

2020-21 Coalition Budget against ALGA Budget Priorities

Headline Budget Overview:

General Overview & Economic Outlook

- Estimated deficit of \$213B
- Debt edging towards \$703B
- Economy contracted in June by 7%
- Population growth is expected to slow to its lowest rate in over 100 years, falling from 1.2 % in 2019-20 to 0.2 % in 2020-21 and 0.4 % in 2021-22.

Budget Priorities

- Jobs budget
- Driving economy out of a recession
- Rebuilding Economy
- Boosting consumer and business confidence
- Economic Recovery Plan for Australia

Key Initiatives

- Jobmaker Hiring credit
- Investment in skills & training
- Tax Relief
- Kick starting investment – Infrastructure investment to drive jobs
- Support recovery in the regions

ALGA Budget Priorities	Coalition Budget 2020-21 Measures
<p>Financial Assistance Grants</p> <p>An additional \$830M per annum over 2 years starting from 2020-21</p> <p>An additional \$200M per annum from 2022-23 until 1% of Commonwealth Revenue is achieved.</p>	<p>In 2020-21 the Australian Government will provide \$2.54B in FAGs funding. This includes \$1.3B which was brought forward from the 2020–21 estimate and paid to states and territories on 25 May 2020. The remainder is \$1,240.7B in 2020-21. Total payment is \$2,603.9 Billion in 2021-22 (BP3 P69)</p> <p>Commonwealth estimated taxation revenue (on accruals basis) for 2020-21 is \$424,643B (Budget Paper 1, 11-11 Table 3).</p> <p>The FAGs as a proportion of Commonwealth Tax Revenue in 2020-21 is therefore estimated to be 0.6%. This is higher than the 0.55% estimate in 2019-20 because of expected lower Commonwealth revenue. In 2021-22 it is expected to be 0.63% (again due to declining Commonwealth revenue).</p>

ALGA Budget Priorities	Coalition Budget 2020-21 Measures
<p>Remote Indigenous Housing</p> <p>Funding of at least \$4.8 billion over 10 years to address the needs of Indigenous communities particularly in the areas of overcrowding, homelessness, and poor housing conditions.</p>	<p>Qld will receive \$100 million for remote housing in 2020-21 but no out years. (BP2 P147)</p> <p>NT will receive \$137.2 million in 2020-21, \$185 million in 2021-22, \$110 million in 2022-23. (BP3 P43)</p> <p>Also an investment of \$150M in Indigenous Home Ownership Program (Treasurer’s Speech P12)</p>
<p>First and Last Mile Freight</p> <p>Strategic Local Roads Investment Program - \$300M per annum for 5 years – covers capability, system gaps, planning gaps and knowledge gaps.</p>	<p>Nothing substantial</p>
<p>Roads to Recovery</p> <p>Increase Roads to Recovery funding to \$800M per annum</p>	<p>\$1B over 2 years for Local Roads and Community Infrastructure Program (LRCI Program). This boosts the total funding for Local Roads and Community Infrastructure Program to \$1.5B. This includes social infrastructure, improvements to road safety and bolster the resilience of local road network (BP2 P139)</p> <p>Roads to Recovery \$591.7 million -2020-21 \$499.5 million – 2021-22 \$499.5 million – 2022-23 \$476.7 million – 2023-24 (BP3 P50)</p>

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Bridges Renewal Program Make Bridges Renewal Program Permanent	\$89.7 million – 2020-21 \$108.5 million – 2021-22 \$91.1 million – 2022-23 \$91.1 million – 2023-24 (BP3 P46)
Black Spot Program Black Spot Program maintained and improved.	\$137 million – 2020-21 \$137 million – 2021-22 \$117 million – 2022-23 \$110.0 million – 2023-24 (BP3 P45) Also Infrastructure Investment – Road Safety and Upgrades - \$2B over 2 years from 2020-21 (so 18 months left) to deliver small scale projects & can include cycleways. (BP 2 P134). \$ to go to States/Territory Governments but States can pass on to local governments. Advice from Federal Department of Infrastructure – NSW - \$540M, Qld - \$522M, Vic - \$340M, WA - \$284M, SA- \$168M, NT - \$96M, Tas - \$44M, NT - \$6M.
SA Local Road Funding Anomaly Restore permanent additional local roads funding for SA Councils - \$20M per annum	Already funded till 30 th June 2020.

