



Budget 2022–23

Budget Measures
Budget Paper No. 2
2022–23

Circulated by

The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia

and

Senator the Hon Simon Birmingham
Minister for Finance of the Commonwealth of Australia

For the information of honourable members
on the occasion of the Budget 2022–23

29 March 2022

ISSN 0728 7194 (print); 1326 4133 (online)

This publication is available for your use under a Creative Commons BY Attribution 3.0 Australia licence, with the exception of the Commonwealth Coat of Arms, third-party content and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of Commonwealth of Australia material under a Creative Commons BY Attribution 3.0 Australia licence requires you to attribute the work (but not in any way that suggests that the Commonwealth of Australia endorses you or your use of the work).

Commonwealth of Australia material used 'as supplied'.

Provided you have not modified or transformed Commonwealth of Australia material in any way including, for example, by changing the Commonwealth of Australia text; calculating percentage changes; graphing or charting data; or deriving new statistics from published statistics – then the Commonwealth of Australia prefers the following attribution:

Source: *The Commonwealth of Australia*.

Derivative material

If you have modified or transformed Commonwealth of Australia material, or derived new material from those of the Commonwealth of Australia in any way, then the Commonwealth of Australia prefers the following attribution:

Based on Commonwealth of Australia data.

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website (see www.pmc.gov.au/government/commonwealth-coat-arms).

Other uses

Enquiries regarding this licence and any other use of this document are welcome at:

Manager
Media Unit
The Treasury
Langton Crescent
Parkes ACT 2600
Email: media@treasury.gov.au

Internet

A copy of this document is available on the central Budget website at: www.budget.gov.au.

Printed by CanPrint Communications Pty Ltd.

Foreword

Budget Paper No. 2, *Budget Measures 2022-23* ensures that the Budget Papers provide comprehensive information on all Government decisions that involve changes to its payment and receipt activities since the *Mid-Year Economic and Fiscal Outlook* released in December 2021. This information is outlined in two parts:

- Part 1: Receipt Measures
- Part 2: Payment Measures

Receipt measures are defined as those measures that affect taxation or non-taxation receipts. Payment measures are defined as those measures that affect operating payments and purchases of non-financial assets. Measures are presented on a cash basis, corresponding with references to the underlying cash balance in Budget Paper No. 1, Budget Strategy and Outlook.

Notes

- (a) The following definitions are used in this Budget Paper:
- ‘real’ means adjusted for the effect of inflation
 - real growth in expenses is calculated using the consumer price index (CPI) as the deflator
 - the Budget year refers to 2022-23, while the forward years refer to 2023-24, 2024-25, and 2025-26
 - one billion is equal to one thousand million.
- (b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding.
- estimates under \$100,000 are rounded to the nearest thousand
 - estimates \$100,000 and over are generally rounded to the nearest tenth of a million
 - estimates midway between rounding points are rounded up.
- (c) For the budget balance, a negative sign indicates a deficit while no sign indicates a surplus.

(d) The following notations are used:

-	nil
na	not applicable
..	not zero, but rounded to zero
\$m	millions of dollars
\$b	billions of dollars
nfp	not for publication
AEDT	Australian Eastern Daylight Time
AEST	Australian Eastern Standard Time
NEC/nec	not elsewhere classified
*	The nature of this measure is such that a reliable estimate cannot be provided.

(e) The Australian Capital Territory and the Northern Territory are referred to as 'the Territories'. References to the 'States' or 'each State' include the Territories. The following abbreviations are used for the names of the States, where appropriate:

NSW	New South Wales
VIC	Victoria
QLD	Queensland
WA	Western Australia
SA	South Australia
TAS	Tasmania
ACT	Australian Capital Territory
NT	Northern Territory

- (f) In this paper, the term ‘Commonwealth’ refers to the Commonwealth of Australia. The term is used when referring to the legal entity of the Commonwealth of Australia.

The term ‘Australian Government’ is used when referring to the Government and the decisions and activities made by the Government on behalf of the Commonwealth of Australia.

Budget Paper No. 2, *Budget Measures 2022-23* is one of a series of Budget Papers that provides information to supplement the Budget Speech. A full list of the series is printed on the inside cover of this paper.

Contents

Foreword	iii
Part 1: Receipt Measures	1
Cross Portfolio.....	5
Foreign Affairs and Trade	9
Home Affairs.....	11
Prime Minister and Cabinet.....	14
Treasury	15
Part 2: Payment Measures	31
Agriculture, Water and the Environment	50
Attorney-General's	59
Cross Portfolio.....	61
Defence	70
Education, Skills and Employment.....	74
Foreign Affairs and Trade	80
Health	86
Home Affairs.....	116
Industry, Science, Energy and Resources.....	122
Infrastructure, Transport, Regional Development and Communications	129
Parliament	154
Prime Minister and Cabinet.....	155
Social Services	166
Treasury	170
Veterans' Affairs	175

