GEARED
ASSET FINANCE

FEDERAL BUDGET

2020 - 2021

Contents

Budget Overview

The biggest single item in the Budget are the changes to the Government's JobKeeper payment announced in September, extending the payment to March 2020, but at new lower rates.

This extension will cost the Budget $15.6 billion in 2020-21 – but there is no provision in the Budget for any payments beyond that date.

Nor does the Budget contain any hint of a future increase in the JobSeeker (previously Newstart) payment, which business and welfare groups have been calling for.

Another widely expected change missing from the Budget is any indication of the Government's plans in relation to the already legislated schedule of increases in the Superannuation Guarantee from the present 9.5 per cent rate, to a proposed 12 per cent in 2024.

JobMaker Hiring Credit
The Budget contains a JobMaker Hiring Credit to cost $4 billion over three years.

The JobMaker Hiring Credit will be available to employers from 7 October 2020 for each new job they create over the next 12 months for which they hire an eligible young person. For each eligible employee, employers will receive for up to 12 months:

- $200 a week if they hire an eligible young person aged 16 to 29 years; or
- $100 a week if they hire an eligible young person aged 30 to 35 years.

To be eligible young job seekers must have received JobSeeker Payment, Youth Allowance (Other) or Parenting Payment for at least one of the previous three months at the time of hiring.

Employers must demonstrate that they have increased their overall employment to receive this payment for up to 12 months for each position created. To claim the JobMaker Hiring Credit, employers need to report their employees' payroll information to the Australian Taxation Office through Single Touch Payroll.

Personal tax cuts
The Budget announced the Government was proposing to bring forward Stage Two of its Personal Income Tax Plan.

The 19 per cent tax threshold will rise from $37,000 to $45,000 and the 32.5 per cent threshold will rise from $90,000 to $120,000.

The low income tax offset will also increase from $445 to $700.

Business Taxes
The Budget announced the extension of the Instant Asset write off, with all businesses with turnover up to $5 billion a year able to immediately write-off all approved investment spending.

They will be able to write off the full value of assets they purchase.

The Government will also temporarily allow companies with a turnover of up to $5 billion to offset tax losses against previous profits on which tax has been paid.

Economy
The Budget Papers forecast the Australian economy – real GDP – will contract by 3 ¾ per cent in calendar year 2020, before rebounding to grow by 4¼ per cent in calendar year 2021.

It forecasts that unemployment will peak at 8 per cent in the December quarter before falling to 6.5 per cent in the June quarter 2022.

The Budget says the unemployment rate is forecast to rise in the short term, to reach a quarterly peak of 8 per cent in the December quarter 2020. It is then forecast to fall to 6½ per cent by the June quarter 2022, in line with the recovery in activity.

It is expected to continue falling over the rest of the forecast period, reaching 5½ per cent by the June quarter 2024.

Dwelling investment is expected to remain weak in the near term, with a forecast fall of 11 per cent in 2020-21.

New business investment is forecast to fall by 9½ per cent in 2020-21, driven by a significant deterioration in the outlook for non-mining investment, before growing by 6 per cent in 2021-22.

Budget deficit
The Budget deficit (underlying cash balance) is expected to be -$213.7 billion in 2020-21 (11.0 per cent of GDP).

The Budget balance is expected to improve to an estimated deficit of $66.9 billion (3.0 per cent of GDP) in 2023-24. The underlying cash balance is projected to further improve over the medium term to a deficit of $49.5 billion (1.6 per cent of GDP) in 2030-31.

At the 2019-20 MYEFO in December 2019, the Government estimated a surplus (underlying cash balance) of +$6.1 billion (0.3 per cent of GDP) in 2020-21, and a surplus of $4.0 billion (0.2 per cent of GDP) expected in 2022-23. The underlying cash balance was projected to remain in surplus throughout the medium term, reaching 1 per cent of GDP in 2026-27.

Budget outcome

	Actual	Estimates				
	2019-20	2020-21	2021-22	2022-23	2023-24	Total[b]
Underlying cash balance ($b)[c]	**-85.3**	**-213.7**	**-112.0**	**-87.9**	**-66.9**	**-480.5**
Per cent of GDP	-4.3	-11.0	-5.6	-4.2	-3.0	
Gross debt[d]	**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	
Net debt	**491.2**	**703.2**	**812.1**	**899.8**	**966.2**	
Per cent of GDP	24.8	36.1	40.4	42.8	43.8	

(See below for comparable tables from previous years' Budgets and 2018 Mid Year Economic and Fiscal Outlook)

Taxes
Once new policies announced in the Budget are taken into account, tax receipts are expected to fall by 1.7 per cent in 2020-21 and 2.6 per cent in 2021-22, before recovering strongly towards the end of the forward estimates.

Overall Government spending (Australian Government general government sector - GGS) is forecast to increase by 15.3 per cent in real terms in 2020-21, and then to decrease by 16.1 per cent in real terms in 2021-22.

The Budget announced the extension of the Instant Asset write off, with all businesses with turnover up to $5 billion a year able to immediately write-off all approved investment spending.

The Budget announced the Government was proposing to bring forward Stage Two of its Personal Income Tax Plan.

The 19 per cent tax threshold will rise from $37,000 to $45,000 and the 32.5 per cent threshold will rise from $90,000 to $120,000.

The low income tax offset will also increase from $445 to $700.

The following tables are the comparable Budget aggregate tables from previous years' Budgets and the 2019-20 Mid Year Economic and Fiscal Outlook.

MYEFO 2019-20 – December 2019

Table 1.1: Budget aggregates

	Estimates					
	2019-20			2020-21		
	Budget $b	PEFO $b	MYEFO $b	Budget $b	PEFO $b	MYEFO $b
Underlying cash balance(a)	**7.1**	**7.1**	**5.0**	**11.0**	**11.0**	**6.1**
Per cent of GDP	0.4	0.4	0.3	0.5	0.5	0.3
Net operating balance(b)	**12.9**	**12.9**	**8.0**	**18.2**	**18.2**	**12.1**
Per cent of GDP	0.6	0.6	0.4	0.9	0.9	0.6
	Projections					
	2021-22			2022-23		
	Budget $b	PEFO $b	MYEFO $b	Budget $b	PEFO $b	MYEFO $b
Underlying cash balance(a)	**17.8**	**17.8**	**8.4**	**9.2**	**9.2**	**4.0**
Per cent of GDP	0.8	0.8	0.4	0.4	0.4	0.2
Net operating balance(b)	**28.8**	**28.8**	**17.8**	**20.6**	**20.6**	**11.6**
Per cent of GDP	1.3	1.3	0.8	0.9	0.9	0.5

(a) Excludes expected net Future Fund earnings before 2020-21.
(b) The estimates and projections for MYEFO include impacts resulting from the implementation of AASB 16.

Budget 2019-20

Budget aggregates

	Actual	Estimates			Projections		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total(a)
Underlying cash balance ($b)(b)	**-10.1**	**-4.2**	**7.1**	**11.0**	**17.8**	**9.2**	**45.0**
Per cent of GDP	-0.5	-0.2	0.4	0.5	0.8	0.4	
Net operating balance ($b)	**-4.0**	**8.5**	**12.9**	**18.2**	**28.8**	**20.6**	**80.4**
Per cent of GDP	-0.2	0.4	0.6	0.9	1.3	0.9	

(a) Total is equal to the sum of amounts from 2019-20 to 2022-23.
(b) Excludes expected net Future Fund earnings before 2020-21.

MYEFO 2018-19

Table 1.1: Budget aggregates

	Estimates			
	2018-19		2019-20	
	Budget $b	MYEFO $b	Budget $b	MYEFO $b
Underlying cash balance(a)	**-14.5**	**-5.2**	**2.2**	**4.1**
Per cent of GDP	-0.8	-0.3	0.1	0.2
Net operating balance	**-2.4**	**4.9**	**8.6**	**10.1**
Per cent of GDP	-0.1	0.3	0.4	0.5
	Projections			
	2020-21		2021-22	
	Budget $b	MYEFO $b	Budget $b	MYEFO $b
Underlying cash balance(a)	**11.0**	**12.5**	**16.6**	**19.0**
Per cent of GDP	0.5	0.6	0.8	0.9
Net operating balance	**19.6**	**20.4**	**27.4**	**29.8**
Per cent of GDP	0.9	1.0	1.3	1.4

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

MYEFO 2017-18

Table 1.1: Budget aggregates

	Estimates			
	2017-18		2018-19	
	Budget $b	MYEFO $b	Budget $b	MYEFO $b
Underlying cash balance(a)	**-29.4**	**-23.6**	**-21.4**	**-20.5**
Per cent of GDP	-1.6	-1.3	-1.1	-1.1
Net operating balance	**-19.8**	**-18.2**	**-10.8**	**-9.9**
Per cent of GDP	-1.1	-1.0	-0.6	-0.5
	Projections			
	2019-20		2020-21	
	Budget $b	MYEFO $b	Budget $b	MYEFO $b
Underlying cash balance(a)	**-2.5**	**-2.6**	**7.4**	**10.2**
Per cent of GDP	-0.1	-0.1	0.4	0.5
Net operating balance	**7.6**	**6.8**	**17.5**	**20.9**
Per cent of GDP	0.4	0.3	0.8	1.0

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

Budget 2016-17

Table 1: Budget aggregates

	Actual	Estimates			Projections		
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Total(a)
Underlying cash balance ($b)(b)	-37.9	-39.9	-37.1	-26.1	-15.4	-6.0	-84.6
Per cent of GDP	-2.4	-2.4	-2.2	-1.4	-0.8	-0.3	
Fiscal balance ($b)	-39.9	-39.4	-37.1	-18.7	-9.8	-2.1	-67.7
Per cent of GDP	-2.5	-2.4	-2.2	-1.0	-0.5	-0.1	

(a) Total is equal to the sum of amounts from 2016-17 to 2019-20.
(b) Excludes net Future Fund earnings.

