of it won't be spent for years. The federal government will direct \$4.5bn towards roads, but major public transport projects will have to wait years for the lion share of funding announced in the budget. \$24.5bn has been directed to new commitments, but only \$4bn of that is being spent in the next four years.

3. Robo-debt is to continue and the government is planning a scheme to make sure outstanding fines are paid, one way or another.

Having judged it a massive success, the government has planned to extend its "fraud detection and debt recovery activities" scheme which it says will save \$299m over three years. It is also planning on working with the states to set up a scheme to claw back fine and infringement payments from social security. Under the scheme, "the Commonwealth will be able to make compulsory deductions with the welfare payments of serial fine defaulters". The government will also have the power to suspend or cancel welfare payments for those on outstanding arrest warrants for indictable criminal offences.

4. New Australians will have to wait another year to receive welfare assistance, while refugees will see their wait for Newstart doubled to 26 weeks.

Under this measure, the government will increase the waiting period for newly arrived migrants from three to four years, before they are allowed to access welfare benefits. That will save \$203m over five years it predicts. This is called "encouraging self-sufficiencies for newly arrived migrants" in a lovely stroke of Orwellian language. Another \$68.1m over four years will be saved by doubling the wait refugees can receive full Jobactive services, from 13 to 26 weeks.

5. Super changes to protect low balance funds and those under 25.

Those pesky insurance fees you probably don't know you're paying as part of your super fund? You will have to opt-in for that now, for anyone under 25 or with a fund under \$6,000. It's part of a plan to protect super balances of young Australians and those with low balance accounts, from fee erosion. Exit fees will also be banned for anyone attempting to change accounts and fees for accounts under \$3,000 will be limited to 3%.

6. Cuts to the ABC. Again. To help fund a Captain Cook statue in Scott Morrison's electorate.

It's buried as an 'indexation cut' but it's there. "In order to ensure the ABC continues to find back-office efficiencies the government will pause indexation of the ABC's operational funding". That will save \$83.7m over three years, from 2019 and maintain the organisation's base operational funding at 2018 levels. In a fun fact, that money will be directed to "other Communications and the Arts portfolio priorities" (as well as to broader budget repair). But in a quite handy quirk of the budget book, on the page before, we see the 250 th anniversary of James Cook's voyage is to be commemorated with a \$25 million statue (as part of a wider \$48.7 million package also including consultation with indigenous communities and an educational component), which is to be partly funded by the department of Communications and the Arts. It is to sit in Botany Bay. Which sits in Morrison's electorate.

7. The 'black' economy is under the spotlight.

Funny-money is getting its time in the sun. The government plans on clawing back all that revenue it is losing to 'chop-chop' (illegal) tobacco. Home Affairs estimates it can earn \$3.6bn from the crackdown. An "economy wide cash payment limit" will also be put in place, meaning no more cash transactions of \$10,000 or more.

8. You're living longer! Yay.

As Scott Morrison says in his speech we are living longer – and that's a good thing. Not sure we needed the reminder that not dying is a positive, but here we are. To help make those additional years as comfortable as

possible, the government is planning to increase the pension work bonus to allow age pensioners to earn an additional \$25 a week without reducing their pension.

The pension loan scheme is being expanded, which allows pensioners to use their homes as equity to boost their retirement incomes – the reverse mortgage scheme. There's extra money for training mature aged workers with new skills to keep them employed – up to \$2000. And a wage subsidy of up to \$10,000 for businesses with older employees (aged over 50).

Then there is the aged care component. \$1.6bn is being spent to support an additional 14,000 additional high-level home care packages. There's also \$61.7m to improve the My Aged Care website and \$14.8m to streamline how older Australians are assessed for their packages. A further \$82.5m is being spent on mental health services for older Australians, including a \$20m "loneliness" package, to help people "remain connected to their communities".

9. New measures to help crack down on multinationals avoiding their tax commitments.

The company tax cuts are STILL on the agenda, with the government not giving up on its slated \$65bn tax cut, despite not having the numbers. But the government is also moving to add to previously announced measures to make sure income earned in Australia, can be taxed by Australia. Those additional measures include strengthening the so-called "thin capitalisation" rules, which are meant to stop companies loading up on debt, in order to shift profits off-shore. The government also wants to strengthen its anti-avoidance rules. Stapled Structures – (the most simple explanation of which I can think of is if an international company owns a port and a trust and then claims the port earnings as "passive" in order to send it into the trust, thereby claiming a better tax rate) are also under examination. The government wants to make sure that Australian investors will be able to compete on "fairer terms", "particularly when investing in land-rich investments", so those are also under the microscope.

10. The figures

The budget cash deficit is \$14.5bn for 2018-19 or 0.8% of GDP.

Net debt is sitting at \$349.851bn for this year and is then estimated to taper off

Gross debt will peak at \$579bn in 2019-20

The budget is forecast to return to balance in 2020 and then hit an \$11bn surplus in 2021

Most of the spending in this budget comes from better than expected revenue - \$25.9bn extra, to be exact, which is a combination of Treasury getting its forecasts wrong and better than expected employment growth and revenue from mining companies. It's also been pushed along by the hope that stronger wage growth will return in the future.

block-time published-time 10.33am BST

The 2018 budget - what's the feel? It's Amy back with you – let's get started:

In a very quick nutshell – because we have a lot to get through tonight (and over the coming days) – what is the 2018 budget?

It's the budget you deliver when you want voters to remember you at the ballot box, that's for sure. It's largely harmless and seems aimed at pissing off the least amount of people possible, while also making as many people kinda-happy-but-at-least-OK as they can. Unless you owe the government money – robodebt is continuing, and the government plans on deducting court-ordered fines from your social security payments – or are a migrant – you need to wait another year, from three to four before you can access welfare, or a refugee – you need to wait 26 weeks now, not 13, before accessing job seeker help, or work for the ABC – there's a \$80 million indexation cut in there - you will probably forget this budget fairly quickly. And with the hangover of 2014 still in the air, forgettable is good.

If you earn anywhere up to \$90,000, you will receive up to \$530 come tax time, as an offset payment from the government. The government is selling that as a "more than \$1,000" saving for families, assuming you have two people earning between \$41,000 and \$90,000. Earn under that and you'll taper up to the \$530 offset. Earn over it and you'll taper down to zero the closer you get to \$120,000.

But it's the future where it gets a little hinky. The government plans on legislating the third stage of its tax reform, which will see the 37% tax bracket abolished completely, meaning everyone earning between \$41,000 and \$200,000 will be paying the same flat tax rate of 32.5%. The government is selling that as "simplifying" the tax system, and making it "fairer" because most of us will spend the majority of our working lives on the same tax rate. But it also means that someone earning \$41,000 will be paying the same tax rate

as someone earning \$200,000. That's an idea a few conservative American think tanks have been playing around with, as a way of lowering the tax burden on top earners, by equalising the tax rate. It's not due to come into effect until the Never-Never – seven years from now, which is three years beyond the budget's forwards and two elections away. But it's a way the government can signal to its base and high income earners that it has a plan for them. It may not be now – this is when the low and middle income earners get their sugar hit – but it is in the works. Meanwhile, that sound you can hear is the government's critics preparing campaigns on fairness.

