Ongoing Fiscal Support for the Economic Recovery

Overview

Last year's Budget was the most expansionary since the Global Financial Crisis. Spending in this year's Budget is reigned in a little but it remains highly expansionary. Government initiatives will again make a material contribution to economic growth in 2021/22 and beyond.

Given the prominent programs to boost residential building announced last year that are ongoing and the Government's pre-budget commitments to expand the First Home Loan Deposit Scheme and the First Home Super Saver Scheme, housing policy was not a key focus of the 2021/22 Budget.

This year's Budget continued several measures introduced last year to encourage business investment and job creation by supporting businesses employ new staff and commence training.

Housing measures in the budget include:

- Extension of time for HomeBuilder commencement of work
- Establishing the Family Home Guarantee
- An additional 10,000 places in the New Home Guarantee
- Increasing the withdrawal cap for the First Home Super Saver Scheme
- Additional funding for Housing Research
- Additional funding for social and community housing providers.

Other measures to support business include:

- A substantial expansion of the Boosting Apprentice Commencements wage subsidy
- Extension of the temporary full expensing program (instant asset write-off)
- Extension of the loss carry back provisions

Economic Outlook

The Australian economy has endured the COVID-19 disruption remarkably well. Measures to contain the spread of virus have kept case numbers low, meanwhile the broad fiscal support measures minimised the financial shock to households and businesses.

It has been a little over a year since the response to COVID-19 began. In that time we've seen the largest contraction in economic activity since the great depression, and fortunately this was followed by an impressive rebound that will provide momentum heading into 2021/22.

The pace of recovery from the 2020 recession has exceeded original expectations. The projections within this Budget are based on the expectation that a strong pace of economic recovery can be maintained. Indeed, maintaining this pace of recovery is a key focus to the Government's economic strategy. The Treasurer has stated the intention to implement an expansionary Budget until the unemployment rate is below the pre-pandemic levels.

Treasury's expectations for economic growth have strengthened since last year's Budget (October.) Growth in Gross Domestic Product (GDP) in 2020/21 is now expected to be 1.25 per cent which is up from the 1.5 per cent decline projected in October's Budget. The growth projected for 2021/22 is now expected to be 4.25, which has been revised down from 4.75 per cent projected in October (a consequence of the stronger recovery in 2020/21). Further ahead, growth is projected to continue in 2022/23 with 2.5 per cent, 2.25 per cent in 2023/24 and 2.5 per cent in 2024/25.

It is noteworthy that this trajectory of economic growth is expected to occur against a backdrop of very weak migration. This Budget includes an assumption that **overseas migration** does not make a meaningful contribution to population growth until 2022/23, which is later than had previously been expected. The absence of migrants is a considerable drag on domestic demand.

If these GDP growth projections are to be achieved, Government spending programs will have to generate the domestic demand to offset the impact of this demographic shock. This means big spending budgets for a few more years, and substantial budget deficits across the forecast horizon.

The largest deficit will be recorded in 2020/21 as the COVID-19 related shut-downs delivered a substantial hit to government revenue (lower tax receipts) and the response package saw a spike in expenditure. Emergency level expenditure programs gradually expire over the forecast horizon while the revenue base is projected to recover, which sees the deficits decline over the out years.

Projections show that the **Budget deficit** peaks at $161.0 billion in 2020/21, which is considerably less than the $213.7 billion (11 per cent of GDP) projected last year. The deficit is projected to decline to $106.6 billion in 2021/22, and 99.3 billion in 2022/23.

Population & housing

Population growth plays an important role in generating economic activity and the Budget provides further update on the timeframe for the re-opening of Australia's borders (albeit with a high degree of uncertainty. These assumptions around population growth imply a slightly more protracted timeline than had been assumed in last year's Budget.

The basis for last year's budget was the 'Central Case' presented in the Centre for Population's Population Statement released in December This implied that Australia's rate of population growth would drop to 0.2 per cent in 2020/21 and only recover to 0.4 per cent in 2021/22, before improving to 0.9 per cent in 2022/23.

The revisions embedded in this year's Budget take us a small step closer to the Centre for Population's 'Extended Restrictions' scenario. Assumptions used within the Budget **estimate population growth** of just 0.1 per cent in 2020/21, 0.2 per cent in 2021/22 and 0.8 per cent in 2022/23.

