



Budget 2023–24

Stronger foundations for a better future

May 2023



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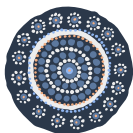
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Aboriginal and Torres Strait Islander people are advised that this publication may contain images of deceased people.



Treasury acknowledges the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respects to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

This illustration has been generated from artwork created by Treasury employees during NAIDOC Week 2018 in an Indigenous Art workshop run by Linda Huddleston and Lyn Talbot from the Burrunju Aboriginal Corporation in Canberra.

The artwork symbolises the Treasury's Reconciliation Journey, National Sorry Day and Treasury's head office in Canberra.

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Stronger foundations for a better future

Responding to immediate challenges and setting Australia up for the future

Australia is facing a challenging economic environment in an uncertain world. Inflation has passed its peak but is still too high. The global slowdown, persistent inflation and higher interest rates are weighing on growth at home.

The Australian economy has shown resilience in the face of these headwinds, with historically low unemployment, the fastest pace of wages growth in a decade and high prices for our commodity exports. At the same time, major structural shifts are shaping the economy and creating new challenges and opportunities in the defining decade ahead.

This Budget addresses the immediate challenges Australians are facing, better shares the opportunities in our society and across the country and lays the foundations for a stronger and more secure economy. It provides responsible and targeted cost-of-living relief for those that need it most, invests in key drivers of sustainable growth and sustainably funds the services Australians rely on.

It does this while strengthening our fiscal position with a budget surplus forecast in 2022-23 and lower deficits and debt across each of the forward years.

This Budget builds stronger foundations for a better future by:

- delivering cost-of-living relief
- strengthening Medicare
- investing in a stronger and more secure economy
- broadening opportunity
- strengthening the Budget and funding our priorities.

This Budget strikes the right balance between dealing with immediate challenges and setting Australia up for the future.

Key Budget initiatives



Delivering cost-of-living relief

- ✓ Providing energy bill relief to 5 million households and 1 million small businesses
- ✓ Helping 170,000 households save on energy bills by financing energy saving home upgrades
- ✓ Reducing out-of-pocket health costs by tripling bulk billing incentives and investing in more bulk billing Urgent Care Clinics
- ✓ Cutting the cost of medicine by up to half for at least 6 million Australians
- ✓ Supporting 57,000 single parents by expanding eligibility for Parenting Payment (Single)
- ✓ Responsibly increasing the base rate for JobSeeker and other payments for 1.1 million people
- ✓ Increasing Commonwealth Rent Assistance for 1.1 million households
- ✓ Tax breaks to ensure more investment in build-to-rent projects
- ✓ Delivering a 15 per cent pay rise on award wages for aged care workers and getting wages moving again



Strengthening Medicare

- ✓ Investing an historic \$5.7 billion to Strengthen Medicare
- ✓ Making it cheaper and easier to see a doctor by tripling bulk billing incentives
- ✓ Investing in protection and prevention health services



Stronger and more secure economy

- ✓ Committing a further \$4 billion to our renewable energy superpower plan
- ✓ \$2 billion to make Australia a world leading hydrogen producer
- ✓ \$500 million to modernise and grow Australia's industrial capabilities
- ✓ New tax breaks for small business
- ✓ Building up our defence industry
- ✓ Supporting quality training and addressing skills needs



Broadening opportunity

- ✓ Advancing women's economic opportunity
- ✓ Ending violence against women and children
- ✓ Targeting entrenched disadvantage
- ✓ Investing in Aboriginal and Torres Strait Islander communities



Strengthening the Budget and funding our priorities

- ✓ Lower deficits and debt, and a surplus forecast in 2022-23
- ✓ Better quality spending, and a fairer tax and superannuation system
- ✓ Continuing support for programs Australians need and depend on
- ✓ Building a sustainable aged care system
- ✓ Getting the NDIS back on track
- ✓ Looking after our veterans
- ✓ Strengthening our engagement in the region

Budget at a glance

A responsible Budget for a more secure and better future

The Government's responsible economic and fiscal management is delivering a stronger and more sustainable fiscal position – with a budget surplus forecast for 2022–23 and lower deficits and debt across the forward years.

We are returning 87 per cent of the tax upgrades over the past two Budgets and 82 per cent in this Budget. This Budget also identifies a further \$17.8 billion in spending reprioritisations and restricts average annual real spending growth to just 0.6 per cent over the 5 years to 2026–27.

Our decisions mean the underlying cash balance has improved by \$125.9 billion over the 5 years to 2026–27, the biggest fiscal improvement on record. A budget surplus is forecast in 2022–23, a dramatic and unprecedented turnaround from the \$77.9 billion deficit we inherited. In 2023–24, the underlying cash deficit is now expected to be \$13.9 billion.

Gross debt is lower as a share of the economy this year and in each of the next 4 years. It is expected to be 35.8 per cent of GDP in 2023–24 and will peak at a lower level and 5 years sooner than forecast in the October Budget.

This Budget strikes the right balance between responding to immediate challenges, creating more opportunities for more Australians and laying the foundations for a stronger and more secure economy. This Budget delivers targeted cost-of-living relief that will directly reduce price pressures in 2023–24, makes investments in a stronger economy, and makes room for critical programs and services that were left unfunded by the previous Government.

		Actual		Estimates				
		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total ^(a)
		\$b	\$b	\$b	\$b	\$b	\$b	\$b
Underlying cash balance	\$b	-32.0	4.2	-13.9	-35.1	-36.6	-28.5	-109.9
	% of GDP	-1.4	0.2	-0.5	-1.3	-1.3	-1.0	
Gross debt	% of GDP	38.8	34.9	35.8	36.3	36.5	36.5	
Net debt	% of GDP	22.3	21.6	22.3	23.5	24.0	24.1	

(a) Total is equal to the sum of amounts from 2022–23 to 2026–27.

A better future for our Federation

The Government recognises that Federal, state and local governments each have vital roles and deliver essential services in Australians' daily lives. Meeting the challenges in our economy, our cities and our demography over the next decade needs the resources and powers of all levels of government.

We are committed to bringing the states and territories together to drive the reforms for the next generation of growth, jobs, prosperity and security.

Federal, state and territory governments have a shared vision for a patient-centred and sustainable Australian healthcare system to deliver the best outcomes for our communities.

This Budget extends the substantial package of Strengthening Medicare measures agreed by the National Cabinet to address immediate challenges in primary care, take the pressure off our hospital system and lay the foundations for long-term Medicare reform.

This Budget also delivers on the commitment by Federal, state and territory governments to an NDIS Financial Sustainability Framework, ensuring the Scheme continues to provide life-changing outcomes for future generations of Australians with disability.

The Government is developing a National Strategy for the Care and Support Economy to set out a road map for a sustainable and productive care and support economy that delivers quality care and decent jobs. Federal, state and territory governments have agreed to work together to progress a first tranche of relevant reforms.

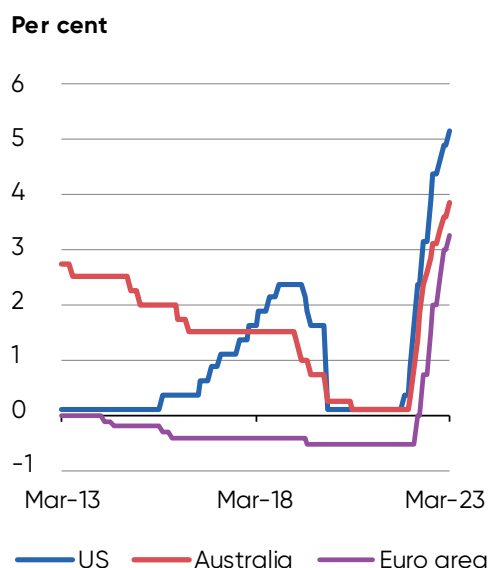
Federal, state and territory governments have also agreed to Better Planning for Stronger Growth reforms to support a national approach to the growth of our cities, towns and suburbs.

This Budget makes new investments to promote better growth, including:

- Supporting a better migration system by increasing visa processing capacity, expanding pathways to permanent residence for temporary skilled sponsored workers and taking steps to address migrant exploitation
- Continued investment for a pipeline of new social and affordable dwellings, including delivering the Housing Australia Future Fund and expanding the capacity of the Affordable Housing Bond Aggregator by increasing the liability cap by \$2 billion
- Offering tax incentives for build-to-rent projects to increase the supply of housing.

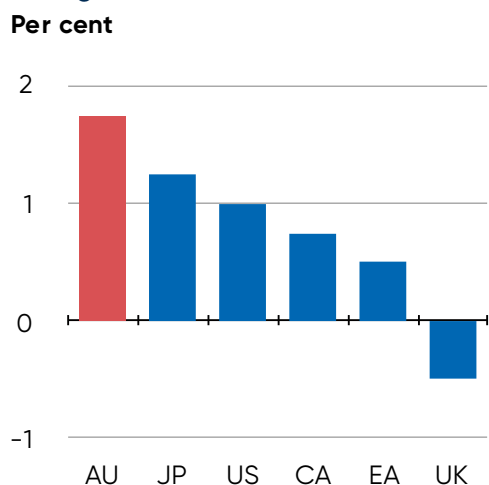
Global economic outlook

Central bank policy interest rates



Source: US Federal Reserve, Reserve Bank of Australia, European Central Bank.

2023 growth forecasts



Source: Treasury

Note: AU is Australia. JP is Japan. US is United States. CA is Canada. EA is euro area. UK is United Kingdom.

A slowing and uncertain global economy

Headwinds in the global economy continue to build, increasing uncertainty in the global economic outlook. Growth over the next 2 years is expected to be the weakest in over 2 decades, excluding the Global Financial Crisis and the pandemic.

The global economy is set to slow considerably in 2023 and pick up modestly in 2024. Pressures from high inflation, high interest rates and tighter financial conditions are expected to limit growth. These factors will more than offset the boost from the earlier than expected reopening of China's economy.

Global inflation peaked in the second half of 2022 but remains well above central bank targets.

Ongoing volatility in the financial sector could hurt consumer and business confidence and constrain growth, especially in the US and Europe. Other key risks to the outlook include more persistent than expected inflation, requiring interest rates to be higher for longer, and further interruptions to global food and energy supplies stemming from Russia's invasion of Ukraine.

While Australia's growth is expected to exceed all major advanced economies in 2023, we are not immune to these global economic challenges.

Domestic economic outlook

Strong performance despite significant headwinds

The Australian economy is expected to outperform all major advanced economies but is slowing in the face of a deteriorating global economy, high inflation and high interest rates. Cost-of-living pressures are squeezing households and slowing domestic demand.

Real GDP growth is expected to slow to 1½ per cent in 2023–24, before recovering in 2024–25. More jobs are being created and the unemployment rate is expected to stay low by historical standards.

Australia is well placed to navigate the many challenges facing the economy. Unemployment is low, and prices for the commodities we sell to the rest of the world are high. And there are welcome signs wages are moving again – with the strongest wages growth in 10 years.

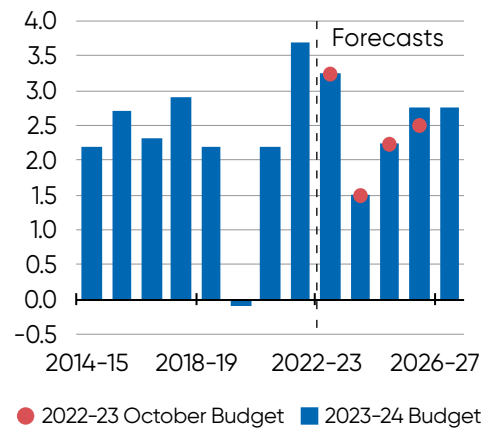
Inflation in Australia is now past its peak, has begun to moderate, and is expected to return to target in 2024–25. But price pressures will continue to weigh on households and our economy for longer than we would like.

The Government is delivering targeted cost-of-living relief that will directly reduce price pressures and the CPI by ¾ of a percentage point in 2023–24. Nominal wage growth has picked up and is expected to build to 4 per cent in 2023–24, its fastest pace since 2009. The lift in wages growth has been supported by the Fair Work Commission determination on the minimum wage and will be assisted further by the Aged Care Work Value Case.

