



## 2022 BUDGET SUMMARY



The election campaign has begun with the Federal Budget being handed down in March instead of May this year. As you would expect, there is very little controversy - no one stormed the stage in Canberra! Here are the key items as we see them.

### **HOMES**

#### **EXPANSION OF THE HOME GUARANTEE SCHEME**

The Government has announced that it will expand the existing Home Guarantee Scheme to:

- increase the number of available guarantees from 10,000 to 35,000 each year to support eligible first homebuyers to purchase a new or existing home with a deposit as low as five per cent – from 1 July 2022;
- establish a new Regional Home Guarantee which will provide 10,000 guarantees each year to support eligible homebuyers to purchase or construct a new home in regional areas – from 1 October 2022 to 30 June 2025;
- expand the Family Home Guarantee – to provide 5,000 guarantees to support eligible single parents with children to buy their first home or to re-enter the housing market with a deposit of as little as two per cent – from 1 July 2022 to 30 June 2025.

### **SUPERANNUATION**

#### **50% MINIMUM DRAWDOWN EXTENDED**

The Government has extended the 50 per cent reduction of the superannuation minimum drawdown requirements for account-based pensions and similar products for a further year to 30 June 2023.

#### **NO OTHER CHANGES TO SUPER**

The government have also announced that they won't tinker with super in this budget. After seeing the effect of the Labor party's campaign in the last election they may be trying to butter up the self funded retirees with this one.



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## **INDIVIDUALS**

### **\$250 COST OF LIVING PAYMENT**

The Government is providing a new one-off, income tax-exempt payment of \$250 to help with increases in the current cost of living. It will be paid automatically to all eligible pensioners, welfare recipients, veterans, and eligible concession card holders in April 2022.

## **BUSINESS**

### **SMALL BUSINESS DIGITALISATION**

\$1 billion will be set aside for a Technology Investment Boost to encourage small businesses to go digital. Small businesses with an annual turnover less than \$50 million will be able to deduct a bonus 20% of the cost of expenses and depreciating assets that support digital uptake. This includes portable payment devices, cyber security systems or subscriptions to cloud-based services. A \$1.00 spend will equate to a \$1.20 deduction. Please note that this is an increased tax deduction and not a refund of cash. This bonus is available for expenditure made between 7.30pm on 29 March 2022 and 30 June 2024.

### **SMALL BUSINESS TRAINING BONUS**

Small businesses with an annual turnover of less than \$50 million will have access to a new bonus 20% deduction for the cost of external training courses delivered to their employees by providers registered in Australia. A \$1.00 spend will equate to a \$1.20 deduction. The government are loving an increased tax deduction in this budget. This bonus is available for expenditure made between 7.30pm on 29 March 2022 and 30 June 2024.

### **CASH BOOSTS FOR NEW APPRENTICESHIPS AND INFRASTRUCTURE PROJECTS**

\$2.8 billion has been earmarked for encouraging an increased take up and completion rates for apprenticeships including \$5,000 payments to new apprentices and up to \$15,000 in wage subsidies for employers who take them on.

In addition to the funds to encourage employers to take on apprentices, the Federal Budget also includes \$37.9 billion for regions and transport infrastructure to unlock regional opportunities and invest in rail projects. A further \$7.4 billion will also be invested into water infrastructure including \$6.6 billion in Queensland.

### **TAXABLE PAYMENTS REPORTING**

Some businesses are required to report payments made to contractors or subcontractors during the financial year in their Taxable Payments Annual Report (TPAR). The report must be lodged by 28 August each year.

The Government has announced that – subject to software providers being able to have systems in place – businesses will have the option to report Taxable Payments Reporting System data (via accounting software) on the same lodgement cycle as their activity Statements. It is anticipated that systems will be in place by 31 December 2023, with the measure to apply from 1 January 2024



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