



Economic Recovery Plan for Australia

Guaranteeing the Essential Services

budget.gov.au

© Commonwealth of Australia 2020

ISBN 978-1-925832-14-3

This publication is available for your use under a Creative Commons BY Attribution 3.0 Australia licence, with the exception of the Commonwealth Coat of Arms, third party content and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of Commonwealth of Australia material under a Creative Commons BY Attribution 3.0 Australia licence requires you to attribute the work (but not in any way that suggests that the Commonwealth of Australia endorses you or your use of the work).

Commonwealth of Australia material used 'as supplied'

Provided you have not modified or transformed Commonwealth of Australia material in any way including, for example, by changing the Commonwealth of Australia text; calculating percentage changes; graphing or charting data; or deriving new statistics from published Commonwealth of Australia statistics — then Commonwealth of Australia prefers the following attribution:

Source: The Commonwealth of Australia

Derivative material

If you have modified or transformed Commonwealth of Australia material, or derived new material from those of the Commonwealth of Australia in any way, then Commonwealth of Australia prefers the following attribution:

Based on Commonwealth of Australia data

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website (see www.pmc.gov.au/government/commonwealth-coat-arms)

Other Uses

Inquiries regarding this licence and any other use of this document are welcome at:

Manager
Media Unit
The Treasury
Langton Crescent Parkes ACT 2600

Email: media@treasury.gov.au

Internet

A copy of this document is available on the central Budget website at: www.budget.gov.au.

Printed by CanPrint Communications Pty Ltd

Contents

Guaranteeing the essential services	3
Record funding for a world class health system	6
Supporting quality aged care	9
Assisting people with disability	10
Supporting veterans and their families.	12
Record funding for education.	15
Investing in our future skills	17
Your Future, Your Super.	18
Supporting communities	20
Keeping Australians safe	23
A more resilient Australia	24
Lower energy prices	26



Guaranteeing the essential services

The Government is continuing to guarantee the essential services Australians rely on.

The Government is providing record investment in essential services including health and education and is supporting stronger communities.

Delivering a world class health system

The Government is committing record funding to health, with total spending of \$93.8 billion in 2020-21, an increase of almost 43 per cent since 2014-15. This will ensure Australians can continue to access the essential GP, pharmaceutical and hospital services they rely on.

Ensuring quality care for vulnerable people

The Government is progressing reforms to deliver enhanced access, quality and safety in aged care. This includes \$1.6 billion for an additional 23,000 home care packages. The Government is providing an additional \$3.9 billion to the NDIS, to ensure that NDIS participants receive the care and support they need.

Supporting pensioners

The Government will provide \$2.6 billion for two additional Economic Support Payments of \$250 to pensioners and other eligible recipients.

Investing in education, investing in our future

The Government is supporting Australia's education system through the continued provision of quality early childhood education, and funding certainty for schools and universities, while delivering more higher education places and short courses.

Supporting stronger communities

The Government is supporting safe and cohesive communities by addressing domestic violence, securing the delivery of social services and supporting Indigenous Australians. The Government is also increasing engagement with multicultural communities and supporting migrants to learn English.



The Government
is providing record
investment in essential
services including health and
education, reforming super
and making Australia
more resilient

Reforms to make your super work harder for you

The Government is continuing to progress reforms to ensure members' money is maximised for their retirement. The Government's *Your Future, Your Super* reforms will see members save \$17.9 billion over 10 years. The Government wants members to choose the best super fund for them and these reforms will make the system simpler and easier to engage with. This will help improve competition and drive fees down from the \$30 billion that Australians currently pay each year.

The reforms will remove the flaws in the system that have created unwanted multiple accounts. They will also make it clear to a member when their fund is underperforming. Importantly, these changes will make super trustees more accountable and provide more transparency on how they are spending members' money.

A more secure and resilient Australia

Australians have been through challenging times with the 2019-20 bushfires and the COVID-19 pandemic. As part of a more resilient Australia the Government has established a Royal Commission into National Natural Disaster Arrangements, and a \$2 billion National Bushfire Recovery Fund.

The Government is keeping Australians safe through the 2020 Cyber Security Strategy and providing additional funding of \$300 million for the Australian Federal Police to continue to protect Australians.

Lowering energy prices

To keep electricity affordable the Government will work with the states, through a program worth up to \$250 million, to accelerate three important electricity transmission projects. It will also provide \$52.9 million to support a gas-fired recovery, including by investing \$28.3 million in five Strategic Basin Plans to unlock Australia's vast gas reserves.



