

# Statement 1: Budget Overview

The 2022–23 October Budget begins to build a better and more resilient future for Australia. This is more important than ever – in the face of rising global economic uncertainty, high inflation and energy costs, and frequent natural disasters which continue to have devastating impacts on many communities. The best response to these challenges is a Budget that is responsible, sensible and suited to the times we are in.

The Budget delivers on the Government’s commitments and outlines the Government’s plan to:

- provide responsible cost-of-living relief that delivers an economic dividend
- build a stronger, more resilient and more modern economy
- begin the hard task of budget repair to pay for what is important.

The global economic outlook has deteriorated rapidly. Advanced economies are facing the challenges of high inflation, rising energy prices, strained supply chains, and the fastest synchronised monetary policy tightening in decades. The risk of recession across major advanced economies has risen and China’s growth outlook has worsened.

Australia is not immune to these global developments. High global energy prices and floods mean inflation is expected to peak at  $7\frac{3}{4}$  per cent in the December quarter 2022, before moderating gradually over the next 2 years. Economic activity is forecast to slow from  $3\frac{1}{4}$  per cent in 2022–23 to  $1\frac{1}{2}$  per cent in 2023–24, as global challenges and cost-of-living pressures weigh on growth. Employment growth is expected to moderate, with the unemployment rate forecast to rise to  $4\frac{1}{2}$  per cent by the June quarter of 2024, which is still below the pre-pandemic level of 5 per cent. There are significant risks to the outlook, including from a more severe global downturn, a larger than expected pull-back in domestic consumption in response to high inflation and rising interest rates, and ongoing impacts of recent flooding and weather events.

The fiscal challenges the Government inherited are intensifying. The 2022 Pre-election Economic and Fiscal Outlook (PEFO) revealed a budget in persistent structural deficit, with deficits projected for a decade and gross debt as a share of GDP at its highest level in over 70 years. The fiscal position has improved in the near term as the Government has returned tax receipt upgrades to the Budget. However, from 2024–25, this boost is projected to moderate and be outweighed by growing spending pressures.

This Budget takes the first steps in responding to this substantial fiscal challenge. The Government has returned almost all the near-term improvement in revenue to the budget and offset nearly all policy decisions across the next 2 years, when inflationary pressures are highest. Budget improvements of \$28.5 billion have been made since PEFO from unwinding wasteful spending, redirecting spending toward higher quality investments and priorities, and improving the integrity and fairness of the tax system.

As a result, the underlying cash deficit is estimated to be \$36.9 billion (1.5 per cent of GDP) in 2022–23. Even with intensifying pressures on the Budget, the Government’s responsible approach to revenue upgrades and spending restraint means debt is lower than at PEFO over each year of the forward estimates. Over the medium term, underlying spending pressures are projected to lead to gross debt as a share of GDP rising. Gross debt is projected to stabilise at 46.9 per cent of GDP in the last 3 years of the medium term. The increase in gross debt since PEFO can be accounted for by higher borrowing costs due to higher interest rates, the use of a lower and more realistic productivity assumption, and an upward revision in the estimated costs of delivering the National Disability Insurance Scheme (NDIS).

The Government’s economic plan will build a stronger, more resilient and more inclusive economy. The Budget provides for responsible cost-of-living relief that does not add to inflation pressures. This includes making child care more affordable for over 1.2 million families, cutting the cost of medicines for around 3.6 million Australians, expanding the Paid Parental Leave scheme to reach 26-weeks in 2026, delivering more affordable housing, and getting wages moving again. These measures will provide a long-term economic dividend by lifting workforce participation and productivity.

The Budget invests in the capacity of the economy and the potential of the Australian people. It invests in a better trained, better skilled and more productive workforce with 480,000 fee-free TAFE places to be made available over the next 4 years and 20,000 new university places for students from disadvantaged backgrounds. It invests in better schools, healthier students and more qualified teachers. It reduces barriers to workforce participation, advances gender equality and tackles skills shortages, including through the creation of Jobs and Skills Australia.

The Government’s Powering Australia Plan and \$20 billion Rewiring the Nation fund will spur investment in cheaper, cleaner and more secure energy. The Plan will modernise Australia’s energy grid and drive investment in renewable energy. These measures will put Australia on track to deliver on our net zero emissions by 2050 target, including through supporting industry in regional areas to decarbonise through the \$1.9 billion Powering the Regions Fund. The \$15.0 billion National Reconstruction Fund will help lift the speed limit of our economy, boosting supply chains and Australia’s industries, creating jobs and growing rural and regional Australia.

Through responsible budget management, the Government is also making room to pay for what’s important and implement commitments. This Budget responds to the aged care crisis, improves access to quality health care and secures the future of the NDIS. It delivers a better future through the new National Plan to End Violence Against Women and Children and implementing the Uluru Statement from the Heart. The Government is strengthening strategic partnerships to build a safer and more prosperous Indo-Pacific region. It is also restoring integrity in government, establishing a National Anti-Corruption Commission.

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# Statement 1: Budget Overview

## Economic and Fiscal Outlook

The global economic environment has sharply deteriorated. Exacerbated by a global energy price shock, inflation has risen rapidly across advanced economies and, in many countries, is at levels not seen in decades. Central banks have lifted interest rates quickly in response, constituting the fastest synchronised monetary policy tightening in the inflation targeting era. The combination of these factors is expected to slow global economic growth in 2023 to 2¾ per cent. The risk of recession across major advanced economies has risen and China's growth outlook has weakened.

While Australia has withstood the pandemic well, it is not immune to the intensifying global challenges and risks. Domestic disruptions including the recent floods will test our resilience further. While the economy is forecast to grow by 3¼ per cent in 2022–23, the weaker global outlook, high inflation, cost-of-living pressures, and higher interest rates are expected to see growth slow to 1½ per cent in 2023–24. Inflation is forecast to be more persistent than at PEFO. Annual inflation is expected to peak at 7¾ per cent in late 2022, before moderating gradually to 3½ per cent by June 2024 and returning to the Reserve Bank's inflation target by 2024–25.

In line with the weaker outlook for growth, the current tightness in the labour market is forecast to gradually ease over the coming years. While labour demand is expected to soften alongside slower growth in 2023–24, employment growth is forecast to remain positive. The unemployment rate is forecast to rise to 4½ per cent by the June quarter of 2024 but remain below pre-pandemic levels. Workforce participation is expected to ease from recent record highs but remain structurally higher than projected at PEFO, expanding the supply capacity of the economy.

While some household groups have built up savings buffers over recent years, others are expected to come under greater pressure. Many indebted households will be more significantly impacted by higher interest rates. Low-income households are also expected to be more heavily affected as essentials such as housing costs and energy make up a larger share of their household expenses, and these are expected to rise. The Government's targeted cost-of-living relief, indexation of government allowances and pensions and the larger than usual minimum wage increase provided by the Fair Work Commission will help to provide relief for many households.

Nominal GDP is forecast to grow strongly at 8 per cent in 2022–23, reflecting high commodity prices and strong recent growth in employment and nominal household consumption. Nominal GDP is then expected to fall by 1 per cent in 2023–24 due to the assumed decline in commodity prices and associated decline in Australia's terms of trade. Higher nominal GDP in the near term will flow through to upgrades in tax receipts.

