



**Budget 2021–22**

# Securing Australia's Recovery

**Guaranteeing the  
essential services**

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essential services**

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# Guaranteeing the essential services

The Government is providing record investment in essential services including in aged care, mental health and disability care

The Government is guaranteeing the essential services Australians rely on. The Government is also implementing reforms to improve the quality and sustainability of our essential services while protecting Australians' health.

## Reforming the aged care system

The Government is committing record additional funding of \$17.7 billion over five years to reform the aged care system in response to the Royal Commission into Aged Care Quality and Safety.

This investment will make the system more accessible, improve the quality of aged care, grow a more skilled workforce and help older Australians stay in their home for longer.

## Fully funding the NDIS

The Government is delivering record funding to the NDIS as more people with significant and permanent disability benefit from the scheme. This Budget commits an extra \$13.2 billion to the NDIS over four years.

## Supporting Australians' mental health

The Government will undertake landmark reform of the mental health and suicide prevention system, with a record \$2.3 billion investment in critical services and supports. It is the single largest Commonwealth investment in mental health and suicide prevention in Australia's history.

Australians need a system that acts early to help people before mental health conditions and suicidal distress worsen. Whole of government and whole of community changes are needed to deliver preventative, compassionate, and effective care.

This commitment is a first step in responding to advice from the Productivity Commission and the National Suicide Prevention Adviser about improving mental health outcomes for all Australians.

The Government will develop a shared commitment from states and territories through a National Agreement on Mental Health and Suicide Prevention.



# Acting on the evidence

Implementing evidence-based reforms to ensure Australians are supported

## Royal Commission into Institutional Abuse of Children

The Government is pursuing ambitious measures to continue to respond to child sexual abuse. Our National Strategy to Prevent Child Sexual Abuse will deliver on key recommendations made by the Royal Commission into Institutional Responses to Child Sexual Abuse. The Government's contribution of \$146 million will enhance child safety and wellbeing, particularly for vulnerable groups including Aboriginal and Torres Strait Islander children.

## Respect@Work

The Government is committed to improving workplace cultures through implementing the recommendations of the Sex Discrimination Commissioner's Respect@Work Report. The Government has already announced its response to this report which is aimed at

fostering a workplace culture of respectful behaviour. The Government's Roadmap for Respect will provide \$20.5 million to help ensure all Australians have safe workplaces, free from sexual harassment. The Roadmap will expand the role of the Workplace Gender Equality Agency to strengthen reporting on sexual harassment.

## Supporting veterans

Measures in this Budget support veterans and ensure the timely processing of compensation claims. Funding of \$460.4 million will set the foundation for a stable, sustainable and modern veteran support system that delivers a simpler, faster and better experience for veterans and their families. This is part of the Government's response to the Productivity Commission's Report *A Better Way to Support Veterans*.



# Record funding to reform aged care

## Ensuring a high quality and sustainable aged care system

### Responding to the Royal Commission into Aged Care Quality and Safety

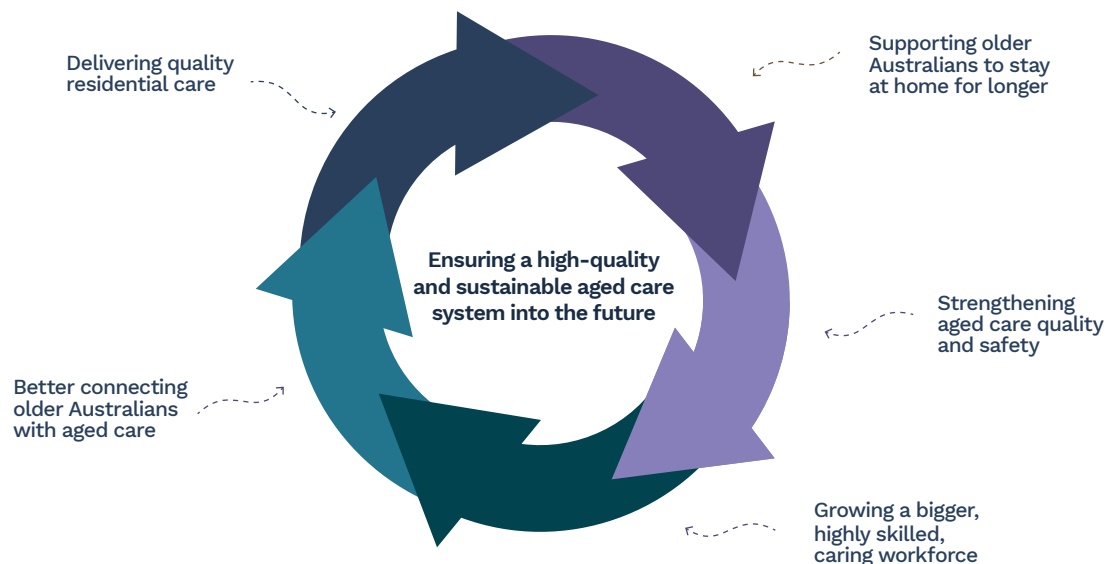
The Government is delivering record additional funding of \$17.7 billion for a comprehensive aged care reform package in response to the Royal Commission into Aged Care Quality and Safety.

