

STATEMENT 5: REVENUE

This statement contains details of the estimates of Australian Government revenue.

The Australian Government is providing further cuts to personal income tax of \$21.7 billion over 4 years and will abolish the superannuation surcharge from 1 July 2005.

The revenue estimates for 2005-06 have been revised up since the *Mid-Year Economic and Fiscal Outlook 2004-05*, reflecting a stronger outlook for employment, company profits and the incomes of small unincorporated businesses and personal investors. As a result of actual revenues exceeding forecasts over recent years, methodology changes to the forecasts have been made to improve accuracy.

Information about GST revenue is provided in Budget Paper No. 3, *Federal Financial Relations 2005-06*.

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OVERVIEW

Relative to the *Mid-Year Economic and Fiscal Outlook 2004-05* (MYEFO), total revenue for 2005-06 is expected to be higher, with stronger growth in income taxation revenue from companies, small unincorporated businesses and personal investors. Personal income tax cuts of \$21.7 billion over 4 years will commence on 1 July 2005. These tax cuts are in addition to those announced in the 2004-05 Budget. The superannuation surcharge will be abolished from 1 July 2005.

Revenue forecasts¹ for 2004-05 and 2005-06 along with projections for the period from 2006-07 are provided in Table 1.

Table 1: Total Australian Government general government revenue

	Actual	Estimates		Projections		
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Total taxation revenue (\$b)	175.1	190.2	201.3	209.0	218.8	230.1
Real growth on previous year (%)	3.5	4.6	1.2	3.1	4.0	3.2
Per cent of GDP	21.5	22.0	21.7	21.6	21.7	21.7
Non-taxation revenue (\$b)	12.5	12.5	13.2	13.9	14.6	15.2
Real growth on previous year (%)	0.9	-4.0	1.7	4.1	4.5	2.1
Per cent of GDP	1.5	1.4	1.4	1.4	1.4	1.4
Total revenue (\$b)	187.6	202.7	214.5	222.9	233.4	245.3
Real growth on previous year (%)	3.3	4.0	1.3	3.2	4.0	3.1
Per cent of GDP	23.1	23.5	23.1	23.0	23.2	23.1

Total revenue is projected to decrease from 23.5 per cent of GDP in 2004-05 to 23.1 per cent in 2008-09. The decrease in revenue as a share of GDP is mostly due to a decrease in taxation revenue, which is projected to fall from 22.0 per cent of GDP in 2004-05 to 21.7 per cent in 2008-09.

1 All revenue estimates in this statement are reported on an accrual basis unless otherwise specified. A summary of the tax system is provided in Appendix A. Commentary on accrual and cash taxation revenue is provided in Appendix E. Detailed estimates on a cash basis are provided in Appendix C. Historical receipts outcomes are provided in Appendix G. The revenue estimates exclude GST revenue, which is collected by the Australian Government and provided in full to the states and territories. A discussion of GST revenue is provided in Budget Paper No. 3, *Federal Financial Relations 2005-06*.

VARIATIONS IN THE REVENUE ESTIMATES SINCE THE 2004-05 BUDGET

Table 2 is a reconciliation of this Budget's revenue estimates with those at the 2004-05 Budget and the 2004-05 MYEFO.

Table 2: Reconciliation of total Australian Government general government revenue estimates from the 2004-05 Budget and the 2004-05 MYEFO

	Estimates		Projections	
	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m
Revenue at 2004-05 Budget	193,151	201,383	212,199	223,129
Changes between 2004-05 Budget and MYEFO				
Effect of policy decisions	-11	-401	-1,115	-1,024
Effect of parameter and other variations	6,303	6,514	6,486	7,237
Total variations	6,292	6,114	5,371	6,213
Revenue at 2004-05 MYEFO	199,443	207,497	217,570	229,341
Changes between MYEFO and 2005-06 Budget				
Effect of policy decisions	-35	-3,472	-6,675	-7,662
Effect of parameter and other variations	3,258	10,486	11,986	11,725
Total variations	3,223	7,014	5,311	4,064
Revenue at 2005-06 Budget	202,666	214,511	222,882	233,405

Total revenue for 2004-05

Relative to MYEFO, estimated total revenue for 2004-05 has been revised up by \$3.2 billion, largely owing to higher expected revenue from wage and salary earners, personal investors and small unincorporated businesses.

Total revenue for 2005-06

Total revenue for 2005-06 has been revised up by \$7.0 billion since MYEFO, reflecting higher estimated revenue from companies, personal investors and small unincorporated businesses. These upward revisions have been partly offset by the impact of the Government's decision to provide personal income tax cuts.

Effect of policy decisions

Policy decisions since the 2004-05 MYEFO are expected to reduce taxation revenue by around \$3.5 billion in 2005-06 and around \$26.1 billion over the forward years (a more detailed description of these is provided in Budget Paper No. 2, *Budget Measures 2005-06*).

In particular, the Government's decision to provide personal income tax cuts will reduce revenue by \$3.1 billion in 2005-06, and \$21.7 billion over the forward estimates period. The tax cuts will take effect in two stages.

- From 1 July 2005, the 17 per cent rate will be reduced to 15 per cent, the 42 per cent threshold will be increased from \$58,001 to \$63,001 and the 47 per cent threshold

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will be increased from \$70,001 to \$95,001 (compared with \$80,001 announced in the 2004-05 Budget).

- From 1 July 2006, the 42 per cent threshold will be further increased to \$70,001 and the 47 per cent threshold will be further increased to \$125,001.

These tax cuts will increase disposable incomes and improve the incentives for all Australian taxpayers to participate in the workforce. Moving the 42 per cent threshold up to \$70,001 means that more than 80 per cent of taxpayers will face a top marginal tax rate of no more than 30 per cent over the forward estimates period. Substantially raising the thresholds for the top two marginal tax rates will also improve work incentives.

