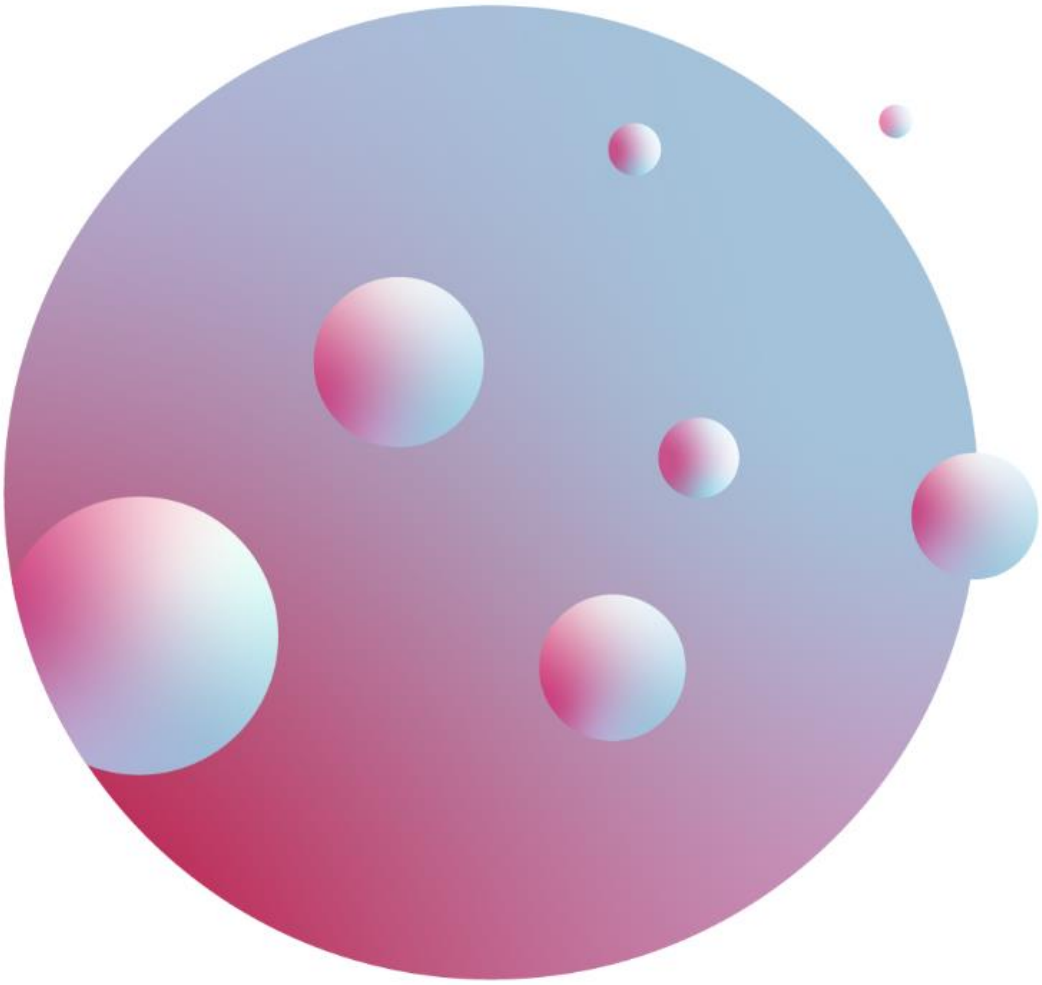
Deloitte.



Federal Budget 2022-23

Getting back to business

Contents

Introduction

Adam Powick

Brett Greig

Federal budgets are always about choices and compromises. After two years of the pandemic, the deliberations are again fraught with complexities. How does a Treasurer frame a budget against the backdrop of a war in Europe, a pending election, a global inflationary environment and a new omicron variant taking off around the country? All while ensuring that our recovery continues and that cost of living pressures do not escalate.

Yet despite these stresses, there is plenty of good news in this year's budget. Employment is booming, pandemic related spending is disappearing fast and key commodity prices are well above last year's expectations. Borders are open, and Australia is getting back to business.

We are now in a new phase of learning to live with the virus. Plans for health and human services will continue to need to protect our 'front line', but life will return to some sort of equilibrium.

Border closures have created their own challenges and workforce shortages continue to impact businesses large and small. This year we highlight the levers around immigration, education, training, and childcare to upskill and free up more workers to participate in a rapidly recovering economy. Our gender agenda chapter also considers the impact of the budget on women, increasingly significant contributors to our economy.

The Government continues to tweak our tax system, with a "small target" reform agenda. To support business and improve productivity, a focus on innovation and digital transformation has been continued this year. A more nuanced strategy of stimulus has been pursued, in which infrastructure remains a key tool. Climate action and management is being elevated, but there is still much more to be done.

This is an important budget and one delivered in interesting times. We hope you find this latest Deloitte Federal Budget publication useful and insightful.

Adam Powick
Chief Executive Officer

Brett Greig
Managing Partner | Tax & Legal

Health & human services

Key announcements

Additional $6 billion For continuation of existing health programs relating to supporting the COVID-19 response
Additional $468.3 million to aged care Total response to the Royal Commission into Aged Care Quality and Safety is $18.8 billion
NDIS $39.6 billion over four years locked in for the NDIS program
No major announcements on digital health agenda Other than to improve regional connectivity and continuations of existing telehealth items and advance the interoperability agenda
Business as usual For health and social care with no investments to transform and build on the reforms that were accelerated through COVID-19 and to address the pressure felt by the community and front-line health workers

The budget for health and social care is largely a continuation of existing programs relating to COVID-19 (additional $6 billion), mental health (further $547 million over five years), aged care (further $468.3 million over five years) and continued investment in the NDIS.

While the Federal Budget 2022-23 provides funding certainty for the sector in key programs, it falls short of establishing a vision for reform. This is a missed opportunity to capitalise on the strong appetite for change across the health and social care sectors as we begin to emerge from the disruptions of COVID-19. It is not just about more funding for the same services, but transformation of those services to sustainably meet Australia's health and social care needs into the future. Notably absent from the Federal Budget 2022-23 are substantial funding commitments to progress the Closing the Gap agenda and health equity, and to address the health impacts of climate change.

As a proportion of total government expenditure, health, and social care (health, aged care and NDIS spending) is projected to grow in the forward estimates from 26.9% in 2021-22 to 27.5% in 2024-25. This is driven by growth in spending on aged care service provision and the NDIS. By contrast, health funding declines as a proportion of total government expenditure in the forward estimates, from 17.4% in 2021-22 to 16% in 2024-25.

COVID-19

Funding for the response to COVID-19 is largely related to PPE, vaccines, treatments, extension to temporary telehealth item numbers and preparing for the next phase in the pandemic. $6 billion is invested to support these activities over the next four years. The two major components of the response are the Winter Response Plan and $1 billion to extend the vaccine roll out. A further $984 million has been listed to extend the national partnership on the COVID-19 response supporting the states and territories over two years. $132.5 million has been outlined for the investment in RATs and PPE over the next year (2022-23).

Investment for the highly anticipated new mRNA vaccine facility in partnership with the Victorian Government and Moderna has been omitted from the Budget, citing sensitivities relating to the arrangement being commercial-in-confidence.

After being caught on the back foot with the appearance of COVID-19, the Federal Budget 2022-23 seems to have missed an opportunity to capitalise on the forward momentum in preparing for and tackling emerging infectious diseases. The emergence of variants and indeed the potential for a plethora of pathogens is widely accepted as more likely than not, however $5 million has been identified for Australia's response to emerging infectious diseases, with the money targeted to national coordination of efforts across academic institutions. Australia's strong public health response to COVID-19 provided the foundations for the strong economic response we have experienced, however, the Federal Budget 2022-23 has not returned the favour and has fallen well short of enabling the modernisation of Australia's public health infrastructure.

Digital health

Surprisingly, no major announcements are made to boost Australia's digital health agenda, presenting a missed opportunity around boosts for digital health literacy, new models of care and what's required to build trust between consumers and clinicians. The Budget stops short of supporting the continuation of virtual health momentum built up through COVID-19. The Government commits a continuation of the existing successful telehealth Medicare item numbers and investments in health data interoperability however is unlikely to see a significant boost to virtual health from current levels. Investments include:

- $20.4 million has been allocated to extend the temporary MBS items for Telehealth over two years from 2021-22, however this is restricted to COVID-19 positive patients only
- $811 million over five years will be provided to expand mobile coverage and connectivity in regional Australia which will be an important building block on the path to digital inclusion and health equity for Australians in rural and remote areas
- $23.4 million will support the extension of Healthdirect Australia's service to support COVID-19 positive patients.

The Government has also committed $35.2 million over 4 years from 2022-23 to support Digital Health, with most of this funding limited to short-term continuation of existing programs. Spending includes:

- $32.3 million in 2022-23 to continue the Intergovernmental Agreement on Digital Health with states and territories to support My Health Record and the Health Care Identifiers Service for another year
- $2.9 million over four years from 2022-23 to improve the security of the Australian Institute of Health and Welfare's data holdings through cloud migration.

Mental health

There is $547 million in additional funding for mental health building on the $2.3 billion invested in last year's budget. The budget measures for mental ill health prevention and early intervention include $76.4 million over five years to continue support for mental health services in response to the ongoing pandemic pressure, including Lifeline's 13HELP Line. There is also a commitment of $285.5 million over 5 years from 2021-22 to fund mental health treatment initiatives.

Together with the announcements made in the Federal Budget 2021-22, it takes the total value of the plan to almost $3 billion.

Aged care

The Federal Budget 2022-23 has made three distinct commitments to aged care investment. To support aged care workers, $215.3 million has been committed to provide bonuses of up to $800 to aged care workers, $50.4 million will fund 4,000 new nursing placements to deliver vaccinations to aged care residents and staff and $37.6 million will establish grants for up to 2,907 training places in infection prevention and control for qualified nurses. To support aged care providers, $6.9 million has been committed to support collaborative business models access the aged, disability and veteran's care sectors and $124.9 million will support the extension and expansion of vaccination staff over the next years. To support senior Australians, $345.7 million has been committed over the next four years to improve medication management in residential aged care facilities, $22.1 million to trial new models of multi-disciplinary care and $20.1 million to support facilities in the transition to a new aged care classification funding model.

Disability

The National Disability Insurance Scheme will support 500,000 people with permanent and significant disability with the Australian government's contribution of an additional $39.6 billion over four years to continue the program. The Government's contribution to NDIS expenditure is expected to grow from $33.9 billion in 2022-23 to $44.6 billion in 2024-25.

