# Information note— Summary of measures from the 2022–23 Budget

14 April 2022

This note provides a summary of the measures relevant to the Annual Wage Review 2021–22 discussed in the 2022–23 Budget, released on 29 March 2022. These measures have received Royal Assent unless otherwise noted.

## Table of Contents

[Support for households 2](#_Toc100574393)

[Increasing the low and middle income tax offset (LMITO) for the 2021–22 financial year 2](#_Toc100574394)

[Cost of living payment 2](#_Toc100574395)

[Increasing the Medicare levy low-income thresholds 3](#_Toc100574396)

[Temporary reduction in fuel excise 3](#_Toc100574397)

[Support for businesses 3](#_Toc100574398)

[Skills and training boost 3](#_Toc100574399)

[Technology investment subsidy 4](#_Toc100574400)

[Extending the Boosting Apprenticeship Commencements wage subsidy 4](#_Toc100574401)

## Support for households

### Increasing the low and middle income tax offset (LMITO) for the 2021–22 financial year

The LMITO will be paid from 1 July 2022 when Australians submit their tax returns for the 2021–22 income year. This proposal will increase the LMITO by $420, thereby increasing the maximum LMITO benefit to $1500 for individuals and $3000 for couples.[[1]](#footnote-2)

All LMITO recipients will benefit from the $420 increase except those that do not require the full offset to reduce their tax liability to zero. All other features of the current LMITO remain unchanged. Consistent with the current LMITO, taxpayers with incomes of $126 000 or more will not receive the additional $420.[[2]](#footnote-3)

### Cost of living payment

The Government will provide a one-off payment of $250 to help households with higher cost of living pressures.[[3]](#footnote-4) The payment is exempt from taxation and will be made in April 2022 to eligible recipients of the following payments and to concession card holders:[[4]](#footnote-5)

* Age Pension, Disability Support Pension, Parenting Payment, Carer Payment, Carer Allowance (if not in receipt of a primary income support payment), Jobseeker Payment, Youth Allowance, Austudy and Abstudy Living Allowance, Double Orphan Pension, Special Benefit, Farm Household Allowance, Pensioner Concession Card (PCC) holders, Commonwealth Seniors Health Card holders, and eligible Veterans’ Affairs payment recipients and Veteran Gold card holders.

### Increasing the Medicare levy low-income thresholds

The Medicare levy low-income threshold will be increased from 1 July 2021 so that low-income individuals continue to be exempt. The threshold for singles will be increased from $23 226 to $23 365. The family threshold will be increased from $39 167 to $39 402. For each dependent child or student, the family income thresholds will increase by a further $3619 instead of the previous amount of $3597.[[5]](#footnote-6)

### Temporary reduction in fuel excise

The fuel excise and excise-equivalent customs duty rate that applies to petrol and diesel will be halved for 6 months. The excise and excise-equivalent customs duty rates for all other fuel and petroleum-based products, except aviation fuels, will also be reduced by 50 per cent for 6 months.[[6]](#footnote-7)

The measure will commence from 12.01am on 30 March 2022 and end at 11.59pm on 28 September 2022. Under the measure, existing policy settings for fuel excise and excise-equivalent customs duty, including indexation in August, will continue but on the basis of the halved rates. At the conclusion of the 6-month period, the excise and excise-equivalent customs duty rates will then revert to previous rates, including indexation that would have occurred on those rates during the 6-month period.[[7]](#footnote-8)

## Support for businesses

### Small business skills and training boost

Small businesses (with aggregated annual turnover of less than $50 million) will be able to deduct an additional 20 per cent of expenditure incurred on external training courses provided to their employees. The boost will apply to eligible expenditure incurred from 7:30pm (AEDT) on 29 March 2022 until 30 June 2024. The external training courses will need to be provided to employees in Australia or online and delivered by entities registered in Australia. The boost for eligible expenditure incurred by 30 June 2022 will be claimed in tax returns for the following income year.[[8]](#footnote-9)

This measure is not yet law.[[9]](#footnote-10)

### Small business technology investment subsidy

Small businesses (with aggregated annual turnover of less than $50 million) will be able to deduct an additional 20 per cent of the cost incurred on business expenses and depreciating assets that support their digital adoption, such as portable payment devices, cyber security systems or subscriptions to cloud-based services. An annual cap will apply in each qualifying income year so that expenditure up to $100 000 will be eligible for the subsidy. The boost for eligible expenditure incurred by 30 June 2022 will be claimed in tax returns for the following income year. The subsidy for eligible expenditure incurred between 1 July 2022 and 30 June 2023 will be included in the income year in which the expenditure is incurred.[[10]](#footnote-11)

