# Federal Budget 2024

## May announcement

**A review of the Budget's major business implications**

May 2024

**KPMG.com/au/budget**

# Executive Summary

## MARTIN SHEPPARD

National Chairman

## ANDREW YATES

Chief Executive Officer

**"The Federal Government faces the immediate challenge of supporting Australians dealing with cost-of-living increases, but remaining mindful of adding to inflationary pressure. There is also a longer term need to increase the productivity of the economy, so real incomes can be lifted in a sustainable manner. The Budget sets the tone for the government's action on these challenges, as an election approaches in the next 12 months."**

The Budget shows an expected surplus in the underlying cash balance for 2023-24 of $9.3 billion, a $10.4 billion positive turnaround from the 2023-24 mid-year forecast. Higher commodity prices and personal income tax receipts contributed heavily to the outcome.

Federal Government net debt is expected to remain reasonably stable as a percentage of GDP at between 20 and 22 percent over the forward estimates.

Inflation is forecast by Treasury to moderate to below 3 percent per annum for 2024-25 and the remainder of the forward estimates period. Contributing to this outcome is the extension of the Energy Bill Relief Fund, providing $3.5 billion in support through to 2025-26.

The Future Made in Australia initiative emphasises clean energy and critical minerals and includes more than $13 billion over the period to 2034 (weighted towards the years beyond the current inflation challenge) to fund tax incentives for their production.

The Budget contains additional funding for social and affordable housing infrastructure over the next decade. This should support productivity, including where it enables workers to live closer to their workplace and to other facilities. The increase to Commonwealth Rent Assistance is a sensible complement to these measures.

We also welcome the introduction of superannuation contributions on government-paid parental leave from 1 July 2025, promoting improved gender equality in retirement.

The funding for the development of policies and capabilities to support safe and responsible adoption of Artificial Intelligence technology is also a welcome announcement.

Overall, the Budget measures on energy and housing affordability, combined with the already legislated personal income tax cuts from 1 July 2024, may give households more confidence that cost-of-living pressures will abate.

As regards to the productivity challenge, the success of the Future Made in Australia initiative requires education, training, migration, industrial and fiscal policy to all combine constructively. If Australia can achieve this, then the prize may be significant.

**Martin Sheppard**
National Chairman

**Andrew Yates**
Chief Executive Officer

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# Economic analysis

**BRENDAN RYNNE**
Partner, Chief Economist

**"Not a budget for the ages, but rather one to see the government through to next year, with it hoping that the smoke and mirrors impact on inflation holds out until after the election"**

The Budget is not a cash-splash budget. Equally, it is not a budget designed to consolidate the nation's fiscal position and commence the task of gradually returning the budget to a sustainable position.

The budget contains a range of explicit measures aligned with the philosophy of the Albanese Government, which pivots the economy towards one where government plays a greater role, places greater emphasis on manufacturing in Australia and relies less on overseas supply chains.

New government spending is not just targeted at the poorest and most vulnerable in society; significant expenditure is targeted at the business sector to provide energy cost relief, and investment to support the Future Made in Australia program.

The Budget contains a whole raft of measures that fit neatly into these three themes:

– tax relief for everyone, but additional tax relief for low-and-middle income earners who also received tax cuts in the earlier Stages 1 and 2.

– cost of living support in the form of energy bill relief of a $300 rebate received by every household; and an additional 10 percent increase in Commonwealth Rental Assistance for nearly 1 million households renting.

– the introduction of the nearly $23 billion Future Made in Australia program aimed at encouraging domestic private sector investment in the transformation required for the country to achieve net zero emissions.

The Treasurer has been at pains to explain that the Australian Bureau of Statistics has confirmed that energy bill relief cuts inflation too. This is technically correct – the rebate is provided to energy companies to reduce the revenue they need to recover from customers, and therefore energy bills are lower than they otherwise would be. However, the production costs associated with supplying energy are unchanged; it is just the price paid by customers through their energy bill is lower because of the rebate. Once the rebate is withdrawn the prices paid by households will rebound (assuming there has been no change in the production cost of electricity), and inflation will increase again.

In the Budget the Treasurer has been able to tell the public the story of two surpluses in 2 years. Unfortunately, the Treasurer's narrative is now expected to permanently change, with surpluses unlikely for the foreseeable future.

However, the Treasurer does not seem to be overly concerned about future surpluses given that there is nothing in the Budget addressing revenue or expenditure reforms. Either the philosophy revealed in this Budget incorporates the view that long-term structural budget deficits are not a problem (which goes against economic fundamentals), or the government is 'kicking the can' down the road. Alternatively, they may be hoping for productivity to re-emerge and help solve part of the problem.

## Economic assumptions

We summarise the assumptions underlying the Budget in the tables below:

The Treasury forecasts suggest the Australian economy will remain weak over the forecast period and only start to return to rates of economic growth similar to long term averages in 2027-28. Real GDP is forecast to grow by 1.75 percent during the current 2023-24 financial year and then increase by 0.25 percent per annum over the following 3 years to achieve growth of 2.00 percent (2024-25), 2.25 percent (2025-26) and 2.50 percent (2026-27). The current weakness in the domestic economy is largely due to flat household consumption and falling dwelling investment, offset to some extent by strong public sector spending and solid private sector investment activity (although this is expected to weaken in the next few years). Net exports add positively to economic growth during 2023-24, although with the usual assumptions that the spot price of iron ore and metallurgical coal reverting to a long-term price target significantly below current levels, net exports are expected to detract from economic growth by 2025-26.

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|
| Real GDP | 1.75% | 2.00% | 2.25% | 2.50% | 2.75% |

The inflation forecasts contained within the Budget show a pathway to a return to the target inflation band that is significantly different to the most recent forecasts presented by the RBA in their May 2024 Edition of the Statement of Monetary Policy. The government is suggesting that the Energy Price Relief Plan and the extension of the Commonwealth Rental Assistance payments will together directly reduce headline inflation by 0.50 percent in 2024-25. Further, the strong fall in inflation over the coming year is also due to the continued reduction in services inflation which has lagged the decline in goods inflation.

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|
| Inflation | 3.50% | 2.75% | 2.75% | 2.50% | 2.50% |

The labour market is forecast to weaken slightly over the forecast period with the unemployment rate pushing up to 4 percent by June 2024 and then stabilising at 4.5 percent for the following 2 years. This stabilisation in the labour market pushes down expected wages growth to low-to-mid 3 percent range over the forecast period. While weaker than nominal wage growth currently being achieved the concurrent fall in inflation means real wages growth strengthens from around 0.5 percent in the early years to 1.0 percent in the outer years.