Economic Outlook and Forecasts

The Budget Papers forecast the Australian economy – real GDP – will contract by 3 ¾ per cent in calendar year 2020, before rebounding to grow by 4¼ per cent in calendar year 2021.

But the Budget Papers also note there is considerable uncertainty about the economic outlook.

The Papers say, "There remains substantial uncertainty around the global and domestic outlook, as well as the extent of any longer-lasting economic effects from the pandemic. This stems largely from uncertainty around the spread of the virus and the success of health interventions, as well as uncertainty around the timing and efficacy of vaccines and
other medical treatments. Uncertainty and the re-introduction of containment measures could substantially reduce activity."

Table 2: Major economic parameters[a]

	Outcome	Forecasts			
	2019-20	2020-21	2021-22	2022-23	2023-24
Real GDP	-0.2	-1 1/2	4 3/4	2 3/4	3
Employment	-4.3	2 3/4	1 3/4	1	1 3/4
Unemployment rate	7.0	7 1/4	6 1/2	6	5 1/2
Consumer price index	-0.3	1 3/4	1 1/2	1 3/4	2
Wage price index	1.8	1 1/4	1 1/2	2	2 1/4
Nominal GDP	1.7	-1 3/4	3 1/4	4 1/2	5

(a) Real GDP and nominal GDP are percentage change on preceding year. The consumer price index, employment, and the wage price index are through the year growth to the June quarter. The unemployment rate is the rate for the June quarter.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Labour Force, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; and Treasury.

In his Budget Speech the Treasurer Josh Frydenberg noted the global economy is expected to contract by 4.5 per cent in 2020 – compared to 0.1 per cent in the GFC.

"Our economy has been hit, and hit hard," he said.

He forecast that unemployment will peak at 8 per cent in the December quarter before falling to 6.5 per cent in the June quarter 2022.

"Our economic and fiscal strategy sets out the path to grow the economy, stabilise debt, and then reduce it over time," he said in the Speech.

"It has two phases.

"First, it focuses on boosting consumer and business confidence, growing the economy and creating jobs.

"Once the recovery has taken hold and the unemployment rate is on a clear path back to pre-crisis levels, comfortably below 6 per cent, we will move to the second phase where there is a deliberate shift from providing temporary and targeted support to stabilising gross and net debt as a share of the economy.

"We will then rebuild our fiscal buffers, so that we can be prepared for the next economic shock."

The Budget Papers note real GDP fell by 7.0 per cent in the June quarter 2020 after a smaller contraction of 0.3 per cent in the March quarter, "as travel restrictions and other pandemic containment measures affected the ability of consumers and businesses to undertake their usual spending and investment activities."

The Papers also note, "The Australian economy is currently in recession as a result of the COVID-19 pandemic, its first recession in almost 30years."

The Budget says economic activity is forecast to pick up strongly from late 2020 and into early 2021, "driven by a further easing of containment measures and improving business and consumer confidence.

"Activity will also be significantly supported by an unprecedented $257 billion in Government economic support."

The Budget papers say "Australia's economic and health outcomes compare favourably with those of most other countries. Australia experienced a smaller fall in GDP than every major advanced economy over the first half of 2020. Nevertheless, the Australian economy is currently in recession as a result of the COVID-19 pandemic, its first in almost 30 years.

"Travel restrictions and other containment measures affected the ability of consumers and businesses to undertake their usual activities, and led to the largest fall in GDP on record in the June quarter 2020. At the peak of the restrictions, 10 per cent of the labour force lost their job or were stood down on zero hours.

"The staged easing of containment measures has resulted in a noticeable pick-up in activity in most states and territories. However, the outbreak of the virus in Victoria has set back the recovery in that state. Looking forward, Australia's recovery is expected to be driven by a further easing of containment measures, along with improving business and consumer confidence. Activity will also be significantly supported by the Government's economic support, including new initiatives announced in the 2020-21 Budget that support spending and investment."

The Papers say that "In line with the recovery in activity, labour market conditions have also improved, including through a marked reduction in the number of people working zero hours for economic reasons. The unemployment rate is forecast to reach 8 per cent in the December quarter 2020, reflecting headwinds from ongoing international and domestic border closures, the continuation of social restrictions in Victoria, ongoing restructuring amongst businesses and the impact of increased participation, before fallingto 6½ per cent by the June quarter 2022 as economic activity recovers.

"The Government's economic support since the onset of the COVID-19 pandemic, totalling $257 billion, is unprecedented and will continue to support households and businesses through the recovery. By increasing incomes and confidence, and supporting households and businesses to get back on their feet, the package of measures is expected to result in economic activity being 4½ per cent higher by 2021-22 and the peak of the unemployment rate being lower by around 5 percentage points than what otherwise would have occurred. Without the Government's economic support, the unemployment rate would have risen, and remained, above 12 per cent throughout 2020-21 and 2021-22. Nominal GDP is forecast to fall by 1¾ per cent in 2020-21 and grow by 3¼ per cent in 2021-22. "

The increase in nominal GDP growth in 2021-22 is not expected to be as strong as the recovery in real GDP because of an expected fall in the terms of trade, as iron ore prices are assumed to decline to US$55 per tonne from the current level around US$110.

Wage and price growth is expected to be subdued, reflecting spare capacity in the labour market.

Table 1: Domestic economy — detailed forecasts[a]

	Outcomes[b]	Forecasts	
	2019-20	2020-21	2021-22
Real gross domestic product	-0.2	-1 1/2	4 3/4
Household consumption	-2.6	-1 1/2	7
Dwelling investment	-8.8	-11	7
Total business investment[c]	-1.8	-9 1/2	6
By industry			
Mining investment	4.8	5 1/2	1 1/2
Non-mining investment	-3.7	-14 1/2	7 1/2
Private final demand[c]	-2.9	-3 1/2	7
Public final demand[c]	5.6	5 3/4	2 1/2
Change in inventories[d]	-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[d]	1.1	- 1/4	-1
Nominal gross domestic product	1.7	-1 3/4	3 1/4
Prices and wages			
Consumer price index[e]	-0.3	1 3/4	1 1/2
Wage price index[f]	1.8	1 1/4	1 1/2
GDP deflator	1.9	- 1/4	-1 1/2
Labour market			
Participation rate (per cent)[g]	63.4	65 1/4	65 1/2
Employment[f]	-4.3	2 3/4	1 3/4
Unemployment rate (per cent)[g]	7.0	7 1/4	6 1/2
Balance of payments			
Terms of trade[h]	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.

Unemployment

The Budget says the unemployment rate is forecast to rise in the short term, to reach a quarterly peak of 8 per cent in the December quarter 2020. It is then forecast to fall to 6½ per cent by the June quarter 2022, in line with the recovery in activity.

It is expected to continue falling fall over the rest of the forecast period, reaching 5½ per cent by the June quarter 2024.

The short term rise in unemployment is partly due to the increased participation rate.

The Budget says, "Overall, the forecast for the unemployment rate is lower than it was in the July Update, reflecting both the more positive outcomes in employment in July and August and the significant additional support to job creation that will come from Government policy.

The outlook for the labour market and the unemployment rate is unusually uncertain.

It says, "The outlook for the labour market remains challenging. The recovery in employment seen in recent months will face headwinds in the near term from ongoing international and domestic border closures, the continuation of restrictions in Victoria and the possibility of further business restructuring."

Employment growth is expected to strengthen from the December quarter 2020, aided by the policy measures the Government has put in place to support the economy and job creation, including the JobMaker Hiring Credit and Boosting apprenticeships wage subsidy policies. Employment growth is forecast to be 1¾ per cent through the year to the June quarter 2022, around its long-run average, but noticeably faster than working-age population growth.

Total hours worked is expected to grow more quickly than employment, as average hours worked per person recover closer to their pre-COVID-19 level. The employment to population ratio is expected to remain around 1½ percentage points below its March 2020 level in the June quarter 2022 .

The participation rate is forecast to increase to 65¼ per cent in the June quarter 2021 and 65½ per cent in the June quarter 2022, as people are encouraged to return to the workforce by improving economic conditions, a supportive policy environment, and mutual obligations being re-introduced for JobSeeker recipients.

Wages

Wage growth is expected to remain below average over the forecast period, reflecting significant spare capacity in the labour market. However, a declining unemployment rate beyond the December quarter 2020 is expected to support a gradual pick-up in wages. The Wage Price Indexis forecast to grow by 1¼ per cent through the year to the June quarter 2021 and by 1½ per cent through the year to the June quarter 2022.

Measures of average earnings, such as Average Weekly Earnings and Average Earnings on a National Accounts basis, rose sharply in the June quarter 2020 as lower paid jobs experienced the sharpest decline in employment. "The unwinding of these compositional effects is expected to place downward pressure on these measures in the near term," the Budget says.

Housing

Dwelling investment is expected to remain weak in the near term, with a forecast fall of 11 per cent in 2020-21. "The sharp contraction in the June quarter 2020 largely reflected a pre-existing slowing in activity," the Budget says. Further declines are expected in the September quarter 2020 as commencements continue to slow and Stage 4 restrictions in Melbourne reduce the level of activity, particularly for apartment development sites.

However, early indicators of demand for new housing construction suggest the HomeBuilder scheme in conjunction with other housing policies and low interest rates is pulling forward demand and will provide notable support to activity in late 2020 and into 2021. Dwelling investment is forecast to rise by 7 per cent in 2021-22.

Investment

New business investment is forecast to fall by 9½ per cent in 2020–21, driven by a significant deterioration in the outlook for non-mining investment, before growing by 6 per cent in 2021–22. The highly uncertain environment created by the COVID-19 pandemic is expected to see a sharp decline in machinery and equipment investment in the near term and a gradual run-off in non-dwelling construction as demand for new projects declines and work in the pipeline is completed. In 2021–22, easing restrictions, improving confidence and newly introduced Government policies to support businesses will drive the recovery in business investment, particularly in machinery and equipment.