The cumulative impact of slower population growth throughout this period will result in a further deficit compared to the 'Central Case' scenario. This equates to Australia's population having over a million fewer people compared to the pre-COVID projections. **While demand for residential building activity will remain elevated in the short term due to fiscal stimulus measures, the demographic shock has significant implications for housing demand over the medium to longer term.**

With respect to **investment in residential building**, Treasury projections show growth of 2.5 per cent is expected in the 2020/21 financial year, remaining steady throughout 2021/22 before contracting by 1.5 per cent in 2022/23.

Business investment & employment

Business investment is expected to recover strongly in 2021/22, after a contraction in non-mining businesses weighed on expenditure in 2020/21. Non-mining business investment is expected to increase by 1.5 per cent in 2021/22, while mining investment is expected to increase by 3.0 per cent.

The outlook for the labour market has also been upgraded since the previous budget. It had been estimated that unemployment would peak at 8.0 per cent in the December 2020 quarter as income support measures were wound back and mutual obligations are re-introduced for JobSeeker recipients.

Employment figures, the **unemployment** rate, and the **participation** rate have all moved favourably during early 2021, which was assisted by the fact that some businesses remained eligible for JobKeeper through to the end of the March quarter of 2021.

The unemployment rate sat at 5.6 per cent in March which is not too far off the 5.1 per cent recorded in February of 2020. Budget projections indicate the unemployment rate is expected to drop to 5.0 per cent in 2021/22 and then down to 4.75 per cent in 2022/23 then on to 4.5 per cent in 2023/24, which is consistent with the rate that Treasury believe equates to 'full employment'.

Treasury's labour market expectations are consistent with the Reserve Bank's baseline scenario forecast which implies that underlying inflation is likely to be back at the lower bound of the RBA's target band by mid-2023. This would pave the way for the extra support from monetary policy to be gradually wound back over this time frame and for cash rate rises to be on the cards as we near 2024.

The Budget is highly expansionary and the measures announced will need to be effective in boosting private sector investment and consumption if the forecast economic recovery is to be realised. This will be particularly challenging in context of the weak outlook for population growth.

Budget Measures

Housing Specific Measures

Following the announcement of several significant housing related policies in the lead up to the budget, there were no unexpected housing related policy measures in the Budget.

Extension of time for HomeBuilder

Announced in April, HomeBuilder projects have been granted an extension of time to commence work, now having 18 months to start and retrospectively applying to all eligible projects from 4 June 2020. Additional funding has been allocated to the program reflecting the stronger than expected take-up and the timing of payments has been adjusted to reflect the commencement extension.

Family Home Guarantee

The Government has committed to establishing the Family Home Guarantee, which will operate alongside the First Home Loan Deposit Scheme (FHLDS). The scheme will provide 10,000 places over the four years from 2021-22 to support single parents with dependants to enter, or re-enter, the housing market with a deposit of as little as 2 per cent. All other requirements of the FHLDS will apply to eligible home buyers.

New Home Guarantee

There has been a commitment to extend the First Home Loan Deposit Scheme to provide an additional 10,000 New Home Guarantees in 2021-22 to allow eligible first home buyers to build a new home or purchase a newly constructed home sooner with a deposit of as little as 5 per cent.

First Home Super Saver Scheme

The Government will increase the maximum releasable amount of voluntary concessional and non-concessional contributions under the First Home Super Saver Scheme (FHSSS) from $30,000 to $50,000.

Voluntary contributions made from 1 July 2017 up to the existing limit of $15,000 per year will count towards the total amount able to be released. The increase in maximum releasable amount will apply from the start of the first financial year after Royal Assent of the enabling legislation, which the Government expects will have occurred by 1 July 2022. This measure will ensure the FHSSS continues to help first home buyers in raising a deposit more quickly.

Funding for Housing Research

$5.8 million over three years from 2021-22 has been allocated to continue to support the Australian Housing and Urban Research Institute to deliver the National Housing and Urban Research Program.

$1.2 million over four years from 2021-22 has been allocated to the Australian Institute of Health and Welfare to maintain and enhance the Housing Data Dashboard website, with costs partially offset by National Housing Finance and Investment Corporation research funding.

National Housing and Homelessness Agreement — Social and Community Services Supplementation Funding

The Government will provide $124.7 million over two years from 2021-22 to support workers in the housing and homelessness sector.

The funding will be provided to states and territories under the National Housing and Homelessness Agreement to assist them to bolster public housing stocks, or to meet wage requirements under the 2011 Fair Work Australia decision on social and community services wages, where that requirement has not already been met.

Support for Businesses

Temporary full expensing extension (instant asset write-off)

The Government will extend the 2020-21 Budget measure titled JobMaker Plan — temporary full expensing for a further 12 months to end on 30 June 2023.

