

The Highlights

This is a highly targeted Budget that seeks to keep change within community tolerance levels.

Most spending measures target productivity gains - although small businesses with turnover between \$2m and \$5m will be disappointed. Revenue measures target the asset or income rich, or just plain unpopular.

Accelerated depreciation across multiple areas

- **Micro business (small business under \$2m)** - immediate deductibility from Budget night for any assets purchased and used or installed and ready to use by 30 June 2017 that cost less than \$20,000
- **Start ups** – immediate deductibility for professional expenses – cost of lawyers and accountants to get a business up and running
- **Farmers** – immediate deductibility for fencing and water facilities

Tax cuts for small business (under \$2m) from 1 July 2015

- 1.5% company tax reduction
- 5% tax discount for unincorporated small businesses

GST on digital supplies

- Similar GST treatment applied to supplies of digital products to Australian consumers – including consulting and professional services – regardless of whether they are supplied by a local or foreign supplier

Individuals

- Changes to work related deductions for car expenses – 12% of original value and one third of actual cost methods removed and reduction of cents per kilometre method

FBT changes

- Changes to salary sacrificed meal entertainment for not for profits

Expansion of FBT exemption for work related electronic

Multinationals targeted

- Changes to Part IVA target around 30 global companies with revenue in excess of \$1bn

Accessing government benefits

- Changes to how superannuants' income counted for social security
- Child care shake up - Collapses three current eligibility tests with one means and activity test
- Asset test changes mean 91,000 pensioners no longer qualify and 235,000 will have pension reduced
- 'Double dipping' Government and employer paid parental leave stopped

[If you have any questions in relation to the above, please contact our office on 03 9854 3200](#)