Other investment

The Federal Budget 2022-23 includes a range of other investments in health:

- A Women's Health Package, which provides $163.3 million over four years from 2022-23 to support women's health and implement the National Women's Health Strategy (2020-30)
- Investment into Genomics including $28.1 million to establish Genomics Australia (from 1 January 2024) and $15 million over four years to establish an Australian Cancer Research Foundation Cancer Genome Facility in partnership with South Australia Pathology
- $8.6 million over three years to establish the National Closing the Gap Policy Partnership on Social and Emotional Wellbeing
- $525.3 million over four years to reduce the Pharmaceutical Benefits Scheme (PBS) Safety Net thresholds and expand access to medications especially for concession card holders
- $170.2 million over five years for preventative health initiatives including National Allergy Council, National Ice Action Strategy and testing and screening services
- $150.3 million over four years to support medical training in rural and regional Australia, including more Commonwealth supported places in rural and remote medical schools, increased access to MRI machines and new university departments of rural health
- $33.3 million over four years to the Royal Flying Doctor Service (RFDS) to support emergency aeromedical services as part of establishing a new ten year Strategic Agreement with the RFDS
- A further $1.3 billion has been committed under the Medical Research Future Fund (MRFF) Ten Year Investment Plan.

Luke Baxby
Health & Human Services

Economic overview

Key announcements

- **The stronger-than-predicted economy** has tipped a whopping $153 billion of receipts back into Treasury's pockets between now and 2025-26, a big step up on the official forecasts released just 3.5 months ago
- But there's **$39 billion** in spending on new policies – including one-off payments and tax cuts – being handed back to families and businesses via higher spending and lower taxes. Most of that shows up over the next six months – a period which coincidentally includes an election
- That still leaves a healthier bottom line. The **underlying cash deficit** is forecast to be $79.8 billion in 2021-22, $19.4 billion better than forecast in the December 2021 Mid-Year Economic and Fiscal Outlook (MYEFO)
- **$78.0 billion** underlying cash deficit forecast for 2022-23, $20.9 billion better than forecast in MYEFO
- **Net interest payments** are forecast to be 0.7% of national income in every year through to 2024-25 (the same as it was pre-COVID-19), before finally lifting to 0.9% in 2025-26

The head snapping speed of Australia's economic recovery keeps generating good news for the Budget. Yet it isn't just the recovery from COVID-19 lockdowns helping both the economy and the Budget. So too are spectacular prices for things we sell to the world – including gas, coal, iron ore and wheat.

That's why, relative to the official forecasts released in December 2021, that stronger-than-predicted economic backdrop has tipped $153 billion of receipts back into Treasury's pockets between now and 2025-26.

Some of that windfall has been spent, with new policies - including one-off payments and lower fuel excise – handing $39 billion back to families and businesses. These new policies reflect the political reality of an imminent election.

While the resultant deficits are $104 billion smaller than they used to be over the next five years, they're still large. And they don't yet fully reflect some known knowns, including cost pressures in both defence and social services.

Frustratingly, neither side of politics has been engaging the nation in a discussion over the choices we'll have to make to return the Budget to better health.

The recovery is better and faster than expected

The COVID-19 recovery keeps being better and faster than expected. 'Faster' is obvious. But 'better' is important too. Initially the Government was simply aiming to get unemployment back under 6%. Now the nation is only months out from an unemployment rate of 3.75%.

That's stunning. Two years ago – almost to the day – COVID-19 sent Australia's economy to its knees. Most of us hadn't lived through an economy that weak. Yet today, with unemployment about to hit a half a century low, many of us haven't lived through an economy this strong.

Yes, strong. But many families haven't been feeling that strength, because so far it has shown up in jobs rather than in wages. And whereas relatively few people are getting the new jobs, many people are still feeling the pain of weak wage gains.

The world is giving us a pay rise

The Budget is also benefiting from the fact that the world is throwing more money at Australia than ever before. Usually the world gives Australia a pay cut in global recessions, marking down the price of the things we sell to the globe.

Not this time. Relative to import prices, export prices spent most of 2021 at record highs – higher than at the top of the resources boom a decade ago.

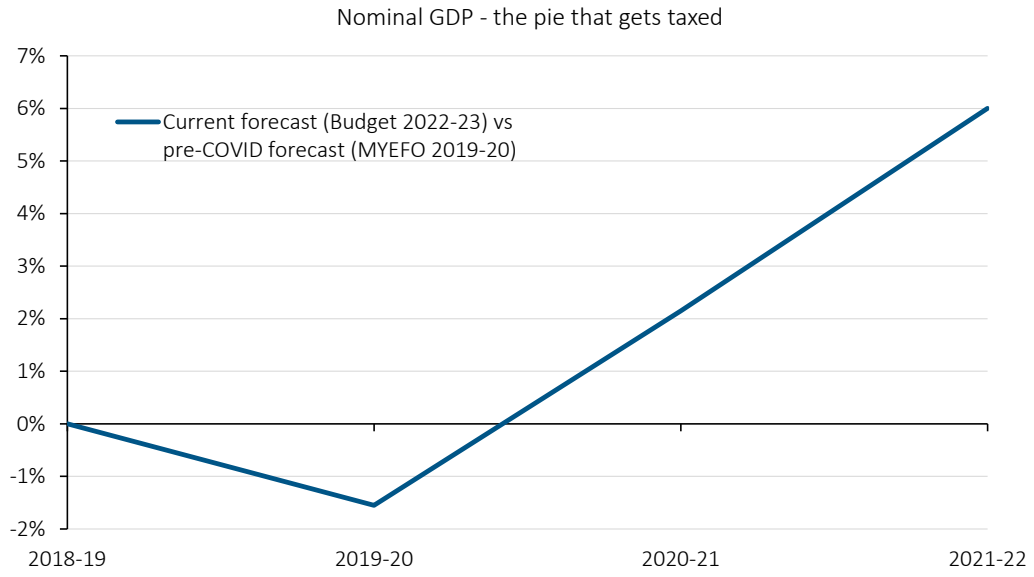
Then came the war. Australia sells the world energy and food. Between them, so do Russia and Ukraine. But Russia's war on Ukraine has sidelined them both, leaving the world scrambling for Australian gas and coal, and boosting iron ore and wheat prices too.

Every week that today's coal and iron ore prices are maintained close to these levels adds another $5 billion to national income, of which $1 billion goes to the Australian Taxation Office (ATO).

So the Rivers of Gold are back

That economic backdrop – the faster recovery, and record prices for our key exports – means that the Rivers of Gold are back. There's been a huge leap in national income, which in turn means that there's been a huge leap in the tax take.

In fact, national income in 2021-22 is set to be 6.3% larger than Treasury was predicting back before COVID-19 hit (in the 2019-20 MYEFO).



Source: Based on Commonwealth of Australia data from Budget 2022-23 and MYEFO 2019-20

With job growth and profits both stronger than expected, there's better news on expected tax collections, especially personal and corporate taxes.

That's why the underlying cash deficit is forecast at $79.8 billion in 2021-22, $19.4 billion better than forecast in the December MYEFO. The matching figures for 2022-23 are a deficit of $78 billion, which is $20.9 billion better than forecast in MYEFO.

So projected deficits are rather smaller than they used to be. Across the five years to 2025-26, Treasury and Finance now project cash underlying deficits that are $104 billion less than they estimated in MYEFO in late 2021.

Easy come, easy go

That's incredibly welcome news. Yet there's a risk that lulls the nation into a false sense of security. Yes, the news is much better on both the economy and the Budget since the official outlook was last updated in late 2021.

But no, much of that improvement looks set to be temporary.

Why temporary?

The better-than-budgeted outcomes of the moment are because (1) the economy has repaired faster than expected and because (2) commodity prices keep getting lucky:

- But that first factor fades over time – Treasury's official forecasts always expected repair, it's just that the pace of repair has exceeded expectations
- And the second factor is also only a temporary tailwind. Russia's invasion of Ukraine has again sent key commodity prices on a moonshot but, sensibly, Treasury assumes the record prices of the moment don't linger for long
- In other words, the Lucky Country becomes less lucky over time.

The best news…

Yet not all of the good news is temporary. It has been just 3.5 months since Treasury last released its economic forecasts. The new forecasts in the Budget contain 140,000 extra jobs in the middle of this decade than the earlier ones did.

So Treasury doesn't just think unemployment is lower today. It sees fewer unemployed (and more employed) on a sustainable basis.

That's arguably the very best news in the entire Budget.

Chris Richardson
Deloitte Access Economics

Individuals

Key announcements

$420	Increase in the Low-and-Middle-Income Tax Offset
$250	Payment for eligible recipients and concessional card holders
Excise duty	On petrol and diesel to be reduced by 50% for six months
Superannuation	Extension of temporary reduction in superannuation minimum drawdown rates for a further year

The Budget proposes a package of measures which are all designed to address cost of living pressures. This response will be delivered through various mechanisms, including a six-month halving of the excise on petrol and diesel, a $420 increase in the Low-and-Middle-Income Tax Offset (LMITO) and a $250 cost of living payment to eligible recipients.

Cost of living measures

Increase in the Low-and-Middle-Income Tax Offset (LMITO)

The LMITO will be increased for the current year (2021-22) by $420 to $1,500 for individuals. The LMITO will otherwise generally remain unchanged and is legislated to cease after this year.

Taxable income	Maximum offset was:	Maximum offset will change to:
Up to $37,000	Up to $255	Up to $675
$37,001 to $48,000	$255 + 7.5 cents per dollar of income over $37,000	$675 +7.5 cents per dollar of income over $37,000
$48,001 to $90,000	$1,080	$1,500
$90,001 to $126,000	$1,080 less 3 cents per dollar of income over $90,000	$1,500 less 3 cents per dollar of income over $90,000

Cost of living payment

A one-off tax-exempt economic support payment of $250 will be made in April 2022 to eligible recipients of certain payments and to concession card holders. For example, this payment will be made to recipients of the Age Pension, Disability Support Pension, Parenting Payment amongst others.

Excise duty

The excise and excise-equivalent customs (EEC) duty rate that applies to petrol and diesel will be halved for six months.

The measure will commence from 12.01am on 30 March 2022 and will remain in place for six months, ending at 11.59pm on 28 September 2022. At the conclusion of the six-month period the excise and EEC duty rates will then revert to previous rates, including indexation that would have occurred on those rates during the six-month period.

The rate of excise and EEC duty currently applying to petrol and diesel will fall from 44.2 cents per litre to 22.1 cents per litre.

Superannuation

Extension of temporary reduction in superannuation minimum drawdown rates

The Government has announced an extension to the 50% temporary reduction in superannuation minimum drawdown rates for a further year to 30 June 2023. The minimum drawdown requirements determine the minimum amount of a pension that a retiree must draw from their superannuation in order to qualify for tax concessions.