The Government's personal tax cuts package will also ensure that senior Australians in the community will be better off with an increase in the Medicare levy threshold that applies to them. This measure has been specifically designed to ensure that senior Australians do not pay the Medicare levy until they begin to incur an income tax liability.

The Budget also includes a number of other major policy decisions.

- The superannuation contributions and termination payments surcharge will be abolished for contributions made from 1 July 2005, with a cost to revenue of \$650 million in 2006-07 and \$2.5 billion over the forward estimates.
- The 3 per cent tariff applying to business inputs imported under a tariff concession order will be removed with effect from 11 May 2005, with a cost to revenue of \$36 million in 2004-05, \$290 million in 2005-06 and \$1.3 billion over the forward estimates.
- The eligibility criteria for the mature age worker tax offset will be extended from 2005-06, with a cost to revenue of \$70 million in 2005-06 and \$295 million over the forward estimates.
- A four-year income tax exemption will be provided for temporary residents for most foreign source income, including capital gains, commencing from July 2006, with an estimated cost to revenue of \$50 million in 2007-08 and \$105 million over the forward estimates.
- The capital gains tax treatment of non-resident investors in Australia will be aligned more closely with international standards, with a cost to revenue of \$50 million in 2005-06 and \$230 million over the forward estimates.
- Certain currently unrecognised business capital expenditures ('blackhole expenditures') will be recognised for tax purposes from 2006-07 with a cost to

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revenue of \$35 million in 2006-07, increasing in later years, with a cost of \$205 million over the forward estimates.

- The capital allowance treatment of film copyright will be changed to ensure the application of the effective life depreciation regime, with effect to expenditures after 1 July 2004, with a cost to revenue of \$15 million in 2005-06 and \$175 million over the forward estimates.
- Foreign loss and foreign tax credit quarantining will be abolished, with effect from the first income year after Royal Assent, with an estimated cost to revenue of \$25 million in 2007-08 and in 2008-09.

A detailed description of the policy decisions is provided in Budget Paper No. 2, *Budget Measures 2005-06*. A summary of revenue policy decisions since the 2004-05 MYEFO is provided in Table 3.

Table 3: Revenue policy decisions since the 2004-05 MYEFO

	2004-05	2005-06	2006-07	2007-08	2008-09
	\$m	\$m	\$m	\$m	\$m
Revenue policy decisions					
Personal income tax cuts		-3,100	-5,600	-6,250	-6,700
Superannuation surcharge abolition		-	-650	-875	-990
Tariff concessions – removal of 3 per cent tariff on business inputs	-36	-290	-300	-320	-340
Mature age worker tax offset - extended definition of net income from working		-70	-75	-75	-75
Foreign income exemption for temporary residents		-	-	-50	-55
Reforms to the capital gains tax treatment of non-residents		-50	-50	-65	-65
Not proceeding with the generic regime for the taxation of rights		35	50	55	65
Taxation treatment of business 'blackhole' expenditure		-	-35	-70	-100
Inclusion of film copyright in the effective life regime		-15	-35	-55	-70
Increasing the Medicare levy low income thresholds		-38	-19	-18	-18
Biometrics for border control - progressive introduction of ePassports		11	19	20	21
Other revenue policy decisions	1	45	20	41	22
Total revenue policy decisions	-35	-3,472	-6,675	-7,662	-8,305

Effect of parameter and other variations

Parameter and other variations are expected to increase revenue in 2004-05 by \$3.3 billion, and revenue in 2005-06 by \$10.5 billion, relative to the MYEFO forecasts.

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Parameter variations

Since MYEFO, estimated nominal GDP growth in 2004-05 has been revised down by ½ of a percentage point, but taxation revenue growth has been revised up by 1½ percentage points. The strength in taxation revenue is largely the result of stronger than expected employment growth in the second half of 2004, improved income for small unincorporated businesses and additional strength in individuals' realised capital gains and other income.

Looking ahead, there have been significant upward revisions to revenue in 2005-06 and the projection years since MYEFO, reflecting the flow on effect of a stronger expected revenue base in 2004-05 and a significant upward revision to nominal GDP growth in 2005-06.

Relative to MYEFO, nominal GDP growth for 2005-06 has been revised up by 1¾ percentage points to 7½ per cent – despite a slight downward revision to real GDP growth – reflecting significant increases to estimated growth in the GDP deflator as a result of recent increases in commodity export prices (see Box 3 in Statement 3). These increases are expected to lift corporate profits significantly in 2005-06, which – due to the timing of company tax collections – will boost revenue in both 2005-06 and 2006-07. Company tax revenue over the projection years of 2006-07, 2007-08 and 2008-09 reflects a technical assumption that commodity prices return to their long-run average level over the first two years of the projection period (see Box 7 in Statement 3).

Further detail on how the revised outlook for the economy has affected individual revenue heads over the forward estimates period is provided later in this statement. An analysis of the sensitivity of the taxation revenue estimates to changes in the major economic parameters is provided in Statement 2.

Box 1: Changes to the revenue forecasting methodology

In recent years, revenue has grown more strongly than forecast. Two principal factors have contributed to this:

- nominal GDP has grown more strongly than forecast, because of the stronger than expected housing cycle in 2002 and 2003 and stronger than expected growth in the terms of trade in 2003 and 2004; and
- taxation revenue from companies², small unincorporated businesses and personal investors has been growing at an unexpectedly faster pace relative to growth in underlying incomes.

As a result of this divergence between actual and forecast revenue, the revenue forecasting methodology has been adjusted. Estimates in this Budget are based on the revised methodology and result in revenue forecasts and projections being more responsive to changes in forecast and projected income. They mostly affect company income tax and gross income tax from other individuals.

