

Federal budget 2018: Winners and losers

By **SID MAHER**, NSW EDITOR
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WINNERS

Low and middle income earners — tax cut of up to \$665 a year (topping out at an annual taxable income of \$90,000) from July 1 through an increase in the low and middle income tax offset.

Incomes above \$130,000 — tax cut of \$135 a year through a rise in the 32.5 per cent tax threshold from \$87,000 to \$90,000.

Superannuation account holders — Fees on accounts with balances of less than \$6000 to be capped at 3 per cent; Exit fees to be banned on superannuation consolidations. Work test exemption to be applied to people between the ages of 65 and 74 where their super balance is below \$300,000.

Retirees — Pension Work Bonus extended to allow pensioners to earn an extra \$50 a fortnight without reducing their pensions; Pension Loan Scheme expanded to allow the use of home equity to boost retirement income up to \$17,787 a year for a full rate pensioner.

Beer drinkers — cheaper craft beer to flow from a government extension of the concessional excise rate to smaller kegs above 8 litres, favoured by boutique brewers, instead of only allowing it on kegs above 48 litres commonly used by big breweries.

Aged care users — new independent Aged Care Quality and Safety Commission; national plan to address elder abuse and the establishment of specialist elder abuse units in legal services. Funding for an additional 14,000 high-level home care packages.

Power bills — Australian household average power bills to fall \$400 from 2020 after introduction of national energy guarantee.

Commuters — funding for the Melbourne Airport Rail Link and North East Link; Western Sydney Airport Rail, Pacific Highway Coffs Harbour Bypass, Port Botany Rail Line duplication; Brisbane Metro, Bruce Highway upgrades, M1 upgrade on the Gold Coast; Perth Metronet; Gawler Rail Line electrification; \$1bn urban congestion fund to fix city pinch points and improve traffic flow.

Freight routes — \$3.5bn Roads of Strategic Importance fund to boost freight routes including upgrades in Tasmania, the Australian Capital Territory, NSW and Northern Australia.

The sick — \$1.4bn for PBS listings, including medicines to treat spinal muscular atrophy, breast cancer, refractory multiple myeloma and relapsing-remitting multiple sclerosis. New medicines to prevent HIV.

Barrier Reef — \$500m reef plan to improve water quality, combat the crown-of-thorns starfish.

Film industry — \$140m to attract big budget film productions to Australia.

Farmers — \$225 million for better GPS technology to enable farmers to access precision agricultural technologies as well as improvements to the Bureau of Meteorology's technology to maintain weather predictions.

Small business — continuation of the \$20,000 instant asset write-off.

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LOSERS

ABC — ABC operational funding to be frozen to ensure it continues to find back office efficiencies. Freeze to save \$83.7m over three years from 2019-20 to 2021-22.

Multinational tax avoiders — crackdown on the tax treatment of stapled securities and further tightening of thin capitalisation rules to stop multinationals using debt to reduce their tax liabilities. Tougher R & D tax incentive regime to ensure they are used for their proper purpose.

Dodgy businesses — ban on cash payments above \$10,000 as part of a black economy crackdown.

Tax agents — Tax Practitioners Board to be provided with additional funding to take action against tax agents that facilitate activity in the black economy.

Welfare cheats — \$229m to be saved over three years by extending fraud detection and debt recovery activities. Extension of data matching activities between the Department of Human Services and the ATO to “enhance the integrity” of welfare payments.

Migrants — the waiting period for newly arrived migrants to access certain welfare benefits will be increased to four years from July 1 saving \$203m over five years.

Higher education providers — forced to pay for cost of administering HECS-HELP and FEE-HELP raising \$30m over four years.

Illegal tobacco — Illicit Tobacco Taskforce to be established to crackdown on illegal tobacco.

Overseas trained doctors — tighter targeting of visas for overseas trained doctors to save \$415m over four years.

Overseas aid — Official Development Assistance to be held at \$4bn a year over the next four years saving \$141m.

Human Services workers — Average staffing levels to fall by 1280 from 28,587 to 27,307 over the next 12 months.

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