Superannuation guarantee

There were no changes to the legislated rates of superannuation guarantee. The rates as legislated are as follows:

Period	General superannuation guarantee %
1 July 2021 – 30 June 2022	10.0
1 July 2022 – 30 June 2023	10.5
1 July 2023 – 30 June 2024	11.0
1 July 2024 – 30 June 2025	11.5
1 July 2025 – 30 June 2026 and onwards	12.0

Shelley Nolan
Global Employer Services

Meghan Speers
Superannuation—Tax

Business taxes

Key announcements

ATO Tax Avoidance Taskforce Extended for a further two years to 30 June 2025
Boosting training and technology 120% tax deduction for small businesses to upskill employees and encourage digital adoption
Improved tax reporting For small and medium business via PAYG changes, and data and digital improvements at the ATO
Employee share schemes To be enhanced with expanded access and reduced red tape
Excise and excise equivalent customs duty Fuel tax credit impacts; streamlined administration
Foreign investment framework Reduction of regulatory burden

The Budget provides incentives to small businesses to encourage skills development, training and digital adoption. This is supplemented by various measures to reduce red tape and to modify PAYG to enhance cash flow for some businesses. There will be expanded access and reduced red tape for employee share schemes.

For many businesses however, the Budget announcements will be of little or no impact: neither good nor bad, but rather business as usual. Meanwhile, the Tax Avoidance Taskforce, which targets multinational and large public and private groups, has been funded through until 30 June 2025.

Improving reporting for small and medium businesses

Digitalising trust income reporting

The Government will digitalise trust and beneficiary income reporting and processing, by allowing all trust tax return filers the option to lodge income tax returns electronically, increasing pre-filling and automating ATO assurance processes, from 1 July 2024. The Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications.

Improved PAYG system

With a proposed start date of 1 January 2024, companies will be allowed to calculate PAYG instalments based on current financial performance, extracted from business accounting software, with some tax adjustments. The measure will better align PAYG instalment liabilities with profitability.

Automatic reporting of taxable payments

From 1 January 2024, the Government will allow eligible businesses the option to report taxable payments reporting system data via software at the same time as lodging activity statements. Businesses that opt into automatic reporting will no longer need to complete the yearly Taxable Payments Annual Report.

Lower tax instalments in 2022-23

The Government will set the GDP uplift rate that applies to PAYG and GST instalment payments at 2% (as compared to 10% that would have applied) for the 2022-23 income year.

The 2% GDP uplift rate will apply to small to medium enterprises eligible to use the relevant instalment methods (up to $10 million annual aggregated turnover for GST instalments and $50 million annual aggregated turnover for PAYG instalments) in respect of instalments that relate to the 2022-23 income year and fall due after the enabling legislation receives Royal Assent.

Data sharing of payroll data

The Government will facilitate sharing by the ATO of single touch payroll data with State and Territory governments on an ongoing basis to cater for pre-filling of payroll tax returns. The Government expects to complete its IT system implementation by late 2023.

Small business measures

Skills and training boost

Small businesses (with aggregated annual turnover of less than $50 million) will be able to deduct an additional 20% of expenditure incurred on external training courses provided to their employees. The external training courses will need to be provided to employees in Australia or online and be delivered by entities registered in Australia.

The boost will apply to eligible expenditure incurred from 7.30 pm on 29 March 2022 (Budget night) until 30 June 2024. Eligible expenditure incurred by 30 June 2022 will be claimed in tax returns for the following income year. The boost for eligible expenditure incurred between 1 July 2022 and 30 June 2024, will be included in the income year in which the expenditure is incurred.

Technology investment boost

A technology investment boost will be introduced to support digital adoption by small businesses. The boost will apply to eligible expenditure incurred from 7.30 pm on Budget night until 30 June 2023.

Small and medium businesses (with aggregated annual turnover of less than $50 million) will be able to deduct an additional 20% of the cost incurred on business expenses and depreciating assets that support their digital adoption, such as portable payment devices, eInvoicing, cyber security systems or subscriptions to cloud-based services. An annual cap will apply in each qualifying income year so that expenditure up to $100,000 will be eligible for the boost.

The boost for eligible expenditure incurred by 30 June 2022 will be claimed in tax returns for the following income year. The boost for eligible expenditure incurred between 1 July 2022 and 30 June 2023 will be included in the income year in which the expenditure is incurred. This measure appears to be in line with the Government's broader consultation from earlier in 2022 relating to introducing a business eInvoicing right and moving businesses to the digital economy.

Employee share schemes

The Government will expand access to employee share schemes and further reduce red tape so that employees at all levels can directly share in the business growth they help generate.

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 five 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.

The Government will also remove regulatory requirements for offers to independent contractors, where they do not have to pay for interests.

These changes follow the simplification of employee share scheme taxation and valuation methodologies (for certain unlisted companies) which were made after a 2015 consultation. However, the regulatory requirements under ASIC and the Corporations Law were left untouched at that time and these announcements in the Federal Budget 2021-22 provide the long-awaited detail to an original announcement made in the Federal Budget 2021-22.

International tax measures

There were no material announcements relating to international tax. In particular, the Budget did not comment on the proposed implementation of Pillar One and Pillar Two of the current OECD BEPS process.

There was no further update on the progress of the Government's previously announced modernisation and expansion of the tax treaty network.

Extension of tax avoidance taskforce

The Government will provide over $650 million in 2023-24 and 2024-25 to the ATO to extend the operation of the Tax Avoidance Taskforce by two years to 30 June 2025. This measure is estimated to increase receipts by $2.1 billion over the forward estimates period.

Foreign investment framework

The foreign investment framework will be amended to streamline the requirement for some investors to notify the Government before acquiring an interest, while still maintaining the Government's ability to address national interest concerns as they arise. These amendments are due to commence on 1 April 2022.

Concessional tax treatment for revenue from Australian Carbon Credit Units

The Government will allow the proceeds from the sale of Australian Carbon Credit Units (ACCUs) and biodiversity certificates generated from on-farm activities to be treated as primary production income for the purposes of the Farm Management Deposits (FMD) scheme and tax averaging from 1 July 2022.

The Government will also change the taxing point of ACCUs for eligible primary producers to the year when they are sold, and extend similar treatment to biodiversity certificates issued under the Agriculture Biodiversity Stewardship Market scheme, from 1 July 2022. Eligible primary producers are those who are currently eligible for the FMD scheme and tax averaging.

Shadow economy – strengthening the Australian Business Number system

The Government will defer the start date of the *Black Economy – strengthening the Australian Business Number (ABN) system measure,* announced in the Federal Budget 2019-20, by 12 months to assist with integration into the Australian Business Registry Services (ABRS).

The measure as announced in the Federal Budget 2019-20 was intended to require ABN holders:

- With an income tax return obligation to lodge their income tax return from 1 July 2021
- To confirm the accuracy of their details on the ABN register annually beginning 1 July 2022.

Excise and excise equivalent customs duty

As noted in the Individuals section, the rate of excise and excise-equivalent customs (EEC) duty currently applying to petrol and diesel will fall from 44.2 cents per litre to 22.1 cents per litre for six months, starting from 12.01am on 30 March 2022. For fuel tax credit (FTC) claimants, FTC recovery for on-road use of heavy vehicles during this period will fall to zero, while the off-road FTC recovery rate will fall to 22.1 cents per litre. It remains to be seen whether the Government will address the potential timing mismatch between reduced FTCs applying from 30 March and retailers clearing their existing fuel stocks with embedded excise or EEC duty of 44.2 cents per litre.

The Government has announced deregulation benefits for producers, importers, and distributors of fuel and alcohol products from 1 July 2023, by means of streamlined administration of excise and EEC duty on fuel and alcohol goods. The more significant changes include:

- Allowing fuel and alcohol businesses with an annual turnover of less than $50 million to report and pay excise and excise-equivalent customs duty on a quarterly basis, rather than on a monthly or, in some cases, weekly basis as at present
- Enabling deferral of EEC duty on fuel or alcohol goods imported for further manufacture or distribution if transferred directly into an ATO-administered warehouse after clearing customs
- Streamlining licensing requirements across the excise system
- Extending the time limit to apply for a refund of excise duty overpayments from 12 months to 4 years after payment, to align with customs duty refunds
- Removing the requirement to pay and then claim FTCs in respect of excise or EEC duty on fuels used in domestic commercial shipping.

Mark Hadassin
Business Tax Services

David Watkins
Tax Policy and Insights

Innovation & digital transformation

Key announcements

Extension of proposed patent box regime Applying to agricultural and low emissions technology sectors from 1 July 2023
Economic Accelerator, University Commercialisation Action Plan and Regional Accelerator Program Significant levels of funding targeting improved university collaboration and commercialisation, critical infrastructure and regional hubs
$9.9 billion package to bolster Australia's cyber and intelligence capabilities Creation of 1,900 new jobs over the next decade
$1.3 billion over six years from 2021-22 to improve regional telecommunications Part of response to the 2021 Regional Telecommunications Review
$130 million over four years from 2022-23 to continue implementation of the Digital Economy Strategy Aim for Australia to be a top ten data and digital economy by 2030
Board of Tax review of tax treatment of digital assets and transactions Report due by 31 December 2022

The key innovation announcement is the expansion of the proposed new patent box regime to not only the low emissions technology sector but also to the agricultural sector, with effect from 1 July 2023. There are also significant levels of government funding being made available to Australia's regions, targeting improved university collaboration and research commercialisation, critical infrastructure and other key industries, some of which have previously been announced.

From a digital perspective, the Government has also announced key initiatives such as a 120% deduction for digital investment through a Technology Investment Boost and a 20% reduction in external training costs through a Skills and Training Boost – targeted at small and medium businesses to help the transition to increased digital operations.

On digital infrastructure, the Government will provide $1.3 billion over six years from 2021-22 to improve regional telecommunications and an additional $130 million will be provided over four years from 2022-23 to continue the implementation of the Digital Economy Strategy. This will include $38.4 million over three years from 2022-23, and $12.6 million per year ongoing from 2025-26 to implement the Government's response to the Inquiry into the Future Directions for the Consumer Data Right.

Innovation incentives

Extension of patent box to agricultural and low emissions technology sectors

As foreshadowed in the Federal Budget 2021-22, it was announced that the proposed patent box regime will be extended to encompass the low emissions technology sector. This will support the Government's technology-focused approach to reducing emissions in line with the Government's target to achieve net zero emissions by 2050.

In a further unexpected but welcome expansion, the regime will also be extended to support practical, technology-focused innovations in the Australian agricultural sector.

The Budget papers also reflected the changes made to the initial patent box announcement for Australian medical and biotechnology patents in the Federal Budget 2021-22 that arose through consultation and are encompassed in the relevant legislation now before Parliament.

The introduction of an Australian patent box regime is intended to support the onshore commercialisation of innovative developments in Australia by offering a globally competitive tax rate for profits generated from eligible Australian owned and developed patents.

Eligible corporate income streams for all proposed sectors under the patent box regime will be subject to an effective income tax rate of 17% to the extent that the research and development (R&D) of the innovation took place in Australia, thereby satisfying the modified-nexus requirements of the OECD. This treatment will provide a reduction of 8% from the headline rates of corporate tax for base rate entities (BREs), and 13% for all other companies, with the eligible income proposed to be treated as non-assessable non-exempt (NANE) income.