Company tax

Revenue from taxes on company profits has been growing significantly faster than the corporate income tax base. Possible reasons for this include:

- the privatisation of major Government Business Enterprises;
- growth in capital gains made by companies;
- the long period of economic expansion, which has reduced the stock of carried-forward losses to offset tax payable;
- more effective compliance activities of the Australian Taxation Office;
- changes in the structure of ownership of shares, combined with changes in the dividend imputation system, which may have affected the incentive for companies to pay tax in Australia in order to maximise franking credits; and
- the increasing tendency for small businesses to incorporate.

Gross other individuals

Revenue from taxes on the incomes of personal investors has been growing strongly owing to strong corporate profits and consequent dividend payments. Revenues on realised capital gains have also been growing strongly because of asset price increases in respect of shares and housing. Income earned by small unincorporated businesses and increasing numbers of self-employed persons is also contributing to this revenue strength.

2 Strength in company tax revenue growth was highlighted in the 2004-05 Budget (page 5-10).

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Other variations

Tax collections to the end of the March quarter 2005 were 8.4 per cent higher than last year, compared with expected growth of 7.6 per cent at MYEFO. The strength in tax collections in the year to date has largely reflected the stronger than expected employment growth during the second half of 2004.

The Budget estimates of tax revenue in 2004-05 factor in a deceleration in collections growth in the final quarter of the year, reflecting an expectation of weakening company tax collections, and lower forecast nominal GDP growth. Company profits are expected to be somewhat weaker than previously forecast for 2004-05, reflecting weaker than expected profits from the private non-financial sector in the second half of 2004.

The Budget estimates also incorporate adjustments to forecasting methodology to align the estimates more closely to recent experience (see Box 1). These adjustments affect the gross other individuals, refunds for individuals and company income tax revenue heads and generally increase estimated revenue since MYEFO for 2005-06 and the projection years.

ESTIMATES OF REVENUE

Total revenue

Total revenue for 2005-06 is expected to increase by \$11.8 billion, an increase of 5.8 per cent on estimated revenue in 2004-05. Of this, taxation revenue is expected to increase by \$11.1 billion (5.8 per cent) and non-taxation revenue is expected to increase by \$779 million (6.3 per cent).

The revenue estimates for 2004-05 and 2005-06 are provided in Table 4. Descriptions of the revenue heads are provided in Appendix B.

Table 4: Australian Government general government revenue

	Estimates		Change on 2004-05	
	2004-05 \$m	2005-06 \$m	\$m	%
<i>Income taxation</i>				
Individuals and other withholding				
Gross income tax withholding	97,990	101,140	3,150	3.2
Gross other individuals	23,640	25,440	1,800	7.6
less: Refunds	13,700	15,000	1,300	9.5
Total individuals and other withholding	107,930	111,580	3,650	3.4
Companies	40,610	48,040	7,430	18.3
Superannuation funds				
Contributions and earnings	5,090	5,070	-20	-0.4
Superannuation surcharge	1,290	1,240	-50	-3.9
Total superannuation funds	6,380	6,310	-70	-1.1
Petroleum resource rent tax	1,460	1,350	-110	-7.5
Income taxation revenue	156,380	167,280	10,900	7.0
<i>Excise and customs</i>				
Excise duty				
Petroleum and other fuel products	13,620	13,980	360	2.6
Crude oil	650	620	-30	-4.6
Alcohol products	2,460	2,550	90	3.7
Tobacco	5,280	5,340	60	1.1
Total excise duty	22,010	22,490	480	2.2
Customs duty				
Textiles, clothing and footwear	1,000	790	-210	-21.0
Passenger motor vehicles	1,450	1,448	-2	-0.1
Excise-like goods	1,680	1,600	-80	-4.8
Other imports	1,884	1,533	-351	-18.6
less: Refunds and drawbacks	300	300	0	0.0
Total customs duty	5,714	5,071	-643	-11.3
Excise and customs revenue	27,724	27,561	-163	-0.6
<i>Indirect taxation</i>				
Wine equalisation tax	690	700	10	1.4
Luxury car tax	300	310	10	3.3
Other taxes	190	220	30	15.8
Indirect taxation revenue	1,180	1,230	50	4.2
<i>Other taxation</i>				
Fringe benefits tax(a)	3,050	3,350	300	9.8
Agricultural levies	572	583	11	1.9
Other taxes	1,296	1,264	-32	-2.5
Other taxation revenue	4,917	5,196	279	5.7
Taxation revenue	190,201	201,267	11,065	5.8
<i>Non-taxation</i>				
Sales of goods and services	4,828	4,965	137	2.8
Dividends	3,146	3,312	166	5.3
Interest received	1,562	2,000	438	28.1
Other	2,929	2,967	38	1.3
Non-taxation revenue	12,465	13,245	779	6.3
Total revenue	202,666	214,511	11,845	5.8

(a) Consistent with GFS reporting standards, excludes fringe benefits tax collected from Australian Government agencies (estimated at \$390 million in 2004-05 and \$400 million in 2005-06).

Revenue estimates by revenue head

Income taxation revenue

Individuals and other withholding taxation

Estimated revenue from individuals for 2004-05, 2005-06 and the projection years is provided in Table 5. Revenue from individuals is estimated to increase by \$3.7 billion (3.4 per cent) in 2005-06, reflecting the impact of stronger employment and solid growth in the incomes of small unincorporated businesses and personal investors, partly offset by personal tax cuts.

Table 5: Individuals and other withholding taxation revenue

	Actual	Estimates		Projections		
	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	2008-09 \$m
Individuals and other withholding						
Gross income tax withholding	90,095	97,990	101,140	106,780	114,300	122,430
Gross other individuals	21,010	23,640	25,440	25,990	27,180	28,960
<i>less: Refunds</i>	12,325	13,700	15,000	15,810	16,580	17,830
Total	98,779	107,930	111,580	116,960	124,900	133,560
<i>Includes Medicare levy(a) revenue of:</i>	<i>5,560</i>	<i>6,000</i>	<i>6,360</i>	<i>6,690</i>	<i>7,030</i>	<i>7,390</i>

(a) Medicare levy for 2003-04 is an estimate.

