

## Part 1: Overview

The Australian Government's responsible economic and fiscal management has delivered the first back-to-back budget surpluses in nearly two decades, the largest nominal budget improvement in a Parliamentary term, worked with monetary policy to return inflation to the target band for the first time since 2021, preserved most of the labour market gains with over a million jobs created since May 2022, and eased cost-of-living pressures for millions of Australians.

The budget position has improved by around a cumulative \$200 billion over the six years to 2027–28, compared to the 2022 Pre-election Economic and Fiscal Outlook (PEFO). As a result, debt is \$177 billion lower in 2024–25, helping to avoid around \$70 billion in interest costs over the decade.

The 2024–25 Mid-Year Economic and Fiscal Outlook (MYEFO) continues the Government's responsible approach. It improves the budget position for this financial year and makes structural improvements to the budget over the medium term. Fiscal policy settings remain consistent with inflation sustainably returning to the Reserve Bank of Australia's (RBA) target band.

The Government has been able to deliver improvements to the budget despite challenging economic conditions and the need to fund unavoidable spending and payment variations, including automatic adjustments to demand-driven programs. These factors are the primary drivers of the deterioration in the underlying cash balance over the forward estimates since the 2024–25 Budget.

In the face of significant economic headwinds, the Australian economy is on track for a soft landing. The economy has slowed due to a combination of higher interest rates, cost-of-living pressures and global economic uncertainty. Despite these difficult circumstances, there has been encouraging progress on a number of fronts. The economy has continued to grow, inflation has moderated substantially, over a million jobs have been created since the middle of 2022, the participation rate is near record highs, real wage and disposable income growth has returned, the gender pay gap is at record lows and business investment is at near decade highs.

The Government's economic plan is focused on fighting inflation without ignoring the risks to growth, delivering responsible cost-of-living relief and building a more productive, dynamic and resilient economy. The combination of moderating inflation and responsible cost-of-living relief is supporting growth in real wages and real household disposable incomes. After going backwards since early 2022, real per capita incomes have returned to growth. Real income growth is expected to pick up in the period ahead due to a combination of the Government's cost-of-living tax cuts, anticipated moderation in inflation and solid wage and income growth.

This MYEFO advances our economic plan, with new measures that provide relief to Australians, repair the budget and reform the economy.

This MYEFO is helping people now and building Australia’s future by:

- easing cost-of-living pressures – by rolling out responsible relief, taking the next steps to build a universal early childhood education and care system, further investments to build more secure and affordable rentals, supporting students and graduates, helping consumers get a better deal and building a more competitive economy
- investing in a Future Made in Australia – by investing in cleaner cheaper energy, establishing a Front Door for investors, delivering transport infrastructure and reforming our education system
- strengthening Medicare and the care economy – by supporting the care workforce, making healthcare and medicines more accessible and affordable, and improving the quality and sustainability of aged care and disability services
- broadening opportunity and advancing equality – by supporting legal assistance for vulnerable Australians, advancing gender equality, promoting Aboriginal and Torres Strait Islander economic empowerment, broadening labour market opportunities and looking after Australia’s veterans
- safeguarding our people and environment – by responding to changes in technology and the global economy to ensure Australians remain safe at home, abroad and online, protecting the environment and boosting the resilience of communities and our region.

The Government is taking the pressure off Australians by delivering responsible cost-of-living relief and building a more competitive and dynamic economy. Tax cuts for every Australian taxpayer and energy bill relief continue to be rolled out, and this MYEFO provides further relief by reducing student loan debts and compulsory repayments, offering more Free TAFE opportunities, improving the energy performance of social housing and delivering a better deal for consumers.

The Government is building a universal early childhood education and care system, and revitalising competition policy, which will help with the cost of living and make our economy more dynamic and productive.

Many Australians are struggling to get into the housing market. The recent passage of the Help to Buy legislation will bring homeownership back into reach for 40,000 Australians by providing an equity contribution of up to 40 per cent. Build to Rent reforms will boost the supply of rental housing in Australia through tax incentives to encourage investment and construction in the build-to-rent sector. These complement the Government’s substantial housing agenda that supports the national goal of building an extra 1.2 million homes.

The Government is building a Future Made in Australia through establishing a Front Door for investors in major, transformational projects and incentivising private investment in national priority areas. This MYEFO makes further investments in modernising the energy grid to facilitate the net zero transformation, reforming education and training sectors and delivering transport infrastructure.

This MYEFO further strengthens Medicare, makes medicines cheaper and more accessible, and invests in the care economy. This includes delivering a 15 per cent pay rise for early childhood educators, a further pay rise for aged care workers, critical investments in mental health care, pandemic preparedness, primary care and supports for people with chronic conditions. The Government has legislated historic aged care reforms to ensure the viability and quality of aged care, while supporting growing numbers of older Australians choosing to retain their independence and remain in their homes as they age.

This MYEFO also includes measures that respond to the Disability Royal Commission and the Royal Commission into Defence and Veteran Suicide, progresses reforms to the National Disability Insurance Scheme (NDIS) to ensure funding goes to those who need it most, and provides further investment to end gender-based violence as part of the Government's strategy to achieve gender equality. This includes a critical uplift in funding for legal assistance and additional investment in frontline service delivery.

The Government is also continuing to broaden labour market opportunities, including for First Nations people, through place-based and community-driven employment initiatives such as the new Remote Jobs and Economic Development and enhanced Local Jobs programs.

The Government is responding to our changing global environment to keep Australians safe at home and abroad. This includes a focus on online safety, supporting our regional partners and key allies, and bolstering defence force recruitment and retention. There are also initiatives to improve pest, disease and disaster preparedness and measures to protect our natural environment.

## Updated economic and fiscal outlook

The impact of higher interest rates, cost-of-living pressures and global economic uncertainty has weighed on the Australian economy more than anticipated. Despite these difficult circumstances, the Australian economy has outperformed many advanced economies and is on track for a soft landing. The economy has continued to grow and inflation has moderated substantially. In the labour market, more than a million jobs have been created since May 2022, the participation rate is near record highs, real wages and household incomes are growing again, and the gender pay gap is the narrowest it has ever been. Business investment is at its highest level since the early 2010s.

Economic growth in Australia is expected to increase from 1.4 per cent in 2023–24 to 1¾ per cent in 2024–25, and then to 2¼ per cent in 2025–26. The pick-up in growth is expected to be supported by a gradual recovery in household consumption. The Government's cost-of-living tax cuts, together with the anticipated easing in inflationary pressures and continuing employment and wage growth are expected to drive growth in real household disposable incomes in 2024–25.

Inflation has moderated substantially in the Australian economy across both headline and underlying measures. Inflation returned to the RBA’s target band for the first time since 2021 in the September quarter 2024. This was supported by the Government’s cost-of-living relief in the 2024–25 Budget, which is expected to directly reduce annual inflation by ½ of a percentage point in 2024–25.

Underlying inflation fell by 0.5 percentage points in the September quarter to its lowest level in almost three years. The easing of underlying inflation has largely been driven by the normalisation of goods price inflation. Services inflation has also moderated from its peak. Inflation is expected to sustainably return to the RBA’s target band around the end of 2025.

