

**12 May 2009**

***BRIEFING PAPER***

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Welcome to our 2009 Federal Budget Summary.

I was excited about the Budget tonight.

I had developed a theory that all of the budget “leaks” (now better described as “pre-release”), focussing as they did on getting the many negative messages out of the way, were a political strategy to “clear the books” for a really big positive announcement or two on budget night itself.

I was also invited by the Prime Minister’s Office to attend the “Treasury Lock Up”. We have sought admission to this without luck in previous budget years, so I was excited about the prospect of attending for the first time. In the past this has been considered a premier Canberra venue for early budget information. Participants from various organisations are literally locked in a basement in the Treasury at 3:30 pm with the full set of budget papers at their disposal. While mobile phones must be checked in at the door, a Treasury official wanders about the room with a strange antenna that can detect electronic transmissions – just in case someone has secreted away a phone. (Given the leaks over the previous week this seems more than a little ironic!). No one may leave until the Treasurer rises in the Parliament at 7:30 pm.

So I began the trawl through a mountain of papers about thirty centimetres high, on a quest for something big. There were a few candidates:

- \$437 million over four years to assist the disadvantaged enter university
- Increased education and training supplement of \$41 per fortnight for some unemployed
- Paid parental leave
- A modest increase in aged pensions and payments to carers
- An increase in the allowable work benefit for pensioners earning private income
- An extension of drought relief funding
- Better targeting in the Private Health Insurance Rebate and Medicare surcharge
- Better targeting of tax deductions for superannuation contributions

But along with these welcome initiatives, there were some clearly more negative stories. Amidst the billions spent on infrastructure:

- No direct investment in community sector organisations

- No social dividend – no guarantee of employment on these infrastructure projects for the unemployed or disadvantaged
- A change in indexation for family tax benefit that will see its real value decline considerably over time
- No increase in pensions for single parents
- No increase in Newstart allowance for the unemployed.

Then, in the “Budget Overview” document, I found the section on social inclusion and my heart sank. I quote it directly:

*“Downturn or not, there will always be people in our society who suffer disadvantage. Through National Partnerships, the government is working to improve the social inclusion of the disadvantaged on a range of fronts, including homelessness, disability services, low socio economic status schools and Indigenous outcomes.”*

Later, the detailed document indicated that the government has “sought further advice” from the Social Inclusion Board.


After all that we have heard about the social inclusion agenda, after all we have heard about a new way of working with the community sector, after all the evidence we have presented that the community services sector will face unprecedented demand for its services over the next two years... No comprehensive strategies to lift people out their immediate poverty. No coherent strategy to strengthen and support the community services sector.

While the government is prepared to spend only cautiously on a politically acceptable selection of the people that use our services, and while government is prepared to pump hundreds of millions of dollars into industries as globally uncompetitive as the car industry or as patently unproductive as the banking and finance “industry” or on ventures as speculative and risky as carbon sequestration – we have not been able to convince government to invest directly and strategically in an industry as essential and as effective as the community service sector.

I wrote in response to the first Rudd Labor Budget that we may have turned a corner, towards a fairer Australia and a more sustainable community sector – but that only time would tell. After all the scripted theatre of pre-budget leaks, secure lock-ups and dazzling announcements are stripped away, tonight’s budget seems to indicate that we may well be waiting for a long time yet.

Thanks again to the National Office staff who have worked so hard to get tonight’s brief together for you. I hope it is of some value.

Should you require additional information, [www.budget.gov.au](http://www.budget.gov.au) is a useful resource.



Frank Quinlan  
Executive Director

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## I BUDGET AT A GLANCE

### Economic outlook

- A \$210 billion revenue loss over four years, with the 2009-10 writedown expected to top \$50 billion
- A 2009-10 deficit of \$57.6 billion - 4.9 per cent of GDP, a 2010-11 deficit of \$57.1 billion - 4.7 of GDP, a 2011-12 deficit of \$44.5 billion and a 2012-13 deficit of \$28.2 billion
- Unemployment at 8.25 per cent for 2009-10, 8.5 per cent for 2010-11 and 7.5 per cent for 2011-12
- Growth at -0.5 per cent for 2009-10, 2.25 per cent at 2010-11 and 4.5 per cent in 2011-12 and 2011-13
- Inflation at 1.75 per cent for 2009-10
- Net Commonwealth debt is forecast at 0.4 per cent of GDP for 2008-09, it is set to peak at 13.6 per cent of GDP in 2012-13 before dropping to 3.7 per cent in 2020.

### Post recession recovery plan:

Government to cap real spending growth at 2 per cent of GDP as the economy recovers and will also hold real spending growth below 2 per cent in 2011-12 and 2012-13 when growth is expected to rise above trend.

