



Federal Budget

Briefing Kit 2004-05

Australian Council of Social Service

June 2004

Paper 134

Reader's guide

The ACOSS *Budget Briefing Kit 2004-05* is a summary of key measures likely to be of most interest to the community services sector because they impact directly or indirectly on low income and disadvantaged people. It contains minimal commentary. The Kit focuses on new policy measures. Consequently, the financial figures refer only to the costs or savings which result from the implementation of the change (for example, only to the cost of new funding in health care, not to the cost of the whole health program). Expenditure or savings announced in previous Budgets (contained in the forward estimates) are not new measures and therefore not listed. This Briefing Kit has been produced as soon as practicable following the release of the May 11 Budget. It has been produced with all possible care, relying on information at hand at the time.

Other resources

A collection of Budget opinion and commentary pieces will also be available in the Winter 2004 edition of *Impact* magazine. Detailed information on ACOSS policies and Budget proposals are contained in *Blueprint for a fairer Australia: Federal Budget Priorities Statement 2004-05*, ACOSS Paper 133, released in February 2004 and available from ACOSS.

Cartoon by Bruce Petty

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Locked Bag 4777
Strawberry Hills 2012
Ph (02) 9310 4844 Fax (02) 9310 4822
email: acoss@acoss.org.au
www.acoss.org.au

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Chapter 1

Fiscal parameters

Economic forecasts

The economy is forecast to keep growing reasonably strongly at 3-4% per year, and unemployment is forecast to remain stable, at about 5.75% on average in 2004-05.

Figure 1.1
Estimates for key economic parameters

Parameter	2003-04	2004-05
	%	%
Gross domestic product	3.75	3.5
Employment	1.75	1.75
Unemployment *	5.75	5.75
Consumer price index	2.25	2.0
Wage cost index	3.75	3.75
Dwellings investment	6.0	-3.0
Business investment (buildings)	16.0	6.0
Business investment (equipment)	10	8
Current account deficit **	-5.75	-5

Source: Federal Budget Papers (2004-05)

*Notes: * Average level during the year*

*** Per cent of GDP*

Budget outcome and fiscal strategy

Stronger than expected economic growth, and a higher than expected budget surplus, has helped the Government to announce \$10.9 billion of new policy (in 2005-06, the first year in which most new measures are fully implemented). This results in very small budget surpluses over the next two years.

As a result of \$10.9 billion in new policy, the budget surplus (fiscal balance) for 2005-06 is reduced from the \$3.6 billion estimated in last year's mid year fiscal review to \$0.7 billion (or \$1.6B in 'underlying cash' terms):

- \$6.8 billion is new spending and \$3.8 billion is reductions in taxes (mainly tax cuts).
- The biggest new measures are \$3.8 billion for tax cuts, \$0.7 billion for superannuation tax incentives, \$3.7 billion for additional spending on family assistance, \$0.4 billion for aged care, and \$0.4 billion for defence. Existing programs in education and science (Backing Australia's Ability), health (rural health), transport (Roads to Recovery) and Agriculture (drought assistance) are extended.

Figure 1.2
Budget parameters

	Expenditures (accruals basis)	Revenue (accruals basis)	Fiscal Balance (accruals basis)	Budget Balance (underlying cash basis)
2003-04				
\$billion p.a.	183.1	186.2	3.0	4.6
As a % of GDP	22.6	23.0	0.4	0.6
2004-05				
\$billion p.a.	192.3	193.2	0.7	2.4
As a % of GDP	22.4	22.5	0.1	0.3
2005-06				
\$billion p.a.	200.6	201.4	0.7	1.6
As a % of GDP	22.1	22.2	0.1	0.2

Source: *Federal Budget Papers (2004-05)*

Social expenditure

Figure 1.3
Federal social expenditure

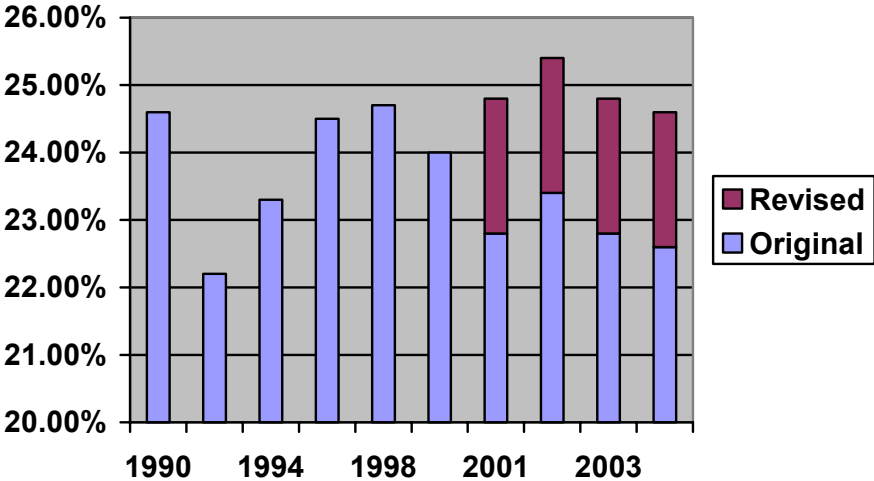
Social expenditure	2001-02 \$m & as % of GDP	2002-03 \$m & as % of GDP	2003-04 \$m & as % of GDP	2004-05* \$m & as % of GDP	2005-06* \$m & as % of GDP
Courts & legal services (% of GDP)	\$579 0.08%	\$567 0.08%	\$586 0.07%	\$635 0.07%	\$629 0.07%
Education (% of GDP)	\$11,692 1.60%	\$12,342 1.63%	\$13,338 1.64%	\$14,221 1.65%	\$15,024 1.66%
Health (% of GDP)	\$27,461 3.69%	\$29,566 3.92%	\$32,355 3.98%	\$34,986 4.07%	\$36,194 4.0%
Social security & welfare (% of GDP)	\$69,637 9.33%	\$71,313 9.43%	\$79,949 9.84%	\$82,678 9.62%	\$86,995 9.61%
Housing & c'ty amenities (% of GDP)	\$2,206 0.28%	\$1,733 0.22%	\$1,652 0.20%	\$1,671 0.19%	\$1,647 0.18%
Labour & employment (% of GDP)	\$3,441 0.43%	\$3,151 0.42%	\$4,317 0.53%	\$3,521 0.41%	\$3,578 0.4%
Total social expenses (% of GDP)	\$109,198 15.4%	\$118,762 15.7%	\$134,945 16.6%	\$137,712 16.0%	\$144,067 15.9%

Source: Federal Budget Papers (2004-05)

Notes: * Forecasts

Revenue

Figure 1.4
Trends in federal government revenue as a proportion of Gross Domestic Product



Source: Federal Budget Papers (2004-05)

Note: "Revised" includes an adjustment for the New Tax System changes in 2000, incorporating GST revenue and various other changes resulting in increases or reductions in federal revenue.