Temporary full expensing allows 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.

The 12-month extension will provide eligible businesses with additional time to access the incentive. This will encourage businesses to make further investments, including in projects requiring longer planning times, and continue to support economic recovery in 2022-23. All other elements of temporary full expensing will remain unchanged, including the alternative eligibility test based on total income, which will continue to be available to businesses. From 1 July 2023, normal depreciation arrangements will apply.

This measure is estimated to decrease receipts by $17.9 billion over the forward estimates period and $3.4 billion over the medium term. The impact on receipts is reduced over the medium term as the measure brings forward deductions that would have been made in future years.

Temporary loss carry-back extension

The 2020-21 Budget measure titled JobMaker Plan — temporary loss carry-back will be extended by a further 12 months to support cash flow. The measures allows 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.

Companies with aggregated turnover of less than $5 billion are eligible for temporary loss carry-back. The tax refund is limited by requiring that the amount carried back is not more than the earlier taxed profits and that the carry-back does not generate a franking account deficit. Companies that do not elect to carry back losses under this measure can still carry losses forward as normal.

This measure is estimated to decrease receipts by $2.8 billion over the forward estimates period, with a net cost of $1.9 billion over the medium term. The impact on receipts is reduced over the medium term as the measure reduces tax losses available to be utilised in later years.

Increased powers for the Administrative Appeals Tribunal in relation to small business taxation decisions

The Government will extend the power of the Administrative Appeals Tribunal (AAT) to pause or modify ATO debt recovery action in relation to disputed debts that are being reviewed by the Small Business Taxation Division (SBTD) of the AAT. Small business entities that file an application in relation to tax matters before the SBTD of the AAT on or after the commencement date will be able to apply for a pause or modification of the Commissioner’s debt recovery actions, until the underlying dispute has been decided by the AAT.

When considering applications, the AAT will be required to consider the potential effect on the integrity of the tax system and ensure that applications are in relation to genuine disputes. This measure will provide an avenue for small businesses to ensure they are not required to start paying a disputed debt until the matter has been determined by the AAT.

Small and Medium Enterprise digitalisation

The Government will provide $15.3 million over three years from 2021-22 to promote and accelerate the adoption of e-invoicing by businesses and across all levels of Government. The Government has also committed a further $12.7 million in 2021-22 to expand the Australian Small Business Advisory Service Digital Solutions program reach to up to 17,000 small businesses.

Statutory demand threshold

The Government will increase the minimum threshold at which creditors can issue a statutory demand on a company from $2,000 to $4,000.

This move was slated in a discussion paper released earlier this year.

Deregualtion through technology

The Government will invest $10 million in "regulatory technology solutions" for employers to obtain "real-time data" on award pay and conditions from the Fair Work Commission (FWC). The funds will go towards regulatory technology solutions to support compliance with modern award obligations.

The funding is part of a four-year cross-portfolio "deregulation" package worth almost $136 million.

The FWC will receive $5.2 million for the work over four years.

The Government has stated that this will make it easier and cheaper for business to comply with awards, pay staff correctly and give them greater confidence to hire new employees.

Skills, Training and Job Creation

Addressing Workforce Shortages in Key Areas — JobTrainer Fund — extension

The Government will provide $506.3 million over two years from 2021-22 to extend the JobTrainer Fund.

This includes an additional $500 million in funding for the National Partnership Agreement on the JobTrainer Fund, to be matched by contributions from the states and territories. It is expected to deliver around 163,000 additional low fee and free training places in areas of skills need, including 33,800 additional training places to support aged care skills needs and 10,000 places for digital skills courses.

Eligibility for the Fund will be expanded to include selected employed cohorts that are continuing to be affected by COVID-19. This measure also includes $6.3 million for a campaign to encourage take-up of training opportunities.

Boosting Apprenticeship Commencements wage subsidy — expansion

The Government will provide an additional $2.7 billion over four years from 2020-21 to expand the Boosting Apprenticeship Commencements wage subsidy to further support businesses and Group Training Organisations to take on new apprentices and trainees.

This measure will uncap the number of eligible places and increase the duration of the 50 per cent wage subsidy to 12 months from the date an apprentice or trainee commences with their employer.

From 5 October 2020 to 31 March 2022, businesses of any size can now claim the Boosting Apprenticeship Commencements wage subsidy for new apprentices or trainees who commence during this period. Eligible businesses will be reimbursed up to 50 per cent of an apprentice or trainee's wages of up to $7,000 per quarter for 12 months.

