

ACTU Budget 2021 Briefing

Key lines

- Wage growth is forecast at negative or flat, locking in declining living standards for years.
- Workers have had no real pay rise for the whole time this Government has been in power.
- The Morrison Government's 2021 budget decisions will not improve the central issues facing working Australians - insecure work and low wage growth.
- The billions provided to business in this budget are given without strings attached and risk again ending up in the pockets of shareholders and CEOs. Any Government financial support to private businesses should be conditional on reliable, well paid jobs.
- The women's budget measures are small, delayed and piecemeal, and will do very little to improve the working lives of Australian women.
- Low wage growth, gender inequity and insecure, unreliable work do not happen by accident, they are the result of deliberate policy decisions taken by this Government, which have been reinforced in this budget.
- This budget contains \$17.9 billion in tax write-offs for big business, and only \$1.1 billion for women's safety over the next four years.
- There is nothing in the budget to improve the wages and conditions of the hundreds of thousands of underpaid and overworked early childhood educators and aged care workers – nearly all of who are women.
- The budget highlights the growing cost of natural disasters that climate change is making worse. While this budget funds disaster relief and a few of the Morrison Government's preferred energy technologies we still have no credible national plan to reduce emissions and support workers and communities to make the shift to, and benefit from, a low carbon economy.

Economic assumptions

Wage growth forecasts - the wages crisis continues

- The wages crisis will continue as wages growth will remain low for the next four years. We have already seen a wages crisis for seven years, but this budget now predicts over a lost decade of wage growth.

	2020-21	2021-22	2022-23	2023-24	2024-25
Wage Price Index	1.25	1.5	2.25	2.5	2.75
Real Wage Growth (WPI minus CPI)		-0.25%	0%	0%	0.25

- The wage price index is set to remain 2.5% or below to 2023-24 and below 3% for the entire of the budget forecasts.
- The wages crisis will continue but we are sceptical that in 2022-23 we will see wages growth at 2.25% in 2022-23 - a significant jump from where wage growth is now at a record low of 1.4%
- When we look at real wages growth we can there will either a fall in real in wages or they will be completely stagnate at 0% until 2023-24.

Unemployment

- There are still almost 2 million people either unemployed or underemployed. While the unemployment rate will fall below 5% in 2022-23 we are sceptical the level of wage growth will return to normal levels without structural reform.

	2020-21	2021-22	2022-23	2023-24	2024- 25
Unemployment rate	5.5	5	4.75	4.5	4.5

GDP

- After a v shaped recovery in economic growth in 2021-21 the Australian economy will return to below the long run trend in economic growth of 2.55 in 2022-23, 2.25% in 2023-24 and 2.5% 2024-5

