



The Wealth Perspective



01

Fuel excise tax cut

In response to the Labor government decreasing Australia's lowest marginal tax rate from 16% to 14% over two years from 1 July 2026, at a cost of \$17.1 billion in lost tax receipts over the next 5 years, Dutton has pledged to halve the fuel excise tax and reduce the cost of petrol by 25 cents a litre for one year if he wins the federal election. The opposition leader stated this would save a one-vehicle household filling up weekly about \$14 a tank for 12 months, and cost the budget \$6 billion in lost revenue. By comparison, Labor's income tax cut would save workers \$5.15 a week from July 1 next year, and \$10.3 a week from July 1, 2027.

If implemented, Dutton's policy would lower transport and freight costs for companies, potentially boosting profit margins, while making driving cheaper for consumers, which could mean they have more money to divert to other discretionary spending. As this policy rolls off after 12 months however, transport costs would be expected to rise, winding back the benefits for companies and consumers.

02

Less gas exports

Opposition leader Dutton responded to Labor's extended power bill rebates, that provide households with \$75 each quarter in energy cost discounts, by promising to force current domestic gas producers to cut their international exports and direct 10-20% more product to the domestic Australian market, threatening them with penalties if they do not comply. Dutton argues this greater domestic supply will drive down energy prices from over \$14 per gigajoule to under \$10 per gigajoule.

Dutton's plans would likely reduce domestic gas prices for Australian producers, hampering profit margins and making investment in new Australian gas projects less appealing. If successful in bringing down energy costs, the measures would also increase the funds consumers have for discretionary spending, stimulating economic activity.

03

Public servant redundancies

Dutton vowed to reverse the extra 41,000 Commonwealth public servants employed under Labor's current parliamentary term, stating this would save \$7 billion a year once implemented.

These cuts would likely result in a bump in unemployment in the short term, as the redundant workers move to new jobs, and economic activity declines as these workers spend less. The cost savings for the government from the savings however may allow them to direct more funds to other measures, which could be targeted at stimulating the economy and providing cost-of-living relief to consumers.

04

Increased defence spending

While not unveiling policy specifics, Dutton flagged that he would announce a "significant funding commitment" to Australian defence, in response to Labor's bringing forward \$1 billion in defence spending in the budget.

Greater defence spending would be a boon for domestic defence manufacturers, who may benefit from an expansion in the total defence force and thus higher volumes of their products being purchased. This could then flow on to greater employment in the defence manufacturing industry, boosting incomes.

05

Small business apprenticeship incentives

Dutton pledged to set a target of 400,000 apprentices and trainees in training across Australia, promising small and medium enterprises a \$12,000 incentive payment to support them in employing a new apprentice or trainee in critical skills areas for the first two years of their training.

This commitment would be expected to upskill the workforce and boost the skilled labour supply in various industries, potentially improving productivity as the average worker is now more efficient, while also boosting profit margins by driving down labour costs as more workers are now available for different skill requirements.



06

Migration cuts

In response to Labor’s forecasts of stabilising migration inflows, Dutton stated he plans to go further and legislate a 25% cut to permanent migration numbers. Under the policy, migration numbers currently set at 185,000 would be cut by an estimated 46,000 places.

This change would likely reduce the supply of new workers in Australia, potentially increasing labour costs, while also reducing the consumption growth derived from new migrants each year. Dutton said the move will improve housing affordability, by reducing the number of migrants each year looking to buy a home in Australia, and thus making more housing supply available to existing residents.

07

Boost to instant asset-write off

The Albanese government extended the \$20,000 instant asset write-off for small businesses, passing the legislation late on the 26th of March. In his budget reply, Dutton has pledged to boost the write-off to \$30,000.

The move makes investment in new assets in the \$20-30,000 price range more appealing for businesses, potentially increasing rates of business investment as owners look to expand by purchasing new capital equipment that to boost productivity and scale.



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