

BUDGET ANALYSIS

2024

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THE ECONOMY AND MARKETS

SURPLUS OF \$9.3B FOR FY24

... BUT IT'S DOWNHILL FROM THEN ON

The Treasurer has projected that the Budget should see a surplus of \$9.3 billion for the current financial year ending in June, although deficits are forecast for the next four years.

The projected 2023-24 surplus follows a \$22.1 billion surplus in 2022-23, marking the first back-to-back surpluses in almost two decades. Interestingly, last year's budget forecast a deficit of \$13.9 billion – implying a turnaround of \$23.2 billion! This was the result of higher tax receipts from both individuals (+\$14.2 billion) and companies (+\$9.3 billion).

Last year saw the Treasurer attempt to navigate the knife edge of providing cost-of-living relief without stoking inflation. This budget continues that important theme, with the announced \$3.5 billion in energy rebates to all households, the stage 3 tax cuts, increased rental assistance,

freezing Pharmaceutical Benefits Scheme (PBS) co-payments for pensioner and concessional recipients and freezing the deeming rate.

The cost-of-living measures in the Budget are estimated to directly reduce headline inflation by half of a percentage point in the 2024-25 financial year and are not expected to add to broader inflationary pressures.

The government says this “could” see headline inflation return to the RBA's 2-3% target band by the end of 2024. This is notably earlier than the RBA's own prediction that inflation will return to the target range in the second half of 2025.

Given that the Reserve Bank has its' eye on inflation in setting interest rate policy, the investment markets will no doubt monitor upcoming data releases in response to these forecasts.

Table 1.2: Budget aggregates

	Actual	Estimates					Projections
	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	Total(a)
	\$b	\$b	\$b	\$b	\$b	\$b	\$b
Underlying cash balance	22.1	9.3	-28.3	-42.8	-26.7	-24.3	-112.8
Per cent of GDP	0.9	0.3	-1.0	-1.5	-0.9	-0.8	-0.1
Gross debt(b)	889.8	904.0	934.0	1,007.0	1,064.0	1,112.0	
Per cent of GDP	34.7	33.7	33.9	35.1	35.2	34.9	30.2
Net debt(c)	491.0	499.9	552.5	615.5	660.0	697.5	
Per cent of GDP	19.2	18.6	20.0	21.5	21.8	21.9	18.7

a) Total is equal to the sum of amounts from 2023–24 to 2027–28.

b) Gross debt measures the face value of Government Securities (AGS) on issue.

c) Net debt is the sum of interest-bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

THE ECONOMY AND MARKETS

SURPLUS OF \$9.3B FOR FY24

... BUT IT'S DOWNHILL FROM THEN ON

As you can see from the table on the previous page, the Budget's fiscal position deteriorates in the coming financial years with projected deficits of \$28.3 billion for 2024-25, \$42.8 billion for 2025-26, \$26.7 billion for 2026-27 and \$24.3 billion for 2027-28. These are higher than originally forecast in the Mid-Year Economic and Fiscal Outlook in December 2024 due to what the government calls "unavoidable spending".

This spending includes funding to address pressures at Services Australia and in the Infrastructure Investment Program, prevent termination of health programs and continue the Covid-19 response, and support digital capability and sustainment of aged care systems. Home Affairs and the Australian Border Force will also see a boost to their funding to help sustain operations and maintain capability to secure our borders.

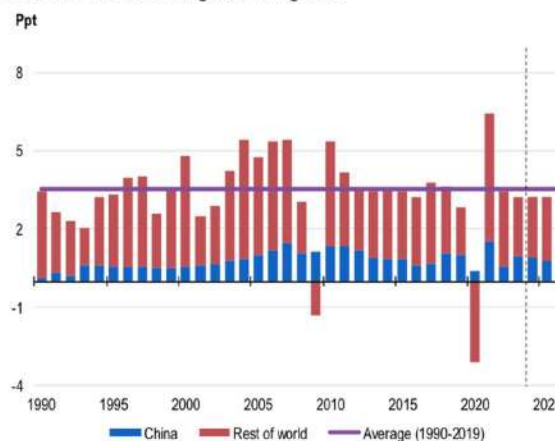
What are the risks to the Budget forecast?

With tensions escalating in the Middle East and persisting in Ukraine, inflation is lingering alongside the heightened global economic uncertainty. This is contributing to the cost-of-living pressures and is slowing growth both at home and abroad.

Global growth is forecast to remain flat at around 3.25% per cent in the 2024, 2025 and 2026 calendar years, as the effects of high inflation, restrictive macroeconomic policies, geopolitical tensions, and challenges in the Chinese economy weigh on the outlook.

This would represent the longest stretch of below-average global growth since the early 1990s.

Chart 2.1: Contribution to global GDP growth



Source: Treasury, IMF.

Profile's View

There is a saying in business that growing revenue solves all problems. The challenge with the Government's budget is that means increasing taxes, which in turn slows the economy. While that may result in lowering inflation, it could also result in tax receipts decreasing due to higher unemployment and increase expenditure via welfare payments.

The government is forecasting that the cost-of-living relief measures will genuinely assist families and those in need, and that it will not lead to more disposable income for people to spend and stoke inflation.

As noted in last year's Budget papers, the ultimate judge will be the Reserve Bank when it meets over the coming months as it contemplates the interest rate trajectory over the remainder of 2024 and into 2025.

SUPERANNUATION \$1.1B FOR PARENTS

FOR SUPERANNUATION ON GOVERNMENT-FUNDED PARENTAL LEAVE



Date of Effect: 1 July 2026

Who's Affected?

Parents of babies born or adopted after 1 July 2025 that are accessing the government-funded paid parental leave scheme.

Super Guarantee (SG) payments are to be paid (annual payment) on government-funded paid parental leave.

Profile's View

- This is a great outcome for working families and should make a meaningful difference to retirement superannuation balances, especially women who currently represent 86% of the parental leave scheme participants.
- The question must be asked why payments are proposed to be made annually given the move towards aligning SG payment timing with wage payments.

Commonwealth Government-Funded Paid Parental Leave – enhancement

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Australian Taxation Office	-	2.5	16.4	3.2	4.8
Department of Social Services	-	-	-	435.0	583.1
Services Australia	-	9.9	10.4	1.9	1.9
Total – Payments	-	12.4	26.8	440.0	589.9
<i>Related receipts (\$m)</i>					
Australian Taxation Office	-	-	-	65.0	90.0

SUPER LEGISLATION UPDATE

KEY FACTS AND FIGURES

A number of superannuation caps and thresholds are due to increase and there are a number of other important items first raised in previous budgets that are in train to come into effect in the coming years.