In 2021-22, spending on aged care is expected to be \$25.9 billion, up from \$13.3 billion in 2012-13.

### Aged care that puts older Australians at the centre

Underpinned by the principles of respect, care and dignity, the Government is funding immediate priorities in home care to improve quality and safety, and reforming residential care.

This will be supplemented by reforms to ensure the sector's sustainability, and to grow and upskill the aged care workforce, a critical partner in delivering these reforms.

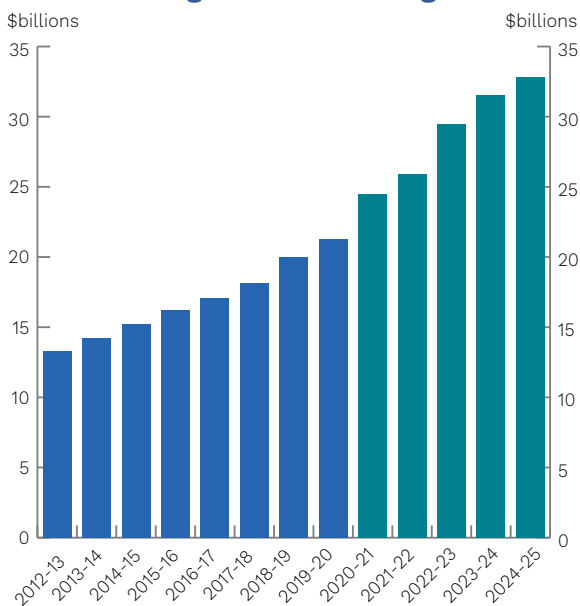


# Respect, Care and Dignity

The Government's reform plan builds on recent aged care quality reforms, including those announced throughout the Royal Commission's inquiry.

Reforms to aged care will be supported by new governance structures, including a new Aged Care Act that focuses on the needs of older Australians and places high quality, safe and compassionate care at the centre of the system.

**Aged care funding**







# Delivering quality residential care

Driving quality and transparency in residential care

## A more effective funding model for residential care

The Government is providing \$7.8 billion to improve the quality, safety and sustainability of residential aged care services. This builds on our immediate response to the Royal Commission, which provided \$189.9 million for residential care.

The new funding model will better support the delivery of high quality care, and provide more certainty and stability for providers. The Government is increasing the residential care funding base through a new Government-funded Basic Daily Fee supplement increase of \$10 per resident per day, as well as interim funding to continue support for residential care facilities from 1 July 2021.

# Reforming residential aged care to improve quality, sustainability and safety

The Government is ensuring that the standard of residential aged care improves, including by requiring residential care facilities to deliver an average of 200 care minutes per resident per day from 1 October 2023.

care packages assigned to consumers, not providers. This will improve transparency, giving older Australians more choice, and encouraging providers to deliver better quality facilities and care.

## Improving safety, quality and transparency

An additional \$74.8 million will assist providers to deliver high-quality, individualised care for people living with dementia, including through enhanced training and specialist advisory services.

From 1 July 2022, residential care providers will be required to report and publish care staffing minutes for each facility on the MyAgedCare website. Providers will also be required to report to residents and their families on care delivered.

From 1 July 2024, funding will be made available to increase choice for senior Australians receiving residential care with

## New residential care funding model

Funding based on care needs



200 minutes of care time per day



Reporting and publishing care time



More choice for older Australians

# Supporting older Australians to stay at home for longer

Boosting the number of Home Care Packages and delivering support for informal and family carers

## Immediate investment in home care

To support older Australians who wish to remain at home for longer, the Government is investing \$6.5 billion to provide an additional 80,000 Home Care Packages.

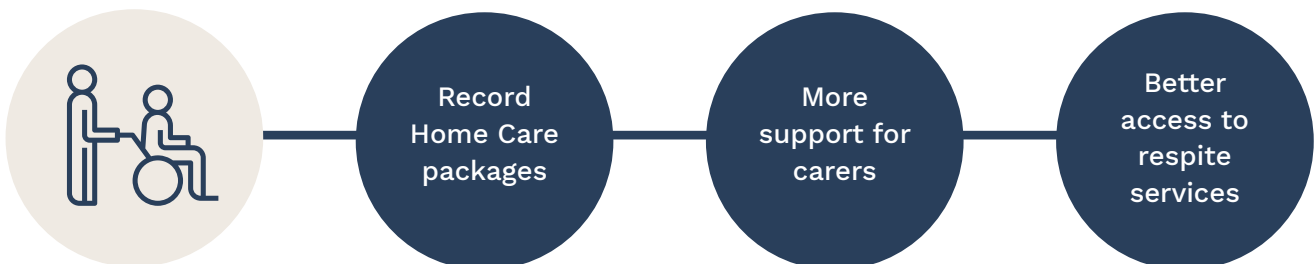
This builds on the significant investments already made by the Government, and takes to more than 160,000 the number of additional Home Care Packages, worth \$12 billion, committed since the 2018-19 Budget.

