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SHADOW TREASURER  
SHADOW MINISTER FOR SMALL BUSINESS  
MEMBER FOR MCMAHON**

**JIM CHALMERS MP  
SHADOW MINISTER FOR FINANCE  
MEMBER FOR RANKIN**

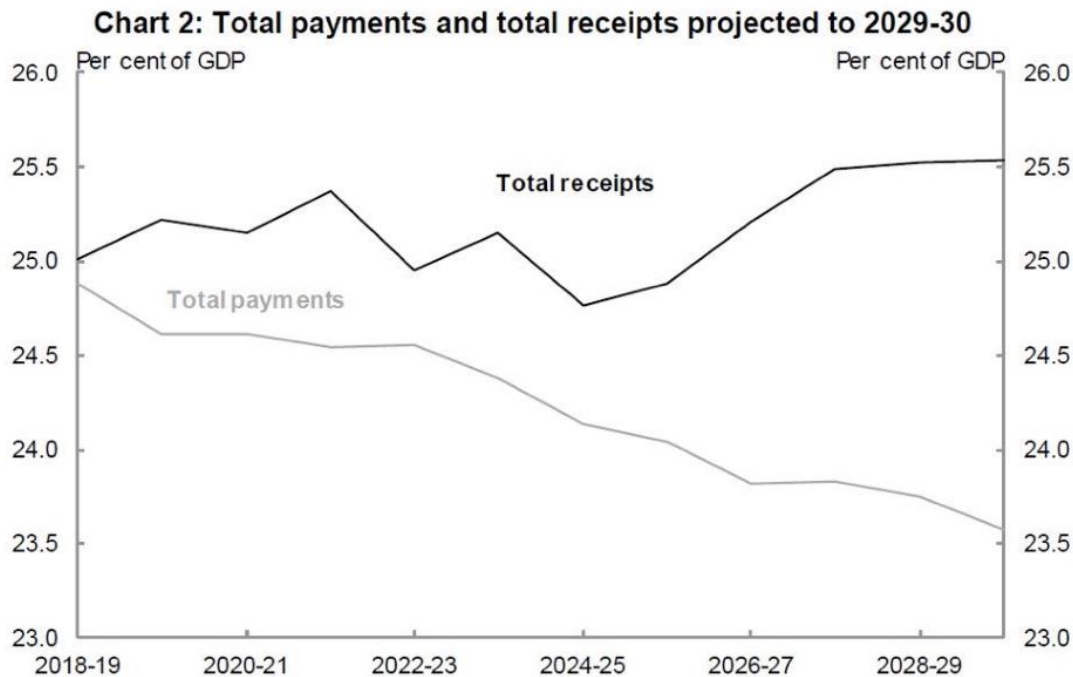
**PEFO LOCKS IN LIBERALS CUTS**

Today's pre-election Budget update confirms the Liberals can't fund their tax handouts to the top end of town without secret cuts to schools and hospitals.

The Pre-Election Economic and Fiscal Outlook has locked in the worst of the Liberals' Budget con. It confirms:

- Scott Morrison's tax handouts for people on the highest incomes rely on \$40 billion a year in secret cuts.
- Downgrades to growth, wages and consumption which show the economy is not working for ordinary working people.
- Net debt has more than doubled after more than six years of cuts and chaos under the Liberals.
- The forecast surplus for the end of next financial year is propped up by a \$1.6 billion underspend on Australians with disability.

Page 11 of PEFO shows the Liberals can't fund their tax handouts to the top end of town without cutting \$40 billion from the services families rely on.



The update also now includes a one-off energy payment for Newstart recipients, after the Morrison Government was forced into a humiliating backdown to include it just hours after the Budget was handed down.

The PEFO also confirms ATO advice that, contrary to Scott Morrison’s claims, the immediate relief to low- and middle-income earners component of the Government’s tax cuts – tax cuts which Labor has always supported – cannot be delivered without requisite legislation being passed:

***“the immediate relief to low- and middle-income earners component of the Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan measure requires the relevant legislation to be passed before the increase to the low and middle income tax offset (LMITO) can be provided for the 2018-19 financial year. If not legislated prior to 1 July 2019, the revenue cost of this measure would need to be reassessed”*** [PEFO, page 30]

After six years of cuts and chaos, division and dysfunction, the Liberals have no clue how to manage the economy or the Budget in the interests of ordinary Australians, and today’s PEFO confirms that.

This election is a choice between Labor’s plan for better hospitals and better

schools or bigger tax loopholes for the top end of town under the Liberals.

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