

# Federal Budget 2020

## Budget In-Depth Summary to Australian Chamber Members

6 October 2020

### Economic

The COVID-19 recession is Australia's first recession in almost 30 years.

The Budget's forecast pickup in economic activity from late 2020 and into early 2021 assumes the virus is effectively contained in Australia along with further easing of containment measures and improving business and consumer confidence.

The global economy is forecast to expand by 5 per cent in 2021 due to some easing of containment measures and a gradual recovery in consumer and business confidence, which should support economic activity in Australia.

Table1: International economy GDP growth forecasts

	Outcomes	Forecasts		
	2019	2020	2021	2022
China	6.1	1 3/4	8	5 1/4
India	4.9	-9	9	4 3/4
Japan	0.7	-5 3/4	2 1/2	1 3/4
United States	2.2	-5 1/2	2 1/4	3
Euro area	1.3	-9	3 1/2	3
Other East Asia (b)	3.6	-3 3/4	4	3 1/2
Major trading partners (c)	3.5	-3	5 3/4	3 3/4
World (c)	2.9	-4 1/2	5	3 1/2

(a) World and Other East Asia growth rates are calculated using GDP weights based on purchasing power parity (PPP), while growth rates for major trading partners are calculated using goods and services export trade weights.

(b) Other East Asia comprises the Association of Southeast Asian Nations group of five (ASEAN-5), comprising Indonesia, Malaysia, the Philippines, Thailand and Singapore, along with Hong Kong, South Korea, Vietnam and Taiwan.

(c) Growth rates are estimates in 2019 rather than outcomes.

Source: National statistical agencies, International Monetary Fund, Refinitiv and Treasury.

The unemployment rate is forecast to peak at 8 per cent in the December quarter this year, before falling to 6½ per cent by the June quarter 2022 as economic activity recovers. Spare capacity in the labour market will keep wage growth at below average levels over the forward estimates, not reaching 2.25% until 2023-24. Excess capacity in the economy will maintain weakness in prices keeping inflation under 2%.

Table 2: Domestic economy – detailed forecasts<sup>(a)</sup>

	Outcomes <sup>(b)</sup>	Forecasts	
	2019-20	2020-21	2021-22
<b>Real gross domestic product</b>	<b>-0.2</b>	<b>-1 1/2</b>	<b>4 3/4</b>
Household consumption	-2.6	-1 1/2	7
Dwelling investment	-8.8	-11	7
Total business investment <sup>(c)</sup>	-1.8	-9 1/2	6
<i>By industry</i>			
Mining investment	4.8	5 1/2	1 1/2
Non-mining investment	-3.7	-14 1/2	7 1/2
Private final demand <sup>(d)</sup>	-2.9	-3 1/2	7
Public final demand <sup>(d)</sup>	5.6	5 3/4	2 1/2
Change in inventories <sup>(d)</sup>	-0.4	0	1/4
Gross national expenditure	-1.2	-1	6
Exports of goods and services	-1.6	-9	2
Imports of goods and services	-7.1	-9 1/2	8 1/2
Net exports <sup>(d)</sup>	1.1	-1/4	-1
Nominal gross domestic product	1.7	-1 3/4	3 1/4
<b>Prices and wages</b>			
Consumer price index <sup>(e)</sup>	-0.3	1 3/4	1 1/2
Wage price index <sup>(f)</sup>	1.8	1 1/4	1 1/2
GDP deflator	1.9	-1/4	-1 1/2
<b>Labour market</b>			
Participation rate (per cent) <sup>(g)</sup>	63.4	65 1/4	65 1/2
Employment <sup>(g)</sup>	-4.3	2 3/4	1 3/4
Unemployment rate (per cent) <sup>(g)</sup>	7.0	7 1/4	6 1/2
<b>Balance of payments</b>			
Terms of trade <sup>(h)</sup>	1.0	-1 1/2	-10 3/4
Current account balance (per cent of GDP)	1.8	2	-1 1/2

(a) Percentage change on preceding year unless otherwise indicated.

(b) Calculated using original data unless otherwise indicated.

(c) Excluding second-hand asset sales between the public and private sector.

(d) Percentage point contribution to growth in GDP.

(e) Through-the-year growth rate to the June quarter.

(f) Seasonally adjusted, through-the-year growth rate to the June quarter.

(g) Seasonally adjusted rate for the June quarter.

(h) The detailed forecasts are underpinned by price assumptions for key commodities: Iron ore spot price assumed to decline to US\$55/tonne free-on-board (FOB) by the end of the June quarter 2021; metallurgical coal spot price assumed to remain at US\$108/tonne FOB; and thermal coal spot price assumed to remain at US\$51/tonne FOB.

Note: The detailed forecasts for the domestic economy are based on several technical assumptions. The exchange rate is assumed to remain around its recent average level — a trade-weighted index of around 62 and a \$US exchange rate of around 72 US cents. Interest rates are assumed to move broadly in line with market expectations. World oil prices (Malaysian Tapis) are assumed to remain around US\$46 per barrel.

Population growth is assumed to be around 1.2 per cent in 2019-20, 0.2 per cent in 2020-21 and 0.4 per cent in 2021-22.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Balance of Payments and International Investment Position, Australia; Labour Force Survey, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; unpublished ABS data and Treasury.

The challenges for the Australian economy from the virus remain significant until a vaccine is developed and widely available, which results in substantial uncertainty surrounding the global and domestic outlook. The economic recovery rests largely on there being no substantial outbreaks of COVID that undermine the confidence of households to spend and businesses to invest and employ people.

COVID-19 has the potential to permanently impact household and business behaviour, including a greater shift to online consumer and business platforms, reductions in retail and office space and ongoing effects on global supply chains and trade flows.

The Budget commits an additional \$98 billion in response and recovery measures taking the Government's overall support (including balance sheet measures) in response to COVID-19 to \$507 billion.