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---|---|---|---|---|---|
| Wages | 4.00% | 3.25% | 3.25% | 3.50% | 3.50% |

### WHAT DOES IT MEAN FOR YOU?

- The Albanese Government is taking a much more interventionist approach to economic development and government support for low, and stretching into middle, income households.
- Inflation forecasts are materially different to the latest RBA forecasts. If the government is wrong, then the implication is for the cash rate to stay higher for longer; which will in effect could result in higher mortgage payments that would more than offset any cost of living relief provided in the budget.

# What the budget means for different demographics

**TERRY RAWNSLEY**
National Lead – Demographics & Urban Economics

| DEMOGRAPHIC GROUP | 2024-2025 OUTLOOK: ECONOMIC OUTLOOK | BUDGET OUTLOOK |
|---|---|---|
| **JOBSEEEKER RECIPIENTS**<br>**0.89 MILLION PEOPLE**<br>18% 24 YEARS OLD (158,000 PEOPLE)<br>40% 45 AND 64 YEARS OLD (357,000 PEOPLE)<br>AVERAGE DURATION ON UNEMPLOYMENT INCOME SUPPORT PAYMENT: 3.6 YEARS<br>40% LIVE ALONE<br>40% IN PRIVATE RENTAL<br>52% SINGLE FAMILY HOUSEHOLD<br>11% IN PUBLIC OR SOCIAL HOUSING | – Unemployment rate forecast to increase to 4 percent, likely to lead to an increased number of people on JobSeeker.<br>– Cost of living pressures to ease. | – Funding for 15,000 fee free TAFE places and 5,000 places for pre-apprenticeships.<br>– An extension to the existing higher JobSeeker payment for people with limited work capacity.<br>– An increased ability for those on a Carer payment to work. |
| **AGED PENSIONERS**<br>**2.6 MILLION PEOPLE**<br>52% IN THEIR 70S (1.3M PEOPLE)<br>AVERAGE TIME ON AGED PENSION 11.7 YEARS<br>44% MALE / 56% FEMALE | – Cost of living pressures to ease. | – Deeming rates will remain at their current levels until 30 June 2025, benefiting around 450,000 Age Pensioners.<br>– $2.2 billion to improve aged care support. |
| **RENTERS**<br>**2.9 MILLION HOUSEHOLDS**<br>31% OF TOTAL HOUSEHOLDS OF WHICH:<br>55% SINGLE FAMILY HOUSEHOLD<br>30% LONE PERSON HOUSEHOLD<br>8% GROUP HOUSEHOLD<br>AVERAGE OF 20% OF GROSS INCOME SPENT ON HOUSING | – Cost of living pressures to ease. | – Lower taxation under Stage 3 tax reforms.<br>– Increase in the maximum rates of Commonwealth Rent Assistance by 10 percent.<br>– Increased funding for social / affordable housing. |
| **RECENT FIRST HOME BUYERS**<br>**SINCE MARCH 2022:**<br>3.2 PEOPLE IN HOUSEHOLD ON AVERAGE<br>3.8 BEDROOMS ON AVERAGE<br>214,000 NEW LOANS (OWNER OCCUPIER)<br>$498,000 AVERAGE NEW LOAN VALUE | – The cash rate is expected to ease from mid-2025, down to 3.6 percent by mid-2026.<br>– Cost of living pressures to ease. | – Lower taxation under Stage 3 tax reforms. |

**Sources:**
ABS Census 2021
Benefit and Payment Recipient Demographics, 2024 (Department of Social Services)
ABS Lending indicators, 2024
ABS Housing Occupancy and Costs, 2019-20

# Individuals

## DANIEL HODGSON

Partner, People Services

## HAYLEY LOCK

Lead Partner, Workforce Advisory – Queensland

**"With rising cost of living a significant concern across Australia, this Budget brings a number of welcome measures to relieve the financial pressure on households."**

### WHAT'S IN THE BUDGET

- **1 July 2024** is the commencement date of the Stage 3 tax cuts and when individuals will start to see an increase in their take-home pay.
- **$3.5 billion** in energy bill relief from 1 July 2024, including a $300 rebate to all Australian households.
- $3 billion wiped from existing HECS-HELP debts via a capped rate increase each year, backdated to 1 June 2023.
- **Increases of $180.3 million in ATO receipts and $44.3 million in ATO payments** due to targeted tax compliance activities in areas of non-compliance by individuals, with key focus areas including short-term rental deductions.

### Personal income tax rates

The Budget has confirmed the revisions to the Stage 3 tax cuts, noting that legislation enacting the changes received Royal Assent on 5 March 2024.

Notably, the new tax rates confirmed in March differ from the previous announcements reflecting the government's desire to target the tax cuts at low and middle income earners. Comparing to the previous announcements, the new tax rates retain the 5 marginal thresholds with the 19 percent tax rate reduced to 16 percent and the 32.5 percent tax rate reduced to 30 percent.

The government has sought to further address bracket creep by increasing the taxable income thresholds for the 37 percent and 45 percent rates.

| TAXABLE INCOME | CURRENT TAX RATES TO 30 JUNE 2024 |
|---|---|
| Up to $18,200 | 0 |
| $18,201 to $45,000 | 19% |
| $45,001 to $120,000 | 32.5% |
| $120,001 to $180,000 | 37% |
| From $180,001 | 45% |

| TAXABLE INCOME | TAX RATES FROM 1 JULY 2024 |
|---|---|
| Up to $18,200 | 0 |
| $18,201 to $45,000 | 16% |
| $45,001 to $135,000 | 30% |
| $135,001 to $190,000 | 37% |
| From $190,001 | 45% |

The following table shows the tax savings arising for taxpayers following implementation of the revisions to the Stage 3 tax cuts.

| TAXABLE INCOME | TAX LIABILITY FY24 | TAX LIABILITY FY25 | TAX REDUCTION |
|---|---|---|---|
| $100,000 | $22,967 | $20,788 | $2,179 |
| $150,000 | $40,567 | $36,838 | $3,729 |
| $200,000 | $60,667 | $56,138 | $4,529 |

## Medicare levy and surcharge changes

The government has increased the Medicare levy surcharge low-income thresholds, effective from 1 July 2023, to reflect the increase in inflation. Individuals will see the impact of these changes when they lodge their 2024 income tax returns.

