

AUSTRALIA



STRONG, PROSPEROUS AND SECURE

Coalition policies—National progress
October, 2007

Australia: Strong, Prosperous and Secure

Coalition policies – National progress

Australia's Choice

1. A Foundation of Economic Strength 4

- Taking the tough decisions
- Australia is working again
- Preparing for the future
- Australia's economic report card

2. Australia in the World 10

- A pivotal nation
- National defence
- Security at home

3. The Human Dividend 16

- Greater support and more choice for families
- Older Australians, Carers and Veterans
- Aspiration and fairness: A new synthesis
- Lifting all boats

4. Investing for the Future 22

- Land Transport
- Education and Training
- Broadband
- Science and Innovation
- Health and Aged Care
- Climate Change, Energy and Water Security

5. Australia United 30

- Rural and Regional Australia
- Indigenous Australians
- Successful Integration
- Respecting our history

This document sets out the Howard Government's priorities and goals for Australia drawing on key prime ministerial speeches in recent years.

It highlights how this governing agenda has delivered real benefits to Australia.

In the Budget and the months since, the Coalition's policies have made further progress in implementing this agenda and in the coming election campaign we will announce new plans to keep Australia strong, prosperous and secure into the future.

Australia's Choice

The coming election boils down to a single question: which side of politics has what it takes to keep Australia strong, prosperous and secure into the future?

The choice is between a Coalition team with a clear policy agenda and a record of doing what's right for Australia and an untested, union-dominated Labor Party that has failed to spell out how it would make our country better.

It's a choice between genuine progress – an Australia rising to the challenges of the next decade – and the empty promise of change for change's sake.

This document outlines a story of national progress and the platform from which our country can now aim higher. It sets out not just a record of achievement but also a governing philosophy that befits our times and our national character.

Australia today is on a roll. The economy is stronger than at any time in our history. More Australians are in jobs than ever before. Welfare numbers are down. Small business is flourishing and investment is at a record high.

Real incomes of families are up and they have more choice over big decisions like their children's education, their health care and how to balance work and family commitments.

Strong economic management means taxes are lower and there's more to invest in national security, Medicare, key infrastructure like roads and schools and to tackle challenges like climate change, water security and indigenous disadvantage.

There's renewed respect for Australia around the world. Our international relationships are strong and we're confident again about what we stand for.

I know not everyone feels prosperity has touched them, faced with balancing the family budget, paying the mortgage or making ends meet in retirement.

But Australia is back, moving ahead after decades of falling behind, and now we can aim higher. I've set five goals for the future:

1. to keep the nation strong, secure and united, engaged in the world and at ease with itself;
2. to build a new era of growth, prosperity and opportunity here at home;
3. to embrace a sense of aspirational nationalism to guide relations between different levels of government in Australia;
4. to ensure a rising tide of prosperity lifts all boats, with every child getting a solid start in life; and
5. to get the balance right on the big challenges around climate change, energy and water security.

They address the issues Australians talk to me about – their security, their living standards, their sense of community and expectations of government, and the sort of nation they want to leave to their children.

To meet these goals and to keep Australia strong, prosperous and secure into the future, the Coalition will shortly announce new policies and plans. All will be carefully costed. All will be affordable.

A new Growth and Opportunity Agenda will build tomorrow's prosperity and help Australians reap the benefits of hard work, educational endeavour and home ownership.

A new Stronger Communities Agenda will better equip individuals, families and communities to meet the diverse challenges of everyday life with services that offer real choice and genuine help for those in need.

A new Securing Australia Agenda will further strengthen our capacity to defend the nation and to engage confidently in the world.

A new Sustainable Country Agenda will give Australia more tools to tackle the environmental challenges of our time so we leave this ancient land in better shape for future generations.

And a new National Unity Agenda will lift our sights to the unfinished business of nation-building and nurture our common bonds for the challenges of tomorrow.

I'm convinced that the distance we have come in the last decade is nothing compared with how far Australia can go. Aiming higher we can ensure this country's best years are yet to come.



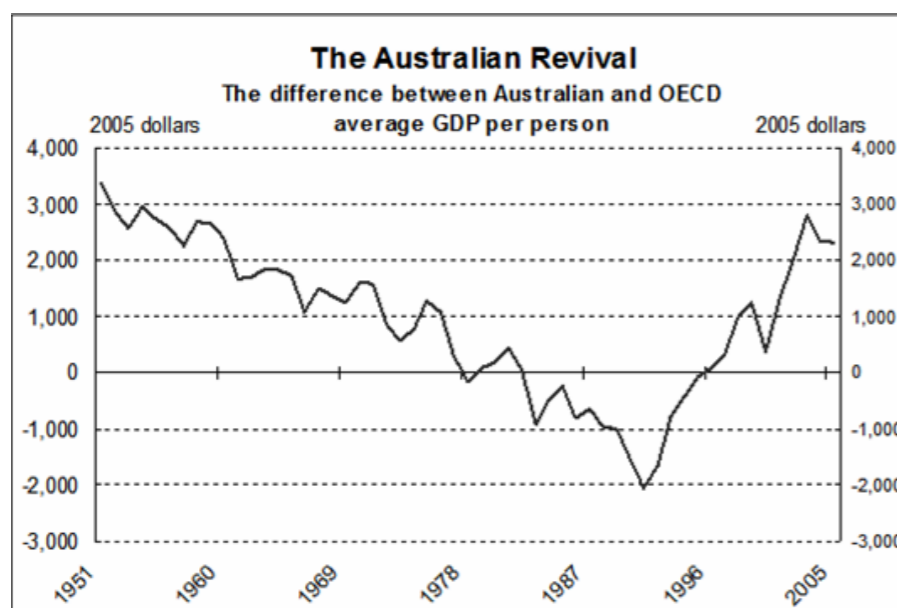
John Howard MP

1. A Foundation of Economic Strength

The Coalition's overriding priority is to keep the economy strong so Australians can plan for the future with confidence.

A strong, growing economy means good jobs, higher wages and greater opportunities for all Australians. It means governments can invest more in health, education and a strong social safety net, while still keeping taxes low. And with Australians investing more than ever in superannuation, it underpins the long-term economic security of individuals and families.

Despite rising living standards, Australia's economy spent much of the 20th Century in gradual relative decline. By 1990, our income per capita had fallen to the bottom third of the OECD. It has now recovered to be in the top third.



Under the Coalition, Australia's economy has grown by more than 40 per cent in real terms. Real household wealth has more than doubled. Our growth rate has been among the strongest in the developed world. Unemployment has fallen to a 33 year low and inflation is also down.

Australia's economic growth remains strong and broadly-based in what is now the longest economic expansion in our history. The economy has continued growing through the Asian Financial Crisis, the September 11 terrorist attacks, a US recession and the worst drought on record.

Labor's claim that today's economic strength is due simply to the mining boom doesn't stack up. A clear medium-term policy framework and experienced economic management make the world of difference.

Under the Coalition, economic reforms have boosted productivity and participation to sustain Australia's long-term prosperity.

It's no accident that Australia is on the threshold of full employment for the first time in decades. Or that the average standard of living in Australia now surpasses all of the major industrialised countries, with the exception of the United States.

This is the result of difficult economic decisions over many years and a policy agenda geared to well-governed flexibility. The challenge now is to lock-in and build Australia's prosperity; to convert our strong economic foundations into a new era of growth and opportunity.

Only the Coalition has the policies and experience to do this by:

- keeping downward pressure on interest rates with strong surpluses;

- investing in skills, infrastructure and innovation;
- saving for the future;
- supporting flexible and competitive workplaces; and
- keeping taxes down on Australian workers, savers and risk takers.

Taking the tough decisions

Australia can move further forward, but it's not inevitable. Our economy does not run on autopilot. There is no in-built Global Positioning System.

The hard test of any government is its willingness to take decisions it knows to be unpopular today in order to build tomorrow's prosperity.

The Coalition has met this test time and again by:

- balancing the budget and paying off Labor's \$96 billion of debt;
- reforming the waterfront;
- reforming the tax system, so state governments have the revenue they need to fund schools, hospitals, roads, police and other services;
- reforming welfare and encouraging more people into work; and
- bringing Australia's workplace laws into the 21st Century.

We took these decisions for a single reason: to strengthen our economy so the Australian people can reap the benefits of good jobs, higher incomes, less tax and better services. Putting the budget into surplus and eliminating net debt has resulted in annual interest savings of almost \$9 billion a year. This has allowed the tax burden to be lowered together with additional family assistance and services.

The Coalition is determined to ensure Australia never returns to the boom-bust rollercoaster of the past. The last Labor recession left a million people unemployed, drove thousands of businesses to the wall and weakened Australia's social fabric.

The Labor Party wants Australians to forget all this. It now claims there are no real differences on economic policy even though Labor opposed every major step the Coalition has taken to strengthen our economy in the last decade.

In 11 years, Labor has failed to develop a coherent, alternative plan to keep the economy strong. If elected, Mr Rudd promises to be the first Australian leader in a quarter century to turn back the clock on economic reform.

To understand what federal Labor would do just look at the performance of state Labor governments. The total debt of the states and territories was \$10.6 billion in 2005-06. This is likely to hit a staggering \$80.5 billion by 2010-11.

Forget what Labor says; remember Labor's record. It takes a long time to fix an economy that's been wrecked by a Labor Government.