Table 2: Budget aggregates

	Actual	Estimates				Total(a)
	2019-20	2020-21	2021-22	2022-23	2023-24	
	\$b	\$b	\$b	\$b	\$b	\$b
<b>Receipts</b>	<b>469.4</b>	<b>463.8</b>	<b>451.9</b>	<b>482.6</b>	<b>526.4</b>	<b>1,924.7</b>
Per cent of GDP	23.7	23.8	22.5	23.0	23.9	
<b>Payments(b)</b>	<b>549.6</b>	<b>677.4</b>	<b>563.9</b>	<b>570.5</b>	<b>593.3</b>	<b>2,405.2</b>
Per cent of GDP	27.7	34.8	28.0	27.2	26.9	
Net Future Fund earnings(c)	5.0	na	na	na	na	na
<b>Underlying cash balance(d)</b>	<b>-85.3</b>	<b>-213.7</b>	<b>-112.0</b>	<b>-87.9</b>	<b>-66.9</b>	<b>-480.5</b>
Per cent of GDP	-4.3	-11.0	-5.6	-4.2	-3.0	
<b>Revenue</b>	<b>486.3</b>	<b>472.4</b>	<b>464.1</b>	<b>491.4</b>	<b>538.1</b>	<b>1,966.0</b>
Per cent of GDP	24.5	24.3	23.1	23.4	24.4	
<b>Expenses</b>	<b>578.5</b>	<b>670.3</b>	<b>567.5</b>	<b>574.9</b>	<b>596.6</b>	<b>2,409.3</b>
Per cent of GDP	29.2	34.4	28.2	27.4	27.1	
<b>Net operating balance</b>	<b>-92.3</b>	<b>-197.9</b>	<b>-103.4</b>	<b>-83.5</b>	<b>-58.5</b>	<b>-443.3</b>
Per cent of GDP	-4.7	-10.2	-5.1	-4.0	-2.7	
Net capital investment	4.0	7.8	9.9	11.0	10.8	39.6
<b>Fiscal balance</b>	<b>-96.3</b>	<b>-205.7</b>	<b>-113.3</b>	<b>-94.5</b>	<b>-69.3</b>	<b>-482.9</b>
Per cent of GDP	-4.9	-10.6	-5.6	-4.5	-3.1	
<i>Memorandum:</i>						
Net Future Fund earnings(c)	5.0	3.7	3.8	4.0	4.3	15.8
Headline cash balance	-93.9	-230.0	-123.8	-100.8	-56.2	-510.7

(a) Total is equal to the sum of amounts from 2020-21 to 2023-24.

(b) Equivalent to cash payments for operating activities, purchases of non-financial assets and net cash flows from financing activities for leases.

(c) Under the *Future Fund Act 2006*, net Future Fund earnings will be available to meet the Australian Government's superannuation liability from 2020-21. From this time, the underlying cash balance includes expected net Future Fund earnings.

(d) Excludes net Future Fund earnings before 2020-21.

The Budget has a strong focus on supporting business investment. Businesses are not only recovering from COVID but are facing significant changes to their operating environments, giving rise to uncertainty and impacting on investment.

Government spending will underpin growth in the economy over the next two years. New public final demand is expected to grow by 5.25% in 2020-21 and 2.5% in 2021-22.

## Fiscal

The forward estimates are subject to significant uncertainty due to the magnitude and enduring impact of the COVID-19 shock and the unprecedented size of Government measures designed to cushion the impact of the shock.

Nominal GDP is forecast to fall by 1.75% cent in 2020-21, increase by 3.25% in 2021-22 and reach 5% growth by in 2023-24. Although the Budget deficit reaches 213.7 billion in 2020-21 and declines over the forward estimates to \$66.9 billion in 2023-24, a deficit of \$49.5 billion is forecast in 2030-31.

Gross debt of 44.8% of GDP is forecast at 30 June 2021 and increases over the forward estimates before stabilising at around 55 per cent of GDP in the medium term (2030-31).

This compares to net debt, which is expected to peak at 43.8 per cent of GDP at 30 June 2024 and fall to 39.6 per cent of GDP by the end of the medium term.

Table 4: Budget aggregates

	Actual	Estimates			
	2019-20	2020-21	2021-22	2022-23	2023-24
	\$b	\$b	\$b	\$b	\$b
<b>Underlying cash balance(a)</b>	-85.3	-213.7	-112.0	-87.9	-66.9
Per cent of GDP	-4.3	-11.0	-5.6	-4.2	-3.0
<b>Net operating balance</b>	-92.3	-197.9	-103.4	-83.5	-58.5
Per cent of GDP	-4.7	-10.2	-5.1	-4.0	-2.7
<b>Net debt(b)</b>	491.2	703.2	812.1	899.8	966.2
Per cent of GDP	24.8	36.1	40.4	42.8	43.8
<b>Gross debt(c)</b>	684.3	872.0	1,016.0	1,083.0	1,138.0
Per cent of GDP	34.5	44.8	50.5	51.6	51.6

(a) Excludes net Future Fund earnings before 2020-21.

(b) Net debt is the sum of interest bearing liabilities (which include Australian Government Securities (AGS) on issue measured at market value) minus the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

(c) Gross debt measures the face value of AGS on issue.

The Government's fiscal strategy consists of two phases. The first phase is focused on supporting jobs, boosting business and consumer confidence and supporting growth throughout the economy. The second phase starts when the unemployment rate is comfortably below 6 per cent. The focus then shifts to strengthening the fiscal position by stabilising and then reducing debt over time as a proportion of GDP. The Government aims to achieve this through ongoing fiscal discipline and reforms that boost economic growth.

## Business and Industry Policy

### Personal Tax Cuts

- \$17.8 billion in personal income tax relief, with \$12.4 billion over the next 12 months
  - Stage 2 personal tax cuts brought forward to 2020-21
  - A one-off additional low to middle income tax offset in 2020-21
    - Low to middle income earners to receive up to \$2,745 for singles and \$5,490 for dual income families – mainly for those with an income below \$90,000
  - Stage 3 to remain as scheduled for implementation in 2024-25

### Business

- Temporary full-expensing (enhanced instant assets write-off)
  - allows business with a turnover of up to \$5 billion to deduct the full cost of any eligible depreciable expenditure in the year it is installed, extending from 6 October 2020 to 30 June 2022.
- Temporary loss carry-back that allows companies with a loss of up to \$5 billion to off-set losses against previous profits on which tax has been paid. Losses can be incurred up to 2021-22 and can be carried back against profits made in or after 2018-19.

- Modernising and expanding the tax treaty network to eliminate double-taxation, settling taxing rights between countries and attracting foreign investment and skilled workers
- Exempting FBT on retraining for employers provided re-training activities to employees redeployed in a different role.
- Improving the ease of doing business
  - Greater flexibility in how businesses comply with regulation and reducing the cost of compliance – includes allowing virtual AGMs and execute documents electronically
  - Insolvency reforms that reduce the complexity, time and costs, and simplify the restructuring process to encourage more businesses to restructure when in financial distress.
  - Changes to responsible lending obligations.

### Deregulation

- As previously announced, the government is allocating \$92.1 million over four years from 2020-21 to support economic recovery through a renewed whole-of-government focus on making it easier for businesses to operate, invest and create jobs. Of this, \$13.4 million will be allocated over two years from 2020-21 to continue funding the Deregulation Taskforce to support and deliver the National Deregulation Agenda.

