

2024 FEDERAL BUDGET UPDATE

\$20,000 instant asset write-off extended to 30/6/25

The \$20,000 instant asset write-off has been extended, allowing you to immediately deduct the cost of eligible assets until June 30, 2025. Here's what you need to know:

- Eligibility

Small businesses with an annual turnover of less than \$10 million.

- Write-off Threshold

The write-off applies to individual assets costing less than \$20,000.

- Deduction

You can potentially deduct the full cost of multiple assets as long as each asset costs less than \$20,000. Timeframe Assets must be purchased, installed, and ready for use between July 1, 2024, and June 30, 2025.

\$300 for households and \$325 for small business as energy bill credits

From 1 July every household will receive a \$300 rebate on their energy bills under a \$3.5 billion cost-of-living package.



Small businesses will also benefit from the Energy Bill Relief Fund, with around a million eligible organisations to get \$325 off their power bills.

This will be automatically applied and paid in quarterly instalments on your electricity bill throughout 2024-25.

Superannuation will be paid on government payments of Paid Parental Leave

Starting from July 1, 2025, superannuation will be paid on Government-funded Paid Parental Leave (PPL) for births and adoptions occurring on or after this date.

With an increased Super Guarantee rate of 12% (up from 11.5% for the 2024-25 period), eligible parents will receive an additional payment equivalent to 12% of their PPL payments, which will be contributed by the Government to their superannuation fund.

This update aims to address a significant inequity in retirement savings for women.

Estimated benefits for a typical parent taking 18 weeks of paid parental leave could add around \$6,500 per child to their retirement savings.

Interest on HECS/HELP loans capped at max of wage growth or CPI - whichever is lower

Under the proposed alteration, indexation will now be calculated based on the lower of the Consumer Price Index (CPI) or the Wage Price Index (WPI) beginning June 1, 2023. Once the legislation is approved, the Australian Taxation Office (ATO) will automatically apply the revised indexation rates to outstanding loans.

This shift means that borrowers are likely to benefit from lower indexation rates, therefore reducing their outstanding loan balances. For instance, the indexation rate, which stood at 7.1% on June 1, 2023, would decrease to 3.2% under the proposed changes. Similarly, the expected rate of 4.7% for June 1, 2024, would decrease to an estimated WPI figure of 4.0%.