	2020-21	2021-22	2022-23	2023-24	2024-25
Real GDP	1.25	4.25	2.5	2.25	2.5

Significant measures by area

Women

Economic Security

- **Childcare Package** – \$2bn over 4 years. Access to 15 hours Early Childhood Education for all children in their preschool year. An additional A\$1.7 billion over three years to the money already budgeted for childcare (now A\$10.3 billion a year). The annual cap will be removed from 1 July 2022. Reducing disincentives to work will add up to 300,000 hours of work per week to the Australian economy, the equivalent of around 40,000 individuals working an extra day per week. This change is expected to boost the level of GDP by up to \$1.5 billion per year, with 250,000 Australian families expected to benefit. This spending will particularly benefit families with two or more children under five. It will also help couples with a combined income of more than A\$189,390, by removing the subsidy cap that restricts them to a maximum of A\$10,560 per child a year. The government will increase childcare subsidies and remove the subsidy cap for high income earners. The measures are designed to encourage more parents to return to working either four or five days a week and spur Australia's economic recovery from COVID-19. *ACTU Analysis: This does not go far enough. It doesn't come into effect until 2022. Unions are calling for an extension of funding for universal access to 15 hours of Early Childhood Education for all children aged 4 years, and additional funding for ACECQA (regulatory body), as well as workforce development – investment in affordable and accessible training for educators. The increased rebate only applies to families who have a second (or more) child in child-care. The benefit of the additional funding and the cap removal will very quickly be eaten up by spiralling fees many of which increase profits to ASX listed and private equity companies. There is nothing in the budget to improve the escalating workforce crisis.*
- **\$450 threshold** - This measure involves the removal of the \$450 per month minimum earnings threshold for eligibility to be paid the superannuation guarantee. *ACTU Analysis: This is a welcome step for hundreds of thousands of women in Australia. A win for women and unions who campaigned for this. While not announced, the threshold appears to be phased out over the forward estimates rather than unilaterally abolished. This would be a delaying tactic that only benefits employers.*
- **Equal remuneration orders** - The Government has announced that it will extend the Equal Remuneration Order funding to the Homelessness sector. This will save more than 1,000 jobs in a largely feminized sector across the country and ensure that specialist homelessness services, including women's refuges will continue to be able to offer services to women and children escaping violence. *ACTU Analysis: A win for unions and women who have campaigned for this. While funding is still inadequate in a sector where the demand has increased by up to 50% in some areas, the commitment by the Federal Government to provide security of funding for the wages of a largely feminized workforce who provide homelessness services is welcome.*

ACTU Overall Analysis: The Budget lacks a holistic approach to the economic precarity of women that is multifaceted:

Safety

- **Domestic Violence** - \$1.1 billion package of initiatives includes:
 - \$129 million in increased funding for legal assistance services, to ensure that women can access the justice system;
 - \$101.4 million to increase access to Children's Contact Services, to ensure that separated parents are able to safely manage the contact and changeover of their children;
 - \$85 million to expand family law frontline services to ensure that each family law court with a permanent judge has access to Family Advocacy and Support Services; and
 - \$60.8 million to directly fund reform of the family law courts, to significantly shorten the time separating families spend in litigation.
 - \$261.4m to establish a new National Partnership Agreement with states to expand frontline FDV support services. *ACTU Analysis: This is good, but no detail on how it will be spent or how the states will contribute.*

ACTU Analysis: Government funding cuts and the for-profit privatisation of domestic violence services have left women vulnerable to family and domestic violence. Any increase in funding or measure designed to address the significant proportion of Australian women likely to experience family and domestic violence in their lifetime is welcome.

- **Safety at Work** - \$20.5 million for the implementation of the response to the Respect@Work Report:
 - \$5.3 million for initiatives such as primary prevention programs and research into sexual harassment and funding for 'frontline support' to address sexual harassment in the workplace.
 - \$9.3 million over four years to support the Respect@Work Council Secretariat in the Attorney-General's Department to implement practical measures and drive amendments to the legislative and regulatory framework.
 - increasing funding to provide legal assistance to workers who experience, or are at risk of, sexual harassment.
 - \$6 million to enhance the Workplace Gender Equality Agency to better prevent and respond to workplace sexual harassment.
 - The Government will amend the Workplace Gender Equality Act 2012 (WGE Act) to require public sector organisations to report to WGEA on gender equality initiatives (Recommendation 43).

- \$0.2 million in 2021-22 to working women's centres
- Comcare will deliver National Forums for Commonwealth, state and territory work health and safety (WHS) Inspectors on sexual harassment (Recommendation 36), and training for employers and managers covered by Commonwealth WHS laws to better understand and meet their obligations.
- \$26.2 million for safe online spaces for women and children, including a new program supporting children experiencing technology-facilitated abuse; funding for the eSafety investigations team; a pilot program to develop software to investigate intimate images shared without consent and a new National Online Safety Awareness Campaign.
- *ACTU Analysis: Additional funding for primary prevention initiatives is welcome, as is additional funding for WGEA. However, most of the funding for respect@work (\$9.3million) is going to the Attorney-General's own department, rather than to keep women safe at work. The Federal Government continues to fail to commit to a number of key recommendations that are necessary for women's rights to a safe workplace as outlined in the SafeWork4Women statement.*
- **Women's Health - \$351.6 million including:**
 - \$16.6 million for ongoing programs that cover maternal, sexual and reproductive health.
 - \$5 million for pelvic pain and endometriosis support.
 - \$13.7 million to the Women and Infants Research Foundation.
 - \$10.3 million to extend the Temporary Visa holders payment pilot for women experiencing family and domestic violence.
 - \$29.3 million in migrant and refugee women's safety, social inclusion and economic participation.
 - \$6.8 million for better family, domestic and local level prevention initiatives for diverse communities.
 - \$63.5 million for 2,700 places at Indigenous girls academies.
 - \$13.9 million for social enterprise-driven solutions for Indigenous women.
 - \$57.6 million to support Indigenous women and children who have experienced or are experiencing family violence.
 - \$9.3 million in preventing and responding to violence against women and girls with disability.

