National Farmers Federation

2023-24 Federal Budget

Summary of Budget Measures

Contents

Executive Summary

Key Indicators

	2021-2022 (outcome)	2022-2023 (estimate)	2023-24 (estimate)	2024-25 (forecast)	2025-26 (forecast)	2026-27 (forecast)
Economic Growth (%)	3.7	3.25	1.5	2.25	2.75	2.75
CPI (%)	6.1	6.0	3.25	2.75	2.5	2.5
Unemployment (%)	3.8	3.5	4.25	4.5	4.5	4.25
Surplus/Deficit ($bn)	-32.0	4.2	-13.9	-35.1	-36.6	-28.5

Budget highlights

- **The budget forecasts a surplus of $4 billion in 2022-23 – the first in 15 years.**
- **The budget forecasts Australia's economic growth will slow from 3.25% in 2022-23 to 1.5% in 2023-24 before recovering to 2.25% in 2024-25. This slowing economic growth is the result of the weakest global economic growth in two decades.**
- **The Government has identified an $125.9 billion improvement in the underlying cash balance over the 5 years to 2026-27.**
- **The budget proposes a $14.6 billion cost-of-living plan that helps with power bills, brings down out-of-pocket health costs, boosts wages and creates more affordable housing.**
- **$260 million in additional biosecurity funding on top of a permanent, sustainable funding system.**

Economic Overview

The 2023-2024 Federal Budget (the Budget) layouts the Government's priorities with the backdrop of high uncertainty and a worsening global economic environment. It is characterised by high commodity prices, low unemployment, and high personal and company tax receipts, leading to improved budget conditions compared to forecasts in the October 2022 Budget.

The Budget strategy is to provide targeted cost-of-living relief that does not add to inflation while maintaining a consistent focus of reducing gross debt as a share of the economy over time. The government intends for this to reduce pressure on the economy, ensure fiscal policy doesn't increase inflation and set the government up to address large structural issues across the medium and long-term.

A budget surplus of $4.2 billion (0.2 per cent of GDP) is now forecast in 2022–23 before returning to a deficit of $13.9 billion in 2023–24. This is an improvement of

$30.1 billion since the October Budget. Over 5 years to 2026–27, there is a cumulative improvement in the underlying cash balance of $125.9 billion. Debt and deficits are lower in each year of the forward estimates and medium term.

While the Australian economy is expected to outperform all major advanced economies, global and domestic headwinds will be a drag on activity in 2023–24. High inflation and the rise in interest rates are squeezing households and weighing on dwelling investment. Forecast real GDP growth remains unchanged at 1.5% in 2023–24.

The unemployment rate is projected to remain low by historical standards, rising modestly to 4.25% by the June quarter of 2024 and 4.25% by the June quarter of 2025.

Inflation has peaked and is moderating as global price shocks and supply constraints ease. While still elevated, inflation is expected to fall to 3.25% in 2023–24 and return to the target band in 2024–25.

From a whole of agriculture perspective, the global economic outlook offers significant risks for the industry. The global economic outlook has deteriorated and is highly uncertain. High inflation and rising interest rates will see the weakest two years for the global economy in over two decades, outside of the Global Financial Crisis and the pandemic. While China's reopening has provided a boost to global economic demand this is not enough to offset other challenges.

There are significant risks to the outlook over the forward estimates, including from a more severe global downturn, a larger than expected pull-back in domestic consumption in response to high inflation and rising interest rates.

NFF Media Statement

‘Cost of living’ budget does little to stem rising food prices as farmers taxed more

Tonight’s ‘cost of living’ budget is a missed opportunity to address food price inflation, according to Australia’s peak farm body.

National Farmers’ Federation President, Fiona Simson, said the budget does nothing to get to the heart of rampant food price inflation – which NFF polling shows is weighing on the minds of 8 in 10 Australians.

“We know that Australians are feeling the pinch of their weekly shop. This budget ignores practical solutions that could have provided a double-whammy of price relief for households and a stronger more vibrant agriculture sector.”

The NFF has pointed to road funding, tax incentives and measures to address worker shortages as areas where tonight’s budget falls short.

“Right along the supply chain, the businesses which grow, process and transport our food and fibre are under immense pressure.

“Whether it’s workforce shortages, damaged roads, or the cost of capital upgrades – there are issues that need urgent attention if we want to achieve price relief for consumers.

“Sadly, tonight’s budget fails to act on these in any meaningful way.”

Increased biosecurity funding includes a tax whack for farmers

Farmers acknowledge an increase in government biosecurity spending, which extends beyond the forward estimates for the first time.

“We welcome the Government’s commitment to cement and increase baseline Commonwealth funding into the budget, including through some increased chargers on importers and travellers. It’s important to see that locked in,” Ms Simson said.

