



**Guaranteeing the  
essential services  
Australians rely on**

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# Guaranteeing the essentials

## Investing in the essential services Australians rely on

The Government is guaranteeing the essential services that Australians rely on, now and into the future.

A stronger economy has enabled the Government to deliver record investment in Medicare, hospitals, schools and disability services.

This means Australians have guaranteed access to **high-quality hospitals** and schools, a **strong Medicare** system and vital services for those with permanent and significant disability.

The Government is providing **more choice for older Australians** to live healthier, more independent and safer lives, so they can take advantage of the opportunities that a longer life brings.

The Government's **record investment in schools** will give teachers the tools to lift the performance of our students and prepare them for the jobs of the future.

The Government supports the recommendations of the *Review to Achieve Educational Excellence in Australian Schools* and will work with states and territories to ensure student outcomes are lifted.

From 2 July 2018, the Government will ease cost of living pressures for nearly one million Australian families by implementing the **New Child Care Package**.

Commonwealth health funding will reach a record \$78.8 billion in 2018–19. Record levels of funding will be provided for public hospital services while funding for the Medicare Benefits Schedule and **Pharmaceutical Benefits Scheme** is guaranteed through the Medicare Guarantee Fund announced in last year's Budget.

The Government is committed to building sustainable **regional communities** with access to high quality healthcare, education and housing.

This includes delivering on the recommendations of the *Independent Review into Regional, Rural and Remote Education* by supporting more regional students to access tertiary education; improving the delivery of healthcare through the **Stronger Rural Health Strategy**; and alleviating overcrowding in remote Indigenous communities through a new agreement for **remote housing** with the Northern Territory Government.

## Investing in essential services



**More choices for a longer life**



**Helping students achieve their potential**



**Guaranteeing health services**



**Supporting regional, rural and remote Australians**



Australians living with permanent and significant disability will have certainty that they can exercise choice and control over the services they need through the **fully-funded National Disability Insurance Scheme**.

The Government will continue to support those who selflessly serve our nation and protect our interests overseas, and their families, when they come home.

Measures to unlock the **supply of affordable housing** remain on track, including the establishment of the \$1 billion National Housing Finance and Investment Corporation and the release of more land suitable for housing.

The Government is continuing to take action to address energy price pressures. The **National Energy Guarantee** will see \$400 off the average Australian household's annual power bill and places a focus on the affordability, reliability and sustainability of our energy supply.

The Government will maintain pressure on big energy companies to give Australians a better deal on their gas and electricity prices.

There is no more important essential service than **keeping Australia safe**. The Australian Government continues to place a high priority on protecting Australians from the threat of terrorism and is giving our defence forces what they need to do their job. This Budget includes significant funding to: enhance Australia's aviation, air cargo and international mail security; continue Operation Sovereign Borders; and strengthen national police and security agencies.

## Australians rely on



**Delivering social services including NDIS and veteran support**



**Delivering affordable, reliable and sustainable energy**



**Keeping Australians safe**

# More choices for a longer life

Australians are now expected to live 10 years longer than they were 50 years ago, with our life expectancy now the fifth highest in the OECD. A longer life presents different opportunities for different people. The Government is acting to support Australians to be prepared to live a healthy, independent, connected and safe life.

## Finances for a longer life

The 2018–19 Budget delivers measures to boost living standards and expand retirement income options to give retirees confidence in their financial security.

The Government is increasing the Pension Work Bonus to allow age pensioners to earn an extra \$50 per fortnight without reducing their pension.

The Pension Loan Scheme will be expanded giving greater flexibility to use home equity to boost retirement incomes, e.g. up to \$17,787 a year for a full rate age pensioner (couple).

## Jobs and skills

The Government is helping Australians to work for as long as they want, laying the foundations for a secure retirement.

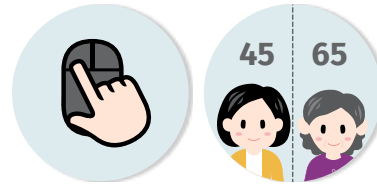
The Government will provide up to \$10,000 in Restart wage subsidies for employing Australians aged 50 and over.

