



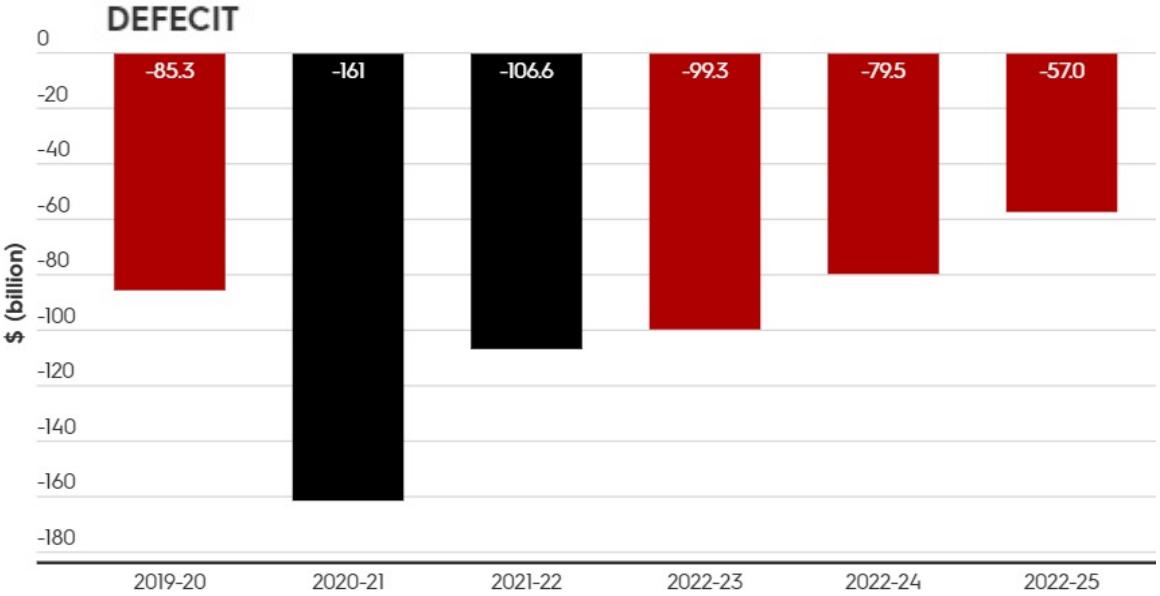
Newton & Henry

FEDERAL BUDGET BREAKFAST 2021

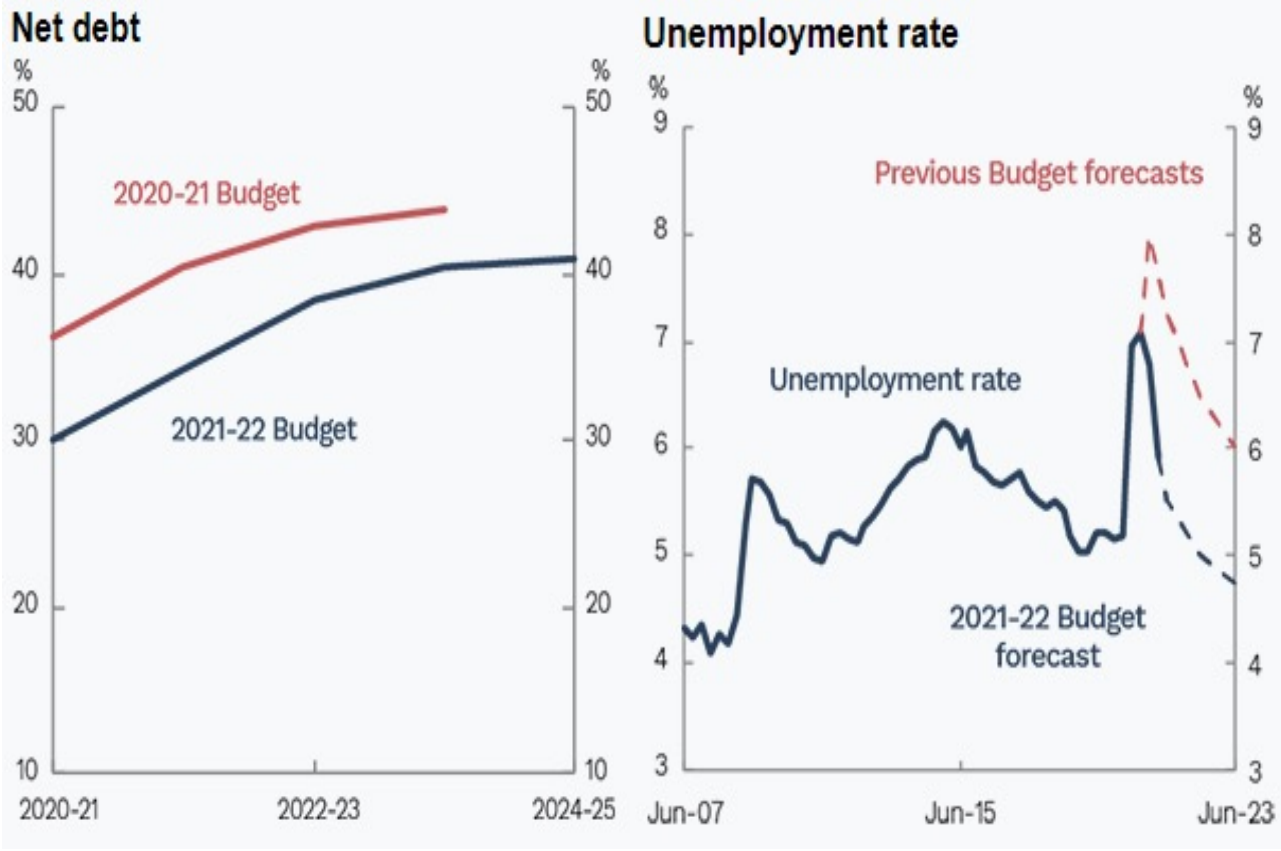


Economic overview

Economic assumptions and outlook

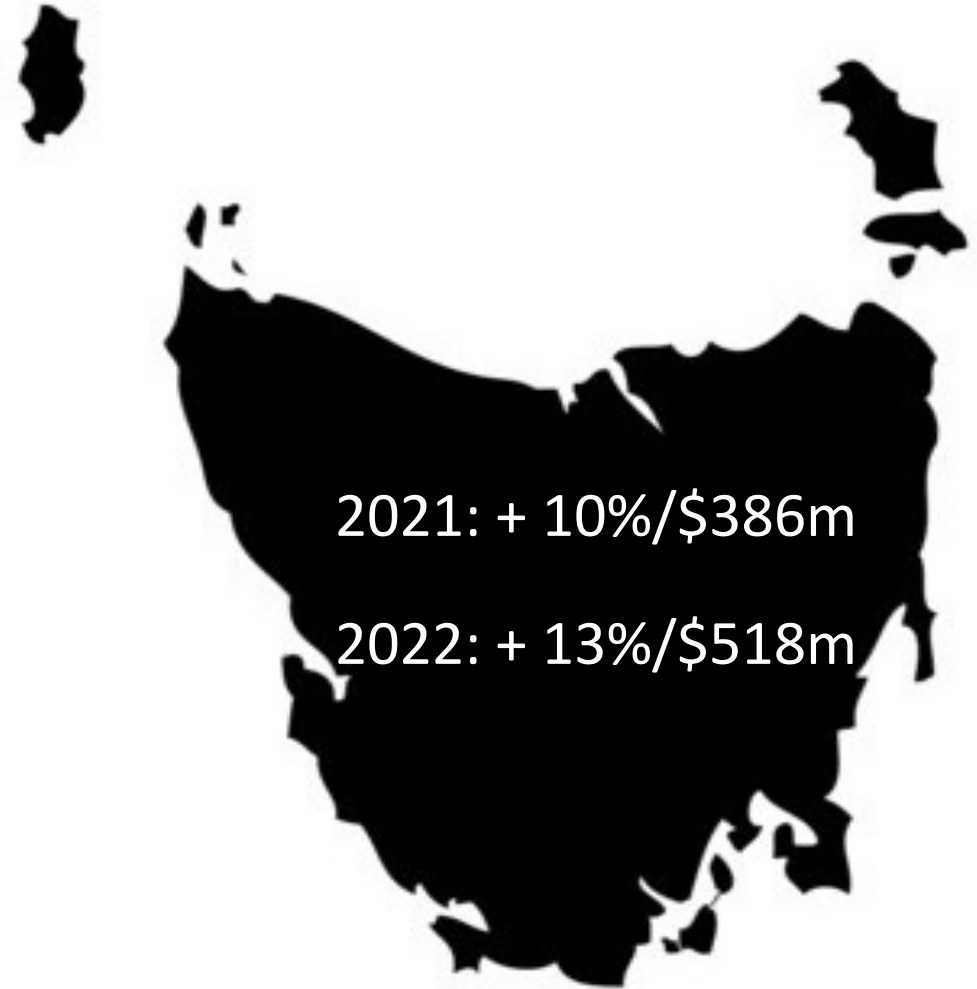


	2021-22 Budget (May '21)	2020-21 Budget (Oct '20)