The Government will progress work on the design of a new home care program as a

priority. This new program will better target services to older Australians' assessed care needs, and ensure that care provided is of a high quality and sustainable.

## Increasing access to respite care

The Government is improving access and funding arrangements for respite and reablement services. This will assist carers, improve the experience of respite care for older Australians, and better support them and their families to plan for their future care needs.





**160,000  
Home Care  
Packages  
committed since  
2018**

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## Providing more support for unpaid and family carers

Recognising the crucial role that informal and family carers play in supporting older Australians, the Government is providing \$798.3 million to enable carers to access the services and support they need.

This will equip carers with the skills and services they require and result in better outcomes for senior Australians and carers.

The Government is also delivering enhanced and more targeted support for carers looking after people with dementia, recognising the unique circumstances these carers face.

**Greater  
accountability and  
transparency for older  
Australians and their  
families now and into  
the future**

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# Strengthening aged care quality, safety and governance

## Increasing transparency, accountability and independent oversight

### Ensuring a more independent and accountable aged care system

The Government is reforming aged care to make it more transparent, with independent oversight and more accountability in line with the Royal Commission into Aged Care Quality and Safety's recommendations.

The Government is providing \$21.1 million to establish new arrangements to provide greater independent oversight of the aged care system.

The Government is also establishing an independent pricing authority to support implementation and administration of the new funding model in residential aged care.

Additional funding of \$301.3 million will be provided to address failures in care

and increase the capability and capacity of the independent Aged Care Quality and Safety Commission, which is responsible for regulating the sector.

These reforms will include a new Aged Care Act, replacing the *Aged Care Act 1997* and the *Aged Care Quality and Safety Commission Act 2018*. The new Act will ensure consumers are at the centre of the aged care system.

### Improving access to GP-led care

In this Budget, the Government is providing \$365.7 million to enhance primary care for older Australians, including improved access to General Practitioners and better coordination of health services.



## More accessible aged care

# Better connecting older Australians with aged care

Improving access to equitable,  
high-quality aged care services

### Connecting older Australians with aged care

The Government wants to ensure that aged care services are accessible and equitable for all Australians, regardless of their background or where they live.

The Government is providing \$630.2 million to help Aboriginal and Torres Strait Islander people and special needs groups, as well as people living in regional, rural and remote communities access aged care services.

This will include delivering upgrades to aged care infrastructure, and establishing an Indigenous workforce to assist Aboriginal and Torres Strait Islander people to better navigate aged and disability care.

### Better information to support informed choices

The Government is providing \$200.1 million to empower older Australians and their families to make more informed choices about the quality and safety of aged care.

A Star Rating System on the My Aged Care website will be introduced for residential aged care. The existing Serious Incident Response Scheme will be expanded from residential care into home care to protect home care recipients.

The Government will improve the experience of older Australians at the local level. The Government will trial a regional network of staff to provide face to face services to help people navigate the system.

**65,000**  
**Australians**  
**attempt to take**  
**their own life**  
**each year**



# Mental health reform

Investing in preventative,  
compassionate and effective care

The Government is providing an additional \$2.3 billion over four years for mental health and suicide prevention. This investment will deliver landmark reform of the system to ensure that we act early to safeguard the wellbeing of all Australians, and deliver effective, compassionate, high quality care to all Australians when and where they need it.

This commitment builds on \$461.1 million for youth mental health in the 2019-20 Budget, \$100.9 million provided in response to the 2019-20 bushfires and more than \$500 million to support Australians through the COVID-19 pandemic. The total investment in mental health and suicide prevention in 2021-22 in the Health portfolio alone is \$6.3 billion.

This investment in Australians' wellbeing is a first step in responding to advice from the Productivity Commission and National Suicide Prevention Adviser about improving outcomes for Australians experiencing mental health concerns. While these reviews recommended substantial reforms, this does not take away from the immense support and care that the mental health sector has provided, particularly over the past 18 months.

This package is an investment in system wide reforms, with further efforts to be delivered with the states and territories through a National Agreement on Mental Health and Suicide Prevention.