Chapter 2

Taxation

Figure 2.1
Taxation - Key Measures

Key Budget 2004 Measures	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Personal income tax cuts:		1,925	3,800	4,250	4,750
Family assistance package, comprising:	4,167	3,423	3,666	3,947	4,021
Once off \$600 payment	2,221	-	-	-	-
Ongoing \$600 and FTB(A) income test easing	1,946	2,450	2,520	2,594	2,660
FTB(B) income test easing		414	629	656	683
Maternity Benefit		559	517	697	678
Superannuation, comprising:		-	650	900	1,175
Surcharge reduction		-	-55	-170	-385
Government co-contribution		-	595	730	790
Other major taxation measures:					
More resources to ATO for tax compliance, mainly medium size businesses, property/ share investors, and super fund members ¹		191	253	204	175.3
Not proceeding with reform of the definition of charity, defer new 'endorsement' requirement to July 2005, restore FBT exemptions and gift deductibility to ambulance services		-	-	-	-
Withholding tax for foreign sportspeople and gamblers		125	130	140	145
More time for private company owners to put loans from the company (often used to avoid personal income tax) on commercial footing		-	-	-	-
Tighter administration of small superannuation funds (mainly controlled by high income earners) to reduce 'leakage' of tax-subsidised benefits		-	-	-	-

Notes: Measures announced since last year's Budget but before November 2003

¹ Revenue gain net of the cost of the extra ATO resources.

Overview

The centrepiece of the budget is a \$4 billion per year income tax cut for taxpayers earning more than \$52,000, accompanied by a \$4 billion family assistance package. The largest element of the family package is a \$600 annual lump sum payment to be added to Family Tax Benefit (Part A). This will assist the vast majority of families with children earning less than \$90,000 per year.

Key measures - personal income tax cuts

The current and proposed income tax scales are in the table below:

Figure 2.1
Existing and proposed personal income tax rates

Current thresholds \$	Tax rates	Proposed thresholds (2005-6) \$
0-6,000	0	0-6,000
6,001-21,600	17%	6,001-21,600
21,601-52,000	30%	21,601-63,000
52,001-62,500	42%	63,001-80,000
62,501+	47%	80,001+

The tax cuts are regressive, since they only benefit tax payers earning more than \$52,000 per year. Only the top one third of tax payers, and households, will benefit.

Key measures - family assistance package

- A once off \$600 payment to recipients of Family Tax Benefit (Part A) and parents of dependent young people on Youth Allowance, aged 16 or 17 years (\$2,221 million in 2004-05).
- An ongoing \$600 payment, confined to Family Tax Benefit (Part A) recipients, available at the end of every year to assist in meeting a family's FTB debts (\$2,450 million in 2004-05).

This will not be available to families with dependent young people over 15 years, unless they choose to receive FTB(A) instead of Youth Allowance (which is usually a higher amount). This will increase the drop in income faced by many low income families when their youngest child reaches 16 years (due, for example, to the lack of Rent Assistance for Youth Allowance recipients).

- Easing income tests for Family Tax Benefit Parts A and B to encourage workforce participation, by reducing the taper rates for the maximum rate of FTB(A) and for FTB(B) from 30% to 20%, and by raising the free area for FTB(B) from \$1,825 per year (applying to the second earner only) to \$4,000 per year.

A family with one child under 13 years continues to receive more than the minimum (\$22 per week, plus \$600 lump sum) rate of FTB(A) until the family's income rises to about \$45,000 (currently around \$40,000). A two income family with a child under 5 years will continue to receive part of the FTB(B) payment until the second earner's income rises to about \$19,000 (presently about \$12,000).

However, many low and middle income families with children attracting more than one payment (FTB(A), Child Care Benefit and Youth Allowance) will continue to face effective tax rates of over 60%.

- A new Maternity Payment of \$3,000 for each newborn child (rising to \$5,000 in 2008) to replace the \$800 Maternity Allowance and the Baby Bonus (\$559 million in 2004-05).
- Funding for an additional 40,000 outside school hours care places and 4,000 family day care places (\$55.9 million in 2004-05). (See *Chapter 7: Community Services*)

The family package has a progressive effect on the distribution of household income because it extends to families too poor to pay tax and the increases in rates of payment are flat dollar amounts (which are worth more to people on low incomes).

Effect of the tax cuts and family assistance package on income inequality

The likely effect of the tax cuts and family package on household incomes, and income inequality are shown below, derived from data published by NATSEM after the budget.²

Figure 2.2 summarises the overall effect on income inequality in simple terms by comparing the increase in disposable incomes for three groups of households: the bottom 40% (most of whom receive at least part-social security payments), the middle 30% (mainly households with at least one full time wage earner), and the top 30%. The overall effect of these parts of the budget is to increase income inequality, since the top 30% gains an average of 1.9% (increase in income), while the bottom 40% gains just 1.5% and the middle 30% gain just 1.2%.

² See www.natsem.org.au.

Figure 2.2

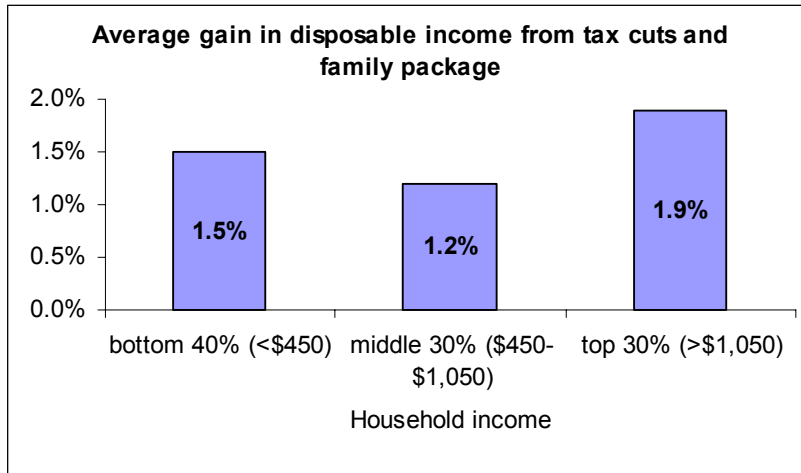


Figure 2.3 shows that a major reason for the increase in inequality would be the fact that only 40% of households gain from these changes, and the winners are found in greater numbers at the upper end of the income scale.