Wages growth 21-22	1.5%	1.5%
Growth 2022	4.25%	4.25%
CPI 2022	1.75%	1.75%



Tasmanian Revenue Impact

	Budget 2020	Budget 2021
2020-21		
National GST collections	70,700	72,530
Special Purpose GST	1,360	1,546
	<u>2,593</u>	<u>2,793</u>
	3,953	4,339
2021-22		
National GST collections	74,100	75,847
Special Purpose GST	1,360	1,621
	<u>2,743</u>	<u>3,000</u>
	4,103	4,621





Individuals

Residency

1

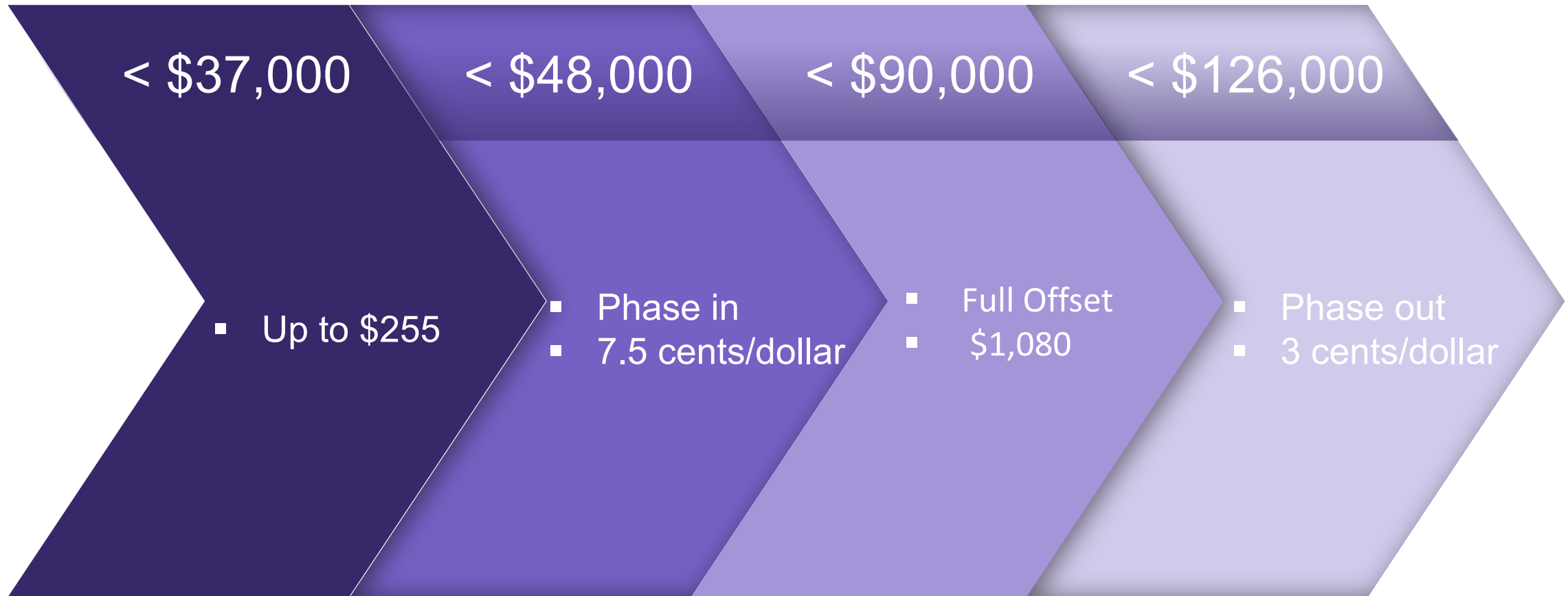
Primary bright line test - spend 183 days or more in Australia = considered a resident for tax purposes.