Also in the future is the majority of that giant infrastructure package we have heard so much about. Most of that is because the projects aren't ready yet, or at the stage when most of money needs to be spent. But it means that of the \$24.5 billion, \$4 billion will be spent on roads, and the rest is earmarked for public transport projects beyond the next four years. The money is there, and it makes a great headline figure – but it won't be spent for years.

Aged care gets a much needed boost, with the government increasing its spend on in-house care, with the aim to keep people in their own homes for longer, negating the need for as much residential care.

There's also that crackdown on the so-called black economy and a stronger crackdown on multinationals which avoid paying their tax.

But it is mostly about those headline figures – \$530 a year in tax offset. \$24.5 billion in infrastructure. Increased spending on aged care. Mature age workers spending. Record job growth. And a surplus of \$11 billion slated for 2021, with the budget predicted to return to balance in 2020.

There's more to come and more to go through – but these are the figures you'll be hearing coming out of government MP's mouths for the next few months.

block-time updated-timeUpdated at 10.44am BST

block-time published-time 10.30am BST

We're a minute away. Let's give the last word to the Australian Council of Social Service. What do they want in budget relief for the nation's most disadvantaged. The Acss wishlist:

- * Increase inadequate Newstart payments
- * restore family payments
- * dump cuts to the energy supplement
- * dump the plan to raise the pension age to 70

enltrBudget tips [@cassandragoldie](#) : focus on Newstart & restoring family payments. Aust 8th lowest tax country in OECD, warns [@ACOSS](#) on [@BizTicky](#). Coalition has made \$15bn of SocialSecurity cuts: lowest incomes hit hard. Dump cuts to Energy Suppl & stop plan to raise Pension Age to 70.

— Gerard Thomas (@gerardthomas_1) [May 8, 2018](#)block-time published-time 10.20am BST

Ten minutes to go! I can assure you my running shoes are on, and I am prepared to run the kilometre or so (well, it feels like it) from the lock up room back to the press gallery to start giving you the run down on this thing.

The big reveal starts the moment Scott Morrison's speech hits the despatch box, and the sound of 100s of journalists hitting 'send' can be heard around the nation. Or at least around these corridors.

But before we begin, let's remember what the government wants this budget to do – it is likely to be the last one before we head back to the polls, and the government wants this document to be the start of the recovery process and switch them over to election mode. But whether or not this budget can reverse more than 12 months of distraction, own goals, and in-fighting is a whooole other story.

block-time published-time 10.16am BST

Greens leader Richard Di Natale was on the ABC a short while ago. He slammed the government's budget priorities, and pointed to multinational tax avoidance as an issue that ought to be a clear priority. Di Natale also calls for a Buffet rule (a minimum tax rate of 30% on individuals making more than \$1m).

He said the treasurer "got lucky" because of strong commodity prices.

enltr"We've got a tax avoidance system, not a tax system, we've got huge loop holes that need to be closed..." [@RichardDiNatale](#) tells

[@PatsKarvelas#auspol#rndrive#Budget2018https://t.co/9x85t192fXpic.twitter.com/b2pHlbJSpC](#)

— RN Drive (@RNDrive) [May 8, 2018](#)block-time published-time 10.08am BST

The clock is ticking down to 7.30, which means we are almost ready to bust out of our cages.

For those new to the process, here is what is going to happen; Scott Morrison will step onto the chamber floor to deliver his budget speech, and from that moment, we all hit publish. I'll be dashing back to the blog, to give you the headlines of the budget, and then Morrison will head to the ABC studios for the treasurer's traditional appearance on 7.30. From there, every group you can think of and then some more will be lining up to give their instant reaction to the budget – which we will bring you into the night.

block-time updated-timeUpdated at 10.22am BST

block-time published-time 10.07am BST

Just a little more on the legislation passed by the house of representatives earlier concerning the home affairs department. The bill was largely administrative, but helped facilitate the introduction of the Australian Security Intelligence Organisation into the portfolio. That brings Asio into a portfolio that also includes the Australian Federal Police, Austrac, and the Australian Criminal Intelligence Commission. Turnbull spoke [about the purpose of the bill last year](#) :

Today I am introducing legislation to establish a Home Affairs portfolio which will bring together Australia's security, law enforcement, criminal intelligence and emergency management functions under the direction of one senior minister.

A new Department of Home Affairs will be responsible for setting strategies and coordinating policies on counterterrorism and violent extremism, counter foreign interference, serious and organised crime, cybersecurity, border security, immigration and social cohesion.

The portfolio will include the Department of Immigration and Border Protection as well as the Australian Federal Police, AUSTRAC and the Australian Criminal Intelligence Commission.

The bill also clarified ministerial powers and confirmed the statutory independence of the different agencies, despite the fact they will now all come under the home affairs portfolio. It also boosted the oversight powers of the attorney-general. You can read more about the bill in its explanatory memorandum, if [you're that way inclined](#).

Only two lower house members voted against it: Adam Bandt, of the Greens, and Andrew Wilkie, the independent.

enltrBREAKING: ALP just voted with Libs to set up Dutton's new Home Affairs ministry, giving this brutal man unprecedented powers. This is how societies turn bad. I voted against, along with Andrew Wilkie [#greenspic.twitter.com/WiM8WSVWRM](#)

— Adam Bandt (@AdamBandt) [May 8, 2018](#)Labor supported the bill but used the chance to voice concerns. I mentioned Peter Khalil spoke out against Dutton's concentration of power. He was joined by the shadow attorney-general, Mark Dreyfus, who expressed concern about the expansion of the home affairs portfolio.

Most democratic nations are careful to avoid the concentration of power in a single entity or in a single person, instead favouring systems with checks and balances.

Under these arrangements a single minister... will alone be responsible for complex decisions that until now have been debated by multiple single ministers who have shared responsibility for our nation's security.

block-time published-time 9.49am BST

Hello!

I am coming to you from beyond the great budget lock-up, where I am frazzled, and over-caffeinated and attempting to wrap my head around these measures, as well as reporting to you for the live coverage.

Isn't that clever? Well, prepare to be dazzled in just a short while – we are all putting the final words on our pieces and preparing to flee the confines of this room very, very soon to bring you the 2018-19 budget.

block-time updated-timeUpdated at 9.56am BST

block-time published-time 9.47am BST

We want your budget gifs We think the talented politics live readership can help us illustrate tonight's budget coverage in the blog.

So we'd like you to tweet apt gifs to @AmyRemeikis and @knausc in the meantime. We want the gifs that you think best reflect the nature of the budget.

Can I suggest the timeless and widely applicable "y tho"? More of a meme than a gif, I know. But you get the idea.

enltrShow me a meme/gif that's you.

This is me, for potato face and also cos y tho pic.twitter.com/hrhSaybSi7

— Hayley (TPB) (@TeaPartyBeauty) [July 28, 2017](#)We'll get as many of the best offerings into the blog as we can manage in between actually telling what's in the budget and what Scott Morrison (and others) have to say about it.

block-time published-time 9.36am BST

It's gone eerily quiet here in the big house. Both chambers have suspended sitting and I've been reduced to watching Outsiders on Sky. Send help.

Only an hour to go until the treasurer's budget speech.

block-time updated-timeUpdated at 9.37am BST

block-time published-time 9.18am BST

Just a little more on that Greens motion in the Senate. Senator Rachel Siewert tells me the foreign interference bill risks casting Indigenous rangers as "foreign agents when engaging in so-called political advocacy". That's because they are funded by an American charitable trust.