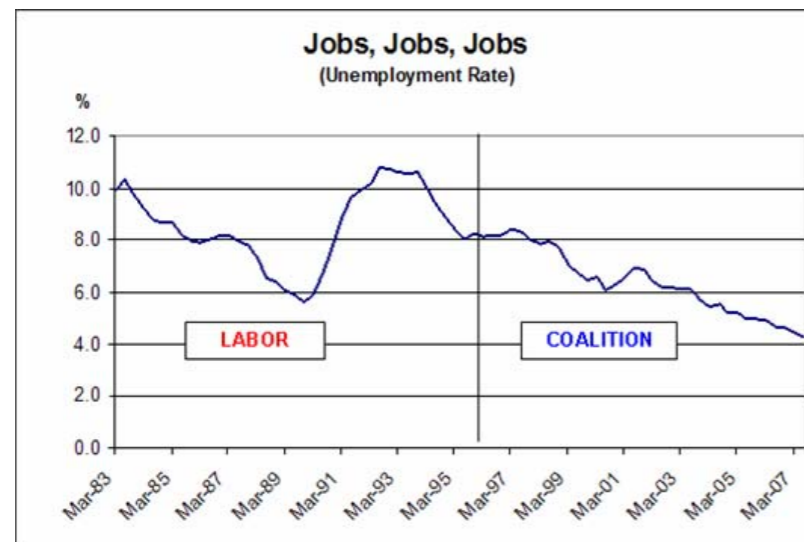
When Labor was last in power federally:

- Unemployment jumped from 6 per cent to 10 per cent in just over 18 months. It took eight years to fall to 6 per cent again.
- Government debt sky-rocketed from \$17 billion to \$96 billion in just five years. It took the Coalition 10 years to pay it off.
- Mortgage interest rates rocketed to 17 per cent.
- All but four of 13 budgets were deficits. Of the Coalition's 12 budgets, all but two have been surpluses.

Australia is working again

The ability to create good jobs is a crucial test of any economy.

Under the Coalition, unemployment has fallen from 8.2 per cent in March 1996 to 4.3 per cent in August 2007. More than 2.1 million jobs have been created and more than 1.2 million of these have been full-time jobs.



There are now more people in work than ever before. In the last three years alone, 864,000 jobs have been created – about the same number as in the last seven and a half years of Labor (from September 1988 to March 1996).

Almost 418,000 jobs have been created under the new workplace laws introduced in March 2006. An astonishing 84 per cent of these jobs have been full-time jobs, a dramatic reversal of previous trends.

Workplace reform is helping to sustain strong growth, low inflation, low interest rates and higher productivity. It is delivering better results for workers and employers alike.

Under the Coalition, real wages are up 21.5 per cent after falling by 1.8 per cent under 13 years of Labor. Days lost through strikes are at an all-time low.

Australians are more confident about starting a business, risking capital and employing people.

The number of small businesses has risen to 1.9 million under the Coalition and a World Bank study ranks Australia as the second easiest economy in the world in which to start a business. Small businesses account for almost half of private sector employment and the number of small businesses employing staff has risen by 30 per cent in the last four years alone.

The Coalition has kept taxes low so Australians have more incentive to work, save and take risks. Tax receipts as a share of GDP are now 20.7 per cent compared with 22.3 per cent in the last year of the Keating Government.

If Commonwealth tax receipts were the same share of GDP as in 1995-96, Australians today would be paying an extra \$16 billion in tax.

With the GST, the Coalition introduced a more efficient indirect tax system and provided the states with a secure and growing revenue source to fund necessary services.

Personal income tax cuts have been delivered in 2000, 2003, 2004, 2005, 2006 and 2007 and another tax cut is slated for 2008. The 2007 Budget delivered personal tax relief worth \$31.5 billion over four years to reward effort, improve work incentives and enhance Australia's international competitiveness.

More than 80 per cent of taxpayers now face a marginal tax rate of 30 per cent or less. Before the introduction of the New Tax System in 2000, only 30 per cent of taxpayers fell into this category.

As well as cutting the top tax rate (from 47 to 45 per cent), the Coalition has slashed the percentage of taxpayers paying the top rate from about 14 per cent in 2002-03 to just 2 per cent.

Company tax has been cut from 36 per cent to 30 per cent. And capital gains tax for individuals has been halved.

With policies geared to a more confident, optimistic and aspirational Australia, an enterprise culture has gathered strength under the Coalition. The number of owner-managers in our economy (including the new breed of independent contractors, franchisees and consultants) now exceeds the number of trade union members.

Around 1 million Australian Workplace Agreements (AWAs) have ensured more workers have a real stake in enterprise performance.

Australia's share ownership rate is now the highest in the world. With more Australians owning financial assets and reforms to superannuation, our funds management industry has grown to become the fourth-largest in the world.

Business investment is at its highest level as a share of GDP in 32 years and has grown by more than 70 per cent in real terms over the past four years. This is paving the way for future growth in the economy.

The Coalition plans to cement Australia's enterprise culture and build a new generation of wealth creation. We believe that economic freedom and individual enterprise are wellsprings of a more prosperous, dynamic and resilient society. This in turn means better jobs, higher living standards and high-quality services that families rely on.

Labor would cripple this enterprise culture with policies that would destroy jobs, burden business, put upward pressure on interest rates and reduce Australia's competitiveness.

Labor's roll-back of economic reform would mean greater disruption and uncertainty in our economy. It would see a return to the remote, adversarial and legalistic industrial relations policies of the past with less flexibility for employers and employees to tailor work arrangements at the firm level.

Labor policy is a direct assault on the right of small business people to run their business free from union interference. By abolishing AWAs, reviving collective bargaining and reinstating job-destroying unfair dismissal laws, Labor would inject bureaucratic complexity into the best performing labour market in three decades.

Labor wants to restore the effective monopoly of the union movement over bargaining at a time when union membership has fallen to less than 17 per cent of the private sector workforce.

Mr Rudd has made his choice. He's put union power ahead of Australian jobs and small businesses.

Australia's economic report card

	Labor	Coalition
Net Government Debt	\$95.8 billion (95/96)	ZERO (07/08)
Average mortgage rates	12.75%	7.15%
Real Wages Growth	-1.8% (Mar 83 – Mar 96)	21.5% (Mar 96 – June 07)
Unemployment rate	8.2% (Mar 96)	4.3% (Aug 07)
Long term Unemployed	197,800 (Mar 96)	71,400 (Aug 07)
Australians in work	8.3 million (Mar 96)	10.5 million (Aug 07)
Average inflation	5.2%	2.5%
Average household wealth	\$136,257 (1995)	\$348,782 (2006 preliminary)
Industrial Disputes	193 (Avg 83-95)	59 (Avg 96-07)

Workplace reform is the single biggest reason our economy has avoided an inflationary wages break-out in a period of high commodity prices. A return to a more centralised, union-dominated system would put upward pressure on inflation and interest rates. Our economy as a whole would be less flexible and competitive and its capacity to adjust to shocks in the global economy would be reduced.

Economic management is always a finely-balanced challenge. The risks are great. Australia has so far avoided the policy errors committed in earlier episodes of prosperity. But one false turn could derail this success.

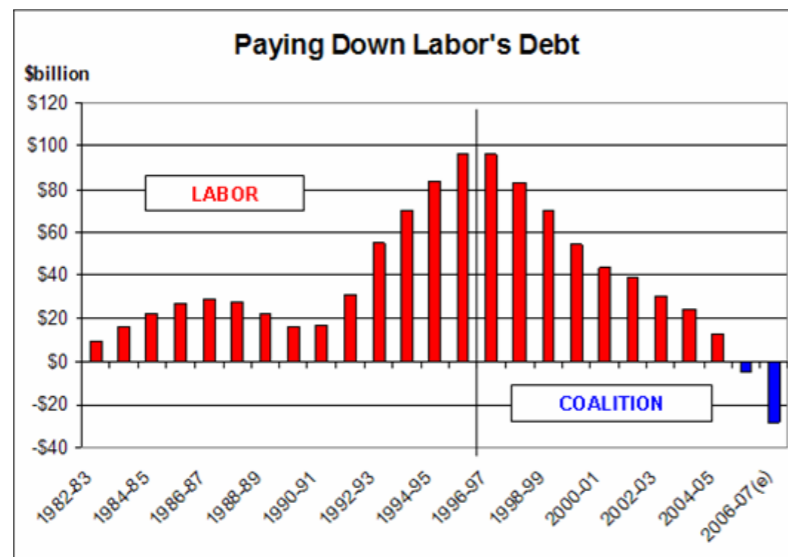
By winding back economic reform, Labor would weaken our economy. Jobs would be destroyed, families would be worse off and Australia would again fall behind in the global economy.

Preparing for the future

Prosperity can never be taken for granted. Fiscal conservatism is a long-term governing philosophy, not a label you pick off the shelf for short-term political purposes.

Because of the Coalition's strong fiscal management Australia's public finances are healthier now than at any point in the nation's history. We are preparing for the future so Australia can deal with uncertainty and adversity.

Our future-proofing began with the Charter of Budget Honesty which returned transparency and accountability to fiscal policy. With budget surpluses in nine of the past 10 years, the Coalition has eliminated all Commonwealth net debt.



Australia is now better placed than most countries to deal with future challenges like the ageing of the population. The idea of a fair go now has real meaning across the generations with reforms guided by two landmark Intergenerational Reports.

Rather than running up debt, Australia is saving for the future. The \$50 billion committed to the Future Fund means we are on track to provide for all superannuation liabilities of the Commonwealth by the target date of 2020.

With the \$6 billion Higher Education Endowment Fund and the \$2.5 billion Health and Medical Infrastructure Fund, we're providing for future investments in world-class universities and high technology medical equipment.

Sweeping superannuation reforms are encouraging workers to plan for their financial future and raising the living standards of Australians in retirement.

Australia still faces many challenges in the years ahead. The difference now is that we face them from a position of strength.

2. Australia in the World

The first duty of government is to protect and defend the nation's security, its people, its borders, its interests and its values. The Coalition will keep Australia strong, secure and united, a nation engaged in the world and at ease with itself.

Compared with a decade ago, Australia commands renewed respect in our region and around the world. This enhanced standing reflects Australia's advanced military capability, close relationships with friends and allies, strong economy and willingness to take a principled stand on tough issues.

Globalisation means Australia's security and prosperity can be deeply affected by distant events. Terrorism, weapons proliferation, failing states and changing global power relations all make for a complex and uncertain security environment.

As well as securing our own territory and interests, Australia must work with friends and allies to enhance regional and global security. Under the Coalition, Australia will stay on the front foot to ensure threats to our security are met before they reach our shores.

