

Morrison's \$158 billion tax plan set to sail through Senate after deals with crossbenchers

Written by Michelle Grattan, Professorial Fellow, University of Canberra

The Morrison government will finish the first week of the new parliament with its election centrepiece - [the \\$158 billion, three-stage tax package](#) – passed into law.

The first stage of the tax relief – in the form of an offset for low- and middle-income earners when people submit their returns - will be available as soon as the Tax Office makes the necessary arrangements over the next few days. Getting the legislation through this week means there is only minimal slippage from the July 1 start date that was promised in the budget.

The numbers fell into place with Tasmanian crossbench senator [Jacqui Lambie declaring she would vote for the package](#)

She had negotiated with the government on her demand that it forgive the \$157 million social housing debt her state owes the Commonwealth. This would save Tasmania \$15 million a year, which Lambie wants used to deal with issues of homelessness and social housing.

Lambie said: “The good will is there and they know that we’ve got housing problems down there.”

Read more: [View from The Hill: Jacqui Lambie plays the Harradine game](#)

While Finance Minister Mathias Cormann, who had said there would be [no horse-trading over the package](#), was publicly coy about the deal, Lambie is confident it will be delivered.

She said some details still had to be sorted out.

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What I don't want to be doing is rushing out saying here's the money and that's it. We want to make sure that that money is targeted [...] we're still dealing on good faith. And I look very forward to that over the next four to six weeks.

Cormann told Sky News: "Senator Lambie has been a very forceful advocate.

She has raised issues with us. We are very happy to work through these issues with her. When we are in a position to make further announcements down the track we will.

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The other crossbench votes needed for the package come from independent Cory Bernardi and the two Centre Alliance senators.

Centre Alliance extracted a deal over action on gas prices.

It said in a Thursday statement that it had "worked with the government on both short- and long-term reforms to deal with gas market concerns."

The government would announce the full package in coming weeks, it said.

It would include

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changes to the Australian Domestic Gas Security Mechanism (ADGSM) to deal with current pricing, market transparency measures, measures to deal with the monopoly nature of East Coast gas pipelines and longer term measures to ensure future gas projects deliver surplus supply to the Australian market.

The gas agreement, canvassed publicly in recent days, has caused some blow-back from the industry.

Faced with the inevitability of the tax package passing, Labor said it would continue to pursue its attempt to split the package and then consider its options.

It is likely not to oppose in the final vote.

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Eyes are now on Lambie's position on the [government's bid to repeal the medevac act](#) . Home Affairs minister Peter Dutton on Thursday introduced legislation for the repeal. Lambie said she was still making up her mind on how she will vote when the legislation arrives in the Senate. She is set to be the crucial vote.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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