"This is truly farcical, they are our First Peoples and it demonstrates the glaring flaws in the legislation," Siewert says.

"The government clearly hasn't thought through the consequences of this legislation."

block-time published-time 9.08am BST

AAP is reporting on fears expressed by the Greens that the foreign interference bill could have an unintended impact on Indigenous rangers. Here's their report:

Indigenous rangers could be unfairly caught up in the federal government's crackdown on foreign political influence, senators have warned.

A Greens motion calling on the government to acknowledge foreign influence legislation could go further than intended passed the upper house on Tuesday.

Indigenous rangers are partly funded by an American charitable trust, raising concerns they could fall foul of the proposed laws.

But Liberal frontbencher James McGrath said rangers' foreign funding would not be banned by the legislation.

"It merely requires groups funded by foreign principles for the purpose of influencing Australian democracy to register," Senator McGrath told parliament.

Labor senator Jacinta Collins said there were very real concerns charities and not-for-profit organisations could suffer unintended consequences of the bill.

"We can clean-up donations without silencing our community sector," she told senators.

block-time updated-timeUpdated at 9.14am BST

block-time published-time 8.57am BST

One of the best things about budget day, in my humble opinion, is the 'toons. Usually the best come the morning after. But we've already had some crackers, including from our very own First Dog on the Moon.

enltrBudget eve is upon us... pic.twitter.com/KzCQJ6KN5f

— Richard Di Natale (@RichardDiNatale) [May 8, 2018](#)enltrThe Prime Minister for New South Wales... My toon in today's [@theheraldsun#auspol#Budget2018pic.twitter.com/LgD3qpbOM2](#)

— Mark Knight (@Knightcartoons) [May 8, 2018](#)enltr [@roweaf](#) 's latest cartoon. For more: <https://t.co/FaurRmAY3B#auspol#Budget2018pic.twitter.com/yCt5NruBrc>

— Financial Review (@FinancialReview) [May 8, 2018](#)enltrWe're on the road to nowhere... [#auspol#budget2018pic.twitter.com/TTqoFu56P6](#)

— Peter Broelman (@Broelman) [May 7, 2018](#)block-time updated-timeUpdated at 9.21am BST

block-time published-time 8.38am BST

Down in the house, they're debating [laws setting out some of the](#) ministerial powers of Dutton and others following the creation of the department of home affairs.

The bill was introduced in December last year and has been scrutinised by the Joint Committee on Intelligence and Security. Labor supports the substance of it. But Labor's Peter Khalil is using the opportunity to again criticise Dutton's significant centralisation of unchecked power.

Many of us have expressed significant concern with respect to the concentration of power within the home affairs portfolio. I've been one of those.

He goes on:

In some respects this minister has built an empire through blatant disregard for democratic process... We can't abide this, deputy speaker, we urge the government to put a stop to minister Dutton's power grab.

Nick McKim, a Greens senator is outraged that Labor has voted with the government to facilitate "Dutton's massive new power grab – the department of Home Affairs".

enltrBreaking: Labor has just voted with the LNP to support Dutton's massive new power grab - the Department of Home Affairs. This is an attempt to reshape Australia's entire immigration, intelligence and security systems to become more hostile, suspicious and secretive. pic.twitter.com/FYbhzj4PTY

— Nick McKim (@NickMcKim) [May 8, 2018](#)block-time updated-timeUpdated at 8.44am BST

block-time published-time 8.16am BST

"It's gone from a debt truck to Truckasaurus."

That's how Tim Watts, a Labor MP, has described the doubling of net debt under the Coalition. Bear with me here while I explain. He's referring to Turnbull's [campaign as opposition leader in 2009](#), in which he drove a truck around the country decrying Labor's debt and deficit.

Watts is on a Sky News panel with new Liberal senator Amanda Stoker. Stoker is repeatedly asked what Australians should do with the small amount of money they will pocket through the income tax relief to be handed down in tonight's budget. She says the beauty of a tax cut is people can spend it "however they like".

She then concedes:

\$25 is a small amount. Compare it to what's on offer from Labor, it looks pretty darn good.

block-time updated-timeUpdated at 8.20am BST

block-time published-time 7.59am BST

Shadow human services minister, Linda Burney, is talking welfare on Sky News. She said Labor wants to review Newstart, which is currently about \$40 a day. Burney doesn't nominate a level she thinks it ought to be.

Burney says she's expecting the government to announce 1,000 additional labour hire workers for Centrelink, a measure we've already heard about.

Burney is asked how she would change Centrelink, were she in office. She said Labor's approach would be to support the people working at Centrelink, and changing the department's culture to one of "assisting and supporting people".

She says there is nothing wrong with recovering accurate welfare debts, but that:

My experience and the experience of 20,000 Australians last year was that the government accused people of owing money when the bulk of those people didn't owe any money at all.

She is, of course, referring to the robo-debt program.

block-time updated-timeUpdated at 8.07am BST

block-time published-time 7.49am BST

What do we already know about the budget? Can't contain your excitement for the budget's release ? Need to know right now what's in it? Well, lucky for you, most of its contents have already been strategically dropped by the government. Here's a handy/sizeable list of what we know so far.

* Surplus: we're expecting the government to announce it will return to surplus a year earlier than expected, in 2019-20. It is only expected to be a slim surplus.

* Great Barrier Reef funding: the Coalition has promised \$500m to improve the state of the reef. It includes money to tackle the crown-of-thorns starfish, and to reduce run-off.

* Income tax relief : the government says lower and middle-income earners will receive income tax relief in the budget. Labor says it amounts to about \$10 a week, and have described it as a "burger or a milkshake tax cut", invoking the 2003 slogan of former Liberal senator Amanda Vanstone, which landed her in hot water.

* Infrastructure investment : there's \$24bn for infrastructure investment, although we'll need to wait for the budget to see how much of the money comes in the form of grants, and how much is equity investment, which allows the government to keep it off the books. The money will be used to boost freight transport and cut congestion around Sydney airport, the Port Botany rail extension in Sydney, the Melbourne airport rail link, and an upgrade to the Bruce Highway.

* Aged care : the government will fund 20,000 new places for home care to help the aged stay in their own homes for longer. It also plans to increase the income threshold for aged pensioners.

* Health : Lifeline will receive a \$34m funding boost. Whooping cough immunisation will be provided free to pregnant women in a \$29.5m initiative. Spinraza, a drug for spinal muscular atrophy, has been added to the PBS.

* Captain Cook monument : \$50m to be spent on a new monument to mark Captain Cook's arrival in Australia.

* Child protection : a new Brisbane-based police unit to crack down on child exploitation material, at a cost of nearly \$70m.

* Disability : another \$300m to help those with a disability to secure employment.

* Aid : there have been late reports today that the government will boost foreign aid funding to our Pacific neighbours. Little detail for now, but watch this space.

* Beer : a 40% tax cut for local brewers, which will benefit craft breweries.

enltrPresenting my very festive budget lockup cake for 2018. It's inspired by suggestions ScoMo could play Santa as well as the lump of coal he brought to question time last year.

[#Auspol#Budget2018#budget#jinglebellspic.twitter.com/s5AO09zCy1](#)

— Lisa Martin (@LMARTI) [May 7, 2018](#)block-time updated-timeUpdated at 8.09am BST

block-time published-time 7.22am BST

Labor's Ed Husic just appeared on Sky News. He said Labor would put the budget in a stronger long-term position than the government through its policies on dividend imputation, superannuation, and negative gearing, all of which he characterised as "tough calls".

