



2025 BUDGET – A RESILIENCE LENS

What do the Government's budget and Opposition's budget reply tell us about their priorities for building economic and social resilience in Australia?

The CENTRE FOR RESILIENCE has reviewed the policies announced in the the Federal Government's budget and Opposition's budget reply to identify proposals that relate to critical aspects of Australia's economic and social resilience. With the election just a few weeks away, we will continue to monitor for announcements that relate to these and other areas that could have a material impact on resilience.

Faced with complex policy challenges (cost of living, energy, housing, climate change, healthcare, ageing population, etc.) and an increasingly uncertain geopolitical outlook, it is vital that governments at all levels are focused on building our nation's resilience. This means not just considering the costs and benefits of individual proposals but thinking through how they will contribute to (or undermine) Australia's ability to avoid, address or recover from external shocks in the future.

Both major parties have announced policies in a range of areas that are critical for economic and social resilience, however, neither side has proposed a comprehensive, whole-of-government approach. Acknowledging that we are in the early stages of what will be an intense election campaign, we look forward to more detail becoming available on both parties' policies soon.

Throughout the election campaign, the CENTRE FOR RESILIENCE will continue to highlight policies and election commitments that could influence Australia's economic and social resilience. We will also be compiling analysis of the eventual winner's policies and their potential impacts on resilience, including opportunities and challenges for Australian business, which we will be distributing to our partner network after the election.

Stay up to date with the Centre's election commentary by following us at <https://www.c4resilience.com/election-federal-2025> or register your interest in joining our partner network at <https://www.c4resilience.com/signup>



About C4R

The CENTRE FOR RESILIENCE is Australia's leading resilience-focused organisation, supporting governments, businesses and community organisations to build resilience.

The CENTRE FOR RESILIENCE is an independent, nonpartisan advocacy organisation that produces high-quality strategic policy recommendations, consultancy and training services focused on shaping a resilient, self-reliant sovereign Australia.

We are dedicated to enhancing business continuity, sustainability, and adaptability across Australia. Recognising the increasing challenges posed by natural disasters, cyber threats, economic crises, and unforeseen disruptions, C4R aims to build a resilient society through targeted interventions, research, and training.

Our Vision

We build resilience by empowering individuals, strengthening communities, safeguarding ecosystems, and driving sustainable solutions that enable society to adapt and thrive.

Our Mission

We empower individuals, organisations, and communities by delivering innovative strategies, promoting sustainable practices, and fostering inclusive collaboration to build resilience for current and future generations.

Find out more and register your interest in joining our partner network at www.c4resilience.com

We have summarised some of the key questions in the policy areas relevant to Australia’s resilience that feature in the major parties’ respective budget proposals announced last week. While there are a range of other areas that are important for building our nation’s resilience, it is encouraging to see these areas being identified for action. Note, we are not commenting on the merits of these policies at this stage, as we await further detail to be released during the election campaign.

SOVEREIGN INDUSTRIAL CAPABILITIES
<i>What government support is required to secure essential sovereign industrial capabilities (e.g. steel manufacturing)?</i>
<ul style="list-style-type: none"> ▪ \$3.2 billion over 19 years to invest in the future of Australia’s metals industry (inc. \$2 billion over 19 years for Green Aluminium Production Credits and \$1 billion over seven years for the Green Iron Investment Fund, including up to \$500m for the Whyalla Steelworks) ▪ \$219.3 million over two years to provide immediate support to stabilise the Whyalla Steelworks ▪ Funding for green metals, low carbon liquid fuels and clean energy technology manufacturing capabilities through the Future Made in Australia Fund.
<ul style="list-style-type: none"> ▪ Supporting growth in Australian manufacturing by lowering energy costs through the National Gas Plan.
<p>C4R considerations for Sovereign Capability RESILIENCE</p> <ul style="list-style-type: none"> <input type="checkbox"/> Prioritisation of critical capabilities and industries to guide investment decisions over the short to long-term <input type="checkbox"/> Dedicated focus on defence and critical supply chains <input type="checkbox"/> Dedicated focus on sustainment capabilities <input type="checkbox"/> Workforce planning aligned to technology initiatives <input type="checkbox"/> Appropriate use of local sourcing requirements in government procurement