The combination of faster wages growth and lower inflation is expected to see an earlier and stronger return to real wages growth in early 2024.

GDP growth

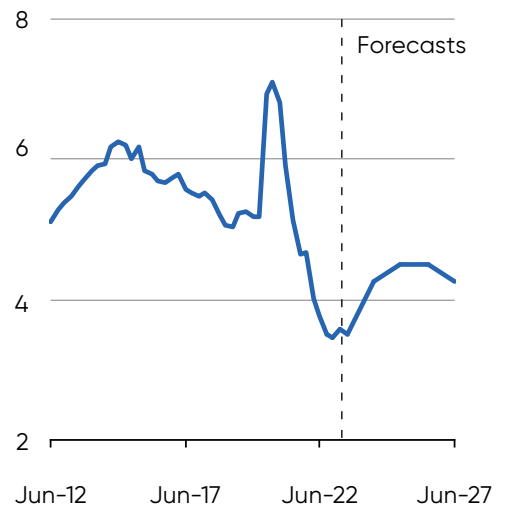
Per cent



Source: ABS Australian National Accounts: National Income, Expenditure and Product and Treasury.

Unemployment rate

Per cent



Source: ABS Labour Force and Treasury.

Delivering cost-of-living relief



Delivering cost-of-living relief

Help with power bills

- ✓ Providing energy bill relief to around 5 million households and 1 million small businesses
- ✓ Helping 170,000 households save on energy bills by financing energy saving home upgrades

Reducing out-of-pocket health costs

- ✓ Tripling the bulk billing incentive
- ✓ More bulk billing Urgent Care Clinics
- ✓ Cutting the cost of medicine by up to half for at least 6 million Australians
- ✓ Doubling the regional pharmacy maintenance allowance

Supporting Australians most in need

- ✓ Supporting 57,000 single parents by expanding eligibility for Parenting Payment (Single)
- ✓ Responsibly increasing the base rate of JobSeeker and other payments for 1.1 million people
- ✓ Additional targeted assistance for JobSeeker Payment recipients 55 and over

More affordable housing

- ✓ Increasing Commonwealth Rent Assistance for 1.1 million households
- ✓ Tax breaks to ensure more investment in build-to-rent projects
- ✓ More investments in social and affordable housing

Keeping wages moving

- ✓ Funding a 15 per cent pay rise on award wages for aged care workers
- ✓ Supporting a pay rise for Australia's low-paid workers
- ✓ More secure and well-paid jobs

Energy price relief



25
percentage
points

Reduction in expected
electricity price growth



\$3 billion

In energy bill relief



\$12 per
gigajoule

Price caps and a mandatory
code of conduct will ensure
fairer pricing

Easing pressure on households and small businesses

Households and businesses have been facing unacceptable energy price rises because of Russia's invasion of Ukraine. The Government's Energy Price Relief Plan shields Australians from the worst impacts of price increases and provides immediate help with power bills.

This Plan and our policies will reduce expected electricity price growth in 2023–24 by 25 percentage points and reduce expected retail gas price growth by around 16 percentage points compared with before our Plan was announced.

Energy bill relief

The Government is partnering with state and territory governments to deliver up to \$3 billion of electricity bill relief for eligible households and small businesses. From July 2023, this plan will deliver up to \$500 in electricity bill relief for eligible households and up to \$650 for eligible small businesses.

Price caps and gas market reforms

The Government acted decisively by putting a temporary price cap on wholesale gas contracts, working with the states to cap the price of coal used for electricity generation and introducing a mandatory code of conduct for gas sales. These actions ensure Australians can access energy at a fair price and gives our industrial gas users a more level playing field in negotiations. These reforms, along with energy bill relief are expected to reduce inflation by 3/4 of a percentage point in 2023–24.



Reducing bills by saving energy

Energy upgrades for households

Household Energy Upgrades Fund

The Government is investing in energy improvements for households. The \$1.3 billion Household Energy Upgrades Fund will create low-interest loans and fund upgrades to social housing to improve energy performance.

The Fund will inject \$1 billion into the Clean Energy Finance Corporation to unlock more than 110,000 low-interest loans for energy-saving home upgrades, in partnership with private lenders. Just upgrading the energy efficiency rating of a home from 1 star out of 10 to 3 stars can reduce energy bills by around 30 per cent, and increasing from 3 to 5 stars can reduce energy bills by around another 20 per cent.

The Fund will also provide \$300 million to partner with states and territories to make energy performance upgrades to social housing. Many of these properties have poor energy efficiency which means tenants face higher energy bills. This energy investment in social housing is expected to cut the energy needed by 60,000 social housing properties by one-third and give tenants savings on their energy bills.

Better information on energy saving opportunities

The Government is also investing \$36.7 million to provide households with access to better information about where they can save energy and reduce their energy bills.

The Government will improve the Nationwide House Energy Rating Scheme and expand it to existing homes, meaning people can soon get a star rating of their home's energy performance – helping Australians make the best choices for their hip pocket when it comes to renting, purchasing or renovating their homes.

The Government will also modernise and expand the Greenhouse and Energy Minimum Standards program to make it easier to choose cheaper-to-run appliances and support emissions reduction.



Reducing out-of-pocket health costs



Tayla has 2 children, aged 3 and 12 years old. When Tayla's eldest daughter, Elaine, trips and fractures her arm during her Sunday afternoon soccer game, Tayla takes her to their local Medicare Urgent Care Clinic. Instead of waiting for 4 hours at the emergency department, Elaine is quickly assessed and treated by the clinic doctors. Her treatment is bulk billed under Medicare and she makes it back home in time for her little brother to sign her cast before his bedtime.

Tripling bulk billing incentives

The Government is investing \$3.5 billion over 5 years to make it easier and cheaper to see a doctor and strengthen the foundations of Medicare. The bulk billing incentive will be tripled for the most common consultations with children under the age of 16, pensioners and other Commonwealth concession card holders. This includes face-to-face, telehealth and videoconference consultations.

The higher bulk billing incentive will support GPs to bulk bill around 11.6 million eligible Australians. This will support eligible patients to receive the care they need, without any out-of-pocket costs. The bulk billing incentive will continue to be higher for patients in regional and rural areas to support the ongoing viability of general practices in these communities.

More bulk billed Medicare Urgent Care Clinics

The Government is investing a further \$358.5 million for Medicare Urgent Care Clinics, including for 8 new Clinics on top of the \$235 million committed in the October Budget. Clinics will bulk bill and remain open for longer hours to improve affordability and accessibility when people need urgent care.

Millions of Australians eligible for bulk billing incentives



5.1 million

children under 16



7.9 million

Commonwealth concession card holders

Reducing the cost of medicines

Increasing the maximum dispensing quantity

The Government will support more than 300 Pharmaceutical Benefits Scheme medicines to be dispensed in greater amounts, phased in from 1 September 2023. Some patients will be able to get 2 months' worth of the medicine they need for a stable, chronic health condition, cutting the number of visits to a pharmacy and GP each year and saving \$1.6 billion in out-of-pocket costs over 4 years.

General patients will be able to save up to \$180 a year per medicine if prescribed for 60 days, and concession card holders up to \$43.80 a year per medicine.

For at least 6 million Australians this will cut the cost of medicines by up to half and will come on top of the \$12.50 decrease in the PBS co-payment for general scripts that came in on 1 January 2023.

Supporting pharmacies

The Government will support regional and remote pharmacies by investing \$79.5 million over 4 years to double the Regional Pharmacy Maintenance Allowance. This funding supports the continued operation of around 1,093 community pharmacies in regional and rural Australia.

Pharmacists will also be funded to deliver vaccines to eligible patients under the National Immunisation Program, with an investment of \$114.1 million over 4 years.

Improving access to new medicines (new PBS listings)

The Government is providing \$2.2 billion over 5 years for new and amended listings to the PBS, including treatment for cystic fibrosis. A further \$449.4 million is also provided for new and amended listings to the National Immunisation Program.

William has a heart condition that increases his risk of developing a stroke, so he takes apixaban twice daily. William's partner Sandra has inflammatory bowel disease and takes the anti-inflammatory medicine sulfasalazine each day. William and Sandra pay \$30 per script as general (non-concessional) patients for these PBS medicines. Their GP considers their conditions are stable and they can safely get 2 months' supply of their medicines at a time. Now, they only need to go to the pharmacy every second month and see their GP once a year to manage their conditions, saving William and Sandra up to \$360 a year in PBS co-payments for their medicines.



Support for those who need it most



\$1.9 billion

over 5 years for eligible single parents



Around 57,000

eligible single parents will receive \$176.90 extra per fortnight



Martha has 2 children aged 7 and 10. When her youngest turns 8, she will stay on Parenting Payment (Single) at \$922.10 per fortnight. She will also receive Family Tax Benefit. Martha will be \$176.90 better off per fortnight and has more flexibility to meet her children's changing care needs into their teen years and to continue her study to become a nurse.

Targeted support for single parents

Expanding access to Parenting Payment (Single)

The Government recognises single parents experience higher rates of financial hardship and extra barriers to employment. The Government will invest \$1.9 billion over 5 years in more support for eligible single parents who are the principal carers, 91 per cent of whom are women.

In September, eligible single parents will receive Parenting Payment (Single) until their youngest child turns 14 (currently up to 8 years old). The current base rate of Parenting Payment (Single) is \$922.10 per fortnight, compared to the JobSeeker Payment base rate of \$745.20 per fortnight. Around 57,000 single principal carers, including 52,000 women, and around 110,000 children will benefit from the higher rate.

Single parents moving to Parenting Payment (Single) will also benefit from more generous earning arrangements compared to JobSeeker. Eligible single parents with one child will be able to earn an extra \$569.10 per fortnight, plus an extra \$24.60 per additional child, before their payment stops.

This investment will ensure single parents get more support to help them with the costs of caring for their children. The extra assistance, along with existing mutual obligations from when the youngest child turns 6, will also help prepare and support them to return to paid work or increase their skills. Supporting single parents to maintain a connection to the workforce supports economic security for single parents and their children and will particularly benefit women.

Responsible, sustainable income support

Increasing support for around 1.1 million Australians

Increasing the rate of income support payments

Many people on income support payments, like JobSeeker Payment, Austudy and Youth Allowance are doing it tough. The Government is increasing the base rate of these payments by \$40 per fortnight to eligible people, delivering a boost in support to those most in need.

As a Labor Government we will always strive to help the most vulnerable.

Targeted support for older job seekers

Older Australians can face persistent barriers to work – like age discrimination – and can become stuck on JobSeeker for long periods.

To recognise these challenges, the Government is expanding eligibility for the existing higher rate of JobSeeker to recipients 55 and over who have received the payment for 9 or more continuous months, which currently applies to those 60 and over. Around 52,000 eligible recipients will receive an increase in their base rate of payment of \$92.10 per fortnight.

Payments will also continue to be automatically indexed to reflect changes in consumer prices.

Ari is 20 years old and lives in South Australia. He receives \$720 per fortnight in income support, including \$562.80 from Youth Allowance (student) and \$157.20 in Commonwealth Rent Assistance. He also earns \$400 per fortnight from working part-time. In September, Ari will receive \$783.60 per fortnight, an extra \$63.60 per fortnight – \$40 from Youth Allowance (student) and \$23.60 from Commonwealth Rent Assistance. His payments will continue to be automatically indexed to help keep pace with increases in the cost-of-living. Ari will also receive \$500 this year in bill relief from the Energy Price Relief Plan.



\$4.9 billion

over 5 years to those most in need



Around 1.1 million

income support recipients will receive \$40 extra per fortnight



Around 52,000

single JobSeeker recipients aged 55-59 will receive \$92.10 per fortnight

More affordable housing



**1.1
million**

households who will
be better off under
the increase to
Commonwealth Rent
Assistance



**\$2.7
billion**

cost of increasing
Commonwealth Rent
Assistance by 15 per
cent over 5 years



**\$700
million**

ongoing support
per year

Easing pressure on renters

Largest increase to Commonwealth Rent Assistance in over 30 years

Too many Australians are facing rising housing pressures.