2

Secondary tests – for individuals not present in Australia for 183 days combination of physical presence and measurable, objective criteria

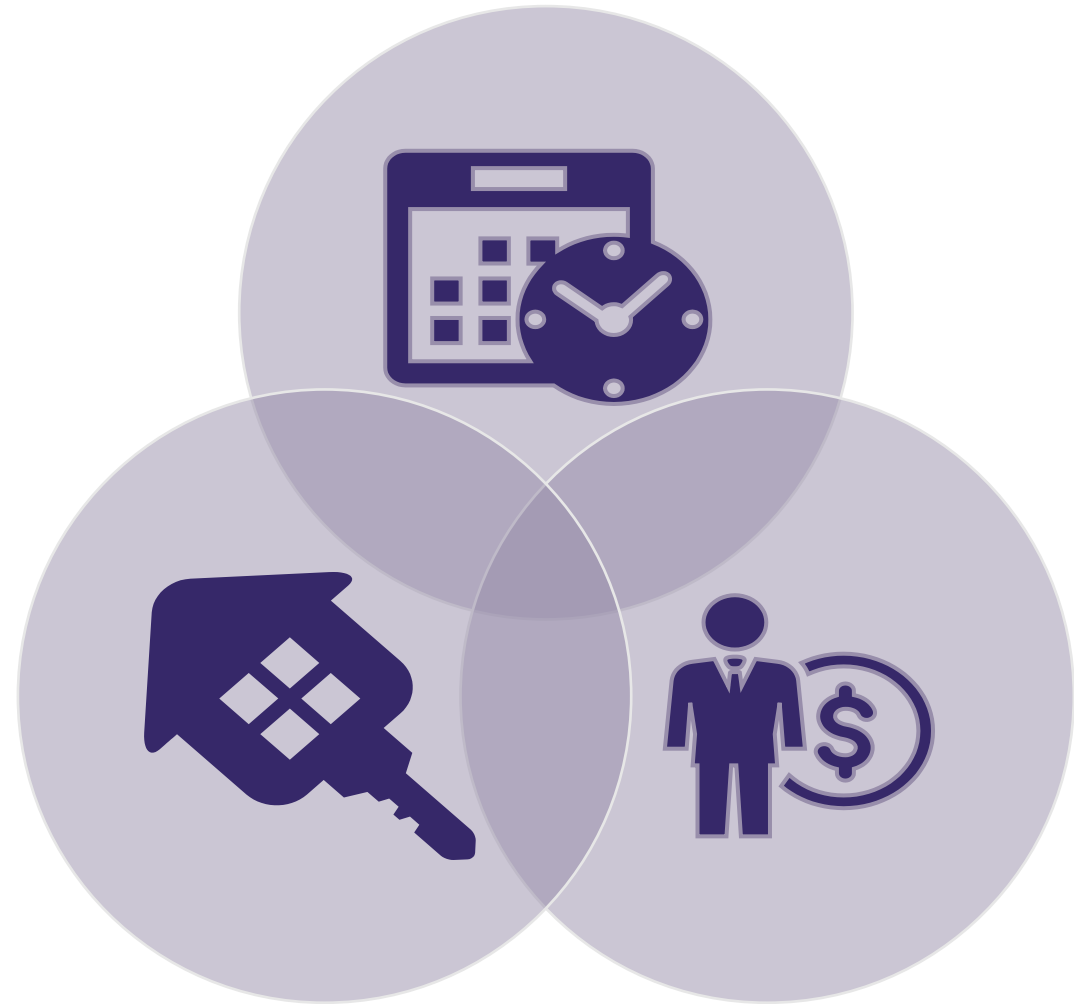


Low & Middle Income Tax Offset



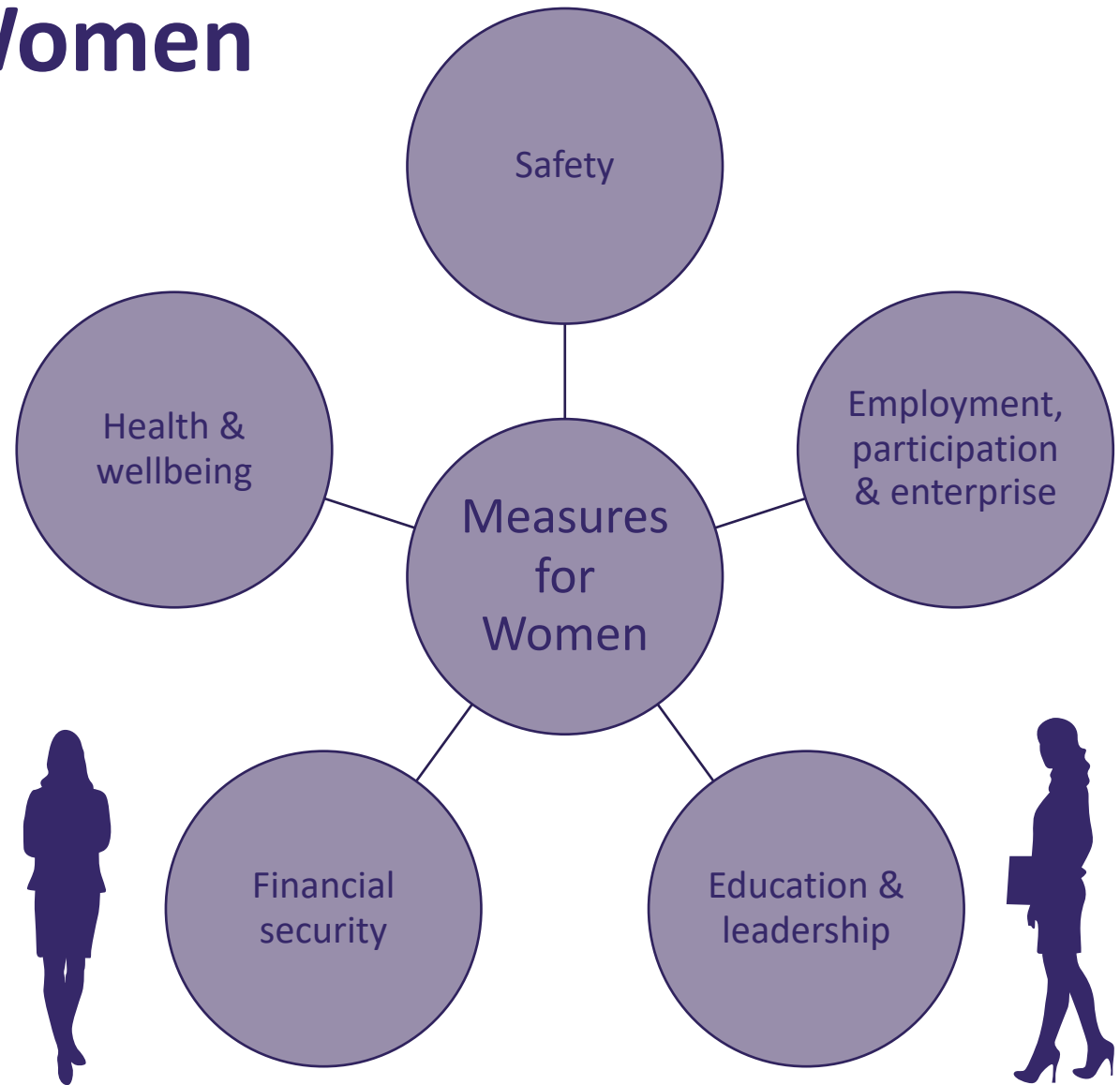
Home Builder

- First Home Super Saver Scheme – max releasable up to \$50,000 from 1 July 2022.
- First Home Loan Deposit Scheme (5%) – extended another year.
- Extended construction **commencement date** requirement from 6 to 18 months for existing applicants.
- New scheme – Family Home Guarantee – 2% deposit