SUPPORTING AUSTRALIAN INDUSTRIES TO GROW
<i>How can government investment best support Australian businesses to grow?</i>
<i>What measures are going to be effective in mitigating international trade barriers for Australian exports (e.g. aluminium)?</i>
<ul style="list-style-type: none"> ▪ \$17.1 billion over 10 years for road and rail infrastructure. ▪ \$20 million Buy Australia Campaign. ▪ \$16 million for a new Australia-India Trade and Investment Accelerator Fund. ▪ \$3 billion over seven years to complete NBN Fibre upgrades.
<ul style="list-style-type: none"> ▪ Reduce regulation by eliminating duplication between Commonwealth, State and Territory legislation.
<p>C4R considerations for Industry Growth RESILIENCE</p> <ul style="list-style-type: none"> <input type="checkbox"/> Enhance innovation and research funding, especially for critical technologies & renewables <input type="checkbox"/> Strategic investment to address skills shortages <input type="checkbox"/> Investment certainty for major infrastructure projects <input type="checkbox"/> Improving energy security and sustainability <input type="checkbox"/> Infrastructure that improves supply chain robustness

MIGRATION
<i>How can Australia achieve a manageable annual migration volume, while also securing sufficient skilled labour for our industries and continuing to attract international students to our universities?</i>
<ul style="list-style-type: none"> ▪ The budget projects a decrease in net overseas migration from 335,000 in 2024-25 to 225,000 in 2026-27. ▪ Reduce the permanent migration intake by 25% and reduce the number of foreign students studying at metropolitan universities.
<p>C4R considerations for Migration RESILIENCE</p> <ul style="list-style-type: none"> <input type="checkbox"/> Prioritise supply of sufficient skilled labour to deliver on other aspects of resilience (e.g. infrastructure, housing, building high tech industry capabilities, etc.) <input type="checkbox"/> Balancing securing enough skilled labour with the impacts of population growth on housing and government service systems (health, education, etc.) <input type="checkbox"/> Retaining skilled labour over the long-term

ENERGY

How can energy costs be reduced and energy security improved?

What is the best pathway to reduce carbon emissions from electricity generation and how should we balance the pace of decarbonisation against costs?

- Continued funding and programs aimed at modernising Australia's grid, lowering wholesale electricity prices by improving transmission capacity and reducing reliance on fossil fuels, including \$2 billion to recapitalise the Clean Energy Finance Corporation.
- Renewable energy financing via programs like Rewiring the Nation and concessional loans, with spending peaking around \$4.95 billion in 2026 and stabilizing around \$2.8 billion by 2029.
- Reduce long-term household and business energy costs by improving energy efficiency and reducing consumption and rebates to provide short-term energy bill relief for households and small business (\$1.8 billion).
- National Gas Plan, including establishing an east coast gas reservation to increase supply to the domestic market to decrease wholesale gas prices, expanding pipeline and storage capacity and accelerating new investment in gas projects.
- Halving fuel excise for 12 months.
- Building seven Federal Government owned nuclear power plants across Australia.

C4R considerations for Energy RESILIENCE

- Hardening the electricity grid & strengthening supply chains
- Diversifying energy supply & reducing fossil fuel over-reliance
- Increasing energy system redundancy, flexibility and capacity
- Bi-partisan support for energy and climate policy to improve investment certainty

EDUCATION AND SKILLS

How can we increase the volume of skilled labour required to deliver major infrastructure projects and housing construction?

How can we expand access to early childhood education? What can be done improve education outcomes?

- \$722.8 million over four years from 2025–26 to deliver increased support for apprentices.
- \$407.5 million over four years from 2025–26 (and \$7.2 billion from 2029–30 to 2035–36) to jurisdictions which have signed Better and Fairer Schools Agreement.
- \$426.6 million to ensure families are eligible for at least 3 days per week of subsidised early childhood education and care and \$1 billion Building Early Education Fund.
- 100,000 free TAFE places every year from 2027.
- Setting a target of 400,000 apprentices and trainees in training and provide \$12,000 to small and medium-sized businesses to take on apprentices and trainees in critical skills areas.

