

Federal Budget October 2022-23

Foreword



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NECA is pleased to provide its members with a snapshot of key measures contained in the federal budget delivered by the Treasurer, Hon Jim Chalmers MP, on 25 October 2022.

NECA would like to commend the government particularly on the announcements made in relation to skills and training investments, aimed at unlocking greater opportunities for the electrotechnology sector including:

- \$12.9 million to establish Jobs and Skills Australia (JSA)
- 480,000 fee-free TAFE and vocational education places
- Australian Skills Guarantee for more apprentices and trainees
- New Energy Apprenticeships funding for 10,000 new recruits
- New Energy Skills Program for clean energy jobs
- Greater funding allocations to advance gender equality for women.

Small business and family-owned enterprises are the lifeblood of Australia's economy, and more needs to be done to truly build a stronger, more resilient, and more modern economy.

NECA looks forward to working with the federal government in ensuring there are more opportunities for small businesses in future.

More Information

The Federal Budget 2022-23 Budget Papers can be accessed via www.budget.gov.au

If you have any questions relating to how the budget impacts you and your business, please contact us at memberservices@neca.asn.au.

NECA welcomes suggestions and feedback as it continues to advocate on issues that affect and shape the electrotechnology sector in Australia.



2022-23 Budget Summary

Budget highlights include the following investments:

- \$21 billion in savings over four years
- Rewiring the Nation, with \$20 billion in low-cost finance to make upgrades to the electricity grid, including the Marinus Link between Tasmania and Victoria
- \$1.9 billion Powering the Regions fund to help regional industries decarbonise
- \$1 billion for the Future Made in Australia plan, including 480,000 fee-free TAFE places and \$485 million for up to 20,000 new university places
- Family policy, with additional spending on childcare (\$5.4 billion over four years) and paid parental leave (\$600 billion over four years)
- \$10 billion for 30,000 affordable houses.

Infrastructure and Energy

Significant investment in our sector was a highlight of the Treasurer's budget and included in the infrastructure program. The estimated expenditure of \$120 billion in infrastructure projects over ten years is envisaged which includes:

- \$9.7 billion for infrastructure projects announced during the election campaign:
 - \$2.2 billion for the Victorian Suburban Rail Loop
 - \$300 million for the Western Sydney Roads Package
 - \$500 million for the High Speed Rail Authority, investing in corridor and early works from Sydney to Newcastle
 - \$580 million for upgrades to Queensland's Bruce Highway

- \$1 billion for road upgrades in South Australia
- \$540 million to upgrade the Bass Highway, Tasman Highway and West Tamar Highway in Tasmania
- \$1.5 billion to upgrade Western Australia's freight highways
- \$125 million to build an electric bus network in Perth
- \$1 billion over three years for two new regional grants programs
- \$2.4 billion over four years to upgrade the National Broadband Network, and to deliver full fibre access to 1.5 million premises

Powering Australia Plan:

- \$20 billion fund to be established for energy transmission;
- \$800 million in 2022-23 to fund
 - A national electric vehicle charging network and hydrogen refuelling stations on highways;
 - Solar battery storage for up to 100,000 homes;
 - Ensuring renters and apartment owners can benefit from cheaper energy.

Skills, Training and Apprenticeships

NECA has been working closely with Minister Brendan O'Connor's office (Minister for Skills and Training) to address the skills shortages in our industry.

Ensuring greater completion rates and more opportunities for apprentices has been a clear focus of NECA and as such we welcomed significant initiatives and funding in this sector:

- 480,000 fee-free places over four years for TAFE and vocational education

places, targeting priority groups including women in non-traditional fields. Around 180,000 of those will be delivered in 2023 alone, budget documents state, with those priority areas to be determined by the forthcoming National Skills Agreement.

