

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Communications Division

Question No: 196

Topic: Tax integrity – public information campaign

Reference: Written

Senator: Ketter, Chris

Question:

1. It states that \$8.1 million over two years from 2016-17 was provided. What is the breakdown of that \$8.1 million? Is it even? If not, what are the dollar amounts for each year?
2. When did the campaign commence? When will it finish?
3. Over what forms of media is this campaign being run?
4. Was this campaign provided to the Department of Finance for approval? If not, why not?
5. What are the specific tax integrity measures being advertised as part of this campaign?
6. Do you think there is low awareness of these tax integrity measures in the public? Why do you think that is the case?
7. Are multinational companies aware of the key changes in the tax law?
8. Aren't they in constant communication with the ATO?
9. Don't they hire expensive accountants and tax lawyers to provide advice on their structures?
10. Why are we doing a campaign to communicate with them?

Answer:

1. Funding for the Tax Integrity campaign is allocated across the 2016/17 and 2017/18 financial years as follows:

Financial Year	Budget
2016/17	\$4.2m
2017/18	\$3.9m

2. Phase one of the tax integrity campaign commenced on 18 June 2017 and ran until 15 July 2017.
3. The campaign uses the following media channels: national TV, radio, print (newspapers), and online (including search, digital, online video and social). CALD and indigenous audiences are also targeted through specific channels.
4. Yes. The tax integrity campaign complied with all the required Government approval processes.
5. The key measures featured in the advertisements are:
 - **Diverted Profits Tax:** From 1 July, large multinational corporations that move undeclared profits overseas will be penalised with an increased tax of 40%.
 - **Tax Avoidance Taskforce:** This taskforce was established to investigate and

challenge the most aggressive tax avoidance arrangements, including profit shifting.

- **Multinational Anti-Avoidance Law:** This law prevents large multinational corporations from claiming profits were earned overseas, when they were earned in Australia.
6. Research has shown the general population and small businesses indicated that the tax system was seen to be structured so that multinationals and big businesses were not contributing their fair share, meaning that the population and small business were taking on an unfair burden. The research also indicated there was little or no knowledge of the Government's tax integrity measures.
 7. The Australian Government has issued media releases on the passage of legislation to announce the introduction of the laws. The ATO typically provides updates on its website in relation to new legislation. The Treasury is not aware of the specific knowledge of individual multinational companies.
 8. This question is best directed to the ATO.
 9. The Treasury is not aware of the specific arrangements of individual multinational companies.
 10. The purpose of the campaign is to communicate to the Australian community and small businesses the Government's tax integrity and multinational tax avoidance measures.