



2007-2008 Budget Summary of Budget Measures Directly for Young People

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Summary:

This budget is, in many ways, similar to previous budgets for young people in Australia. It has a strong focus on education and training and - in regards to Centrelink – has a focus on compliance and fraud protection. It is positive to see Youth Allowance extended to Masters (coursework) students and Rent Assistance to Austudy recipients. Similarly, it is pleasing to see a range of measures targeted at indigenous young people to provide them with support to access education, employment and health care.

It is, however, unlikely that most young people will benefit from the \$31.5 billion in tax cuts as the cuts only increase the threshold for those earning up to \$80,000 by \$5,000 as opposed to by \$30,000 for those earning above \$150,000. Young people will benefit from the annual \$1000 payments for those attaining an Apprenticeship in skill shortage areas.

The education measures in this budget are significant – particularly in the areas of higher education. The changes are mixed, with increasing capital investment for universities coupled with increased HECS-HELP fees for those studying Economics, Commerce and Accounting.

Importantly, there is no funding for the community sector to increase its skills and to provide better services for young people. The government has continued to fund the Australian Division of General Practice (\$80m in 2008-09), the Australian Research Alliance for Children and Young People (\$4.2m over two years) and significant investments for professional development for teachers, but has failed to invest in a national peak body for young people.

Finally, there is very little money for important areas such as mental health and housing which continue to have significant detrimental impacts on young people. Centrelink payments continue to be inadequate for young people to live on and training wages and youth wages are also inadequate for young people to achieve independence.

Luke Bo'sher
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General:

Australian Defense Force

\$100 million

Expanding the number of cadets and cadet units and improving their experience through a youth development programme conducted in a military environment

Australian Defence Force retention and recruitment

\$71.0 million

These funds will be used for identifying potential students for direct entry into ADF technical trade training and sponsoring younger students to commence technical trade training before ADF entry.

Australian Research Alliance for Children and Youth — additional resourcing

\$4.2 million over two years

This funding will enable the ARACY to continue to pursue its core operations of encouraging collaboration in the development and application of research.

Combating illicit drugs — strengthening the Non-Government Organisation Treatment Grants Programme

\$79.5 million over four years

Non-Government Organisation Treatment Grants Programme will be provided to significantly increase the number of treatment places and increase the capacity services to provide assistance to families and youth. These services include therapies and detoxification management for those people fighting drug addiction along with specific youth-focused treatment services.

World Youth Day 2008 — support

\$3.0 million over two years & forgone revenue of \$3.2 million

This will be used to manage the orderly entry and stay of the 135,000 international pilgrims expected to visit Australia for World Youth Day 2008. The Government will also waive the visa application charge for pilgrims coming to Australia to attend World Youth Day, resulting in revenue forgone.

Legal aid services — support for legislative changes and regional initiatives

\$19.7 million over 4 years

This will supplement the existing commitment to legal aid via the Commonwealth Criminal Law — Expensive Cases Fund. This funding will also be used to support recent changes to child support arrangements and to help ensure that national security measures and criminal trials can proceed without delays. The measure will aim to improve access to legal aid services in regional and remote communities by encouraging the employment of young lawyers.

Reconnect — continuation of funding

The Government will provide \$85.0 million over four years to continue funding for the Reconnect programme.

Respite Support for Carers of Young People with Severe and Profound Disabilities — continuation and expansion of funding

\$29.8 million over 4 years

To continue and to expand the Respite Support for Carers of Young People with Severe and Profound Disabilities programme. This includes additional funding of \$6.0 million above current funding levels to provide additional immediate and short-term respite places for carers of young people with a severe or profound disability, taking the total number of carers assisted from around 5,000 to around 6,000.

Skin cancer awareness campaign — continuation of funding

\$11.5 million over 2 years

This funding will be used to extend the current National Skin Cancer Awareness campaign to particularly focus on teenagers and young adults.

Financial responsibilities of parenthood — development of an education resource

\$0.5 million

For the development of an educational resource for high school students on the financial issues and responsibilities that arise from becoming a parent. The objective of the measure is to support students to better understand the financial costs associated with having a child and to provide them, as future possible parents, with the knowledge to effectively manage the Australian Government payments that may follow the birth of a child, including the Baby Bonus and Family Tax Benefit.

Health Care Card for ex-Carer Allowance (child) students aged 16-25 years

\$32.5 million over 4 years

This will allow students aged between 16 and 25 to retain a Health Care Card where their carer has been in receipt of Carer Allowance (prior to the student turning 16) at an estimated cost of \$19.3 million over four years. This measure will assist students who have a disability or medical condition and do not qualify for a Health Care Card under any other provisions.

