

Federal Budget 2022

Budget In-Depth Summary to ACCI members 25 October 2022

Key Points

- **Economic growth** (GDP) is projected to be 3½% in 2022-23, but will then fall to 1½% in 2023-24, and then improve to 2¼% in 2024-25 and 2½% in 2025-26
- The **underlying cash balance** is expected to be -\$36.9 billion in 2022-23, then rise to -\$51.3 billion in 2024-25, before settling back to -\$49.6 billion in 2025-26. Overall, there is a cumulative improvement of \$42.7 billion over the forward estimates, with most of the gains in the first two years
- **Gross debt** is forecast to grow to \$927 billion or 37.3% of GDP in 2022-23 then inch over \$1 trillion in 2023-24, before reaching \$1.17 trillion or 45% of GDP in 2025-26
- **Net debt** is expected to shrink to be 23% of GDP in 2022-23, but will then rise to 25.8% of GDP in 2023-24 and 28.5% of GDP by 2025-26
- **Inflation** is forecast to peak at 7¼% in the December quarter 2022, then ease to 5¾% by the middle 2023 and 3½% by June 2024
- The **unemployment rate** is expected to average 3¾% for 2022-23 then rise to 4½% in 2023-24, as economic activity slows

Table 1.1: Major economic parameters^(a)

	Outcome	Forecasts			
	2021-22	2022-23	2023-24	2024-25	2025-26
Real GDP	3.9	3 1/4	1 1/2	2 1/4	2 1/2
Employment	3.3	1 3/4	3/4	1	1 1/4
Unemployment rate	3.8	3 3/4	4 1/2	4 1/2	4 1/4
Consumer price index	6.1	5 3/4	3 1/2	2 1/2	2 1/2
Wage price index	2.6	3 3/4	3 3/4	3 1/4	3 1/2
Nominal GDP	11.0	8	-1	4 1/4	5

a) Real GDP and Nominal GDP are percentage change on preceding year. The consumer price index, employment, and the wage price index are through the year growth to the June quarter. The unemployment rate is the rate for the June quarter.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Labour Force Survey, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; and Treasury.

Table 1.2: Budget aggregates

	Actual	Estimates				Total(a)	Projections
	2021-22	2022-23	2023-24	2024-25	2025-26		2032-33
	\$b	\$b	\$b	\$b	\$b	\$b	
Underlying cash balance	-32.0	-36.9	-44.0	-51.3	-49.6	-181.8	
Per cent of GDP	-1.4	-1.5	-1.8	-2.0	-1.8		-1.9
Gross debt(b)	895.3	927.0	1,004.0	1,091.0	1,159.0		
Per cent of GDP	39.0	37.3	40.8	42.5	43.1		46.9
Net debt(c)	515.6	572.2	634.1	702.8	766.8		
Per cent of GDP	22.5	23.0	25.8	27.4	28.5		31.9

a) Total is equal to the sum of amounts from 2022–23 to 2025–26.

b) Gross debt measures the face value of Australian Government Securities (AGS) on issue.

c) Net debt is the sum of interest bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

Economic

The Australian economy faces serious challenges from a sharp global economic slowdown, high inflation, rising interest rates and falling real wages. The recent floods are also weighing on growth and adding to inflation.

- Economic growth (GDP) is projected to be 3½% in 2022-23 but will then fall to 1½% in 2023-24, as global economic headwinds and cost of living pressures weigh on households and the economy. This is 1% lower than the forecast in the March 2022 Budget
- Household spending on services and high employment is contributing to solid growth in 2022-23, but this will slow in 2023-23 as high inflation and interest rates weigh on activity
- Inflation is forecast to peak at 7¾% in the December quarter 2022, but high inflation will persist for longer than previously expected, easing to 5¾% by the middle 2023 and 3 ½ % by June 2024
- Wage growth, as measured by the WPI will increase to 3¾% in 2022-23 and 2023-24, then settle back to 3¼% in 2-24-25. It will be mid-2024 before wages are expected to outpace inflation
- Labour market outcomes have been stronger than expected, with the unemployment rate at a near 50-year low of 3.5% in September and expected to average 3¾% for 2022-23. With economic activity forecast to slow, unemployment is expected to rise to 4½% in 2023-24
- Business investment is being supported by a large backlog of investment projects and is forecast to reach 6% in 2022-23. It will then slow to 3½% in 2023-24
- Net exports are expected to detract ¾% from GDP in 2022-23 as outbound tourism recovers faster than inbound tourism. This will change in 2023-24 with net exports to GDP growth expected to be positive for the first time since the pandemic at 0.4% of GDP

- Australia's terms of trade reached a historic high of 12% in 2021-22 and is expected to remain around that level in 2022-23, before declining in 2023-24 as commodity prices ease
- Net overseas migration is projected to increase to 235,000 in 2022-23 and remain at that level in 2023-24

Table 2.2: Domestic economy – detailed forecasts^(a)

