

Federal Budget Summary

Illuminations Article

Earlier this month the Morrison Government handed down an eye-watering Federal Budget which could see a record debt of almost \$1 trillion. The Budget outlined the Government's economic recovery plan for Australia with a focus to rebuild our economy, create jobs and secure Australia's future.

The 2020-21 Budget commits further response and recovery support, bringing the Government's overall support to \$507 billion, including \$257 billion in direct economic support.

Below is a list of key points announced in the Federal Budget that will likely affect Lighting Council members. To access the 2020/21 Budget please visit <https://budget.gov.au/>.

- Research & Development Tax Incentive Bill has been officially dropped and the Government is investing an additional \$2 billion through the Research and Development Tax Incentive.
- \$1.5 Billion Modern Manufacturing Initiative: The government will dole out up to \$1.5 billion in grants to encourage advanced manufacturing in resources and critical minerals; food and beverages; medical products; recycling and clean energy; defence and space.
- An additional 10,000 first home buyers will be able to purchase a new home sooner under the extension to the First Home Loan Deposit Scheme.
- The Government is delivering an additional \$17.8 billion in personal income tax relief to support the economic recovery, including an additional \$12.5 billion over the next 12 months. It builds on the \$8.1 billion in tax relief that will be delivered for the 2020-21 income year under the already legislated Personal Income Tax Plan.
 - The 19 per cent tax bracket will rise from \$37,000 to \$45,000. The 32.5 per cent bracket will rise from \$90,000 to \$120,000. The 45 per cent bracket will rise from \$180,000 to \$200,000.
- Businesses with turnover up to \$5 billion will be able to deduct the full cost of eligible depreciable assets of any value in the year they are installed. The cost of improvements to existing eligible depreciable assets made during this period can also be fully deducted.
- Temporary loss carry back will also allow a business which suffers trading losses over the period of 2021-2022 to deduct those losses against profits made in or after 2018-19.
- Small businesses with a turnover of \$10 million to \$50 million will be able to claim up to 10 tax breaks, with fringe benefits tax scrapped on car parking, phones or laptops, simpler trading stock rules and easier PAYG instalments. It will cost the government \$105 million.



- Employers who give a job to an unemployed young person will receive a wage subsidy. The JobMaker Hiring Credit is estimated to support around 450,000 positions for young people and cost \$4 billion from 2020-21 to 2022-23.
- An additional \$14 billion in new and accelerated infrastructure projects over the next four years.
- Expanding the Local Roads and Community Infrastructure program. Investing an additional \$1 billion to support local councils immediate upgrades of local roads, footpaths and street lighting.