- Australian Skills Guarantee to ensure one in ten workers on Commonwealth-funded projects is an apprentice, trainee or paid cadet;
- New Energy Apprenticeships enabling support payments of up to \$10,000 over the duration of the apprenticeship for 10,000 new apprentices;
- New Energy Skills Program to enable pathways for clean energy industry jobs.

The budget also sees the commencement of delivery on the outcomes of the Jobs and Skills Summit, including allocations of \$12.9 million to establish Jobs and Skills Australia (JSA).

Furthermore, NECA is especially pleased with the focus and federal government's support in the area of mentoring energy apprentices to ensure completion rates are increased across our sector.

This has been a key area of focus for NECA, and one which has continually contributed to NECA's high apprenticeship completion rates, which if rolled out nationally will deliver the skilled tradespeople our sector needs.

Tax

- No changes to "Stage Three" tax cuts scheduled to take effect on 1 July 2024, establishing a single 30% tax rate for taxpayers earning between \$45,000 and \$200,000 per year
- \$3 billion in savings, over four years, from a crackdown on tax avoidance by multinationals.

Cost of Living Relief

\$7.5 billion over four years to provide targeted cost of living relief:

- Higher childcare subsidies from July 2023 for 1.2 million families earning up to \$530,000 per year, releasing up to 1.4 million female labour hours per week into the workforce;
- \$530 million over four years to "scale up" paid parental leave, reaching six months' paid parental leave per family (and able to be shared between parents) by 2026;
- Maximum general co-payment on PBS prescriptions cut from \$42.50 to \$30 per script from 1 January 2023 for 3.6 million Australians.

Business and Industry Initiatives

- Strengthening unfair contract term protections to improve consumer and small business confidence when entering standard form contracts
- Providing workplace relations support for small businesses by removing complexity to help small businesses reach agreements with their employees;
- Providing bargaining support for small businesses;
- Assisting small business employers to implement family and domestic violence leave entitlements for their employees
- Helping small and medium businesses improve energy efficiency by upgrading old and/or inefficient equipment, reduce energy use, and drive down their energy bills.

Housing

- \$10 billion over 4 years to build up to 30,000 affordable houses,
 - \$350 million over 5 years to build 20,000 additional houses through the Housing Accord, which brings together states and territories, local government associations and investors to increase housing supply
 - Help to Buy Scheme, allowing up to 40,000 eligible Australians to own their own home with a lower deposit and smaller mortgage
 - Regional First Home Buyer Guarantee, supporting 10,000 new homeowners each year
 - A “big, bold ambition” to build one million new homes over five years from 2024 onwards.
- 2022-23 Budget deficit \$36.9 billion, rising to \$51.3 billion in 2024-25 and falling to \$49.6 billion in 2025-26
 - Net debt to fall to \$572 billion in 2022-23 (23% of GDP), rising to \$766.8 billion (28.5% of GDP) by 2025-26
 - Gross debt to peak at \$1.17 trillion by June 2026 (48.5% of GDP)

Additional Resources

- [2022-23 Budget Home Page](#)
- [Budget Overview – Building a Better Future; Budget at a Glance](#)
- [Budget Statements by Portfolio](#)
- [Treasurer’s Budget Speech 2022-23](#)

Overall Economic Outlook

- GDP growth and unemployment figures adversely affected by international events and the possibility of a global economic slowdown impacting on Australia
- Unemployment to rise to 4.5% by 2023-24, remaining static in 2024-25 and falling to 4.25% in 2025-26
- GDP to grow by 3.25 per cent in 2022-23, falling to 1.5% in 2023-24 and recovering to 2.5% by 2025-26
- CPI (inflation) at 7.75 per cent in 2022-23, falling to 3.5% in 2023-24 and to 2.5% in 2024-25 and 2025-26
- Wage growth to increase to 3.75% in 2022-23
- Real wage growth expected to resume in 2024-25 as inflation falls below 3%
- Total government revenue in 2022-23 of \$625 billion; total expenditure \$650.9 billion