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## Australian Government Stimulus Package

With global economies facing the worst financial crisis since the Great Depression of the thirties, Governments have committed billions of dollars to help stimulate growth and consumer spending in their respective countries. Major economies such as the US, UK and Japan are already combating the adversities of recession, with many more – including Australia – predicted to follow suit. This Informer highlights the Rudd Government’s stimulus packages to help boost the economy and how Australians may benefit from some of these initiatives.

### Just say when

Given the fact that nine out of our 13 top trading partners have slipped into recession<sup>1</sup>, the near term economic forecast for Australia isn’t looking pretty.

The grim reality is that it’s now likely a matter of “when” our economy will officially slide into recession rather than “if”. Having so far managed to buck the global slump – thanks in part to our strong trading ties with China and aggressive interest rate cuts – Australia teeters on the brink of recession, with the Government indicating that it’s only a matter of time before negative growth becomes a certainty.

In line with action taken by other leading economies, the Rudd Government introduced two stimulus packages totalling over \$52 billion in October 2008 and February 2009. This Informer looks at some of the more pertinent initiatives that might benefit you.

### Household Stimulus Package

These one-off, automatic bonus payments of \$900 (Single Income Family bonus) and \$950 (Back to School Bonus, Farmer’s Hardship Payment and Training and Learning Bonus) are designed to assist single income families, families with children, students, farmers and certain other recipients of Centrelink payments.

Generally, to qualify for a bonus you must have been eligible to receive a Centrelink payment as at 3 February 2009. You may also receive more than one bonus if you or your children are eligible.

The bonus payments are scheduled to be paid by Centrelink from 11 March to 6 April 2009, are non-taxable and not considered income for social security purposes.

If you believe that you qualify for the Household Stimulus Package and have not yet received your bonus, contact Centrelink direct.

### Tax Bonus for Working Australians

This tax-free bonus of up to \$900 is designed to assist working Australians who earned less than \$100,000 in the 2007/08 financial year.

The Bonus will automatically be calculated by the Australian Taxation Office based on your 2007/08 tax return and paid from early April 2009.

The amount of the Bonus reduces as follows, depending on your income for the 2007/08 financial year:

Bonus Amount	Taxable Annual Income
\$900	Up to and including \$80,000
\$600	\$80,001 - \$90,000
\$250	\$90,001 - \$100,000

To be eligible for the Tax Bonus, you must satisfy all of the following criteria:

1. Your 2007/08 taxable income must not exceed \$100,000;
2. Your adjusted tax liability for 2007/08 must be greater than zero (ie you paid or are liable to pay tax);
3. You lodge your 2007/08 tax return by 30 June 2009 or by the deferred date granted to you by the ATO; and



4. You were an Australian resident for tax purposes during the 2007/08 financial year, including individuals on temporary visas satisfying the above three criteria.

If you lodged your 2007/08 tax return prior to the announcement of the Tax Bonus and your bank account or address details have changed, you should contact the ATO on 1300 686 636 immediately.

### First Home Owners Boost

This initiative applies for all contracts entered into between 14 October 2008 and 30 June 2009, inclusive.

Under the First Home Owners Boost (FHOB), first home buyers will be eligible for the following assistance:

- A grant of \$14,000 for those purchasing an established home; and
- A grant of \$21,000 for those purchasing a newly-constructed home.

For more information about eligibility and applying for the FHOB, you should contact the Office of State Revenue on 1300 363 211 or (08) 9262 1299 or visit their website at: [www.osr.wa.gov.au](http://www.osr.wa.gov.au)

### Small Business and General Business Tax Break

With Australian unemployment levels at a four year high, the stimulus package also caters for businesses (ie those with annual turnover of up to \$2 million), to help support jobs, boost business investment and economic activity.

This temporary tax break aims to encourage businesses – particularly small businesses – to invest in capital equipment and vehicles.

In short, the Tax Break will allow:

- A small business that buys and installs a \$2,000 computer prior to 30 June 2009 to claim an additional \$600 deduction in its 2008/09 tax return.
- A business that buys and takes possession of a \$60,000 backhoe prior to 30 June 2009 to claim an additional \$18,000 deduction in its 2008/09 tax return;
- Small businesses to claim an additional 30% tax deduction for eligible assets costing \$1,000 or more that are acquired between 13 December 2008 and 30 June 2009 and installed by 30 June 2010. Small businesses to claim an additional 10% tax deduction for eligible assets costing \$1,000 or more that are acquired between 1 July 2009 and 31 December 2009 and installed by 31 December 2010.
- Businesses with turnover in excess of \$2 million can also apply for the 30% and 10% tax deduction, provided the eligible assets exceed \$10,000.

### Ask AXIS Financial Group

If you have any queries about this Informer or your super, please feel free to contact our Advisory Group or Technical Services team on (08) 9426 5800 or 1800 111 299 or email us at: [mail@axisfg.com.au](mailto:mail@axisfg.com.au).

<sup>1</sup> [www.reuters.com.au](http://www.reuters.com.au), 3 March 2009

### References used in compiling this document:

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[www.pm.gov.au](http://www.pm.gov.au)  
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[www.nab.com.au](http://www.nab.com.au)  
Centrelink

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