

2021 Federal Budget

SUMMARY DENTAL PROFESSIONALS

TOP 16 BUDGET MEASURES FOR DENTAL PROFESSIONALS

1 EXTENSION TO TEMPORARY FULL EXPENSING

Temporary full expensing of eligible assets will be extended by 12 months to 30 June 2023.

Eligible businesses with aggregated turnover or income less than \$5 billion will be able to deduct the full cost of eligible depreciating assets acquired from 7:30pm AEDT on 6 October 2020 and first used or installed ready for use by 30 June 2023. All other aspects of the temporary full expensing rules first introduced in the 2020-21 Budget will remain unchanged.

2 WORK TEST FOR SUPERANNUATION CONTRIBUTIONS TO BE ABOLISHED

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 superannuation contributions or salary sacrificed contributions.

These individuals will also be able to access the non-concessional bring-forward arrangement, subject to meeting the relevant eligibility criteria.

The existing \$1.6 million cap on lifetime superannuation contributions will continue to apply (increasing to \$1.7 million from 1 July 2021). The annual concessional and non-concessional caps will also continue to apply.

Access to concessional personal deductible contributions for individuals aged 67 to 74 will still be subject to meeting the work test.

3 ELIGIBLE AGE FOR DOWNSIZER CONTRIBUTIONS LOWERED TO 60 YEARS

From 1 July 2022, the eligibility age to make downsizer contributions into superannuation will be reduced from 65 to 60 years of age.

The downsizer contribution will allow individuals to make a one-off, post-tax contribution to their superannuation of up to \$300,000 per person (or \$600,000 per couple) from the proceeds of selling their home, provided that the home has been held for at least 10 years. Both members of a couple can contribute in respect of the same home, and contributions do not count towards non-concessional contribution caps.

Individuals with balances over the transfer balance cap (\$1.7 million from 1 July 2021) are also able to make a downsizer contribution, however the downsizer amount will count towards that cap when savings are converted to the retirement phase.

4 CONCESSIONAL TAXATION OF CORPORATE INCOME DERIVED FROM CERTAIN PATENTS

Corporate income derived from Australian medical and biotechnology patents in income years starting on or after 1 July 2022 will be taxed at a concessional effective tax rate of 17%. The mechanism by which this "patent box" concession will be delivered is subject to consultation with industry. The government intends to extend consultation in relation to the patent box with a view to determining its appropriateness for supporting the clean energy sector.

5 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.

6 AGED CARE

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.

Funding includes:

- \$630.2 million to improve access to quality aged care services for consumers in regional, rural and remote areas including those with Indigenous backgrounds and special needs groups.
- \$6.5 billion over four years to release 80,000 additional home care packages over two years from 2021-22. This will bring the total number of home care packages to 275,598 by June 2023.
- \$798.3 million to provide greater access to respite care services and payments to support carers.
- \$365.7 million to improve access to primary care and other health services in residential aged care, and additional investment in digital and face-to-face assistance to make it easier to navigate the aged care system.

TOP 16 BUDGET MEASURES FOR DENTAL PROFESSIONALS

AGED CARE CONT'D

- \$3.9 billion over four years from 2021-22 to increase the amount of front line care (care minutes) delivered to 240,000 aged care residents and 67,000 who access respite services, by 1 October 2023. This will be mandated at 200 minutes per day, including 40 minutes with a registered nurse.
- \$216.7 million over three years from 2021-22 to grow and upskill the workforce and enhance nurse leadership and clinical skills through additional nursing scholarships and places in the Aged Care Transition to Practice Program, to provide more dementia and palliative care training for aged care workers, to recruit aged care workers in regional, rural and remote areas and to provide eligible registered nurses with additional financial support.
- \$228.2 million to support the establishment of a single aged care assessment workforce for residential care from October 2022, and for home care from July 2023.

7 MENTAL HEALTH

The Government is providing an additional \$2.3 billion over four years for mental health and suicide prevention.

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 is \$6.3 billion.

9 DENTAL HEALTH SERVICES

The Government will provide \$115.2 million over four years from 2021-22 to expand and improve dental health services. Funding includes:

- \$107.9 million in 2021-22 to extend the National Partnership Agreement on Public Dental Services for Adults for one year to support the state and territories providing public dental health services.
- \$7.3 million over four years from 2021-22 to allow children under the age of two to access the Child Dental Benefit Schedule.

10 STRENGTHENING THE RURAL HEALTH WORKFORCE

The Government will provide \$80.9 million over five years from 2020-21 for initiatives to support the delivery of primary care and the health workforce in rural and remote Australia.

This investment further supports the implementation of the Stronger Rural Health Strategy.

Funding includes:

- 65.8 million to increase the Rural Bulk Billing Incentive for rural and remote medical practice.
- \$9.6 million to expand the Allied Health Rural Generalist Pathway to support more allied health professionals to train in rural and remote Australia.

8 ADDITIONAL FUNDING FOR 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.

11 GUARANTEEING MEDICARE - MBS AND PRIMARY CARE

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 is aimed at strengthening the relationship between Australians and their regular GP and to 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.



TOP 16 BUDGET MEASURES FOR DENTAL PROFESSIONALS

12 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.

13 BOOST IN SUPPORT FOR DIGITAL HEALTH

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.

14 COVID-19 PACKAGE EXTENSION - GUARANTEEING MEDICARE AND ACCESS TO MEDICINES

The Government will provide \$879.0 million over two years from 2020-21 to continue the health response to the COVID-19 pandemic, to support access to health care services and reduce the risk of community transmission of COVID-19.

Funding includes:

- \$557.1 million to extend temporary Medicare Benefits Schedule (MBS) pathology items for the testing and detection of COVID-19.
- \$204.6 million for the extension of temporary telehealth MBS services from 1 April 2021 to 31 December 2021, with revised billing arrangements from 1 July 2021.
- \$87.5 million to extend dedicated commonwealth respiratory clinics to manage and diagnose COVID-19 cases.

15 COVID-19 RESPONSE PACKAGE - VACCINE PURCHASE AND ROLLOUT

The Government will provide \$1.9 billion over five years from 2020-21 to distribute and administer COVID-19 vaccines to residents of Australia.

Funding includes:

- \$777.8 million over two years from 2020-21 for the COVID-19 Vaccination Program, including for surge workforce, general practitioners and community pharmacies to administer vaccines.
- \$510.8 million over two years from 2020-21 for the National Partnership on the COVID-19 Response for the states and territories to administer vaccines.
- \$358.8 million over five years from 2020-21 to support the implementation, monitoring and reporting of the vaccine rollout.
- \$233.8 million over two years from 2020-21 for COVID-19 vaccine distribution, vaccine consumables, logistics and storage.

16 EXTENSION OF THE GLOBAL TALENT VISA PROGRAM

The Global Talent Visa Program, also known as the Global Talent Independent Program, is a streamlined visa pathway for highly skilled professionals to work and live permanently in Australia. The Program is part of a federal government initiative to help support post-COVID recovery and boost local jobs and may present an opportunity for employers in the health industry.

The government has announced that it has tripled its intake to 15,000 for the 2020/2021 fiscal year.

There are a number of eligibility criteria and candidates must meet a high standard and show an exceptional track record of professional achievement and have the ability to attract a salary at or above the Fair Work high income threshold (currently A\$153,600).

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