Figure 2.3

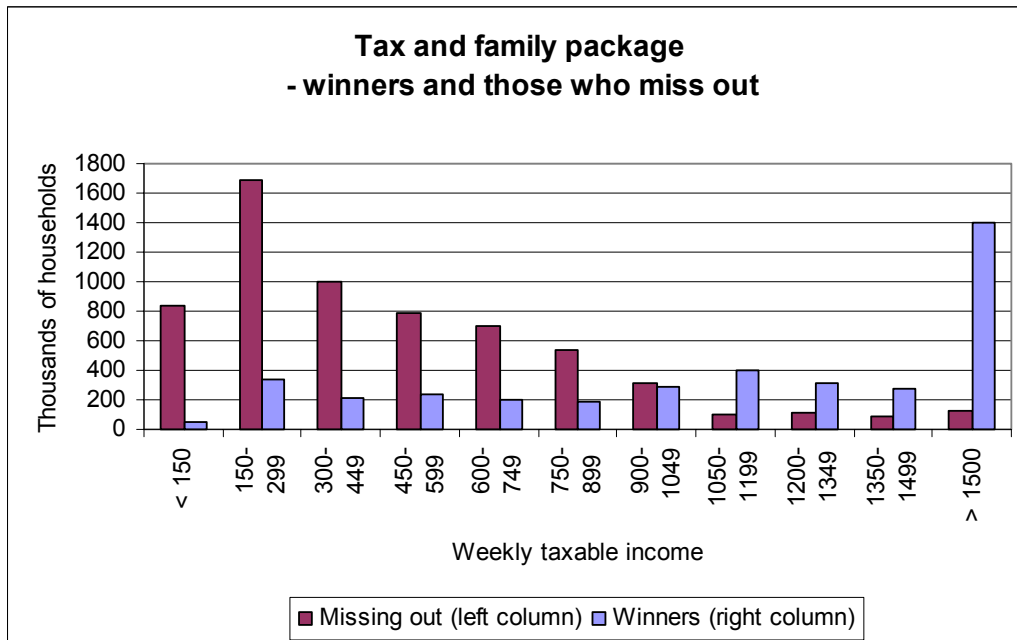


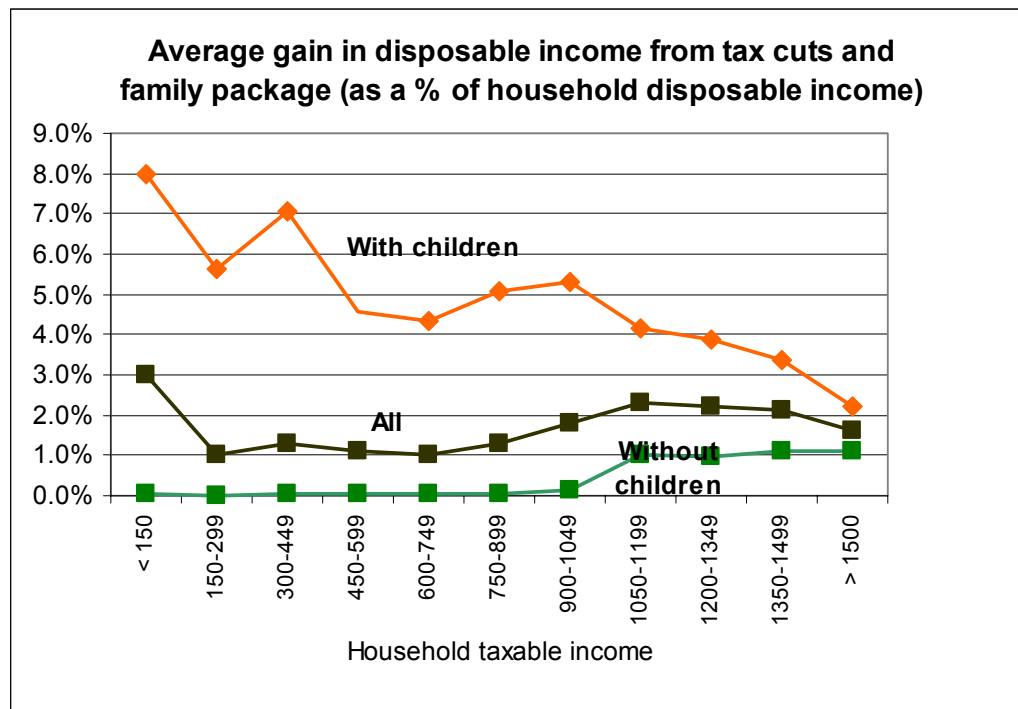
Figure 2.4 indicates the separate effects of the tax cuts and family assistance package on household incomes:

- The top line shows the average increase in disposable income for families with children on different income levels.
- The middle line shows the average increase in disposable income for all households (note that this includes the 60% of households who do not gain anything).
- The bottom line shows the average increase in disposable income for households with no children on different income levels.

This indicates that the family assistance package is progressive (since the biggest percentage gains go to those on lower incomes), but the income tax cuts are regressive (the biggest gains go to those on the highest incomes).

The overall effect of this tussle between the two elements of the overall package is regressive, as shown in the middle line. Although the family assistance package and tax cuts cost about the same amount (about \$4 billion per year), the tax cuts completely exclude low and middle income households while the family package extends to low, middle and high income families.

Figure 2.4



Key measures - superannuation

Two major changes are proposed to superannuation in the budget, extending changes legislated last year:

- The superannuation surcharge for high income earners would be reduced from 12.5% in 2004-05 to 7.5% in 2006-07. This will only benefit wage earners on about \$90,000 and above (\$55 million in 2005-06).
- The Government co-contribution for people who contribute to their superannuation from their after tax earnings would increase from a dollar for dollar amount to \$1.50 per dollar contributed, for up to \$1,000 of personal contributions. The income test for the co-contribution would also be eased, so that the free area is \$28,000 and the taper rate is 5%. The maximum co-contribution will phase out completely at an income of \$58,000 (rather than \$40,000) (\$45 million in 2004-05).

This will mainly benefit those low and middle income earners in middle and high income households who can afford to make additional contributions.

Key measures - charity legislation

The government has decided not to introduce a legislative definition of charity, despite recommendations to do so from the government-appointed Charity Definitions Inquiry several years ago and widespread support for reform across the non government sector. This leaves many charities, especially peak bodies and organisations predominantly engaged in policy and advocacy work, in doubt about their charitable status.

The government proposes to legislate to specifically include child care services, self help organisations, and contemplative religious orders in the definition of charity for taxation purposes.

Chapter 3

Employment, education & training

Figure 3.1
Employment, Education and Training - Key Measures

Key Budget 2003 Measures	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Employment and Workplace Relations				
Mature Age Workers	-	-	-	-
Building and Construction Industry - implementing recommendations of Royal Commission	11.5	40.5	41.6	42.4
Sugar Industry Reform	2.1	1.5	0.9	-
Office of Employment Advocate - additional funding	-	-	-	-
Education, Science and Training				
Chair in Child Protection University of SA	1.0	1.0	1.1	1.1
Information to Students	4.0	-	-	-
Capital Grants for Isolated non-government schools	4.0	4.3	4.3	4.4
Independent schools funding programme	4.1	0.6	0.1	-
Integrate Catholic Schools into SES status funding model	76.3	86.9	93.3	99.7
Literacy, Numeracy and Special Learning needs programme	10.2	5.8	5.2	5.6
Values for Life Initiative	6.5	10.5	8.9	8.8
Direct purchase of Vocational Education and Training places for priority groups	-	-	-	-
Indigenous Education Agreement 2005-08*	7.0	12.1	11.8	11.3
Humanitarian Programme	1.0	3.4	5.2	6.4
Migration (Non-Humanitarian) Programme	0.6	2.1	3.5	6.1

Key Budget 2003 Measures (Effect on outlays)	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Family and Community Services				
Income test treatment of fee-free scholarships	1.7	1.7	1.9	2.2
Income test treatment of university fee-waiver and fee-pay scholarships and Commonwealth learning scholarships	3.7	5.8	8.3	10.1
Settlement services for migrants & humanitarian entrants - JPET and Reconnect services	1.5	2.0	2.1	2.4

Overview

There is little in this budget for new employment measures, and the new measures that are introduced are contained within the existing employment funding. There is a substantial amount of new spending in workplace relations on implementing the recommendations of the Royal Commission into the building and construction industry. Unemployment is predicted to continue at a rate below 6%.

Many of the measures for education and training were announced prior to Budget night. The Values for Life Initiative is the only major new announcement and provides \$34.7 million over four years for education initiatives for values, including \$1600 for every school in Australia to conduct forums on values and drug education. The main budget item for education is funding for private schools announced earlier this year. Under the *Schools* package, \$356.2 million will be provided over four years to integrate Catholic Systemic schools into the socio-economic status (SES) funding model.

The Indigenous Education Agreement 2005-08 will provide an additional \$42.2 million over four years and forms part of the \$2.1 billion provided for Indigenous Education funding which was announced in April 2004. While there have been no major reforms to these programmes, funding has increased by \$351 million.