Coalition policies are helping Australians to capture and harness the opportunities of globalisation. We are breaking down trade barriers for Australian exporters and making Australia's voice heard on important issues like climate change.

The Coalition recognises Australia's heavy responsibility for order and security in our neighbourhood. And in an age when security begins at home, we view Australia's national unity as a strategic asset to be reinforced.

The Coalition approaches all these challenges with a global outlook, a clear view of Australia's national interests and coordinated policies across defence, foreign affairs, trade and domestic policy. We have demonstrated that we can and will act firmly and decisively when Australia's national interests are jeopardised.

A pivotal nation

Australia's place in the world cannot be simply read off a map. Under the Coalition, Australia's outlook is defined by who we are and by what we stand for as a liberal democracy in the Western political tradition.

Australia has a proud history of defending freedom against its enemies. The Coalition believes that political and economic freedom makes for a stronger Australia and a better world. We seek cooperation with other nations based on the same values of mutual respect and tolerance that Australians strive to uphold at home.

A pivotal nation in the Asia-Pacific region, Australia stands at a unique intersection of history, geography, culture and economic opportunity. Close ties with North America and Europe and a history of active engagement with Asia give Australia strong links with all centres of global power.

Australia has global political and economic interests. The Coalition has re-balanced Australia's foreign policy to better reflect our history, our interests and our values.

Events of the last decade have confirmed the wisdom of the Coalition's international strategy. Labor's brand of narrow, Asia-only regionalism has been exposed as myopic, self-conscious and increasingly irrelevant.

With globalisation, the range and number of events affecting our security and prosperity has continued to grow. Global, regional and national strategic challenges – combating terrorism and transnational crime, supporting fragile states or responding to economic, environmental and energy challenges – have become increasingly intertwined.

Faced with a mix of old and new security challenges, Australia's strategic environment is more complex and uncertain than it has been for decades.

The threat of terrorism has transformed the global security agenda. Islamist terrorism remains a serious threat to Australia and to our allies, both globally and in Southeast Asia.

The war on terror is a different type of war against a different type of enemy – a war without borders and with no clear frontlines; a war fought as much by our ideas and values as by our armies. It will continue to test the patience, determination and resilience of Australians for many years into the future.

The Coalition believes that the struggle against Islamist extremism is an indivisible one. Resisting terrorism in one part of the world is as important as resisting it in another. Australia cannot afford to wait until security threats reach our shores before we do anything about them.

Just as it is vital to Australia that terrorism be defeated in Afghanistan, so it is vital that it be defeated in Iraq.

A victory for the terrorists in either country would run counter to our national interests. It would be a huge setback for the West, an enormous propaganda victory for the terrorists and a boost to terrorist organisations like Jemaah Islamiah in Southeast Asia.

Labor's claim that the job Australia is doing in southern Iraq is of little consequence is both wrong and insulting to those serving with great courage.

Under the Coalition, Australia is an active player in global efforts to limit weapons proliferation, especially the spread of nuclear weapons technology. Our involvement in the Proliferation Security Initiative and strong support for the six party talks on North Korea underline this commitment.

The 21st Century is seeing a profound shift in economic and political weight from the Atlantic to the Pacific. The simultaneous strengthening of relations with the United States and with countries in Asia has been a defining thread of Australia's foreign relations under the Coalition.

The United States will remain the world's predominant power for the foreseeable future. The Coalition has strengthened Australia's alliance with the United States because it serves our national interest and because none of the world's strategic challenges can be met without American power and purpose.

An alliance of interests and values, the Australia-US relationship is now stronger, broader and deeper than ever before.

The Coalition has forged closer ties and pursued Australia's interests with the United States by:

- negotiating a free trade agreement that secured better market access for Australian exporters to the world's largest market;
- achieving privileged access for Australia to US intelligence and systems in support of Australia's military operations and counter-terrorism efforts;
- securing an agreement whereby Australian professionals can access up to 10,500 visas a year to work in the US and a working holiday scheme to allow Australian tertiary students to live and work in the US for up to a year; and
- signing a defence trade cooperation treaty that will give Australian defence companies privileged access to US defence technologies and create jobs in the Australian defence industry.

The strength of the Australia-US alliance depends ultimately on the preparedness of each country to share risk and the overall security burden on behalf of the other. Steadfast support for an ally under strain is not the same as blind loyalty. It shows that genuine friendship is for difficult as well as good times.

As well as strengthening the Australia-US alliance, the Coalition has built stronger relationships in Asia. Compared with a decade ago, there is now a deeper appreciation of how close links with the United States are a plus, not a minus, in forging stronger partnerships in Asia.

On a range of issues – including regional security, trade, investment, counter-terrorism, development cooperation and combating people smuggling and organised crime – Australia has never been closer to its Asian neighbours than it is today.

In the last three years alone, Australia has:

- signed an historic Joint Declaration on Security Cooperation with Japan and begun talks on a free trade agreement;
- begun free trade agreement talks with China and agreed to annual security talks;
- signed the Lombok Treaty to strengthen security ties with Indonesia, the world's largest Islamic country and third largest democracy;
- moved to engage more strategically with India;
- begun talks on a free trade agreement with Malaysia;
- signed a Status of Visiting Forces Agreement with the Philippines;
- gained entry into the East Asia Summit;
- helped establish the Asia-Pacific Partnership on Clean Energy and Climate; and
- hosted the 2007 APEC Meeting, the most important gathering of world leaders in Australia's history.

An historic achievement for Australia's diplomacy, the APEC Meeting demonstrated the Coalition's regional leadership on climate change in a way that builds support for concerted global action. The Sydney Declaration on Climate Change, Energy Security and Clean Development puts the Asia-Pacific region at the centre of efforts to forge an effective global response to climate change.

Strengthening Australia's bilateral relationships in Asia is a key part of the Coalition's foreign policy.

Asia is poised in coming decades to assume a weight in the world economy it last held more than five centuries ago. It also contains major international flashpoints across the Korean Peninsula, the India-Pakistan border and the Taiwan Straits.

The Coalition approaches this rapidly-changing region confidently, with clear assumptions and strategies. We engage most substantially with those countries of primary strategic and economic interest to Australia.

Unlike Labor, we recognise Asia's diversity and adopt a flexible approach to regional engagement, one that combines bilateral, regional and multilateral strategies and that elevates results over process.

With seven of Australia's top ten trading partners in Asia, the Coalition has an activist trade agenda that is delivering better export access and more jobs for Australians.

Our top trade priority continues to be a successful outcome from the Doha Round of the World Trade Organization. At the same time, we are continuing to pursue high-quality free trade agreements in Asia and elsewhere because they offer gains for Australia beyond multilateral trade negotiations.

Free trade negotiations with Japan, announced in April 2007, added to those underway with China, ASEAN (jointly with New Zealand) and Malaysia. New negotiations have begun also with the economies of the Gulf Cooperation Council and Chile. We are also conducting joint studies with the Republic of Korea, India, Indonesia and Mexico.

Many of the threats Australia faces in the 21st Century emerge from weak rather than strong states. Weak institutions, corruption and transnational crime can, if left unchecked, lead to state failure.

Australia has a particular interest and responsibility to assist vulnerable states in our neighbourhood facing challenges of law and order, corruption and weak governance. The Coalition has deliberately adopted a more interventionist approach in the Pacific, ending a posture of benign neglect under previous Australian governments.

This new assertiveness embraces both complex military and police operations and a long-term commitment to improving governance in the region.

Under the Coalition, Australia has helped bring peace in Bougainville; Australian troops remain in East Timor to provide stability as that country continues the transition to sustainable independence and democracy; the Regional Assistance Mission to the Solomon Islands is producing results welcomed by the local community; we dispatched personnel to restore order after violence broke out in Tonga; and we continue to invest heavily in the Enhanced Cooperation Programme in Papua New Guinea.

The Coalition will further develop the long-term planning and operational capacities to conduct these complex regional missions.

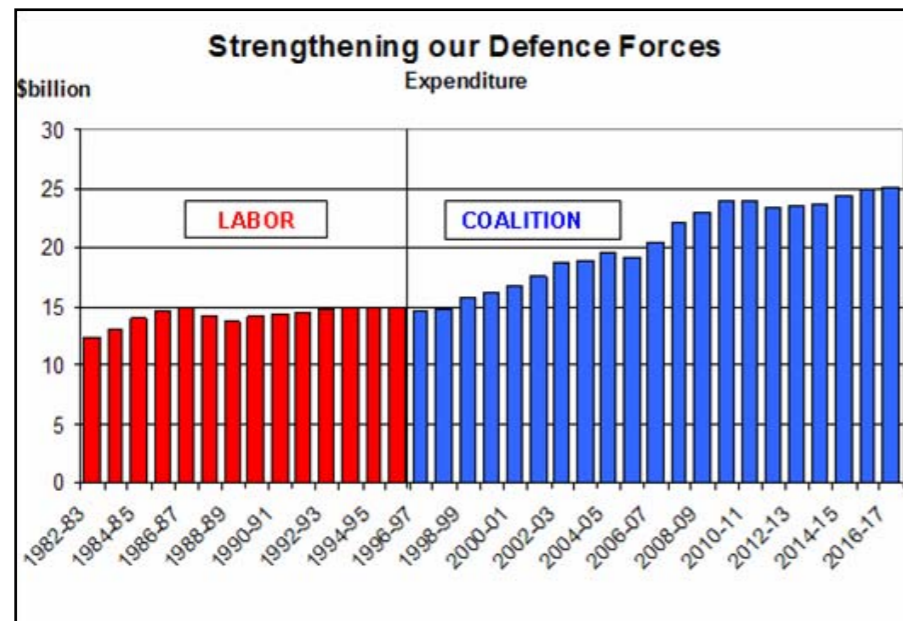
National defence

A strong and well-equipped defence force is vital to Australia's security and confident engagement in the world. Because of investments made by the Coalition over the last decade, Australia now has a better equipped, more versatile and more highly-skilled Australian Defence Force (ADF).