Non-mining business investment is forecast to decrease by a further 14½ per cent in the September quarter 2020. ABS survey data have indicated that expectations for non-mining investment have suffered a further downgrade for 2020–21 with businesses redeferring or cancelling non-essential capital investment. Non-mining investment is forecast to fall by 14½ per cent in 2020-21 before growing by 7½ per cent in 2021–22.

Mining investment grew for the first time in seven years in 2019–20, and is expected to grow by a further 5½ per cent in 2020–21. However, mining investment growth is forecast to be weaker at 1½ per cent in 2021–22, as global uncertainty and lower demand for some commodities have led to deferrals of investment for new and existing projects for other major commodity exports.

Prices

Consumer prices fell a record 1.9 per cent in the June quarter 2020. Automotive fuel prices fell sharply following a fall in global oil prices, in part driven by falling demand for transport. In addition, the Government's changes to make childcare free during the early stages of the COVID-19 pandemic led to a sharp fall in the price of childcare services. Housing rents experienced a record sharp decline, driven by weak demand and eviction moratoriums in a number of states and territories. Partly offsetting these falls were near record price increases in a number of household items including major household appliances and cleaning products, reflecting the additional demand for home essentials.

Price pressures are expected to remain weak, reflecting the excess capacity in the economy. Consumer price inflation is forecast to increase to 1¾ per cent through the year to the June quarter 2021, driven by the unwinding of childcare policies and administered price changes in the second half of 2020. Measures of underlying inflation are expected to be near record lows over the first two years of the forecast period, reflecting that there will remain significant additional capacity in the economy for some time and weak wage growth. Consumer price inflation is not expected to return to the bottom of the RBA's target band of 2 to 3 per cent until the end of the forward estimates.

References
Budget Paper No 1 – Statement No 2 Economic Outlook

Budget Outcome – Surplus, Deficit and Debt

The Budget deficit (underlying cash balance) is expected to be -$213.7 billion in 2020-21 (11.0 per cent of GDP).

The Budget balance is expected to improve to an estimated deficit of $66.9 billion (3.0 per cent of GDP) in 2023-24. The underlying cash balance is projected to further improve over the medium term to a deficit of $49.5 billion (1.6 per cent of GDP) in 2030-31.

At the 2019-20 MYEFO in December 2019, the Government estimated a surplus (underlying cash balance) of +$6.1 billion (0.3 per cent of GDP) in 2020-21, and a surplus of $4.0 billion (0.2 per cent of GDP) expected in 2022-23. The underlying cash balance was projected to remain in surplus throughout the medium term, reaching 1 per cent of GDP in 2026-27.

On the Budget's alternative measure of the outcome, the net operating balance is expected to be a deficit of $197.9 billion in 2020-21, with continuous improvement over the forward estimates.

Gross debt is expected to be 44.8 per cent of GDP at 30 June 2021, increasing to 51.6 per cent of GDP at 30 June 2024. Gross debt is projected to stabilise at around 55 per cent of GDP in the medium term.

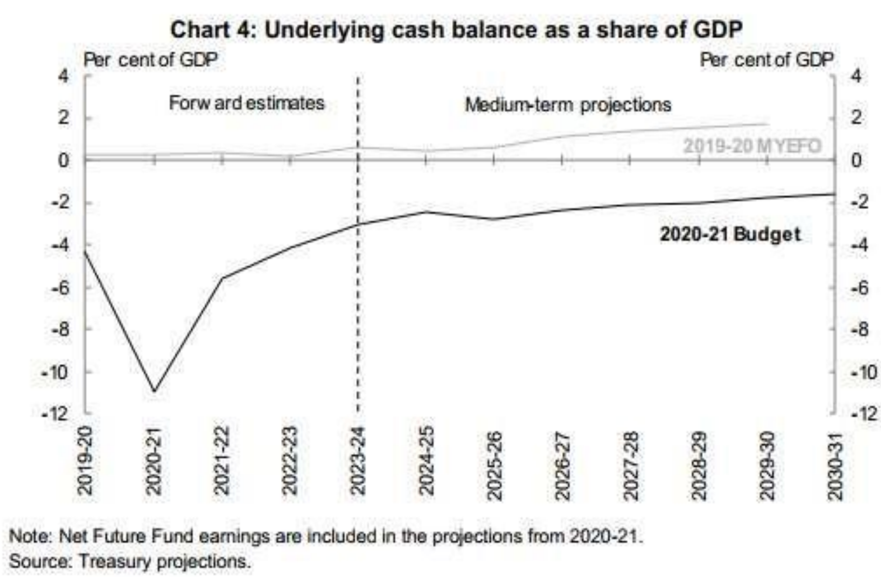
Net debt is expected to be 36.1 per cent of GDP at 30 June 2021 and peak at 43.8 per cent of GDP at 30 June 2024. Net debt is then projected to fall over the medium term to 39.6 per cent of GDP at 30 June 2031.

The Budget papers note that "While the Government's borrowing requirements have significantly increased since the onset of the COVID-19 pandemic, the projections of debt as a share of the economy remain sustainable and are low in comparison to most other advanced economies."

As with many of the Budget elements the Budget Papers note the high level of uncertainty about the Budget Outcome. "Significant uncertainty remains about the impact of further outbreaks and the nature of health and economic policy responses that may be required. The Government will maintain flexibility to respond to circumstances as they evolve."

Budget Outcome

Budget Outcome – Deficit as a per cent of GDP



Australian general government sector budget aggregates

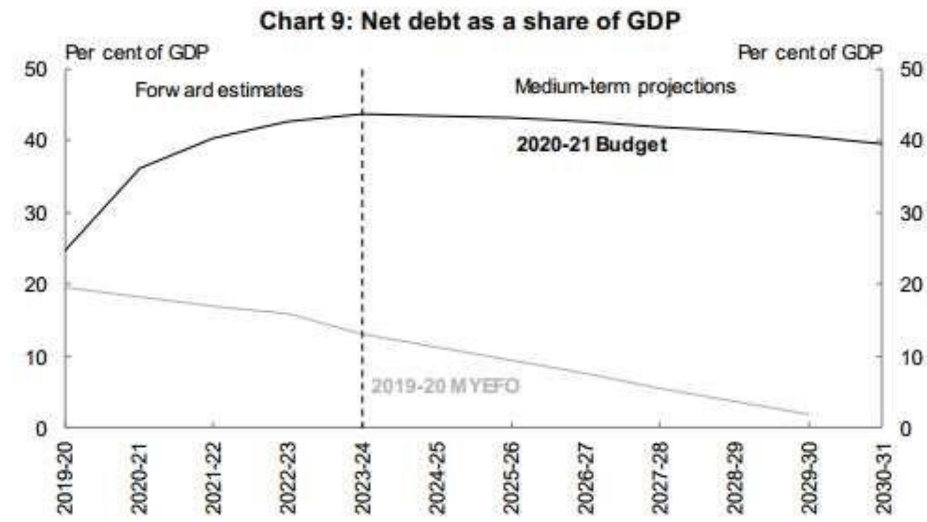
Table 2: Australian Government general government sector budget aggregates

	Actual	Estimates				
	2019-20	2020-21	2021-22	2022-23	2023-24	Total(a)
	$b	$b	$b	$b	$b	$b
Receipts	**469.4**	**463.8**	**451.9**	**482.6**	**526.4**	**1,924.7**
Per cent of GDP	23.7	23.8	22.5	23.0	23.9	
Payments(b)	**549.6**	**677.4**	**563.9**	**570.5**	**593.3**	**2,405.2**
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
Underlying cash balance(d)	**-85.3**	**-213.7**	**-112.0**	**-87.9**	**-66.9**	**-480.5**
Per cent of GDP	-4.3	-11.0	-5.6	-4.2	-3.0	
Revenue	**486.3**	**472.4**	**464.1**	**491.4**	**538.1**	**1,966.0**
Per cent of GDP	24.5	24.3	23.1	23.4	24.4	
Expenses	**578.5**	**670.3**	**567.5**	**574.9**	**596.6**	**2,409.3**
Per cent of GDP	29.2	34.4	28.2	27.4	27.1	
Net operating balance	**-92.3**	**-197.9**	**-103.4**	**-83.5**	**-58.5**	**-443.3**
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
Fiscal balance	**-96.3**	**-205.7**	**-113.3**	**-94.5**	**-69.3**	**-482.9**
Per cent of GDP	-4.9	-10.6	-5.6	-4.5	-3.1	
Memorandum:						
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.

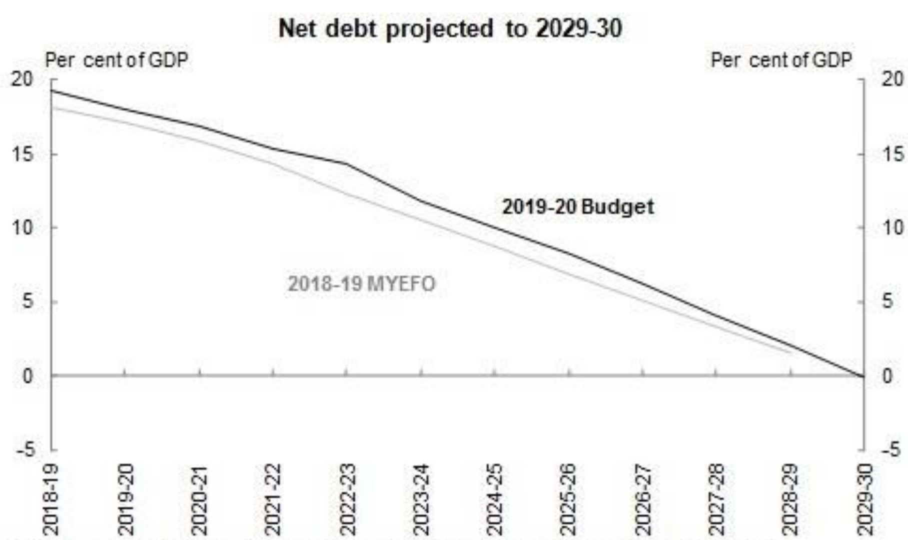
Debt and borrowing

Net debt projected to 2030-31



Source: Treasury projections.