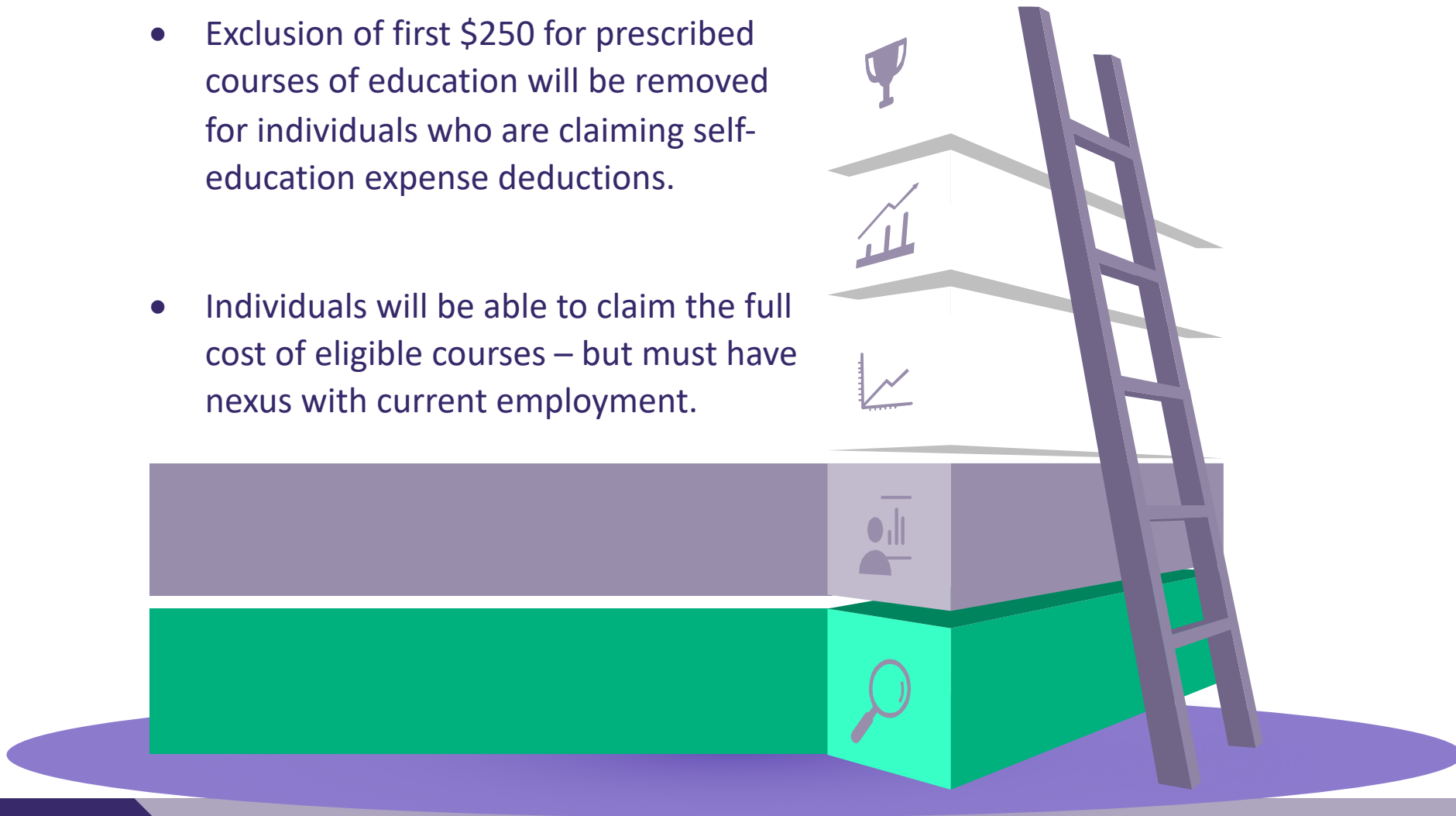
Budget Measures for Women

- \$261.4 million over 2 years to bolster frontline family, domestic & sexual violence support;
- \$42.4 million over 7 years to support more than 230 women to pursue Higher Level STEM Qualifications;
- \$38.3 million over 5 years to expand the Women's Leadership and Development Program aimed at closing the gender pay gap;
- \$10.7 million over 2 years to assist with mediation to distribute property of less than \$500,000 following a relationship breakdown;
- \$67.6 million for breast cancer screenings and \$32.8 million for cervical screening services;
- \$47.4 million to build on the National Perinatal Mental Health Check Initiative; and
- And many more investments for women.