	Outcomes	Forecasts	
	2021-22	2022-23	2023-24
Real gross domestic product	3.9	3 1/4	1 1/2
Household consumption	4.1	6 1/2	1 1/4
Dwelling investment	2.8	-2	-1
Total business investment ^(b)	5.2	6	3 1/2
<i>By industry</i>			
Mining investment	-1.7	4	5 1/2
Non-mining investment	7.4	6 1/2	3 1/2
Private final demand ^(b)	4.5	5 1/4	1 1/4
Public final demand ^(b)	6.5	1	1 1/2
Change in inventories ^(c)	0.1	0	- 1/4
Gross national expenditure	5.2	4	1
Exports of goods and services	0.0	7	5
Imports of goods and services	7.7	11	3
Net exports ^(c)	-1.5	- 3/4	1/2
Nominal gross domestic product	11.0	8	-1
Prices and wages			
Consumer price index ^(d)	6.1	5 3/4	3 1/2
Wage price index ^(d)	2.6	3 3/4	3 3/4
GDP deflator	6.9	4 3/4	-2 1/4
Labour market			
Participation rate (per cent) ^(e)	66.6	66 3/4	66 1/2
Employment ^(d)	3.3	1 3/4	3/4
Unemployment rate (per cent) ^(e)	3.8	3 3/4	4 1/2
Balance of payments			
Terms of trade ^(f)	12.2	-2 1/2	-20
Current account balance (per cent of GDP)	2.2	1/2	-3 3/4
Net overseas migration ^(g)	150,000	235,000	235,000

a) Percentage change on preceding year unless otherwise indicated.

b) Excluding second-hand asset sales between the public and private sector.

c) Percentage point contribution to growth in GDP.

d) Through-the-year growth rate to the June quarter.

e) Seasonally adjusted rate for the June quarter.

Fiscal

The Australian economy faces intensifying fiscal challenges, with gross debt expected to rise above \$1 trillion. While the Budget position has improved in the near term due to higher than expected tax receipts from high commodity prices and high employment, and delays in government spending programs reducing payments. These don't outweigh the growing medium term structural pressures.

- Since the March 2022 Budget, the underlying cash balance has improved by a cumulative \$42.7 billion over the forward estimates, to be -\$36.9 billion in 2022-

23. Most of the improvement is in the first two years, with the underlying cash balance increase to \$-44 billion in 2023-24 then \$-51.3 billion in 2024-25, before settling back to \$-49.6 billion in 2025-26

- Revenue has been revised up \$144.6 billion over the 4 years to 2025-26, with receipts as a proportion of GDP estimated to increase from 24.5% of GDP in 2022-23 to 25.2% of GDP by 2025-26
- This will be partially offset by additional spending, with payments as a proportion of GDP projected to increase from 26% of GDP in 2022-23 to 27% of GDP in 2023-24. Over the longer term they are expected to rise to 27.9% of GDP by 2032-33
- Gross debt is forecast to grow to \$927 billion or 37.3% of GDP in 2022-23 then inch over \$1 trillion in 2023-24, before reaching \$1.17 trillion or 45% of GDP in 2025-26
- Net debt is expected to shrink to be 23% of GDP (\$572 billion) in 2022-23, a \$36.9 billion improvement from the \$78 billion predicted in the March Budget, but will then move back to 25.8% of GDP (\$634.1 billion) in 2023-24 and 28.5% of GDP (\$766.8 billion) by 2025-26
- Interest payments on debt will almost double over the forward estimates from \$13.6 billion in 2022-23 to reach \$26.5 billion in 2025-26

Table 3.1: Australian Government general government sector budget aggregates

	Actual	Estimates				Total(a)	Projections
	2021-22	2022-23	2023-24	2024-25	2025-26		2032-33
	\$b	\$b	\$b	\$b	\$b	\$b	% of GDP
Underlying cash balance	-32.0	-36.9	-44.0	-51.3	-49.6	-181.8	
Per cent of GDP	-1.4	-1.5	-1.8	-2.0	-1.8		-1.9
Receipts	584.4	607.2	621.4	642.8	679.0	2,550.5	
Per cent of GDP	25.4	24.5	25.3	25.1	25.2		26.0
Tax receipts	536.6	562.9	574.3	590.5	629.3	2,356.9	
Per cent of GDP	23.4	22.7	23.3	23.0	23.4		24.1
Non-tax receipts	47.8	44.4	47.1	52.4	49.7	193.6	
Per cent of GDP	2.1	1.8	1.9	2.0	1.8		1.9
Payments(b)	616.3	644.1	665.5	694.2	728.6	2,732.3	
Per cent of GDP	26.8	25.9	27.0	27.1	27.1		27.9
Gross debt(c)	895.3	927.0	1,004.0	1,091.0	1,159.0		
Per cent of GDP	39.0	37.3	40.8	42.5	43.1		46.9
Net debt(d)	515.6	572.2	634.1	702.8	766.8		
Per cent of GDP	22.5	23.0	25.8	27.4	28.5		31.9
Net interest payments(e)	15.0	13.6	16.6	19.4	26.5	76.1	
Per cent of GDP	0.7	0.5	0.7	0.8	1.0		1.5

a) Total is equal to the sum of amounts from 2022–23 to 2025–26.

b) Equivalent to cash payments for operating activities, purchases of non-financial assets and principal payments of lease liabilities.

c) Gross debt measures the face value of Australian Government Securities (AGS) on issue.

d) Net debt is the sum of interest bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

e) Net interest payments are equal to the difference between interest payments and interest receipts.

Global Outlook

The global environment has sharply deteriorated, with high inflation sapping momentum and global growth slowing more than expected. Some major economies are stalling and contracting. High global interest rates have increased the risk of recession across all major advanced economies.

