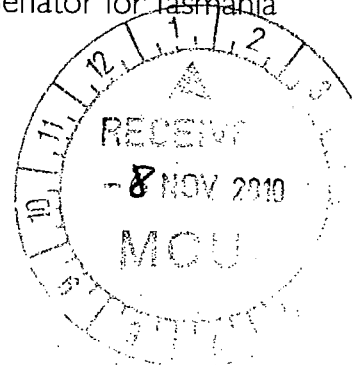
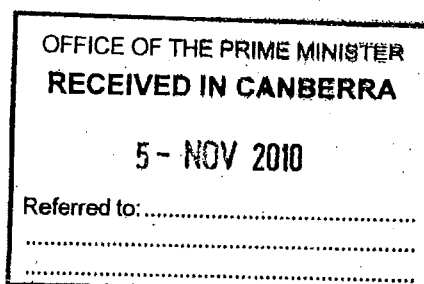




Bob Brown
Australian Greens Senator for Tasmania

The Hon Julia Gillard MP
Prime Minister
Parliament House
CANBERRA ACT 2600



4 November 2010

Dear Prime Minister

Costing of policy proposals – expenditure & savings measures

In accordance with the agreement between the Australian Greens and the Australian Labor Party I submit the following policies for costing by the Departments of Treasury and Finance & Deregulation:

1. Feasibility study and preliminary sketch plan for a pedestrian footpath between London Circuit and Parliament House, Canberra
2. Differential between the Government & the Greens' paid parental leave schemes
3. Geographical Disadvantage Test, as a new criterion of Youth Allowance
4. End of forestry managed investment schemes – savings measure
5. Reintroduction of indexation of the fuel excise – savings measure
6. Reform of arrangements for fringe benefits tax on company cars – savings measure

It is my intention to request that the 2010/2011 Budget allocate full funding for the design and construction of the pedestrian footpath.

Further details on each of these policies are enclosed. Please do not hesitate to contact my office should you, or your Ministers, require any further information.

I also take this opportunity to foreshadow that our Party Room is currently considering further proposals which will be submitted in the coming weeks.

We look forward to your response on these matters.

Yours sincerely

Senator Bob Brown
Leader of the Australian Greens

SAVINGS & EXPENDITURE PROPOSALS FOR COSTING

1. Pedestrian Footpath

The proposal is for a pedestrian footpath between London Circuit and Parliament House, via City Hill.

The costing should be for the preliminary planning elements of both a:

- a) feasibility study; and
- b) preliminary sketch plan

The feasibility study and preliminary sketch plan should include:

- a) The construction of a pedestrian overpass connecting City Hill to the shared pathway on the northbound side of Commonwealth Avenue;
- b) Better pedestrian crossings where traffic merges with Commonwealth Avenue; and
- c) Improved signage throughout the walk from Civic to Parliament House.

2. Paid Parental Leave Scheme

The proposal is that the differential between the Government's paid parental scheme and Senator Hanson-Young's *Fair Work Amendment (Paid Parental Leave) Bill 2010* be costed.

The Government's scheme will provide eligible working parents with 18 weeks of parental leave pay at the National Minimum Wage, currently \$570 a week before tax. No payments are made for superannuation.

The Greens scheme would provide 26 weeks' leave with payments made at the minimum wage, plus superannuation. The self-employed would also be eligible to receive paid parental leave under the Greens' scheme. A copy of the bill and the explanatory memorandum are enclosed.

The costing should provide the additional expenditure that would be required to amend the Government's existing scheme to the Greens' proposed scheme.

3. Youth Allowance - Geographical Disadvantage Test

The proposal is to introduce a new eligibility test for the independent rate of youth allowance. This is in addition to, not a replacement of, the existing eligibility tests. The costing should indicate with the introduction of this new test how many students who were not otherwise eligible for youth allowance under existing eligibility tests would now be eligible.

The Geographical Disadvantage Test would ensure that if a student is required to travel for more than 90 minutes each way in order to attend university, then they would automatically be entitled to the full rate of Youth Allowance (\$377 per fortnight).

This would be means-tested at a family income of \$150,000.

The test, as drafted for inclusion in the Act, reads as follows:

Schedule 1, page 5 (after line 25), at the end of item 2, add:

Students required to move away from home

(10D) A person is independent if the Secretary is satisfied:

- (a) that the person is required to move away from the family home in order to undertake a course of at a higher education institution; and*
- (b) that the time required to travel between the higher education institution and the family home would exceed 90 minutes.*

4. Managed Investment Schemes

The proposal to remove subsidies and tax deductions/offsets for forestry managed investment schemes.

5. Indexation of fuel excise

The proposal that fuel tax be indexed to CPI.

6. Fringe Benefit Tax on company cars

The proposal that the current formula for valuing car fringe benefits should be replaced with a single statutory rate of 20 per cent, regardless of the kilometres travelled.