Over a million jobs have been created in the Australian economy since the middle of 2022. Most of these gains in employment are expected to be preserved, with employment growth expected to remain positive but moderate over time. Labour force participation is forecast to remain near its peak. The unemployment rate is low by historical standards and is expected to remain comparatively low over the forecast period, rising modestly to 4½ per cent by June 2025.

Nominal wage growth has eased but is expected to remain above its 10-year pre-pandemic average of 2.7 per cent. Real wages are expected to grow over the forecast period due to a combination of solid wage growth and moderating inflation.

Investment will support growth in the economy in the period ahead, with business investment forecast to remain at around decade highs and dwelling investment expected to pick up.

While growth in public demand remains below its five-year pre-pandemic average, it has played an important role in ensuring the Australian economy remains on track for a soft landing. Without the contribution of public demand in the September quarter, growth in the economy would have been much weaker. State and local government spending was the major driver in public final demand.

**Table 1.1: Major economic parameters** <sup>(a)</sup>

	Outcome		Forecasts		
	2023–24	2024–25	2025–26	2026–27	2027–28
Real GDP	1.4	1 3/4	2 1/4	2 1/2	2 3/4
Employment	2.2	1 3/4	1	1 1/2	1 3/4
Unemployment rate	4.1	4 1/2	4 1/2	4 1/2	4 1/4
Consumer price index	3.8	2 3/4	2 3/4	2 1/2	2 1/2
Wage price index	4.1	3	3	3 1/4	3 1/2
Nominal GDP	4.1	3 1/4	3 1/2	5	5 1/2

a) Real GDP and nominal GDP are percentage change on preceding year. Employment, the consumer price index and the wage price index are through-the-year growth to the June quarter. The unemployment rate is the rate for the June quarter.

Source: ABS Australian National Accounts: National Income, Expenditure and Product; Labour Force Survey, Australia; Consumer Price Index, Australia; Wage Price Index, Australia; and Treasury.

After recording the first back-to-back surpluses in almost two decades and the largest nominal back-to-back surpluses on record, a deficit of \$26.9 billion is forecast for 2024–25. This is \$20 billion better than the deficit forecast at the PEFO and an improvement on the 2024–25 Budget.

This MYEFO shows an improvement in the underlying cash balance by around \$200 billion over the six years to 2027–28, relative to the PEFO. Gross debt is significantly lower, expected to stabilise at 36.7 per cent of GDP, 8.2 percentage points lower than the peak at the PEFO. As a share of the economy gross debt is lower in every year relative to the PEFO.

The Government is delivering on its Economic and Fiscal Strategy and continues to exercise spending restraint. Since coming to government and over the forward estimates period, average real payments growth has been limited to 1.5 per cent per year, around half the 30-year average of 3.2 per cent. Between 2024–25 and 2027–28 average real payments growth is estimated at 2.8 per cent per year. In this MYEFO, the Government has identified \$14.6 billion in savings and reprioritisations, with a total of \$92.0 billion since the PEFO. Since coming to government and over the forward estimates, 78 per cent of tax receipt upgrades have been returned to the budget. By improving the budget position compared to the PEFO, the Government has kept gross debt down and avoided around \$70 billion in interest payments over the 11 years to 2032–33.

The Government has been able to deliver these improvements to the budget despite challenging economic conditions and the need to fund payment variations and unavoidable spending, which are the primary drivers of the deterioration in the underlying cash balance over the forward estimates relative to the 2024–25 Budget. This MYEFO includes \$8.8 billion in unavoidable policy decisions. Parameter and other variations excluding GST have increased payments by \$16.3 billion, which includes automatic adjustments to indexation and funding increased demand for government payments and services.

These variations provide funding to ensure our veterans receive their entitlements, index pensions, increase support to families to assist with the cost of child care, support disaster recovery, increase support for schools, pass on the recent Fair Work Commission decision on aged care worker wage rises, and support increased demand for Medicare and the Pharmaceutical Benefits Scheme.

Tax receipts upgrades are much smaller than the \$80 billion upgrade on average across the last four budget updates. Excluding GST and policy decisions, tax receipts have been revised up by \$7.3 billion over the four years to 2027–28. For the first time since the 2020–21 Budget, company tax receipts have been revised downwards reflecting weaker commodity volumes amid emerging challenges in the Chinese economy.

The underlying cash balance as a share of the economy is better in every year of the medium term than the PEFO and broadly unchanged since the 2024–25 Budget. The underlying cash balance is projected to improve over the medium term, returning to balance by 2034–35. Gross debt is expected to stabilise at 36.7 per cent of GDP at 30 June 2027, before declining to 31.4 per cent of GDP by 30 June 2035.

**Table 1.2: Budget aggregates**

	Estimates							
	2024–25		2025–26		2026–27		2027–28	
	\$b	% GDP	\$b	% GDP	\$b	% GDP	\$b	% GDP
<b>Underlying cash balance</b>								
MYEFO	-26.9	-1.0	-46.9	-1.6	-38.4	-1.3	-31.7	-1.0
<i>Budget</i>	-28.3	-1.0	-42.8	-1.5	-26.7	-0.9	-24.3	-0.8
<b>Gross debt(a)</b>								
MYEFO	940.0	34.0	1,028.0	36.0	1,100.0	36.7	1,161.0	36.7
<i>Budget</i>	934.0	33.9	1,007.0	35.1	1,064.0	35.2	1,112.0	34.9
<b>Net debt(b)</b>								
MYEFO	540.0	19.6	609.3	21.3	669.2	22.3	708.6	22.4
<i>Budget</i>	552.5	20.0	615.5	21.5	660.0	21.8	697.5	21.9

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

b) Net debt is the sum of interest bearing liabilities (which includes AGS on issue measured at market value) less the sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).

## Responsible economic management

The Government is continuing to deliver on its Economic and Fiscal Strategy by prioritising responsible economic management. This is demonstrated by the Government’s discipline in returning 78 per cent of tax upgrades to the budget since the PEFO, restraining real growth in payments to an average of 1.5 per cent per year over the six years to 2027–28, and delivering \$119.9 billion in savings, reprioritisations and budget improvements since the PEFO up to 2027–28.

The Government’s responsible economic and fiscal management has seen fiscal policy work alongside monetary policy to return headline inflation to the RBA’s target band in 2024–25 for the first time since 2021. The Government’s fiscal settings are consistent with bringing inflation sustainably back to target.

In the 2024–25 Budget and previous updates, the Government took decisions to provision for anticipated future expenditure, including in early childhood education and care. In this MYEFO, \$4.7 billion of policy decisions were funded by provisions from previous updates, and therefore do not worsen the underlying cash balance in this update.

Since the PEFO, the Government has delivered structural spending improvements, including:

- the *Getting the NDIS Back on Track No. 1 Act* that progresses key Independent NDIS Review recommendations to make the NDIS more sustainable, delivering on National Cabinet’s commitment to the NDIS Financial Sustainability Framework
- ensuring the sustainability of aged care, by introducing an improved structure of co-contributions across residential and home care, as recommended by the Aged Care Taskforce

- the reprioritisation of \$72.8 billion over the decade in the rebuilt Defence Integrated Investment Program
- avoiding public debt interest costs.

Building on these efforts in this MYEFO, the Government has identified a further \$14.6 billion in savings and reprioritisations over the five years to 2027–28. These demonstrate the Government’s continued commitment to fiscal restraint and focus on identifying opportunities to improve the efficiency, quality, and sustainability of spending. The Government has identified a total of \$92.0 billion in savings and spending reprioritisations up to 2027–28 since the PEFO.

