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AUSTRALIA BUDGET 2020

# BUDGET 2020: JOBS, HOUSING AND MENTAL HEALTH ON THE PATH OUT OF COVID

*Eternity breaks down key reactions to Budget 2020*

ETERNITY NEWS STAFF WRITERS

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“This budget is all about jobs,” treasurer Josh Frydenberg says. That is a good summary, as it is all about rebuilding Australia’s economy after COVID-19.

But are we doing enough to help other nations? Have we missed an opportunity to build social housing? And what about supporting the unemployed? *Eternity* has gathered comments from Christian leaders and organisations on these and other budget-related topics.

## Chaplaincy

School chaplaincy has come out unscathed. Funding for the National School Chaplaincy Program is being maintained in this budget, at \$61.4m for each of the next four years, according to [Budget paper number 3](#). This paper deals with partnership agreements between the states, and indicates the Federal Government's intention to continue funding the scheme for longer than previous announcements.

## Social housing and the homeless

Mission Australia CEO James Toomey warned that ongoing lack of investment in new social homes and the absence of a national plan to end homelessness will push more people into homelessness.

"It is shocking that the Federal Budget hasn't done enough to commit to long-term investment to address the serious shortage of social homes in Australia," said Toomey.

"This year has been incredibly challenging for Australia's most vulnerable people, including people experiencing homelessness and poverty. We are deeply concerned that high levels of unemployment, the reduction in the COVID Supplement rate and the huge debts in rent deferrals that some people are accruing will lead to a huge spike in housing insecurity and homelessness.

"With this lack of commitment, there is a looming risk that even more people will be pushed into homelessness and unsafe living situations."

According to Mission Australia, the "obvious solution" to ending homelessness in Australia is "investing in 30,000 social homes within the next four years".

which also would “create vital jobs in the construction industry”.

## Foreign aid

World Vision Australia has welcomed the budget’s funding boost of \$304.7 million to Pacific nations, as the region faces a \$250 billion trade wipe-out – and thousands of children have been forced to forgo meals.

However, World Vision Australia acting CEO Graham Strong says the Federal Government should also direct funds allocated in this year’s aid budget to address a looming global COVID humanitarian catastrophe.

Strong urged an injection of funds into the UN’s global response to COVID and into rebuilding livelihoods in our Asia-Pacific neighbourhood.

**“This aid budget does not go far enough to address the greatest threat to global progress on poverty we have seen in our lifetime.” – Tim Costello**

“COVID-19 marks a new era in human tragedy – once again ‘a response above the ordinary’ is urgently needed ... to prevent a humanitarian disaster,” Mr Strong said.

“COVID could reverse the development gains that have been made over the past 20 years which would be a tragedy for our region on an epic scale, not seen since the Boxing Day tsunami.”

So far, Australia has given one per cent (\$38 million) of the total funds dispersed to the UN Global Humanitarian Response Plan – the UK has provided eight times that amount.

Mr Strong said children were often the invisible victims of reduced household incomes and a strain on livelihoods.

This budget's additional "one-off" funding to support Pacific nations was also welcomed by Tim Costello AO, Executive Director of Micah Australia and spokesperson for the [End COVID For All Campaign](#).

However, he adds that it "comes at the cost of cuts to other programs, including aid to South and West Asia, Afghanistan, Africa and the World Food Programme."

"This aid budget does not go far enough to address the greatest threat to global progress on poverty we have seen in our lifetime," Costello said.

"The World Bank predictions released this week suggest that by 2021 an additional 110 to 150 million people will have fallen into extreme poverty."

## **Mental health**

One of the most welcome additions in this year's budget is additional funding towards mental health. The government has committed [\\$5.7 billion to mental health in 2020-21](#), including frontline services and suicide prevention.

Notably, the number of Medicare subsidised psychology sessions which patients can access each year has doubled – from 10 sessions to 20 sessions.

"We very much welcome this additional government funding for mental health services," says co-director of the Mental Health & Pastoral Care Institute in Sydney, Keith Condie.

"The impact of the bushfires and the COVID-19 pandemic upon mental health has been recognised and responded to. The additional funding for research, suicide prevention, support services, and the increase in Medicare-funded psychological services from 10 to 20 sessions in the 'Better Access Initiative' are all vital investments."