However, farmers hoping to see an increase in biosecurity funding have been dealt a bittersweet hand, with a surprise raid on farmers’ hip pockets set to help bankroll the system.

Farmers will face a bill equivalent to 10 per cent of their industry-led agricultural levies – levies which already fund many biosecurity activities and organisations. Farmers are already a significant contributor to the system in recognition of the benefits it provides the sector.

The increase will be imposed on products from 1 July 2024, after a period of industry consultation.

“The move to have farmers foot the bill is a bitter pill to swallow. We’re already significant financial contributors.

“What’s more, we bear the cost of managing historical pest and disease incursions and face the enormous threats posed by pests and diseases on our doorstep.”

“After years of consultation and discussion, we’d hoped to see a scheme such as a broad-based container levy - that forced risk creators to underwrite the system.

“It’s extremely disappointing to have to continue waiting for a meaningful contribution from risk creators.”

Natural Heritage Trust to support farmers to lower emissions

There’s welcome clarity on the Natural Heritage Trust’s $302.1 million over five years to support farmers’ transition to a low emissions future and strengthen agricultural sustainability.

The NFF supported Independent Member for Indi, Helen Haines’ proposal, consistent with NFF recommendations, for regional independent extension officers to assist farmers to better understand carbon both from an on-farm and market perspective.

“This is a critical announcement that will help farmers understand and respond to climate change, and access new environmental markets.

“NFF will seek to work with the Government on the design and implementation of this measure.”

We also welcome the restating of the measure that would support the introduction of legislation to treat carbon and biodiversity income as farm income.

Road funding on the road to nowhere

Calls for urgent funding to repair and improve Australia’s regional and rural road network have gone unanswered by the budget.

“Over the past few months alone, devastating floods have swallowed crops and pastures and caused major infrastructure damage, creating heartache for farmers and food shortages in our supermarkets.

“The $250 million in new funding committed is barely a drop in the ocean in terms of what’s needed.

“Repairing our roads means strengthening our connection to markets, making food more available and more affordable for Australians. This is a missed opportunity to bring down costs in the food supply chain.”

Business investment incentives fall short

The NFF welcomes support for small businesses to invest in electrification and energy efficiency through the Small Business Energy Initiative.

This means farmers will save on energy bills with an extra 20% deducted on eligible depreciating items like energy efficient fridges, heat pumps and batteries, but it fails to include renewable energy generation like solar panels.

The Instant Asset Write-Off has been extended another year, now with a cap set at $20,000 per asset.

“It’s a lopsided compromise. Farmers are looking at ways to bring down the increasing energy burden and the incentive will help spur this along.

"But it's disappointing the two incentives fall far short of the previous uncapped Instant Asset Write-Off which gave farm businesses far more reach to increase productivity."

PALM support welcomed, but lacks detail

The NFF cautiously welcomes the Government's investment in the Pacific Australia Labour Mobility (PALM) program.

The Government has committed $370.8 million over 4 years to expand and improve the PALM scheme, to support sustainable scheme growth and improve support for workers in line with Australian and Pacific aspirations.

"While we welcome the investment in one solution to ease the labour crisis facing Australian farmers, the Government continues to force industry to put all our eggs in one basket.

"This funding needs to improve access to the scheme for small producers. If the scheme continues to be inaccessible to small producers, it is difficult to see how it will answer our workforce issues."

Customers and the Value Chain

Strengthened and Sustainably Funded Biosecurity System

The Government will provide an additional $1.0 billion over 4 years from 2023–24 (and $268.1 million per year ongoing) to meet its election commitment to strengthen Australia's biosecurity system. This provides sustainable and predictable funding for Australia's biosecurity system.

Funding includes:

- $845.0 million over 4 years from 2023–24 (and $255.3 million per year ongoing) to maintain biosecurity policy, operational and technical functions on a sustainable basis, including regulation, surveillance, domestic preparedness and response, and international engagement and capability development

- $145.2 million over 3 years from 2023–24 to deliver modern digital systems in cargo pathways that are integrated with business systems, cut red tape and streamline regulation and service delivery for importers

- $40.6 million over 4 years from 2023–24 (and $12.0 million per year ongoing) to continue the Indigenous Ranger Biosecurity Program to reduce biosecurity risks in Northern Australia and provide social and economic benefits to First Nations, rural and remote communities.

The cost of the measure will be partially offset through introducing:

- cost recovery arrangements for the clearance of low value imported cargo, which is expected to raise $81.3 million over 3 years from 2024–25

- a biosecurity protection levy on Australian producers of agricultural, forestry and fishery products from 1 July 2024, set at a rate equivalent to 10% of the 2020–21 industry-led agricultural levies, which is estimated to increase receipts by $153.0 million over 3 years from 2024–25. The levy recognises the benefits that primary producers derive from Australia's biosecurity system, including detection, identification and response associated with invasive pests and diseases, maximising trade opportunities, and enhancing access to premium overseas markets.

