



2024 Budget: The Future of Australian-Made

National online briefing and discussion

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2024 Budget Overview

- Expected surplus for 2023-24 of \$9.3 billion
- Projected deficits:
 - 2024-25: \$28.3 billion
 - 2025-26: \$42.8 billion
 - 2026-27: \$26.7 billion
 - 2027-28: \$24.3 billion

2024 Budget Overview

- Unemployment forecast:
 - 2023-24: 4%
 - 2024-25: 4.5%
- Inflation:
 - Current: 3.6%
 - Forecast: Treasury vs RBA
 - Treasury: 2-3% by end of this year
 - RBA: Another 1 – 1.5 years

2024 Budget Overview

- Government net debt:
 - Rise to \$697 billion by 2027-28
 - 21.9% of GDP
- Gross debt:
 - \$1.1 trillion by 2027-28

Personal taxation
Business
Future Made in Australia
International
Other
Wrap up

Personal taxation

Stage 3 tax cuts

1 July 2024

2023-24 thresholds (\$)	Rate	2024-25 thresholds (\$)	Rate
0 – 18,200	Nil	0 – 18,200	Nil
18,201 – 45,000	19c	18,201 – 45,000	16c
45,001 – 120,000	32.5c	45,001 – 135,000	30c
120,001 – 180,000	37c	135,001 – 190,000	37c
>180,000	45c	>190,000	45c

- Before 2% Medicare levy

Stage 3 tax cuts

Monthly saving

Annual gross income (\$)	Approx monthly saving (\$)
\$20,000	Nil
\$50,000	\$77
\$70,000	\$119
\$100,000	\$182
\$130,000	\$282
\$160,000	\$311
\$190,000+	\$377

Low-Income tax offset

\$700

- Tapers off \$37,500 – \$66,667
- Effective tax-free threshold where income <\$37,500:
 - **\$22,575** [$\$18,200 + (\$700 / 0.16)$]

Income	Offset
0 to \$37,500	\$700
\$37,501 to \$45,000	\$700 less 5% of [Income minus \$37,500]
\$45,001 to \$66,666	\$325 less 1.5% of [Income minus \$45,000]
\$66,667+	nil

HELP debts

- Change to lower of CPI or Wage Price Index
 - Legislation pass in time for 1 June 2024?
 - CPI and WPI both around 4%
- Backdated to 1 June 2023
 - CPI increase: 7.1%
 - 3.2% WPI
 - Credit

Business

Instant asset write-off <\$20,000

- Businesses with group-wide turnover below \$10 million
- Depreciating assets <\$20,000 (exl GST)
- Further extended for another year
- Installed ready for use by 30 June 2025

- Extension to 30 June 2024 still to be legislated

Energy bill relief

- \$325 rebate
- Eligible small businesses
- From 1 July 2024
- Quarterly instalments

Future Made in Australia

Future Made in Australia

Funding initiatives

- >\$22.7 billion
- Example:
 - \$1 billion, Solar SunShot program; solar panels
 - \$2 billion, Hydrogen Headstart scheme; accelerate the green hydrogen industry
 - \$470 million, world's first "fault-tolerant" quantum computer, matching QLD govt's contribution
 - Rare earths mining, Geoscience mapping

Future Made in Australia

Tax incentives

- 2027-28 to 2040-41
- No details on how will be implemented
- Critical minerals production incentive:
 - Support downstream refining
 - Supply chain resilience
 - \$7 billion
- Hydrogen production incentive
 - Support growth of competitive hydrogen industry
 - \$6.7 billion

International

Capital gains tax

Foreign residents

- 1 July 2025
- Broaden assets subject to CGT
- Point-in-time test replaced by 365-test period
- Dispose shares >\$20 million – notify ATO
- Government will consult on details

Other measures

Strengthening tax compliance

ATO

- Reduce incorrect reporting of income
- Improve fraud detection
- Reduce overclaiming of deductions
- Other

Integrity, collection

- Expand anti-avoidance regime:
 - Foreign residents accessing lower withholding rates
 - Australian tax benefit from purpose of reducing foreign income tax
- ATO discretion:
 - Not apply tax refund to on-hold tax debts

Wrap up

- Unfortunate return to deficits
- Lack of genuine tax reform
- Increased ATO review/compliance activity
- Election?

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