ACTU Analysis: Increased investment welcome into expanded PBS (breast cancer treatments) reproductive and sexual health but a lack of a long-term strategy or investment. Increased funding for temporary visa holders living with violence is welcome, but details are not available. Increased funding for First Nations Women living with family and domestic violence is welcome but inadequate. Funding for prevention and response to women and girls with a disability who are living with violence is welcome but inadequate.

Jobs

- **COVID-19 Response Package — aviation and tourism support** - \$1.2 billion for tourism and aviation. Includes subsidised flights to encourage tourism and payments to airlines and travel agents. *ACTU Analysis: Does not meet the demands of aviation unions (“Aviation keeper” - a targeted wage subsidy directly to support jobs).*
- **Digital Economy Strategy** - \$1.2 billion over six years including \$127.7 million in capital funding over two years from 2021-22) for the Digital Economy Strategy, to support Australia to be a leading digital economy and society by 2030. Includes various measures focussed on the digital economy including tax incentives, investments in AI, MyGov upgrades.
- **Migration — additional flexibility for student visa holders to work in the tourism and hospitality sectors** - The Government will temporarily allow student visa holders to work more than 40 hours per fortnight, as long as they are employed in the tourism or hospitality sectors.
- **Support for Jobseekers** - \$699.4m over five years for the specialist support for job seekers but efficiencies from adopting the New Employment Services Model of \$1.1 billion over four years.
- **Local Jobs Program** - \$258.6m over four years including \$213.5m for Local Jobs Program in 51 employment regions and \$15.6m in 2021-22 to increase wage subsidies to \$10,000 for eligible disadvantaged job seekers.
- **Indigenous Skills and Jobs Advancement** - The Government will provide \$243.6 million over five years from 2020-21 to improve economic, social and education outcomes for Indigenous Australians.
 - \$128.4 million over three years for a new Indigenous Skills and Employment Program, which will replace existing programs, including the Employment Parity Initiative, Vocational Training and Employment Centres, and Tailored Assistance Employment Grants
 - \$10 million over two years from 2021-22 for Indigenous enterprises and community organisations to improve their access to off-grid solar power systems, stockyards, greenhouses and water security equipment.

Skills/Education

- **Extension to JobTrainer** - \$506.3m over two years to extend JobTrainer for 163,000 training places including 33,800 for aged care and 10,000 for digital skills *ACTU Analysis: JobTrainer funnels public money towards for-profit VET providers instead of investing in TAFE and ensuring that student's receive quality training.*
- **Apprentice Wage Subsidy** - \$2.7b over four years to expand apprenticeship wage subsidies by uncapping the number of eligible places and increasing the duration to 12 months from commencement. *ACTU Analysis: The wage subsidy for apprentices program does not provide an ongoing support, meaning many of the apprentices it funds may struggle to keep their places once the subsidy ends.*
- **Skills Enterprises** - \$149.2 million over four years from 2021-22 to establish up to 15 industry owned Skills Enterprises to deliver improved skills and workforce outcomes through collaboration with industry and to ensure that the Vocational Education and Training (VET) system is responsive to industry and employer skills needs.
- **Automatic Mutual Recognition** - This measure will institute a system whereby holders of licensed and registered occupations in one state (electricians, teachers etc) will have those licenses or registrations automatically recognised if they cross state borders for the purpose of work. *ACTU Analysis: This measure is significantly flawed as the hard work of harmonisation of occupations has not occurred. At the very least high-risk occupations must be excluded from this scheme.*
- **Schools and Youth — supporting students, teachers and young Australians** - The Government will provide \$77.5 million over four years from 2021-22 (and \$5.5 million per year ongoing) for further initiatives to support teachers, students and young Australians. *Includes \$20.0 million over four years from 2021-22 to continue and improve the Nationally Consistent Collection of Data on school students with disability, to ensure the quality and integrity of data that underpins ongoing funding for students with disability and \$16.6 million in 2021-22 to assist boarding providers with a high proportion of Indigenous students to remain financially sustainable during the COVID-19 recovery period.*