**Table 1.1: Major economic parameters<sup>(a)</sup>**

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

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

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

Since PEFO, there has been a substantial improvement in the near-term fiscal outlook. In 2022–23, the deficit is expected to be \$36.9 billion (1.5 per cent of GDP), a \$41.1 billion improvement since PEFO. High Australian dollar commodity prices and strong employment growth have boosted forecast tax receipts. However, the improvement moderates over the forward estimates as commodity prices decline.

The Government’s responsible approach to revenue upgrades and spending restraint means gross debt as a share of GDP remains lower than at PEFO in each year of the forward estimates. However, growing spending pressures drive gross debt over the medium term higher than projected at PEFO. This deterioration in gross debt can be accounted for by higher borrowing costs due to higher interest rates, the use of a lower and more realistic productivity growth assumption, and an upward revision in the estimated cost of the NDIS.

**Table 1.2: Budget aggregates**

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

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

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

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

There are downside risks to the fiscal outlook arising from the deteriorating global outlook, including the heightened risk of recession across major advanced economies. These have the potential to affect Australia’s economy, including through slower economic activity, higher unemployment, lower inflation and lower world commodity prices. This would

have a significant effect on tax receipts, including over the medium term, if it leads to a sustained reduction in the projected level of nominal GDP.

The Government's Economic and Fiscal Strategy will increase the resilience of the economy and the budget. The Government is committed to repairing the budget in a measured and responsible manner consistent with the objective of maintaining full employment and the delivery of essential services. This will be achieved through spending restraint, with new spending focused on high-quality and targeted investments. In this way, the Budget builds the capability of the Australian people, expands the productive capacity of the economy, and supports action on climate change.

The immediate focus of the strategy is to ensure that fiscal policy avoids adding to inflationary pressures in the economy and beginning budget repair. Over time, the focus will shift to achieving measured improvements in the budget position that aim to stabilise and then reduce gross debt as a share of GDP.

### **Beginning budget repair**

This Budget begins the difficult task of repairing the budget and ensures fiscal policy does not add to inflationary pressure. As a first step, the Budget makes significant savings from redirecting spending to priorities, unwinding wasteful spending to support budget repair, better aligning infrastructure investment with market capacity, and improving the fairness and integrity of the tax system.

The Government has identified \$28.5 billion in budget improvements over the 4 years to 2025–26, including:

- \$22.0 billion in spending reductions or reprioritisations, including \$6.5 billion in savings from reprofiling infrastructure projects to better align investments with industry and market conditions while maintaining the Government's overall funding commitment to the projects; \$3.6 billion in savings from external labour, advertising, travel and legal expenses; and \$1.7 billion through more responsible investments in the National Water Grid Fund
- \$3.7 billion from extending the ATO's Tax Avoidance Taskforce, Shadow Economy, and Personal Income Taxation Compliance programs to improve the integrity of the tax system
- \$952.8 million through comprehensive action to ensure multinationals pay their fair share of tax, including limiting the amount of debt-related deductions multinationals can claim, requiring relevant companies to enhance the tax information they disclose to the public and closing loopholes on the use of intangibles and intellectual property.

While this Budget has begun the critical task of budget repair, further work will be required in future budgets to rebuild fiscal buffers and manage growing cost pressures. The Government will continue the task of reviewing programs in future budgets with a focus on enhancing the quality of spending and ensuring programs are efficient, effective and focused on national priorities.

## **Budget priorities**

The 2022–23 October Budget is focused on laying the foundations for the better future that Australians deserve. It provides responsible cost-of-living relief; delivers on the Government’s economic plan to build a stronger, more resilient and more modern economy; and pays for what’s important.

### **Delivering responsible and targeted cost-of-living relief**

This Budget delivers a 5-point plan for responsible and targeted cost-of-living relief. This includes making child care more affordable for over 1.2 million families, cutting the cost of medicines for around 3.6 million Australians, expanding the Paid Parental Leave scheme to reach 26-weeks in 2026, delivering more affordable housing, and getting wages moving again.

These policies will support Australians, delivering a long-term economic dividend that does not put additional pressure on inflation. The Government is also funding the largest indexation increase to payments in more than 30 years for allowances and 12 years for pensions. The Government will deliver one-off funding supplementation to support select Community Sector Organisations over four years to help meet the higher costs of delivering services.

### **Making early childhood education and care more affordable**

The Government is investing \$4.6 billion to increase Child Care Subsidy rates to make early childhood education and care more affordable for eligible Australian families, which along with other initiatives will bring total investment to \$4.7 billion. Child Care Subsidy rates will increase for all eligible families with annual incomes less than \$530,000, up to a maximum of 90 per cent. Families will continue to receive the existing higher subsidy rates of up to 95 per cent for second and subsequent children in care aged 5 and under. Around 96 per cent of families with children in child care will benefit and none will be worse off. The Government is also strengthening payment integrity and accuracy of the Child Care Subsidy program, to achieve savings of \$173.0 million. More affordable early childhood education and care will also deliver an economic dividend by making it easier for parents, in particular women, to return to paid work or work additional hours.

The Australian Competition and Consumer Commission will conduct a 12-month inquiry into rising early childhood education and care costs. Commencing in January 2023, the inquiry will also examine the impact of the Child Care Subsidy changes on out-of-pocket fees for families. The inquiry will complement a comprehensive Productivity Commission review into early childhood education and care in Australia, which will consider a universal 90 per cent subsidy.

### **Reducing the cost of essential medicines**

On 1 January 2023, the Government will make medicines cheaper for Australians. The maximum co-payment under the Pharmaceutical Benefits Scheme (PBS) will decrease from



\$42.50 to \$30 per script. This change will save 3.6 million Australians more than \$190 million each year in out-of-pocket costs.

Australians will have access to more affordable and life-saving essential medicines through the PBS and other medicines programs. In this Budget, the Government is providing \$1.4 billion for new and amended listings, including treatments for various types of cancer and growth hormone deficiency in children.

### **Expanding paid parental leave**

The Government will introduce changes to modernise the Paid Parental Leave scheme by increasing the number of weeks available to families to 26 weeks in 2026. A new investment of \$531.6 million to expand the Paid Parental Leave Scheme will provide additional support to families and advance gender equality. It will also further support productivity and participation, providing an additional economic dividend.

The expanded Paid Parental Leave scheme will transition from a total 20 weeks leave in July 2023 up to a total 26 weeks leave by July 2026. This change will include a ‘use it or lose it’ portion of leave reserved for each parent to encourage and facilitate both parents to access the scheme and to share caring responsibilities more equally. Each year, single parents will be able to access the full weeks of leave under the scheme.

To further increase flexibility under the scheme, the Government will introduce gender-neutral claiming to allow either parent to claim Paid Parental Leave first. To expand access, particularly to women who are the primary income earner, eligibility will be expanded through the introduction of a \$350,000 family income test, which families can be assessed under if they do not meet the individual income test.