## Aged care

Catholic Health Australia (CHA) has welcomed the budget boost to out-of-hospital care, but says more needs to be done to tackle the underlying financial pressures facing the residential aged care sector.

While [\\$1.6 billion has been dedicated to creating 23,000 extra home care packages](#), CHA says this will leave 80,000 people on the waiting list.

The residential aged care sector needs an urgent injection of funding, according to CHA, to tackle the “triple whammy” of declining revenues, rising costs and public expectations that standards need to rise.

CHA chief executive Pat Garcia said it was “disappointing that once again the aged care sector has largely been forgotten” in the budget.

## Refugees

“We are deeply disappointed by Budget 2020, which not only does not provide additional support for people seeking asylum in need during the COVID-19 pandemic, but also further erodes existing programs, such as the Refugee and Humanitarian Program,” says the Refugee Council of Australia (a broad-based organisation).

The Refugee Council summarises the changes: The government has set a ceiling on the Refugee and Humanitarian Program of 13,750 places per year. Over four years, this measure will result in an overall reduction in expenditure of \$958.3 million and revenue reduction of \$47.0 million.

When elected in 2013, the Abbott Government cut the program from 20,000 places to 13,750. One year later, it agreed to a staged but delayed increase – to win Senate support – to reintroduce temporary protection of refugees who arrived by boat. The program increased to 16,250 places in 2017-18 and reached 18,750 places in 2018-19. This annual total was achieved just once before the COVID-19 pandemic caused a shortfall of more than 5000 places in 2019-20.

The government will again reduce funding for people seeking asylum who are assisted financially under the Status Resolution Support Service (SRSS) program. The payments, administered by Services Australia (Centrelink), have been reduced from \$139.8 million in 2017-18, to \$93.4 million in 2018-19 and \$39.5 million in 2019-20. The \$52.6 million allocated for this measure in the 2019-20 Budget was underspent by 25 per cent.

## Tax cuts

Peter Martin (economics editor of the *The Conversation*) [on the central strategies of the budget, tax cuts for business and job creation:](#)

“Tax cuts aren’t the half of it.”

“The personal income tax cuts promised in the budget will cost A\$17.8 billion over four years.

“The measures aimed at supporting businesses – the temporary instant tax write off of capital investments, the temporary ability to use losses to reduce previous tax payments, the JobMaker hiring credit and the enhanced apprentice wage subsidy — will cost \$26.7 billion, \$4.8 billion, \$4 billion and \$1.2 billion.

“That’s a total of \$36.7 billion — a subsidy for private businesses without precedent.

The clumsy wording in the budget where it sets out strategy says the aim is to “drive sustainable, private sector-led growth and job creation.”

## Jobs

Martin continues: “JobKeeper is replaced by something weaker: Instead of helping pay the wages of all employees in businesses affected by the pandemic – the budget papers say right now it is helping pay 3.5 million wages,

more than a quarter of the workforce – it'll help pay the wages only of extra employees taken on. And only if they are aged between 16 and 35 and have previously been on JobSeeker or a related payment.”

“It'll last for just a year and be worth only \$100 or \$200 a week, depending on the age of the person hired.

“The government says it will support 450,000 positions. But because a much larger subsidy for millions of positions will be withdrawn, there's a risk employment will collapse as businesses especially affected by the pandemic (in industries such as tourism) find they can no longer afford to keep the staff they've got, let alone take on new ones.

“It makes the budget a statement of faith, or hope.”



**“We're particularly concerned about workers aged 55 and over – some of whom may never work again.” – Catholic Social Services Australia**

Catholic Social Services Australia says while the 2020 Budget delivers a financial boost for some, the country's most vulnerable will again find themselves asking, “What hope for me?”

“With hundreds of thousands of Australians struggling to find work or not able to access enough hours of work, they'll be left to ponder how they will walk their individual path through the pandemic's aftermath,” said CSSA Chief Executive Officer Ursula Stephens.

“Billions of dollars in tax cuts will help some people, but those cuts won't help those who can't find work and who appear destined to return to unsustainably low welfare payments.

“We're particularly concerned about workers aged 55 and over – some of whom may never work again.”