Expanding health and hospital services



Your Future, Your Super



Supporting aged and disability care



A more resilient Australia



Record funding for education



Keeping Australians safe



Supporting stronger communities



Lower energy prices

Record funding for a world class health system

Investing in hospitals and affordable medicines

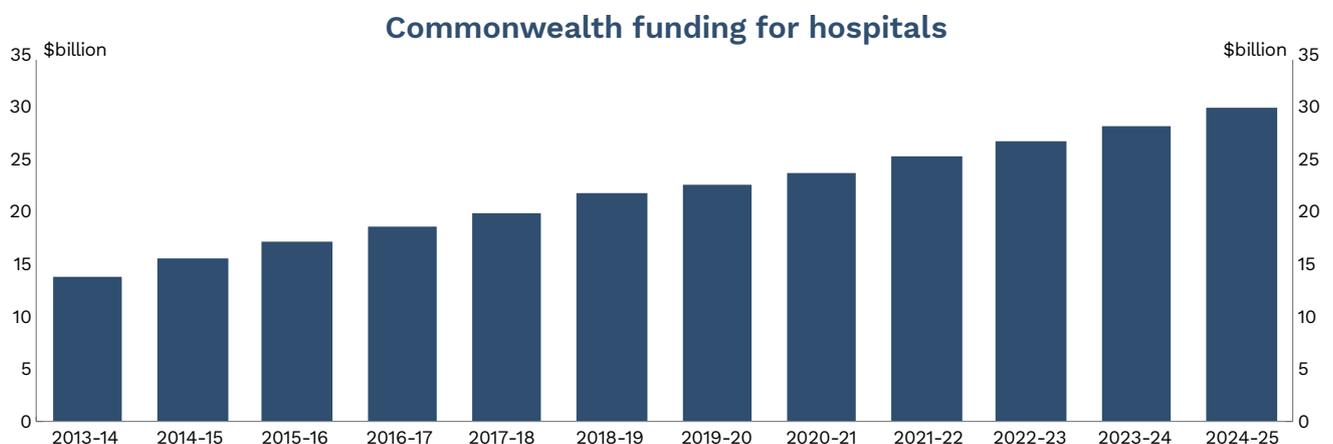
The Government is committing record ongoing funding to health, with total spending of \$93.8 billion in 2020-21, an increase of almost 43 per cent since 2014-15. This will ensure Australians can continue to access essential medical, pharmaceutical and hospital services.

Supporting our public hospitals

All states and territories have signed the 2020-25 National Health Reform Agreement. Under the Agreement, the Government has

invested \$134 billion in funding for Australia's public hospitals, an increase of 30 per cent over the previous five years.

This agreement supports the delivery of innovative high cost therapies in public hospitals, with funding shared equally between the Commonwealth and states and territories. Through these arrangements, patients will be able to access advanced treatments in Australia's public hospitals, such as CAR-T cell therapy for some rare types of cancer.



Note: This funding does not include additional funding provided for the COVID-19 public health response



Record
funding
for health
—

Guaranteeing access to medicines

The Government is ensuring Australians have affordable access to new medicines through the Pharmaceutical Benefits Scheme (PBS). This Budget includes \$376 million for new and amended listings on the PBS, including lifesaving medicines to treat leukaemia, melanoma and Parkinson's disease.

The Government has delivered on its commitment to ensure Australians can access the medicines they need with over 2,400 new and amended listings on the PBS since October 2013.

Investing in mental health

The Government is committed to supporting the mental health and wellbeing of all Australians, and has invested \$5.7 billion in 2020-21, including funding for critical frontline services, suicide prevention and key programs.

This Budget includes \$101 million of additional funding to provide access to 10 additional Medicare subsidised psychological therapy sessions for people with a mental health care plan, so that they can continue to access the services they need.



Supporting
health
innovation
—

Investing in world class medical research and health system innovation

Investing in medical research

The Medical Research Future Fund has reached its target balance of \$20 billion. The Government's 10-year investment plan is continuing to support lifesaving and job-creating medical research.

The Government is investing \$47 million over four years to accelerate research into diabetes and cardiovascular disease, conditions affecting millions of Australians.

The Government is also contributing \$50 million to the establishment of the Victorian Melanoma and Clinical Trials Centre at the Alfred Hospital, helping researchers to better understand melanoma.