"The government's got a chance to deliver a fair and responsible budget, let's see how they go," Husic says.

block-time updated-timeUpdated at 7.51am BST

block-time published-time 7.12am BST

Some news on Bob Hawke's condition. You'll have read earlier that the former prime minister was hospitalised at Royal North Shore Hospital overnight [after having "the wobbles"](#). AAP is reporting that he is "fine" and will be out within the next two days.

"He is doing fine and hopes to be discharged within the next 24 to 48 hours," his private secretary said in a statement to AAP on Tuesday.

block-time updated-timeUpdated at 7.50am BST

block-time published-time 7.05am BST

A bit more colour from question time this afternoon. Much like Malcolm, we're all checking our watches. Not long now until the budget is released.

Time check please Photograph: Dean Lewins/AAP Barnaby Joyce enjoying the view from the backbenches Photograph: Dean Lewins/AAP Bill Shorten was thrilled by Peter Costello's contribution to the deficit debate Photograph: Dean Lewins/AAP 'Keep smiling Barnaby, just keep smiling.' Photograph: Dean Lewins/AAP Peter Dutton practices his 'jobs and growth' muscles Photograph: Mick Tsikas/AAP block-time updated-timeUpdated at 7.48am BST

block-time published-time 6.52am BST

We're back onto live exports in the house. We're hearing a range of Coalition voices urging against a suspension of the trade. Earlier this morning, Barnaby Joyce likened the situation to that of greyhounds in New South Wales. He cautioned against a knee-jerk response that would disproportionately impact those complying with their obligations.

"The initial outpouring as regards the treatment of greyhounds was overtaken by the sense of how we affected those people in the greyhound racing industry," Joyce said.

Just now, we heard Liberal MP Rowan Ramsey, urging against a suspension. He says the "stakes are high" and that the last suspension of live exports caused "untold damage" to the industry. The vast majority of live export ships complied with the standards, he said. But he acknowledges:

It is clear that as a nation we do not tolerate this kind of treatment of our animals. And the industry is unsustainable if it continues.

block-time updated-timeUpdated at 7.24am BST

block-time published-time 6.33am BST

Question time: debt and deficit, banks and the royal commission And that's that for question time on budget day. It finished off with the usual rhetoric on welfare recipients from the Coalition. I wouldn't be surprised to see some measures ramping up debt recovery or cracking down on welfare fraud in the budget tonight.

So, what did we learn during the hour of power?

* Labor initially focused its attack on the comments of former treasurer, Peter Costello. Costello, no doubt to the unbridled joy of the Coalition, said last night the nation's debt had reached such a level that it would not be paid off in his lifetime. Turnbull said Labor were the last organisation in the world to lecture anyone on debt and deficit. The last time they had a surplus was 1989, Turnbull said. "We're not going to take lectures from the Labor party on debt and deficit."

* Turnbull was asked about the comments of Kerry Schott, the architect of the national energy guarantee, who said there was no longer a case for investing in new coal-fired power plants. Does Turnbull agree? Turnbull said simply that his energy policy was "technology agnostic".

* Labor continued to prosecute the government over its handling of the banking royal commission. Why, Labor asked repeatedly, did Turnbull wait two years to announce a royal commission? And why is the government giving so much in taxpayer handouts to the big four? Turnbull took full responsibility for the timing of the decision. He said they wanted to implement reforms to protect customers and allow redress.

* We also heard concerns from Tanya Plibersek on the plight of banking misconduct victims who have signed non-disclosure agreements when receiving compensation from the banks. Would those agreements prevent victims from talking to the royal commission? Attorney-general Christian Porter said the royal commission had already indicated it would take a dim view of banks that attempted to enact non-disclosure agreements for people who spoke to the inquiry.

Prime minister Malcolm Turnbull during question time in the House of Representatives at Parliament House in Canberra. Photograph: Mick Tsikas/AAP block-time updated-timeUpdated at 6.46am BST

block-time published-time 6.14am BST

Labor MP Matt Thistlethwaite has another question on the banks. He says the government has given \$17bn in handouts to the big four. He asks how much of the planned company tax cuts would go to AMP and whether "now [is] really the right time to be rewarding a company like that"?

Turnbull says:

I'm not going to go into specific matters which are currently before the royal commission. We are determined to ensure that the wrongdoing that has occurred... does not happen again and that those who have done the wrong thing are held to account.

block-time updated-timeUpdated at 6.40am BST

block-time published-time 6.08am BST

We've had a couple more questions from Labor on the banks. They're really going for the jugular. The main points of attack are the Coalition's two-year delay in calling the royal commission and the billions of dollars in taxpayer support being handed to the big four.

Turnbull says of the delay:

As I've said publicly the decision that I took and I take full responsibility for it... was because I believed that we should get on with the substantive reforms to protect consumers and to give people redress. And we have done that.

block-time updated-timeUpdated at 6.45am BST

block-time published-time 5.58am BST

A question on the banks and the royal commission. Many victims of banking misconduct have found themselves in a difficult position. Those who received compensation payments from banks often did so on the condition that they sign a non-disclosure agreement. It was a tactic used by the Catholic church to effectively silence victims of child sexual abuse.

Labor's Tanya Plibersek asks whether the royal commission will be able to hear the evidence of such persons, including their testimony about the imposition of the non-disclosure agreements themselves.

The attorney-general, Christian Porter, said it was "obviously a very serious issue". He said the head of the banking royal commission, Kenneth Hayne, has addressed it and indicated that if any bank "sought to enact a non-disclosure clause" to prevent people talking to the royal commission, then the royal commission would turn its microscope "scrupulously over that bank, its conduct, and the types of agreements it signed".

Porter said that position is entirely appropriate.

block-time updated-timeUpdated at 6.37am BST

block-time published-time 5.50am BST

Labor MP Mark Butler throws a question to Malcolm Turnbull on the national energy guarantee. He asks whether Turnbull agrees with Kerry Schott, the architect of the policy, that there is no longer an investment case for building new coal-fired power plants. Or does he agree with his Coalition colleagues who are attacking Schott?

Turnbull sidesteps the question. He says the policy is "technology agnostic".

Let me say the national energy guarantee, that's the government's energy policy, which brings together for the first time climate and energy policy in one market-based instrument, that is technology agnostic. And that provides a level playing field in which there is a role for every type of energy generation.

Prime minister Malcolm Turnbull during question time in the House of Representatives at Parliament House in Canberra on Tuesday. Photograph: Dean Lewins/AAP block-time updated-timeUpdated at 6.33am BST

block-time published-time 5.43am BST

Shorten is up and questioning the government's reported plan for tax relief for low and middle-income earners. Shorten asks how it's fair to give families only \$10 a week in tax relief, while giving the Commonwealth Bank a \$7.5m handout every week.

Turnbull encourages him to watch the treasurer's budget speech tonight.

block-time updated-timeUpdated at 6.28am BST

block-time published-time 5.36am BST

Liberal MP Julia Banks, who you'll remember from her [controversial comments on Newstart](#), gets up to throw a dixer to Kelly O'Dwyer.

Labor seem to have been waiting. The cacophony from their side of the house is deafening, and speaker Tony Smith warns them to pipe down.

Someone on the opposition benches makes a wise crack, sparking laughter and applause.