## Five Pillars of Support

Prevention  
and Early  
Intervention



Suicide  
Prevention



Treatment



Supporting  
the Vulnerable



Workforce and  
Governance





# Early intervention and prevention

Investing more in accessible early care

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Investing in services to help keep Australians mentally healthy

## Prevention and early intervention

The Government is committing \$248.6 million to help Australians access supports early in life and early in illness to avoid the need for more intensive interventions.

Funding of \$111.2 million is being invested to improve the availability of high quality, low-cost digital mental health services. A world-class, single digital platform under Head to Health will provide online professional counselling, peer support, referrals and clinical support. This will allow Australians greater choice and access to services.

Ensuring that people at risk of and living with mental health conditions get fast and accessible legal support will help avoid escalating illnesses and reduce the risk of suicide. The Government is providing extra funding of \$77.1 million to support around 83,400 additional legal matters a year through the National Legal Assistance Partnership and to expand legal and mental health supports for women who have experienced family and domestic violence.

Alongside the states and territories, the Government will provide \$47.4 million to achieve universal perinatal mental health screening for all new and expecting parents.

## Suicide Prevention

The Government remains firmly committed to work towards zero suicides and is committing \$298.2 million towards suicide prevention. \$158.6 million is being invested in this Budget to work with the states and territories to provide aftercare services to every Australian discharged from hospital following a suicide attempt.

Recognising the devastating impact of suicide on families and loved ones, the Government will also provide \$22 million to give them the postvention support they need. The Government will provide \$31.2 million to pilot, in partnership with the states and territories, a national Distress Intervention Program which will reach people earlier in crisis where it first manifests and provide immediate support.

The Government will also establish a National Suicide Prevention Office to provide national coordination and guidance for suicide prevention efforts across Australia.





Providing therapy  
options that suit  
Australians best

# Improving access to treatment

A mental health system that delivers care which is affordable and timely

The Government is investing \$1.4 billion to improve access to high quality person-centred treatment across the mental health care system for all Australians.

Services for children aged 0–12 years will be expanded by investing \$100.8 million to strengthen support for parents and by working with states and territories to establish a new network of child mental health and wellbeing hubs.

To ensure young people are provided with effective care, \$278.6 million over four years will expand and enhance the headspace centre network. Headspace is a core service that provides youth-friendly and stigma-free care.

For adults, \$487.2 million will be put towards specialist Head to Health Adult Mental Health centres and satellites which will provide essential care to adults with moderate to severe mental illness. These new and expanded services will be available over extended operating hours and connected to other services. Operating under a ‘no wrong door’ approach, they will deliver multidisciplinary care in our cities, regional and rural areas.

The Government will provide \$26.9 million to support Australians with an eating disorder, including funding to establish a National Eating Disorder Research Centre to coordinate and conduct world-leading research.

The range of Medicare-rebated therapy options will also be expanded to include more group therapies, to help people select the care that suits them. Family and carers will be able to become more involved in a patient’s care, with access to two Medicare-rebated psychology sessions per year, with the consent of the patient.

Around 90,000 eligible Australians who have experienced major depressive disorders, and have not been responsive to other interventions, will now be able to access repetitive Transcranial Magnetic Stimulation therapy under Medicare.

And for those Australians who live with severe mental illness, who are not part of the NDIS, the Government is also providing \$112.4 million to continue psychosocial support services to enable them to live independently, safely and productively in the community.



# Support for vulnerable groups

## Recognising the different needs of Australians

The Government is committing \$107 million towards supporting vulnerable groups.

To implement key initiatives under a new National Aboriginal and Torres Strait Islander Suicide Prevention Strategy, the Government is providing \$79 million. This includes funding to implement culturally-sensitive, co-designed aftercare services through regionally-based organisations, with Aboriginal and Torres Strait Islander service providers being preferred.

The Government will also support the establishment of regional suicide prevention networks and a lead commissioning officer in each jurisdiction, and provide funding to Gayaa Dhuwi and Lifeline to establish and evaluate a

culturally-appropriate 24/7 crisis line governed and delivered by Aboriginal and Torres Strait Islander people.

Funding of \$16.9 million will be provided for mental health early intervention supports and preventive measures for Culturally and Linguistically Diverse Australians and \$11.1 million to improve the experience of and outcomes for people with complex mental health needs through a range of targeted initiatives.



Changes across  
all elements of the  
mental health care  
system, from treatment  
and care to planning  
and measurement of  
progress

# A highly skilled mental health workforce

A stronger mental health system will require a highly skilled and flexible workforce, good governance and ongoing evaluation

Ensuring the mental health workforce is available and well supported is critical to delivering the services Australians require.

The Government is investing \$2.6 million to provide additional mental health support for health practitioners, recognising their contribution to the COVID-19 response and the pressures they have experienced.

