

Commonwealth Budget 2022-23

Overview

In his speech introducing the 2022-23 Budget the Treasurer set out the next stage of the Government's plan to meet the current and future economic and national security challenges confronting Australia.

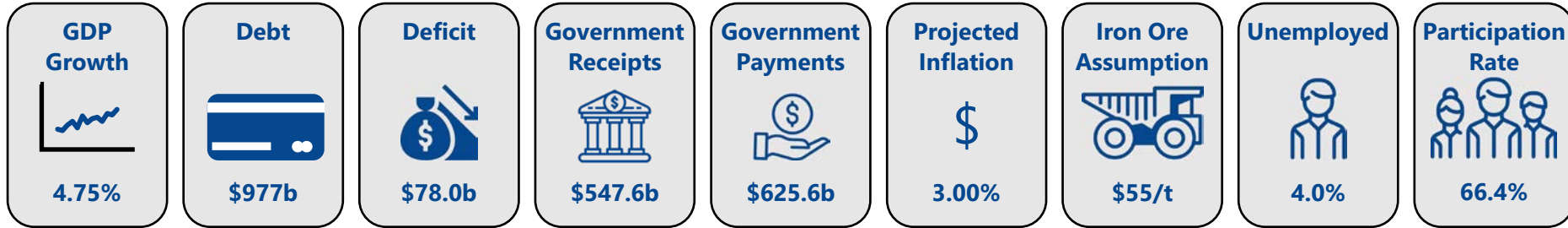
While acknowledging that the past two years have been tough, the Treasurer said Australia has overcome the biggest economic shock since the Great Depression, now boasts the lowest unemployment rate in 48 years and is recovering at a rate stronger than the United States, the United Kingdom, Canada, France, Germany, Italy and Japan.

The 2022-23 Budget delivers targeted and immediate relief from rising cost of living pressures facing low and middle income earners, pensioners and concession card holders; support for small business; help for more single parents and first home buyers to buy a home; record funding for schools, hospitals, Medicare, mental health, aged care, women's safety and disability support; new regional infrastructure initiatives; programs to boost Australia's sovereign manufacturing capability; new apprenticeship initiatives; and further record spending on defence and cyber security capabilities in conjunction with further deepening of Australia's strategic partnerships such as AUKUS and Quad.

The following brief provides further details of 2022-23 Budget announcements across portfolios.

2022-23 Federal Budget Snapshot

"Only the Coalition can responsibly manage the Budget and strengthen our nation's finances."



Key Government Priorities

Safer Australia

- \$3.45b in support for the NSW and Queensland floods
- \$343b in direct health and economic support for COVID-19
- At least \$38b to boost the Defence workforce by 18,500 personnel by 2040
- More than \$10b for future naval infrastructure
- \$3.5b for new M1A2 Abrams tanks and other armoured vehicles
- \$66.9m to protect against high risk terrorist offenders

Workforce

- \$2.8b to support Australian apprenticeships
- \$1b of new investment in the Modern Manufacturing Strategy
- \$200m in a Regional Accelerator Stream of the Supply Chain Resilience Initiative

Women

- \$1.3b towards ending all forms of violence against women and children
- \$330.6m to improve health outcomes for women and girls
- \$482.0m to help women advance their careers

Essentials

- \$2.4b for new and amended listings on the PBS
- \$547m in mental health services
- \$468.3m in support for the aged care sector
- \$225.8m to improve educational outcomes of school students
- \$33.9b to over 500,000 Australians who have permanent and significant disability
- \$1b to marine science to build the Great Barrier Reef's resilience

Cost of Living

- 10 million individuals will receive a one-off \$420 cost of living tax offset
- Excise on petrol and diesel cut from 44.2 cents per litre to 22.1 cents per litre
- \$84m to deploy microgrids and cut electricity costs
- \$22b in low emissions technologies to reduce emissions while growing the economy across Australia

Regions

- \$17.9b to infrastructure projects
- \$2b for a Regional Accelerator Program
- \$7.1b in transformational infrastructure
- \$2b to the Northern Australia Infrastructure Facility
- \$7.4b for new and expanded dam projects that increase water security