The following table summarises the key proposed dates for the now expanded patent box regime:

Sector	Income years	Eligible patents
Medical and biotechnology	Starting on or after 1 July 2022	Granted or issued after 11 May 2021
Low emissions technology	Starting on or after 1 July 2023	Granted or issued after 29 March 2022
Agricultural	Starting on or after 1 July 2023	Patents or Plant Breeders Rights (PBRs) granted or issued after 29 March 2022

In terms of the specific types of patents within the expanded sectors that are likely to be eligible, the Budget papers confirm that:

- The patents relating to low emissions technology, as set out in the 140 technology areas listed in the Government's 2020 Technology and Investment Roadmap Discussion Paper or included as priority technologies in the Government's 2021 and future annual Low Emissions Technology Statements, will all be within this scope, provided that the patented technology is considered to reduce emissions.
- Eligible patents will be those linked to agricultural and veterinary (agvet) chemical products listed on the Australian Pesticides and Veterinary Medicines Authority (APVMA), PubCRIS (Public Chemicals Registration Information System) register, or eligible Plant Breeder's Rights (PBRs).

As with the initial medical and biotechnology phase of the patent box regime, the Government will consult with the relevant industry stakeholders before settling the detailed design of the patent box expansions.

Australia's Economic Accelerator (AEA) to turn leading research into business

As previously announced on 1 February 2022, a $1.6 billion economic accelerator will form a critical part of a $2.2 billion package to commercialise six National Manufacturing Priorities (NMPs), including resources and critical minerals, food and beverage, medical products, recycling and clean energy, defence and space.

By prioritising projects with high commercial potential under these six priority areas, the AEA's provision of venture capital will help progress early-stage research past the initial stages of high risk and uncertainty, turning research ideas into thriving businesses that will contribute to a stronger Australian economy. The AEA will also work in collaboration with CSIRO's Main Sequence Ventures, which will also receive a new $150 million boost to fund its expansion.

The AEA will provide funding in three stages:

- Stage one being a proof-of-concept phase that will offer nearly 100 grants per year of up to $500,000
- Stage two as a proof-of-scale phase and will provide funding for 36 recipients of up to $5 million
- Stage three will see up to 50 companies supported through the Main Sequence Venture, where $150 million will be provided in two successive co-investment funds

Linked with the University Research Commercialisation Action Plan, this will be supported by investment of $296 million in industry-focused PhDs and fellowships, expected to generate 1,800 PhDs and over 800 industry fellows over a ten-year period, intended to place innovation "at the core of our economic future as nation".

University Research Commercialisation Action Plan

Also announced on 1 February 2022, the University Research Commercialisation Action Plan will provide $988.2 million over five years from 2021-22. The Action Plan is intended to increase research commercialisation by driving university and industry collaboration, workforce mobility and research translation. The proposed funding will encompass the following:

- $505.2 million over five years from 2021-22 to establish Australia's AEA grants to support university research projects from proof-of-concept and proof-of-scale through to commercialisation. Under the AEA, the funded projects will align with the NMPs and will be in partnership with industry
- $295.2 million over five years from 2021-22 to establish new research training pathways for students and researchers, creating new opportunities to work with industry through new Industry PhDs and fellowships, and deliver reforms to the Australian Research Council's Linkage Program from 2026-27
- $150.0 million in equity funding over five years from 2021-22 to expand the Commonwealth Scientific and Industrial Research Organisation's (CSIRO) Innovation Fund (Main Sequence Ventures). The venture capital investment will progress AEA projects with high commercialisation potential to reach at scale test and prototype stages
- $37.4 million over four years from 2022-23 to establish the CSIRO's Research Translation Start program to take research from the lab into the market by building the entrepreneurial capacity of the workforce with a focus on the NMPs.

Regional Accelerator Program (RAP)

The Government has also identified 12 programs where it will specifically target Government investments through a $2 billion Regional Accelerator Program (RAP) to further grow Australia's regional communities. The proposed funding over the next four years to 2025-26 will include the following:

- A $500 million Regionalisation Fund for regional manufacturers intended to enhance Australia's international competitiveness by assisting regional manufacturers to translate ideas into commercial success
- A $200 million Supply Chain Resilience Initiative
- A $200 million Critical Minerals Accelerator Initiative over five years, which will provide grants to assist Australian critical minerals producers advance projects through planning, design, pilot and demonstration phases
- The $500 million Modern Manufacturing Initiative (MMI)
- An additional $100 million for Export Market Development Grants (EMDG)
- An additional $60.4 million for the Recycling Modernisation Fund over the next four years, to support further regional investment in the recycling of plastics, tyres, paper and glass.

As part of the commitment to critical minerals, the Government has also committed $50.5 million over three years from 2022-23 to establish a virtual Critical Minerals Research and Development (R&D) Centre which will also assist in building Australian intellectual property in critical minerals processing and help create a competitive Australian critical minerals industry.

Regional hubs and developing Northern Australia

The Government has further committed $7.1 billion over 11 years from 2022-23 to support the economies of the following four key regional hubs across Australia:

- The Northern Territory – aiming to fund infrastructure projects that support the manufacturing industry, promote the onshore processing of critical minerals and to strengthen the region's position as an industrial and renewable energy hub
- North and Central Queensland – aiming to invest in water infrastructure and supply chain projects that promote water security and open up agriculture and industry growth opportunities
- The Pilbara region in Western Australia to fund infrastructure projects that support the mining, mineral processing and manufacturing sectors and accelerate growth in the hydrogen and renewable energy industries
- The Hunter region in New South Wales – aiming to fund transport infrastructure projects that will improve supply chain efficiencies and help diversify the economy, building on the region's existing strengths and facilitating the development of new industries.

The proposed investment funds will be targeted at strategic infrastructure and supply chain projects that will drive long-term economic and jobs growth in both existing and emerging industries.

The Government also will continue to drive investment in Northern Australia's agriculture, mining, education and tourism sectors by increasing funding for the Northern Australia Infrastructure Facility (NAIF) by $2 billion, to $7 billion.

Other previously announced innovation measures

The announcements made as part of the Federal Budget 2022-23 also add to the recent commitments made by the Government to space manufacturing and the strategic mRNA manufacturing partnership in Victoria with Moderna, as well as several successful innovative technology projects under round 12 of CRC Project funding.

The following measures were also announced in the Federal Budget 2021-22 but have not yet been enacted, with the patent box regime to be further expanded as discussed:

Measure	Announced	Latest developments
Patent box regime for Australian medical and biotechnology patents Now to be expanded	11 May 2021 – Federal Budget 2021-22 announcement (p.23). See fact sheet here. To commence from start of first financial year after Royal Assent (RA) of enabling legislation (RA was be expected by 1 July 2022)	10 February 2022 – Treasury Laws Amendment (Tax Concession for Australian Medical Innovations) Bill 2022 introduced into the House of Representatives.
30% Refundable Digital Games Tax Offset (DGTO)	11 May 2021 – Federal Budget announcement (p.73) See fact sheet here. Pre-budget media release here. 16 December 2021 – Government announcement in MYEFO 2021-22 that DGTO would be expanded to include ongoing development work 'live ops' on digital games following their public release.	21 March 2022 – Treasury released Exposure Draft legislation. Consultation closes on 18 April 2022. To commence from 1 July 2022 subject to legislation being enacted in Parliament

Deloitte comment:
The extension of the patent box regime to both the agricultural and low emissions technology sectors are very welcome announcements and will provide these critical sectors with significant opportunities. Deloitte looks forward to continuing to engage in consultation with the Government on this key new development. With both the initial patent box and DGTO legislation as yet unenacted, it is hoped that these measures are prioritised in the next Parliament regardless of the outcome of the forthcoming election.

Digital transformation

Digital Economy Strategy

The Government will provide $130.1 million over four years from 2022-23 to continue the implementation of the *Digital Economy Strategy* and drive digital transformation. The objective of the *Digital Economy Strategy* is to make Australia a top ten data and digital economy by 2030. Additional funding for the *Digital Economy Strategy* includes:

- $38.4 million over three years from 2022-23, and $12.6 million per year ongoing from 2025-26 to implement the Government's response to the Inquiry into the Future Directions for the Consumer Data Right
- $30.2 million to extend the whole of government cyber hubs pilot, including the establishment of a fourth Cyber Hub Pilot in the ATO
- $18.6 million over four years from 2022-23 (and $3.2 million per year ongoing) to shape global critical and emerging technology standards
- $13.6 million over four years from 2022-23 to continue the Office of Future Transport Technology and support the digitalisation of the transport sector
- $10.7 million in funding for 500 four-six month cadetships was allocated to the first set of employers this week. The program focuses on fields of cybersecurity, cloud computing and data analytics, and targets cohorts whose have had employment disrupted by COVID-19 or who are returning to the workforce, with a focus on supporting women.
- $6.2 million over two years from 2022-23 to position Australia as a world leader in regulating the Digital Economy and new technologies and the development of a Digital Age Policy
- $4.8 million to continue the Digital Technology Taskforce for a further two years

- $3.9 million over two years from 2022-23 to support women to pursue career opportunities in Australia's growing tech workforce
- $1.8 million in 2022-23 to the Digital Transformation Agency to further support the development of the Digital Identity system, including the governance, regulatory frameworks and funding arrangements associated with the Digital Identity legislation.

Investing in telecommunications

The Government will provide $1.3 billion over six years from 2021-22 to improve regional telecommunications, by providing greater mobile coverage and targeted solutions to address issues such as mobile congestion. This is part of the Government's response to the *2021 Regional Telecommunications Review* and funding will include:

- $812 million over five years from 2022-23 to expand mobile coverage, connectivity resilience, affordability in regional Australia by building on existing programs including the Mobile Black Spot Program and the Regional Connectivity Program
- $480 million toward the NBN network upgrade, which is expected to extend the current fixed wireless footprint coverage by up to 50%, implying 120,000 additional premises will have access to fixed wireless services. It will also bring higher speed services or greater data limits for customers, particularly those in regional, rural, and remote Australia
- $1.8 million in 2022-23 for the Australian Competition and Consumer Commission (ACCC) to conduct a review of mobile tower access fees.

The Government will also provide $4.8 million in 2022-23 to extend the *Mobile Network Hardening Program* to fund telecommunication network resilience upgrades in regional Australia.

Cybersecurity and intelligence package

The Government will provide $9.9 billion over ten years to 2030-31 to the Australian Signals Directorate (ASD) to deliver a Resilience, Effects, Defence, Space, Intelligence, Cyber and Enablers package (REDSPICE).

REDSPICE is the largest ever investment in Australia's intelligence and cyber capabilities and will double ASD's size, creating 1,900 new jobs over the next decade. REDSPICE will triple ASD's offensive cyber capabilities and double its cyber hunt and response activities. The package will help ASD to keep pace with the rapid growth of cyber capabilities of potential adversaries, as well as being able to counter-attack and protect our most critical systems.