Infrastructure

- **Infrastructure package** - \$15.2bn in new spending on:
 - North South Corridor in SA
 - Great Western Highway and Newcastle airport in NSW
 - Melbourne Intermodal Terminal in Vic
 - Bruce Highway in Qld
 - Metronet in WA
 - Highway upgrades in NT

- Light Rail Stage 2A in the ACT
 - Midland Highway upgrades in Tas
 - \$1bn on road safety measures
 - \$1bn on local road infrastructure
 - \$250mn of regional community infrastructure projects.
 - \$170m to strengthen internet and mobile coverage.
- **Northern Australia** - An extra \$190 million over five years has been announced for developing northern Australia, including improving digital connectivity for businesses.

Energy & Climate

- **Low emissions Technology Roadmap:** \$761.9 million over four years from 2021-22 to incentivise private investment in technologies identified in the Government's Technology Investment Roadmap and Low Emissions Technology Statements including significant allocations to **Carbon Capture and Storage and Hydrogen** - \$539.2 million over 5 years. Includes \$275.5 million (\$205.5m new, \$70m from last year's budget) to accelerate the development of four additional clean hydrogen hubs in regional Australia and implement a clean hydrogen certification scheme and \$263.7 million (\$213.7m new money, \$50m from last year's budget) to support the development of CCS/CCUS (Carbon Capture and Storage/ Carbon Capture Utilisation and Storage) projects and hubs. *ACTU Analysis: The regional hydrogen hubs and certification scheme are important projects. CCS/CCUS funding may have some merit, but similar programs have been underspent historically for lack of near-commercial projects. These investments are no substitute for more ambitious national emissions targets and a coherent national climate and energy policy and national just transition plan, which is what we really need instead of random handouts to the Prime Minister's favourite technologies.*
- **Below baseline crediting mechanism:** \$81.7 million over four years to establish the below baseline crediting mechanism recommended by the King Review and help realise abatement opportunities in large industrial facilities. *ACTU Analysis: this is a carbon price signal to large emitters to reduce emissions that is being funded by taxpayers.*
- **Energy efficiency:** \$26.4 million over four years to support Australian businesses and supply chains to reduce their energy costs and improve productivity through the uptake of more energy efficient industrial equipment and business practices. *ACTU Analysis: This is a small but welcome investment similar to what we proposed in our National Economic Reconstruction Plan*
- **Disaster Resilience** - \$600m for a new program of disaster preparation and mitigation, managed by the new National Recovery and Resilience Agency to spend on measures such as bushfire and cyclone proofing houses, flood levees, reinforcing communications networks etc. *ACTU Analysis: Unfortunately natural disasters represent a growing budget*

cost highlighting the need for leadership on climate change. This funding is needed but must be part of a strategy to limit further global warming and the related increase in the intensity and frequency of natural disasters. It appears that much of this funding is not new money with much of it being reallocated from the Government's post-bushfires disaster relief announcement.

