



# Guaranteeing essential services

The benefits of a strong economy

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# Guaranteeing essential services

A strong economy helps the Government guarantee the essential services Australians rely on

The Government's plan to deliver a stronger economy is ensuring we can guarantee the essential services Australians rely on.

This Budget provides record investments to guarantee essential services like hospitals, schools and aged care.

Protecting the strength of our economy and setting Australia up for continued economic success is central to our plan for the welfare of every single Australian and their future.

Prime Minister of Australia  
**The Hon Scott Morrison MP**

*A Stronger Economy; It's About People*  
29 Jan 2019

The Government is ensuring Australians have access to high-quality affordable healthcare. This includes guaranteeing Medicare, where close to nine out of every ten GP services are bulk billed, and listing new medicines on the Pharmaceutical Benefits Scheme to give Australians affordable access to more lifesaving medicines.

The Government is delivering more services for people with mental illness and to tackle youth suicide.

The Government is delivering \$292 billion of recurrent funding from 2019 to 2029 for Australian schools to improve outcomes for students. The Government is also continuing to fund preschools, so that children get the best start to their education.

The Government is investing \$525 million to upgrade Australia's vocational education system to equip students with the skills they need to prosper.

The Government is ensuring older Australians have better access to high quality and safe aged care, by providing 13,500 new residential care places and 10,000 additional home care packages.

Investing in essential services Australians rely on



**Modernising vocational education**



**Record funding for schools**



**Strengthening Medicare**



**More affordable medicines**



**Investing in quality care for older Australians**



All Australians have the right to live in safety and to be treated fairly and with respect. The Government is:

- subject to the finalisation of the terms of reference and consideration by the Governor-General, providing \$528 million to establish a Royal Commission to examine violence, abuse, neglect and exploitation of people with disability; and
- investing \$328 million for essential prevention and frontline services through the Fourth Action Plan of the *National Plan to Reduce Violence against Women and their Children 2010-2022*.

The Government is delivering a package of measures to support the priorities of local communities and investing in grassroots initiatives that strengthen communities and encourage social and economic participation.

Through the *Climate Solutions* package and *Practical Environment Restoration*, the Government is reducing emissions and protecting biodiversity, while helping consumers cut their energy bills. The Government is also supporting affordable, reliable and sustainable energy by investing in significant energy infrastructure projects.

The Government is investing \$200 billion in Australia's defence capability over the next decade. Operation Sovereign Borders is being strengthened to maintain the integrity of Australia's borders.

The Government's response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry builds on this Government's comprehensive reform agenda and will help restore trust in Australia's financial system.



**Securing a sustainable and reliable energy future**



**Delivering for Australians in need**



**Strengthening communities**



**Keeping Australians safe**



**Restoring trust in Australia's financial system**

# Delivering skills for today and tomorrow

## Ensuring all Australians have the skills they need

The Government has a plan to build on the more than 1.2 million jobs created since September 2013. This plan will ensure Australians have the skills needed for the jobs of today and tomorrow.

The Government is investing \$525 million over five years in the vocational education and training (VET) sector to better equip Australians with the skills they need. The *Delivering Skills for Today and Tomorrow* package will reform the VET system to make it more responsive to skills shortages and future changes in the labour market.

The Government will establish a National Skills Commission to drive long-term reform of VET. This will develop a nation-wide approach to skills development, serving the needs of both students and industry.

To support businesses and help apprentices gain the skills they need, the Government is introducing an Additional Identified Skills Shortage Payment.

This will deliver up to 80,000 additional apprentices over five years to enter occupations experiencing skill shortages. In addition to existing incentives, employers will be eligible for a \$4,000 incentive payment. Apprentices will be eligible for \$2,000, paid at key milestones in the apprenticeship.

The Government will also simplify existing apprenticeship incentives and modernise the National Skills Needs List.

The Government will provide \$41.7 million over four years to pilot Skills Organisations across the country in the key areas of human services care and digital technologies including cyber security. These organisations will develop industry partnerships to trial new ways to update and develop vocational education qualifications, to help meet the growing need for skilled workers.

## Modernising vocational education



**National approach to skills**



**Delivering up to 80,000 new apprenticeships**



**Developing training packages to meet industry needs**



Language, literacy, numeracy and digital skills are the foundation of employment. To ensure all Australians have the skills they need for work, the Government will provide \$62.4 million to establish a national program to deliver foundational skills training.

