

2009/2010 Budget Update

Welcome to this special edition of MGI News.

Budget 2009/2010 was a combination of big spending initiatives tempered by cut backs. While there are a few big-ticket revenue raising measures such as the changes to the superannuation contribution caps, the rest is 'death by a thousand cuts'.

There is a whole raft of changes under the banner "improving fairness and integrity in the tax system" that accountants and tax advisers will need to be across. There is also a general tightening across many areas, particularly for family tax benefits.

The winners were small business with an unexpected increase in the Investment Allowance, infrastructure development, first home owners, and pensioners. Paid parental leave was also on the agenda but is not set to be introduced until 2011.

Warm regards



Grant Field
Managing Partner

Budget highlights

Concessional contributions cap reduced to \$25,000 per annum (indexed) from the 2009/2010 financial year. Transitional concessional contributions cap reduced to \$50,000 per annum. [More....](#)

In Detail

Superannuation

The concessional contributions cap will be reduced to \$25,000 per annum (indexed) from the 2009/2010 financial year. [More....](#)

Tax and business

Small businesses will now be able to claim an increased tax deduction of 50% (up from the 30% previously announced) of the cost of eligible assets acquired between 13 December 2008 and 31 December 2009, and installed by 31 December 2010. [More....](#)

Tax and individuals

The Medicare levy low-income thresholds will increase to \$17,794 for individuals and \$30,025 for individuals in families. [More....](#)

Other tax changes and items

Triennial review of the guidelines for, and organisations on, the four deductible gift recipient registers will be introduced. [More....](#)

Pension Payments and Benefits

A Paid Parental Leave scheme will be introduced from 1 January 2011. [More....](#)

Other Items of Interest

The Government will extend the first home owners Boost for six months. [More....](#)

Economic Overview

Australia's GDP is expected to contract by 0.5% in 2009/2010. [More....](#)