Phase Out of Live Sheep Exports by Sea – Independent Panel

The Government will provide $5.6 million over two years from 2022–23 to establish a panel to undertake an independent assessment and consultation process to inform the phase out of live sheep exports by sea. This funding provides financial support for the operation of the Independent Panel and supporting staff within DAFF.

Renewed Australian Animal Welfare Strategy

The Government will provide $5.0 million over 4 years from 2023–24 to develop a renewed Australian Animal Welfare Strategy (the Strategy) to establish national standards to support improved animal welfare outcomes. The Strategy will re-establish a national framework for priority setting and associated national standards; and measures for the improvement of animal welfare outcomes.

Austrade and Export Market Development Grants – Reprioritisation

The Government is reducing funding for the Export Market Development Grants program. This will achieve savings of $61.0 million over 4 years from 2023–24. These savings will be redirected to fund Government policy priorities in the Foreign Affairs and Trade portfolio.

Simplified Trade System – Additional Funding

The Government will provide an additional $23.8 million in 2023–24 to continue initiatives to modernise and improve Australia's international trade system, including delivering the simplified trade system reforms and continuation of the Trade Information Service.

National Reconstruction Fund Corporation – establishment

$61.4 million over 4 years from 2023–24 (and $1.2 million per year ongoing) to establish the National Reconstruction Fund Corporation (NRFC). Funding includes:

- $53.2 million in 2023–24 for the establishment and operational costs of the NRFC, with ongoing operations expected to be funded from revenues earned on investments made.

- $8.2 million over 4 years from 2023–24 (and $1.2 million per year ongoing) for the Department of Industry, Science and Resources to assist and support the establishment and oversight of the NRFC.

The NRF will earn estimated receipts of $188.7 million over the forward estimates from the $15.0 billion of investments in loans, equity investments and guarantees, with the returns to be reinvested to ensure the NRFC's sustainability.

Urgent road funding nowhere to be found

No additional funding will be provided for urgent road infrastructure needs across regional and rural Australia. The Government will continue to provide current infrastructure funding, which includes $1.8 billion over 10 years from 2023–24 for:

- $1.1 billion in 2032–33 to continue existing road maintenance and safety programs, with:
  - $500.0 million for the Roads to Recovery Program
  - $350.0 million for national road network maintenance
  - $110.0 million for the Black Spot Program
  - $85.0 million for the Bridges Renewal Program
  - $65.0 million for the Heavy Vehicle Safety and Productivity Program
  - $18.9 million for transport research organisations and innovation projects

- $361.9 million over 8 years from 2023–24 for infrastructure projects in New South Wales, including safety upgrades on the Bells Line of Road and Nowra Bypass planning

- $200.0 million over two years from 2023–24 for the Major Projects Business Case Fund to support the planning of land transport infrastructure projects
- $60.0 million over 3 years from 2023–24 to continue supplementary local road funding in South Australia
- $3.0 million in 2023–24 to undertake a feasibility study for an intermodal terminal in Parkes, New South Wales to support the Inland Rail program, with funding to be redirected from existing National Intermodal Corporation equity.

Reducing Transport Emissions

$20.9 million over 5 years from 2022–23 for initiatives to decarbonise the transport and infrastructure sectors and support achieving our net zero by 2050 target. Funding includes:

- $7.8 million over 4 years from 2022–23 to develop a Transport and Infrastructure Net Zero Roadmap and Action Plan to support the decarbonisation of the transport and infrastructure sectors
- $7.4 million over 4 years from 2023–24 to develop Fuel Efficiency Standards to encourage light vehicle manufacturers to increase the supply of fuel efficient and electric vehicles in the Australian market
- $5.2 million over 4 years from 2023–24 to support Australia’s transition to electric vehicles through the development of a national charging infrastructure mapping tool, safety guidance and training for emergency service workers. Funding will also support the evaluation of requirements for retrofitting existing multi-residential buildings with electric vehicle charging infrastructure, and a large format battery recycling, reuse and stewardship initiative in Australia
- $0.6 million in 2023–24 to develop a Maritime Emissions Reduction National Plan to facilitate the energy transition for the domestic maritime sector.

The costs of this measure will be fully offset, including by redirecting funding from the 2022–23 October Budget measure titled Powering Australia – Driving the Nation Fund – establishment.