- **'Gas-Led Recovery'** - \$58.6 million package to drive a 'gas-led recovery', includes \$38.7 million in targeted support for four projects (two gas storage projects at Golden Beach and Iona in Victoria ; the expansion of the South West Victorian pipeline; and an import terminal project, with the Port Kembla project considered the most advanced) to help them reach financial close, and \$5 million to work with the Queensland Government to deliver a pipeline pre-feasibility study for the North Bowen basin. *ACTU Analysis: these interventions fiddle at the margins and will do little to reduce fuel costs for manufacturers. The Government should be funding the Sustainable Manufacturing strategy we proposed in our National Economic Reconstruction Plan. This would involve investments in the electricity transmission to unlock renewable energy investment, technology grants to support renewable powered manufacturing, new sustainable manufacturing clusters, and a sustainable manufacturing investment fund.*
- **Improving Energy Affordability and Reliability:** up to \$215.4 million over six years to support investment in new dispatchable generation and support affordable and reliable power for consumers in the nation's electricity markets. Includes \$76.9 million to underwrite Portland Aluminium Smelter's participation in the Reliability and Emergency Reserve Trader mechanism; \$30 million to provide funding for the Katherine-Darwin Interconnected System big battery project and microgrid rollout in the Northern Territory; \$30.0 million over two years from 2020-21 to support Australian Industrial Power to undertake early works on its proposed Port Kembla Gas Power Station; \$24.9 million over three years to support the development of hydrogen ready gas generation infrastructure (with \$8.7 million to be funded through a reprioritisation of existing resources) • \$19.3 million over three years from 2021-22 to support the development of a renewable energy microgrid incorporating hydrogen for the Daintree community in Far North Queensland. *ACTU response: Once again this grab-bag of measures, some useful, some ill-considered, highlights the Morrison Government lack of overarching climate and energy policy consistent with the Paris Agreement.*

Aged Care

- **Aged Care** - \$17.7 billion in total funding covering:
 - \$6.5 billion over four years to release 80,000 additional home care packages over two years from 2021-22.
 - \$798.3 million to provide greater access to respite care services and payments to support carers.
 - \$216.7 million over three years from 2021-22 to grow and upskill the workforce and enhance nurse leadership and clinical skills through additional nursing scholarships and places in the Aged Care Transition to Practice Program, to provide more

dementia and palliative care training for aged care workers, to recruit aged care workers in regional, rural and remote areas and to provide eligible registered nurses with additional financial support.

- Residential aged care measures (\$7.8bn) include:
 - \$3.9 billion over four years from 2021-22 to increase the amount of frontline care (care minutes) delivered to 240,000 aged care residents and 67,000 who access respite services, by 1 October 2023. This will be mandated at 200 minutes per day, including 40 minutes with a registered nurse.
 - \$3.2 billion to support aged care providers to deliver better care and services through a new Government-funded Basic Daily Fee supplement of \$10 per resident per day, while continuing the 30 per cent increase in the homelessness and viability supplements
 - \$105.6 million to introduce nationally consistent worker screening, register and code-of-conduct for all care sector workers including aged care workers
 - \$74.8 million for the Dementia Behaviour Management Advisory Service and the Severe Behaviour Response Teams to strengthen the regulation of chemical and physical restraints, and to further reduce reliance on these restraints.
 - \$26.7 million over four years to develop a new aged care Act to replace both the Aged Care Act 1997 and the Aged Care Quality and Safety Commission Act 2018
 - \$189.3 million over four years from 2020-21 to implement the new funding model, the Australian National Aged Care Classification (AN-ACC)
 - \$117.3 million to support structural reforms, including discontinuing of the current bed license and the Aged Care Approvals Round process from 1 July 2024, and implementation of a new Refundable Accommodation Deposit (RAD) Support Loan Program. This funding also includes strengthened financial reporting requirements for residential aged care providers
 - \$49.1 million for the current independent hospital pricing authority to help ensure that aged care funding is directly related to the cost of care.
- \$301.3 million, primarily for the Aged Care Quality and Safety Commission.
- \$630.2 million to improve access to quality aged care services for consumers in regional, rural and remote areas including those with Indigenous backgrounds and special needs groups
- \$200.1 million on improve information on the MyAgedCare website.