Highlights

Cost of living measures	<ul style="list-style-type: none">• \$250 bonus scheme to assist SMSF retirees, pensioners, all other welfare payment recipients• LMITO: up to \$420 for low and middle income workers• 22c/L fuel excise cut for the next 6 months
Health and Aged Care	<ul style="list-style-type: none">• \$2.4 billion for new and amended listings on the PBS• \$2.8 billion in mental health services• \$1 billion for continued distribution of the COVID-19 vaccine• \$468.3 million to further implement the Government's response into the Aged Care Royal Commission
Agriculture, Water and Environment	<ul style="list-style-type: none">• \$100 million in farmer tax rebates• \$130 million to speed up environmental approvals
Industry, Science, Energy and Resources	<ul style="list-style-type: none">• \$446 million to increase energy security and maintain affordable and reliable power• \$250 million to extend the Modern Manufacturing Initiative• \$250 million for the Critical Minerals Accelerator Initiative
Social Services	<ul style="list-style-type: none">• Low and middle income earners up to \$120 000 get one off payment of \$250• \$46.8 million in help for disadvantaged youth
Education, Skills and Employment	<ul style="list-style-type: none">• \$365 million wage subsidies to support 35,000 trainees find work• \$46.8 million to deliver pre-employment programs for disadvantaged youth
Infrastructure, Transport, Arts and Communications	<ul style="list-style-type: none">• \$5.4 billion over 12 years to build Hells Gate Dam (QLD)• \$400 million to upgrade the Inland Freight Network (QLD to NSW)• \$678 million to seal the Outback Way (SA to QLD)• \$480 million NBN upgrade for rural areas
Defence and National Security	<ul style="list-style-type: none">• \$10 billion for a new submarine base• \$4.3 billion to upgrade the Henderson shipyard (WA)• \$875 million for defence projects• \$9.9b for REDSPICE program, to increase Australian cyber security capabilities



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Portfolio Announcements

Finance and Treasury

Find the portfolio statement [here](#) (Finance) and [here](#) (Treasury)

Fuel Excise

- Rate of excise is currently 44.2 cents per litre, will be reduced to **22.1 cents per litre**
 - Effective from 12.01am on 30 March 2022, will remain in place for 6 months, ending at 11.59pm on 28 September 2022.

Cost of Living Tax Offset

- Increase the Low and Middle Income Tax Offset (LMITO) to **\$420** for the 21-22 income year.
 - This increases maximum LMITO benefit to **\$1,500** for individuals and **\$3,000** for couples.

Employee Share Schemes

- Where employers make larger offers in connection with employee share schemes in unlisted companies, participants can invest up to:
 - **\$30,000 per participant per year**, accruable for unexercised options for up to 5 years, plus 70% of dividends and cash bonuses; or
 - Any amount, if it would allow them to immediately take advantage of a planned sale or listing of the company to sell their purchased interests at a profit.

Modernisation of PAYG instalment systems

- Companies may choose to have their PAYG instalments calculated based on current financial performance, extracted from business accounting software, with some tax adjustments.
 - This will support business cash flow by ensuring instalments reflect current performance.

Patent Boxes

- Expand the patent box tax concession to agricultural sector innovations.
- Expand the patent box tax concession to low emissions technology innovations.

Primary Producers – Tax Treatment and Carbon Credits

- Proceeds from the sale of Australian Carbon Credit Units (ACCUs) and biodiversity certificates generated from on-farm activities will be allowed to be treated as primary production income for



the purposes of the Farm Management Deposits (FMD) scheme and tax averaging from 1 July 2022.

Affordable Housing and Home Ownership

- The number of guarantees under the Home Guarantee Scheme increased to **50,000 per year** for 3 years from 22-23, comprising:
 - 35,000 guarantees per year ongoing for the First Home Guarantee.
 - 5,000 places per year to 30 June 2025 for the Family Home Guarantee.
 - 10,000 places per year to 30 June 2025 for a new Regional Home Guarantee that will support eligible citizens and permanent residents who have not owned a home for 5 years to purchase a new home in a regional location with a minimum 5% deposit.

COVID-19 Economic Support

- **\$52.9 million** in 21-22 to extend COVID-19 Business Support Payments and access to the Pandemic Leave Disaster Payment.

Single Touch Payroll Data

- **\$6.6 million** for the development of IT infrastructure required to allow ATO to share single touch payroll data with State and Territory Revenue Offices.

Flood Package

- **\$240.5 million** for 2 additional payments of the Australian Government Disaster Recovery Payment to residents in catastrophically impacted areas.
- **\$150 million** from Emergency Response Fund to be shared between NSW and Queensland to fund recovery and post-disaster resilience measures in areas that experienced significant damage to infrastructure.
- **\$150 million** from Emergency Response Fund to fund recovery and post-disaster resilience measures in the Northern Rivers region of NSW.
- **\$31.2 million** to meet increased demand and support for the mental health of residents in flood affected areas.
- **\$25 million** to increase the Community Child Care Fund.