### Key features of the Budget

- \$22 billion on roads, rail, ports and clean energy
- A single-aged pension increase of \$32.49 a week for singles and \$10.14 for couples
- A paid parental leave scheme of 18 weeks at \$544 a week
- First home owners grant boost to be extended for another six months, but at a reduced rate after three
- Private health insurance rebate to be means tested for singles earning over \$75,000 and couples earning over \$150,000
- Family tax benefits higher income thresholds to be frozen at current level for three years
- \$2.7 billion for higher education, research and innovation

## **II SPECIFIC ISSUES (as summarised by CSSA National Office)**

### **A AGED AND COMMUNITY CARE**

- **Assistive Technology in Community Care program — discontinuation**  
The Government will cease the Assistive Technology in Community Care program.
- **Australian Better Health Initiative — cease promotional activities for 45 Year Old Health Check**  
The Government will cease funding for the promotion of the 45 Year Old Health Check program, provided as part of the Australian Better Health Initiative.
- **Secure and sustainable pensions — residential aged care**  
In 2009-10 the government will provide a total of \$9.9 billion to support the aged care needs of older Australians with \$7.1 billion of this funding going to residential aged care. For pensioners in residential aged care increases to the aged pension will be shared between pensioners (at least 30% of the increase) and providers.  
  
\$25.3 million over five years for a new funding supplement paid to aged care providers on behalf of self-funded retirees and some part-pensioners to support access under changes to arrangements for residents' fees being introduced as part of the increase to the Age Pension.  
  
For pensioners in residential aged care increases to the aged pension will be shared between pensioners (at least 30% of the increase) and providers.  
  
In addition, aged care residents who are in care on 19 September 2009, and who do not receive a pension and so do not benefit from the pension increase, or are part-pensioners who do not benefit significantly from the pension increase, will have their existing fee levels fixed at the current level until they leave care. Those entering care after 19 September 2009 and who do not receive a pension or do not receive a significant benefit from the pension increase, will initially pay the same level of fees as is currently paid by residents. Over 4 years, their fees will gradually increase until they are paying 84 per cent of the pension, consistent with other residents.
- **Aged care viability supplements — increase**  
The Government will provide \$14.8 million over two years to increase the viability supplement paid to eligible aged care providers in regional, rural and remote areas.

### **B ALLOWANCES, PENSIONS AND OTHER GOVERNMENT PAYMENTS**

- **Pensioners** in receipt of the Age Pension, Disability Support Pension and Carer Payment, Veterans Services Pension, Income Support Supplement, War Widow/ers Pension, Bereavement Allowance, Wife Pension and Widow B Pension will all benefit from pension reform:  
Under the new arrangements pensioners will receive an additional:
  - \$32.49 per week for single pensioners on the full rate of pension (\$1689.00 increase pa)
  - \$10.14 a week for pensioner couples (combined) on the full rate pensionFor pensioners in residential aged care increases to the aged pension will be shared between pensioners (at least 30% of the increase) and providers.

- **Aged Pensioners:**
  - increase the qualifying age for the Age Pension and the Commonwealth Seniors Health Card for men and women to 67 years of age from 2023.
  - Tighten the income test taper. The Government will increase the income test taper from 40 to 50 cents in the dollar for a single pensioner and from 20 to 25 cents in the dollar for each member of a couple, for income above the relevant income free threshold. This threshold is currently \$138 per fortnight for single pensioners and \$240 per fortnight for pensioner couples (combined).  
As part of this measure, the higher income test threshold for pensioners with children (currently \$162.60) will be abolished to align the pension income test with the allowance and family payments income tests.
  - Close the Pension Bonus Scheme to new entrants from 20 September 2009.
- **Public housing and age pension increases:** Under current arrangements for public housing tenants increases in income can automatically lead to increases in rents. As a result, the Prime Minister has written to premiers and chief ministers stating his expectation that state and territory public housing authorities will adjust their rent arrangements to make sure the entire pension increase flows to pensioners.
- **Youth Allowance recipients:**
  - Youth Allowance Parental Income Test threshold will increase from \$32,800 to \$42,559 – aligning it with the income test threshold maximum rate of FTB Part A. The threshold will be linked to the FTB index (CPI).
  - Youth Allowance and Austudy – personal income tests: The level of income at which Youth Allowance and Austudy begin to be reduced from \$236 to \$400 per fortnight. Payments will then be reduced by 50 c for every dollar earned between \$400 and \$480 per fortnight and by 60 cent for every dollar earned in excess of \$480 per fortnight. This will take effect from 1 January 2011.
  - Youth Allowance – reduction in age of independence. The age of independence will be reduced from 25 years in 2009 to 24 years in 2010, 23 years in 2011 and 22 years in 2012. Independent students are not subject to the parental income and assets test.
- **Paid Parental Leave**

The Government will introduce a Paid Parental Leave scheme from 1 January 2011 at an estimated cost of \$730.7 million over five years. The scheme will provide eligible parents with up to 18 weeks of leave at the Federal Minimum Wage, currently \$543.78 per week. These payments will be treated as taxable income and will affect entitlement to family assistance payments, but will not be counted as income for income support payments. People who elect not to receive Paid Parental Leave or who do not qualify will continue to receive the Baby Bonus and other family payments, where they meet eligibility requirements.