Contributions caps and thresholds	2023-24	2024-25
SG Charge percentage	11%	11.50%
Maximum SG contribution base per quarter	\$62,270	\$65,070
Concessional contributions (CC) cap	\$27,500	\$30,000
Non-concessional contribution (NCC) cap	\$110,000	\$120,000
General NCC cap three-year bring forward	\$330,000	\$360,000
Co-contribution lower threshold	\$43,445	\$45,400
Co-contribution higher threshold	\$58,445	\$60,400

- **Tax Concessions for balances over \$3 million – Division 293 tax**

The amending bill is currently with parliament but is not yet legislated. Due to apply from 1 July 2025, this seeks to apply an additional 15% tax on the proportion of super fund earnings that relate to a member's total super balance in excess of \$3m. As earnings are being defined as the change in balance over the year (adjusted for withdrawals and contributions) this will effectively tax income as well as unrealised capital gains.

For those with Total Super Balances (which includes accumulation, pension and defined pension accounts) approaching or in excess of \$3m, a review of your asset structures should be completed well in advance of the 1 July 2025 implementation date (assume the bill passes through parliament).
- **Payday Super**

Currently employers are required to pay their employee SG contributions on a quarterly basis. Last year's budget announced the shift from 1 July 2026 to require employers to pay employee's SG contributions at the same time as their salary and wages. While this year's Federal Budget confirms the policy is a great outcome for workers, businesses that have been electing to pay quarterly will need to start planning for the significant impact this will have on cashflow.

TAXATION – \$3.5B IN ENERGY AND COST-OF-LIVING RELIEF

PLUS \$1,888 AVERAGE TAX CUT FOR 13.6M AUSTRALIANS (REFER TO SECTION TITLED 'STAGE 3 TAX CUTS' FOR DETAILS)

Date of Effect: 1 July 2024

Business

1 million small businesses will get a \$325 rebate.

Households

From 1 July 2024, every household will see a \$300 credit automatically applied to their electricity bills and account.

These measures are expected to reduce headline inflation by about 0.5% in 2024–25 without increasing broader inflationary pressures.

The energy relief measure is an effective cost of living measure that is also complemented by other packages such as the Rent Relief measures and changes to the Pharmaceutical Benefits Scheme.

As such, the government has pledged an extra \$1.9 billion over five years to increase the Commonwealth Rent Assistance payment by 10%, building on last year's 15% increase. This change will take effect from 20 September this year.

Medicine will also be cheaper due to an up to \$3 billion agreement with pharmacies. Under this agreement, the maximum Pharmaceutical Benefits Scheme (PBS) patient co-payment will be frozen for one year for everyone with a Medicare card and for five years for pensioners and concession cardholders. This means no pensioner or concession cardholder will pay more than \$7.70 (plus any manufacturer premiums) for up to five years.

Who's Affected?

Everyone benefits from these cost-of-living measures as every household will receive the energy rebate. Moreover, over 13.6 million Australians will be better off thanks to the reworked stage 3 tax cuts.

Profile's View

The Energy Bill rebates are an effective reduction of cost of living and business measures that also reduce inflation. Yet, with 3 million people living in poverty in Australia is this relief necessary for politicians and others on top marginal tax rate salaries.

STAGE 3 TAX CUTS

\$1,888 AVERAGE TAX CUT FOR 13.6M AUSTRALIANS

The centerpiece of the Budget's cost-of-living measures are the already announced changes to the stage 3 tax cuts. These cuts will benefit 13.6 million Australian taxpayers, with an average reduction of \$1,888 a year, or \$36 a week.

The stage 3 tax cuts will change the income tax rates and thresholds (for resident taxpayers). The below tables illustrate the decrease in personal income tax, including tax offsets for taxpayers at various income levels.

The largest tax saving of \$4,529 applies to taxpayers who have taxable income of \$190,000 or more.

Profile's View

Over 13.6 million Australians will be better off thanks to the reworked stage 3 tax cuts. Profile believes that the decrease in marginal tax rates will offer some respite to income earners amidst the ongoing challenge of elevated living costs driven by above average inflation and recent interest rate hikes.

Taxable Income (\$)	Marginal tax rate*	Taxable Income (\$)	Marginal tax rate*
	Current 2023-24		From 2024-25
\$18,201 to \$45,000	19%	\$18,201 to \$45,000	16%
\$45,001 to \$120,000	32.5%	\$45,001 to \$135,000	30%
\$120,001 to \$180,000	37%	\$135,001 to \$190,000	37%
\$180,001 and over	45%	\$190,001 and over	45%

*Excluding Medicare

Taxable Income (\$)	Personal Income tax in 2023-24 (\$)	Personal Income tax in 2024-25 (\$)	Tax Savings (\$)
\$18,200	Nil	Nil	Nil
\$30,000	\$1,542	\$1,188	\$354
\$45,000	\$4,767	\$3,963	\$804
\$70,000	\$13,217	\$11,788	\$1,429
\$100,000	\$22,967	\$20,788	\$2,179
\$150,000	\$40,567	\$36,838	\$3,729
\$200,000	\$60,667	\$56,138	\$4,529

*Excluding Medicare

\$290M BOOST FOR SMALL BUSINESS

WRITE-OFF SCHEME EXTENDED FOR ANOTHER 12 MONTHS

Date of Effect: Current and extended to 30 June 2025

The instant asset write-off scheme for small businesses has been extended for another 12 months at a cost of \$290 million.

Businesses with an annual turnover of less than \$10 million can continue to immediately deduct the full cost of eligible assets under \$20,000 if they are first used or installed by the end of June 2025.

This scheme applies to multiple assets.

Additionally, the Budget allocates \$25.3 million to improve payment times to small businesses and \$23.3 million to increase e-Invoicing adoption.

Who's Affected?

For businesses, the extended asset write-off scheme and improved payment systems will boost cash flow. The benefit is available for businesses with turnover capped at \$10 million, however the opposition wants the break to be available with a turnover of \$50 million and assets up to \$30,000.

The e-Invoicing adoption will boost productivity and help reduce scam risks.

Profile's View

This is one of the Government's key tax measures as noted above. Significantly, the write off may apply to multiple assets as long as they are capped at \$20,000.



\$3BN STUDENT LOAN RELIEF

MORE THAN 3M STUDENTS GET DEBT REDUCTION

The government is cutting the student debt of more than 3 million people and eliminating about \$3 billion in student debt.

The government will cap the HELP indexation rate to be the lower of either the consumer price index (CPI) or the wage price index (WPI), with effect from 1 June 2023. This relief will apply to all HELP, VET Student Loan, Australian Apprenticeship Support Loan and other student support loan accounts that existed on 1 June 2023.

This will benefit all Australians with a HELP debt, fixing the issue of last year's spike in the CPI indexation rate to 7.1% and preventing growth in debt from outpacing wages in the future. The 2023 indexation rate based on WPI would have been only 3.2%.

An individual with an average HELP debt of \$26,500 will see around \$1,200 wiped from their outstanding HELP loans this year.

So you may now find it easier to qualify for loans and may now have greater borrowing power.

Who's Affected?