- Inflationary pressures have intensified since the Russian invasion of Ukraine, which lead to soaring energy and food prices
- Central banks have responded by tightening monetary policy, to return inflation to their targets and in the process have slowed global economic growth
- Global growth has been downgraded by ¾% in 2022 and 1% in 2023 to be 3% in 2022 and 2 ¾% in 2023
- Labour markets remain tight, with unemployment rates at or below pre-pandemic levels in most advanced economies
- Wages are showing signs of responding to the labour market tightening, with wages rising in the United States, the United Kingdom and to a lesser extent New Zealand, further fuelling inflation

Policy Initiatives

Business and Industry Policy

Small Business

- \$15.1 million over two calendar years from 1 January 2023 until 31 December 2024 to extend the Small Business Debt Helpline and the NewAccess for Small Business Owners programs
- \$3.4 million over four years from 2022–23 to support the development and delivery of education, technical advice and support services targeting the needs of small business employers to support the implementation of 10 days of paid family and domestic violence leave
- Hidden in the fine print, the Budget notes that the Temporary Full Expensing measure will not be extended beyond June 2023, with all assets valued at over \$1,000 purchased from 1 July 2023 returning to standard depreciation schedules

Tax

- \$80.3 million for the Australian Taxation Office (ATO) to extend the Personal Income Taxation Compliance Program for two years
- Extend the existing ATO Shadow Economy Program for a further three years
- Boosted funding for the ATO Tax Avoidance Taskforce by around \$200 million per year over four years
- Aligning the tax treatment of off-market share buy-backs undertaken by listed public companies with the treatment of on-market share buy-backs

- \$30.4 million over four years to the Tax Practitioners Board (TPB) to increase compliance investigations into high-risk tax practitioners and unregistered preparers
- Introduce an anti-avoidance rule to prevent global entities (with global revenue of at least \$1 billion) from claiming tax deductions for payments made directly or indirectly to related parties in relation to intangibles held in low- or no-tax jurisdictions
- Increased reporting requirements to enhance the tax information disclosed to the public, including:
 - large multinationals to prepare for public release of certain tax information on a country by country basis and a statement on their approach to taxation, for disclosure by the ATO
 - Australian public companies (listed and unlisted) to disclose information on the number of subsidiaries and their country of tax domicile
 - tenderers for Australian Government contracts worth more than \$200,000 to disclose their country of tax domicile

Superannuation

- Allow more people to make downsizer contributions to their superannuation by reducing the minimum eligibility age from 60 to 55 years of age. The downsizer contribution allows a one-off post-tax contribution to superannuation of up to \$300,000 per person from the proceeds of selling a home

Housing

- \$10 billion in the Housing Australia Future Fund to generate returns to fund the delivery of 30,000 social and affordable homes over five years and allocate \$330 million for acute housing needs
- \$350 million over five years to support funding of an additional 10,000 affordable homes under a Housing Accord
- \$100 million over two years for housing and essential infrastructure in Northern Territory homelands

Infrastructure

- \$24.7 million over 12 years to support the preparation and conduct of the 2032 Brisbane Olympic and Paralympic Games
- Extra \$8.1 billion over 10 years for priority rail and road infrastructure projects, including \$2.6 billion for Victoria, \$2.1 billion for Queensland, \$1.4 billion for NSW, \$634.5 million for WA, \$550 million for NT, \$460 million for SA and \$78 million for Tasmania
- \$5.4 billion over seven years to support economic growth and development across regional Australia including:
 - \$1.9 billion in equity investment for the development of the Middle Arm Sustainable Development Precinct in the Northern Territory
 - \$1.0 billion over five years for the Priority Community Infrastructure Program
- \$139.9 million over three years to support the aviation sector including \$60.0 million over two years to upgrade Hobart Airport runway and airfield facilities

- \$6.3 million in 2022–23 to establish the Strategic Fleet Taskforce to provide advice on the establishment of a strategic fleet of vessels

Manufacturing

- Redirecting \$506.4 million of funding measures over four years from the Industry and Science Portfolio, including: \$303.7 million over three years for reversing uncommitted funding in the Modern Manufacturing Initiative and not proceeding with a third round of the Manufacturing Modernisation Fund
- Investing \$15 billion over seven years to establish the National Reconstruction Fund (NRF)
- \$135.5 million over four years to support Australian industry to develop domestic manufacturing capabilities and upskill the manufacturing sector workforce, including:
 - \$50.0 million to upgrade the Nyrstar Hobart zinc smelter in Tasmania
 - \$17.2 million for a pilot Food Manufacturing Innovation Hub in NSW
 - \$14.2 million over four years to develop a National Rail Manufacturing Plan

Energy

- \$62.6 million over three years to support small to medium enterprises to fund energy efficient equipment upgrades
- \$224.3 million over three years to deploy 400 community batteries across Australia
- \$146.1 million over five years for the Australian Renewable Energy Agency to co-invest in projects to reduce emissions from Australia’s road transport sector
- \$89.5 million over six years for the Hydrogen Highways initiative to fund the creation of hydrogen refuelling stations on Australia’s busiest freight routes
- \$39.8 million over five years from 2022–23 to establish a National Electric Vehicle Charging Network to deliver 117 fast charging stations on highways across Australia
- \$20.0 billion in funding to provide concessional loans and equity to invest in transmission infrastructure projects, *Rewiring the Nation*
- \$102.2 million over four years to establish a Community Solar Banks program for the deployment of community-scale solar and clean energy technologies
- \$157.9 million over six years and \$1.1 million per year ongoing to support the implementation of the National Energy Transformation Partnership which will deliver cleaner and more secure and reliable energy for Australians
- \$71.9 million over seven years from 2022–23 to deliver a new green hydrogen hub in the Townsville region of Queensland

Environment and Climate Change

- \$45.8 million over six years to restore Australia’s reputation and increase international engagement on climate change and energy transformation issues
- \$141.1 million over 10 years as part of a realignment of investment in carbon capture technologies

