

2008/2009 Budget Update!

Welcome to this special budget edition of the MGI ENews.

The Budget provides 134 new saving measures which deliver \$7.3bn in cuts in the 2008/2009 year alone and \$33.3bn over four years.

Many of the savings directly target 'middle class welfare', targeting families with household income above \$150,000. There is also a deferral of tax cuts for those earning over \$180,000, changes to the definitions restricting family trusts and increased taxes on luxury cars.

In a blow for SMEs, the Commercial Ready program, a grants program for SMEs that subsidises innovation and its commercialisation, has been scrapped, saving the Government \$707.2m over 4 years.

The spending initiatives, to the tune of \$5.5bn, deliver on many of the Government's promises made during the election campaign including the reduction in personal income tax rates.

The end result is a net gain of \$2bn to deliver a forecast surplus of \$21.7bn.

Grant Field
Managing Partner

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Tax Changes – As previously announced, personal income tax rates will reduce from 1 July 2008. [More...](#)

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SME Funding Cutbacks – The Commercial Ready program, a grants program for SMEs that subsidises innovation and its commercialisation, has been scrapped. [More...](#)

Article 3:

Restricting Access To Government Benefits – Eligibility to the Baby Bonus will be limited to families with an adjusted taxable income of \$75,000 or less in the six months after the birth of a baby. [More...](#)

Article 4:

Relief For Families, Carers & Pensioners – Following up on their election campaign promise, the Government will introduce a 50% Education Tax Refund on eligible educational expenses. [More...](#)

Article 5:

Superannuation – The Government will back-date the commencement of the previously announced measure to make superannuation lump sum benefits tax free. [More...](#)

Article 6:

Other Matters - As widely reported, the Government will prospectively remove differential treatment of same sex couples and their children from Commonwealth laws. [More...](#)

Article 7:

Economic Overview - Global growth, in real terms, is expected to be 4 per cent in 2008 and 2009. [More...](#)

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