Health

Find the portfolio statement [here](#).

Pharmaceutical Benefits Scheme (PBS)

- **\$2.4 billion** for new and amended listings on the PBS, including \$475 million for cystic fibrosis treatments.
- **\$525.3 million** to reduce the PBS Safety Net thresholds.

Mental Health

- **\$2.8 billion** in mental health services, including initiatives in the regions, youth funding through headspace and improved access to multidisciplinary support.
- **\$52.3 million** for Lifeline to provide mental health support.

Medicare and COVID-19

- **\$892.1 million** to support access to health care.

Hospitals and COVID-19

- **\$984.0 million** to extend activities under the National Partnership on COVID-19 Response.

COVID-19 vaccines and treatments

- **\$1.0 billion** to increase COVID-19 booster uptake.
- As part of the **\$1.5 billion** Modern Manufacturing Program, agreement has been reached with Moderna to establish an mRNA manufacturing facility in Victoria.

Cancer

- **\$423.7 million** to support specialist facilities including a Cancer Centre in Perth.

Rural Health

- **\$224.4 million** to improve access to health services in rural Australia, including extra funding for medical students to study in rural areas and support to RFDS, CareFlight and Little Wings to boost capacity.



Aged Care

Royal Commission into Aged Care Quality and Safety measures

- **\$468.3 million** to further implement the Government's response into the Royal Commission, including home care, quality and safety, boosting the workforce and governance.

Aged Care Covid-19 Response

- **\$458.1 million** to support the aged care sector with managing the impacts of COVID-19.

Defence

Find the portfolio statement [here](#).

Assistance to Ukraine

- **\$156.6 million** in for initial assistance to Ukraine, including:
 - \$91.1 million for lethal and non-lethal military material.
 - \$65 million in humanitarian assistance.

Expanded Cyber and Intelligence Capability

- **\$9.9 billion** to the Australian Signals Directorate to enhance Australia's cyber security capabilities.

Operation Flood Assist

- **\$126.4 million** for ADF deployments to support the Queensland and NSW Governments with search and rescue, clean up, and recovery.

Large Vessel Infrastructure

\$4.3 billion for a large-vessel dry-berth in Perth.

(Barton Deakin's brief on this announcement can be found [here](#)).

Defence Industry Support

- **\$151.6 million** to continue existing defence industry support programmes.

Women's Safety and Economic Security

Women's Economic Security Package

- **\$346.1 million** to improve economic security for women by enhancing the Paid Parental Leave scheme by rolling Dad and Partner Pay into Parental Leave Pay to create a single scheme of up to 20 weeks, **fully flexible and shareable** for eligible working parents as they see fit.

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Women's Safety Package

- **\$1.3 billion** to reduce all forms of family, domestic and sexual violence (FDSV) against women and children.
- Initiatives include:
 - **\$480.1 million** for programs to support women and their children who are experiencing FDSV.
 - **\$328.2 million** to extend and establish programs aimed at the early intervention and prevention of FDSV.
 - **\$290.9 million** to extend and expand programs that support the recovery of FDSV victim survivors.
 - **\$222.6 million** to strengthen initiatives to prevent gendered violence.

Women's Leadership Package

- **\$106.9 million** comprising:
 - **\$38.6 million** to provide additional support for women who commence in trade occupations that are higher paying
 - **\$18.5 million** to implement the recommendations of the review of gender equality, support state and territory governments to provide gender equity reporting and establish the Excellence in Workplace Gender Equity Awards.
 - **\$10.3 million** to promote leadership, safety and employment opportunities for women in sport.
 - **\$9.4 million** to bring women into board positions and fund the Future Women's Jobs Academy.
 - **\$4.7 million** to improve women's participation and encourage women to consider a career in Australian manufacturing.

Women's Health Package

- **\$163.3 million** to improve women's health and further support the implementation of the National Women's Health Strategy 2020-2030 (the Strategy).
- Funding includes:
 - **\$39.8 million** for the McGrath Foundation to continue the Breast Care Nurses Program.
 - **\$25.5 million** to list new imaging technology on the Medicare Benefits Schedule for Endometriosis.
 - **\$16.4 million** to establish endometriosis and pelvic pain general practice clinics in existing primary care settings in each state and territory.
 - **\$11.2 million** to increase stillbirth autopsies by creating dedicated Perinatal Pathologist positions in each state and territory.