In addition, the Government will pilot project-based foundational skills training in four remote Indigenous communities. These will be developed in partnership with local community members.

The Government will invest \$42.4 million over four years to establish a National Careers Institute (NCI). The NCI will help raise the profile of the VET sector, as well as provide individuals with access to career and education information through a single web portal, informed by the latest research.

The Government will provide \$50.6 million to pilot ten Training Hubs in regional areas of high youth unemployment.

The Training Hubs will provide greater job opportunities for young people and strengthen local economies.

The Government will invest \$18.3 million over four years to develop a Unique Student Identifier (USI) and centralised digital training record, available across the entire tertiary education sector. These tools will give more power to students in tracking their education.

The *Delivering Skills for Today and Tomorrow* package responds to the *Expert Review of Australia's Vocational Education and Training System*, led by the Hon Steven Joyce.



**Foundational skills  
for all Australians**



**Clear career and  
training information**



**Stronger connections  
between education  
and employment**

# Record funding for education

## Investing in schools and students

Every child deserves a quality education. The Government is investing in Australian schools to ensure teachers have the support they need to prepare students for the future.

New funding arrangements will ensure that every student gets the resources they need, regardless of their background or where they live.

The Government is delivering record levels of funding for public, Independent and Catholic schools. The Government has committed \$292 billion in total school recurrent funding from 2019 to 2029. Recurrent annual funding for schools will grow from \$19.9 billion in 2019 to \$32.4 billion in 2029.

Under the new National School Reform Agreement, the Government is working with the states and territories to implement national reforms to improve student outcomes and excellence in classrooms.

The Government will also provide \$30.2 million in 2019-20 to schools under the *Local School Community Fund* to help local communities fund school activities and new equipment.

### Universal access to preschool

The Government is continuing to fund preschools so that children get the best start to their education.

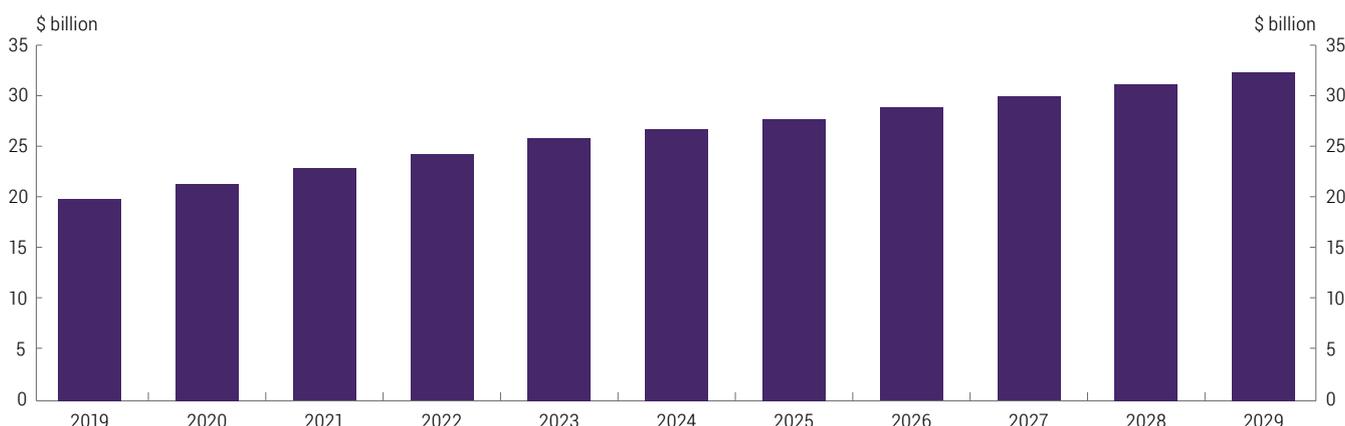
The Government will invest \$453 million to extend the National Partnership Agreement on Universal Access to Early Childhood Education until the end of 2020. This will ensure that every child has access to a quality preschool education for 15 hours a week in the year before school.

### Investing in our universities

The Government is committed to a world-class higher education system and is investing a record \$17.7 billion in the university sector in 2019. This is projected to grow to more than \$20 billion by 2024.

