

FEDERAL BUDGET

The 2017-18 Federal Budget was handed down on 9 May 2017. Thankfully, it saw the end to many of the so-called 'Zombie' social security cuts that had been proposed in the 2014 Budget. However, the proposal to cut the Energy Supplement and increase the age to access the Age Pension to 70 remained. These were joined by further harsh measures that will make life harder for those on income support, including drug testing trials, demerit systems, longer waiting periods, stricter tests, and an extension of the cashless debit card trials. Housing measures were welcome, but did not go far enough towards the genuine changes needed to make housing affordable for those on low incomes.

To read the WACOSS media release on the Federal Budget, visit www.wacoss.org.au/news/federal-budget-attacks-those-on-welfare-yet-again/.

REVENUE MEASURES

- Medicare Levy increase of 0.5 per cent to 2.5 per cent from July 2019. Taxpayers earning less than approximately \$22,000 (if not a parent) or \$37,000 + \$3,400 per child (for families with children) were not affected.
- 'Major bank levy' of 0.015 per cent of liabilities on certain business and investment accounts on the five banks with liabilities of over \$100 billion.
- Black economy task force to continue - new reporting requirements for contractors in courier and cleaning services.
- Tightening Multinational Anti-avoidance law by extending its scope to foreign trusts and partnerships.
- Tightening small business Capital Gains Tax concessions.
- Tightening of tax treatment of rental property to reduce avoidance of GST, limiting inappropriate deductions, and extending Capital Gains Tax to foreign home-owners.

SOCIAL SECURITY

- Cashless debit card trials in Ceduna and Kununurra and income management extended. Two new locations to be targeted.
- Drug testing and stricter eligibility for people with drug/alcohol addiction
- Tighten social security claim requirements - a fully completed claim required
- Freezing rates of FTB Parts A and B for two years.
- Pensioner Education Supplement and Education Entry Payment reduction
- New demerit point system for people who are unemployed with activity requirements, and payments cut after losing four points and cancelled after losing seven demerit points.
- Expansion of ParentsNext, an assistance program for mature-age jobseekers.
- \$28 cut from fortnightly FTB Part A for each child who is not up-to-date with their immunisation.
- Stricter access to pensions for people with fewer than 10 years Australian Working Life Residence.
- JobSeeker Payment replacing Newstart and other payments.
- Increased hours of mutual obligation activity for job seekers.
- Doubling the Liquid Assets Waiting Period for unemployment payments where liquid assets are over \$18,000 (singles) or \$36,000 (couples and/or singles with dependants).

HOUSING

- New Housing and Homelessness agreement - combines existing funding under the National Affordable Housing Agreement and National Partnership Agreement on Homelessness.
- New National Housing Finance and Investment Corporation to aggregate low-cost credit for community housing providers. It will administer a Housing Infrastructure Facility to finance housing-related infrastructure investments by Local Government.
- Tax concessions for affordable housing investment through Managed Investment Trusts
- Lower Capital Gains Tax rate for individual investors in affordable housing.
- Investors no longer able to deduct the cost of travel to inspect properties or depreciation of certain household items from their income tax, and loopholes in the GST for property sales will be closed.
- Individuals able to withdraw up to \$30,000 for a first home deposit from the proceeds of voluntary contributions to superannuation, including 'salary sacrifice' contributions.

COMMUNITY SERVICES

- New national independent regulatory body for the NDIS to be established.
- Cuts to funding for community legal centres and Indigenous legal assistance providers reversed.
- Establishing Commonwealth Redress Scheme for Survivors of Institutional Child Sexual Assault.
- Social impact investment trial to facilitate state-based trials, with a focus on youth homelessness and unemployment.
- Funding for psychosocial services for people with mental illness who do not qualify for NDIS - contingent on matching commitment from state and territories.
- Small scale funding initiatives for telehealth for rural, regional and remote Australia, research and suicide prevention support programs.
- Expanded access to mental health services for current and former defence members and funding for suicide prevention programs for veterans.