Gross income tax withholding

Gross income tax withholding revenue is expected to increase by \$3.2 billion (3.2 per cent) in 2005-06. The increase reflects the flow on effect of stronger expected revenue in 2004-05 and the impact of stronger estimated employment and slightly stronger wage growth in 2005-06. Personal tax cuts from 1 July 2005 dampen these effects on revenue.

Gross other individuals

Gross revenue from other individuals is expected to increase by \$1.8 billion (7.6 per cent) in 2005-06. The increase reflects stronger expected income from dividends and small unincorporated businesses, partly offset by personal tax cuts.

Income tax refunds for individuals

Refunds for individuals are expected to increase by \$1.3 billion (9.5 per cent) in 2005-06, reflecting the effect of increases in estimated revenue from gross income tax withholding and from other individuals in 2004-05. Partly offsetting this, a reassessment of the relationship between prior year revenue and current year refunds to better reflect recent outcomes has the effect of reducing refunds and increasing revenue over the forward estimates period.

Medicare levy

Revenue from the Medicare levy is expected to increase by around \$360 million (6.0 per cent) in 2005-06. Movements in revenue from the Medicare levy are generally consistent with growth in revenue from personal income taxes.

Companies and other related income taxation

Estimated revenue from companies for 2004-05, 2005-06 and the projection years is provided in Table 6.

Table 6: Companies and other related income taxation revenue

	Actual	Estimates		Projections		
	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	2008-09 \$m
Companies	36,337	40,610	48,040	50,140	50,780	52,360
Superannuation funds						
Contributions and earnings	4,487	5,090	5,070	5,380	5,770	6,220
Superannuation surcharge	1,298	1,290	1,240	350	210	270
Total superannuation funds	5,785	6,380	6,310	5,730	5,980	6,490
Petroleum resource rent tax	1,165	1,460	1,350	1,630	1,770	1,520
Total	43,287	48,450	55,700	57,500	58,530	60,370

Company income taxation

Company taxation revenue is expected to increase by \$7.4 billion (18.3 per cent) in 2005-06. The increase is largely the result of a stronger outlook for company profits in 2005-06. This mainly reflects the higher export prices that companies have secured for exports of coal and iron ore in the last quarter of 2004-05 and through 2005-06.

Superannuation funds taxation

Taxation revenue from superannuation contributions and earnings income is expected to decrease by \$20 million (0.4 per cent) in 2005-06. This decrease reflects the flow-on effect of a lower expected outcome for superannuation contributions and earnings taxation in 2004-05, partly offset by higher expected earnings growth in 2005-06.

Superannuation surcharge

Revenue from the superannuation surcharge is expected to decrease by \$50 million (3.9 per cent) in 2005-06, reflecting the reduction in the surcharge rate to 12.5 per cent in 2004-05.

While the abolition of the surcharge from 1 July 2005 will result in zero revenue collected from contributions after that date, allowance has been made for some ongoing revenue from the surcharge over the forward estimates period to recognise liabilities relating to contributions made before 1 July 2005.

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Petroleum resource rent tax

Estimated revenue from the petroleum resource rent tax is expected to decrease by \$110 million (7.5 per cent) in 2005-06, reflecting lower than expected production of natural gas and crude oil.

Excise and customs revenue

Estimates for 2004-05, 2005-06 and the projection years are provided in Table 7 for excise and customs revenue.

Table 7: Excise and customs revenue

	Actual	Estimates		Projections		
	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	2008-09 \$m
Excise duty						
Petroleum and other fuel products						
Petrol	7,423	7,370	7,410	7,500	7,570	7,650
Diesel	5,587	6,100	6,420	6,660	6,910	7,050
Other	210	150	150	110	110	140
Total	13,220	13,620	13,980	14,270	14,590	14,840
Crude oil	309	650	620	580	580	580
Beer	1,633	1,680	1,710	1,740	1,770	1,800
Potable spirits	659	780	840	900	970	1,040
Tobacco	5,247	5,280	5,340	5,360	5,380	5,410
Total excise duty	21,068	22,010	22,490	22,850	23,290	23,670
Customs duty						
Textiles, clothing and footwear	993	1,000	790	840	880	970
Passenger motor vehicles	1,547	1,450	1,448	1,250	1,320	1,430
Excise-like goods	1,581	1,680	1,600	1,600	1,630	1,660
Other imports	1,736	1,884	1,533	1,672	1,792	1,832
less: Refunds and drawbacks	235	300	300	300	300	300
Total customs duty	5,622	5,714	5,071	5,062	5,322	5,592
Total	26,690	27,724	27,561	27,912	28,612	29,262

Excise duty

In 2005-06, revenue from excise duty on petroleum and other fuel products is expected to increase by \$360 million (2.6 per cent). The increase results from higher estimated revenue from diesel fuel (\$320 million), reflecting an increase in expected activity in agriculture and mining; and from higher estimated revenue from unleaded petrol excise (\$40 million), reflecting stronger demand from the energy and transport sectors.

Revenue from crude oil excise is expected to decrease by \$30 million (4.6 per cent) in 2005-06, reflecting the effect of a lower expected crude oil price in \$A.

Other excise revenue is expected to increase in 2005-06 by \$150 million (1.9 per cent), reflecting moderate increases in expected demand for spirits and other alcoholic beverages, with demand for tobacco and beer expected to move in line with population growth.

