



2009-10 Federal Budget Briefing

Here is a summary of what Homelessness Australia believes are the major announcements in the Budget that will affect people accessing homelessness services and service providers in general.

HOUSING AND HOMELESSNESS

The budget confirmed that funding previously announced under the Social Housing Stimulus Package and the National Affordable Housing Agreement (NAHA) will be delivered.

Homelessness

The Budget confirms the previously committed funding for the Homelessness National Partnership of \$400m from the Federal Government over 4 years

Social housing

The Government is spending \$6.4 billion in social housing for the construction of 20,000 new social housing dwellings and repairs to existing public housing. This is in addition to the \$400 million provided under the National Partnership on Social Housing.

The Government is also providing an additional \$1.9 billion over 10 years (bringing the total investment in Indigenous housing to \$5.5 billion including existing resources) in the Remote Indigenous Housing National Partnership agreement.

The budget confirmed that money previously announced under the NAHA and the Indigenous/Remote NP and the Homelessness NP to address overcrowding, homelessness and poor housing conditions in remote Indigenous communities will be delivered. The Homelessness funding will be delivered over the next 5 years while the Remote Indigenous Housing NP has a 10 year life cycle.

INCOME SUPPORT

A number of changes to eligibility criteria and payment rates for some income support payments were announced. While some income support recipients will benefit from an increase in their fortnightly payments, others will see no extra money. Disappointingly single parents, the unemployed and youth allowance recipients receive no extra money.

Increase to aged pension, disability support pension and carers payment

Pensions for these categories of payment will increase by \$32.49 per week for singles and \$10.14 per week for couples



For some of you working in services who thought you might be eligible for a pension, the age at which new applicants can apply will be progressively increased to 67 by 2023.

Recipients of the Disability Support Pension (DSP)

The Treasurer announced that a new assessment process will be applied to people seeking to be paid the DSP. The announcement sought to make a distinction between those who are *clearly eligible* and those who are *clearly not eligible*. Those deemed *clearly not eligible* will be directed to what the government has described as *more appropriate support regimes* which we can probably assume means other 'less generous' income support payments. We will be seeking further detail on what the new assessment process may mean for recipients of DSP.

Key aspects:

- It appears that fewer Australians will be eligible to apply for the DSP
- Assessors will have access to clients' medical and employment histories
- This could be an issue for homelessness services

Sole Parents Pension

- Single parents (receiving Parenting Payment Single) were the only category of pensioners ***not*** to receive an increase in their fortnightly income support payment

Newstart Allowance

- Like single parents, people who are unemployed will see ***no*** increase in their fortnightly Newstart Allowance payments.

Youth Allowance

Changes to eligibility requirements for Youth allowance were announced:

- The age at which applicants are deemed independent regardless of income previously earned has been lowered from 25 to 22
- The level of income parents can earn without jeopardizing their child's access to income support has been increased from \$32 600 to \$42 559
- Tighter restrictions will be imposed on 'independent' students seeking to claim Youth Allowance

However there will be no increase in the fortnightly rate of youth allowance



YOUTH

A Compact with Young Australians

The Treasurer has announced that \$277 million will be allocated to the establishment of a Compact with Young Australians. The announcement essentially re-affirms the launch of the PM's "Learning or earning" announcement on 30 April 2009 when COAG agreed to establish a Compact with Young Australians; a National Youth Participation Requirement to make participation in education, training or employment compulsory for all young people until they reach the age of 17. The compact with Young Australians aims to ensure that every young person:

- Aged 15-19 years will have an entitlement to an education or training place for any government-subsidised qualification, subject to admission requirements and course availability; and young Australians
- Aged 20-24 years will have an entitlement to an education or training place for any government-subsidised qualification which would result in the individual attaining a higher qualification, subject to admission requirements and course availability.

The way in which this approach engages young people who are homeless and not participating in education or training is something Homelessness Australia will seek to monitor closely. Concerns have already been raised by some in the social welfare sector that the so-called "learning or earning" proposal could unfairly disadvantage young people experiencing homelessness for whom getting to an education or training provider on a regular basis is often very difficult.