Millions of Australians who have undertaken study and had an outstanding debt that increased last year or was set to be indexed this year. If you had debt indexed in both years, you will get a credit for both. The change will be applied as a credit to your debt.

Profile's View

This measure will not only reduce debt levels of students, it will also make them more creditworthy in the eyes of lenders. That's because the more money you need to use to service student loans, the less money is available to service a new home loan or car loan.

Table 6.7: Summary of expenses – education

Sub-function	Estimates				
	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
Higher education	10,918	11,540	12,113	12,529	12,969
Vocational and other education	2,351	2,540	2,654	2,657	2,542
Schools	29,215	30,201	31,385	32,597	33,833
<i>Non-government schools</i>	18,116	18,726	19,497	20,275	21,051
<i>Government schools</i>	11,099	11,474	11,889	12,322	12,782
School education - specific funding	1,182	940	895	861	808
Student assistance	5,132	7,482	5,863	6,156	6,478
General administration	301	343	309	294	294
Total education	49,099	53,046	53,220	55,093	56,925

SOCIAL SECURITY

HEALTH INVESTMENTS

MORE THAN \$2B BEING ALLOCATED TO STRENGTHEN MEDICARE

Date Of Effect: 1 July 2024

More than \$2 billion is being invested to strengthen Medicare.

That includes \$882.2 million to support older Australians to avoid hospital admission, be discharged from hospital earlier and improve their transition out of hospital to other appropriate care. It also includes \$227 million to deliver a further 29 Medicare Urgent Care Clinics.

The Budget will provide \$825.7 million to ensure Australians can continue to access testing for and vaccinations against COVID-19 and continue to access oral antiviral medicines on the Pharmaceutical Benefits Scheme.

There will also be \$141.1 million for research and services for people living with chronic conditions, including bowel and skin cancer, diabetes and dementia.

Other funding measures include: \$132.7 million for sport participation and performance programs; \$90 million to make it simpler and quicker for international health practitioners to work in Australia; and \$41.6 million over two years to continue funding for alcohol and other drug treatment and support services, including the Good Sports alcohol management program for community sporting clubs.

Who's Affected?

This package is designed to improve access to health services, support health research and bolster the country's health workforce with a particular focus on the elderly and women.

Profile's View

While welcome, these are more steady-as-she-goes measures, rather than bold moves, on the part of the government.

Table 6.3: Estimates of expenses by function^(a)

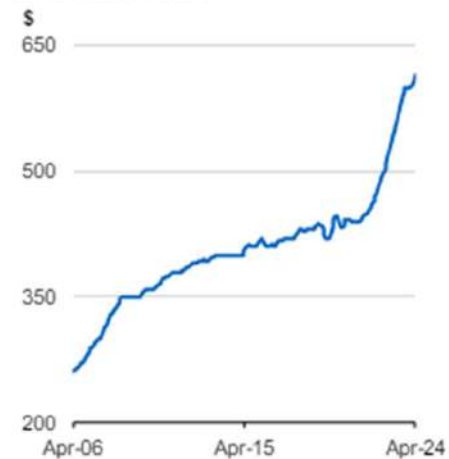
	Estimates				
	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
General public services	31,442	32,395	30,595	31,068	31,838
Defence	45,128	47,986	50,046	51,339	55,102
Public order and safety	7,960	8,421	6,993	6,832	6,756
Education	49,099	53,046	53,220	55,093	56,925
Health	107,416	112,693	115,913	118,512	122,801
Social security and welfare	252,342	266,693	282,057	290,665	304,093
Housing and community amenities	7,955	9,999	8,831	7,072	5,629
Recreation and culture	5,050	5,372	5,472	5,423	5,604
Fuel and energy	13,273	20,121	13,908	13,794	13,825
Agriculture, forestry and fishing	4,068	4,317	4,079	3,949	3,294
Mining, manufacturing and construction	5,968	5,511	5,563	5,776	6,172
Transport and communication	14,928	16,769	16,717	16,375	14,656
Other economic affairs	14,011	13,386	12,214	11,733	11,512
Other purposes	132,430	137,810	161,683	176,135	191,549
Total expenses	691,070	734,518	767,290	793,765	829,755

a) The functions are based on an international standard classification of functions of government that is incorporated into the Government Finance Statistics (GFS) reporting framework.

RENT ASSISTANCE INCREASED

COMMONWEALTH RENT ASSISTANCE GETS EXTRA \$1.9BN OVER 5 YEARS

Chart 4.10: Median nominal advertised rents



Source: CoreLogic

Note: Nominal dwelling rents are reported for eight capital cities combined, 3-month rolling average.

- The maximum rates of Commonwealth Rent Assistance will be increased by a further 10%.
- This is a \$1.9 billion allocation over the next five years and is in addition to the 15% increase from September 2023.
- Rent Assistance for single parents or couples with one or two children has increased by over \$70 per fortnight since May 2022.
- Last year's boost to Rent Assistance put downward pressure on rental rates which would have grown by 9.5% in the 12 months to the end of the March 2024 quarter. Instead, they rose by 7.8%.



DEEMING RATES AND CARER PAYMENTS

DEEMING RATES FROZEN FOR 12 MONTHS AND CARERS WILL HAVE INCREASED FLEXIBILITY

DEEMING RATES

Date of Effect

Social security deeming rates will remain at current levels for a further 12 months until 30 June 2025.

Deeming rates are used by Centrelink to work out the income earned from financial assets. It assumes a set rate of income rather than what they actually earn.

For single people receiving the Age Pension the first \$60,400 of your financial assets is deemed to earn 0.25% income. Anything over \$60,400 is deemed to earn 2.25%.

For a couple with at least one person receiving the Age Pension the first \$100,200 of combined financial assets is deemed to earn 0.25%. Anything over \$100,200 is deemed to earn 2.25%.

Who's Affected?

People who rely on income from their deemed financial investments as well as Age Pension payments to meet their living expenses.

Profile's View

The benefit of this freeze will see Age Pension recipients with more money in their pockets next financial year. The current deeming rates are relatively low compared to the actual income that may be earned from financial assets.

Term deposit rates are available for 12 months at around 5% p.a. Higher dividend paying companies may also offer an income yield higher than the upper deeming rate of 2.25%.

If deeming rates were increased next financial year to reflect the income yield available on financial assets this may have resulted in lower payments for Age Pension recipients.

The trajectory of interest rates may also offer further benefit if they increase again before deeming rates are recalculated after 30 June 2025.

This freeze may provide some relief for age pensioners facing increasing costs for groceries, petrol etc.

CARER PAYMENTS

Date of Effect

From 20 March 2025, carer payment recipients will be able work 100 hours over a 4-week period rather than the 25 hour per week current limit. This measure is designed to provider carers with flexibility to manage work hours to avoid losing their payment.

Who's Affected?

The minister responsible argues this measure will help carers – predominantly women – better balance their work and caring commitments.

Profile's View

The participation limit will no longer capture study, volunteering, or travel time. The limit will apply only to employment which may help carers retrain to work in more flexible careers to help manage caring commitments.