Key measures - employment

- The Mature Age Employment and Workplace strategy will provide information and assistance to mature age job seekers and workers, and to employers and is aimed at increasing participation rates. The cost is being fully absorbed from within the existing resourcing of Department of Employment and Workplace Relations (\$3.1 million in 2004-05).

- The Building and Construction Industry reform package is funded at a total of \$136.3 million. The cost is being fully absorbed from within the existing resourcing of DEWR (\$11.5 million in 2004-05).
- The Job Network will be provided with additional funding to pay providers for higher than anticipated numbers of employment outcomes (\$80.1 million in 2004-05).
- The Sugar Industry Reform package was re-announced in the budget (\$2.1 million in 2004-05). Relevant Job Network providers will receive an additional \$1000 to provide retraining, career advice and skills audits for eligible growers and employees.

Key measures - education and training

- Funding has been provided for ten years from 2004 to establish a Chair in Child Protection at the University of SA. This will include facilitating research into child protection and strategies to fight child abuse (\$1 million in 2004-05).
- Changes to the income test treatment of fee-waiver and fee-pay (from 11 May 2004) and Commonwealth learning (from 1 January 2004) scholarships for income support payments. All non-discretionary scholarships involving the waiver or payment of fees for study in secondary vocational or higher education will be exempt from income support income tests (\$3.7 million in 2004-05).
- Funding to deliver information to students on the higher education reforms announced in the Our Universities: Backing Australia's Future package which takes effect from January 2005 (\$4 million in 2004-05).
- Funding for the Capital Grants Programme for isolated non-government schools was re-announced in the Budget. The funds will assist in construction and refurbishment of Catholic and independent schools in isolated locations in the NT (\$4 million in 2004-05).
- The Independent Schools Funding Guarantee was re-announced in the budget and provides funds to independent and non-government schools who will be disadvantaged with the updates to the socio-economic status (SES) scores for 2005-08. Schools that have their funding maintained are excluded (\$4.1 million in 2004-05).
- Funding to integrate Catholic systemic schools into the socio-economic status funding model was re-announced. From 2005, Catholic systemic schools funding entitlements will be based on either the SES score or maintained at the level of the 2004 per capita entitlements if the application of the SES model results in reduced funding (\$76.3 million in 2004-05).
- As announced already, funding for the Literacy, Numeracy and Special learning Needs Programme will be provided with additional funds. This will bring

together the Strategic Assistance for Improving Student Outcomes programme, the Special Education for non-government Centre Support Programme and the Grants for National Literacy and Numeracy Strategies and Projects Programme (\$10.2 million in 2004-05).

- Values for Life Initiative will be funded to promote values, civics and citizenship education initiatives. Every school in Australia will receive on average \$1,600 for values and drug education. A total of \$34.7 million in funding for this initiative has been reallocated from the New Apprenticeships Incentives Programme - Employer Incentive for Australian government agencies (\$11.5 million) and targeting women in non-traditional occupations (\$7.1 million).
- \$11.5 million has been reallocated from the New Apprenticeships Incentives Programme - employer incentive for Australian Government agencies and \$7.1 million from the New Apprenticeships Incentives Programme - targeting women in non-traditional occupations to fund this initiative (\$34.7 million in 2004-05).
- The funding has been reallocated from the Australian National Training Authority agreement which the States rejected to fund the direct purchase of Vocational Education and Training places for priority groups (\$14.3 million in 2003-04).
- The National School Drug Strategy will be continued, funding for which is already included in forward estimates (\$3.6 million in 2004-05).
- Funding for the Career and Transition (CAT) and Partnership Outreach Education Model (POEM) pilots will be continued (\$3.1 million in 2004-05).

Key measures - settlement services

- Funding will be provided to Department of Education Science and Training for 10 combined Job Placement Employment and Training Program and Reconnect service outlets. These centres will help approximately 1,000 newly arrived young migrants (\$1.5 million in 2004-05).
- Funding for through FaCS for additional places in the Language, Literacy and Numeracy programme. The funding will provide approximately 1,300 places in 2004-05 (\$4.1 million in 2004-05).
- Funding will be provided for increased tuition for humanitarian entrants under the Special Preparatory Programme (\$10.7 million in 2004-05).

Chapter 4

Social security

Figure 4.1
Social security and welfare reform - Key Measures

Key Budget 2004 Measures	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Families and children					
\$600 per child one-off payment	2,221	-	-	-	-
FTB (A) annual \$600 lump sum and reduced income test taper	1,946	2,450	2,520	2,594	2,660
FTB (B) partnered income test changes		414	438	459	479
Protect partnered FTB (B) on return to work		-	191	197	204
New Maternity Payment, abolition of Baby Bonus and Maternity Allowance		559	517	697	678
Carers					
One-off carer bonus	255	-	-	-	-
Expand eligibility for Carer Allowance		10.3	29.6	32.1	34.8
Other spending measures					
Extension of 8 existing Family Homelessness Prevention pilot services		2.7	2.5	2.6	2.6
Household Income and Labour Dynamics in Australia (HILDA) survey - 4 more waves		1.2	6.7	7.2	7.8
Migrant and humanitarian program intake (increase in income support outlays)		5.3	11.7	13.6	18.5
Welfare Reform Consultative Forum		0.8	0.2	-	-
Savings measures					
New income streams product for retirees with only 50% assets test exemption		2.0	-25.7	-53.9	-86.6
Compliance measures					
Publicity campaign		-26.2	-60.8	-63.0	-64.9
Sole parent relationship status reviews		1.2	-	-2.6	-2.8
Extra 147,000 profiled reviews		3	-26.5	-36.1	-36.9
Enhanced data matching		-10.5	-17.8	-18.2	-18.6

Key Budget 2004 Measures	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Agency resources					
Centrelink call centres		24.9	26.1	-	-
Assessment of trust and company income and assets		9.3	10.8	12.2	13.5
Child Support Agency increase		6.9	10.5	13.9	19.6
Measures previously announced					
Clarke review of veterans' entitlements		6.2	0.9	0.7	0.6
Bali terrorist attack assistance to victims and families*		2.7	1.7	1.7	1.7
Carer Allowance (child) extension of automatic qualification*		2.4	2.5	2.6	2.6
Drought assistance*		7.1	1.8	-	-
FTB and CCB extension of time to claim top-ups and claims*		24.5	24.6	24.7	24.8
Pensioner Education Supplement - continue payment through study breaks *		10.2	10.4	10.7	10.7
Youth Allowance debt waiver	7.1	-	-	-	-

Notes: * Measures announced since last year's Budget but before November 2003

Overview

Changes to family assistance comprise \$19.2 billion over 5 years of the total \$37 billion budget centrepiece *More Help for Families* package. Of this, \$4.1 billion will be paid in lump sum payments for the current (2003-04) financial year. These changes will benefit around 80% of families with children, with the largest benefits going to families with a new-born child and those in the income range approximately \$40,000 to \$60,000. The measures represent a response to some elements of the ACOSS *Better Family Incomes Plan* released earlier in the year.

Carers receiving either Carer Payment or Carer Allowance also receive a one-off bonus in 2003-04.

On the compliance front, the main elements are an ongoing publicity campaign encouraging people to notify Centrelink of changes in their circumstances and a new face-to-face review targeted at sole parents who notify a change of address. At the review, parents will have their relationship status investigated to determine whether they have entered into a marriage-like relationship.

