

FEDERAL BUDGET 2022/23 2.0

Delivered 25 October 2022 by Treasurer Jim
Chalmers

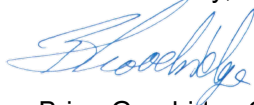
We have prepared a summary of last night's federal budget as a general broadcast to our clients and anyone else who might be interested.

Only the main points of the budget are in this document. These are the changes that we believe will be of interest to most readers.

This has been prepared as an easy to read document for general information only. No part of this document should be relied upon. Please contact us for advice that will be specific to your situation.

Please have a read and feel free to pass this onto anyone who might be interested.

Yours sincerely,



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Managing Director

ECONOMIC SITUATION:

1. Predicted economic growth of 3.25% for 2022/23, 1.5% for 2023/24, 2.25% for 2024/25, 2.5% for 2025/26.
2. Inflation is expected to be 5.75% for 2022/23 peaking at 7.75%, then reduces down to 3.5% in 2023/24 down to 2.5% after that.
3. Unemployment rate predicted to rise over the next few years to 4.5%, currently the unemployment rate is 3.75%. Equates to an extra 140,000 out of work.
4. Budget deficit to be \$36.9 Billion in the current year. A deficit of \$44 Billion in 2023/24, slowly increasing over the next 2 years.
5. In 2026 financial year, Gross Debt will peak at \$1.1 Trillion. Interest payments on this debt will be around \$120 Billion over the next 4 years.
6. The new government is predicting wages growth to be around 3.5% per year over the next 4 years.

PERSONAL INCOME TAX:

Below is the table of personal income tax rates including Medicare:

2022/23	
Range	Rate
\$0-18,200	0%
\$18,201-45,000	21%
\$45,001-120,000	34.5%
\$120,001-180,000	39%
Over \$180,000	47%

There has been no change to any rates or rebates.

COST OF LIVING:

No new announcements here despite what was hoped. At least the government has not resorted to handouts.

However, the government has announced changes to child care from 1 July 2023 (ie not part of the 2022/3 budget as such). Costing \$4.7 Billion over 4 years. The aim is to allow more "want to be" working parents into the workforce.

Also by 2026 an extension of paid parental leave to 6 months.

Electricity prices to increase by 50% over the next two years, a broken election promise.

Gas prices to increase by 40% over the next two years.

Government are committed to increase the level of renewables despite the price pressures on energy.

EDUCATION:

Around 500,000 fee free TAFE places over the next 4 years.

University places will increase by 20,000 places given to people of low socio-economic, regional and remote areas.

DISASTER RELIEF:

\$3 Billion set aside for current flood event relief.

\$200 Million per year to be set aside for a future fund for disaster prevention.

5,000 extra new volunteers.

HOUSING:

\$350 Million allocated over 5 years with the plan to build 10,000 affordable homes.

Overall aim to build 1 million homes by end of the decade.

30,000 new social and affordable dwellings as part of its plans to address affordability needs.

SKILLED MIGRANTS:

Permanent migration cap is increased to 195,000 people for the 2022/3 year after a pause during the COVID pandemic.

Working restrictions will also be eased for foreign students and secondary training visa holders.

\$42.2 Million to reduce the backlog of applications.

DEFENCE:

Defence veterans \$1000 increase to their annual pension payments.

The department of veterans' affairs will receive an additional \$233.9 Million for boosting staff needed for processing compensation claims.

TAX SAVINGS:

Tax loopholes will be targeted expecting to recoup \$1 Billion from major multinationals.

\$3.7 Billion allocated to the ATO to help catch tax dodgers.

INFRASTRUCTURE:

\$10 Billion cut from regional infrastructure programs announced by the previous government including 2 major dam projects in Queensland.

OTHER:

\$75 Million set aside for the upcoming referendum on "first nation's voice" in parliament

Foreign investment fees to be increased, raising \$457.4 Million over 4 years.

\$2.4 Billion investment in NBN Co for fibre access for 1.5 Million premises.

118 Electric Vehicle charging stations on highways.

\$2.5 Billion over 4 years to increase average care minutes per resident and mandate that facilities have a registered nurse 24/7

\$810.2 Million for additional support in aged care.

\$224.3 Million for community batteries for household solar programs.

CONCLUSION:

I'm so sorry... there really isn't much interesting in tonight's announcements. Energy prices to sky rocket, unemployment to increase, inflation to increase while interest rates rise.

I appreciate the time you have taken to read this.

Have a great day!