

Statement 1: Budget Overview

This Budget sets out the next stage in the Government's economic plan to get Australia through COVID-19. It secures Australia's recovery by creating jobs, guaranteeing the essential services and building a more secure and resilient Australia.

It builds on Australia's successful management of the pandemic which was supported by an unprecedented \$311 billion in health and economic support.

As a result the economy is recovering strongly from its first recession in almost 30 years, growing at its fastest pace on record over the latter half of last year and outperforming all major advanced economies in 2020. Labour market outcomes have surpassed even the most optimistic of expectations with employment levels having more than fully recovered the job losses seen through the pandemic to reach record highs.

The virus continues to present an ongoing threat to the global and domestic economy, therefore it is critical that fiscal support continues to be provided to secure the recovery. As emergency COVID-19 support concludes, the next stage of the Government's plan to secure Australia's economic recovery is focused on the transition to sustainable private sector-led growth to create jobs and drive unemployment down to pre-pandemic levels or lower. The unemployment rate is forecast to fall to 4¾ per cent by mid-2023. This would mark the first sustained period of unemployment below 5 per cent since before the Global Financial Crisis and only the second time since the early 1970s.

The stronger-than-expected economic recovery has improved the budget position. The underlying cash balance is now expected to be a deficit of \$161.0 billion in 2020-21, compared with \$213.7 billion at the 2020-21 Budget and \$106.6 billion in 2021-22. The budget position is expected to improve over the forward estimates to an expected deficit of \$57.0 billion in 2024-25. Net debt is now expected to peak as a share of GDP at 40.9 per cent, compared with the 43.8 per cent peak projected at the 2020-21 Budget.

To protect Australians from COVID-19 and facilitate the re-opening of the economy, the Government is:

- investing \$1.9 billion through the COVID-19 Vaccination Strategy
- providing \$1.5 billion to extend a range of COVID-19 health response measures.

To secure the economic recovery, the Government is continuing to provide support to Australian households and businesses to drive the unemployment rate down. Key measures include:

- \$7.8 billion to extend tax relief to around 10.2 million low- and middle-income earners
- \$20.7 billion in tax relief through extending temporary full expensing and temporary loss carry-back
- \$15.2 billion in new commitments to infrastructure projects across Australia.

The Government is building skills for the future and encouraging more Australians to participate in the labour market. Investments are being made to support a dynamic and flexible economy, including by laying the foundations for Australia to be a leading digital economy and introducing a patent box for medical and biotechnology innovations. Major initiatives include:

- \$2.7 billion to extend the Boosting Apprenticeship Commencements wage subsidy
- \$1.7 billion to support an increased Child Care Subsidy for families with second and subsequent children aged five years and under
- \$1.2 billion to implement a comprehensive Digital Economy Strategy.

The Government is taking comprehensive action to guarantee the provision of high-quality and sustainable services and support our community's most vulnerable, including:

- \$17.7 billion to transform the aged care system to ensure older Australians are treated with respect, care and dignity
- \$2.3 billion for mental health and suicide prevention services to deliver accessible, compassionate and coordinated care
- an additional \$13.2 billion for the National Disability Insurance Scheme.

The Budget delivers programs to improve women's safety, economic security, health and wellbeing, committing more than \$3.4 billion to support women.

The Government is investing to support Australia's economic resilience, including by shoring up Australia's fuel security. This Budget improves Australia's disaster resilience and provides \$537.6 million to strengthen our regions and \$486.3 million to protect our environment in addition to \$1.6 billion to fund clean energy technology.

The Government's plan will secure Australia's economic recovery by prioritising economic growth and job creation, and ensure that Australian households and businesses emerge stronger on the other side of the pandemic.

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Statement 1: Budget Overview

Introduction

This Budget sets out the next stage in the Government's plan to get Australia through the COVID-19 pandemic, secure the economic recovery and set the nation up for the future. It is a plan to protect the health of Australians, create more jobs and guarantee the essential services.

The Government's priority remains to save lives by continuing to suppress COVID-19 and rollout the vaccine to support the further re-opening of the economy. The Government will secure the economic recovery by taking further action to support private sector-led growth and drive down the unemployment rate. Economic support announced as part of the emergency response in 2020 is still flowing to households and businesses. This, together with further targeted support in this Budget and the ongoing rollout of the vaccine, underpins a positive outlook for the Australian economy.

The Australian economy has displayed remarkable resilience in the face of the COVID-19 pandemic. The economy is recovering strongly from its first recession in almost 30 years, growing at its fastest pace on record over the latter half of last year and outperforming all major advanced economies in 2020. Labour market outcomes have surpassed even the most optimistic of expectations. With close to one million jobs added to the economy since May 2020, employment levels have more than recovered the losses seen through the pandemic to reach record highs. The peak in the unemployment rate is now expected to have passed and labour force participation has increased to a record high.

The outlook for the Australian economy has strengthened and output is now expected to have already exceeded its pre-pandemic level in the March quarter of 2021, nine months earlier than forecast last Budget. Ongoing momentum, the rollout of the vaccine and continued fiscal policy support, including new initiatives announced as part of this Budget, are expected to drive robust growth over the forecast period. The conclusion of the JobKeeper Payment is not expected to interrupt the recovery in the labour market, nor hinder growth in the broader economy. Continued steady growth is forecast for employment, along with further declines in the unemployment rate, which is forecast to fall below 5 per cent by late 2022 and to reach 4¾ per cent in the June quarter of 2023. This would mark the first time that Australia has seen a sustained period of unemployment below 5 per cent since the years leading up to the Global Financial Crisis and only the second time since the early 1970's.

Overall, the outlook remains positive, though considerable risks remain. Australia's success in containing the health crisis to date has underpinned the economic recovery, but continued growth will rely on the effective containment of any COVID-19 outbreaks in Australia, including those that may arise from any new strains of the virus.

Experiences in other countries, particularly India, demonstrate the significant health-related risks that are ongoing.

The faster-than-expected economic recovery and improved economic outlook is driving a large upgrade to forecast tax receipts. This has enabled the Government to make significant investments in the next stage of its economic plan. This includes reforms to enable individuals and businesses to better capitalise on the opportunities following the pandemic and improve delivery of high-quality and sustainable government services.

The underlying cash balance is now expected to be a deficit of \$161.0 billion in 2020-21, a \$52.7 billion improvement compared with \$213.7 billion at the 2020-21 Budget, predominantly as a result of better-than-expected tax receipts. The underlying cash balance is expected to be a deficit of \$106.6 billion in 2021-22 and continue to improve over the forward estimates to a deficit of \$57.0 billion in 2024-25, nearly one third the deficit in 2020-21.

