Mr Scott Morrison, the Federal Treasurer, has handed down his second Budget (the government's first of its three-year term). Mr Morrison said the Budget is focused on boosting the economy and households, so that "we live within our means and are able to return the Budget to balance in 2020/21".

The government is proposing to address the housing affordability crisis with a package of tax, superannuation and other measures. Additionally, the Budget contains measures intended to ensure the integrity of the tax and superannuation system.

The full Budget papers are available at www.budget.gov.au and the Treasury ministers' media releases are available at ministers.treasury.gov.au.

The tax and superannuation highlights are set out below.

Housing affordability measures

- A limited amount of an individual's superannuation contributions made from 1 July 2017 may be withdrawn from 1 July 2018 onwards for a first home deposit.

- A person aged 65 or over can contribute up to $300,000 from the proceeds of the sale of their home as a non-concessional contribution into superannuation, from 1 July 2018.

- Deductions for travel expenses related to inspecting, maintaining or collecting rent for a residential rental property will be disallowed from 1 July 2017.

- Plant and equipment depreciation deductions will be limited to outlays actually incurred by investors in residential real estate properties from 1 July 2017.

- Managed investment trusts will be able to invest in affordable housing, allowing investors to receive concessional tax treatment, provided certain conditions are met, including that the properties are let as affordable housing for at least 10 years.

- The CGT discount for Australian resident individuals investing in qualifying affordable housing will be increased from 50% to 60% from 1 January 2018.

- Foreign and temporary tax residents will be denied access to the CGT main residence exemption.

- The foreign resident CGT withholding rate will be increased to 12.5% and will apply to Australian real property and related interests valued at $750,000 or more.

- An annual levy of at least $5,000 will be imposed on foreign owners of under-utilised residential property.

- A 50% cap on foreign ownership in new developments will be introduced through a condition on new dwelling exemption certificates.

- The principal asset test in Div 855 of the Income Tax Assessment Act 1997 will be applied on an associate inclusive basis for foreign tax residents with indirect interests in Australian real property.

Tax integrity measures

- The multinational anti-avoidance law will be amended to prevent the use of foreign trusts and partnerships in corporate structures for tax minimisation, with retrospective effect from 1 January 2016.

- Hybrid mismatch rules used by banks to minimise tax in cross border transactions will be prohibited from 1 January 2018.

- The government will provide $28.2m to the ATO to target serious and organised crime in the tax system.

- The Black Economy Taskforce has delivered an interim report to the government and the government has accepted some recommendations for immediate action.

- The taxable payments reporting system will be extended to contractors in the courier and cleaning industries from 1 July 2018.

- Sales suppression technology and software, used to understate business income by deleting electronic transactions, will be prohibited.

- Funding for the ATO's Black Economy Taskforce audit and compliance activities will be extended until 30 June 2018.

- A two-year public information campaign from 2016/17 will highlight the government's key tax integrity measures.

Small business

- Access to the small business CGT concessions will be tightened from 1 July 2017 to deny eligibility for assets which are unrelated to the small business.

- The $20,000 instant asset write-off for small business will be extended by 12 months to 30 June 2018, for businesses with an aggregated annual turnover of less than $10m.

GST

- Purchasers of new residential properties or new subdivisions will be required to remit the GST directly to the ATO as part of settlement from 1 July 2018.

- The GST treatment of digital currency (such as Bitcoin) will be aligned with that of money from 1 July 2017.

- Access to diplomatic and consular concessions under the Indirect Tax Concession Scheme has been extended.

Superannuation

- The use of limited recourse borrowing arrangements will be included in a member's total superannuation balance and transfer balance cap from 1 July 2017.

- Opportunities for members to use related party transactions on non-commercial terms to increase superannuation savings will be reduced from 1 July 2018.

- The current tax relief for merging superannuation funds will be extended until 1 July 2020.

Individuals

- The Medicare levy will be increased from 2.0% to 2.5% of taxable income from 1 July 2019. Other tax rates that are linked to the top personal tax rate, such as the fringe benefits tax rate, will also be increased.

- The Medicare levy low-income thresholds for singles, families, and seniors and pensioners will increase from the 2016/17 income year.

- A new set of repayment thresholds and rates under the higher education loan program (HELP) will be introduced from 1 July 2018.

Other tax changes

- The foreign investment framework will be clarified and simplified with effect from 1 July 2017.

- A major bank levy will be introduced for authorised deposit taking institutions (ADIs), with licensed entity liabilities of at least $100b, from 1 July 2017.

- Businesses that employ foreign workers on certain skilled visas will be required to pay a levy that will provide revenue for a new Skilling Australians Fund from March 2018.

- The taxation of "roll your own" (RYO) tobacco and other products (eg cigars) will be adjusted so that manufactured cigarettes and RYO tobacco cigarettes receive comparable tax treatment.

- The government will provide additional funding to Treasury and the Office of Parliamentary Counsel to ensure dedicated drafting resources for relevant legislation.