If carers exceed the new participation limit, they will have their payments suspended for up to 6 months rather than cancelled. This means when circumstances change, and the limit is no longer exceeded, carers won't need to reapply to access a carer payment.

GENERAL INTEREST

FUTURE MADE IN AUSTRALIA PLAN

BIG BUDGET BOOST FOR NET ZERO TECH AND ENERGY

The Budget has allocated \$22.7 billion for a 'Future Made in Australia' plan over the next 10 years. This includes:

- \$13.7 billion in tax incentives for producing hydrogen and critical minerals starting from 2027-28.
- \$3.2 billion over the next decade through the Australian Renewable Energy Agency to support technologies needed for net zero.
- \$1.7 billion for a Future Made in Australia Innovation Fund to develop new technologies and facilities in sectors like green metals, batteries, and low-carbon fuels.
- \$1.5 billion to strengthen battery and solar panel supply chains through the Solar Sunshot Program and Battery Breakthrough Initiative.
- \$1.3 billion over the next decade for the Hydrogen Headstart program to support early investments in the hydrogen industry.

The Future Made in Australia plan will follow a new National Interest Framework, to align economic incentives with national interests. The Framework will focus on two streams:

- 'Net zero transformation' to identify sectors that help achieve net zero and where Australia has a competitive advantage.
- 'Economic security and resilience' to identify critical sectors that need support to prevent supply disruptions and attract private investment.

What this means for you

The fund will boost investment from the private sector to key areas in Australian industry which should support domestic manufacturing.



**\$8
billion**

over the decade to
accelerate investment
in renewable
hydrogen

NEW INVESTOR GATEWAY

SUPPORTING THE FUTURE MADE IN AUSTRALIA PLAN

The government will create a 'single front door' for investors with major projects tied to the Future Made in Australia agenda.

This streamlined entry point will make it easier to invest in Australia and attract more capital by:

- Providing a single point of contact for investors and companies with major investment proposals.
- Delivering a joined-up approach to investment attraction and facilitation.
- Identifying priority projects related to the Future Made in Australia agenda.
- Speeding up and coordinating approval processes.
- Connecting investors with the government's specialised investment vehicles.

It will work alongside existing institutions like the Net Zero Economy Authority. The final plan will be developed with input from investors, businesses, governments, unions, communities, and other experts throughout 2024.

What this means for you

This initiative will potentially make it easier for businesses to secure large investments, leading to more projects and economic growth. For consumers, this can mean more job opportunities and improved services as businesses expand and innovate. Overall, it aims to strengthen Australia's economy by attracting more global and domestic capital.



BUDGET BOOST FOR WORKFORCE

BUSINESSES AND JOB SEEKERS GET HELP

The government is rolling out a multi-pronged plan to boost job security, wages and workplace safety.

Continuing measures outlined in the Closing Loopholes laws, businesses can hopefully expect a fairer playing field with the Fair Work Ombudsman receiving additional funding to chase underpayments by large corporations, while \$20 million is designed to help small businesses meet their obligations.

Workplace safety gets a boost too, with \$13.2 million going towards building industry accreditation. There is also set to be a review of the Safety, Rehabilitation and Compensation Act.

To support job seekers, funds have been earmarked for employment services initiatives. A \$54 million investment will trial two new work

programs tailored for long-term job seekers and those facing barriers to employment. Furthermore, \$76.2 million will be dedicated to replacing the Time to Work Employment Service, improving the transition from prison to work.

The Budget prioritises improving digitisation, allocating \$68.6 million to Workforce Australia Online.

What this means for you

For employers, these investments will hopefully provide fairer competition, safer workplaces and additional support, particularly for small businesses. For job seekers, these programs aim to offer tailored support, easing barriers to employment and creating smoother transitions into the workforce.

Workplace Relations

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Employment and Workplace Relations	-	13.2	27.4	29.1	29.2
Office of the Fair Work Ombudsman	-	8.6	6.3	8.1	8.3
Department of the Treasury	-	2.0	-	-	-
Australian Taxation Office	-	1.1	6.7	15.5	21.2
Total – Payments	-	24.9	40.3	52.6	58.7
<i>Related receipts (\$m)</i>					
Department of Employment and Workplace Relations	-	2.4	5.0	9.4	13.3
Australian Taxation Office	-	2.3	12.3	22.3	26.2
Office of the Fair Work Ombudsman	-	-2.4	-5.4	-3.9	-3.9
Total – Receipts	-	2.3	12.0	27.9	35.6

\$65BN FOR RENEWABLE ENERGY

UNLOCKING INVESTMENT IN NET ZERO INDUSTRIES AND JOBS

The Budget aims to unlock over \$65 billion in renewable investment by 2030 through the Capacity Investment Scheme.

Measures like investing \$27.7 million in integrating consumer energy resources and implementing the New Vehicle Efficiency Standard are expected to save Australians \$95 billion in fuel costs by 2050, according to the government's calculations.

In a bid to create new industries and jobs, the Budget will establish the \$1.7 billion Future Made in Australia Innovation Fund and extend funding for the Australian Renewable Energy Agency by 10 years. Initiatives like the Hydrogen Production Tax Incentive, costing \$6.7 billion over a decade, aim to make hydrogen projects commercially viable, sooner. Additionally, \$1.3 billion will support early movers in the hydrogen industry.

The Budget provides \$32.2 million to fast-track the Guarantee of Origin scheme for low-emission products. Moreover, \$399 million will establish the Net Zero Economy Authority to catalyse private and public investment in achieving net zero emissions by 2050.

What this means for you

A shift towards cheaper, cleaner and more reliable energy could save you money. The Budget also aims to create jobs in emerging industries and opportunities for investment in green exports.

Future Made in Australia – Making Australia a Renewable Energy Superpower

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
Department of Climate Change, Energy, the Environment and Water	-	11.6	13.9	12.2	6.4
Geoscience Australia	-	7.6	3.7	5.3	-
Australian Renewable Energy Agency	-	138.1	310.9	326.0	497.6
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	-	3.2	2.1	-	-
Clean Energy Regulator	-	1.9	4.3	6.1	3.4
Australian Taxation Office	-	-	0.4	-	500.0
Department of the Treasury	-4.3	4.1	-3.8	1.2	-
Department of Industry, Science and Resources	-24.5	26.5	17.8	7.3	3.2
Export Finance and Insurance Corporation (National Interest component)	nfp	nfp	nfp	nfp	nfp
Total – Payments	-28.8	192.9	349.2	358.1	1,010.5

SUPPORT FOR FARMERS

\$519M ALLOCATED TO DROUGHT, \$175M TO WATER

The Budget has invested in preparing for future droughts and the growing risk of natural disasters.

Farmers and rural communities will receive \$519.1 million from the Future Drought Fund to manage climate change impacts and prepare for future droughts.