Table of measures by portfolio

Part 1: Receipt Measures	1
Cross Portfolio	5
Commonwealth's Deregulation Agenda	5
Foreign Affairs and Trade	9
Australia-UK Free Trade Agreement – increasing market access opportunities and strengthening ties between our two countries	9
Critical Minerals Facility – projects	10
Home Affairs	11
Changes To Visa Rules – supplementing Australia's workforce during the recovery	11
Migration Program – 2022-23 planning levels	12
Resident Return Visa – mandating online lodgement of applications	13
Prime Minister and Cabinet	14
Indigenous Home Ownership Program Extension	14
Treasury	15
Addressing Cost of Living Pressures – temporary reduction in fuel excise	15
Australia's Foreign Investment Framework – reducing regulatory burden	16
Cost of living tax offset	16
COVID-19 Response Package – making COVID-19 business grants non-assessable non-exempt	17
COVID-19 Response Package – tax deductibility of COVID-19 test expenses	18
Deferral of Shadow Economy – strengthening the Australian Business Number system measure	18
Digitalising trust income reporting and processing	18
Employee Share Schemes – expanding access and further reducing red tape	19
Future Fund – extending income tax exemption to wholly owned Australian incorporated subsidiaries	20
Indirect Tax Concession Scheme – diplomatic and consular concessions	20
Miscellaneous Amendments – Treasury portfolio legislation	21
Modernisation of pay as you go (PAYG) instalment systems	21
Patent Box – expanding the patent box tax concession to agricultural sector innovations	22
Patent Box – expanding the patent box tax concession to low emissions technology innovations	23
Patent Box – tax concession for Australian medical and biotechnology innovations: updated policy specifications	24
Personal Income Tax – increasing the Medicare levy low-income thresholds	24
Philanthropy – updates to specifically listed deductible gift recipients	25

Primary Producers – increasing concessional tax treatment for carbon abatement and biodiversity stewardship income	26
Small Business – skills and training boost	26
Small Business – technology investment boost	27
Smarter reporting of Taxable Payments Reporting System data	28
Supporting Retirees – extension of the temporary reduction in superannuation minimum drawdown rates	28
Tax Integrity – extension of the Australian Taxation Office (ATO) Tax Avoidance Taskforce on multinationals, large corporates and high wealth individuals	29
Varying the GDP uplift factor for tax instalments	29
Part 2: Payment Measures	31
Agriculture, Water and the Environment	50
Agriculture – continuing to deliver Agriculture 2030	50
Building Australia’s Circular Waste Economy	51
Forestry and Fishing – supporting the forestry and fishery industry	52
Future Drought Fund – Drought Response, Resilience and Preparedness Plan: improving readiness and resilience	53
Future Proofing Australia’s Unique Landscapes, Animals and Plants	53
Koala Conservation and Protection	53
Planting Trees for The Queen’s Jubilee	54
Streamlining Environmental Protections and Modernising Indigenous Cultural Heritage Protections	54
Strengthening Australia’s Leadership in Antarctica	55
Strengthening the Great Barrier Reef through Stewardship and Leadership	56
Supporting the Management of Commonwealth National Parks	57
Water – supporting the Murray-Darling Basin	58
Attorney-General’s	59
Attorney-General’s Portfolio – additional resourcing	59
Office of the Special Investigator – legal support	60
Cross Portfolio	61
Flood Package	61
Response to the Independent Review into Commonwealth Parliamentary Workplaces – additional resourcing	64
Women’s Leadership Package	65
Women’s Safety	66
Defence	70
Assistance to Ukraine	70
Australian Defence Force deployment – Operation Flood Assist	71
Large Vessel Infrastructure and Submarine Basing	71
REDSPICE – Expanded cyber and intelligence capability	72
Support for Defence Industry	73

Education, Skills and Employment	74
Boosting Participation and Building Australia's Workforce	74
Investing in Australia's University Research Commercialisation	75
Investing in Skills Development and Growing Australia's Workforce	76
School Education Support	77
Skills Reform to Support Future Growth	78
Foreign Affairs and Trade	80
Australian Export and Trade Support	80
Australian Infrastructure Financing Facility for the Pacific Projects	81
Comprehensive Strategic Partnership with India – new initiatives	82
Global Business, Talent and Investment Attraction Taskforce – extension	83
Honiara High Commission	83
Support to the Pacific and Timor-Leste – additional support	84
Tourism Support	84
Health	86
Ageing and Aged Care	86
COVID-19 Response Package – ageing and aged care	88
COVID-19 Response Package – guaranteeing Medicare and access to medicines	89
COVID-19 Response Package – personal protective equipment and rapid antigen tests	90
COVID-19 Response Package – supporting hospitals and emergency response extension	91
COVID-19 Response Package – vaccines and treatments	92
Fighting Cancer	93
Guaranteeing Medicare – Digital Health	94
Guaranteeing Medicare – supporting rural health – improved patient access to magnetic resonance imaging	94
Guaranteeing Medicare – Medical Benefits Schedule new and amended listings	95
Guaranteeing Medicare – strengthening primary care	97
Guaranteeing Medicare – Supporting Rural Health	98
Implementing Sport 2030 – Ensuring the Integrity of Sport	99
Improving Access to Medicines – additional funding for Pharmaceutical Benefits Scheme litigation	100
Improving Access to Medicines – Pharmaceutical Benefits Scheme new and amended listings	100
International Sporting Events and Community Sport Participation	101
Japanese Encephalitis Virus National Plan	103
Life Saving and Job Creating Medical Research – investing in medical research and technology	103
mRNA Vaccine Manufacturing	104
Pharmaceutical Benefits Scheme – lowering the Safety Net threshold	105
Preventive Health	105

