



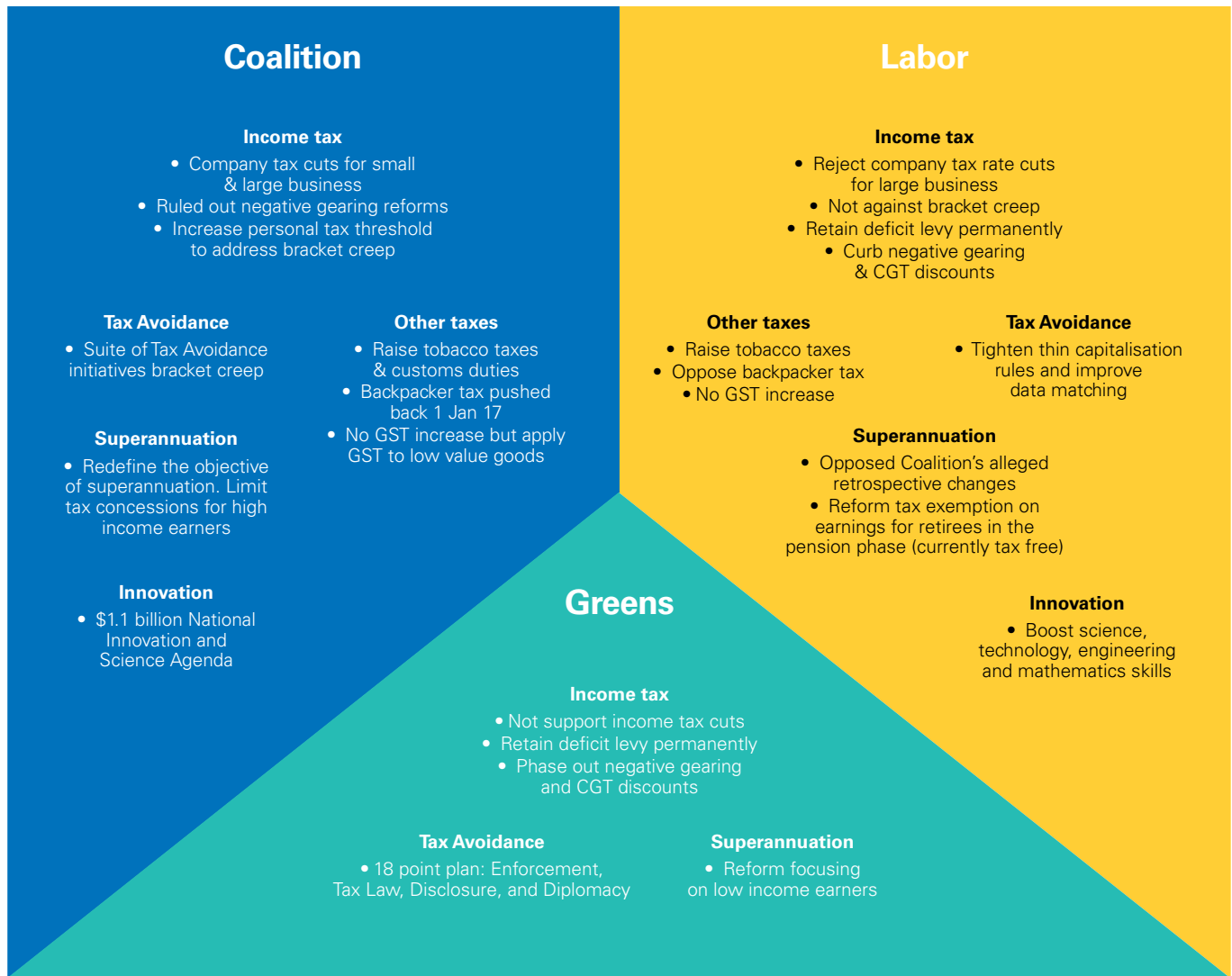
Tax Policies in the Federal Election



2 June 2016

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Federal Election to be held on 2 July 2016



From PEFO 2013 to PEFO 2016

– Cumulative Deficits

On 20 May 2016, the Pre-Election Economic and Fiscal Outlook 2016 (PEFO) was released. It provides information on the economic and fiscal outlook of the country, taking into account all government decisions before the issue of the writs on 16 May for the 2 July election. PEFO 2016 was issued just 17 days after the release of the Federal Budget 2016 on 3 May 2016 and the estimated economic and fiscal outlook has not materially changed since then. The table below summarises the fiscal deficit position from PEFO 2013 to PEFO 2016.