Banks replies: "Thanks for the applause", before forging on with her question.

block-time updated-timeUpdated at 6.25am BST

block-time published-time 5.29am BST

And just like that, the truce is over.

Labor are again pressing the attack using Costello's comments on debt and deficit.

Turnbull responds in much the same way.

There is no group of people in Australia less qualified to lecture any of us on debt and deficit than the Labor party. The last Labor party surplus was delivered in 1989.

Turnbull's quip draws a chorus of laughter from the benches behind him.

Prime minister Malcolm Turnbull during question time in the House of Representatives at Parliament House in Canberra on Tuesday. Photograph: Dean Lewins/AAP block-time updated-timeUpdated at 6.19am BST

block-time published-time 5.24am BST

Hostilities are called off temporarily to welcome Peter Frazer, a road safety campaigner, who is present in the public gallery. Frazer's daughter, Sarah, was killed in a tragic crash in 2012, and he has spent the years since campaigning to reduce road trauma.

You can read a little more on [Frazer's story in this piece I wrote in 2016](#). He's a lovely bloke and tireless in his efforts.

Related: ['It's not inevitable': sudden rise in road deaths prompts search for answers](#)

block-time updated-timeUpdated at 6.18am BST

block-time published-time 5.14am BST

Attacks on 'debt and deficit' mark the start of question time And we're off. Opposition leader Bill Shorten makes early use of Peter Costello's comments on debt last night, trying to pin down Malcolm Turnbull using the words of the former treasurer.

Turnbull is having none of it. He says Labor left a structural deficit that "the Coalition has been unwinding ever since".

We're not going to take lectures from the Labor party on debt and deficit. Even after robbing self-funded retirees, discriminating against them, seizing the benefits of franking credits in a cash grab... even after that they can't make their budget plans add up.

block-time updated-timeUpdated at 6.16am BST

block-time published-time 5.08am BST

We're about to head into question time.

Malcolm Turnbull is on his feet in the house, paying tribute to Tasmanian senator, Jocelyn Newman, who was in parliament for 15 years. Newman, a minister in the Howard government, passed away on 1 April, after a long struggle with Alzheimer's disease. Newman drove welfare reforms while in parliament, including the creation of Centrelink, and created youth allowance programs. Turnbull says Newman helped usher in a "landmark shift that helped to see welfare as a hand up rather than a hand out".

Former family and community services minister senator Jocelyn Newman, pictured in 2000. Photograph: Alan Porritt/AAP block-time updated-timeUpdated at 6.14am BST

block-time published-time 5.00am BST

AAP has just filed this report on a pre-budget meeting of Coalition MPs:

Malcolm Turnbull has vowed to sell the government's latest budget all the way to the next election.

The prime minister, addressing a meeting of Liberal and Nationals MPs in Canberra on Tuesday, urged his colleagues to personalise the budget message of a strong economic plan for jobs and growth and one that delivered tax relief, ensured the delivery of essential services as well as providing funding for new infrastructure to make life better for Australians.

Turnbull noted the budget's better-than-expected revenue booty was down to the creation of one million jobs during the life of the government and 130,000 fewer people on welfare.

The government had also delivered the lowest spending growth in 50 years, he said.

The prime minister reiterated his commitment to an election early next year, leaving open the possibility of another budget before voters go to the polls.

Treasurer Scott Morrison has promised his third budget will show the government knows how to deliver a stronger economy with a plan that will improve opportunities for all Australians.

"It's a plan for lower taxes and for reducing the pressure on households," he told reporters on his way into Parliament House.

block-time updated-timeUpdated at 6.09am BST

block-time published-time 4.49am BST

Labor is continuing to make hay of Peter Costello's comments on the ABC last night. Costello said the level of debt amassed by the federal government makes it unlikely the nation will pay it off within his lifetime.

Labor MP Amanda Rishworth points out that the Coalition spent years attacking Labor over "debt and deficit" when it was in opposition. The shoe is now on the other foot.

"Of course what we've seen now is the treasurer hasn't been talking about that, and seems to be pretty relaxed about a level of debt that Peter Costello has criticised," Rishworth tells the ABC.

She says Labor is working on an economic platform that puts lower and middle income earners at its centre. She ducks a question on whether Labor would match the Coalition's income tax cuts, but says they are nothing compared to the government's \$80bn in company tax cuts.

block-time updated-timeUpdated at 6.01am BST

block-time published-time 4.38am BST

Farmers label live export suspension as 'lazy politics, lazy policy' One of the other issues energising the parliament today is live exports. You'll no doubt remember that Labor has called for a suspension of live exports in the wake of shocking vision of cruelty aired on 60 Minutes. The Greens want it stopped permanently and more urgently.

The National Farmers Federation were in parliament today to tell the press gallery just what they think of Labor and the Greens' proposals. In news that will shock no one, the NFF is not a big fan.

The NFF chief executive officer, Tony Mahar, said there were ways to fix the industry without resorting to a ban or a suspension.

"We're not entertaining the idea of a suspension. We want it fixed. Your question before about measures, whether it's destocking rates or better ventilation, better boat, vets on boats, cameras on boats, there's ways to fix this trade and we think that a ban or a suspension is lazy politics, lazy policy," he said.

"We're up for the challenge to fix it."

CEO of the Australian Farmers' Federation Tony Mahar speaks to the media during a press conference at Parliament House in Canberra. Photograph: Lukas Coch/AAP block-time published-time 4.25am BST

Some non-budget news first up, we've just heard from Mark Butler, Labor MP for Port Adelaide and a former shadow water minister. Butler has just urged for vigilance after the Murray-Darling Basin Plan was saved through an eleventh-hour agreement between Labor and the Coalition.

He says there are still those within the Coalition who want to kill it off.

"There are still voices within the Coalition, including Barnaby Joyce and others, who don't like this plan," Butler told the ABC.

"But to his credit, David Littleproud has worked constructively with our shadow minister, Tony Burke. The plan is back on track, we now need to be vigilant in coming years that it is implemented in full."

block-time updated-timeUpdated at 4.31am BST

block-time published-time 4.22am BST

Hello! Christopher Knaus here, taking you through the six hours leading up to the budget's release. My dear colleagues have left me all alone in the office. They'll be locked up until 7.30pm, with only budget papers and caffeine for solace.

But fear not. There's plenty of fun to be had until then. You might remember that last year news of the controversial banking tax broke while the press gallery were stuck in the lock-up. Who knows what we'll see this time around.

enltrSometimes you forget you're an [#auspol](#) nerd until you realise that not every 23 year old has aspirations of being part of the media lock-up for [#Budget2018pic.twitter.com/WIK5gyAqVj](#)

— Melyssa Troy (@MelyssaTroy) [May 8, 2018](#)block-time published-time 4.03am BST

OK, on that note, it is time for us to go line up for the budget lock-up.

I'll be off-line until a few seconds after 7.30, when I will be dashing through these hallways to come back to you like nobody's business.

Chris Knaus will keep you occupied and entertained and may even have some more recent song references for you. You never know your luck in the big city.

Behave.

block-time updated-timeUpdated at 4.13am BST

block-time published-time 3.58am BST

And while I'm on a music theme...

