

Federal Budget 2023

Key announcements and what this could mean for you

09 May 2023



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Key announcements

Federal Budget 2023

**Cost of living
support**

**Social
security
recipients**

**Families with
children**

Super

Federal Budget 2023

Key announcements



Taxation

- Concessions small businesses
- No mention - Stage 3 tax cuts due to commence 1/7/24



Social Security

- Extended support for JobSeekers, students, single parents and renters



Superannuation

- Payday super
- \$3m super cap



Cost of living support

- Energy bill relief
- Pharmaceuticals and GP visits
- Support for home buyers

Cost of living support



Cost of living measures

Support with energy expenditure



Eligible households and small businesses



Up to \$500 relief for eligible households

- Amount will depend where you live
- Pensioners, Commonwealth Seniors Health Card holders, recipients of Carer Allowance and Family Tax Benefit



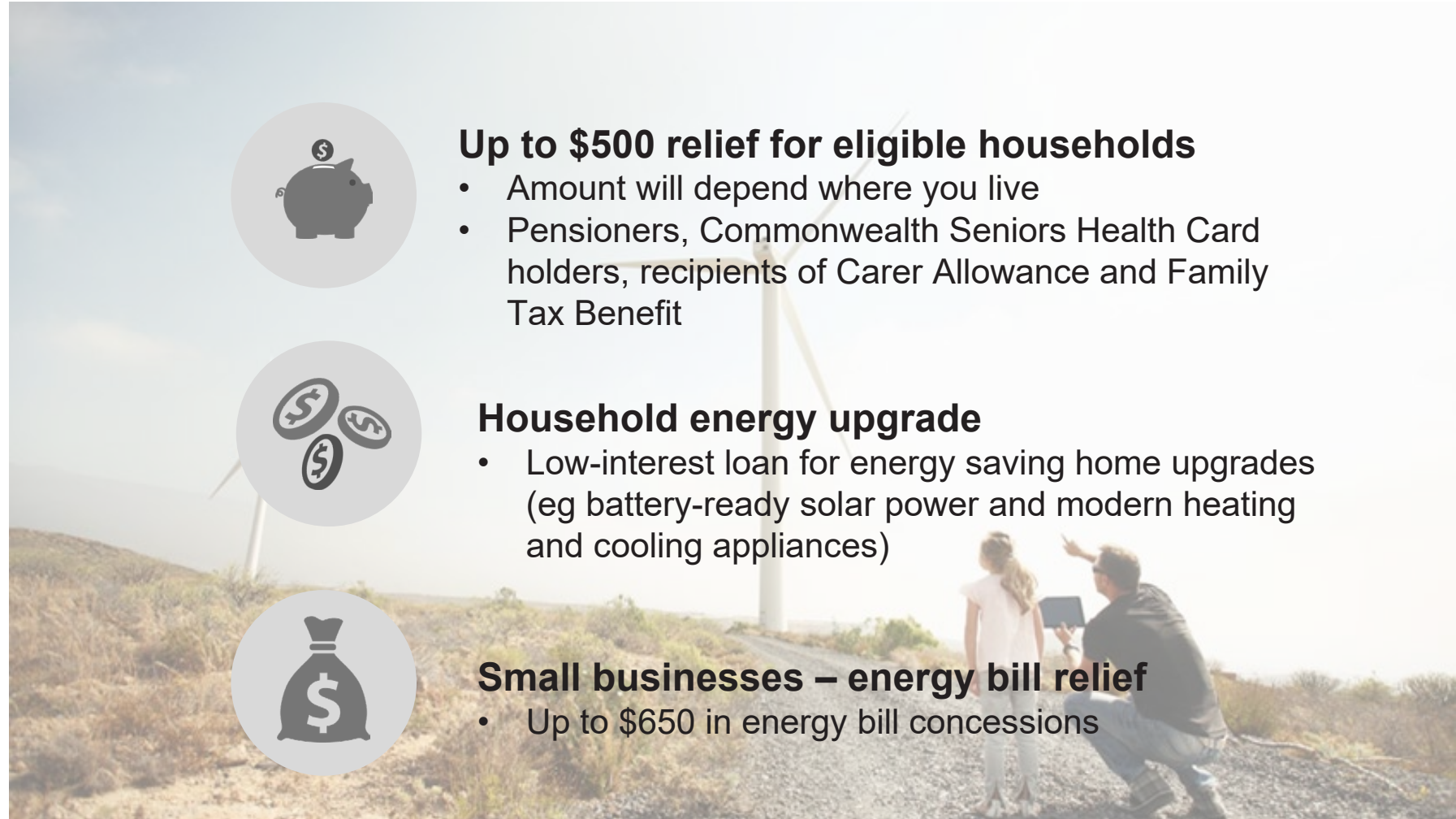
Household energy upgrade

- Low-interest loan for energy saving home upgrades (eg battery-ready solar power and modern heating and cooling appliances)



Small businesses – energy bill relief

- Up to \$650 in energy bill concessions



Cost of living measures

Federal Budget 2023



Other relief measures



Support with Pharmaceutical costs

- Can buy 2 months worth of scripts for the price of one
- Will save general patients \$180 per year, per prescription



Bulk billing GP services

- Greater incentives to be provided to GPs to increase incentive to bulk bill



Taxation



Small business energy incentive

Support with energy expenditure



20% upfront deduction
(maximum \$20,000)



Available to small and medium businesses

Annual revenue < \$50 million



What can be purchased?

Energy efficient equipment, eg solar panels, electric vehicle charging stations



Effective date

Used or installed ready for use 1 July 2023 – 30 June 2024.