Employment

Find the portfolio statement [here](#).

Workforce Participation

- **\$153.5 million** to address workforce shortages, support job seekers to find employment and make it easier for vulnerable Australians to participate in the workforce.
- Funding comprises:
 - **\$52.8 million** deliver the new ReBoot initiative and support Workforce Australia to support up to 5,000 disadvantaged young Australians to develop employability skills.
 - **\$49.5 million** to provide additional 15,000 low and fee-free training places in aged care courses under the JobTrainer fund.
 - **\$44.6 million** to support businesses who employ mature aged Disability Employment Services program participants through the Restart Wage subsidy.

Education and Training

Find the portfolio statement [here](#).

University Research Commercialisation

- **\$998.2 million** to drive university-industry collaboration, workforce mobility and research translation and commercialisation.
- This comprises:
 - **\$505.2 million** to establish Australia's Economic Accelerator (AEA) to support university research projects from proof-of-concept and proof-of-scale through to commercialisation.
 - **\$295.2 million** to establish new research training pathways for students and researchers creating opportunities to work with industry.
 - **\$150 million** to expand CSIRO Innovation Fund.

Skills Development

- **\$1.3 billion** to support employers to engage and retain new apprentices, and reform the Australian Apprenticeship system to sustain a skilled and responsive workforce.
- Funding comprises:
 - **\$950.4 million** for a new Australian Apprenticeships Incentive System providing support in priority occupations.
- **\$3.7 billion** to increase investment in skills development and address critical skills needs. Funding includes:



Home Affairs

Find the portfolio statement [here](#).

Humanitarian Programme

- Maintain *Humanitarian Program* at **13,750 places** in 22-23 and over forward estimates.
- **\$665.9 million** for an additional 16,500 humanitarian places for Afghan nationals.

Arrangements for Managing Terrorist Offenders and Countering Violent Extremism

- **\$148.4 million** to prevent terrorism and counter violent extremism.
- Funding includes:
 - **\$66.9 million** to protect the community from threats posed by convicted high-risk terrorist offenders.
 - **\$19.8 million** for a National Convicted Terrorist Offender Register.
 - **\$24.5 million** for a *Living Safe Together* program.

Transnational and Serious Organised Crime

- **\$287.2 million** to counter transnational, serious, and organised crime.

Foreign Affairs, Trade and Tourism

Find the portfolio statement [here](#).

Australian Export and Trade Support

- **\$267.1 million** to modernise and improve Australia's trade system and support Australian exporters.
- Funding comprises:
 - **\$127.4 million** to expand digital services to *Take Farmers to Market* initiative.
 - **\$80 million** to support small and medium export businesses through the *Export Market Development Grants Program*.

Comprehensive Strategic Partnership with India

- **\$245.5 million** to support the Comprehensive Strategic Partnership.

Tourism Support

- **\$146.5 million** to support the recovery of the tourism sector.
- Funding includes:
 - **\$76.7 million** to extend the COVID-19 *Consumer Travel Support Program*.



- **\$63 million** for targeted tourism marketing initiatives.

Social Services

Find the portfolio statement [here](#).

Financial Counselling Sector

- **\$10.5 million** to develop a voluntary industry funding model to meet the shortfall in general financial counselling services.

Cost of Living Payment

- **\$1.5 billion** to provide a \$350 economic support payment to help eligible recipients.

Strong and Resilient Communities Grants

- **\$45.1 million** to expand the *Strong and Resilient Communities* grant program.

Agriculture, Water and Environment

Find the portfolio statement [here](#).

Agriculture 2030

- **\$135.6 million** to strengthen biosecurity arrangements.
- Funding includes:
 - **\$61.6 million** to improve biosecurity capabilities, infrastructure and risk management activities across Northern Australia.
 - **\$20.1 million** to strengthen on-farm biosecurity by supporting the adoption of livestock traceability reforms.
 - **\$20.0 million** to work with states and territories to reduce the impact of pests and weeds on agricultural production, native wildlife, the environment, and the community.
 - **\$15.4 million** to extend the Supporting Agriculture Shows and Field Days program and support Agricultural Shows societies to upgrade, repair and maintain facilities that support regional agricultural shows.

Streamlining Environmental Protections and Modernising Indigenous Cultural Heritage Protections

- **\$139.6 million** to modernise cultural Indigenous heritage protections, including:
 - **\$62.3 million** to establish and administer up to 10 bioregional plans.
 - **\$27.9 million** to ensure timely environmental assessments and approvals.