Livin' alone

I think of all the friends I've known

But when I dial the telephone

Nobody's home

enltrBarnaby in the house this afternoon [@AmyRemeikis@GuardianAus#politicslivepic.twitter.com/3fzjtVch1h](#)

— Mikearoo (@mpbowers) [May 8, 2018](#)block-time updated-timeUpdated at 4.00am BST

block-time published-time 3.56am BST

Sommmmmewhere out there, if love can see us through

Then, we'll be to-get-her, somewhere out there

Out where, dreaaaaamms come trueeeeeeee

enltrEd Husic with a pic of his colleague who resigned last week the former member for Perth
[@TimHammond1](#) in the reps chamber as the House resumes sitting this afternoon
[@AmyRemeikis@GuardianAus#politicslivepic.twitter.com/tRuMMX1Fwm](#)

— Mikearoo (@mpbowers) [May 8, 2018](#)block-time updated-timeUpdated at 3.57am BST

block-time published-time 3.48am BST

Barnaby Joyce is presenting a committee report in parliament, from the backbench.

There are not a lot of people inside the chamber to hear it.

block-time published-time 3.37am BST

It's beginning to look a lot like bud-get.

Treasurer Scott Morrison and Finance minister Mathias Cormann at the traditional budget day picture opportunity. Photograph: Mike Bowers for the Guardian And from the other angle

Front on. Photograph: Mike Bowers for the Guardian block-time updated-timeUpdated at 5.13am BST

block-time published-time 3.33am BST

We are getting close to that time where I will hand you over to Chris Knaus, while I enter one of Dante's lesser known circles, the budget lock-up.

block-time updated-timeUpdated at 3.35am BST

block-time published-time 3.24am BST

Alex Hawke points out, even managing to rummage up some semblance of passion, that Labor hasn't delivered a surplus in 30 years.

He then starts quoting Billy Joel's We Didn't Start the Fire. None of the verses though. Just the bit everyone knows.

block-time updated-timeUpdated at 3.26am BST

block-time published-time 3.21am BST

Alex Hawke is called upon to defend the government's budget from "the party that wants to spend more, the party that wants to tax more".

"We won't be lectured by a party that comes to the table with higher expenditure," he said. Very loudly.

block-time published-time 3.16am BST

Over in the Senate and Mitch Fifield has been given the boss job, with Mathias Cormann busy with the budget.

block-time published-time 3.15am BST

Chris Bowen has launched straight into a budget attack in the House of Representatives.

He says the Labor party wants to see "budget repair which is real, but also fair".

Jim Chalmers is up next – he says "we don't hear a peep" about the "budget emergency" any more – and why? "Because they have failed the test they set for us."

"Whatever happened to that budget emergency? What ever happened to the debt and deficit disaster? We don't hear about it any more, not because it has been fixed, but because we are so close to an election."

block-time updated-timeUpdated at 3.17am BST

block-time published-time 3.00am BST

The bells are ringing for parliament – but with everything else which has been going on today, the parliament sitting has become the side show today.

block-time updated-timeUpdated at 3.04am BST

block-time published-time 2.24am BST

Brendan O'Connor really enjoyed Peter Costello's 7.30 interview. Here he is talking to Sky this morning:

I think Peter Costello understands the process well enough to know – and the leaks that have already been provided to the media well enough to know – that this government has said for the last four years, the last four Budgets that we have an emergency to deal with. Now it's turned its back on that, and is trying to provide some very pathetic sweeteners to save their own bacon. That's what's happening.

That's why you've seen Costello in a very dramatic way, Kieran, I've never seen a former minister of the same political party come out on the eve of the Budget and actually attack so centrally.

block-time updated-timeUpdated at 2.30am BST

block-time published-time 2.23am BST

So while Peter Costello fights the budget, John Hewson lines up behind him, George Christensen plans on getting some new robes and Tony Abbott takes aim at George Brandis, some people are still thinking about the budget.

Not all people, but some people.

Here is First Dog's take:

enltrLast night's budget eve cartoon about budget eve. icymi etc <https://t.co/2xoq0S1yX9>

— First Dog on the Moon (@firstdogonmoon) [May 8, 2018](#)block-time published-time 1.54am BST

It is all happening!

Tony Abbott is now taking aim at George Brandis over [this Peter Hartcher piece in the Sydney Morning Herald](#).

Particularly this bit, it seems:

"Abbott's leadership was probably the only time that the Liberal party in government pursued a set of policies so ideologically rightwing," according to Brandis. For instance, Abbott's "reluctance to embrace multiculturalism was out of sync with modern Australian values, and the trenchant resistance" to same-sex marriage "was increasingly out of touch with community values".

Brandis's former leader has just tweeted his response:

enltrGeorge Brandis has begun his ambassadorship with a partisan attack that rewrites history. How could the Liberal Party under my leadership have been "ideologically right-wing" when I had him as part of the leadership group?

— Tony Abbott (@TonyAbbottMHR) [May 8, 2018](#)block-time updated-timeUpdated at 2.04am BST

block-time published-time 1.52am BST

AMP's three women board members resign The fallout continues for the embattled AMP Limited.

AMP has just announced that three non-executive directors have resigned and are stepping down from the board.

They are the only three women on the eight-person board.

Vanessa Wallace and Holly Kramer will step down ahead of the annual general meeting. The longest-serving director, Patty Akopiantz, will serve until the end of 2018, to facilitate a "measured process of board renewal".

Wallace has also resigned as chairman of AMP Capital Holdings.

AMP interim executive chairman Mike Wilkins said:

"Our shareholders are demanding board accountability and need to know that meaningful change is under way.

"I'd like to thank Patty, Vanessa and Holly for their service to AMP. They are extremely capable directors who have all made valuable contributions and brought great diversity of thought and experience to the board.

"They have listened to and acted on the feedback from our investors."

AMP has also confirmed that the resolution for the election of Andrew Harnos as a non-executive director remains in place and will be voted at the AGM.

enltrAMP's just announced three people are stepping down from its board. Guess who the three are?
[#auspolpic.twitter.com/gWxSN5hugK](https://auspolpic.twitter.com/gWxSN5hugK)

— Gareth Hutchens (@grhutchens) [May 8, 2018](#)block-time updated-timeUpdated at 2.31am BST

block-time published-time 1.34am BST

George Christensen to become a deacon – but will stay in parliament Look, we all need a treat now and then.

This is yours, for budget morning:

From Australian Associated Press:

Outspoken Nationals MP George Christensen is set to be ordained a deacon in the Anglican church.

However, Christensen has renominated to run for his Queensland seat of Dawson at the next federal election and won't be throwing the Turnbull government's numbers into a spin.

If he was to quit early, it could put the government's one-seat majority in jeopardy.

When he was 21, the conservative MP was accepted into a Catholic seminary in Melbourne, but left after a few weeks.

In 2014, he joined the Antiochian Orthodox church.

More recently he became an Anglican, but retained his conservative Christian position by attaching himself to one of the few Anglican dioceses in Australia that does not ordain women priests, The Murray, in South Australia.

In July he will be ordained a deacon by Bishop John Ford.

Christensen told AAP on Tuesday he intended to stay on in parliament, as his unpaid deacon role would allow him to carry on with his day job.

He won't be moving to South Australia, but rather is expected to be attached to a parish in Mackay, in his home diocese of north Queensland, where he will assist with services and other activities.

"I am humbled to have my vocation to ordination in the church discerned," he said.

Christensen said he had explored a number of Christian traditions over his life, but slipped out of church-going in his 20s.