Key measures - families

- One-off \$600 per child lump sum to families eligible for Family Tax Benefit Part (A) or Youth Allowance for a 16 or 17 year old in 2003-04 (at June 2004). In shared care cases, payment will be split according to the percentage share of FTB (A) on Budget night May 11 2004 (\$2,221 million in 2003-04).
- From 1 July 2004 a \$600 annual increase in rate of FTB (A) paid as lump sum at reconciliation. Income test taper between maximum and base rate reduced from 30% to 20% (\$2,450 million in 2004-05).
- Income free area for partnered FTB (B) raised from \$1,825 to \$4,000 from 1 July 2004. Income test taper above this point eased from 30% to 20%. Cut-out rises from \$11,559pa income to \$18,600pa if youngest child aged < 5. Cut-out rises from \$8,614pa to \$14,184pa if youngest child >5 (\$414 million in 2004-05).
- Income received by a partnered recipient returning to work after the birth of a child will not affect payments of FTB (B) received prior to that date. This quarantining will be available once per child effective from 1 July 2004 (\$191 million in 2005/06).
- New Maternity Payment replaces Baby Bonus and Maternity Allowance. \$3000 per child from 1 July 2004; \$4000 from 1 July 2006; \$5000 from 1 July 2008. Paid to primary care giver (\$559 million in 2004-05).

Key measures - carers

- One-off bonus of \$1,000 to Carer Payment recipients and \$600 to Carer Allowance recipients (\$255 million in 2003-04).
- Non-resident carers providing 20 hrs a week of daily care can qualify for Carer Allowance, from 1 April 2005 (\$29.6 million in 2005-06).

Key measures - income support general

- Reduction of the current 100% assets test exemption for some non-commutable purchased retirement income stream products to 50% and introduction of a new market-linked income streams product. Products purchased before the commencement date are not affected. From 20 September 2004 (\$25.7 million saving in 2005-06).
- Some Youth Allowance debts arising from data matching against the Parental Income Test announced in the 2003/04 budget will be waived where the parent notified Centrelink of the change in their circumstances (\$7.1 million in 2003-04).

- Withdrawal of the 2003-04 budget measure to stop payment of Pensioner Education Supplement during holiday periods (\$10.2 million in 2004-05).

Key measures - compliance

- Ongoing publicity to encourage notification of changes in circumstances. From 1 July 2004 (\$60.8 million saving in 2005-06).
 - 20,000 annual face-to-face interviews with sole parents who notify a change of address, to investigate their relationship status. From 1 July 2005 (\$2.6 million saving in 2006-07).
 - An extra 147,000 reviews of income support customers randomly initiated, based on profiles of likely non-compliance. From 20 March 2004 (\$26.5 million saving in 2005-06).
 - Continued data matching of Rent Assistance information and Job Network job placement records and an extra 25,000 a year of the latter. From 1 July 2004 (\$17.8 million saving in 2005-06).
-

Chapter 5

Housing and regional development

Figure 5.1
Housing and Regional Development - Key Measures

Key Budget 2004 Measures	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Housing				
Residential Housing Projects and Alternative Detention Arrangements*	6.8	6.8	6.9	6.9
Extension of Family Homelessness Prevention pilot services*#	2.7	2.5	2.6	2.6
Indigenous home ownership programme	1.0	-	-	-
Regional development				
Regional Migration Initiatives	8.8	6.0	6.9	8.1
Regional Partnership Programme*	14.4	14.4	14.4	34.4
Regional Information Service	3.3	-	-	-
National Land Transport Network*	92.4	113.3	421.7	427.1
Roads to Recovery	-	300.0	300.0	300.0
Location Specific Subsidy Pricing subsidy - Airservices Australia*	13.00	2.0	-	-
Local Roads - SA	4.3	9.0	13.0	-
Local Roads - NT	1.0	-	-	-
Environment and sustainability				
National Energy Regulator	8.4	-	-	-
Green Vehicles Guide	1.1	.2	.1	.1
Climate Change Strategy	45.5	60.5	70.8	71.3

Notes: * includes a capital component. See also Chapter 8: Rural and remote communities.
Also included under Chapter 4: Social Security

Overview

There were a limited number of new measures in regional development, and no new resources to respond to the high level of unmet need for affordable housing.

Key measures - housing

- The budget papers contain forward estimates at close to current levels for Commonwealth/State agreements relating to Supported Accommodation Assistance Project, Crisis Accommodation Project, and Commonwealth State Housing Agreement. Contributions to Indigenous housing appear to fall off after 2006.
- Funds through the Department of Immigration and Multicultural and Indigenous Affairs to expand Residential Housing Projects and develop alternative detention arrangements, especially for women and children (\$6.8 million in 2004-05).
- Extension of the family homelessness prevention pilot under the title of Household Organisational Management Expenses (HOME) Advice programme, but no addition to the eight existing services (\$2.7 million in 2004-05).

Key measures - regional development

- Additional funding through Auslink for land transport projects and information technology infrastructure (\$92.4 million in 2004-05).
- New measures (with the NSW government) to attract skilled migrants to regional Australia and smaller capital cities, including temporary visas for two years in regional Australia prior to acceptance for applications for permanency. A temporary resident state government sponsored retired investment category to replace the existing Retiree visa (\$8.8 million in 2004-05).
- Additional Visa Application charges will also apply generating revenue of \$57.7 million over four years.
- More funds through Auslink for the Roads to Recovery programme (beginning 2005-06).
- Additional subsidies to Airservices Australia to provide terminal navigation at regional and general aviation airports (\$13 million in 2004-05).
- Additional local roads funding for SA and NT (\$5.3 million in 2004-05).
- Funds for a Transport and Logistics Centre of Excellence (\$2 million in 2004-05).

Key measures - environment and sustainability

- Funds to establish a national energy regulator by July 1, 2004 through the Australian Competition and Consumer Commission. The Regulator will begin with wholesale electricity and transmission networks, extending to gas transmission by June 2005, and distribution and retailing by 2006 (\$8.4 million in 2004-05).
 - Funds were provided for a national Climate Change strategy to increase uptake of energy efficiency opportunities to reduce greenhouse emissions and energy demand (\$45.5 million in 2004-05) through:
 - Action on energy efficiency (\$5.5 million)
 - Industry partnerships- Challenge Plus (\$6.7 million)
 - Mandatory Renewable Energy Target (\$6.6 million)
 - Emissions measurement and analysis (\$2.6 million)
 - Local greenhouse action (\$5.3 million)
 - Greenhouse action to enhance regional sustainability (\$3.7 million)
 - International climate change policy (\$2.5million)
 - Low emissions technology and abatement (\$3.2 million)
 - National Climate Change Adaptation programme (\$2.3 million)
 - Strategic national response (\$4.4million).
-

Chapter 6

Health

Figure 6.1
Health - Key Measures

Key Budget 2004 Measures	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
MedicarePlus - Extended safety net	12.9	48.3	52.8	60.0	67.2
MedicarePlus - Incentives for GPs to bulk-bill	9.8	39.0	40.5	41.9	43.5
MedicarePlus - New MBS items allied & dental		41.1	39.4	40.6	41.3
Medical Research Infrastructure	31.2	-	-	-	-
Primary Health Care Access Programme for Indigenous Australians		10.0	10.0	10.0	10.0
Cochlear Implant Upgrades		2.4	1.7	1.7	1.7
National Diabetes Services Scheme		2.0	3.3	4.4	5.6
National Illicit Drug Strategy			2.8	2.8	2.9
Women's Health - Australian Longitudinal Study		0.8	0.8	0.8	0.8
Lifeline and Kids HelpLine - one-off funds	12.0	-	-	-	-
Health Insurance Commission - increased funds		30.0	27.8	32.0	35.6
Medical Indemnity Package	27.3	45.4	52.4	54.0	57.3

Overview

Many key measures in the health portfolio were revealed prior to Budget night. The Medical Indemnity Package - worth almost \$240 million over 5 years - was announced last December. The MedicarePlus package was announced in November, and changes negotiated by independent Senators were finalised in March this year. In total the package is now worth over \$2.8 billion. The Budget provides funds for the changes announced in March (worth \$580 million over five years) which are summarised below. While ACOSS welcomed some improvements over the original package, we remain concerned that it fails to tackle the fundamental structural issues in Australia's health system.