No government has planned more or committed more resources for Australia's defence. The decision in 1996 to quarantine defence from budget cuts symbolised this commitment. Since then the Coalition has increased defence spending in real terms by 47 per cent to keep Australia secure and to support our service men and women and their families.

The operational tempo of Australian forces is greater now than at any time since the Vietnam War. There are more than 4,000 personnel engaged in counter-terrorism, counter-insurgency, stabilisation, border protection and humanitarian operations in countries as diverse as Afghanistan, Iraq, East Timor and Solomon Islands.

Military forces in the Asia-Pacific region are becoming increasingly sophisticated and Australia must work harder to ensure that our forces retain leading-edge military capability. To give our forces the capacity to meet new and emerging challenges, the Coalition has committed to a 3 per cent real increase in annual defence spending out to 2016.



This will ensure Australia has a larger, better protected, more mobile and harder-hitting Army, a Navy more capable of establishing sea control in key areas and an Air Force capability second to none in our region.

Recruitment and retention, a critical issue facing the ADF, will also benefit from this commitment. Our forces deserve the best training, equipment and conditions we can give them.

Years of neglect under Labor became apparent in the East Timor crisis, with deficiencies exposed in strategic lift capability, logistics, mobility and the ability to sustain a sizeable ground force even close to Australia. The Coalition has acted to fix these problems and to replace Labor's drift with a clear strategic vision for the ADF.

The current Defence Capability Plan outlines \$51 billion of new acquisitions over the next decade. The Coalition has committed to building:

- a larger Army (including two new battalions), with better equipment, mobility and networked capabilities, including new M1 Abrams tanks, Tiger armed reconnaissance helicopters and MTH90 troop helicopters;
- a stronger Navy, with two new amphibious ships, three new air warfare destroyers, upgraded Anzac frigates and Collins-class submarines, all capable of operating throughout our region and beyond; and
- a top flight Air Force based on the new generation Joint Strike Fighter and 24 Super Hornet aircraft, together with airborne early warning aircraft, new air-to-air refuelling aircraft, C-17 heavy lift aircraft and unmanned aerial vehicles, all designed to give the RAAF unprecedented capabilities, reach and operational flexibility.

Security at home

The new and different threat posed by terrorism has demanded new and different attitudes about the steps we must take to keep Australia secure.

The battle against Islamist extremism in Australia will only be won with a strong combination of accurate intelligence, effective law enforcement and a shared commitment to certain values across the whole of our society.

To better secure the home front against terrorism, the Coalition has invested \$10.4 billion since 11 September 2001 to improve domestic security capabilities, including intelligence, law enforcement, border security and protection of transport and other infrastructure.

By providing ASIO and the Australian Federal Police with extra resources and new powers, we have significantly expanded Australia's counter-terrorism capability.

Our policies strike the right balance between protecting individual rights and freedoms and preserving the right of the community to be safe from a terrorist attack. The Coalition believes that protecting citizens against physical violence and attack is a blow in favour of civil liberties, not against them.

Globalisation and the new security threats of the 21st Century have forced all liberal democracies to think more seriously about issues of national identity and citizenship. In an age when national security begins at home, we are acting to reinforce Australia's social cohesion and national unity.

Coalition policies are helping new arrivals to better integrate into our national community. New Citizenship Tests are ensuring prospective citizens have greater understanding of Australian values and our way of life (chapter 5).

3. The Human Dividend

Strong economic management is never an end in itself. What matters to people is the human dividend of a resilient, opportunity-rich and cohesive society.

Strong families are the building block of a good society, the greatest social welfare system mankind has devised. The Coalition is committed to helping Australian families to secure their future and to exercise genuine choice over the big decisions that matter to them.

Recognising the contribution to our society of older Australians, carers and veterans is another hallmark of Coalition policy. We believe it's only right that they receive greater support and peace of mind in line with rising community living standards.

Australia's transformation from a country with a shortage of jobs to one with a shortage of workers is the greatest human dividend of a strong economy. Coalition policies have forged a new synthesis of aspiration and fairness in the last decade, one that is helping more Australians to break free from dependence on welfare.

We are working with community groups to improve the life chances of Australian children in disadvantaged areas and to tackle problems such as family breakdown, drug abuse and social isolation. And we are devoting unprecedented national resources to overcoming indigenous disadvantage.

The Coalition's goal is a rising tide of prosperity that lifts all boats, where every child gets a solid start in life and where every Australian has the opportunity to reach their full potential.

Greater support and more choice for families

Families have the toughest, most important job of all – the physical, social and moral development of children. The Coalition has put the well-being of Australian families at the centre of national policy-making.

We have deliberately tilted the tax system in favour of low and middle income families, recognising that an economic system that fails to respond to the responsibilities and costs of raising children is one without a social vision.

Assistance to families has more than doubled – from around \$14 billion in 1995-96 to almost \$30 billion in 2007-08. Today, 2.2 million families receive Family Tax Benefit (FTB) worth, on average, around \$8,300 a year per family.

For many families, all tax is rebated through FTB. In 2007-08, a single income couple with two children will pay no net tax until their private income exceeds \$50,813. In particular, FTB Part B offsets the lack of access of single-income families to two tax-free thresholds.

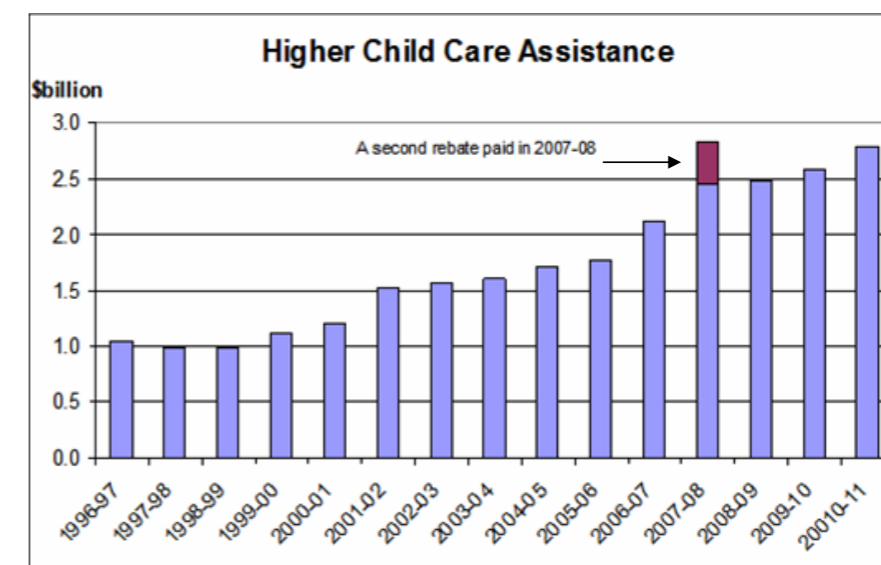
As a result of the Coalition's policies, only the wealthiest 40 per cent of households in Australia today pay net tax.

The Coalition believes that the task of modern government is to expand the horizons of choice for families, especially those on modest incomes. As families are diverse, no one policy fits all. Policies should be structured to assist families throughout the range of life-cycle stages and situations.

The Coalition has developed a wide range of initiatives to provide choice for families – and especially women – in their work and caring arrangements.

Support for high-quality and affordable child care has risen significantly under the Coalition. The number of child care places has increased from around 300,000 in 1996 to around 665,000 in 2007. Expenditure on child care is nearly three times the level of Labor's last year in office and we've uncapped places so that approved providers can meet demand where and when it occurs.

Child Care Benefit is supporting more than 1 million children in child care. The Child Care Tax Rebate reimburses families up to 30 per cent of out-of-pocket child care expenses (up to a maximum of \$4,000 plus indexation) and payments are being made earlier.



Through the Baby Bonus (currently \$4,133), the Coalition has acted to address the extra costs that families incur when a child is born.

As well as promoting strong job growth and higher wages, workplace reforms have encouraged flexible working arrangements to help parents balance their work and family responsibilities.

By 2006, 95 per cent of all federal collective agreements contained either family-friendly or flexible arrangements, an increase of almost 20 per cent since 1998. Access to paid parental leave is at a record high.

The Coalition's education and health policies are responsive – offering genuine choice – and responsible – mobilising public and private resources so services are better funded and more sustainable (chapter 4).

More Australians taking out private health insurance means less pressure on the public system. At the same time, the Coalition has strengthened Medicare through initiatives such as the Medicare Safety Net.

Expanded schools funding means parents on modest incomes now have real choice over their children's education. At the same time, the Coalition is investing record amounts in government schools.

These policies underline the human dividend of strong economic management. They illustrate why many of the choices under the old Labor narrative are really false choices.

The Coalition recognises the special needs of some families coping with difficult situations. Family law reforms and 65 Family Relationship Centres are helping families strengthen relationships and, in cases of separation, providing information, advice and mediation so parents can avoid going to court. Our reforms have ensured the rights and welfare of children are paramount in these situations.

The Coalition has developed a range of other initiatives to support families including:

- Extension of the family tax benefit Large Family Supplement so it is paid to eligible families with three children rather than four;
- Incentives that are achieving record GP bulk-billing rates for children;
- Tough on Drugs, with additional funding to further combat illicit drug use, including ice;
- Net Alert: Protecting Australian Families Online, providing practical tools to help parents manage their family's internet experience; and

- National School Chaplaincy programme, providing pastoral care and spiritual guidance for children in schools across the country.

Older Australians, Carers and Veterans

The Coalition is keeping faith with those whose contribution to Australia deserves our nation's gratitude. We believe it's only fair that older Australians, carers and veterans are among those who stand to benefit from strong economic management.

The Coalition continues to support the financial well-being, independence and quality of life of older Australians. We are responding to the ageing of Australia's population with comprehensive policies to help older Australians lead healthy, satisfying and productive lives.