### **Improving housing supply and affordability**

Australia faces an urgent housing affordability challenge. In response, this Budget makes new critical investments, with the Government implementing a comprehensive housing reform agenda to deliver more affordable homes.

#### *Housing Accord: One million new homes over 5 years from 2024*

The Government is bringing states and territories, the Australian Local Government Association, investors and representatives from the construction sector together under a new Housing Accord. The Accord sets an aspirational target of one million new, well-located homes over 5 years from mid-2024 as capacity constraints are expected to ease.

All stakeholders will work together to achieve this target to address the supply gap of new houses as our population continues to grow.

Under the Accord, the Government will provide \$350 million over 5 years, with ongoing availability payments over the longer term, to deliver an additional 10,000 affordable dwellings. States and territories will also support up to an additional 10,000 affordable homes, increasing the dwellings that can be delivered under the Accord to 20,000. The

combination of a more secure pipeline of supply and Government support through innovative financing will facilitate cost-effective superannuation and institutional investment in affordable housing.

### *Increasing social and affordable housing*

The Government is establishing the \$10 billion Housing Australia Future Fund to provide a sustainable funding source to increase housing supply and improve service delivery, seeking to draw in investments from state and territory governments and private capital providers.

The fund will provide 20,000 new social housing dwellings, 4,000 of which will be allocated to women and children impacted by family and domestic violence and older women at risk of homelessness. It will also provide 10,000 new affordable housing dwellings, including for frontline workers.

The Government is also expanding the remit of the National Housing Infrastructure Facility to more flexibly deploy up to \$575 million in unallocated funding. This will help unlock a projected 5,500 new social and affordable dwellings, and attract more institutional capital to the sector.

### *Supporting more Australians into home ownership*

The Help to Buy shared equity scheme will assist homebuyers to purchase a new or existing home with an equity contribution from the Government. This will mean eligible Australians can buy a home with a smaller deposit and mortgage.

The Regional First Home Buyer Guarantee will bring homeownership back into reach for tens of thousands of Australians in regional areas. From 1 October 2022, 10,000 places will be available each financial year to support regional first homebuyers to purchase new or existing homes with a deposit of as little as 5 per cent.

More older Australians will be encouraged to downsize their homes, freeing up housing stock for younger families. The Government is extending the exemption of home sale proceeds from pension asset testing from 12 months to 24 months. This will give pensioners more time to purchase, build or renovate a new home before their pension is affected. In addition, the Government is expanding access to downsizer superannuation contributions for people aged 55 to 59.

The Government will also provide \$46.2 million to assist current and former Australian Defence Force members to purchase their own home through the Defence Home Ownership Assistance Scheme.

### *Planning for the future of Australia's housing*

To set a shared vision for housing in Australia and address long-standing calls for a national housing strategy, the Government will develop a National Housing and Homelessness Plan. Close consultation with the states and territories will underpin

development of the Plan, which will set out key reforms needed to make it easier to buy a home or rent and to put a roof over the heads of more homeless Australians.

The Government is also providing \$15.2 million to establish a National Housing Supply and Affordability Council to independently advise the Government on housing policy. It will be responsible for delivering advice on options to improve housing supply and affordability, reporting on key issues in housing policy, and promoting the regular collection and publication of data on housing supply, demand and affordability. The Council will also regularly review and advise on the national housing supply target and advise on the development of the National Housing and Homelessness Plan.

### **Getting wages moving again**

The Government supported wage increases for Australia's lowest paid workers, fulfilling its commitment through a submission to the Fair Work Commission's Expert Panel for the 2021–22 Annual Wage Review. In June 2022, the Government recommended the Commission ensure the real wages of Australia's low-paid workers do not go backwards as workers on low rates of pay experience the worst impacts of inflation and have the least capacity to draw on savings. The Fair Work Commission decision gave a 5.2 per cent wage increase to national minimum wage workers.

The Government is making it easier for employees and businesses to come together and reach agreement on wages and conditions. To remove complexity and make a more flexible and fair system, the collective bargaining rules will be amended and improvements made to the Better Off Overall Test. Access to multi-employer bargaining will also be enhanced.

The Fair Work Commission's ability to help employees and businesses reach agreements will be bolstered. Unions and employer representatives will also be supported to work together and with the Government to improve safety, fairness and productivity in the workplace.

In addition to these changes to reinvigorate bargaining, the Government is taking action to tackle insecure work and improve workplace protections. Job security will be made an object of the *Fair Work Act 2009* and the use of fixed term contracts will be limited. This will ensure more Australians can access fair and secure employment.

The Government will protect wages by enhancing the small claims procedure to assist workers in recovering their unpaid work entitlements. The Australian Building and Construction Commission and Registered Organisations Commission are being abolished to simplify the Fair Work system and ensure all industries are subject to the same regulatory framework.

### **A stronger, more resilient and more modern economy**

The Budget invests in a stronger economy that unlocks more opportunities to realise the potential of Australia and the Australian people. It lifts the speed limit on the economy by better utilising Australians' talents, building their skills, broadening Australia's economic base and creating the industries of the future.

## **Investing in the capacity of our people**

The Government is committed to achieving full employment and lifting productivity growth by fully harnessing the skills and potential of our population. Giving more people the skills they need for the jobs of the future, and ensuring those jobs are created, will help get wages moving again.

September's Jobs and Skills Summit brought Australians together to work constructively on the challenges and opportunities facing the labour market. The summit delivered 36 concrete outcomes to build a bigger, better trained and more productive workforce, and laid out priorities for further work. An Employment White Paper, informed by broad public consultation, will be released in the second half of 2023.

This Budget delivers on the summit outcomes, including a one-off \$4,000 credit to the Work Bonus income banks of Age and Service pensioners in 2022–23 to give older Australians the option to work and keep more of their money. The temporary income bank credit will increase the amount pensioners can earn this financial year from \$7,800 to \$11,800 before their pension is reduced, enabling pensioners who want to work to immediately boost the supply of labour to help meet shortages.

### *Better access to training and skills*

The Government will provide 480,000 fee-free TAFE and community-based vocational education places to ensure Australians have affordable access to skills training, especially in areas of critical shortage. As a first step, the Australian Government and all states and territories have committed to develop a \$1 billion one-year National Skills Agreement. The agreement will commence on 1 January 2023 and deliver 180,000 fee-free TAFE and community-based vocational education places over 12 months. Support will be targeted to priority groups, including First Nations people and priority areas, including care sectors. From 2024, vocational education and training will be supported by a new longer-term National Skills Agreement.

To tackle skills shortages and support under-represented groups to attend university, the Government will deliver up to 20,000 additional university places across 2023 and 2024. The additional places will provide more opportunities for Australians to study in areas of skills shortage such as nursing, teaching, engineering and technology. Places will be allocated to people from low socio-economic backgrounds, rural and remote areas, First Nations people, students who are first in family to attend university and people with disability.

The Government is also ensuring apprentices have access to quality training and career paths by developing the Australian Skills Guarantee. Under the guarantee, one in ten workers on major federally funded projects will be an apprentice, trainee or paid cadet, with specific targets for women.