Aside from a modest increase for the Primary Health Care Access Program (PHCAP), there were no initiatives to improve the health of Indigenous Australians. Oral health was neglected again and mental health was not mentioned.

The positives in this Budget are generally not big ticket items, but they address some important gaps. They include an increase in the number of cochlear speech implant upgrades for children, welcome one-off funding for Lifeline and Kids Help Line, an increase in funds for research into women's health and subsidies for infusion pumps to treat diabetes.

Several of the measures announced on Budget night had no new funds attached. These initiatives are either re-announcements of existing initiatives, or unspent funds which have been re-allocated to new purposes. These include \$830 million over four years for the 2004 Rural Health Strategy, \$300 million over four years for Divisions of GPs, and the Preventive Health package worth a further \$100 million for issues such as falls prevention, bowel cancer screening and alcohol harm reduction.

The Budget also contained a package of measures worth almost \$200 million over four years aimed at improving Australia's capacity to deal with emerging threats to our health including bird flu and terrorism.

A number of important related budget announcements in information technology are also of note, since they may drive significant changes in the way many services operate. These include the roll-out of HealthConnect (an integrated medical records system, for which funding was already in the forward estimates), and funds for the development of information technology systems between private health funds, hospital and doctors.

Key measures - MedicarePlus

- The safety-net for out-of-pocket hospital costs has been extended. The threshold for low income families and individuals is now \$300 and for other families and individuals is now \$700. Once this limit is reached, the government will refund the usual rebate plus 80% of the gap fee (\$48.3 million in 2004-05).
- GPs in rural, remote, outer-metropolitan areas and Tasmania will receive an extra \$7.50 for bulk-billed consultations with concession card holders and children (\$39.0 million in 2004-05).
- GPs can prepare multidisciplinary care plans for people with chronic and complex health conditions. New MBS items will pay for up to five visits with allied health professionals including psychologists, physiotherapists etc. Up to three dental visits can also be covered for people whose chronic health condition is worsened by dental problems (\$41.1 million in 2004-05).

Key measures - other health

- The Budget contains \$7.6 million over four years for Hearing Australia to provide Cochlear speech implant upgrades for children (\$2.4 million in 2004-05).
 - Up to 3,000 children, pregnant women and people suffering from brittle diabetes will be able to access insulin infusion pump consumables by 2007-08 (\$2.0 million in 2004-05).
 - **Lifeline** will receive an injection of \$10 million and **Kids Help Line** an injection of \$2 million before the end of this financial year.
 - Following a review by the Department of Finance and Administration, the Department of Health and Ageing and the Health Insurance Commission itself, additional funds have been provided (\$30 million in 2004-05).
 - \$31.4 million will be provided before the end of this financial year for infrastructure projects at medical institutes around Australia.
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Chapter 7

Community services

Figure 7.1
Community Services - Key Measures

Key Budget 2004 Measures	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Investing in Australia's Aged Care package					
- Funding improved standards of accreditation	513.3	-	-	-	-
- Conditional Adjustment Payment		69.3	147.1	226.2	317.5
- Better skills for better care		8.9	17.7	18.1	18.4
- Building better aged care homes		104.9	96.0	88.5	83.4
- More aged care places		-	-	38.7	32.3
- Improving assessment		10.1	15.0	11.2	11.4
- Streamlining administration for better care		9.9	15.1	20.4	16.5
- Additional funding for aged care standards and accreditation agency		-	-	6.1	4.8
- Enhanced consumer info and protection	2.0	0.3	0.3	0.3	0.3
- More funding for ATSI flexible places		1.5	2.7	2.9	3.1
- Strengthening culturally appropriate care		2.1	3.1	3.2	3.3
- Implementation and communication		9.3	2.1	1.4	1.5
Other Community Services Measures					
Family Assistance: additional family day care	6.3	21.3	21.7	22.2	22.7
Family Assistance: additional outside school hours care places	3.3	34.6	32.2	27.6	28.0
Family Assistance: additional playgroup services	0.5	3.3	3.6	3.6	3.9
Family Assistance: Increased funding for the Child Care Support Programme		4.0	4.0	4.1	4.2
Stronger Families and Communities Strategy		-	-	-	-
Increased access to respite for older carers		8.2	19.0	22.5	22.9
Respite and information services for younger carers		4.0	7.4	7.6	7.7

Key Budget 2004 Measures	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Quality assurance for community care and respite		3.6	3.2	3.3	3.5
Auslan interpreting services enhanced access		2.6	4.8	5.5	5.4
Business Services for people with disabilities		21.5	22.2	25.1	30.3
Prime Minister's Community Business Partnership			4.3	4.3	4.3
Settlement services³					
- Increased assistance to humanitarian entrants		12.2	9.8	9.9	10.0
- Additional funding for community services		0.8	1.3	1.4	1.4
- Family Relationships Services		0.5	1.5	1.6	1.6

Overview

Residential aged care is the big ticket item in the community services area in this year's Budget. *Investing in Australia's Aged Care*, a package of measures worth over \$2 billion across three portfolios, is the Government's response to the long awaited report of the Hogan Inquiry - the Review of Pricing Arrangements in Residential Aged Care - which was released on Budget night. Key measures are detailed below. Although there was no news on the Community Care Review, the Home and Community Care Program is expected to grow by over 8% in 2004-05 - a real increase of 6% and 2.1% indexation.

There were several children's services initiatives, as part of the Government's *More Help for Families* package. Auslan interpreting services received a welcome increase in funding, and respite services received a boost as part of a series of measures directed at carers. Although services for people with disabilities were not a major focus in this Budget, \$100 million over four years has been provided to increase the viability of business services, which will also be able to phase in productivity based wages over a four year period.

Also announced just prior to the Budget, was the extension of the Stronger Families and Communities Strategy for a further four years at a cost of \$365 million, refocused largely on early childhood programs and services. The funding for this has already been provided in forward estimates.

