

# DLK ADVISORY

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## FEDERAL BUDGET NEWS 2023

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On Tuesday, 9 May 2023, Treasurer Jim Chalmers handed down the 2023-24 Federal Budget,

In their report to its members, The Institute of Public Accountants said "that the Treasurer announced a package of cost-of-living measures, including up to \$3bn in energy bill relief (expected to reduce power bills by up to \$500 for 5 million households) and \$1.3bn for home energy upgrades.

These measures have been designed to provide relief without adding inflationary pressures (which would make the Reserve Bank's job even harder). Access to the Parenting Payment (Single) will also be extended along with increased payments for JobSeeker, Youth Allowance and rent assistance. Small businesses will also benefit from a temporary increase in the instant asset write-off threshold to \$20,000 for 2023-24.

A Budget surplus of \$4.2bn is forecast in 2022-23, but an underlying cash deficit of \$13.9bn is expected in 2023-24 (and a \$35.1bn deficit for 2024-25).

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The Budget papers note that the global economic outlook has deteriorated and is highly uncertain with persistent inflation and rising interest rates expected to slow real GDP growth from 3.25% in 2022-23 to 1.5% in 2023-24, before rising to 2.25% in 2024-25. While inflation remains elevated at 6% for this year, it is expected to fall to 3.25% in 2023-24 and return to the RBA's target band of 2-3% in 2024-25. The Government also believes that its cost-of-living measures will take 0.75 of a percentage point off inflation in 2023-24.

On the revenue side, the Government said it is taking action to improve the sustainability of the tax system. This includes measures to reduce the tax concessions for superannuation balances above \$3m, more timely payments of tax and superannuation, and reforms to the tax settings for offshore liquefied natural gas projects".

To find out more, please visit the Budget 2023 website. [Click Here](#)

## CONTACT

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