

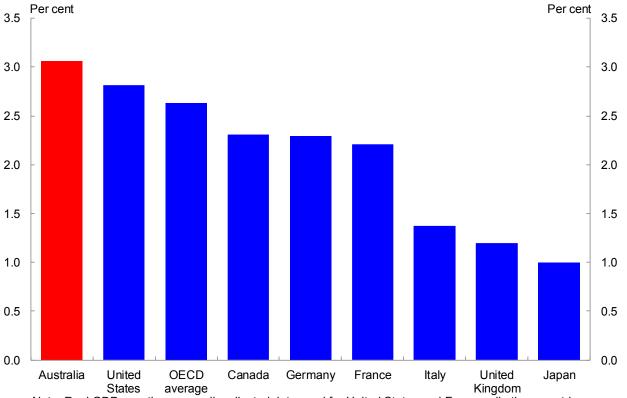


Building Australia's economic and social resilience

Address to CEDA

25 June 2018

Global growth leaderboard



Note: Real GDP growth, seasonally adjusted data used for United States and France, all other countries based on non-seasonally adjusted data. Source: Thomson Reuters; National Statistical Agencies

Our plan for a stronger economy



The Australian economy in its 27th year of consecutive growth

Business conditions are at the highest level since the global financial crisis

1,000 jobs a day on average over the past year

Global growth at fastest pace in six years Tax relief to encourage and reward working Australians

- Seven-year personal income tax plan for lower, fairer and simpler taxes
- Immediate relief for low and middle income earners
- Tackling bracket creep
 Helping families with cost
- of living pressures

 Simplifying the personal
- Simplifying the personal tax system by abolishing the 37 per cent tax bracket
- No increase in the Medicare Levy because a stronger economy delivers stronger revenue



Keep backing business to invest and create more jobs

- Legislating lower taxes for Australian businesses
- Extending the \$20,000 instant asset write-off
- \$75 billion for transport infrastructure
- Building a stronger and smarter economy
- A 21st century Medical Industry Growth Plan
- Supporting Australia's international competitiveness and exports in agriculture and the defence industry



Guaranteeing the essential services that Australians rely on

- Supporting more choices for a longer life
- Continuing to guarantee the Medicare Benefits Schedule
- Backing the Gonski Review
- Record funding for a new hospital agreement
- Fully funding the National Disability Insurance Scheme
- Lower energy bills and more investment to keep the lights on



Keeping Australians Safe

- Strengthening airport security
- Managing biosecurity risks to protect our environment, exports and agricultural and tourism sectors
- Improving the national security architecture
- Continuing Operation Sovereign Borders to combat the threat of people smugglers

Ensuring that the Government lives within its means

- Disciplined fiscal management and tax and welfare integrity
- Maintaining the trajectory to projected surplus in 2020-21
- No longer borrowing for recurrent expenditure
- Limiting payments growth to 1.6 per cent
- Ensuring multinationals pay their fair share of tax
- Tackling the black economy





Lower, fairer, simpler LEGISLATED

From 2018-19

From 2022-23

From 2024-25

Lower taxes for low and middle income earners first.

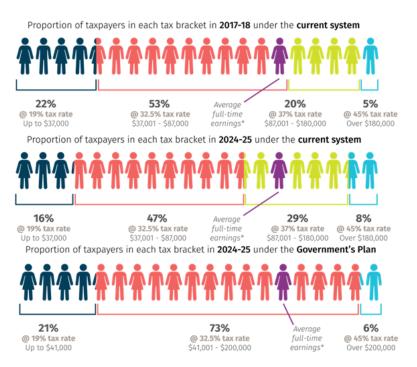
With over 10 million low and middle income **Australians receiving** up to \$530 in tax relief for the 2018-19 income year

Fairer system by tackling bracket creep.

Rewarding effort and aspiration by low and middle income earners Simpler system over the medium-term.