To improve the distribution and retention of the mental health workforce, particularly in rural and regional areas, the Government is providing \$58.8 million for key initiatives. Attracting and upskilling mental health professionals will continue to be a focus of all governments in Australia.

Funding of \$15.9 million will be provided to support GPs through new training and development opportunities, providing additional guidance, and by delivering services to support their mental wellbeing.

## Measurement of progress

The Government is focussed on providing care that is supported by evidence and evaluation. Over the next four years, \$117.2 million will be provided for capturing data to evaluate and measure programs, to ensure that mental health reforms have been effective at improving outcomes.

Funding of \$7.3 million will be provided to the National Mental Health Commission. The funding will bolster the Commission's capacity to monitor and report on the mental health system and lead consultation with people who have experience with the system as well as their families and carers.

An additional  
**\$13.2 billion** to  
the NDIS



# Improving the lives of people with disability

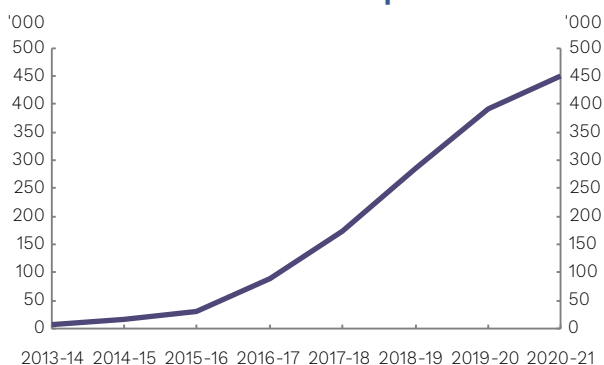
Providing disability support for those who need it

## Funding the NDIS

The Government is providing record funding to the NDIS as more people with significant and permanent disability benefit from the scheme. In the 2021-22 Budget, the Government is providing an additional \$13.2 billion over four years. In total, funding for the NDIS is expected to grow to \$122 billion over the next four years with contributions from the Commonwealth and states and territories.

Since 2013-14, the NDIS has grown from a trial of just over 7,000 to around 450,000 Australians, with over half receiving support for the first time.

**National Disability Insurance Scheme Participants**



## Ensuring targeted support early in life

The Government is providing \$17.9 million over four years for early intervention support to young children with developmental concerns or disability. This funding will ensure children and their families establish early connections with mainstream and community support services. These services include access to a range of workshops and supported playgroups to assist children to develop the skills and confidence they need later in life.

## Removing barriers to entering the workforce

The Government is committed to giving Australians with disability choice and control over how they receive services. From 1 January 2022 people with disability who are eligible for Disability Employment Services and are job-ready can choose to participate in digital services. This opt-in approach will provide eligible job seekers with greater agency.

# Record health funding

Strengthening our world-class health system

Investing to provide affordable access to quality health care

The Government is committing record funding for health, increasing from \$98.3 billion in 2021-22 to \$103.2 billion in 2024-25.

As part of the 2020-25 National Health Reform Agreement, Commonwealth funding of public hospitals is estimated to exceed \$130 billion over five years.

## Guaranteeing Medicare

Australians received \$25 billion of benefits under the Medicare Benefits Schedule in 2019-20 and 88 per cent of GP consultations were bulk billed.

The Government will provide \$220 million over four years to amend and add new health services to the Medicare Benefits Schedule. This includes changes to fund a new paediatric cancer therapy and a new test for inflammatory bowel disease.

The Government will provide \$50.7 million to progress work on introducing MyGP, one of the first steps in the Government's 10 Year

Primary Health Care Plan. This will strengthen the relationship between Australians and their regular GP and promote better continuity of care.

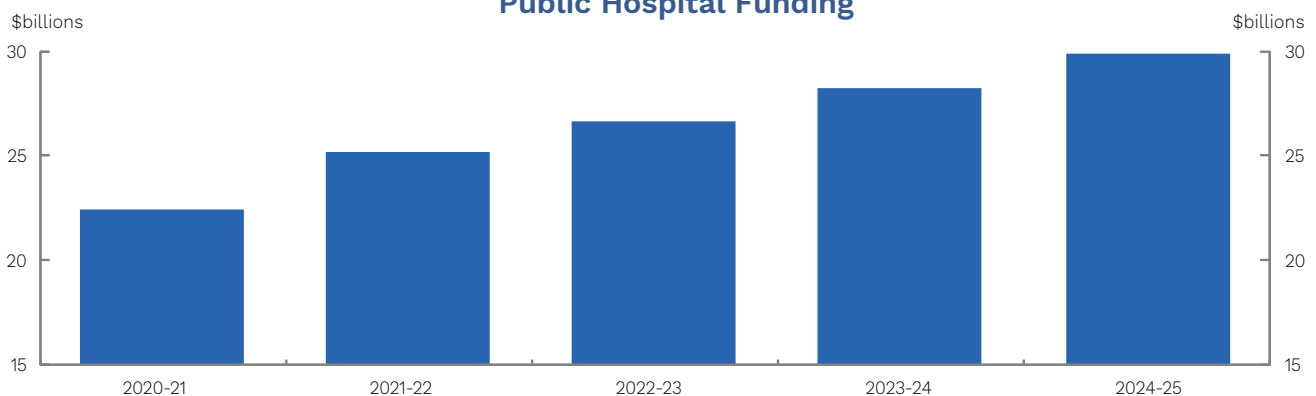
The Government is also increasing bulk billing incentives in rural and remote areas, improving access to health services at a cost of \$65.8 million.