Primary carers will be eligible for the scheme if they:

- earned less than \$150,000 in the full financial year prior to the birth or adoption of a child;
- have worked at least 330 hours over the 10 months preceding the birth or adoption of a child; and
- have also worked continuously with one or more employers for at least 10 of the 13 months before the expected date of birth or adoption.

In some cases Paid Parental Leave will be able to be transferred to another caregiver if the primary carer returns to work before they have received their full Paid Parental Leave

entitlement.

Parents who choose to receive Paid Parental Leave will not receive the Baby Bonus, except in cases of multiple births where parents will not receive the Baby Bonus for the first child only. Parents who choose to receive Paid Parental Leave will also not be eligible for the Family Tax Benefit Part B and the dependent spouse, child-housekeeper and housekeeper tax offsets for the 18 week period or whilst they are in receipt of Paid Parental Leave.

The paid paternity leave component will be considered as part of the comprehensive review of the scheme which will take place in 2013.

- **Reform of family payments — Family Tax Benefit Part A (FTB-A) — removing the link to pension indexation**

From 1 July 2009, Family Tax Benefit Part A (FTB-A) payment rates will be indexed by the Consumer Price Index.

- **Reform of family payments — pause to indexation of upper income thresholds of FTB-A, FTB-B and Baby Bonus**

The Government will reform family payments through maintaining the higher income thresholds for family payments at their current level until July 2012.

<b>C CARERS, OLDER AUSTRALIANS AND DISABILITY</b>
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- **New carer supplement**

\$1.8 billion over five years (including \$384.8 million in 2008-09) to improve assistance to carers through the introduction of a new carer supplement. The new supplement will be ongoing and non-taxable. The first payment will be made by 30 June 2009 with subsequent payments starting from 1 July 2010.

The new supplement will provide:

- \$600 per annum to all Carer Allowance recipients for each person being cared for; and
- \$600 per annum to all Carer Payment recipients.
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People who receive both Carer Payment and Carer Allowance will be eligible for both payments.

The existing Child Disability Assistance Payment of \$1,000 per annum for carers who are paid Carer Allowance (child) will continue.

- **Children with a disability — additional outside school hours care**

\$9.3 million over four years to provide an additional 250 places for outside school hours and vacation care for teenagers with a disability or a severe medical condition.

- **Disability Parking Scheme — a national approach**

The Government will provide \$3.0 million over three years to harmonise accessible parking schemes across Australia for people with a disability. The new arrangements are expected to be in place by June 2012.

- **Disability Support Pension — better and fairer assessments**

The Government will improve the assessment process for the Disability Support Pension (DSP) to provide faster and fairer assessment for people applying for the DSP. It will also provide increased assistance to new entrants to the DSP, with enhanced information and support services to assist people to re-engage in some work in cases where the person has the capacity to do so. In addition, the tables for the assessment of work-related impairment for DSP will be updated from 1 January 2012.

- **Commonwealth Seniors Health Card — income test**

The Government will not proceed with an element of the measure *Responsible Economic Management — Commonwealth Seniors Health Card — adjusted taxable income test* announced in the 2008-09 Budget to change the Commonwealth Seniors Health Card income test to include gross tax-free superannuation pension income in the adjusted taxable income test. The Government will proceed with the other element of the measure — to include income that is salary sacrificed to superannuation in the income assessment, with effect from 1 July 2009.

- **National Companion Card — implementation**

\$1.8 million over three years to establish a National Companion Card Scheme. This will extend the reciprocal Companion Card Scheme currently operating in some States to a national reciprocal scheme covering all eligible Australians. The scheme will be fully implemented by 30 June 2012.

<b>D CHILD CARE</b>
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.\$14.4bn over four years to support families with the costs of affordable, quality child care, including:

- \$12.8bn over four years to help 800,000 Australians with the cost of child care comprising \$4.4bn for Child Care Tax Rebates and \$8.4bn for Child Care Benefits;
- \$2.5m in 2009-10 to provide a child care estimator for the value of Child Care Benefit and Child Care Tax Rebate entitlements so families can make informed decisions about child care

<b>E CHILD PROTECTION</b>
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- **Income management in cases of child neglect and by voluntary choice — continuation of trial**

The Government will provide an additional \$13.2 million over two years (including capital funding of \$1.4 million) to continue income management in cases of child neglect and where chosen voluntarily.

- **National Framework for Protecting Australia's Children — Communities for Children Plus Program — establishment**

The Government will provide \$10.0 million over four years to establish up to eight innovative service delivery sites across Australia to reduce child abuse and neglect in disadvantaged communities. Building on the Communities for Children initiative, the Communities for Children Plus program will provide intensive early intervention services to an additional 1,200 children and families in their local community.

- **National Framework for Protecting Australia's Children — National Leadership Projects**

Announced 30 April 2009. \$10.0 million over four years for four national leadership projects to improve the effectiveness of Australia's child protection systems, including:

- developing a National Research Agenda for child protection;
- improving information-sharing about families and children at risk and improving data consistency to support and contribute to the evidence base;
- supporting workforce development projects to improve the responsiveness of services through improved professional training and establishing a common approach to assessment and referral of children; and
- developing National Standards for Out-of-Home Care.

