

# Insight



The 2019 Budget sees the start of the Coalition’s election campaign, as Australia heads to the polls in May. For the first time in 10 years we will likely have a surplus in 2019-20 and the projected repayment of Australia’s debt as a nation by 2030. The cornerstone of the 2019 Budget is tax cuts for nearly all Australians.

## Tax Changes

Changes to the Low and Middle Income Tax Offset will see tax cuts between \$225 to \$1,080 per annum for low and middle income earners. The Government will look to enact this for the 2019 financial year. The following image shows the impact for different taxpayers.



Changes to tax thresholds and brackets in 2022 and 2024 will reduce the 32.5% bracket to 30%, remove the 37% bracket and increase the point that the 45% bracket starts. It is estimated that by 2024-25, 94% of Australian's will be on a tax rate of 30% or less.

Current		2024 – 25 Onward	
Rate %	Income Bracket	Rate %	Income Bracket
0%	\$0 - \$18,200	0%	\$0 - \$18,200
19%	\$18,201 - \$37,000	19%	\$18,201 - \$45,000
32.5%	\$37,001 - \$90,000	30%	\$45,001 - \$200,000
37%	\$90,001 - \$180,000	45%	\$200,000 +
45%	\$180,000 +		

Extending accelerated depreciation for small businesses: the government will increase the existing \$25,000 instant asset write off to \$30,000 and expand the offering to businesses with a turnover of up to \$50m.

## Superannuation

Improved flexibility for older Australian's means the Government will now allow voluntary super contributions (both concessional and non-concessional) to be made by those aged 65 and 66 without meeting the work test, from 1 July 2020.

People aged 65 and 66 will also be able to make up to three years of non-concessional contributions (up to \$300,000) under the bring forward rule.

## Aged Care

Funding for an additional 13,500 residential aged care places.

Funding for an additional 10,000 home care packages.



Image Source: Flickr Hive Mind

Increased funding for home care packages for those with dementia or war veterans to allow them to live in their own home for longer.

Increased funding for home care support packages such as meals on wheels, home maintenance etc.

Funding to assist with elder abuse and oversight of aged care providers to ensure quality of service.

## Other Things

For those people receiving social security payments that are affected by the Income Test, due to work income, a streamlined automatic employer reporting system will remove the need to make fortnightly updates to Centrelink.

A one off, income tax exempt payment of \$75 for singles and \$125 for couples to assist with their next power bill. To qualify, you will need to be receiving an Age Pension, Carer Payment, Disability Support Pension or DVA Pension.

It's important to remember, to enact these proposals, the Coalition must first win the May election and then pass these measures through Parliament into legislation.

**Should you have any queries or wish to discuss your affairs or the outlook for investment markets please don't hesitate to contact me on 6282 0170.**

# Secure your financial future

Call: **08 6282 0170** or visit: **www.williamgrant.com.au**

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