



TRANSPORT

NOW

BUDGET WRAP

Joe Hockey's House of Horrors Budget has left Australians stunned. After promising "no new taxes" and "no surprises", the Budget raises taxes, slashes public sector jobs and rips gaping holes in Australia's social safety net.

Here's a snapshot of what you need to know about the Federal Budget:

RAIL FUNDING

Despite talking up its infrastructure spending of \$50 billion, the Federal Government could only find \$520 million for freight rail projects.

In other words, rail represents only one per cent of the Government infrastructure spending program.

Of the project "announced" in the Budget, all had previously been announced, and all were already funded by the former Labor Government.

These included existing commitments to start the planning process for the Melbourne-Brisbane inland rail, and upgrades to the rail network in Tasmania.



What's more, a number of major passenger rail projects were stripped of funding that had previously been allocated by Labor. These included the Melbourne Metro tunnel project, Cross-river rail in Brisbane, and the light rail link to Perth Airport.

Once projects already committed to by Labor are finished, the Federal Government will dramatically scale back investment in rail.

Total expenses under rail transport are projected to decrease by 42.2% in real terms from 2013-14 to 2014-15. By 2017-18 rail investment is projected to drop by a whopping 68.5 per cent.

URBAN TRANSPORT

The Federal Budget invests money in big new roads, but motorists will be stung by fuel an increase to the fuel excise.

Fuel taxes will rise with inflation twice a year – meaning the cost of fuel is set to go up and keep going up.

Joe Hockey claims this will syphon an extra \$168 million a year out of the pockets of motorists, to be re-invested in new roads.

At the same time, the Government has axed funding for major commuter rail projects in Melbourne, Brisbane and Perth.



Without any investment in transport alternatives, motorists will be stuck in a classic Catch-22 - forced onto roads, and forced to pay more.

Bob Nanva told Channel 7 News that the Federal Government was holding commuters to ransom - see the interview at <https://au.news.yahoo.com/nsw/video/watch/23514039/pain-and-gain-for-sydney-commuters/>

ENTITLEMENTS

The maximum redundancy payment under the Fair Entitlements Guarantee will be capped at 16 weeks in line with maximum under the National Employment Standards, with long-serving workers forced to stand in the line of creditors to seek their full entitlement.

Joe Hockey says capping entitlements for workers who lose their jobs with failed companies will save him \$87.7 million over four years.

HEALTH

A \$7 fee for every doctor's visit will be introduced from July next year for all standard GP consultations and out-of-hospital pathology and screening services.

The co-payment cost of medicines under the Pharmaceutical Benefits Scheme will also increase by \$5 from July next year.

There are also cuts to free dental services, and states will be able to charge a fee for visits to public hospital emergency departments for GP-style treatment.

ASBESTOS

The Federal Government axed though a swathe of government departments and agencies, abolishing or merging 50 separate entities - including Asbestos Safety and Eradication Council.

The council provides the Government with advice on asbestos issues, and oversees the roll-out of the National Strategic Plan for Asbestos Awareness and Management.

RETIREMENT

From 2035, the retirement age will be raised to 70, following the previous government's move to lift it to 67 from 2023.

All pension increases will be cut from 2017 - including the age and disability support pensions, and single parent's payment - by indexing them to the lower rate of inflation, rather than male average weekly earnings. In today's terms, that would be about \$200 a fortnight less than they are now.

The assets test for the pension will also be paused for three years, and eligibility for the Seniors Health Card will be tightened by taking into account untaxed superannuation earnings.

The increase to the Superannuation Guarantee will be frozen for four years at 9.5 per cent from July this year.

The previous Labor Government had planned to increase employer superannuation contributions to 12 per cent by 2019, but this will now be pushed back to 2023, reducing current workers' retirement savings by thousands of dollars.

OLDER WORKERS

A wage subsidy to encourage employers to give jobs to long-term unemployed workers over 50, called Restart, will be introduced.