Year 12 retention rates

The Government has also announced that it will bring forward the COAG 90 per cent Year 12 or equivalent attainment rate target from 2020 to 2015.

NATIONAL PLAN TO REDUCE VIOLENCE AGAINST WOMEN AND CHILDREN

The Budget says that funding of \$55.2m will be redirected from the Women's Safety Agenda to implement a number of new initiatives to progress the National Plan to Reduce Violence Against Women and their Children.

Measures include: national online and telephone crisis support, counselling and referral services; a trial of Respectful Relationships programs in schools; a social change marketing campaign; research to be conducted by the National Centre of Excellence for the Prevention of Violence against Women; and continuation of the National Advisory Council on Violence against Women.

The Budget notes that the Government will work with the States and Territories through the Council of Australian Governments to jointly agree a National Plan to Reduce Violence against Women and their Children by early 2010.



CHILD PROTECTION

The budget delivers funding for a range of commitments tied to the National Child Protection Framework agreed to by the Commonwealth and the state/territory Governments at the COAG meeting on 28 April. Child protection initiatives included:

- From July 1 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;
- \$3.0 million over 5 years for the development and delivery of a communications strategy to increase awareness of the availability and application process for the Special Child Care Benefit. This is expected to result in increased expenditure on the “At risk’ Special Care Benefit bringing expenditure to \$37.8 million over 5 years;
- \$10 million over 4 years for four national leadership projects to improve the effectiveness of Australia’s child protection systems, including a national research agenda, supporting workforce development projects, and developing national standards for out-of-home care; and
- \$10 million over 4 years to establish 8 sites under the Communities for Children Plus program. This will provide intensive early intervention services to an additional 1,200 children and families in their local community.

EDUCATION, EMPLOYMENT AND TRAINING

There were a number of announcements in the budget committing significant funding to education and training and compacts with various demographics including young Australians appear to be the new buzz word in relation to education, employment and training.

Jobs and Training Compact

The Treasurer announced that \$1.5 billion will be allocated to the establishment of a Jobs and Training Compact aimed at providing assistance to those affected by the economic downturn. This money was previously announced in the second stimulus package.

The Jobs and Training Compact aims to provide incentives for training through the new Training Supplement and support for Young Australians, Retrenched Workers and Local Communities. The first round of funding totalling approximately \$500 million for vocational education and training is currently available for service providers to tender for.

A new Training Supplement

The Government will help eligible income support recipients to undertake approved training through a new temporary training supplement of \$41.60 per fortnight.



The supplement will be provided to those who have not completed Year 12 to assist them to upgrade their qualification by providing extra income support while they are undertaking approved vocational training.

This builds on the Government's earlier temporary increase in the Education Entry Payment from \$208 to \$1,158 for eligible job seekers who undertake approved training.

Indigenous Employment and Training

A re-structure of the Community Development and Employment Projects program (CDEP) has been announced which the Treasurer claims will assist more Indigenous Australians to prepare for and take up work.

- \$202.4 million over 5 years
- \$24.8 million in 2008/09

The CDEP will be re-structured into 2 streams:

- A “work readiness stream’ that will provide a “personal development pathway” for job-seekers through the provision of up to 3000 paid on the job work placements and wage subsidies.
- A “Community Development Stream” which will fund community projects and aim to “build the capacity of Indigenous communities, service providers and enterprises.

EMERGENCY RELIEF FUNDING

The Government will provide an additional \$50 million over 2 years for projects to help build the financial capacity of people on low incomes as part of the Emergency Relief Program. Funding will be provided for a range of financial management initiatives including financial counselling, no-interest loans, matched savings and support for financial literacy and education programs.

This document has been compiled by Homelessness Australia. For further discussion feel free to contact: *Travis Gilbert*, Policy and Research Officer, Homelessness Australia: policy@homelessnessaustralia.org.au or ph: 02 6247 7744