## Affordable medicines

The Government is ensuring Australians have access to affordable medicines through the Pharmaceutical Benefits Scheme. This Budget provides \$878.7 million for new and amended listings, including medicines to treat chronic migraines, eczema, breast cancer, lung cancer, osteoporosis and asthma.

Without this subsidy, treatment for chronic migraines would cost up to \$6,800 per year. Patients are now able to access this treatment for \$41.30 per script or \$6.60 with a concession card.

Public Hospital Funding





**Making it easier for  
Australians to live a  
healthier life**

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# Investing in a healthier Australia

Boosting support for digital health, preventative health and physical activity

To help Australians stay healthy, the Government is investing in a range of preventative health initiatives.

## Investing in prevention

The Government is committing \$16.6 million in new funding for women's health services that deliver maternal, sexual and reproductive health. Funding of \$5 million will support the Pelvic Pain Foundation of Australia deliver its Period Pain and Endometriosis Program.

The Government will provide \$1.5 million to the Hello Sunday Morning 'Daybreak Program' to help Australians who are trying to reduce the problematic use of alcohol.

A further \$5.9 million will be provided to continue the Good Sports Program, which offers free tools and support to community sports clubs to develop policies that address alcohol, illicit drugs, mental health and healthy eating issues.

## Digital support makes things easier

The Government will provide \$421.6 million to build the next wave of My Health Record and support the Australian Digital Health Agency's work. This will help facilitate the roll-out of the COVID-19 vaccine, provide consumers their healthcare history at their fingertips, and foster innovations in primary health care.

The Government is investing a further \$200.1 million to enhance the myGov service and improve the experience for individuals when accessing government support online.

## Supporting an active Australia

The Government will provide \$40.8 million to continue the Sporting Schools program, encouraging children to participate in sport and physical activity across primary and secondary schools.



# Supporting Indigenous Australians

## Investing in essential services for Aboriginal and Torres Strait Islanders

This Budget sets the foundation for achieving Closing the Gap targets and Priority Reforms. Further targeted measures will be included in the Commonwealth's Implementation Plan, set for release mid-year. This Budget contains funding for improved outcomes for Indigenous Australians in aged care, health, infrastructure, education and women's safety.

### Improving health services for Aboriginal and Torres Strait Islanders

The Government is investing more than \$700 million in this Budget to improve health and ageing outcomes for Aboriginal and Torres Strait Islander people.

This includes, better mental health services including culturally appropriate after care and 24/7 crisis support, strengthened primary health care for Indigenous Australians and improved access to quality aged care services.

### Safety for women and children

This Budget will provide funding of \$57.6 million for targeted measures to address violence against Indigenous women and children. This includes funding for legal services, a dedicated survey and improving the quality, capability and cultural safety of family violence services.



## Increased funding for aged care, health, infrastructure, education, and women's safety services for Indigenous Australians

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### Strengthening remote communities

The Government is providing \$99.3 million over four years for face-to-face remote servicing. This will provide people in remote Australia with access to payments and government services.

This Budget contains a \$10 million investment to support Indigenous organisations to improve their access to off-grid solar power systems, stockyards, greenhouses and water security equipment.

### Improving food security

The Government is investing \$5 million to improve food security in remote Indigenous communities.







**Ensuring a sustainable, stable and modern support system as veterans transition to civilian life**

# Supporting veterans

## Supporting those who served their nation

Australians take great pride in the men and women who have served our nation in uniform. The Government is committed to supporting veterans and their families through ongoing system improvements that deliver a simpler, faster and better experience when accessing services. This will help maintain their health, wellbeing and independence over the long term.

### Improving support

This Budget provides \$460.4 million to support veteran needs, address veteran suicide, and accelerate the processing of compensation claims.

Targeted support is being provided through the expansion or continuation of wellbeing programs that deliver better health outcomes for veterans and build their connection to community.

The Government has announced a Royal Commission into Defence and Veteran Suicide to inform improved services for Australian Defence Force members and veterans at risk of suicide.