Small business taxation

Supporting small businesses



Instant asset write off

1 July 2023 to 30 June 2024



Threshold to increase to \$20,000

- Applies per asset



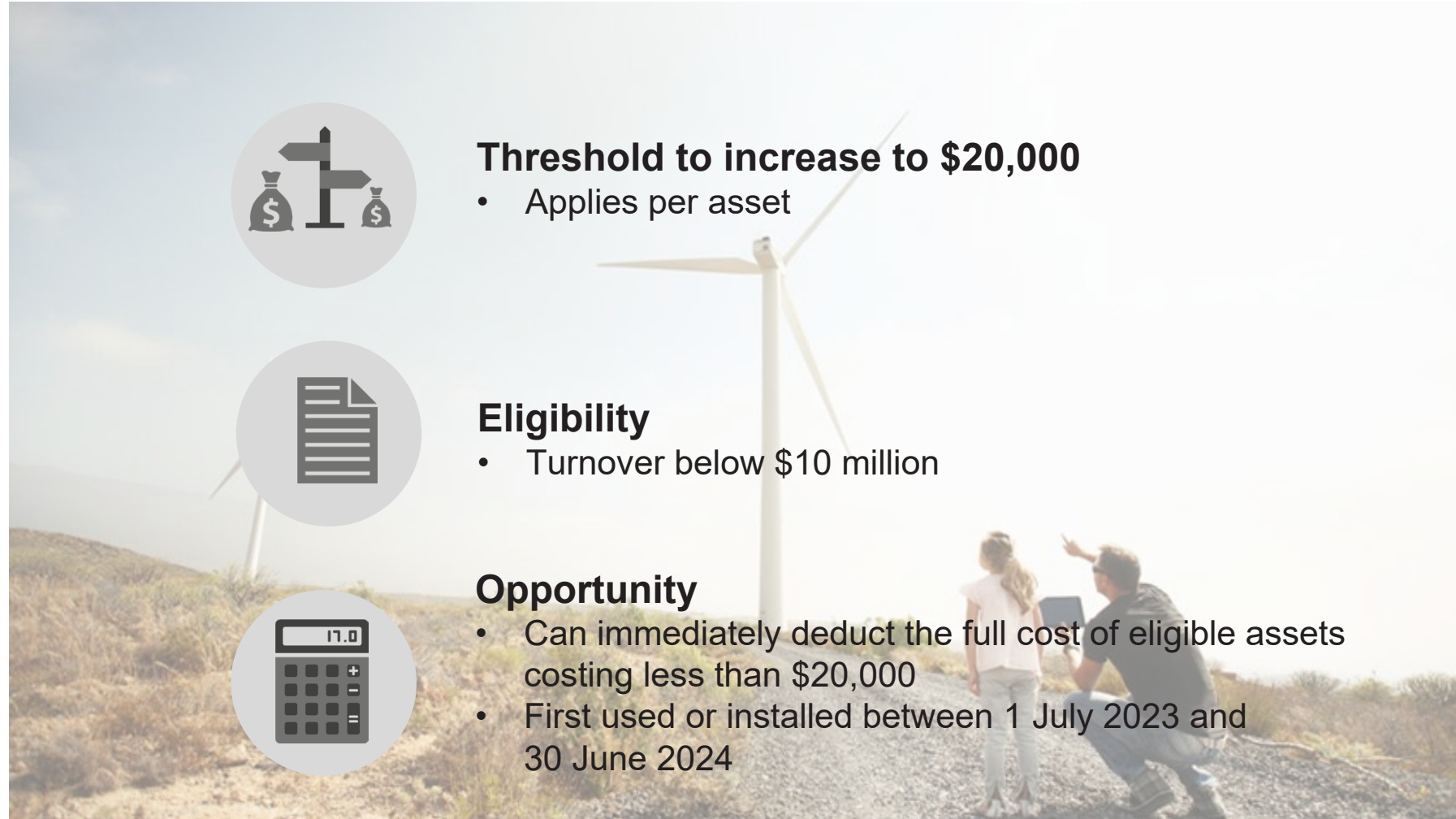
Eligibility

- Turnover below \$10 million



Opportunity

- Can immediately deduct the full cost of eligible assets costing less than \$20,000
- First used or installed between 1 July 2023 and 30 June 2024



Superannuation



Payday Super

Changes to timing of contributions



**Simplifying
employer
contribution
timing**



Commencement date

1 July 2026



Requirement

- Employer must make super contributions at same time as salary and wages

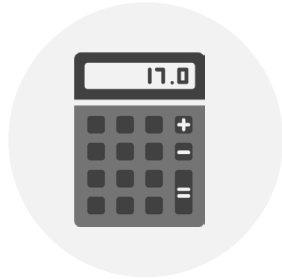


Benefits?

