

Announcements from Budget Night

The government has announced investments in Australia's economy and its community. The government has claimed in its budget that unemployment has lowered since the LNP took office. However, they failed to consider the rise of underemployment and the struggles of students.¹ The big selling point in this budget was the tax cuts that primarily benefit middle-income earners, which could be seen as a smokescreen to project an image of adequate economic investment. Please see below for a breakdown.

Student income support

Student welfare and support is missing from the 2019-20 federal budget. Student Income Support was completely ignored in the government's announcement of energy exemptions, while Newstart has not been raised and remains at 53.7% of the Henderson Poverty line.² Moreover, Austudy, Youth Allowance, and ABSTUDY is 57.2% of the Henderson Poverty line.³

- No change in Newstart, Youth Allowance, or Austudy payments.
- \$36.4 million over five years from 2018-19 to extend Family Tax Benefit eligibility to the families of ABSTUDY (secondary) student.
- \$284 million for a one-off, income tax exempt payment of \$75 for singles and \$125 for couples to more than 3.9 million eligible social security payment recipients, assisting with their next power bill and cost of living expenses. Those on student income support are not eligible for the payments.

The Government has just announced that those on Newstart may be eligible for the one-off payment. Stay tuned to NUS Facebook and Twitter account for updates as the details unfold.

University sector funding

- \$17.7 billion in the university sector in 2019. This is projected to grow to more than \$20 billion by 2024. Much of these numbers are similar to the 2018-19 budget. Yet, this has been claimed to be a record amount.

NUS is concerned with the stated record funding as we have seen \$2.2 billion of funding cuts and \$328 million in university research in the last 18 months. The so-called record funding includes HECS repayments and research funding, which finds the amount to actually be a decrease in universities compared to previous years.

- No changes to the funding freeze from the 2017 MYEFO announcement, resulting in a 5% cut to university funding by 2020.
- Targets for Close the Gap has not been met and continues to use previous targets as the 2018-19 budget. No budget mentions of additional funding to try and reach this target directly.

Tax cuts

- Those earning up to \$126,000 a year will receive from \$530 to \$1,080 extra back in taxes each year. This means that students can potentially see up to \$3 a day more in their accounts.

¹ Australian Bureau of Statistics, 2018, 6202.0 - Labour Force, Australia, September 2018, <<https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/6202.0main+features10September%202018>>

² The percentage is modelled off of Newstart fortnightly payments of \$555.70. It is for a single individual who lives out of home. Henderson poverty line is \$1033.98 per fortnight, sourced from University of Melbourne, 2018, Poverty Lines: Australia: June Quarter 2018.

³ The percentage is modelled off of Austudy, Youth Allowance and ABSTUDY fortnightly payments of \$591.00, including rent allowance. It is for a single individual who lives out of home. Henderson poverty line is \$1033.98 per fortnight, sourced from University of Melbourne, 2018, Poverty Lines: Australia: June Quarter 2018.

However, as students are already shown to be sitting on the poverty line, this tax cut will not affect many unless earning over the tax-free threshold of \$18,200.

- Changes from 1 July 2024 mean that those earning between \$45,000 and \$200,000, will pay no more than 30 cents on the dollar.

Climate change

The budget failed to include funding for urgent action on climate change. The key measures announced include a 'Snowy Hydro 2.0', and the opening up of another gas mine in the Northern Territory. This is predominantly a 'clean up the mess' bandaid solution that shows no investment in moving to other solutions to target climate change.

- \$3.5 billion Climate Solutions Package, \$2 billion of which will go to emission reduction activities.
- \$100 million Environment Restoration Fund to deliver large-scale environmental projects.
- No clean energy targets were announced.

Investment in TAFE and apprenticeships

The government announced an investment into TAFE and vocational education and training; however, this investment pales in comparison to the \$3 billion worth of TAFE cuts in the past six years.

- \$525 million over five years in the vocational education and training (VET) sector to better equip Australians with the skills they need.
- 80,000 rather than previously promised 160,000 new apprenticeships in industries with skills shortages. Employers will be eligible for a \$4,000 incentive payment over two years. Apprentices will be eligible for \$2,000, paid at key milestones in the apprenticeship.

NUS holds some preliminary concern over the potential for this apprenticeship program to have similar issues to the PaTH program, a failed government project from 2016. These concerns include that a guarantee for these positions may not lead to permanent work, and workplace safety concerns.

Destination Australia plan

- \$93.7 million over four years from 2019-20 for scholarships for both domestic and international students to study at a regional campus of a university or vocational education training provider.
- Increased international work visas for students who have completed an undergraduate or postgraduate degree in a regional area.

This has been framed as a way to ensure more international students are attracted to regional universities, this program would provide scholarships of up to \$15,000 per year for 4270 students. This follows the closure of the Endeavour Leadership Program in this budget, which supported international engagement for researchers and students.

Mental health

NUS supports the increase in mental health spending, though pushes the government to make these services much more accessible and affordable to the community.

- \$263 million over the next seven years in the continued support to expand headspace services for young people.
- \$110 million over four years for additional support for early psychosis services.
- \$15 million for workplace-based mental health programs.
- \$63 million for new residential care centres for eating disorders.
- \$114.5 million to eight new walk-in community mental health centres.