This MYEFO also includes measures to continue to improve the integrity and administration of the tax system, improving the budget by \$361.2 million over four years. This includes funding for the Australian Taxation Office to modernise tax administration systems and extend and enhance tax compliance activities focusing on illegal phoenix activity and the shadow economy, as well as strengthening the tax penalty system.

The Government has taken \$8.8 billion in unavoidable decisions in this MYEFO, including to extend terminating programs to safeguard the services Australians rely on. Unavoidable policy decisions taken in this MYEFO include:

- support for frontline legal assistance through a new National Access to Justice Partnership
- new and amended Pharmaceutical Benefits Scheme listings
- extending terminating funding for the National Disability Insurance Agency (NDIA) and the NDIS Quality and Safeguards Commission
- preparing and protecting Australia against avian influenza
- funding infrastructure project cost pressures
- extending terminating health and aged care programs.

## National priorities

### Easing cost-of-living pressures

In this MYEFO, the Government continues to take the pressure off Australians by prioritising responsible cost-of-living relief for households and businesses, charting the course to universal early childhood education and care and investing in more secure and affordable rentals. Key measures that help ease cost-of-living pressures include the continued roll out of tax cuts for every Australian taxpayer, energy bill relief, reducing student loan debts and compulsory repayments, improving the energy performance of social housing, and reforms to build a more competitive economy and ensure consumers get a better deal.

### Tax cuts for every Australian taxpayer

The Government is delivering tax cuts for all 13.6 million Australian taxpayers from 1 July 2024 to provide cost-of-living relief, return bracket creep and boost labour supply. The Government's tax changes provide bigger tax cuts for more taxpayers without adding to inflationary pressures.

### Energy bill relief

As announced in the 2024–25 Budget, the Government is continuing to roll out energy bill relief to over ten million households and around one million small businesses. This energy bill relief will help manage increasing costs for households and directly reduce inflation pressures.

### Support for students and graduates

#### *Student loan relief*

The Government has committed to reducing Higher Education Loan Program (HELP) and other student debts by 20 per cent before indexation is applied on 1 June 2025, removing \$16 billion in student loan debt, subject to the passage of legislation. This builds on the Government's 2024–25 Budget initiative to make HELP indexation fairer and reduce the indexation applied in 2023 and 2024, which will reduce student debt by \$3 billion. Combined, these reforms will cut more than \$19 billion in student debt for more than three million Australians.

The Government is also committing \$182.2 million over four years from 2024–25 (and \$402.3 million from 2028–29 to 2034–35) to reform the repayment system for the HELP and other student loan schemes, taking effect from 1 July 2025, subject to the passage of legislation. This will deliver significant and immediate cost-of-living relief to Australians with student debt, allowing them to keep more of what they earn. The reforms will deliver a fairer student loan repayment system that is based on marginal rates and increase the amount people can earn before they are required to start repaying their loan.



### *Skills and TAFE*

This Government is supporting Australians to gain well-paid, secure jobs. In the first 18 months since commencement in 2023, there have been over 508,000 Free TAFE enrolments in courses linked to key priority areas across the economy. The Government will commit \$253.7 million over two years (and \$1.4 billion from 2028–29 to 2034–35) to make 100,000 Free TAFE places ongoing from 1 January 2027, subject to the passage of legislation. Ongoing Free TAFE will provide certainty and ease cost-of-living pressures for students while supporting them to obtain secure employment.

### **Reforming early childhood education and care**

This MYEFO, the Government is paving the way towards universal early childhood education and care. Improving the accessibility and affordability of child care can encourage attendance and take pressure off parents with young children.

The Government is also supporting the early childhood education and care workforce by delivering a historic wage increase, which helps to maintain the quality of education and care provided to young children, and is capping fee growth for providers in receipt of these worker retention payments.

#### **Box 1.1: Next steps in building a universal early childhood education and care system**

The Government is committed to building a universal early childhood education and care system where every child is guaranteed access to at least three days of quality early education and care, which is simple and affordable for every family.

Early childhood education and care is an essential part of Australia’s education system and is a powerful lever for increasing workforce participation, especially for women. Participation in quality early childhood education and care has important developmental, social, and educational benefits for children, helping to set them up for school. This can support long term productivity by increasing educational attainment for children. Early childhood education and care can also support productivity from parents by minimising career disruptions and enabling accumulation of labour market experience. Together the productivity and participation benefits can support potential economic growth and reduce fiscal costs.

In this MYEFO, the Government is investing \$5.0 billion over five years from 2024–25, including provisioning \$500 million to deliver on the Government’s commitment. The Government will improve the accessibility and affordability of early childhood education and care, including for the children who will benefit the most from it but are currently the least likely to attend.

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**Box 1.1: Next steps in building a universal early childhood education and care system (continued)**

Changes are informed by the Productivity Commission’s inquiry report *A pathway to universal early childhood education and care* and the Australian Competition and Consumer Commission’s *2023 Childcare Inquiry*.

Investments include:

- \$3.6 billion over four years from 2024–25 to support a wage increase for the early childhood education and care workforce through a Worker Retention Payment. This will deliver a 10 per cent increase on top of the current national award rate in the first year from December 2024 and a further 5 per cent in the second year from December 2025. This commitment will support retention of early childhood educators and teachers and attract new employees to the sector, and recognises the essential role this majority female workforce plays in our economy and society.
- \$1.0 billion to establish the Building Early Education Fund to increase early childhood education and care places across Australia and drive supply of high quality care, including:
  - \$529.6 million over four years from 2024–25 (and an additional \$1.2 million in 2028–29) for targeted capital grant rounds to establish new child care services and to increase the capacity of existing services in under-served and unserved areas, including in the outer suburbs and the regions
  - \$2.3 million over two years from 2024–25 to the Department of Education to undertake a business case for the Commonwealth to invest in owning and leasing a portfolio of early childhood education and care centres to increase the supply of early childhood education and care services, with \$500 million provisioned for future investments.
- \$291.2 million over three years from 2025–26 (and \$129.0 million per year ongoing) to replace the existing Child Care Subsidy activity test with a new 3 Day Guarantee from January 2026. Families will have access to three days per week (72 hours per fortnight) of subsidised care, and families with First Nations children will have a greater entitlement of 100 hours per fortnight, regardless of parents’ level of work, training, study or other activity
- \$10.4 million over three years from 2024–25 to develop an Early Education Service Delivery Price to determine the reasonable cost of providing high-quality early childhood education and care and underpin future reform
- \$6.4 million over two years from 2025–26 to Services Australia to upgrade the Child Care Subsidy system to support the reforms.

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**Box 1.1: Next steps in building a universal early childhood education and care system (continued)**

These investments strengthen two fundamental pillars of the system – workforce participation and accessibility of services – and build a strong foundation for moving towards a high-quality universal system, where every child is guaranteed access to at least three days of high-quality early education and care, which is simple, affordable and accessible for every family.

**Making it easier to buy and rent a home**

*Help to Buy*

The Government has now legislated and is establishing the Help to Buy scheme. This program will support 40,000 Australians to buy homes with lower deposits and smaller mortgages.

