

2024/25 Federal Budget

The Treasurer, the Hon Jim Chalmers MP, released his third budget on 14 May. Our Head of Advocacy and Stakeholder Engagement was in Canberra to get all the latest for our members, by attending Labor's budget night event, the La Trobe Women's event and briefings with the Australian Chamber of Commerce and Industry and the Independent Tertiary Education Council Australia.

We hope this brings you a well-rounded rundown specific to our industry and gives you an overview of what to expect for our Nation in the years ahead.

At the budget night event, the Prime Minister the Hon Anthony Albanese MP started his speech by saying this budget met his election commitments of "no one left behind and no one held back".

The response from the media and industry has been mixed, with many saying this will not help to provide the "relief, restraint and reform" the Treasurer was hoping for, as there seems to be no real economic reform or productivity measures. It has been set in the context of global uncertainty, high but moderating inflation, and high interest rates with cost-of-living pressures and a slowing economy.

The budget contained five main priorities. These were:

- Helping with the cost of living.
- Building more homes for Australians.
- Investing in a Future Made in Australia – including the skills and universities needed to make it a reality.
- Strengthening Medicare and the care economy, and
- Responsible economic management

3G support

Surveyors Australia has been advocating for ways to assist with the needed upgrades to equipment due to the 3G switch off. We utilised the prebudget submission process to call for an extension and an increase in the Instant Asset Write Off as one way to help relieve the pressure. We were pleased to see we had a win with it introduced for up to \$20,000 for the 2024/25 financial year, with the Government investing \$290m into this program. Disappointingly, the Government has elected to only have this available for small businesses with a turnover of \$10m. In other good news though, on Tuesday Parliament finally passed the Instant Asset Write Off for this financial year (up from \$1000 to \$20,000) giving you just a month or so to also benefit from this measure.

Generally, the Budget highlights include:

- A tax cut for every Australian taxpayer- as different levels apply, it is thought that this will mainly benefit women.
- Power bill relief for households (\$300) and eligible small businesses (\$325).

- \$1 billion for road, energy, and other infrastructure to support new home construction – with more funding for homes in every state and territory.
- Investments in critical minerals, including mapping deposits necessary for developing renewable energy technologies, as part of a \$566 million plan (over 10 years) to deliver maps, data and other tools to “fully map” Australian resources.
- Changes to student HECS repayments (benefiting approx. three million graduates by an average of \$12000 and tying future indexation to the lowest of annual headline inflation or wages growth
- New health investment, including additional funding for clinics in regional, rural, and remote Australia and a focus on Medicare care clinics and bulk billing. A freeze in the cost of PBS medicines will also be introduced, meaning no one will pay more than \$31.60 and no pensioner or concession cardholder will pay more than \$7.70. This investment also cuts the cost of one breast cancer treatment from around \$100,000 down to just \$31.60.
- Implementation of superannuation on Government funded paid parental leave from July 1, 2025
- A halving of migration levels from last year
- And importantly for our industry, more opportunities in every TAFE and University.

Skills, Training and Apprenticeships

The next generation of surveyors are able to start their careers through University, TAFE or our new Surveyors Academy. Therefore, we were interested in the changes as a result of the University Accord and to educational opportunities. These included:

- An aim for eight out of ten of workers to be tertiary educated by 2050.
- a preliminary study on using Australia’s international education sector to tackle critical skills shortages through work integrated learning and apprenticeships where domestic training capacity permits.
- Skilling the construction workforce to support housing supply.
- \$88.8m over 3 years to support 20,000 new free-free training places, in courses relevant to the construction sector to be delivered by TAFE and industry RTOs.
- \$1.8m over two years for streamlined skills assessments for around 1900 potential migrants who wish to work in Australia’s housing construction industry and prioritising processing of around 2,600 Trades Recognition Australia skills assessments in targeted construction occupations.
- \$265m over four years to provide further support for apprentices, trainees, and their employers in priority occupations.
- \$4.4m to drive demand for Vocational Education and Training in support of delivering the workforce required to meet Australia’s future skills needs.

