

## Budget 2019 – Social services

### Social Services Budget Overview

Measured against the social services priorities for women that we have identified, the 2019 budget is disappointing. Individual Budget measures are examined in the Budget Measures table below. NFAW welcomes the increased spending on young carers and the very modest Energy Assistance Payment to welfare recipients, particularly the late inclusion of Newstart. However, the budget delivers no benefit to women on the lowest incomes, who do not pay tax, exacerbating poverty and inequality. Newstart, Family Tax Benefit and Parenting Payment recipients continue to suffer from the cumulative effects of changes, including cuts, compliance requirements and inadequate indexation arrangements. Newstart was not increased for the 25th budget in a row. Approximately two thirds of Rent Assistance recipients are women, who received no increase to their payment and experienced a further erosion in its value.

### WHY IS THIS AN ISSUE FOR WOMEN?

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- Spending on social services and welfare is worth greater than half Commonwealth budget outlays. Such spending is critical for addressing poverty and reducing inequality. It is the role of government to provide welfare through redistributing national income, and providing income support payments and adequate services to underpin the social wage.
- For most Australians, income is the most important resource they have to meet their living costs. Women are over represented at the lowest income levels. DSS demographic data for September 2017 demonstrated that there were more women than men in 21 of the 27 payments listed. Approximately 60% of all recipients are women.
- Fiscal policy is based on the market economy. Governments treat spending on physical infrastructure as an investment but spending on transfers, or social infrastructure, such as pensions as a cost and hence subject to threats of being cut. However, such spending can increase productivity and growth, particularly through increasing the number of women in the work force. ([The Economist](#), 23 February 2017).

## BUDGET MEASURES

The following table sets out the priorities identified by NFAW and the relevant 2019 budget commitments.

NFAW priorities	In 2019 budget?	Comment (if any)
<b>A comprehensive review of Australia's social security system and the proposal to create an independent commission to examine the adequacy of social security payments.</b>	No	There was no review announced
<b>Reinstatement of the budget table outlining projected changes to real disposable incomes and net tax thresholds of different household types, formerly contained in Appendix C of the Budget Overview.</b>	Partial	While not as detailed, there is an appendix to the Lower Taxes budget publication that sets out the effect of the tax changes on single income and double income households.
<b>Immediate review of Newstart, Parenting Payment and Family Tax Benefit</b>	No	No review of these payments was announced
<b>Raising the rate of Newstart, Youth Allowance and related payments for single people by a minimum of \$75 per week.</b>	No	There was no increase in these payments which have not improved for 25 budgets in a row. Newstart remains at about 60% of the value of the Age Pension.
<b>Changing the indexation rate for Newstart and Family Tax Benefit to a community based, wage related index.</b>	No	No change. In total, income support payments and Family Tax Benefit flatlined or decreased. Payments to families under FTB arrangements will drop by \$100m between 2019/20 and 2020/2021 and decrease by 5% over the next 4 years driven by the cumulative impact of policy amendments to target payment eligibility.
<b>Increasing Family Tax Benefit for older children and introduce a single parent supplement.</b>	Partial	No change. However, \$36.4m to expand FTB to families of secondary students aged 16 and over on ABSTUDY who are required to live away from home to study.
<b>Enabling greater flexibility in guidelines to enable Carer Payment recipients to enter employment, education or training.</b>	Partial	Nearly 70% of Carer Payment recipients are women. Over \$80m will be spent on services for carers, especially young carers. Services include educational resources, peer support, phone-based counselling, Carers will be offered up to \$3000 for planned respite, education and training.
<b>Abolition of mandatory Cashless Debt Card and Income Management schemes</b>	No	The Cashless Debt Card scheme trials will be expanded. Funding of \$128.8m will include expansion and enhancement of technology and assist transition of income managements recipients onto the scheme from 2020. NFAW is disappointed that the negative views and experiences of many Indigenous women have been ignored again.

## Other budget measures

Measure	Comment
<b>Single Touch Payroll</b>	The \$7.1b surplus estimated for 2019/20 will be partly based on \$2.1b estimated to be saved over 5 years by automating income reporting for people on welfare. “The measure will assist income support recipients by greatly reducing the likelihood of them receiving an overpayment of income support payments” - NFAW is concerned that past experience with Centrelink robodebts exercise is not repeated.
<b>Decrease in spending on the Age Pension.</b>	There is forecast to be a \$1.4b decrease in spending on the Age Pension due to the increase in eligibility for the pension to 67 years and the fact that more older people are continuing in paid employment.