- National Framework for Protecting Australia's Children — Special Child Care Benefit — increasing awareness and access**  
 \$3.0 million over five years for the development and delivery of a communication strategy to increase awareness of the availability and application process for the Special Child Care Benefit. Announced 30 April 2009.
- National Framework for Protecting Australia's Children — Transition to Independent Living Allowance — increase**  
 From 1 July 2009, the Government will increase the Transition to Independent Living Allowance (TILA) for young people leaving care from \$1,000 to \$1,500 at a cost of \$5.3 million over four years. See the press release of 30 April 2009.
- National Plan to Reduce Violence against Women and their Children — implementation**  
 The Government will redirect funding of \$55.2 million over four years from the Women's Safety Agenda program to implement a number of new initiatives which will progress the National Plan to Reduce Violence against Women and their Children.

<b>F CLIMATE CHANGE AND THE ENVIRONMENT</b>
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- Australian Carbon Trust**  
 The Government will provide \$75.8 million over five years (including \$0.8 million in 2013-14) to support the establishment of the Australian Carbon Trust, comprising the Energy Efficiency Trust and the Energy Efficiency Savings Pledge Fund.
- Carbon Pollution Reduction Scheme**  
 The Government will establish a Global Recession Buffer to provide additional assistance to emissions-intensive trade-exposed (EITE) industries at an estimated cost of \$1.1 billion over five years from 2011-12 (including \$235.0 million in 2013-14, \$260.0 million in 2014-15 and \$290.0 million in 2015-16).
- Carbon Pollution Reduction Scheme — National Carbon Accounting Toolbox**  
 The Government will provide \$16.1 million over four years to develop emissions estimation tools, including capacity-building and user support systems, for the forestry and agriculture sectors. This will facilitate emissions estimation and reporting under the Carbon Pollution Reduction Scheme and help inform Government decisions in 2013 on coverage of the agriculture sector under the scheme. The emissions estimates will be consistent with the National Carbon Accounting System used for Australia's national emissions accounting and reporting.
- Clean Energy Initiative**  
 \$4.5 billion investment in a Clean Energy Initiative (including \$1.0 billion in existing funding) to strengthen Australia's climate change response by encouraging further innovation in clean energy generation and low-emissions technologies to help build the low-pollution economy and jobs of the future. The initiative comprises three new elements:

  - The Government will establish a new innovation body Renewables Australia, to support the development, commercialisation and deployment of new and existing renewable technologies.
  - The Government will establish a new Solar Flagships programs with funding of \$1.5 billion over six years that will invest in large-scale solar electricity generation projects
  - \$2.0 billion investment in carbon capture and storage (CCS projects under a CCS Flagship program

## G EARLY CHILDHOOD

## H EDUCATION

The Rudd Government's Education Revolution continues through education reforms aimed at a higher skilled, more inclusive and globally more competitive Australia. Initiatives of likely interest to CSSA members include funding to assist disadvantaged students into higher education and more support for students:

- A \$437m reform package to reach the Government's target of students from disadvantaged backgrounds representing 20% of undergraduate enrolments by 2025. Universities will be rewarded for attracting larger numbers of disadvantaged students through a per-student loading which will increase over time.
- Reform to the student income support system to better target and boost the level of assistance to those in need. In 2010, changes to the parental income test will benefit 67,800 students who will now qualify for assistance and another 34,600 who will receive higher payments. A new Student Start-up Scholarship will replace the Commonwealth Education Costs Scholarship.

## I FRSP, FRCS AND FAMILY LAW

- **Family Court of Australia** — reduction in the number of judicial officers  
The Government will not fill two vacancies for judicial officers of the Family Court of Australia, reflecting an expected reduction in the workload of the Court.
- **Care determinations — alignment across Family Assistance Office and Child Support Program \$9.3M**  
The Government will ensure that parents only have to participate in one care determination in order to work out their entitlements for both child support and family assistance purposes.
- **Family Relationships Services Program — transfer of responsibilities to the Department of Families, Housing, Community Services and Indigenous Affairs**  
The Government will improve administration of the Family Relationships Services Program by transferring funding for the Family Relationship Advice Line (with the exception of the legal advice component) and the Family Relationships Online programs from the Attorney-General's Department to the Department of Families, Housing, Community Services and Indigenous Affairs.

## J HEALTH (INCLUDING MENTAL HEALTH)

The health portfolio includes new spending on infrastructure and major savings initiatives in the private health insurance rebate and the caps on some benefits under the Extended Medicare Safety Net (including obstetrics and assisted reproductive technology).

The budget includes the \$64 billion increase to health and hospital funding agreed at COAG last year.

Measures which may impact on CSSA members and the community sector include:

- Red Cross will receive an additional \$10 million over two years to perform health-related humanitarian relief and community support work in Australia and the region.