This measure is not yet law.[[11]](#footnote-12)

Extending the Boosting Apprenticeship Commencements and Completing Apprenticeship Commencements wage subsidies

These subsidies are extended by 3 months to 30 June 2022. From 1 July 2022, the Australian Apprenticeships Incentive System will provide support to employers and apprentices in priority occupations.[[12]](#footnote-13) Businesses of any size can claim the wage subsidy for new apprentices or trainees who commence during this period. Eligible businesses will be reimbursed up to 50 per cent of an apprentice or trainee's wages of up to $7000 per quarter for 12 months.[[13]](#footnote-14)

1. Australian Government (2022), *Budget 2022–23, Budget Paper No. 1*, 29 March, p. 15. [↑](#footnote-ref-2)
2. Australian Government (2022), *Budget 2022–23, Budget Paper No. 2*, 29 March, p. 16; [*Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022*](https://www.legislation.gov.au/Details/C2022A00014). [↑](#footnote-ref-3)
3. Australian Government (2022), *Budget 2022–23, Budget Paper No. 1*, 29 March, p. 15. [↑](#footnote-ref-4)
4. Australian Government (2022), *Budget 2022–23, Budget Paper No. 2*, 29 March, p. 167; [*Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022*](https://www.legislation.gov.au/Details/C2022A00014). [↑](#footnote-ref-5)
5. Australian Government (2022), *Budget 2022–23, Budget Paper No. 2*, 29 March, pp. 24–25; [*Treasury Laws Amendment (Cost of Living Support and Other Measures) Act 2022*](https://www.legislation.gov.au/Details/C2022A00014). [↑](#footnote-ref-6)
6. Australian Government (2022), *Budget 2022–23, Budget Paper No. 1*, 29 March, p. 15; [*Excise Tariff Amendment (Cost of Living Support) Act 2022*](https://www.legislation.gov.au/Details/C2022A00015). [↑](#footnote-ref-7)
7. Australian Government (2022), *Budget 2022–23, Budget Paper No. 2*, 29 March, p. 15. [↑](#footnote-ref-8)
8. Australian Government (2022), *Budget 2022–23, Budget Paper No. 2*, 29 March, pp. 26–27; Australian Taxation Office (2022), [*Small Business Technology Investment Boost and Small Business Skills and Training Boost*](https://www.ato.gov.au/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/Small-Business-Technology-Investment-Boost-and-Small-Business-Skills-and-Training-Boost/), 11 April. [↑](#footnote-ref-9)
9. Australian Taxation Office (2022), [*Small Business Technology Investment Boost and Small Business Skills and Training Boost*](https://www.ato.gov.au/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/Small-Business-Technology-Investment-Boost-and-Small-Business-Skills-and-Training-Boost/), 11 April. [↑](#footnote-ref-10)
10. Australian Government (2022), *Budget 2022–23, Budget Paper No. 2*, 29 March, p. 27; Australian Taxation Office (2022), [*Small Business Technology Investment Boost and Small Business Skills and Training Boost*](https://www.ato.gov.au/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/Small-Business-Technology-Investment-Boost-and-Small-Business-Skills-and-Training-Boost/), 11 April. [↑](#footnote-ref-11)
11. Australian Taxation Office (2022), [*Small Business Technology Investment Boost and Small Business Skills and Training Boost*](https://www.ato.gov.au/General/New-legislation/In-detail/Direct-taxes/Income-tax-for-businesses/Small-Business-Technology-Investment-Boost-and-Small-Business-Skills-and-Training-Boost/), 11 April. [↑](#footnote-ref-12)
12. Australian Government (2022), *Budget 2022–23, Budget Paper No. 2*, 29 March, p. 77; Department of Education, Skills and Employment (2022), [*Boosting Apprenticeships Commencements Fact Sheet*](https://www.dese.gov.au/boosting-apprenticeship-commencements/resources/boosting-apprenticeships-commencements-fact-sheet), Australian Government, 28 March. [↑](#footnote-ref-13)
13. Australian Government (2021), *Budget 2021-22, Budget Paper No. 2*, 11 May, p. 88. [↑](#footnote-ref-14)