The Skills and Training incentive will provide up to \$2,000 to fund up-skilling opportunities for mature aged workers identified as being at risk.



## Getting ready

Early planning can boost workforce participation, reduce chronic health problems and increase income in retirement, so Australians can get the most out of their longer lives.



### 45 and 65 Year Checks

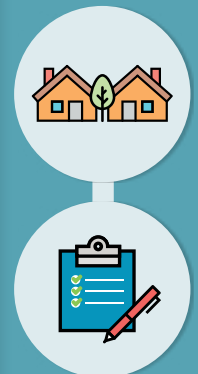
Assisting Australians to make informed choices on how to live life to the full

## Safeguarding quality and rights

The Government will strengthen the regulation of aged care services to respect and protect older Australians.

The Government will establish a new independent Aged Care Quality and Safety Commission and regulatory settings will be strengthened and made more transparent.

Funding is being provided to protect older Australians from abuse, including funding trials of specialist elder support services, and the Government will work with the states and territories to develop an online national register for enduring powers of attorney.

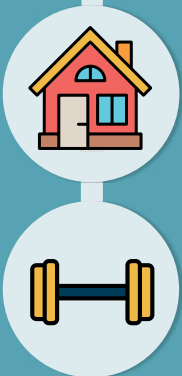


## Supporting choice and a healthy long life

The Government is supporting Australians to live healthier and longer lives, and to choose how they receive care.

The Government is increasing funding for home care, to support Australians to better access their choice of care, with 14,000 additional high level home care packages by 2021–22.

The Government is investing in the physical health of older Australians through new funding to boost their physical activity and help them stay connected.



# Preparing for a longer and more secure life

## Backing the choices of Australians to increase financial flexibility

Australians will be able to prepare for a longer life through new online skills, health and finance checks at ages 45 and 65.

The **Pension Work Bonus** will be increased to allow age pensioners to earn an extra \$50 a fortnight without reducing their pension.

For the first time the bonus will also be extended to the self-employed, who can now earn up to \$7,800 a year without reducing their pension.

The **Pension Loans Scheme** will be expanded to give all Age Pension-aged Australians the option to boost their standard of living. Full rate pensioners will be able to boost their income by up to \$11,799 (singles) or \$17,787 (couples) per year.

To encourage the development of innovative retirement income stream products, the Government is clarifying the Age Pension means test treatment. The Government will also require superannuation fund trustees to develop a retirement strategy for members and offer a wider variety of products.

Superannuation funds will be required to provide more information to help consumers compare and choose products.

The **Skills Checkpoint for Older Workers** will provide advice on relevant skills and training to help workers build their careers or transition to jobs in new industries. For Australians updating their skills, the Government will contribute up to \$2,000 through the Skills and Training Incentive.

Access to the **Restart wage subsidy** for Australians aged 50 and over will be expanded, providing up to \$10,000 to employers to support workers as they start a new career.

The Government will also provide \$17.7 million in additional funding to support entrepreneurs, with a focus on those aged over 45 years. The **Entrepreneurship Facilitators** program will be expanded to new locations, including in regional Australia, helping older workers to turn their years of valued experience into a thriving business.





# Choice and a healthy long life

## Supporting Australians to live healthier and longer lives

### More choice

More Australians are choosing to access aged care in their homes. To **support Australians who wish to stay at home**, the Government is providing \$1.6 billion to support 14,000 additional high-level home care packages by 2021–22. This adds to the 6,000 places the Government has provided since the last Budget.

The Government is making it easier for people to navigate the aged care system and access the care that suits them. This includes \$61.7 million to improve the My Aged Care website and \$14.8 million to streamline the assessment process for aged care services.

### Healthier ageing

To enable Australians to **make the most of a longer life**, the Government is investing in the health of older Australians by providing: \$82.5 million for mental health services for people in residential aged care facilities; \$20 million to pilot services for older Australians to help them remain connected to their communities; and \$22.9 million to boost the physical activity of older Australians.

### Better care

The Government is reforming the aged care system to ensure that aged care facilities are providing the care the community expects.

