



# 2016-2017 Federal Budget

A summary  
of budget measures  
affecting the employment services  
and some related sectors

“Fairness, opportunity, security” were the key terms used surrounding the 2017-18 Australian Federal Budget that was handed down, May 9, 2017. This budget particularly featured infrastructure investment, education reforms, a new housing affordability package and levies on the banking system.

The main measures of relevance to employment services are outlined below as articulated in the Government’s Budget papers. A more detailed sector briefing will be provided by NESAs drawing on more detailed briefings over the coming days.

Full copies of all budget papers can be accessed via [www.budget.gov.au](http://www.budget.gov.au)

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## EMPLOYMENT

### Better Targeting of Assistance to Support Jobseekers

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Human Services	4.1	35.4	33.3	29.6	29.7
Administrative Appeals Tribunal	-	0.1	0.1	0.1	0.1
Department of Employment	-	-10.0	-34.8	-32.5	-31.6
Department of Social Services	-	-44.1	-183.6	-213.1	-229.5
Total — Expense	4.1	-18.6	-185.0	-215.9	-231.3
<i>Related capital (\$m)</i>					
Department of Employment	-	14.6	-	-	-

The Government will refocus Work for the Dole and introduce a new Jobseeker Compliance Framework (the Framework) that strengthens penalties for deliberate non-compliance while providing additional help for genuine job seekers to meet their requirements.

The new Framework will include a Personal Responsibility Phase where each failure without a reasonable excuse will result in payment suspension until re-engagement, and accrual of demerit points. Individuals who accrue four demerits in six months will enter a three-strike Intensive Compliance Phase, in which they will face escalating penalties.

They will:

- lose 50 per cent of their fortnightly payment for their first strike without a reasonable excuse;
- lose 100 per cent of their fortnightly payment for their second strike; and
- have their payment cancelled for four weeks for their third strike.

The new process will simplify the compliance system and provide vulnerable people with support by ensuring appropriate, individualised assessments are undertaken by providers and the Department of Human Services before any financial penalties are incurred for not meeting obligations. These assessments will take into account individual circumstances to ensure that people with genuine issues are not unfairly penalised.

This will achieve efficiencies of \$632.0 million over five years from 2016-17.

The new Compliance Framework will include initiatives aimed at reducing substance misuse among welfare recipients. It will also include initiatives that will encourage claimants to provide information and meet their responsibilities in a timely manner, including the removal of backdating provisions. The relationship status verification process will also be streamlined for new and existing single parent claimants.

Expenditure for elements of this measure are not for publication (nfp) due to commercial-in-confidence sensitivities.

Efficiencies from this measure will be redirected by the Government to repair the Budget and fund policy priorities.

## Closing the Gap — Employment Services — additional funding

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Employment	-	5.5	14.9	16.2	16.0
Department of Human Services	..	2.2	-0.1	-0.1	-0.1
Total — Expense	..	7.7	14.7	16.0	15.9
<i>Related capital (\$m)</i>					
Department of Employment	-	1.4	-	-	-

The Government will provide \$55.7 million over five years from 2016-17 to help meet the Government's Closing the Gap employment target for Indigenous Australians. This measure will enable stronger engagement by employment services providers with Indigenous communities and provide enhanced support for Indigenous participants.

This measure includes:

- \$33.2 million over five years from 2016-17 to deliver pre-employment training and mentoring for Indigenous participants, and to expand access to the *Transition to Work* program to all Indigenous job seekers aged 21 years or under;
- \$17.6 million over five years from 2016-17 to trial additional employment assistance to Indigenous prisoners to ensure they are provided with better preparation and assistance to transition from prison to an employment assistance program after their release, including additional support in the immediate post-release period. This measure forms part of the Government's response to COAG's 2016 *Prison to Work Report*;
- \$5.0 million over four years from 2017-18 to support the implementation of community-designed and delivered employment services in Yarrabah, Queensland; and
- allowing immediate access to increased wage subsidies (from \$6,500 to \$10,000) for Indigenous participants to better support their employment outcomes, with funding to be met from within the existing Wage Subsidies Funding Pool.

## ParentsNext — national expansion

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Employment	-	9.4	69.8	71.2	73.5
Department of Human Services	-	9.1	11.6	4.9	4.9
Administrative Appeals Tribunal	-	-	..	..	..
Total — Expense	-	18.5	81.5	76.1	78.4
<i>Related capital (\$m)</i>					
Department of Employment	-	7.0	0.5	0.5	0.5

The Government will provide \$263.0 million over four years from 2017-18 to expand the *ParentsNext* program.