These legislative changes received Royal Assent on 5 March 2024 along with the revisions to the Stage 3 tax cuts.

## Cost of living measures

A number of targeted cost of living measures were included in the Budget, including energy bill relief for all households via a $300 rebate on 2024-25 bills.

## Changes to HECS/HELP indexation

Following last year's unprecedented increase of unpaid HECS-HELP debts by 7.1 percent on 1 June 2023, the Budget has confirmed that annual indexation will now be limited to the lower of either the Consumer Price Index (CPI) or the Wage Price Index (WPI).

This will be effective on a retrospective basis from 1 June 2023, resulting in an immediate impact on the current amount of debt that would be repayable.

## Extension of the Personal Income Tax Compliance Program

The government's focus on addressing non-compliance by individual taxpayers was apparent in last year's Budget and features in this Budget as well. The ATO Personal Income Tax Compliance Program has been extended for 1 year, from 1 July 2027.

This will enable the ATO to deliver targeted proactive, preventative and corrective activities in key areas of non-compliance for individuals, including improper influence by tax agents. Additionally, the ATO will continue to focus on emerging areas of non-compliance, such as deductions relating to short-term rental properties to ensure they are genuinely available to rent.

## WHAT DOES IT MEAN FOR YOU?

- Increase in take home pay from July 2024 due to revisions to Stage 3 tax cuts.
- Cost of living relief via a $300 energy bill rebate for all households.
- HECS-HELP indexation on 1 June each year will be capped at the lower of CPI or WPI.

# Business tax

**"The Budget is a balance of measures addressing multinational integrity and support for priority industries."**

**JUSTIN DAVIS**

National Leader, Global Tax

**ALIA LUM**

Partner, Tax Policy Lead

**NATALIE RAJU**

National Leader, Corporate Tax

### WHAT'S IN THE BUDGET

- Expansion of the foreign resident capital gains tax regime.
- Discontinuation of intangibles integrity measure.
- Penalties for mischaracterised or undervalued royalty payments.
- Amended start date of previously announced measure to expand the general anti-avoidance rule.
- New tax incentives including the Critical Minerals Production Tax Incentive and Hydrogen Production Tax Incentive.
- Extensions of the ATO Tax Avoidance Taskforce and the Shadow Economy Compliance Program.
- Amended start dates of previously announced measures to streamline excise and customs licensing.

## Expansion of foreign resident capital gains tax regime

The government announced amendments to the foreign resident capital gains tax (CGT) regime for events on or after 1 July 2025 to:

- clarify and broaden the types of assets that foreign residents are subject to CGT on;
- amend the point-in-time principal asset test to a 365-day testing period; and
- require foreign residents disposing of shares and other membership interests exceeding $20 million in value to notify the ATO, prior to the transaction being executed.

The new notification seeks to improve oversight and compliance, where a vendor self-assesses their sale is not taxable real property.

It is worth noting that the government previously announced an increase to the foreign resident capital gains withholding tax rate from 12.5 percent to 15 percent, and a reduction to the withholding threshold from $750,000 to $0 for real property disposal contracts entered into from 1 January 2025. This measure is not yet legislated.

## Discontinuation of intangibles integrity measure

The measure announced in the 2022-23 October Budget aimed at denying deductions for payments relating to intangibles held in low or no-tax jurisdictions will be discontinued, as the perceived integrity issue will now be addressed through the Pillar Two global and domestic minimum tax measures.

### Mischaracterised or undervalued royalty payments

A new measure will be introduced from 1 July 2026 that applies a penalty to taxpayers who are part of a group with more than $1 billion in annual global turnover, that are found to have mischaracterised or undervalued royalty payments, to which royalty withholding tax would otherwise apply.

### Deferral of expansion of general anti-avoidance rule

The government will amend the start date of the measure to expand the general anti-avoidance rule for income tax (Part IVA of the *Income Tax Assessment Act 1936*) to income years commencing on or after the day the amending legislation receives Royal Assent, regardless of whether the scheme was entered into before that date (this will effectively be a deferral from the original start date of 1 July 2024).

Businesses should seek advice and review any transactions they have entered into, or propose to enter into, to ensure that they have evidence that commercially supports the tax positions adopted.

### Tax incentives

The government announced funding for priority industries. Two new tax incentives include:

- Critical Minerals Production Tax Incentive to support refining and processing of Australia's 31 critical minerals to improve supply chain resilience; and
- Hydrogen Production Tax Incentive to support the growth of a competitive renewable hydrogen industry.

### Extending the Tax Avoidance Taskforce

The government will extend the ATO Tax Avoidance Taskforce for 2 years from 1 July 2026 to pursue key tax avoidance risks, with a focus on multinationals, large public and private businesses, and high-wealth individuals.

This measure is estimated to increase receipts by $2.4 billion over 5 years from 2023-24.

### Extending the Shadow Economy Compliance Program

The government will extend the ATO Shadow Economy Compliance Program for two years from 1 July 2026, enabling the ATO to continue to reduce shadow economy activity, thereby protecting revenue and preventing non-compliant businesses from undercutting competition.

This measure is estimated to increase receipts by $1.9 billion over 5 years from 2023–24.

### Streamlining of customs and excise

The commencement date of certain previously announced measures to streamline excise and customs licensing have been amended. Customs and excise licensing reforms are set to start the later of 1 July 2024 (original start date) or the day following Royal Assent.

Duty free treatment for commercial shipping bunker fuel will now commence from 1 January 2025 (instead of 1 July 2024), removing the need to pay duty and claiming a refund.

The exemption from general customs duty on goods produced in Ukraine has been extended to 3 July 2026, while the elimination of nuisance tariffs on imports of 457 products will commence from 1 July 2024.

### WHAT DOES IT MEAN FOR YOU?

- There continues to be a focus on multinational tax integrity, with a number of previously announced tax measures being adjusted, deferred or discontinued.
- The expansion of the foreign resident capital gains tax regime, and the requirement to notify the ATO of certain transactions prior to execution, is significant and may impact a number of cross border transactions.
- Funding for priority industries (critical minerals and renewable hydrogen) provided through tax incentives is a welcome, albeit very targeted, form of support for the energy transition sector.