The broad-based economic support measures introduced by the Government were critical during the emergency phase of the COVID-19 pandemic to limit the economic cost and longer-term labour scarring from the crisis. As this emergency support concludes, most notably with the end of the JobKeeper Payment, the Government is providing support and incentives to help facilitate the transition to private sector-led growth to create jobs and drive the unemployment rate lower.

The Government is extending tax relief to low- and middle-income earners to benefit hard-working Australians and tax incentives to encourage businesses to invest, grow and create more jobs. Targeted support is being provided for those sectors and regions disproportionately affected by COVID-19's impacts, including the aviation, tourism, arts and international education sectors.

The Government is setting Australia up for the future and enabling individuals and businesses to get ahead by building skills and supporting job creation to get Australians into work and drive the unemployment rate lower. Investments are also being made to support a dynamic and flexible economy, including by laying the foundations for Australia to be a leading digital economy by 2030.

Comprehensive action is being taken to guarantee high-quality and sustainable services for our community's most vulnerable. This includes significant further investments in response to Royal Commissions and inquiries that the Government has commissioned in areas of great national importance, including aged care and mental health. The Budget is also investing in the National Disability Insurance Scheme (NDIS).

In this Budget, the Government is delivering programs to improve women's safety, economic security, and health and wellbeing, including through more affordable

childcare for growing families and financial support for women who escape family and domestic violence.

The Government is taking action to build Australia’s economic resilience and keep Australian’s safe in an evolving and complex environment, including through strengthening Australia’s national security, defence and law enforcement capabilities. The Government remains committed to building Defence capability and supporting Australia’s sovereign defence industry.

This Budget improves Australia’s disaster resilience by strengthening the nation’s ability to prepare, respond and recover from natural disasters, and invests in regional Australia so it can grow, prosper and be more resilient to future shocks. Further investments are being made to care for the environment, including through a technology-focused approach to reducing emissions, while supporting jobs and strengthening our economy.

Consistent with the first phase of the Economic and Fiscal Strategy, the Government remains focused on driving the unemployment rate down to pre-pandemic levels or lower by supporting private sector-led growth. This recognises that economic growth is essential to maintaining a strong and sustainable fiscal position.

Although remarkable progress has been made in the domestic economic recovery, the virus still presents an ongoing threat to the economic and fiscal outlook. For this reason, the Government will continue to provide significant fiscal support until the economic recovery is secured.

Table 1.1: Budget aggregates

	Actual	Estimates					Total(a)
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Underlying cash balance (\$b)(b)	-85.3	-161.0	-106.6	-99.3	-79.5	-57.0	-342.4
Per cent of GDP	-4.3	-7.8	-5.0	-4.6	-3.5	-2.4	
Net operating balance (\$b)	-92.3	-154.5	-92.7	-90.2	-70.2	-55.7	-308.9
Per cent of GDP	-4.7	-7.5	-4.3	-4.1	-3.1	-2.3	

(a) Total is equal to the sum of amounts from 2021-22 to 2024-25.

(b) Excludes net Future Fund earnings before 2020-21.

Economic Outlook

The recovery in the Australian economy from the COVID-19 recession has continued to surpass expectations, having outperformed every major advanced economy in 2020. Real GDP grew strongly over the latter half of 2020, marking the first time on record when Australia has experienced two consecutive quarters of economic growth above 3 per cent.

Together with the success in managing the spread of the COVID-19 virus, the Government's significant fiscal policy response has been central to Australia's economic performance throughout the pandemic. As emergency support concludes, additional assistance focused on supporting private sector activity remains in place to secure the recovery.

The outlook for the Australian economy has strengthened and output is expected to have exceeded its pre-pandemic level in the March quarter of 2021. Following the strong rebound in economic activity, recent record rates of growth are expected to moderate as the economy transitions from the initial reopening phase of the recovery. Nevertheless, ongoing momentum, the rollout of the vaccine and continued fiscal policy support, including new initiatives announced as part of this Budget, are expected to drive strong growth over the forecast period. Real GDP is forecast to grow by 1¼ per cent in 2020-21, by 4¼ per cent in 2021-22 and 2½ per cent in 2022-23. After falling by 2.5 per cent in 2020, real GDP is expected to grow by 5¼ per cent in 2021, and by 2¾ per cent in 2022.

Robust growth over the forecast period is expected to drive continued steady growth in employment and further declines in the unemployment rate, which is forecast to fall below 5 per cent by late 2022, to reach 4¾ per cent in the June quarter of 2023. This would mark the first time that Australia has seen a sustained period of unemployment below 5 per cent since the years leading up to the Global Financial Crisis, and only the second time since the early 1970's.

The recent strength in key commodity prices, particularly iron ore, has seen a significant resurgence in Australia's terms of trade and has supported profitability in the mining sector, the benefits of which will flow through to the broader economy. As a result, nominal GDP is expected to grow by 3¾ per cent in 2020-21, by a further 3½ per cent in 2021-22 and by 2 per cent in 2022-23. The global economic recovery is also gathering pace, with stronger-than-expected activity in the December quarter of 2020 for most major trading partners. Further progress on vaccine rollouts in advanced economies, major fiscal policy support and accumulated household savings have all contributed to increased confidence in the global economic outlook. However, the pace of recovery is uneven and significant risks to the global outlook remain, heightened by ongoing outbreaks of COVID-19 in major economies, most notably in India.

While the outlook is positive, considerable risks remain. The continued economic recovery will rely on the effective containment of COVID-19 outbreaks both here and abroad and will be a key factor in the timing of the reopening of international borders, which could weigh on the outlook for the tourism and education sectors. Internationally, ongoing global trade tensions and the potential for further trade actions continue to pose risks to the outlook for Australian exports. More broadly, downside risks to the outlook for the global economy from ongoing outbreaks of the virus in major economies, including India, could have implications for Australia’s domestic economy.

Table 1.2: Major economic parameters^(a)

	Outcome		Forecasts			
	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Real GDP	-0.2	1 1/4	4 1/4	2 1/2	2 1/4	2 1/2
Employment	-4.2	6 1/2	1	1	1 1/4	1 1/4
Unemployment rate	6.9	5 1/2	5	4 3/4	4 1/2	4 1/2
Consumer price index	-0.3	3 1/2	1 3/4	2 1/4	2 1/2	2 1/2
Wage price index	1.8	1 1/4	1 1/2	2 1/4	2 1/2	2 3/4
Nominal GDP	1.7	3 3/4	3 1/2	2	4 3/4	5

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

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

Fiscal Strategy and Outlook

Australia entered the COVID-19 pandemic from a position of economic and fiscal strength made possible by years of responsible budget management. This enabled the Government to act decisively and provide an unprecedented level of economic support, which protected vulnerable households and businesses, kept as many Australians as possible in work, and avoided labour market scarring.