The first phase of the New Energy Apprenticeships and New Energy Skills programs will entitle eligible apprentices in the clean energy industry to access financial support of up to

\$10,000 over the duration of their apprenticeship, as well as additional mentoring and assistance.

A Digital and Tech Skills Compact, implemented in partnership with businesses, unions and training providers, will deliver digital apprenticeships to support entry level tech workers to earn while they learn. The Compact will include equity targets for groups traditionally underrepresented in digital and tech fields. The Government is also supporting new digital career opportunities in the Australian Public Service. Under the APS Digital Traineeship Program, priority groups such as First Nations people will be supported to undertake a Certificate IV qualification in digital or technology related fields.

To help the next generation of Australian entrepreneurs bring their ideas to life, the Government is creating the Startup Year program. Startup Year will provide up to 2,000 income contingent loans per year to allow eligible students to participate in a university-based accelerator program.

### *Investing in our schools*

The Government recognises the impact COVID-19 related disruptions have had on Australian children and is investing \$474.5 million to help students bounce back.

All schools will benefit from the \$203.7 million Student Wellbeing Boost, with the average school receiving \$20,000. Schools can use this funding on a range of measures including mental health supports, excursions and sporting and social activities. A new voluntary mental health check tool will assist in identifying students who are struggling so they can get the help they need. The Schools Upgrade Fund will provide \$270.8 million to support improvements to ventilation and air quality, as well as larger refurbishments to public schools.

To address teacher shortages and promote quality teaching, the Government will invest \$60.6 million to respond to the Quality Initial Teacher Education Review. The Government is also expanding the High Achieving Teachers program to attract 1,500 more of the best and brightest mid-career professionals into teaching. Further, 5,000 high quality candidates will be able to access bursaries of \$10,000 per year to encourage them to study teaching.

### *Addressing skills shortages*

The Government is establishing Jobs and Skills Australia to strengthen workforce planning and combat skills shortages. The consultative independent body will work with employers, unions, states and territories, and the training and education sector. It will provide detailed analysis to help address workforce shortages, build long-term capacity in priority sectors such as clean energy and care sectors, and identify distinct challenges in regional, rural and remote Australia.

In addition to the investments being made in the skills of the Australian workforce, the Government will ease widespread critical skills and labour shortages by:

- increasing the permanent Migration Program planning level from 160,000 to 195,000 in 2022–23
- providing an additional \$42.2 million to accelerate visa processing, resolve the visa backlog and raise awareness of opportunities for high-skilled migrants in Australia’s permanent Migration Program
- extending the relaxation of work restrictions for student visa holders and secondary training visa holders until 30 June 2023
- scaling up the aged-care training pathway for Pacific Australia Labour Mobility (PALM) scheme participants with an additional 500 places in 2022–23.

The Government will develop a Migration Strategy to identify reforms required to ensure the migration system serves Australia’s national interests and complements the skills and capabilities of Australian workers. The Strategy will focus on ways to grow Australia’s economy and attract high-skilled migrants, while also furthering Australia’s geostrategic interests, unlocking the potential of all migrants and providing clear pathways to permanent residency.

### *Supporting women’s economic equality*

Addressing gender gaps in workforce participation and pay are critical to both supporting women’s equality and improving Australia’s economic prosperity. In addition to its investments in cheaper child care, responding to the call of the Jobs and Skills Summit to expand Paid Parental Leave, and investing \$1.7 billion in women’s safety at home, work and in the community, the Government is delivering a suite of measures to advance gender equality.

The Government is leading national efforts to narrow the gender pay gap. It will improve transparency and encourage change by introducing public reporting of large companies’ gender pay gaps and prohibiting pay secrecy clauses in employment contracts.

In addition, the Government will amend the *Fair Work Act 2009* so that the national workplace relations system can better address issues of pay equity. A statutory equal remuneration principle will make it easier for women in low-paid sectors to make pay equity claims, and the Fair Work Commission will be required to consider gender equity when it sets and adjusts minimum wages. The Government is also investing \$20.2 million to establish 2 new expert panels in the Fair Work Commission on Pay Equity and the Care and Community Sector to provide expertise in assessing pay equity claims and award variations.

To help drive gender equality, the Government has established an independent Women’s Economic Equality Taskforce. Chaired by Sam Mostyn AO, the taskforce will provide advice to the Government on issues facing women in the Australian economy, including the gender pay gap, barriers to women’s workforce participation and economic opportunity, and the unequal distribution of unpaid caring responsibilities. Its advice will help shape a National Strategy to Achieve Gender Equality, which will guide

whole-of-government actions to achieve gender equality. The Taskforce will also examine the optimal model for Paid Parental Leave, including the number of weeks that parents can access at the same time and the portion to be reserved on a ‘use it or lose it’ basis for each parent.

The Government has also committed to introduce gender responsive budgeting. As a first step, in developing this Budget, the Government trialled the use of gender impact assessments on key measures to ensure outcomes for women were considered as part of the budget decision making process. The Government will build on this approach in future budgets.

### **Cheaper, cleaner energy and acting on climate change**

The Government is taking action to address climate change and seize the economic opportunities it presents. The Powering Australia Plan will establish a modern energy grid, driving innovation and opening up new energy industries and delivering cleaner, cheaper energy for families, households and businesses. It will also reduce emissions across the economy.

Australia’s updated Nationally Determined Contribution under the Paris Agreement formalises our pledge to reduce greenhouse gas emissions by 43 per cent below 2005 levels by 2030 and reach net zero emissions by 2050. The *Climate Change Act 2022* legislates these targets and ensures a whole-of-government approach to drive down emissions.

#### ***Powering Australia Plan***

The Government is unlocking the rich renewable potential of our regions to provide cleaner, cheaper and more secure energy that will power our homes and industries.

Rewiring the Nation will provide \$20.0 billion of low-cost finance to make much needed upgrades to Australia’s electricity grid by building interconnectors and linking renewable energy zones to the existing grid at lowest cost. Modernising our grid will unlock new generation and storage capacity, help meet our emissions reduction commitments and deliver cleaner, cheaper, more reliable energy for Australian households and businesses.

The Government is providing \$157.9 million to support the implementation of the National Energy Transformation Partnership. Through the Partnership, the Government will work together with state and territory governments on priority actions to support the transformation of Australia’s energy sector. Initial priorities include delivering Australia’s first fully integrated energy and emissions reduction agreement, introducing an emissions reduction objective into the National Energy Objectives, accelerating mechanisms for the uptake of flexible energy supply and progressing a co-designed First Nations Clean Energy Strategy with First Nations communities.

Australia has the highest rooftop solar uptake in the world, but high upfront costs of installing battery storage create barriers to many households owning one. The Government is providing \$224.3 million to deploy 400 community batteries across Australia to lower bills, cut emissions and reduce pressure on the electricity grid. This means households can

store excess solar energy for use in their community, supporting families that are unable to install rooftop solar, such as apartment owners and renters.