That's why the Government is providing additional income support to low-income households who rent. We are increasing the maximum rates of Commonwealth Rent Assistance by 15 per cent at a cost of \$2.7 billion over 5 years, the largest increase to Commonwealth Rent Assistance in over 3 decades.

Around 1.1 million households receiving Commonwealth Rent Assistance will be better off.

This will help recipients better manage cost-of-living pressures in the face of strong rent growth and will help alleviate rental stress experienced by Commonwealth Rent Assistance recipients. Renters in Australia will be further supported through the National Cabinet commissioned reforms to strengthen renters' rights across the country.



Priya and Michael are a couple with 3 children. They receive Family Tax Benefit Part A and rent their home. They currently receive the maximum Commonwealth Rent Assistance payment. Their rent will increase when their lease is renewed. With increased Commonwealth Rent Assistance, they will receive around an additional \$800 per year in government support to help them with their rent and cost-of-living pressures.

Building more homes

The Government has brought together states and territories, the Australian Local Government Association, investors and the construction sector through the National Housing Accord with a shared ambition to boost supply and build one million new homes from 2024.

This Budget builds on that commitment by providing greater incentives for long-term rentals, more investment in social and affordable housing and improved pathways to home ownership.

Encouraging investments in build-to-rent projects

The Government is offering new incentives to encourage the supply of housing by:

- reducing the withholding tax rate for eligible fund payments from managed investment trusts attributed to newly constructed build-to-rent developments from 30 to 15 per cent
- increasing the capital works tax deduction (depreciation) rate from 2.5 per cent to 4 per cent per year, increasing the after tax returns for newly constructed build-to-rent developments

Industry estimates this could unlock 150,000 rental properties over 10 years, boosting the supply of high-quality, long-term rentals in the Australian market.

More investment in social and affordable housing

Increasing access to social and affordable housing is a Government priority. The Government will increase the National Housing Finance and Investment Corporation's liability cap by \$2 billion to a total of \$7.5 billion, supporting more lending to community housing providers for social and affordable housing projects.

Helping more Australians into home ownership

Home Guarantee Scheme

We will help more Australians into home ownership sooner by expanding the eligibility criteria of the Home Guarantee Scheme. Eligibility for the First Home Guarantee and Regional First Home Guarantee will be expanded to any 2 eligible borrowers beyond married and de facto couples, and non-first home buyers who have not owned a property in Australia in the preceding 10 years. Australian Permanent Residents, in addition to Australian citizens, will be eligible for the Home Guarantee Scheme.



**\$2
billion**

increase in the
guaranteed liabilities
of the National
Housing Finance
and Investment
Corporation to
support more social
and affordable
housing

Keeping wages moving

Broadening opportunity for hard working Australians

Meaningful wages growth is a key part of the solution to cost-of-living pressures. One of the Government's first actions was to support a pay rise for low-paid workers. This Budget takes further action to bolster wages and support secure jobs.

Pay rise for aged care workers

This Budget delivers on the Government's commitment to fund a wage increase for aged care workers, who are overwhelmingly women. It allocates \$11.3 billion to support the Fair Work Commission's decision to provide an interim increase of 15 per cent to award wages for many aged care workers. More than 250,000 workers will benefit from the decision.

The decision is the largest increase to award wages in a work value case under the Fair Work Act. Funding a pay rise for aged care workers ensures their pay better reflects the value of the work they do.

Supporting stronger wages

Low-paid workers experience the worst impacts of inflation and have the least capacity to draw on savings. That is why the Government has again recommended the Commission ensures the real wages of low-paid workers do not go backwards. Last year, the Commission delivered a minimum pay rise of \$40 per week for full-time workers, benefitting around 2.7 million award wage workers.

More secure and well-paid jobs

The Government is consulting on further changes to workplace relations to improve fairness for workers. This includes standing up for casual workers, criminalising wage theft, minimum standards for gig economy workers and progressing same job, same pay reforms for labour hire workers.

Cheaper Child Care and enhanced Paid Parental Leave

Delivering for working families

Cheaper child care commences in July

From July this year, the Government is delivering Cheaper Child Care, cutting the cost of care for around 1.2 million families. It will make it easier for parents and carers, particularly women, to participate in the workforce and means more children can access the benefits of early education.

Investing in our early childhood education and care workforce

The Government is investing \$72.4 million to build and support the skills of the early childhood education and care workforce. The Government will support early childhood educators to undertake professional development and provide financial assistance to educators and teachers to complete the required practical component of a Bachelor or Master's Degree in Early Childhood Education. These investments reflect the importance of our early childhood educators and will support the skills development of this essential workforce, 92 per cent of whom are women.

Changes to the Paid Parental Leave scheme

The October Budget committed \$531.6 million to deliver a more flexible and generous Paid Parental Leave scheme. From 1 July this year, Parental Leave Pay and Dad and Partner Pay will combine into a single 20-week payment. A new family income test of \$350,000 per annum will see nearly 3,000 additional parents become eligible for the entitlement each year. The Government has committed to increase Paid Parental Leave to 26 weeks by 2026.



**Around
1.2
million
families**

paying less for
child care



**Up to
75,000**

early childhood
educators can access
paid professional
development



**Around
180,000
families**

better off under
Paid Parental Leave
changes

Strengthening Medicare



Strengthening Medicare

Historic investments in Medicare

- ✓ Investing \$5.7 billion over 5 years to strengthen Medicare
- ✓ Making it cheaper and easier to see a doctor by tripling the bulk billing incentives
- ✓ Expanding the number of Medicare Urgent Care Clinics

Improving access to primary care

- ✓ Funding GPs to stay open longer
- ✓ Longer consultation times with GPs
- ✓ Bigger role for our trusted nurses and midwives
- ✓ Growing the health workforce through more scholarships and training places
- ✓ Helping hospital 'frequent flyers' get out of hospital and into better chronic care
- ✓ Introducing MyMedicare for patients to get wrap-around care from their GP, nurse and allied health professionals
- ✓ Digital health improvements to deliver more joined-up care

Health protection and prevention

- ✓ Reducing the prevalence of vaping and smoking
- ✓ Establishing a national lung cancer screening program
- ✓ New Centre for Disease Control
- ✓ Stamping out silicosis

Historic investment in Medicare

Strengthening Medicare

Medicare is the foundation of Australia's primary health care system. In this Budget, the Government is investing \$5.7 billion over 5 years from 2022–23 to strengthen Medicare and make it cheaper and easier to see a doctor.

The Strengthening Medicare package includes the largest investment in bulk billing incentives ever. The Government is tripling the incentive paid to GPs to bulk bill consultations for families with children under 16 years, pensioners and Commonwealth concession card holders, at a cost of \$3.5 billion. This will support 11.6 million Australians to access a GP with no out-of-pocket costs.

The tripling of the bulk billing incentive applies to:

- all face-to-face general practice consultations more than 6 minutes in length
- all telehealth general practice services which are between 6 and 20 minutes in length (Level B consultations)
- longer telehealth general practice consultations where a patient is registered with their GP through MyMedicare.



Strengthening Medicare

Health care for the 21st Century

This Budget also begins the long overdue process of rebuilding and strengthening Medicare to ensure it can meet the health needs of Australians for the 21st Century.

Last year the Government asked the Strengthening Medicare Taskforce to identify the highest priority areas of reform for the primary care sector. This Budget delivers the Government's initial response to the recommendations of the Strengthening Medicare Taskforce.

The Government is improving access to primary care, reducing pressure on hospitals and acting to support our hard-working GPs, nurses, midwives and allied health professionals.



Foundational reform to Medicare



Increasing access to primary care with coordinated teams

To ensure Australians can continue to access the health care they need when they need it, the Government is providing:

- \$445.1 million over 5 years to enable GPs to have nurses and allied health professionals working with them in cooperation for better care
- \$143.9 million over 2 years to encourage GPs to stay open for longer hours
- \$98.9 million over 4 years to connect frequent hospital users to general practices to receive comprehensive, multidisciplinary care in the community
- \$79.4 million over 4 years to support Primary Health Networks to commission allied health services to improve access to multidisciplinary care for people with chronic conditions in underserved communities.

To recognise the important role of nurse practitioners and participating midwives in the delivery of health care services, the Medicare rebate for a standard consultation with nurse practitioners will increase.

The Government will also invest in new services to help homeless people and culturally and linguistically diverse communities to access primary care.

A stronger Medicare will see more support for team-based care that better reflects the healthcare needs of today, while better utilising digital systems to drive better care and provide better connections between different parts of our health system.

Digital systems to drive better care

Australia's digital health platforms have not been funded to keep pace with changing health needs. To lift health outcomes this Budget invests \$824.4 million in digital health, including to modernise the My Health Record system and fund other digital health initiatives. This will provide health professionals the digital and data tools needed to provide improved and more co-ordinated care.

This Budget also introduces the MyMedicare system to strengthen the relationship between doctors and their patients and produce better continuity of care. In time, MyMedicare will also be extended to nurse practitioners and other primary care providers.

Supporting the medical and health workforce

The health workforce is our primary care system's greatest asset and the Government is investing:

- \$50.2 million over 4 years to establish the Primary Care and Midwifery Scholarships program, supporting registered nurses and midwives in post-graduate study to improve their skills
- \$31.6 million over 2 years for improved training arrangements for international medical students working rural and remote locations.

Health protection and prevention

Reducing the prevalence of vaping and smoking

The Government is protecting the health of Australians, especially young people, by taking action to reduce smoking and vaping. This Budget provides \$63.4 million for national public health campaigns, \$141.2 million to expand the Tackling Indigenous Smoking program, and \$29.5 million to increase and enhance supports to quit. The Government is also proposing stronger regulation and enforcement of e-cigarettes, including new controls on their importation, contents and packaging.

The Government is encouraging smokers to quit by raising the tax on tobacco by 5 per cent each year for 3 years from 1 September 2023 and ensuring that loose leaf tobacco is taxed equally to cigarettes.

A new, national lung cancer screening program

The Government is investing \$263.8 million over 4 years (and up to \$101.1 million per year ongoing) to establish and maintain a national lung cancer screening program. The program will maximise prevention and early detection for at-risk Australians.

Establishing the Australian Centre for Disease Control

The Government is providing \$91.1 million to commence the establishment of the Australian Centre for Disease Control. The COVID-19 pandemic demonstrated Australia needs to be better prepared for future pandemics and other health threats in the 21st century. The Centre will provide a national focal point for disease management to improve our ability to respond to health emergencies and other public health challenges.

Stamping out silicosis

There has been a recent and alarming spike in the number of workers suffering from silicosis and other silica-related diseases. The Government is acting to protect workers by implementing and coordinating a strategy with all Australian governments to prevent these debilitating diseases.

Michael is 52 and quit smoking 5 years ago. He doesn't have any symptoms but is worried about the toll smoking has taken on his health. His father and grandmother died of lung cancer.

Michael will be able to get a free lung scan every 2 years, increasing his chances of any cancer being detected and treated early.

Michael may also be able to access his scan in mobile screening services, which will be available for some First Nations communities and those living in smaller rural towns.



**A stronger and more
secure economy**



A stronger and more secure economy

Making Australia a renewable energy superpower

- ✓ Committing a further \$4 billion to our renewable energy superpower plan
- ✓ \$2 billion to make Australia a world leading hydrogen producer
- ✓ \$1.3 billion to support more than 170,000 energy-saving home upgrades
- ✓ Establishing the national Net Zero Authority

Investing in strategic industries

- ✓ \$500 million to modernise and grow Australia's industrial capabilities
- ✓ Investing in a future made in Australia and shoring up our supply chains
- ✓ Building up our defence industry
- ✓ Putting scammers out of business
- ✓ Value for money in the pipeline for infrastructure investment

Investing in people and their skills

- ✓ Supporting quality training and addressing skills needs
- ✓ Prioritising the right skills in our migration system
- ✓ Addressing teacher shortages

Supporting our small businesses

- ✓ Energy bill relief for around 1 million small businesses
- ✓ \$20,000 instant asset write-off to provide cash flow support
- ✓ A new tax break for small business to reduce energy costs

Becoming a renewable energy superpower



Energy has played an important role in building Australia's prosperity for decades. Renewable energy can do the same for decades to come – powering the next era of growth across our regions, for both traditional and new industries.