The economic support and public health response were critical to successfully mitigating the effects of the pandemic and laying the foundations for economic recovery.

The stronger-than-expected economic recovery has improved the fiscal position. The strength in the domestic economic recovery is reflected in higher tax receipts. Across the four years to 2023-24, taxation receipts are expected to have improved by \$84.5 billion since the 2020-21 Budget.

The stronger fiscal position has enabled the Government to continue to invest in the next stage of its economic plan.

The underlying cash balance is now expected to be a deficit of \$106.6 billion in 2021-22, compared with a deficit of \$112.0 billion at the 2020-21 Budget. The budget position is expected to improve over the forward estimates to an expected deficit of \$57.0 billion

in 2024-25. Over the medium term, the underlying cash balance is projected to improve to a deficit of 1.3 per cent of GDP by 2031-32.

Net debt is expected to be 34.2 per cent of GDP at 30 June 2022 and peak at 40.9 per cent of GDP in 2024-25, below the 43.8 per cent peak projected at the 2020-21 Budget. Net debt is then projected to fall over the medium term to 37.0 per cent of GDP at 30 June 2032. Gross debt is expected to be 45.1 per cent of GDP at 30 June 2022, 5.4 per cent lower compared with the 2020-21 Budget, before increasing to 50.0 per cent of GDP at 30 June 2025. Gross debt is projected to stabilise over the medium term at around 51 per cent of GDP.

Australia continues to have a low debt-to-GDP ratio compared to most other advanced economies and our level of debt remains fiscally sustainable. While gross debt has increased significantly since the onset of the pandemic, the cost of servicing that debt is lower in 2021-22 than it was in 2018-19, as a result of historically low interest rates. The Government's extension and maintenance of the Australian Government Securities yield curve to 30 years has reduced the refinancing risk on the debt portfolio making debt repayments less sensitive to short term movements in yields. Low yields, together with strong economic growth, means the Government can reduce the debt-to-GDP ratio without running a surplus.

The Government remains committed to maintaining momentum in the economic recovery, consistent with its Economic and Fiscal Strategy. Once the economic recovery is secured and the unemployment rate is at pre-pandemic levels or lower, the Government will steadily transition to the medium-term strategy. The medium-term strategy is to grow the economy in order to stabilise and then reduce debt as a share of GDP.

Budget Priorities

In this Budget, the Government is delivering on its key priorities of:

- **Getting Australians through COVID-19** by:
 - protecting Australians from COVID-19, including through the COVID-19 Vaccination Strategy
 - extending tax relief to low- and middle-income earners to support hard-working Australians
 - extending tax incentives to encourage businesses to invest and create more jobs
 - providing targeted support for those sectors and regions continuing to be affected by COVID-19.
- **Setting Australia up for the future** by:
 - supporting employment growth and helping Australians secure more and better paying jobs, including through investing in infrastructure, skills and promoting women’s economic security
 - implementing reforms to achieve a more dynamic, productive and flexible economy, including through a comprehensive Digital Economy Strategy, introducing a patent box for medical and biotechnology innovations and policies to support global business and talent attraction.
- **Guaranteeing high-quality and sustainable services for Australians**, including through major investments in fundamental aged care reform, mental health and the NDIS, strengthening the social safety net, and improving women’s safety.
- **Building Australia’s resilience, security and defence capability**, including through investing in Australia’s regions to grow, prosper and build resilience to drought and disasters, reducing Australia’s emissions while supporting jobs, and supporting Australia’s sovereign defence industry.

Box 1.1 Women’s Safety, Economic Security, and Health and Wellbeing

The Government is committed to ensuring that Australia is a place where women are able and encouraged to make the choices that are right for them. This means an Australia that does not tolerate violence against women and their children, promotes women’s economic security, and supports women’s health and wellbeing.

The Government has established a new Cabinet Taskforce to lead the work to address these critical issues. The Taskforce is co-chaired by the Prime Minister and the Minister for Women, and supported by the Minister for Women’s Safety, Minister for Women’s Economic Security and Assistant Minister for Women. In this Budget, a Women’s Budget Statement reflects the priority focus on these important issues.

In the 2021-22 Budget, the Government is committing \$3.4 billion to improve women’s safety, economic security, and health and wellbeing. Key measures include:

- \$1.7 billion for more affordable childcare for growing families
- \$164.8 million in financial support for women who escape family and domestic violence
- \$129.0 million for increased legal assistance funding enabling women to access justice
- \$31.5 million to expand the superannuation guarantee to include employees earning less than \$450 per month, particularly benefitting women
- \$25.7 million to boost the next generation of women in STEM
- \$21.6 million to provide improved maternal, sexual and reproductive health outcomes, including for endometriosis, for women and girls in Australia.

These commitments build on the:

- Government’s response to the Sex Discrimination Commissioner’s Respect@Work Report
- National Plan to Reduce Violence against Women and their Children 2010-2022
- 2018 and 2020 Women’s Economic Security Statements.

Getting Australians through COVID-19

Since the start of the pandemic, the Government has committed \$311 billion in health and direct economic support. This decisive action from the onset of the pandemic has been central to Australia's world leading health and economic outcomes.

This Budget builds on the significant economic support already flowing through to households and businesses. The Government is extending tax relief to low- and middle-income earners along with tax incentives to encourage businesses to further invest and create more jobs, while providing targeted support for sectors that continue to be affected by the international border closures.

Protecting Australians' health

The Government is committed to protecting Australians from COVID-19 and facilitating the re-opening of the Australian economy, investing a further \$1.9 billion in Australia's COVID-19 Vaccination Strategy.

There has been extensive investment in a diverse portfolio of COVID-19 vaccines, with the Government committing to access around 170 million doses. The Government continues to work with states and territories to support the delivery of vaccines to all Australians who wish to be vaccinated.

Alongside the roll-out of COVID-19 vaccines, \$1.5 billion is being provided in this Budget to extend a range of COVID-19 health response measures. These include COVID-19 testing, expanding general practitioner respiratory clinics and continuing funding for hospital activity under the National Partnership on the COVID-19 Response.

Securing Australia's economic recovery

Tax relief for low- and middle-income Australians

To increase household disposable income and support the economic recovery, the Government will retain the low and middle income tax offset (LMITO) in 2021-22 to provide \$7.8 billion in targeted support to around 10.2 million low- and middle-income earners. The LMITO provides a further tax cut of up to \$1,080 for individuals or \$2,160 for dual income couples, with the maximum benefit going to individuals with taxable incomes between \$48,000 and \$90,000. Treasury estimates that extending the LMITO will boost GDP by around \$4.5 billion in 2022-23 and will create an additional 20,000 jobs by the end of 2022-23.