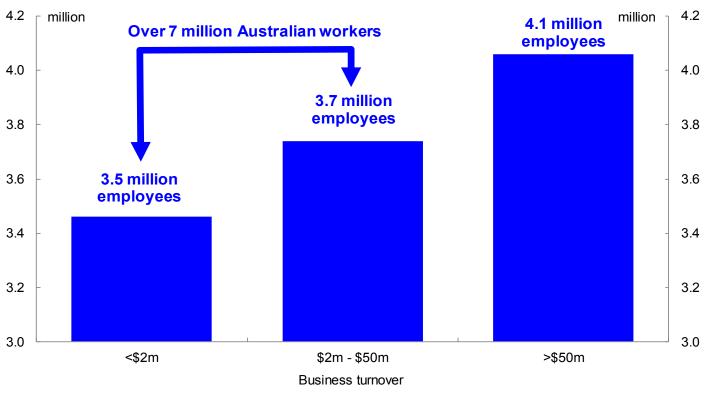
Abolishing the 37 per cent tax bracket and maintaining the highest marginal tax rate at a similar multiple of average earnings

More Australians will face lower rates of tax



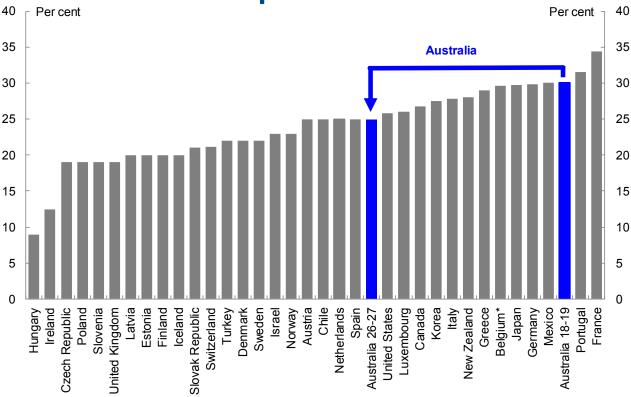
Note: *Average full-time earnings includes both males and females, and excludes earnings from overtime work.

A plan for all Australian workers



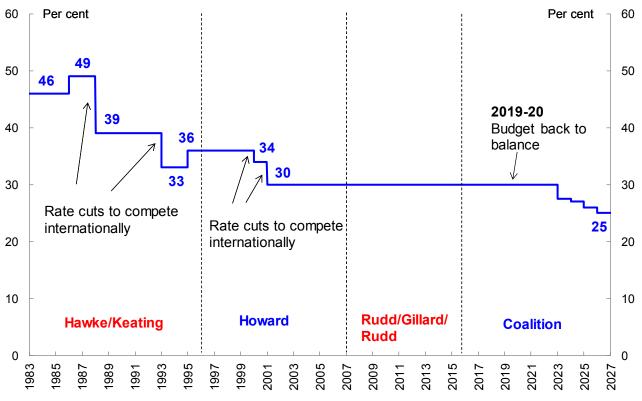
Source: Treasury estimates from 2015-16 Taxation Statistics

OECD corporate tax rates



Note: All listed rates are combined central and provincial government company tax rates (inclusive of surcharges). Source: May 2018 OECD Revenue Statistics and Treasury for Australian tax rates.

Australia's corporate tax rate



Note: Rate applying to corporates above turnover thresholds.

What Labor use to believe

JIM CHALMERS Australia would go well out of a lower company rate than it is right now.

CHRIS BOWEN reducing company tax ... promotes investment, creates jobs and drives growth.

BILL SHORTEN

Any student of Australian business and economic history since the mid-80s knows that part of Australia's success was derived through the reduction in the company tax rate. We need to be able to make life easier for Australian businesses.

BILL SHORTEN Cutting the company income tax rate increases domestic productivity and domestic investment. More capital means higher productivity and economic growth and leads to more jobs and higher wages.

WAYNE SWAN Reducing company tax will create new jobs and grow the economy right around the country – to the ultimate benefit of all Australians.

JULIA GILLARD If you are against cutting company tax, you are against economic growth.

Making multinationals pay their fair share of tax



Completed

Multinational anti-avoidance law

Diverted profits tax

Updating transfer pricing rules

Increasing penalties on multinationals

Establishing a Tax Avoidance Taskforce



Being implemented

Better protecting tax whistleblowers

Tackling hybrid mismatch arrangements

The OECD Multilateral instrument



New measures

Tighter rules on stapled structures

Improving the integrity of the thin capitalisation rules

Broadening the scope of large multinationals being subject to the MAAL and the DPT





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