- \$20.3 million over four years to establish an outreach program to empower Australian farmers and land managers to participate in carbon markets and integrate low emission technologies and practices
- \$45.0 million over four years to secure a stockpile of five weeks of emergency supply of technical grade urea, a key ingredient for diesel exhaust fluid, and to create a grant program for small-scale diesel exhaust fluid manufacturing projects
- \$4.6 million over four years to establish an online data collection and reporting mechanism for the diesel exhaust fluid market
- \$2.2 million in 2022–23 for developing and consulting on design and draft legislation for a Guarantee of Origin Certificate scheme, to track and verify emissions associated with renewable electricity, hydrogen and other low emissions commodities produced in Australia
- \$1.9 billion allocated from the uncommitted funding from the Emissions Reduction Fund to a Powering the Regions Fund to assist industries, regional Australia and communities with the transition to net zero emissions
- \$0.5 million to develop an offshore renewable energy industry growth strategy
- Estimated \$410.0 million for exempting battery, hydrogen fuel cell and plug-in hybrid electric cars from fringe benefits tax and import tariffs

Water

- \$51.9 million over five years to strengthen the Murray-Darling Basin Plan
- \$278.1 million over five years to expand investment in nationally significant, transformational water infrastructure projects (including Cairns Water Security Project, Tasmanian Pipeline, Mount Morgan Water Supply Project)

Defence

- \$32.2 million over three years to support the construction of the North Queensland Simulation Park in Townsville, Queensland to support the development and growth of defence industry in the region
- \$5.1 million over three years to support the development of sovereign capacity in renewable fuel manufacturing
- \$24.0 million over four years to improve veteran employment opportunities through supporting recognition of prior learning for training undertaken by Australian Defence Force personnel and supporting employers to attract and retain veterans

Resources

- \$99.8 million over three years for the Strategic Critical Minerals Development Program to support Australian critical minerals producers overcome technical and market access barriers
- \$50.5 million over four years to establish the Australian Critical Minerals Research and Development Hub
- \$10.0 million over three years to support research and development to advance new commercially viable projects for methane abatement in the resources sector
- \$65.7 million over nine years to support the supply of Australian domestic gas

Deregulation

- No deregulation initiatives were funded in the 2022-23 Budget

Digital and Cyber

- \$757.7 million over five years from 2022-23 to improve mobile and broadband connectivity and resilience in rural and regional Australia, including:
 - \$400.0 million over five years from 2022-23 to support the roll out of mobile base stations to improve highway and underserved community mobile coverage
 - \$200.0 million over five years from 2022-23 for two additional rounds of the Regional Connectivity Program to fund the delivery of telecommunications infrastructure to improve digital connectivity in regional, rural and remote Australia
 - \$40.0 million over three years from 2022–23 for an improving mobile coverage round of the Mobile Black Spot Program
 - \$39.1 million over five years from 2022–23 for two additional rounds of the Peri-Urban Mobile Program to improve mobile reception in peri-urban areas that are prone to natural disasters
 - \$30.0 million over five years from 2022-23 for the On Farm Connectivity Program to support farmers and agricultural businesses to purchase and install on farm connectivity equipment
 - \$20.0 million over five years from 2022-23 to conduct an independent audit of mobile coverage to better identify black spots and guide investment priorities
 - \$6.0 million over three years from 2023-24 for the Regional Tech Hub platform to provide free and independent advice on telecommunications connectivity and services in regional and rural Australia
 - \$2.5 million over five years from 2022 23 to establish a First Nations Digital Advisory Group to lead consultation with First Nations people on the design and delivery of digital inclusion initiatives
- \$5.5 million over two years from 2022–23 for the Office of the Australian Information Commissioner to investigate and respond to the Optus data breach
- \$31.3 million in 2022–23 to extend the whole of government Cyber Hubs pilot while an evaluation is completed. The pilot is trialling a whole of government approach, utilising 4 Cyber Hubs, to deliver cyber security capabilities to Commonwealth entities. This measure extends the 2022–23 March Budget measure titled Digital Economy Strategy
 - \$2 million in 2022-23 to assist scam victims to recover their identity
- \$0.8 million in 2022–23 to undertake a user audit of myGov. The Audit will identify changes needed to improve myGov functionality and deliver a more user-friendly experience. The cost of this measure will be met from within the existing resources of Services Australia and the Digital Transformation Agency

Employment and Skills

Vocational Education and Training

- \$921.7 million over five years from 2022–23 to the Vocational Education and Training system, with \$871.7 million over five years for 480,000 fee-free places and \$50 million over five years to establish a TAFE Technology Fund to modernise IT infrastructure, workshops and laboratories etc.
- \$12.9 million over three years from 2022–23 to establish Jobs and Skills Australia

