

Budget at a glance

Missing in Action

May 2018



Key points

- + The story of the 2018-19 Budget is as much a story about what is missing from the Budget as what is in the Budget.
- + The Budget reflects a Government choice to prioritise tax cuts, both personal income and company tax cuts, rather than to fill the holes in the social safety net or invest in essential services.

What our nation needs

- + A boost to the woefully inadequate unemployment benefit, despite broad-based support to #RaisetheRate.
- + New investment in affordable housing infrastructure, despite a shortage of 500,000 affordable and available dwellings and a waiting list of 200,000 households for social and community housing. Funding for housing research is positive however.¹
- + Adequate and accessible essential services, including affordable dental care with people currently paying 60% of dental fees out of pocket, and many of those relying on social security payments not able to go to dentist at all.
- + Reinvestment in vital community services after cuts of \$1.5 billion since the 2014-5 Budget.
- + Significant reinvestment in Aboriginal and Torres Strait Islander programs and services, after a \$500 million cut in the 2014-15 Budget.
- + Boost to rent assistance despite 80% of the lowest income tenants experiencing rental stress (paying more than 30% of income on rent).
- + Measures to reduce child poverty and improve living standards for single parent families on low incomes and through a boost to family payments.
- + Significant investment to improve the effectiveness of *JobActive* for people who face barriers to paid employment.
- + Ongoing investment in remote Aboriginal and Torres Strait Islander housing nationally, with exception of reduced funding to the NT.
- + Reform of the tax system to improve equity and budget sustainability by removing tax shelters and loopholes.

Impact on people

As a result of the deliberate choice this Government has taken in its Budget to prioritise tax cuts over protecting people from poverty: nearly one million people will continue to struggle to house and feed themselves; children in single parent families on low incomes will continue to go without the things other kids take for granted; the growing queue of more than 200,000 individuals and

¹ The Budget continued funding to the AHURI *National Housing Research Program* (Cost \$5.5 million over three years from 2018-19) and provided additional funding to the Australian Bureau of Statistics to construct better estimates of the stock of affordable housing and to improve existing survey-based planning and zoning data and dwelling construction cost collections (\$4.8 million over four years from 2018-19).

families waiting for social housing will continue to wait; housing in Aboriginal communities will fall into disrepair while overcrowding increases; people in desperate circumstances will continue to be turned away from stretched homelessness services; and a visit to the dentist will remain a luxury beyond reach of most people relying on income support or in low paid jobs.

ACOSS commentary

From ACOSS' perspective, the true measure of a good Budget is the extent to which it looks after people and families with the least in our community, and ensures we can provide the essential services we all want and need into the future. On that count, it is disappointing that the Government has taken another course – squandering billions of dollars in tax cuts instead of addressing gaping holes in the social safety net and guaranteeing quality public services.

Imagine how much better our schools, hospitals and healthcare could be, including dental care for the growing number of people going with it. Imagine how many more quality aged care places/packages we could have for our aging loved ones, and a fully funded National Disability Insurance Scheme for all who are waiting and will need it in future years. Imagine how many affordable homes we could build for people struggling to keep a roof over their head. We could finally make strides in closing the gap between our first peoples and the rest of the community by properly funding the locally controlled Aboriginal and Torres Strait Islander services that will lift the living standards, health and wellbeing of Australia's Aboriginal and Torres Strait Islander peoples.

We could do all of this and so much more – including continuing to build revenue for budget repair – if only we had the right priorities in place.

Community sector views

- + Anglicare: <http://www.anglicare.asn.au/news-and-media/latest-news/2018/05/08/community-advocacy-has-made-its-mark-on-the-budget-debate>
- + Brotherhood of St Lawrence: <https://www.bsl.org.au/media/media-releases/budget-some-welcome-job-measures-but-inadequate-income-support-undermines-nations-effort/>
- + Early Childhood Australia: <http://www.earlychildhoodaustralia.org.au/wp-content/uploads/2018/05/Budget-2018-missed-opportunities-on-quality-early-learning.pdf>
- + Mission Australia: <https://www.missionaustralia.com.au/news-blog/news-media/mission-australia-response-to-federal-budget-2018-19>
- + NACCHO: <http://www.naccho.org.au/wp-content/uploads/Government-announces-new-funding-model-for-ACCHS.pdf>
- + National Congress: <https://nationalcongress.com.au/wp-content/uploads/2018/05/National-Congress-Budget-Response-2018-8th-May-2018.pdf>
- + Reconciliation Australia: <https://www.reconciliation.org.au/budget-ignores-closing-the-gap-despite-overhaul/>
- + Salvation Army: https://salvos.org.au/subscribe/sites/auesalvos/files/media/newsroom/pdf/20180508-Budget_fails_struggling_Aussies.pdf