Our aged care system must **guarantee and respect the dignity of older Australians**. The Government will establish a new Aged Care Quality and Safety Commission from 1 January 2019. Regulations will be strengthened and made more transparent.

The Government is providing \$22 million to protect older Australians from abuse, including by funding trials of specialist elder abuse support services.

In addition to developing a National Plan on Elder Abuse, the Government will work with the states and territories to develop a national online register for enduring powers of attorney.



# Investing in our teachers and schools

Equipping students to grow and succeed

## Legislated, fairer funding for schools

The Government's legislated needs-based funding for schools delivers an additional \$24.5 billion for Australian schools over the next 10 years – that is **a 50 per cent increase in per-student funding**, on average, over a decade.

By supporting the recommendations of the *Review to Achieve Educational Excellence in Australian Schools* led by David Gonski AC, the Government is ensuring that this **genuine needs-based schools funding** is delivering the best outcomes for Australian students.

The Government has given in-principle support to the 23 recommendations of this landmark review, setting out a clear plan for the future. The Government will work with the states and territories to deliver reforms in the Review's key areas:

- reforming the curriculum to deliver at least one year's growth in learning in every student every year;
- online progression and learning tools for teachers; and
- better supporting teachers and parents to help students achieve their individual best.

For the first time, a national blueprint will be available for every government, every teacher and every family to help **tackle declining school performance** in Australia. This will ensure the Australian Government's record levels of schools funding under the *Quality Schools Package* will be invested in maximising outcomes for Australian students.

Those students with the greatest need will continue to receive the highest level of funding from the Government.

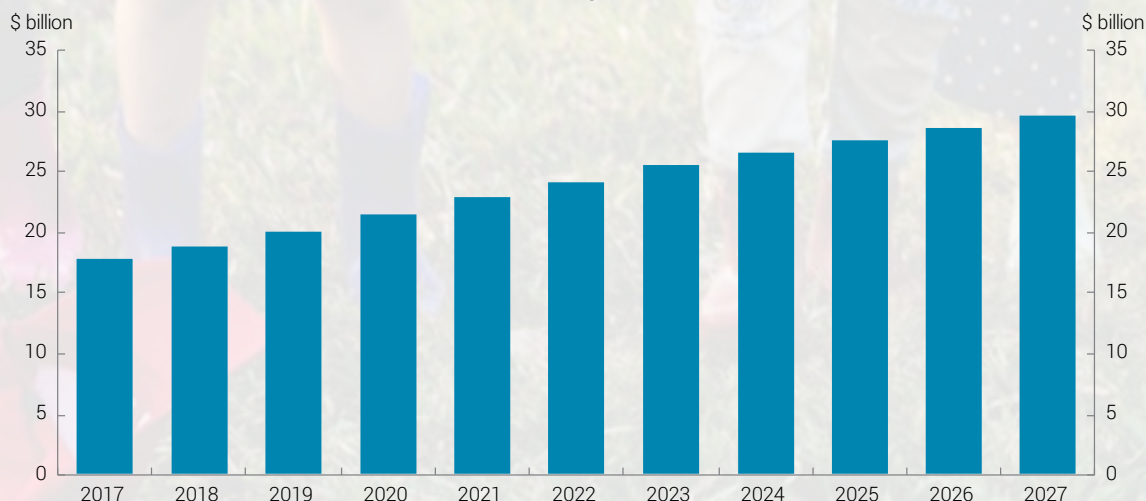
## National Schools Chaplaincy Programme

The Government is providing permanent funding for the National Schools Chaplaincy Programme, providing an additional \$247 million over four years from 2018–19.

The Programme supports the wellbeing of students through the provision of pastoral care services and strategies that support the wellbeing of the broader school community. The renewed Programme will have an enhanced focus on addressing bullying in schools.

The Programme assists more than 3,000 schools to engage the services of a school chaplain.

**Record funding for schools**



# Investing in preschools and child care

Supporting working families and giving children the right start

## Universal access to preschool

The Government will support access to preschool education through a \$440 million investment to extend the National Partnership Agreement on **Universal Access to Early Childhood Education** until the end of 2019.