The Government is also providing \$102.2 million to establish a Community Solar Banks program for the deployment of community-scale solar and clean energy technologies. This commitment will help up to 25,000 households that are traditionally unable to install rooftop solar to take advantage of low-cost, clean energy, helping to drive down energy prices and reduce emissions while supporting local jobs.

A new Net Zero Economy Taskforce will bring together perspectives from regional communities, state and territory governments, industry, and unions. The Taskforce will advise the Government on how it can ensure regional Australians benefit from Australia's transformation to a renewable energy superpower.

Alongside these reforms, the Government is modernising energy market regulation to ensure it is resilient and flexible enough to support the energy transformation. The Government is investing \$40.9 million in increased oversight of gas markets by the ACCC and implementation of reforms to the Australian Domestic Gas Security Mechanism, and is exploring options for further reforms that may be required to ensure Australian customers have access to energy at reasonable prices.

These will be delivered alongside the \$23.0 million package of gas reliability and security measures agreed with State and Territory Energy Ministers, and the \$14.3 million investment in expanding the Australian Energy Regulator's oversight of gas pipeline operations.

### ***Building disaster resilience and preparedness***

Recent extensive flooding has tested the resilience of many individuals and communities across Australia. In response, the Government has made disaster assistance payments available for individuals across impacted Local Government Areas (LGAs) in Victoria, Tasmania and New South Wales. The Disaster Recovery Allowance will assist employees and sole traders who experience a loss of income as a direct result of the disaster and is payable for a maximum of 13 weeks. The one-off, non-means tested Australian Government Disaster Recovery Payment of \$1000 per eligible adult and \$400 per eligible child has also been made available to the most severely impacted LGAs. There is \$3.0 billion in the contingency reserve to meet the disaster recovery costs from the flooding events this year.

To assist with future recovery efforts the Government is providing \$38.3 million to Disaster Relief Australia for more than 5,000 volunteers to help communities when disaster strikes.

The Government is also committed to supporting communities to strengthen resilience and curb the devastating impacts of natural disasters. The Government will invest up to \$200 million per year on disaster prevention and resilience through the Disaster Ready Fund. It will support investment in projects like flood levees, sea walls, cyclone shelters, evacuation centres and fire breaks.



The Government will also invest \$22.6 million in a reform package to begin addressing insurance affordability and availability issues driven by natural disaster risk. The package will improve collaboration with industry to build a national knowledge base of where the most pressing insurance issues are and how to address them. It will also focus on improving consumer understanding of insurance products, and support better targeted mitigation and resilience strategies.

### *Acting on climate change*

Many of Australia's largest emitters are in regional areas, as are the renewable energy opportunities. The Government will establish a \$1.9 billion Powering the Regions Fund. This will provide dedicated support to transition regional industries to net zero while harnessing the economic opportunities presented by decarbonisation. Clear investment signals, such as the Government's reforms to the Safeguard Mechanism, will support industry's international competitiveness and economic growth while significantly reducing Australia's emissions in line with emission reduction targets.

In parallel, the Government is strengthening Australia's carbon markets with an independent review of the integrity of Australian Carbon Credit Units. The Powering the Regions Fund will be also used to continue the purchase of Australian Carbon Credit Units and support the generation of carbon offsets in Australia.

The Driving the Nation Fund invests \$500 million to help reduce transport emissions including delivery of electric vehicle charging infrastructure at 117 highway sites, hydrogen highways for key freight routes, and further investment in charging infrastructure.

To make electric vehicles cheaper and encourage their uptake, the \$345.0 million Electric Car Discount will cut taxes by exempting eligible electric cars from fringe benefits tax and the 5 per cent import tariff. The Government will ensure its fleet purchases and leases will be 75 per cent electric by 2025, to contribute to a market for second-hand electric vehicles.

These are important first steps. The Government is also consulting on a National Electric Vehicle Strategy to ensure Australians can access the best transport technologies and help meet our emission reduction targets. The Aviation White Paper will also consider how to maximise the aviation sector's contribution to net zero carbon emissions.

### *Restoring Australia's climate leadership*

The Climate Change Authority will receive \$42.6 million to restore its capability and empower it to deliver independent climate change advice, including on setting and tracking Australia's climate change targets and policies. The additional funding will also support the Climate Change Authority's new role of providing advice to the Government on the delivery of its Annual Climate Change Statement to Parliament on Australia's progress in achieving its emissions reduction targets.

The Government is leading by example. It is committing \$7.1 million to help transition the Australian Public Service to net zero emissions by 2030 and maintain public accountability through regular emissions reporting. An additional \$39.1 million will equip the Australian

Public Service with the resources to comprehensively analyse and consider climate change in policy decisions and government reporting. This includes funding to restore the Treasury's role in modelling climate risks and opportunities for the Australian economy.

A further \$6.2 million will help implement the Government's commitment to introduce standardised, internationally-aligned climate disclosure requirements for large businesses.

The Government will provide \$99.7 million to deliver practical action for First Nations peoples to respond to climate change in their communities. This includes adaptation and mitigation action through a Torres Strait Climate Change Centre of Excellence, including a Climate Warriors training program, as well as developing and deploying microgrid technology so First Nations communities can access cheaper, cleaner and more reliable energy. These measures will be developed in consultation with First Nations Peoples, states and territories.

International cooperation is essential to addressing climate change and critical to driving the investment Australia needs in new clean industries. The Government is investing \$45.8 million to support more proactive engagement with the United Nations Framework Convention on Climate Change, and to strengthen partnerships with our neighbours and others around the world on climate change and energy transformation.

### *Protecting the environment*

The Government has a clear plan to protect our environment. This includes direct projects to save species and habitats in decline now and long-term reforms to better protect our environment into the future.

To help stop environmental decline, the Government is providing \$1.1 billion for the next phase of Natural Heritage Trust funding. The Natural Heritage Trust will prioritise support for species and landscapes, Indigenous Protected Areas and conservation activities for heritage and wetlands areas, and sustainable resource management.

Drawn from the Natural Heritage Trust, the Government will invest \$302.1 million in climate-smart sustainable farming and land management practices. This investment will help to reduce emissions, build climate and disaster resilience, and achieve environmental goals.

The Government will invest a further \$66.5 million to support current Indigenous Protected Areas (IPAs) and establish new IPAs in partnership with First Nations groups. This will be led by communities and contribute to the Government's commitment to protect 30 per cent of our land and oceans by 2030.

Training and employment of up to 1,000 landcare rangers will be funded through a \$90.0 million investment. This will scale up grassroots efforts of volunteers and provide career pathways in the land care sector. An additional \$14.7 million will improve protection of Australia's cultural and First Nations heritage sites by empowering local communities and First Nations people to assess and identify priorities for the protection of their heritage.

The Government is investing \$224.5 million to establish the Saving Native Species Program. The program will deliver direct projects to slow the rate of environmental and native species decline and lay the foundations for longer-term recovery. This will support the implementation of the *Threatened Species Action Plan (2022–2032)* through a range of activities such as breeding endangered species, pest animal management, ecological burning, revegetation and controlling gamba grass.

A commitment of \$91.1 million will clean-up and restore urban river and water areas, protecting local species and improving liveability for communities.