- \$62.4 million, working with states and territories, to deliver an additional 15,000 Fee-Free TAFE and VET places.
- \$26.4 million, working with states and territories, for the Pre-Apprenticeships – Trade Experience Program, to deliver approximately 5,000 places in pre-apprenticeship programs over two years from 1 January 2025; and
- Supporting women to achieve higher paying careers through VET pathways. This will increase women’s access to skilled and well-paid careers and help address critical skills shortages across the economy. Support will also be available under the Apprenticeships Incentive System by setting specific targets for women within the Australian Skills Guarantee,
- Investing \$27.7 million over four years to improve tertiary collaboration and lay the foundation for broader tertiary education reforms. This includes providing better credit recognition between VET and higher education and exploring ways to improve regulatory approaches for dual sector providers (including TAFEs) between the Tertiary Education Quality and Standards Agency (TEQSA) and the Australian Skills Quality Authority (ASQA).
- Investing \$58.2 million over four years to relieve the financial pressure on VET students undertaking mandatory work placements as part of nursing including midwifery qualifications to combat placement poverty, reduce drop out, support completions and encourage greater take-up. Work placements are a critical component of the training experience but come at a genuine cost to students and ultimately the Australian workforce, which is experiencing critical shortages in these sectors.
- \$265.1 over four years to provide targeted support under the Australian Apprenticeships Incentive System. This includes \$5000 support for both apprentices and their employers in identified priority areas.

Infrastructure and housing

The Federal Government is focused on building more homes for Australians and aims to build 1.2m in the five years from July. The Homes for Australia plan will slash red tape and clear local infrastructure bottlenecks, provide more housing for students, fund more social and affordable housing, and deliver better transport for better access to suburbs, cities and regions.

They will support the states and territories to deliver on housing and infrastructure promises though:

- New housing investment of \$6.2 billion in in specific initiatives, taking the Government's total new investment since 2022 to \$32 billion. Existing investment has been made to directly increase the supply of social and affordable housing, delivering 40,000 social and affordable homes through the National Housing Accord and the Housing Australia Future Fund.
- An extra \$1 billion to states and territories to deliver new housing
- An additional \$16.5 billion for new and existing infrastructure projects across Australia over 10 years
- More money for every state: an additional \$9.5 billion for projects over the forward estimates

- Future-proofing Western Sydney with \$3.2 billion for the airport, to improve transport networks and to plan and build roads supporting housing developments
- Brisbane and surrounds will benefit from enhancements in connectivity and increase accessibility and reliability of Southeast Queensland transport networks, building the link between Brisbane and SEQ, and Brisbane and the Sunshine Coast.
- A focus on more remote housing in the Northern Territory.
- \$102 million to upgrade regional airports and remote airstrips, better connecting remote communities to essential services.
- \$3.25 billion towards Victoria's Northeast Link
- \$467 million for upgrades to the Bruce Highway
- \$78 million to deliver a business case for high-speed rail between Sydney and Newcastle
- \$50 million for Stage 2B of Canberra Light Rail to Woden

A future made in Australia

The center piece of the budget is the Future Made in Australia package. This will include:

- \$54.7 million over two years from 2024–25 to administer, coordinate and promote the Government's Future Made in Australia agenda, including the development of legislation that establishes a National Interest Framework and consultation on the development of a 'single front door' that improves the attraction and facilitation of major investment proposals
- \$11.4 million over four years from 2024–25 (and \$3.1 million per year ongoing from 2028–29) to establish and manage a domestic National Interest Account with Export Finance Australia, supporting domestic projects in the national interest, consistent with the Future Made in Australia National Interest Framework
- A production tax incentive for the production of renewable hydrogen, processing and refining of critical minerals, the promotion of net zero innovation, including for green metals and low-carbon fuels, and the strengthening of the battery and solar panel supply chains through production incentives
- \$566.1 million to map Australia's geological potential to support net zero transition
- \$14 million to build better markets through trade, promoting competitive and fair global markets
- \$268 million to support the development of defense industries and skills
- \$1.1 billion to reform higher education and deliver our skilled workforce
- \$88.8 million for 20,000 new training places relevant to construction
- Strengthening digital, science and innovation capabilities