The Government will also provide 5,000 additional gateway service places and in-training support services to encourage and support more women commencing in non-traditional trade occupations.

The Incentives for Australian Apprenticeships Program will be delayed by three months to commence on 1 October 2021 replacing the current Australian Apprenticeships Incentive Program (AAIP) with a simplified Australian Apprenticeships pathway, intended to be easier for employers to access and navigate. The AAIP and Additional Identified Skills Shortage payments will also be extended to 30 September 2021 to ensure eligible apprentices continue to receive support throughout the deferral period and minimise disruption to apprentices and their employers.

Stronger Support for Skills Reform

The Government will provide $285 million over five years from 2020-21 (and $74.2 million per year ongoing) as part of the Commonwealth's commitment to provide stronger support for skills reform and ensure governments, employers and students invest in the training that delivers the best student outcomes to strengthen Australia's skills base.

Funding includes:

- $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
- $69.1 million over five years from 2020-21 to establish a new VET National Data Asset by leveraging the existing capability of the Australian Bureau of Statistics' Multi-Agency Data Integration Project to measure VET outcomes at the provider and course levels
- $30.9 million over four years from 2021-22 to redesign and rebuild the National Training Register to provide greater transparency of training packages, and improved information about work placements and assessment
- $23.6 million over four years from 2021-22 to support foundation skills, by uncapping the Skills for Education and Employment program, increasing project funding to accelerate the inclusion of digital skills training for job seekers in the program, providing additional funding for foundation skills policy development, and leveraging the Reading Writing Hotline to promote the Foundation Skills Guarantee
- $12.1 million over four years from 2021-22 to simplify Australian apprenticeship pathways information, and to develop a single national digital apprenticeship portal.

Support for Households

There were several measures to support households through the economic recovery, in addition to those that were implemented through the COVID-19 Response Packages.

Flexible Super — reducing the eligibility age for downsizer contributions

The Government will reduce the eligibility age to make downsizer contributions into superannuation from 65 to 60 years of age. The downsizer contribution allows people to make a one-off, post-tax contribution to their superannuation of up to $300,000 per person from the proceeds of selling their home. Both members of a couple can contribute in respect of the same home, and contributions do not count towards non-concessional contribution caps.

This measure will allow more older Australians to consider downsizing to a home that better suits their needs, thereby freeing up the stock of larger homes for other families.

Retaining the low and middle income tax offset for the 2021-22 income year

The Government will retain the low and middle income tax offset (LMITO) for the 2021-22 income year, providing further targeted tax relief for low- and middle-income earners.

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. Consistent with current arrangements, the LMITO will be received on assessment after individuals lodge their tax returns for the 2021-22 income year.

Removal of the superannuation guarantee threshold

The Government will remove the $450 per month eligibility threshold for the superannuation guarantee. This means that employers will be required to make superannuation contributions for all employees.

Infrastructure Investment

There were measures to boost investment in infrastructure around the country, with funding for projects already in the pipeline and several new projects.

New South Wales

The Government will provide $3.3 billion from 2021-22 for priority road projects in New South Wales to support economic recovery and jobs, increasing the Government's total commitment to transport infrastructure in New South Wales to $43.5 billion.

Funding includes:

- $2.0 billion for the Great Western Highway Upgrade — Katoomba to Lithgow — Construction of East and West Sections
- $500.0 million for the Princes Highway Corridor, including the Jervis Bay Road Intersection and Jervis Bay to Sussex Inlet Stage 1
- $240.0 million for the Mount Ousley Interchange
- $229.4 million for the M12 Motorway
- $87.5 million for the M5 Motorway — Moorebank Avenue and Hume Highway Intersection Upgrade
- $52.8 million for the Manns Road — Intersection Upgrades at Narara Creek Road and Stockyard Place
- $48.0 million for the Pacific Highway — Harrington Road Intersection Upgrade, Coopernook
- $32.0 million for the Toowoomba to Seymour — Upgrades to Hargraves Lane and Federation Street;
- $25.0 million for Stacey St, Bankstown — Planning
- $19.0 million for the Far North Collector Road Network, Nowra
- $18.0 million for Appin Road.

Victoria

The Government will provide $3.0 billion from 2021-22 for priority road and rail projects in Victoria to support economic recovery and jobs, increasing the Government's total commitment to transport infrastructure in Victoria to $35.5 billion.