In this Budget, the Government is providing \$93.7 million over four years from 2019-20 for scholarships for students to study at a regional campus of a university or vocational education training provider.

**Commonwealth funding for schools**



# Strengthening Australia's healthcare system

## Affordable access to quality healthcare

The Government is committing record funding to health, with total spending expected to increase from \$81.8 billion in 2019-20 to \$89.5 billion in 2022-23.

Commonwealth funding of public hospitals is estimated to exceed \$130 billion over the life of the next health and hospitals agreement from 2020-21 to 2024-25.

### Guaranteeing and strengthening Medicare

The Government is continuing to guarantee and strengthen Medicare to ensure that Australians can access timely and affordable healthcare.

The Government is helping to reduce out-of-pocket expenses for patients by providing \$199 million to increase patient rebates for diagnostic imaging items on the Medicare Benefits Schedule (MBS) from 1 July 2020. To support about 14,000 breast cancer patients each year, a further \$32.6 million is being provided to reduce the cost of services for Magnetic Resonance Imaging (MRI).

The Government is delivering a \$1.1 billion *Strengthening Primary Care* package, including \$448 million in increased funding to enhance the care and services GPs provide to high-need patients,

and \$187 million to increase the patient rebate for a further 119 GP items on the MBS from 1 July 2019.

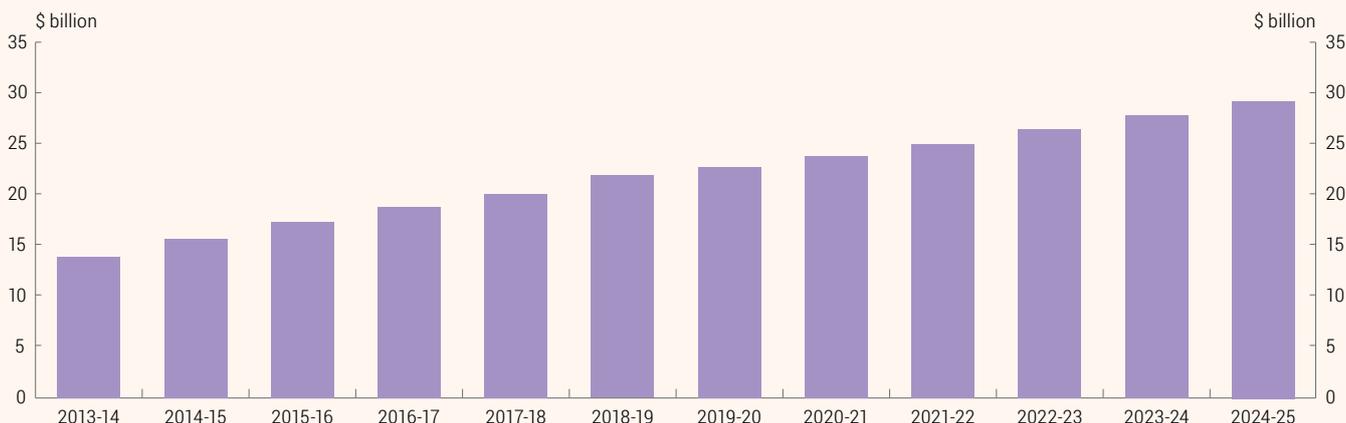
To help reduce the prevalence of heart disease, the Government will introduce a new MBS item for heart health checks.

The Government is investing \$152 million in new MRI licences, bringing total funding since 2018 to \$379 million for 53 new MRI licences nationally. This will give patients from around Australia better access to lifesaving scans, including at Mount Druitt Hospital in New South Wales, Ipswich Hospital in Queensland and Kalgoorlie Health Campus in Western Australia.

### Community Health and Hospitals Program

Through the \$1.3 billion *Community Health and Hospitals Program*, the Government is boosting health services across Australia. The program includes \$100 million to build a comprehensive children's cancer centre at Sydney Children's Hospital and \$60 million to support the James Cook University Tropical Enterprise Centre in Queensland to become a centre of excellence in tropical medicine.

**Commonwealth funding for hospitals**



# Investing in better health for the future

More affordable medicines, world-class medical research and delivering more mental health services

## Making medicines more affordable

The Government is ensuring Australians have affordable access to medicines through the Pharmaceutical Benefits Scheme (PBS).