More than 348,000 young Australians will have access to 15 hours a week of quality early learning in the year before school.

Together with the funding extension provided in the 2017–18 Budget, this takes total Australian Government preschool funding to around \$870 million for the 2018 and 2019 school years.

## Delivering affordable, accessible child care

From 2 July 2018, the Government's **New Child Care Package** will come into effect, providing more support for families who need it the most.

The Government is delivering on its commitment to ease household budget pressures for nearly one million Australian families by providing more affordable access to child care.

Families on incomes of around \$187,000 or less a year will not have an annual limit on the amount of Child Care Subsidy they receive – that is more than 85 per cent of families with children in child care.

The **Child Care Safety Net** supports children from rural and regional areas and those from disadvantaged backgrounds or with additional needs to access early childhood education and care services, ensuring these families receive the support they need.

The Government is also ensuring that families face lower out-of-pocket expenses by reducing the **Child Care Subsidy** withholding rate to 5 per cent for all families.



# Guaranteeing essential health services

## Guaranteeing Medicare and providing record health funding

The Government's strong budget management and plan for a stronger economy is ensuring continued record investment in health care for Australians.

Health funding is expected to increase from \$78.8 billion in 2018–19 to \$85 billion in 2021–22, ensuring the delivery of the essential medical, pharmaceutical and hospital services Australians rely on.

### Investing in public hospital services

This Budget fully funds a **new five-year public hospital agreement** with the states and territories that will deliver more than \$30 billion in additional funding between 2020–21 and 2024–25 – a 30 per cent increase over the previous five years.

Commonwealth funding to Australia's public hospitals is on track to more than double from \$13.3 billion in 2012–13 to \$28.7 billion in 2024–25.

### Guaranteeing Medicare

The Government has guaranteed funding for the Medicare Benefits Schedule (MBS) and the Pharmaceutical Benefits Scheme (PBS) through the **Medicare Guarantee Fund**, as announced in last year's Budget.

For 2017–18, \$34.4 billion has been credited to the Fund. A further credit of \$35.3 billion will be made to meet estimated MBS and PBS expenditure for 2018–19.

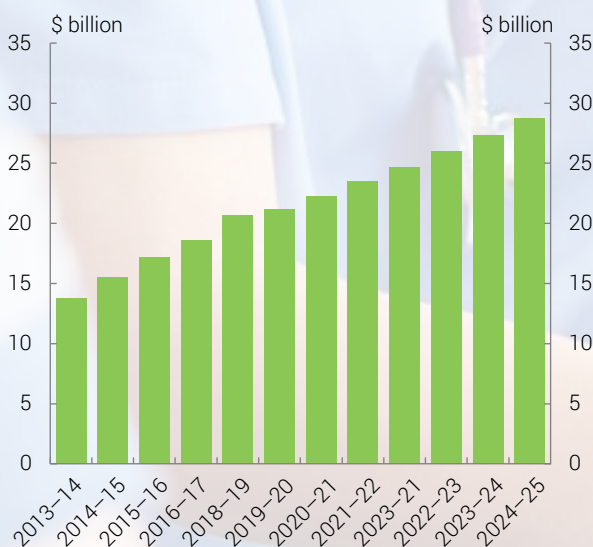
This Budget includes new and amended items on the MBS, including cystic fibrosis testing, 3D breast screening and MRI tests for prostate cancer.

Bulk billing for GP visits in Australia remains at record levels with 84.3 per cent of GP visits in 2016–17 being bulk billed, or 3 million more visits than the previous year.

