



## e-News

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Newsletter No 166

# Budget 2025-26 - what's in it for small business?

# What the 2025 federal budget means for you



The main focuses of the 2025 federal budget are helping Australians with the cost of living, strengthening Medicare, making it easier to buy and rent a home, investing in every stage of education, and building a stronger economy.

Treasurer Jim Chalmers' fourth federal budget was just announced, with news of a budget deficit this time around. A deficit of \$42.1 billion is forecast for 2025-2026.

But if you're a small business owner, you're probably keen to know the biggest budget factors that will have a big impact on you and your business.

In total, the budget includes \$12 million in new direct funding support for small businesses.

## What's in it for small businesses

The 2025-26 federal budget has introduced several measures aimed at supporting small businesses in Australia. Here are the key takeaways:

### Tax Cuts and Incentives

The main surprise in this year's budget was a cut in the tax rate on all incomes between \$18,201 and \$45,000. The 2025-2026 budget delivered \$17 billion in tax cuts, with all taxpayers earning over \$18,201 getting a tax cut both next year and the year after, taking the first tax rate down to its lowest level in more than 50 years. From 1 July 2026, the 16% tax rate will reduce to 15%, and from 1 July 2027, the 15% rate will reduce to 14%.

The government is also increasing the Medicare levy low-income thresholds, at a cost of \$648 million.

### Easing cost of living pressures

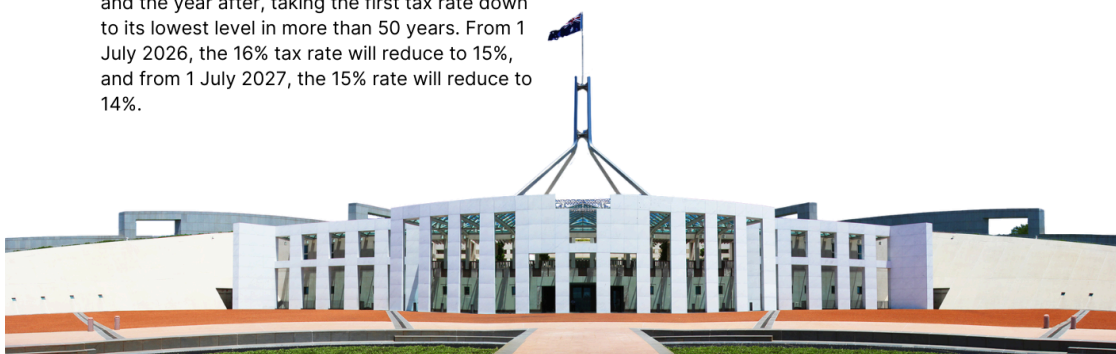
The budget's cost-of-living initiatives were focused on general aid for all Australians, such as reducing the cost of PBS prescription medications (with the maximum price to be \$25 or \$7.70 for concession card holders) and \$8.5 billion for Medicare to improve bulk billing rates, with the goal of 90% of all GP visits bulk billed by the end of the decade.

These measures add more money to the hip pockets of Australians, which may better support discretionary spending, further benefitting SMEs.

There's also going to be more funding for urgent care clinics, women's health, and public hospitals.

### Energy bill relief

The \$150 in energy rebates that applied to electricity bills per quarter were part of last year's budget, and are now being extended for individuals and small businesses until the end of 2025. That means around one million eligible small businesses will receive up to \$150 in rebates directly off their bills (\$75 per quarter). This investment will cost the government \$1.8 billion according to its forward estimates.



### Skills and Education

The new budget includes a doubling of the current maximum incentive payments for eligible housing construction apprentices from \$5,000 to \$10,000, which should assist builders and other construction industry firms.

Plus, the federal government is investing \$3.4 million to establish a business mentoring and coaching program for First Nations businesswomen and entrepreneurs.

They're also putting \$23.9 million into strengthening the Indigenous Procurement Policy to boost opportunities for First Nations businesses to grow and create jobs.

### Regulatory relief and some loan support

The budget includes \$12 million over four years to "support and protect small business" with the money allocated to:

- \$7.1 million over two years for the ACCC to strengthen regulatory oversight of the Franchising Code of Conduct, including extending protections from Unfair Contract Terms and Unfair Trading Practices
- \$3 million for ASIC to target the enforcement of illegal phoenixing, especially in the construction sector (phoenixing is illegally closing a business to avoid debts and then restarting another business under a new name in order to continue trading)
- \$1.2 million partnership with White Box Enterprises to create a Social Enterprise Loan Fund that can offer small loans to social enterprises
- \$0.8 million funding for Treasury to develop and consult on options to extend unfair trading practice protections for SMEs to help address the power imbalances that can arise when they deal with big businesses

### Making Aussie businesses more competitive and fair

The federal government has committed to spending \$20 million on a "Buy Australian" campaign in 2025/26 to encourage Australians to buy locally-produced goods and services.

An MYOB consumer survey from late last year found 61% will pay more for an Australian product or service – a promising sign for Australian SMEs.

The government is also going to help Australians have more scope to become entrepreneurs and earn more each year by banning the use of non-compete clauses for low- and middle-income workers who earn less than the high-income threshold (\$175,000 currently).



**In Other Bookkeeping\_BAS News...**

**Can I Claim the GST on That page updated:** Some new items have been updated in relation to food, beverage and health products. A new checklist to help calculate food-related GST has also been added.

**Current Fuel Tax Credit Rates:** The [FTC rates changed on 3rd February 2025](#). Use the [ATO calculator](#) to get your credits right every time.

**Cents per KM FY25:** [The amount to use for FY25 is 88 cents](#).

**ATO - no more card payment fees:** From 1 January 2025, no card payment fees will apply if you pay the ATO using a **debit card**. All other payments will continue to incur a fee.

**Next BAS due date:** The next quarterly BAS for **Jan to March 2025**, is due by **26th May 2025 if lodged online by a tax professional or in Online Services for Business**. If you are receiving a paper BAS and are not an active STP reporter, the BAS is due by **28th April 2025**.

**Next IAS due date:** The April 2025 Instalment Activity Statement is due by **21st May 2025**.

**Next Super due date:** The Q3 2024-25 SG is due **by 28th April 2025**.

**Engaging a New Registered Agent:** [Learn what to do to be well prepared before engaging a new registered agent](#).

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## Latest Articles



### Wage Theft Legislation Is Coming! Review Your Payroll Now!

Wage Theft Legislation will make it a criminal offence to underpay wages deliberately. Review your payroll setup now to ensure it is compliant.



### ATO Super Clearing House to Close when PayDay Super Begins

You may have heard that Payday Super is coming in July 2026. What you may not know is that from 1 July 2026, the ATO Small

Business Super Clearing  
House (SBSCH) will close.



### Super to be paid on Paid Parental Leave

Good news has arrived for those planning a family in the next year or so. The government has decided to pay super guarantee equivalent payments on government-funded Paid Parental Leave (PPL). This will begin from 1st July 2025 i.e. for any babies born or adopted on or post this date.



### Free Courses For Small Business From The ATO

The ATO has set up a website to help small business owners learn about running their businesses. It's called [Essentials to Strengthen your Small Business.](#)

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