This Budget invests a further \$4 billion in Australia's plan to become a renewable energy superpower. It positions Australia to be a world leading hydrogen producer by investing \$2 billion in Hydrogen Headstart, a new program to support hydrogen production. It boosts industry-driven innovation by establishing the Powering Australia Industry Growth Centre. It takes the first steps to unlock \$10 billion in new investment in firmed renewable generation and storage by funding the Capacity Investment Scheme's initial auctions.

These commitments bring the Government's total investment to becoming a renewable energy superpower to more than \$40 billion. This Budget leverages existing funds to allocate \$12 billion to transformational transmission projects and over \$1.4 billion to power net zero growth opportunities in our regions. The Government is ensuring communities can benefit from the net zero transformation by establishing a new Net Zero Authority.

Our plan to become a renewable energy superpower



Powering Australia on clean, cheap, reliable energy



Powering net zero jobs, industries and communities

Powering Australia with cheaper, cleaner, more reliable energy

Boosting renewable energy generation

This Budget accelerates investment in renewable energy through the Capacity Investment Scheme, which will unlock over \$10 billion of investment in our grid. This brings on new supply of clean, dispatchable capacity across the country, backing up intermittent renewables. The Government is also providing \$46.5 million to the Australian Energy Regulator to regulate our energy markets and protect consumers through the transformation.

This Budget leverages \$12 billion of the Government's \$20 billion investment in Rewiring the Nation to transformational transmission projects, including \$1 billion in Tasmania's Battery of the Nation projects, \$1.5 billion towards Renewable Energy Zones and offshore wind in Victoria and \$4.7 billion to unlock critical transmission in New South Wales.

Electrifying our economy

Electrification is critical to achieving emissions reductions and lowering energy costs for households and businesses. This Budget supports small and medium businesses to make energy-saving upgrades through the Small Business Energy Incentive. This incentive will help businesses save on their power bills through smarter energy use and is in addition to the \$1.3 billion investment in the Household Energy Upgrades Fund. Australia's first National Electric Vehicle Strategy will also ensure consumers have a better choice of electric vehicles and encourage greater use of cleaner, cheaper-to-run vehicles. As part of the strategy, the Government is providing \$7.4 million to support the introduction of a Fuel Efficiency Standard.

Promoting energy efficient commercial buildings

The Government is committed to supporting investment in energy efficient commercial buildings. From 1 July 2025, the Government will extend the clean building managed investment trust withholding tax concession to eligible data centres and warehouses where construction commenced after Budget night. Buildings will also need to satisfy higher energy efficiency standards to qualify for the concession.

Investing in reliability

The Government is also developing a Future Gas Strategy, which will support Australia's energy system to reach 82 per cent renewables by 2030 and become cleaner, cheaper and more reliable, while maintaining our international reputation as a trusted energy supplier to our longstanding trading partners.



Powering net zero industries and jobs

Seizing the opportunities of net zero transformation

Building critical minerals industries

Australia's large critical mineral reserves offer opportunities to invest in advanced and renewable technologies needed for the net zero transition. Critical minerals are essential inputs to clean energy technologies like electric vehicles and wind turbines.

The Government is investing \$57.1 million to develop Critical Minerals International Partnerships to secure strategic and commercial partnerships. This investment builds on the \$2 billion Critical Minerals Facility and \$1 billion targeted to value-adding in resources, under the National Reconstruction Fund.

Hydrogen and new energy industries

The Government's \$2 billion Hydrogen Headstart will accelerate large-scale renewable hydrogen projects. Australia already has the largest pipeline of renewable hydrogen projects in the world. Hydrogen Headstart will bridge the commercial gap for early-stage projects, and position Australia to be a world leading hydrogen producer and exporter.

The Government will provide \$38.2 million to establish a Guarantee of Origin scheme to underpin markets for green energy, including hydrogen and other low emissions products.

Powering Australia Industry Growth Centre

The Government is providing \$14.8 million to establish the Powering Australia Industry Growth Centre, which will support Australian businesses looking to manufacture, commercialise and adopt renewable technologies. This is in addition to the up to \$3 billion allocated to investment in low emissions technologies including green metals under the National Reconstruction Fund.

Skills for the clean energy economy

The Government has commissioned Jobs and Skills Australia to undertake a Clean Energy Capacity Study to evaluate workforce needs and enable Australia to strategically plan for the skills needed for the transformation to a clean energy economy. JSA is engaging with key stakeholders to inform a final report by mid-2023.

Sustainable finance

To help make Australia a leading destination for global green investors, the Government is implementing corporate climate disclosure requirements and developing a comprehensive Sustainable Finance Strategy. Key new commitments include establishing an Australian Government green bond

program, co-funding development of a sustainable finance taxonomy with industry, and resourcing ASIC to target greenwashing in financial markets.

Realising regional net zero opportunities

Establishing the Net Zero Authority

This Budget funds the establishment of a Net Zero Authority to help guide the net zero transformation.

The Authority will work across all levels of government and with workers, regional communities and First Nations people. It will facilitate economic development and diversification and help smooth the changes as Australia moves to a clean energy economy. The Authority will ensure workers are supported as they transition to new opportunities and enable First Nations Australians to meaningfully participate.

The Authority will include a focus on the regions, industries and workers that traditionally powered Australia's economy. As some industries adapt and transition, the Authority will work to ensure new industries come online, and workers, communities and regions are supported.

Accelerating industrial decarbonisation

As part of the Powering the Regions Fund, the \$400 million Industrial Transformation Stream will support the growth of new clean energy industries in regional areas, as well as innovative efforts to decarbonise existing industrial activities.

Securing critical inputs for the net zero transition

The \$400 million Critical Inputs to Clean Energy Industries stream of the Powering the Regions Fund will provide grant funding to support the development of clean energy industries by investing in sovereign manufacturing capability of critical inputs, such as steel, cement, lime and aluminium. Funding allows these industries to maintain production while they work to reduce their emissions, and ensures Australia has secure access to critical inputs for the transition.

Transforming Safeguard Mechanism facilities

The \$600 million Safeguard Transformation Stream of the Powering the Regions Fund will support trade-exposed facilities covered by the Safeguard Mechanism to reduce their on-site emissions and boost their global competitiveness.



A sustainable future



**\$200
million**

to support projects
like levee upgrades
and seawalls to
improve Australia's
resilience against
natural disasters



Better protecting our environment

In addition to establishing an independent agency, Environment Protection Australia, to be a tough 'cop on the beat' to enforce Commonwealth environment laws, Government will also establish Environment Information Australia to improve transparency and decision-making.

The Government has made further allocations under its 5-year, \$1.1 billion commitment to the Natural Heritage Trust, to help protect our threatened species and habitats and restore urban rivers and catchments.

The Government has also provided \$262.3 million for Commonwealth National Parks, such as Kakadu and Uluru-Kata Tjuta, to protect their natural and cultural heritage value.

Backing our farmers

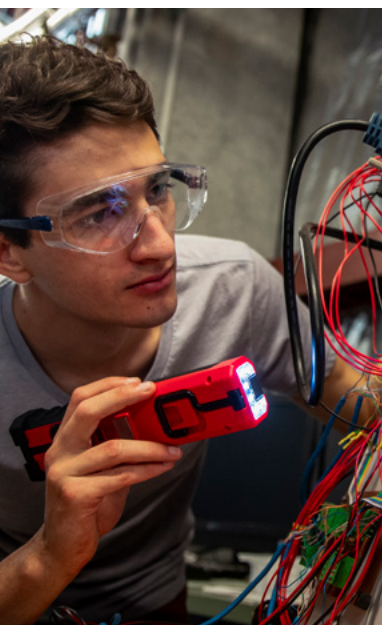
The Budget delivers on the Government's commitment to provide long-term, sustainable funding to strengthen our biosecurity system. It provides more than \$1 billion of additional funding to help ensure Australia remains free from invasive pests and diseases that would devastate exports, regional jobs and the environment. The Government's biosecurity regime is underpinning our farmers' record \$75 billion of agricultural exports and helping them realise their goal of \$100 billion of annual output by 2030. The Government's sustainable funding model ensures that the beneficiaries of strong biosecurity make a fair contribution to the cost of the biosecurity system.

Building disaster resilience and preparedness

The Government is helping communities strengthen their resilience and preparedness in the face of more frequent and intense natural disasters. In 2023-24, the Government will provide \$200 million through the Disaster Ready Fund to support projects like levee upgrades, seawalls and bushfire risk reduction projects.



Modernising our industrial base



Ensuring strategic industries have a future made in Australia

National Reconstruction Fund

The Government has committed \$15 billion to the National Reconstruction Fund, one of the largest investments in manufacturing in Australia's history. We can be a country that makes things again by delivering high value, internationally competitive products across the value chain. The National Reconstruction Fund will support our regions and help create secure, well-paying jobs. This will build future prosperity, while making a vital contribution to our transition to net zero.

Through loans, guarantees and equity investments, the National Reconstruction Fund will partner with the private sector to invest in priority areas that leverage Australia's natural and competitive strengths in renewables and low emissions technologies, medical science, transport, value-add in agriculture, forestry, and fisheries, value-add in resources, defence capability and enabling capabilities.

The National Reconstruction Fund will be administered by an independent board that will consider factors such as encouraging and improving economic participation by historically under-represented groups when making investment decisions.

Industry Growth Program

The new \$392.4 million Industry Growth Program will support Australian small to medium-sized enterprises and startups to commercialise their ideas and grow their operations. This recognises the important contribution small and medium-sized enterprises make, and the role they play in transforming the Australian economy and creating new, high skill jobs. Support will be targeted towards businesses operating in the priority areas of the National Reconstruction Fund.

Creative industries

The Government is investing \$286 million to renew and revive Australia's arts, entertainment and cultural sector through its landmark National Cultural Policy *Revive: a place for every story, a story for every place*. *Revive* will empower our talented artists and arts organisations to thrive and grow – unlocking new opportunities, reaching new audiences and telling new stories in compelling new ways.

In addition, the Government is boosting incentives for the film industry that will support jobs and local businesses in the film and television industry.

Building up our defence industry

Strengthening sovereignty and security in our region

The Government is committed to an Indo-Pacific region that is open, stable and prosperous.

Our region is being reshaped both economically and strategically. We must rethink how and where we invest to safeguard Australia's security and prosperity. Investing in our national security and defence capabilities will also create opportunities for high-skilled and high-paid jobs, delivering new expertise in science, engineering and cyber security.

Implementing the Defence Strategic Review

The Defence Strategic Review sets the agenda for ambitious but necessary reform to the Australian Defence Force's posture and structure. The Government's response to the Review sets out a blueprint for Australia's defence policy, planning and resourcing over the coming decades. It will ensure the Australian Defence Force's capability and structure are fit for purpose and delivers the greatest return on investment.

Building up our defence capability

The acquisition of conventionally-armed, nuclear-powered submarines represents the biggest single investment in Australia's defence capability in our history. It will support 20,000 jobs over the next 30 years in advanced manufacturing, broaden our industrial base and create more high-skilled, high-paid jobs for more Australians.

The Government is establishing the Advanced Strategic Capabilities Accelerator to transform Australia's defence innovation ecosystem to urgently deliver advanced technologies for Australia's national security.

Supporting and skilling the Australian Defence Force

The Government is providing Australian Defence Force personnel with financial support that recognises their commitment and service to improve rates of recruitment and retention over time. We will also extend funding for skills, training and education to support our people into the future.



Australia and the UK will deliver SSN-AUKUS, a new conventionally-armed nuclear-powered submarine, based on a UK design, incorporating cutting edge Australian, UK and US technologies.

Supporting small business

Easing immediate pressures and boosting resilience

Energy Price Relief Plan

The Government is helping small businesses manage high energy prices through its Energy Price Relief Plan, which is shielding small businesses from short-term high energy prices by intervening to limit Australia's exposure to international energy price shocks and providing around 1 million small businesses with direct bill relief.