Administered by Housing Australia, Help to Buy will support eligible Australians to purchase a home of their own with an equity contribution from the Government of up to 40 per cent for new homes and 30 per cent for existing homes. This will bring home ownership back into reach for thousands of Australians who have been locked out of the housing market. The Government is working closely with the states, which will need to pass legislation for it to operate in their jurisdictions, and territories to enable the delivery of the scheme.

*Build to Rent*

The Government is boosting the supply of rental housing in Australia through tax incentives to encourage investment and construction in the build-to-rent sector.

The new incentives, now legislated, will apply to build-to-rent projects consisting of 50 or more dwellings made available for rent to the general public. The dwellings must be retained under a single ownership for at least 15 consecutive years and a minimum 10 per cent of dwellings in a development need to be made available as affordable tenancies. All tenancies must be offered for a minimum of five years and build-to-rent operators will be prevented from using no-fault evictions. A proportion of affordable dwellings will be reserved for lower- and moderate-income earners, and such tenancies will be required to be managed in partnership with registered, not-for-profit community housing organisations.

The incentives will operate alongside state and territory initiatives designed to support the build-to-rent sector. Attracting more investment in housing will support the Government's commitment to build 1.2 million new, well-located homes over five years from 1 July 2024.

### *Improving energy efficiency for vulnerable households*

The Government is committing \$500 million to expand the existing Social Housing Energy Performance Initiative (SHEPI) to improve energy efficiency and access to solar and batteries, in partnership with states and territories. With the expansion, the SHEPI is now expected to reach more than 100,000 social housing properties, saving tenants up to 25 per cent of their energy usage, and helping to keep homes warmer in winter and cooler in summer.

## **A more competitive and dynamic economy**

### *Revitalising National Competition Policy*

On 29 November 2024, Commonwealth, state and territory treasurers signed a landmark agreement to revitalise National Competition Policy to drive growth and put downward pressure on prices. The Government has committed \$900 million over the period to 2035–36 for payments to states and territories to implement pro-competitive reforms. This includes commercial land use and planning reforms and reforms to level the playing field for modern methods of construction to drive down housing costs. The Government will also fast-track adoption of product safety standards to improve access to safe and affordable products and make progress towards broader ‘rights to repair’ to drive down repair costs.

The Government’s Competition Review will continue to examine other opportunities to improve competition and economic dynamism as part of the Government’s five pillar Productivity Agenda.

### *Reforming merger settings to support competitive markets*

In this MYEFO, the Government is allocating \$56.6 million over three years from 2025–26 (and \$21.2 million per year ongoing) to the Australian Competition and Consumer Commission (ACCC) to support the introduction of a mandatory and suspensory administrative merger system. This is the biggest reform to the merger control system in 50 years, making it stronger, faster, simpler, more targeted and more transparent. The ACCC will also be notified of every merger in the supermarket sector, ensuring adequate scrutiny of the competition effects of these transactions.

### *A better deal for consumers*

The Government is committing \$40.9 million to the ACCC to boost its capability to make sure consumers get a better deal. This includes cracking down on unfair surcharging practices and tackling misconduct in the supermarket and retail sector.

The Government has also announced a preparedness to ban debit card surcharges, subject to further work by the RBA and safeguards to ensure both small businesses and consumers can benefit from lower costs. The Government will mandate that businesses must accept cash when selling essential items, with appropriate exemptions, including for small businesses.

To make it easier for Australians affected by scams to seek compensation, up to \$14.7 million will be made available over two years from 2024–25 to the Australian Financial Complaints Authority to ensure it has capacity to provide a clear, single dispute resolution pathway for complaints relating to the three initial sectors to be designated under the Scams Prevention Framework.

Additionally, the Government has announced consultation on the design of proposed reforms to the Australian Consumer Law to ban a range of unfair trading practices, addressing unfair subscription-related practices, drip pricing and hidden fees, dynamic pricing and barriers to accessing customer support.

The Government is also committed to strengthening the Unit Pricing Code, including by introducing substantial penalties for supermarkets which breach the Unit Pricing Code.

### **Payday Super**

The Government is providing an additional \$404.1 million over four years from 2024–25 to implement Payday Super, the cornerstone of the *Securing Australians' Superannuation Package*. From 1 July 2026, employers will be required to pay their employees' super at the same time as their salary and wages. While most employers do the right thing, the Australian Taxation Office estimates \$5.2 billion worth of super went unpaid in 2021–22.

The Government will also introduce legislation to recalibrate penalties and charges, incentivising employers to promptly rectify missed payments, with more severe consequences for deliberate and repeated failures. These reforms will help reduce the amount of superannuation guarantee that goes unpaid to workers each year leaving millions of Australians better off at retirement.

### **A Future Made in Australia**

The global transformation to net zero alongside geostrategic competition are changing the value of countries' natural resources, disrupting trade patterns, and creating new markets that require adaptability and reward innovation. The Future Made in Australia agenda will help Australia build a stronger, more resilient economy powered by renewable energy. It will create more secure, well-paid and productive jobs, and encourage the private sector investment required to make the most of the world's structural shift.

Since the 2024–25 Budget, the Government has progressed the broad range of reforms that underpin the Future Made in Australia agenda. This has included legislating the *Future Made in Australia Act 2024* and the Guarantee of Origin scheme, and introducing legislation for production tax incentives for critical minerals processing and renewable hydrogen.

In this MYEFO, the Government is building on its existing \$22.7 billion investment in the Future Made in Australia agenda, by modernising energy infrastructure and advancing the transition to a net zero economy, introducing reforms to ensure a fairer and stronger education sector and delivering transport infrastructure. These initiatives will help maximise the economic and industrial benefits of the international move to net zero and secure Australia's place in the changing global economic and strategic landscape.

### *A Front Door for investors*

Following its announcement in the 2024–25 Budget and consultation with stakeholders on the high-level design, the Government is establishing the Front Door for investors with major transformational proposals within the Treasury portfolio. The Front Door will make it simpler to invest in Australia and attract more global and domestic capital. It will act as a single point of entry for investors, helping the Government identify priority projects and providing those projects with coordinated facilitation services.

The Government will establish an Investor Council to support the Front Door to prioritise proposals, coordinate public financing and facilitate information sharing on potential investment opportunities. The Investor Council will be chaired by the Front Door and its members will include the Government’s Specialist Investment Vehicles, the Future Fund, and other relevant government agencies.

The Government will provide \$11.2 million over two years to undertake the detailed design of the Front Door’s prioritisation and facilitation functions from 1 January 2025 and pilot service delivery from September 2025.

### **Supporting the transition to a net zero economy**

The Government’s recent Safeguard Mechanism reforms, coupled with the maturing Australian Carbon Credit Unit market, the New Vehicle Efficiency Standard and the Capacity Investment Scheme, mean that around half of Australia’s emissions are now covered by credible, binding policies to drive emissions reductions. Importantly, these market-based mechanisms allow businesses to identify the lowest cost ways of meeting their emission reduction requirements. The Government is also supporting business in the transition through the Powering the Regions Fund.

### *Accelerating the delivery of cleaner, cheaper energy*

The Government is ensuring that Australian consumers enjoy the benefits of cleaner and cheaper renewable energy by investing in our electricity grid and reducing delays to delivering new renewable generation projects.