More than two million Australians receive pension benefits – with total funding of \$24 billion in 2007-08. By linking the maximum single rate of pension to at least 25 per cent of Male Total Average Weekly Earnings, the Coalition has increased real pension benefits and ensured that pensioners share in improvements in general community living standards.

Reforms to simplify superannuation and improve incentives to work and save are giving older Australians the opportunity to further improve their lifestyles in retirement. We are also investing to improve Australia's health and aged care facilities for the benefit of older Australians (chapter 4).

Specific Coalition initiatives for older Australians include:

- the easing of the pension assets test from 20 September 2007 which will see an additional 300,000 Australians gain access to pension benefits;
- an ongoing Utilities Allowance and Seniors Concession Allowance to assist with regular household expenses like electricity and gas;
- improved eligibility for Australian Government concession cards so around 85 per cent of people aged over 65 qualify for a Health Care Card, Commonwealth Seniors Health Card or Pensioner Concession Card;
- the Pension Bonus Scheme which pays a tax-free lump sum to encourage older Australians to defer claiming the pension while continuing to work; and
- higher private health insurance rebates for people aged 65 to 69 (35 per cent) and over 70 (40 per cent).

The Coalition recognises the vital role carers play in our society and the tremendous emotional and financial burden they carry.

In the 2007 Budget, for the fourth consecutive year, we provided a lump-sum carer bonus. Together with annual funding of \$1.2 billion for the Carer Payment and \$1.2 billion for Carer Allowance, more than \$1.3 billion has been provided to carers in bonus payments over the last four years.

A \$1.8 billion package of assistance for people with disabilities and their families, announced in June 2007, is helping to support vulnerable members of our society and those who care for them day in, day out.

Over and above existing support and respite services provided by state governments, we have committed to providing respite for a further 7,500 carers aged 60 years and over caring for adult children, 1,000 carers of young people with a disability, 650 new respite places for carers of people with mental illness or an intellectual disability and an additional 100,000 days of respite for carers of older Australians with high care needs.

The Coalition has a strong and ongoing commitment to Australia's veterans, recognising that the generations who have benefited from their service and sacrifice can never fully repay the debt owed to our veterans.

Total funding for veterans has risen to more than \$11 billion a year in 2007-08, up from \$6.2 billion a year in 1995-96. This has meant higher income support and better health services for veterans.

Going beyond additional support announced in the 2007 Budget, the Coalition released a comprehensive \$470 million veterans' support package in September 2007. This will increase payments to disability pensioners, war widows and widower pensioners and apply more beneficial indexation methods to their pensions from March 2008. These measures will benefit more than 140,000 veterans' disability pensioners and about 114,000 war widows and widowers.

The Coalition is also ensuring the contribution of Australian servicemen and women in wars, conflicts and peace operations is understood and appreciated by later generations. A total of \$90.2 million has been allocated in 2007-08 for commemorations. Support is being provided for an Australian interpretive centre on the Western Front at Villers Bretonneux, for memorials at the Kokoda Track and Milne Bay and for further development and expansion of the Australian War Memorial.

Aspiration and fairness: A new synthesis

Coalition policies blend support for a strong and comprehensive social safety net with a hard-headed focus on self-reliance and personal responsibility. We believe the best form of income comes from a job, not a welfare payment. We regard policies that promote responsible behaviour and self-reliance as essential pillars of a fair society.

Successive Coalition reforms have forged a new synthesis of aspiration and fairness in Australia based on the inter-locking benefits of:

- a flexible labour market;
- strong work incentives;
- the principle of mutual obligation; and
- a highly progressive tax-welfare system that boosts the living standards of low and middle income Australians.

Low unemployment is the greatest human dividend of a strong, growing economy. A steady job remains the best passport out of poverty and towards individual and family independence.

A flexible labour market is a foundation of a job-rich economy. It provides the means of getting more Australians into jobs, raising the incomes of Australians in jobs and creating wealth so society can better help the vulnerable and the needy.

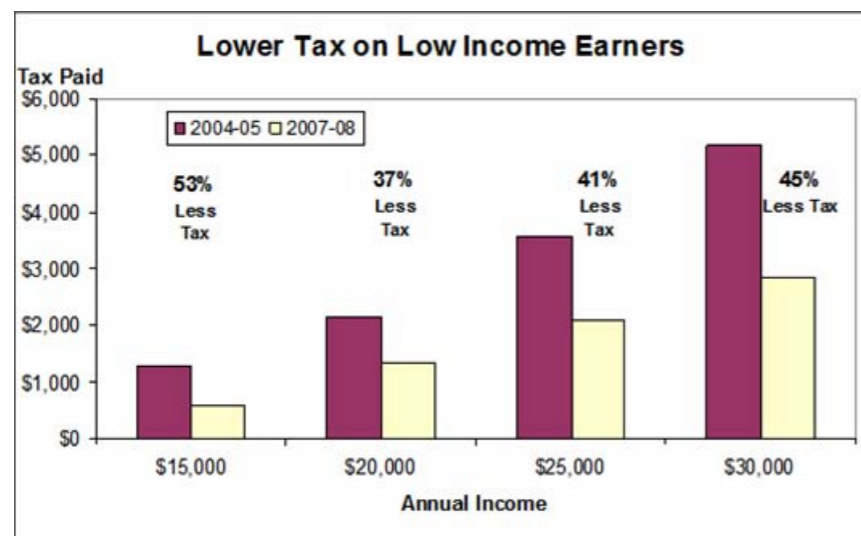
Australia's labour market is now supporting more than 10.5 million people in jobs. Under the Coalition, long-term unemployment has fallen to its lowest level on record, down a massive 77 per cent from its peak under Labor in May 1993.

Thousands of Australians who'd previously dropped out of the labour market – many older, blue collar men and single mothers among them – are now in jobs. And research shows that many low paid workers move to higher paid jobs within one or two years.

When it comes to jobs, Labor policy is beholden to blind ideology and union muscle. The Labor myth is that good jobs are supported by regulation rather than growing businesses. Australians searching for jobs are simply airbrushed out of the picture.

The Coalition believes in greater incentive for those who work. The 2007 Budget further increased incentives for Australian workers on modest incomes.

From 1 July 2007, the 30 per cent income tax threshold increased from \$25,001 to \$30,001 and the low income tax offset (LITO) increased from \$600 to \$750 and began to phase out from \$30,000. This extends earlier tax reforms that have increased work incentives for Australians on modest incomes.



Low and middle income workers are also receiving unprecedented incentives to save for their retirement. The Coalition's co-contribution scheme matches \$1,500 to a \$1,000 personal contribution to superannuation.

More than 1.15 million Australians took advantage of super co-contribution in 2005-06, at a cost of \$1.8 billion. From 1 July 2007, the Coalition extended the co-contribution scheme to the self-employed.

The Coalition has put the principle of mutual obligation at the heart of welfare reform in Australia. This says that Australians doing it tough can rely on community support, but equally the community can expect that this support helps to build greater individual self-reliance.

This principle, pioneered through Work for the Dole, ensures entitlements and responsibilities are in balance. Once considered heresy by Labor and some welfare groups, it is now part of mainstream thinking about welfare.

The Coalition has moved progressively to ensure that people on income support who have the capacity to work should be required to work to the level of their capacity. Under Welfare to Work reforms, more people are now looking for work in line with their capacity. The Coalition is investing \$3.7 billion over four years to help people move into work.

Coalition policies have helped more Australians break free from welfare dependency. The share of households whose principal source of income is wages and salaries is up and the share reliant on government benefits is down.

Strong employment growth is helping reduce the number of children in Australia growing up in jobless households – down to 551,200 in June 2006 from 668,400 in June 1996. Studies show that the employment of a parent is not just important for family income, it is critical to the future prospects of children.

Working with the states and territories, we are confronting the need in a small minority of cases for targeted income management so government payments are used properly for essentials like food, clothing and shelter. We're also determined to ensure children are in school and ready to learn.

None of our reforms are punitive. None take benefits away. All aim to reinforce a proper balance between support, incentives and responsibilities.

A highly progressive tax-welfare system cements the Coalition's new synthesis of aspiration and fairness. Independent research has shown that under the Coalition:

- Australia directs more in relative terms to the poorest 20 per cent of the population than virtually any other developed country;

- Real income for low income households rose by 31 per cent between 1994-95 and 2005-06; and
- The bottom 60 per cent of households in terms of income distribution receive more in government benefits than they pay in taxes.

For some Australians the transition to independence is hard and dedicated efforts are needed to break down barriers that stand in the way. The Coalition has helped forge new social coalitions like the Community Business Partnership to tackle problems and to encourage a culture of giving in Australia.

The Coalition's record is one of advancing prosperity and fairness together. We have worked to ensure the gap between rich and poor has not widened in Australia, contrary to Labor propaganda.

The greatest source of social disadvantage in Australia is still the lack of a job. Labor would reverse the employment gains of the last decade and thereby wreck the best model Australia has yet devised for reconciling aspiration and fairness.

Lifting all boats

The 20th Century welfare state was born of national economic instability. By contrast, the big social challenges today tend to be more localised and less narrowly economic.

Australia offers enormous opportunities for children growing up within a virtuous circle of caring families, strong learning environments, good jobs and healthy lifestyles; all allowing them to succeed in a fast-changing world.

At the same time, we need to break the vicious circle of poor parenting, low levels of education, unemployment and health problems, which together can rob some Australian children of a bright future.

Coalition policies aim to reinforce the virtuous circles of the many and to break the vicious circles of the few, recognising that bureaucratic, one-size-fits all approaches are often ineffective.

So that disadvantaged children can get a solid start in life, we are working with community organisations to deliver targeted early childhood intervention. Through the Stronger Families and Communities Strategy, we are delivering practical help for families and children at risk of social isolation in the form of playgroups, nutrition programmes and measures to improve the social and cognitive skills of young children.

Through the Communities for Children programme, organisations such as Mission Australia, Anglicare and the Brotherhood of St Laurence are being funded to deliver early childhood services to 45 disadvantaged communities across Australia.