The retention of the LMITO is on top of the \$25.1 billion in tax cuts flowing to households in 2021-22 that have been announced in previous budgets. The Government's legislated Personal Income Tax Plan will continue to create a more competitive and efficient tax system. Stage 3 – the final stage of the plan – will abolish the 37 per cent marginal tax rate and reduce the 32.5 per cent marginal tax rate to 30 per cent. In 2024-25, around 95 per cent of taxpayers will face a marginal tax rate of no more than 30 per cent.

Extending temporary full expensing and temporary loss carry-back

In the 2020-21 Budget, the Government introduced temporary full expensing of depreciable assets for businesses with turnover or statutory and ordinary income below \$5 billion.

In this Budget, temporary full expensing will be extended for 12 months until 30 June 2023 to encourage additional investment by allowing projects with longer lead times or that are experiencing COVID-19 related supply chain disruptions to be eligible for full expensing. Eligible businesses will be able to deduct the full cost of eligible assets, including the cost of improvements to existing assets, incurred between 7:30pm (AEDT) on 6 October 2020 and 30 June 2023.

The Government is also extending temporary loss carry-back to the 2022-23 income year. This will allow companies with turnover below \$5 billion to recoup tax previously paid on prior year profits, as far back as the 2018-19 income year, using 2022-23 tax losses. This will provide further cash flow support to businesses and encourage investment utilising the extended temporary full expensing measure while it is available.

These measures are estimated to deliver a further \$20.7 billion in tax relief to businesses over the forward estimates period. The cost over the medium term is only \$5.3 billion, given these measures work by bringing forward tax deductions or the utilisation of losses from future years.

Full expensing and loss carry-back, including the extension, is estimated to boost GDP by around \$2.5 billion in 2020-21, \$7.5 billion in 2021-22, and \$8 billion in 2022-23, and create around 60,000 jobs by the end of 2022-23.

Supporting our worst hit sectors and regions

While Australia's economic recovery is well underway, COVID-19 continues to have a significant effect on a number of sectors and regions across the country. The Government is committed to supporting workers and industries that continue to need support, including in the aviation, tourism, arts and international education sectors, to ensure these sectors get to the other side of the COVID-19 pandemic. Consistent with the principles that have guided the Government's response to the pandemic, economic support will be temporary, targeted, proportionate and have a clear exit strategy.

Key initiatives include:

- an additional \$1.2 billion targeted support package to the aviation and tourism sectors to maintain essential air services, boost domestic tourism in our regions and protect tourism and aviation jobs. This builds on over \$2.7 billion in direct aviation support provided throughout the COVID-19 pandemic

- the Small and Medium Enterprise (SME) Recovery Loan Scheme, which builds on the SME Guarantee scheme, to support SMEs with a turnover of up to \$250 million that were recipients of JobKeeper Payments in the March quarter of 2021, or were affected by the floods in March 2021 and were located or operating in eligible Local Government Areas. By increasing lenders' ability to provide cheaper credit, the new Scheme allows many otherwise-viable SMEs to access additional funding, thereby helping businesses manage their cash flows and invest for the future
- almost \$300 million to support the successful re-opening of Australia's creative and cultural sector, building on almost \$800 million in targeted support provided in response to the COVID-19 pandemic
- \$53.6 million to support Australian education providers most reliant on international students. Grants of up to \$150,000 will be available for eligible private higher education and English Language Intensive Course for Overseas Students (ELICOS) providers to invest in staff expertise and new teaching solutions. Courses available for domestic students will also be expanded, with the Government supporting an additional 5,000 Commonwealth supported short course places at non-university higher education providers (NUHEPS) in 2021 and extending regulatory fee relief for all international education providers until 31 December 2021.

Setting Australia up for the future

The 2021-22 Budget introduces further measures to build skills for the future, assist vulnerable unemployed Australians to get back into jobs and boost labour market participation.

Building skills for the future

The Government is investing to build the skills that Australia's economy needs to thrive in a post-COVID-19 world. These measures build on the Government's successive reforms and investments in the skills sector since 2013-14, which includes \$6.4 billion that the Government will invest into the sector in 2021-22. These initiatives will assist those areas and industries that are facing challenges in getting the workers they need.

The Government is investing an additional \$500 million to expand the JobTrainer Fund, subject to matched funding by state and territory governments. Extending JobTrainer until 31 December 2022 will deliver a further 163,000 places. It will support 10,000 digital skills training places and 33,800 places for existing and new aged care workers to upskill. The extended JobTrainer Fund will continue to support job seekers, school leavers and young people in areas of genuine need to reskill and upskill.

The Government is investing an additional \$2.7 billion to extend and expand the Boosting Apprenticeship Commencements (BAC) wage subsidy. In March 2021, the Government uncapped the BAC and extended the wage subsidy to 12 months. This is expected to benefit an additional 70,000 apprentices and trainees above the original

100,000 when the measure was announced in last year's Budget. In this Budget, the Government is extending the BAC to apprentices and trainees who sign up by 31 March 2022. This will support a further 100,000 apprentices and trainees and build a pipeline of skilled workers for Australia's economic recovery. The funding in this Budget includes 5,000 additional gateway services to women and in-training support services for women commencing in a non-traditional trade occupation.

The Government is introducing a care workforce package, which will reduce red tape for providers and workers while increasing worker mobility and improve quality of care across the aged, disability and veterans care sectors. As part of the package, the Government is providing \$12.3 million to improve the alignment of regulation across the sectors, and \$105.6 million to align worker screening processes. The package also includes the development of a care sector code of conduct and improvements to the Boosting the Local Care Workforce Program.

Getting Australians into work

The 2021-22 Budget is focused on creating jobs and supporting the unemployed to develop clear pathways into work. The Government is investing in employment programs and training places, with a focus on young people, women returning to work and Indigenous Australians.

Wage subsidies available through jobactive, Transition to Work and ParentsNext will be increased to \$10,000 and the Local Jobs Program will be expanded and extended to 51 employment regions. This will bring together employment service providers, local employers and training organisations to meet local labour market needs and provide targeted training.

To support foundational skills, the Government is providing \$23.6 million over the forward estimates for the expansion of the Skills for Employment and Education (SEE) program, including uncapping the number of places and removing the requirement that job seekers are receiving income support. The funding will accelerate the introduction of digital skills training and ensure that all job seekers with low levels of language, literacy, numeracy and digital literacy have access to relevant foundational skills training to boost their employment prospects.