# Mid-market tax

**"With no significant tax reforms, but tax cuts on the way, the Budget extends access to accelerated depreciation for small business and bolsters Australian Taxation Office compliance programs."**

## CLIVE BIRD

Partner, Head of Tax, Enterprise

## ROBYN LANGSFORD

Partner-in-charge, Family Business and Private Clients, Enterprise

## NAOMI MITCHELL

National Managing Partner, Enterprise

### WHAT'S IN THE BUDGET

- **$2 billion new spending on strengthening tax compliance:** the ATO will receive additional funding extensions for key compliance programs focusing on personal tax, the shadow economy, fraud and large business and high wealth individuals.
- The **Instant asset write-off** for small business (turnover below $10 million) on eligible assets costing less than $20,000 will be extended to 30 June 2025.
- **Mischaracterised or undervalued royalty payments:** from 1 July 2026, a penalty regime will target taxpayer groups with annual turnover greater than $1 billion.
- **Foreign resident capital gains tax (CGT) rules** will be expanded for events on or after 1 July 2025, including to apply to a wider range of assets and to require pre-transaction ATO notification.

The extension of the instant asset write-off for small businesses (turnover less than $10 million) aims to boost cash flow and reduce tax compliance. This measure was previously extended in last year's Budget to 30 June 2024, with the implementing legislation currently before parliament.

The penalty measure for mischaracterised or undervalued royalties coincides with recent ATO activity in connection with the taxation of intangibles and royalties, including the release of public guidance.

The government announced it will discontinue the intangibles integrity measure, given the Australian implementation of BEPS 2.0 which is expected to address the integrity issues.

The strengthening of the foreign resident CGT regime is intended to ensure foreign residents pay their fair share of tax and to provide greater certainty about the operation of the rules.

### WHAT DOES IT MEAN FOR YOU?

- Businesses should continue to focus on developing their tax governance frameworks in light of the additional tax compliance funding for the ATO and international groups should review transfer pricing arrangements.
- Foreign residents should be aware of the proposed CGT measures and monitor the impact on their investments.
- Small business should take advantage of the extended instant asset write off.

# Business support

**"Clean technologies and regional Australia are the winners with business support aligned with the government's strategic priority sectors."**

## GEORGIE ALEY

Partner, Consulting Sector Lead – Agribusiness, Consumer and Industrial Manufacturing

## MATHEW HERRING

Partner, R&D Incentives and Grants Lead

## GEORGIA KING-SIEM

Partner, R&D Incentives and Grants

## KRISTINA KIPPER

Partner, R&D Incentives and Grants, Mid-Market Lead

### WHAT'S IN THE BUDGET

- **$7 billion** over eleven years Critical Minerals Production Tax Incentive (CMPTI) to support downstream refining and processing and improve supply chain resilience.
- **$6.7 billion** over ten years for a Hydrogen Production Tax Incentive (HPTI) to support the growth of a competitive hydrogen industry and Australia's decarbonisation.
- **$1.7 billion** over ten years for the Future Made in Australia (FMiA) Innovation Fund administered by ARENA to support innovation, commercialisation, pilot and demonstration projects in priority clean technology sectors.
- **$1.4 billion** over eleven years for solar and battery manufacturing and supply chain resilience, administered by ARENA as part of FMiA.
- **$1.4 billion** over thirteen years for medical research and translation through the Medical Research Future Fund.
- **$519.1 million** over 8 years for the Future Drought Fund for initiatives that provide improved support to farmers and communities to manage drought and adapt to climate change.
- **$107 million** over 5 years support package for sheep producers ahead of the phasing out of live sheep exports.

The Budget seeks to refocus government spending to enhance manufacturing capability in renewables and its supply chain to maximise the economic and industrial benefits of the net zero transformation.

The headline announcement, the Future Made in Australia (FMiA) package, includes significant investment in the private sector through the FMiA Innovation Fund, complemented by further funding to enable the manufacturing of clean energy technology.

A National Interest Framework will be used to identify sectors that can contribute to net zero or are critical to Australia's economic security and resilience.

After consultation, the FMiA package will include the CMPTI and HPTI; in addition to extra funding for the Hydrogen Headstart Program. Currently, the HPTI is proposed to provide a $2 per kilogram incentive; while the CMPTI is proposed at 10 percent of processing and refining costs[1]; both of which are proposed across 2027-28 to 2040-41.

[1] "Investing in the Future Made in Australia", Prime Minister of Australia, https://www.pm.gov.au/media/investing-future-made-australia.

The Budget has outlined the Government's position on building the resilience of regional Australia and its agricultural industries. Notable measures include support for farmers and regional communities to continue to build drought resilience through a refocussing and prioritisation of the Future Drought Fund's climate change, resilience, and adaptation activities. In addition, funding is available to support the live export sheep industry with transition funding, market scoping, animal welfare activities and industry engagement - the industry will be closed down on 1 May 2028.

There is also a commitment to extend the Roads to Recovery program, with an additional $1 billion of funding to ensure the ongoing efficiency and competitiveness of Australia's regional industries in getting products to market.

## WHAT DOES IT MEAN FOR YOU?

– Additional funding and tax incentives to support critical minerals and clean technology.
– Regional Australia will benefit from investment in regional infrastructure and large-scale capital projects.
– No changes to existing tax incentives (i.e. R&D Tax Incentive) will be a relief for many.

# Financial services & superannuation

**"No major changes impacting financial services have been announced in the Budget, bringing a period of stability in the context of an already changing regulatory environment."**

**JULIE DOLAN**

Partner, Head of SMSFs and Estate Planning, Enterprise

**LINDA ELKINS**

National Sector Leader, Asset & Wealth Management

**BEVAN GRACE**

Partner, Tax & Legal

**JOHN SALVARIS**

Partner, Financial Services Corporate Tax Leader

## WHAT'S IN THE BUDGET

- **$1.1 billion** over 4 years, as previously announced on 7 March 2024, the government will pay superannuation on Commonwealth government-funded paid parental leave for births and adoptions on or after 1 July 2025.
- **$167.8 million** will go towards implementing reforms to strengthen Australia's *Anti-Money Laundering and Counter-Terrorism Financing* legislation.
- **$17.3 million** over 4 years to promote the development of sustainable finance.
- **$7.5 million** over 4 years to modernise regulatory frameworks for financial services to improve competition and consumer protections for services enabled by new technology.

Paying superannuation on Commonwealth paid parental leave is a welcome initiative that KPMG has long advocated for and is an important step towards closing the super gender equity gap. This ensures that people on parental leave don't miss the opportunity to have super contributions made which is otherwise a contributor to the gender equity gap that we see in superannuation balance entitlements.