Helping separated parents and their children

\$55.6 million over 4 years

This is to develop two new counselling services to be jointly delivered by FACSIA, the Attorney-General's Department and the Family Court of Australia. This measure will also enable the appointment of one judge and four magistrates to the federal judiciary to manage increased workloads due to the proposed referral to the Commonwealth of jurisdiction over de facto property matters.

Humanitarian settlement initiatives — increased per capita funding for English as a Second Language

\$127.8 million over four years

To double the existing per capita rate to \$10,554 will support 12 months of intensive English language support for newly arrived humanitarian entrants in Australian schools.

Education:

Realising Our Potential — Higher Education Endowment Fund

\$5 billion investment with expenditure of \$304 million every year from 2008

The Government will establish a new, perpetual Higher Education Endowment Fund (HEEF) with an initial investment of \$5 billion funded from the 2006-07 surplus. The HEEF will be invested to earn income which will be distributed by the Minister for Education, Science and Training, after receiving advice from a panel of experts, to individual institutions for capital works and research facilities on an annual basis.

A Better Future for Indigenous Australians — opportunities for education

\$177.4 million over 4 years including;

\$69.1 million over four years

Will expand the Indigenous Youth Mobility Programme from 640 to 1,500 places and the Indigenous Youth Leadership Programme from 250 to 1,000 places over this period.

\$65.3 million over three years

Supporting infrastructure works by existing non-government boarding schools in remote and regional areas. The funding for infrastructure will allow the repair and replacement of existing boarding school facilities and support new developments to accommodate more students.

\$38.8 million over four years & 2.4 million over 2 years

FaCSIA will establish three new boarding hostels and expand two existing boarding hostels. Aboriginal Hostels Limited will operate two of the new boarding hostels.

\$1.7 million over 3 years

Will be provided to extend the YouthLinx and Reconnect programmes, administered by FaCSIA, allowing assistance and support to students of the new hostels.

Realising Our Potential — support for young Australian Apprentices in skill-shortage trades

\$342.5 million over 4 years

This will be for first and second year Australian Apprentices under 30 years of age in skill-shortage trades to receive a tax exempt payment of \$1,000 per annum as a wage top-up. This will be paid in six-monthly installments of \$500 and will assist these Australian Apprentices to complete the first two years of their training. This measure will benefit around 228,000 apprentices over four years.

Realising Our Potential — increasing university funding

\$559.6 million over 4 years

The Government will increase Commonwealth Grant Scheme funding to the disciplines of Mathematics, Statistics, Allied Health, Engineering, Science, Surveying, Clinical Psychology, Education, Nursing, Social Studies, Behavioural Science, Medicine, Dentistry and Veterinary Science.

CGS funding for Accounting, Administration, Economics and Commerce will be adjusted downwards to match the Commonwealth contribution for Law reflecting the commercial nature of these courses. At the same time, Accounting, Administration, Economics and Commerce will also move into the same HECS-HELP band as Law, Medicine, Dentistry and Veterinary Science. This will increase the maximum HECS-HELP contribution that students in Accounting, Administration, Economics and Commerce may make.

Realising Our Potential — allowing more responsive universities

\$223.2 million over four years

In order to ensure universities can respond appropriately to demands from students and the labour market in determining their course mix and place numbers, the Government will provide \$223.2 million over four years to relax the caps placed currently on university places. This will provide universities with full additional funding for over-enrolments of up to five per cent (up from the current one per cent) and will abolish existing over enrollment penalties.

The Government will remove all caps on the proportion of domestic full-fee paying places. Students obtaining a domestic full-fee place will continue to be eligible to receive a FEE-HELP loan as per current arrangements. The Government will continue to require providers to deliver a specified number of Commonwealth-supported places in agreed disciplines such as nursing and medicine.

Realising Our Potential — Diversity and Structural Adjustment Fund

\$208.6 million over 4 years

This will be used to promote structural reform by universities to support greater specialisation, diversity and responsiveness to local labour market needs.

Realising Our Potential — reducing red tape for universities

\$0.9 million over 2 years

The Government will work with the States and Territories to streamline regulatory and legislative requirements and reduce the reporting burden for universities.

Realising Our Potential — additional Commonwealth Learning Scholarships

\$91.4 million over 4 years

To increase the number of Commonwealth Learning Scholarships (CLS) which the Government will provide to students from around 8,500 to 12,000 each year. Around 2,000 of these new scholarships will be extended to students from disadvantaged backgrounds for study towards Associate Degrees and will be issues by the Commonwealth.