Skills

- \$12.3 million over four years from 2022–23 to develop and deliver a new national study on adult literacy, numeracy and digital literacy skills
- \$95.6 million over nine years from 2022–23 to support 10,000 people to complete a New Energy Apprenticeship through a New Energy Apprentice Support Payment of up to \$10,000 over the duration of the apprenticeship
- \$9.6 million over five years from 2022–23 for a new mentoring program to help train and support new energy apprentices, the development of fit-for-purpose training pathways, and a capacity study by Jobs and Skills Australia
- The removal of funding for the following programs amounting to \$115.3 million over four years from 2022–23 in relation to employment, skills and training:
 - \$56.2 million over two years from 2022–23 by the Mid-Career Checkpoint Pilot on 31 December 2022
 - \$42.1 million over four years from 2022–23 from ceasing funding for the ReBoot initiative titled Boosting Participation and Building Australia's Workforce
 - \$9.0 million in 2022–23 by reducing the funding available for the final year of the Industry Training Hubs program, with a number of projects to still proceed and the program to conclude as scheduled on 30 June 2023
 - \$4.0 million over two years from 2022–23 from no longer proceeding with the Workforce Australia Advertising Campaign titled Boosting Participation and Building Australia's Workforce
 - \$3.9 million over two years from 2022–23 by not proceeding with the Supporting Women's Mid-Career Transition into the Tech Workforce component of the 2022–23 March Budget measure titled Digital Economy Strategy
 - There will be no six month extension of a trial of career advice access for digital job seekers from 1 July 2022 to 31 December 2022, as it overlaps with other career advice services
- \$15.4 million over four years from 2022–23 (and \$4.2 million per year ongoing) from the Australian Skills Quality Authority will be redirected to the Department of Employment and Workplace Relations to temporarily undertake assurance of training packages from 1 January 2023

Higher Education and Research

- \$485.5 million over four years from 2022–23 (and \$563.8 million over 11 years) for 20,000 additional Commonwealth supported places at universities and other higher education providers commencing in 2023 and 2024
- \$15.4 million over four years from 2022–23 (and \$2.8 million per year ongoing) to establish the Startup Year program to deliver income contingent Higher Education Loan Program loans to up to 2,000 recent graduates, postgraduate and final year undergraduate students per year
- \$3.6 million in 2022–23 to the Department of Education to develop a business case for a new university and schools payment system
- \$2.7 million over two years from 2022–23 to deliver an Australian Universities Accord
- Ending the 10 per cent discount for students who elect to pay their student contributions upfront rather than defer payment through the Higher Education Contribution Scheme

Schools and student support

- \$270.8 million over two years from 2022–23 to implement the Schools Upgrade Fund to provide grants to support capital works projects for upgrades to school equipment and to improve ventilation in classrooms
- \$10.5 million over 4 years from 2022–23 (and \$2.9 million per year ongoing) to implement a new youth engagement model to enable young Australians to influence the policies and programs that affect them
- \$310.4 million over nine years from 2022–23 (and \$7.9 million per year ongoing) to attract and retain high-quality teachers and improve student outcomes
- \$14.1 million over four years from 2022–23 to partner with First Nations people and primary schools to teach First Nations languages and culture

Employment and Participation

- Savings to Government of \$50.0 million over four years from 2022–23 by ceasing work experience and internships programs under Workforce Australia, including *Youth Jobs PaTH* internships and *National Work Experience Program*
- \$19.4 million over four years to extend the Disability Employment Services program for two years to 30 June 2025, allowing for a detailed design phase for a new disability employment services model to support people with disability to find ongoing employment
- \$34.8 million over four years to onboard and maintain the Skills for Education and Employment, the Self Employment Assistance, and the Harvest Trail Services programs on to the Workforce Australia Digital Platform to support the delivery of integrated employment services
- \$7.9 million over two years from 2022–23 to the Activ Foundation to continue operating its large-scale disability employment work sites for an additional 18 months
- \$2.0 million over three years to develop a Carer Friendly Workplace Framework to assist employers to develop and adopt practices to support employees with caring responsibilities to enter and remain in the workforce

Age Pension

- \$61.9 million over two years to provide age and veterans pensioners a once off credit of \$4,000 to their Work Bonus income bank. The temporary income bank top up will increase the amount pensioners can earn in 2022–23 from \$7,800 to \$11,800, before their pension is reduced, supporting pensioners who want to work or work more hours to do so without losing their pension
- \$69.6 million over four years to increase the income threshold for the Commonwealth Seniors Health Card from \$61,284 to \$90,000 for singles and from \$98,054 to \$144,000 (combined) for couples.

Childcare

- \$4.7 billion over four years (and \$1.7 billion per year ongoing) to deliver cheaper child care and reduce barriers to workforce participation, including
 - increasing the maximum Child Care Subsidy (CCS) rate from 85 per cent to 90 per cent for families for the first child in care and increase the CCS rate for all families earning less than \$530,000 in household income
 - maintain current higher CCS rates for families with multiple children aged five or under in child care, with higher CCS rates to cease 26 weeks after the older child's last session of care, or when the child turns six years old
 - tasking the Australian Competition and Consumer Commission to undertake a 12 month inquiry into the cost of child care and the Productivity Commission to conduct a comprehensive review of the child care sector
 - requiring large providers to publicly report CCS-related revenue and profits

Paid Parental leave

- \$531.6 million over four years from 2022–23 to strengthen and expand the Paid Parental Leave (PPL) scheme
 - Reforms from 1 July 2023 so that either parent is able to claim the payment and both birth parents and non-birth parents are allowed to receive the payment if they meet the eligibility criteria. Parents will also be able to claim weeks of the payment concurrently so they can take leave at the same time
 - The amount of PPL available for families will increase up to a total of 26 weeks from July 2026, up from 20 weeks

Migration

- Planning levels for the 2022-23 permanent Migration Program to increase from 160,000 to 195,000 (already announced). Priority will be given to offshore applicants and on-hand applications for the Skilled Independent visa – New Zealand stream
- Extension of the relaxation of work restrictions for student visa holders and secondary training visa holders until 30 June 2023 (already announced)

- \$42.2 million over two years for the Department of Home Affairs to increase visa processing capacity and raise awareness of opportunities for high-skilled migrants in Australia's permanent Migration Program
- \$175.1 million over four years from 2022–23 (and \$80 million per year ongoing from 2026–27), to boost permanent migration to Australia by creating a new Pacific Engagement Visa for nationals of Pacific island countries and Timor-Leste, with up to 3,000 places per year made available in addition to the existing permanent Migration Program.
- \$20 million over four years to provide more flexible delivery options for the Adult Migrant English Program and increase case management support to students