The Great Barrier Reef and our oceans will be supported with an additional \$204.0 million, lifting total Government investment in the Reef to \$1.2 billion by 2030. This will address critical gaps in the implementation of the Reef 2050 Long-Term Sustainability Plan and support additional reef restoration projects. It will also strengthen our marine research capability and marine park management.

The Government will provide \$117.1 million to restore funding for environmental assessments. This will support the delivery of on-time decisions for projects, protecting the environment and facilitating sustainable development. The Government is progressing broader environmental law reform including a full response to the Independent Review of the *Environment Protection and Biodiversity Conservation Act 1999*.

### **A future made in Australia**

The Government is tackling the economic challenges exposed by the COVID-19 pandemic and building for the opportunities of tomorrow. It is investing in the economic infrastructure needed to lift capacity, build resilience and increase prosperity across Australia.

Investments to rebuild Australia's industrial base, secure supply chains, upgrade digital connectivity, deliver nation-building infrastructure and grow rural and regional Australia will enable new ways for Australia to prosper. They will help maintain full employment, productivity growth and equal opportunities for all Australians.

These actions build on the Government's Future Made in Australia agenda to invest in Australia and Australian workers. Together with the Buy Australia Plan and the Powering Australia Plan, the National Reconstruction Fund will help rebuild Australia's industries, diversify our economy and make our supply chains more resilient.

#### ***National Reconstruction Fund***

A strong manufacturing sector supports innovation, supply chains and trade links across the economy. That's why the Government is committed to re-building and diversifying Australia's industrial base through the National Reconstruction Fund.

The National Reconstruction Fund will provide \$15.0 billion for targeted investments in independently assessed projects which support value-adding production, drive productivity and strengthen supply chain resilience. It will partner with the private sector

to unlock further investment, support employment growth and drive regional development.

Loans, guarantees and equity investment will be provided across 7 priority areas focused on value adding and capability development to leverage Australia’s natural and competitive strengths. These priority areas are: resources; agriculture, forestry and fisheries sectors; transport; medical science; renewables and low emission technologies; defence capability; and enabling capabilities.

Co-Investment Plans will be developed to identify high-level investment opportunities and barriers, as well as broader reforms to support growth and competitiveness, in each priority area. These Co-Investment Plans will focus the funding from the National Reconstruction Fund on identifying and encouraging innovative ways for the economy to grow, with a focus on creating the sustainable, well-paid jobs of the future.

### *Investing in nation-building infrastructure*

The Government is delivering a responsible and sustainable plan for infrastructure investment to get people and products moving faster. It will expand the productive capacity of the economy, by easing congestion, strengthening supply chains for trade and developing new transport connections. In consultation with the states and territories, the Budget realigns \$6.5 billion of existing funding in infrastructure projects to ensure value for money, align with current market capacity to deliver and manage inflationary pressures while maintaining the Government’s overall funding commitment to the projects. A review of Infrastructure Australia is underway to revitalise its role as an independent adviser to the Government on nationally significant infrastructure priorities.

The Government is providing \$8.1 billion to deliver on key infrastructure projects including the Suburban Rail Loop East in Melbourne, the Bruce Highway and other important freight highways such as the Tanami Road and Dukes Highway. These high priority projects are part of the more than \$120 billion pipeline of investment in transport infrastructure over the next 10 years.

An additional \$250.0 million will be provided to expand the Local Roads and Community Infrastructure Program. The Road Safety Program will be extended by a further 2 years, with an additional \$80.0 million provided for the Heavy Vehicle Rest Areas Program.

The Government is investing \$150.0 million to upgrade regional airports and their precincts, including in Hobart (\$60.0 million), Launceston (\$35.0 million) and Newcastle (\$55.0 million), expanding their capacity for freight and passengers. This will be complemented by an *Aviation White Paper* to support the further development of this industry.

The High Speed Rail Authority is being established to provide independent advice to governments on planning and delivering a high speed rail network between Brisbane and Melbourne. An initial \$500.0 million investment will support planning and corridor works for the Sydney to Newcastle section of the network.

The Inland Rail program is being affected by market capacity constraints, increasing costs and pressures on the delivery schedule. An independent review will assess the scope, costs and schedule as well as consider Inland Rail's connectivity with essential infrastructure, including the broader national supply chain.

### *Better connectivity across Australia*

Digital infrastructure is a key productivity enabler. Modernising Australia's digital infrastructure will ensure no one is left behind and enable Australia to seize the opportunities of the digital economy. The Government is improving connectivity by upgrading and boosting NBN speeds, delivering better mobile coverage on roads and improving connectivity in regional communities and on farms.

To achieve world-class internet speeds, the Government is investing \$2.4 billion to extend full-fibre access to 1.5 million additional premises, including to over 660,000 in regional Australia. Up to 30,000 families will receive 12 months free broadband, helping unconnected students access broadband and boosting their education opportunities.

An investment of \$1.2 billion will further advance regional telecommunications, consistent with findings from the 2021 Regional Telecommunications Review. Funding will improve coverage in communities and support multi-carrier coverage along major roads, improve telecommunications resilience and collect data to inform future investment. A further round of the Mobile Black Spot Program will improve coverage in over 50 selected locations. The Peri-Urban Mobile Program will help to find tailored connectivity solutions to locations along the urban fringe – importantly in natural disaster-prone areas. The investment also includes the already funded \$480.0 million fixed wireless upgrade.

The Government will also provide \$12.6 million to combat scams and online fraud to protect Australians from financial harm.

### *Supporting small business*

The Government is taking action to deliver on its Better Deal for Small Business and related commitments, including:

- strengthening unfair contract term protections to help improve consumer and small business confidence when entering standard form contracts
- providing workplace relations support for small business by removing complexity to help small businesses reach agreements with their employees; providing bargaining support for small businesses; and assisting small business employers to implement new family and domestic violence leave entitlements for their employees
- supporting small and medium sized businesses improve their energy efficiency by upgrading old and inefficient equipment, reducing their energy use and helping to drive down their energy bills.

The Government is providing \$15.1 million to extend the tailored small business mental health and financial counselling programs, NewAccess for Small Business Owners and the Small Business Debt Helpline. These programs have assisted many small businesses through the challenges of COVID-19 and recent natural disasters.

### *A better future for our regions*

The Government will ensure spending of \$7.4 billion to support regional development across Australia. This Budget supports investments that will underpin next generation clean energy, renewable resources industries and community-based projects.

The Government will establish 2 discrete, time-limited programs to deliver commitments in suburban and regional locations – Investing in Our Communities Program (\$349.9 million) and the Priority Community Infrastructure Program (\$1.0 billion). These programs will deliver local community, sport and infrastructure commitments of varying scales. This includes \$80.0 million to develop a National Aboriginal Art Gallery in Alice Springs.

The Government will also spend \$1.0 billion on developing our regions through programs that are tailored to the varying needs of regional communities across Australia. At the local level, community groups and local councils will be able to apply for funding under the Growing Regions Program. This will support community and economic infrastructure developments and upgrades, such as libraries and community centres. The Government will work with states, territories and local councils through its regional Precincts and Partnerships Program to identify and invest in precinct-level projects that transform regional centres.