Building on its \$20 billion Rewiring the Nation program, the Government is investing an additional \$1.2 billion to modernise and deliver new and upgraded transmission infrastructure. It is also investing \$36.9 million over six years in new innovations and technologies to deliver more energy through the existing infrastructure, including integrating batteries and other demand management technologies into local grids, and new technologies like digital twins to improve reliability.

Supporting this investment, the Government’s new \$10.1 million Accelerated Connections Fund will help reduce bottlenecks and accelerate the connection of new renewable generation. The Government is also working in partnership with the states and territories to reduce regulatory costs impacting the net zero transformation, and with investors, with institutional investors representing \$2.2 trillion in capital endorsing the Government’s

target of reaching 82 per cent of renewable electricity by 2030 through the Investor Roundtable Energy Compact.

## **Building a better and fairer education system**

### *A stronger higher education sector*

The Government is committed to increasing tertiary attainment to meet the skills needs of the future, and has set a target for 80 per cent of the working age population to have a tertiary qualification by 2050. To achieve this goal, the Government is taking further steps to implement recommendations of the Universities Accord by establishing a new university funding and governance model for the tertiary education sector.

The Government is providing \$20.2 million over four years to establish a new Australian Tertiary Education Commission (ATEC) in an interim capacity from 1 July 2025 and permanently from 1 January 2026, subject to the passage of legislation. The ATEC will provide advice to Government on higher education pricing matters, tertiary sector harmonisation and sector performance to ensure that tertiary education remains strong and responsive to future needs to help build a future made in Australia.

The Government will also invest \$2.5 billion over 11 years to provide more university places and introduce a demand-driven system for students from underrepresented backgrounds, to help more students enrol in universities and complete their degrees. The new funding system will incentivise universities to enrol and support students from underrepresented backgrounds, with per-student funding to ensure students from underrepresented backgrounds receive the support they need to succeed and to help meet the additional costs faced by regional universities.

This work builds on reforms including the introduction of the first Commonwealth Prac Payment, the expansion of FEE-Free Uni Ready Courses and reforming the indexation of student debts to make sure debts do not increase faster than wages.

### *A new Better and Fairer Schools Agreement*

The Government has agreed a new 10-year Better and Fairer Schools Agreement (BFSA), with Western Australia, Tasmania, the Northern Territory and the Australian Capital Territory. This investment increases the Australian Government's share of the Schooling Resource Standard for government schools from 20 per cent to 22.5 per cent by 2026, and from 20 per cent to 40 per cent by 2029 for the Northern Territory. New South Wales, Victoria, Queensland and South Australia have signed an interim 1-year school funding agreement that maintains existing funding arrangements.

The BFSA was informed by the 2023 Productivity Commission Review of the National School Reform Agreement and the 2023 Independent Review to Inform a Better and Fairer Education System. The BFSA ties new funding to reforms to help lift student outcomes, set targets and improves school funding transparency.

## **Delivering transport infrastructure**

The Government will provide \$926.9 million to the Infrastructure Investment Program to address cost pressures on road and rail projects with the states and territories. This additional funding will support the delivery of existing projects across the transport network.

## **Enhancing community infrastructure**

The Government will provide \$201.1 million over three years from 2024–25 to support sustainable urban and regional development in Australia. This includes additional funding for the Thriving Suburbs Program and the Stronger Communities Programme. Funding will deliver social benefits for local communities across Australia.

## **Strengthening Medicare and the care economy**

In this MYEFO, the Government is building upon significant investments made in the 2024–25 Budget to support the care and health of all Australians.

The Government is continuing its commitment to strengthen Medicare and secure essential services for people with disability and older Australians, with investments that deliver a more sustainable and productive health, care and support economy.

### **Strengthening Medicare**

#### *Improvements to the Medicare Benefits Schedule*

The Government is committing \$246.9 million in additional funding to support access to Medicare services through the Medicare Benefits Schedule (MBS). This includes support to access treatments for prostate cancer, expected to benefit over 1,500 patients per year by 2028. The measure will also reduce wait times and improve access to surgery with an expansion of MBS items for nurse practitioners to provide surgical assistance services.

#### *Support for primary care*

The Government is investing \$143.1 million to provide better access and more affordable primary care for all Australians. This includes funding to support after hours, multicultural and homelessness services, and to incentivise general practices to undertake continuous quality improvement activities. An additional \$71.2 million has also been committed to strengthen and support the health workforce, including to improve access to primary care services in thin markets, such as rural and remote areas.

#### *Mental health and wellbeing support*

The Government is providing \$448.3 million to support the mental health of Australians, and for suicide prevention and postvention initiatives. This includes \$272.1 million to extend the Commonwealth Psychosocial Support Program for a further two years ensuring 25,000 Australians with severe mental illness can continue to receive supports to build



day-to-day living and social skills. This builds on the \$888.1 million committed in the 2024–25 Budget to strengthen Australia’s mental health system.

To improve the access, quality and safety of healthcare and wellbeing services for Australia’s LGBTIQ+ communities, the Government has committed \$15.5 million as part of its response to the first 10-Year National Action Plan for the Health and Wellbeing of LGBTIQ+ people.

### **Making medicines cheaper and more accessible**

The Government is providing \$2.5 billion for new and amended listings on the Pharmaceutical Benefits Scheme (PBS), including treatments for dermatitis, heart disease, endometriosis and breast cancer. The Government is also providing \$20.0 million to state and territory governments for 18 months from 2024–25 for children and young adults with high-risk neuroblastoma to get early access to the cancer treatment DFMO (difluoromethylornithine) at no cost.

### **Improving health outcomes**

The Government is providing \$187.9 million to extend funding for research and critical patient support services for Australians with chronic conditions, including diabetes and stroke, and for newborn bloodspot screening programs. This will provide further support for the almost half of all Australians who live with one or more chronic conditions, which are the leading causes of illness, disability and death in Australia. This funding will also support men’s health by providing \$4.0 million to continue the Australian Longitudinal Study on Male Health.

Funding will support additional cancer screening and specialist programs, including \$26.3 million for the National Bowel Cancer Screening Program, the Prostate Cancer Specialist Nurses Program and Canteen’s Youth Cancer Services Program.

### *Health prevention and emergency management*

The Government is continuing to protect Australians’ health and preparedness by investing in Australia’s vaccine stockpile, including committing \$174.5 million to provide pregnant women with free access to the maternal respiratory syncytial virus (RSV) vaccine (Abrysvo®) under the National Immunisation Program. RSV is one of the leading causes of childhood hospitalisation, with around 12,000 babies admitted every winter. The Government is also committing \$22.1 million to increase and diversify Australia’s stockpile of readily deployable vaccines for protection against High Pathogenicity Avian Influenza H5.

The Government will deliver better pandemic preparedness by providing \$251.7 million to establish the Australian Centre for Disease Control as an independent agency.

The Government is also investing in critical medical research capability, including over \$30 million for Genomics Australia to support the development of genomics to improve disease testing, diagnosis and treatment.

## **Better and more sustainable aged care**

The Government's aged care reform package means older Australians and their loved ones will now access a better system that puts quality care and safety first. Around 1.4 million Australians will benefit from the new Support at Home Program by 2035, helping them remain independent in their home and community for longer. These reforms are essential to ensure the viability and quality of aged care and support for the growing numbers of older Australians choosing to retain their independence and remain in their homes as they age, while making aged care spending more sustainable.