- More frequent contributions – potentially more at retirement
- Easier for employee to track contributions
- Ease of payroll management

\$3m cap

Changes to taxation of earnings



Taxation of earnings

Earnings above
\$3 million taxed
additional 15%



Total super balance

Used to determine
liability



Earnings

Not actual account earnings,
but based on changes to
account balance,
contributions and
withdrawals

Social security



Rent assistance to increase by

15%

Working age and student payments

\$40 increase per fortnight for payments including JobSeeker, Parenting Payment, Youth Allowance, Austudy



55+ JobSeeker (single)

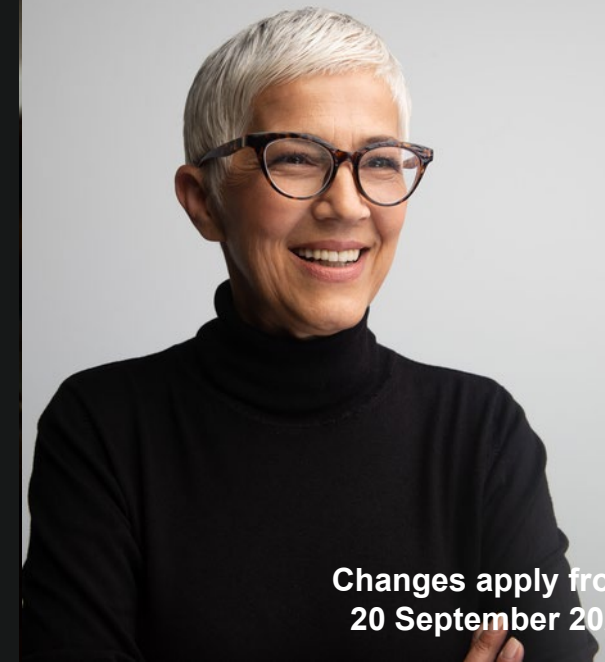
Will be entitled to the higher rate of payment, currently paid to those 60+*

