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2023-24 Federal Budget wrap up

Here's our take on what this budget means for you

In a challenging economic climate that sees many Australians grappling with pressure from rising interest rates and living costs, Australian Treasurer Jim Chalmers has handed down the 2023-24 Federal Budget.

He announced a number of proposals, aiming to help with cost of living, including energy bill rebates, help with out-of-pocket health costs and more money for jobseekers and renters.

Read on for a round-up of how the proposals might affect your household expenses and financial future.

Remember, many of these proposals could change as legislation passes through parliament. Legislation passed by the Australian Parliament does not become law until it is formally accepted by the Governor-General. The process is referred to as Royal Assent.



Social security and families

Increasing income support payments

Proposed effective date: 20 September 2023

The Government will increase working age and student payments by **\$40** per fortnight. This includes:

So, a single person (under age 60) receiving a typical total rate of JSP of \$701.90 per fortnight will start to receive approximately **\$733.10**.

Also, JSP recipients aged 55 and over (currently 60 years) who have been on payment for 9 continuous months will receive the higher maximum rate of approximately \$785.20. This reflects the increased difficulties that people in this age range have in securing re-employment.

Increasing help for renters

20 September 2023

The maximum rate of Rent Assistance (RA) will increase by 15%. This means a single person with no dependent children currently receiving the maximum RA payment of \$157.20 per fortnight will start to receive **\$180.80**, as well as their income support payment.

Expanding access to Parenting Payment (single)

20 September 2023

Eligible single parents will now receive the Parenting Payment (single) until their youngest child turns 14, up from 8 years old.

This is expected to benefit 57,000 single principal carers, including 52,000 women.

It will make these single parents **\$176.90** per fortnight better off rather than transferring to the JobSeeker Payment.

Reducing energy bills

Starting 2023-24 for two years

Eligible households will receive a rebate of **\$500** per year and eligible small businesses \$650 per year on their power bills.

Reducing health costs

Provided over 5 years from 2022-23

The Government will invest \$3.5 billion over five years to triple the bulk billing incentive for GP consultations for children under 16 and Commonwealth concession card holders. This will support 11.6 million eligible Australians to access a doctor with no out-of-pocket costs.

Superannuation

Introducing payday super

1 July 2026

Employers will need to make super contributions on the same day as they pay their employees' salary and wages. Currently they only need to contribute to super once a quarter.

The Government estimates this would increase the retirement savings of a 25-year-old median wage earner by \$6,000.

This will particularly benefit lower paid workers and those in casual and insecure work, many of whom are women.

Increasing tax on earnings on balances over \$3 million

1 July 2025

The Government is reducing super tax concessions for people whose total balance exceeds \$3 million, bringing the headline tax rate to 30% (up from 15%). The higher tax rate is only payable on earnings corresponding to the proportion of a person's super that is greater than \$3 million.

Aged care

Reforming aged care

2022-23 and over the next 5 years

The Government is providing extra funding to:

- increase the pay of many aged care workers by 15%
- provide an extra 9,500 Home Care packages
- continue COVID-19 measures
- strengthen regulation
- postpone the new 'Support at home Program' and extend grant arrangements for the 'Commonwealth Home support Programme' for a further 12 months.

Housing affordability

Expanding the Home Guarantee Scheme

1 July 2023

Siblings, friends and other family members will be able to use the Government's first home buyer programs together to boost participation. The expanded eligibility will allow any 2 eligible people to be joint applicants for a guarantee.

This includes the First Home Guarantee, the Regional First Home Guarantee and the Family Home Guarantee.

The Home Guarantee Scheme will also be extended to people who have not owned a house in the past 10 years.

Further information on the Home Guarantee Scheme is available from the NHFC (<https://www.nhfc.gov.au/>).



Small Business

\$20,000 instant asset write-off

1 July 2023

Tax breaks for small business to write-off assets on multiple assets.

The Government will improve cash flow for small businesses by temporarily increasing the instant asset write-off threshold to \$20,000 for businesses with an aggregated annual turnover of less than \$10 million.

Tax

Increasing Medicare Levy low-income thresholds

1 July 2022

Low-income taxpayers will generally continue to be exempt.

- **Singles** will be increased from \$23,365 to \$24,276
- **Families** will be increased from \$39,402 to \$40,939
- **Single seniors and pensioners** will be increased from \$36,925 to \$38,365, and
- **Families (seniors and pensioners)** will be increased from \$51,401 to \$53,406.

For each dependent child or student, the family income thresholds increase by a further \$3,760.

No changes to incoming tax rates

1 July 2024

Marginal tax rate* (%)	Thresholds - income range 2022-23 to 2023-24 (\$)	Marginal tax rate* (%)	Thresholds - MTR* (%) and income range from 2024-25 (\$)
0	0 – 18,200	0	0 – 18,200
19	18,201 – 45,000	19	18,201 – 45,000
32.5	45,001 – 120,000	30	45,001 – 200,000
37	120,001 – 180,000	–	
45	> 180,000	45	> 200,000
Low income tax offset (LITO)	Up to 700	LITO	Up to 700

*Excluding 2 per cent Medicare Levy

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