The *ParentsNext* expansion will be delivered in two streams providing different levels of support across specific *jobactive* regions:

- \$150.1 million over four years to expand *ParentsNext* nationally to the 51 employment regions covered by *jobactive* providers. Services will include participants meeting with a *ParentsNext* provider every six months, developing a Participation Plan and participating in activities that will help prepare them for employment.
- \$113.0 million over four years to provide an intensive service offering to all *ParentsNext* participants in 30

locations where a high number of Parenting Payment recipients are Indigenous. Expanding the program to these locations will provide intensive support to help boost the participation of Indigenous parents in the labour market and help achieve the Closing the Gap employment targets. The increased services will include additional pre-employment training and outcome fees to encourage successful placements.

## PRIME MINISTER AND CABINET

### Consultation on a new Employment and Participation service in Remote Australia

The Government will conduct a consultation process on a new model for employment and participation services in remote Australia.

Consultation will occur through a number of channels, including a discussion paper, community consultation sessions and a number of stakeholder.

### Engaging young people in Remote Australia

The Government is also investing \$11.0 million to develop and implement a Community Development Programme (CDP) youth engagement strategy in collaboration with local schools. This will support young people in communities including through the employment of youth workers to transition young people into training and employment.

### Business Support for Indigenous Entrepreneurs — extension

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of the Prime Minister and Cabinet	-	36.7	36.7	36.7	36.7
Indigenous Business Australia	-	-23.0	-23.0	-23.0	-23.0
Total — Expense	-	13.7	13.7	13.7	13.7
<i>Related capital (\$m)</i>					
<i>Indigenous Business Australia</i>	-	-13.7	-13.7	-13.7	-13.7

The Government will redirect \$146.9 million over four years from 2017-18 from Indigenous Business Australia to the Department of the Prime Minister and Cabinet to facilitate the delivery of innovative and effective support for Indigenous businesses and entrepreneurs.

Services will include workshops, business planning and training. The measure will also provide tailored loan products, including capital assistance for Indigenous entrepreneurs who would like to establish or grow their business.

This measure extends the 2016-17 Budget measure titled *Indigenous Business Australia — continuity of business support arrangements*.

### Enhanced Research and Evaluation in Indigenous Affairs

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of the Prime Minister and Cabinet	-10.0	2.4	4.2	1.2	-0.8
Productivity Commission	-	0.6	0.8	0.8	0.8
Total — Expense	-10.0	3.0	5.0	2.0	-

The Government will provide \$52.9 million over four years from 2017-18 to implement a

whole-of-government research and evaluation strategy for policies and programs affecting Indigenous Australians, including the establishment of an Indigenous Research Fund.

This measure includes three components:

- \$40.0 million over four years from 2017-18 to strengthen evaluation of the Indigenous Advancement Strategy;
- \$10.0 million over three years from 2017-18 to establish an Indigenous Research Fund that will add to the Indigenous policy evidence base; and
- \$2.9 million over four years from 2017-18 for the Productivity Commission to enhance its role in Indigenous policy evaluation and to expand the Commission to include an additional Commissioner with relevant experience in Indigenous policy.

The cost of this measure will be met from within the existing resources of the Indigenous Advancement Strategy in the Department of the Prime Minister and Cabinet.

## HEALTH

### Strengthening Aged Care — developing an aged care workforce strategy

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Health	-	-	-	-	-

The Government will provide \$1.9 million over two years from 1 July 2017 to establish and support an industry-led aged care workforce taskforce. The taskforce will explore options to improve productivity in the aged care workforce and contribute to the development of an aged care workforce strategy, including for regional and remote areas.

The cost of this measure will be met from within the existing resources of the Department of Health.

## SOCIAL SERVICES

### Improving Disability Employment Services

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Social Services	-	11.4	-9.0	-0.8	8.0
Department of Human Services	..	1.6	0.1	..	..
Department of Employment	-	0.5	0.1	-	-
Total — Expense	..	13.6	-8.8	-0.7	8.0
<i>Related capital (\$m)</i>					
Department of Employment	-	9.8	2.2	-	-

The Government will provide \$24.0 million over four years from 2017-18 to implement a new framework and funding model for the *Disability Employment Services* (DES) program from 1 July 2018.

