



FEDERAL BUDGET 2018

REPORT FOR A.I.R. MEMBERS

Bernie Treston - A.I.R. Representative - Budget Lockup

CANBERRA: About 250 people sat in on the lock-up and were provided with all papers including the speech to be delivered at 7.30 p.m. by Treasurer Morrison.

DEFICIT REPAIR: Progress in planning to get the budget deficit down as set out is attractive to us all. It seems that the Government has benefited from a stable economy and better prices from mineral exports, as well as decrease in unemployment.

TAX CUTS: Budget repair has allowed them to announce tax cuts, some of which are to take effect at 1st July 2018.

TAX BRACKETS: There is also an expressed intention to reduce the number of tax brackets from 5 to 4 over a few years. Around 94% of taxpayers are projected to face a marginal tax rate of 32.5% or less in 2024-2025. The top bracket is to pay 45 cents in the dollar for income above \$200,000.

STREAMLINED BAS: About 2.7 million small businesses will have stream-lined reporting of BAS-GST which is designed to save time and money.

HEALTH: The More Choices for Longer Life package includes online interactive age 45 and 65 year checks across key areas on skills, finances and health. It is not clear just how this works in practice.

There are additional funds for the Pharmaceutical Benefits Scheme (PBS). There are no changes to Medicare—just that under the Medicare Guarantee Fund more money has been allocated.

Funds are also being provided to encourage a boost of physical activity of older Australians—but no definition of the activity is supplied.

SUPERANNUATION: A number of minor but positive changes were announced. These include replacing annual audits of SMSF's to 3-year audits for "good behaviour"—that is funds with a good record.

AGED CARE: The Government is establishing a new independent AGED CARE QUALITY and SAFETY COMMISSION—officially to protect older Australians from abuse including financial scams.

Home care packages are in demand, so the Government is providing an additional 14,000 high level packages over four years to address the need. This does not seem sufficient on the current back-log.

PENSION RULES: The Pension Work Bonus scheme includes an increase of \$50 per fortnight without reducing the age pension for persons doing some work.

MATURE AGE WORKERS: For persons employing Australians aged 50 and over the Government will provide up to \$10,000 in Restart wage subsidies. The Skills and Training incentive will provide up to \$2,000 to fund up-skilling opportunities for mature aged workers identified as being at risk.



Association of Independent Retirees (A.I.R.) Limited

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WORK TEST: The restriction on having to work set hours over a limited time period have been relaxed first year after you turn 65—which is welcome.

PENSION LOAN SCHEME: The Government pension loan scheme (similar to a reverse mortgage) for people on a pension has become more accessible with increased funding.

ENERGY: The Government claims that the National Energy Guarantee will see a reduction in the average Australian household's power bill. The Limited Merits Review regime has been abolished.

The Energy Made Easy price comparison website is being widely used to good effect. No mention of coal power stations, but the claim is made that Government has secured domestic supply of gas by agreement with east coast retailers.

405/410 VISAS: Of significance to some of our members from overseas holding 405 and 410 visas, is that they can now apply for and achieve Australian citizenship, whereas previously this was not an option. The campaign by W.A. and Qld A.I.R. members on this issue was successful.

Comments: The Budget papers are extensive and contain lots of detailed information about other issues.

Various bills will have to be presented to Parliament, debated, and passed to implement most of the above, although some is dealt with by regulation.

Generally, the Budget does not seem to be anything that causes detriment to the lives of independent retirees.

Bernie Treston

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