C4R considerations for Education & Skills RESILIENCE

- Increasing the quantity of skilled labour to serve industry needs, while maintaining quality standards
- Overcoming skills shortages to enable expansion of education services
- Shaping the curriculum to serve long-term skill needs
- Providing support to vulnerable children to improve early childhood outcomes
- Increasing the proportion of young people completing school and engaging in post-school training or employment

HOUSING

How can more people access affordable, secure and high-quality housing?

How can more people become home-owners (which remain high-quality owners' crucial component of wealth accumulation in Australia)?

How can we rapidly and affordably increase housing supply?

- \$0.8 billion in additional investment in the Help to Buy program through increasing property price caps and increasing income caps (bringing total equity investments to \$6.3 billion).
- \$54.0 million over four years from 2024–25 to increase the supply and adoption of prefabricated and modular housing construction.
- \$5 billion for housing infrastructure to support construction of 500,000 new homes.
- Allow first home buyers to access up to \$50,000 of their superannuation for a home deposit.

C4R considerations for RESILIENCE

- Getting the right mix of public and private investment to fund sufficient increase in supply and lower regulatory fees but minimising upward pressure on housing prices
- Allow for-profit entities to access not-for-profit assistance (HAFF)
- Examine housing materials supply chain rising costs
- Achieving the right housing mix to serve long-terms needs for a range of household types

HEALTH AND SOCIAL SERVICES

How can access and affordability of healthcare be improved?

How can we secure our critical medical supply chains?

How can we increase service capacity to meet growing demand (health, childcare, aged care)?

- \$784.6 million over four years from 2025–26 (and \$236.4 million per year ongoing) to lower the Pharmaceutical Benefits Scheme (PBS) co-payment to \$25.00.
- Expanding bulk billing access (\$7.9 billion) and establishing 50 new urgent care centres (\$644 million).
- \$22.9 million over five years from 2024–25 to address intravenous (IV) fluids shortages (expanding onshore IV fluid production capacity, establishing a panel of suppliers and undertaking a clinical review of IV fluids).
- \$400 million for youth mental health and doubling subsidised mental health sessions from 10 to 20.
- Decreasing the PBS co-payment to \$25.
- Incentivise junior doctors to work as GPs.

C4R considerations for Health and Social Services RESILIENCE

- Strengthen supply chains
- Improve productivity of services to meet growing demand
- Maximise benefits of digital investments, enabling productivity gains and enhancing service capacity and quality
- Enhance partnerships between private and public providers with a focus on improving service access and reducing costs
- Improve access to primary care and early intervention services
- Upskill workers, especially digital capabilities

CRITICAL CHALLENGES TO BUILDING AUSTRALIA'S RESILIENCE THAT HAVE NOT BEEN ADEQUATELY ADDRESSED BY THE MAJOR PARTIES TO DATE:

Increasing debt and deficits may impair Australia's capacity to respond and recover from future crises, as well as our ability to fund initiatives that would enhance resilience.

Productivity growth is needed across the economy – including in sectors facing skills shortages and growing demand, such as our health system that is struggling to serve an ageing population.

Diversifying the Australian economy - the Harvard Growth Lab ranks Australia 102nd globally for economic complexity. A less diverse economy leaves us more vulnerable to international supply chain disruptions and shocks to our major industries.

Having a specific focus on building resilience would improve coherence between different policy areas and 'bang for buck' from public investment in measures that could enhance resilience.

STAY UP TO DATE ON HOW POLICIES ANNOUNCED DURING THIS ELECTION WILL INFLUENCE AUSTRALIA'S ECONOMIC AND SOCIAL RESILIENCE

It is early days in the election campaign and much of the detail and modelling that sits behind the parties' policies is yet to be released.

The CENTRE FOR RESILIENCE will be monitoring announcements throughout the election campaign and will provide further commentary on the impacts on resilience across these policy areas as more detail becomes available. Please follow us here to receive our updates:

www.c4resilience.com