### Housing

- Extending the First Home Loan Deposit Scheme to enable an additional 10,000 first home buyers to purchase a new home
  - First home buyer committing 5% deposit with Government guaranteeing 15% of loan
- Attract institutional investment into affordable housing by increasing the National Housing Finance and Investment Corporation guarantee to \$1 billion through a bond issuance in the wholesale capital market
- Previously announced (4 June) HomeBuilder program providing eligible owner occupiers with a grant of \$25,000 to build a new home or rebuild an existing home

### Infrastructure

- An additional \$14 billion in new and accelerated infrastructure project over the next 4 years.
- Fast-tracking \$3 billion in shovel-ready projects, in addition to the \$2 billion already announced (May 2020)

## Modern Manufacturing Strategy

- As previously announced, \$1.5 billion over five years from 2020-21 to support the Modern Manufacturing Strategy which is focused on building competitiveness, scale and resilience in the Australian manufacturing sector. \$1.3 billion over five years from 2020-21 to establish the Modern Manufacturing Initiative which will support manufacturing projects focused on building long-term business collaboration at scale, translating research into commercial outcomes and bringing new products to market, and integrating local firms to deliver products and services into global value chains. Funding includes:
  - \$1.3 billion over five years from 2020-21 to establish the Modern Manufacturing Initiative which will support manufacturing projects focused on building long-term business collaboration at scale, translating research into commercial outcomes and bringing new products to market, and integrating local firms to deliver products and services into global value chains
  - \$107.2 million over four years from 2020-21 to identify and address critical supply chain vulnerabilities by providing manufacturers support through the new Supply Chain Resilience Initiative
  - \$52.8 million over three years from 2020-21 for a second round of the Manufacturing Modernisation Fund, which co-funds capital investments that help manufacturers scale-up, invest in new technologies, create and maintain jobs, and upskill their workers.
  - \$30.0 million over two years from 2020-21 to the Advanced Manufacturing Growth Centre to continue to support projects, in consultation with other Industry Growth Centres, to build the capability and competitiveness of the manufacturing sector in alignment with the National Manufacturing Priorities.
  - \$20.0 million in 2021-22 to Industry Growth Centres, including the Advanced Manufacturing Growth Centre, Food Innovation Australia, METS Ignited and MTPConnect in support of the Modern Manufacturing Strategy.
- There will also be \$5.0 million allocated in 2020-21 to establish an Advanced Manufacturing Facility in South Australia to facilitate the manufacturing and assembly of electric vehicles.

## Innovation and R&D

- An additional \$2 billion in funding to implement proposed amendments to R&D tax incentive scheme.
- For small companies, those with aggregated annual turnover of less than \$20 million, the refundable R&D tax offset is being set at 18.5 percentage points above the claimant's company tax rate, and the \$4 million cap on annual cash refunds will not proceed.

- For larger companies, those with aggregated annual turnover of \$20 million or more, the Government will reduce the number of intensity tiers from three to two. This will provide greater certainty for R&D investment while still rewarding those companies that commit a greater proportion of their business expenditure to R&D.
- The R&D premium ties the rates of the non-refundable R&D tax offset to a company's incremental R&D intensity, which is R&D expenditure as a proportion of total expenses for the year. The marginal R&D premium will be the claimant's company tax rate plus:
  - 8.5 percentage points above the claimant's company tax rate for R&D expenditure between 0 per cent and 2 per cent R&D intensity for larger companies.
  - 16.5 percentage points above the claimant's company tax rate for R&D expenditure above 2 per cent R&D intensity for larger companies.
- The Government will defer the start date so that all changes to the program apply to income years starting on or after 1 July 2021, to provide businesses with greater certainty as they navigate the economic impacts of the COVID-19 pandemic.
- All other aspects of the 2019-20 MYEFO measure will remain unchanged, including the increase to the R&D expenditure threshold from \$100 million to \$150 million per annum.

### Research sector

- The Government will provide \$1.0 billion in 2020-21 to safeguard Australia's research sector against the impacts of the COVID-19 pandemic. The package will support investments in nationally significant research infrastructure, secure research jobs and strengthen partnerships between universities and industry. This includes:
  - An additional \$1.0 billion in 2020-21 through the Research Support Program to support universities' costs of research and continued delivery of world class research.
  - \$41.6 million over four years from 2020-21 to establish a Strategic University Reform Fund to bring together universities and local industries to partner on innovative reform projects.
  - \$20.0 million over four years from 2020-21 to establish a Centre for Augmented Reasoning at the University of Adelaide to improve the application of machine learning in Australia.
  - \$5.8 million in 2020-21 for the Department of Education, Skills and Employment to undertake a scoping study of potential options to accelerate the translation and commercialisation of research, including through new partnerships between universities and industry and opportunities for investments.
- The Government will also deliver the 2020 Research Infrastructure Investment Plan (RIIP 2020) to continue implementation of the 2016 National Collaborative Research Infrastructure Strategy (NCRIS) Roadmap. RIIP 2020 maintains the Government's \$1.9 billion, 12-year funding envelope for national research infrastructure (NRI) and provides funding for four new NRI projects in national research priority areas. These new projects include:

- \$36.3 million over three years from 2020-21 for the early implementation of the Sea Simulator project to support the Great Barrier Reef Restoration and Adaption Program.
- \$8.9 million over three years from 2020-21 to increase the capabilities of the Humanities, Arts, Social Sciences and Indigenous e-research platforms.
- \$8.3 million over three years from 2020-21 to establish new synthetic biology research infrastructure to facilitate rapid responses to emerging disease and biosecurity risks and address critical gaps in technological platforms and informatics.
- \$7.6 million over three years from 2020-21 to upgrade the Australian Community Climate and Earth System Simulator (ACCESS) to increase Australia's capacity to respond to future climate disasters and emergencies
- \$459.2 million to CSIRO over four years from 2020-21 to address the impacts of COVID-19 on its commercial activities and ensure it is able to continue essential scientific research. This includes \$5.0 million in 2020-21 to support the upgrade of CSIRO's agriculture and grazing research facilities

## Digital and Cyber

- As previously announced, \$796.5 million is allocated over four years from 2020-21 through the Digital Business Plan to further drive progress towards Australia becoming a leading digital economy by 2030 and to improve productivity, income growth and jobs by supporting the adoption of digital technologies by Australian businesses. The measures cover the following pillars: modern digital infrastructure, reduced regulatory barriers, small and medium enterprise (SME) support and capability and a digital government that is easier to do business with. This includes a 5G Innovation Initiative to support private sector investment in 5G testbeds and trails and measures to reduce regulatory barriers.
- There are measures to support and build SME digital capability including \$19.2 million in 2020-21 to expand the Australian Small Business Advisory Services— Digital Solutions program to an additional 10,000 small businesses. As well as a Digital Readiness Assessment tool to help businesses self-assess their digital maturity as well an industry-led Digital Skills Finder Platform to enable Australian workers and SMEs to easily find digital skills training courses for reskilling and upskilling in digital literacy.