Health

- \$3.4 million over four years from 2022–23 (and \$0.7 million per year ongoing) to develop a National Health and Climate Strategy and establish a National Health Sustainability and Climate Unit
- \$13.4 million over four years from 2022–23 by responding to the MBS Review Taskforce's recommendations to align the MBS with contemporary practice
- \$9.5 million over four years from 2022–23 to amend the Medicare Benefits Schedule (MBS) to improve access to primary health care services and improve clinical practice
- \$15.9 million over four years from 2022–23 (and \$6.6 million per year ongoing) to establish and support a National Centre of Excellence in Intellectual Disability Health (the National Centre of Excellence)
- \$13.2 million over four years from 2022–23 (with \$0.7 million per year ongoing) to build data linkages between Services Australia systems and the Health Products Portal
- \$1.4 billion over four years from 2022–23 for new and amended listings on the Pharmaceutical Benefits Scheme (PBS), the Repatriation Pharmaceutical Benefits Scheme, the Life Saving Drugs Program, the National Diabetes Services Scheme and the Stoma Appliance Scheme

Centre for Disease Control

- \$3.2 million in 2022–23 to undertake the initial design for the establishment of an Australian Centre for Disease Control COVID-19

TGA

- \$23.3 million over two years from 2022–23 (including \$12.3 million in capital funding in 2022–23 and \$7.9 million in capital funding in 2023–24) to modernise the Therapeutic Goods Administration's (TGA) business systems to streamline processes for the medicines and medical devices industry. The funding will also enhance the Australian Unique Device Identification Database which provides for the safety and traceability of medical devices in Australia
- \$23.3 million will be raised over six years from 2023–24 from changes to cost recovery arrangements for the TGA

Mental Health measures

- \$24.3 million over four years from 2022–23 (including \$6.6 million per year ongoing) to improve access to mental health services. Funding includes:
 - \$23.5 million over four years from 2022–23 (and \$6.6 million per year ongoing) to expand and strengthen the national network of headspace services
 - \$0.8 million over three years from 2022–23 for MATES in Manufacturing for field officers to run workshops aimed at preventing suicide in the manufacturing sector
- \$13.0 million over four years from 2022–23 to support communities impacted by flooding in New South Wales

National Medical Stockpile

- \$73.9 million in 2022–23 (including \$72.0 million in capital funding in 2022–23) to purchase additional vaccines and treatments for the National Medical Stockpile in response to the monkeypox outbreak, including:
 - MVA-BN JYNNEOS® vaccine
 - Tecovirimat (TPOXX) treatment
- \$500 million in 2022–23 for the procurement of additional vaccines and treatments on the National Medical Stockpile

COVID-19

- \$270.8 million over two years from 2022–23 to implement the Schools Upgrade Fund to provide grants to support capital works projects for upgrades to school equipment and to improve ventilation in classrooms to keep students and school staff safe following disruptions caused by COVID-19
- \$808.2 million in 2022–23 to extend elements of the Government’s response to COVID-19 until 31 December 2022. Funding includes:
 - \$759.9 million to extend the National Partnership on COVID-19 Response, which provides for 50 per cent of the cost of state and territory COVID-19 responses including vaccine delivery, testing and treatments
 - \$48.3 million in 2022–23 to extend the GP-led Respiratory Clinics program, which delivers face-to-face care, respiratory assessments, COVID-19 testing and treatment of COVID-positive patients
 - extending medical indemnity legislative arrangements to continue access to the Run-Off Cover Scheme to support eligible doctors and midwives returning to the workforce to help address shortages arising from COVID-19
- \$162.4 million in 2022–23 for COVID-19 related items. Funding includes:
 - \$145.1 million to extend Medicare Benefits Schedule (MBS) rebates for polymerase chain reaction (PCR) testing for COVID-19 and other respiratory viruses
 - \$6.3 million to establish a new temporary MBS item for general practitioners (GPs) to undertake telehealth consultations to evaluate eligible COVID-positive patients’ suitability for oral antivirals
 - \$5.7 million to extend the temporary MBS item to support GPs and other medical practitioners to manage COVID-positive patients in the community

- \$5.4 million to continue access to Medicare rebates for telehealth appointments for patients with COVID-19, regardless of whether they have an existing clinical relationship with the GP
- \$410.3 million in 2022–23 for the procurement and distribution of rapid antigen tests (RATs) and personal protective equipment (PPE) to support COVID-19 outbreak management and prevent the spread of COVID-19 in high risk settings. Funding includes:
 - \$234.9 million to purchase 261 million units of PPE for the National Medical Stockpile (NMS) for distribution to Residential Aged Care Facilities (RACFs), the disability sector, Aboriginal Community Controlled Health Services (ACCHs), General Practices (GPs), GP Respiratory Clinics (GPRCs), and vaccinating pharmacies
 - \$174.8 million to purchase 31 million additional RATs to replenish supplies in the NMS for distribution to vulnerable population cohorts
 - \$0.6 million to continue independent verification laboratory testing to determine and publicly report on the effectiveness of RATs approved by the Therapeutic Goods Administration
- \$355.8 million in 2022–23 for the distribution and uptake of COVID-19 vaccines across Australia. Funding includes:
 - \$314.0 million for the distribution of fourth vaccine doses in primary care settings, pharmacies, state-based clinical sites, aged and disability care facilities, and First Nations communities
 - \$41.8 million for communication activities to drive uptake with a specific focus on people at risk of severe disease and those with lower access to mainstream media
- \$22 million in 2022–23 to establish a Live Performance Support Fund to support eligible live event organisers affected by COVID-19
 - Extend the Temporary Interruption Fund to 30 June 2023 to support new local productions that were unable to start production due to insurance exclusions relating to COVID-19
- \$588.4 million to Services Australia to respond to emergencies in 2022–23, including the delivery of COVID-19 payments and the Australian Government Disaster Recovery Payment
- Decommission the COVIDSafe App, the Coronavirus Australia App and the COVID-19 WhatsApp Channel