Customs duty

Customs duty revenue is expected to decrease by \$643 million (11.3 per cent) in 2005-06, reflecting the impact of a number of policies designed to increase trade between Australia and the rest of the world. These policies include the measures announced in this Budget, noted above, as well as the impact of tariff reductions for passenger motor vehicles and textiles, clothing and footwear from 1 January 2005, and the effect of the Australia-United States Free Trade Agreement.

Indirect taxation revenue

Revenue estimates for 2004-05, 2005-06 and the projection years are provided in Table 8 for the various categories of sales tax. Information about the goods and services tax can be found in Budget Paper No. 3, *Federal Financial Relations*.

Table 8: Indirect taxation revenue

	Actual	Estimates		Projections		
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	\$m	\$m	\$m	\$m	\$m	\$m
Wine equalisation tax	705	690	700	750	790	840
Luxury car tax	336	300	310	340	360	370
Other	-38	190	220	250	270	290
Total	1,002	1,180	1,230	1,340	1,420	1,500

Revenue from the wine equalisation tax is expected to increase by \$10 million (1.4 per cent) in 2005-06, reflecting a slight increase in expected underlying demand.

Revenue from the luxury car tax is expected to increase by \$10 million (3.3 per cent) in 2005-06, reflecting underlying demand conditions.

Other taxation revenue

Revenue estimates for fringe benefits tax, agricultural levies and other taxes in 2004-05, 2005-06 and the projection years are provided in Table 9.

Table 9: Other taxation revenue

	Actual	Estimates		Projections		
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	\$m	\$m	\$m	\$m	\$m	\$m
Fringe benefits tax	3,277	3,050	3,350	3,380	3,480	3,580
Agricultural levies	603	572	583	588	580	569
Other levies	73	183	192	148	119	124
Broadcasting licence fees	225	287	264	273	285	298
Other	1,122	825	808	898	872	858
Total	5,299	4,917	5,196	5,287	5,336	5,428

Other taxation revenue is estimated to increase by \$279 million (5.7 per cent) in 2005-06, largely reflecting increased estimated revenue from the fringe benefits tax.

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Revenue from fringe benefits tax is expected to increase by \$300 million (9.8 per cent) in 2005-06, reflecting the effect of slightly higher expected wage growth.

Revenue from agricultural levies, broadcasting licence fees and other levies and taxes for 2005-06 is expected to be largely unchanged from 2004-05 levels.

Non taxation revenue

Revenue estimates for 2004-05 and 2005-06 and the projection years are provided in Table 10 for the various categories of non-taxation revenue.

Table 10: Non-taxation revenue

	Actual	Estimates		Projections		
	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
	\$m	\$m	\$m	\$m	\$m	\$m
Sales of goods and services	4,314	4,828	4,965	5,194	5,330	5,363
Dividends	4,199	3,146	3,312	2,952	2,357	1,852
Interest received	1,304	1,562	2,000	2,853	3,997	5,025
Other non-taxation revenue	2,684	2,929	2,967	2,884	2,924	2,966
Total	12,501	12,465	13,245	13,883	14,607	15,206

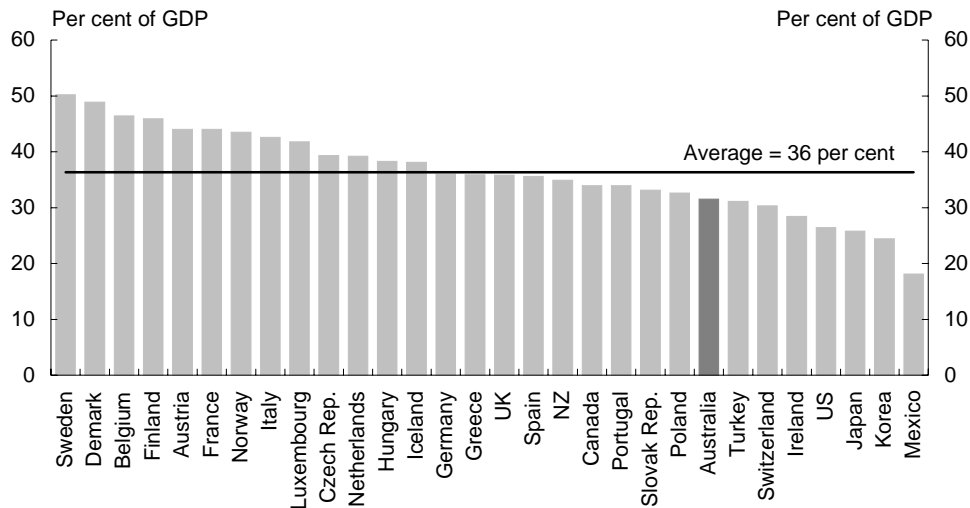
Non-taxation revenue is expected to increase by \$779 million (6.3 per cent) in 2005-06, largely reflecting:

- increased interest revenue, largely reflecting higher estimated cash balances – underpinned by strong surpluses in 2004-05 and 2005-06; and
- increased dividends from the Reserve Bank of Australia, largely from higher than expected net interest income, and an increase in realised gains on foreign investments and foreign currency transactions.

APPENDIX A: AUSTRALIA'S TAX SYSTEM

Australia's tax to GDP ratio is the eighth lowest of the 30 OECD countries (Chart A1).