- Other measures will enhance digital government by making it easier to do business with government including \$419.9 million over four years from 2020-21 to transfer existing business registers to modernised platform and a further \$256.6 million over two years from 2020-21 to continue development and expansion of Digital Identity to improve access to government services and payments online.
- As pre-announced, the Government will provide an additional \$201.5 million over four years from 2020-21 (and \$40.5 million per year ongoing) for initiatives to implement the 2020 Cyber Security Strategy to keep Australian families and businesses secure online.
- Cyber Security
  - An addition \$201.5 million to deliver the Cyber-Security Strategy over 4 years from 2020-21, taking the total investment in the strategy to \$1.7 billion. This includes:
    - \$128.1 million over four years from 2020-21 for the Australian Federal Police, the Department of Home Affairs and the Australian Transaction Reports and Analysis Centre to enhance their capabilities to fight cybercrime, including through improved coordination with the states and territories.
    - \$37.7 million over four years from 2020-21 for the Department of Industry, Science, Energy and Resources to support industry and academia to develop innovative approaches to improve cyber security skills and long-term workforce planning.
    - \$19.1 million over four years from 2020-21 for the Department of Home Affairs to undertake a range of initiatives, including expanding outreach to Australian industry on cyber security-related matters, providing support services to victims of identity theft and cybercrime and enhancing cyber security awareness among households and small businesses.
    - \$8.3 million over two years from 2020-21 for the Department of Industry, Science, Energy and Resources to improve the cyber security resilience of Australia's small and medium enterprises.
    - \$8.3 million in 2020-21 for the Department of Home Affairs to strengthen protection of Australia's critical infrastructure assets.

### Superannuation

- The Government will provide \$159.6 million over four years from 2020-21 to implement reforms to superannuation to improve outcomes for superannuation fund members. The reforms, which will reduce the number of duplicate accounts held by employees as a result of changes in employment and prevent new members joining underperforming funds, include:
  - the Australian Taxation Office will develop systems so that new employees will be able to select a superannuation product from a table of MySuper products through the YourSuper portal.
  - an existing superannuation account will be 'stapled' to a member to avoid the creation of a new account when that person changes their employment.

- from July 2021 the Australian Prudential Regulation Authority will conduct benchmarking tests on the net investment performance of MySuper products, with products that have underperformed over two consecutive annual tests prohibited from receiving new members until a further annual test that shows they are no longer underperforming.
- improved transparency and accountability of superannuation funds by strengthening obligations on superannuation trustees to ensure their actions are consistent with members' retirement savings being maximised.

## Energy

- Low emissions technologies
  - \$1.9 billion over twelve years from 2020-21 (including \$628.5 million over four years to 2023-24) to continue funding the Australian Renewable Energy Agency (ARENA), expand the investment mandate of the Clean Energy Finance Corporation (CEFC), and invest in low emissions technologies, network infrastructure, dispatchable generation and reliable supplies in the National Electricity Market (NEM). The measure includes:
    - \$1.4 billion over twelve years from 2020-21 (including \$223.9 million over four years to 2023-24) to continue funding ARENA to provide research and development investment for emerging low emission technologies to increase their commercial readiness
    - \$95.4 million over six years from 2020-21 (including \$76.4 million over four years to 2023-24) to create a co-investment fund that supports industrial, freight and agricultural businesses to identify and adopt technologies to reduce emissions and increase productivity
    - \$74.5 million over four years from 2020-21 to create the Future Fuels Fund, which would enable businesses to integrate new vehicle technologies, perform integration analysis and develop improved information on electric vehicles and charging infrastructure
    - \$67.1 million over six years from 2020-21 (including \$53.9 million over four years to 2023-24) to expand the Regional and Remote Communities Reliability Fund to support pilot studies for microgrids in regional and remote areas
    - \$52.2 million over five years from 2020-21 (including \$47.6 million over four years to 2023-24) to improve productivity and lower energy costs in the building and hotels sectors while stimulating the economy
    - \$70.2 million over five years from 2020-21 (including \$55.7 million over four years to 2023-24) to support the development of a technology neutral regional hydrogen export hub to boost regional economies
    - \$50.0 million over three years from 2020-21 to establish the Commonwealth Carbon Capture Use and Storage Development Fund, for research into reducing the abatement of energy generators

- \$25.3 million over four years from 2020-21 to improve energy and emissions data analytics, tools and reporting to better support the Government's commitment to deliver affordable and reliable energy
- Fuel Security
  - \$250.7 million over 10 years from 2020-21 for a sovereign refining capability and increase our domestic storage capabilities to secure Australia's liquid fuel security.
- Gas fired recovery
  - \$52.9 million to support the gas fired recovery, including
    - 28.3 million over three years from 2020-21 to establish five Strategic Basin Plans to accelerate gas development in priority geological basins.
    - \$13.7 million over four years from 2020-21 to continue the Commonwealth Scientific and Industrial Research Organisation's Gas Industry Social and Environmental Research Alliance.
    - \$10.9 million in 2020-21 to implement a sequenced plan to reset the East Coast gas market, including developing a National Gas Infrastructure Plan, work to establish Wallumbilla as the Australian Gas Hub, improving pipeline regulation and empowering gas customers.

### Building regional resilience

- \$550 million to help regional industries recover from COVID.
- \$200 million in Building Better Regions fund.
- \$2 billion National Water Infrastructure Development Fund.
- \$5 billion future Drought Fund.
- Extension of the Northern Australia Infrastructure Fund for 5 years and expanding the lending criteria.

### Recycling

- \$249.6 million over 4 years to modernise recycling infrastructure, reduce waste and recycle more in Australia, including:
  - \$190 million for new Recycling Modernisation fund to drive \$600 million in new infrastructure.
  - \$35 million to implement the National Waste Policy Action Plan.
  - \$24.6 million to improve Australian national waste data to measure recycling outcomes and track progress against national waste targets.

## Employment and Skills

### Employment

- \$4 billion over 3 years for JobMaker Hiring Credit for those under 35 who are on welfare. There are no restrictions on the industries where these subsidies will be available, however, a minimum number of hours a week must be worked. Employers will receive \$200 a week for eligible workers aged 16-29 and \$100 a week for those

aged 30-35. The credit will be available for 12 months from the date of employment and the Government expect around 450,000 positions will be supported through this measure. Eligible job seekers are those who are under 35 and have been in receipt of JobSeeker, Youth Allowance (Other) or Parenting Payment for one of 3 months prior, and employers will claim the payment quarterly in arrears.