(Deficit) / Surplus	2013-14	2014-15	2015-16	2016-17	Sub-total 4 years	2017-18	2018-19	2019-20	Sub-total 3 new years	Total 2013-14 to 2019-20
2013 PEFO (4 years 2013-14 to 2016-17)	(25.5)	(22.1)	1.8	7.8	(38.0)	9.2	0.0	(7.3)	1.9	(36.1)
Changes										
Policy – Abbott & Hockey	(7.3)	(2.4)	(1.4)	5.8	(5.3)	0.1			0.1	(5.2)
Policy – Turnbull & Morrison			(1.9)	(4.1)	(6.0)	(6.0)	(2.1)	(2.1)	(1.0)	(7.0)
Economic Parameters*	(10.9)	(15.4)	(34.2)	(46.6)	(107.1)	(22.0)	(7.7)	(1.9)	(31.6)	(138.7)
Actuals to 2015 & 2016 PEFO	(43.7)	(39.9)	(35.7)	(37.1)	(156.4)	(18.7)	(9.8)	(2.1)	(30.6)	(187.0)

* This includes other variations which may involve policy decisions not yet costed.

Detailed policies

Coalition

Tax Avoidance

- A new Diverted Profits Tax
- A new Tax Avoidance Taskforce
- Anti-hybrid rules
- Updating the transfer pricing rules
- A new Tax Transparency Code
- A new regime for disclosure of potential tax avoidance
- Increased penalties for breach of tax reporting obligations for companies with revenue of \$1 billion or more
- New protections for tax whistleblowers

Superannuation

- Introduction of a transfer balance cap of \$1.6 million on retirement balances
- Lower the concessional contributions cap to \$25,000
- Introduce catch-up concessional contributions over 5 year period
- Introduction of a \$500,000 lifetime cap for non-concessional (after-tax) contributions
- Extension of the Low Income Super Contribution but renaming it the Low Income Superannuation Tax Offset
- Increase the income threshold for spouse tax offset from \$10,800 to \$37,000
- More Australians to pay double contributions tax because of lowering of the income threshold from \$300,000 to \$250,000
- Removal of tax exemption for earning on transition to retirement pensions
- Removal of the option to treat a pension payment from a super fund as a lump sum withdrawal for tax purposes
- Expanding tax deductible super contributions to all Australians
- Removing work test for over-65s wanting to make super contributions
- Removal of anti-detriment provisions
- Extension of tax exemption on retirement products

Labor

Tax Avoidance

- Worldwide gearing ratio: Reduce the amount of debt multinationals can claim deductions for based on company's entire global operations
- No tax cut for large multinationals
- Anti-hybrid rules
- Increased funding to ATO to improve compliance
- Increased penalties for non-compliance
- Restore public reporting integrity
- Public register for beneficial ownership

Superannuation

- Against retrospective superannuation changes
- Tax super pension investment income in retirement when reaches above \$75,000
- Age pension changes taking effect from January 2017
- Contribution caps
- Temporary Budget Repair Levy

Greens

Tax Avoidance

- 18 point plan across four areas: enforcement, tax law, disclosure, diplomacy. Some of these include:
- Restore funding to the ATO; introduce whistleblower protections; increase ASIC powers
- Establish beneficial owners & settlements register; penalise secrecy jurisdictions based operations
- Public top users of inter-related transactions; make 'at risk' industries public what they pay
- Tax trusts as companies; end the exemptions on disclosure for grandfathered companies
- Assess multinationals tax deductions based on worldwide gearing ratio

Superannuation

- New progressive tax rates on superannuation contributions
- A government co-contribution for individuals below the tax-free threshold (\$18,200) of 15 cents per dollar of concessional superannuation contributions

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