Small Business Energy Incentive

The Government is introducing a new tax break – the Small Business Energy Incentive – to help small and medium businesses electrify and save on their energy bills. This incentive will provide \$310 million in tax relief and support up to 3.8 million businesses make investments like electrifying their heating and cooling systems, installing batteries and upgrading to high-efficiency electrical goods.

Businesses with annual turnover of less than \$50 million will have access to a bonus 20 per cent tax deduction for eligible assets supporting electrification and more efficient use of energy, from 1 July 2023 until 30 June 2024. Up to \$100,000 of total expenditure will be eligible for the incentive, with the maximum bonus tax deduction being \$20,000 per business.

This is in addition to \$62.6 million towards energy efficiency grants for small and medium enterprises in the October Budget.

Small business instant asset write-off

The Government is making it easier for small businesses to invest and grow by providing \$290 million in cash flow support through the \$20,000 instant asset write-off.

Up to 3.8 million small businesses with annual turnover of less than \$10 million will be able to immediately deduct eligible assets costing less than \$20,000 from 1 July 2023 until 30 June 2024.

Improving small business cash flow

The Government is providing approximately 2.1 million eligible small businesses with cashflow relief by halving the increase in their quarterly tax instalments for GST and income tax in 2023–24. Instalments will only increase by 6 per cent instead of 12 per cent, which better reflects the economic conditions currently faced by the sector. It strikes a balance between improving cashflow for small businesses and managing income tax and GST liabilities.

Cyber security

The Government is investing \$23.4 million to help small businesses build their resilience to cyber security attacks by training in-house cyber wardens. Small businesses have rapidly digitalised in the past few years, bringing new opportunities but also increasing their vulnerability to cyber-attacks. A cybercrime attack on a small business can cause significant financial and reputational damage, putting at risk the viability of the business and the jobs it provides in the community. This measure will help mitigate and reduce the harms associated with cyber-attacks on small business. The small business Cyber Wardens program will be delivered by the Council of Small Business Organisations Australia.

Industry Growth Program

With small businesses employing over 5 million people, the Government recognises their importance to Australia's economy. Access to finance is important for supporting small business innovation. A new \$392.4 million Industry Growth Program will help support small to medium-sized businesses and startups develop new products and services to grow their operations.

Buy Australian Plan

The Buy Australian Plan is a comprehensive program that will improve our approach to Government procurement and use the Government's buying power to help industry grow by competing for and winning more government contracts, provide more diversity in our supply chains, and invite innovation. The Budget builds on the creation of the Future Made in Australia Office by providing \$18.1 million to increase engagement with businesses, improve AusTender and procurement capability across the Australian Public Service.



15,000+

small businesses
building cyber
resilience



50,000+

cyber wardens trained
over the next 3 years

Data and the digital economy



Australians reported at least \$3.1 billion in scam losses in 2022, an 80 per cent increase on total losses recorded in 2021

Investing in a more productive and safer digital future

The Government recognises the importance of data and digital capabilities for policy and service delivery, and as a key driver of growth and future prosperity.

The Government is investing more than \$2 billion in new digital solutions for improved service delivery, modernising outdated legacy platforms and IT systems, and foundational work to ensure that critical future investment maximises value for the taxpayer.

Protecting Australians against scams and data breaches

To reduce the prevalence of scams, the Government is allocating \$86.5 million to establish a National Anti-Scam Centre, boost the Australian Securities and Investments Commission's work to disrupt investment scam websites, and establish Australia's first SMS Sender ID Registry to prevent scammers imitating trusted brand names. The Government is providing \$44.3 million to the Office of the Australian Information Commissioner to take appropriate regulatory action, enhance its data and analytics capability, and support a standalone Privacy Commissioner.

Expanding Digital ID

Digital ID is a secure, voluntary and convenient way to verify a person's identity online, while minimising collection of personal information. The Government is investing \$26.9 million in 2023-24 to expand Digital ID – helping to increase efficiency and consumer protection, reduce fraud, and make it easier for people to access services online.

Consumer Data Right

The Government continues its investment in the Consumer Data Right with \$88.8 million over 2 years to support the CDR in banking, energy, and the non-bank lending sectors and deliver a cyber security uplift.

Growing critical technology industries

The Government has allocated \$101.2 million over 5 years to support the development and uptake of technologies that are enabling capabilities across Australian industries – commencing in quantum and artificial intelligence. It will support a Critical Technologies Challenge Program beginning with a focus on quantum. It will also extend the National AI Centre and its role supporting responsible AI usage and will create an Australian Centre for Quantum Growth to connect and amplify Australia's quantum ecosystem.

A better trained workforce

Investing in skills and training

A modern, responsive vocational training sector with TAFE at the heart

The Government is negotiating with the states and territories on a new 5-year National Skills Agreement to commence from 1 January 2024. The Government will also fund a further 300,000 TAFE and vocational education training places to become fee-free. This will assist students with cost-of-living pressures and support critical and emerging industries, such as the care, clean energy and digital sectors with the skills pipeline they need. The new Agreement presents an opportunity to jointly set strategic priorities for our VET system, boost productivity, support gender equality and close the gap for First Nations Australians.

Targeted support for apprentices

The Government is redesigning Australian Apprenticeship Support Services to improve apprenticeship career pathways and provide more support for completions. A re-designed program model will assess the needs of every apprentice to support their success, help remove barriers for women in male-dominated trades and strengthen support for First Nations apprentices, apprentices with disability and those in remote areas. These apprentices will have access to foundation skills training, personalised assistance and mentoring from commencement through to completion of their apprenticeship.

Reinvigorating foundation skills programs

The Government is expanding access to foundation skills training and supporting community-based and culturally safe pathways to training. More Australians will be able to develop the language, literacy, numeracy and digital skills they need to participate successfully in work, education and the community.

Tackling gender inequality in the apprenticeship system

The Australian Skills Guarantee will ensure more Australians can gain a high-quality apprenticeship and help address long term gender inequality issues in apprenticeships. The Guarantee will set national targets for apprentices plus specific targets for women apprentices and trainees on major Government-funded construction and ICT projects. These targets will aim to double women in apprenticeship and traineeship roles in construction projects, and triple trade apprenticeships roles by 2030.



A better targeted migration system

Ensuring Australia has the skills to support the economy

Developing a Migration Strategy

Our current migration system has developed through years of piecemeal change. It lacks direction, is complex, inflexible, and inefficient. The Government is developing a Migration Strategy to ensure the system delivers for Australians and migrants.

Boosting skilled migration

The Government is ensuring the system delivers the skilled migrants we need, including by:

- allocating around 70 per cent of places in the 2023–24 permanent Migration Program to skilled migrants, bringing long-term fiscal and economic benefits and addressing persistent skill shortages
- providing an extra 2 years of post-study work rights to Temporary Graduate visa holders with select degrees, to improve the pipeline of skilled labour in key sectors
- increasing the Temporary Skilled Migration Income Threshold to \$70,000 to ensure skilled migration settings are better targeted
- exempting international students working in the aged care sector from the capped fortnightly work hour limit until 31 December 2023
- providing additional training places for Pacific Australia Labour Mobility scheme workers in priority sectors for the Pacific and Timor-Leste and where there are job shortages in Australia.

Improved skills recognition

The Government is re-scoping 2 Skills Assessment Pilots to provide onshore migrants with fast-tracked skills assessments, free employability assessments, and access to further training to improve their employment prospects. In addition, the Mechanism for the Mutual Recognition of Qualifications will ensure students from India and Australia will have greater certainty that the qualifications they attain will be recognised by both countries.

Supporting teachers and students

Addressing shortages and improving education

Increased support for the teacher workforce

The Government is investing \$9.3 million, on top of \$328 million previously announced for the National Teacher Workforce Action Plan. These investments are designed to attract, train and retain people in the teaching profession.

Working towards a better and fairer school education system

The Government has established an expert panel to provide advice on future reforms to inform the next National School Reform Agreement.

Delivering outcomes for First Nations students

The Government is providing \$40.4 million to improve school attendance, engagement and learning outcomes for students in Central Australian schools.

The Government is also investing \$38.4 million to pilot community-led and culturally appropriate distance learning models in remote locations. A further \$21.6 million will extend the Indigenous Boarding Providers grants program for one year.

A long-term plan for the higher education system

The Government has established the Australian Universities Accord to drive lasting reform in Australia's higher education sector. The Accord is an extensive review of the higher education system which will provide recommendations and performance targets to improve the quality, accessibility, affordability and sustainability of higher education. The Accord will provide an interim report by June 2023, with a final report to be delivered by December 2023.

Additional Commonwealth supported places

The Government is delivering the second tranche of its commitment for 20,000 additional university places in 2023 and 2024.

Investing in infrastructure

Nationally significant projects to enhance economic growth

The Government is committed to value for money for the Infrastructure Investment Program and delivering nationally significant projects.

In recent years, the Infrastructure Investment Program has drifted away from a focus on projects of national significance, and market capacity challenges and cost pressures have increased.

An independent strategic review will ensure the Government's \$120 billion pipeline over 10 years is fit for purpose and the Government's investment is focused on projects which improve long term productivity, supply chains and economic growth in our cities and regions.

The Government will work with states, territories and local governments to prioritise the delivery of projects currently under construction and election commitments.

Further investments will be made to improve productivity, safety and resilience. This will include \$200 million to develop robust business cases for strategically significant projects.

Better cities, more liveable suburbs

The \$159.7 million urban Precincts and Partnerships Program will help transform our cities and suburbs in partnership with state and local governments, community organisations and universities.

The \$211.7 million Thriving Suburbs Program will provide investment in community and economic infrastructure that enhances liveability and prosperity in suburban communities.

The Government will invest \$240 million in unlocking the potential of the Macquarie Point precinct in Hobart and \$65 million for stadium redevelopment in Launceston.

Olympic and Paralympic Games

The Government will provide up to \$3.4 billion over 10 years for investment in Brisbane 2032 Olympic and Paralympic Games venue infrastructure. This will support local jobs and create a lasting legacy in the growing south-east Queensland region.



Broadening
opportunity



Broadening opportunity

Women's economic opportunity

- ✓ Supporting 52,000 single mothers by expanding eligibility for Parenting Payment (Single)
- ✓ Investing in cheaper child care and enhancing paid parental leave
- ✓ Additional targeted assistance for JobSeeker recipients 55 and over who are majority women
- ✓ Closing the gender pay gap
- ✓ Supporting women's health
- ✓ Advancing gender equality

Ending violence against women and children

- ✓ Supporting safety of women and children

Targeting entrenched disadvantage

- ✓ Delivering an integrated framework to address community disadvantage
- ✓ Establishing an outcomes fund to deliver measurable benefits to communities
- ✓ Empowering community-led change

Investing in Aboriginal and Torres Strait Islander communities

- ✓ Implementing the Uluru Statement and investing in Central Australia
- ✓ Partnering with communities to Close the Gap

Advancing gender equality



Better support for parents

Expanding eligibility for Parenting Payment (Single)

Recognising the added pressures that single parents face, the Government is expanding Parenting Payment (Single) for primary carers, 91 per cent of whom are women, until their youngest child turns 14.

Abolishing ParentsNext

The Government will abolish ParentsNext from 1 July 2024 and develop a replacement voluntary program, to provide high-quality pre-employment support. Interim changes will be considered as soon as possible to move ParentsNext to voluntary participation. This will end the risk of losing payments and take away unnecessary stress and anxiety from participants, who are mostly women and single parents.

Strengthening Paid Parental Leave and affordable early childhood education and care

From July 2023, the Government's Cheaper Child Care and Paid Parental Leave changes will take effect to provide greater support and choice for parents, deliver benefits for children and advance gender equality.

A fairer child support system

The Government is making the child support system work better by making it easier for employers to withhold child support from a parent's wages.

Closing the gender pay gap

The Government will publish the gender pay gaps of employers with 100 or more workers from early 2024. The Secure Jobs, Better Pay reforms made gender equality an object of the Fair Work Act, giving gender equality appropriate weight throughout the workplace relations framework.

Supporting women's health

The Government is investing in affordable, high-quality health care for women and girls. The government will support research and data collection for women and girls' health outcomes and will make it cheaper to test for risk of recurrent breast cancer.