- As announced, \$62.8 million over the next 2 years to expand the Local Jobs Program to support economic recovery from COVID-19. The program will see an additional 14 Employment Facilitators appointed (in addition to the 11 currently), seeking to assist 900,000 job seekers across 25 regions with tailored assistance.
- \$35.8 million in 2021-22 to maintain Employment Fund credits to ensure Employment Services providers can provide job seekers with the support they need.
- \$21.9 million over 4 years to quickly connect young people (15-24) with specialist youth assistance through Transition to Work, and to develop online training to build job readiness.
- \$17.4 million over 2 years to temporarily expand Relocation Assistance to Take up a Job to all job seekers participating in employment services and to those who temporarily relocate to take up agricultural work.
- \$5.7 million over 2 years to extend NEIS eligibility to those in part time work or study, or those with caring responsibilities. Micro businesses will also gain access to small business assistance through this measure.
- \$9 million over 3 years to ensure the welfare of Pacific workers participating in the Seasonal Worker's Program
- \$16.3 million over three years from 2020-21 to incentivise seasonal participation in the agricultural industry, by creating a temporary pathway for young people who are seeking to qualify as independent for the purposes of assessing Youth Allowance (student) and ABSTUDY payment eligibility
- \$6.5 million over two years from 2020-21 to temporarily modify the New Employment Services Trial (NEST) to refer any job seekers who had been unemployed for six months or more prior to March 2020 from NEST digital services to a NEST Enhanced Services provider. This will provide earlier access to more intensive and tailored support to these job seekers to increase their chance of finding a job
- \$3.9 million in 2021-22 to extend the Time to Work Employment Services program by one year to 30 June 2022 to continue to provide in-prison employment services for Aboriginal and Torres Strait Islander people to help them prepare for employment post-release.
- The Government will also invest \$295.9 million over four years from 2020-21 (including \$150.7 million in capital funding) to establish a new digital employment services platform that will be available to all Australians to help them improve their skills, support proactive employer engagement and better connections to job seekers, and help job seekers match and apply for job opportunities.

- Savings of \$1.4 billion over 4 years have been identified, with measures including the transition of all but the least job ready job seekers to a primarily digital employment services; making the Youth PaTH (Prepare, Trial, Hire) program demand driven, replacing capped funding; streamlining delivery of employment services with better targeting for specialist disability employment services for those in need.
- The funding cap for the Capped Wage Subsidy Pool will be set at \$18.3 million per year, to encourage businesses to employ people from the Disability Employment Services caseload.

## Vocational Education and Training

### *Apprenticeships*

- As announced on Sunday, an additional \$1.2 billion to support Australian businesses to employ 100,000 new apprentices or trainees. Businesses who take on a new Australian apprentice on or after 5 October 2020 will be eligible for a wage subsidy, regardless of geographic location, occupation, industry or business size paid until a 100,000 cap is reached.

Employers and group training organisations will be eligible for 50 per cent of the wages for a new or recommencing apprentice or trainee undertaking a Certificate II or higher for the period up to 30 September 2021, up to \$7,000 per quarter. Payments are made quarterly in arrears, with first claims available from 1 January 2021.

This measure builds on the existing \$2.8 billion Supporting Apprentices and Trainees wage subsidy to support the retention apprentices and trainees hired before 1 July 2020.

- \$91.6 million over four years from 2020-21 (and \$1.8 million per year ongoing) for a new Apprenticeships Data Management System to better support Government service delivery through the operation of the Australian Apprenticeship Support Network and administration of apprenticeship programs.
- \$52.3 million over 3 years to expand the Skills for Education and Employment program to support additional places for basic foundational language skills, literacy and numeracy.
- \$29.6 million over 4 years to support the ongoing role of the National Careers Institute to simplify and strengthen
- \$1.7 million over four years from 2020-21 for the development of a National Skills Priority List for Apprenticeships to replace the current three lists with a single list based on a skills shortage methodology.

### *Skills*

- \$1.4 million to waive the 2020 Tuition Protection Levies for 140 private VET Student Loan providers. This will save these providers around \$10,000 each.

- As announced, a continuation of the VET Student Loan fee exemptions through to 30<sup>th</sup> June 2021 (subject to legislation). This extends the exemption of the 20% loan fee for full fee-paying VET students. The initial exemption applied to loan amounts incurred between 1 April 2020 and 30 September.
- \$52.3 million over three years from 2020-21 to expand the Skills for Education and Employment program to support additional places for basic foundational language, literacy and numeracy skills training. A scoping study would also be undertaken to inform development of a new national framework for foundational skills.
- \$29.6 million over four years from 2020-21 to support the ongoing role of the National Careers Institute to simplify and strengthen career information, promote VET pathways, and enhance partnerships between industry, employers, schools and tertiary providers.
- \$75.9 million over four years from 2020-21 in additional resourcing for the Department to support the implementation of the Skills Reform Package
- \$11.9 million over three years from 2020-21 to continue the VET FEE-HELP (VFH) Redress measure in 2021 and 2022 to support students who incurred debts under the VFH loans scheme due to inappropriate conduct of their private VET provider. This remedy measure will close for new applicants on 31 December 2022.

## Higher Education

- Higher education package already announced and legislation likely to pass. It includes:
  - \$251.8 million over two years from 2020-21 for an additional 50,000 subsidised higher education short course places across a range of discipline areas
  - \$298.5 million over four years from 2020-21 for an additional 12,000 Commonwealth supported places in 2021 in national priority areas to further meet demand for higher education
- As announced, \$3.6 million to waive the 2020 Tuition Protection Levies for 88 HELP providers. This equates to around \$41,000 average for each provider.
- As announced, extension of the Special Loan fee exemption for FEE-HELP Student Loans until June 2021. This further extends the exemption of the 25% loan fee for FEE-HELP Students, introduced in April 2020. This is a \$2.3 million cost across FEE-HELP and VET Student Loans.
- As announced, \$298.5 million over 4 years in funding to cover 12,000 additional Commonwealth supported places in higher education from 2021. (Note, this figure has been revised from the figure announced of \$326 million).
- \$3.7 million to extend an innovative partnership between the University of Tasmania, University of South Australia, University of Queensland University, University of Western Australia and University of Technology Sydney and technology company Siemens to deliver a two-year associate degree in applied technologies to students drawn from local industries.
- \$7.2 million to fund extension of advanced apprenticeship pilot to teach students high-level specialist knowledge and skills to prepare them for industry jobs of the future.

RMIT, Swinburne University of Technology, University of Technology Sydney, University of Tasmania, University of Western Australia, and University of Queensland will participate in the advanced apprenticeship-style Digital Technologies (Industry 4.0) pilot.

- \$1.0 billion in 2020-21 to support investments in nationally significant research infrastructure, secure research jobs and strengthen partnerships between universities and industry. This includes:
  - an additional \$1.0 billion in 2020-21 through the Research Support Program to support universities' costs of research and continued delivery of world class research
  - \$41.6 million over four years from 2020-21 to establish a Strategic University Reform Fund to bring together universities and local industries to partner on innovative reform projects
  - \$20.0 million over four years from 2020-21 to establish a Centre for Augmented Reasoning at the University of Adelaide to improve the application of machine learning in Australia
  - \$5.8 million in 2020-21 for the Department undertake a scoping study of potential options to accelerate the translation and commercialisation of research, including through new partnerships between universities and industry and opportunities for investments.
- \$251.8 million over 2 years for an additional 50,000 subsidised higher education short course places across a range of disciplines.
- \$19.2 million over 4 years (and \$45.1 million over ten years) to revise the allocation method for the \$5000 Tertiary Access Payment and to enable universities to administer this to eligible outer regional, rural and remote students who relocate for their studies.
- \$0.4 million over 4 years to ensure students maintain a reasonable completion rate and do not take on excessive study loads.