³ Settlement Services measures are funded under the Department of Immigration and Multicultural and Indigenous Affairs

Key measures - aged care

- The Government will provide a one-off grant of \$3,500 per resident before the end of this financial year, in recognition of improved building safety and fire standards for accreditation. For future capital needs, the Government will provide \$438.6 million over four years (\$65.7 million of this in the Veterans Affairs Portfolio (DVA)) by increasing the amount paid for concessional residents to \$16.25 per day. Providers will also be able to increase the accommodation charge for non-concessional residents. While significant, the industry argues that this capital package falls short of the amounts recommended by Hogan and does not represent a long-term solution to the capital problem.
- Funds have been provided for a “Conditional Adjustment Payment” which equates to an increase of 7% by 2007-8 on top of normal indexation. The payment is “conditional” because to get it, providers must make financial statements available, encourage training, and participate in a workforce census. (\$81 million in 2004-05 including \$11.8 million for DVA).
- \$14.8 over four years to increase the viability supplement for providers in rural and remote areas.
- \$101.4 over four years to assist providers attract and keep staff and for workforce development (of which \$38.4 million is for the Department of Education, Science and Training). The funds will be given to eligible aged care providers to purchase 8,000 Workplace English Language and Literacy training places, 15,750 vocational education and training places and up to 5,250 places for medication management training. The measure will also pay for 1,600 more nurses.
- \$58.4 million over 2006-07 and 2007-08 will see the aged care planning ratio increased from 100 to 108 operational places for every 1,000 people aged 70+.
- Funding for assessment will be increased by a total of \$47.9 million over four years including:
 - \$14.3 million for assessments and better case management through Aged Care Assessment Teams (ACATs)
 - \$7.4 million to strengthen the role of ACATs in community care
 - \$26.1 million to develop and apply common arrangements including assessment and entry processes for community and residential care. Common assessment will be introduced across all Australian Government funded community care programs
 - Over \$80 million (including \$15 million capital) will be spent over four years on a range of initiatives to streamline administration
 - \$11.6 million over four years to improve access to culturally appropriate aged care services

- \$10.3 million over four years to improve the viability of Aboriginal and Torres Strait Islander Flexible Services.

Key measures - children, families, communities

- Under the Stronger Families and Communities Programme (realigned funding)
 - Project funding in 35 disadvantaged communities under the Communities for Children project, distributed and managed by facilitating non-government organisations (\$110 million)
 - Development of national information resources and tools for the Early childhood - invest to grow programme (\$70.5 million)
 - Small project grants managed nationally by FaCS under the Local Answers programme (\$60 million)
 - Continued quality assurance, expanded in-home care funding, incentives to establish long day care centres to increase choice and flexibility in child care (\$125.3million in 2004-05).
- 30,000 new OSHC places from July this year on top of 10,000 announced prior to the Budget. Funds will be used to pay Child Care Benefit to eligible parents, for the establishment of new services, and subsidies for providers in disadvantaged areas to create additional places (\$34.6 million in 2004-05).
- 1,500 new Family Day Care places from July 2004, on top of 2,500 from January 2004 which were announced previously (\$21.3 million in 2004-05).
- Announced in December last year, funds for 4,000 mainstream playgroups and 200 supported and intensive support playgroups (\$3.6 million in 2004-05).
- Extra Funding for Child Care Support Program for the establishment of child care services in high need rural, regional and Indigenous communities (\$4 million in 2004-05).

Key measures - disability and carers

- Funding for respite and information services for carers under 25 years. 500 young carers will be eligible for up to 5 hours of in-home respite per week during school term and two weeks of 24 hour respite per year (\$7.4 million in 2004-05).
- Parents 70+ caring for a child with a disability will be eligible for 4 weeks respite care per year. Parents between 65 and 69 years will be eligible for up to 2 weeks respite if they go to hospital (\$8.2 million in 2004-05).

- Auslan Interpreter services will be provided for Medicare related and other specified private health appointments (\$2.6 million in 2004-05).
- Viability funding for business services (disability employment). The Government will also enable these services to phase in productivity based wages over a four year period (\$21.5 million in 2004-05).

Key measures - settlement services

- Over \$40 million over four years has been provided to increase funds for support to Special Humanitarian Program entrants (\$12.2 million in 2004-05).
 - Increased funds for the Community Settlement Services Scheme (\$0.8 million in 2004-05).
 - Funds will be provided to organisations under the Family Relationships Services Program to provide support to refugee and humanitarian immigrants (\$0.5 million in 2004-05).
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Chapter 8

Rural and remote communities

Figure 8.1
Rural and Remote communities - Key Measures

Key Budget 2004 Measures	2004-05 \$m	2005-06 \$m	2007-06 \$m	2006-07 \$m
Sugar Industry Reform Programme	183.7	71.9	50.6	8.9
Agriculture - advancing Australia extension	67.5	74.8	56.4	37.3
Environmental measures:				
Increasing Great Barrier Reef no fish zone	8.6	1.6	-	-
National Heritage Trust Extension	-	-	-	300
Additional funds for Murray Darling Basin Commission	5.8	9.6	9.5	8.5
Extension of LandCare	-	-	40	40
Regional Partnerships Programme	14.4	14.4	14.4	34.4
Remote Air Services Subsidy Scheme	1.5	1.6	1.8	2.8

Overview

With this year's budget the government released three statements of relevance to rural and remote Australia

- Rural and Regional Australia: sustaining the nation
- Regional partnerships for growth and security
- A sustainability strategy for the Australian Continent 2004-05.

A number of the measures outlined in these documents, such as the continuation of the Rural Health Strategy, have already been announced and contained in the forward estimates for previous budgets.

Rural Financial Counselling Services will be reviewed in 2005 to assess the efficiency of current delivery arrangements.

Key measures

- Sugar Industry Reform Programme (\$183.7 million in 2004-05).
 - A package of measures in agriculture (Advancing Australia) including:
 - Additional expenditure in Farmhelp - income support for up to one year and financial assistance for advice and training year for eligible primary producers facing financial hardship (\$41.7 million in 2004-05).
 - FarmBis - subsidies for farmers to undertake training and development to assist with risk management, productivity and profitability (\$13.6 million in 2004-05).
 - The Rural Financial Counselling Service will receive an additional \$23.3 million over four years to provide additional counselling (\$5.9 million in 2004-05).
 - International Agricultural Cooperation (\$1.6 million in 2004-05).
 - Industry partnerships (\$4.7 million in 2004-05).
 - A small number of environmental measures (*see also Chapter 5: Housing and regional development for information on the Climate Change Strategy*) including:
 - Landcare (awareness and skills for management of natural resources)
 - Murray Darling Basin Commission extension funding
 - Increasing the size of no take fishing areas in the Great Barrier Reef
 - Extending the Natural Heritage Trust to 2007-08.
 - \$17 million over four years for capital funding for isolated Catholic and independent schools in the NT (*see Chapter 3: Employment, education and training*).
 - Additional funding through the Department of Transport and Regional Services for the Regional Partnerships Programme for business development, services and infrastructure for towns with less than 5000 people (\$14.4 million in 2004-05).
 - Expansion of the Remote Air Services Subsidy Scheme, to ensure weekly air transport services to isolated communities (\$1.5 million in 2004-05).
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Chapter 9

Law and justice

Figure 9.1
Law and Justice - Key Measures

Key Budget 2004 Measures	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Enhanced legal aid funding	13.1	13.1	13.1	13.4
Migration litigation reforms	10.6*	7.7	7.9	8.0
National Community Crime Prevention Programme	5.0	5.0	5.0	5.0
Northern Territory Juvenile Diversion Scheme	3.9	-	-	-

Note:* Includes \$4.2m capital funding

Overview

The main Budget measure provides a welcome 10 per cent increase in legal aid funding for Commonwealth related matters. However, this occurs against a 20 per cent cut in real terms to the Commonwealth's legal aid budget between 1996 and 2003.

Key measures

- The Government will provide an additional \$52.7 million over four years for Commonwealth legal aid (\$13.1 million in 2004-05).

This measure will increase funding for Commonwealth legal aid by about 10 per cent, and enable redistribution of legal aid funds across jurisdictions to meet demographic changes, an increase in certain caps on grants associated with family law matters, establishment of a family law duty lawyer service and an increase in the base legal aid fee payable to private practitioners to \$120 an hour (excluding GST) in Tasmania, South Australia, Queensland and Western Australia.