Supporting Transport Priorities

$267.4 million over 7 years from 2022–23 to support land, maritime and aviation transport priorities, including to increase productivity and maintain safety across the sectors. Funding includes:

- $64.2 million over 6 years from 2022–23 for the Department of Infrastructure, Transport, Regional Development, Communications and the Arts to enable the delivery of transport and infrastructure priorities, including $35.6 million for IT systems to support infrastructure investment and road vehicle safety regulation

- $22.3 million over 6 years from 2023–24 for phase 3 of the Strategic Local Government Asset Assessment Project to continue assessments of local government road assets, which will support development of a national automated road access system for heavy vehicles

- $18.9 million over 3 years from 2023–24 to procure road safety data, research and evaluate projects

- $13.5 million over 3 years from 2023–24 for an additional round of the *Remote Airstrip Upgrade Program* to support improved safety and access at remote airstrips and facilitate air connectivity and the delivery of goods and services to remote communities

- $0.4 million in 2022–23 to enable the National Transport Commission to progress the rail interoperability work plan, to be met from funding previously included in the Contingency Reserve.

This measure will be partially offset by the redirection of unspent funding under the *Road Safety Program,* and funding previously provided for the Road Safety Innovation Fund, the Road Safety Awareness and Enablers Fund, Amy Gillet Foundation and Supporting Young and Vulnerable Road Users programs which have been consolidated into the new National Road Safety Action Grants Program.

This measure builds on the 2022–23 October Budget measures titled *Support for the Aviation Sector* and *Responsible Investment to Grow Our Regions*

Growing Sustainably

National Net Zero Authority

$83.2 million over 4 years from 2023–24 to establish a national Net Zero Authority (the Authority) to promote orderly and positive economic transformation associated with decarbonisation and energy system change in regional areas, including support for impacted workers.

- As an interim step, an agency will be established from 1 July 2023, initially within the Department of the Prime Minister and Cabinet, to lead the design and establishment of the Authority and to perform functions of the Authority, pending formal establishment of the Authority

- This measure builds on the 2022–23 October Budget measure titled *Prime Minister and Cabinet – additional resourcing*. The Government will consider future funding for the Authority after the design work has been finalised, with the Government having provisioned ongoing funding for the Authority in the Contingency Reserve.

Future-proofing the Murray-Darling Basin

$148.6 million over 4 years from 2023–24 towards the sustainability of the Murray-Darling Basin (Basin). Funding includes:

- $103.7 million for the Murray-Darling Basin Authority to prepare for and undertake the first statutory review of the Murray-Darling Basin Plan 2012, with updated science to enable the Basin to adapt to the impacts of climate change

- $44.9 million for the Department of Climate Change, Energy, the Environment and Water to provide advice and work with Basin states and affected communities on the Basin Plan.

Water Market Reform – strengthening integrity and transparency

$32.7 million over 4 years from 2023–24 (and $3.4 million per year ongoing) to restore transparency, integrity and confidence to water markets including:

- a single digital platform for national water data management

- a new water market website to publish minute-by-minute updates on water market information.

- water market data standards that prescribe the data that must be provided to the Bureau of Meteorology to support transparency and enforceability of the new water market regulatory regime.

Partial funding for this measure will be held in the Contingency Reserve until the project's ICT investment approval process is completed.

Partnering to Implement the National Soil Action Plan

$20.0 million in 2023–24 to fund states and territories to deliver initiatives that contribute to priority actions of the *National Soil Action Plan*, tailored to regional soil needs and conditions. Funding for this measure is subject to financial contributions from the states and territories. This is repurposed money.

This measure will be offset by redirecting $20.0 million from the *National Soil Resources Information System* included as part of the 2021–22 Budget measure titled *Agriculture 2030*, with a further $11.7 million redirected to offset other priorities in the Agriculture, Fisheries and Forestry portfolio.

Natural Heritage Trust – project funding

$741.3 million over 5 years from 2023–24 from the Natural Heritage Trust special account to support local and long-term environmental and agricultural outcomes. Funding includes:

- $341.2 million over 5 years from 2023–24 to protect nature, threatened species and habitats and to maintain delivery capability through activities like the BushBlitz, Natural Resource Management (NRM) partnerships and on-ground conservation and recovery activities
- $302.1 million over 5 years from 2023–24 to support a climate-smart, sustainable agricultural sector including funding for NRM organisations, on-ground projects, support for farmers to improve soil health and natural resources and funding to maintain delivery capability
- $50.0 million over 5 years from 2023–24 to conserve and restore Ramsar listed wetlands and catchments
- $48.0 million over 5 years from 2023–24 to continue management of Australia’s state-managed world heritage listed properties.

The cost of this measure will be met from within the existing resourcing of the Natural Heritage Trust special account.

Independent Review of Australian Carbon Credit Units – initial response

$18.1 million over two years from 2023–24 to implement priority reforms to the operation of the Australian Carbon Credit Unit (ACCU) scheme as part of the Government’s initial response to the Independent Review of Australian Carbon Credit Units. Funding includes:

- $5.9 million over two years from 2023–24 to conduct audits of human induced regeneration projects
- $4.5 million over two years from 2023–24 to upgrade the Clean Energy Regulator’s systems to publish carbon estimation area data
- $4.2 million over two years from 2023–24 to consult on the design of proposed reforms

- $3.5 million over two years from 2023–24 to establish the Carbon Abatement Integrity Committee to ensure method integrity for ACCUs.

