



# 2024-25 Federal Budget Summary



## **Dear members,**

Last night the Federal Government handed down its 2024/25 budget which has a focus on managing cost of living pressures, lowering inflation, and supporting new industries to make Australia a renewable energy superpower.

The Kwinana Industries Council has reviewed the budget papers and analysed what it means for our members.

The budget contains a number of household cost of living assistance measures including a \$300 energy rebate for every household totalling \$3.5bn, along with the already announced personal tax cuts.

## **The Budget Fundamentals**

- The 2023-24 surplus is projected to be \$9.3bn, and the last for a decade. The deficit is forecast to be \$28.3bn next year and \$42.8bn the year after.
- The Government is predicting inflation will reduce to just under 3% by the end of the year.
- The Australian economy is forecast to grow by 1.75% in 2023-24, rising to 2% in 2024/25.
- The unemployment rate is forecast to stay at just over 4% over the next 4 years.

It is a budget that is high on ambition, high in cost, but low on detail, especially when it comes to one of its flagship initiatives of creating a "Future Made in Australia Act".

The government will provide a range of incentives to create new industries built around renewable energy projects, but much of this funding won't commence

until 2027 and will be spread over ten years.

The Treasurer has said that decarbonisation is the biggest change since the industrial revolution.

The Future Made in Australia measures total \$22.7 billion over the next ten years, including:

- \$7bn over 11 years to provide a Critical Minerals Production Tax Incentive from 2027–28 to support downstream refining and processing;
- \$6.7bn to create a Hydrogen Production Tax Incentive from 2027–28 to producers of renewable hydrogen to support the growth of a competitive renewable hydrogen industry;
- \$549m over eight years from 2023–24 to support battery manufacturing; and
- The government will provide \$218.4m over 8 years from 2023–24 (and \$1.3m per year ongoing) to support a Future Made in Australia through the development of a skilled and diverse workforce and trade partnerships.

However, there are more questions than answers at this stage on how the Future Made in Australia Act will work. It is unclear how the funding will be allocated and how projects will be assessed.

To answer some of these questions, \$54.7 million has been allocated over the next two years to “administer, coordinate and promote the Government’s Future Made in Australia agenda, including the development of legislation that establishes a National Interest Framework and consultation with industry, investors and major stakeholders”.

However, resource rich states such as Western Australia, and highly regarded heavy industrial areas such as Kwinana are ideally placed to benefit.

In addition, \$32.6m will be allocated over four years from 2024–25 to establish regulatory frameworks and bilateral instruments to better support heavy industry to reduce emissions to meet Paris Agreement commitments, both in Australia and overseas. This includes the option of carbon capture and storage measures.

Unfortunately, there is no additional funding in the budget for critical infrastructure across the Western Trade Coast such as roads, railways, ports, and electricity transmission which will be needed to support the investment the Government is looking to encourage in new industries and manufacturing.

The Prime Minister did announce \$33.5m, to be matched by the state government, for planning and road widening works associated with Westport when in Perth last week.

The Kwinana Industries Council will continue to advocate strongly to state and federal governments ahead of the 2025 elections about the need to improve the local road network and other critical infrastructure projects.

These will need to be addressed as a matter of urgency if the Kwinana Industrial Area is to realise its full potential under the Future Made in Australia package.

Rest assured, KIC will continue to provide members with a strong, trusted and credible voice on these matters.

Regards,  
David Harrison  
Director

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