The government has also announced funding to strengthen and modernise certain aspects of Australia's financial system. This includes implementing reforms to strengthen Australia's *Anti-Money Laundering and Counter-Terrorism Financing* legislation in order to enhance Australia's ability to detect and disrupt illicit financing.

The government will also provide funding to promote the development of sustainable finance. The majority of this funding will go toward the following measures:

- $10 million over 4 years towards targeting greenwashing and other sustainability-related financial misconduct;

– $5.3 million over 4 years for additional funding to Treasury, the Australian Securities and Investments Commission (ASIC) and the Australia Prudential Regulation Authority (APRA) to deliver a sustainable finance framework (including issuing green bonds, improving data and engaging in the development of international regulatory regimes related to sustainable finance).

The government will also modernise regulatory frameworks for financial services to improve competition and consumer protections for services enabled by new technology. This will involve:

– the development of new legislation to licence and regulate platforms that hold digital assets (and progress related reforms); and

– introducing a new regulatory framework for payment service providers.

Although not announced in the Budget, the following key superannuation threshold changes take effect from 1 July 2024.

| KEY SUPERANNUATION THRESHOLD CHANGES | PREVIOUS THRESHOLD | NEW THRESHOLD |
|---|---|---|
| Concessional contributions cap | $27,500 | $30,000 |
| Non-concessional contributions cap | $110,000 | $120,000 |
| Non-concessional contribution bring-forward | $330,000 | $360,000 |
| General superannuation guarantee rate | 11.00% | 11.50% |

## WHAT DOES IT MEAN FOR YOU?

– Greater regulation designed to ensure appropriate customer protections exist for emerging technologies and an appropriate framework exists for sustainable investing.

– Individuals will be able to contribute more to their super, either by way of deductible personal contributions (concessional contributions) or from after-tax savings or inheritances (non-concessional contributions).

# Skills & workforce

**"This budget targets cost of living relief for students and apprentices while investing in skills needed for the childcare, housing, construction and energy sectors."**

## WHAT'S IN THE BUDGET

- Net overseas migration is forecast to decrease from **528,000 in 2022–23 to 260,000 in 2024–25**.
- **$3 billion** to reduce student debt, including HELP, VET Student Loan, Australian Apprenticeship Support loans.
- **$9.9 billion over 4 years** to fund the National Skills Agreement.
- **$218.4 million** over 8 years to develop workforce and trade partnerships as part of Future Made in Australia.
- **$1.4 billion through to 2028-29** for new fee-free Uni Ready Courses from 1 January 2025.
- **Permanent Migration Program** planning levels to be set at 185,000 places with 132,200 (70%) places allocated to the Skilled stream.

**JEMMA HORSLEY**

Partner, Skills Lead, Education

**MICHELLE KING**

National Higher Education Lead

**MORGAN MCCULLOUGH**

National Sector Leader, Education

**MARK WRIGHT**

National Leader, Immigration Services

### Tertiary Education

Linked to changes in net migration, the government is introducing caps on international student numbers, with new requirements on tertiary providers to ensure sufficient student housing. Little detail is available in the budget papers as to how these changes will work in practice.

Linked to the Commonwealth's response to the Universities Accord, cost of living measures will be applied to both Higher Education and VET students, changing the indexation arrangements for student loans, with significant retrospective ($3 billion) and forward measures ($1.3 billion to 2028-29).

Both Higher Education and VET students will also benefit from new means tested Commonwealth Prac Payments from 1 July 2025 for mandatory placements as part of their nursing (including midwifery), teaching or social work studies, costed at approximately $1.6 billion through to 2028-29.

The total Commonwealth Universities Accord response is costed at $3.8 billion to 2028-29. The reforms are intended to 'boost equity and access to higher education, progress tertiary harmonisation and will support a target of 80 percent of the working age population holding a tertiary qualification by 2050.' Additionally, there is also $350.3 million over 4 years from 2024–25 for fee-free Uni Ready Courses.

Further important measures that attract nominal funding include:

- A medical school for Charles Darwin University.
- The creation of a National Student Ombudsman.
- Mechanisms to introduce a National Higher Education Code to Prevent and Respond to Gender-based Violence.
- The establishment of the Australian Tertiary Education Commission, by 1 July 2025.
- Managed growth and new approaches to needs-based funding from 1 January 2026.
- A strategic review of Australia's research and development system to drive innovation in priority areas.

This budget also includes funding for the National Skills Agreement, with most of the funding supporting free TAFE places.

There is an additional $265.1 million over 4 years for apprentices in priority occupations to tide the sector over until the Strategic Review into the Australian Apprenticeship Incentive Program is completed.

## Early Childhood

The government has committed to provide funding towards a wage increase for early childhood educators, with details to be released following the finalisation of the Fair Work Commission's review.

The government has also identified significant ($410 million) savings through strengthening the payment and accuracy of the Child Care Subsidy program.

## Migration

Key migration announcements include:

- 33,000 places in the Permanent Migration Program planning levels will be allocated for permanent Regional visas reflecting the Government's commitment to supporting regional development and growth.
- The work experience requirement for the Temporary Skill Shortage (Subclass 482) visa will be reduced from 2 years to 1 year, effective November 2024.
- The Government will provide $100 million in 2024–25 to the Department of Home Affairs to support Australian Border Force operations and immigration compliance activities. A further $1.9 million will be invested in a data matching pilot between the Australian Taxation Office and the Department of Home Affairs focussing on income and employment data.
- The Government will implement new visa options including:
  - National Innovation visa (to replace current Global Talent visa (subclass 858) from late 2024. This visa will target exceptionally talented migrants who will drive growth in sectors of national importance; and
  - Mobility Arrangement for Talented Early-professionals Scheme (MATES) program for Indian nationals from 1 November 2024.
- The Business Innovation and Investment visa program (BIIP) will end. Visa application charges will be refunded from September 2024 to those who wish to withdraw their BIIP application.

## WHAT DOES IT MEAN FOR YOU?

- This Budget directly links the policy settings for tertiary education and migration to Australia's future economic and social prosperity in ways we have not seen before.
- There is significant skills funding to enable Australia's sovereign capability and growth ambitions as part of the 'Future Made in Australia' initiative.
- A new cap on international students with associated housing requirements lacks detail and is likely to have significant impacts on the tertiary education sector.
- The Government's commitment to provide funding towards a wage increase for early childhood educators is a step towards addressing the significant current and projected workforce challenges within the sector. However, for the early childhood sector, this appears to largely be a holding budget pending recommendations from the Productivity Commission's Early Childhood Education and Care Inquiry.
- Changes to the migration program reflect the government's intention to target a mix of skills in high priority areas to drive productivity and growth.
- The Government has identified investments that reinforce integrity in Australia's migration program and will reduce net overseas migration.