It will be worth \$10,000 over 24 months for a full-time hire, or pro rata for part-time workers.



APPRENTICES

The Tools for Your Trade program of financial incentives to apprentices to buy their tools will be abolished, cutting \$914 million from support for apprentices.

It will be replaced with a loans program for apprentices, similar to higher education loans, which must be repaid.

TAX CUTS FOR BUSINESS

While everyone else shares the pain, the business community will be sharing a congratulatory cigar with Joe Hockey and Matthias Cormann after being gifted a number of tax breaks.

The company tax rate will be cut by 1.5% to 28.5% from July next year, while the mining tax and carbon price are also set to be abolished.

***With thanks to ACTU's Working Life blog for some of this information - for more see <http://workinglife.org.au/2014/05/13/how-the-budget-will-affect-you/>**



Fare's Fair!

The key to growing the public transport industry is to get more people using it. And one of the most important factors for getting more people using public transport - especially in outer suburban and regional areas - is to make it more affordable.

As part of its strategy to grow public transport, the RTBU National Office has launched a campaign to make public transport fares more equitable for commuters.

The campaign kicked at the recent RTBU National Executive meeting, with National Secretary Bob Nanva releasing the Fare's Fair report into Sydney's train fare structure.

"In most Australian cities, the people who pay most for public transport are the people who can least afford it, and the people who are forced to spend hours commuting every day," Bob said.

"But if you're wealthy enough to live in a leafy inner city suburb, you

also get the benefits of cheap public transport. That's just not fair."

The Fare's Fair report put forward a controversial solution - effectively turning the traditional distance-based fares model upside down, and calculating fares according to the Socio-Economic Status of the area where passengers commence their travel.

"In other words, if you start your trip in a suburb where the average weekly income is low, you'll pay less," Bob said.

"But if you start your trip in a suburb where the average weekly income is high, you'll pay more."

The Fare's Fair report received plenty media coverage - including the Daily Telegraph, Channel 7 News, ABC Radio talkback and a front page story in the Illawarra Mercury - sparking a community debate about how to make transport more affordable.

For more see <http://www.illawarramercury.com.au/story/2260885/illawarra-train-fares-to-be-slashed-under-union-proposal/>

Second Airport for Sydney

After years of public debate, the second airport for Sydney looks like it's finally going to get off the ground, with the Federal and NSW Governments committing to building a new airport at Badgerys Creek in Western Sydney.

The NSW Government, however, has not committed to building a rail link to the Badgerys Creek site. While it has announced a preferred rail corridor, this will not be developed for at least ten years.

Bob Nanva has condemned the failure to include a rail link in the project.

"Without a fast, direct service linking the airport to both the city and Parramatta, the Badgerys Creek airport will not fulfill its potential for Sydney, and will only add to the city's transport congestion problems," Bob said.

Rebuilding Tassie Labor

The Tasmanian Branch of the ALP suffered a heavy blow in the recent State Election.

National Secretary Bob Nanva has set out a plan for the ALP to rebuild in Tasmania with an opinion piece in the Hobart Mercury newspaper.



Source: News Limited

"Many members of the Rail, Tram and Bus Union, for example, felt betrayed and abandoned by Labor during their bitter industrial dispute with Metro Tasmania," Bob said.

"The fact that RTBU members at Metro Tasmania felt impelled to take industrial action showed the level of anger among the rank and file towards their employer, and ultimately towards the State Government.

"Labor now has to re-engage with its Tasmanian supporters and build a new relationship of trust and hope. The party has to prove itself all over again."

For more see <http://www.themercury.com.au/news/opinion/sunday-soapbox-alp-needs-new-leaders-new-direction/story-fnj4f64i-1226904575301>

Get in involved in the conversation!



Join the RTBU Australia Facebook page.



Or follow us on twitter: @RTBUnion

To add your name to the *Transport NOW* distribution list email us at transportnow@rtbu.org.au