- The Government has provided \$34.2million over four years to enable the appointment of eight additional magistrates to the Federal Magistrates Court

(FMC) to meet the expected caseload increase as a result of directing migration cases to the FMC. Applicants will no longer be able to file their applications in the Federal Court (\$10.6 million in 2004-05).

- The Government has committed \$20.1 million to a new National Community Crime Prevention Programme. This is a national community grants programme which will provide funding for grass roots projects designed to enhance community safety and crime prevention by preventing or reducing crime and anti-social behaviour, improving community safety and security, and reducing the fear of crime (\$5 million in 2004-05).
 - Additional funding of \$3.9 million (through the Attorney General's Department) to extend until June 2005 the pre-court diversion Northern Territory Juvenile Diversion Scheme and an Aboriginal interpreter service funded under the Northern Territory (NT) Agreement. The Agreement commenced on 1 September 2000 and was due to cease on 31 August 2004. Details of the agreement extension will be finalised through negotiation with the NT Government.
 - Port Headland Detention Centre will be closed.
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Chapter 10

Indigenous communities

Figure 10.1
Indigenous communities- Key Measures

Key Budget 2004 Measures	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Education, Science & Training				
Indigenous Education Agreement 2005-08	7.0	12.1	11.8	11.3
Employment & Workplace Relations				
Indigenous Youth Employment consultants	-	-	-	-
Indigenous Community volunteers	-	-	-	-
Family and Community Services				
Expansion of Indigenous Family Income Management pilot	1.1	1.1	1.1	1.1
Health and Aged Care				
Investing in Australia's Aged Care - more funding for Aboriginal & Torres Strait Islander flexible services	1.5	2.7	2.9	3.1
Primary Health Care Access Programme for Aboriginal and Torres Strait Islander People - additional funding	10.0	10.0	10.0	10.0
Immigration & Multicultural & Indigenous Affairs				
Indigenous Family Violence Partnership	5.3	10.5	10.7	10.8
Indigenous Family Violence Prevention Legal Services	3.2	6.2	6.2	6.2
Indigenous Women's Development	2.4	4.7	4.7	4.7
Reconciliation Australia				
Torres Strait Regional Authority				
Torres Strait Major Infrastructure Programme	5.3	5.4	5.5	-

Note: other measures are contained in other chapters.

Overview

The abolition of the Aboriginal and Torres Strait Islander Commission (ATSIC) announced on 15 April 2004 has meant considerable change to the funding and service delivery of many of the Government's Indigenous programmes. Under the measure *Indigenous Australians - Better Service Delivery*, total funding of \$109.4 million and program responsibility has been removed from ATSIC and the Aboriginal and Torres Strait Islander Services (ATSI) and allocated to mainstream departments. This decision is of deep concern for the future of Indigenous governance and effectiveness of service delivery and access across Indigenous communities Australia wide.

The Department of Immigration and Multicultural and Indigenous Affairs will assume a policy and coordination role, supported by the Office of Indigenous Policy Coordination. The office will take over the policy role of ATSI, responsibilities of the Office of Aboriginal and Torres Strait Islander Affairs and the Indigenous Communities Coordination Taskforce.

New measures for Indigenous initiatives in this budget are funded at total of \$253.1 million over five years including \$35 million in 2003-04.

Key measures - Attorney General's Department

- NT Juvenile Diversion Scheme & Aboriginal Interpreter Scheme (Continued) (\$3.9 million in funding for 2003-04)

Key measures - Education, Science and Training

- The Indigenous Education Agreement 2005-08 will provide an additional \$42.2 million over four years and forms part of the \$2.1 billion provided for Indigenous Education funding which was announced in April 2004. While there have been no major reforms to these programmes, funding has increased by \$351 million. Developments include:
 - The Indigenous Education Direct Assistance (IEDA) program has been brought in under the Indigenous Education (Targeted Assistance) legislation.
 - The formula funding of Indigenous parent committees Aboriginal Student Support and Parent Awareness (ASSPA) and Vocational and Educational Guidance for Aboriginals Scheme (VEGAS) program has been discontinued.
 - 2001 ABS Census data has been used to update the remoteness boundaries for funding purposes.

- Strengthening the Indigenous Education (Targeted Assistance) legislation will include conditions of funding with respect to educational accountability.

Key measures - Employment and Workplace Relations

- The Indigenous Community Volunteers organisation will be provided with additional funding of \$20 million in 2003-04 to expand their capacity to involve non-government organisations and businesses and provide for longer-term volunteer placements in Indigenous communities of up to two years.
- Up to 30 Indigenous Youth Employment Consultants will be funded at \$13.1 million over four years. Consultants will be linked with Job Network providers nationally and will work with young Indigenous people to assist them in the transition from school to work.

Key measures - Family and Community Services

- Funding of \$4.4 million (\$1.1 million p.a.) will be provided for Indigenous Financial Management aimed at assisting Indigenous families in managing family income.

Key measures - Health and Aged Care

- Primary Health Care Access Programme for Aboriginal and Torres Strait Islander People will be provided with additional funding of \$40 million (\$10 million p.a.) to improve access to health services. This will include additional health care sites, expansion of existing sites, increasing the numbers of Indigenous and non-Indigenous doctors, nurses and health care staff, improved health data collection and quality of service delivery. This measure will also look at including medicines on the PBS to suit the needs of Indigenous health.

Key measures - Immigration and Multicultural and Indigenous Affairs

- Reconciliation Australia will be funded at \$15 million in 2003-04 for continued support for promoting reconciliation, supporting local community events and identifying and promoting good reconciliation practice.

- The Indigenous Family Violence Partnership Programme will provide \$37.3 million in total with \$5.3 million in 2004-05, \$10.5 million in 2005-06, \$10.7 million in 2006-07 and \$10.8 million in 2007-08 for bilateral partnerships with State governments to fund family violence initiatives in Indigenous communities and complement existing government programmes and services. The funding will support new initiatives and infrastructure in remote areas in particular and areas and communities in need.
- Funding will be provided to expand the Indigenous Family Violence Prevention Legal Services from 13 to 26 and will provide \$3.2 million in 2004-05, \$6.5 million in 2005-06, \$6.5 million in 2006-07 and \$6.5 million in 2007-08.
- Consistent with the Ministerial Council on the Status of Women's Action Plan Indigenous Women's Development will be funded at \$2.4 million in 2004-05, \$4.7 million in 2005-06, \$4.7 million in 2006-07 and \$4.7 million in 2007-08, including:
 - The Networking Indigenous Women Initiative (\$10.9 million over four years) to promote networks of support and leadership by fostering linkages among women at a local level.
 - The Indigenous Women's Leadership Programme (\$3.9 million over four years) targeting and building on women who are making significant contributions in their communities.
 - The Indigenous Men and Family Relationships initiative (\$1.8 million over four years) will complement and support women's leadership by focusing on men and promoting their role in community and family relationships.

Key measures - Torres Strait Regional Authority

- The Torres Strait Major Infrastructure Programme will provide funding over three years with \$5.3 million in 2004-05, \$5.4 million in 2005-06, \$5.5 million in 2006-07 to raise health and living standards in the Torres Strait region with improvements to community services such as: water supply and treatment augmentation, reticulated sewerage and treatment and solid waste disposal.

Funding Cuts

The abolition of ATSIC and its policy arm ATSIIS provides the government with \$79.1 million from ATSIC plus \$6.8 million in projected cash flow over four years and \$30.3 million from ATSIIS over four years. Pending any other decisions, all assets and appropriations of ATSIC and ATSIIS will be transferred to the Department of Immigration and Multicultural and Indigenous Affairs.