ALGA Budget Priorities	Coalition Budget 2020-21 Measures
<p>Community Infrastructure</p> <p>New Local Government Community Infrastructure Program - \$300M per annum over 4 years</p>	<p>\$1B over 2 years for Local Roads and Community Infrastructure Program (LRCI Program). This boosts the total funding for Local Roads and Community Infrastructure Program to \$1.5B. This includes social infrastructure, improvements to road safety and bolster the resilience of local road network (BP2 P139)</p> <p>Extending the Stronger Communities Fund Round six- \$28.1M over 2 years – small capital projects (BP2 P129)</p> <p>\$207.7M over 5 years for Round 5 of BBRF including \$100M for tourism related infrastructure (BP2 P68-69)</p> <p>\$100M over 2 years for Regional Recovery Partnerships with States/Territories for 10 identified areas (BP2 P68-69)</p>
<p>Smart Communities (Digital)</p> <p>New Smart Communities Program - \$100M over 4 years</p>	<p>Digital Skills for Older Australians - \$28.3M over 4 years to extend the Be Connected Program (BP2 P153)</p>
<p>Stronger Regional Digital Connectivity</p> <p>Make this permanent</p>	<p>Further Regional Recovery Connectivity Program \$30.3M over 2 years to support the delivery of reliable, affordable and innovative digital telecommunications (local telecommunications projects) BP2 P69. This additional funding means there is now up to \$83 million available under the program for projects to improve connectivity outside of the National Broadband Network (NBN) fixed-line footprint.</p>

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Disaster Relief and Recovery Maintain Disaster Recovery Funding Arrangement	Further announcements will be made in response to the Royal Commission into National Natural Disaster Arrangements.
Disaster Mitigation New Targeted Disaster Mitigation Program – \$200M per annum for 4 years	Further announcements will be made in response to the Royal Commission into National Natural Disaster Arrangements.
Climate Change New Local Government Climate Response Partnership Fund - \$200M over 4 years	Nothing substantial
Circular Economy \$300 million per annum funding program over four years to develop the circular economy through improved collection processes, strategic infrastructure investment and market development.	Transforming Australia’s Waste and Recycling Industry - \$249.6M over 4 years (BP2 P209) includes \$190 million Recycling Modernisation Fund, \$35 million to implement Commonwealth commitments under Australia’s National Waste Policy Action Plan and \$24.6 million on Commonwealth commitments to improve national waste data
Health and Well Being New Local Government Place Based Preventative Health Fund - \$100M over 4 years	\$1B over 2 years for Local Roads and Community Infrastructure Program (LRCI Program). This boosts the total funding for Local Roads and Community Infrastructure Program to \$1.5B. This includes social infrastructure, improvements to road safety and bolster the resilience of local road network (BP2 P139)

Other measures of interest for local governments in the Coalition Federal Budget:

- Maintaining the timeliness of the Environmental Assessment Process - \$36.6M over 2 years (BP2 P51)
- Murray Darling Communities Investment Package - \$269.6M over 4 years (BP2 P52)
- COVID 19 Response Package – Relief and Recovery Fund \$129.9M in 2020-21 – Various measures including \$2.7M for Ag Shows (BP2 P61)
- Jobmaker Plan – Digital Business Plan - \$796.5M over 4 years (BP2 P64)
- Supporting Regional Australia - \$552.9M over 4 years, includes \$207.7M over 5 years for Round 5 of BBRF including \$100M for tourism related infrastructure, includes \$100M over 2 years for Regional Recovery Partnerships with States/Territories, \$51M over 2 years to assist regions reliant on tourism, \$30.3M over 2 years for regional connectivity, \$13.7M over 4 years for data collection, \$5.7M over 3 years for Building Strong, Resilient Local leaders, \$5M over 3 years to RAI (BP2 P68-69)
 - The Regional Recovery Partnerships program (\$100 million over two years) will help areas that have borne the brunt of COVID-19, as well as drought, last summer’s bushfires, or are primed to build on opportunities to diversify its economy. It will coordinate investments with other levels of government to support recovery and growth in 10 priority investment regions: The Snowy Mountains, Hunter and Newcastle, The Parkes region, Cairns and Tropical North Queensland, Gladstone, Mackay-Isaac-Whitsunday Regions, all of Tasmania, the Gippsland Region, Kangaroo Island, Western Australia’s South West Region
- COVID Package for child care, Victoria \$314.3M in 2020-21 (BP2 P73)
- Employment Services Package of \$143.7M over 4 years – various including young people, seasonal workers (BP2 P74)
- Apprenticeships Wage Subsidy of \$1.2B over 4 years (BP2 P77)
- Supporting Mental Health \$100.8M over 2 years (BP2 P96)
- Safer Communities Fund Round 6 – available to local governments - \$35M over 4 years (BP2 P111)
- Social Cohesion \$62.8M over 5 years – enhance engagement with multicultural communities (BP2 P112)
- Jobmaker – Investment in New Technologies \$1.9B over 12 years - including micro grids in regional and remote communities (BP2 P118)
- Modern Manufacturing Strategy - \$1.5B over 5 years; 6 priority areas (Resources technology and critical minerals processing; Food and beverage; Medical products; Recycling and clean energy; Defence; Space)(BP2 P120)
- Northern Australia Infrastructure Facility - \$36.9M over 4 years (BP2 P122)
- Broadband Advisory Council establishment - \$1.4M over 2 years (BP2 P125)