This Budget includes \$331 million for new and amended listings on the PBS, including life-changing medicines to treat lung, bladder, kidney and skin cancer as well as leukaemia.

Without this subsidy, kidney cancer treatment would cost a patient more than \$250,000 for each course. Patients are now able to access these medicines for just \$40.30 each script or \$6.50 with a concession card.

## A 10 year plan for medical research

This Budget continues to position Australia as a leader in world-class medical research.

The Government is ensuring that critical research has the long-term funding certainty it needs to be successful through the \$5 billion *Medical Research Future Fund Ten Year Investment Plan*.

This will help improve patient care and increase access to clinical trials. It will support Australia's world-class research talent and harness discoveries and innovation to deliver improved health outcomes for all Australians, particularly in genomics and finding cures for rare cancers and diseases.

## Prioritising mental health

The Government is providing \$737 million over seven years to deliver more services for people living with mental illness, including \$461 million for youth mental health and suicide prevention.

Additional funding of \$111 million is being provided for 30 new *headspace* services by 2021 to support young people.

Funding includes \$152 million to reduce waiting lists for *headspace*, \$110 million to extend the *Early Psychosis Youth Services* program for two years and \$115 million to trial eight adult mental health centres. The Government is providing \$54 million over six years to establish four specialist residential facilities for eating disorders.



# Supporting older Australians

## Investing in quality care and superannuation for older Australians

The Government is helping older Australians access better-quality and safer aged care, with record funding of \$21.6 billion in 2019-20. This is an increase of more than 50 per cent since 2013-14.

### Supporting choice for older Australians

The Government is providing \$282.4 million to support older Australians who wish to stay at home for longer through an additional 10,000 home care packages across all levels. This brings to 40,000 the number of additional home care packages the Government has delivered since the 2017-18 MYEFO. As of 30 September 2018, 74 per cent more people had accessed a high-level package than at 30 June 2017.

The Government is providing \$5.9 billion over two years from 2020-21 to extend the *Commonwealth Home Support Programme* – providing access to essential home support services, like *Meals on Wheels*.

### Ensuring the safety, quality and integrity of residential care

The Government is providing a \$320 million general subsidy boost in 2018-19 for residential aged care and 13,500 new residential care places.

The Government's action to improve aged care quality and safeguards complements the ongoing work of the Royal Commission into Aged Care Quality and Safety.

### Supporting carers

An additional \$84.3 million over four years will expand support for young carers, under the *Integrated Carer Support Service*.

The package will increase the number of targeted financial support packages to support education, training and access to respite, in addition to expanding the Regional Delivery Partner network, which provides services to carers such as service planning, peer support and coaching.

### Improving flexibility of the superannuation system for older Australians

To assist older Australians to save for their retirement, the Government is relaxing restrictions on their ability to contribute to superannuation.

From 1 July 2020, Australians aged under 67 years will be able to make voluntary contributions without meeting the work test and other age-based rules will be streamlined.



# A sustainable environment

## Supporting the environment and taking responsible action on climate change

We are on track to exceed our 2020 target under the Kyoto protocol. To deliver on Australia's 2030 target to reduce emissions by 26 to 28 per cent below 2005 levels, the Government is investing \$3.5 billion in a *Climate Solutions* package that will reduce emissions while maintaining focus on lower energy prices for Australians.

### Climate Solutions Fund

A \$2 billion *Climate Solutions Fund* will build on the success of the *Emissions Reduction Fund*. This will boost agricultural productivity, support jobs for Indigenous communities and improve biodiversity and water quality, as well as reduce greenhouse gas emissions.

### Improving building and appliance energy efficiency

The Government is committed to ensuring customers remain at the centre of energy policy. Promoting efficient energy usage is an important part of this plan.

The Government will invest \$79.2 million to help households, businesses and community groups lower their power bills by helping them better understand their energy consumption and invest in more energy-efficient appliances.

### A cleaner environment

The Government will provide \$137 million for *Practical Environment Restoration* to support Australia's natural environment. This includes a \$100 million *Environment Restoration Fund* to help protect Australia's threatened species, restore the coasts and waterways and take practical action on waste and recycling.

Through a new \$28.3 million *Communities Environment Program*, the Government will help community groups across Australia rehabilitate their local environment. A further \$9.2 million will help eradicate Yellow Crazy Ants from the Wet Tropics of Queensland.