The Budget also includes further measures that focus on disadvantaged job seekers and those most impacted by the pandemic. The Government will introduce a new employment services program to replace jobactive from 1 July 2022. The new program will enable job-ready job seekers to self-manage their job search on a digital platform and redirect resources to intensive face-to-face services for the most disadvantaged job seekers. Job seekers in Disability Employment Services will also be able to participate in digital services to find employment from 1 January 2022.

The Government's youth specialist employment service, Transition to Work, will receive an additional \$481.2 million over the forward estimates while the National Careers Institute (NCI) will receive an additional \$19.8 million to expand services to help young people and women make informed decisions about their education and career pathways. The Government is expanding the Career Revive program to 60 additional businesses to attract and retain women returning to work after a career break.

Investing in women's economic security

The Government is investing in women's economic outcomes with a \$1.9 billion Women's Economic Security Package. This package includes \$1.7 billion over five years for an increased Child Care Subsidy for families with second and subsequent children aged five years and under. Investments for women's employment and professional development is being provided with a commitment of \$42.4 million over seven years to boost the next generation of women in STEM and \$38.3 million over five years to expand the Women's Leadership and Development Program.

The coverage of the superannuation system is being improved by removing the current \$450 per month income threshold from 1 July 2022, under which employees do not have to be paid the superannuation guarantee by their employer. This will benefit lower income workers, particularly women.

Increasing participation through lifting incentives to work

Creating the right incentives to work and seek employment will lift workforce participation and help those Australians who are unemployed return to work.

The Government has provided \$9.5 billion to enhance the social security safety net by increasing support for unemployed Australians while strengthening their obligations to search for work. From 1 April 2021, the rate of working age payments increased by \$50 a fortnight, benefitting 1.9 million Australians. The Government has also increased the income free area to \$150 per fortnight for JobSeeker Payment and Youth Allowance (other), allowing recipients of these payments to earn more income before their payment begins to taper.

Alongside the changes to income support payments, the Government is strengthening mutual obligations to provide better support for job seekers in their search for work. As a complementary measure, the Earn and/or Learn initiative will be extended until 30 June 2022, providing job seekers additional flexibility in how they meet their mutual obligations and better equipping them for employment.

Boosting job creation

The Government is building on the substantial packages of support already provided to boost job creation, through major new investments in infrastructure, housing and the engineering construction sector.

Infrastructure investment

As part of the Government's record \$110 billion 10-year infrastructure pipeline, an additional \$15.2 billion over ten years is being committed to road, rail and community infrastructure projects across Australia. These new commitments will support over 30,000 direct and indirect jobs across the lives of the projects.

As part of this package, the Government is committing \$2.0 billion to support delivery of the Melbourne Intermodal Terminal. This project will boost productivity by increasing the efficiency and capacity of the national rail freight network and take thousands of trucks off the road.

Additional road and rail commitments across Australia include:

- \$2.6 billion for the North-South Corridor – Darlington to Anzac Highway in South Australia
- \$2.0 billion for the Great Western Highway Upgrade – Katoomba to Lithgow in New South Wales
- \$400.0 million in additional funding for the Bruce Highway in Queensland
- \$380.0 million for the Pakenham Roads Upgrade in Victoria
- \$237.5 million for the METRONET to support grade separations and the elevation of stations in Western Australia
- \$150.0 million for the Northern Territory National Highway Network
- \$132.5 million for the Canberra Light Rail – Stage 2A in the Australian Capital Territory
- \$113.4 million for the Midland Highway Upgrades in Tasmania.

This package also includes an additional \$1 billion to extend the Local Roads and Community Infrastructure Program, further supporting councils in maintaining and upgrading community assets and local roads. The Road Safety Program is also being extended to 2022-23, with additional funding of \$1 billion for projects that will improve roads and save lives. This brings the total investment by the Government in these two stimulus programs to \$5.5 billion since the start of the COVID-19 pandemic. Funding for projects under these programs is being provided on a 'use it or lose it' basis to ensure the projects are delivered efficiently.

Supporting home ownership

The Government understands the importance of owning your own home and the significant economic and social benefits home ownership provides.

That is why the Government is providing more pathways to home ownership by establishing the Family Home Guarantee to support single parents with dependants (predominantly women) to enter or re-enter the housing market sooner, with a deposit of as little as 2 per cent. In addition, the First Home Loan Deposit Scheme will be temporarily extended by releasing a further 10,000 places under the New Home Guarantee to support first home buyers to build a new dwelling or to purchase a newly constructed dwelling with a deposit of as little as 5 per cent.

To support first home buyers to raise a deposit more quickly, the Government is also amending the First Home Super Saver Scheme to increase the maximum amount of voluntary contributions eligible to be released under the scheme to \$50,000 from \$30,000.

Finally, the HomeBuilder six-month construction commencement period has been extended to 18 months for all applications. This will smooth out the HomeBuilder construction pipeline and support jobs in the construction sector in 2021 and into 2022.

A flexible and dynamic economy

The Government is ensuring the Australian economy remains flexible, dynamic and competitive, and workers and businesses can capitalise on the opportunities of the future.

By delivering a comprehensive Digital Economy Strategy and investing \$1.2 billion in Australia's digital future, the Government is laying the foundations for Australia to be a leading digital economy and society by 2030. This package takes advantage of the acceleration of digital transformation that has resulted from COVID-19 and builds on previous commitments to support digitalisation through the Digital Business Plan in 2020-21, the Cyber Security Strategy, the NBN upgrade plan and the JobTrainer Fund.

In this Budget, the Government is continuing to implement the Consumer Data Right (CDR) in the banking sector, and accelerating its rollout across the economy, including in the energy and telecommunications sectors. Expansion of the CDR will underpin a data-driven economy, promote innovation and empower consumers to make more informed choices about their services, reducing costs for Australian households and small businesses.

\$124.1 million is being provided to further develop Australia's AI capabilities, including by helping small and medium sized businesses with medium-high digital capability adopt AI. The Government will enhance service delivery by developing and transitioning government services to a new myGov platform, while changes to My Health Record will help support Australia's world-class healthcare system.

Unlocking the digital economy means investing in emerging industries that will support highly-skilled job opportunities for a digital workforce. The Government will invest \$18.8 million over the forward estimates in the digital games development industry to attract international investment and encourage creative businesses to grow. From 1 July 2022, eligible entities will receive a 30 per cent refundable tax offset, capped at \$20 million per year, for qualifying Australian games expenditure.