Below: Comparable chart from 2019-20 Budget



Note: A tax to GDP cap of 23.9 per cent is applied to these projections from 2029-30.
Source: Treasury projections.

Debt and borrowing (cont.)

Interest expense, interest income and net interest expense

Table 10: Interest expense, interest income and net interest expense[a]

	Estimates			
	2020-21	2021-22	2022-23	2023-24
	$m	$m	$m	$m
Interest expense on AGS	16,724	17,334	17,743	17,781
Per cent of GDP	0.9	0.9	0.8	0.8
Interest expense	19,821	19,951	20,462	20,972
Per cent of GDP	1.0	1.0	1.0	1.0
Interest income	4,181	4,008	3,745	3,601
Per cent of GDP	0.2	0.2	0.2	0.2
Net interest expense(b)	15,640	15,943	16,717	17,371
Per cent of GDP	0.8	0.8	0.8	0.8

(a) Interest expense is an accrual measure, with the relevant amount recognised in the period in which the expense is incurred, but not necessarily paid.
(b) Net interest expense is equal to the difference between interest expenses and interest income.

Below: Comparable chart from 2019-20 Budget

Interest expense, interest income and net interest expense[a]

	Estimates			Projections	
	2018-19	2019-20	2020-21	2021-22	2022-23
	$m	$m	$m	$m	$m
Interest expense on AGS	17,134	17,012	16,599	16,031	15,709
Per cent of GDP	0.9	0.8	0.8	0.7	0.7
Interest expense	18,375	19,264	18,857	17,948	16,994
Per cent of GDP	0.9	1.0	0.9	0.8	0.7
Interest income	4,837	6,009	6,796	7,180	7,605
Per cent of GDP	0.2	0.3	0.3	0.3	0.3
Net interest expense(b)	13,538	13,255	12,060	10,767	9,388
Per cent of GDP	0.7	0.7	0.6	0.5	0.4

(a) Interest expense is an accrual measure, with the relevant amount recognised in the period in which the expense is incurred, but not necessarily paid.
(b) Net interest expense is equal to the difference between interest expenses and interest income.

References
Budget Paper No 1, Statement No 3 – Fiscal Strategy and Outlook
Budget Paper No 1, Statement No 1 – Budget Overview
Budget Paper No 1, Statement No 6 – Debt Statement, Assets and Liabilities

Taxes and revenue - Overview

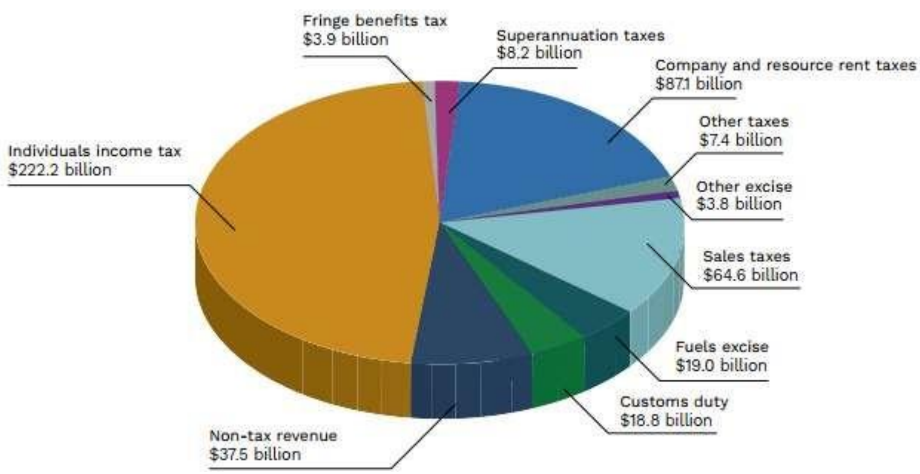
The Budget Papers note – unsurprisingly – that the Government's revenue collections have taken a huge hit from the coronavirus crisis.

This is expected to continue.

The Budget papers observe that "2020 has been a year unlike any other in recent history. The COVID-19 recession is Australia's first in almost 30 years, and the pandemic represents the greatest challenge for the global economy since the Great Depression. Against this backdrop, tax receipts have already fallen significantly below the level expected at the 2019-20 MYEFO. The impact of this shock is expected to be long-lasting, with lower tax receipts across both the forward estimates and the medium term."

Once new policies announced in the Budget are taken into account, tax receipts are expected to fall by 1.7 per cent in 2020-21 and 2.6 per cent in 2021-22, before recovering strongly towards the end of the forward estimates.

WHERE THE REVENUE COMES FROM



Excluding the impact of new tax policy, tax receipts growth is expected to be subdued in 2020-21 before gradually picking up across the forward estimates. The recovery in receipts lags the expected increase in economic output in part due to the ability of entities to use tax and capital losses to offset taxable income and capital gains.

The Budget Papers say that "Given Australia's progressive personal income tax system, lower wage levels will result in a reduction in average tax rates and taxation receipts as a share of the economy across the medium term. By the end of the medium term, the tax-to-GDP ratio is expected to reach 22.9 per cent, around 1 percentage point lower than expected at the 2019-20 MYEFO."

The Papers note, "In total, taxation receipts ended 2019-20 $32.0 billion (6.9 per cent) below the 2019-20 MYEFO forecast."

"By the end of 2019-20, personal income tax collections were $9.0 billion below the level expected at the 2019-20 MYEFO.

"Company tax collections also fell substantially, as companies were able to vary the tax they paid to better reflect their changing expectations for profitability, or defer payments to a later date. Company tax ended 2019-20 $13.4 billion below the 2019-20 MYEFO forecast.

MAJOR CHANGES – TAXES and REVENUE

Initiatives[a]	2020-21 $m	2021-22 $m	2022-23 $m	2023-24 $m	Total $m
JobKeeper Payment extension[b]	-15,600	-	-	-	-15,600
Infrastructure Investment — states and territories[c][d]	-653	-1,834	-2,349	-1,908	-6,744
JobMaker Hiring Credit[c]	-850	-2,900	-250	-	-4,000
Further economic support payments[b]	-2,512	-43	-3	-	-2,558
Ageing and Aged Care[e]	-716	-390	-438	-485	-2,029
Infrastructure Investment — road safety and upgrades[c]	-1,003	-1,001	-1	-1	-2,008
Access to COVID-19 vaccines and consumables[b]	-1,165	-704	-	-	-1,870
Modern Manufacturing Strategy[c]	-79	-454	-587	-389	-1,510
Boosting apprenticeships wage subsidy[c]	-409	-822	9	7	-1,214
Supporting our hospitals — continuation[b]	-1,103	-	-	-	-1,103
Research Package[c]	-1,040	-38	89	-78	-1,067
Guaranteeing Medicare and access to medicines — extension[b]	-1,040	..	..	..	-1,040
National Water Grid — investing in a long-term approach to water infrastructure[c]	-21	-202	-326	-481	-1,031
Local Roads and Community Infrastructure Program — extension[c]	-500	-500	-	-	-1,000
Employment Services	276	240	253	158	927

(a) Impact on underlying cash balance. '..' denotes not zero, but rounded to zero. Figures are rounded to the nearest million and totals may not sum due to rounding.
(b) Part of the Government's COVID-19 Response Package.
(c) Part of the Government's JobMaker Plan.
(d) Sum of Infrastructure Investment — Australian Capital Territory; New South Wales; Northern Territory; Queensland; South Australia; Tasmania; Victoria; and Western Australia.
(e) Refers to the measure on page 90 of Budget Paper No. 2.

"The impact of record falls in consumption was seen in collections of indirect taxes, such as GST and excise duties. For example, public health restrictions had a significant impact on demand for fuel as consumers responded by travelling less. COVID-19, and related health restrictions, have also had an impact on patterns of consumption. Consumers shifted consumption away from discretionary categories (such as accommodation, and clothing and footwear) and towards categories such as fresh food (which is not subject to GST), magnifying the impact of the fall in consumption on GST collections. By the end of 2019-20, indirect tax collections were $7.5 billion below the level expected at the 2019-20 MYEFO."

Table 1: Australian Government general government receipts

	Actual	Estimates			
	2019-20	2020-21	2021-22	2022-23	2023-24
Total taxation receipts ($b)	**431.8**	**424.6**	**413.8**	**442.9**	**487.6**
Growth on previous year (%)	-3.7	-1.7	-2.6	7.0	10.1
Per cent of GDP	21.8	21.8	20.6	21.1	22.1
Tax receipts excluding GST ($b)	**371.5**	**364.7**	**348.3**	**372.8**	**413.7**
Growth on previous year (%)	-3.1	-1.8	-4.5	7.0	11.0
Per cent of GDP	18.7	18.7	17.3	17.8	18.8
Non-taxation receipts ($b)	**37.6**	**39.1**	**38.1**	**39.7**	**38.7**
Growth on previous year (%)	2.5	4.0	-2.6	4.2	-2.6
Per cent of GDP	1.9	2.0	1.9	1.9	1.8
Total receipts ($b)	**469.4**	**463.8**	**451.9**	**482.6**	**526.4**
Growth on previous year (%)	-3.3	-1.2	-2.6	6.8	9.1
Per cent of GDP	23.7	23.8	22.5	23.0	23.9

References

Budget Paper No 1, Statement No 4 – Revenue

Budget Overview – Economic Recovery Plan for Australia - Overview (Glossy)

Spending - Overview

Overall Government spending (Australian Government general government sector - GGS) is forecast to increase by 15.3 per cent in real terms in 2020-21, and then to decrease by 16.1 per cent in real terms in 2021-22.