The challenge of creating hope and opportunity is particularly acute in indigenous Australia. The Coalition is devoting unprecedented national resources to tackling indigenous disadvantage focusing on early childhood intervention, safer communities and building wealth, employment and an entrepreneurial culture (chapter 5).

The Coalition's vision is for indigenous Australians to share fully in our national life and prosperity; a narrative of shared destiny with mainstream Australia, not of separateness.

4. Investing for the Future

So Australia can aim higher and rise to the new challenges of the 21st Century, the Coalition is planning ahead and investing for the future. These investments in economic and social infrastructure and in our people will help underpin the prosperity and welfare of all Australians.

Australia's road and rail infrastructure are key arteries for economic prosperity and national unity. Under Auslink 2, the Coalition's five year land transport blueprint, we are investing almost \$22 billion to upgrade the nation's transport infrastructure. Combined with reforms to improve the efficiency and productivity of road and rail freight, this will position Australia to meet projected growth in demand on our transport network.

Australia's education and training system is vital to the prosperity and well-being of all Australians. The Coalition has put the principles of choice, quality and diversity at the centre of education reform. The 2007 Budget delivered significant new investment and a comprehensive package of reforms across the university, vocational education and training and school sectors.

With the largest ever investment in broadband infrastructure in Australia, the Coalition is ensuring that Australians, wherever they live, will be able to take advantage of high-speed broadband. And with record funding for science and innovation, we are helping Australian industries and knowledge workers to create the ideas for a rising Australia.

The Coalition has more than doubled investment in health and aged care since 1996-97 and better aligned the balance of public and private health care in Australia. Along with strengthening Medicare and supporting private health insurance, we have massively increased Australia's investment in medical research.

The Coalition has developed a comprehensive long-term strategy to deal with the great challenges of climate change, energy and water security. Our policies strike the right balance for Australia reflecting our unique economic and environmental circumstances.

Land Transport

A trading nation and the sixth largest country in the world by area, Australia relies on efficient and effective transport infrastructure. One third of Australians live in regional areas outside our capital cities. With our population centres separated by vast distances, effective transport is also critical to social cohesion and strong communities.

The Coalition is committed to making it quicker, safer and cheaper to travel between our major cities and easier for our exporters to move their products to port. Under Auslink, we are planning and investing for our national infrastructure needs in advance, rather than simply providing funding in reaction to demand.

Australia's freight volume is forecast to double over the next 20 years. The transport task will become more complex as traffic volume rises, the social and environmental costs of transport infrastructure increase, and Australia's changing population adds more pressure to urban and regional links.

Auslink engages all levels of governments and the transport industry in an integrated strategy for developing transport links. The cornerstone of Auslink planning is the development of 24 key transport corridors, the main freight haulage routes around the nation.

Auslink's National Land Transport Network comprises 22,500 km of roads and 13,985 km of mainline railways that link all our capital cities and facilitate the movement of people and freight internationally, nationally and between regions.

Auslink 2 provides additional funding of almost \$22 billion from mid-2009 to mid-2014, the biggest such investment in Australia's history. It builds on the \$15 billion investment in Auslink over five years from mid-2004.

Under our highly successful Roads to Recovery programme, the Coalition is funding investments in local roads. Since 2001, Roads to Recovery has been used by local councils to build more than 25,000 projects on the roads that Australians use every day.

From 2009-10, the Coalition will increase funding for Roads to Recovery from \$307.5 million a year to \$350 million a year. This will help offset the rising cost of road construction and enable local councils to fix more local roads.

The Coalition's Black Spot programme is funding safety works such as roundabouts, crash barriers and streetlights where there have been serious accidents or where accidents are likely. To ensure more Australians get to their destinations safely, we are extending the programme to fix about 2,300 dangerous locations on Australia's roads.

Education and Training

Australia's education performance is vital to our nation's economic future and to the broader well-being of all Australians. Through investment and reform, the Coalition is raising the quality and responsiveness of Australia's education and training institutions.

All Australian children deserve a high quality education that enables them to develop the skills necessary to be able to realise their potential. The Coalition is investing \$41.6 billion in schools over four years from 2007-08 while driving improvements in quality.

Reforms are focused on raising literacy and numeracy performance, improving the skills of our teachers, delivering higher standards and more consistent curriculum in key subjects and giving principals greater autonomy over school decisions. We will continue to push state and territory education authorities to raise standards, encourage and reward quality teachers and provide comprehensive reporting of school and student performance.

The 2007 Budget delivered additional investment of \$843 million over four years to improve learning outcomes with:

- \$700 tutorial vouchers for parents to help children falling behind national literacy and numeracy benchmarks;
- rewards of up to \$50,000 a year for schools that improve literacy and numeracy outcomes; and
- Summer Schools for Teachers to upgrade skills in key disciplines.

The Coalition's unwavering commitment to school choice has seen annual funding for non-government schools grow to \$6.3 billion in 2007-08. Because of our policies (opposed by Labor) low-fee independent schools have flourished in the last decade, with the opening of no less than 168 new non-government schools since 1996.

Government schools are also being funded at record levels. While enrolments have risen by only 1.2 per cent, the Coalition has increased funding to government schools by 67 per cent in real terms since 1996.

Figures for 2004-05 show that average annual taxpayer funding per student in government schools (\$10,715) is 77 per cent higher than in Catholic and Independent Schools (\$6,054). The 67 per cent of students in government schools receive 75 per cent of total public funding. Catholic and Independent schools enrol 33 per cent of students and receive 25 per cent of public funding.

When revenues from private sources (including school fees) are taken into account, schools in the non-government sector receive around the same average funding per student as schools in the government sector.

Unlike Labor, the Coalition supports parental school choice because we actually believe in it. We will not punish parents for investing in their children's education.

Restoring pride and prestige to a trade skills education has been at the top of the Coalition's education agenda, after years of neglect under Labor. We want young Australians (and the wider community) to see the trades as a rewarding and satisfying career path, not a second-best option to university.

The Coalition will invest \$12 billion in vocational education and training over four years from 2007-08. This builds on past investments which have seen the number of apprentices in training rise by 157 per cent – from 154,800 in March 1996 to 397,400 in December 2006.

The Coalition's 28 Australian Technical Colleges have reshaped the skills training landscape. Students can develop specialist skills with state-of-the-art equipment, complete their final years of high school and go on to pursue careers in the trades. The involvement of local industries in our technical colleges means students are better placed to take up opportunities in their local communities.

We are also responding to demand for higher level skills and the need for continuous upgrading of skills in today's changing economy. Work Skills Vouchers (valued at up to \$3,000) are helping people aged 25 and over to improve their basic skills. Mid-career workers are receiving support to upgrade their skills through an apprenticeship in a trade occupation in high demand. Apprentices are receiving assistance to develop business skills so they can strike out in business with their trade. And incentive payments are helping workers upgrade to higher technical skills with Diploma and Advanced Diploma qualifications.

The Coalition is making an unprecedented investment in the future of higher education which will allow more of our universities to be world-class and to play to their strengths. The new Higher Education Endowment Fund (HEEF) – currently \$6 billion – more than matches the existing accumulated financial assets in Australia's university sector.

It will continue to grow and finance the building of first class teaching and research institutions. When earnings from the HEEF become available in 2008-09, the Coalition's annual investment in higher education will reach about \$9.4 billion, a 38 per cent real increase since 1995-96.

We also believe Australia's higher education sector should have more freedom to specialise and diversify, while remaining accountable for quality and responsive to students and employers.

New reforms will reduce regulation and give universities more scope to set the mix of courses they offer. The Coalition's vision is a sector that is more diverse, containing both specialised and broad-based institutions, some focused on particular fields of excellence, others striving to meet local and regional needs.

Australia has among the highest rates of entry into tertiary education in the world as a result of large subsidies in the form of student loans. The Coalition has continued to expand university access with the number of Commonwealth-supported places set to grow by 50,000 between 2004 and 2011.

Unmet demand is now at historically low levels. The 2007 Budget also provided extra funding of \$222 million to increase income support for university students.

Broadband

High-speed broadband is a critical part of national infrastructure to support Australia's future prosperity and social well-being. With Australia Connect, the Coalition has announced the largest ever investment in broadband infrastructure so Australians, wherever they live, can access affordable, high-speed broadband.

The \$1.9 billion roll-out of new wireless broadband infrastructure will ensure 99 per cent of the population is provided with speeds of 12 megabits per second by mid-2009. These speeds are 20 to 40 times faster than those in use by most consumers today. Through the Australian Broadband Guarantee, the remaining 1 per cent of the population is eligible for subsidies of up to \$2,750 per household to ensure broadband access.

We have also established an Expert Taskforce to facilitate a competitive assessment process for private sector investment in a new commercial fibre broadband network in all capital cities and major regional

centres. The Coalition will facilitate the roll-out of the new network infrastructure without the need for taxpayer funding.

The Coalition's broadband plan is comprehensive, fair and fully-funded. Labor's flawed alternative will reach at best 75 per cent of Australians and raid the Future Fund. It will leave 3 million Australian households, all in rural and regional areas, stranded without high-speed broadband and without the \$2 billion regional Communications Fund to provide for any future service upgrades.

Science and Innovation

The Coalition continues to invest in Australia's world-class researchers, scientists, innovators and risk-takers. Generating new ideas through research and turning them into commercial success is vital to Australia's future.