The Government has also transferred functions relating to method development activities for ACCUs from the Clean Energy Regulator to the Department of Climate Change, Energy, the Environment and Water.

Capturing Australia's Emissions Reduction Data – additional funding

$21.8 million of additional funding over 3 years from 2023–24 to maintain and enhance the capability of Australia's National Greenhouse Accounts to deliver high-quality emissions data and track progress against Australia's emissions reduction targets.

National Water Grid Fund– cuts and funding of new priorities

$70.9 million over 11 years from 2023–24 to extend resourcing for the National Water Grid Authority to deliver committed water infrastructure projects and support its expanded remit.

The Government has cut several National Water Grid projects, to save $872.5 million over 11 years, including, for example, not proceeding with the Southern Forests Irrigation Scheme valued at $39.7 million.

$197.1 million over 6 years from 2023–24 has been re-allocated from within the National Water Grid Fund to fund construction of 3 water infrastructure projects:

- $109.0 million for the Northern Midlands Irrigation Scheme
- $62.1 million for the Sassafras-Wesley Vale Irrigation Scheme
- $26.1 million for the Quality Water for Wannon project.

National Water Reform – First Nations peoples' water ownership

$9.2 million over 4 years from 2022–23 to consult on and design an enduring arrangement for First Nations peoples to own, access and manage water in Australia.

Funding for this measure has already been provided for by the Government.

Nature Positive Plan means further investment in Nature Repair Market

$214.1 million over 4 years from 2023–24 (and $4.5 million per year ongoing) to deliver the Nature Positive Plan: better for the environment, better for business (Nature Positive Plan). Relevant to agriculture, this includes:

- $7.7 million in 2023–24 to continue developing the foundations of a Nature Repair Market, including detailed rules (methods) for different types of projects.

The Government will delay the start date of the biodiversity certificate component of the 2022–23 March Budget (measure titled Primary Producers – increasing concessional tax treatment for carbon abatement and biodiversity stewardship income) from 1 July 2022 to 1 July 2024. This delay will align the start date of this component of the measure with the commencement of the Nature Repair Market.

National Climate Adaptation and Risk Program

$28.0 million over two years from 2023–24 to develop Australia's first National Climate Risk Assessment and a National Adaptation Plan to understand the risks to Australia from climate change, invest in a plan to adapt to those risks, and commission an independent review of the Australian Climate Service.

Powering the Regions Fund – final design

$1.3 billion allocated over 5 years from 2022–23 from $1.9 billion provided in the 2022–23 October Budget to support the decarbonisation of existing industries, develop new clean energy industries and support sovereign manufacturing capacity essential to the energy transition including:

- $450.3 million over 4 years from 2023–24 (and a further $149.7 million over 3 years from 2027–28) to establish the Safeguard Transformation Stream to support decarbonisation investments at trade-exposed industrial facilities covered by the Safeguard Mechanism.
- $400.0 million over 4 years from 2023–24 to establish the Industrial Transformation Stream to support reduction of direct and indirect emissions at existing industrial facilities, or clean energy development, in regional Australia
- $400.0 million over 3 years from 2023–24 to establish the Critical Inputs to Clean Energy Industries Stream to support the sovereign manufacturing capability of industries that produce inputs (primary steel production, cement and lime, alumina and aluminium) that are essential to the development of Australia's clean energy industries
- $14.5 million over 4 years from 2023–24 to accelerate the development of the offshore renewable energy industry growth strategy and regulatory compliance activities
- $8.6 million over 4 years from 2023–24 to support implementation and review of the Safeguard Mechanism reforms
- $3.9 million over two years from 2023–24 for a review of policy options to reduce carbon leakage, including of an Australian carbon border adjustment mechanism.

Funding of $89.0 million has also been provided through the Powering the Regions Fund to support energy transition investments important to regional Australia, including the 2023–24 Budget measures titled Capacity Investment Scheme and Ensuring the Supply of Reliable, Secure and Affordable Energy.

The Powering the Regions Fund will continue to support Government purchase of Australian Carbon Credit Units.

Flood Warning Infrastructure Network Remediation

$236.0 million over 10 years from 2023–24 (and $13.9 million per year ongoing from 2032–33) to remediate high priority flood warning infrastructure and address critical reliability risks. The Bureau of Meteorology will acquire, upgrade and integrate local and state government-owned rain and river gauges into its existing flood warning network.