Future Proofing Australia's Unique Landscapes, Animals and Plants

- **\$100.0 million** for the Environment Restoration Fund to support community-driven action to protect and restore the environment.

Antarctica

Read Barton Deakin's Brief on Australian Investment in Antarctica [here](#).

- **\$839.9 million** to strengthen Australia's and presence in Antarctica.

Great Barrier Reef

- **\$1.0 billion** for the protection of the Great Barrier Reef, including:
 - **\$579.9 million** to improve the water quality of the Reef.
 - **\$252.9 million** to improve the sustainable management and protection of reef ecosystems.

Future Drought Fund

- **\$84.5 million** to improve drought readiness.

Murray-Darling Basin

- **\$139.9 million** to enhance Murray-Darling Basin sustainability, including:
 - **\$97.0 million** for community-driven infrastructure projects.
 - **\$35.1 million** to better deliver environmental water.

Circular Waste Economy

- **\$83.1 million** to support the transformation of Australia's waste and recycling sector.

Infrastructure, Transport, Regional Development and Communications

Find the portfolio statement [here](#)

Energy Security and Regional Development Plan

- **\$7.1 billion** for four key regional hubs across Australia:
 - NT: support for manufacturing, onshore processing of minerals and strengthen its position as an industrial and renewable energy hub.
 - North and Central QLD: invest in water infrastructure and supply chain projects.
 - Pilbara, WA: infrastructure support for mining, mineral processing, manufacturing and the hydrogen industry.
 - Hunter, NSW: transport infrastructure projects to improve supply chains.



Regional Telecommunications

- **\$1.3 billion** to improve regional telecommunications, including:
 - \$811.8 million for the Mobile Black Spot Program and the Regional Connectivity Program.
 - \$480 million for NBN Co to upgrade network services in regional Australia.

Priority Infrastructure Investments

- **\$1.5 billion** to fund projects including:
 - \$678.0 million in additional funding for the Outback Way, NT.
 - \$385.4 million in additional funding for the Northern Australia Roads Program.

State and Territory Infrastructure Investment

- See p.106 of the [Budget Paper No.2](#) for projects in the Australian Capital Territory (ACT)
- See p.106-107 of the [Budget Paper No.2](#) for projects in New South Wales (NSW)
- See p.108 of the [Budget Paper No.2](#) for projects in the Northern Territory (NT)
- See p.109-110 of the [Budget Paper No.2](#) for the projects in Queensland (QLD)
- See p.110-111 of the [Budget Paper No.2](#) for the projects in South Australia (SA)
- See p.111 of the [Budget Paper No.2](#) for the projects in Tasmania (TAS)
- See p.112 of the [Budget Paper No.2](#) for the projects in Victoria (VIC)
- See p.113 of the [Budget Paper No.2](#) for the projects in Western Australia (WA)

Local Roads and Community Infrastructure Program

- **\$501.7 million** to support local government to maintain and deliver social infrastructure, road safety and resilience of the road network.

Water Grid funding

- **\$6.9 billion** to expand investment in transformational water infrastructure projects, including:
 - \$5.4 billion for Hells Gates Dam, QLD.
 - \$600.0 million for Paradise Dam, QLD.
 - \$433.0 million for Dungowan Dam, NSW.

Northern Australia Infrastructure Facility (NAIF)

- **\$2.0 billion** to finance critical infrastructure projects.

Regional Accelerator Program (RAP)

- **\$2.0 billion** to establish the RAP, including the Modern Manufacturing Initiative, Australian Apprenticeships, Export Market Development Grants and the Recycling Modernisation Fund.



Industry, Science, Energy and Resources

Find the portfolio statement [here](#).

Energy Security and Regional Development Plan

- **\$7.1 billion** for infrastructure projects that connect infrastructure and supply chains in four key regional hubs across Australia.

Modern Manufacturing

- **\$250.0 million** to extend the *Modern Manufacturing Initiative* to support businesses to deliver high-impact projects.

Critical Minerals Strategy

- **\$250.5 million** to help early-stage critical minerals projects reach market readiness, including \$200.0 million for the *Critical Minerals Accelerator Initiative*.

Energy and Emissions Reduction

- **\$446.1 million** to increase energy security, maintain affordable and reliable power for households and businesses and reduce the cost of deploying low emissions technologies, including:
 - **\$247.1 million** to support increased private sector investment in low emissions technologies.
 - **\$148.6 million** to support greater investment in affordable and reliable power in regional Australia.
 - **\$50.3 million** to accelerate the development of priority gas infrastructure projects.

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