

Morrison promises responsible budget

The Turnbull government is providing a \$260 million GST top-up for the Northern Territory after it lost out in the latest revenue carve-up and \$550 million for remote housing.

With the May 8 federal budget fast approaching, it is also beefing up staff at the Centrelink call centre by 1000 over the next few years to reduce the time people are put on hold.

"We can do all this because we are running a strong economy and a responsible budget," Treasurer Scott Morrison told reporters in Alice Springs on Monday.

But a potential centrepiece of the budget - personal tax cuts - has been questioned by one economist.

Deloitte Access Economics partner Chris Richardson says improving global and local economies were "raining revenue" on the federal budget, giving the government the potential for a surplus earlier than 2020/21 as presently forecast.

Asked on ABC television whether personal tax cuts would be a good thing, Mr Richardson said: "No, I don't think personal tax cuts are needed from the viewpoint of the economy. The economy is going absolutely fine."

"They are needed, if you like, from the viewpoint of politics," he added.

In his latest quarter business outlook, Mr Richardson argues the economic gains made from the mining boom were promised away by both the coalition and Labor.

"That was a mistake of historic proportion - that boom fizzled, leaving huge deficits in its wake," he said.

Opposition Leader Bill Shorten said before the government starts making unfunded promises about income tax cuts it should rule out the tax hike it's inflicting on people who earn less than \$87,000 a year through an increase in the Medicare Levy.

"Labor is always one income tax cut ahead of the Liberals," Mr Shorten told reporters Melbourne. .

A survey of medium-sized business by consultants KPMG also found almost half saying personal income tax cuts should be on hold until the budget is back in surplus, while 38 per cent said they should come into effect next year.

Over half said efforts should be prioritised to get the government's business tax cuts passed, particularly for businesses with a turnover of up to \$100 million.

For this financial year, a deficit of \$23.6 billion has been forecast, although the government's most recent monthly financial statement suggests the budget is running around \$8 billion better off than forecast.

Human Services Minister Michael Keenan says tens of thousands of people are now off welfare because the government has been so successful helping to create jobs.

"If you are running a good economy, if you're creating employment, then what will happen is that less people

will need to access the social security system and that is what is happening," he said.