The new framework aims to improve the DES program performance by:

- making it easier for DES participants to choose and change providers, with funding to follow participants;
- providing greater incentives for providers to achieve employment outcomes for job seekers, including longer

term employment outcomes and outcomes for those with significant employment barriers;

- indexing provider payments from 1 July 2019 to ensure that cost increases for DES providers will not impact on the services they deliver to DES participants; and
- undertaking a trial to expand DES to a broader group of school leavers with less significant disability, to assist them to successfully transition from school to work.

## Boosting the Local Care Workforce

- Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Social Services	-15.5	3.5	12.0	3.0	-
Department of Health	-	-3.0	-	-	-
Total — Expense	-15.5	0.5	12.0	3.0	-

- The Government will assist service providers in rural, regional and outer suburban areas to provide the workforce required to meet the expected growth in the disability and aged care sectors arising from the introduction of the National Disability Insurance Scheme and an ageing population by investing \$33.0 million over three years from 2017-18.
- The cost of this measure will be met from within the existing resources of the Department of Social Services and the Department of Health.

## Department of Human Services — improving service delivery and reducing red tape

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Human Services	0.2	6.0	-0.2	-0.3	-0.3

The Government will undertake a number of administrative processes to improve Department of Human Services (DHS) service delivery and reduce red tape.

The administrative processes include:

- piloting opportunities with existing accredited Government service providers to reduce call wait times by increasing Centrelink call centre capacity by 250 full-time equivalent roles;
- more efficient information-sharing arrangements with the Australian Taxation Office by requiring welfare claimants to provide their Tax File Number (TFN) when first lodging claims; and
- streamlining of referrals for welfare fraud prosecution by allowing information held by DHS to be used in respect to potential criminal proceedings.

A total of \$5.5 million over five years from 2016-17 will be invested to deliver on improvements to TFN and referrals processes.



## Funding the Jobs for Families Package

### Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Human Services	0.4	0.1	-0.1	-0.3	-0.3
Department of Health	-	-0.1	-0.2	-0.2	-0.2
Department of Social Services	-	-241.1	-571.9	-571.6	-570.1
Total — Expense	0.4	-241.0	-572.2	-572.2	-570.7

The Government will achieve savings of \$2 billion over five years by maintaining the current Family Tax Benefit (FTB) payment rates for two years at their current levels from 1 July 2017. Indexation of the FTB payment rates will resume on 1 July 2019.

This measure builds on the \$6.3 billion in budget improvements already achieved over the forward estimates through the first Omnibus Savings Bill.

## National Disability Insurance Scheme — finalisation of transition arrangements

### Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of the Treasury	0.7	171.0	82.9	267.8	nfp
Australian Aged Care Quality Agency	-	-	0.2	0.2	0.2
Department of Finance	-0.1	-0.1	-0.1	-	-
Department of Health	0.6	-0.1	246.7	266.2	266.3
Department of Social Services	-	-6.3	-11.6	-24.1	-32.1
National Disability Insurance Agency	-	-367.0	-633.4	-899.3	-1,177.4
Total — Expense	1.3	-202.6	-315.3	-389.2	-943.0
<i>Related revenue (\$m)</i>					
Department of Health	-	-	21.4	37.9	-
Department of the Treasury	-	-	-	-	-
Australian Aged Care Quality Agency	-	-	-	-	-
Department of Social Services	-	-	-	-	-
Department of Finance	-1.5	-2.8	-2.7	-	-
National Disability Insurance Agency	-	-108.2	-186.1	-358.1	-410.3
Total — Revenue	-1.5	-111.0	-167.3	-320.2	-410.3

The Government will provide \$868.2 million over three years from 2017-18 to support the delivery of the Western Australian (WA) National Disability Insurance Scheme (NDIS) under a nationally consistent, locally administered model. Funding for this model will be provided through a National Partnership Agreement. NDIS funding for WA from 2020-21 is not for publication, pending negotiations on full scheme arrangements.

The Government will also provide \$754.0 million over five years from 2016-17 to extend the revised arrangements for aged care and disability services under the 2011 National Health Reform Agreement (NHRA). Implementing the NHRA in WA will include transitioning Home and Community Care services for people aged 65 years and over to the *Commonwealth Home Support Programme* from 1 July 2018 and transitioning older people in Specialist Disability Services in WA to the *Commonwealth Continuity of Support Program* from 1 July 2019.

