

Budget 2019-20

Budget Statement 1: Budget Overview

This builds on the Government's announcement of 29 January 2019 that increased the instant asset write-off threshold for small businesses to \$25,000.

Improving the integrity of the tax system

The Government is safeguarding the integrity of the tax system by ensuring everyone, including multinationals and big business, pay their fair share. Maintaining tax system integrity helps keep taxes as low as possible and creates a level playing field between businesses.

The Government has taken major steps to increase the integrity of the tax system. The Government has implemented more than a dozen measures, including the Multinational Anti-avoidance Law (MAAL), the Diverted Profits Tax, Country-by-Country Reporting, strengthened transfer pricing rules, hybrid mismatch rules, the Multilateral Instrument and increased penalties for large entities that do not comply with their tax obligations. The ATO estimates the MAAL alone will bring an additional \$7 billion of sales revenue back into the Australian tax base each year. Since 1 July 2016, the ATO has raised \$12.9 billion in tax liabilities against large public groups and multinationals, as well as wealthy individuals and associated groups.

In this Budget, the Government is extending and expanding the ATO's Tax Avoidance Taskforce, which will help ensure multinationals, trusts and high wealth individuals pay the right amount of tax in Australia. This measure is estimated to raise \$4.6 billion in additional tax liabilities over the forward estimates period.

The operations of the black economy risk undermining the tax and other regulatory systems and raises the burden on honest individuals and businesses. Taking measures to tackle its operation remains a priority. The Government has already taken action to clampdown on the black economy, estimated to generate in excess of an additional \$5 billion to help fund essential Government services. This has been achieved by extending the taxable payments reporting system to higher risk industries, banning the use of sales suppression tools and establishing the Illicit Tobacco Taskforce.

Investing in economic and community infrastructure

Planning for Australia's future population

The Government has released *Planning for Australia's future population*, a plan to better manage population challenges, including through the Migration Program and increased investment in infrastructure and services in Australia's cities and regions.

The planning level of the Migration Program will be reduced from 190,000 to 160,000 places for four years from 2019-20. The Government is also introducing new visas to support regional Australia and create stronger incentives for new migrants to settle outside the major capitals.