

30 March 2022

NECA FEDERAL BUDGET 2022-23 MEMBER ALERT

OVERVIEW

NECA is pleased to provide members with a snapshot of key measures contained in the federal government's budget delivered by the Treasurer, Hon Josh Frydenberg MP, on 29 March 2022.

This document is a high-level guide only to those initiatives that are of direct or indirect relevance and/or benefit to businesses in the electrical and communications contracting industry, and to employers, employees and their families. It is not intended to be a complete analysis of the 2022-23 federal budget.

Links to government information pages are provided where available.

COST OF LIVING RELIEF

- Fuel excise halved to 22.1 cents per litre for the next six months;
- One-off \$420 cost of living tax offset for low and middle income earners;
- Individuals already receiving the low-and-middle-income tax offset (LMITO) will receive up to \$1,500 and couples up to \$3,000 from 1 July.

Further information: [Cost of living](#)

These measures will mitigate the effects of inflationary pressures on both individuals and businesses caused by resurgent GDP growth following the COVID-19 pandemic and due to factors such as military conflict in eastern Europe distorting energy prices.

SKILLS, TRAINING AND APPRENTICESHIPS

- \$3.7 billion investment in a national skills reform:
 - An additional 800,000 training places;
 - \$2.8 billion to increase apprenticeship uptake and completion rates;
 - \$5,000 payments to new apprentices;
 - Up to \$15,000 wage subsidies for employers of apprentices;
 - New and expanded programs to help find employment for disadvantaged youth, Indigenous Australians, the mature aged and Australian's with a disability;
 - \$365.3 million extension to the Boosting Apprenticeship Commencement program that will see an additional 35,000 apprentices and trainees enter the workforce;
 - Skill stream places will account for around 70 per cent of the 2022-23 Migration Program, increasing planning levels for the skill stream to 109,900 places.

Further information: [Workforce](#)

These measures will help address critical skills shortages in the trades sector by providing incentives for potential candidates to enrol in apprenticeships, and incentivising businesses to take on apprentices, including mature age candidates and women.

SMALL BUSINESS

- \$120 tax deduction for every hundred dollars a small business spends on training their employees;
- \$120 tax deduction for every hundred dollars a small business spends on digital technologies including cloud computing, eInvoicing, cyber security and web design (for investments of up to \$100,00 per year);
- New procurement rules to allow smaller contractors and subcontractors an opportunity to tender for work on government contracts;
- Instant Asset Tax Write-off for businesses with annual turnover or total income less than \$5 billion extended to 30 June 2023;
- Facility for companies with annual turnover of less than \$5 billion to offset losses against previously taxed profits to generate a refund extended to the end of the 2022-23 financial year;
- Expanded access to 10 small business tax concessions by lifting the annual turnover threshold from \$10 million to \$50 million.

Further information: [Workforce](#)

These measures will help small and medium businesses update their operations to incorporate new technologies. The tax deduction for training will further enhance the impact of direct funding measures aimed at boosting the uptake of apprenticeships.

REGIONAL GROWTH

- A \$2 billion regional accelerator program to invest in skills, education infrastructure, export market development and supply chain resilience for our regions;
- A new \$1.3 billion telecommunications package to expand mobile coverage across 8,000km of regional transport routes;
- Upskilling the workforce with \$405.7 million for regional apprenticeships and universities.

Further information: [Regions](#)

The investment in regional Australia will create opportunities for businesses in the electrotechnology industry, based outside metropolitan areas, to undertake works on building, infrastructure and communications projects in their local areas.

INFRASTRUCTURE

- New commitments to road and rail projects
 - Brisbane to Sunshine Coast faster rail;
 - Sydney to Newcastle faster rail;
 - The METRONET project in Western Australia;
 - The North-South Corridor in South Australia;
 - Great Eastern Drive in Tasmania;
 - Central Australian Tourism Roads in the Northern Territory;
 - Melbourne Intermodal Terminals to increase the efficiency of the national freight network;

- More than \$500 million for local councils to deliver priority projects;
- \$800 million to better connect regional Australia with ports, airports and other transport hubs.

Further information: [Regions](#)

The projects funded by this investment will generate opportunities for contractors working across these areas.

ENERGY AND NET ZERO EMISSIONS

- Investments in microgrids to support regional and remote communities with small-scale renewable energy projects solar and wind.

These initiatives will directly benefit electrical and communications contractors operating in the residential sector through significant new home construction projects.

MENTAL HEALTH

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

Further information: [Essentials](#)

These measures will benefit employers, their employees, their families and their children by providing support for those struggling personally.

WOMEN'S SAFETY

- More than \$2billion to improve the safety, health and economic security of women;
- \$1.3 billion to end violence against women and children:
 - More frontline service, emergency accommodation and support to access legal and health services;
- New women's health package:
 - Stillbirth and miscarriage support;
 - New endometriosis clinics;
 - Greater access to breast and cervical cancer screenings;
- Enhanced Paid Parental Leave;
- More families to access 20 weeks paid parental leave and decide how they will share it;
 - Single parents now able to access the full 20 weeks.

Further information: [Women](#)

These measures will help women retain employment through the expanded support and monetary resources available to those in vulnerable or violent situations, which in turn will benefit business.

HOUSING

- Doubling the Home Guarantee Scheme to 50,000 places per year;
- Deposits as low as two per cent for single parents;
- Deposits as low as five per cent for first home buyers;
- \$2billion for affordable housing through the National Housing Finance and Investment Corporation.

Further information: [Cost of living](#)

Whilst these measures are aimed primarily at home ownership affordability, it is likely that enhanced opportunities for trade-based businesses will flow from renovation/extension/redevelopment activities undertaken by persons purchasing existing dwellings, in addition to direct construction works on new housing projects

PROTECTING OUR ENVIRONMENT

- The Recycling Modernisation Fund will save 10 million tonnes of recyclables from landfill every year by 2030;
- Waste is no longer being exported, it is being recycled here, creating over 10,000 jobs.

NATIONAL SECURITY

- A 10-year, \$9.9 billion investment in Australia's offensive and defensive cyber capabilities.

Further information: [Safety](#)

By its nature, a large investment in critical electronic infrastructure will necessitate large volumes of electrical and telecommunications work, representing new opportunities for businesses operating in the electrotechnology industry.

OVERALL ECONOMIC OUTLOOK

- Unemployment expected to fall below four per cent during 2022-23
- 2022-23 Budget deficit of \$78 billion (3.4 per cent of GDP); deficit to fall to 1.6 per cent of GDP in 2025-26
- Net debt will peak at 33.1 per cent of GDP by June 2026.

ADDITIONAL RESOURCES

[2022-23 Budget Home Page](#)

[Budget Overview](#)

[Budget Statements by Portfolio](#)

[More jobs and a strong economy](#)

[Building Australia and strengthening our regions](#)

[Guaranteeing the essential services](#)

[Keeping Australians safe](#)

[Treasurer's Budget Speech 2022-23](#)

LATEST STATE AND TERRITORY ANNOUNCEMENTS

Contact your local NECA Branch website for regular updates.