The big drop in forecast spending is the result of major coronavirus spending programs which are budgeted to run for 2020-21 only. These include the Government's previously announced extension of the JobKeeper payment (but at a lower rate than previous) costing $15.6 billion in 2020-21 and nothing in following years; other job subsidies and economic subsidies costing $2.5 billion in 2020-21 and falling to almost nothing the following year; and hospital support payments ($1.1 billion in 2020-21) and nothing in following years.

Major spending initiatives

MAJOR SPENDING CHANGES

Initiatives[a]	2020-21	2021-22	2022-23	2023-24	Total
	$m	$m	$m	$m	$m
JobKeeper Payment extension[b]	-15,600	-	-	-	-15,600
Infrastructure Investment — states and territories[c][d]	-653	-1,834	-2,349	-1,908	-6,744
JobMaker Hiring Credit[c]	-850	-2,900	-250	-	-4,000
Further economic support payments[b]	-2,512	-43	-3	-	-2,558
Ageing and Aged Care[e]	-716	-390	-438	-485	-2,029
Infrastructure Investment — road safety and upgrades[c]	-1,003	-1,001	-1	-1	-2,008
Access to COVID-19 vaccines and consumables[b]	-1,165	-704	-	-	-1,870
Modern Manufacturing Strategy[c]	-79	-454	-587	-389	-1,510
Boosting apprenticeships wage subsidy[c]	-409	-822	9	7	-1,214
Supporting our hospitals — continuation[b]	-1,103	-	-	-	-1,103
Research Package[c]	-1,040	-38	89	-78	-1,067
Guaranteeing Medicare and access to medicines — extension[b]	-1,040	..	..	..	-1,040
National Water Grid — investing in a long-term approach to water infrastructure[c]	-21	-202	-326	-481	-1,031
Local Roads and Community Infrastructure Program — extension[c]	-500	-500	-	-	-1,000
Employment Services	276	240	253	158	927

(a) Impact on underlying cash balance. '..' denotes not zero, but rounded to zero. Figures are rounded to the nearest million and totals may not sum due to rounding.
(b) Part of the Government's COVID-19 Response Package.
(c) Part of the Government's JobMaker Plan.
(d) Sum of Infrastructure Investment — Australian Capital Territory; New South Wales; Northern Territory; Queensland; South Australia; Tasmania; Victoria; and Western Australia.
(e) Refers to the measure on page 90 of Budget Paper No. 2.

The Budget Papers say, "The significant changes between 2020-21 and 2021-22 are primarily driven by the Government's temporary and targeted response to the impact of the COVID-19 pandemic on Australia's health system, the economy, and employment levels. Following these one-off movements, total expenses are estimated to start gradually increasing from 2023-24.

"As a percentage of GDP, total expenses are expected to reach 34.4 per cent in 2020-21 and then decline to 28.2 per cent in 2021-22, reflecting both the Government's economic response and an expected decrease in GDP due to the economic impact of the COVID-19 pandemic.
From 2021-22, GDP is expected to start increasing again and expenses are estimated to start gradually decreasing to reach 27.1 per cent of GDP in 2023-24.

In cash terms, Government spending is estimated to grow by 22.6 per cent in real terms in 2020-21 and then to decline by 17.5 per cent in real terms in 2021-22. Growth in payments is then estimated to start gradually increasing from 2023-24. As a percentage of GDP, total payments are expected to reach 34.8 per cent in 2020-21 and then to gradually decrease to 26.9 per cent in 2023-24.

The combined impact of policy decisions and variations to program estimates has increased expenses by $208.2 billion over the three years from 2020-21 to 2022-23 compared to the 2019-20 MYEFO. Of this, $159.6 billion largely reflects the impact of policy decisions including measures responding to the impact of the COVID-19 pandemic. In the same period, unemployment benefits variations, public debt interest, program specific parameter and other variations have increased expenses by $78.1 billion, while other economic parameter variations and GST payments to states and territories have decreased expenses by $29.5 billion, compared to the 2019-20 MYEFO.

References
Budget Paper No 1, Statement No 5 – Expenses
Budget Overview – Appendices
Budget Overview – Our plan for a stronger economy (Glossy)

Company and business tax

The Budget announced the extension of the Instant Asset write off, with all businesses, with a turnover up to $5 billion a year, able to immediately write-off all approved investment spending.

They will be able to write off the full value of assets they purchase.

Businesses with a turnover of up to $5 billion will be able to immediately deduct the full cost of eligible depreciable assets acquired from 7:30pm (AEDT) on 6 October 2020 and first used or installed by 30 June 2022.

Treasurer Josh Frydenberg said the increased investment incentive, "will unlock investment, expand the productive capacity of the nation and create tens of thousands of jobs."

The Government also announced measures allowing companies to reclaim taxes already paid by allowing them to offset them against losses in the current financial year and in 2021-22.

The Government will also temporarily allow companies with a turnover of up to $5 billion to offset tax losses against previous profits on which tax has been paid.

"This will provide a targeted cash flow boost that businesses across the country desperately need," Mr Frydenberg said.

Normally, businesses would have to return to profit before they can use their losses, however, these are not normal times.

Losses incurred to June 2022 can be offset against prior profits made in or after the 2018-19 financial year.

The Budget also announced $105 million in tax relief to expand access to a range of small business tax concessions by lifting the aggregated annual turnover threshold for these concessions. Businesses with an aggregated annual turnover between $10 million and $50 million will, for the first time, be able to access up to ten small business tax concessions.

The expanded concessions will apply in three phases, with the first phase starting from 1 July 2020. The changes will reduce red tape and support around 20,000 businesses to attract workers and retain jobs.

References
Treasurer's media release 2020-21 Budget: Tax relief to back hard-working Australians and to create more jobs

Personal Tax

The Budget announced the Government was proposing to bring forward Stage Two of its Personal Income Tax Plan.

The 19 per cent tax threshold will rise from $37,000 to $45,000 and the 32.5 per cent threshold will rise from $90,000 to $120,000.

The low income tax offset will also increase from $445 to $700.

The Government said the bringing forward of the tax measures will see more than 11 million taxpayers get a tax cut.

The Government said will also provide additional targeted support to low- and middle-income Australians. In 2020-21, low-and middle-income earners will receive a one-off additional benefit of up to $1,080 from the low and middle income tax offset (LMITO).

The LMITO was to be removed with the commencement of Stage Two, but the one-off additional benefit in 2020-21 will provide support to households and stimulus to the economy.

The Government said more than 7 million individuals are expected to receive tax relief of $2,000 or more for the 2020-21 income year compared with 2017-18 tax settings. Low and middle income tax payers will receive relief of up to $2,745 for singles and $5,490 for dual income families.

Ahead of the Budget
In the 2020-21 Budget the Government had announced changes to personal income tax rates that were legislated following the May 2019 Budget.

Under the already legislated personal tax cut plan which the Morrison Government campaigned on in the May 2019 election and which passed Parliament in modified form following the election, tax cuts were to be implemented in three stages:

- The first stage applied from the 2018-19 tax year. The Low- and Middle-Income Tax Offset (the "lamington"). The "lamington" is complicated, but it meant the majority of low- and middle-income earners received a $1,080 tax rebate in their tax return for 2018-19.
- Stage Two was scheduled to start on 1 July 2022. The change increases the top threshold of the 19 per cent tax bracket to $45,000 from $37,000 and expands the 32.5 per cent income threshold to $120,000 from $87,000.
- Stage Three kicks in from July 2024. A new 30 per cent marginal tax rate will be created for people earning between $45,001 and $200,000. This new rate will cover seven out of 10 earners. This puts an end to the 32.5 per cent and 37 per cent rates.

The various steps are complicated. But in the end the system is simpler. Australians will be left three tax brackets - 19 per cent, 30 per cent and top marginal rate of 45 per cent.

On *Monday The Australian Financial Review*'s Phillip Coorey reported, "Stage Two will be backdated to July 1 this year, meaning an instant tax reduction for salary earners once the legislation is passed, as well as a catch-up tax cut for the first three months of this financial year.

"Stage Three is scheduled to begin in 2024. It might be brought forward but will not be made retrospective."

The AFR also reported, "To mitigate against claims those on low incomes were being overlooked, the budget is also likely to adjust the low and middle-income tax offset. The offset is a way of providing a tax cut targeted to lower earners. It is paid via a lump sum of up to $1,080 to around 4.5 million people."

Labor supports the Stage Two tax cuts, which will lift the income threshold at which the 37 per cent tax rate applies from $90,000 to $120,000.

But it remains opposed to Stage Three which abolishes the 37 per cent rate and applies a flat rate of 30 per cent to all income between $45,000 and $200,000.

Income above $200,000 will continue to be taxed at 45 per cent while income between the tax- free threshold of $18,200 and $45,000 will be taxed at 19 per cent.

Stages Two and Three were worth a combined $268 billion by 2030 when costed in last year's budget. The sharp increase in unemployment caused by the pandemic will reduce the cost by several billion but that will be at least partly offset by bringing them forward.

Personal tax cuts – pre-Budget background
Deloitte Access Economics partner Chris Richardson said retrospective tax cuts would mitigate against the fiscal cliff, the period between the end of March when JobKeeper is wound up, and July 1 next year.

"If most of our economic supports are running out by the end of March but tax cuts only come in on July 1, then there is a hole to be filled and a retrospective tax cut could be a way to fill that hole."

The cuts are controversial with the Greens, welfare groups and others. They say the money, especially Stage Three, would be better spent on permanently increasing the unemployment benefit and other measures aimed at helping the needy.

If both stages were brought forward and tied to the same bill, Labor will have to decide whether to support the whole bill so as not to hold up the immediate rollout of Stage Two, or stand its ground and try to split the bill in the Senate so just Stage Two is legislated.