However since then he had been "outed as a strong Christian".

"It's no real surprise, but it's another step on my faith journey that I've been thinking about for a long time."

Christensen has been studying theology through the Sydney College of Divinity and says he could be ordained a priest in the future, but only once he leaves parliament.

Asked whether he planned to be a chaplain to fellow MPs, he said, "We have a chaplain in Parliament House. I don't intend to usurp his role.

"The role of a deacon and a member of parliament – there is some synergy element to it," he said.

Christensen has had a controversial career in parliament, calling for a burqa ban and cuts to immigration, and speaking out against action on climate change and same-sex marriage.

block-time updated-timeUpdated at 2.07am BST

block-time published-time 1.15am BST

Chris Bowen said he hadn't spoken to Bob Hawke, or his family, as yet, but understood he went to hospital after experiencing "the wobbles" and wanted to get it checked out.

enlrBob Hawke is - and will remain - the greatest AUSTRALIAN this nation has ever produced. He's funny, sweet, caring, sensitive and brilliantly intelligent. He will have a speedy recovery and be back at the cricket in summer sculling a beer.

— Sam Dastyari (@samdastyari) [May 7, 2018](#)block-time published-time 12.50am BST

Enter the LMITO Just looking at that tax relief for a moment, I think it is better explained as a tax offset – or rebate – than a tax cut.

The West Australian [had a bit more information about it this morning](#). Shane Wright, Phoebe Wearne and Sarah Martin wrote that there is now a Low and Middle Income Tax Offset – so it is now no longer the Lito (the low income tax offset), it's the LMITO.

The West Oz understands it will be extended from \$66,667 to \$125,000 (tapered, of course).

But you don't get any of it until next year. When you put your tax return in. From the West Oz report:

The increase for millions of workers will come into effect next financial year, giving low and middle-income earners a boost believed to be as much as \$530 a year from July 1 next year after income earners lodge their tax return.

It will deliver tax relief to 92 per cent of working Australians and will be paid on a sliding scale, with those earning less than \$37,000 to get about \$200 extra a year, climbing by about 3¢ a dollar for those earning up to \$45,000.

Currently, the Low Income Tax Offset expires for those earning \$66,667 but this is expected to be lifted to about \$125,000, with the amount paid decreasing by about 1.5¢ a dollar once a worker earns more than \$90,000 a year.

In a bid to also offer permanent tax relief and address bracket creep for middle-income Australians, Mr Morrison will lift the 32.5 per cent tax bracket from \$87,000 to \$90,000, delivering tax relief to an extra 179,000 Australians. For someone earning more than \$90,000, the change will deliver \$135 a year or about \$2.60 a week."

So that's \$2.60 a week for someone earning more than \$90,000.

And unlike franking credits, if you get your taxable income down to \$0 and still have some Litmo offset later, I don't think you'll be getting a cheque from the government.

So, in short, the tax offset will be tapered by how much you earn, you won't get it until tax time next year, and for someone earning more than \$90,000 (the new 32.5 % tax bracket), it amounts to \$2.60 a week.

block-time updated-timeUpdated at 1.16am BST

block-time published-time 12.35am BST

Chris Bowen is back talking about the budget we haven't seen yet:

"We will come to this budget with a view to long-term healthy surpluses," he says, having also said Labor will support tax relief for low and middle earners.

Everything else: "We will have to look at the detail."

block-time updated-timeUpdated at 12.37am BST

block-time published-time 12.12am BST

John Hewson also had a bit to say about the budget this morning (based on what has been reported, no, he has not seen it as yet).

"I suspect there's a bit of a back payment of company tax, a pick-up in commodity prices and a fairly strong growth in employment over the last 12 months or so," [he told Radio National this morning](#).

"Now I don't see on the basis of partial evidence that any of those things is going to be sustained.

"Now they're falling into the Howard-Costello trap of having unexpectedly strong revenue and committing it rather than putting it away for a rainy day."

block-time updated-timeUpdated at 12.16am BST

block-time published-time 11.56pm BST

There is still that (arbitrary) figure of the 23.9% “handbrake” Scott Morrison wants to put on tax, with the government planning on legislating a tax-to-GDP-ratio.

Chris Bowen is not a fan:

enltr. [@Bowenchris](#) : What [@scottmorrisonmp](#) is talking about when he says 23.9 per cent is one, a handbrake on budget repair and two, leaving future generations to pay off the debt.

MORE: <https://t.co/VwFo5sESkV#amagenda#Budget2018pic.twitter.com/REYOBzZRi9>

— Sky News Australia (@SkyNewsAust) [May 7, 2018](#)block-time updated-timeUpdated at 12.16am BST

block-time published-time 11.54pm BST

Bob Hawke is still in hospital, but we are told he is “fine” and just in for some tests.

block-time published-time 11.48pm BST

Chris Bowen had a chat to Sky. Apart from saying that Labor would focus on debt reduction, as well as tax relief (Bowen is planning on having an extra \$68bn or so from changes Labor has planned for the franking credits), the shadow treasurer says the opposition will be looking at the budget for “fairness”.

block-time updated-timeUpdated at 11.49pm BST

block-time published-time 11.44pm BST

It’s not just us who are flat out this morning; the chief whip, Nola Marino, has called in all the Coalition staff for a meeting. It’s time for the budget morning gee up!

block-time updated-timeUpdated at 11.49pm BST

block-time published-time 11.42pm BST

So what do we know about the budget so far?

- * Tax cuts for low- and middle-income earners, between \$5 and \$10 a week
- * Raising the \$87,000 tax bracket to \$90,000
- * Multibillion (up to \$25bn) infrastructure spending
- * Aged care package, aimed at cutting the in-home care waiting list
- * A surplus is predicted one year earlier than expected (2019-2020)
- * The Medicare rebate freeze for GP visits will lift – rising by 55 cents
- * \$500m for the Great Barrier Reef
- * \$140m for Queensland’s film industry (attracting more productions)
- * Seed funding for the national space agency – \$50m
- * Changes to the petroleum resources rent tax
- * Crackdown on “chop chop” tobacco (expected to raise more than \$3bn in revenue)
- * Tax on smaller kegs equalised, so craft brewers are not penalised.

block-time updated-timeUpdated at 11.51pm BST

block-time published-time 11.23pm BST

Mike Bowers tells me that Scott Morrison was looking very pleased with himself this morning. Mathias Cormann followed closely behind, and he was also “cool as a cucumber, sauntering up the treasurer’s corridor like he was taking a leisurely Sunday walk”.

block-time updated-timeUpdated at 11.29pm BST

block-time published-time 11.19pm BST

Tanya Plibersek was given the job this morning of talking all things budget:

Tonight's budget is a make-or-break budget for the prime minister and the government. This is a government that continues to prioritise their obsession with big business tax cuts ahead of the services and supports that families and ordinary Australians rely on.

In tonight's budget, you'll still see \$80bn worth of tax cuts to big business. Ordinary families will see a cut to their family tax benefit, to afford \$80bn worth of big business cuts. You'll see cuts to schools, \$17bn worth of cuts to schools, so that this government can afford \$17bn of tax cuts to the big banks. You'll still see cuts to hospitals so this government can prioritise a \$16,000 tax cut for someone on \$1m a year.

You'll see tonight, a budget built on wrong priorities where ordinary families are hurt. The services they rely on are cut. So that the government can pursue its big business tax cuts, including the \$17bn cuts to the banks tax bills.