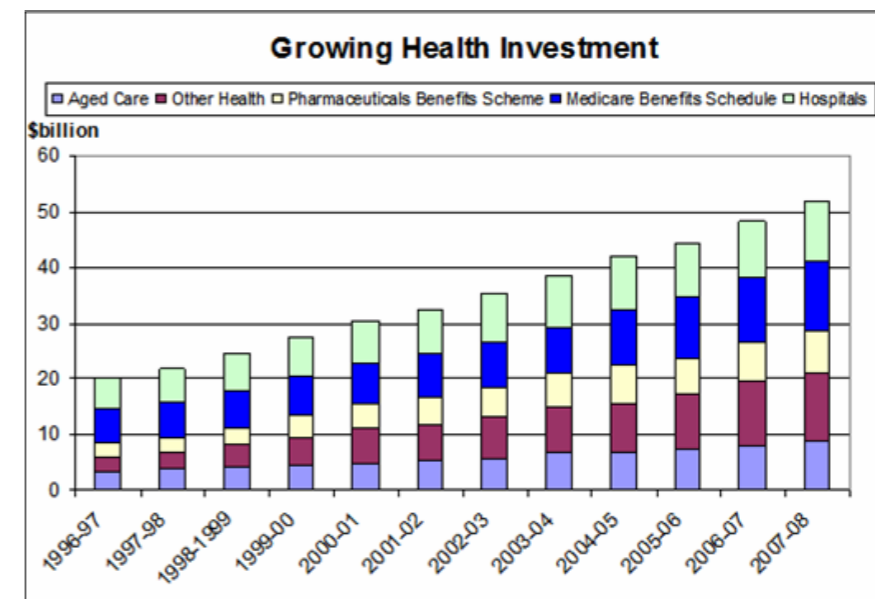
With successive Backing Australia's Ability packages, we have made a 10-year, \$8.3 billion commitment to science and innovation through to 2010-11. This unparalleled investment creates jobs, wealth and other benefits for all Australians.

These policies, together with the confidence generated by a strong, well-managed economy, are helping deliver real results. Business expenditure on research and development reached a record \$10.1 billion in 2005-06 (also the highest level ever as a proportion of GDP).

The Coalition's \$1.4 billion industry statement in May 2007 will help to lock-in these achievements by assisting Australian industry to build stronger links with global markets and improve productivity through innovation and better business practices.

Health and Aged Care

Around one-fifth of the national budget is spent on health and aged care services. The Coalition has invested record amounts in ensuring Australia maintains a high-quality, affordable and sustainable health care system. We have also increased substantially investment in aged care with reforms designed to ensure more aged care places, better quality care and improved skills for the aged care workforce.



The Coalition is committed to a strong Medicare and, through our commitment to private health insurance, is the only side of politics which actively supports Australians having real choice over their health care.

A well-funded, comprehensive Medicare system is the cornerstone of health care in Australia. All Australians have the right to universal access to the three pillars of Medicare: a universal Medicare rebate for medical services; a universal Pharmaceutical Benefits Scheme (PBS); and universal access to free public hospital care.

In the last Health Care Agreement with the states and territories, the Coalition committed a record \$42 billion to public hospitals for 2003-2008. We are also taking pressure off public hospitals through private health insurance rebates, support for after-hours GPs (including clinics co-located with public hospitals) and funding for the National Health Call Centre Network.

Strong economic management has allowed the Coalition to introduce a series of other measures to improve our health system. These include:

- bulk-billing incentives which have seen GP bulk-billing rates increase to 78.2 per cent in the June quarter 2007, the 14th consecutive quarterly increase;
- the Medicare Safety Net which covers 80 per cent of out-of-pocket non-hospital costs above certain thresholds;
- expanded treatments on the PBS so Australians have access to new and innovative medicines;
- Round-the-Clock Medicare which delivers higher Medicare rebates for GP services provided after hours; and
- a new Health and Medical Investment Fund (initially \$2.5 billion) with earnings directed to new facilities and the latest medical equipment to treat diseases and save lives.

We are working to expand Australia's health workforce with more medical and nursing places. The number of new medical students has risen by more than 50 per cent since 2003. Since 2000, seven new medical schools have been established in Australia and another two are preparing to open in 2008.

In September 2007, we announced a \$170 million investment in 25 Australian Hospital Nursing Schools to deliver hospital-based training for enrolled nurses in major public and private hospitals across the country. This complements university-based training with nursing places in universities set to increase to 10,100 by 2011.

Recognising that prevention is always better than cure, the Coalition has significantly expanded funding on preventative health care. With higher rates of child immunisation and cancer screening, for example, more Australians are leading healthier lives. Through the Australian Better Health Initiative, we are working cooperatively with the states and territories on disease prevention and early intervention.

The 2007 Budget included major new investments to strengthen the role of prevention and address chronic and preventable disease in Australia. The Coalition's new dental plan, at an estimated cost of \$385 million over four years, will ensure about 200,000 Australians with poor oral health associated with chronic and complex conditions gain necessary dental treatment. We have also committed \$103 million over four years to the fight against Type 2 diabetes.

The Coalition has brought to the fore the issue of mental health and committed \$1.9 billion to a national mental health action plan, including increased psychologist, psychiatric and GP services through Medicare.

We have ensured Australia is at the leading edge of global health developments with a massive investment in medical research over the last decade. This investment will reach \$695 million by 2009-10 (a five-fold increase since 1995-96). It is supporting Australia's world-leading scientists, researchers and medical pioneers searching for break-throughs to combat heart disease, cancer, depression and chronic diseases such as diabetes and asthma.

Alongside Medicare, private health insurance is an important element of Australia's health system, providing choice and relieving pressure on public facilities. The Coalition restored the viability of private health insurance by introducing the 30 per cent Rebate and Lifetime Health Cover. More than 10.5 million Australians are now covered by private health insurance.

The ageing of the population, with the number of Australians aged 70 and over expected to double in the next 20 years, creates new challenges and spending pressures for Australia. The Coalition has committed to ensuring that Australia provides the care and support needed and wanted by our older people.

From \$3.1 billion in 1995-96, expenditure on ageing and aged-care activities has increased to an estimated \$8.6 billion in 2007-08 – real growth of almost 180 per cent.

This has allowed significant growth in both residential and community-based aged care services so that older Australians can access the right level of care when they need it. We are also committed to a rigorous system of checks and accreditation to ensure the highest standards of care provision.

The Coalition's additional investment of \$1.5 billion announced in February 2007 ensures that the aged-care industry can deliver quality, choice and affordability with more aged care places, more training and better care.

Climate Change, Energy and Water Security

The complex challenges of climate change, energy security and water scarcity demand long-term strategies that take account of Australia's unique circumstances and play to our strengths.

Since 1996, the Coalition has committed around \$3.5 billion as part of a comprehensive and balanced approach to climate change.

Australia's unique economy and geography mean we cannot simply adopt off-the-shelf policies designed by others. With our natural abundance of fossil fuels, future prosperity is threatened if Australia's response to climate change is misguided and driven by ideology.

Guaranteeing Australia's growing prosperity in a carbon-constrained future will require all the experience, know-how and ambition that the Coalition has brought to other great reform challenges.

Under the Coalition, Australia is at the forefront of securing an effective global response to climate change that involves all major emitters. We are using all international channels to achieve this objective, as well as leading on practical steps like the Asia-Pacific Partnership for Clean Development and Climate, the Global Forests Initiative and APEC-wide goals (including a 25 per cent decrease in energy intensity by 2030 and a 20 million hectare increase in forest cover by 2020).

As well as meeting our global responsibilities, the Coalition is committed to carefully managing Australia's transition to a low carbon future.

To reduce domestic emissions at least economic cost, we will establish a world-class domestic emissions trading scheme in Australia (planned to commence in 2011). We are also committed to capturing the opportunities from being among the first movers on carbon trading in the Asia-Pacific region.

We will set a long-term emissions reduction goal for Australia in 2008 after carefully assessing the impact on our economy and on families. This target will be both environmentally credible and economically achievable, with flexibility built in to reset the emissions trajectory in light of international developments and if new scientific information or technologies become available.

Establishing an emissions trading scheme and setting an emissions target will be among the most important economic decisions Australia will take in the next decade. Only the Coalition can be trusted to make the right decisions on these major economic reforms.

Developing key low emissions technologies is crucial to a comprehensive climate change policy framework. The Coalition has a vision of Australia as an energy superpower in the 21st Century.

Abundant reserves of coal, gas, solar energy resources, geothermal potential and the world's largest low-cost uranium deposits provide a natural strategic focus for Australia's clean energy technology policy. Only the Coalition has policies to fully develop Australia's clean energy advantage with:

- our \$500 million Low Emissions Technology Demonstration Fund – supporting \$3 billion worth of projects including the world’s largest photovoltaic solar power station and, in time, the largest geosequestration project in the world;
- a new national Clean Energy Target – requiring that 30,000 gigawatt hours each year come from low emissions sources by 2020 (sufficient to absorb existing and planned renewable energy and low emissions targets across the states and territories);
- large-scale investments in clean coal technology – including through the Asia-Pacific Partnership and the Australia-China Joint Coordination Group on Clean Coal Technologies;
- world-first Solar Cities trials in metropolitan and regional centres; and
- a plan to rationally assess the role of nuclear power in Australia’s energy mix, including via participation in the global Generation IV Nuclear Energy Systems Initiative.

Working with industry, we are improving energy efficiency in Australia by ensuring buildings and household products are more energy efficient. We are leading the world with practical steps like the phasing out of energy inefficient light bulbs.

The Coalition is also encouraging households and local communities to take practical action to lower carbon emissions. With a Green Voucher worth up to \$50,000, every Australian school can install a solar hot water system and a water tank. More than 22,000 Australian homes have received or will receive direct support under our Photovoltaic Rebate programme available up to \$8,000 per home. And new rebates of \$1,000 are helping households to upgrade to an energy saving solar hot water system.

The Coalition is also supporting world-class climate science and planning for the impact of unavoidable climate change.

In April 2007, we announced funding of \$126 million over five years for a new Australian Centre for Climate Change Adaptation. This will assist affected sectors and regions, planning bodies, farmers, businesses and local governments to understand better the impacts of climate change and to develop targeted response strategies.

Australia’s most significant adaptation challenge revolves around management of our nation’s precious water resources. The Coalition has invested heavily in national water reform in the last decade.

The 2004 National Water Initiative provides the long-term framework for increasing the efficiency of water use, servicing the needs of communities and returning our river and groundwater systems to environmental health. The Coalition’s \$2 billion Australian Water Fund helps to support this initiative by funding projects in every state.