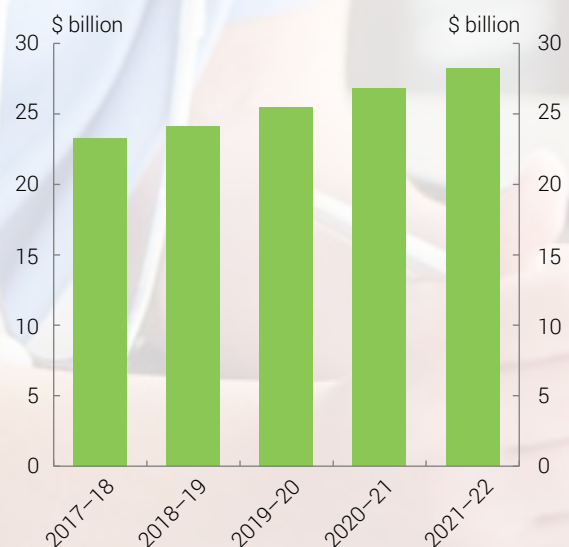
### Greater access to medicines

This Budget includes \$1.4 billion for new and amended listings on the PBS, including medicines to treat spinal muscular atrophy, breast cancer, relapsing-remitting multiple sclerosis and a new medicine to prevent HIV.

**Record hospitals funding**



**Record Medicare funding**



# Investing in a healthier Australia

Boosting support for new families and children, and promoting active lifestyles

## Boosting essential infant health services

The Government is supporting new families and children in their early years of life.

This includes a \$6.2 million investment in the **Insulin Pump Program** to increase availability of insulin pumps to children with type 1 diabetes.

The Government will further boost **child vaccinations** by providing \$2 million in 2018–19 to extend the *Get the Facts about Immunisation* program.

A national **digital baby book** will be developed at a cost of \$5 million to ensure all newborn Australians have access to a lifelong electronic health record and a further \$3 million will provide better information on healthy eating and physical activity for women during pregnancy.

To ensure that debilitating conditions are picked up at the earliest opportunity, \$1 million and \$600,000 will be provided to increase awareness of endometriosis and the risks of type 2 diabetes respectively.

## Promoting a healthy and active Australia

The Government will provide \$154.3 million over five years to support Australians to live healthier and more active lifestyles.

\$11.8 million will be invested to expand the **Local Sporting Champions** program to support youth participation in sporting competitions. A \$28.9 million grants program will be established for National Sporting Organisations to deliver new programs to promote active living.

A further \$41.7 million will be invested in the **Sporting Schools program**, extending its reach to 500 secondary schools, while continuing to provide funding for 5,200 primary schools.

\$29.7 million will be provided to upgrade local community sporting facilities.

Funding of \$10.1 million will go towards better protecting the integrity of Australian sport, including anti-doping.

This commitment is the foundation for a national sports plan, which will be released later this year.



# Services for regional, rural and remote Australians

Ensuring access to essential services for all Australians, regardless of where they live

## Supporting regional and Indigenous students

The Government is delivering on the recommendations of the recent *Independent Review into Regional, Rural and Remote Education* by creating an additional 500 Commonwealth supported sub-bachelor places and 500 places for bachelor students at **Regional Study Hubs**.

In addition, the Government is supporting more regional students to be considered independent through work to access **higher Youth Allowance rates**.

From 1 January 2019, the family income cut-off will increase from \$150,000 to \$160,000 per annum, with a further increase of \$10,000 for each additional child in the family. This will make it easier for more regional students to undertake post-secondary studies and will ease the financial pressure on families.

To support Indigenous students, the Government will provide \$38.1 million over five years to implement more efficient payment arrangements for schools; safer, fairer and more flexible travel arrangements; and ensure consistent assistance rates for Indigenous students studying away from home.

## More local doctors

The **Stronger Rural Health Strategy** will improve the delivery of health care for all Australians, particularly those in rural and remote areas, and extend support for Indigenous health organisations. Indigenous Australians will also benefit from a \$1.7 billion new primary health care model.

A **Murray Darling Medical Schools network** will be established to train more local doctors and support students to complete the majority of their medical or allied health training in the regions.

The Government will provide \$84 million in additional funding to the **Royal Flying Doctor Service** to improve the availability of dental, mental health and emergency aeromedical services in rural and remote areas.

## Supplying remote housing

The Government will provide \$550 million over five years from 2018–19 for a new agreement with the Northern Territory Government on remote housing, to help alleviate overcrowding and improve employment and business opportunities in remote communities.

This commitment will be matched by funding from the Northern Territory Government.



# Delivering social services

Guaranteeing the essential social services that Australians rely on

## Better services for Australia's veterans

The Government is continuing its substantial investment from past budgets in service delivery, mental health and employment for veterans – reflecting ongoing appreciation for their service to our nation.