# Climate & energy

**"The Budget includes major new measures to support new green energy investments, turbocharge innovation, and strengthen approvals processes, with the intent of positioning Australia to succeed in the emerging clean energy global economy."**

## ADRIAN KING

Partner in Charge, ESG Advisory & Assurance

## SABINE SCHLEICHER

Partner, Commercial Advisory & Transactions, Decarbonisation Lead

## BARRY STERLAND

National Lead & Global co-Lead, Climate Policy Advisory, Consulting

## SALLY TORGOMAN

Partner, Commercial Advisory & Transactions

### WHAT'S IN THE BUDGET

- **Hydrogen Production Tax Incentive** of $6.7 billion over ten years and **additional funding for the Hydrogen Headstart program** of $1.3 billion over ten years.
- **Critical Minerals Production Tax Incentive** of $7.1 billion from 2027-28 to 2040-41 to support refining and processing of Australia's critical minerals.
- **Clean energy and manufacturing innovation funding** of $3.2 billion over 7 years and support for **manufacturing solar, batteries** and other technologies of $1.4 billion over eleven years.
- **Strengthening approvals processes for clean energy investments, and improved community engagement** with funding of $182.7 million over 8 years.
- Support to ensure **communities and workforces benefit from energy transformation and the clean energy economy** with $399.1 million provided over 5 years for the Net Zero Economy Authority and other agencies, while **clean workforce training support** of $91 million is provided over 5 years.
- **The Australian Carbon Credit Unit (ACCU) scheme is being strengthened** with $48 million provided over 4 years.
- **Energy Bill Relief** is being extended in the Budget with **$3.5 billion over 2 years** to provide rebates to all Australian households and to eligible small businesses.

The Future Made in Australia – Making Australia a Renewable Energy Superpower package includes $19.7 billion over ten years from 2024-25 to support investment in renewable hydrogen, green metals, low carbon fuels, critical minerals and supporting clean energy manufacturing.

The Budget includes two major tax credits that provide long term production support. The Hydrogen Production Tax Incentive will provide a $2 incentive per kilogram of renewable hydrogen produced for up to ten years per project, between 2027-28 and 2039-40, and will operate alongside the expanded Hydrogen Headstart program (which is also extended by $1.3 billion over the next ten years). The Critical Minerals Production Tax Incentive will provide a production incentive at 10 percent of relevant processing and refining costs for Australia's 31 critical minerals for up to ten years per project between 2027–28 and 2039–40.

The Future Made in Australia initiative also includes significant new funding for the Australian Renewable Energy Agency, including:

- $1.5 billion over 7 years from 2027–28 to support investments in clean energy technologies.
- $1.7 billion over 7 years from 2024-25 for the Future Made in Australia Innovation Fund to support innovation in green metals and low emissions fuels.
- $1.4 billion over eleven years from 2023-24 to support manufacturing of clean energy technologies, including $835.6 million to establish the Solar Sunshot program and $523.2 million to establish the Battery Breakthrough Initiative.

Further support for green hydrogen includes $17.1 million for the yet-to-be-released 2024 National Hydrogen Strategy and an additional $11.4 million over 4 years to fast-track the initial phase of the Guarantee of Origin Scheme for green hydrogen and bring forward work on green metals.

The Budget seeks to strengthen environmental approvals for renewable energy, transmission, and critical minerals projects with $96.6 million over 4 years from 2023–24. An additional $20.7 million over 7 years seeks to improve community engagement and social licence outcomes through the Australian Energy Infrastructure Commissioner and the development of voluntary national standards and reforms.

The ACCU Scheme is being strengthened, with $48 million in funding over 4 years aimed at progressing new methods, strengthening integrity, providing transparency and supporting new market arrangements. This will assist in the supply of high-quality units into the market including to Safeguard Mechanism facilities.

The Net Zero Economy Authority, the Department of Employment and Workplace Relations and the Fair Work Commission will receive $399.1 million over 5 years from 2023-24 (and ongoing) in additional resourcing to ensure Australia, its regions and workers realise the benefits of the net zero economy.

Clean energy workforce support of $91.0 million over 5 years from 2023–24 will be provided to address vocational education and training sector trainer workforce shortages, and fund training facility upgrades for clean energy occupations.

Funding to combat greenwashing and support the development of a sustainable finance sector including green bonds has been provided ($17.3 million over 4 years).

The Nature Positive agenda will be advanced with an additional $40.9 million over 2 years starting with aims to improve environmental outcomes while benefiting business. Funding for circular economy policy of $23.0 million has been provided for 2024–25, maintaining ongoing initiatives while a national circular economy framework is developed.

## WHAT DOES IT MEAN FOR YOU?

- Projects producing Green Hydrogen and processing critical minerals will attract grants, concessional finance and long term rebates, and funding for innovation in renewable energy, green metals and clean technology will be significantly increased.
- Approval processes for green projects will be streamlined, and markets for sustainable finance deepened.
- Resources will be invested in improving community engagement and outcomes.
- Households and small businesses will have energy bill relief from 1 July 2024.

# Transport & infrastructure

**PAUL FOXLEE**

National Sector Leader, Transport & Infrastructure

**"The Budget reconfirms the commitment to the $120 billion of investment for priority road and rail infrastructure projects. This Budget includes $4.1 billion of projects over the next 7 years and $10.1 billion over eleven years for existing projects."**

## WHAT'S IN THE BUDGET

New priority transport infrastructure investments worth $4.1 billion over 7 years, including:

- **$1.9 billion** for projects in Western Sydney, including $500 million for the Mamre Road Stage 2 upgrade and $400 million for Elizabeth Drive.
- **$300 million** for the METRONET High-Capacity Signalling Program in Western Australia.
- **$134.5 million** for the Mt Crosby Road Interchange Upgrade in Queensland.
- **$120 million** for the Mount Barker and Verdun Interchange upgrades in South Australia.
- **$115 million** for Zero Emission Buses Tranche 1 Infrastructure – Macquarie Park Depot in New South Wales.
- **$540 million** for the Australian Rail Track Corporation to invest in the interstate rail network, including $150 million for the Maroona to Portland Line upgrade.

The Budget maintains the discipline following the government's independent review in 2023, of the $120 billion road and rail investment program.