### *Support at Home*

The Government is investing \$5.4 billion in a new Support at Home program from 1 July 2025. This investment will shorten assessment wait times, provide more tailored support, allow for home modifications of up to \$15,000 and provide access to assistive technology. Support at Home will support 300,000 more older Australians over the next ten years, including more than 83,000 participants in 2025–26.

The Government is also creating a more equitable and sustainable in-home care system for older Australians through the introduction of a new framework for participant co-contributions based on their means.

The Government is providing \$101.7 million to release 7,615 additional Home Care Packages in 2024–25 to reduce wait times ahead of the commencement of Support at Home. This builds on the 24,100 packages announced at the 2024–25 Budget.

### *Residential aged care*

The Government is amending residential aged care settings to ensure providers can attract the investment they need to keep facilities open, improve quality, and build new facilities. As recommended by the Aged Care Taskforce, the Government is introducing new means tested contributions for new entrants, a higher maximum room price and the retention of a small portion of refundable accommodation deposits by providers. The treatment of the family home does not change under these changes and the Government continues to fund all clinical care costs in residential aged care.

### *New Aged Care Act*

The Government's new *Aged Care Act 2024* empowers older Australians to exercise their rights when accessing government-funded aged care services. The Act includes a Statement of Rights for older Australians in aged care, new quality standards to drive high-quality care and continuous improvements, and stronger regulatory powers to protect people from harm.

### *Supporting the care economy workforce*

The Government is getting wages moving again with a further investment of \$3.8 billion over four years to support a higher standard of care for older Australians by funding pay rises for workers from 1 January 2025. This support builds on the \$11.3 billion already allocated to support an interim wage increase of 15 per cent for aged care workers. These wage increases support gender pay equality as 86 per cent of aged care workers are women. The Government is also supporting the care economy workforce by providing \$3.6 billion over four years to support a wage increase for early childhood education and care workers.

### **Better and more sustainable disability services**

#### *Getting the NDIS back on track*

The Government is committed to improving outcomes for NDIS participants and ensuring every dollar of NDIS funding goes to those who need it most. Funding of \$280.0 million will be provided to the NDIA in 2025–26 to support the transition of NDIS participants to a new planning framework.

The Government has passed legislation to address growing pressures on the NDIS. The reforms being undertaken by Government are expected to continue to moderate growth in NDIS expenditure and contribute to the sustainability of the Scheme, ensuring it can continue to provide support to future generations of Australians.

#### *Response to the Disability Royal Commission*

In this MYEFO, the Government is providing a further \$104.9 million towards the first phase of its response to the Disability Royal Commission, including \$58.7 million to protect the rights of people with disability, \$35.6 million to promote inclusion and access and \$21.2 million to strengthen safeguards.

This investment brings the Government's commitment towards the first phase of its response to the Disability Royal Commission to \$371 million and builds on over \$3 billion of investment since the PEFO to improve the lives and safety of people with disability in Australia.

### **Broadening opportunity and advancing equality**

The Government is broadening opportunity and advancing equality by supporting legal assistance for vulnerable Australians, advancing gender equality, promoting First Nations economic empowerment, broadening labour market opportunities and looking after Australia's veterans.

### **Supporting legal assistance for vulnerable Australians**

The Government is investing a total of \$3.9 billion over five years from 2025–26 to support frontline legal assistance services. The funding will be delivered through a new National Access to Justice Partnership which will commence on 1 July 2025. The investment includes an increase of \$800 million for Commonwealth priorities, including family law matters, supporting people experiencing gender-based violence, particularly First Nations women and children, Closing the Gap and reducing incarceration rates for First Nations adults and youth.

The Government has committed to provide funding for the National Access to Justice Partnership on an ongoing basis, providing much-needed funding certainty to the sector.

In addition to the investment in frontline legal services, the increased funding delivered through the National Access to Justice Partnership will support an update to the indexation rate applied to funding and reduce pay disparity across the legal assistance sector. These features will help support the ongoing viability of the sector and the continued provision of legal assistance to vulnerable Australians. Addressing pay parity will improve the sector's capacity to attract and retain its workforce, particularly in rural, regional and remote areas.

This funding is a component of the \$4.4 billion Commonwealth package agreed by National Cabinet on 6 September 2024.

### **Advancing gender equality**

MYEFO continues to deliver investments in the Government's commitment to advance gender equality. *Working for Women: A Strategy for Gender Equality (Working for Women)* sets out a vision for an Australia where people are safe, treated with respect, have choices and access to resources, and equal outcomes no matter their gender. This update is the second since the launch of Working for Women in March 2024 and was informed by its five priorities: gender-based violence; paid and unpaid care; economic equality and security; health; and leadership, representation and decision-making.

**Box 1.2: MYEFO investments delivering on Working for Women priorities****Gender-based violence**

The Government is providing an additional \$534.5 million over six years from 2024–25 in this MYEFO, bringing total investments to support women’s safety and the *National Plan to End Violence against Women and Children 2022–32* to \$4.0 billion since the 2022–23 October Budget. Additional funding includes:

- \$366.9 million over five years from 2025–26 to extend the National Partnership Agreement on Family, Domestic and Sexual Violence Responses. This funding will support frontline service delivery, with a focus on specialist services for women and children and working with men. The agreement will include matched funding from states and territories and deliver over \$700 million across governments.
- \$82.4 million over four years from 2024–25 to strengthen responses to high-risk and serial perpetrators of family and domestic violence, including by improving information sharing across systems and jurisdictions, and intervening early to stop violence escalating.
- \$81.3 million over six years from 2024–25 to enhance and expand child centric trauma informed supports for children and young people to help break the cycle of violence. This will include specific focus on First Nations children and young people through culturally safe consultation and expertise.

The Government is also making additional investments to break cycles of violence and prevent further harm with a focus on men’s behaviour change standards, updating the *National Framework for action to preventing alcohol-related family violence* and conducting an audit of Commonwealth systems to identify where they are being weaponised by perpetrators of family and domestic violence.

These investments are in addition to funding committed this MYEFO for legal assistance, and build on ongoing commitments in housing and improved supports for single parents that contribute to supporting women and children experiencing gender-based violence.

**Paid and unpaid care**

In this MYEFO, the Government is investing \$5.0 billion over five years from 2024–25 to take the next steps in building a universal early childhood education and care system. This includes:

- \$3.6 billion over four years from 2024–25 to support a pay rise for the early childhood education and care workforce. This will particularly benefit women, who make up around 92 per cent of workers in the sector.

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**Box 1.2: MYEFO investments delivering on Working for Women priorities (continued)**

- \$1.0 billion to establish the Building Early Education Fund to increase the supply of high-quality early childhood education and care places across Australia, especially in under-served markets. Increasing availability will help more families, particularly mothers, who spend more time caring, to access quality early childhood education and care and support their preferred level of workforce participation.
- \$291.2 million over three years from 2025–26 (and \$129.0 million per year ongoing) to replace the Child Care Subsidy activity test and introduce a new 3 Day Guarantee from January 2026. This will simplify the system and improve affordability and access for lower-income families, particularly single parents and those working in insecure or casual employment, the majority of whom are women. The changes will enable people to spend more time on other activities, including working.