The Government will provide \$111.9 million over four years from 2018–19 for the continuation of **Veteran Centric Reform**. This will enable the Government to better know, engage with and support veterans and their families – as well as deliver drastically reduced claim processing times.

## Supporting Australians living with disability

Funding for the **National Disability Insurance Scheme (NDIS)** is in place and always will be, ensuring that Australians living with disability can access the lifetime care and support they need.

The implementation of the NDIS remains on track to be fully rolled out from 2020. There are currently more than 140,000 participants benefiting from the NDIS.

For those who are not eligible for the NDIS but are in programs that are transitioning to the NDIS, the Government will provide \$92.1 million to ensure their support continues.

An **NDIS Jobs and Market Fund** will be established at a cost of \$64.3 million to grow the NDIS workforce and service providers.

## Improving housing affordability

The Government is delivering on its commitment to establish the National Housing Finance and Investment Corporation (NHFIC) by 1 July 2018. The NHFIC will comprise the **Affordable Housing Bond Aggregator** and the \$1 billion National Housing Infrastructure Facility.

The new National **Housing and Homelessness Agreement** will commence from 1 July 2018. This agreement will provide \$7 billion in housing funding and an additional \$620 million for homelessness services over the next five years, ensuring that funding for homelessness services will be ongoing and indexed.



# Affordable, reliable and sustainable energy

## Reducing electricity bills for households and businesses

The Government is taking action to reduce energy costs for Australian families and businesses. **The National Energy Guarantee will see a \$400 reduction to the average Australian household's annual power bill**, placing a focus on affordability and reliability, while meeting our emissions targets.

The Guarantee will also provide much needed **certainty in energy markets**, ensuring the lights stay on and businesses have the certainty to invest. The Guarantee will deliver affordable and reliable energy for households and businesses, without relying on subsidies, taxes, emissions trading schemes or carbon prices. Greater certainty and a technology-neutral framework will lead to lower energy bills.

The estimated savings generated by the Guarantee have been modelled by the independent **Energy Security Board**.

### Helping consumers

Over the past year, the Government has also progressed a range of other initiatives to lower prices and help consumers access better deals. In August 2017 the Government secured agreement from major electricity retailers to make sure Australians get the best deal on their electricity bills.

Retailers have since contacted approximately 1.6 million customers to inform them of better deals. Already, 180,000 customers have moved to a better deal, saving potentially hundreds of dollars each year.

The Limited Merits Review regime, which allowed electricity network businesses to appeal regulatory pricing decisions and charge more for electricity, has been abolished, limiting future network price increases on consumers' bills.

The Government is also **helping customers find the best deal and better manage their energy use** through the creation of a Consumer Data Right for energy. Being able to share their data safely with comparison services or alternative energy suppliers will make it easier for consumers to get the best deal, including by switching providers. This builds on \$8.1 million previously provided to enhance the Government's **Energy Made Easy price comparison website**. Since 1 July 2017, there have been more than one million visits to Energy Made Easy.

The Government has also directed the ACCC to **investigate the electricity and gas market**, to identify any further steps that can be taken to promote competition and lower prices.

### Government action

- ✓ National Energy Guarantee to deliver reliable and sustainable energy and lower prices
- ✓ Electricity retailers have committed to help customers get a better deal
- ✓ Consumer Data Right to enable new services that find the best deal for the consumer
- ✓ ACCC investigating competition in the electricity market
- ✓ Snowy Hydro 2.0 could power 500,000 homes for a week
- ✓ Gas exporters have agreed to make more gas available to domestic users
- ✓ ACCC is monitoring the gas market
- ✓ Promoting gas supply and improving the functioning of gas markets



# Securing our energy future

Delivering affordable and reliable energy for consumers and businesses

## Building Snowy Hydro 2.0

The Government has reached agreement with New South Wales and Victoria to take full ownership of Snowy Hydro to support the building of Snowy Hydro 2.0.