- **Leadership in mental health reform and improved national evaluation** — \$20 million in savings. In previous budgets the government committed \$66.6 million over four years. The new budget shaves \$20 million over four years from this measure.
- **Better Access Initiative** — \$21.4 million in savings from professional development requirements. The government will introduce additional mandatory mental health training requirements for general psychologists, social workers and occupational therapists, under the Better Access to Psychiatrists, Psychologists and GPs through the MBS initiative. Allied mental health professionals who do not undertake the required professional development will not be able to access Medicare items after 30 June 2011.
- **Better Access Initiative** — \$21.7 in savings from changes to Medicare Benefits Schedule item for General Practice Mental Health Care Plans. Under the new arrangements a lower fee Medicare Benefits Schedule item for General Practice Mental Health Care Plans will be established for general practitioners who have not completed level 1 mental health training. Services provided by general practitioners who have completed this training will attract the current higher Medicare rebate.
- **Mental health services in rural and remote areas** — continuation of existing services. The government will provide \$6.7 million over four years to extend the Mental Health Services in Rural and Remote Areas program.
- **Mental Health Support for Drought Affected Communities** — continuation. The government will provide an additional \$5.2 million in 2009-10 to continue the mental health the mental health component of the Mental Health — increased mental health services for drought affected communities measure announced in the 2007 08 Budget.
- **National Illicit Drug Strategy** — \$24.7 million in savings from research projects. Funding for drug-related services will be preserved. Savings are over four years.
- **Victorian bushfire response** —\$7.3 million in funding over two years to assist with the coordination of the health response to the Victorian bushfire in 2009.

## K HOUSING

- Increases to the First Home Owners grant were due to expire at the end of the financial year. The First Home Owners Boost added an additional \$7,000 for the purchase of established homes and \$14,000 for the purchase of new homes (in addition to the existing \$7,000 First Home Owners Scheme grant). The budget extends the boost until 30 September 2009.

From October 2009 to 31 December 2009, eligible first home buyers entering into contracts the First Home Owners Boost will be reduced to \$3,500 for the purchase of established homes and \$7,000 for the purchase of new homes (a total of \$10,500 for established homes and \$14,000 for new homes).

- **Social Housing Subsidy program:** The budget also makes changes to this program by providing a single payment of \$9.9 million in 2009-10 and ceasing future annual payments. This is part of a COAG push to rationalise the number of payments made between the Commonwealth and the states.

## L IMMIGRATION: SKILLED MIGRATION

- The Government will provide \$14.3 million over two years to enhance whole-of government capabilities in responding to increasing irregular migration flows in Indonesia and \$16.4 million over two years to respond to increasing irregular migration through the Asian region.

- The Government will provide \$8.9 million over four years to continue measures to maintain the Department's ability to respond to people smuggling developments.
- The Government will provide \$0.6 million over four years to continue funding the Child Migrants Trust which provides family tracing and counselling services to former child migrants from the UK and Malta who arrived in Australia post WWII.
- The Government will not proceed with funding for the Citizenship Support Grants Program which was introduced discretionary grant program to provide support for clients who would have difficulty undertaking the citizenship test.
- The Government will improve the administration and efficiency of the Department's national office and service delivery network.
- The Government will provide \$4.8 million for individuals who cannot be granted refugee status, but also cannot return home as their lives could be threatened.
- Reforms to the design and delivery of the Adult Migrant English Program will include additional counselling support for all clients, and expanded services to include 15-17 year old new arrivals who drop out of school within their first year of arrival.
- The Government will provide \$24.4 million over four years for a new body in the Department to regulate migration agents.
- The Government will reduce the number of skill stream places in the 2008-09 Migration Program by 18,500 places (133,500 places down to 115,000).
- The Government will provide up to 168,700 places in the 2009-10 Migration Program – a decrease of 21,600 places from the previous planning level of 190,300 places.
- The Government has provided \$0.6 million in 2008-09 to the National Accreditation Authority for Translators and Interpreters Limited as a one-off contribution to ensure its continued solvency.
- The Government will provide \$77.4 million over four years from 2009-10 for ongoing implementation of the new immigration detention values. The measure will support the use of a risk-based detention policy, focusing on the more timely resolution of the status of people of immigration concern.
- The Government will provide \$5.4 million over four years to abolish the 45 Day Rule, which denies work rights and Medicare access to Protection Visa applicants who do not lodge an application for a protection visa within 45 days of arrival in Australia.
- The Government will provide \$12.6 million over four years from 2009-10 to continue to assist Asia-Pacific countries to strengthen their capacity to curb terrorist and other irregular trans-border movements.
- The Government will provide \$0.1 million in 2009-10 to extend Retirement Visa (Subclass 410) validity period from four to ten years and to remove the current statutory limit on work rights for holders.
- The Government will provide \$0.4 million in 2009-10 for the Department to manage the sale of underutilised land owned by the department.
- The Government will provide \$34.8 million in 2009-10 (including capital of \$1.4 million) to the Department to support and maintain the Systems for People information technology program.
- The Government will provide \$8.4 million over five years (including \$0.2 million in 2008-09) to continue initiatives to strengthen the integrity and effectiveness of the Business (Long Stay) Visa (Subclass 457) program.
- The Government will extend the funding for the measure Visa places for Iraqi locally engaged employees, announced in the 2008-09 Budget for a further 12 months.