The Government is also providing \$3.8 billion over four years to support the Fair Work Commission’s decision to further increase the wages of aged care workers from 1 January 2025. This will particularly benefit women, who make up 86 per cent of the aged care workforce.

These investments build on the Government’s earlier care investments including expanding the Government’s Paid Parental Leave (PPL) scheme and paying superannuation on Government-funded PPL.

**Economic equality and security**

The Government is also working to accelerate closing of the gender pay gap. The Government is committed to reducing gender segregation and helping to address workforce shortages by supporting more women to pursue careers in key high-demand industries. This includes progressing work on the implementation of the Future Made in Australia Community Benefit Principles to promote safe and secure jobs and develop more skilled and inclusive workforces, including for women.

The Government is also providing \$16.4 million over two years to pilot workplace and industry-level initiatives that will improve gender equality in gender-segregated workplaces.

The Government will support more women to obtain a VET qualification by making Free TAFE an enduring program with 100,000 places a year. Free TAFE is targeted towards priority cohorts, including unpaid carers, women facing economic insecurity and women undertaking study in non-traditional fields. Women made up 62 per cent of enrolments in Free TAFE between January 2023 and June 2024.

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**Box 1.2: MYEFO investments delivering on Working for Women priorities (continued)**

As of 30 June 2024, women hold 61 per cent of outstanding HELP debts and will benefit from the Government's commitments to make student loan repayments fairer and reduce outstanding debts.

**Health**

The Government is continuing to make significant investments in women's health and wellbeing through improved access to essential health services and addressing gendered barriers to health.

The Government is improving women's access to medicines with the addition of Vissane®, to treat endometriosis, and Enhertu®, to treat patients with metastatic breast cancer, on the Pharmaceutical Benefits Scheme.

To improve access to maternal and reproductive health, the Government is continuing services including Birthing on Country for First Nations women and babies, perinatal mental health screening, and the YourIVFSuccess website to support Australian couples with advice and information on fertility services and IVF.

The Government is also providing support for the Australian Red Cross Lifeblood's donor human milk service for premature babies, as well as the Australian Breastfeeding Association's National Breastfeeding Helpline, which provides a free-call service on breastfeeding to women and their families.

To support bereaved parents and reduce the stillbirth rate in Australia, the Government is providing further funding to maintain the perinatal pathology and perinatal loss workforce, and extending a range of services to ensure high quality care is provided to families who experience stillbirth.

**Leadership, representation and decision-making**

The Government is leading efforts to ensure women are at the centre of policy and decision-making, including through Australia's gender responsive budgeting framework.

The Government is continuing to support representation of women and girls in sport by providing \$15.0 million over two years to Football Australia for the delivery of the Women's Asian Cup 2026 to be held in Australia.

## **Promoting First Nations economic empowerment**

### *Establishing a First Nations Economic Partnership and Framework*

First Nations economic empowerment is a priority for the Government, which requires working in genuine partnership with First Nations people to ensure that Government initiatives and investment support the aspirations of First Nations communities.

The Government will provide \$16.9 million over five years from 2024–25 to support development of a First Nations Economic Framework and establish a First Nations Economic Partnership (the Partnership). Funding for the Partnership will support participation by First Nations representatives in collaborative policy development, by undertaking policy research and developing reform options to support an economic empowerment agenda.

The Government will also develop a First Nations Economic Framework to draw together views on the fundamentals needed to drive Government action across portfolios. It will be developed in partnership with First Nations leaders, communities, businesses, and other stakeholders.

### *Building the resources of Indigenous Business Australia*

The Government has introduced legislation to amend the *Aboriginal and Torres Strait Islander Act 2005* to remove and replace specific restrictions on the ability of Indigenous Business Australia (IBA) to borrow and raise capital.

The amendments will enhance IBA's ability to leverage its capital to invest in First Nations communities and businesses as part of the Future Made in Australia agenda, and will also enable IBA to commercially structure its investments to support First Nations economic self-determination. This aligns with the Government's commitments in relation to Closing the Gap and the economic empowerment of First Nations peoples.

### *First Nations Clean Energy Strategy*

The inaugural First Nations Clean Energy Strategy will embed First Nations expertise in the clean energy transition. The Government is providing \$70.0 million over three years from 2025–26 to establish the First Nations Clean Energy Futures Implementation and Grants Programs, which will reduce barriers to accessing clean energy for First Nations communities and support new First Nations led clean energy projects. This measure will support the implementation of the Future Made in Australia Community Benefit Principles and the First Nations engagement standard.



## **Broadening labour market opportunities**

### *Enhancing place-based approaches*

The Government is improving place-based employment services by providing \$62.6 million over three years from 2024–25 to extend and improve the Local Jobs Program. This program helps bring a local focus to employment services and supports employment outcomes. Key changes include two Employment Hub pilots with the Victorian and Tasmanian state governments testing stronger linkages to local employers, skills and services to create better job pathways, and simplifying funding arrangements to support region-specific pre-employment and employment projects.

### *A new remote jobs program*

In line with the principles set out in *Working Future: The Australian Government's White Paper on Jobs and Opportunities*, the Government is working to establish a high-quality and community-focused employment service system. The Government will provide \$1.5 billion over four years from 2024–25 to implement a new remote employment services program, which will focus on more community-informed participation and sustainable employment of people in remote areas, the majority of whom are Aboriginal and Torres Strait Islander. This program will replace the Community Development Program.

## **Looking after Australia's veterans**

The Government has released its response to the Final Report of the Royal Commission into Defence and Veteran Suicide setting out a plan for real, meaningful and enduring reform for Defence personnel, veterans and families.

The Government will provide \$5.0 million to establish a new statutory entity, to oversee enduring reform and drive better outcomes for serving and ex-serving Australian Defence Force (ADF) personnel. The Department of Veterans' Affairs (DVA) will receive \$4.5 million to co-design with the veteran community a new agency focused on veteran wellbeing and to continue consultation on a new national peak body for ex-service organisations.

The Government is also providing \$30.4 million so that DVA can meet increased demand for downstream services.

## **Safeguarding our people and environment**

The Government is continuing its commitment to ensure Australians remain safe and secure at home, abroad and online. This MYEFO continues to invest in protecting our natural environment, helps create a more resilient Australia, supports regional partners and key allies and responds to the new challenges of a digitally connected community.

## **Protecting our environment**

### *Murray–Darling Basin*

The Government is committed to implementing the Murray–Darling Basin Plan in full. On 11 June 2024, it announced that it will provide \$300 million for a Sustainable Communities Program to help Basin communities affected by voluntary water purchase to create and support local jobs and businesses.

### *Securing Antarctic operations*

The Government is securing Tasmania as Australia’s gateway to the Antarctic by contributing \$188.2 million over five years from 2024–25 to construct a new Macquarie Wharf 6 in the Port of Hobart. The funding will ensure the RSV Nuyina has long-term access to a fit-for-purpose wharf to support its operations. RSV Nuyina is the main lifeline to Australia’s Antarctic research stations and the central platform for Australia’s Antarctic research.

### *Redeveloping the Great Barrier Reef Aquarium*

The Government is committing \$161.1 million over five years from 2024–25 to redevelop the Great Barrier Reef Aquarium “Reef HQ” in Townsville. Redeveloping the aquarium will enhance its role as Australia’s national centre for the Great Barrier Reef and boost the local and regional economy. The aquarium will educate visitors about the world’s most iconic reef ecosystem and how to protect it.