Disaster Support

The Government will provide funding to improve Australia's resilience to natural disasters and support recovery of impacted communities including:

- $125.7 million over 5 years from 2022–23 (and $28.3 million per year ongoing) to uplift the capacity of the National Emergency Management Agency to support Australians during, and following, a disaster. Funding from 2024–25 will be held in the Contingency Reserve, pending a review of the agency's funding requirements
- $10.1 million over two years from 2023–24 to scope the capability needs to modernise Australia's emergency service communications to provide Commonwealth, and state and territory agencies high-speed and high-capacity mobile broadband services, to improve the operational effectiveness and safety of public safety personnel
- $8.6 million in 2023–24 to supplement and maintain a national emergency management stockpile of disaster response resources
- $8.0 million over 4 years from 2023–24 to continue to provide financial assistance to eligible New Zealanders in Australia following a disaster
- $7.4 million over 4 years from 2023–24 (and $0.6 million per year ongoing) to establish and maintain a Disaster Recovery Management System
- $7.2 million over two years from 2023–24 to extend mental health services supporting communities affected by disasters
- $2.3 million in 2022–23 to extend the Regional Small Business Support Program Pilot until 30 June 2023 to continue existing support to regional small businesses, with costs met from within existing uncommitted resources of the National Emergency Management Agency.

The Government will also provide $200 million in 2023–24 for disaster resilience initiatives through the Disaster Ready Fund to address a broad range of natural hazards, infrastructure needs, and for systemic risk reduction projects. Funding for this element has already been provided for by the Government.

The support outlined in this measure is in addition to previous assistance of $1.4 billion committed by the Commonwealth Government in response to multiple disaster events under Category C and D of the Disaster Recovery Funding Arrangements. The cost of this assistance will be met from funding previously included in the Contingency Reserve.

Unlocking Innovation

Supporting a Stronger and More Sustainable Agriculture Sector

The Government will provide $38.3 million over 4 years from 2023–24 (and $7.6 million per year ongoing) to support agricultural statistics, climate analysis and upgrades to data and information systems for the Australian Bureau of Agricultural and Resource Economics and Sciences. This measure will be partially offset by savings from within the Agriculture, Fisheries and Forestry Portfolio.

Ensuring the Supply of Reliable, Secure and Affordable Energy

$80.0 million over 4 years from 2023–24 (and $11.1 million per year ongoing) to support the supply of cheap, clean and reliable energy across Australia. Funding includes:

- $35.6 million over 4 years from 2023–24 (and $8.8 million per year ongoing) to the Australian Energy Regulator (AER) to continue compliance and enforcement activities to regulate and monitor energy markets
- $28.4 million over 4 years from 2023–24 to support the delivery of new cross-government energy market reforms and national energy projects as directed by Energy Ministers through the Energy Special Account
- $10.9 million over 4 years from 2023–24 (and $2.4 million per year ongoing) to the AER for new legislated functions that will support Australia's energy transformation and reduce emissions.

Small Business Energy Incentive

New tax deductions will support small and medium businesses to save on energy bills through incentivising the electrification of assets and improvements to energy efficiency. Details include:

- Up to $100,000 of total expenditure will be eligible for the Small Business Energy Incentive, with the maximum bonus deduction being $20,000
- A range of depreciating assets, as well as upgrades to existing assets, will be eligible for the Small Business Energy Incentive. These will include assets that upgrade to more efficient electrical goods such as energy-efficient fridges, assets that support electrification such as heat pumps and electric heating or cooling systems, and demand management assets such as batteries or thermal energy storage. Full details of eligibility criteria will be finalised in consultation with stakeholders
- Eligible assets will need to be first used or installed ready for use between 1 July 2023 and 30 June 2024. Eligible upgrades will also need to be made in this period
- Certain exclusions will apply such as electric vehicles, renewable electricity generation assets, capital works, and assets that are not connected to the electricity grid and use fossil fuels.

People and Communities

Safe and Fair Workplaces

$27.4 million over 4 years from 2023–24 (and $1.1 million per year ongoing) to improve the safety and fairness of workplaces and continue detailed consultation with key industries. Funding includes:

- $20.0 million over two years from 2023–24 to increase to the Productivity, Education and Training Fund, to support engagement and practical activities of worker and employer representatives with workplace reforms as they progress and the implementation of the Government's Workplace Relations agenda
- $0.3 million in 2023–24 for a specialist review into the operations of the Office of the Fair Work Ombudsman
- $0.8 million in 2023–24 to conduct a review of modern awards in the context of new gender equality and job security objects and the updated modern awards and minimum wages objectives in the Fair Work Act 2009, the review will also consider opportunities to make awards simpler to use.

The Government is continuing its comprehensive consultation with stakeholders on the implementation of election commitments and Jobs and Skills Summit outcomes to close loopholes in the workplace relations system, including the Same Job, Same Pay principle, the regulation of employee-like forms of work, and legislating a fair, objective definition of casual employment.

The Government will also engage with stakeholders to explore the design and implementation of a national labour hire licensing scheme in Australia.