Preventive Health – National Preventive Health Strategy 2021–2030	107
Prioritising Mental Health	108
Rugby World Cup 2027 (men's) and Rugby World Cup 2029 (women's)	111
Scholarships for Our Medical Workforce	112
Strengthening Primary Care – National Dust Disease Taskforce	112
Supporting our Hospitals – organ matching and clinical quality registries	113
Women's Health Package	113
Home Affairs	116
Confiscated Assets Account	116
Future Maritime Surveillance and Response Capability – additional funding	116
Humanitarian Program 2022–23 and Update on Afghan Arrivals	117
Issuing Body Reform	118
Operation Sovereign Borders – sustainment	118
Safer Communities Fund Round Six	119
Strengthening Australia's Arrangements for Managing Terrorist Offenders and Countering Violent Extremism	119
Transnational, Serious and Organised Crime Package	120
Industry, Science, Energy and Resources	122
Advancing Science, Technology, Engineering and Maths	122
Australian Institute of Marine Science – additional funding	123
Boosting the Modern Manufacturing Strategy and Addressing Critical Supply Chain Vulnerabilities	123
Critical Minerals Strategy – implementation	124
Energy and Emissions Reduction	125
Support for the Australian Space Industry	127
Infrastructure, Transport, Regional Development and Communications	129
Airport Building Controller and Airport Environmental Officer Functions – additional funding	129
Albury Wodonga Regional Deal	129
Australian Maritime Safety Authority – National System for Domestic Commercial Vessel Safety	130
Civil Aviation Safety Authority – Remotely Piloted Aircraft Systems	130
Community Development Grants Programme – new projects	130
COVID-19 Response Package – additional arts sector support	131
COVID-19 Response Package – additional aviation support	132
Energy Security and Regional Development Plan	133
Government Response to 2021 Regional Telecommunications Review	134
Infrastructure Investment – Priority Regional Infrastructure Investments	135
Infrastructure Investment – Australian Capital Territory	136
Infrastructure Investment – New South Wales	136
Infrastructure Investment – Northern Territory	138

Infrastructure Investment – Queensland	139
Infrastructure Investment – South Australia	140
Infrastructure Investment – Tasmania	141
Infrastructure Investment – Victoria	142
Infrastructure Investment – Western Australia	143
Local Roads and Community Infrastructure – Phase 3 extension	144
Media Sector Reforms	145
National Broadcasters – funding for the next triennium	146
National Capital Authority – additional funding	147
National Water Grid Fund – project funding	147
North Queensland Water Infrastructure Authority – future funding	148
Northern Australia Infrastructure Facility – increased funding and expansion	149
Perth City Deal – Edith Cowan University CBD Campus	149
Regional Accelerator Program – establishment	150
Services to Territories – additional funding	150
South East Queensland City Deal	151
Stronger Communities Programme – round eight	152
Supporting Regionalisation	152
Parliament	154
Parliament House – Enhanced Security	154
Prime Minister and Cabinet	155
Australian Future Leaders Program	155
Black Summer Bushfire Recovery Grants – expansion	155
Community Development Program – further supplementary funding	156
Development of Future Support for Improved Outcomes for Indigenous Australians in the Northern Territory	156
Digital Economy Strategy	157
Disaster Support	158
Extended Custody Notification Service Funding	159
Free Use of the Aboriginal Flag	160
Future of Prescribed Bodies Corporate	160
Indigenous Rangers – capacity building	161
Indigenous Voice – Local and Regional Voice Implementation	161
Kimberley Juvenile Justice Project – expansion of the Youth Engagement Program	162
McDonald v Commonwealth class action – discovery costs	162
Ngurra Cultural Precinct	163
Prime Minister and Cabinet – additional resourcing	163
Remote Engagement Program	164
Strengthening Indigenous Leadership and Governance	165

Social Services	166
Administration of the Pandemic Disaster Leave Payment, Australian Government Disaster Recovery Payment and Disaster Recovery Allowance	166
Building the Long-Term Viability of the Financial Counselling Sector	166
Cost of Living Payment	167
Health Delivery Modernisation Program – phase three	168
Strong and Resilient Communities Grants – expansion	168
Support for People with Disability	168
Women’s Economic Security Package	169
Treasury	170
Affordable Housing and Home Ownership	170
COVID-19 Economic Support	171
Insolvency Reform – continuation	171
International Support	172
Reducing compliance costs for business through enhanced sharing of single touch payroll data	172
Small Business Support Package	173
Treasury Portfolio – resourcing for Government priorities	173
Veterans’ Affairs	175
Commemorations and Activities to Honour our Veterans	175
DVA – Additional resources for claims processing	175
Support for Veterans and their Wellbeing	176
Veterans’ Health Care	177