Simpler private health insurance

The Government is providing \$19.5 million to improve access to and affordability of private health insurance. The Government is increasing the maximum age of dependants allowed under private health insurance policies from 24 to 31 years and removing the age limit for dependants with disability.

The Government is also enhancing the Medical Costs Finder website, increasing transparency of out-of-pocket costs and assisting consumers to choose a specialist.

Support for Australia's thalidomide survivors

Thalidomide survivors and their families will receive financial support from the Government for a range of health and disability services and equipment, as well as a lump sum payment and annual payments to assist with daily living expenses. These payments will be tax-free and not impact on other benefit or welfare payments.

Innovative models of primary care

The Government is also trialling innovative models of primary care, providing \$3.3 million to support multidisciplinary approaches to health care at five trial sites across western and southern New South Wales.

The Government is also providing \$50.3 million to invest in the rural health workforce through increasing training and infrastructure for the Rural Health Multidisciplinary Training program.

Supporting quality aged care

Investing in quality care for senior Australians

Additional home care support

To support senior Australians who wish to stay at home for longer the Government is providing \$1.6 billion for an additional 23,000 home care packages. This means the number of home care packages will have increased threefold from around 60,300 in 2013 to around 185,500 in 2021.

Delivering quality residential care

A further \$11.3 million will be provided for additional training and support for aged care providers and carers of people experiencing behavioural and psychological symptoms of dementia.

The Government will improve oversight and investigation of serious incidents of misconduct through the Serious Incident Response Scheme, with additional funding of \$29.8 million.

The Government is providing \$10.6 million to connect younger people living in residential aged care to age appropriate accommodation.

This will support the Government's target to have no people under the age of 65 living in residential aged care by 2025. From March 2019 to June 2020, there has been a 39 per cent reduction in the number of people under the age of 65 entering residential aged care.

The Government is continuing to develop an alternative aged care funding tool—the Australian National Aged Care Classification (AN-ACC). This Budget includes \$91.6 million in funding for a new independent AN-ACC assessment workforce.





Assisting people with disability

Ensuring people with disability have access to essential supports

Fully funding the National Disability Insurance Scheme

Funding for the National Disability Insurance Scheme (NDIS) is guaranteed. The Government is providing a further \$3.9 billion to the NDIS. This extra funding ensures Australians eligible for the NDIS have access to the supports they need now and into the future.

Completing the geographic rollout of the NDIS

On 1 July 2020, the Government completed the geographic rollout of the NDIS with the scheme becoming available on Christmas and Cocos Islands. This means individuals living with disability and their families from across all regions of Australia have access to these essential supports.

Over 400,000 people with permanent and significant disability now benefit from the NDIS, with many receiving disability supports for the first time.



Investing a
further
\$3.9 billion
in the NDIS
—

Improving services

The Government is delivering on its commitment to implement a Participant Service Guarantee and setting clear standards and timeframes for decision making by the National Disability Insurance Agency (NDIA).

This will make it easier for people with disability and their families to navigate the NDIS. The Government is providing an additional \$799 million over four years to

the NDIA and the NDIS Quality and Safeguards Commission to ensure participants receive quality supports as quickly as possible.

The Government is also providing ongoing support for the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, due to report in 2022.

Supporting veterans and their families

Better services for our veterans

This Budget delivers enhanced support for veterans and their families to maintain their wellbeing, protect their mental health and assist them to transition successfully to civilian life.



Improving veteran mental health

Funding of \$102 million over four years from 2020-21 for veteran mental health and wellbeing initiatives includes:

- \$94.3 million to improve mental health outcomes and ensure high quality care for our older veterans and their families by increasing fees paid to mental health, social work and community nursing providers; and
- \$7.4 million to expand Open Arms counselling services and the Coordinated Veterans' Care program.



More support for veterans and their families

Economic Support Payments

Eligible veteran income support recipients and concession card holders will receive two additional \$250 Economic Support Payments, the first to be provided from December 2020 and the second from early 2021. These payments build on the two previous \$750 Economic Support Payments, paid earlier in 2020, in response to the COVID-19 pandemic.

Transitioning to civilian life

To support veterans in the transition process from leaving the Australian Defence Force (ADF) to re-entering civilian life, the Budget includes:

- \$17.7 million over four years to establish a Joint Transition Authority in Defence, to ensure all transition services and supports are working together for ADF members and their families; and
- \$6 million to continue the Prime Minister's Veterans' Employment Program, which promotes the wide ranging skills of our ADF personnel to employers and rewards businesses for initiatives that support veteran employment.