The Water Fund has supported infrastructure investments to transform urban water management and supply. Our \$408 million investment in the Western Corridor Recycled Water Scheme in Queensland – the largest water recycling scheme in the southern hemisphere – is a good example.

In South Australia, we have committed \$198 million to major urban water projects, including \$38 million for ‘waterproofing’ North Adelaide, \$34.5 million for South Adelaide and \$30 million to the Glenelg waste water recycling project.

More than \$750 million has been devoted to helping local communities to better manage water resources. The \$400 million Community Water Grants programme has helped fund 3,144 projects so far.

The worst drought in our nation’s history has underlined the national importance of water conservation in rural Australia. With the National Plan for Water Security announced in January 2007, the Coalition has committed to delivering enhanced water security to Australian irrigators, rural communities and the environment.

This \$10 billion, 10-year plan recognises once-and-for-all that our nation’s great river systems, like the Murray-Darling Basin, do not respect artificial borders or parochial state politics. To survive, they need long-term, integrated management and national leadership.

As part of the Plan, the Coalition is funding:

- \$3 billion to address over-allocation of water rights;
- \$1.6 billion for on-farm investments in irrigation efficiency;
- \$617 million for more accurate metering and monitoring;
- \$450 million for better water information; and
- \$70 million for ‘hotspots assessment’ to identify where water losses are occurring in irrigation infrastructure.

An additional \$3.55 billion for off-farm irrigation distribution systems and river operations and storages will be available to those states that support the Plan.

5. Australia United

Under the Coalition, Australia is a different country from what it was under Labor – less apologetic about its past, more confident about its future.

We're better able to appreciate the modern Australian achievement – a nation that, despite its faults, is a beacon of democracy, opportunity and tolerance in today's world.

At the centre of this achievement is our sense of balance as a nation. This helps us to respond creatively to an uncertain world with a sense of proportion. It means we reform and evolve while also cherishing the values, beliefs and customs that have served us so well in the past.

The Coalition believes Australians have much to be proud of. We believe too that Australians have a big stake in our national unity and in preserving traditions such as a fair go and pulling together in times of adversity.

Australia's national unity is a great asset and one we must continue to nurture. We must avoid the splintering of our society based on where people live, their income, their religion, their race or their background.

The bush is a big part of Australia – our past and our future. Australians living in rural and regional areas face unique challenges and the Coalition is working to ensure they can meet them, especially in the face of a crippling drought that in some places has now lasted seven years.

The Coalition is committed to opening new avenues of advancement for Aboriginal and Torres Strait Islander Australians – the first Australians. In a spirit of shared responsibility, we are working to help indigenous Australians build better lives based on solid economic and social foundations.

Australia is a successful immigrant nation. No country has absorbed as many people from as many nations and cultures and done it so well. The Coalition has strong policies to ensure Australia continues to reap the benefits of immigration and ethnic diversity.

The Coalition believes the Australian story is an inspiring one and that each generation of Australians should have the opportunity to learn about it. As well as preserving our heritage, we've made the teaching of Australian history in our schools a project of national importance.

Rural and Regional Australia

The Coalition recognises the unique place of rural and regional Australia in our national life and the particular interests and needs of the seven million Australians who live outside our major cities. We have a forward-looking plan for regional Australia that reflects the diverse challenges of regions experiencing rapid growth while others struggle with drought and structural change.

Many Australian farmers and rural communities continue to battle the worst drought on record. The Coalition has stood by these Australians through very difficult times with funding of more than \$3.5 billion in drought assistance to farmers and small businesses since 2001.

The \$1.1 billion of additional assistance announced in September 2007 will make it easier for farmers and small business to receive Exceptional Circumstances assistance, provide direct grants to irrigators and help with social pressures facing farming families across rural and regional Australia.

Australia's ability to provide this assistance is a direct result of a strong economy and good economic management.

The Coalition is committed to ensuring that rural and regional Australians can access good services.

Through the Rural Medical Infrastructure Fund, we are investing in new health facilities in rural communities and making sure there are more doctors in regional Australia through initiatives like the Rural Retention programme.

Rural education services are being improved with initiatives such as the Assistance for Isolated Children Scheme (which helps geographically-isolated families with extra costs) and the Country Areas programme (which provides funding to government and non-government education authorities).

The Coalition's \$2 billion Communications Fund (a fund Labor would abolish) will provide for the future-proofing of telecommunications in rural and regional Australia. Under the Australian Broadband Guarantee, Australians in remote or difficult to reach areas will have access to subsidised broadband services.

Some regions – especially in Western Australia and Queensland – are experiencing rapid growth off the back of the mining boom, while others are seeing their populations grow from 'sea change' and 'tree change' effects. With funding of \$200 million over four years for a new Growing Regions programme, the Coalition is assisting these areas to develop their infrastructure and community services so as to meet new demands.

Established programmes such as Sustainable Regions and Regional Partnerships are helping less prosperous regions to diversify their economic base and to cope with structural and demographic change. Our approach is always to encourage local communities to identify local solutions to problems.

The Coalition is providing \$2 billion from 2008-09 to extend the Natural Heritage Trust to support improved water quality, reduced land degradation and enhanced vegetation management. The National Landcare programme is encouraging on-the-ground action by landholders to improve natural resource management at the farm, catchment and regional level.

Indigenous Australians

The Coalition believes that the path of progress for indigenous Australians lies in them having the same rights, responsibilities and opportunities shared by other Australians.

Australians have not lost sight of past injustices in the treatment of Aboriginal and Torres Strait Islander peoples. No section of the Australian community is more disadvantaged.

The Coalition believes that true Reconciliation lies in practical action to improve the lives and future prospects of indigenous Australians, together with symbolic steps that all Australians can agree on.

Government resources and services are important. Before the Northern Territory emergency response measures announced in June 2007, the Coalition had increased expenditure on indigenous-specific programmes to a record \$3.5 billion in 2007-08 (a real increase of 35 per cent on 1995-96).

We have overhauled the way government deals with indigenous Australians with more accountability residing with mainstream agencies in areas like housing, health, employment, business development and education.

If sometimes disappointingly slow and uneven, real progress is being made:

- the unemployment rate among indigenous Australians has fallen dramatically from around 35 per cent in 1996 to 14 per cent in 2006;
- the proportion of indigenous students staying at school until year 12 has increased from 29.2 per cent in 1996 to 40.1 per cent in 2006;
- employment rates and average starting salaries for indigenous university graduates are higher than for other Australians; and

- the share of indigenous Australians owning or buying their own home has risen from 21.5 in 1994 per cent to 25.4 per cent in 2004.

The emergency measures the Coalition is taking in Northern Territory indigenous communities reflect the particular needs of children in these communities. We have committed a total of \$1.3 billion over four years to this long-term plan.

The focus in the first instance is to protect children from abuse and neglect and to make communities safe, with the aim of creating a better future for these communities. The goals are consistent with the priority areas identified in the Coalition's National Blueprint for Action in Indigenous Affairs:

- early childhood intervention;
- safer communities; and
- building wealth, employment and an entrepreneurial culture.

Successful Integration

Under the Coalition, Australia runs a large and welcoming immigration system in line with our national interests.

By increasing the skills component of the programme from 30 per cent to around 70 per cent of total intake, the Coalition has overturned Labor's politicised and divisive approach to immigration. Australia's migration policies now help to make our economy stronger.

Australia remains in the top three countries in the world when it comes to accepting refugees and humanitarian migrants. Community support for immigration has risen, aided by the Coalition's firm border protection policies which have all but halted illegal people smuggling.

The Coalition is committed to ensuring all sections of the Australian community are fully integrated into the mainstream of our national life. Each wave of new settlers to Australia influences our culture and character, helping to forge new attitudes and traditions. From our art and literature to our scholarship and diplomacy, greater cultural diversity has changed how we see ourselves and how we view the world.

Coalition policies strike a balance on questions of national identity and cultural diversity. We believe that Australia's culturally diverse community, united by an overriding commitment to Australia, is one of the enduring strengths of our nation. At the same time, we believe that our celebration of diversity should not be at the expense of the common values that bind us together as one people.

As part of a forward-looking approach, the Coalition has enhanced the status of Australian citizenship. A key purpose of the new Citizenship Test is to reinforce not simply the formal rights and responsibilities of citizenship, but also to highlight the values that are central to Australia remaining a stable, prosperous and peaceful community.

People want to become Australians because of these values. In turn, we want new citizens to participate fully in our national life so that each individual can make the most of his or her abilities and help to build an even stronger and more united Australia.

New citizens are asked to respect and uphold values such as:

- respect for the equal worth, dignity and freedom of the individual;
- freedom of speech;
- freedom of religion and secular government;
- freedom of association;
- support for parliamentary democracy and the rule of law;
- equality under the law;
- equality of men and women;
- equality of opportunity;
- peacefulness; and
- tolerance, mutual respect and compassion for those in need.

Respecting our history

The Coalition believes Australians should have faith in what we have achieved and what we have become as nation.

We are working to protect our most outstanding natural, indigenous and historic heritage places – the special places that are part of the Australian story.

The Coalition also believes that part of preparing young Australians to be informed and active citizens is to teach them the central currents and key milestones of our nation's history. Young Australians are at risk of being disinherited from their national community if that community lacks the courage and confidence to teach its history.

In the face of neglect by some state and territory education authorities, the Coalition has identified the national importance of a root and branch renewal of the teaching of Australian history in our schools. Through initiatives such as the Australian History Summit, we have stressed the need for all students to be exposed to a coherent, sequenced narrative of our national story.

From a position cloaked in political correctness, Labor initially criticised this project. It then labelled it 'elitist'. Only later was it forced into supporting the Coalition's efforts to strengthen the teaching of history in our schools.

Australia has a rich and inspiring history. The Coalition believes that by better understanding our past, we Australians can set about building an even brighter future for the nation.