Shadow treasurer Jim Chalmers left open both options on Sunday. "We've said really throughout that Stage Three is the least affordable. It's the least responsible. It's the least fair and it is the least likely to get a good return in the economy because higher-income earners are less likely to spend in the economy," he told the ABC's Insiders program.

"It is that spending now that we need in our shops and in our small businesses around Australia.

"So that's been our view throughout. It won't surprise people to learn that that remains our view about Stage Three, especially if it comes at the cost of other more important initiatives, more effective initiatives like social housing."

He said, however, that Labor would not make a decision on Stage Three until closer to the election but the government will try and force it to make a decision within weeks when it moves to legislate to bring forward the tax cuts.

Last year, Labor opposed Stage Three and had misgivings about Stage Two but voted for all three stages so as to not hold up Stage One, which went to those on lower and middle incomes and began on July 1 last year.

"We were forced to choose between expressing a view on Stage Three and holding up tax relief which was desperately needed for low- and middle-income earners, or the reverse,'' he said.

In an interview with the Nine network on Sunday, Treasurer Josh Frydenberg disputed the assumption that most of the tax cuts will be saved rather than spent.

"Putting more money into people's pockets means more economic activity and means more jobs,'' he said.

"Now, the savings ratio has gone up, but that's been a function of the restrictions that have been put in place. So you can't go to the local pub. You can't go to the cafe. You can't take a holiday as you normally would, and you can't spend as you normally would.

"But once those restrictions are eased and people are getting back to work and life is coming back to a COVID-safe normal, then more money would be spent and the savings ratio would go down."

Mr Frydenberg rejected arguments that people on higher incomes did not deserve a tax cut.

"Our tax system is fair and has been a progressive tax system and will remain a progressive tax system,'' he said.

"The top 5 per cent of taxpayers pay about a third of the total tax bill. If you're on $200,000 you pay 10 times as much tax as someone who is on $45,000."

Nine newspapers reported, "Australians face some of the highest marginal tax rates when they get to twice the average wage. In Canada, a worker has to be earning four times the average wage before they face the top tax bracket, OECD figures show. In the UK it is 3.7 and in the US it is 9.2 times. This compares to 1.1 times in New Zealand.

"Essentially, switching to three tax brackets means someone who earns $200,000 will pay the same amount of tax for every dollar they earn over $40,001 as someone earning $50,000.
Previously, the individual earning the higher rate would have paid a higher percentage. This is the crux of the argument about the system becoming less progressive and is one of the reasons The Australia Institute senior economist, Matt Grudnoff has called the cuts a "radical plan to increase inequality in Australia".

"But a report this week on the federal budget by Deloitte Access Economics partner Chris Richardson was scathing about critics shunning the cuts on the basis of equity.

"Withdrawing government support by dropping proposed tax cuts would be downright dumb,' Richardson says, describing the standard of debate about tax as `woeful'. Richardson says the criticism of Stage Three is `entirely undeserved'. Both Deloitte and Treasury modelling of the tax cuts, even when considering flat wages growth, shows the top income earners will contribute a relatively similar share of tax overall to government coffers with the plan as they would've without it.

"On Deloitte's figures by the time the cuts kick in by 2024, the top 10 per cent of earners will contribute 44.8 per cent to total income tax collected by the government - effectively the same as now. The wealthiest 1 per cent would pay a higher proportion on all these measures."

In more detail, the personal income tax arrangements legislated following the 2019 Budget (which the Government now proposes to modify) were:

From 2018–19:

- Increase the low- and middle-income tax offset from a maximum amount of $530 to $1,080 per annum and increase the base amount from $200 to $255 per annum
- Taxpayers with a taxable income which does not exceed $37,000 will receive a low- and middle-income tax offset of up to $255
- Taxpayers with a taxable income which exceeds $37,000 but is not more than $48,000 will receive $255, plus an amount equal to 7.5% to the maximum offset of $1,080
- Taxpayers with a taxable income which exceeds $48,000 but is not more than $90,000 will be eligible for the maximum low- and middle-income tax offset of $1,080
- Taxpayers with a taxable income which exceeds $90,000 but is not more than $126,000 will be eligible for a low- and middle-income tax offset of $1,080, less an amount equal to 3% of the excess.

From 2022–23:

The top threshold of the 19% personal income tax bracket will increase from $41,000 to $45,000 such that the rate of tax on the amount of the taxable income of a resident individual that is:

- Between $18,200 and $45,000 is 19%
- Between $45,000 and $120,000 is 32.5%
- Between $120,000 and $180,000 is 37%
- Above $180,000 is 45%

Other changes from 2022-23 were:

- Increase the low-income tax offset (LITO) from a maximum of $645 to $700 a year
- Taxpayers with a taxable income below $37,500 will receive a LITO of $700
- Taxpayers with a taxable income between $37,500 and $45,000 will receive a LITO of $700, less 5% of the excess
- Taxpayers with a taxable income between $45,000 and $66,667 will receive a LITO of $325, less 1.5% of the excess.

From the 2024–25 income year:

The 32.5% marginal tax rate will reduce to 30% so that the tax rate:

- Between $18,200 and $45,000 is 19%
- Between $45,000 and then $200,000 is 30%
- Above $200,000 is 45%.

References
Treasurer's media release 2020-21 Budget: Tax relief to back hard-working Australians and to create more jobs
Australian Tax Office: Income tax for individuals
Australian Financial Review - Phillip Coorey: Revealed: Budget tax cuts to be backdated
Nine Publishing: What are the government's tax cuts and will they be good for the economy?

Apprentices

Wage subsidy for new apprentices

This Budget item builds on a pre-Budget announcement

Ahead of the Budget

Ahead of the Budget the Prime Minister announced the Morrison Government will invest $1.2 billion to support Australian businesses to employ 100,000 new apprentices or trainees.

The Government announced that from 5 October 2020, businesses who take on a new Australian apprentice will be eligible for a 50 per cent wage subsidy, regardless of geographic location, occupation, industry, or business size.

Prime Minister Scott Morrison announced the scheme on Monday, to be included in the Budget.

Prime Minister Scott Morrison said "apprenticeships are an important pathway to get young people into jobs and to ensure there is a skills pipeline to meet the future needs of employers."

The subsidy will be available to employers of any size or industry, Australia-wide who engage an Australian apprentice or trainee from 5 October 2020 until the 100,000 cap is reached.

Under the new measure, employers will be eligible for 50 per cent of the wages for a new or recommencing apprentice or trainee for the period up to 30 September 2021, up to $7,000 per quarter.

Minister for Employment, Skills, Small and Family Business, Michaelia Cash, said the measure builds on the existing $2.8 billion Supporting Apprentices and Trainees wage subsidy that is helping employers to retain their apprentices and trainees.

The subsidy would be paid direct to the employer when they hire a new apprentice or trainee. The money will be transferred quarterly, in arrears.

The new $1.2 billion federal subsidy will not be enough to restore apprentice and trainee numbers to levels recorded before the Coalition took government.

The number of apprentices and trainees fell to 272,505 at the end of March from 443,300 in the same quarter of 2013, when Labor was in government.

The goal of 100,000 new commencements – which Mitchell Institute education policy fellow Peter Hurley said the government was likely to reach – would not return numbers to the level seen when the Coalition took power in September 2013.

The government announced a wage subsidy for existing apprentices in March and extended it in July, but employers urged ministers in recent weeks to offer help to new apprentices too.

The new scheme does that.

The current (pre-Budget) program was meant to support apprentices and trainees by giving their employers a wage subsidy of 50 per cent of salaries, up to a cap of $7,000 per quarter.

But this subsidy only goes to those who were in training on July 1, offering no certainty for those who want to start an apprenticeship when they leave school at the end of this year or in future years.

The new scheme gained support on Sunday from the Australian Chamber of Commerce and Industry, the Master Builders Association, the Independent Tertiary Education Council

Australia and the Australian Industry Group.

Shadow Treasurer Jim Chalmers told the ABC’s Insiders on Sunday that Labor largely welcomes the announcement, and he holds fears about a "lost generation sacrificed to this recession".

Labor education spokeswoman Tanya Plibersek accused the government of acting too slowly to help people leaving school at the end of this year, saying the Coalition had presided over a steady decline in vocational training.

"Many apprentices lost work because of Scott Morrison’s slow response to COVID-19," she said. "And the number of people starting apprenticeships and traineeships this year is down by 22 per cent."

The new spending may not be enough to make up for a fall in total investment in vocational education and training since the Coalition came to power in 2013.

Victoria University vice-chancellor and research co-author Professor Peter Dawkins said the country faced an “explosion” of young people who were not in employment, education or training.

Total investment in vocational education and training was only $7.7 billion in 2017, according to a paper from the Mitchell Institute last December. This was down from $8.2 billion in 2008, but the slump is deeper when measured against the $9.4 billion spent in 2012.

But the states have been responsible for much of the decline, with the federal share of total investment growing from 26.5 per cent in 2006 to 38.2 per cent in 2018.

References

Prime Minister's media release: 100,000 new apprenticeship positions to lead the covid-19 economic recovery – 5 October 2020
Department of Education, Skills and Employment: Boosting Apprenticeship Commencements
Nine Publishing: Coalition's wage subsidy falls short of rebuilding trainee workforce
Nine Publishing: Budget to splash $1 billion on wage subsidies for 100,000 apprentices
ABC: Treasurer's $1.2 billion plan in Federal Budget to help pay wages of new apprentices and trainees — here's what it means

Business – R&D

This Budget item builds on a pre-Budget announcement

Ahead of the Budget

The 2020-21 Budget reverses the Government’s previously announced plans to cut the research and development tax incentive, in recognition it will be needed to bolster advanced manufacturing in the wake of the COVID-19 recession.

Ahead of the Budget Scott Morrison confirmed a backdown to the proposed R&D cuts, which are worth a total of $1.8 billion, would be outlined in the budget but declined to elaborate, saying only "we certainly want to encourage more research and development''.