Ending violence against women and children

Supporting women and children's safety

National Plan to End Violence Against Women and Children 2022–32

The Government is committed to working with states and territories to end gender-based violence within a generation through the *National Plan to End Violence Against Women and Children 2022–32*. This Budget delivers an additional \$589.3 million for women's safety, which includes supporting implementation of the National Plan that builds on the \$1.7 billion provided in the October Budget.

First Nations family safety

Investments under the National Plan include \$194 million for a dedicated Aboriginal and Torres Strait Islander Action Plan. This will provide \$145.3 million for activities to address immediate safety concerns for First Nations women and children, \$23.2 million to deliver place-based, trauma-aware and culturally responsive healing programs aimed at early intervention and recovery, and \$17.6 million on family safety initiatives.

Funding of \$11.8 million will be provided to develop a standalone First Nations National Plan for Family Safety, including to establish a national Peak Body for First Nations family safety. The Plan is being developed in partnership to ensure the voices and perspectives of First Nations people are at the centre of all efforts to end family violence.

The Government will also provide \$68.6 million over 2 years to support the Family Violence Prevention Legal Services providers to deliver legal and non-legal support for First Nations victim-survivors of family, domestic and sexual violence.



\$159 million

To extend the Family, Domestic and Sexual Violence Responses National Partnership Agreement



\$38.2 million

To provide financial support for migrant women and women on temporary visas as they escape violence



\$46.5 million

To support separating couples to achieve property settlement outcomes

Addressing entrenched disadvantage in communities



Hands Up Mallee is enabling community-led change for children, young people and families in Mildura, as a partner in the Stronger Places, Stronger People initiative. Young people are empowered to co-design solutions that directly meet their needs and work with government and services to put them into action. By providing funding certainty, initiatives like Hands Up Mallee can continue to improve the lives of people in their community.

An integrated package to achieve long-term positive change

The Government will deliver a \$199.8 million integrated package to address entrenched and concentrated community disadvantage.

The package lays the foundations for community-led change, facilitates genuine partnership and capability building alongside key stakeholders, and complements universal social service offerings.

Delivering a Framework to Address Community Disadvantage

The integrated package will be supported by a whole-of-government Framework to Address Community Disadvantage. The Framework will guide the Commonwealth to work in partnership with communities to address disadvantage, by identifying key strategic objectives and principles. This includes finding opportunities to better use place-based approaches to target disadvantage and to support a greater ability for communities to make decisions reflecting their needs.

Empowering community-led change backed by data

The Government is providing \$64 million to extend the Stronger Places, Stronger People initiative. This provides certainty for existing place-based partnerships in 10 communities and supports greater shared decision-making and funding for local solutions in 6 of these communities.

These place-based partnerships will empower local community members to co-design solutions to address their needs, such as support for local education and employment initiatives, child and maternal health, and youth justice.

The integrated package also includes \$16.4 million to build communities' data capability and develop an integrated data asset to inform improved outcomes over the long term.

Establishing an Outcomes Fund

The Government has committed \$100 million towards establishing an Outcomes Fund, to be co-designed with stakeholders, including states and territories. An Outcomes Fund will make payments for programs delivered in local communities, based on these programs achieving agreed, measurable outcomes. This will support data-driven, evidence-based solutions, improving outcomes in a range of policy areas.

Helping social enterprises become investment ready and access finance

In response to recommendations by the Impact Investing Taskforce's Expert Panel, the Government will convene an Investor Roundtable to discuss how to unlock private capital to support social impact investing initiatives. This will include how institutional investors can provide wholesale capital and support new and emerging organisations with a social mission to bring their good ideas to market and scale up their initiatives.

The Government will also deliver a \$11.6 million Social Enterprise Development Initiative, which will provide grants and online education and mentoring for eligible organisations. This will support these organisations to build capability to access capital and support improved social outcomes.

Partnering with philanthropy

Building on the outcomes of the Jobs and Skills Summit, the Government will partner with leading philanthropies through an Investment Dialogue for Australia's Children. Better coordination of investments and data sharing will allow philanthropic organisations joining the Dialogue to work with government in a targeted way, including investing in early years initiatives that support community leadership and children's and family wellbeing. Over the coming months, Government and philanthropy will work together to establish the detailed governance arrangements for the partnership. Philanthropic investments under the dialogue will amplify place-based initiatives and be targeted to communities' on-the-ground priorities.



Investing in Aboriginal and Torres Strait Islander communities

Implementing the Uluru Statement

The Government is delivering on its commitment to implement the Uluru Statement from the Heart in full.

The Aboriginal and Torres Strait Islander Voice Referendum will provide Australians a historic opportunity to recognise Aboriginal and Torres Strait Island people in our Constitution to deliver better decisions and outcomes for First Nations Australians.

A new Chapter creating an Aboriginal and Torres Strait Islander Voice to Parliament in the Constitution will ensure stronger consultation with First Nations Australians from across the country about the laws and policies that affect them.

Investing in Central Australia

The Government is providing \$250 million to deliver the plan for A Better, Safer Future for Central Australia. In partnership with local First Nations communities, the Government will work to address the decline in services and investments in the region over the past decade. The Central Australia Plan is focusing on 6 priority areas:

- improved community safety and cohesion
- job creation
- better services
- preventing and addressing issues caused by Foetal Alcohol Spectrum Disorder
- investing in families
- on-country learning to improve school attendance and completion.

Funding will support a range of programs and projects under the Central Australia Plan, including a number aimed at supporting First Nations young people.

This is in addition to the \$48.8 million investment announced on 24 January 2023.



Closing the Gap

This Budget invests \$1.9 billion over 5 years from 2022–23 to deliver sustained, practical actions to improve the lives and economic opportunities of Aboriginal and Torres Strait Islander people.

\$150.5 million to strengthen educational outcomes and protect traditional knowledge

- \$38.4 million for high quality, culturally appropriate education for First Nations children in remote areas
- \$11 million for a new policy partnership to strengthen national Indigenous languages
- \$21.6 million for the Indigenous Boarding Providers grants program and \$32.8 million for the Clontarf Foundation

\$193.5 million for strong economic participation

- \$46 million to Aboriginal Community Controlled Organisations to deliver foundation skills training for First Nations people
- \$40.6 million to continue the Indigenous Ranger Biosecurity program

\$561.6 million for better health

- \$238.5 million to improve First Nations cancer outcomes
- \$141.2 million to expand the Tackling Indigenous Smoking program, including vaping prevention

\$410.4 million for critical investments in housing and infrastructure

- \$111.7 million for a new one-year partnership with the Northern Territory Government to accelerate building of new remote housing
- \$20.8 million to support Aboriginal Hostels, \$23.3 million for housing works in Wreck Bay Village, Jervis Bay Territory, and \$92.8 million for critical works to supply essential services to Mutitjulu on the lands of the Anangu people



\$250 million

for A Better, Safer Future for Central Australia



\$561.6 million

for better health for First Nations Australians



\$410.4 million

to for critical investments in housing infrastructure

Strengthening the Budget and funding our priorities



Strengthening the Budget and funding our priorities

A more sustainable Budget

- ✓ Lower deficits and debt and a surplus forecast in 2022-23
- ✓ Responsibly dealing with a legacy of unfunded programs
- ✓ Banking 82 per cent of tax receipt upgrades in this Budget
- ✓ Dealing with structural pressures on the Budget

Making room for what's urgent and essential

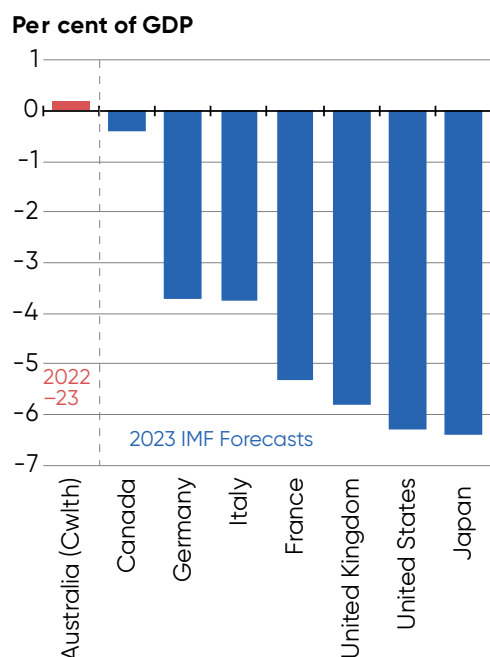
- ✓ Building a world-class aged care system
- ✓ Looking after our veterans by investing in higher standards
- ✓ Valuing aged care workers
- ✓ A stronger, safer Australia
- ✓ Getting the NDIS back on track
- ✓ Leading in the region

Reforming our tax system

- ✓ Making multinationals pay their fair share
- ✓ Extending tax compliance programs
- ✓ A better deal for Australia on our gas resources
- ✓ Encouraging smokers to quit
- ✓ Making the Super system fairer and more sustainable

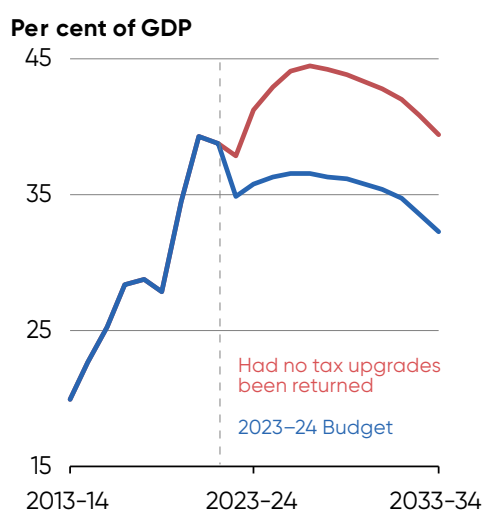
A stronger Budget

Chart: Budget balance forecasts



Source: IMF and Treasury estimates

Chart: Gross debt



Source: Treasury

Delivering on our Fiscal Strategy

The Government's Economic and Fiscal Strategy is making our economy stronger and our Budget more resilient and sustainable.

Across two Budgets, the Government is:

- returning 87 per cent of the improvements in tax receipts to the Budget
- achieving \$39.8 billion in savings and spending reprioritisations
- limiting annual growth in real payments to 0.6 per cent on average.

This approach is delivering lower debt and a stronger and more sustainable fiscal position. Australia is forecasting a budget surplus in 2022-23 before most of the major advanced economies, and smaller deficits over each year of the Budget estimates compared to the October Budget.

Lower deficits means lower debt and lower interest payments, and more space to fund the programs Australians need and deserve. Gross debt as a share of the economy is now expected to peak lower and earlier and be \$177 billion lower by the end of the forward estimates than projected in the October Budget.

This Budget also ensures fiscal policy is helping to tackle inflation in the near term, when inflation is at its highest. We have improved the budget position over the two years to 2023-24 by \$125 billion across two Budgets. The current inflation challenge would be significantly larger, and interest rates higher, if the government had not taken these steps.

We're repairing the Budget while finding room to provide responsible cost-of-living relief, investing in a stronger, more secure economy, sharing opportunities and expanding equality, and securing the critical services Australians depend on. We've also made room to fund urgent and unavoidable pressures on the Budget while dealing with significant challenges and the underfunded programs left behind by our predecessors.

Managing the Budget responsibly

Budget restraint and repair

This Budget continues to repair the Budget, rebuild our fiscal buffers, and redirect spending to higher-quality areas.

Beginning to address structural pressures

The Budget faces persistent structural spending pressures from fast-growing payments areas including in defence, health, aged care, the National Disability Insurance Scheme and interest payments on the debt this government inherited.

By directing most of the revenue upgrades to budget repair, the government is reducing debt and taking pressure off the debt interest costs, saving \$83 billion in debt interest costs over the next 10 years.

The Government is also taking steps to strengthen the fiscal position over the medium term.

Superannuation concessions will be fairer and more targeted with lower tax concessions available to individuals with balances exceeding \$3 million. We are also ensuring multinationals pay their fair share of tax by implementing a global minimum tax and a domestic minimum tax.