Self Education Expenses

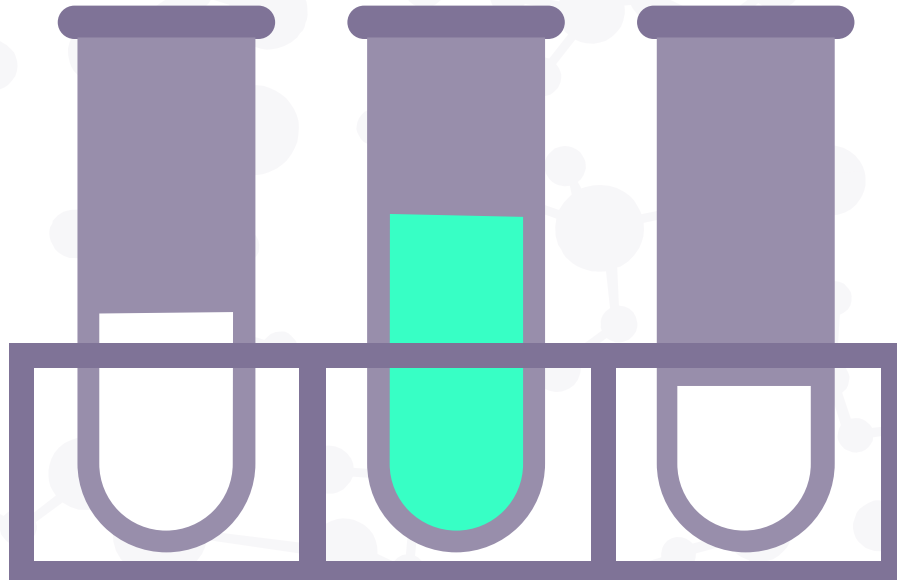
- Exclusion of first \$250 for prescribed courses of education will be removed for individuals who are claiming self-education expense deductions.
- Individuals will be able to claim the full cost of eligible courses – but must have nexus with current employment.





Business

Patent Box Scheme



\$206.4m designed to encourage investment in medical and biotech

Corporate tax rate of 17%

Also being considered for the clean energy sector

Must apply for Patent after budget night 11 May 2021

Extension of TFEDA & Loss Carry Back

Temporary full expensing of depreciating assets and the loss carry back measures have been extended to 30 June 2023.