Further information can be found in the press releases issued by the Minister for Social Services,

with the Premier of WA and the WA Minister for Planning and Disability Services, on 1 February 2017, and by the Minister for Aged Care on 1 February 2017.

## National Disability Insurance Scheme Quality and Safeguards Commission — establishment

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
National Disability Insurance Scheme Quality and Safeguards Commission	-	11.8	42.2	52.9	54.9
Department of Social Services	-	11.6	5.2	5.7	1.7
Department of Human Services	-	3.8	1.0	0.5	0.5
Office of the Commonwealth Ombudsman	-	1.2	1.8	1.8	1.6
National Disability Insurance Agency	-	0.4	-0.5	-2.2	-2.9
Administrative Appeals Tribunal	-	0.1	0.1	0.1	-
Department of Finance	-	0.1	..	-	-
<b>Total — Expense</b>	-	29.0	49.7	58.8	55.8
<i>Related revenue (\$m)</i>					
Department of Finance	-	-0.2	-0.1	-	-
<i>Related capital (\$m)</i>					
Department of Social Services	-	12.9	3.5	0.9	0.3
National Disability Insurance Agency	-	-1.0	-1.0	-	-
<b>Total — Capital</b>	-	11.8	2.5	0.9	0.3

The Government will provide \$209.0 million over four years from 2017-18 to establish a new, national, independent regulatory body, the National Disability Insurance Scheme (NDIS) Quality and Safeguards Commission.

The Commission will implement the NDIS Quality and Safeguarding Framework that will support NDIS participants to exercise choice and control, ensure appropriate safeguards are in place to protect participants in care, and establish expectations for providers and the disability workforce in the delivery of quality and safe services. The Commission will commence operations on 1 January 2018 replacing the various quality and safeguarding arrangements in each State and Territory as they reach full scheme, to deliver a nationally consistent quality and safeguarding system for the first time.

## Energy Assistance Payment

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Social Services	245.5	2.0	-	-	-
Department of Veterans' Affairs	17.4	0.3	-	-	-
Department of Human Services	3.2	0.3	-	-	-
<b>Total — Expense</b>	266.1	2.5	-	-	-
<i>Related capital (\$m)</i>					
Department of Veterans' Affairs	-	0.3	-	-	-

The Government will provide \$268.9 million over two years to make a one-off Energy Assistance Payment in 2016-17 of \$75 for single recipients and \$125 per couple for those eligible for

qualifying payments on 20 June 2017 and who are resident in Australia.

Qualifying payments include the Age Pension, Disability Support Pension, Parenting Payment Single, the Veterans' Service Pension and the Veterans' Income Support Supplement, Veterans' disability payments, War Widow(er)s Pension, and permanent impairment payments under the *Military Rehabilitation and Compensation Act 2004* (including dependent partners) and the *Safety, Rehabilitation and Compensation Act 1988*.

## EDUCATION AND TRAINING

### Skilling Australians Fund

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of the Treasury	-	350.0	360.0	390.0	370.0
Department of Education and Training	-	-	-	-	-
Total — Expense	-	350.0	360.0	390.0	370.0

The Government will provide \$1.5 billion over four years from 2017-18 to establish a permanent *Skilling Australians Fund* (the Fund) to support the skilling of Australian workers. The Fund will prioritise apprenticeships and traineeships for occupations in high demand, occupations with a reliance on skilled migration pathways, industries and sectors of future growth, trade apprenticeships, and apprenticeships and traineeships in regional and rural areas. The Fund, when matched with funding from the States, will support up to 300,000 more apprentices, trainees, and higher level skilled Australians over the next four years.

The Fund will support a range of projects which are focused on Commonwealth priorities and are designed to support growth in trade and non-trade apprenticeships and traineeships in target areas. Projects may include providing incentives for employers, pre-apprenticeship training, improving apprenticeship and traineeship retention and completion rates, and additional support for higher level apprenticeships.

Eligibility criteria for the Fund will be defined by the Commonwealth, with States' access to the Fund conditional on their agreement to meeting conditions including a requirement to focus on priority occupations, funding contributions matching Commonwealth funding, achieving outcomes, and providing up-to-date data on performance and spending.

This measure includes \$261.2 million in 2017-18 which is in addition to the revenue generated from the training fund contribution levy to be applied under the temporary and permanent employer sponsored migration programs. From 2018-19, funding for this measure will be determined by the training fund contribution levy.