The Government has also identified responsible, calibrated improvements to the NDIS in the medium term, including initiatives to improve the effectiveness and quality of the NDIS. This contributes to the NDIS Financial Sustainability Framework, to ensure the scheme is here to stay and can continue to provide life-changing outcomes for future generations of Australians with disability.

The Government will work with the disability community and states and territories to implement the Framework so that every dollar goes to support those who need it most.

Responsibly dealing with a legacy of unfunded programs

The former Government left behind a legacy of unfunded programs and commitments. In the October Budget, the Government spent more than \$4 billion to address underfunded programs and keep expiring measures afloat. This Budget allocates an additional \$7.5 billion to plug further holes left by our predecessors. This includes investing:

- \$804.3 million over 4 years to sustainably fund Australia's biosecurity system
- \$754.7 million to secure Australia's digital health infrastructure.

Building a sustainable aged care system



A better future for older Australians and aged care workers

A pay rise for aged care workers

The Government supports continuing to improve wages and conditions for aged care workers, who are overwhelmingly women. This Budget provides funding to support the Fair Work Commission's decision to provide an interim increase of 15 per cent to award wages for many aged care workers.

Providing more care and better care

To support older Australians who wish to remain at home for longer, the Government is investing \$166.8 million to provide an additional 9,500 home care packages.

The Government is committed to delivering aged care services that meet the needs of Aboriginal and Torres Strait Islander Elders and enable them to remain connected to their communities. This includes \$52.1 million to increase the funding available to aged care providers in very remote areas and \$1.7 million to appoint an interim First Nations Aged Care Commissioner.

The Government is providing \$487 million to extend, and make ongoing, the Disability Support for Older Australian Program, which provides support to vulnerable older people with disability.

A higher standard of care

The Government is funding initiatives to improve the health and safety of older Australians receiving aged care and strengthen the regulation of the aged care sector. This Budget includes:

- \$81.9 million to develop and implement a new Aged Care Act to support sector reform
- \$139.9 million to enhance the Star Rating system
- \$12.9 million to improve food and nutrition in aged care.

Improving Disability Support

Improving disability systems and services for the future

Australia's Disability Strategy 2021-31 is a roadmap to an inclusive society to ensure people with disability can fulfil their potential, as equal members of the community.

To make progress in line with the Strategy, the Government is investing a further \$31.4 million for the National Disability Data Asset and is providing \$57 million to enable the supported employment sector to evolve.

Development of the National Autism Strategy will continue, with investment in early intervention pilots for infants showing signs of autism.

Getting the NDIS back on track

The NDIS is a vital scheme. The Government is ensuring the NDIS continues to provide life-changing outcomes for people with disability.

Investing in the NDIA

The Government is investing a further \$732.9 million in initiatives developed with the National Disability Insurance Agency in consultation with the NDIS Review Co-Chairs. This will improve capability and systems, as well as better support participants to manage their plans and fight fraud.

Securing the future of the NDIS

The NDIS is here to stay. National Cabinet has committed to an NDIS Financial Sustainability Framework to ensure the NDIS can continue to provide life-changing outcomes for future generations of Australians with disability. While the NDIS remains demand driven, the Framework will provide an annual growth target in the total costs of the Scheme of no more than 8 per cent by 1 July 2026, with further moderation of growth as the Scheme matures. Funding for the Scheme is expected to double between 2022-23 and 2030-31.

A sustainable NDIS will support equity and fairness for all Australians who are living with disability and ensure every dollar goes to support those who need it most.

Looking after our veterans

Reforming veterans' legislation

Reform principles:



Created in consultation with the veteran community



Result in a simpler, sustainable legislative framework

A solemn commitment to veterans and their families

The Australian community has a clear expectation that defence personnel, veterans and their families are well looked after. This is an important task and responsibility of government – a solemn commitment.

Addressing the claims backlog and improving administration

The Government is working to address the claims backlog with \$64.1 million in additional resourcing in 2023–24. Improving the administration of the claims system is also a priority, with a \$254.1 million investment to modernise and sustain ICT systems. Together, this will ensure claims processing is appropriately resourced now and systems are improved into the future. This responds to recommendations 2, 3 and 4 of the Interim Report of the Royal Commission into Defence and Veteran Suicide.

To meet future expected claims, the Government is providing an additional \$4.8 billion in funding for veterans' compensation and support payments.

Funding of \$0.5 million is also being provided to expand the Defence, Veterans' and Families' Acute Support program to full-time grandparent carers.

Implementing other Royal Commission recommendations

The Government continues to improve the experience for veterans seeking support by implementing other recommendations of the Interim Report. This includes additional funding of \$2 million over 2 years from 2023–24 to continue the Department of Veterans' Affairs mental health literacy and suicide intervention training program for the ex-service community.

The Government is consulting on ways to simplify veteran compensation and rehabilitation legislation, so it is easier for veterans and families to understand their entitlements and receive the support they need.

Strengthening Australia's engagement with our region

Strengthening Australia's engagement with Southeast Asia and the Pacific

Deepening economic and people-to-people ties across Southeast Asia

The Government is deepening our engagement with Southeast Asia through innovative programs to support more people-to-people links, including specialised scholarships and support for the National Centre for Asia Capability (Asialink Business). These represent critical investments that will complement the implementation of the Government's Southeast Asia Economic Strategy to 2040, to be released later this year.

Strengthening engagement with Pacific Island Countries

The Government's commitment to engaging with Pacific Island Countries is being strengthened through this Budget, further investing in the peace, prosperity and resilience of our region.

We are investing \$1.9 billion over 5 years in a broad range of measures to deepen our connections with the Pacific family, working together to strengthen our collective ability to respond to the challenges and opportunities of our time. This includes expanding and improving the Pacific Australia Labour Mobility scheme to support sustainable scheme growth and ensure the welfare of workers.

This investment demonstrates our strong and enduring commitment to the Pacific, boosting our contribution to security priorities and supporting the Pacific family first approach agreed by Pacific Islands Forum Leaders.



Ensuring Australians are paid the super they earn



Adaobi is a 25-year-old hospitality worker. She is paid wages fortnightly as mandated by her employment agreement, but her super is paid only 4 times per year.

From 1 July 2026, Adaobi's super will be paid at the same time as her wages. As Adaobi's super will reach her fund quicker, she will see higher earnings over her working life and could be \$6,000 or 1.5 per cent better off at retirement from compounding benefits of her super being paid more frequently.

Securing Australians' Superannuation

Aligning the payment of super and wages for all employees

From 1 July 2026, employers will be required to pay their employees' super at the same time they pay their wages. This will enable employees to track their entitlements to ensure they are being paid on time and in full.

Around 8.9 million Australians will benefit from higher retirement savings from receiving their Superannuation Guarantee contributions earlier and more frequently throughout their working life. More frequent super payments will make employers' payroll management smoother with fewer liabilities building up on their books.

Increasing the visibility of unpaid super for the ATO

The Government is investing \$27 million in 2023–24 for the ATO to improve data capabilities, including matching both employers and super fund data at scale. The ATO will also receive \$13.2 million to consult and co-design with stakeholders on a new ATO compliance system which will proactively identify instances of under or unpaid super in near-real time.

Unpaid super recovery measures for the ATO

The Government will implement enhanced unpaid superannuation recovery targets for the ATO. From 2023–24, the ATO will be assessed on its performance on the payments made to employees as a proportion of super raised, and the amount of super raised and distributed within 12 months.

In 2019–20, \$3.4 billion of superannuation entitlements were unpaid.

In 2021–22, almost half (48 per cent) of people who reported unpaid super to the ATO were aged under 35 years.

Making our tax and superannuation system fairer

Fairer taxation of Australia's gas resources

The Government is reforming the Petroleum Resource Rent Tax to ensure a fairer return to the Australian community from Australia's liquefied natural gas resources while providing certainty to industry and investors to support domestic gas supply and ensure Australia remains a reliable trade and investment partner. From 1 July 2023, the Government will cap the level of deductions that PRRT LNG projects can use to ensure that projects pay PRRT sooner. The change will limit the amount of PRRT assessable income that can be offset by deductions to 90 per cent, so that a minimum of 10 per cent of income will be subject to PRRT.

Implementing a global and domestic minimum tax

The Government is introducing a global minimum tax and a domestic minimum tax to ensure that large multinational enterprises pay a minimum level of tax in the jurisdictions in which they operate. These measures will reduce incentives for multinationals to shift their profits to low-tax jurisdictions, level the playing field for Australian businesses and protect Australia's revenue base.

From 1 January 2024 large Australian multinationals and the Australian operations of large foreign multinationals will pay an effective tax rate of at least 15 per cent. From 1 January 2025, Australia will also be able to tax the foreign operations of large foreign multinationals that operate in Australia, to ensure that they have paid at least 15 per cent tax. These changes are part of OECD efforts to make multinationals pay their fair share of tax.

Improving the equity and sustainability of the superannuation system

The Government is reducing superannuation earnings tax concessions for those with superannuation balances exceeding \$3 million.

From 1 July 2025, earnings on balances exceeding \$3 million will attract an increased concessional tax rate of 30 per cent. Earnings on balances below \$3 million will continue to be taxed at the concessional rate of 15 per cent.

Defined benefit interests will be appropriately valued and will have earnings taxed under this measure in a similar way to other interests to ensure commensurate treatment.

The additional tax on earnings imposed by this modest change is only expected to affect around 80,000 people from 2025–26, or approximately 0.5 per cent of Australians with a superannuation account.



Appendices

Appendix A: Budget aggregates

Estimates						
	2022-23	2023-24	2024-25	2025-26	2026-27	Total ^(a)
	\$b	\$b	\$b	\$b	\$b	\$b
Cash estimates						
Underlying cash balance	4.2	-13.9	-35.1	-36.6	-28.5	-109.9
Per cent of GDP	0.2	-0.5	-1.3	-1.3	-1.0	
Receipts	635.6	668.1	671.2	700.9	735.1	3,411.0
Per cent of GDP	25.0	25.9	25.4	25.2	25.2	
Payments	631.4	682.1	706.3	737.5	763.6	3,520.9
Per cent of GDP	24.8	26.5	26.8	26.6	26.1	
Balance sheet aggregates						
Gross debt^(b)	887.0	923.0	958.0	1015.0	1067.0	
Per cent of GDP	34.9	35.8	36.3	36.5	36.5	
Net debt^(c)	548.6	574.9	620.6	665.2	702.9	
Per cent of GDP	21.6	22.3	23.5	24.0	24.1	
Accrual estimates						
Revenue	653.8	680.4	677.3	713.7	748.2	3,473.4
Per cent of GDP	25.7	26.4	25.7	25.7	25.6	
Expenses	644.8	684.1	715.4	743.3	771.8	3,559.4
Per cent of GDP	25.3	26.6	27.1	26.8	26.4	
Net operating balance	9.0	-3.7	-38.0	-29.6	-23.5	-85.9
Per cent of GDP	0.4	-0.1	-1.4	-1.1	-0.8	
Net capital investment	10.4	10.4	7.2	5.4	9.3	42.8
Per cent of GDP	0.4	0.4	0.3	0.2	0.3	
Fiscal balance	-1.5	-14.1	-45.3	-35.0	-32.8	-128.7
Per cent of GDP	-0.1	-0.5	-1.7	-1.3	-1.1	
Memorandum:						
Headline cash balance	-7.5	-19.7	-49.2	-51.8	-41.3	-169.5

(a) Total is equal to the sum of amounts from 2022-23 to 2026-27.