- \$448.7 million for advanced satellite data on climate, agriculture, and natural disasters
- \$10.8 million to support the mental and financial wellbeing of small business owners
- \$519.1 million from the Future Drought Fund for farmers and rural communities
- \$1.9 million in 2024–25 to undertake an independent statutory review of the Northern Australia Infrastructure Facility Act 2016
- \$1.7 billion funding over ten years from 2024–25 for investments in innovation, science and digital capabilities to support a Future Made in Australia, including:
 - \$566.1 million over ten years from 2024–25 (and an average of \$111.8 million per year from 2034–35 to 2058–59) for Geoscience Australia to map Australia’s national groundwater systems and resource endowments to increase industry investment and identify potential discoveries of all current critical minerals and strategic materials
 - \$466.4 million for PsiQuantum Pty Ltd as part of a joint investment with the Queensland Government
 - \$448.7 million over 11 years from 2023–24 (and an average of \$43.2 million per year ongoing from 2034–35) to establish Australia’s partnership with the United States on the next generation of the Landsat satellite earth observation program (Landsat Next)
 - \$145.4 million over two years from 2024–25 to maintain the National Measurement Institute’s core scientific measurement and ICT capabilities and to support current site operations and future planning
- \$19.7 billion over ten years from 2024–25 to accelerate investment in Future Made in Australia priority industries, including renewable hydrogen, green metals, low carbon liquid fuels, refining and processing of critical minerals and manufacturing of clean energy technologies including in solar and battery supply chains
- Up to \$1.2 billion in strategic investments in priority critical minerals projects including up to \$655million under the Critical Minerals Facility and up to \$400 million through the Northern Australia Infrastructure Facility. This includes financing to support the Alpha HPA alumina project in Queensland and Arafura Rare Earth’s Nolans Rare Earth project in the Northern Territory.

Cost of living measures:

While annual inflation has more than halved from its peak in 2022 (and is lower than anticipated in the mid-year update) people are still doing it tough. The cost-of-living policies have been designed to ease pressure and to take another $\frac{3}{4}$ of a percentage point off inflation this year, and $\frac{1}{2}$ a percentage point next year.

- All 13.6 million Australian taxpayers will get a tax cut, with the average being \$1,888 or \$36 a week; this involves a reduction in the 19% tax rate to 16% and the 32.5% rate reduces to 30 per cent, increasing the income threshold above which the 37% tax rate applies from \$120,000 to \$135,000, and an increase from \$180,000 to \$190,000 for the 45% rate.

- \$3.5 billion in energy bill relief for all Australian households and one million small businesses. The Government claims that their efforts have also kept electricity price increases to 2% instead of an expected 15%.
- \$1.9 billion to increase Commonwealth Rent Assistance by a further 10 per cent, benefiting nearly 1 million households
- Cheaper medicines as part of the up to \$3 billion agreement with community pharmacies
- Waiving \$3 billion in student debt for more than 3 million Australians to make student loans fairer
- Getting consumers a better deal at the supermarket checkout and through the energy transition.
- \$27.7 million to develop priority reforms to ensure that consumer energy resources, including rooftop solar, household batteries, and electric vehicles, continue to unlock savings
- \$1.1 billion to pay superannuation on Government-funded Paid Parental Leave benefiting 180,000 families a year
- \$138 million to boost funding for emergency and food relief and financial support services
- Supporting wages growth through submissions to the Fair Work Commission and supporting pay rises for care sector workers
- Extending the freeze on deeming rates for 876,000 income support recipients
- Addressing gender-based violence in higher education
- \$56.1 million to support women's sexual and reproductive health initiatives
- \$777.4 million to develop local jobs, services, and economic opportunities in remote regions
- \$111.1 million to improve remote First Nations communities' access to essential services in the Northern Territory
- \$41.2 million in targeted support for JobSeeker Payment recipients with additional barriers to work
- \$68 million to roll out community wi-fi in remote communities and better support digital literacy

Migration levels

The Government is addressing the pressures caused by population growth, with net overseas migration next year now expected to be half what it was last year. It will be interesting to see the impact this has over the years ahead.

For more information

Please feel free to contact our Head of Advocacy and Stakeholder Engagement, Melanie Gibbons on 0492 498 954 or melanie@consultingsurveyors.com.au

Please also find below:

The Federal Government's Budget Papers, where you can read the Treasurer's Speech, and look at each portfolio in more detail. [Budget.gov.au](https://budget.gov.au) | [Budget 2024-25](#)

The Australian Chamber of Commerce and Industry's ***Budget Overview***, along with their ***Budget Media Release***.

Read [ACCI's 2024-25 Budget Overview](#).

Read [ACCI's Budget Media Release](#).