Temporary Full Expensing Of Depreciating Assets (TFEDA) Extension	Tax Loss Carry Back Extension
<p>The 2021 budget introduced TFEDA – eligible businesses could write off the full cost of eligible assets of unlimited value purchased and used or installed ready for use from 6 October 2020 until 30 June 2022.</p> <p>The purchased and used or installed ready for use cut off date has been extended to 30 June 2023.</p> <p>The remainder of the provisions surrounding TFEDA are unchanged, including:</p> <ul style="list-style-type: none">• Eligible businesses have aggregated turnover <\$5 billion (for new assets).• Eligible businesses have aggregated turnover <\$50 million (for new & secondhand assets).• Eligible businesses have aggregated turnover <\$10 million (for new & secondhand assets & the balance of the SBE pool).	<p>Pre-existing measures allowed loss carry backs from the 2020, 2021 or 2022 financial years to offset profit made in 2018-2019 or later income years.</p> <p>Tax loss carry back has been extended to include losses made in the 2022-2023 financial year.</p> <p>Extension means losses from the 2022-2023 income year can be used to offset profits as far back as 2018-2019.</p> <p>Companies with aggregated turnover less than \$5 billion are eligible. The tax refund cannot create a franking deficit. If the company has paid franked dividends from profitable earlier years, then a full carry back may not be available.</p>

In-House Software

From 1 July 2023 taxpayers can self-assess effective lives of eligible intangible depreciating assets (patents, copyrights, in-house software).



Changes to Employee Share Schemes (ESS)



- Under current legislation employees may defer tax until a later date (the deferred taxing point), which is the earliest of:
 - cessation of employment;
 - when there is no risk of forfeiture and no restrictions on disposal for shares or shares created as the result of exercising options; or
 - the maximum period of deferral of 15 years.
- The change will tax effect from the first income year after the date the legislation receives royal ascent.
- Budget also removes some regulatory requirements where there is no lending to employees offered ESS and for unlisted companies with ESS valued <\$30,000 per employee per year.

JobTrainer

- Targeted for young people aged 17-24, announced in last years budget.
- Additional \$506.3 million over 2 years from 2021-22 to extend Job Trainer Fund. \$500 million to be matched by state & territory governments.
- Deliver 163,000 additional low fee & free training places in areas of skills need; including
 - 33,800 aged care
 - 10,000 digital skills
- Includes \$6.3m for a campaign to encourage take-up of training opportunities.



Odds & Sods

Holders of 'Working Holiday Maker' Visa

Currently working in food processing or the agricultural sector are:

- Eligible for a further visa.
- Exempt from the 6 month & 1 employer limitation.
- If visa expiring and working with approved employer – visa can be extended for up to 12 months.



Brewers & Distillers

- Align excise refund with Wine producers rebate.
- From 1 July 2021, full remission of any excise being payable up to a cap of \$350,000.



Superannuation

Changes to Super

Repealing the Work Test

No longer needed for non-concessional & salary sacrifice contributions.



SMSF Updates

Residency requirements relaxed.
Roll backs for some legacy products.

Downsizer Contributions

Age limit reduced from 65 to 60.

Removing \$450 Threshold

SGC now needs to be paid regardless of earnings per month.

2021 Panelists



Samantha Hogg
Chairperson
Tasmanian Irrigation



Martin Rees
Company Director



Rayne van den Berg
Chief Financial Officer
Forico



Peter Milne
Chief Executive Officer
Clifford Craig Foundation



Disclaimer

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

To the extent permissible by law, Newton & Henry and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).

Liability limited by a scheme approved under Professional Standards Legislation.

Contact our team and discover how we can make the difference.



Newton & Henry Pty Ltd

Phone: +61 3 6337 3737

Fax: +61 3 6337 3700

office@newtonhenry.com.au

Level 2, 33 George St, Launceston TAS 7250

PO Box 199, Launceston TAS 7250

www.newtonhenry.com.au

 [linkedin.com/company/newton-henry](https://www.linkedin.com/company/newton-henry)

 [@newtonandhenry](https://www.facebook.com/newtonandhenry)

 [@newtonandhenry](https://www.instagram.com/newtonandhenry)