REDSPICE will offer significant opportunities for Australian industry and support new employment pathways through partnerships with educational institutions, particularly in the areas of data science and analysis, artificial intelligence, cyber security and ICT engineering.

Review of the tax treatment of digital assets and transactions in Australia

On 21 March 2022, the Government announced that it is progressing to the next stage of the most significant reforms to Australia's payment systems in more than 25 years, created by new payment and crypto technologies. The Government also released the Terms of Reference for a review by the Board of Taxation into the appropriate policy framework for the taxation of digital transactions and assets such as crypto. The review is being conducted on the basis that it will not increase the overall tax burden and the Board has been asked to complete its review by 31 December 2022.

Specifically, the Board has been asked to:

- Consider the current Australian taxation treatment of digital assets and transactions and emerging tax policy issues
- Consider the awareness of the taxation treatment by both retail and wholesale investors and those transacting in digital assets as part of their business
- Consider the characteristics and features of digital assets and transactions in the market, including the rapid evolution of technology supporting the broader digital asset ecosystem
- Analyse the taxation of digital assets and transactions in comparative jurisdictions and consider how international experience may inform the taxation of digital assets and transactions in Australia
- Consider whether any changes to Australia's taxation laws and/or their administration are warranted in the context of digital assets and transactions, both for retail and wholesale investors.

Currently Australia does not have a specific regulatory framework or tax legislation applying to cryptocurrencies, digital currencies, or digital assets more broadly.

Other measures to support digital transformation

The Budget also contains several other measures to support a transition to digital ways of working for businesses:

- $127.4 million to continue and expand the Digital Services to Take Farmers to Market initiative to transform the delivery of Government agricultural export systems
- $19.9 million over four years from 2021-22 to the Australian Bureau of Statistics (ABS) to develop a new reporting application to enable businesses to submit surveys on business indicators directly through their accounting software
- $35.2 million over four years to support digital health programs including $32.3 million to support initiatives such as My Health Record and Health Care Identifiers Services
- $17.5 million over three years from 2021-22 to enhance the digital capabilities of Australia's offshore oil and gas regulator and titles administrator.

Small and medium business: Technology Investment Boost and Skills and Training Boost

Tax incentives have been provided for small and medium business to encourage them to invest in digital technologies and training for digital skills. For more details see the Business taxes section.

Deloitte comment:
The Technology Investment Boost recognises how digital investments can lift small and medium business revenue. A 2019 study by Deloitte Access Economics found that digitally advanced small and medium businesses earned 28% more per year. The Boost covers expenses not just capital, recognising how an increasing proportion of IT budgets go on 'as a service' items like cloud computing. The Boost is a modest financial incentive (up to $5,000 benefit on a $100,000 spend) but will be hugely popular amongst small businesses because almost all will be able to claim. The Skills and Training Boost is also a welcome measure supporting small and medium businesses increase their capabilities. The funding of $1.3 billion over six years from 2021-22 to improve regional telecommunications will play an important role in addressing the digital divide that regional and remote Australians face in terms of access to telecommunications. A 2022 Deloitte Access Economics report, *5G Unleashed*, commissioned by the Australia Mobile Telecommunications Association, recommended increased government investment in regional telecommunications infrastructure.

Greg Pratt
Global Investment and Innovation Incentives (Gi ³)

Cecilia Hill
Digital Transformation

John O'Mahoney
Digital Transformation

Climate action

Key announcements

Over $6 billion in funding Support measures for flood affected communities
$10 billion Government guarantees Cyclone and flood reinsurance scheme covering Northern Australia
$3 billion in contingency reserve For potential additional costs of the long-term response to the February-March 2022 floods in northern New South Wales and Queensland
Additional $1 billion over nine years Support for leadership and protection of Great Barrier Reef
$446.1 million over five years To increase energy security and reduce cost of deploying low emissions technologies
$250.5 million over five years To support development of Australian critical minerals projects

"Some of the most significant risks to Australia's economic growth trajectory are the physical risks associated with a changing climate and the unplanned economic transition risk from the world's response to this changing climate." DAE, November 2020, A New Choice: Australia's climate for growth.

The Federal Budget 2022-23 continues to support a 'technology over taxes' approach to reducing greenhouse gas emissions. It includes $247.1 million over five years to support private sector investment in technologies including hydrogen, carbon capture and storage, batteries and large-scale solar. This is alongside $50.3 million to support development of gas infrastructure projects and $148.6 million for regional and rural microgrids. Investments to drive modal shift of freight, as well as in passenger rail schemes such as Sydney-Newcastle Faster Rail and Perth's Metronet, may assist in reducing transport-related emissions.

However, significantly greater spending is directed towards the response and recovery from natural disasters that may become more frequent and severe due to climate change, including the Black Summer bushfires and 2022 floods. Major initiatives include the establishment of a flood and cyclone reinsurance scheme backed by a $10 billion Government guarantee, a provision of $3 billion over the forward estimates to accommodate additional expenditure in response to the New South Wales and Queensland floods, and an additional $84.5 million over four years for the Future Drought Fund. Funds have also been allocated for a review of Commonwealth bushfire funding for States and Territories, delivering on a key recommendation of the Royal Commission into National Natural Disaster Arrangements.

Deploying low emission technologies

The Government continues to support deployment of low emissions technologies, balancing energy security and deployment imperatives through ongoing funding via the Australian Renewable Energy Corporation, the Clean Energy Finance Corporation and other targeted initiatives. Funding includes:

- $247.1 million over five years from 2021-22 (and $0.3 million per year ongoing) to support increased private sector investment in low emissions technologies including hydrogen, the continued development of a hydrogen Guarantee of Origin scheme, and the development of a Biodiversity Stewardship Trading Platform
- $148.6 million over five years from 2022-23 to support more investment in affordable and reliable power, including the development of community microgrid projects in regional and rural Australia
- $50.3 million over two years from 2022-23 to accelerate the development of priority gas infrastructure projects consistent with the Future Gas Infrastructure Investment Framework and to support investment in carbon capture and storage pipeline infrastructure.

The Government is also extending the proposed Patent box regime, announced in the Federal Budget 2021-22, to extend concessional tax treatment for income streams generated after 1 July 2023 in respect of eligible patents issued or granted after 29 March 2022 that have the potential to lower emissions. This announcement is consistent with the Government's approach to achieving climate outcomes through incentives and tax concessions, and is also covered in the Innovation and Digital Transformation section.

In a bid to diversify global critical mineral supplies which are key inputs to low emission technologies such as batteries, the Government is providing:

- $200 million over five years from 2022-23 for the Critical Minerals Accelerator Initiative which will provide grants to assist Australian critical minerals' producers advance projects through the planning, design, pilot and demonstration phases
- $50.5 million over three years from 2022-23 to establish a virtual Critical Minerals Research and Development Centre which will build Australian intellectual property in critical minerals processing and help create a competitive Australian critical minerals industry.

Disaster Recovery, Resilience and Climate Adaptation

Recent flooding in New South Wales and Queensland has prompted significant funding commitments directed towards disaster recovery, including:

- Jointly funding an estimated $2 billion in support measures for flood affected primary producers, small businesses, not-for-profit organisations and councils through Category D of the Disaster Funding Arrangements (DRFA)
- $3 billion in the contingency reserve for potential additional costs of the long-term response to the February and March 2022 floods in northern New South Wales and Queensland
- The provision of a special supplement of two additional payments of the Australian Government Disaster Recovery Payment (AGDRP) to residents in catastrophically impacted areas, at an estimated cost of $245 million
- $150 million in 2021-22 from the Emergency Response Fund to be shared between New South Wales and Queensland to fund recovery and post-disaster resilience measures in areas that experienced significant infrastructure damage
- $31.2 million over two years from 2021-22 for increased mental health support of flood-affected residents
- Implementing a cyclone and related flood damage reinsurance pool from 1 July 2022, backed by a $10 billion Government guarantee. The pool will promote resilience by offering discounts for properties that have undertaken cyclone mitigation, while also collecting data to inform natural disaster planning.

While the overwhelming focus of disaster funding is directed towards response and recovery, more proactive investments in risk reduction and resilience include:

- Ongoing support for the Australian Climate Service which was established in 2021 to provide state-of-the-art information and a single source of truth on climate risk and impacts to the emergency management sector
- An additional $84.5 million over four years for the Future Drought Fund for activities to improve the drought readiness farmers and communities
- $811.8 million over five years to expand mobile coverage, connectivity and resilience in regional Australia, which was identified as a major constraint during the Black Summer bushfires.

Natural capital

The headline natural capital investment in the announcements is the additional $1 billion over nine years for the Great Barrier Reef. Projects funded under this umbrella include:

- $579.9 million over nine years from 2021-22 to improve the water quality of the Reef, including working with land managers to reduce nutrient and pesticide run-off and to remediate eroding gullies and streambanks
- $252.9 million over nine years from 2021-22 for targeted activities that improve the sustainable management and protection of reef ecosystems
- $95.6 million over nine years from 2021-22 to enhance leadership and research and development of resilience and adaptation strategies for the Reef
- $74.4 million over nine years from 2021-22 to strengthen partnerships with Traditional Owners to undertake on-ground projects and support data validation of high priority fishing areas.

The Government has also set aside funding for koala habitat recovery and conservation ($53 million over five years) and for community-led tree planting to mark the Queen's Platinum Jubilee ($20.3 million).Prior to the Budget, on 21 March 2022, the Government announced that primary producers will be eligible for concessional tax treatment on revenue from the sale of Australian Carbon Credit Units (ACCUs) and biodiversity certificates with effect from 1 July 2022, which is estimated to provide $100 million in benefits over the forward estimates to 2025-26.

Under the new tax regime, revenue from the sale of ACCUs will be treated as primary production income and will be eligible for both income tax averaging arrangements and the Farm Management Deposit (FMD) scheme. Revenue from ACCUs will be recognised in the year of sale to support cash flow and the treatment of biodiversity certificates will be aligned with the new tax regime for ACCUs. Again, this announcement is consistent with the Government's tax policy approach to achieving climate outcomes through incentives and tax concessions, and is also covered in the Business Taxes section of this paper.

Building a circular economy

The Government is expanding programs to grow Australia's waste and recycling sector, following the waste export ban. Key initiatives include:

- $60.4 million over four years from 2022-23 to boost Australia's plastics recycling capabilities through state-of-the-art technologies and advanced recycling solutions for problematic plastics under the *Recycling Modernisation Fund*. It is expected that $30.3 million of this funding will be directed to regional areas to support investment in recycling of plastics, tyres, paper, and glass
- $18.2 million over five years from 2021-22 to develop and promote a 'ReMade in Australia' brand and certification scheme that supports Australians in buying quality, locally recycled products
- $4.4 million over two years from 2022-23 to support the delivery of the Government's waste export ban by reducing licence assessment timeframes and helping industry to meet regulatory requirements.