The Government is also investing \$18.3 million to help eradicate Red Imported Fire Ants threatening Queensland's environment.

Separately, the Government will identify and promote sustainable agricultural practices through a new \$34 million *Agricultural Stewardship* package.

A new National Electric Vehicle Strategy will ensure a planned and managed transition to new vehicle technology and infrastructure.

## Supporting Australia's environment and energy future



Environmental measures

Improving building and appliance energy efficiency

Practical Environment Restoration

Climate Solutions

# Affordable and reliable energy

The Government is acting to put downward pressure on energy bills and support reliable energy markets

## Energy Assistance Payment

The Government will provide \$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.

## Snowy Hydro 2.0

The Government has given the green light to the Snowy 2.0 project by providing a \$1.4 billion equity injection. The project will firm up intermittent renewable energy and provide storage which can meet the peak demand of up to 500,000 homes.

## Priority Transmission Taskforce

A Priority Transmission Taskforce will speed up delivery of transmission projects identified in the Australian Energy Market Operator's 20-year Integrated System Plan.

## Micro-grids

The Government is providing \$50.4 million to support feasibility studies into micro-grids which would harness distributed generation to provide secure, reliable and affordable power to regional and remote communities.

## Underwriting new generation investments

The Government is delivering a program to underwrite investment in new reliable generation. This will support increased competition in the National Electricity Market and help reduce wholesale electricity prices. The Government has agreed to a shortlist of 12 projects representing a combined capacity of 3,818 MW, equivalent to around seven per cent of the National Electricity Market.

## Battery of the Nation and Marinus Link

Partnering with the Tasmanian Government, the Australian Government is accelerating the Battery of the Nation and Marinus Link projects by providing \$56 million for a new interconnector between Tasmania and Victoria. This will unlock Tasmania's hydro capacity and support more sustainable and reliable electricity for homes and businesses.

## Opening up gas from the Beetaloo Basin

The Government will provide \$8.4 million to help speed up gas supplies from the Northern Territory to the east coast market by opening up the Beetaloo sub-basin for exploration and development.



Energy  
measures

Snowy 2.0

Battery of the  
Nation and  
Marinus Link

Underwriting  
new generation

# Delivering for Australians in need

Guaranteeing the social services that Australians rely on

## Addressing domestic violence

Addressing violence against women and children is vital to keeping Australian families strong and safe.

The Government is providing \$328 million over four years from 2018-19 to deliver its Fourth Action Plan under the *National Plan to Reduce Violence against Women and their Children 2010-2022*.

The Fourth Action Plan addresses the different forms abuse can take, including financial abuse and technology-facilitated abuse, with specific measures to address the risks faced by women with intellectual disability and Aboriginal and Torres Strait Islander women.

The Fourth Action Plan builds on the measures delivered under previous Action Plans and complements the work of states and territories and other stakeholders, recognising that real change requires concerted and sustained effort by all.

## Keeping people with disability safe

All Australians have the right to live free from violence, abuse, neglect and exploitation.

Recent inquiries and reports have, however, shown that people with disability are far less likely to experience this than people without disability.

Subject to the finalisation of the terms of reference and consideration by the Governor-General, the Government will provide \$528 million over five years to establish a Royal Commission to examine violence, abuse, neglect and exploitation of people with disability to make recommendations to prevent these abuses.

## Legal assistance

The Government will provide an additional \$30.5 million over three years for legal assistance services for those experiencing family violence, older Australians, people with disability, Australians with mental health issues, Indigenous Australians and those living in rural and remote areas.

**\$82m**

to improve and build on **frontline services** to keep women and children safe

**\$78m**

to provide **safe places** for people impacted by domestic and family violence

**\$68m**

in domestic and family violence **prevention strategies**

**\$64m**

for 1800RESPECT, the national sexual assault, domestic and family violence **counselling service**

**\$35m**

in **support and prevention strategies** for Aboriginal and Torres Strait Islander people

# Stronger communities

## Strengthening local communities

### Stronger communities

The Government will deliver \$64.2 million of new funding for social cohesion measures. These measures focus on the everyday experiences Australians have in common.

The Government is investing in grassroots initiatives to strengthen communities and foster social and economic participation.