Snowy Hydro 2.0 will improve the stability of the grid and provide an additional 2,000 MW of capacity and enough storage to **power 500,000 homes for a week** when complete. The funding received by New South Wales and Victoria for their shares of Snowy Hydro – \$4.2 billion and \$2.1 billion respectively – will be invested into productive infrastructure in those states.

## Boosting domestic gas supply and lowering prices

Government action has secured more gas for Australian families and businesses through an agreement with major east coast gas exporters. The exporters now need to offer sufficient gas to domestic users before choosing to export gas. The Government has also directed the ACCC to monitor the gas market.

The Government has **secured domestic supply and lowered prices**, with wholesale price offers falling by around 50 per cent from their peak levels last year.

The Government is promoting gas supply by funding geological and feasibility studies and acceleration grants, and by acting to improve the functioning of domestic gas markets. The Government is also calling on state governments to allow development of new gas supplies to boost supply and lower prices.



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# Keeping Australians safe

## At home and on our border

Australia is facing complex and rapidly-evolving security challenges. The Government is committed to making the necessary investments that will guarantee the safety of all Australians, while supporting the free movement of people and goods.

### Maintaining strong borders

Under **Operation Sovereign Borders**, the Government has halted the people smugglers, ended the deaths at sea and removed all children from detention. The Government is investing \$62.2 million to maintain Australian Border Force Cutter Ocean Shield at surge capacity, and provide ongoing investment in international engagement activities to prevent and disrupt people smuggling.

### Strengthening aviation security

The Government is investing \$294 million to strengthen aviation, air cargo and international mail security, including:

- \$50.1 million to **enhance security arrangements at 64 regional airports** with new and upgraded screening technologies and associated infrastructure;

- \$122 million to **enhance screening capability** for inbound air cargo and international mail with new and upgraded equipment and advanced technology; and
- \$122 million to **increase the presence** and specialty capabilities of the Australian Federal Police and Australian Border Force at nine major domestic and international airports.

### Investing in national security agencies

The Government is committed to ensuring that our national security agencies have the resources to keep Australia secure. This Budget will provide:

- more than \$37 million to support our federal police and security agencies fight crime and terrorism;
- \$68.6 million to establish the **Australian Centre to Counter Child Exploitation**;
- \$59.1 million to create the National Criminal Intelligence System, which will provide a national repository of criminal intelligence and information; and
- \$130 million to upgrade Visa systems to improve screening of arrivals.



# Protecting Australia

## Backing our defence forces

The Government continues to give our defence forces what they need to **defend our values** and keep the Australian community safe.

Increasingly complex threats to Australia's regional security mean that growing demands are placed on the Australian Defence Force. The Government is meeting these challenges by implementing strategies in the *Defence White Paper 2016*.

### Investing in Defence

The Government remains committed to providing a stable and sustainable funding growth path for Defence by delivering on its commitment to **restore Defence funding to 2 per cent of GDP by 2020–21**.

This Budget will provide Defence with \$36.4 billion in 2018–19 and \$161 billion over the next four years.

The Defence Integrated Investment Program allocates \$200 billion over the next decade, which will bolster Defence force capability through programs such as the:

- **Land 400 Project**, which invests \$5.2 billion in 211 Boxer Combat Reconnaissance Vehicles (CRV). The Boxer CRV offers superior combat power, contributing to successful missions and the safety of our Defence force personnel.

- **Future Submarine Program** and continuous shipbuilding plan that is contributing to an Australian Naval shipbuilding workforce that is expected to peak at over 5,000 by the late 2020s.

### Growing the defence industry

The Government is growing a defence industry that creates jobs and drives economic growth. We have released Australia's first **Defence Industrial Capability Plan**, investing \$17 million annually to support Australian small and medium enterprises engaging with the Plan.

The **Defence Export Strategy** will build a stronger, more sustainable and globally competitive defence industry by investing \$20 million annually to support Australia's defence exports.

### Ensuring regional security

This Budget will provide \$766 million in 2018–19 for Defence to **continue to fight terrorist networks** and protect Australia's borders and offshore maritime interests. Over 2,300 personnel are deployed to major operations, including in Afghanistan and Iraq, fulfilling the Government's commitment to global security and stability.