Deloitte comment:
The Federal Budget 2022-23 announcements have a strong emphasis on climate and natural disasters, with investment focused more heavily on response and recovery measures, rather than investments in longer term risk reduction and resilience. As Deloitte's climate analysis has shown, as natural disaster events become more severe and frequent, the costs to repair damaged infrastructure are funds that would be better spent on proactive investment in climate risk reduction.

The Government is taking further steps to make these proactive investments, including through moves to further incentivise deployment of low carbon technologies and spur investment into energy security. However, we note non-energy funding initiatives in this Budget are yet to fully align with sectoral contributions to Australia's emissions profile, such as transport.

Will Symons
Climate & Sustainability

Workforce issues

Key announcements

Apprenticeship incentives $1.3 billion over five years to introduce a new Australian Apprenticeships Incentive System and extend the Boosting Apprenticeship Commencements and Completing Apprenticeship Commencements wage subsidies.
National skills reform A $3.7 billion investment over six years to lay the foundations for national skills reform, supporting an additional 800,000 training places to ensure businesses get the skilled workers they need.
Incentives for small business to retrain or upskill employees Tax incentives to be introduced- see Business taxes section
$2 billion Regional Accelerator Program To invest in skills, education infrastructure and export market development and supply chain resilience for regional Australia.
Defence workforce expansion $38 billion towards expanding the size of our Defence workforce and a new ten-year, $9.9 billion investment in Australia's offensive and defensive cyber capabilities.

The Australian workforce is in distress. Near record low unemployment, high participation rates, stagnant wage growth and sluggish workforce skilling has resulted in 63% of employers unable to find workers with the skills they need. In response, the Federal Budget 2022-23 has provided significant investment and incentives for upskilling and reskilling Australians.

While Australia is still a leading nation for quality of life, some productivity challenges and critical multigenerational issues such as diversity, equality and inclusion, climate change, and the advancement of our First Nations people remain.

We face the risk of unhealthy prosperity. Addressing troubling workplace dynamics such as chronic disease, mental health and wellbeing will be crucial in enabling Australian businesses and enhancing the quality of life and contribution of all Australians.

The next five budgets will shape the next five decades. We have entered the era of 'modern work' in a digital society, but to seize upon the opportunities 'modern work' promises requires contemporary workforce policies, settings and new skills that drive employability; every job, every person, every profession and every industry is already in transition. Realising the potential of nation-building initiatives such as shipbuilding, the Australian space industry and the green economy depend upon our ability to optimise 'modern work'.

To fully grasp this opportunity, the immediate future should prioritise 'getting back to business' and accelerating work redesign and workforce transition. This depends upon increasing the size of the workforce through immigration, and preskilling, reskilling, deskilling and upskilling every person and profession through improved education system effectiveness and continued investment. More could be done; continued caps on university places, no changes to support for childcare and qualification reform, including micro-credentialing, remain as opportunities to be explored.

Education and training – a continued focus on vocational education reform

Further investments in incentives for apprentices and trainees headline the Budget measures for education and training. Following the Joyce Review into the sector in 2019, the Federal Budget 2021-22 further extends the Government's efforts to reform the national Vocational Education and Training system, including through the next round of skills reform agreements between the Commonwealth and the States and Territories (comprising $3.7 billion over the next five years). Limited additional investment has been announced elsewhere in the education sector, with policy settings for universities, schools and early childhood education being largely unchanged.

Key announcements include:

- $954 million over five years from 2021-22 to introduce a new Australian Apprenticeships Incentive System from 1 July 2022, and $365 million to extend the Boosting Apprenticeship Commencements and Completing Apprenticeship Commencements wage subsidies by three months to 30 June 2022. An additional 35,000 places for apprentices and trainees are funded in the $365 million extension. This accompanies an additional $50 million over two years to subsidise 15,000 places to upskill in, or enter, the aged care workforce.
- $3.7 billion over five years from 2022-23 to work with states and territories, to agree a new National Skills Agreement under the Heads of Agreement for Skills Reform (in place of the National Agreement for Skills and Workforce Development, and – subsequently – JobTrainer).
- A re-announcement of the Government's Australian Economic Accelerator grants program to support university research commercialisation, Trailblazer Universities, industry PhDs and additional equity funding for CSIRO's Main Sequence Ventures.
- Initiatives to expand support for schools recovering from the impact of COVID-19, the establishment of the Initial Teacher Education Quality Assessment Expert Panel, and modest investment (through the Australian Education Research Office) in research and resources to support teachers and school leaders to lift student performance, address disruptive behaviour and improve student engagement.

Deloitte comment:
Skills reform remains a significant priority for Australia, with skills shortages being felt across the economy. This Budget will go some way to ease short term pressures in certain sectors, with further work to be undertaken on long-term reform to improve the responsiveness of our training sector.

A range of major policy reforms still remain on the agenda, including the implications of the Australian Qualification Framework (AQF) Review and the long-term funding arrangements for early childhood education.

Immigration – Reopening borders to encourage skilled migration and address workforce shortages

The Government commenced a staged reopening of international borders on 1 November 2021, with the aim of addressing workforce shortages and support the tourism sector. Since this date, over one million people have entered Australia, including more than 130,000 international students, 190,000 tourists, 70,000 skilled migrants and 10,000 working holiday makers. This flow of overseas nationals to Australia has been critical after net overseas migration for the year ending 30 June 2021 was 89,900 and is forecast to be 41,000 for the year ended 30 June 2022.

As a result, the Government has maintained the permanent Migration Program planning level for 2022-23 at 160,000. Skilled places will account for approximately 70% of the permanent Migration Program, seeking to maximise the program's economic benefits. Furthermore, the Government is redistributing 10,000 places in the 2021-22 Migration Program to the Skill stream, thereby increasing the Skill stream ceiling to 89,600. This reallocation will further support economic recovery by increasing places available for skilled visa holders.

Cameron Pitt
Workforce issues

Colette Rogers
Education and Training

Fiona Webb
Immigration

Key announcements

$7.1 billion for regional hubs Funding to turbocharge the economies of 4 key regional hubs across Australia, including in the Northern Territory, North and Central Queensland
$6.9 billion announced for significant water infrastructure projects Applies to projects under the National Water Grid Fund, including Hells Gates Dam to support agricultural and natural resource industries and enhance Australia's water security
$3.1 billion for the Melbourne Intermodal Terminal Package To enable capacity and resilience to be built into Australia's freight supply chain network
$480 million of additional funding Committed to improving NBN fixed wireless network, providing higher speeds to up to one million premises in regional, rural, and remote Australia and peri-urban areas
$328.3 million for supporting projects under the Modern Manufacturing Strategy and National Manufacturing Priorities To address critical supply chain vulnerabilities

The Federal Budget 2022-23 reaffirms the Government's commitment to investing in and delivering the infrastructure needed to underpin Australia's future economic growth and long-term prosperity. Targeted investment in water and transportation infrastructure, Australian manufacturing and telecommunications will build resilience and efficiencies into Australia's existing infrastructure network.

Queensland rail network receives funding boost for faster rail upgrades

The Brisbane to Sunshine Coast (Beerwah-Maroochydore) rail extension receives $1.6 billion in funding to support the delivery of rail upgrades to increase connectivity between the two regions.

Other projects in Queensland announced in the Federal Budget 2022-23 include:

- $5.4 billion to fund delivery of the Hells Gates Dam in North Queensland
- $1.1 billion for the Brisbane to the Gold Coast (Kuraby – Beenleigh) Faster Rail Upgrade
- $680.6 million for the South-East Queensland City Deal
- $600 million for Paradise Dam Improvement
- $400 million to upgrade the Inland Freight Route, Charters Towers to Mungindi
- $190 million for the Mount Isa to Rockhampton Corridor Upgrade
- $126.5 million for Emu Swamp Dam and Pipeline
- $114.4 million for the Tennant Creek to Townsville Corridor Upgrade
- $68.5 million for the Cooktown to Weipa Corridor Upgrade
- $36.2 million for the Wyaga Creek Flood Improvement Project
- $31.6 million for the Cairns to Northern Territory Border Corridor Upgrade
- $22.5 million for Brisbane Olympic and Paralympic Games 2032 business case development.

Funding was provided to New South Wales to deliver faster rail between Sydney and Newcastle

$1 billion committed by the Government to facilitate the delivery of rail upgrades required to support speedier rail between Sydney and Newcastle (Tuggerah to Wyong).

Other projects in New South Wales announced in the Federal Budget 2022-23 include:

- An additional $433 million in funding for Dungowan Dam and Pipeline
- $352 million for the Milton Ulladulla Bypass
- $336 million for the Pacific Highway, Wyong Town Centre
- $300 million for Grade Separating Road Interfaces
- $264 million for the Newell Highway Upgrade, Heavy Duty Pavement Upgrades North Moree
- $232.5 million for Mulgoa Road (Stage 2), Glenmore Parkway to Jeanette Street, Stage 5A Blaikie Road to Jamison Road and Stage 5B Jamison Road to Union Road
- $100 million for the Southern Connector Road, Jindabyne
- $95.6 million for planning for the Picton Bypass and Picton Road
- $77.5 million for the Stage 2 Business Case for the Sydney Metro Western Sydney Airport line
- $75 million for the Wakehurst Parkway
- $65 million for the Hume Highway Intersection Upgrade, M5 Motorway – Moorebank Avenue
- $51.2 million for the Central Coast Highway – Tumbi Road Intersection Upgrade
- $30 million for the Tenterfield to Newcastle Corridor Upgrade
- $25 million for Richmond Road Stage 1 – Elara Boulevard to Heritage Road, Marsden Park
- $20 million for the Toowoomba to Seymour Corridor Upgrade.

Additional funding to deliver the Melbourne Intermodal Terminal and supporting infrastructure

The Melbourne Intermodal Terminal Package receives $3.1 billion in new commitments, which will enable capacity and resilience to be built into the Victorian and Australian freight supply chain network.

Projects in Victoria announced in the Federal Budget 2022-23 include:

- Melbourne Intermodal Terminal Package, consisting of:
    - $1.2 billion for the Beveridge Interstate Freight Terminal
    - $920 million for the Outer Metropolitan Ring South Rail connection to the Western Interstate Freight Terminal
    - $740 million for the Western Interstate Freight Terminal
    - $280 million for Road Connections, including Camerons Lane Interchange, to the Beveridge Interstate Freight Terminal
- $109.5 million for the Mickleham Road Upgrade
- An additional $45 million for the Ballarat to Ouyen Future Priorities Works
- An additional $23.1 million for the Canterbury Road Upgrade.

Funding committed to deliver Western Australia's Bunbury Outer Ring Road (Stages 2 and 3)

The Bunbury Outer Ring Road (Stages 2 and 3) receives an additional $320 million funding to improve access to Bunbury Port and existing industrial areas east of Bunbury.