Under legislation currently before the Senate the Government had proposed it would impose a $4 million cap on claims for firms generating less than $20 million.

For those with turnovers above $20 million, there would be a new "intensity test" applied.

Companies that spent more than 9 per cent of business expenditure on innovation would receive a tax offset on 42.5 per cent of the cost (assuming a 30 per cent corporate tax rate), better than the flat 38.5 per cent available previously.

But the two-thirds of R&D claimants with an intensity level below 4 per cent will see their offset fall to 34.5 per cent.

The Australian Financial Review reported, "One source said it was likely the caps the government has been trying to impose on the amount that businesses could claim would be increased or removed altogether.

"R&D expenditure by business has declined under the Coalition. Between 2015-16 and 2018- 19, it fell from $17.32 billion to $11.92 billion, a drop of 30 per cent, according to annual reports of the Department of Industry, Science, Energy and Resources."

References
Australian Financial Review - Phillip Coorey: Government to reverse R&D cuts, extend FBT exemptions

Employment incentives

The Budget contains a JobMaker Hiring Credit to cost $4 billion over three years.

The JobMaker Hiring Credit will be available to employers from 7 October 2020 for each new job they create over the next 12 months for which they hire an eligible young person. For each eligible employee, employers will receive for up to 12 months:

- $200 a week if they hire an eligible young person aged 16 to 29 years; or
- $100 a week if they hire an eligible young person aged 30 to 35 years.

To be eligible young job seekers must have received JobSeeker Payment, Youth Allowance (Other) or Parenting Payment for at least one of the previous three months at the time of hiring.

Employers must demonstrate that they have increased their overall employment to receive this payment for up to 12 months for each position created. To claim the JobMaker Hiring Credit, employers need to report their employees' payroll information to the Australian Taxation Office through Single Touch Payroll.

Housing

Government extends assistance for first home buyers

This Budget item builds on a pre-Budget announcement

Ahead of the Budget
Ahead of the Budget the Morrison government announced it will extend its first home loan deposit scheme to an extra 10,000 home buyers.

Unlike existing arrangements, where people can purchase a new or existing home, these buyers will have to build a house or buy a newly-built property.

The condition will direct maximum help to the residential building sector.

As with the existing program, the extended program allows people to buy with a deposit of as little as 5 per cent, less than the usual deposit of about 20 per cent. The government guarantees the other 15 per cent of the deposit.

The additional guarantee will run until June 30, 2021. The program has already assisted some 20,000 buyers since the start of the year, the Government says.

Treasurer Josh Frydenberg said, "Helping another 10,000 first home buyers to buy a new home ... will help to support all our tradies right through the supply chain including painters, builders, plumbers and electricians.

"In addition to the government's HomeBuilder program, these measures will support residential construction activity and jobs across the industry at a time when the economy and the sector needs it most.

"At around 5 per cent of GDP, our residential construction industry is vital to the economy and our recovery from the coronavirus crisis."

The first home loan deposit scheme began in January, to provide up to 10,000 guarantees for the financial year to June 30, 2020. It saw strong demand in its first six months, with 9,984 out of a maximum of 10,000 guarantees offered.

Between March and June, the scheme supported one in eight of all first home buyers.

Mr Frydenberg said, "Eligible first home buyers will also be able to take advantage of the Government's First Home Super Saver Scheme and HomeBuilder, and first home buyers may also be eligible for state and territory grants and concessions."

The government has announced new caps for the scheme, given newly built homes are usually more expensive than existing homes for first home buyers:

	Extended First Home Loan Deposit Scheme price caps		First Home Loan Deposit Scheme price caps	
State/ Territory	Capital city/ regional centre	Rest of state	Capital city/ regional centre	Rest of state
NSW	$950,000	$600,000	$700,000	$450,000
VIC	$850,000	$550,000	$600,000	$375,000
QLD	$650,000	$500,000	$475,000	$400,000
WA	$550,000	$400,000	$400,000	$300,000
SA	$550,000	$400,000	$400,000	$250,000
TAS	$550,000	$400,000	$400,000	$300,000
ACT	$600,000	N/A	$500,000	N/A
NT	$550,000	N/A	$375,000	N/A

Infrastructure

New $7.5 billion infrastructure build announced

Ahead of the Budget
The Morrison Government announced a $7.5 billion new national infrastructure build ahead of the Budget.

The Government said about $7.5 billion was "new money" on top of the $100 billion over 10 years previously foreshadowed.

Deputy Prime Minister Michael McCormack said the $7.5 billion was new money. "Correct," he said. "Today is a $7.5 billion commitment, a $7.5 billion tick of approval to our economy, to our workers in our economy, to make sure that we put the right infrastructure in the right places, to build on the connectivity, to build on the strengths of our nation," the Nationals leader said.

In a statement ahead of the Budget Prime Minister Scott Morrison said, "A $7.5 billion new investment in national transport infrastructure will boost the national economy, deliver safer roads and create thousands of jobs as part of the Federal Coalition's COVID-19 economic recovery plan.

"The funding to be delivered in Tuesday's Budget builds on a series of infrastructure investments from the Commonwealth in responding to the COVID-19 pandemic which now total more than $11.3 billion.

"There will be key investments across all states and territories including:

- $560 million for the Singleton Bypass on the New England Highway in New South Wales;
- $528 million for the Shepparton and Warrnambool Rail Line Upgrades in Victoria;
- $750 million for Stage 1 of the Coomera Connector (Coomera to Nerang) in Queensland;
- $88 million for the Reid Highway Interchange with West Swan Road in Western Australia;
- $200 million for the Hahndorf Township Improvements and Access Upgrade in South Australia;
- $150 million for the Midway Point Causeway (including McGees Bridge) and Sorell Causeway as part of the Hobart to Sorell Roads of Strategic Importance corridor in Tasmania;
- $120 million to upgrade the Carpentaria Highway in the Northern Territory; and
- $88 million for the Molonglo River Bridge in the ACT.

"We have been working closely with state and territory governments to invest in the infrastructure that is ready to go and can help rebuild our economy and create more jobs," the Prime Minister said.

Labor's infrastructure spokesperson, Catherine King, expressed scepticism about the announcement, saying it was "hard to see whether it's new money" in advance of the budget documents being released.

In questioning the government's record of delivery, Ms King said the Commonwealth had spent $1.7 billion less than it had planned on infrastructure last financial year.

"We know over the course of the last six budgets that the government has underspent $6.8 billion on infrastructure projects that it promised but has failed to deliver."

Mr McCormack said the federal government would work with the states and territories "and we expect them to do their fair share of heavy lifting" in the delivery of infrastructure projects.

"Some states are better than others," he said.

The Finance Minister, Mathias Cormann, said on Sunday the states needed to pick up the pace. "The general principle is where we make funding available to build important productivity-enhancing, economy-growing infrastructure, we want the states to get on with it," he told Sky News.

Senator Cormann also appeared to confirm that states which quickly spent or allocated the infrastructure money would receive more. "The general principle is that where we make funding available to build important productivity-enhancing, economy-growing infrastructure we want the states to get on with it,'' he told Sky News.

"If the states are not able or are not willing to get on with it, then we will seek to work with states that are. If some states are not prepared to get cracking then we will be working with those states that are."

References
Prime Minister's media release: Morrison Government delivers $7.5 billion boost for transport infrastructure across nation – 5 October 2020
Guardian Australia: After initial confusion, Coalition says $7.5bn infrastructure spend in budget is 'new money'
Guardian Australia: Coalition pressures states to deliver infrastructure projects or miss out on funds
Australian Financial Review - Phillip Coorey: Revealed: Budget tax cuts to be backdated

Manufacturing

Government announces its 'Modern Manufacturing Strategy'

This Budget item builds on a pre-Budget announcement

Ahead of the Budget
Ahead of the Budget Prime Minister Scott Morrison announced details of the Government's `Manufacturing Plan' which identified six priority areas for support in a $1.5 billion manufacturing plan.

In an address to the National Press Club on Thursday 1 October on the Manufacturing Plan, Mr Morrison said, "the Government has identified six National Manufacturing Priorities in areas of established strength and emerging priority. They are:

- The resources technology and critical minerals processing
- Food and beverage manufacturing
- Medical products
- Clean energy and recycling
- Defence industry, and
- The space industry."

In the speech he said, "We make things in Australia. We do it well. We need to keep making things in Australia. And with this strategy, we will."

He also said, "We need a deeper appreciation that advanced manufacturing is not just about what we make – it's about how we make it, how we sell our products domestically and internationally."

The plan will also focus on building "supply chain resilience" after the COVID pandemic exposed the risks of not having enough capability to quickly produce large amounts of vital items such as personal protective equipment.

The funding will be provided over the budget's four year forward estimates.

Mr Morrison said Australia needs "to keep making things". Manufacturing employs about 860,000 and before COVID generated more than $100 billion in value annually for the economy and more than $50 billion in exports.

"Our government is determined to set a ten-year time horizon where all parties – industry, workforce (including unions), governments at all levels, capital (including superannuation funds) and our scientific and research community – are pulling in the one direction," Morrison says.

He said the government's "practical strategy" has three elements: creating a business environment where manufacturers can be more competitive, aligning resources to build scale in areas of competitive strength, and securing sovereign capability in areas of national interest.

A $1.3 billion "modern manufacturing initiative", focused on the priority areas, will invest in projects to help manufacturers "scale up" and create jobs.

The government and industry will partner to develop industry-led roadmaps to identify growth opportunities, barriers to scale and what is needed along the value chain in each area.

The manufacturing plan was one of a series of policy initiatives the Government announced in the run up to the budget.

The PM said the Government's "modern manufacturing initiative" will provide a new investment vehicle to help overcome the barriers to scale. It will leverage co-investment with states and territories, industry, and research institutions across three activities:

- collaboration: investments of an average of $80 million each to foster long-term, large- scale production or R&D facilities involving consortia of businesses and other organisations, including physical clusters (such as at the Western Sydney Aerotropolis)
- translation: investments of about $4 million for industry-led projects translating research and commercialising new products
- integration: investments of about $4 million connecting local firms with export markets.