## M INDIGENOUS INITIATIVES

- **Business Action Agenda** - \$3.0 million over four years for a Business Action Agenda to encourage and support businesses to provide employment opportunities for Indigenous Australians. The agenda will include establishing a national Indigenous economic participation advisory group to assist in leveraging corporate action to improve Indigenous employment and business outcomes. The group will also provide strategic advice to the Government on initiatives to improve Indigenous economic participation.
- **Clearinghouse** - An additional \$1.5 million over three years for a Clearinghouse to gather and disseminate evidence on effective policy interventions to address Indigenous disadvantage. The 2008-09 Budget provided funding in 2008-09 and 2009-10 for the Clearinghouse and this measure continues funding for a further three years. The Australian Government's contribution is to be matched by the States and Territories.
- **Community Development Employment Projects Program (CDEP) and the Indigenous Employment Program (IEP) Reform** -
  - \$778.8m over five years for the reformed Indigenous Employment Program (IEP) including establishment of two panels to support initiatives for: Employment; and Economic Development and Business Support. Additional funding of \$190.6m in 2009-10.
  - net additional funding of \$202.4 million over five years (including \$24.8 million in 2008-09) to assist more Indigenous job seekers to prepare for and take up work. The CDEP program will cease in non-remote areas with established economies from 1 July 2009. A new Community Support Service will be provided in urban and regional locations with significant Indigenous populations to assist Indigenous people to access employment and other services.
- **Enhancing Education Elements** initiative (total of \$45.7m over three years) including \$22.7m for Accelerated Literacy and an additional \$23.0m for the Quality Teaching Package; \$11.2m over one year to address need for teacher accommodation;
- **Expanding link-up services for the Stolen Generations** - an additional \$13.8 million over three years to address additional recommendations of the *Bringing Them Home* report. The funding will provide for an additional 11 Link-Up caseworkers and additional support staff to help members of the Stolen Generations to trace, locate and reunite with their families. This measure builds on the \$15.7 million announced in the 2008-09 Budget measure *Closing the Gap — Bringing Them Home counsellors and Link-Up services*.
- **Improving eye and ear health services for Indigenous Australians** - \$58.3 million over four years.
- **Indigenous dental services in rural and regional areas** - \$11.0 million over four years to deliver dental treatment and preventive services to Indigenous people in rural and regional areas.
- **Indigenous Healing Foundation** - \$26.6 million over four years to establish an Indigenous Healing Foundation. With a focus on the Stolen Generations, the Foundation will develop and deliver programs at the community level to address the impact of trauma and hurt experienced by Indigenous people. The Indigenous Healing Foundation will develop a best practice evidence base for programs and will provide training to mainstream service providers and to Indigenous people in healing professions.
- **National Indigenous Violence and Child Abuse Intelligence Task Force** - \$5.5 million in 2009-10 to the Australian Crime Commission for continuation of the National Indigenous Violence and Child Abuse Intelligence Task Force to provide a more complete picture of the nature of Indigenous family violence and abuse.
- **Specific Northern Territory measures:**

- **community engagement** - \$34.6 million over three years to continue community engagement as part of the Northern Territory Emergency Response. This measure includes funding for Indigenous Engagement Officers and community leadership and governance development activities.
  - **crèches** - \$9.1 million over three years to fund the operation of eight new crèches established under the Northern Territory Emergency Response, construct and operate a ninth new crèche, and complete upgrades to two more existing crèches. Funding includes expenditure of \$2.2 million in 2009-10 for construction and upgrades. The crèches will provide a platform for the delivery of early childhood services such as immunisation and health screening, parenting support and information, nutrition programs, and child abuse prevention and awareness education.
  - **early childhood** - \$1.5 million over three years to extend existing child and family support services in the Northern Territory to support vulnerable Indigenous families to address issues such as substance abuse and family violence.
  - **Family support package** - continue family support services in the Northern Territory including continued support to the mobile child protection team and Indigenous family and community workers in remote areas and for the continued operation of established safe houses. This funding includes \$15.8 million over three years which will be paid to the Northern Territory Government.
  - **language, literacy and numeracy training for Indigenous job seekers** - \$3.0 million over three years for language, literacy and numeracy training projects in nine Indigenous communities in the Northern Territory.
  - **Local Priorities Fund** - \$10.0 million in 2009-10 to meet local needs such as minor infrastructure enhancements and community facilities which cannot be funded through other established programs to enable Government Business Managers to respond rapidly to needs identified in Indigenous communities.
  - **playgroups** - \$2.8 million over three years to continue to support playgroups in the Northern Territory.
  - **youth diversion** - \$28.4 million over three years for youth diversionary services in the Northern Territory. The funding will provide for the continuation of the Northern Territory Youth Development Network and for the establishment of a Community Responsive Youth Support and Recreational Fund for infrastructure and youth services to reduce problem behaviours.
- **Remote Indigenous Housing National Partnership**  
\$5.5 billion over 10 years to the states and Northern Territory to lay the foundations for major reforms to Indigenous housing in remote Australia.
  - **Indigenous access to health care services — further efficiency** - The Government will not proceed with funding for two further urban brokerage sites that were to be selected as part of the *Improving Indigenous access to health care services* measure included in the 2006-07 Budget. Existing funding commitments for the three brokerage services already selected will continue.

