

PwC's Federal Budget 2022-23 Insights at a glance

A budget for the times, focused on cost of living pressures, economic resilience and national security

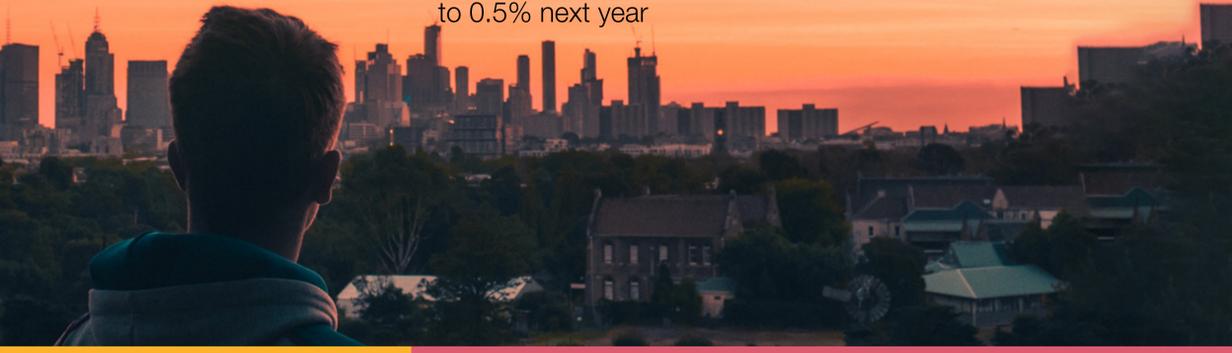
\$78bn deficit (3.4% of GDP) predicted for 2022-23

3.75% projected unemployment rate by the September quarter of 2022, a 50-year low

\$1.1tn in Gross debt (44.9% of GDP) expected to peak by 2025

4.25% peak of inflation this year before moving to 3% in 2022-23 and 2.75% in 2023-24

10.5% growth in nominal GDP this year, before flatlining to 0.5% next year



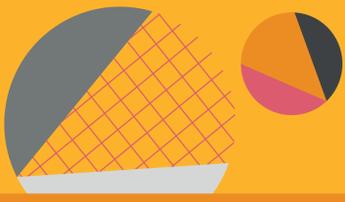
Cost of living measures

Fuel excise halved for the next six months

One-off \$420 cost-of-living tax offset, increasing the LMITO from \$1,080 to up to \$1,500 for 10 million Australians

\$250 one-off payment to six million Australian pensioners, carers, veterans, job seekers, eligible self-funded retirees and concession card holders

Reduction of PBS Safety Net thresholds to give 2.4 million Australians access to cheaper medicines



Defence and global influence

more than **\$270bn** 10-year defence capability plan bringing the total funding to 2029-30 to \$575bn

\$38bn to increase the Australian Defence Force to nearly 80,000 personnel and a total Defence workforce of more than 100,000 by 2040

\$800m to strengthen Australian leadership in Antarctica

Multibillion dollar investments to underpin the AUKUS agreement, including:

- an east coast submarine base
- a large-vessel dry berth in Perth
- upgrades and sustainment works across major defence sites, creating an additional 1,600 jobs



Cybersecurity

\$9.9bn investment in Australia's offensive and defensive cyber and intelligence capabilities over the next 10 years

Doubling the size of the Australian Signals Directorate creating 1,900 more data analysts, computer programmers, and software engineers to boost our capacity to prevent and respond to cyber threats.

Environmental

Additional **\$1bn** over 9 years to strengthen Australia's stewardship and leadership in the protection of the Great Barrier Reef

\$636.4m to expand the Indigenous Rangers Program with more than 1,000 new rangers to undertake land and sea management.

An additional **\$60.4m** into the Recycling Modernisation Fund

A new patent box for the agriculture and low-emissions technology sectors



With a Federal Election on the horizon and an economy roaring back to life, the Federal Budget walks a tightrope between providing stimulus to households

struggling with cost-of-living pressures, while at the same time protecting Australia's fiscal position."

Jeremy Thorpe
Chief Economist, PwC Australia



Supply chain sovereignty

Critical minerals strategy refresh

\$200m

Critical Minerals Accelerator Initiative with grants focused on fast tracking strategically significant critical minerals projects

\$51m

to establish a virtual Critical Minerals Research and Development Centre

Funding to make Victoria the first location in the southern hemisphere to manufacture mRNA vaccines

\$2bn

to establish the Regional Accelerator Program to invest in skills, education infrastructure, export market development and supply chain resilience



Addressing Australia's skills shortage

\$365m to help an extra 35,000 apprentices and trainees get into a job

\$2.8bn

to increase apprenticeship take up and completion rates through \$5,000 payments to new apprentices and \$15,000 in wage subsidies for employers who take them on

\$3.7bn

for national skills reform to support an additional 800,000 training places

\$120 tax deduction for small businesses for every \$100 they spend on training their employees



Infrastructure

10 year **\$120bn** infrastructure pipeline

\$17.9bn in additional funding to maintain momentum on infrastructure nationwide, including:

- \$3.1bn for the Melbourne Intermodal Terminal Package
- \$2.3bn for the North-South Corridor in South Australia
- \$1.6bn for the Brisbane to Sunshine Coast faster rail
- \$1.1bn for Brisbane to Gold Coast faster rail
- \$1.0bn for Sydney to Newcastle faster rail
- \$441m for METRONET in Western Australia

Key projects to benefit from additional federal funding, including:

- \$400m to upgrade the Inland Freight Route from Charters Towers in North Queensland to Mungindi in New South Wales
- \$7.4bn for more dams and water projects to improve vital water security and expand irrigation, including the Hells Gate and Dungowan Dams
- \$681m for the North East Queensland City Deal over 11 years from 2022-23
- An additional \$49m for the Perth City Deal over 3 years from 2022-23



Health and aged care

An additional **\$4.7bn** for health services announced

\$215m over 2 years to provide one-off payments of \$800 to aged care workers

Trodely, used to treat a rare form of breast cancer, added to the PBS

More Headspace services, community-based treatment centres and digital mental health support

\$346m to embed pharmacy services within residential aged care facilities to improve medication management for the elderly

\$58m in funding to improve endometriosis diagnosis and primary care support, helping more women to find appropriate care and better manage the impact of endometriosis

Housing

500 additional places in the Home Guarantee Scheme

Additional **\$2bn** through the National Housing Finance and Investment Corporation



Women's safety and security

\$1.3bn to support the National Plan to End Violence against Women and Children 2022-32

Expansion of paid parental leave to support greater access for more Australians, including single parents

Digital economy

\$480m to improve NBN infrastructure in regional, rural and remote areas

\$1.3bn telecommunications coverage over 6 years to expand mobile coverage across 8,000km of regional transport routes

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