Record funding for education

A world class education sector is essential to unlocking Australia's economic potential

Record funding for Australian schools

The Government is investing record funding in Australian schools to ensure all students are equipped with the necessary skills for future study or work.

The Government's recurrent annual funding for schools has increased from \$13.8 billion in 2014 to \$21.8 billion in 2020, with a commitment of \$310 billion in total recurrent funding from 2020 to 2030.

The COVID-19 pandemic has resulted in unprecedented changes to teaching and learning for young Australians.

The Government is investing an additional \$146 million to improve educational outcomes particularly for disadvantaged students.

Around 76,000 young Australians will be supported to undertake work experience, mentoring and career advice programs.

The Government is also supporting around 120,000 3-5 year olds to improve their numeracy skills through The Smith Family's Let's Count program.

Funding for schools has increased to **\$21.8 billion** in 2020

Commonwealth funding for schools



Activity Test
eased until
4 April 2021



\$9 billion
in Child Care
Subsidy
payments

Helping children get the best start to their education

Quality preschool education

The Government is continuing to fund preschools so children get the best start to their education. The Government will invest \$453 million to extend the National Partnership Agreement on Universal Access to Early Childhood Education until the end of 2021. This will help ensure that every child has access to a quality preschool education for 15 hours a week in the year before school.

Supporting families to return to work

Child care services are vital for so many parents and their children. In 2020-21, the Government will pay approximately \$9 billion in Child Care Subsidy payments. Due to the means-tested nature of the subsidy, families who have lost income or work during the COVID-19 pandemic and continue to use care will receive a higher level of subsidy.

In addition, the Government is extending the easing of the Activity Test requirements for all Australian families through to 4 April 2021 so that they can continue to receive the same level of subsidised care as before the pandemic.

\$1 billion
JobTrainer
Fund

Investing in our future skills

Ensuring all Australians have
the skills they need to get a job

More job-ready graduates

To power our post COVID-19 economic recovery, the Government is supporting both school leavers and displaced workers to build career pathways and develop skills which meet the needs of prospective employers.

To do this, the Government is investing \$299 million to provide an additional 12,000 undergraduate Commonwealth Supported Places in 2021. These will be prioritised according to labour market need, skills gaps and industry engagement.

This is on top of the additional 100,000 undergraduate places by 2030 announced through the Job-ready Graduates Package, including around 17,000 additional places in 2021. This will support school leavers and job seekers through the COVID-19 pandemic and help drive the nation's economic recovery.

Helping Australians to reskill and upskill

The economic disruption of the COVID-19 pandemic is expected to encourage more people to take up tertiary study. To ensure the sector has capacity to meet this increased demand, the Government is committing \$252 million to support the delivery of 50,000 higher education short courses. Short online courses including in

teaching, health, science, information technology and agriculture will provide faster training pathways and alternative study options for workers looking to upskill.

In addition, the \$1 billion JobTrainer Fund will provide up to 340,700 additional free or low-fee training places. The Fund will support job seekers, school leavers and young people to remain engaged and have the opportunity to acquire skills that will help them get a job.

These investments will provide opportunities for students and the recently unemployed to retrain in areas of high demand and national priority.

Providing certainty for students

The Government guaranteed \$18 billion in funding for all higher education institutions in 2020 in response to the COVID-19 pandemic. The Government is also guaranteeing funding to higher education providers from 2021 to 2023 as they transition to new funding arrangements as part of the Job-ready Graduate reforms to support universities and higher education providers to continue to deliver quality teaching.

Your Future, Your Super

Australians pay
\$30 billion a year
in super fees

Reforms to make your super work harder for you

Australia's compulsory superannuation system is essential to the retirement incomes of its 16 million members. The industry manages \$3 trillion in hard-working Australians' retirement savings. Fundamental flaws in the system have meant many Australians have been let down.

International comparisons show that Australian super fees are among the highest in the world. Australians pay \$30 billion a year in super fees, which is more than the \$27 billion a year they spend on energy bills.

The Government is committed to securing a better superannuation system for all Australians with reforms that make Australians' super work harder for them to maximise their retirement savings.

The Government's *Your Future, Your Super* Package is the next step in the Government's continued efforts to deliver on this goal. The reforms will make the superannuation system better for members in four ways.

Benefits of *Your Future, Your Super*



Your super follows you

Unintended super accounts erode members' balances through unnecessary fees and insurance premiums.

For the first time, Australians will automatically keep their superannuation fund when they change employers. 'Stapling' the super account to the employee will ensure their super follows them when they change jobs.