### Acknowledging our veterans

The Government is providing \$32.1 million to continue delivering annual international ANZAC Day commemorations and domestic commemorative activities to mark important occasions in Australia's military history. This funding will enable better care and maintenance for official war graves. Ongoing investment is essential for the recognition of military service.





Delivering a comprehensive new preschool funding agreement worth **\$2 billion**

# Investing in early childhood education and child care

## Funding for preschools

Participation in quality early education programs delivers better education outcomes later in life and sets Australian children up for success.

The Government is investing \$2 billion to deliver a comprehensive four-year Strategic Reform Agreement. This landmark preschool funding agreement will provide funding certainty and long-term stability for the early childhood education sector.

This funding commitment will support access for all children to at least 15 hours a week of quality learning in the year before school irrespective of where they live. All children, regardless of their economic circumstances, should have access to high quality early childhood education.

As part of the Agreement, the Government will work with the states and territories to deliver reforms that increase participation

in Australia's preschool system and improve school readiness.

Better data is essential to informing future preschool delivery strategies. The Government will improve and expand its data collection capacity in order to underpin a new performance framework and drive key reforms.

## Affordable child care

The Government is committed to ensuring access to child care by providing \$9.7 billion in 2021-22 to reduce out-of-pocket costs for families. This investment supports over one million Australian families by providing access to affordable child care. An additional \$1.7 billion over five years has also been committed in this Budget to further reduce the cost of child care for over 250,000 families with multiple young children in child care and to boost workforce participation.



# Record funding for schools

## Strong support for all schools and students

The Government is continuing to increase annual funding for Australian schools to ensure all students have access to a high quality education.

The Government's recurrent annual funding for schools has increased from \$13.8 billion in 2014 to \$23.4 billion in 2021, with a commitment of \$289 billion in total recurrent funding over the next ten years.

The Government is investing a further \$16.6 million to assist Aboriginal and Torres Strait Islander students access boarding school services.

Enhanced data quality is critical for improving educational outcomes. The Government is investing an additional \$25.8 million to continue the Australian Teacher Workforce Data collection and the Nationally Consistent Collection of Data on school students with disability.

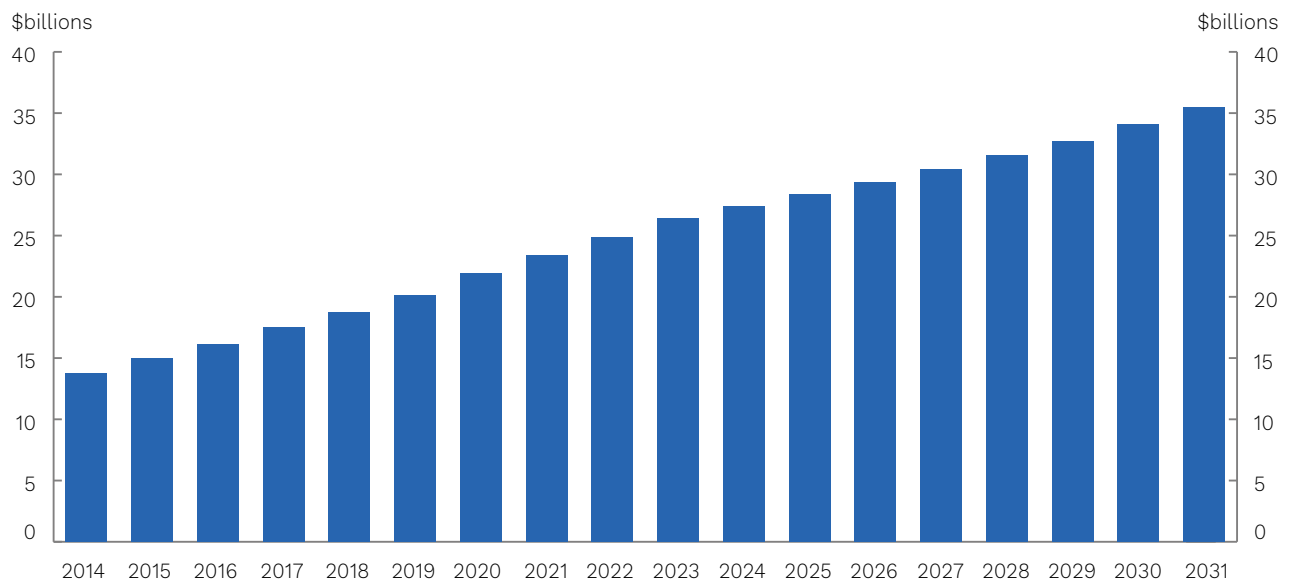
A further investment of \$4 million in the Literacy and Numeracy Test for Initial Teacher Education Students will assist in improving teacher workforce planning and outcomes and help teachers make informed decisions about becoming a teacher.

