



Australia

Most important recipients

<i>2017 gross disbursements, Mio. USD</i>	<i>2017 commitments, Mio. USD</i>
Afghanistan* 4.32	Afghanistan* 4.32
Indonesia* 2.52	Indonesia* 2.52
Papua New Guinea 2.18	Papua New Guinea 2.18

**ATI partner country*

Doubling support to DRM in partner countries

Australia's expenditure on assistance related to domestic revenue mobilisation was estimated at USD 21.65 million in 2017/18, indicating almost a doubling of assistance in comparison to 2015, when the assistance amounted to USD 11 million. In 2017, Australia initiated a number of DRM-related programmes, including: committing USD 6.9 million (over four years) to the IMF Pacific Financial Technical Assistance Centre to provide support to Pacific Island countries in the areas of tax policy and administration; and committing USD 6.9 million (over four years) to the World Bank Global Tax Programme to strengthen tax systems particularly in South Asia, East Asia and the Pacific. These built on the USD 7.3 million (over five years) contributed to the IMF Revenue Mobilisation Trust Fund (RMTF) in 2016 to support improved tax policy and administration in lower-middle- and low-income countries. In 2016, a significant contribution of USD 340,000 was made to the OECD to help raise awareness of risks of Base Erosion and Profit Shifting (BEPS) and support countries in the region that have committed to the Automatic Exchange of Information (AEOI) process. All these were in addition to the DRM-related assistance that Australia provided bilaterally throughout the year.

Work within the field of domestic revenue mobilisation has been a component of Australia's bilateral public finance and economic governance programmes for decades. The increased DRM support by Australia contributed to positive developments in the Asian-pacific region. Australia wants to continue its efforts to meet the targets of the Addis Tax Initiative and achieve long-lasting results in partner countries.



Policy coherence for development

Australia's commitment to **promote policy coherence** is demonstrated by:

- A strong and longstanding commitment to **strengthen international cooperation** fighting international tax avoidance and evasion, including the participation and engagement of development partners and partner countries;
- Australia's domestic policy settings **addressing tax evasion and avoidance** as well as illicit financial flows, recognising the need for collective domestic action by all countries to address these issues, which impact developing countries disproportionately;
- Promoting the **transparency of tax incentives** through the annual publication of Australia's Tax Benchmarks and Variations Statement;
- The reciprocal application of protecting source-based taxing rights over natural resources through Australia's **bilateral tax treaties** with developing countries.

There is a clear delineation of roles between Australian government agencies. The Treasury is responsible for advising the government on tax policy and assisting in developing new tax laws, whereas the Australian Taxation Office (ATO) is in charge of administering existing taxation laws. Engagement between the Treasury and the Australian Tax Office when developing new tax policies, or reviewing the effectiveness of existing tax laws, is broad and deep, involving a range of formal officials-level forums and informal interpersonal relationships.

The Department of Foreign Affairs and Trade (DFAT) is responsible for administering Australia's overseas aid programme. The Department of Foreign Affairs and Trade, the Treasury and the Australian Tax Office cooperate at officials-level to coordinate overseas aid-related technical assistance in taxation matters. Furthermore, DFAT continues to engage with other Australian government agencies to ensure that its investment on tax related assistance supports the achievement of the two development outcomes: private sector development and human development. This entails that the increased tax revenue in partner countries should provide enough fiscal space for infrastructure and social investments.

Outlook

Since 2017, Australia committed additional funds through the OECD Global Forum to continue the support of countries in the Asian-pacific region, which have agreed to exchange financial information as part of the AEOI process. Preliminary estimates suggest that Australia is on track to reach ATI Commitment 1 and double its expenditure on tax-related assistance by 2020. Going forward, Australia will allocate additional funds to DRM-related official development assistance (ODA) to ensure that Australia fulfils the ATI commitments by 2020.