Realising Our Potential — FEE-HELP for Diploma and Advanced Diploma VET Courses

\$14.5 over 4 years

The Government will extend FEE-HELP to full-fee paying students in Diploma and Advanced Diploma courses that are accredited as Vocational Education and Training (VET) qualifications, where significant credit towards a university degree is guaranteed and agreement with States and Territories is reached on mechanisms to ensure TAFE fees do not increase as a consequence.

Realising Our Potential — fast-track apprenticeships

The Government will provide \$58.5 million over four years to Registered Training Organisations (RTOs) to partner with industry and local employers to develop and implement fast-track apprenticeships with competency-based progression, so that apprentices can be trained more quickly and enter the workforce more quickly. RTOs will be able to apply for up to \$50,000 to work with industry partners to develop innovative on-the-job and off-the-job training that focuses on the acquisition of skills and competencies, rather than time served, with appropriate safeguards.

Realising Our Potential — Australian Technical Colleges

\$83.6 million over 5 years

For the establishment and operation of a further three Australian Technical Colleges in the Brisbane, Sydney and Perth areas. This will take the total number of colleges to 28, accommodating up to 8,400 Year 11 and 12 students.

Realising Our Potential — national literacy and numeracy vouchers

\$457.4 million over 4 years

The programme will provide a \$700 tutorial voucher per child to parents whose children do not achieve current literacy or numeracy benchmarks in Years 3, 5 and 7.

Realising Our Potential — additional support for regional and remote schools

\$121.1 million over 4 years

To provide a regional/remote loading in addition to current funding delivered to non-government schools. This will be contingent on an equivalent increase by state and territory governments.

Realising Our Potential — rewarding schools for improving literacy and numeracy outcomes

\$53.2 million over 4 years

Public and private schools that can demonstrate improvements in literacy and numeracy outcomes will be eligible to apply for rewards of up to \$50,000 per annum.

Realising Our Potential — improving the practical component of teacher education

\$77.0 million over 4 years

To improve the practical component of teacher education to ensure all teacher-education students are provided with sufficient high quality practical experience in schools before entering the teaching profession by providing an additional \$450 per full-time equivalent student place to universities that deliver a minimum of 120 days of practical experience for each student over a three or four-year degree and a minimum of 60 days practical experience for one or two-year courses.

Realising Our Potential — Australian Government Summer Schools for Teachers

\$101.7 million over 4 years

To fund the establishment and ongoing operation of Australian Government Summer Schools for Teachers to improve teacher quality. The Schools will provide up to 1,000 teachers per annum with professional development in one of five disciplines: Literacy and Numeracy; Australian History; Maths; Science; and English. This program will fund the full cost of teachers participating in the 10-day residential programme, including travel and accommodation expenses. The Government will also reward each teacher with a \$5,000 bonus on completion of the course.

Realising Our Potential — national student aptitude test for tertiary admission

\$14.5 million over 3 years

This initiative will trial the use of student aptitude tests by universities as a supplementary or alternative mechanism for assessing Year 12 students seeking entrance to a tertiary course.

A Better Future for Indigenous Australians — accommodation support for education and health

\$29.0 million over 4 years

This will be used to build and operate hostel accommodation for remote Indigenous people who relocate from their community to access education, health and aged care services. This measure will establish a new secondary student hostel in Kununurra, Western Australia, at a cost of \$7.4 million, to provide accommodation for up to 40 Indigenous students who relocate from their homes in the Kimberley region to continue their education.

Investing In Our Schools Programme — continuation

\$195.9 million over 2 years

To undertake a fourth and final funding round of the Investing in Our Schools Programme. This final funding round will particularly target those schools which have not yet received a grant under the programme.

Dental school — Charles Sturt University

\$65.1 million over 4 years

Used for the establishment of a new regional dental school at the Charles Sturt University, including the construction of residential accommodation for students.

Review of student visa two-stage permission to work — implementation

(Saving) \$2.4 million over 4 years

The Government will remove the separate requirement of student visa holders to apply for work rights, by allowing foreign students to have work rights on the basis of their primary student visa.

Income/Student Support

Extending Rent Assistance to Austudy recipients

\$86.9 million over 4 years

Rent Assistance will be extended to Austudy recipients assisting around 11,000 students aged over 25 years of age.

Extending income support to Masters students

\$43.3million over 4 years

This will extend eligibility for Youth Allowance and Austudy to students undertaking approved Commonwealth-funded Masters by Coursework courses that are an entry requirement to a profession or are part of a restructure of existing course requirements.

Youth Allowance — participation requirements for payment eligibility

(Saving) \$1.6 million over 4 years

This will ensure that Youth Allowance (other) recipients with participation requirements are paid only from the date they apply as a job seeker and commence their engagement with a provider of Australian Government employment services.

