

2021-22 FEDERAL BUDGET BRIEFING

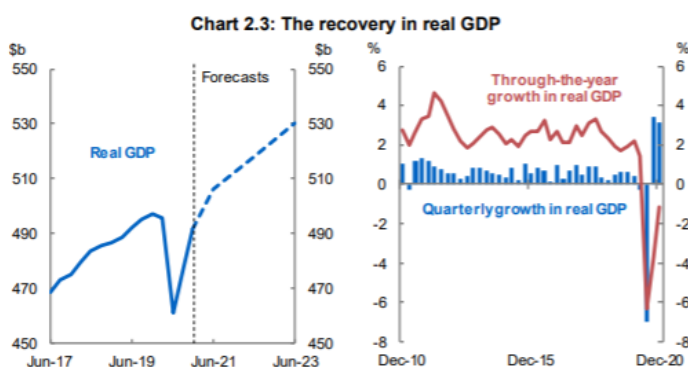
Budget Overview

A stimulatory approach to pandemic recovery and support for low-and-middle income earners were the themes of the 2021-22 Federal Budget, with vaccine manufacturing, childcare, aged care, mental health, tax relief and women's safety funding forming the centrepieces of last night's announcements. Further detail on the \$1.2bn in pre-announced digital economy strategy initiatives was revealed in budget papers.

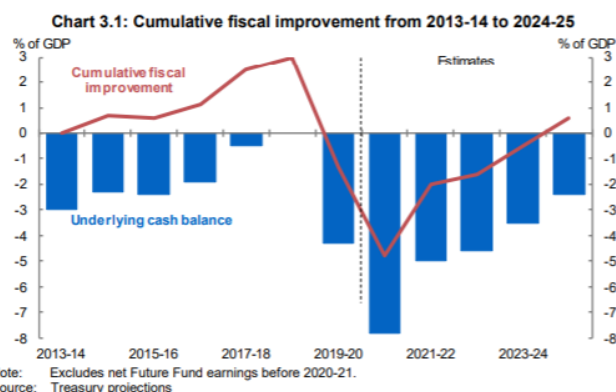
Budget papers can be found [here](#).
For the AIIA's response, see [here](#).

HEADLINE FIGURES

- **DEFICIT:** \$161bn
- **DEBT:** \$617.5bn
- **GDP:** \$2tn
- **GDP Growth:** 4.25pc
- **PAYMENTS:** \$660.8bn
- **RECEIPTS:** \$499.8bn



Source: ABS Australian National Accounts: National Income, Expenditure and Product and Treasury.



BUDGET HIGHLIGHTS

- **\$1.7bn** in increased childcare subsidies
- **\$680m** for domestic violence programs
- Increase in maximum super withdrawal
- **\$10bn** guarantee to cover cyclone and flood damage
- **\$1.1bn** for women's safety
- **\$9bn** for a \$50/fn JobSeeker increase
- **\$2.7bn** for 170,000+ apprenticeships and traineeships
- **\$2bn** preschool funding
- **\$3bn** for Melbourne road upgrades
- **\$3bn** for the Great Western Highway and Princes Highway
- **\$1.8bn** to support the aviation and tourism sectors
- **\$123.9m** for family law reform and resources
- Extension of tax offsets, temporary full expensing and temporary loss carry-back measures

PRE-ANNOUNCED \$1.2bn DIGITAL ECONOMY STRATEGY INITIATIVES¹

- **\$200.1m** for the myGov rebuild
- **\$301.8m** for the My Health Record to add support for Covid-19 testing and vaccinations and connecting the e-health record to aged care facilities
- **\$124.1m** for building Australia's capability in artificial intelligence, including **\$53.8m** for a National AI centre
- **\$111.3m** for an accelerated consumer data right rollout
- **\$100m** to support digital skills, including a digital cadetship pilot program
- **\$35.7m** to support emerging aviation technologies, including drone grants
- **\$15.3m** for increased uptake of e-invoicing
- **\$12.7m** to expand the Digital Solutions – Australian Small Business Advisory Service for SME digital capability
- Digital games offset of **30%** to help support game development
- Changes to the depreciation of intangible assets such as in-house software

KEY PORTFOLIO FUNDING

FINANCE

- An undisclosed sum for Services Australia and the

Department of Finance to accelerate the build of the federal government's SAP-based **common ERP system**, to “build and deliver modernised government technology for managing accounts, resources and workforce (GovERP)” over the next two years.

VETERANS' AFFAIRS

- **\$120m** to consolidate the Department's IT system and create a data sharing analytics solution.

COMMUNICATIONS

- **\$130.4m** to improve digital connectivity in regional areas
- **\$16.4m** for the improvement of mobile phone services in bushfire-prone areas

DIGITAL TRANSFORMATION AGENCY (DTA)

- **\$336m** overall funding for 2021-22, down from \$425.5m last year
- **\$10m** to support the government's digital transformation priorities

EMPLOYMENT

- **\$2.7bn** wage subsidy programme for apprentices (as noted above)
- 5000 additional gateway service places and in-training

¹ Further information can be found at <https://digitaleconomy.pmc.gov.au/>

support services to encourage female participation in non-traditional trade occupations

