

Australia Federal Budget News Flash – May 2024

AUSTRALIA

Federal Government

The focus of this Budget is on nips, tucks and top-ups to the pipeline, with general government infrastructure funding of \$60.5 billion over the four years to FY2027-28. This is \$1.8 billion – or three per cent – lower than last year's total.

Road and Rail

Within the Federal Government's Infrastructure Investment Program (IIP) – dubbed '*Building a Better Future Through Considered Infrastructure Investment*' – the majority of new spending is allocated to existing transport projects. Additional headline spending was announced - \$3.3 billion for North East Link, \$1.2 billion for the Direct Sunshine Coast Rail Line, \$1.4 billion for METRONET projects and \$431.7 million for the Coomera Connector Stage One.

For business case planning, as previously announced, the Government has allocated \$79 million to the High Speed Rail Authority over three years from FY2023-24 for the development of a Sydney to Newcastle high speed rail corridor.

Housing

The Budget provides a number of new and additional funding commitments for housing infrastructure, with \$8.8 billion allocated toward social and affordable housing over the next four years, including \$2.6 billion in FY2024-25.

Energy

The Budget provides a headline \$19.7 billion over a 10-year horizon from FY2024-25 towards renewable energy infrastructure in its 'Future Made in Australia' program. This includes \$1.9 billion primarily directed toward supporting the development of Australia's hydrogen industry; supporting innovation and commercialisation of 'priority sectors,' including hydrogen; and investing in renewable energy projects. The Government will also provide \$82.5 million in FY2024-25, and \$107.4 million the following three years, towards workforce training and educational programs relating to the skills shortages for the energy transition, as part of the program.

Water

In water, the 2024-25 Budget has announced a \$2.7 billion commitment over 12 years from FY2023-24 through the National Water Grid Fund. Of this total, \$1.2 billion has been allocated over the next four years, including \$588 million in FY2024-25 for water infrastructure projects in regional areas.