<b>N      INFRASTRUCTURE</b>
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- \$22 Billion Nation Building Infrastructure
- \$3.4b for roads
- \$4.6b for metro rail
- \$389 million for ports and freight infrastructure
- \$4.5b for the Clean Energy Initiative

- \$2.6 billion in projects focused on universities and research from the Education Investment Fund
- \$3.2b in projects focused on hospitals and health infrastructure from the Health and Hospitals Fund
- Partnering with the private sector to build the \$43b National Broadband Network

## **O SOCIAL INCLUSION**

No specific initiatives listed in the major Budget papers.

## **P TAX AND TAX REFORM**

### **Personal Income Tax cuts**

- Last year's budgetted Personal Income Tax cuts will survive the current budget unscathed. From 1 July 2009 the 30 per cent threshold will increase to \$35,001 and the 40 per cent marginal tax rate will be reduced to 38 per cent.

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Low Income Tax Thresholds Increase

## **Q VOCATIONAL SERVICES AND COMPLIANCE**

Many measures are re-announcements of recent initiatives:

- Previously announced over \$4bn for Job Services Australia over three years from 1 July 2009 including: \$298.5m to provide more and earlier employment assistance for retrenched workers; and \$5.2m for the Connecting People with Jobs Service to advise young people and others seeking work on accessing education, training and employment services.
- Previously announced \$650m Jobs Fund to support local jobs and training in regions hardest hit by the global recession via three funding streams: \$300m for Local Jobs; \$200m for Get Communities Working; and \$150m for Infrastructure Employment projects. This is part of the Jobs and Training Compact aimed at supporting young people and retrenched workers to get back to work and gain skills for future employment.
- \$74.1m to fund a temporary Training Supplement of \$41.50 a fortnight for Newstart and Parenting Payment recipients without Year 12 or equivalent or who need to re-skill via Certificate II training, to encourage those vulnerable to long term unemployment to undertake training.
- \$3.8bn over four years for more apprenticeships and training places aimed at increasing the number of apprentices receiving support by 14,000 annually.
- Reformed Indigenous Employment Program (IEP) (see Indigenous)
- \$3.0 over three years for additional Language Literacy and Numeracy program places for job seekers in the Northern Territory.
- \$26.8m to improve participation arrangements for parents and carers of children that will enable them to gain more skills and improve their job opportunities. This follows recommendations made by the Participation Review Taskforce chaired by Patricia Faulkner AO.

- Previously announced \$1.2bn for new Disability Employment Services for three years from 1 March 2010 with caps on services removed.
- \$6.8m for a pilot program from 1 March 2010 to trial incentives leading to more jobs for people with a disability. Subsidies of up to \$3,000 for employers after a job seeker has remained in employment for 26 weeks.
- \$4.2m to change the asset test hardship rules to make it easier for people to access income support payments. Current limits of \$6,000 for singles and \$10,000 for couples will increase to: \$11,785.80 for singles; \$12,750.40 for singles with dependent children or aged 60 and over with nine months on income support; \$21,268 for couples; and \$14,814.80 for Parenting Payment Single recipients. The liquid asset thresholds applying to the Liquid Assets Waiting Period were doubled from 1 April 2009 to \$5,000 for singles without dependants and \$10,000 for others.
- Jobs and Training Compact – participation requirements for 15 to 20 year olds: The Government will tighten participation requirements for young unemployed Australians aged 15 to 20 years old seeking to receive Youth Allowance (Other) or Family Tax Benefit Part A. Young people with a Yr 12 or equivalent qualification will be required to undertake full time education or training in order to receive Youth Allowance (Other) or for their families to receive Family Tax Benefit (Part A) for that child. Where study or training is undertaken on a part time basis, additional activities will be required to fulfil their participation requirements.
- More flexible participation requirements for parents: The Government will change certain participation requirements for certain principal carer parents. The changes will allow greater flexibility in participation requirements for principal carer parents by:
  - Allowing principal carers to undertake activities to satisfy part-time participation requirements through more flexible study rules, allowing combinations of study and paid work;
  - Providing a break in participation requirements over the Christmas/New Year holiday periods;
  - Being more responsive to individual family circumstances and
  - Providing more ways of reporting earnings and participation efforts such as through telephone and web-based channels.

The changes will take effect from 1 July 2010.