A Better Future for Indigenous Australians — expanding employment pathways for Indigenous young people

\$32.8 million over four years;

\$27.7 million will be provided to give 1,000 disadvantaged Indigenous students per year access to a one-off payment of \$4,000 on their commencement of an undergraduate course.

\$3.0 million will be used to extend the Youth Allowance independence status to ABSTUDY recipients, extend ABSTUDY Incidentals Allowance to students undertaking enabling courses and extend Crisis and Bereavement payments to ABSTUDY recipients.

Fraud and compliance — consolidation and expansion of risk profile reviews for student payments

\$3.9 million (to save \$4.9 million with a net saving of \$1.1 million over 3 years)

The Government will maintain the number of reviews for full-time students in receipt of Youth Allowance and Austudy at current levels while consolidating the risk profile review process. Risk profile reviews will also be introduced for ABSTUDY which will minimise the risk of student debt as a result of incorrect payments or non-compliance.

Fraud and compliance — improved reporting of changes in income of people receiving Centrelink payments

\$2.7 million (to save \$39.3 million with a net saving of \$36.6 million over three years)

The Government will enhance the job placement information in Centrelink's systems to ensure Centrelink staff request updated reports of earnings from people who have recently been placed into employment by providers of employment services. This is expected to result in earlier reporting of changes in the income of people in receipt of Centrelink payments.

Multiple Birth Allowance — extension of eligibility

\$10.0 million over 4 years

To extend the payment of Multiple Birth Allowance from the current maximum age of 6 to include all eligible children aged under 16 years and students who are undertaking fulltime study until the end of the calendar year in which the student turns 18. Multiple Birth Allowance recognises the extra costs faced by parents following the concurrent birth of three or more children. It is currently paid to families with multiple births who are eligible for Family Tax Benefit Part A, until the children turn six.

Carer Bonus

\$394.3 million

This will be a lump sum payment to carers, in recognition of their contribution in caring for people with disabilities and the frail aged. Carer Payment recipients will receive \$1,000 and recipients of Carer Allowance will receive \$600 for each eligible person in their care. Those receiving both payments on 8 May 2007 will also receive both lump sum payments.

Carer ex-gratia payment

\$6.5 million over 2 years

Ex-gratia payments to families who are not eligible for the Carer Payment but have significant caring requirements and a need for support for a child under 6 years of age diagnosed with a major disability or severe illness.

Other Relevant Measures Not Directed Targeted at Young people:

Personal income tax cuts

\$31.5 billion over four years.

This is in addition to the \$36.7 billion worth of tax cuts announced in last year's budget.

From 1 July 2007, the 30 per cent threshold will rise from \$25,001 to \$30,001. In addition, the low income tax offset will increase from \$600 to \$750 and will begin to phase-out from \$30,000. From 1 July 2008, the 40 per cent threshold will rise from \$75,001 to \$80,001 and the 45 per cent threshold will rise from \$150,001 to \$180,001.

Personal income tax — increasing the Medicare levy low-income households

\$150 million over 4 years

The Government will increase the Medicare low-income thresholds to \$16,740 for individuals and \$28,247 for families, with effect from 1 July 2006. The additional amount of threshold for each dependent child or student will also be increased to \$2,594.

Mobility Allowance — expanding eligibility criteria

\$11.1 million over 4 years.

The Government will expand the eligibility criteria for Mobility Allowance, which provides assistance with travel costs for people whose disability means they cannot use public transport. Currently, Mobility Allowance is paid at a standard rate of \$74.30 per fortnight or at a higher rate of \$104.00 per fortnight for people with part-time participation requirements undertaking an eligible activity. This measure will expand the number of people eligible for the higher rate of payment by extending eligibility to Parenting Payment recipients and Supported Wage System workers (those who have reduced productivity related to their disability).

Personal Support Programme — additional places

\$15.8 million over 4 years

This will be used to expand the Personal Support Programme (PSP) by 2,000 places. The PSP provides individualised assistance for the unemployed who face multiple non-vocational barriers to participation such as homelessness, drug and alcohol problems, psychological disorders, or domestic violence. The PSP acts as a bridge between short-term crisis assistance and employment-related assistance.

Humanitarian settlement initiatives — Programme of Assistance for Survivors of Torture and Trauma — additional funding

\$12.2 million over 4 years

Additional funding will be provided to expand the Programme of Assistance for the Survivors of Torture and Trauma to increase the capacity of specialised treatment services in Australia to meet the needs of humanitarian entrants. This will further improve access to medium- to long-term specialist counselling for an additional 1,800 survivors of torture and trauma annually.

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