*And on benefits for at least 9 months



Support for single parents

Extended eligibility for Parenting Payment (single) until youngest child is 14 (increasing from age 8)



Changes apply from 20 September 2023

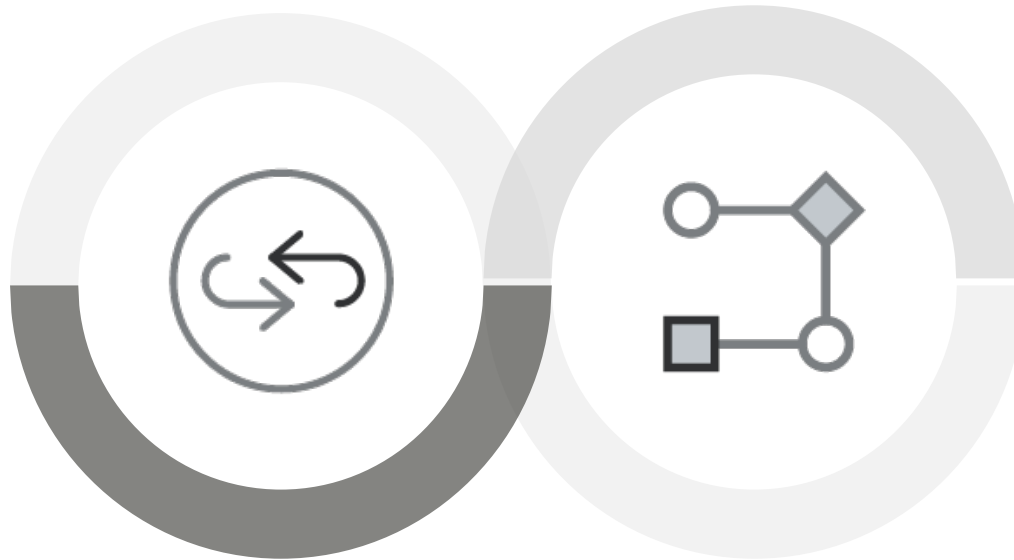
Housing



Supporting home buyers

Making it easier to save for a deposit

Family Home Guarantee Scheme



First Home Buyer and Regional First Home Buyer Guarantee Support Scheme

Government Guarantee of up to:

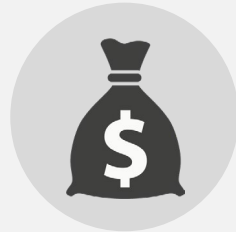
- 98% (Family Home Guarantee), and
- 95% (First Home Guarantee)

Supporting home buyers

Making it easier to save for a deposit



Changes to support home buyers from 1 July 2023



First (and Regional) Home Guarantee –

- Will be able to purchase home jointly with friends, family and siblings (currently only single applicants or spouse)
- Extended to non-first home buyers – cannot have owned property in last 10 years



Family Home Guarantee

- Extended from single natural or adoptive parents with dependants to other single legal guardians (E.g. aunts, uncles and grand parents)



Residency

- All schemes extended to permanent residents (currently Australia citizens only)

Support for home buyers

Some eligibility conditions



Income limits

Taxable income*
\$125,000 (single) or
\$200,000 (couples)



Intentions

Must intend to occupy the home

*Based on taxable income for prior financial year

First and Family Home Guarantee

Property Price Caps

Current	
Area	Price cap (AU\$)
NSW – capital city	\$900,000
VIC – capital city	\$800,000
QLD – capital city	\$700,000
WA – capital city	\$600,000
SA – capital city	\$600,000
TAS – capital city	\$600,000
ACT	\$750,000

Where to now?



Where to now?

More information and support



Process

Wait for changes to become law



Advice

It will be important to seek financial advice, and you may also need advice from a registered tax agent



Home buyers

nhfic.gov.au



More information

budget.gov.au
ato.gov.au