- \$365.7 million to improve access to primary care and other health services in residential aged care, and additional investment in digital and face-to-face assistance to make it easier to navigate the aged care system.

Taxes

- **Instant Asset Write off - Temporary full expensing extension** - The Government will extend the 2020-21 Budget measure titled JobMaker Plan — temporary full expensing to support investment for 12 months until 30 June 2023 to further support business investment. Temporary full expensing will be extended to allow eligible businesses with aggregated annual turnover or total income of less than \$5 billion to deduct the full cost of eligible depreciable assets of any value, acquired from 7:30pm AEDT on 6 October 2020 and first used or installed ready for use by 30 June 2023. *ACTU Analysis: This is a large cash handout to big business which has significant impacts on revenue over the forward estimates and no requirement to create reliable jobs.*
- **Low and Middle Income Tax Offset** - the low and middle income tax offset will be extended for another year at a cost of \$7.8 billion. The LMITO provides a reduction in tax of up to \$1,080. Taxpayers with a taxable income of \$37,000 or less will benefit by up to \$255 in reduced tax. Between taxable incomes of \$37,000 and \$48,000, the value of the offset increases at a rate of 7.5 cents per dollar to the maximum offset of \$1,080. Taxpayers with taxable incomes between \$48,000 and \$90,000 are eligible for the maximum offset of \$1,080. For taxable incomes of \$90,000 to \$126,000, the offset phases out at a rate of 3 cents per dollar. *ACTU Analysis: While the tax cut for high income earners is permanent this measure for low and middle income earners is temporary. The offset will be for just one more year. If the offset expires without being extended in 2022, the tax burden on low and middle income earners will again increase with Australian women facing the largest hit. Between 2022-23 and 2024-25, the average tax paid by female workers will increase by \$1004 compared to \$770 for the average man.*
- **Temporary loss carry-back extension** - The Government will further support Australia's economic recovery and business investment by extending the 2020-21 Budget measure titled JobMaker Plan — temporary loss carry-back to support cash flow. The extension will allow eligible companies to carry back (utilise) tax losses from the 2022-23 income year to offset previously taxed profits as far back as the 2018-19 income year when they lodge their 2022-23 tax return. Costs \$2.8 billion over the forward estimates.

Health

- **Mental health services** - \$2.3 billion over forward estimates in response to the Productivity Commission report into mental health. More than half (\$1.4b) allocated to treatment centres such as Headspace and \$298m to suicide prevention. *ACTU Analysis: This still falls short of what the sector desperately needs. While the government sat on the PC report recommendations for almost 12 months, the pandemic and bushfires pushed demand for mental health services through the roof. It is disappointing that there is no plan or money to boost workforce numbers.*

- **Vaccine Rollout** - The Government will provide \$1.9 billion over five years from 2020-21 to distribute and administer COVID-19 vaccines to residents of Australia. Funding includes: \$777.8 million over two years from 2020-21 for the COVID-19 Vaccination Program, including for surge workforce, general practitioners, and community pharmacies to administer vaccines.
- **Primary Care** - The Government will provide \$480.9 million over five years from 2020-21 to further improve access to primary health care services for all Australians, including through better integration of services. Funding includes \$288.5 million to provide access to Medicare subsidised repetitive Transcranial Magnetic Stimulation for the treatment of medication resistant major depressive disorder and \$71.9 million to extend the Primary Health Network After Hours Program for one year.
- **Personal Income Tax: increasing the Medicare levy low-income thresholds** - The Government will increase the Medicare levy low-income thresholds for singles, families, and seniors and pensioners from 1 July 2020 to take account of recent movements in the CPI so that low-income taxpayers generally continue to be exempt from paying the Medicare levy. The threshold for singles will be increased from \$22,801 to \$23,226. The family threshold will be increased from \$38,474 to \$39,167.