- **50%** wage subsidy extender to 12 months from the date apprentice or trainee commences with employer
- **\$213.5m** for Local Jobs Program in the regions
- **\$481.2m** for boosting youth employment via the Transition to Work program
- **\$129.8m** for small business and entrepreneurship services, streamlining the New Business Assistance program with the New Enterprise Incentive Scheme (NEIS).
- **\$80.8m** for responsive and individualised assistance for job seekers via Digital Services through the Digital Services Contact Centre
- **\$197m** for JobSeeker recipients to participate in intensive short courses after six months' unemployment
- **\$222.9m** for the arts sector's Covid-19 recovery

HOME AFFAIRS

- **\$9.6m** to support the bilateral exchange of information between Australia and the United States about serious crimes
- **\$14.2m** to develop the plan for next-generation civil maritime surveillance and response capabilities.
- **\$4m** for the Office of the Commonwealth Ombudsman and the Office of the

Inspector-General of Intelligence and Security to support oversight of the use of surveillance, data access and interception powers

- **\$42.4m** to improve security arrangements for critical infrastructure assets and to assist critical infrastructure owners and operators to respond to significant cyber-attacks

FOREIGN AFFAIRS, TRADE AND TOURISM

- **\$1.8bn** to support the aviation and tourism sectors (as above)
- **\$198.2m** to support Australian business in the export market as part of enhanced trade and strategic capability
- **\$37.4m** to support initiatives to modernise and improve Australia's trade systems, including a review of its regulatory processes and ICT systems.

AGRICULTURE, WATER AND ENVIRONMENT

- **\$411.4m** for biosecurity measures, including \$19.5m for trialling pre-border biosecurity screening technology
- **\$214.9m** for the National Soils Strategy
- **\$36.8m** for Biodiversity measures
- **\$102.1m** for trade and production in agricultural markets

- **\$51.1m** for the growth of the forestry and fisheries industries
- **\$29.8m** for employment in agriculture, including
 - **\$10.1m** for a pilot AgUP program to co-fund industry initiatives to build skills and enhance career progression pathways
 - **\$8.5m** to improve agricultural labour force data
- **\$4.7m** for innovation in agriculture:
 - **\$4.2m** investment into the National Agricultural Innovation Agenda
 - **\$0.5m** for an expanded Australian Farm Data Code
- **\$1.3bn** for building Australia's climate resilience

SKILLS REFORM

- **\$149.2m** for the establishment of up to 15 industry-owned Skills Enterprises
- **\$69.1m** to establish a new VET National Data Asset
- **\$30.9m** to redesign and rebuild the National Training Register
- **\$23.6m** to uncap the Skills for Education and Employment program
- **\$12.1m** to simplify apprenticeship pathways and develop a national digital apprenticeship portal.

INDUSTRY, SCIENCE AND RESOURCES

- Developing onshore mRNA vaccine manufacturing in Australia
- **\$116.7m** for ANSTO's operations, including **\$59.8m** for waste storage capacity and **\$56.9m** for additional maintenance and renewal of infrastructure and equipment
- **\$13.3m** for the Australian Space Agency for regulatory and technical advisory capacity and the growth of industry
- **\$54.2m** for a Global Science and Technology Diplomacy Fund
- **\$387.2m** to co-host the SKA Observatory
- **\$2.6m** to support and strengthen Australian business participation in Commonwealth procurement
- **\$11m** to stimulate and incentivise recycling amongst Australian business and communities
 - **\$33.7m** over four years to provide grants to businesses to work with government **to develop AI solutions "to solve national challenges"**
 - **\$24.7m** over six years to fund a **Next Generation AI Graduates Program** to attract AI specialists through national scholarships
 - **\$53 million** over four years to create a National AI Centre
 - Four AI and Digital Capability hubs to support SME to adopt

artificial intelligence
technologies

- **\$565.8m** for low-emissions international technology partnerships and research

INFRASTRUCTURE, TRANSPORT AND REGIONAL DEVELOPMENT

- **\$107.2m** for supply chain resilience, including PPE, medical products, agricultural chemicals
- **\$98.8m** over four years to establish an Office of Supply Chain Resilience
- **\$28.6m** over four years to deliver initiatives as part of the National Freight and Supply Chain Strategy, including **\$16.5m** over four years from 2021-22 to establish a National Freight Data Hub to improve the collection and access to freight data across all modes
- **\$84.8m** for the Regional Connectivity Program to support reliable, affordable and innovative digital services and technologies in regional and remote Australia
- **\$55.5m** for local infrastructure
- **\$160m** for National Water Grid Connections funding pathway
- **\$1bn** for the Road Safety Program
- **\$256.5m** for the Building Better Regions Fund
- **\$111.9m** to establish a Northern Australia Development

Program to support businesses to scale-up projects

- **\$68.5m** for the delivery of targeted digital connectivity solutions in Northern Australia through the Regional Connectivity Program and the Mobile Black Spot Program.

ENERGY

- **\$1.6bn** for the Emissions Reduction and New Investments under the Technology Investment Roadmap, including **\$1.2bn** to establish a technology co-investment facility supporting the development of regional hydrogen hubs, carbon capture, use and storage technologies, low-cost soil carbon measurement and new agricultural feed technologies, a carbon offset scheme in the Indo-Pacific, and the implementation of the Technology Investment Roadmap and Low Emissions Technology Statements
- **\$26.4m** to support Australian businesses and supply chains to reduce their energy costs and improve productivity
- **\$660m** for a state energy and emissions reduction deal with SA
- **\$275.5m** for four clean hydrogen hubs
- **\$58.6m** for gas infrastructure and development of new supply hubs
- **\$15m** for a 35MW big battery in the Northern Territory

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