On the other hand, Labor, later in the week, will outline its priorities for a fairer approach that prioritises low- and middle-income families.

This government manages to find \$80bn to give big business a tax cut, but it can't manage to find the money to properly fund our schools, properly fund our hospitals, properly support our families. People have been talking about this tax cut for a year now. As Scott Morrison has been building up, the fact that there's going to be tax cuts in this budget and it seems we've learned overnight that the tax cut will be in the order of about 10 bucks a week. Once upon a time, Amanda Vanstone described a tax cut like this as something like a hamburger and a milkshake tax cut. It looks like tonight's won't be a hamburger and a milkshake. You'll have to take your pick – a hamburger or a milkshake.

block-time updated-timeUpdated at 11.32pm BST

block-time published-time 11.13pm BST

The Centre Alliance senator Stirling Griff has commented on the Murray Darling Basin Plan, labelling [the deal between Labor and the government](#) "disappointing".

Griff told ABC AM the 36 water sustainability projects are "mired in secrecy" and accused the government of asking the Senate to "blindly vote on a \$1.5bn plan without having any oversight of these projects".

He said:

"Yes we understand the importance of having all states on board, we understand the importance of the plan existing and not falling down. But you can't have a situation where you have \$1.5bn of expenditure and 36 projects that nobody knows anything about... The fear is we won't get the water that's expected, that's the bottom line."

Labor's environment spokesman Tony Burke said it had done a deal because the government had come to the table on the critical issues of compliance and guaranteeing a further 450 gigalitres of environmental water.

Burke told Radio National that 605 gigalitres of water will be restored using environmental projects with water buybacks as a fallback.

He said:

"Whether these individual projects stack up or not in the long term is something that gets reconciled with set dates and milestones... if they don't stack up, the water still be bought through buyback."

block-time updated-timeUpdated at 11.38pm BST

block-time published-time 11.13pm BST

Oh and Peter Costello and Scott Morrison are still tight, despite Costello's intervention last night.

What does Morrison have to say about the claim we'll all be dead before the debt is paid off?

I encourage my friend and mentor to tune in tonight."

block-time published-time 11.10pm BST

Sarah Hanson-Young is none too happy with the deal struck between Labor and the government regarding the Murray-Darling Basin.

From her statement:

Instead of delivering more water for the Murray, Labor has teamed up with the Turnbull government to reduce the amount of water returned to the environment.

South Australians who trusted Labor to fight for the Murray at the last election have ended up being played for fools. Now, Labor's agreed to backflip on its February opposition to the Northern Basin's 70 billion litre cut, in addition to 605 billion litre downstream.

Labor said it supported a healthy river before the state election. Now it's sold out.

In exchange for Labor's sellout, the government agreed to "reiterate" its support for the 450 gigalitres of upwater. That's it. No plan, no legislation, just a "reiteration".

Without a legislative commitment, Labor's gained nothing, and it's sold out the River.

The Greens will be moving to make the delivery of the 450 gigalitres law. The test will be what Labor and the government do when it's brought to a vote."

end statement

block-time updated-timeUpdated at 11.14pm BST

block-time published-time 11.06pm BST

I stand corrected – Amanda Vanstone described [the 2003 tax cuts](#) (under then treasurer Peter Costello) as enough to buy "a sandwich and a milkshake, if you are lucky. Not much".

That was in regards to the tax cuts which gave average earners between \$4 and \$5 a week.

block-time updated-timeUpdated at 11.11pm BST

block-time published-time 11.03pm BST

And what could start the morning off better than your pre-budget message from Scott Morrison ?

(No questions on the budget though, please)

Prepare yourself. He's feeling a little poetic this morning.

Wherever you are in Australia today, it might be on the tram, the train or the bus, you might be driving one of our rural roads. Be on site already. Getting your kids off to school. Caring for an elderly parent, and you've exchanged that smile this morning that's so special.

Wherever you are today in Australia, the economy we all will live in in this country over the next 10 years will determine so much for our lives. The choices we have. The job market our kids walk into, you walk into. The retirement you have. The opportunities you want for your family. The care that you can provide to those you love. And your mates. The economy, the strength of that economy, that we will live in, will determine so many things. The plan for a stronger economy that I'll be announcing tonight is about improving the opportunities for all Australians to live in a stronger economy. It's a plan for lower taxes and for reducing the pressure on households.

It's a plan to back business to create more jobs. As you know, more than 1,000 jobs created every day in the past year. It's a plan to guarantee the essential services that Australians rely on every day. It's a plan to keep Australians safe as Coalition governments know how to do. And it's a plan, as always, that the government lives within its means. That's our plan for a stronger economy. So Australians can live in a stronger economy and have the choices and the future that they want, they deserve, they work hard for, and we'll back them and deliver."

block-time updated-timeUpdated at 11.17pm BST

block-time published-time 10.58pm BST

Happy budget day! Good morning and welcome to budget day!

We are just short of 12 hours to finding out how Scott Morrison plans on helping the government woo voters in what is (most likely) the last budget before the next election.

But he will deliver it under the shadow of some friendly fire. Peter Costello gave a, well, not exactly helpful interview to ABC's 7.30 overnight.

From Gareth Hutchen's [report](#):

"We've now had 10 years of deficit, cumulatively that means to cover that we've had to borrow about \$370bn. We went from having no net debt to borrowing about \$370bn," Costello said.

"That money doesn't go away. We're going to be paying interest on it until somebody pays it back.

"You're looking at a decade at least [of budget surpluses], maybe beyond," he said.

"I think the probabilities are we'll never get back to where we were. You and I will die before that happens."

Oh – he also added in a few lines about the "forgotten people" – those who earn over \$100,000, who he said hasn't had a tax cut in forever. Those poor people.

But speaking of tax cuts, [the Daily Telegraph](#) reports low- and middle-class earners are about to get about \$10 a week in tax relief – or \$500 a year. (Not sure that's still a burger and a milkshake a week, with today's prices, but you'd get at least one of the duo). Sky News is reporting the \$87,000 tax bracket is going to be bumped up to \$90,000. We'll find out more a couple of seconds after 7.30pm, so stay tuned.

Scott Morrison has just arrived for the traditional budget morning doorstep, also known as the most frustrating press stop of the year, as the treasurer gives his spiel while telling you all will be revealed tonight.

But he says the government is "living within its means" and there will be debt reduction, as well as tax cuts, and a big infrastructure spend.

And of course, there is that \$100bn aged care package (over five years) which was announced last year, but we'll find out how they intend to spend that now – and from looking over the reviews, it is not a stretch to say it will be on cutting the in-home care waiting list, and training more staff.

Then there is the [Murray-Darling deal](#) struck between Labor and the government late yesterday, and the high court judgment tomorrow looms large.

So plenty to keep us busy!

Mike Bowers has been out and about for hours. You'll catch him on Twitter ([@mpbowers](#)) and on Instagram ([@mikepbowers](#)). You'll find me lurking in the comments, or at [@amyremeikis](#) or [@pyjamapolitics](#).

I'll be heading into the lock-up with the Guardian brains trust later this afternoon, but you'll be in the hands of the lovely Christopher Knaus for those hours. Aren't you lucky?

OK. Grab your coffees, or whatever it is that gets you through the morning and let's get started!

block-time updated-timeUpdated at 11.27pm BST

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