This measure will stop the creation of unintended multiple accounts and boost workers' super balances by around \$280 million every year.

Empowering members

The Government wants members to engage with their superannuation and actively decide which fund is best suited to their needs. That is why the Government is making it simpler for Australians to choose a good super fund. This will result in more competition, which will drive down fees and increase retirement savings.

For those looking to select their own super fund, the new online YourSuper comparison tool will help them compare the performance of MySuper products and make a better decision.

Holding funds to account for underperformance

The Government is protecting members from superannuation funds that deliver poor outcomes. Funds will be required to inform their members when they underperform and give them the option to move their money to a better performing fund.

Funds that continue to underperform will no longer be allowed to receive new members.

Increasing transparency and accountability

Given that super trustees are managing Australians' money, it is critical that they are accountable and transparent in how they manage that money. The Government will



Better off
in retirement
thanks to
*Your Future,
Your Super*

ensure that superannuation funds only spend members' retirement savings on activities that are in their best financial interests to maximise their retirement savings. The Government is also ensuring that super funds are more transparent by requiring them to disclose key information to members ahead of Annual Members' Meetings.

Benefits to Australians

The *Your Future, Your Super* reforms will see Australians save \$17.9 billion over 10 years in reduced fees and better performance of the superannuation system.

Supporting communities

Ensuring all Australians have access to the support they need

Addressing domestic violence

This Budget is building on previous commitments to keep women and children safe and ensuring access to justice by providing the Family and Federal Circuit Courts with an additional \$10.2 million to manage the impacts of the COVID-19 pandemic. The Government is providing \$4.8 million to give continued effect to its ban on direct cross examinations, \$1.8 million to criminalise Family Court order breaches and funding to extend the Help is Here advertising campaign.

The Government is providing ongoing funding to the national counselling helpline 1800RESPECT to support Australians impacted by domestic violence.

The Government is helping to protect Partner visa applicants by introducing a compulsory sponsorship application framework. This will mandate character checks and the sharing of personal information between applicant and sponsor, to ensure that all parties are informed before deciding to proceed with the application.

Engagement with multicultural communities

Community engagement provides an opportunity for everyone to contribute and benefit from Australia's social development. The Government will provide \$17.7 million to boost the Community Liaison Officer network to include more officers with dual language skills—including in Arabic, Mandarin, Cantonese and Vietnamese—to enhance engagement with communities at a grassroots level.





360 construction loans to assist Indigenous home ownership

Securing the delivery of social services

The Government is providing \$220 million to support the delivery of critical frontline services. This includes \$133 million towards supporting family and child support programs and \$87.3 million towards supporting Family Law and Family Relationship Services.

Supporting Indigenous Australians

This Budget will provide \$46.5 million under the new National Agreement on Closing the Gap to partner with Indigenous organisations to expand service delivery.

Indigenous Business Australia will receive an additional investment of \$150 million to extend the Indigenous Home Ownership Program. This will deliver 360 construction loans in regional Australia, assisting Indigenous Australians into home ownership.

Increasing sporting participation

The Government will provide \$39.6 million to continue the Sporting Schools program, to increase children's participation in sporting activities across 6,000 schools.

Support for migrants to learn English

The Government has made it easier for new migrants to improve their English language skills. The 510 hour cap on class hours and time limits on the free English language tuition available under the Adult Migration English Program has been removed. This will help migrants more easily integrate into the community and improve their employment prospects.

Committing to our values

Our shared liberal democratic values are the foundation of our society, underpinning our freedom and prosperity.

The Government is committing \$37.3 million to promote Australian values, identity, and social cohesion, and to counter malign information online.

Investing in our communities

The Government's priority is keeping Australians safe and secure. The Government is investing \$35 million in Round Six of the Safer Communities Fund, with a focus on early intervention youth engagement programs.

Social cohesion

Australia's social cohesion is particularly remarkable given the diversity of our population. The COVID-19 pandemic has presented many challenges and in these times, the Government is committed to ensuring we maintain our united and strong sense of community.

To support our commitment to greater unity, the Government will provide \$7.9 million to track social cohesion in a more sophisticated manner. This will include a focused research program designed to better understand community sentiment towards social cohesion. This investment includes a partnership with the Scanlon Foundation Research Institute to better harness research to inform social cohesion policy-making and program delivery and allow an ongoing public discussion.

