

FEDERAL BUDGET 2018

Highlights

Economic projections

Underlying cash balance

17/18: -\$18.2B

18/19: -\$14.5B

19/20: +\$2.2B

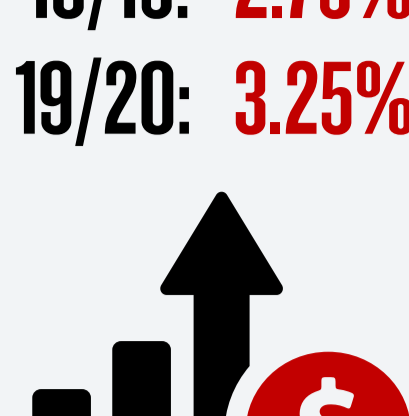


Wage growth

17/18: 2.25%

18/19: 2.75%

19/20: 3.25%

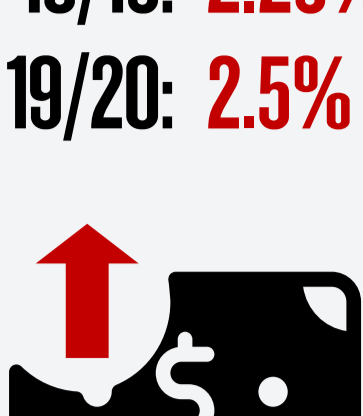


Inflation

17/18: 2.0%

18/19: 2.25%

19/20: 2.5%



GDP

3%



Iron ore (USD)

\$55/t



Taxation proposals

FROM 1 JULY 2018

FROM 1 JULY 2022

FROM 1 JULY 2024

\$530

maximum offset for low and middle income earners

Applicable from financial years 2018/19 to 2021/22

19% TAX THRESHOLD INCREASED

↑ **\$41,000**
\$37,000

37% TAX BRACKET TO BE ABOLISHED



32.5% TAX THRESHOLD INCREASED

↑ **\$90,000**
\$87,000

32.5% TAX THRESHOLD INCREASED

↑ **\$120,000**
\$90,000

32.5% TAX THRESHOLD INCREASED

↑ **\$200,000**
\$120,000

EXPECTED OFFSET BENEFIT BASED ON TAXABLE INCOME BRACKET IN FY 18/19

\$90,001 to \$125,333

Benefit of new tax offset gradually reduces from \$530 to \$1

\$48,000 to \$90,000

Full benefit of \$530

\$37,001 to \$47,999

Tax relief between \$200 and \$530

up to \$37,000

Tax relief up to \$200

PROPOSED TAX THRESHOLDS

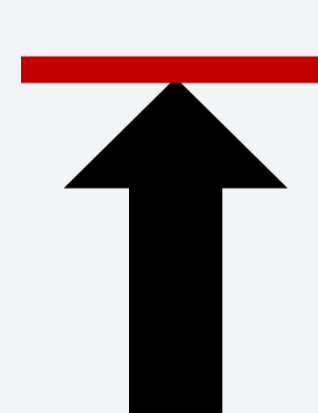
RATE	CURRENT THRESHOLDS IN 2017-18	NEW THRESHOLDS IN 2024-25
0%	Up to \$18,200	Up to \$18,200
19%	\$18,201 - \$37,000	\$18,201 - \$41,000
32.5%	\$37,001 - \$87,000	\$41,001 - \$200,000
37%	\$87,001 - \$180,000	-
45%	Above \$180,000	Above \$200,000

Superannuation measures



SMSF AUDITING FREQUENCY

changed from 1 year to 3 years for SMSFs with a good compliance record



3% CAP

p.a. on investment fees for super accounts below \$6,000, and exit fees banned



INACTIVE SUPER ACCOUNTS

ATO will proactively reunite dormant super funds with active accounts



1 YEAR EXEMPTION

from work test for new retirees with less than \$300,000 in super



UNDER 25 OR LOW BALANCE SUPER MEMBERS

will need to opt-in for insurance

Infrastructure measures

\$24.5B OF NEW INFRASTRUCTURE SPENDING

\$5B

for rail link to Melbourne Airport



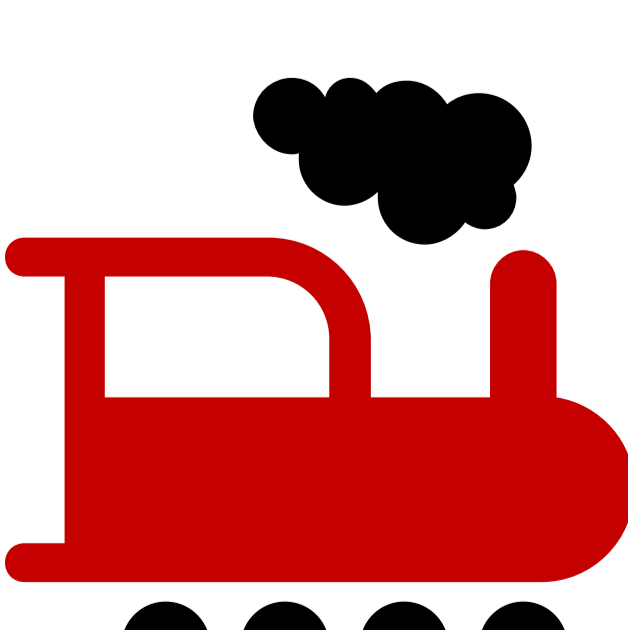
\$4.5B

for Snowy Hydro 2.0 project



\$2B

for Perth's Metronet project



\$1B

for M1 Gold Coast expansion