Welfare

- **Four-year new arrival waiting period** - The Government will require newly arrived residents to have lived in Australia for at least four years before being eligible for welfare payments. This will save the Government \$671 million over five years.
- **Cashless Debit Card** - The Government will extend Cashless Welfare Debit Card income management across all current trial locations until at least 31 December 2023. The Government will also increase data collection on the use of the cards, as well as increase funding for IT Infrastructure supporting its implementation. The Government is proposing to create a *Jobs Fund* at CDC sites, however has declined to nominate the value of the fund.
- **Enhancing Welfare Integrity Arrangements** - The Government will spend an additional \$23.8 million on increasing welfare compliance activity undertaken by the Department.
- **Extending pension loan scheme** - The Government will allow participants to access up to two lump sum advances in any 12-month period, up to a total value of 50 per cent of the maximum annual rate of the Age Pension and not require repayments should they exceed the market value of the property in question.
- **Future of the CDP** - The Government will provide \$111.0 million over five years from 2020-21 to provide quality servicing to Community Development Program (CDP) recipients who have lost their job as a result of the COVID-19 pandemic and develop a new Remote Jobs Program pilot in selected regions across Australia. The new program will replace the CDP and be co-designed with Indigenous Australians to support remote communities by targeting job creation and skills development. As part of this measure the Government will also pause certain mutual obligation requirements for CDP job seekers while the new

Remote Jobs Program is being developed. *ACTU Analysis: While there is always a risk that the new program will be just as bad, the death of the CDP is a positive move.*

- **New Employment Services Model** - The Government will introduce a new approach to employment services that is digitally driven, tailored and flexible. The New Employment Services Model (NESM) will ensure job seekers move into sustainable work, employers' needs are met, and employment services providers' efforts are focused on those job seekers who need help most. Includes \$481.2 million over four years from 2021-22 to ensure more young people have the best opportunity to secure employment by strengthening and continuing the Transition to Work program to provide specialist youth employment services (for young people aged 15 to 24). Also assumes savings of \$860.4 million over four years from 2021-22 by transitioning from jobactive to NESM from 1 July 2022, which provides more efficient services through enabling job seekers to choose digital support services rather than face to face services, if they are eligible. Job seekers in Disability Employment Services will also have the option of digital services from 1 January 2022, initially through Online Employment Services and NESM from 1 July 2022. *ACTU Analysis: This is likely to cause jobs losses in the sector.*

Super (Excluding measures aimed at women)

- **Downsizing Scheme Extension** - The Government will lower the eligibility age for older Australians to sell their family home and contribute up to \$300,000 tax free into their superannuation. The age will lower from 65 – 60. Couples may contribute \$600,000, if neither individual's contribution exceeds \$300,000. The contribution can still be made if the superannuation balance is greater than \$1.6 million. *ACTU Analysis: The scheme doesn't target those with the greatest need, aged renters, and doesn't materially change the assets people hold – it simply increases their liquidity.*
- **Abolishing the Work Test** - The work-test for superannuation contributions will be abolished for retirees between 67 and 74. In order to make concessional contributions after retirement age you would need to work at least 40 hours in a consecutive 30-day period (at any point in the financial year). This change would remove that test. *ACTU Analysis: The point of the work test was to ensure that those earning a significant amount through capital gains or passive wealth management were not avoiding tax during their retirement. The abolition of the test will increase the ability for those with significant assets to shift them into the lower-taxed superannuation pool, or immediately use them tax-free.*
- **Increased funding to APRA** - The Government is providing increased funding to APRA to increase its compliance resources to give effect to the *Your Future, Your Super* Bill. *ACTU Analysis: This will increase the capacity of APRA to police industry super funds and reinforce its priorities to ignore for-profit funds.*
- **Funding Super Consumers Australia** The Government will provide \$1.6 to Super Consumers Australia. *ACTU Analysis: Super Consumers Australia consistently supports Government policies, including the policy to staple members to dud funds. This funding is reward for their ideological commitment to supporting the Government's anti-super and anti-industry fund agenda.*

- **Government funding for proxy advice regulation** The Government is spending \$500,000 to establish regulation or legislation to curtail the activity of Proxy Advisors like ACSI or Ownership Matters. *ACTU Analysis: The Government has indicated it will introduce regulation to stymie the influence industry super funds have over corporates.*

NDIS

- **Funding Increase** - The Government has announced a \$13 billion increase in the budget of the NDIS to avoid the scheme overspending.