### *Protecting the Maugean skate*

The Government will provide \$28.6 million over three years from 2024–25 to protect the endangered Maugean skate. Funding will enhance water quality and improve environmental conditions at Macquarie Harbour. It will expand the Maugean skate captive breeding program and support monitoring, compliance, and community engagement.

## **A more resilient Australia**

### *Pest, disease and disaster preparedness*

The Government is providing \$249.6 million over two years from 2024–25 to further prepare and protect the nation against High Pathogenicity Avian Influenza, which poses significant risks to our agricultural industries, wildlife and the national economy. This builds on top of more than \$1 billion of additional biosecurity funding announced in the 2023–24 Budget.

The Government has provided \$1.8 billion over five years from 2024–25 to build resilience and support recovery for disaster impacted communities. In addition, the Government is providing \$23.3 million over four years from 2024–25 to improve emergency preparedness and safety on the Cocos (Keeling) Islands.

### *Investing in water infrastructure*

The Government is allocating a further \$278.2 million over six years from 2024–25 through the National Water Grid Fund towards important water infrastructure projects. This includes more than \$150 million to deliver the Greater South East Irrigation Scheme in Tasmania. The project will improve agricultural productivity and boost the Tasmanian economy by increasing irrigation in the region and enhancing farmers' water security.

### **Supporting our partners**

#### *Support for the Pacific*

Following a record \$2 billion in development assistance to the Pacific in 2024–25, the Government is investing further in a peaceful, prosperous and secure Pacific region. This includes \$120.6 million over four years from 2024–25 to deliver the Nauru–Australia Treaty and \$256.5 million over four years from 2024–25 to establish a Papua New Guinea National Rugby League franchise.

Recognising that the security of the Pacific is the shared responsibility of the Pacific family, the Government is committing \$219.5 million over four years from 2024–25 and \$59.4 million per year ongoing to establish an additional three police training Centres of Excellence in the Pacific as part of the Pacific Policing Initiative.

#### *Strengthening economic links with Southeast Asia*

The Government is making a US\$50 million (approximately \$75 million) equity investment in the Financing Asia's Transition Partnership. The initiative, led by the Singapore Government, will support lending to sustainable infrastructure projects in Southeast Asia. This will be the first investment under the Southeast Asia Investment Financing Facility and will support the region's net zero transition. This investment sends a strong signal to Australian and regional businesses that we want to boost trade and investment in Southeast Asia, in line with *Invested: Australia's Southeast Asia Economic Strategy to 2040*.

#### *Support for Ukraine*

Australia will provide \$545.5 million over two years to continue supporting the defence of Ukraine against the Russian invasion. The Government is donating 49 M1A1 Abrams tanks valued at \$246.9 million to the Ukrainian military and will gift 14 inflatable rigid hull boats through the latest round of military assistance. The Government is also providing air-to-ground weapons, anti-tank weapons and air defence missiles, along with support, training and advice for Ukrainian soldiers.

### **Sustaining our multicultural success story**

#### *Government response to the Multicultural Framework Review*

On 24 July 2024, the Government released the Multicultural Framework Review which was the first major examination of Australian multiculturalism in a generation. In response to the Review, the Government has committed \$118.2 million over four years from 2024–25 to

support a stronger multicultural Australia. This includes delivering a Modernised Multicultural Grants Program, strengthening community engagement and improving access to government services for multicultural communities.

### **Assisting those affected by ongoing conflict**

#### *Longer-term visa options for Palestinians, Israelis and Ukrainians*

The Government is providing longer-term visa options on a case-by-case basis for Palestinian, Israeli and Ukrainian temporary visa holders in Australia with visas expiring in 2024 and 2025 who are unable to return home due to ongoing conflicts. These visa options will provide greater stability and access to services for these individuals, enabling them to contribute more to Australian society.

#### *Supporting affected communities*

The Government will provide \$16.7 million over four years from 2023–24 for a Special Envoy to Combat Antisemitism and a Special Envoy to Combat Islamophobia to preserve social cohesion and tackle the ongoing effects of the Hamas–Israel conflict in Australia. The Government has committed \$32.5 million to the Executive Council of Australian Jewry to enhance security at Jewish community sites, including synagogues and schools. The Government will also provide \$6.1 million in 2024–25 for Palestinian-led community organisations and the Australian Red Cross to provide emergency assistance and youth services to support recent arrivals from conflict zones and young Muslim communities in Australia. These measures will support all Australians, regardless of their race or religion, to feel safe and included, and contribute to Australia’s vibrant multicultural society.

### **Boosting Australian Defence Force recruitment**

The Government is maintaining its commitment to a robust ADF. In this MYEFO, the Government is investing more than \$600 million to extend and expand the Continuation Bonus for permanent members of the ADF, and increase the ADF’s Operational Reserves by an additional 1,000 personnel. These measures support the 2024 Defence Workforce Plan, which examines the growth and future needs of Defence’s workforce, organisational culture and wellbeing and support to ADF members and their families.

### **Supporting the future of Australian media**

#### *News Bargaining Incentive*

The Government will introduce the News Bargaining Incentive to support the sustainability of news and public interest journalism. The Incentive includes a charge and an offset mechanism to encourage large digital platforms to enter into or renew commercial deals.

### *Media diversity and public interest journalism*

The Government will invest a further \$335.6 million to support public interest journalism and media diversity in Australia. This includes funding for the News Media Assistance Program, including additional support for the Australian Associated Press, increased funding for community broadcasting, ongoing stable funding for the Australian Broadcasting Corporation and a 1-year suspension of the Commercial Broadcasting Tax to provide relief to the commercial television and radio broadcasting sector. This will contribute to the sustainability of a range of media sectors and the provision of news for all Australians.

### **Protecting Australians online**

#### *Online Safety and Privacy*

The Government is providing an additional \$3.0 million over three years to the Office of the Australian Information Commissioner to develop a Children’s Online Privacy Code to protect children from a range of online harms.

The Government is investing \$76.1 million to support the implementation of its online safety agenda, including establishing a minimum age of access to social media and the commitment to legislate a Digital Duty of Care. The legislated Digital Duty of Care will require social media platforms to undertake regular risk assessments and take reasonable steps to protect Australians from enduring categories of harm.

The Government has also committed to reforms that strengthen privacy protections for all Australians. This includes delivering landmark legislation to address serious invasions of privacy and introducing a new criminal offence to outlaw doxxing, the malicious release of personal data online.

#### *Safe and responsible AI*

Artificial Intelligence (AI) has the potential to drive improvements in productivity growth and innovation across the economy. The Government is continuing to implement its \$39.9 million commitment to support safe and responsible adoption and use of AI. Taking steps to support safe and responsible adoption and use of AI will ensure low-risk AI can flourish unimpeded while high-risk uses are subject to appropriate safeguards.

#### *Expanding Digital ID*

The Government is continuing to expand the use of Digital ID in Australia through the *Digital ID Act 2024*, which commenced on 1 December 2024. This legislation provides individuals with secure, convenient, voluntary and inclusive ways to verify their identity for use in online transactions with government and businesses. Expanding the use of Digital ID will make it easier for individuals to prove their identity while reducing the amount of personal information businesses need to hold.