Chart A1: Total tax burden for OECD countries(a)

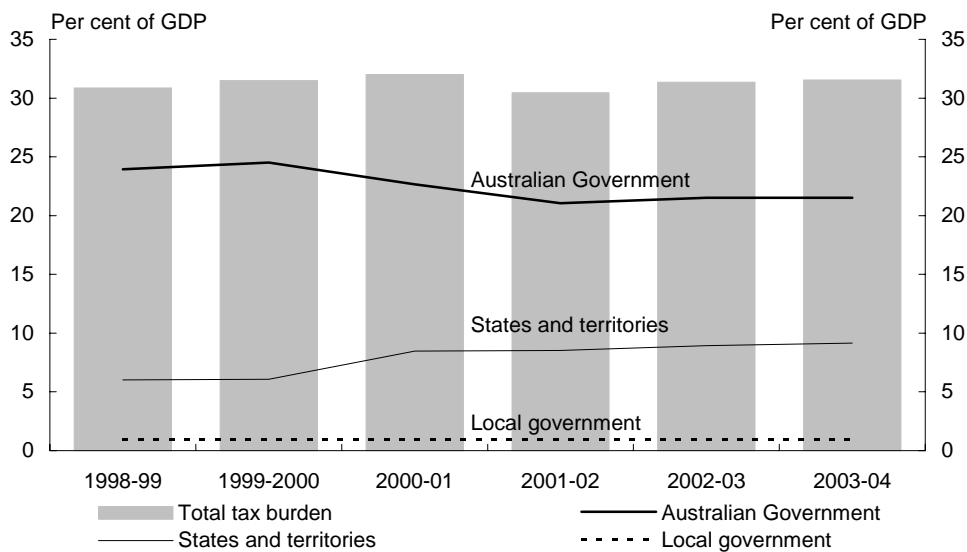


(a) The OECD's measure of the tax burden is the total taxation revenue of national, state and local governments expressed as a proportion of gross domestic product. For Australia, the data are for the 2002-03 financial year, the latest year where comparable international data are available.

Source: OECD, Revenue Statistics 1965-2003 (2004 Edition).

While the total tax burden for Australia has been relatively steady over recent years, the tax take of the Australian Government has fallen while the tax burden of the states and territories has increased (Chart A2).

Chart A2: Australian tax burden by level of government



Part 3: Revenue, Expenses and Budget Funding

The share of tax burden between the Australian Government and the states changed with the introduction of *The New Tax System* in 2000-01. Since then, the tax take of the Australian Government and local governments has been relatively stable, while the tax burden of the states and territories has increased from 8.4 per cent of GDP to 9.1 per cent.

When considering the impact of taxes on Australian households, it is also necessary to take into account the significant increase in assistance going to families from the government, either as offsets to tax or through direct payments.

When this Government came into office in 1996, family assistance totalled around 1.3 per cent of GDP. Since then, the Government has substantially increased the level of assistance provided to families to around 1.7 per cent of GDP in 2004-05, through the introduction of the Family Tax Benefit and the Baby Bonus, and subsequent increases in payments, accompanied by reductions in income test tapers applying to family payments. Elements of this assistance can be accessed through cash payments or reductions in tax.

One way of illustrating the combined effect of cash transfers and tax for families is by showing the change in the real net tax threshold. The net tax threshold is the point at which taxes paid begin to exceed cash transfers received. Table A1 shows that the net tax threshold will have increased by more than 30 per cent in real terms between 1996-97 and 2006-07 for a range of families.

Table A1: Increases in real net tax thresholds for families(a), 1996-97 to 2006-07

Family type (b)	Household wages in 2006-07	Real net tax threshold		
		1996-97	2006-07	Per cent change
Sole parent (0%)	\$0	\$34,502	\$44,951	30.3
Single income couple with children (100%)	\$55,300	\$33,931	\$44,951	32.5
Dual income couple with children (100 & 33%)	\$73,549	\$34,559	\$47,891	38.6
Dual income couple with children (100 & 67%)	\$92,351	\$34,657	\$46,884	35.3
Dual income couple with children (167 & 100%)	\$147,651	\$34,641	\$47,003	35.7

(a) The net tax threshold is the level of private income at which income tax paid first exceeds cash benefits received. Dollar amounts are calculated in 2005-06 prices.

(b) Families are assumed to have two children — one aged 3 years and the other aged 8 years. The numbers in brackets represent the wages of each working adult in the family, expressed as a proportion of average weekly ordinary time earnings for full-time employees (AWOTE).

APPENDIX B: DESCRIPTION OF THE REVENUE HEADS

Income taxation

Individuals and other withholding taxation

These revenue heads broadly cover all personal income tax. A schedule of the personal income tax rates for the period covered in this Budget is provided in Table B1.

Gross income tax withholding

Gross income tax withholding (ITW) includes all taxes withheld from payments made under the Pay-As-You-Go (PAYG) withholding system and amounts withheld because no Tax File Number or Australian Business Number was quoted. It also includes applicable Medicare levy revenue.

The bulk of ITW revenue arises from taxes withheld from wage and salary income but also includes all other withholding taxes levied on natural resource payments, dividends, interest and royalties paid to non-residents and payments to aboriginal groups for the use of land for mineral exploration and mining. These taxes are often withheld from companies, rather than individuals, but are not separately identified from other PAYG revenues.

Gross other individuals

Gross revenue from other individuals consists of income tax paid by individuals other than that collected through the PAYG withholding system, and includes applicable Medicare levy revenue. It comprises:

- PAYG instalments paid directly by individuals – that is, not withheld by employers; and
- debit assessments on income tax returns.

Taxpayers in this category derive their income from many sources, including:

- profits from small unincorporated businesses, primary production and investment activities;
- wages and salaries (when PAYG withholding credits are insufficient to meet the tax liability on assessment); and
- capital gains.

Most revenue from other individuals is collected directly from the taxpayer through the PAYG instalment system. Individuals with annual tax liabilities of \$8,000 or more and individuals who are registered for the GST will generally make quarterly payments. Individuals who have annual taxation liabilities of less than \$8,000 and are

Part 3: Revenue, Expenses and Budget Funding

not registered for the GST have the choice of making quarterly payments or an annual payment.