The cost of this measure will be met from savings identified in the 2023–24 Budget measure titled *Employment and Workplace Relations – reprioritisation*.

This measure builds on the 2022–23 October Budget measures titled *Outcomes of the Jobs and Skills Summit* and *Secure Australian Jobs*.

Employment and Workplace Relations – reprioritisation

The Government will achieve savings of $212.9 million over 5 years from 2022–23 (and $41.4 million per year ongoing) across the Employment and Workplace Relations portfolio which will be redirected to fund other portfolio policy priorities. Savings include:

- $20.0 million over 4 years from 2023–24 by temporarily reducing uncommitted funding to support Job and Skills Councils
- $15.8 million over 4 years from 2023–24 by reducing the departmental operating funding of the Office of the Fair Work Ombudsman by 2.5 per cent
- $10.4 million over two years from 2022–23 by not proceeding with the *Accelerating Australian Apprenticeships Pilot* program.

Extension of National Skills Agreement Negotiation Resourcing

$5.5 million in 2023–24 to continue supporting negotiations on a long-term skills funding agreement with the states and territories. Subject to the outcome of these negotiations, the Government has also retained $3.7 billion in the Contingency Reserve for a 5-year National Skills Agreement that will commence on 1 January 2024.

- The cost of this measure will be met from savings identified in the 2023–24 Budget measure titled *Employment and Workplace Relations - reprioritisation*.

National Careers Institute – continuation

$5.1 million in 2023–24 to continue functions of the National Careers Institute and to evaluate its role in supporting Australians to access careers information. Funding will ensure the *Your Career* website is based on the latest labour market data and will continue the delivery of the School Leavers Information Kit to enable young people to make informed decisions about their education, employment, and training pathways.

The cost of this measure will be met from savings identified in the 2023–24 Budget measure titled *Employment and Workplace Relations – reprioritisation.*

Jobs and Skills Summit – incentivise pensioners into the workforce – six months extension

$3.7 million in 2023–24 to extend the measure to provide age and veterans pensioners a once-off credit of $4,000 to their Work Bonus income bank and temporarily increase the maximum income bank until 31 December 2023.

- Under this measure, pensioners can earn up to $11,800 before their pension is reduced, supporting pensioners who want to work, or work more hours, to do so without losing their pension. There is expected to be a minor increase in personal income tax receipts in 2024–25 as a result of this measure

- This measure builds on the 2022–23 October Budget measure titled *Jobs and Skills Summit – incentivise pensioners into the workforce*.

PALM Scheme

$370.8 million over 4 years to expand and improve the Pacific Australia Labour Mobility scheme, to support sustainable scheme growth and improve support for workers in line with Australian and Pacific aspirations.

Migration Program – 2023-24 planning levels

For the 2023–24 permanent Migration Program, the Government will return the planning level to the longer-term level of 190,000 places and will allocate 137,100 places (around 70 per cent) to the Skill stream, helping address Australia's longer term skill needs.

The Government will improve pathways to permanency for Temporary Skill Shortage (TSS) (subclass 482) visa holders. Restrictions will be removed to enable TSS visa holders on the short-term stream access to permanent residence pathways through the Employer Nomination Scheme (subclass 186) visa. The limit of one onshore renewal for the short-term stream TSS visa will also be removed.

This permanent Migration Program measure is estimated to decrease receipts by $30.0 million and decrease payments by $66.4 million over the 5 years from 2022–23. Improving pathways to permanency for TSS visa holders is estimated to result in an unquantifiable impact on receipts and increase payments by $0.6 million over the 5 years from 2022–23.

Migration – uplift of Visa Application Charges

The Government will increase Visa Application Charges (VACs) from 1 July 2023. In addition to the regular CPI indexation, VACs will increase by 6 percentage points for visa applications, as well as an additional 15 percentage points for select visitor and temporary visa subclasses and an additional 40 percentage points for business innovation and investment visas.

The select visitor and temporary visa subclasses include visitor, working holiday, work and holiday, training, temporary activity, and temporary work (short stay specialist).

The Pacific Engagement Visa and Pacific Australia Labour Mobility scheme are exempt from the VAC uplift.

The increased revenue generated will fund costs associated with improving visa processing and other Government priorities.

This measure is estimated to increase receipts by $665.0 million over the 5 years from 2022–23.

Visa and Migration System

$125.8 million over 4 years from 2023–24 to continue implementing outcomes from the Jobs and Skills Summit to strengthen the migration system in order to ease critical skills shortages across the economy and build a more productive workforce. Funding includes:

- $75.8 million over two years from 2023–24 to extend the current surge in visa processing resources to ensure timeliness of visa processing and improve existing visa processing systems

- $50.0 million over 4 years from 2023–24 (and $15.3 million per year ongoing) for additional enforcement and compliance activities to maintain the integrity of the migration system. Funding from 2025–26 will be held in the Contingency Reserve, pending an evaluation of the effectiveness of the activities.