The Budget also includes $10.1 billion for existing projects over the next eleven years, including selected projects highlighted in the following table. The Budget notes that $2.1 billion of infrastructure has been reprofiled to beyond the forward estimates given market conditions.

| KEY EXISTING INFRASTRUCTURE | $ MILLION |
|---|---|
| **Queensland** $1,631.7 million including: | |
| Direct Sunshine Coast Rail Line | 1,200.0 |
| Coomera Connector Stage 1 | 431.7 |
| **Victoria** | |
| North East Link | 3,300 .0 |
| **Western Australia** | |
| METRONET | 1,400 .0 |
| **New South Wales** $578.6 million including: | |
| M1 Pacific Motorway (Raymond Terrace) | 112.0 |
| **South Australia** $133.6 million including: | |
| South Eastern Freeway upgrade | 100.0 |
| **Tasmania** $113.1 million including: | |
| Mornington Roundabout upgrade | 50.0 |
| **Northern Territory** $35.9 million including: | |
| Carpentaria Highway upgrade | 25.0 |
| **Australian Capital Territory** | |
| William Hovell Drive Duplication | 27.1 |

## WHAT DOES IT MEAN FOR YOU?

- The Australian Government has reconfirmed the $120 billion pipeline of investment to improve road and rail infrastructure. This pipeline of projects will improve transport and freight efficiency outcomes across Australia.
- Rail freight will be improved by a $540 million investment into the Australian Rail Track (ARTC) interstate rail network.

# Social housing & real estate

**SCOTT FARRELL**

Partner, Deal Advisory – Tax

**DAN JEFFERSON**

Partner, Health, Ageing & Human Services, Management Consulting

**PAUL MORRIS**

Partner, Commercial Advisory & Transactions

**"This Budget provides further confirmation that addressing the supply and affordability of housing will be a major focus for the government."**

## WHAT'S IN THE BUDGET

– **$1 billion** provided through a new Housing Support Program to fund essential infrastructure with states and territories to support delivery of new housing.

– **$423.1 million** in new funding (subject to states and territory signing) for a new 5-year National Agreement on Social Housing and Homelessness – to combat homelessness, provide crisis support and build and repair social housing.

– **$1.9 billion** over 5 years to fund a 10% uplift in Commonwealth Rent Assistance rates to help address rental affordability.

– **$1.9 billion** in concessional finance to community housing providers for new affordable and social housing (as part of the Housing Australia Future Fund).

– **$88.8 million** over 3 years for 20,000 new fee-free training programs to boost the number of construction workers.

– **$120 million** over 3 years to support additional remote housing and deliver urgent repairs to social housing in the Northern Territory.

This Budget continues the government's renewed focus on partnering with states and territories and the community housing sector to deliver more housing for Australians.

The community housing sector will welcome the commitments to increase concessional finance, alongside the current Housing Australia Future Fund, to support the delivery of new affordable and social housing.

The 10% increase in the *Commonwealth Rent Assistance* also adds breadth to the policy measures being implemented to address rental affordability for low-income households. This also supports the capacity of the community housing sector to invest in new housing.

The Budget confirms that Commonwealth and state and territory governments have now reached agreement in principle on a new *National Agreement on Social Housing and Homelessness*, which includes additional funding of $423.1 million over 5 years, matched by states and territories.

Additional specific funding has been allocated for the Northern Territory Government to deliver urgent repairs to existing housing and support investment to reduce overcrowding in remote communities.

## WHAT DOES IT MEAN FOR YOU?

- Enhancements to Housing Australia's borrowing capacity plus a commitment to provide concessional loans to Community Housing Providers as part of the Housing Australia Future Fund.
- State and territory governments will be able to access additional funding and concessional finance helping accelerate the delivery of infrastructure to support new, and the renewal of existing, housing estates.

# Health & aged care

**"This year's Budget demonstrates the government's ongoing commitment to implementing the health and aged care reform agenda, including a range of important initiatives aimed at addressing fundamental challenges in meeting demand and providing care that is aligned with consumer expectations."**

**SARAH ABBOTT**
Partner, Health, Ageing & Human Services

**NICKI DOYLE**
National Sector Leader, Ageing

### WHAT'S IN THE BUDGET

- **$1.2 billion** over 5 years towards strengthening Medicare measures, in addition to a commitment of $227.0 million over 3 years to expand Medicare Urgent Care Clinics.
- **$1.4 billion** over 13 years towards the Medical Research Future Fund to support medical research in Australia.
- **$888.1 million** over 8 years to strengthen Australia's mental health and suicide prevention system.
- **$3.4 billion** over 5 years for new and amended listings on the Pharmaceutical Benefits Scheme (PBS) and Repatriation PBS.
- **$480.2 million** over 5 years to reduce patient costs and improve access to medicines.
- **$110.9 million** to strengthen regulation of aged care.
- **$531.4 million** to release 24,100 additional home care packages.

The Budget is focused on delivering against the government's reform agenda in health and aged care. This includes continued initiatives to strengthen Medicare.

System sustainability is a priority, with $1.4 billion over 13 years focused on translating research to clinical practice and reducing health inequities.

The government has allocated $361.0 million over the next four years to expand free mental health services available under Medicare, including the establishment of a nationwide early intervention digital mental health service.

In line with broader cost of living measures, $318.0 million has been committed over 5 years to freeze the cost of medicines, along with $3.4 billion over 5 years for new and amended listings on the PBS.

The role of the Aged Care Quality and Safety Commission in ensuring the safety and quality of older Australians is recognised, with a commitment of $110.9 million over four years to strengthen regulation in aged care.

The government has committed $531.4 million to release an additional 24,100 home care packages to address the 51,044 people in the National Priority System waiting for a home care package. Unspent funds from the Commonwealth Home Support Programme will be directed to other aged care programs.

The government has announced the new Aged Care Act effective from 1 July 2025.

## WHAT DOES IT MEAN FOR YOU?

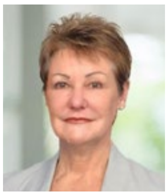
- The Australian community will see improved access to multi-disciplinary primary healthcare services and enhanced quality of care through sustained investment in Medicare, Urgent Care Clinics and public hospitals.
- Older Australians will be supported to remain at home, whilst aged care quality and safety will be strengthened.