Other projects in Western Australia announced in the Federal Budget 2022-23 include:

- $441.2 million for the METRONET, including the Thornlie-Cockburn Link, High-Capacity Signalling, Morrison Road Level Crossing Removal and the Yanchep Rail Extension projects
- An additional $200 million for the Tonkin Highway Stage 3 Extension
- An additional $178 million for the Pinjarra Heavy Haulage Deviation (Stages 1 and 2)
- $145 million for the Thomas Road Dual Carriageway, South-Western Highway to Tonkin Highway and interchange at Tonkin Highway
- $140 million for Regional Road Safety upgrades

- $50 million for the Tonkin Highway North Ellenbrook Interchange
- An additional $49 million for the Perth City Deal
- $48 million for the Moorine Rock to Mt Holland Road Upgrades
- $40 million for Newman to Katherine Corridor Upgrade – Great Northern Highway Upgrade – Newman to Port Headland Overtaking Lanes
- $25 million for the Fremantle Traffic Bridge – Swan River Crossing
- $25 million for the Perth CBD Transport Plan – Causeway Bridge
- $22.4 million for the Mid-West Secondary Freight Network.

South Australia's North-South Corridor is set for completion with additional funding committed

The final stage of South Australia's North-South Corridor, Darlington to Anzac Highway receives $2.3 billion. The project will deliver 78 kilometres of the motorway between Gawler and Old Noarlunga.

Other projects in South Australia announced in the Federal Budget 2022-23 include:

- $200 million for the Marion Road, Anzac Highway to Cross Road
- $120 million for the Adelaide Hills Productivity and Road Safety Package
- $60 million for South-East Freeway Managed Motorways, Stage 2
- $60 million for Targeted Investments to Improve National Supply Chain Resilience
- $50 million for the Rural Roads Package including the Horrocks Highway Corridor Safety Package
- An additional $20 million for the Marion Road and Sir Donald Bradman Drive Intersection Upgrade
- $16.2 million for the Port Augusta to Perth Corridor Upgrade
- $16 million for the Main South Road Productivity Package
- $9.6 million for the South-Eastern Freeway Safety Upgrade.

Tasmanian roads to receive a major boost with an additional funding commitment

Significant commitments for improving Tasmanian roads, headlined by a $336 million commitment to the Tasmanian Roads Package Northern Roads Package – Stage 2.

Other projects in Tasmania announced in the Federal Budget 2022-23 include:

- $100 million for the Great Eastern Drive Tourism Support, Additional Packages
- $96 million for the Tasmanian Freight Rail Revitalisation Program (Tranche 4)
- $56 million for the Tasmanian Roads Package, Tasman Highway Sideling Upgrade (Stage 2)
- $24 million for the Bell Bay Line Reconnection to the Bell Bay Wharf
- $14.4 million for the Melba Line Bulk Minerals Rail Hub
- $13.5 million for the Hobart Northern Transit Corridor Solution
- An additional $13.7 million for the Don Irrigation Scheme.

Northern Territory receives major funding to support water infrastructure

The Northern Territory receives $300.6 million in funding to support Stage 1 of the Darwin Region Water Supply Infrastructure Program.

Other projects in the Northern Territory announced in the Federal Budget 2022-23 include:

- $132 million for the Central Australian Tourism Roads
- $55 million for the Tiger Brennan Drive and Berrimah Road Intersection Upgrade
- $50 million for Alice Spring to Halls Creek Corridor Upgrade.

Australian Capital Territory to receive funding to deliver the Athllon Drive duplication

The Australian Capital Territory will receive $46.7 million to deliver the Athllon Drive Duplication.

Other projects in the Australian Capital Territory announced in the Federal Budget 2022-23 include:

- $2.8 million for the Kent Street and Novar Street Intersection
- $1.5 million for the Inner Canberra Corridor Planning Package.

Other major infrastructure investments in the Federal Budget 2022-23

Several other significant funding commitments have been made across the Federal Governments portfolio, including:

- $7.1 billion provided for manufacturing and export infrastructure to support existing and emerging industries across the regional centres in the Northern Territory, North and Central Queensland, Western Australia, and New South Wales
- Up to $4.3 billion committed to deliver Western Australia's first large-vessel dry berth at Henderson shipyard, to be delivered and overseen by the Government-owned Australian Naval Infrastructure
- An additional $678 million for Outback Way upgrades in Queensland, Western Australia, and the Northern Territory
- An additional $501.7 million for the Local Roads and Community Infrastructure Program
- $480 million in funding committed to improving NBN fixed wireless network, providing higher speeds to up to one million premises in regional, rural, and remote Australia and peri-urban areas
- $328.3 million committed to further support the Modern Manufacturing Strategy and National Manufacturing Priorities to address critical supply chain vulnerabilities.

Deloitte comment:
The Federal Budget 2022-23 reflects the Government's position that infrastructure investment drives improved social outcomes, economic growth, and job growth. The suite of announcements also reaffirms the importance of investing heavily in infrastructure to build resilience and enhance Australia's critical infrastructure network efficiency.

A notable inclusion in the Federal Budget 2022-23 is a commitment to fund significant upgrades to Australia's public transport networks, including delivery of faster rail infrastructure in Queensland and New South Wales. These investments will increase connectivity between key regions over the short-medium term, significantly improving social and economic outcomes. Additional funding commitments to upgrade existing infrastructure assets and deliver new major infrastructure projects, including freight networks and dams will build capacity and resilience into Australia's critical infrastructure and supply chain networks.

To effectively deliver the projects funded under the Federal Budget 2022-23, an innovative and integrated approach is required to achieve critical social and productivity outcomes. This can be achieved through asset optimisation, developing smarter strategies, implementing new frameworks, aligning with regulation, and leveraging digital technologies across the asset lifecycle to utilise the data-rich environments associated with the assets.

Paul Mountney
National Lead Partner - Infrastructure and Capital Projects

Luke Houghton
Global Lead Partner - Infrastructure and Capital Projects

Gender agenda

Key announcements

$346 million enhancement to parental leave scheme Doing away with the distinction between primary and secondary carers for new parents by creating one Paid Parent Leave entitlement for families to choose how to use
$38.6 million additional support Boost to the number of women in higher paying trade occupations over four years from 2022-23
$10.3 million for leadership Four years of funding from 2022-23 to the Australian Sports Commission to invest in programs supporting women's leadership and jobs in the sports industry
$1.3 billion to reduce violence Driving change under the next National Plan to End Violence against Women and Children 2022-2032, supporting prevention, early intervention, response and recovery from violence to women and children
$58 million endometriosis support Record investment under the National Action Plan for Endometriosis to improve endometriosis diagnosis and primary care support
$100 million for obstetrics and gynaecology Creating a new Medicare item to cover genetic testing, increasing the number of obstetrics and gynaecology services covered under the Medicare Benefits Schedule and adding Trodelvy to the PBS
$84.8 million for chronic illness Funding to prevent Australian women from experiencing chronic illness – with almost 50% already experiencing at least one

The Women's Statement was retained in the Federal Budget 2022-23 after being reintroduced in 2021-22. This year, the Women's Statement announces a continued focus on women's safety, economic security and leadership, and women's health and wellbeing. The statement totals $2.1 billion in funding and largely builds on and bolsters investments announced in last year's budget statement. While the return of the Women's Statement was a headline outcome of the Federal Budget 2021-22, this year, a gender focus largely takes a backseat to cost of living issues.

Supporting women's economic security

The Federal Budget 2022-23 tweaks the Paid Parental Leave (PPL) and Dad and Partner Pay (DAPP) schemes to provide more flexibility to families. It also provides $19.4 million over five years from 2021-22 to support the establishment of childcare services in remote and regional areas.

Providing more gender-neutral Paid Parent Leave

The Government is making changes to the to the PPL and DAPP schemes aimed at providing parents with more flexibility about who takes leave. Under the existing schemes:

- PPL is provided to the primary carer for up to 18 weeks paid at the national minimum wage
- DAPP is provided to secondary carer for up to 2 weeks paid at the national minimum wage.

Under the new scheme, the two schemes will be merged into one 20-week entitlement paid at the national minimum wage that can be taken flexibly by either parent. The eligibility threshold has also been raised from an individual income test of $151,350 to a household income test of $350,000. This move will effectively provide single parents, 81% of whom are women, with an additional two weeks of PPL and allow parents to share up the 20 weeks in whatever way works for them. This measure is anticipated to cost $346.1 million over five years from 2021-22.

Assistance to help single parents save for a home deposit

The Government is expanding its Home Guarantee Scheme to 50,000 places per year at a cost of $8.6 million. This scheme provides an 18% guarantee on the purchase price of a home, allowing people to purchase a home with a 2% deposit. It has also expanded the Family Home Guarantee, which reserves spots in the scheme for single parents with dependent children, to 5,000 places per year (up from 2,500) through to 2024-25. To date, the Family Home Guarantee has supported 1,940 single parents into homeownership, 85% of whom have been single mothers.

This scheme is targeted at helping single parents, particularly single working mothers (being the majority of single parents) to enter or re-enter the housing market. The scheme is not limited to first-home buyers and will therefore allow single parents who are re-entering the housing market after a divorce or family breakdown to also benefit.

The Government also announced an $2 billion increase in the National Housing Finance and Investment Corporation's lending cap to $5.5 billion. The Government expects this to support around 8,000 more social and affordable dwellings for vulnerable Australians.

Supporting pathways for women's employment

The Federal Budget 2022-23 provides support for women's employment mostly through measures encouraging women into male-dominated sectors as well as supporting career pathways and women's entrepreneurship.

Investing in mentorship to support women's employment in male-dominated sectors

Initiatives targeting women's employment are focused on supporting more women into sectors where they are currently under-represented. These initiatives are also centred around mentorship as a driver of career support, and include investing:

- $38.6 million over four years from 2022-23 to boost the number of women in higher paying trade occupations. This includes increasing the availability of mentoring, peer support and enterprise skills training for women who commence in higher paying trade occupations on the Australia Apprenticeship Priority List
- $4.7 million over five years from 2022-23 to encourage women into the manufacturing industry through networking events and a mentorship program for women at all stages of their manufacturing career
- $3.9 million over two years from 2022-23 to support more women into the tech sector. By partnering with industry, this initiative will provide mentoring and coaching to facilitate women making mid-career transitions into digitally skilled roles.

Creating leadership and employment opportunities for women in sport

The Government is providing $10.3 million over four years from 2022-23 to the Australian Sports Commission to invest in the following programs supporting women's leadership and jobs in the sports industry:

- The Community Sport Leaders Program, to deliver leadership and governance workshops for women in the community sport sector, undertake research and provide online education programs through the Australian Sport Learning Centre
- The National Generation 2032 Coaching Program for High Performance, to deliver talent and training programs to a further 10 female participants and extend the program for a year
- The Community Coaches Program, to support more than 200 female coaches per year to act as mentors across local, national and international sporting levels.

Additional investments will also encourage greater participation of women and girls in sport, including $2.6 million in 2022-23 for Basketball Australia and $3.1 million over two years from 2022-23 for Football Australia.