Income tax refunds for individuals

A final assessment of the income tax liabilities of individual taxpayers is normally made on the basis of returns lodged after the end of each financial year. Refunds are made where tax credits exceed the final liability on assessment. Tax credits typically accrue from PAYG withholding payments deducted by employers from wages and salaries, and from PAYG instalments made by taxpayers through a Business Activity Statement or Income Activity Statement.

Where tax credits are insufficient to meet the final tax liability, taxpayers make an additional payment (a debit assessment), which is recorded under the gross other individuals head of revenue.

Refunds paid to individual income taxpayers in any year will generally relate to earning activity in the prior year because assessment is made after the conclusion of the year to which it relates.

Medicare levy

The Medicare levy forms an integral part of the personal income tax system and, as such, revenue from the Medicare levy is included in the three revenue heads described above.

CORRIGENDUM

Budget Paper No. 1, *Budget Strategy and Outlook 2005-06* — Statement 5

Replace Table B1: Personal Income Tax Rates on page 5-19 with the following table:

Table B1: Personal income tax rates^(a)

	From 1 July 2003		From 1 July 2004		From 1 July 2005		From 1 July 2006	
	Taxable income	Per cent	Taxable income	Per cent	Taxable income	Per cent	Taxable income	Per cent
Residents	\$0–\$6,000	Nil	\$0–\$6,000	Nil	\$0–\$6,000	Nil	\$0–\$6,000	Nil
	\$6,001–\$21,600	17	\$6,001–\$21,600	17	\$6,001–\$21,600	15	\$6,001–\$21,600	15
	\$21,601–\$52,000	30	\$21,601–\$58,000	30	\$21,601–\$63,000	30	\$21,601–\$70,000	30
	\$52,001–\$62,500	42	\$58,001–\$70,000	42	\$63,001–\$95,000	42	\$70,001–\$125,000	42
	> \$62,500	47	> \$70,000	47	> \$95,000	47	> \$125,000	47
Non-residents	\$0–\$21,600	29	\$0–\$21,600	29	\$0–\$21,600	29	\$0–\$21,600	29
	\$21,601–\$52,000	30	\$21,601–\$58,000	30	\$21,601–\$63,000	30	\$21,601–\$70,000	30
	\$52,001–\$62,500	42	\$58,001–\$70,000	42	\$63,001–\$95,000	42	\$70,001–\$125,000	42
	> \$62,500	47	> \$70,000	47	> \$95,000	47	> \$125,000	47
Medicare levy for singles^(b)	\$0–\$15,529	Nil	\$0–\$15,902	Nil	\$0–\$15,902	Nil	\$0–\$15,902	Nil
	\$15,530–\$16,788	20% of > \$15,529	\$15,903–\$17,191	20% of > \$15,902	\$15,903–\$17,191	20% of > \$15,902	\$15,903–\$17,191	20% of > \$15,902
	> \$16,788	1.5	> \$17,191	1.5	> \$17,191	1.5	> \$17,191	1.5

(a) These standard income tax rates can be offset by a range of concessional arrangements, including the senior Australians tax offset, the spouse tax offset, the low income tax offset and the mature age worker tax offset.

(b) These standard Medicare levy rates apply to singles. Different concessional and penalty rates apply in certain circumstances.

Companies and other related income taxation

These revenue heads broadly cover all income taxes paid by corporate type entities. A schedule of the company income tax rates for the period covered in this Budget is provided in Table B2.

Table B2: Company and other related income tax rates

	From 1/7/2003	From 1/7/2004	From 1/7/2005
	Per cent	Per cent	Per cent
Companies	30	30	30
Superannuation funds			
Complying funds	15	15	15
Non-complying funds	47	47	47
Superannuation surcharge			
Surcharge rate	14.5	12.5	0
Lower surcharge threshold	\$94,691	\$99,710	-
Upper surcharge threshold	\$114,984	\$121,075	-
Petroleum resource rent tax	40	40	40

Company income taxation

Company income tax includes all income taxes paid by companies, including incorporated and unincorporated associations, limited partnerships and some public unit trusts.

Generally, every resident company that derives assessable income (including capital gains), whether sourced within or outside of Australia, and every non-resident company that derives assessable income from Australian sources, is required to pay company tax.

Company tax has been collected through the PAYG instalment system since the financial year beginning 1 July 2000. This system replaced the provisional tax and company tax instalment systems. Under the PAYG instalment system, most company taxpayers now pay their liability through four quarterly instalment payments and a balancing payment five months after the final instalment, although some small companies are able to make an annual payment.

Superannuation funds taxation

Like companies, superannuation funds are taxed through the PAYG instalment system, but generally at a concessional rate of 15 per cent in relation to taxable contributions received, capital gains and investment income. Only two-thirds of a capital gain is included in assessable income if the asset is held for at least 12 months.

Superannuation surcharge

Superannuation surcharge is levied on the surchargeable contributions of a superannuation fund member whose adjusted taxable income exceeds the lower income surcharge threshold in a financial year.

Surchargeable contributions include all employer contributions, certain 'golden handshakes' and tax deductible personal contributions made to superannuation funds. Adjusted taxable income includes fringe benefits and surchargeable contributions.

The rate of surcharge levied phases in from the lower income surcharge threshold to an upper income surcharge threshold. The maximum rate of surcharge until 2002-03 was 15 per cent. This was reduced to 14.5 per cent for 2003-04 and 12.5 per cent for 2004-05. The surcharge is being abolished for contributions made after 1 July 2005.

Payments are generally received from superannuation funds, but may also be paid by the member as the liability for the surcharge accrues, or if the surchargeable contributions are in the hands of the member at the time the surcharge liability is assessed.

Petroleum resource rent tax

Petroleum resource rent tax is levied on economic profits in respect of offshore petroleum projects other than some of the North-West Shelf production and associated exploration areas, which are subject to excise (included in excise on petroleum and other fuel products) and royalties. The tax is levied at a rate of 40 per cent of a project's economic profit. The amount paid is deductible from a company's total profit when determining its company tax liability.

