

MEDIA RELEASE

Federal Budget relies on optimistic assumptions

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Claire Victory, National President of the St Vincent de Paul Society, said tonight's Federal Budget relies heavily on a number of optimistic assumptions and that it targets people who are already comfortable and overlooks the plight of low-income Australians and others who do not pay tax.

'This is the most important budget in our lifetime. And yet it is a precarious budget reliant on stimulated business and consumer confidence – assuming that reforms will boost economic activity and jobs will follow as a result,' Ms Victory said.

'The plan is fraught, relying on assumptions including that the recession will be over by this time next year, international borders will be open in the second half of 2021, a population-wide vaccine will be available by end of the year, investors will invest and consumers will spend, increased confidence will lead to employment and spending and tax cuts will motivate people to spend, not save.

'We welcome some initiatives including the additional 23,000 aged care packages, the doubling of concessional psychology visits, the \$2billion concessional loans to help farmers cope with the drought and additional funding to address the reduction in funding of frontline social services impacted by the cessation of the Social and Community Services Special Account. One-off payments for people on pensions are also welcomed.

'However, stimulus is effective only if the money is spent. There is no guarantee that large amounts of this stimulus won't just sit in people's bank accounts.

'And the absence of funding for social housing defies logic.

'We continue to hold that a significant investment in social housing would have provided a shot in the arm for the construction industry, immediately boosting jobs including apprenticeships, and helped to address the chronic shortage of social housing for people on low incomes.

'There are billions for roads, dams and transport, but nothing for people who have nowhere to sleep.

'The \$12 billion tax cuts which have been brought forward benefit the well-off. Someone on \$35,000 will receive \$255 a year yet someone on \$120,000 will receive \$2,565 a year. But there is no commitment to provide certainty to people on JobSeeker.

'We agree that one of the pathways back to economic recovery involves job recovery, but what happens to young apprentices after their year of subsidised wages run out? What happens to the many women looking for work for whom the Women's Economic Security Package does not apply, such as those in education, nursing, child-care, and aged care?

And almost one million people, including those over 35, will be ineligible for JobMaker.

Further, those on temporary visas continue to have limited access to financial, housing, and medical assistance. They have lost their jobs and are unlikely to find suitable employment at this time. They have very few options and yet this Government continues to ignore their plight.

While we should be looking to support the most vulnerable people, this Budget prioritises the business sector and the well-off. This has been a missed opportunity.

The St Vincent de Paul Society in Australia consists of 60,000 members and volunteers who operate on the ground through programs and services and in over 1,000 groups located in local communities across Australia.