### Early Childhood Education

- \$314.2 million for the Child Care Recovery Package. These measures include a Relief Package (6 April to 12 July), a Transition Payment (13 July to 27 September 2020), and a Recovery Package (28 September to 31 January 2021). Support is in addition to the Child Care Subsidy. This funding is especially targeted towards Victorian Early Childhood and Care services, enabling them to remain viable.
- Funding includes:
  - \$269 million in recovery payments of 25% pre-COVID revenue for all Victorian ECEC services (except OSHC and vacation care)
  - \$8.6 million for existing arrangements for OSHC and vacation care
  - \$36.6 million in recovery payments for OSHC and vacation care after school returns to normal
- This funding follows on from \$51.7 million already provided in 2020-21.

## Schools and student support

- \$146.3 million over five years from 2020-21 for a package of initiatives to improve education outcomes of young Australians, particularly disadvantaged students and those most impacted by the COVID-19 pandemic, and to contribute to social cohesion, including;
  - \$38 m to the Smith Family to support 76,000 disadvantaged Australians to complete Year 12 and transition into work or further education
  - \$39.8 m for the Clontarf Foundation to support education and life schools of indigenous Australians.
  - \$25 m over 5 years to establish a fund to allow flexible and quick responses to emerging educational priorities arising from the crisis.
  - \$27.3 m for STEM related initiatives

## Migration

- Net overseas migration is assumed to fall from around 154,000 persons in 2019-20 to be around -72,000 persons by the end of 2020-21, before gradually increasing to around 201,000 persons in 2023-24.
- Population growth is forecast to decline to its lowest rate in over a century to 0.2% in 2020-21 before a slight rise to 0.4% in 2021-22.
- \$29.8 million over two years from 2020-21 for the JobMaker Plan to establish a new whole-of-government Global Business and Talent Attraction Taskforce to attract international businesses and exceptional talent to Australia. This initiative builds on the existing Global Talent Initiative and Business Innovation and Investment Program, and the new initiative to attract export-orientated Hong Kong-based businesses to Australia.
- \$12.7 million over 2 years from 2020-21 to the Humanitarian Program, to improve integration outcomes for humanitarian entrants through the extensions of the existing Youth Transition Support and Youth Hub Programs.
- The Government will set a ceiling on the Humanitarian Program of 13,750 places (with flexibility in places between offshore and onshore categories). Over four years from 2020-21, this will result in a reduction in expenditure of \$958.3 million and revenue reduction of \$47.0 million.
- Refunds and waivers of visa application charges for temporary visa holders affected by COVID-19 travel ban. Fee receipts are estimated to be down \$275 million over the forward estimates as a result of this measure.
- The Government will maintain the 2020-21 Migration Program planning level at 160,000. Family stream to increase to 77,300 (from 47,732) on a one-off basis in the skilled stream priorities will be Employer sponsored, global talent, business innovation and investment program. The increase number of partner visas and prioritisation of on shore migrants is expected to reduce receipts by \$320 million over forward estimates, while increased demand by Partner migrants for English language services is expected to cost an additional \$123.1 million.

- Visa charges for the Business innovation and Investment Program (BIIP) increase by 11.3%. No net impact on receipts over forwards estimates.
- Enhancing Family Stream migration outcomes by mandating character checks and the sharing of personal information as part of a mandatory sponsorship application and subject the sponsor to enforceable sponsorship obligations. The Government will also introduce English language requirements for Partner visa applicants. This measure will increase receipts by \$4.9 million over forward estimates.

### Social Support Payments

- \$2.6 billion over three years from 2020-21 to provide two separate \$250 economic support payments, to be made from November 2020 and early 2021 to eligible recipients of the following payments and health care card holders: Age Pension, Disability Support Pension, Carer Payment and Family Tax Benefit, Carer Allowance, and other pension recipients.
- \$25.0 million over four years from 2020-21 to temporarily revise the independence test for those applying for Youth Allowance and ABSTUDY from 1 January 2021. Under the exemption, the six-month period between 25 March 2020 and 24 September 2020 will automatically be recognised as contributing to an applicant's independence test, regardless of whether they meet employment requirement
- An additional \$798.8 million over four years from 2020-21. This additional funding will support the NDIA's continued implementation of a mature and effective NDIS that will support an estimated 500,000 participants with significant and permanent disability.

### Workplace Policy

- New / additional funding announcements in the 2020-21 Budget for workplace relations are limited and were largely as anticipated. Far more significant will be the extent to which our workplace relations laws / the Fair Work Act and the awards, agreements and actions it generates, support retention, rehiring and recovery from recession during the immediate to medium term.
- ACCI has in recent months represented employers, and in particular small to medium sized enterprises in all five the Attorney General's Industrial Relations Working Groups, and has strongly argued for meaningful and significant reforms to the Fair Work Act that will make businesses more able and more confident to employ, remain in business, succeed and return to growth.

### Fair Work Commission

- The FWC will receive an additional \$5.1 million over two years to respond to an increase in its workload as a result of COVID-19. ACCI anticipates:
  - Changes to key awards in a number of industries most impacted by COVID-19 and associated restrictions, including changes arising from the work of the Attorney General's 5 Industrial Relations Working Groups.

- Further announcements in coming weeks in the lead to up the introduction of a package of amendments to the Fair Work Act 2009 during the 2020 parliamentary year.

### Fair Work Ombudsman

- The FWO will receive \$46.3 million over three years (from 2019-20) to enhance its advice and education services for businesses and employees on compliance with workplace laws (including awards, minimum wages and national employment standards).
- ACCI anticipates this may extend to (a) more binding and legally reliable advice from the FWO and (b) enhanced support for industry accreditation and partnership with ACCI member organisations seeking to address and combat non-compliance with pay obligations.
- This additional commitment follows the work of the Attorney General's Industrial Relations Working Group on Compliance and Enforcement on which ACCI was represented.
- As part of its Digital Business Plan, Government will allocate an additional \$11.4 million over four years 'to deliver a Regtech Commercialisation Initiative to streamline Government administration and simplify regulatory compliance through the Business Research and Innovation Initiative'. It is unclear whether this will extend to an added role for Regtech in compliance with award and other employment obligations, but this was discussed as part of the Industrial Relations Working Group on Compliance and Enforcement.

### Fair Entitlements Guarantee

- The Attorney-General's Department will receive an additional \$35.3 million over two years to fund additional demands on the Fair Entitlements Guarantee (FEG) program. FEG applies when bankruptcy or liquidation sees employers unable to fund employee entitlements such as unpaid wages, leave, pay in lieu of notice and redundancy pay.