In addition, the Government has launched a review of initial teacher education as a step to lifting Australian school standards.

**Investing record  
funding of  
\$23.4 billion in 2021  
to ensure students are  
equipped with skills  
for the future**

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### Commonwealth funding for schools



The Family Home Guarantee will assist single parents on the pathway to home ownership

# Pathways to home ownership

The Government recognises the importance of home ownership and the economic and social benefits it provides.

That is why the Government is establishing the Family Home Guarantee, creating a pathway to home ownership for single parents to enter or re-enter the housing market.

From 1 July 2021, the Government is providing 10,000 guarantees over four years for eligible single parents with dependants to build a

new home or purchase an existing home with a deposit of as little as 2 per cent, regardless of whether that single parent is a first home buyer or previous owner-occupier.

The Family Home Guarantee is based on the successful First Home Loan Deposit Scheme and New Home Guarantee which are helping more than 26,000 first home buyers to enter the housing market sooner.

## First Home Loan Deposit Scheme

10,000 places released for first home buyers on 1 July each year to buy a new or existing home.

## New Home Guarantee


10,000 places released on 6 October 2020 and an additional 10,000 places released on 1 July 2021 for first home buyers seeking to build a new home or purchase a newly built home.

## Family Home Guarantee

10,000 places over four years from 1 July 2021 for single parents with dependants to enter, or re-enter, the housing market sooner (new or existing homes).

## HomeBuilder

Over 120,000 grant applications for eligible home owners, including first home buyers, to build a new home or substantially rebuild an existing home.

A photograph of a woman with dark hair in a bun, wearing a white long-sleeved shirt and blue jeans. She is holding a baby in a light blue patterned onesie and a white mug with a green rim. The background is a plain wall with a door frame visible on the left.

Emma is a single parent with two young sons, Brad and Patrick. Emma has found the perfect home for \$460,000 but has struggled to save enough for the \$92,000 deposit while paying rent. With the Family Home Guarantee, and on the success of her application with a lender, Emma can now move into her dream home sooner with a \$9,200 deposit.

# Helping first home buyers into the market

## Enhancing the First Home Super Saver Scheme to fast-track home ownership

The number of first home buyers is near its highest level since 2009, and accounts for nearly 40 percent of new owner-occupier loans, well above the 10 year average of around 30 per cent.

The Government is acting now to expand the First Home Super Saver Scheme (FHSSS) to ensure more young Australians can achieve the dream of home ownership.

The maximum amount of voluntary contributions that can be released from the FHSSS will increase from \$30,000 to \$50,000, effective from 1 July 2022. This increase will fast-track home ownership for first home buyers. It recognises that deposits required for home purchases have increased over the years given house price growth.

Cathy is an occupational therapist and earns \$80,000 per year and wants to buy a new home. Using salary sacrifice, she annually directs \$12,500 per year of pre-tax income into her superannuation account. After concessional contributions tax, her balance increases by \$10,625. After four years, she is able to withdraw \$45,226 of contributions and the deemed earnings on those contributions. Withdrawal tax is applied at a concessional rate of 4.5 per cent, which is Cathy's marginal tax rate minus a 30 per cent tax offset. Cathy has \$43,191 she can put towards buying her first home.

Cathy's partner, Anthony, makes the same income and also salary sacrifices \$12,500 annually to his superannuation fund over the same four years.

Combined, Cathy and Anthony have \$86,382 to put towards their first home. This is \$20,838 more than if they were to save in a standard savings account earning 0.05 per cent interest per annum.

**Helping more  
Australians save  
for a deposit**

# A more flexible retirement

Giving older Australians, including self-funded retirees, greater flexibility to contribute to their superannuation and access their housing wealth



## Reforms to the work test

From 1 July 2022, individuals aged 67 to 74 will no longer be required to meet the work test when making or receiving non-concessional or salary sacrificed superannuation contributions. This change builds on the Government's previous reforms to age rules on superannuation contributions, and increases the ability of older Australians to make contributions to their superannuation.

## Extending access to the downsizer contribution

From 1 July 2022, the minimum age for the downsizer contribution will be lowered from 65 to 60, allowing Australians nearing retirement to make a post-tax contribution of up to \$300,000 per person when they sell their family home. This will provide greater flexibility for people to contribute to their superannuation. Around 22,000 individuals have already made downsizer contributions under the existing rules.

## Improving the Pension Loans Scheme

From 1 July 2022, the Government is increasing the flexibility and attractiveness of the Pension Loans Scheme. For the first time, older Australians will be able to access a limited lump sum from the scheme. The Government will also introduce a No Negative Equity Guarantee to build confidence among older Australians to use the scheme. The Pension Loans Scheme allows individuals to supplement their income in retirement by borrowing against the equity in their property, assisting older Australians to maintain living standards in retirement.