### Closing the Gap — English language learning for Indigenous children trial

Expense (\$m)

	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Education and Training	-	0.8	3.3	1.2	0.6

The Government will provide \$5.9 million over four years from 2017-18 to trial the use of digital applications to improve English literacy outcomes for Aboriginal and Torres Strait Islander children. The trial will be undertaken over two years, 2019 and 2020, in 20 preschools around Australia.

The trial supports the Government's commitment to Closing the Gap in literacy achievement between Indigenous and non-Indigenous children.

### Skills for Education and Employment Program — efficiencies

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Education and Training	-	13.7	-26.2	-33.1	-34.7

The Government will achieve savings of \$112.4 million over five years from 2017-18 (including \$32.1 million in 2021-22) by identifying efficiencies in the *Skills for Education and Employment Program* (the Program). The Program will continue to meet its objective of training 22,500 people. Additional funding of \$13.7 million will be provided in 2017-18 to support the continued training of participants who commenced in 2015-16. Funding of \$462.5 million over five years will continue to be provided for this Program to assist eligible job seekers.

The savings from this measure will be redirected by the Government to repair the Budget and fund policy priorities.

## ATTORNEY GENERAL'S

### Specialist Domestic Violence Units — expansion

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Attorney-General's Department	-	1.2	2.2	-	-

The Government will provide \$3.4 million over two years from 2017-18 to expand the trial of Domestic Violence Units (DVUs) in legal centres around Australia. The DVUs provide legal and other assistance to women who are experiencing, or at risk of, domestic or family violence.

The services assist women to access other services such as financial counselling, tenancy assistance, trauma counselling, emergency accommodation, family law services and employment services. The locations of the DVUs will be determined based on areas of need, in consultation with State and Territory Governments.

This measure builds on the 2015-16 MYEFO measure titled *Women's Safety Package*.

## VETERAN'S AFFAIRS

### Increasing Veterans' Workforce Participation

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Veterans' Affairs	-	0.3	1.9	3.2	3.7

The Government will provide \$9.1 million over four years from 2017-18 for initiatives to enable more veterans to participate in the workforce, including:

- a six-month pilot program to provide rehabilitation services to veterans while their claims are being processed;
- improving access to incapacity payments and rehabilitation assistance to veterans with episodic mental

health conditions; and

- increasing eligibility to the special or intermediate rate of the Disability Pension for veterans aged 65 years or older by removing the requirement for these veterans to demonstrate 10 years of continuous employment with the same employer.

## Mental Health Treatment for Current and Former Members of the Australian Defence Force — expanded access

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Veterans' Affairs	-	4.6	12.8	14.1	14.0
Department of Health	-	-0.7	-2.8	-4.2	-5.3
Total — Expense	-	3.9	9.9	9.9	8.7
<i>Related capital (\$m)</i>					
Department of Veterans' Affairs	-	0.7	0.4	-	-

The Government will provide \$33.5 million over four years from 2017-18 to expand the range of mental health conditions current and former Australian Defence Force members can seek treatment for on a non-liability basis.

Eligible services will now cover treatment for all mental health conditions listed in the *American Psychiatric Association Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition*, irrespective of whether the treated condition is linked to military service.

This measure builds on the 2016-17 Budget measure titled *Mental Health Treatment for Current and Former Members of the Australian Defence Force — improved access* in the Veterans' Affairs Portfolio.

## Supporting Veterans' Employment Opportunities

Expense (\$m)	2016-17	2017-18	2018-19	2019-20	2020-21
Department of Veterans' Affairs	-	1.2	0.5	0.1	0.1
<i>Related capital (\$m)</i>					
Department of Veterans' Affairs	-	0.8	-	-	-

The Government will provide \$2.7 million over four years from 2017-18 to support veterans to successfully gain civilian employment. Activities will include:

- an Industry Advisory Committee on veterans' employment made up of leading Australian business people, which will develop strategies to embed veterans' employment into business recruitment strategies;
- an Ex-Service Organisation Industry Partnership Register to facilitate collaboration on veteran employment initiatives; and
- annual Prime Minister's Veterans' Employment Awards to recognise work done by small, medium and large businesses to employ veterans.

This measure delivers on the Government's election commitment.

Further information can be found in the joint press release of 17 November 2016 issued by the Prime Minister and the Minister for Veterans' Affairs.