Manufacturing

- **Innovation Tax Concessions** - The Government will introduce a patent box tax regime to further encourage innovation in Australia by taxing corporate income derived from patents at a concessional effective corporate tax rate of 17 per cent, with the concession applying from income years starting on or after 1 July 2022. The patent box will apply to income derived from Australian medical and biotechnology patents. The Government will also consult on whether a patent box would be an effective way of supporting the clean energy sector. Estimated to cost \$206.4 million over the forward estimates.
- **Modern Manufacturing Initiative** - Re-announced from last budget, no new money.
- **R&D tax Concessions** – Re-announced from last budget, no new money.
- **Office of Supply Chain Resilience and Public Sector Capacity** - Establishment of this office under the Department of Prime Minister and Cabinet. Cost of \$98 million.
- **Anti-Dumping** - Additional Funding for:
 - \$4.7m to provide advice on whether goods are subject to anti-dumping duties
 - \$0.3m increase flexibility to apply different rates for variants of imported goods
 - \$0.1m to support the International Trade Remedies Advisory Service to assist SMEs with anti-dumping merits review process.
- **Aligning the excise refund scheme for brewers and distillers with the producer rebate for wine producers** - increase the support available to brewers and distillers by aligning the excise refund scheme for alcohol manufacturers with the wine equalisation tax producer rebate. From 1 July 2021, under the revised scheme, eligible brewers and distillers will be able to receive a full remission (up from 60 per cent) of any excise they pay, up to a cap of \$350,000 (increased from \$100,000) per financial year. This measure costs \$225 million over the forward estimates

Housing

- **Single Parents home ownership** - from 1 July 2021, 10,000 guarantees will be made available over four years to eligible single parents with dependants to build a new home or purchase an existing home with a deposit of as little as two per cent, subject to an individual's ability to service a loan. *ACTU Analysis: Could lead to homelessness, poverty and bankruptcy for women who purchase homes when interest rates increase.*
- **First Home Buyers Deposit Scheme** - Assist up to 10,000 first home buyers to buy a home with a 5% deposit.
- **First Home Super Saver Scheme** - The First Home Super Saver Scheme is an existing voluntary program which allows for people to make additional contributions to their superannuation fund for the purpose of withdrawing it to purchase a first home. First Home Buyers can make up to \$30,000 of contributions to the scheme. The Government will expand the scheme to allow First Home Buyers to contribute and withdraw \$50,000 from the scheme. *ACTU Analysis: The scheme does little to help workers afford a house. The systemic issue with housing affordability is the tax advantages enjoyed by investors and the lack of public, social and affordable housing construction.*

Regional Australia

- **Building Better Regions Fund** - \$256.5 million over four years from 2021-22 (and \$0.1 million in 2025-26) for round six of the Building Better Regions Fund to support investment in community infrastructure and capacity building projects in regional areas.

Public Sector

- **Registered Organisations Commission — enhanced capability** - \$8 million extra funding over 4 years for the ROC.
- Average Staffing Level (excluding military and reserves) increases by 5,364 or 3%
- Cuts to Services Australia of 799 or 3%
- Department of Agriculture, Water and the Environment increases by 142 or 2%
- Department of Veterans' Affairs increases by 447 or 26% which includes \$164.6m for two years for claims processing.
- National Disability Insurance Agency and NDIS Quality and Safeguard Commissions staffing goes down slightly.
- ASIC cut of 218 or 10%
- ANAO increase in staffing by 49 or 16% and additional funding measure of \$61.5m over four years.
- Aged Care Quality and Safety Commission increases by 312 or 60% with \$301.3m primarily received.

- Funding to Services Australia to build common corporate services to support shared services.
- Continued additional funding of \$99.3m over four years to Services Australia for the provision of remote services.
- \$0.6m in 2021-22 to undertake a scoping study into establishing Australian Public Service Hubs in regional Australia