# Human services

**"The government's commitment to support women fleeing domestic and family violence will assist victim-survivors in crisis, but requires investment for prevention and early intervention programs to stop violence before it occurs."**

## DAN JEFFERSON

Partner, Health, Ageing & Human Services, Management Consulting



## KERRY MCGOUGH

Partner, Health, Ageing & Human Services, Management Consulting

### WHAT'S IN THE BUDGET

- **$925.2 million** over 5 years to permanently implement the Leaving Violence Program, which will provide victim-survivors access to up to $5,000 in financial support, as well as up to 12 weeks of safety planning and referral supports.
- **$2.8 billion** over 5 years for Services Australia, including $1.8 billion for additional staff to address the backlog of claims and improve service standards.
- **$468.7 million** over 5 years to support people with disability and "get the NDIS back on track", following the NDIS Review.
- **$227.6 million** over 5 years to implement a new specialist disability employment program.
- **$59.8 million** over 5 years for improvements to the application of income support payments, including jobseekers and carers.

The vast majority of the significant investment to address gender-based violence is focused on responding to violence and supporting women in crisis. However, substantive funding is not provided in the Budget against the other National Plan domains of 'prevention', 'early intervention' and 'recovery and healing' which could be seen as gaps in a systemic response.

In addition to the funding commitment to the Leaving Violence Program, $1 billion has also been directed towards crisis and transitional accommodation for women and children fleeing domestic violence, and youth under the National Housing Infrastructure Facility.

While we await the government's formal response to the NDIS Review and Disability Royal Commission's recommendations, there are some initial measures in the Budget, including continuing the crackdown on fraud and improving participant safety.

There are new measures provided in response to some of the pre-budget recommendations of the Economic Inclusion Advisory Committee. These will increase payments for some jobseekers and carers, however broader reforms to income support payment rates have not featured in the Budget, other than increases to Commonwealth Rent Assistance.

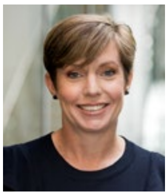
Services Australia has also received significant funding to address its claims backlog, and improved service standards for individuals who have touch points with the agency.

## WHAT DOES IT MEAN FOR YOU?

- State and territory governments will need to consider how their funded programs will align to or benefit from the extension to the Leaving Violence program.
- There is still a 'watch and wait' brief for people with disability and service providers for the government's substantive response to key recommendations from the NDIS Review and Disability Royal Commission.

# Defence

**"The government is investing an additional $50.3 billion over 10 years to implement the 2024 National Defence Strategy to meet Australia's strategic needs."**



**MELISSA MCCLUSKY**

Defence Account Lead Partner

**PETER ROBINSON**

Lead Partner, Defence & Defence Industry Sector

## WHAT'S IN THE BUDGET

- **$11.1 billion** over ten years to deliver the government's response to accelerate the delivery of the Royal Australian Navy's surface combatant fleet and expand Australia's shipbuilding industry.
- **$1 billion** in additional funding over the next 3 years to accelerate priority investments in long-range strike capabilities, theatre logistics, fuel resilience and robotic and autonomous systems.
- **$38.2 billion** over 7 years from 2027-28 in supplementary funding to support the new capabilities within the *2024 Integrated Investment Program.*
- **$72.8 billion** of existing funding has been reprioritised to support accelerated delivery of critical capability for the ADF.
- **$17.5 million** over ten years to establish a new Parliamentary Joint Committee on Defence.

In an historic funding boost, the government is investing an additional $5.7 billion over the next 4 years to uplift Defence's capabilities and to deliver the 2024 *National Defence Strategy* (NDS) and 2024 *Integrated Investment Program* (IIP).

The government will strengthen defence industry capability with a $101.8 million investment over 7 years to support the creation of the workforce needed to deliver and sustain the nuclear-powered submarines.

The government has allocated $165.7 million over 5 years to help industry scale up to support and deliver on the sovereign industrial priorities in line with the *Defence Industry Development Strategy*.

Veterans and their families will benefit from additional resources for frontline support to prioritise processing of claims; and the government will also provide $222 million to create simpler systems so veterans and their families can more easily get the support they are entitled to.

Defence will look to initiate a pilot program (Australian Defence Consulting) to provide internal consultancy support across Defence.

## WHAT DOES IT MEAN FOR YOU?

- Speed to capability continues to be the priority focus for Defence capability acquisition and defence industries will benefit from additional funding to strengthen the sovereign defence industrial base.
- Workforce is also one of the six immediate priorities for Defence, improving the growth and retention of the highly skilled workforce needed.

# National security & cyber

**"This Budget has the potential to deliver social and economic cohesion at home and abroad that acknowledges the collaboration needed across the breadth of agencies to deliver national security and community safety."**

## ANTHONY COURT

Lead Partner, National Security & Justice Sector

## CLAIRE MCGUINNESS

Partner, National Security & Justice

## GREG MILLER

Partner, Cyber Security – Critical Infrastructure & Government Lead

## MONIQUE SHEEHAN

Partner, National Security & Justice

### WHAT'S IN THE BUDGET

- **$505.9 million** to deepen Australia's engagement with Southeast Asia.
- **$206.4 million** on Cyber Security of Regulators and Improving Registers.
- **$168 million** for the Australian Transaction Reports and Analysis Centre (AUSTRAC) to expand capabilities and provide guidance to new regulated entities.
- **$161.3 million** over 4 years to deliver the National Firearms Register and support extensive reform of the national firearms management system.
- **$43.1 million** over 4 years, 2024–25 (and $3.6 million per year ongoing) to improve justice outcomes for First Nations individuals and families.

The Budget strengthens the foundations of Australia's security with investment in regulatory and data information sharing amongst law enforcement agencies domestically, positioning Australia as partner of choice for Southeast Asian countries.

The Budget creates opportunities for business, realising recommendations from the Federal Government's response to *Invested: Australia's Southeast Asia Economic Strategy to 2040.*

The funding to AUSTRAC supports the implementation of the next tranche of anti-money laundering and counter terrorism financing reforms, enhancing Australia's ability to detect and disrupt illicit financing.

Cooperation between the Commonwealth and States and Territories is central to the commitment of $161.3 million for a National Firearms Register, delivering improvements to community and police officer safety.

Funding for the cyber wardens program, small business cyber resilience service, cyber health check programs and a ransomware playbook will be welcomed by business while waiting for follow on measures from the *2023-2030 Australian Cyber Security Strategy*.

## WHAT DOES IT MEAN FOR YOU?

– Increased efforts to fight scams and protect your identity online.
– More opportunities for infrastructure partnerships, technology exports and startups in Southeast Asia.
– More connected and data-led law enforcement and regulatory community.

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