This Budget provides funding for local sport, community languages, national community hubs and grants to encourage mutual understanding and celebrate diversity. These new measures complement existing programs that support migrants to become established and integrated in their communities.

### Safer communities

Building on previous grant rounds, the Government is investing a further \$58.2 million in the *Safer Communities Fund*. This funding will support local councils and community organisations to undertake crime prevention activities as well as help protect schools, religious institutions and other sites that face risks associated with religious and racial intolerance.

### Tackling illicit drugs

The Government is investing \$337 million over five years in a comprehensive drug strategy to address the supply of, demand for and harm caused by illicit drugs. This includes \$152 million for law enforcement agencies to reduce the supply of illicit drugs, including by continuing to target outlaw motorcycle gangs, a key source of Australia's illicit drug supply.

### Children's safety

The Government is committed to ensuring children's safety. The Government will provide \$10 million over four years to help educate Australian children, parents and teachers about how young people can stay safe online.

This Budget also provides \$7.8 million to establish a National Public Register of Child Sex Offenders. The register will provide a nationally consistent approach to the public release of information about child sex offenders.



# Advancing Australia's interests

Investing to advance our national interests

## Australia's Defence capability

The Government is investing over \$200 billion to bolster Australia's Defence capability over the next decade. These investments, such as the commitment to build 54 new naval vessels including the Attack class submarine fleet, will both enhance the security of the nation and provide opportunities to develop Australian industry and jobs.

The Budget maintains the Government's commitment to grow the Defence budget to two per cent of GDP by 2020-21.

## Honouring Australia's veterans

The Government is continuing to invest in the care and support of Australian veterans – as part of recognising their service to the nation. The Government will improve the wellbeing of veterans and their families by providing earlier access to services, simplified access to treatment and improved care for veterans with complex circumstances. This continues the *Putting Veterans and their Families First* program and the Government's \$278 million investment in this program through the last two Budgets.

## Working with Australia's Pacific partners

Australia is helping to build a more secure and prosperous region.

The Government is establishing the Australian Infrastructure Financing Facility for the Pacific which will provide \$1.5 billion of non-concessional loans and \$500 million of Official Development Assistance grants for high priority infrastructure projects in the region, and in Timor Leste. The Government is also expanding Efic's capability with an extra \$1 billion in capital to fund investments that are also in the national interest.

In addition, the Government has recently agreed with the Government of Fiji to redevelop the Blackrock Peacekeeping and Humanitarian Assistance and Disaster Relief Camp into a regional hub for police and peacekeeping training and pre-deployment preparation.



# Keeping Australians safe

Enhancing Australia's capability to address new and emerging threats

## Protecting Australia's borders

The Government is committed to protecting Australia's borders, combating people smuggling in our region and deterring people from risking their lives at sea. In this Budget, the Government is continuing to invest in Operation Sovereign Borders to reinforce the security of Australia's borders.

## Funding for national security agencies

The Government is building the capability of national security and law enforcement agencies to protect Australians from both domestic and international threats, including terrorism and violent extremism. The Government is providing \$513 million over five years for the Australian Federal Police to enhance its counter terrorism activities and community policing services and \$58.6 million for the Australian Security Intelligence Organisation to enhance its operations.

## Countering foreign interference

The Government is providing \$34.8 million to strengthen Australia's capability to counter foreign interference, which is detrimental to our values and interests. This includes funding to support investigations under the *National Security Legislation Amendment (Espionage and Foreign Interference) Act 2018*, and to boost agencies' capacity to take action against those seeking to undermine our sovereignty.

## Cyber security

The Government is continuing to bolster Australia's defences against cyber attacks as part of the *Cyber Security Strategy*. This will help protect IT systems against targeted attacks and enable quick responses in the event of incidents.



# Restoring trust in Australia's financial system

Enhancing consumer protections, strengthening regulators, increasing accountability and improving access to redress

The Government has implemented a comprehensive financial system reform agenda since coming to office, starting with the Financial System Inquiry in 2013.

The Government's response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry builds on this work. The Government is taking action on all 76 recommendations and, in key areas, going further.

Restoring trust in Australia's financial system is a key part of the Government's plan for a stronger economy.

Implementation of many recommendations has already begun. APRA's capability review is underway and legislation has been passed in the Senate to impose penalties on superannuation trustees for misconduct.