In addition, the Government is taking action to enhance the competitiveness of Australian businesses and put Australia at the cutting edge of science and innovation through:

- Introducing a patent box to encourage companies to develop and apply their medical and biotechnology innovations in Australia. This incentive will tax corporate profits from Australian developed and patented medical and biotechnology innovations at a concessional 17 per cent effective corporate tax rate. An internationally competitive tax regime for patents will help encourage firms to develop their research and development innovations into profitable businesses in Australia.
- \$387.2 million to build one of the world’s largest radio telescopes in Western Australia as part of the Square Kilometre Array (SKA) project, enabling scientific discoveries in astronomy and generating spin-off technologies that can be applied in other fields, such as advanced manufacturing.

In this Budget, the Government is supporting global business and talent attraction. By bringing additional businesses, new technologies and highly skilled professionals to Australia, the Government is ensuring Australia can capitalise on our strong economic position coming out of the COVID-19 pandemic and remain globally competitive.

The Government will make it easier for businesses to offer employee share schemes, to enable more Australians to share in the economic value they create through their hard work and attract the best and brightest from around the world. To encourage global businesses to invest in, and relocate to Australia, the Government will establish a fast track process to provide investors with certainty around the tax implications of large investments, finalise the implementation of the Corporate Collective Investment Vehicle regime, and establish a more efficient licensing regime for foreign financial service providers. Measures will also be implemented to modernise the individual tax residency rules to provide greater certainty and reduce compliance costs for globally mobile individuals and their employers.

The Budget furthers the Government’s Deregulation Agenda with an investment of an additional \$134.6 million. The measures in the deregulation package reduce the regulatory burden for businesses interacting with government, make it easier for businesses to get people into jobs, and lay the foundation for future reforms to improve the business environment. They are estimated to generate benefits averaging

\$430 million annually in reduced compliance costs to businesses, individuals and not-for-profits. The Government will improve mutual recognition of occupational licenses, making it easier for around 124,000 Australians to work in multiple states and territories. This has the potential to generate more than \$2.4 billion in additional economic activity over the next ten years.

Guaranteeing the essential services

The Government is implementing reforms to guarantee high-quality and sustainable essential services for Australians and support our community's most vulnerable. These reforms include taking comprehensive action to respond to the Royal Commission into Aged Care Quality and Safety and reports into mental health by the Productivity Commission and the National Suicide Prevention Adviser.

Ensuring high-quality and sustainable aged care services

In response to the Final Report of the Royal Commission into Aged Care Quality and Safety, the Government has committed to record funding with an additional \$17.7 billion over five years to transform the aged care system to ensure it delivers high-quality services for older Australians and their families, now and into the future. This will deliver a generational change to aged care.

To enable older Australians to remain at home for longer, this Budget invests \$6.5 billion for the release of 80,000 additional Home Care Packages over the next two years. The Aged Care Quality and Safety Commission will receive additional resources to manage compliance and ensure quality care services, and the introduction of new star ratings. Funding of \$798.3 million will also support informal carers of older Australians, including through increased access to respite services, and more targeted assistance for carers of people with dementia.

To improve the quality, sustainability and safety of residential aged care, from 2020-21 the Government is investing \$7.8 billion to implement a new funding model and increase the Government's Basic Daily Fee supplement by \$10 per resident per day. In introducing the new model, the Government is supporting provider transition and encouraging better care by increasing funding to support an average of 200 minutes of care time per resident per day. From 1 July 2022, residential care providers will be required to report and publish care staffing minutes on the MyAgedCare website.

The Government is providing \$630.2 million to improve access to high-quality aged care services for those in regional, rural and remote areas, Aboriginal and Torres Strait Islander people, and special needs groups.

The reforms announced in the Budget include \$942.0 million to support older Australians to access safe and quality care, and \$652.1 million to skill the aged care workforce for the future. An additional 33,800 training places through JobTrainer will enable existing and new care workers to improve their qualifications.

Our reforms to aged care will be supported by new governance structures, including a new Aged Care Act that focuses on the needs of older Australians and places high-quality, safe and compassionate care at the centre of the system.

Delivering comprehensive mental health and suicide prevention services

The mental health of Australians is a national priority. The Government is committed to undertaking significant structural reform of the mental health and suicide prevention system to improve the wellbeing of Australians living with mental illness and prevent suicide. The \$2.3 billion package in this Budget is a first step to responding to recommendations from the Productivity Commission and the National Suicide Prevention Adviser. With this commitment to Australians' mental health, the Government is laying the foundations for systemic, whole-of-government reform to deliver preventative, compassionate and effective care.

The Government will invest to improve access to in-person community based, multidisciplinary adult mental health services. This includes \$487.2 million to fund a network of specialist Head to Health Adult Mental Health Centres and to establish a central intake and assessment phone service. Additional centres will be opened in partnership with states and territories. For young Australians aged 12 to 25, \$278.6 million is being made available to enhance and expand headspace centres across the country. And for children under 12 years the Government will invest \$100.8 million to support parents and early intervention, and establish child mental health and wellbeing hubs with the states and territories.

We are also strengthening the broader primary health care system by supporting our general practitioners in their role as a key entry point into the mental health system by expanding and implementing the Initial Assessment and Referral (IAR) tool and providing additional mental health development opportunities and guidance. A further \$111.4 million is being provided for Medicare subsidised psychological therapy sessions for patients' family members and carers, and additional provisions for group therapy sessions under the Better Access Initiative. To ensure more Australians can quickly access appropriate care, \$111.2 million is being provided to expand and improve high-quality, low-cost digital mental health services.

To achieve its commitment of working towards zero suicides, the Government is expanding the services available to Australians experiencing suicidal distress and their loved ones. Through a National Agreement with states and territories, the Government will provide \$156.8 million to ensure that every Australian discharged from hospital following a suicide attempt is offered at least three months of follow up care. \$22.0 million will be provided for postvention support for the family and friends of people who die by suicide. A National Suicide Prevention Office will also be established as a central point of coordination for a national approach.

These significant reforms will deliver a system that is evidence-based, person-centred, informed by lived experience, acts early to help people before mental health conditions and suicidal distress worsen, and provides the effective, compassionate care Australians deserve.

Supporting people with disability through the NDIS

In the 2021-22 Budget, the Government will provide an additional \$13.2 billion over four years, as more people with disability benefit from the scheme. The NDIS currently provides support to around 450,000 Australians with permanent and significant disability and their families and carers, with over 50 per cent of participants receiving services for the first time. The Government is committed to ensuring people with significant and permanent disability receive the funding they need to enable them to participate in the community.

Delivering a strong health care system

Guaranteeing Medicare remains a key pillar of the Government's Long Term National Health Plan. In 2021-22 the Government will invest \$98.3 billion in health spending as part of our ongoing commitment to guaranteeing Medicare for all Australians. The Government is investing a further \$3.4 billion to extend important COVID-19 measures to continue our strong response to the pandemic, including \$510.8 million to partner with states and territories to support the rollout of the vaccine, \$773.2 million for telehealth, pathology testing and access to home medicines.