Funding includes:

- up to $2.0 billion for the Melbourne Intermodal Terminal, with specific funding arrangements, including an option for equity investment, to be settled at a later date, with an equivalent contribution to be provided by the Victorian Government
- $380.0 million for the Pakenham Roads Upgrade
- $250.0 million for the Monash Roads Upgrade
- $92.8 million for the Commuter Car Park Upgrades including Berwick Railway Station, Frankston Railway Station, and Ringwood Railway Station
- $56.8 million for the Hall Road Upgrade
- $51.1 million for the Princes Highway East, between Rosedale and the New South Wales border
- $30.4 million for the Western Port Highway Upgrade
- $20.7 million for the Princes Highway West between Colac and the South Australian border
- $17.5 million for the Dairy Supply Chain Road Upgrades
- $15.0 million for Melbourne to Mildura — Future Priorities
- $10.0 million for the Outer Metropolitan Ring/E6 Corridor Detailed Business Case
- $10.0 million for the Mallacoota-Genoa Road Upgrade.

Queensland

The Government will provide $1.6 billion from 2021-22 for priority regional and urban road and rail infrastructure projects in Queensland to support economic recovery and jobs, increasing the Government's total commitment to transport infrastructure in Queensland to over $31.0 billion.

Funding includes:

- $400.0 million for Bruce Highway Additional Funding
- $400.0 million for the Inland Freight Route (Mungindi to Charters Towers) Upgrades
- $240.0 million for the Cairns Western Arterial Road Duplication
- $178.1 million for the Gold Coast Rail Line Capacity Improvement (Kuraby to Beenleigh) — Preconstruction
- $160.0 million for the Mooloolah River Interchange Upgrade (packages 1 and 2)
- $126.6 million for Gold Coast Light Rail — Stage 3
- $35.3 million for the Maryborough-Hervey Bay Road and Pialba-Burrum Heads Road Intersection Upgrade
- $10.0 million for the Caboolture — Bribie Island Road (Hickey Road — King John Creek) upgrade
- $5.0 million for the Beerburrum to Nambour Duplication Study
- $4.0 million for the Warrego Highway — Mt Crosby Road Interchange.

South Australia

The Government will provide $3.2 billion from 2021-22 for priority road and rail projects in South Australia to support economic recovery and jobs, increasing the Government's total commitment to transport infrastructure in South Australia to $10.7 billion.

Funding includes:

- $2.6 billion for the North-South Corridor — Darlington to Anzac Highway
- $161.6 million for the Truro Bypass
- $148.0 million for the Augusta Highway Duplication — Stage 2
- $64.0 million for the Strzelecki Track Update — Sealing
- $60.0 million for the Gawler Rail Line Electrification
- $48.0 million for the Heysen Tunnel Refit and Upgrade — Stage 2
- $32.0 million for the Kangaroo Island Road Safety and Bushfire Resilience Package
- $27.6 million for the Overpass at Port Wakefield and Township Duplication
- $22.5 million for the Marion Road and Sir Donald Bradman Drive Intersection Upgrade
- $12.0 million for the Anangu Pitjantjatjara Yankunytjatjara Lands — Main Access Road Upgrade — Stuart Highway to Pukatja
- $5.0 million for the Greater Adelaide Freight Bypass Planning Study
- $3.1 million for the Goodwood and Torrens Rail Junctions Project
- $3.0 million for the North East Road and Nottage Terrace Intersection Upgrade
- $2.5 million for the Murray Bridge to South East Links Planning Study
- $1.0 million for the Eyre Highway Widening and Upgrade Planning Study.
- The Government will also provide $40.0 million over two years from 2021-22 to continue supplementary local roads funding in South Australia.

Western Australia

The Government will provide $1.3 billion from 2021-22 for priority road and rail projects in Western Australia to support economic recovery and jobs, increasing the Government's total commitment to transport infrastructure in Western Australia to $17.3 billion.

Funding includes:

- $237.5 million for the METRONET: Hamilton Street/Wharf Street Grade Separations and Elevation of Associated Stations
- $200.0 million for the Great Eastern Highway Upgrades — Coates Gully, Walgoolan to Southern Cross and Ghooli to Benari
- $160.0 million for the WA Agricultural Supply Chain Improvements — Package 1
- $112.5 million for the Reid Highway — Altone Road and Daviot Road/Drumpellier Drive — Grade Separated Intersections
- $110.0 million for the METRONET: Byford Extension
- $85.0 million for the Perth Airport Precinct — Northern Access
- $64.0 million for the Toodyay Road Upgrade — Dryandra to Toodyay
- $55.0 million for the Mandurah Estuary Bridge Duplication
- $48.0 million for the Great Northern Highway — Broome to Kununurra (Nellie Springs to Sally Downs Way and Arthur Creek)
- $48.0 million for the Marble Bar Road Upgrade
- $44.0 million for the Indian Ocean Drive — Jurien Bay to Brand Highway
- $31.5 million for METRONET: High Capacity Signalling
- $21.5 million for the Leach Highway (Welshpool Road Interchange)
- $16.0 million for the Regional State Road Safety Improvement Program
- $14.4 million for the Port Augusta to Perth (WA) — Great Eastern Highway — Walgoolan Southern Cross and Coates Gully
- $10.0 million for the Orrong Road Expressway — Graham Farmer Freeway to Leach Highway Planning
- $8.5 million for the Mitchell Freeway Extension — Hester Avenue to Romeo Road
- $7.6 million for the Wanneroo Road — Dunstan Road to Romeo Road — Duplication
- $7.2 million for Mitchell Freeway Widening Southbound — Cedric Street to Vincent Street
- $4.0 million for the Thomas Road and Nicholson Road Upgrade
- $2.0 million for the Kalgoorlie Rail Realignment — Business Case.

Tasmania

The Government will provide $322.6 million from 2021-22 for priority road projects in Tasmania to support economic recovery and jobs, increasing the Government's total commitment to transport infrastructure in Tasmania to over $3.6 billion.

Funding includes:

- $113.4 million for the Midland Highway Upgrades, including Campbell Town North (Campbell Town to Epping Forest), Oatlands (Jericho to South of York Plains), Ross (Mona Vale Road to Campbell Town), and preconstruction works
- $80.0 million for the Tasmanian Roads Package—Bass Highway Safety and Freight Efficiency Upgrades Package—Future Priorities
- $48.0 million for the Algona Road Grade Separated Interchange and Duplication of the Kingston Bypass
- $44.0 million for the Rokeby Road — South Arm Road Upgrades
- $24.0 million for the Tasmanian Freight Rail Revitalisation — Tranche 3 — Port of Burnie Shiploader Upgrade
- $13.2 million for Huon Link Road.

Northern Territory

The Government will provide $323.9 million from 2021-22 for priority road and rail projects in the Northern Territory to support economic recovery and jobs, increasing the Government's total commitment to transport infrastructure in the Northern Territory to $3.2 billion.

Funding includes:

- $173.6 million for the Northern Territory Gas Industry Roads Upgrades
- $150.0 million for the Northern Territory National Network Highway Upgrades (Phase 2).

Australian Capital Territory

The Government will provide $167.3 million from 2020-21 for priority road and rail projects in the Australian Capital Territory to support economic recovery and jobs, increasing the Government's total commitment to transport infrastructure in the Australian Capital Territory to over $1.2 billion.

Funding includes:

- $132.5 million for Canberra Light Rail — Stage 2A
- $26.5 million for the William Hovell Drive Duplication
- $5.0 million for the Gundaroo Drive Duplication (formerly William Slim Drive Duplication)
- $2.5 million for Beltana Road Improvements.

Other measures to note:

Migration Program — 2021-22 planning levels

There were no changes to the Government's position on migration planning levels.

The Government will maintain the 2021-22 Migration Program planning level at 160,000. Family and Skilled stream places will be maintained at their 2020-21 planning levels, with a continued focus on onshore visa applicants, including reducing the onshore Partner visa pipeline.

The Humanitarian Program will be maintained at 13,750 places in 2021-22 and over the forward estimates, and the size of the program will remain as a ceiling rather than a target.

Trades Recognition Australia — full cost recovery

The Government will provide $4.6 million over four years from 2021-22 to deliver consistent charging arrangements across Trades Recognition Australia (TRA) activities with all of its five skills assessment pathways being undertaken on a cost recovery basis.

TRA provides skills assessment services for migrants seeking to work in technical and trade occupations so they can fully participate in the labour market and fill employment gaps in a timely manner. TRA's activities will become demand driven and fees will be structured to ensure that they are aligned with the Australian Government Charging Framework and Cost Recovery Guidelines. Following public consultation, the new cost recovery-based fees will commence from 1 September 2021.

For further information regarding Budget 2021/22, please contact:

Tim Reardon, Chief Economist t.reardon@hia.com.au

Nick Ward, Senior Economist, n.ward@hia.com.au

Geordan Murray, Executive Director – Industry Policy, g.murray@hia.com.au

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