The Government will establish an independent inquiry in three years to ensure the financial sector has implemented the Royal Commission's recommendations and industry practices have changed and led to better consumer and small business outcomes.

## Creating a new criminal jurisdiction of the Federal Court

The Government will provide \$35.5 million to expand the Federal Court by creating a new criminal jurisdiction, ensuring those who engage in financial sector misconduct are prosecuted without delay.

## Ensuring strong and effective financial regulators

The Government is enhancing ASIC's and APRA's effectiveness, providing more than \$550 million so they have the necessary resources to discharge their expanded remit and address misconduct.

The Government will provide more than \$400 million to ASIC including:

- \$146 million to undertake an accelerated enforcement approach to support the new 'why not litigate?' strategy;
- \$63.3 million for enhanced onsite supervision of large financial institutions; and
- \$69.9 million to deliver on its expanded mandate as primary superannuation conduct regulator, including a focus on underperforming funds and compliance with the 'best interests' duty.

### Action already taken by Government

<b>Enhancing consumer protection</b>	<ul style="list-style-type: none"> <li>• Released legislation to end grandfathered conflicted remuneration to financial advisers</li> <li>• Passed legislation in the Senate to strengthen the superannuation regulatory framework</li> </ul>
<b>Effective financial regulators</b>	<ul style="list-style-type: none"> <li>• Commenced capability review of APRA</li> <li>• \$35.5 million to expand the Federal Court by creating a new criminal jurisdiction</li> <li>• More than \$550 million in additional funding to ASIC and APRA</li> </ul>
<b>Providing improved redress</b>	<ul style="list-style-type: none"> <li>• Extended the remit of AFCA to consider financial complaints back to 2008</li> <li>• \$30.7 million to fund legacy determinations</li> </ul>

The Government will increase APRA's budget by \$152 million to strengthen its supervisory and enforcement activities.

\$117 million of this funding will support APRA's response to key areas of concern raised by the Royal Commission, including with respect to governance, culture and remuneration.

The Government is also providing \$7.7 million to establish an independent Financial Regulator Oversight Authority to report on ASIC's and APRA's effectiveness.

## Enhancing firm and individual accountability

The Government will make financial firms, and their senior executives and directors, more accountable.

APRA's increased budget includes \$34.3 million to extend the Banking Executive Accountability Regime to all APRA-regulated entities, including superannuation funds and insurance companies.

ASIC's additional funding also includes \$26.1 million to introduce a new conduct-focused accountability regime.

## Further improving access to redress

The Government is committed to ensuring consumers and small businesses affected by misconduct have access to redress.

The Government established the Australian Financial Complaints Authority (AFCA) last November: a one-stop shop for free, fast and binding dispute resolution. The Government will provide \$2.8 million for AFCA to establish a historical redress scheme for eligible financial complaints dating back to 1 January 2008 (the timeframe adopted by the Royal Commission).

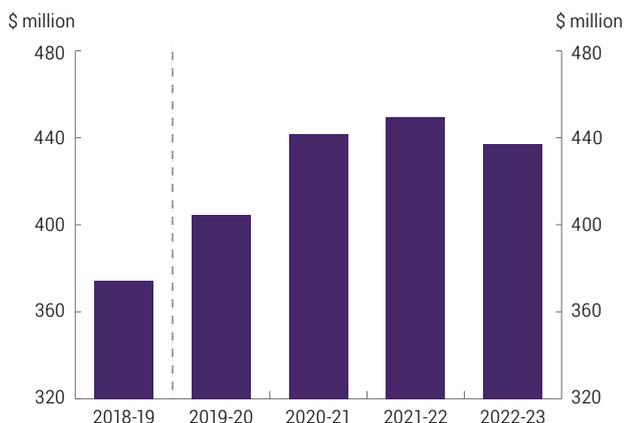
The Government will provide \$30.7 million to pay compensation owed to consumers and small businesses from legacy unpaid external dispute resolution determinations.

The Government has committed to an industry-funded compensation scheme of last resort and will provide \$2.1 million to Treasury and \$0.5 million to AFCA to establish the scheme.

## An efficient and effective reform agenda

To ensure the Royal Commission recommendations will be implemented quickly and effectively, the Government has established a Financial Services Reform Implementation Taskforce within Treasury, which will receive \$11.2 million.

**ASIC Funding**



**APRA Funding**

