



# 2019 Federal Budget

## SUMMARY - MEDICAL AND DENTAL PRACTICES



# Top 10

## BUDGET MEASURES FOR MEDICAL AND DENTAL PRACTICES

### 1 MBS REBATES

The Government is providing \$187 million to increase patient rebates for a further 119 GP service items on the MBS from 1 July 2019. All 176 GP items will now be indexed every year, along with those for specialists, while rebates on diagnostic imaging, such as X-rays and ultrasounds will increase by \$198.6 million from mid 2020.

The Government is fighting the prevalence of heart disease by introducing a new item on the MBS for heart health checks and providing funding to HeartKids Australia for the Childhood Heart.

### 2 PERSONAL TAX RATE CHANGES AND THRESHOLDS

From 1 July 2022, the top threshold of the 19% personal tax bracket will increase to \$45,000 (up from \$41,000).

From 1 July 2024, the 32.5% marginal tax rate will be reduced to 30%.

From 1 July 2024, the 37% bracket will also be abolished.

### 3 IMMEDIATE ASSET WRITE-OFF THRESHOLD INCREASED AND EXPANDED TO MEDIUM SIZED BUSINESSES

The Government is increasing the instant asset write-off threshold from \$25,000 to \$30,000 and expanding access to medium-sized businesses with an annual turnover of less than \$50 million (from \$10 million previously). These changes will apply from 7:30pm (AEDT) on 2 April 2019 to 30 June 2020.

### 4 MEDICARE LEVY – LOW INCOME THRESHOLDS TO INCREASE

The Medicare levy low-income thresholds for singles, families, seniors and pensioners will be increased from the 2018/19 income year.

The threshold for singles will be increased to \$22,398 (up from \$21,980 in 2017/18). The family threshold will be increased to \$37,794 (up from \$37,089 in 2017/18). For single seniors and pensioners, the threshold will be increased to \$35,418 (up from \$34,758 in 2017/18). The family threshold for seniors and pensioners will be increased to \$49,304 (up from \$48,385 in 2017/18). For each dependent child or student, the family income thresholds increase by a further \$3,471 (up from \$3,406 in 2017/18).

### 5 ACCEPTANCE OF SUPERANNUATION CONTRIBUTIONS ALLOWED FOR 65 AND 66 YEAR OLDS

Members of regulated superannuation funds have zero restrictions for making voluntary contributions prior to reaching 65 years of age. However, from 1 July 2020 the government intends to increase this age limit and allow 65 and 66 year olds to contribute.

The changes to the contribution rules apply to both concessional and non-concessional contributions. As no restrictions will apply for 65 and 66 year olds, this also means the three-year "bring-forward" contributions will be allowed. Therefore, more members will be entitled to make up to three years of non-concessional contributions in one financial year.

### 6 SUPERSTREAM TO BE EXPANDED

SuperStream will be expanded to include the transfer of information and money between employers, superannuation funds and the ATO. This change will take effect from 31 March 2021.

Currently, SuperStream is used as an information reporting mechanism between employers and superannuation funds. The most common transactions used in SuperStream are for employer contributions and member rollovers between funds. From 31 March 2021, the ATO will have the ability to send electronic requests via SuperStream to superannuation funds for the release of money from a member's account. A number of superannuation payment arrangements may be affected.

To coincide with this change, SMSF rollovers in SuperStream will be delayed until 31 March 2021 as well.

### 7 PRACTICE INCENTIVE PAYMENTS

Practice Incentive Payments will be increased by an extra \$201.5 million for doctors to improve the quality of the data they collect on patients' health to lift the standard of care.

### 8 RESEARCH FOR THE FUTURE

Funding of \$5 billion for the Ten Year Investment Plan (TYIP) to provide support for medical research, development of healthcare innovations and more clinical trials. TYIP includes covers specific funding for rare cancers and diseases, cardiovascular health, clinical infrastructure and stem cell research.

### 9 COMPLEX AND CHRONIC CONDITIONS

A new \$448 million primary care funding model will offer improved care for Australians with complex and chronic conditions.

### 10 TAX INTEGRITY MEASURES

The ATO will be given additional funding to extend the operation of the Tax Avoidance Taskforce focussed on multinationals, large public groups, large private groups and to increase activities to recover unpaid tax and superannuation liabilities from larger businesses and high wealth individuals.

#### BUDGET AT A GLANCE - KEY INITIATIVES DEPARTMENT OF HEALTH

Access more detail:

[http://www.health.gov.au/internet/budget/publishing.nsf/Content/E0A22536AAC4901CCA2583C90080DA0E/\\$File/BudgetataGlance\\_2019Budget.pdf](http://www.health.gov.au/internet/budget/publishing.nsf/Content/E0A22536AAC4901CCA2583C90080DA0E/$File/BudgetataGlance_2019Budget.pdf)

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