

An “energy payment” is set to be handed out quickly to millions of people on welfare, in Tuesday’s giveaway budget that will launch the election campaign.

As the government dropped news of the payment Labor signalled that if elected, there will be another budget in August.

Shadow treasurer Chris Bowen told the ABC Tuesday’s budget would be “a highly political document.”

“If we win, we will bring down a major economic statement in the third quarter of the year, which will in effect be the first budget of a Shorten Labor government.

“We need to reset the economic settings. We need to update the forecasts with the new government in place, and then, of course, we would return to the normal budget cycle of budgets in May from 2020 onwards,” Bowen said.

The energy payment, for more than 3.9 million Australians, is A\$75 for singles and \$125 for couples. A similar payment was made in the 2017 budget, as part of a trade off with then senator Nick Xenophon.

The supplement will go to those on the age pension, disability support pension, carers payment, parenting payment single recipients, and veterans and their dependents receiving payments.

The \$285 million cost will be in the bottom line of the current financial year.

The measure needs legislation. Bill Shorten indicated Labor would support it but was scornful. “It’s better than nothing but it’s not an energy policy - \$1.45 a week for 12 months is not an energy policy, it’s an election con”.

Labor flags another budget in August as Frydenberg says his contains “a series” of living cost measures

Written by Michelle Grattan, Professorial Fellow, University of Canberra

The budget will contain big tax cuts and a large infrastructure program, as well as a return to surplus.

Treasurer Josh Frydenberg [told Nine](#) the energy payment was one of “a series of measures” in the budget that will ease cost of living pressures.

He denied the government was indulging in a “cash splash”, saying this was not the time for that.

“This Budget will build a stronger economy and secure a better future for all Australians. It is going to ease the cost of living pressures, it is going to fund infrastructure that is going to bust congestion in our cities and unlock the potential of our regions. And it is going to guarantee funding for the essential services of hospitals, schools, drugs on the PBS, disability support.

“This is the dividend [...] from a strong economy – a secure job and better services,” he said.

Preparing for the Budget, the National Centre for Social and Economic Modelling at the University of Canberra has for the first time modelled levels of housing stress, poverty and income inequality [on the new federal electorate boundaries](#) .

It finds that five Western Sydney electorates (Blaxland, Watson, Fowler, McMahon and Werriwa) contain more than 22% of households suffering from housing stress.

On Thursday it will update its findings to take account of measures in Tuesday’s budget.

Shorten will deliver Labor’s budget reply on Thursday night, with the election set to be announced in the following days for either May 11 or May 18.

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Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organization that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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