



Budget 2023–24

Cost-of-Living Relief

Easing the pressures on Australians



Responsible action now

The Government is providing \$14.6 billion in responsible and targeted cost-of-living relief.

This builds on \$11.3 billion to support a 15 per cent increase to award wages for aged care workers, and on the improved paid parental leave and cheaper child care beginning 1 July 2023.

Cheaper energy, greener homes

Household energy bill relief

The Government is partnering with the states and territories to offer up to \$3 billion of direct energy bill relief to vulnerable households and small businesses.

With the Government's other actions through the Energy Price Relief Plan, electricity bill increases are now expected to be around 25 percentage points smaller on average nationwide in 2023–24, compared with expectations prior to these actions.

More energy efficient homes

The Government is establishing the \$1.3 billion Household Energy Upgrades Fund to provide concessional finance to more than 170,000 households for home upgrades that save energy.

More affordable health care

Strengthening Medicare

The Government is making a historic investment in Medicare, providing \$5.7 billion over 5 years to strengthen it.

This includes \$3.5 billion to triple the bulk billing incentive for the most common GP consultations for children under 16 years, pensioners and other Commonwealth concession card holders.

Delivering cheaper medicines

The Government will double the maximum dispensing quantity to 60 days for over 300 Pharmaceutical Benefits Scheme (PBS) medicines. Some patients will be able to buy 2 months' worth of medicine for stable, chronic conditions, saving both time and \$1.6 billion in out-of-pocket costs over 4 years.

This builds on the October Budget measure to reduce the PBS general co-payment to \$30 from 1 January 2023. This has saved Australians more than \$58 million over 3 months.

The Government is also providing \$2.2 billion for new and amended listings on the PBS to ensure affordable access to new medicines.

Support for those who need it most

Expanding access to Parenting Payment (Single)

The Government is investing \$1.9 billion over 5 years to expand eligibility for Parenting Payment (Single) to single principal carers until their youngest child turns 14. Around 57,000 eligible single parents, 91 per cent women, will transition to a higher basic rate of \$922.10 per fortnight. This is an increase of \$176.90 per fortnight compared to current payments.

Increasing the rate of eligible payments

The Budget invests \$4.9 billion over 5 years to increase the rate of eligible working age and student payments, including JobSeeker, Austudy and Youth Allowance. In September, around 1.1 million Australians will receive a \$40 per fortnight increase to their basic payment rate.

The Government will also extend eligibility for the existing higher rate of JobSeeker to single Australians aged 55 to 59 who have been on the payment for 9 or more continuous months, to match that applying to those 60 and over.

Many Australians will receive the combined benefit of increases to income support payments, energy bill relief and Commonwealth Rent Assistance.

More affordable housing

Increasing Commonwealth Rent Assistance

From September 2023, the maximum rates of Commonwealth Rent Assistance will increase by 15 per cent for eligible recipients, meaning around 1.1 million households will be better off.

This is the largest increase to Commonwealth Rent Assistance in over 30 years.

Supporting housing supply and home ownership

The Government is encouraging more social and affordable housing by lifting the National Housing Finance and Investment Corporation's liability cap by \$2 billion, to allow more low-cost loans to Community Housing Providers.

The Government is also driving private sector housing supply by incentivising build-to-rent projects by halving the managed investment trust withholding tax rate from 30 per cent to 15 per cent and providing accelerated depreciation.

Industry estimates the lower tax rate could support up to 150,000 apartments over the next decade.

Supporting fairer wages

This Budget allocates \$11.3 billion to support the Fair Work Commission's decision to provide an interim increase of 15 per cent to award wages for many aged care workers. More than 250,000 workers will benefit.

The Government has also recommended the Fair Work Commission ensures the real wages of low-paid workers do not go backwards in this year's Annual Wage Review.

Cheaper child care and Paid Parental Leave

From July 2023, around 1.2 million families will begin to benefit from cheaper child care. Child Care Subsidy rates will increase up to 90 per cent for eligible families and up to 95 per cent for any additional children in care aged 5 and under.

The Government's new Paid Parental Leave scheme commences on 1 July 2023. Around 180,000 families will be able to receive the payment for up to 20 weeks and will have greater flexibility in how they use it. The Government is investing \$531.6 million to expand eligibility and gradually increase the amount of Paid Parental Leave each year up to a total 26 weeks by 2026.