Helping migrants
more easily
integrate into the
community



Delivering the
2020 Cyber
Security Strategy



Keeping Australians safe

Enhancing cyber security and building
a stronger defence industry

Securing the online environment

Australia's cyber security capabilities are strong, but the threats we face online are increasing.

The Government will provide an additional \$202 million to deliver the 2020 Cyber Security Strategy, creating a more secure online world for all Australians.

This takes the Government's total funding for the Strategy to \$1.7 billion to provide a cyber security uplift that is fit for purpose in the evolving online environment.

The Strategy is needed to protect Australians, their businesses, and the essential services upon which we depend.

It is estimated that a significant cyber attack impacting Australia for four weeks could cost the economy as much as \$30 billion and an estimated 163,000 jobs. As part of the 2020 Strategy, the Government is investing \$128 million to counter cyber criminals.

AFP funding

The Government is providing additional funding of \$300 million for the Australian Federal Police to protect Australians in an increasingly complex threat environment.

Securing Australia by supporting the defence industry

The Australian defence industry is a national strategic asset. It includes companies all over Australia that deliver the capability our Defence Force needs today and provide a support base to respond to challenges in our strategic environment.

The Government is bringing forward \$1 billion worth of projects to support the Australian defence industry and the wider economy.



\$2 billion
National Bushfire
Recovery Fund
—

A more resilient Australia

Boosting Australia’s resilience to bushfires and drought

The Government is making Australia more resilient and improving Australia’s disaster preparedness, response and recovery.

Supporting bushfire and drought affected communities

The Government is supporting communities hit by the unprecedented 2019-20 bushfires through the \$2 billion National Bushfire Recovery Fund (NBRF). \$1.2 billion of the NBRF has been spent as at 31 August 2020, assisting with economic, community and industry recovery and resilience.

The Royal Commission into National Natural Disaster Arrangements (RCNDA) is currently examining the coordination, preparedness for, response to and recovery from disasters as well as improving resilience and adapting to changing climatic conditions and mitigating the impact of natural disasters. The Government will respond to the RCNDA report following its release, which is due by 28 October 2020.

The Government is backing farmers to overcome the devastating drought, providing an additional \$2 billion in concessional loans. In addition to its \$5 billion Future Drought Fund, it is providing a further \$50 million to build on-farm dams, tanks and troughs that will help farmers prepare for future droughts.





\$2 billion
for new projects
under the
National Water
Infrastructure
Development Fund

Securing Australia's water

The Government is building water infrastructure for the 21st Century, helping to increase our water security, build regional resilience, deliver jobs and grow our critical agriculture sector. The National Water Grid will help secure reliable supplies of water for rural and regional Australia now and into the future. An investment of \$2 billion for new projects under the National Water Infrastructure Development Fund will support the next generation of water infrastructure through the Grid. This more than doubles the fund to a total of \$3.5 billion.

The Government is also investing \$270 million to improve the Murray Darling Basin's river health, to support its local communities, and to improve sustainable water management.

Strengthening BOM forecasting capability

The Bureau of Meteorology's weather observation network ranks among the most extensive and highly regarded in the world. In this Budget, the Government is investing over \$250 million to lock in the benefits of the Bureau's around-the-clock, trusted forecasts and warnings to keep Australians safe and prepared during severe weather events.

Lower energy prices

Expanding supply to ensure affordable and reliable energy

Household electricity prices have fallen by **4.7 per cent** since December 2018

Nationally, household electricity prices have fallen by 4.7 per cent since December 2018, with wholesale electricity prices decreasing over the past 12 months. Lower prices have been driven by lower supply costs and the Government's Default Market Offer. The Government is locking in these gains to ensure affordable power.

Critical transmission projects

Partnering with the states, the Government is accelerating three important electricity transmission projects—the Marinus Link, Project Energy Connect and VNI West interconnectors. These projects will increase electricity supply and reduce prices.

Gas-fired recovery

The Government will provide \$52.9 million to support a gas-fired recovery. To help unlock Australia's vast gas reserves, the Government will develop five Strategic Basin Plans. This will be complemented by the first National Gas Infrastructure Plan, which will identify priority projects, ensuring gas is delivered where it is needed.

New generation

To ensure affordable electricity in New South Wales, the Government is setting the private sector a 1,000 MW target for committed new dispatchable generation projects by April 2021. The Government will take action to replace Liddell's capacity if this target is not met.

Microgrids in regional and remote communities

The Government will provide \$67.1 million in grants to support new microgrids in regional and remote communities to deliver affordable and reliable power.

Household electricity prices are coming down