To modernise the way Medicare supports quality health care, an additional \$50.7 million is being invested to progress work on introducing MyGP, one of the first steps in the Government's 10 Year Primary Health Care Plan, to strengthen the relationship between Australians and their regular GP and facilitating higher quality health care. As part of its commitment to primary health care, the Government is also contributing \$80.9 million to provide incentives and opportunities to work and train in rural and regional Australia, support for public dental services, \$421.6 million for the Australian Digital Health Agency's work on My Health Record and \$71.9 million for access to after-hours health care.

This Budget provides greater access to diagnostic imaging by creating an \$20.7 million funding pool for the purchase of modern diagnostic imaging machines in rural and remote areas.

The Government continues to guarantee affordable access to essential medicines on the Pharmaceutical Benefits Scheme (PBS), investing \$878.7 million over five years to reduce out-of-pocket costs for new and amended listings on the PBS, including for Australians living with chronic migraines, eczema and breast cancer.

Funding for the National Women’s Health Strategy 2020-2030 and the National Action Plan for Endometriosis is continuing through \$21.6 million to target improved maternal, sexual and reproductive health outcomes for women.

Enhancing women’s safety

The 2021-22 Budget commits \$1.1 billion for improving women’s safety. The Government is committed to ending all forms of violence against women and their children. It is delivering a new long-term, intergenerational National Plan to Reduce Violence against Women and their Children.

As part of the Women’s Safety package, the Government is providing \$164.8 million over three years for financial support to help women who escape family and domestic violence. The Government is further contributing \$261.4 million to establish a new agreement with the states and territories for frontline family, domestic and sexual violence supports and \$129.0 million for increased legal assistance to help women access justice.

The Government is also investing \$20.5 million to prevent and address sexual harassment with its response to the Respect@Work Report.

Investing in education

The Government is committing \$2.0 billion in ongoing funding for preschools through a four-year Strategic Reform Agreement. This funding will provide certainty for early childhood education providers and support access for all children to at least 15 hours a week of learning in the year before school. The funding as part of this agreement is contingent on the states and territories agreeing to key reforms on participation and school readiness. This new agreement will improve outcomes for vulnerable and disadvantaged cohorts and ensure that all children, regardless of their economic circumstances, are supported to access high-quality early childhood education.

The Government is also continuing to invest record funding in Australian schools as part of its ongoing commitment to education. Recurrent annual funding provided by the Government for schools has increased from \$13.8 billion in 2014 to \$23.4 billion in 2021. Over the next ten years, the Government has committed \$289 billion in total recurrent funding for schools.

To continue to raise the quality of education, the Government will invest \$4.0 million to expand the Literacy and Numeracy Test for Initial Teacher Education Students. Improved data is also a vital element of improving educational outcomes. The Government is investing an additional \$5.8 million to continue the Australian Teacher Workforce Data collection and \$20.0 million to continue and improve the Nationally Consistent Collection of Data on school students with disability.

Supporting our community

The Government is investing in outcomes for Indigenous Australians through health, aged care, education, infrastructure and women’s safety programs. The Government is setting the foundation for achieving Closing the Gap targets and Priority Reforms, with further targeted measures to be included in the Commonwealth’s Implementation Plan, which will be released mid-year. To support Aboriginal and Torres Strait Islanders’ economic participation, over \$227.7 million will be invested to strengthen remote service delivery and develop a targeted employment and skills program.

The Government is making improvements to the veterans’ support system to deliver a simpler, faster and better experience for veterans and their families and to ensure veterans’ health and wellbeing over the long term. The 2021-22 Budget will provide \$460.4 million to ensure the Department of Veterans’ Affairs has adequate capacity to meet veteran support needs and enhance its capacity to address veteran suicide, including through faster processing of compensation claims.

The Government will provide \$32.1 million to enable the continued delivery of annual international Anzac Day commemorations and domestic commemorative activities to mark important occasions in Australia’s military history, and better care for official war graves.

Enhancing the flexibility of the superannuation system

The Government is giving older Australians more choices to contribute to their retirement savings and cutting red tape to improve the efficiency of the system. The Government will repeal the work test for voluntary non-concessional and salary sacrificed contributions to superannuation and reduce the eligibility age for downsizer contributions to 60 years. A two-year amnesty is also being introduced to enable holders of certain legacy retirement income products to convert to newer, more flexible products.

The flexibility of the Pension Loans Scheme is being improved by providing access to advance payments through allowing participants to access up to 26 fortnights’ worth of top-up payments as a lump sum and introducing a No Negative Equity Guarantee.

Building a more resilient and secure Australia

The Government is making significant investments to support Australia’s economic resilience and to keep Australians safe in an evolving and complex environment. This Budget improves Australia’s disaster resilience by strengthening the nation’s ability to prepare, respond and recover from natural disasters, and invests in regional Australia so it can grow and prosper and build resilience to future economic shocks. Investments are also being made to care for the environment, including to reduce emissions while supporting jobs and strengthening the economy.

Bolstering our economic resilience

Building on our previous actions that have helped reduce electricity prices by 11.2 per cent in the last year, the Government is continuing to take necessary steps to secure affordable and reliable energy. To help maintain reliable and secure electricity as we transition to a lower emissions future, the Government is providing \$49.3 million for battery and microgrid projects and \$24.9 million to assist new gas generators become hydrogen ready. In addition, the Government is providing \$30 million for early works on Australian Industrial Power's Port Kembla gas generator project.

To deliver the next steps of the gas-fired recovery and continue unlocking Australia's gas reserves, the Government is providing a further \$74.3 million to help accelerate priority gas supply projects identified in the Interim National Gas Infrastructure Plan and help realise the opportunities in the North Bowen and Galilee Strategic Basins.

The Government is taking decisive action to support local oil refineries as part of its commitment to Australia's long-term fuel security. This includes the introduction of a production payment to support local refineries and upgrade infrastructure to continue operating in Australia. This follows on from the six-month interim production payment provided in the 2020-21 MYEFO.

The Government is examining supply chain vulnerabilities for critical products, starting with personal protective equipment (PPE), medical products and agricultural production chemicals, which will inform initial investments under the \$107.2 million Supply Chain Resilience Initiative. The Government is also establishing an Office of Supply Chain Resilience to monitor vulnerabilities and coordinate whole-of-government responses to improve ongoing access to essential goods.