The Government will also deliver on its regional development commitments, including:

- \$1.9 billion to deliver equity investment for the development of the Middle Arm Sustainable Development Precinct in the Northern Territory, including common use marine infrastructure and regional logistic hubs
- \$22.0 million to develop Townsville’s Lansdown Eco-Industrial Precinct, which will host advanced manufacturing and technology industries that will underpin future jobs in North Queensland
- \$150.0 million towards the expansion of the Cairns Marine Precinct, including a repair and overhaul facility that can service ships up to 120 metres in length
- \$50.0 million for a new purpose-built campus of the Central Queensland University at Cairns
- \$672.7 million to deliver port infrastructure improvements in the Pilbara, Bundaberg and Hunter regions to support emerging industries and economic transition
- \$5.0 million to support the Regional Australia Institute’s research and policy capacity.

### *Backing Australian farmers and foresters*

The Government supports Australian farmers' ambition of increasing annual output to \$100.0 billion by 2030. This Budget provides \$1.2 billion to support the dual goals of increasing agricultural output while enhancing its sustainability.

In response to foot-and-mouth disease and other exotic animal disease outbreaks in neighbouring countries, the Government has increased biosecurity measures at the border. The Government is investing \$75.6 million to bolster Australia's biosecurity system against escalating animal disease risks and \$11.7 million to increase our detector dog capability to intercept biosecurity threats coming through mail, cargo and air passengers.

The Government is also partnering with industry and state and territory governments to invest \$46.7 million to build digital livestock traceability systems and promote on-farm biosecurity. This will ensure a faster emergency response following an exotic animal disease incursion.

Through its National Water Grid Fund, the Government is investing in irrigation projects that will improve the productivity of Australian agriculture. This Budget includes \$100.0 million to support Tasmania's Pipeline to Prosperity program. Increasing irrigation in Tasmania's most arable regions maximises the potential of land that has traditionally been unable to be converted to high-value primary production. The Government will also make \$1.0 billion available for future water infrastructure investments.

The Government will restore irrigators' confidence in Murray-Darling Basin water trading markets through greater transparency, integrity and market regulation by the Australian Competition and Consumer Commission.

A \$204.8 million investment will improve the global competitiveness of Australia's forestry industry. This includes \$100.0 million to fund the National Institute for Forest Products and Innovation. The institute will support research and development and help commercialise new innovations in forest industries to increase Australia's long-term supply of wood and wood products.

### **Paying for what's important**

The Government is committed to responsible spending, to pay for the things that Australians value most. This includes making healthcare more accessible, fixing the aged care crisis, implementing the Uluru Statement from the Heart, strengthening efforts to improve women's safety, and protecting Australia's interests.

#### **Delivering better health care**

##### *Extending COVID-19 Support*

As Australians adjust to living with COVID-19, the Government is continuing to fund medical care, vaccines and treatments to protect the community from severe disease.

The Government is providing \$2.6 billion to extend Australia’s COVID-19 response and adapt it to the current state of the pandemic. Funding will ensure continued supplies of personal protective equipment from the National Medical Stockpile, access to vaccines and antiviral treatments for at-risk cohorts and new Medicare Benefits Schedule items to test for COVID-19 and other respiratory viruses. National Cabinet has also agreed to extend the National Partnership on COVID-19 Response to 31 December 2022 to continue support for hospitals, testing and other health services delivered by the states and territories to manage the pandemic.

### *Rural and regional health*

The Government is working to address health workforce shortages and improve access to medical care for all Australians, regardless of where they live. This includes providing \$74.1 million to introduce tiered financial incentive payments to recognise doctors with additional skills practising in rural and remote regions. An additional \$8.4 million will fund more hospital-based training posts for rural doctors to attain specialist and advanced skills in regional and remote Australia. The Government will also invest \$5.6 million to provide more rural primary care training rotations for junior doctors through the John Flynn Prevocational Doctor Program.

To improve care in rural Australia, the Government is providing \$24.7 million to support communities to trial innovative models of care aimed at addressing health workforce shortages and improving patient health outcomes. In addition, the Government is restoring a higher Medicare benefit for telehealth psychiatry consultations to support the mental health of Australians in regional and rural areas with a commitment of \$47.7 million.

### *Strengthening Medicare*

Strengthening Medicare and making it easier for Australians to see a doctor is a key priority. The Government will provide \$235.0 million to commence the rollout of Urgent Care Clinics. This includes \$100.0 million to co-develop and pilot innovative models with states and territories to improve care pathways and inform program rollout. These clinics will reduce pressure on hospital emergency departments and make it easier for Australian families to see a doctor or nurse when they require urgent, but not life threatening care.

The Strengthening Medicare GP Grants Program will help GPs provide better care. It will provide \$229.7 million to support general practices with up to \$50,000 to enhance digital capability, invest in infection control and meet accreditation standards. A proportion of these grants will also support Aboriginal Community Controlled Health Services, which recognises the important role these services play for First Nations people.

The Government has set aside \$750.0 million for the Strengthening Medicare Fund to provide better access and care for patients. The delivery of the Fund will be informed by the recommendations of the Strengthening Medicare Taskforce, which is scheduled to report by the end of 2022.



The Government is providing \$452.0 million to support the establishment of world class cancer centres in Brisbane and Adelaide. These centres will provide multi-disciplinary cancer care, research and clinical trials for all types of cancers.

### **Securing the NDIS**

To promote equal opportunity, the Government is providing \$19.4 million to extend the Disability Employment Services (DES) program for 2 years. Incorporating consultation to date, the extension will allow for a design phase to better support people with disability to find ongoing employment. Immediate improvements to the DES program will roll out as part of the extended contract.

The Government will establish a review of the NDIS, Australia's disability safety net for people with a significant and permanent disability. The review will cover the scheme's design, operation, and sustainability and build a stronger, supportive market and workforce to ensure the NDIS is effective.

As an immediate action, the Government will strengthen the National Disability Insurance Agency by increasing its funding by \$385.0 million in 2023–24 and employing 380 additional permanent staff at a cost of \$158.2 million. These permanent staff can act as delegates with determination authority, improving front-line service delivery.

The Government is delivering a cross-agency program to stop waste in the NDIS, including investing \$126.3 million to address fraud and serious non-compliance.

Addressing NDIS appeals is also a priority, with \$12.4 million to resolve disputes, reduce the number of appeals and provide earlier outcomes for participants. An additional \$21.2 million will support participants and their families with their appeals.

### **Better Aged Care**

The Government is committed to ensuring older Australians receive the care they deserve. In this Budget the Government is funding more and better-quality care, strengthening the aged care workforce and increasing integrity and accountability in the aged care sector.

Aged care residents will benefit from improved quality of care as a result of the Government's \$2.5 billion commitment to fund more carers with more time to care. From 1 July 2023 aged care facilities will be required to have a registered, qualified nurse on site 24 hours a day, 7 days a week. Average care minutes will increase to 215 per resident, per day, from 1 October 2024.