Another \$174.6 million has been allocated from the National Water Grid Fund to deliver new water infrastructure projects that are designed to enhance water security, boost agricultural production and help drought-proof regional communities.

Meanwhile, \$138.7 million will be invested to improve Australia's response and resilience to natural hazards and disasters.

Support includes funding for the National Emergency Management Agency to supply communities with goods, equipment, and temporary accommodation during an emergency, aerial firefighting capability and mental health support. This is on top of the \$11.4 billion previously committed for Disaster Recovery Funding Arrangements for the states and territories.

What this means for you

For those living in regional and rural Australia, these investments will hopefully make communities more secure, in the face of drought, climate change and natural disasters. For the nation as a whole, these investments are designed to support our vital agricultural sector – with beef, wheat and wool being three of our most lucrative exports.

Table 3.7 – New measures

Total ¹	Forward Estimates (\$m)
Adapting to climate change and improving climate and disaster resilience	1,150.1
Australian Antarctic Program – additional funding ¹²	290.5
Sustaining Water Functions	262.2
National Water Grid Fund – responsible investment in water infrastructure for the regions ¹³	150.8
Murray-Darling Basin Plan – continuing delivery ¹⁴	48.5
Tourism Reef Protection Initiative – continuing delivery ¹⁵	5.0
Future Drought Fund – better support for farmers and communities to manage drought and adapt to climate change	393.1

ENERGY RELIEF FOR EVERYONE

\$300 FOR HOUSEHOLDS, \$325 FOR SMALL BUSINESSES

From 1 July 2024, all households will see a \$300 credit automatically applied to their electricity bills and around one million small businesses will receive \$325 off their bills over 2024–25. The credits will be applied in quarterly instalments.

The government is providing \$3.5 billion for this relief, which extends and expands the energy bill relief rolled out to households and small businesses in 2023–24.

Based on estimates of 2024–25 standing offers, the Commonwealth’s energy bill relief means that nationally household bills will be 17% lower on average compared to the previous year.

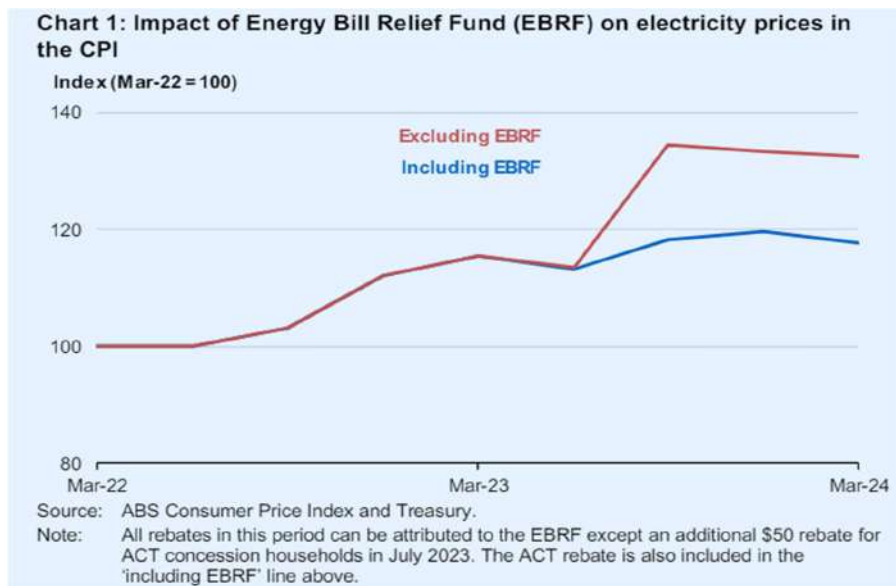
Compared to the government’s 2022 Energy Bill Relief Fund, this new power bill relief doubles the number of eligible households from five million to more than 10 million.

The Budget also delivers \$27.7 million towards reforms to help ensure consumer energy resources such as rooftop solar, household batteries and electric vehicles unlock further savings and benefits for all energy customers.

The Budget commits \$1.8 million to implement regulatory changes so consumers can switch to a better energy deal with just one click.

What this means for you

Every Australian will receive an energy rebate, and many small businesses will too.



EDUCATION REFORMS

GOVT WANTS 80% OF AUSTRALIANS TO GET UNI DEGREE

University and TAFE students will receive extra financial support, as the government pursues a goal for 80% of the working-age population to have a tertiary qualification by 2050.

A new subsidy, known as Commonwealth Prac Payments, will support students undertaking mandatory placements. From 1 July 2025, the payment will provide more than 73,000 eligible students, including teachers, nurses, midwives and social workers, with \$319.50 per week during their placements.

To support university enrolment, the university funding model is being reformed. From January 2026, needs-based funding will provide per-student funding contributions for under-represented

students. Furthermore, \$350.3 million has been allocated to fully fund university-enabling courses and increase pathways for prospective uni students.

The Budget has also addressed immediate skills needs, with over \$500 million for skills and training in priority industries.

What this means for you

This tertiary education package is good news if you – or your children – are planning to enrol in tertiary education.

These new financial support measures will make it easier for students – especially those with limited means – to fund their education.



MORE WORKERS FOR KEY SECTORS

FOCUS ON CLEAN ENERGY, ADVANCED MANUFACTURING AND CONSTRUCTION

A range of measures have been announced to train more skilled workers for, and increase female participation in, priority industries.

The New Energy Apprenticeships Program has been expanded to include apprentices with exposure to work in clean energy, including in construction and advanced manufacturing. This will provide access to \$10,000 incentive payments and support the government's target of 10,000 new energy apprentices.

The Budget has also allocated \$30 million to support the VET teaching workforce for clean energy courses and \$50 million to support clean energy training facility upgrades and expansion.

Another \$55.6 million has been committed to

establish the Building Women's Careers program to support women's participation in key industries, such as clean energy and advanced manufacturing.

Meanwhile, the government has committed to maintaining \$5,000 support payments to apprentices in priority occupations for another 12 months to 1 July 2025, up from \$3,000. Employers of these apprentices will receive a \$5,000 hiring incentive, up from \$4,000.

What this means for you

It will now be easier for you – or your children – to build new careers in priority industries. The government has made clear that it wants to incentivise workers to enter these industries, and employers to hire them.



MORE BUILDERS ON THE WAY

CONSTRUCTION AND HOUSING SECTOR GIVEN \$90.6M SKILLS BOOST

A total of \$90.6 million has been allocated to boost the number of skilled workers in the construction and housing sector, and help the government meet its goal to facilitate the building of 1.2 million new homes in the five years from 1 July 2024.

There will be \$62.4 million for the states and territories to deliver an additional 15,000 fee-free TAFE and VET places over two years from 1 January 2025.

There will also be \$26.4 million for the states and territories to deliver 5,000 places in pre-apprenticeship programs over two years from 1 January 2025.