- **Community Development Grants \$102.8M over 3 years including to stadium Vic Park Qld, Mt Barker Indoor SA and Sports Precinct Goolwa (BP2 P126)**
- **Job Maker Plan – Infrastructure Investments – across all jurisdictions – (BP2 P 130-139)**
- **National Water Grid \$2B over 10 years – for the development and delivery of a 10 year rolling plan of water infrastructure investments including increasing water security and building resilience. (BP2 P140)**
- **Perth City Deal \$327.5M over 11 years (BP2 P142)**
- **Services to Territories \$84.7M over 4 years (BP2 P143)**
- **Supporting Infrastructure Investment - \$184.7M over 10 years includes research and evaluation, recycled material in road construction (BP2 P144)**
- **Closing the Gap \$10.1M for dashboard (BP2 P146)**
- **Jobmaker Plan – Housing \$0.6M over 4 years – NHFIC (BP2 P162)**

Policy decisions previously published in the July 2020 Economic and Fiscal Update

- **Drought Response \$2.2B over 5 years – (BP2 P206)**
- **COVID -19 Response Package – Aviation Support - \$1.9B over 4 years from 2019-2020 (BP2 P214)**
- **COVID-19 Response Package – Relief and Recovery Fund - \$1B over 2 years (BP2 P214)**
- **National Bushfire Recovery Fund - \$2B over 4 years (BP2 P217)**
- **Bushfire Response Package – disaster recovery funding arrangements - \$109.6M in 2019-2020 (BP2 P254)**
- **COVID Response Package – communications, cyber safety and the arts - \$676.8M over 9 years (BP2 P259)**
- **COVID Response Package – freeze and maintain the Heavy Vehicle Road User Charge (BP2 P261)**
- **COVID Response Package – infrastructure stimulus - \$2B over 3 years for priority regional and urban transport infrastructure (BP2 P262)**

- **[Previous announcement on NBN](#) made on the 23rd September 2020 by Minister Fletcher includes \$300 million of co-investment funding for NBN Co to partner with governments and local councils to further improve broadband services in regional Australia.**

Population Assumptions used in the Budget

Australia's population growth is expected to slow to its lowest rate in over one hundred years, falling from 1.2 per cent in 2019-20 to 0.2 per cent in 2020-21 and 0.4 per cent in 2021-22. The slower growth is mainly due to measures to limit the spread of COVID-19, which are assumed to lead to NOM falling from around 154,000 persons in 2019-20 to around -72,000 persons in 2020-21, and then to around -22,000 persons in 2021-22.

Table A.2: Population by state, at 30 June

million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)	Australia
2018-19	8.087	6.596	5.094	2.623	1.753	0.535	0.426	0.246	25.359	25.364
2019-20	8.158	6.705	5.162	2.649	1.766	0.540	0.430	0.243	25.652	25.657
2020-21	8.156	6.718	5.195	2.659	1.767	0.542	0.431	0.240	25.708	25.713
2021-22	8.163	6.748	5.236	2.673	1.772	0.546	0.433	0.236	25.806	25.811
2022-23	8.209	6.822	5.293	2.698	1.783	0.550	0.436	0.234	26.025	26.030
2023-24	8.293	6.943	5.361	2.734	1.795	0.554	0.440	0.234	26.354	26.359

(a) 'Total' is the sum of the states and territories shown, and excludes Jervis Bay Territory, Christmas Island, the Cocos (Keeling) Islands and Norfolk Island.

Extracted from BP3 P85

Table A.6: Net interstate migration by state, for years ending 30 June

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2018-19	-22,100	12,200	22,800	-6,500	-4,000	2,000	-200	-4,400
2019-20	-21,000	11,600	21,700	-6,100	-3,800	1,900	-200	-4,200
2020-21	-14,300	-1,200	22,000	-3,700	-2,200	2,200	300	-3,100
2021-22	-15,500	-1,300	23,800	-4,000	-2,300	2,300	400	-3,300
2022-23	-17,000	1,800	21,300	-2,300	-3,000	1,200	300	-2,400
2023-24	-18,600	5,000	18,900	-500	-3,600	0	200	-1,400

Extracted from BP3 P87