The Government supported a pay rise for aged care workers through its submission on the Aged Care Work Value Case to the Fair Work Commission and will provide funding to support any resulting increases to award wages.

The Government is also committed to strengthening integrity and accountability in aged care to protect older Australians and help rebuild trust in the system. This includes:

- increasing financial transparency through the introduction of new financial reporting requirements for residential aged care providers
- establishing a dedicated Aged Care Complaints Commissioner to ensure complaints against providers are properly and thoroughly dealt with
- further professionalising the aged care workforce through a national registration scheme for personal care workers
- investing in the establishment of an independent Inspector-General of Aged Care, to provide systemic oversight of the aged care sector and continue to drive positive change.

The Government has also committed \$810.2 million for additional support for aged care providers to manage COVID-19 outbreaks and is providing \$34.9 million to continue in-reach testing for residential aged care facilities until 31 December 2022.

### **Supporting our veterans**

We have a duty to look after those who serve or have served in the defence of our nation and their families. To recognise this, the Government has committed to implementing the interim recommendations of the Royal Commission into Defence and Veteran Suicide.

\$233.9 million will be invested to recruit 500 additional staff in the Department of Veterans' Affairs to tackle the current claims backlog. The Government will also provide \$87.0 million in funding to help reduce processing times in the claims system and \$9.5 million to develop and consult on a pathway to simplify and harmonise veteran rehabilitation and compensation legislation.

A \$1,000 increase in the annual rate of the Totally and Permanently Incapacitated Payment for eligible disabled veterans will help with cost-of-living pressures. Further practical support to improve the welfare of veterans and their families will be provided through \$46.7 million for 10 Veterans' and Families' Hubs across Australia. These Hubs connect veterans to a range of services to support better health, well-being and employment outcomes.

### **A better future for First Nations people**

The Government is committed to implementing the Uluru Statement from the Heart in full. The Statement's call for Voice, Treaty and Truth offers an opportunity for a genuine partnership between First Nations people and government.

Funding of \$75.1 million will be provided to prepare for the delivery of a referendum to enshrine a First Nations Voice to Parliament in the Constitution. The Government will also

provide \$5.8 million to commence work on establishing an independent Makarrata Commission.

The Government is working with First Nations people and state, territory, and local governments to drive sustained progress on the National Agreement on Closing the Gap. This includes \$314.8 million to support the Government’s commitment to close the gap for First Nations peoples’ health and well-being outcomes, \$100.0 million for housing and essential infrastructure in Northern Territory homelands and \$99.0 million to support improved justice outcomes.

An initial \$9.4 million will also be provided to partner with First Nations communities to trial a new jobs program based on real jobs, proper wages and decent conditions as a replacement for the Community Development Program.

In recognition of their vitally important role, Aboriginal and Torres Strait Islander community organisations are receiving funds to increase their capacity to deliver for First Nations people. A significant number of additional measures across a range of portfolios will also contribute to better life outcomes for First Nations people and communities.

### **Strengthening efforts to support women’s safety**

The Government will deliver a record investment of \$1.7 billion to support implementation of the new *National Plan to End Violence Against Women and Children 2022–32*.

In addition to the commitment to maintain \$1.3 billion in funding to support women’s safety, the Government is committing \$169.4 million to fund 500 new frontline service and community workers to support women in crisis and investing \$65.3 million for consent and respectful relationship education. The Government is also legislating 10 days of paid family and domestic violence leave for all types of employees.

Taking action to end sexual harassment in Australian workplaces, the Government will implement the recommendations of the *Respect@Work: Sexual Harassment National Inquiry Report*. This includes establishing a positive duty on employers to prevent workplace sexual harassment under the *Sex Discrimination Act 1984* and the *Australian Human Rights Commission Act 1986*. To support implementation of this duty \$5.8 million will be provided to the Australian Human Rights Commission. The Government will also amend the *Fair Work Act 2009* to expressly prohibit sexual harassment in the workplace. The Fair Work Commission and Fair Work Ombudsman will receive \$15.1 million to promote compliance and enforcement of this change.

As part of the implementation of Respect@Work, the Government is also providing \$32.0 million to ensure that Working Women’s Centres in every state and territory are appropriately funded. The Centres support women by providing free advice and assistance on issues including workplace sexual harassment, discrimination and wage theft.

## **Re-engaging our neighbours, securing our borders and defending our interests**

The Government is engaging proactively to build a safe and prosperous Indo-Pacific. This includes building on key relationships, fostering long-standing alliances and maintaining our secure borders.

### *Building a stronger Pacific family*

The Government is strengthening Australia's partnerships in the Pacific, to build regional economic resilience, support Pacific island countries' sovereignty and deepen security cooperation.

The Government will allow long-term Pacific Australia Labour Mobility (PALM) scheme workers to bring their partners and children to Australia, where sponsored by their employers. This will boost participation in the PALM scheme and increase its benefits to Pacific island countries, Timor-Leste and Australian employers.

The Government will also boost permanent migration from Pacific countries to Australia by creating a new Pacific Engagement Visa for nationals of Pacific island countries and Timor-Leste. Commencing on 1 July 2023, up to 3,000 visas will be made available in addition to the existing permanent Migration Program.

### *Strong partnerships and defence capabilities*

The Government is working with allies and partners, including through the Quad and AUKUS, as well as with our partners in Southeast Asia and the Pacific, to position Australia to meet growing global and regional security challenges. Funding for Defence will increase by 8 per cent in 2022–23 and rise to more than 2 per cent of GDP over the forward estimates. In addition, the Defence Strategic Review will examine the Australian Defence Force's posture, structure, preparedness and investment prioritisation to ensure Defence has the capabilities to meet our strategic needs. The Government will receive recommendations from the Review in early 2023.

The Government is investing \$13.0 million to deepen our engagement with Southeast Asia. This includes appointing a special envoy to Southeast Asia and establishing an Office of Southeast Asia within the Department of Foreign Affairs and Trade to coordinate whole-of-government efforts across the region.

The Government is committed to the integrity of Australia's borders and working with regional partners. The Government will continue processing irregular maritime arrivals off-shore and will provide \$22.3 million to establish a network of Australian Border Force officers across the Pacific.

The Government is committed to improving Australia's cyber resilience and security. This includes \$31.3 million to extend the Australian Public Service cyber hubs pilot, an important step towards hardening cyber defences of Government agencies.

## **Rebuilding integrity in government**

The Government is establishing a National Anti-Corruption Commission to restore public trust in government and strengthen the integrity of our institutions.

The Government is providing \$262.6 million for the establishment and ongoing operation of the Commission, which will strengthen Australia's existing integrity frameworks, with a dedicated focus on detecting and investigating serious or systemic corruption at the federal level. Funding for the Commission will ensure it has the staff, capabilities, and capacity to consider and respond to referrals and allegations it receives, conduct timely investigations, and undertake corruption prevention and education activities.

The Government has also committed \$30.0 million to establish the Royal Commission into the Robodebt Scheme. The Royal Commission is investigating who was responsible for the scheme, the handling of concerns raised following its implementation, the use of third-party debt collectors, and the intended and actual outcomes of the scheme.