



2016-17 State and Federal Budgets

WACOSS FEDERAL BUDGET FACT SHEET

Summary Response to Key Federal Budget Measures

Welcome measures

- Reduced superannuation tax concession for the wealthy with over \$1.6m in savings.
- Reintroduction of a low-income super scheme for people who earn under \$37k.
- Curbs on tax avoidance by multinational corporations through a new ATO taskforce.

Concerning measures

- Shift from the failed Work for the Dole scheme to a \$200/25 hr week (\$4/hr) internships in regular jobs for young people (the PaTH program), but not paid real wages and may be open to rorting.
- \$1.2B cut to aged care services, threatening the viability of the current service model.

Unfair measures

- \$13B cuts carried forward (*family payments for low income families, reductions in PBS concessions, higher age pension eligibility age, one month waiting period for young people to access income support and lower payments for many young unemployed people*).
- \$3B new cuts to payments and essential services (*to Medicare, dental health and income support for people with a disability*).
- \$1.4B cut to income support recipients – approximately \$14/week – *Instead of the required increase of \$50/week for people living on \$38/day, new recipients will get just \$37/day.*
- Income tax cuts for the wealthy – everyone earning \$80k or more gets a break of \$6/week.

Unwelcome measures

- Reassessment of 90,000 people currently receiving the Disability Support Pension, *putting them at risk of a \$170 per week cut to payments.*
- The vast majority of the cuts to state health and schools funding remain in place.
- Tax cuts over the next four years are not fully funded and risk further unfair measures to cover the costs. *The cuts to company tax rates will cost \$48B over ten years.*
- There are new superannuation tax breaks for contributions for people on higher incomes who don't need them (*the new tax deduction and carrying forward of the concessional cap*).
- \$20m cut to Centrelink, when the system is already under strain.

Failures to act

- Investment in affordable housing programs and supply, and certainty for homelessness services into the future, including funding for the NPAH and NPARIH.
- Delayed the child care package, still no commitment to ensure vulnerable children have 2days/week of quality education and care.
- No new funding for struggling community services, including Aboriginal and Torres Strait Islander family violence and community legal services.