National Partnership funding

- \$29.1 billion to support state health services, including \$28.4 billion in National Health Reform funding and \$756.3 million in National Partnership payments
- \$177.3 million to the states in other health-related National Partnership payments
- \$370.2 million to support the development of health-related infrastructure

Workplace Policy

Fair Work Commission

- \$7.9 million over four years to support enterprise bargaining for small businesses

- \$32.3m over four years to support secure Australian jobs, including \$20.2 million over 4 years to establish Pay Equity and Care and Community Sector expert panels, and a specialised research unit
- \$15.1 million over four years to support the Fair Work Commission and the Fair Work Ombudsman to tackle sexual harassment in the workplace, which will be explicitly prohibited in the Fair Work Act 2009
- \$7.9 million over four years to implement changes to the small claims process for unpaid entitlements through the Federal Circuit and Family Court
- \$26.5m over four years to assume the functions of the Registered Organisations Commission
- \$2.2m over four years to provide education, advice and assistance to small businesses on Paid Family and Domestic Violence Leave

Fair Work Ombudsman

- An additional \$69.9m over four years to assume (some of) the responsibilities of the Australian Building and Construction Commission on its defunding and abolition

Respect@Work / Sexual Harassment

- The Department of Employment and Workplace Relations and Australian Human Rights Commission to receive an extra \$39.1m over four years to implement Respect@Work Recommendations, including:
 - \$5.8m for education and compliance to support the positive legal duty to eliminate discrimination, sexual harassment and victimisation.
 - \$2.6 million over three years to document historical workplace sexual harassment
 - \$2.1 million over four years to ‘establish a one-stop shop for workplace sexual harassment information, including about victims’ rights, complaint options, support service referrals and employer responsibilities’.

Work health and safety

- \$8.9 million over three years from 2023-24 to support strong tripartism and engagement by providing workers and business representatives funding through reinstating the Productivity, Education and Training Fund and providing funding to support Safe Work Australia union and employer members

Disaster and Emergency Management

National Emergency Management Agency

- \$38.3 million over four years from 2022–23 to Disaster Relief Australia to expand its capacity to deliver disaster relief and recovery activities
- \$51.5 million in 2022–23 to support communities impacted by natural disasters, including:

- \$1.5 million for the National Emergency Management Agency to support work on optimal responses and resilience to natural disasters
- \$25.3 million over five years from 2022–23 to the National Emergency Management Agency for initiatives to improve insurance affordability and availability. These include the establishment of new partnerships with the private sector, including the insurance industry, on risk reduction and insurance affordability and the development of a national knowledge base of mitigations to reduce vulnerability to natural disasters

Disaster Ready Fund

- \$630.4 million over four years from 2022–23 to strengthen Australia’s resilience to disasters. Funding includes:
 - up to \$200.0 million per year from 2023–24 for the Disaster Ready Fund to co-contribute in support of resilience projects nominated by the state and territory governments to strengthen Australia’s disaster readiness and resilience
 - \$30.4 million in 2022–23 to implement disaster resilience initiatives across 30 local government areas

Drought resilience

- \$20.8 million over two years from 2022–23 to support Australia’s readiness to respond to drought events. Funding includes:
 - \$14.3 million over two years from 2022–23 to drive adoption of established drought resilience research
 - \$6.6 million over two years from 2022–23 to maintain existing capability for future drought preparedness and support delivery of the National Drought Agreement and National Drought Plan

Biosecurity

- \$134.1 million over four years from 2022–23 (and \$3.3 million per year ongoing) to bolster biosecurity capability in Australia and support neighbouring countries to address the risk of exotic animal diseases. Funding includes:
 - \$61.6 million over two years from 2022–23 to strengthen Australia’s frontline biosecurity capability, including enhancing the domestic detection and response capability in northern Australia, supporting domestic preparedness and biosecurity outcomes in neighbouring countries
 - \$46.7 million over three years from 2022–23 to improve on-farm biosecurity and support the transition to a national livestock traceability system
 - \$14.0 million in 2022–23 to improve Australia’s biosecurity systems and provide support for neighbouring countries battling foot and mouth disease and lumpy skin disease
 - \$11.7 million over four years from 2022–23 (and \$3.3 million per year ongoing from 2026–27) for expanded detector dog capability at Australia’s borders

Trade and International

Export Market Development Grants

- A cut of \$80 million to the EMDG program. This was announced as additional funding in the March Budget for the EMDG to support small and medium export businesses to re-establish their presence in overseas markets, but no allocation for this has been included in this Budget

Simplified Trade System

- Retained funding of \$187.1 million over four years to continue to modernise Australia's trading system through the STS
 - Includes \$12.6 million for the STS Taskforce to deliver regulatory, digital and process improvements