The national sovereignty part of the manufacturing plan has more than $107 million earmarked for "supply chain resilience".

The manufacturing policy also includes $52.8 million for the existing manufacturing modernisation fund which gives grants to support transformational technologies and processes.

References
Prime Minister's speech: A modern manufacturing strategy for Australia - National Press Club, ACT – Thursday 1 October 2020.
Department of Industry, Science, Energy and Resources: Modern Manufacturing Strategy
The Conversation - Michelle Grattan: Scott Morrison names six priority areas in $1.5 billion plan to boost manufacturing
Nine Publishing - David Crowe: 'We make things in Australia': PM's plan to boost manufacturing

NBN

Government announces modified 'fibre to the home' after all

This Budget item builds on a pre-Budget announcement

Ahead of the Budget
Australia's national broadband network will roll out fibre "deeper and closer to homes and businesses" under a $3.5 billion upgrade package to be announced on Wednesday.

The federal communications minister, Paul Fletcher, told the National Press Club in a speech on Wednesday 23 September the Coalition was "committing to more fibre when it makes economic sense to do so".

The Coalition has long faced criticism from Labor and experts for abandoning the former government's fibre to the premises model and embracing a mix of technologies to deliver the NBN– including reliance on the existing copper network.

Mr Fletcher announced NBNCo will borrow $3.5 billion from private debt markets to fund a range of upgrades to the existing network architecture, including "taking fibre deeper into neighbourhoods serviced by fibre to the node (FTTN) technology" to deliver speeds of up to 1Gbps.

NBNCo also plans to resolve in-home cabling issues for premises on the FTTN network and to deliver capacity upgrades on the hybrid fibre coaxial network – which uses existing TV lines. It further includes work to improve the consistency of speeds on the fibre to the curb network.

Mr Fletcher said the upgrades will mean that "by 2023, 75% of all fixed-line premises in Australia will be able to order ultra-fast broadband speeds, up to 1 gigabit per second".

He said, "we are now in a position to build on the existing network architecture and drive fibre deeper and closer to homes and businesses".

"The upgrade will reuse the new fibre built as part of the fibre-to-the-node rollout and extend it further into the suburbs."

"This plan is possible because NBNCo has now proved its business model and is generating substantial and growing cashflows – in turn allowing it to borrow in the private debt markets."

A government press release said that in areas currently served by FTTN there will be a "further investment to take fibre deeper into neighbourhoods, through building local fibre networks that run along street frontages".

Fibre may then be extended into households based on demand, where a home's requirements exceed existing line-speed capability.

The finance minister, Mathias Cormann, portrayed the upgrades as "a major infrastructure investment" that would stimulate demand.

Senator Cormann estimated that the investment would support "some 25,000 new jobs over the next two years" and in the longer term "increase Australia's GDP by $6.4 billion per annum by 2024".

The announcement came a day after Mr Fletcher flagged $700 million in spending to improve business access to high-speed fibre broadband.

The opposition leader, Anthony Albanese, said the Coalition's announcement on business broadband showed the former Labor government had been correct to say of the NBN, "Do it right, do it once, do it with fibre."

Michelle Rowland, the opposition's communications spokesperson, said the Coalition's decision "to attack and dump fibre was never about cost, but always about the politics".

"This has meant Australian taxpayers have paid more for a network that does less, and more money is now required to play catch up," she said in a statement issued on Tuesday. "What on earth was the point of spending $51 billion of taxpayers' dollars on the Liberals' second-rate copper network to begin with?"

In 2018, the outgoing chief executive of NBNCo, Bill Morrow, admitted that the reliance on copper had led to a higher fault rate and slower internet speeds but helped deliver the network faster and more cheaply.

References
Minister's speech: National Press Club Address – 23 September 2020
Minister's media release: $4.5 billion NBN investment to bring ultra-fast broadband to millions of families and businesses and create 25,000 jobs$4.5 billion NBN investment to bring ultra-fast broadband to millions of families and businesses and create 25,000 jobs
Guardian Australia: Coalition to announce $3.5bn NBN upgrade to roll out fibre 'deeper and closer to homes'

TV content

Budget funds to soften easing of Australian content obligations

This Budget item builds on a pre-Budget announcement

Ahead of the Budget
Ahead of the Budget the Government announced a reduction in Australian content obligations for commercial free-to-air TV and sought to soften the blow to the local production industry with $53 million in addition funding for local production.

The funding was announced by Communications Minister Paul Fletcher ahead of the Budget.

The Government will also legislate to reduce the existing Australian content spend obligation on selected subscription television channels from ten per cent to five per cent.

The amount of children's content on commercial free-to-air television will shrink from next year under the new rules, that retain overall local content quotas but give networks more flexibility over the shows they commission.

Communications Minister Paul Fletcher, said the changes to the Australian content quotas will provide flexibility for commercial broadcasters, which have invested large amounts of money in children's shows despite the small audiences they attract and low interest from advertisers.

In a media release Mr Fletcher said, "The Australian Government is supporting Australian screen content by simplifying regulations and injecting $53 million into the development and production of local film and television as part of the 2020-21 Federal Budget.

"Minister for Communications, Cyber Safety and the Arts, the Hon Paul Fletcher MP, said that a vibrant local screen industry was essential to Australia's cultural identity, while also supporting jobs and economic recovery following the COVID-19 pandemic.

"The Government is providing $30 million in funding to Screen Australia over two years to support the production of Australian drama, documentary and children's film and television content," Minister Fletcher said.

"Screen Australia will also receive an additional $3 million over three years to establish a competitive grants program to cultivate quality Australian screenwriting and script development.

"We are also providing $20 million to the Australian Children's Television Foundation over two years to boost the development, production and distribution of high-quality Australian children's content."

"As part of these changes, the Producer Offset – a key screen funding mechanism through which producers receive a refund of part of the production budget through the tax system - will be set at a harmonised 30 per cent for all domestic film and television production.

“The old approach of treating film and television differently no longer makes sense. Increasing the offset to 30 per cent for television will mean additional funding for Australian television production – and in turn support higher production values and programs with a better prospect of being sold into the global content market, taking advantage of the opportunity created by the explosion of streaming video services like Netflix, Disney+, Stan and Amazon Prime.”

“These measures will be complemented by changes to streamline and simplify the drama, documentaries and children’s content ‘sub-quota’ Australian content rules for broadcasters.

“The sub-quotas were temporarily suspended as an emergency measure during COVID-19, but will be reintroduced from 1 January 2021.

“Content will count towards the new, simplified requirement if it is either drama, or children’s content, or documentary content. With the minor exception of a cap on the number of hours of documentary content that can be counted towards meeting the requirement, the particular mix chosen will be a matter for each broadcaster based on its business strategy and judgement of audience appeal.

“Commercial broadcasters will continue to be required to provide 55 per cent overall Australian content on their primary channels between 6:00 am and midnight, and to provide 1,460 hours of Australian content per year on their multi-channels.

“The points scheme underpinning the sub-quotas will give more points to higher-budget productions, creating a stronger incentive to commission bigger budget drama which is more likely to be sold globally rather than only be seen in Australia.

Nine newspapers reported, “Streaming companies such as Netflix, Amazon Prime, YouTube and Stan will also be asked to tell the government how much they spend on Australian content but will not be required to air a certain amount of local programs or films.

“Both reforms are likely to frustrate the Australian production industry, which supports the current guidelines requiring commercial networks to produce children's TV and has been calling for local content quotas for the US streaming giants.”

"Almost nobody watches children's content on commercial television," Mr Fletcher said. “Secondly, the drama sector is facing growing competition from the streamers. We are shifting the policy weight ... away from such a heavy reliance on the sub-quotas because we think that tool is not fit for purpose anymore."

Currently, 55 per cent of all content on Australian television must be local and a mixture of Australian drama, children's content and documentaries. Mr Fletcher said the government would retain the 55 per cent threshold but allow the commercial networks to decide the make- up of its local content. For example, Seven West Media, Network Ten or Nine Entertainment Co (owner of this masthead) can invest in dramas like Home and Away or Underbelly instead of kids' programs. There will be a maximum limit on how many documentaries can contribute to total hours of Australian content.

The ability to choose whether to commission drama or documentaries instead of children's programs is expected to reduce the amount of content kids will have available on television screens. Many households now watch children's programs on catch-up services such as ABC iView and mobile devices.

Currently, commercial broadcasters must show 260 hours of children's programs, 130 hours worth of preschool programs, 250 points of first-release Australian drama, and 24 hours worth of children's drama. Under the new system, the number of points-per-hour gained by a broadcaster will reflect the per-hour cost of the production. Mr Fletcher hopes it will encourage fewer but better quality programs. However, ABC and local production houses raised concerns in July that such rule changes could reduce the number of programs commissioned.

Nine newspapers said, "The big winners under the new changes are online streaming services such as Netflix and YouTube, which will remain unregulated until further notice. Mr Fletcher said the streaming services will be asked to report how much they spend on Australian content but the government will not force them to meet a certain standard. Netflix revealed in August it had invested $110 million in Australian original and co-produced children's programs in the past four years.

"It's certainly not a case of ruling out a spend requirement on the streaming video services. We just think more work is required to look at that issue." Mr Fletcher said he will mandate the reporting of spend if the streaming services do not comply.

The amount Pay TV operator Foxtel is required to invest in local content (currently 10 per cent) will be reduced to 5 per cent. "That's been an increasing anomaly given the streamers don't face any requirements," Mr Fletcher said.

References
Ministerial Media release: New funding in Budget to deliver Australian screen content
Department of Infrastructure, Transport, Regional Development and Communications: Modernising Australian screen content settings
Nine Publishing: Australian kids' shows could face the axe in TV content overhaul