<b>R</b>	<b>WELFARE FRAUD</b>
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*[NB - See "T" above for compliance]*

- **Centrelink debts — increase in repayment rate**  
The Government will increase the standard rate of debt repayment for Centrelink customers who have been overpaid. From 1 January 2010, Centrelink customers repaying a social welfare debt will repay their debt at a standard rate of 15 per cent of the value of their current benefit instead of the current 14 per cent. The debt repayment rate can be reduced by Centrelink, on request by the client, if it causes personal hardship.
- **Establishing a data mining capability in Centrelink**  
The Government will establish an ongoing data mining capability in Centrelink that will help identify customers most at risk of receiving incorrect payments. The cost of this measure will be met through redirected compliance activities within Centrelink and terminating or reducing less effective reviews. This measure will provide net savings of \$57.4 million over four years.
- **Extend United Kingdom data exchange**

The Government will extend data matching reviews undertaken with the United Kingdom, currently applied to the Age Pension, to the Disability Support Pension, Carer Payment and Commonwealth Seniors Health Card. Data matching of customer reported and actual United Kingdom pension income will test the accuracy of benefits received by people receiving the Disability Support Pension and Carer Payment and holders of the Commonwealth Seniors Health Card. This measure will reduce overpayments and will lead to the recovery of amounts already incorrectly paid. The cost of this measure will be met from the savings from redirected compliance activities within Centrelink. The measure will provide \$3.4 million in net savings over four years.

- **Extending real estate asset reviews to Disability Support Pension**

The Government will extend the real estate asset reviews currently applied to recipients of the Age Pension to recipients of the Disability Support Pension. This will help prevent debts arising from non-reporting and under-reporting of real estate asset values (other than the family home) and improve the accuracy of payments of the Disability Support Pension.

The cost of this measure will be met from redirected compliance activities within Centrelink. The measure will provide net savings of \$25.9 million over four years.

- **Increased Centrelink compliance review activity**

The Government will increase the number of compliance reviews that Centrelink undertakes, using information obtained from existing data matching programs such as Tax File Number Declaration form matching and Pay As You Go payment summary matching. From 1 January 2010, Centrelink will expand the number of reviews of customers by 6,250 in 2009-10 and by 31,250 in the following years. The measure is an extension of existing compliance programs, which improve the accuracy of social welfare payments and minimise debt accrued by customers.

This measure will cost \$38.4 million over four years to administer and is expected to reduce welfare overpayments by \$144 million over four years, resulting in net savings of \$105.6 million over four years.

- **Matching of Medicare Benefits Schedule and Pharmaceutical Benefits Schedule data**

The Government will establish expanded data matching of Medicare Benefits Schedule (MBS) and Pharmaceutical Benefits Schedule (PBS) data to help identify unusual claiming patterns for health service activity, such as unusually high claiming of prescriptions or overuse of medical services. This will allow inappropriate or fraudulent claims to be investigated and addressed.

- **Service delivery reform — further development of initiatives**

The Government will provide \$5.0 million in 2009-10 to continue the development of service delivery reform initiatives and to develop an overarching business plan for agencies in the Human Services portfolio, including Centrelink and Medicare Australia. The initiatives are expected to focus on opportunities to improve services for Australian citizens, through a more integrated national service delivery system.

<b>S</b>	<b>WITHHOLDING OF WELFARE (IE: TRUANCY, QUARANTINING)</b>
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- See Allowances, pensions and other allowances.
- See Indigenous Initiatives

<b>T</b>	<b>YOUTH</b>
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- See Allowances, pensions and other allowances.

- See Education & Vocational Services



## **CSSA 2009 FEDERAL BUDGET RESPONSE**

Catholic Social Services Australia's Executive Director, Frank Quinlan, has welcomed the increased benefits for pensioners in tonight's Federal Budget but said the Government has missed an opportunity to address the disparity that exists across Government benefits.

Mr Quinlan said there's a plan to escape fiscal deficit but no plan to escape social deficit.

The single rate of many pensions increased by \$32.49 a week, taking the base rate to around \$318 a week.

"But the base rate for single parents remains at \$285 and Newstart has stalled at just \$227, an astonishing \$90 below the single base rate for most pensions," Mr Quinlan said.

"On incomes as low as these people don't just need a plan for the future, they need assistance for today. This is simply not enough to make ends meet.

"A litre of milk costs the same, regardless of the source of a person's income.

"Nobody disputes the fact that pensions are inadequate. We welcome the increase to most pensions announced tonight and the increase in the allowable work benefit to \$500 a week.

"But in good times and bad, governments have consistently overlooked the needs of some of the community's poorest people, including the long-term unemployed.

"Resourcing additional payments comes down to priorities.

"Catholic Social Services Australia has renewed its call for the establishment of an Australian Entitlements Commission which would set and index social security payments independently of the government of the day, in a similar way to the operations of the Australian Fair Pay Commission or the Commonwealth Remuneration Tribunal.

A copy of the paper is available at: <http://www.catholicssocialservices.org.au/node/14718>

"Social security payments are currently set according to political whim. It's time to take the politics out of payments and ensure all Australians have an adequate income for a dignified life," Mr Quinlan said.

Catholic Social Services Australia provides services to over a million Australians each year through its 66 member agencies in remote, regional and metropolitan Australia.

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12 May 2008

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