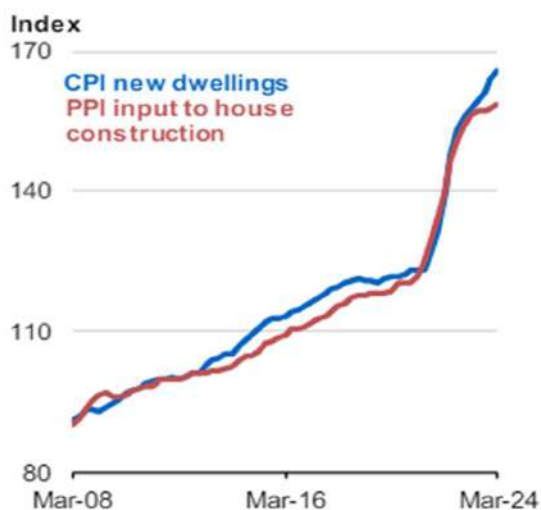
The Budget has also allocated \$1.8 million to streamline skills assessments for around 1,900

potential migrants from countries with comparable qualifications who want to work in Australia's construction and housing sector, and prioritise the processing of around 2,600 Trades Recognition Australia skills assessments in targeted occupations.

What this means for you

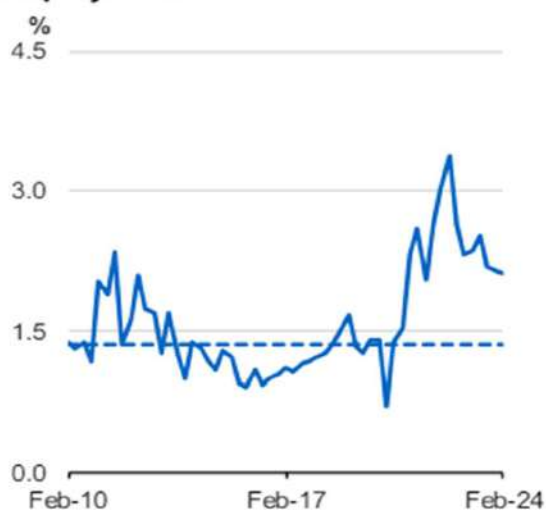
The construction industry has a shortage of skilled workers, which has been reducing homebuilding activity. That, in turn, has contributed to demand running ahead of supply since the pandemic, which has contributed to a sharp increase in prices and rents. More skilled workers should mean more housing, which should put downward pressure on prices and rents in the medium-to-long-term.

Chart 4.16: Residential construction costs and prices



Source: ABS Producer Price Index, ABS Consumer Price Index

Chart 4.17: Construction sector vacancies as a proportion of employment

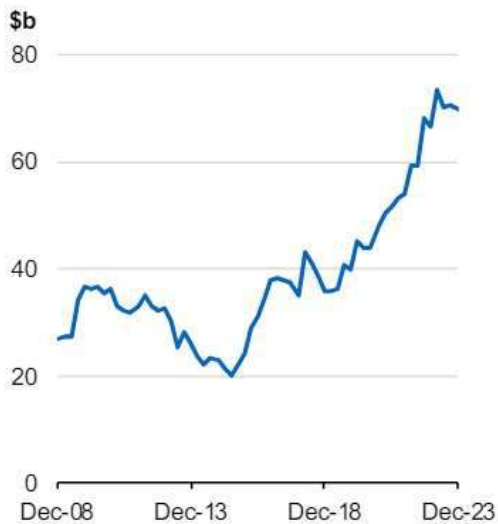


Source: ABS Job Vacancies, ABS Labour Force
Note: Dashed lines are pre-COVID long run averages.

\$16.5BN INFRASTRUCTURE PACKAGE

PROJECTS DESIGNED TO IMPROVE PRODUCTIVITY, LIVEABILITY

Chart 2.17: Public sector construction pipeline



- Transport infrastructure was a major focus of the Budget.
- \$16.5 billion has been allocated over 10 years.
- That includes \$3.3 billion for the North East Link in Melbourne, \$1.7 billion for Metronet in Perth and \$1.2 billion for the Direct Sunshine Coast Rail Line.
- Projects are designed to improve productivity, liveability and sustainability.



CHEAPER MEDICINES FOR ALL

MAXIMUM PBS CO-PAYMENT FROZEN FOR 1 YEAR

The government is working to finalise the Eighth Community Pharmacy Agreement, supported by up to an additional \$3 billion in funding, which will deliver cheaper medicines.

As part of the agreement, instead of rising with inflation, there will be a one-year freeze on the maximum Pharmaceutical Benefits Scheme (PBS) patient co-payment for everyone with a Medicare card and a five-year freeze for pensioners and other concession cardholders.

Around six out of ten prescriptions on the PBS are issued to pensioners and other concession cardholders.

This change means that no pensioner or concession card holder will pay more than \$7.70 (plus any applicable manufacturer premiums) for up to five years, even as the age pension and social security payments rise in line with inflation.

What this means for you

This policy will mean cheaper medicines for everyone for one year, and cheaper medicines for pensioners and other concession cardholders for five years.

Table 6.8.1: Trends in the major components of the medical services and benefits sub-function expense

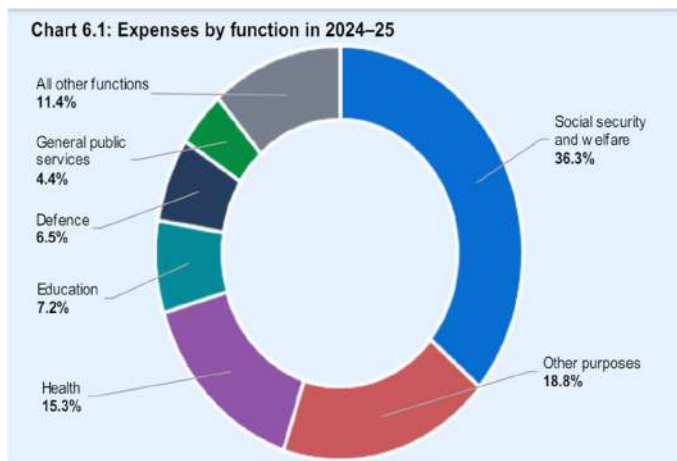
Component(a)	Estimates				
	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
Medical benefits	29,763	31,983	33,915	35,497	37,344
Private health insurance	7,325	7,533	7,750	7,929	8,095
General medical consultations and services	710	715	700	709	739
Dental services(b)	340	328	326	325	324
Other	640	674	650	681	703
Total	38,777	41,233	43,341	45,141	47,206

a) The entry for each component includes eliminations for inter-agency transactions within that component.

b) Payments under the funding agreements on Public Dental Services for Adults from 2020–21 are provided for under the health services sub-function in Table 6.8.