### Sexual Harassment

- As part of its 'Second Women's Economic Security Package' the Government will allocate \$2.1 million over three years from 2020-21 to establish a Respect@Work Council to assist in addressing sexual harassment in Australian workplaces. This is expected to flow to the Sex Discrimination Commissioner / Human Rights Commission, and implements a key recommendation of its 2020 report on the National Inquiry into Sexual Harassment in Australian Workplaces. It is expected that the new Council's objective will be to improve coordination, consistency and clarity across the key legal and regulatory frameworks, to improve prevention of and responses to sexual harassment.

### Paid Parental Leave

- As part of the 'Second Women's Economic Security Package' the Government will allocate \$90.3 million over three years from 2020-21 for concessional work test arrangements for Paid Parental Leave in response to COVID-19. The Paid Parental Leave work test for births and adoptions that occur between 22 March 2020 and 31

March 2021 will be relaxed to allow parents to qualify for the payment if they have worked 10 of the last 20 months, instead of the current 10 of the last 13 months, preceding the birth or adoption of a child.

## Work, Health and Safety, and Health Policy

### COVID-19 Health Response

#### Mental Health Support

The Government will provide \$7.0 million in 2020-21 to support the mental health and financial wellbeing of small businesses impacted by COVID-19, including:

- \$4.3 million to provide free, accessible and tailored support for small business owners by expanding Beyond Blue's NewAccess program in partnership with the Australian Small Business and Family Enterprise Ombudsman
- \$2.2 million to expand a free accredited professional development program that builds the mental health literacy of trusted business advisers so that they can better support small business owners in times of distress, delivered through Deakin University.

The measure builds on the July 2020 announcement.

The Government will provide \$47.3 million over two years from 2020-21 in additional mental health and crisis support services for people experiencing mental illness and distress as a result of the COVID-19 pandemic in Victoria.

#### Emergency Response

The Government will provide \$42.5 million in 2020-21 to continue support for Australia's emergency response to the COVID-19 pandemic, with:

- \$15.4 million for the National Incident Room to continue to manage the COVID-19 response
- \$6.8 million to continue to support the central patient triage hotline
- \$20.3 million to extend COVID-19-related national communications activities.

#### Vaccines and Treatment

- The Government will commit to supply and production agreements for access to safe and effective COVID-19 vaccines once they are available, as part of Australia's COVID-19 Vaccine and Treatment Strategy. This includes \$1.7 billion over two years for agreements to access the University of Oxford/AstraZeneca vaccine and the University of Queensland/CSL Limited vaccine with local manufacturing provided by CSL Limited/Seqirus Australia. A further \$24.7 million will be provided for the supply and storage of vital consumables, such as needles and syringes, to ensure vaccines can be administered once available.
- The Government has also committed \$123.2 million to join the COVID-19 Vaccines Global Access (COVAX) Facility, co-led by Gavi, the Vaccine Alliance, the Coalition

for Epidemic Preparedness Innovations and the World Health Organization, to provide Australia access to a diverse portfolio of COVID-19 vaccine candidates that are being developed globally.

## Work, Health and Safety

### Disaster Recovery and Resilience

- In addition to the \$2.0 billion National Bushfire Recovery Fund (NBRF), the Government has provided \$77.7 million over three years from 2020-21 to further support primary producers in recovering from the impact of the bushfires.
- The Government will also provide \$88.1 million over 12 years from 2020-21 to transition the National Research Centre Bushfire and Natural Hazard Resilience into a new National Research Centre for Disaster Resilience, which will deliver and scale up applied research to inform Australia's disaster recovery and resilience effort.
- The Government will provide an additional \$11.0 million a year, indexed, from 2020-21 to the National Aerial Firefighting Centre, to support fleet standing costs and to increase access to large air tankers across all jurisdictions.

## Trade and International

### Export Market Development Grants

- As previously announced, the Government will support and simplify the Export Market Development Grants Scheme to more effectively support export-ready small and medium enterprises. Funding of \$157 million annually will be available over forward estimates. Further information can be found in the press release of 10 September 2020 issued by the Minister for Trade, Tourism and Investment.

### Agricultural Exports Assistance

- The Government will provide \$328.4 million over four years from 2020 21 for a package of measures to improve the ease of doing business for agricultural exporters. This includes:
- \$222.2 million over four years (and \$22.3 million ongoing) for the first phase of modernising the ICT systems and business processes that support the improved delivery of export regulatory services to agricultural exporters, including:
  - simplifying interactions between farmers and exporters and the Department of Agriculture, Water and the Environment in the delivery of agricultural export assessment and certification services
  - reducing the regulatory burden on industry through streamlined and integrated systems that remove unnecessary costs and delays for exporters
  - protecting the value of agricultural exports by ensuring the integrity of systems by mitigating export system outages and improving the cyber security of information.

- \$71.1 million over three years from 2020-21 to improve the financial sustainability of export certification services by returning to full cost recovery of these services over time, while minimising the impost on industry as it recovers from the effects of the drought, bushfires and COVID 19
- \$35.2 million over four years for targeted interventions and regulatory reforms in the meat, live animal, seafood, plant and plant product export sectors to get products to overseas markets faster and more reliably.

### Simplified trade system

- The Government will invest \$28.6 million to support initiatives to modernise Australia's trade system and streamline border services, to reduce administrative complexity and improve the efficiency of international trade.
- The funding will also support a pilot program to streamline the delivery of border services between the Australian Border Force and the Department of Agriculture, Water and the Environment, and take steps towards a new model for cargo screening, to improve both speed and security.
- Via Home Affairs, a Joint Ministerial Taskforce will be created to support this work along with a dedicated Industry Advisory Council.

### Modern Slavery

- The Government will support efforts to combat modern slavery with an additional \$3.4 million made available to Home Affairs. The Government will provide \$10.6 million over five years from 2020-21 for the provision of grants to deliver community-based projects to prevent modern slavery.
- The grants will be used to support the National Action Plan to Combat Modern Slavery 2020-25, including research to inform future policies and projects to develop supply chain resilience for Australian businesses.
- The cost of this measure will be partially met from within the existing resources of the Department of Home Affairs.

### Environmental initiatives

- Australia is phasing out the export of waste, plastic, paper, tyres and glass waste. The Government will provide \$6.6 million over three years from 2020-21 to implement and administer the ban of export of certain types of waste from 1 January 2021. The Department of Agriculture, Water and the Environment will administer a licensing and declaration scheme to enable the export of waste materials where it can be demonstrated that sufficient processing has occurred prior to export to prevent harm to the environment or human health overseas.
- This measure will be offset by redirecting funding from within the Agriculture, Water and the Environment portfolio.
- The Government is investing a further \$47.4 million to protect our oceans and restore their health. This will be achieved through our world-leading management of marine protected areas and through working with countries in our region, including our Pacific family, to protect our region's mangroves, tidal marshes, seagrasses and coral reefs.