This component builds on the 2022–23 October Budget measure titled *Outcomes of the Jobs and Skills Summit*.

Migration – raising the Temporary Skilled Migration Income Threshold (TSMIT)

The Government will increase the Temporary Skilled Migration Income Threshold from the current rate of $53,900 to $70,000 from 1 July 2023. This reflects the level it would have reached if it was indexed to wages when it was last adjusted 10 years ago.

Resetting the income threshold will ensure that the skilled migration program remains focused on its objective of attracting skilled migrants who complement the skills of the Australian workforce.

This measure is estimated to decrease receipts by $100.0 million and result in a negligible impact on GST payments to the states and territories over the 5 years from 2022-23.

Visa changes for Graduates and Students – increasing visa duration and work hours

The Government will grant an extra two years of post-study work rights to international higher education graduates of Australian institutions with eligible qualifications to strengthen the pipeline of skilled labour. This measure will apply from 1 July 2023

The work hour cap for international student visa holders will be reinstated from 1 July 2023, following its removal during the COVID-19 pandemic. It will be increased by 8 hours from pre-pandemic levels to 48 hours per fortnight. International students working in the aged care sector will be exempt from the 48 hour per fortnight work limit until 31 December 2023.

These changes are in line with recommendations made in the report to Government by the Post Study Work Rights Working Group in October 2022.

The increase to post-study work rights is estimated to increase receipts by $800.0 million, and increase payments by $185.6 million, which includes a $185.0 million increase in GST payments to the states and territories over the 5 years from 2022–23. Bringing back the work hours cap for international students is estimated to result in an unquantifiable increase in receipts over the 5 years from 2022–23.

Capital & Risk Management

Superannuation changes

Government will tax earnings from superannuation balances over $3 million at % up from 15% starting in 2025

The Government will reduce the tax concessions available to individuals with a total superannuation balance exceeding $3 million, from 1 July 2025.

It will bring the headline tax rate to 30 per cent, up from 15 per cent, for earnings corresponding to the proportion of an individual's total superannuation balance that is greater than $3 million. This rate remains lower than the top marginal tax rate of 45 per cent. Earnings relating to assets below the $3 million threshold will continue to be taxed at 15 per cent or zero per cent if held in a retirement pension account.

The measure will not place a limit on the amount of money an individual can hold in superannuation. The current contributions rules continue to apply.

This measure is estimated to increase receipts by $950.0 million and increase payments by $47.6 million over the 5 years from 2022–23. This includes $50.0 million in receipts associated with updating the notional contribution calculation methodology, applicable to all defined benefit members. In 2027–28, the first full year of receipts collection, the measure is expected to increase receipts by $2.3 billion.

Pay-day superannuation payments

Businesses will be required to pay workers their superannuation contributions every payday, but the new rules only come into force in three years, starting on July 1, 2026.

Small Business Support – $20,000 instant asset write-off

The Government will improve cash flow and reduce compliance costs for small businesses by temporarily increasing the instant asset write-off threshold to $20,000, from 1 July 2023 until 30 June 2024.

Small businesses, with aggregated annual turnover of less than $10 million, will be able to immediately deduct the full cost of eligible assets costing less than $20,000 that are first used or installed ready for use between 1 July 2023 and 30 June 2024.

The $20,000 threshold will apply on a per asset basis, so small businesses can instantly write off multiple assets. Assets valued at $20,000 or more (which cannot be immediately deducted) can continue to be placed into the small business simplified depreciation pool and depreciated at 15 per cent in the first income year and 30 per cent each income year thereafter.

Heavy Vehicle Road User Charge

The Government will increase the Heavy Vehicle Road User Charge rate from 27.2 cents per litre of diesel by 6 per cent per year over 3 years from 2023–24 to 32.4 cents per litre in 2025–26. This will decrease expenditure on the fuel tax credit by $1.1 billion over 4 years from 2023–24.

The change to the Road User Charge was a decision of the Infrastructure and Transport Ministers in April 2023 to contribute to road maintenance and repair.

Comprehensive Sustainable Finance Agenda

$14.2 million over 4 years from 2023–24 to support its sustainable finance agenda, including

- $8.3 million over 4 years from 2023–24 (and $1.3 million per year ongoing) to establish a sovereign green bond program to raise capital for environmental and climate change related programs
- $4.3 million in 2023–24 for the Australian Securities and Investments Commission (ASIC) to ensure the integrity of sustainable finance markets by investigating and undertaking enforcement action against market participants engaging in greenwashing and other sustainable finance misconduct
- $1.6 million in 2023–24 to support the initial development of a sustainable finance taxonomy for classifying economic activities according to their impact on sustainability goals

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