\$227M MEDICARE BOOST

ANOTHER 29 MEDICARE URGENT CARE CLINICS TO BE BUILT



- \$227 million has been committed to create another 29 Medicare Urgent Care Clinics (UCCs).
- This will increase the number of Medicare UCCs from 58 to 87.
- Medicare UCCs provide urgent walk-in care quickly and for free, seven days a week over extended hours.
- Half of all patients that have visited UCCs said they would have otherwise gone to an emergency department.

Table 6.8: Summary of expenses – health

Sub-function	Estimates				
	2023-24 \$m	2024-25 \$m	2025-26 \$m	2026-27 \$m	2027-28 \$m
Medical services and benefits(a)	38,777	41,233	43,341	45,141	47,206
Pharmaceutical benefits and services(b)	20,131	20,574	20,740	20,516	20,640
Assistance to the states for public hospitals	27,853	30,149	32,187	34,229	36,454
Hospital services(c)	1,100	1,130	1,189	1,215	1,249
Health services	13,860	13,363	12,715	12,423	12,515
General administration	4,460	4,900	4,434	3,701	3,476
Aboriginal and Torres Strait Islander health	1,235	1,344	1,308	1,286	1,260
Total health	107,416	112,693	115,913	118,512	122,801

MAJOR MENTAL HEALTH REFORM

\$888.1M PACKAGE IMPROVES ACCESS TO FREE MENTAL HEALTHCARE

A mental health package, valued at \$888.1 million over eight years, will help establish a more comprehensive mental healthcare system.

To address the gap for people with mild mental health concerns, a new digital service will be established, at a cost of \$588.5 million over eight years. From 1 January 2026, every Australian will be able to access this free service without a referral.

The Budget has also expanded the network of free, walk-in Medicare Mental Health Centres, built on the established Head to Health network, at a cost of \$29.9 million over four years. The upgraded network of 61 Medicare Mental Health Centres will be open by 30 June 2026. They will provide clinical services for adults with moderate to severe mental health needs.

For people who have complex needs, the Budget provides \$71.7 million over four years for Primary Health Networks to work in partnerships with GPs to deliver multidisciplinary wraparound support and care coordination.

For people who have complex needs, the Budget provides \$71.7 million over four years for Primary Health Networks to work in partnerships with GPs to deliver multidisciplinary wraparound support and care coordination.

What this means for you

This is a major initiative that will improve many lives, given that almost half of Australians are expected to experience a mental health concern in their lifetime.

Soon, it will be easier for people to access quality, affordable care when and where they need it.



INVESTING IN FIRST NATIONS

\$2.4BN OVER 5 YEARS TO CREATE MORE OPPORTUNITIES

**\$777.4
million**

for strong First Nations workforce participation and developing local economies

- \$2.4 billion over 5 years for jobs, health, education, justice, housing, and infrastructure.
- \$4 billion partnership with the NT government to improve remote housing conditions.
- Remote Jobs and Economic Development Program to create 3,000 jobs.
- \$29.1 million over 4 years for First Nations early childhood and education.
- \$111.1 million for essential services in remote NT communities.

Further Investment to Closing the Gap

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Department of the Treasury	-	-	-	-	-
Australian Institute of Aboriginal and Torres Strait Islander Studies	-	2.5	2.6	2.6	2.7
Department of Health and Aged Care	-	-	-	-	-
National Indigenous Australians Agency	-10.0	-12.5	-2.6	-2.6	-2.7
Total – Payments	-10.0	-10.0	-	-	-

\$2.2BN FOR AGED CARE

24,000 NEW HOME CARE PLACES TO KEEP SENIORS AT HOME

Older Australians will have access to 24,000 new home care places in 2024–25, allowing them to stay in their own homes instead of moving to aged care facilities. This will cost \$531.4 million and is part of the Budget's \$2.2 billion plan to implement the royal commission's recommendations.

The Budget also allocates \$110.9 million over four years to strengthen the Aged Care Quality and Safety Commission's regulatory capabilities.

Additionally, the government is investing \$1.2 billion in digital systems to support the new Aged Care Act and upgrade IT infrastructure. To reduce wait times for aged care information and services, \$37 million is allocated to the My Aged Care Contact Centre.

To ensure fair wages for care workers, the government will fund the Fair Work Commission's decision to increase wages for aged care workers once finalised. This builds on the \$11.3 billion already allocated for a 15% interim wage increase. The government is also providing \$87.2 million for initiatives to attract nurses and other workers to the aged care sector.

What this means for you

As an older Australian, you will have more options to receive care at home rather than moving into aged care facilities. It should also help ensure better quality and safety in aged care services, faster access to information, and fair wages for care workers, which could potentially attract more qualified staff to the sector.

Improving Aged Care Support

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Services Australia	0.2	85.5	49.6	12.3	12.1
Aged Care Quality and Safety Commission	-	97.5	3.5	-	-
Australian Digital Health Agency	-	7.5	6.0	-	-
Department of the Treasury	-	-	-	-	-
Department of Health and Aged Care	-16.0	1,277.3	596.8	37.6	7.3
Total – Payments	-15.8	1,467.9	655.9	49.9	19.4

NDIS GETS \$487.7M

\$487.7M BOOST TO GET NDIS BACK ON TRACK

The government has committed to “getting the National Disability Insurance Scheme (NDIS) back on track”.

In the Budget, the government has allocated \$487.7 million to support people with disabilities. This includes \$214 million over two years to fight fraud in the NDIS as well as to co-design reforms for the Scheme with people with disability.

A further \$160.7 million has been allocated to upgrade the IT at the NDIS Quality and Safeguard Commission. The remainder is earmarked to establish a NDIS Evidence Advisory Committee (\$45.5 million) and to begin consultation on reforms to help NDIS participants navigate the scheme easier (\$20 million).

To improve employment opportunities for individuals with disabilities, a \$227.6 million investment in a new specialised disability employment program will replace the existing Disability Employment Services by 1 July 2025. This includes investing in a digital platform to deliver better support to providers and participants. Those eligible will also be expanded to include volunteers outside the income support systems and those with less than eight hours capacity a week.

What this means for you

If you or a family member are a NDIS participant or provider, you will hopefully benefit from an improved Scheme and better access to employment.

National Disability Insurance Scheme – getting the NDIS back on track

Payments (\$m)	2023-24	2024-25	2025-26	2026-27	2027-28
National Disability Insurance Agency	-	-1,964.6	-3,808.7	-4,121.5	-4,451.3
Department of Social Services	-0.5	7.9	13.7	12.9	13.3
NDIS Quality and Safeguards Commission	-	37.2	53.4	47.6	24.6
Department of Health and Aged Care	0.5	4.7	0.3	-	-
Services Australia	-	11.7	11.8	-	-
Australian Taxation Office	-	-	-	-	-
Department of Finance	-	0.2	0.2	0.1	-
Total – Payments	-	-1,902.9	-3,729.3	-4,061.0	-4,413.4
<i>Related payments variations (\$m)</i>					
National Disability Insurance Agency	1,001.4	1,972.6	3,816.2	4,121.5	4,451.3
Net impact - payments	1,001.4	69.7	86.9	60.5	37.9

SUPPORT FOR VICTIM-SURVIVORS

DOMESTIC VIOLENCE PROGRAM LAUNCHED WITH \$925.2M FUNDING

To support its goal of ending family, domestic and sexual violence in a generation, the government will invest \$925.2 million over five years to permanently establish the Leaving Violence Program.