Supporting employment pathways throughout women's careers

A range of measures are being implemented to support career pathways for women through different stages of their lives, including:

- National Careers Institute Partnership Grants Program ($12.2 million over two years from 2021-22) for grants of between $20,000 to $350,000 to employers, training providers, schools and community organisations to facilitate career opportunities and pathways for women, particularly in non-traditional industries and occupations
- Mid-Career Checkpoint program ($75 million over four years to 2023-2024), to support eligible carers, predominantly women, to return to paid work or advance or change their career
- Launch into Work program ($74.7 million over four years to June 2028), to provide for tailored pre-employment projects, though partnerships with employers, to build the skills and experiences of job seekers for identified entry-level jobs, with 84% being women
- Career Revive program ($4.1 million over five years to 2023-24), to support medium and large businesses to attract and retain women returning to work after a career break. More than 50 businesses are expected to participate by 30 June 2024.

Investing in women's entrepreneurship and leadership roles

The Government is funding several programs to support girls and women to develop and grow entrepreneurial skills. These include:

- $9.0 million over three years from 2023-24 to expand the existing Future Female Entrepreneurs program
- Continued funding for the Academy for Enterprising Girls (10 to 18-year-olds) and the Accelerator for Enterprising Women, expanding it to include all women aged 18+
- Funding of a new Senior Enterprising Women program to provide mentorship and programs to build enterprising skills for senior women who are unemployed or underemployed to become financially self-sufficient
- Creation of a new Enterprising Women in Leadership program to pair early-stage entrepreneurs with experienced leaders and provide education for school leavers in leadership skills.

Funding is also being providing to support women facing unique barriers to leadership by expanding the Future Women's Jobs Academy. The Jobs Academy assists unemployed and underemployed women to find a job, transition to a new career, upskill, gain more hours of work or start their own business by providing training, mentoring and connections to jobs.

Investing in safety for women and children

The Federal Budget 2022-23 commits $1.3 billion to drive change under the next *National Plan to End Violence against Women and Children 2022-2032* (the next National Plan).

Addressing domestic violence: prevention, early intervention, response and recovery

The Federal Budget 2022-23 introduces a series of new measures to support prevention, early intervention, response and recovery from violence to women and children. Key initiatives include:

- $203.6 million over six years towards preventative measures. This includes a range of funding to support the delivery of awareness campaigns addressing the importance of consent and supporting respectful relationships
- $328.2 million over five years to support a range of activities related to early intervention:
    - Close to a third of funds will go to providing trauma-informed counselling services to support victim survivors and families who are experiencing, witnessing or at risk of family or domestic violence
    - Almost $60 millio n in funding is being provided to educate men who use violence to be aware of and change behaviour – predominantly though an awareness and behaviour change campaign
- $480.1 million over six years is directed towards response measures including economic and housing safety and security:
    - Half of this funding has been committed to extend the Escaping Violence Payment for a further three years
    - $100 million over five years will see the continuation of the Safe Places Emergency Accommodation program
- $290.9 million over five years towards recovery measures:

    - The majority of this funding is directed towards measures which support victim-survivors to access and progress safely through the legal system
    - Part of this funding is also directed towards recovery and healing through investment in trauma-informed services
- A range of programs have been targeted to support women who have diverse experiences and who experience or have experienced violence:
    - $104 million over five years to support primary prevention organisation Our Watch to boost preventative work for LGBTIQA+ people, women with disability and migrant women
    - $100 million for National Counselling Services to work with Aboriginal Controlled Organisations and Aboriginal and Torres Strait Islander services to provide culturally appropriate trauma-informed support
- $19 million over five years to bolster the collation of data and evidence related to violence against women and children.

Investing in women's health and wellbeing

Funding for endometriosis, still birth or miscarriage support, genetic testing and chronic illness prevention are the focus of the Government's spending on women's health in the Federal Budget 2022-23.

Preventing chronic illness

It is important to apply a gender lens to chronic illness because women are significantly more likely than men to have a chronic condition, with almost 50% of Australian women reporting experiencing at least one. The Government will invest $84.8 million in a host of initiatives to prevent Australian women from experiencing chronic illness. These initiatives include:

- $39.8 million over three years for the McGrath Foundation to increase specialist nursing support for breast cancer patients
- $10.6 million over four years to widen Medicare eligibility for MRI services that assist in the diagnosis of breast cancer
- $4 million over four years for ongoing support of Ovarian Cancer Australia's Teal Support Program that offers free telehealth service to women with ovarian cancer
- $0.5 million over three years from 2022-23 to fund the continuation of Her Heat Hub website, which improves the education and treatment of cardiovascular disease in women
- $29.9 million in initiatives to counteract the decline in cervical cancer and breast cancer screening that occurred at many points throughout the COVID-19 pandemic.

Investment in genetic testing, women's reproductive health and breast cancer drug Trodelvy

The Federal Budget 2022-23 provides:

- $81.2 million to create a new Medicare item to support access to genetic testing for the three most common inheritable genetic disorders: cystic fibrosis, spinal muscular atrophy and fragile X syndrome
- $24.1 million investment to increase the number of obstetrics and gynaecology services covered under the Medicare Benefits Schedule. This aims to improve health outcomes for pregnant women by making key healthcare measures more affordable
- From 1 May 2022, the Government will subsidise a key drug for the treatment of triple negative breast cancer, Trodelvy, through the Pharmaceutical Benefits Scheme (PBS). While this will only apply to 580 patients per year, it will save them over $80,000 per course of treatment.

Specialised endometriosis and pelvic plain clinics will be established in every state and territory

Endometriosis is a chronic condition that is often associated with debilitating pain and affects one in every nine Australian women. Endometriosis is estimated to cost the economy up to $7.4 billion a year in lost productivity, as its painful symptoms cause women to underperform or take time off work. The Government will invest a record $58 million under the National Action Plan for Endometriosis to improve endometriosis diagnosis and primary care support. This includes:

- $16.4 million to establish endometriosis and pelvic pain clinics across the country
- $25.2 million to support women with severe endometriosis and other conditions that affect fertility to access a new Medicare funded MRI scan
- $5.1 to grow research capacity, such as by funding the National Endometrioses Clinical and Scientific Trials Network.

Mental health and wellbeing

The Government will provide:

- $23 million over four years to aid families who have experienced a stillbirth or miscarriage and to action the National Stillbirth Action and Implementation Plan. Nearly a fourth of this money will contribute to the establishment of a grant program for bereavement support and $4.2 million will go towards the continuation of the Hospital to Home program
- $24.3 million over four years to identify innovative and evidence-based models of care to best address the needs of people with eating disorders.

Funding community-led health initiatives to support marginalised women

$4.2 million over four years has been set aside on funding community-led organisations and initiatives to aid women at a relatively higher risk of poor health. These high-risk groups include Aboriginal and Torres Strait Islander women, who are twice as likely to experience a stillbirth, migrant and refugee women, older women and women with disabilities.

Deloitte comment:
This chapter considers the intersection between Budget announcements and gender. Deloitte recognises that gender is a social and cultural concept and that there is a spectrum of gender identities, expression and experiences that fall outside of the traditional gender binary. However, in this chapter, we largely report budgetary impacts as they relate to a binary definition of gender. This reflects the nature of the budgetary announcements which are being reported.

Pip Dexter
Inclusion, Diversity & Wellbeing

Natalie James
Workplace integrity and conduct

Key contacts

For more information, please contact:

Brett Greig
National Managing Partner—Tax
+61 3 9671 7097
bgreig@deloitte.com.au

David Watkins
Tax Insights & Policy
+61 2 9322 7251
dwatkins@deloitte.com.au

Chris Richardson
Deloitte Access Economics
+61 2 6263 5075
chrichardson@deloitte.com.au

Shelley Nolan
Global Employer Services
+61 7 3308 7232
shnolan@deloitte.com.au

Mark Hadassin
International Tax
+61 2 9322 5807
mhadassin@deloitte.com.au

Monica Campigli
Deloitte Private
+61 3 9671 7754
mcampigli@deloitte.com.au

Meghan Speers
Superannuation
+61 3 9671 7073
mspeers@deloitte.com.au

Greg Pratt
Global Investment & Innovation Incentives
+61 7 3308 7215
gpratt@deloitte.com.au

Justin Ward
Indirect Tax
+ 61 3 9671 6184
jusward@deloitte.com.au

Geoff Gill
Transfer Pricing
+61 2 9322 5358
gegill@deloitte.com.au

James Fabijancic
Deloitte Legal
+61 3 9671 7370
jfabijancic@deloitte.com.au

Tracey Rens
Business Tax Services
+61 2 9322 7559
trens@deloitte.com.au

Amelia Teng
International Tax
+61 3 8486 1118
amteng@deloitte.com.au

Evan Last
Business Tax Services
+61 7 3308 7161
elast@deloitte.com.au

Jonathan Schneider
Energy & Resources, Oil & Gas
+61 8 9365 7315
joschneider@deloitte.com.au

Steve Batrouney
Employment Taxes
+61 3 9671 7247
sbatrouney@deloitte.com.au

Elizma Bolt
Employment Taxes
+ 61 2 9322 7614
ebolt@deloitte.com.au

James Pettigrew
Mergers & Acquisitions
+61 2 9322 5656
japettigrew@deloitte.com.au

Kamlee Coorey
Business Tax Services
+61 2 9840 7030
kcoorey@deloitte.com.au

Liz Westover
Superannuation
+61 3 9671 7632
lwestover@deloitte.com.au

Spyros Kotsopoulos
Deloitte Private
+61 9322 3593
skotsopoulos@deloitte.com.au

Megan Field
Deloitte Private
+61 8 8407 7109
mfield@deloitte.com.au

Fiona Webb
Global Immigration
+61 3 9671 6334
fwebb@deloitte.com.au

Cameron Pitt
Workforce issues
+ 61 2 6263 7071
capitt@deloitte.com.au

Paul Mountney
Infrastructure Advisory
+61 3 9671 6253
pmountney@deloitte.com.au

Luke Baxby
Health & Human Services
+61 7 3308 7202
lbaxby@deloitte.com.au

Colette Rogers
Education & Training
+61 3 9671 6477
corogers@deloitte.com.au

Cecilia Hill
Digital transformation
+61 407 551 182
cehill@deloitte.com.au

Will Symons
Climate & Sustainability
+61 3 9671 7533
wsymons@deloitte.com.au

Dr Stephanie Allen
Health & Human Services
+61 2 9322 3118
steallen@deloitte.com.au

Pip Dexter
Inclusion, Diversity & Wellbeing Leader
+61 2 9322 7098
pidexter@deloitte.com.au

Adj Prof Anita Ghose
National Lead Partner Aged Care
+61 8 9365 7113
aghose@deloitte.com.au

Natalie James
Workplace integrity & conduct
+61 3 9671 5266
njames@deloitte.com.au

Deloitte.

Designed by CoRe Creative Services. RITM0987916