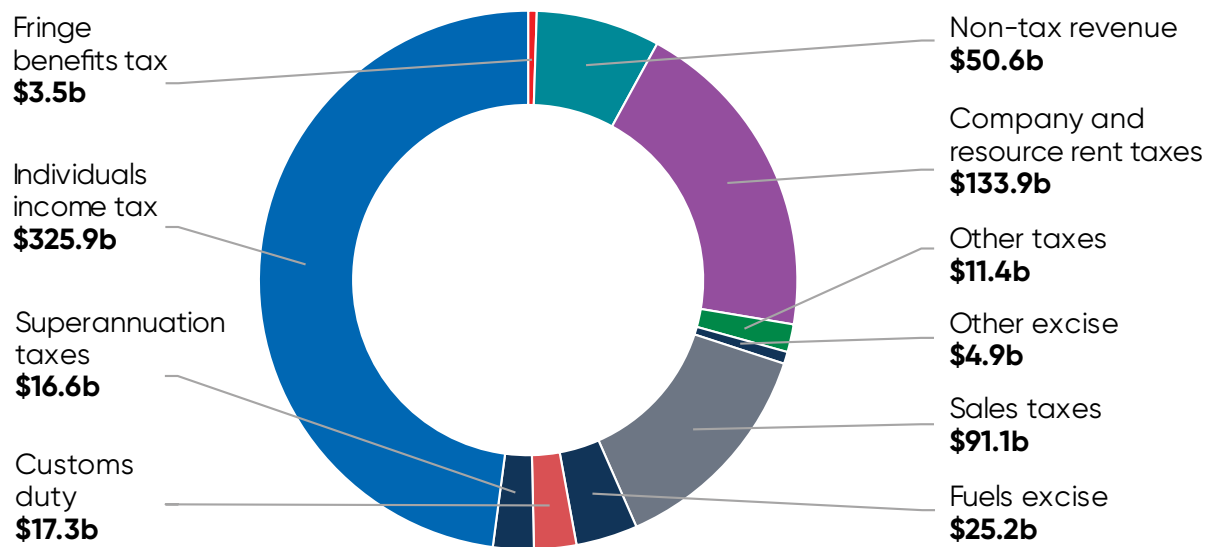
(b) Gross debt measures the face value of Australian Government Securities (AGS) on issue.

(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).

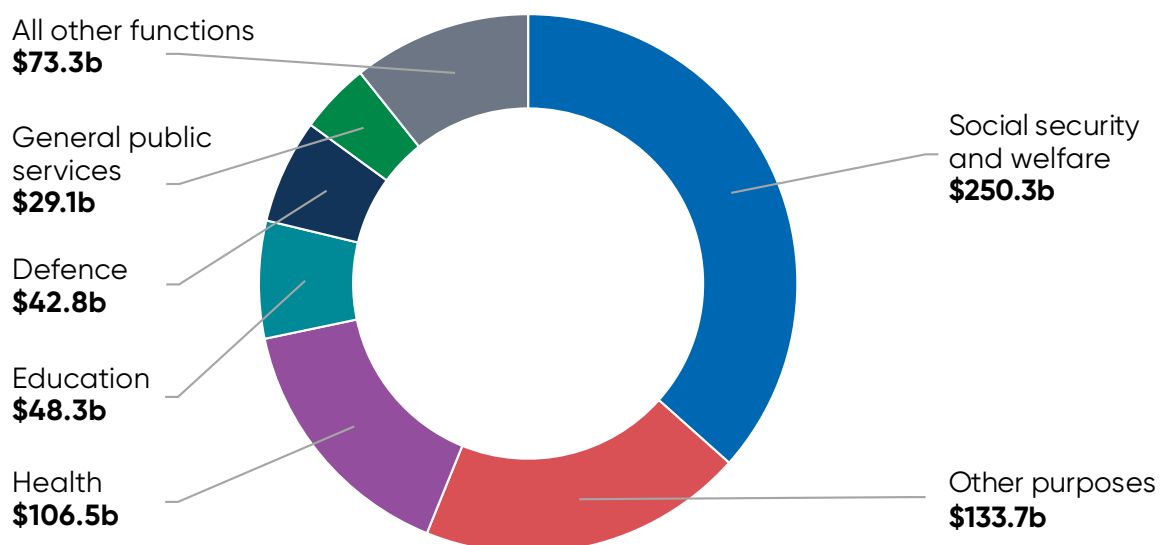
Appendix B: Revenue and spending

Total revenue for 2023–24 is expected to be \$680.4 billion. Total expenses are expected to be \$684.1 billion.

Where revenue comes from (2023–24)



Where government spending is directed (2023–24)



Appendix C: Major initiatives

This table summarises the major initiatives in the 2023–24 Budget and their impact on the underlying cash balance. More comprehensive information is provided in Budget Paper No. 2, Budget Measures 2023–24.

Initiatives ^{(a)(b)}	2022–23	2023–24	2024–25	2025–26	2026–27	Total
	\$m	\$m	\$m	\$m	\$m	\$m
Strengthening Medicare	-0.7	-1,370.5	-1,633.1	-1,288.2	-1,308.6	-5,601.1
Increase to Working Age Payments	-5.4	-981.9	-1,230.7	-1,212.8	-1,220.6	-4,651.4
Increased Support for Commonwealth Rent Assistance Recipients	-5.9	-537.9	-704.6	-725.3	-743.2	-2,716.8
Parenting Payment (Single) – improved support for single parents	-2.4	-365.4	-497.6	-517.4	-531.8	-1,914.6
Energy Price Relief Plan ^(c)	*	*	*	*	*	-1,518.9
2032 Brisbane Olympic and Paralympic Games – venue infrastructure	0.0	-36.0	-107.9	-348.4	-583.8	-1,076.0
Visa and Migration System	-77.5	-282.6	-244.3	-218.3	-198.9	-1,021.6
Improving Aged Care Support	-0.9	-189.4	-263.3	-193.9	-179.7	-827.2
Strengthened and Sustainably Funded Biosecurity System	0.0	-198.8	-194.8	-220.9	-185.7	-800.2
Enhancing Pacific Engagement	36.5	-155.8	-184.2	-164.1	-185.6	-653.2
National Approach for Sustainable Urban Development	9.3	-36.4	-189.1	-257.7	-153.6	-627.5
COVID-19 Aged Care Response	-226.7	-364.6	0.0	0.0	0.0	-591.3
National Cultural Policy – National Collecting Institutions – sustainability	0.0	-146.8	-176.3	-101.7	-110.4	-535.3
Building a Better Future Through Considered Infrastructure Investment	0.0	-143.5	-150.0	-106.0	-100.0	-499.5
Vaping Regulation Reform and Smoking Cessation Package	0.0	-60.1	-77.0	-180.0	-180.9	-498.0
Personal Income Tax – increasing the Medicare levy low income thresholds	0.0	-100.0	-140.0	-120.0	-100.0	-460.0

(a) Impact on underlying cash balance. Figures may not sum due to rounding.

(b) Figures presented are net of related payments.

(c) Does not include funding that is not for publication (nfp) due to commercial sensitivities.

Appendix D: Major budget improvements

This table summarises the major Budget improvements in the 2023–24 Budget and their impact on the underlying cash balance. Budget Paper No.2, Budget Measures 2023–24 contains more comprehensive information.

Initiatives ^{(a)(b)}	2022–23	2023–24	2024–25	2025–26	2026–27	Total
		\$m	\$m	\$m	\$m	\$m
GST compliance program – 4-year extension	0.0	788.2	922.8	1,021.4	1,085.4	3,817.7
Tobacco Excise – measures to improve health outcomes and aligning the treatment of stick and non-stick tobacco tax	0.0	290.0	650.0	1,030.0	1,070.0	3,040.0
Petroleum Resource Rent Tax (PRRT): Government Response to the Review of the PRRT Gas Transfer Pricing arrangements	0.0	498.6	598.7	799.1	499.1	2,395.6
Improving the investment in Aged Care	0.0	0.0	599.0	699.8	874.4	2,173.3
Reinvesting in Health and Aged Care Programs	0.0	414.6	415.9	417.0	422.0	1,669.5
Heavy Vehicle Road User Charge – Increase	0.0	101.8	228.2	369.3	391.5	1,090.8
Securing Australians' Superannuation Package – increasing the payment frequency of the Superannuation Guarantee (SG) and investing in SG compliance	0.0	-41.4	-0.5	0.0	1,120.0	1,078.1
Better Targeted Superannuation Concessions	0.0	-5.6	-15.2	309.0	614.2	902.4
Migration – Uplift of Visa Application Charges	0.0	100.0	150.0	190.0	225.0	665.0
Visa changes for Graduates and Students – increasing visa duration and work hours	-0.4	29.8	125.0	200.0	260.0	614.4
Amending measures of the former Government	25.1	92.0	87.4	153.4	205.4	563.3
Increasing the Passenger Movement Charge	0.0	-6.7	154.5	173.4	183.3	504.5
Tax Integrity- improving engagement with taxpayers to ensure timely payment of tax and superannuation liabilities	0.0	73.2	149.8	143.3	76.4	442.6
Extending the Personal Income Tax Compliance Program	0.0	-1.8	-1.8	123.2	264.5	384.1
A Modern and Clinically Appropriate Medicare Benefits Schedule	0.0	-9.6	71.5	125.3	137.6	324.8
Implementation of a global minimum tax and a domestic minimum tax	0.0	-39.5	-29.6	138.0	190.1	259.0

(a) Impact on underlying cash balance. Figures may not sum due to rounding.

(b) Figures presented are net of related payments.

Appendix E: Detailed economic forecasts

Domestic economy detailed forecasts^(a)

	Outcomes ^(b)	Forecasts		
	2021-22	2022-23	2023-24	2024-25
Real gross domestic product	3.7	3 1/4	1 1/2	2 1/4
Household consumption	3.7	5 3/4	1 1/2	2 1/2
Dwelling investment	2.9	-2 1/2	-3 1/2	-1 1/2
Total business investment ^(b)	6.1	3	2 1/2	2
By industry				
Mining investment	8.4	0	2	1 1/2
Non-mining investment	5.4	4	2 1/2	2
Private final demand ^(b)	4.3	4	1	2 1/4
Public final demand ^(b)	6.5	1 3/4	1 1/2	2
Change in inventories ^(c)	0.1	0	0	0
Gross national expenditure	5.1	3 1/4	1	2 1/4
Exports of goods and services	-0.3	8	6	3 1/2
Imports of goods and services	7.0	9	4	3 1/2
Net exports ^(c)	-1.3	0	1/2	0
Nominal gross domestic product	11.0	10 1/4	11 1/4	2 1/2
Prices and wages				
Consumer price index ^(d)	6.1	6	3 1/4	2 3/4
Wage price index ^(d)	2.6	3 3/4	4	3 1/4
GDP deflator	7.0	7	- 1/4	1/4
Labour market				
Participation rate (per cent) ^(e)	66.6	66 1/2	66 1/4	66 1/4
Employment ^(d)	3.6	2 1/2	1	1
Unemployment rate (per cent) ^(e)	3.8	3 1/2	4 1/4	4 1/2
Balance of payments				
Terms of trade ^(f)	11.9	1 1/2	-13 1/4	-8 3/4
Current account balance (per cent of GDP)	2.0	3/4	-2 1/2	-3 1/2
Net overseas migration ^(g)	184,000	400,000	315,000	260,000

(a) Percentage change on preceding year unless otherwise indicated.

(b) Excluding second-hand asset sales between the public and private sector.

(c) Percentage point contribution to growth in GDP.

(d) Through-the-year growth rate to the June quarter.

(e) Seasonally adjusted rate for the June quarter.

(f) Key commodities are assumed to decline from elevated levels over 4 quarters to the end of the March quarter of 2024: the iron ore spot price is assumed to decline from a March quarter 2023 average of US\$117 to US\$60/tonne; the metallurgical coal spot price declines from US\$342 to US\$140/tonne; the thermal coal spot price declines from US\$260 to US\$70/tonne; and the LNG spot price declines from US\$16 to US\$10/mmBTU. All prices are in free-on-board (FOB) terms.

(g) Net overseas migration is forecast to continue at 260,000 in 2025–26 and 2026–27.

Note: The forecasts for the domestic economy are based on several technical assumptions. The exchange rate is assumed to remain around its recent average level – a trade-weighted index of around 60 and a \$US exchange rate of around 67 US cents. Interest rates are informed by the Bloomberg survey of market economists. World oil prices (Malaysian Tapis) are assumed to remain around US\$87/barrel. Population growth is forecast to be 2 per cent in 2022–23, 1.7 per cent in 2023–24 and 1.5 per cent in 2024–25.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Balance of Payments and International Investment Position, Australia; National state and territory population; Labour Force Survey, Australia; Wage Price Index, Australia; Consumer Price Index, Australia; unpublished ABS data and Treasury.

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