This program will provide eligible victim-survivors with an individualised financial support package of up to \$1,500 in cash and up to \$3,500 in goods and services, as well as safety planning, risk assessment and referrals to other essential services for up to 12 weeks.

The payment amount will be indexed annually to keep pace with the rising cost of living.

The program will start in mid-2025, following the procurement of an appropriate service provider with family, domestic and sexual violence experience, and the transition of the existing pilots into the program.

In the meantime, the Escaping Violence Payment (EVP) trial, which began in 2021, will be extended to 30 June 2025.

Furthermore, the government will expand eligibility for Parenting Payment Single, which will support 82,000 more single parents to remain on higher payment rates until their youngest child turns 14.

What this means for you

If you or someone you know is experiencing family, domestic or sexual violence, this program will hopefully provide the support needed to leave.

Gender-based violence – key statistics

On average, one woman was killed every 11 days by a current or former intimate partner in 2022–23

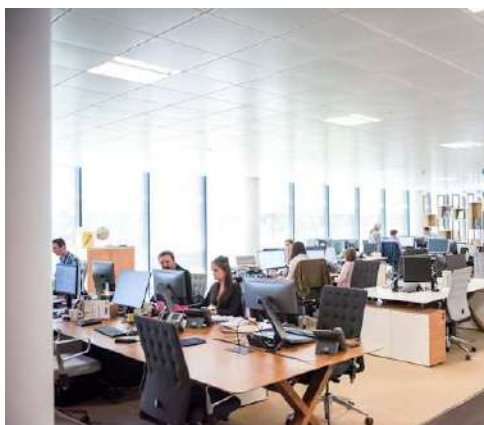
In 2022–23, the rate of intimate partner homicide for First Nations women was six times the rate for other women

Just over one in four women (27% or 2.7 million) have experienced violence or abuse by a cohabiting partner

Almost one in four women (23% or 2.3 million) have experienced emotional abuse by a cohabiting partner

\$2.8BN FOR SERVICES AUSTRALIA

INVESTING IN REALIABILITY AND SECURITY



- \$1.8 billion for customer and payment services, frontline staff, disaster response, and cyber security.
- \$314.1 million over two years to enhance safety and security at Services Australia centres.
- \$580.3 million over four years, plus \$139.6 million annually, to sustain and improve the myGov platform.
- \$50 million to improve myGov usability, safety, and privacy.

Services Australia – additional resourcing

Payments (\$m)

	2023-24	2024-25	2025-26	2026-27	2027-28
Services Australia	105.0	1,199.5	1,146.4	152.5	153.5
Department of Employment and Workplace Relations	-	0.4	-	-	-
Attorney-General's Department	-	0.3	-	-	-
Department of Finance	-	0.1	0.1	0.1	0.1
Total – Payments	105.0	1,200.3	1,146.5	152.6	153.6

SUPPORTING THE MOST VULNERABLE

FUNDS FOR STRUGGLING FAMILIES, CHILDREN AND WORKERS

A range of measures have been announced in a bid to support the most vulnerable individuals and communities.

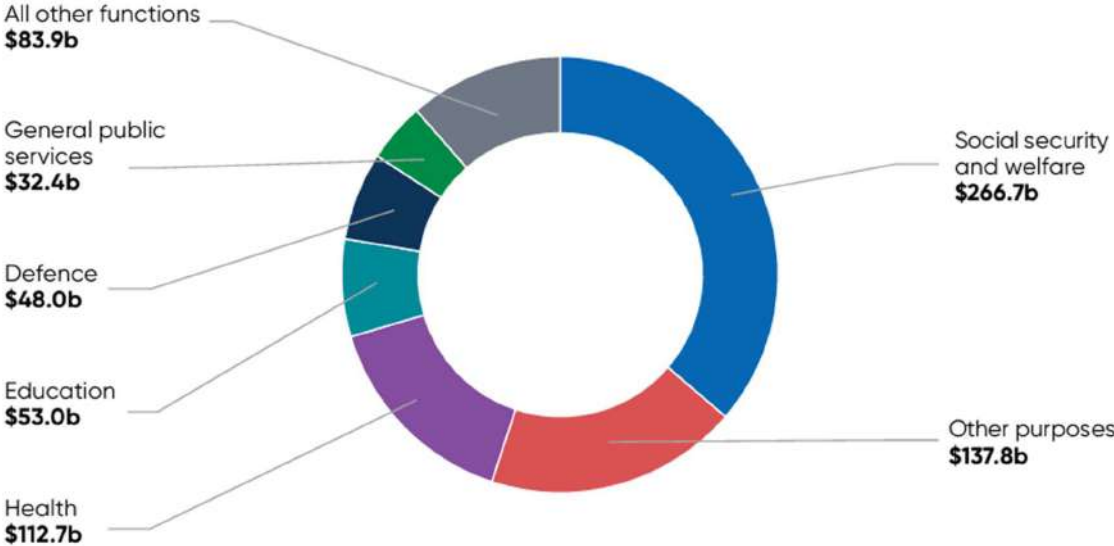
The \$100 million Outcomes Fund will be established from 2024-25 to fund projects that support communities experiencing entrenched disadvantage. The focus will be on improving outcomes for children and families, helping those experiencing barriers to employment, and improving access to services for people facing or experiencing homelessness.

The Budget has also provided \$134.2 million for skills and employment support in key regions. This includes developing Regional Workforce Transition Plans, negotiated with governments and reflecting the voices of communities, workers, employers and unions.

A \$54 million investment in two new paid work placement programs will pilot support for job seekers with barriers to work, connecting them with new opportunities in businesses and social enterprises. These pilots will deliver placements paying award or above wages.

Meanwhile, the Budget has extended eligibility for the existing higher rate of JobSeeker Payment to single recipients with an assessed partial capacity to work between 0 and 14 hours per week. Combined with a higher rate of Energy Supplement, eligible recipients will receive an increase to their rate of payment of at least \$54.90 per fortnight. The base rate of payment will also be indexed to help keep pace with increases in the cost of living.

Where government spending is directed (2024-25)





✉ admin@profileservices.com.au
🌐 profileservices.com.au

PARRAMATTA OFFICE

📍 PO Box 3737
Parramatta NSW 2124
📍 L9, 100 George St
Parramatta NSW 2150
☎ +61 2 9683 6422

SYDNEY OFFICE

📍 L26, 44 Market St
Sydney NSW 2000
☎ +61 2 9683 6422

MUDGEES OFFICE

📍 27b Byron Pl
Mudgee NSW 2850
☎ +61 2 6372 0716