Enhancing our disaster resilience

The 2021-22 Budget provides funding to implement key elements of the Government's response to the Royal Commission into National Natural Disaster Arrangements and strengthen the nation's ability to prepare for, respond to and recover from natural disasters. The Government will provide \$615.5 million over six years for the Preparing Australia grants program to support disaster risk reduction activities. As part of the \$2 billion National Bushfire Recovery Fund, \$280.0 million will be committed to establish a grants program to support the ongoing recovery needs of communities affected by the 2019-20 bushfires.

The Government will provide \$61.1 million to establish the new National Recovery and Resilience Agency to drive the reduction of natural disaster risk, enhance natural disaster resilience, and ensure effective relief and recovery from all hazards, and \$90.0 million to enhance the operation of Emergency Management Australia to ensure better informed and timely government decision making during emergencies.

To transform the Commonwealth's capacity to prepare for extreme events and a changing climate, the Government will invest \$209.7 million to establish the Australian Climate Service (ACS). The ACS will provide the intelligence, insights and analysis for Emergency Management Australia and the National Recovery and Resilience Agency to understand and support decisions on climate and disaster risk.

The Government is committed to improving the affordability and availability of insurance for households and small businesses in Northern Australia. The Government therefore intends to establish a reinsurance pool for cyclones and related flooding, backed by a \$10 billion Government guarantee, for properties in areas subject to high cyclone risk.

Resilient regions

The Government is providing \$537.6 million to support continued growth in regional Australia. Successful and resilient rural and regional economies will be better able to withstand economic shocks and contribute to national economic activity.

Through the Our North, Our Future Next Five Year Plan for Northern Australia, the Government is providing \$189.6 million over five years to create jobs and support sustainable economic growth in Northern Australia. The Plan supports initiatives targeted to the needs of the North, including helping businesses grow, investing in areas of regional strength and enhancing digital connectivity.

The Government is providing communities with \$250 million under a sixth round of the Building Better Regions Fund. This will create jobs and build stronger regional communities by funding new or upgraded infrastructure and community development activities. The Government is also investing \$84.8 million to improve internet and mobile access in regional Australia.

Boosting farm productivity and protecting our agricultural industry

A vibrant and successful rural and regional Australia needs a strong agricultural sector. The Government is therefore helping the industry grow and become more profitable to help reach its goal of \$100 billion farm gate output by 2030.

To protect Australian farmers from pest and weed outbreaks, the Government is committing \$414.5 million to enhance Australia's biosecurity, including by:

- enhancing digital capability to better assess risk through advanced diagnostics, modelling and on the ground data collection
- targeting specific biosecurity threats, for example, investment on the front lines to stop African Swine Fever.

The Government is helping farmers expand and grow their exports, providing \$87.7 million to increase market intelligence, agriculture counsellors and technical experts. \$29.8 million is being provided to help farmers attract and retain a high-skilled workforce. The Government's \$237.9 million investment in soils will also help increase on-farm profitability and help reduce our carbon emissions.

Drought Proofing Our Future

Under the National Water Grid Fund (NWGF), the Government is providing \$3.5 billion to help ensure reliable water supply in regional Australia. From the NWGF, \$258 million will establish a new funding pathway for small-scale water infrastructure and fund the development of new dams and irrigation projects, including secure water supply for the Eurobodalla region.

The Government is securing water for river health by investing \$1.3 billion in off-farm irrigation infrastructure. Farmers will be better prepared for variable rainfall through the Government's investment in Murray-Darling Basin water modelling tools. In addition, \$23.0 million as part of the \$5 billion Future Drought Fund will help farmers manage their soil moisture.

These policies will improve the reliability of Australia's water supply, support irrigators and allow communities to better manage their water resources.

Caring for the environment

Reducing emissions

Under the Paris Agreement, the Australian Government has committed to reducing emissions by 26 to 28 per cent below 2005 levels by 2030. To support this commitment, the Government is investing \$1.6 billion to fund priority clean energy technologies. This represents a practical, technology-focused approach to reducing emissions, while supporting jobs and strengthening our economy.

Australia will play a leading global role by partnering with other nations to accelerate the commercialisation of low emissions technologies. A \$1.2 billion Technology Co-Investment Facility will be established to invest in priority technologies and practical project-based international partnerships. This includes \$539.2 million for hydrogen and carbon capture use and storage projects that will support Australian industry and create jobs, and \$565.8 million to establish international partnerships on practical low emissions projects. The partnerships will leverage Australia's comparative advantage and help Australian industries take their share of emerging global low emissions markets. The Government is also committing \$316.7 million to help industry and businesses reduce their emissions through voluntary action and adopting low emissions technology.

Oceans leadership

To safeguard the health of our oceans and create jobs in the emerging blue economy, the Government is investing \$100.1 million in an Oceans Leadership Package. This includes investments targeting ‘blue carbon’ ecosystems that involve seagrass and mangroves that play a key role in drawing carbon out of the atmosphere.

Waste package

To ensure Australia takes responsibility for its own waste the Government is investing \$11.0 million to support Australia’s recycling industry, including further funding for the National Product Stewardship Investment Fund and support for the Australasian Recycling label to help consumers recycle properly. The Government is investing \$67.0 million to enhance organic waste facilities and support community education to reduce the amount of food waste going to landfill. These investments support the Government’s National Waste Policy Action Plan, which aims to reduce waste generation, increase waste recovery rates and regulate waste exports.

EPBC Act Reform

In response to the *Independent Review of the Environment Protection and Biodiversity Conservation Act 1999*, the Government is investing \$29.3 million to ensure our environmental laws are both protecting the environment and supporting economic growth.

Through an investment of \$4.7 million, the Government will work with stakeholders to improve the measurement and valuation of Australia’s natural capital.

Keeping Australians safe

The Government is committed to strengthening our national security, defence and law enforcement capabilities. It is providing \$1.3 billion over ten years to the Australian Security Intelligence Organisation to further boost its ability to protect Australia and Australians from threats to our security. A further \$51.8 million is being provided to support the Australian Criminal Intelligence Commission’s critical role in combatting transnational, serious and organised crime.

Building on Australia’s Cyber Security Strategy 2020, the Government is providing \$42.4 million to improve security arrangements for critical infrastructure and to assist critical infrastructure owners and operators respond to significant cyber-attacks.

To support Australia’s strong border protection policies, the Government is providing \$464.7 million to bolster domestic detention capabilities and a further \$38.1 million to continue the Regional Cooperation Arrangement in Indonesia.

The Government remains committed to building Defence capability and supporting Australia’s sovereign defence industry, including through its defence capability

investments valued at \$270 billion over the next decade. Maintenance and development of Australia’s 400 owned and approximately 958 leased properties continues to deliver considerable economic, social and environmental support for regional communities, including the recent \$747 million defence infrastructure package in the Northern Territory.