- The Government has also committed \$29.1 million over six years to reduce the risk of contamination to land and water by implementing a National Standard for the Environment Risk Management of Industrial Chemicals in Commonwealth Areas. This will reduce the risk of future contamination of land and water and enable Australia to ratify international chemical conventions. It will enforce national, consistent standards for managing industrial chemicals in Commonwealth areas and control the introduction and export of hazardous industrial chemicals.

#### International Freight Assistance Mechanism

- The budget provides \$317.12 million to extend the IFAM mechanism until mid-2021 assisting valuable exports from Australia, especially agricultural products and the import of medical supplies.

#### Foreign Investment

- \$9.6 million will be provided to support measures to attract investment in the fintech sector.

#### Aid for Trade Funding

- Humanitarian support programme appears to have been reduced by \$212 million over 4 years
- The Government will provide a financing package to the Solomon Islands Electricity Authority to fund the completion of the connection of the Tina River Hydropower Development Project to the main electricity grid distribution point in Honiara, Solomon Islands.
- The package will be financed through the Australian Infrastructure Financing Facility for the Pacific. The financial impacts of this measure are not for publication (nfp) due to commercial sensitivities.
- The Government will provide \$25.0 million in initial funding over two years from 2020-21 to support the review of existing and prospective arrangements between state and territory governments and foreign governments to ensure consistency with Australia's foreign policy. Further information can be found in the joint press release of 27 August 2020 issued by the Prime Minister and the Minister for Foreign Affairs.
- The Government will provide \$23.2 million over three years from 2020-21 to the Department of Foreign Affairs and Trade to support development of national immunisation policies in the Pacific, Timor-Leste and several Southeast Asian countries to ensure the effective delivery of COVID-19 vaccines when these become available.

- The Government will provide \$304.7 million over two years from 2020-21 to support Pacific Island countries and Timor-Leste to recover from the impacts of COVID-19. This funding will support Pacific governments and Timor-Leste to deliver essential services, including public health services, to enhance food security, and re-establish and sustain air connectivity.

### Free Trade Agreements

- The Government will provide \$6.6 million over four years from 2020-21 to assist by increasing the share of two-way trade covered by free trade agreements and by expanding regional digital trade. This measure builds on the ongoing free trade agreement negotiations with key trading partners, including the European Union and the United Kingdom. The cost of this measure will be met from within the existing resources of the Department of Foreign Affairs and Trade.
- As previously announced, the Government will provide \$62.2 million over four years from 2020-21 for new initiatives to support the Comprehensive Strategic Partnership with India, including:
  - \$19.5 million from 2020-21 to support the science, technology and innovation partnership with India
  - \$15.7 million from 2020-21 to strengthen Australia's security and maritime partnership with India in the Indo-Pacific
  - \$14.2 million to enhance the business and education relationship with India and the Indian diaspora in Australia
  - \$12.7 million from 2020-21 to establish the Australia-India Cyber and Critical Technology Partnership.
- Further information can be found in the press transcript issued by the Prime Minister, and in the press releases issued by the Minister for Foreign Affairs and Minister for Women, of 4 June 2020.
- \$41.4 million is being made available to support regional cooperation arrangement in Indonesia.

### Foreign Missions

- The Government will provide \$55.5 million over four years from 2020-21 to provide critical upgrades and enhance security in Australia's overseas diplomatic network. The cost of this measure will be partially met from within the existing resources of the Department of Foreign Affairs and Trade.

### Increasing consumer access to kava in Australia

- The Government will provide \$1.9 million over four years from 2020-21 to continue the implementation of importing Piper methysticum (kava) for personal consumption and commercial distribution. This second stage of the pilot will establish a commercial importation scheme, support further consultation and evaluation to ensure that arrangements for the importation of kava provide appropriate safeguards for community health, while recognising the cultural importance of kava to Pacific Islander communities.
- This measure builds on the July 2020 Economic and Fiscal Update measure titled Revised Implementation Timeline for the Kava Commercial Importation Pilot. The

cost of this measure will be partially met from within the existing resources of the Department of Foreign Affairs and Trade.

## Tourism

- \$231.6 million for Tourism Australia for 2020-21 to ramp up domestic marketing activities to encourage Australians to travel again, and ensure they are well placed to aggressively execute new campaigns to again attract international visitors when overseas travel is back on the agenda.
- \$11.6 million over three years to the Great Barrier Reef Marine Authority. This includes:
  - \$6 million over two years to local tourism operators and to temporarily waive Environmental Management Charge for visitors and tourists until 30 June 2021
  - \$5.6 million over three years to improve education offerings and tourism experiences
- As announced, \$129.9 million to fund addition projects under the Relief and Recovery Fund. Funding has already been provided for this measure. This includes:
  - \$50 million to support businesses to participate in trade shows
  - \$33.5 million to upgrade and refurbish iconic World and national heritage sites
  - \$20 million to support coastal ecosystems by rebuilding shellfish reefs,
  - \$15.5 million to support Australia Day 2021 events
  - \$5.0 million to the Great Barrier Reef Marine Park Authority (GBRMPA) to engage local businesses to undertake capital projects to refurbish and replace external structures at Reef HQ Aquarium in Townsville
  - \$3.2 million to the GBRMPA to ensure business continuity for tourism operators in the Great Barrier Reef (the Reef) by engaging them to undertake reef science, including in-water conservation, monitoring, intervention and restoration activities to ensure the continued health of the Reef
  - \$2.7 million to support organisers of agricultural field days that cancelled their events in 2020 due to COVID-19 and to support the Association of Agricultural Field Days of Australasia
- As announced last month, \$552.9 million over four years from 2020-21 to Regional Tourism Recovery Package. The cost will be met by the Relief and Recovery Fund and from within existing resources at the Department of Infrastructure. This includes:
  - \$207.7 million over five years from 2020-21 (including \$0.5 million in 2024-25) for round five of the Building Better Regions Fund.
  - \$100 million over two years from 2020-21 to facilitate Regional Recovery Partnerships with states, territories and local governments
  - \$51 million over two years from 2020-21 to assist regions heavily reliant on international tourism by funding tourism businesses to grow their markets

and diversify into new products until the international tourism market recovers

- \$41 million over three years from 2020-21 to establish the Securing Raw Materials Program and the Regional Cooperative Research Centres Project to support research and development activities in regional areas
- \$30.3 million over two years from 2020-21 to extend Round One of the Regional Connectivity Program
- \$13.7 million over four years from 2020-21 (and \$1.6 million per year ongoing) to improve the coordination, collection and tracking of regional economic, social and demographic data to improve the targeting and delivery of projects in regional Australia
- \$5.7 million over three years from 2020-21 to establish the Building Strong, Resilient Regional Leaders program to develop the skills, capacity and capability of local leaders
- \$5.0 million over three years from 2020-21 for the Regional Australia Institute to fund research and support an awareness campaign promoting regional Australia
- \$0.2 million in 2020-21 to support the installation of mobile phone infrastructure to cover mobile and digital black spots for Cherry Gardens in South Australia, a high-risk bushfire area.