International Freight Assistance Mechanism

- Savings of \$35 million in 2022-23 from winding back IFAM

Trade

- \$9 million to establish the Office of Southeast Asia in the Department of Foreign Affairs and Trade and develop an ASEAN Economic Strategy
- \$4.0 million to support trade diversification
- \$100 million over four years for the World Expo 2025 in Osaka
- \$19.6 million to implement the Singapore Australia Green Economy Agreement

Foreign Aid

- \$1.4 billion increase in Official Development Assistance to the Pacific and Southeast Asia

Tourism

- \$171.6 million over four years from 2022-23 to support Australian trade and tourism, relevantly including:
 - \$48 million over four years to support recruitment and marketing in the tourism and travel sectors and for infrastructure upgrades to caravan parks
 - up to \$100 million over four years for Australia's participation in World Expo 2050 hosted in Japan
 - \$4 million over two years for the Department of Foreign Affairs and Trade to support Australia's trade diversification
- State specific measures, including:
 - \$17 million to co-invest with states on strategic projects that increase the supply of Indigenous tourism experiences and/or create supply chain opportunities for Indigenous tourism businesses
 - \$10.3 million for the National Tourism Icons package, including the construction of the Wangetti Trail in Queensland, upgrade of tourist facilities on Rottnest Island in Western Australia, and upgrading tourist facilities at Freycinet in Tasmania
- \$36.8 million over four years to support the arts sector

- \$139.9 million over three years to support the aviation sector, including:
 - \$60.0 million over two years to upgrade Hobart Airport runway and airfield facilities
 - \$55.0 million over two years from 2022–23 to upgrade border services facilities at the Newcastle Airport international terminal
 - \$17.9 million over two years from 2022–23 to undertake planning and design work for border services facilities at Western Sydney International Airport
 - \$7.0 million over two years from 2022–23 to undertake the Aviation White Paper
 - extending the Per- and Poly-fluoroalkyl Substances Airports Investigation program to 30 June 2027 to continue to undertake investigations at Australian civilian airports to understand the risks and develop corresponding management plans for any identified contamination
 - establishing a Jet Zero style council to inform the development of policy settings to encourage emissions reduction in the aviation industry

Wellbeing budget

The Treasurer foreshadowed initial consideration of a future ‘wellbeing budget’ model in this October budget. Below is a brief summary of statement four.

Frameworks to measure what matters

- A number of countries have developed national or subnational frameworks to measure progress and well-being. While the specific indicators vary across frameworks, all of those reviewed cover similar policy areas, like income and employment, personal and community safety, health, education, and the environment
- Table 4.1 shows the high level of similarity in the policy areas covered by other countries’ national frameworks

Table 4.1: Policy areas covered in national frameworks

OECD Domains	New Zealand	Canada	United Kingdom	Germany	Iceland	Italy	Wales	Scotland
Income and Wealth								
Social Connections								
Knowledge and Skills								
Environmental Quality								
Current Well-being								
Health								
Housing								
Civic Engagement								
Safety								
Work and Job Quality								
Work-Life Balance								
Subjective Well-being								
Future Well-being								
Natural capital								
Human capital								
Social capital								
Economic capital								

Note: Shaded areas are covered in national frameworks.
 Source: National agencies; Centre for Policy Development (2022), 'Redefining Progress'

- The OECD Framework for Measuring Well-being and Progress can be used to understand how Australia performs on key policy areas compared to other OECD countries (Table 4.2)
- Australia stands to benefit from a national framework or central set of indicators. Overseas, such frameworks and indicators have helped:
 - provide common understanding of objectives across levels of government (an important feature for Australia’s federal system, with delivery responsibilities between governments)
 - enable more consistent evaluation of policy against progress, which can help to inform who is best placed to take policy action and address issues with policy implementation
 - highlight the interactions between different policy levers and how they impact people, to improve quality of life while avoiding unintended consequences.

Figure 4.2: Australia's performance against OECD indicators

At/better than OECD average and stable/improving		Worse than OECD average but stable/improving	At/better than OECD average, but declining	Worse than OECD average and declining
Household income	Produced fixed assets	Gender parity in politics	Financial net worth of general governments	Red list index of threatened species
Household wealth	Having a say in government*	Long hours in paid work	Voter turnout	Household debt
Employment rate	Homicides	Time off	Life satisfaction	Gender gap in feeling safe
Housing affordability	Premature mortality	Greenhouse gas emissions	Social support	Labour underutilisation
Life expectancy at birth	Exposure to outdoor air pollution	80/20 income share ratio	Student skills in science	Material footprint
Education attainment among young adults	Social interactions	Gender wage gap	Trust in government	
			Gender gap in hours worked	
			Students with low skills	
			Negative affect balance	

Note: Asterisks denote assessment based on OECD average only. Indicators without recent and consistent data from the OECD are not presented. This includes the following indicators: gap in life expectancy by education, trust in others, housing overcrowding rates and access to green space. Source: OECD 2022, ABS Time Use Survey, ABS General Social Survey, AEC.

- The OECD Framework is not tailored to Australia’s circumstances, so it does not capture important aspects of the Australian context and overlooks some of our national priorities. For this reason, other countries have adapted the OECD Framework to reflect their specific objectives, policy areas and indicators. One example is climate change, which affects communities in different regions in different ways
- An Australian framework would aim to provide a high-level view of Australia’s progress and well-being to improve visibility of key indicators at a national level
- In 2023, the Government will release a new stand-alone [Measuring What Matters](#) Statement tailored to Australia. Treasury will continue to research and consult experts and other stakeholders on what the Statement should measure, how the Statement should link to other frameworks and goals – including at the state and territory level – and how the Statement should be communicated