

Federal Budget 2020 – 2021.

At a glance

Australia's 2020 Federal Budget has been unveiled. It contains the next phase of measures to support the economy through the coronavirus pandemic and in the recovery. It focuses on supporting demand, businesses and job creation.

The following information has been developed by the Global Economic & Markets Research team.



For taxpayers

- Bringing forward the stage 2 income tax cuts to 2020/21. The 32.5% tax rate kicks in at \$45,001 (up from \$37,001) and 37% tax rate begins at \$120,001 (up from \$90,001)
- The low and middle tax offset has been extended for another year (worth up to \$1,080 in 2020/21 for eligible taxpayers)



For businesses

- Temporary full expensing of depreciable assets for businesses with turnover below \$5 billion – with no limit on the value of assets
- Business and wage incentives to hire young people (aged 16-35), apprentices and trainees



For infrastructure

- Over the next four years, an additional \$6.7 billion worth of infrastructure spending will be provided to the states and territories
- An additional \$3 billion will be spent through the Road Safety (\$2 billion) and Local Roads and Community Infrastructure (\$1 billion) Programs



For regional Australia

- \$550 million package to help regional Australia recover from the impacts of coronavirus
- \$250 million Regional Tourism Recovery Package
- Additional \$2 billion investment in the National Water Infrastructure Development Fund



Health and Aged Care

- \$1.7 billion to secure access to over 84.8 million doses of potential coronavirus vaccine candidates
- Additional \$2 billion in funding for ageing and aged care

Commonwealth Bank
of Australia



Source: Commonwealth Bank of Australia, Global Economic & Markets Research report "CBA Economics: Federal Budget 2020/21 – Extraordinary times, extraordinary outcomes", published 07 October 2020, author: Stephen Halmarick.

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