

2020/2021 FEDERAL BUDGET OVERVIEW

AUSTRALIAN ECONOMY

20/21

Financial year expected to shrink by

4.5%

21/22

financial year economy is expected to grow by

4.75%

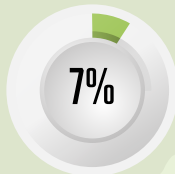
22/23

financial year economy is expected to normalise at

2.75%



Quarter the economy shrunk by



NEW JOBS

Government is creating

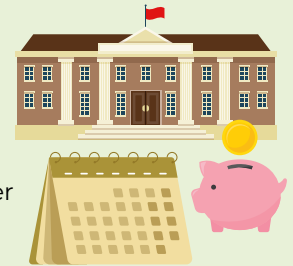
\$1.2BN

investment into

100,000

new apprenticeship roles over

4 YEARS.

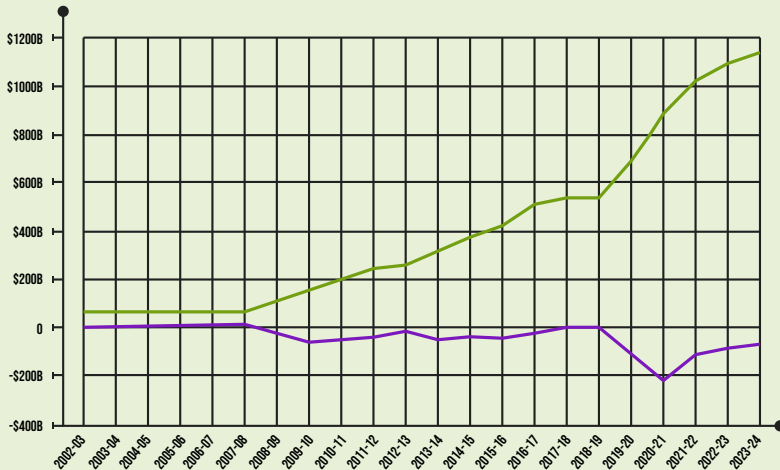


50%

of an apprentice wage subsidised by the government until this time next year capped at

\$7K

NATIONAL DEBT LEVELS



Trouble brings trillion dollar debt

Gross debt is expected to spike above \$1 trillion as the government battles deficits in the next few years.

- Annual budget deficit/surplus
- Gross government debt on issue (as at end of financial year, \$bn)

Source: Final Budget Outcome 2019-20; AOFM; Budget documents 2020-21

Note: Gross government debt on issue is the face value of Australian Government Securities on issue at June.

NEW TAX THRESHOLDS

11 MILLION

taxpayers will get tax cuts back dates to July 1

7 MILLION

taxpayers will get on average

\$2000

extra from July 1

19%

tax bracket to increase from **\$37K to \$45K** (pay 20% less tax)

32.5%

tax bracket to increase from **\$90K to \$120K** (pay 11% less tax)

One-off Low and Middle income tax offset to continue for another year

(\$1080)

TAX RELIEF BY TAXABLE INCOME, 2020-21 COMPARED WITH 2017-18

2017-2018

TAXABLE INCOME (\$)	TAX LIABILITY (\$)
40,000	4,947
60,000	12,147
80,000	19,147
100,000	26,632
120,000	34,432
140,000	42,232
160,000	50,032
180,000	57,832
200,000	67,232

2020-2021

TAX LIABILITY (\$)	CHANGE IN TAX (\$)	CHANGE IN TAX (%)
3.887	-1,060	-21.4
9.987	-2,160	-17.8
16.9874	-2,160	-11.3
24.187	-2,445	-9.2
31.687	-2,745	-8.0
39.667	-2,565	-6.1
47.467	-2,565	-5.1
55.267	-2,565	-4.4
64.667	-2,565	-3.8

COMBINED BENEFITS OF THESE TWO TO BE \$2745 PER PERSON

BIG BUSINESS SPENDING

\$14BN

in Infrastructure spending on rail, road and bridges



\$2BN

in Research and Development

\$1.6BN

in Covid 19 Vaccine spending



\$1.3BN

in New Manufacturing Incentives



\$2BN

in Road Safety

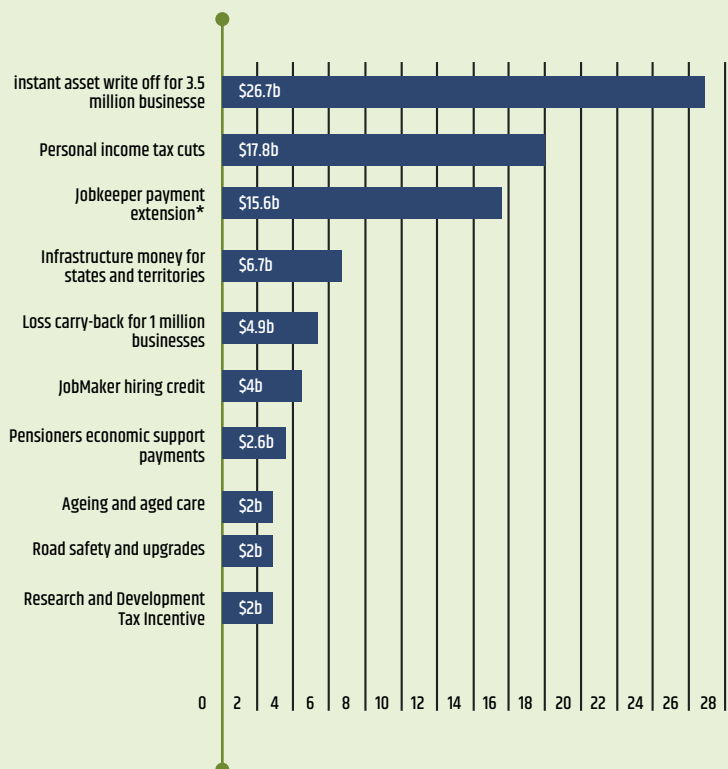


\$200M

in innovation into recycling with new bans on exporting waste

TOP 10 MAJOR SPENDING

Includes tax cut and spending measures; cost over four year budget horizon



SMALL BUSINESS INCENTIVES

Instant tax write-off to continue with no cap for another year

Job Maker Hiring Credit for Employers

\$200 PER

week for hiring someone under

29



\$100 PER

week for hiring someone between

30-35

CENTRELINK AND AGED CARE

\$250 CASH

payments in December and March



23,000

new home care packages for Australians look for aged care at home



HEALTHCARE

\$5.7BN

in Mental Health support

\$3.9BN

in additional funding for the NDIS



HOUSING

10,000

new first homeowner scheme places with the upper threshold now

\$950K



NO CGT

for owners of Granny Flats

\$3BN

new Low Cost Housing projects

\$150M

for indigenous housing in rural communities