Excise and customs duty

Excise duty

The major categories of excisable products are petroleum and other fuel products, crude oil, oils and lubricants, tobacco and alcoholic beverages. Equivalent duties on identical imported products are imposed through, and reported under, customs duty.

Petroleum and other fuel excise includes excise on petrol, diesel fuel, biodiesel, aviation gasoline, aviation kerosene, fuel ethanol, fuel oil, heating oil and kerosene. It is imposed at specific rates per litre of product.

- Petrol includes unleaded petrol and lead replacement petrol (which replaced leaded petrol but is taxed at the unleaded petrol rate).
- All revenue from excise duty on aviation gasoline and aviation kerosene contributes to the funding of aviation programmes. The rates of excise applying to aviation fuels are adjusted, as necessary, depending on the funding requirements of those programmes.

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Crude oil excise provides a return to the community for the exploitation of its natural resources. There are two sources of excise on crude oil:

- production from offshore fields in the North-West Shelf production licence areas that are not subject to petroleum resource rent tax; and
- production from onshore fields and fields in coastal waters.

The rate of excise varies according to the quantity of crude oil sold, the sale price of the crude oil, and the dates of discovery and development of the oil field.

Other excise is derived from beer, spirits, other alcoholic beverages (other than wine) and tobacco products.

- For beer, spirits and other alcoholic beverages, excise is imposed on the alcohol content. The excise rate on beer in containers greater than 48 litres (draught beer) is lower than for other beer.
- For cigarettes, excise is imposed on a *per stick* basis for cigarettes that do not exceed 0.8 grams (actual tobacco content) and on a *per kilogram* basis for other tobacco products.

Wine is not subject to excise, but is subject to the wine equalisation tax.

Excise indexation

The excise rates for petroleum products and crude oil are not indexed. The rates of duty for other excisable products are adjusted every August and February in line with half yearly CPI movements (Table B3). If the change in the CPI is negative, the excise rate is not reduced but instead the decline is carried forward to be set off against the next positive CPI movement.

Excise indexation for petroleum products was removed in March 2001.

Table B3: Excise rates

Commodity	Rates applying from 1 Aug 2003 \$	Rates applying from 2 Feb 2004 \$	Rates applying from 2 Aug 2004 \$	Rates applying from 1 Feb 2005 \$
Petroleum and other fuel products (per litre)				
Unleaded petrol	0.38143	0.38143	0.38143	0.38143
Ultra low sulphur diesel	0.38143	0.38143	0.38143	0.38143
Other diesel	0.39143	0.40143	0.40143	0.40143
Aviation gasoline	0.03114	0.03114	0.03114	0.03114
Aviation kerosene	0.03151	0.03151	0.03151	0.03151
Fuel oil	0.07557	0.07557	0.07557	0.07557
Heating oil and kerosene (for burner use)	0.07557	0.07557	0.07557	0.07557
Fuel ethanol	0.38143	0.38143	0.38143	0.38143
Biodiesel(a)		0.38143	0.38143	0.38143
Greases (per kilogram)	0.05449	0.05449	0.05449	0.05449
Oils and lubricants, excluding greases (per litre)	0.05449	0.05449	0.05449	0.05449
Beer (per litre of alcohol over 1.15 per cent)				
Draught beer, low strength	5.94	6.01	6.09	6.16
Draught beer, mid strength	18.65	18.86	19.12	19.35
Draught beer, high strength	24.40	24.67	25.02	25.32
Other beer, low strength	29.74	30.07	30.49	30.86
Other beer, mid strength	34.66	35.04	35.53	35.96
Other beer, high strength	34.66	35.04	35.53	35.96
Other beverages, not exceeding 10 per cent alcohol content	34.66	35.04	35.53	35.96
Potable spirits (per litre of alcohol)				
Brandy	54.83	55.43	56.21	56.88
Fruit brandy, whisky, rum and liqueurs	58.72	59.37	60.20	60.92
Other spirits, exceeding 10 per cent alcohol content	58.72	59.37	60.20	60.92
Cigarettes, cigars and tobacco (tobacco content of 0.8 grams or less per stick)	0.21804	0.22044	0.22353	0.22621
Tobacco products (per kilogram)	272.55	275.55	279.41	282.76

(a) Biodiesel became subject to excise duty from 18 September 2003.

Customs duty

Customs duty is imposed either as a percentage of the value of the imported good or on a volumetric basis (where duty is applied per unit of quantity) for excise equivalent products.

Tariffs on passenger motor vehicles and textile, clothing and footwear are expected to account for around one-third of the total duty collected. A further one-third of customs duty revenue is expected to be derived from duty imposed on imports of petroleum products, tobacco, beer and spirits, which is akin to excise duty on these items. In general, other dutiable goods attract a general tariff rate of five per cent. The Government is removing the three per cent tariff applying to business inputs imported under a Tariff Concession Order from 11 May 2005.

Table B4: Tariff rates

	Applying before 1 January 2005	Applying from 1 January 2005	Applying from 11 May 2005
	%	%	%
General tariff	5	5	5
Passenger motor vehicles	15	10	10
Textiles clothing and footwear			
Clothing and finished textiles	25	17.5	17.5
Cotton sheeting, fabric, carpet and footwear	15	10	10
Sleeping bags, table linen and footwear parts	10	7.5	7.5
Tariff concession order			
Consumer goods	0	0	0
Other (business inputs)	3	3	0

Indirect taxation

Wine equalisation tax

All wines, meads, ciders and sakes are subject to a wine equalisation tax of 29 per cent on the wholesale value of the goods. The tax was introduced as part of *The New Tax System* to maintain the level of taxation on cask wine, subsequent to the removal of the previous 41 per cent wholesale sales tax on wine and the application of the goods and services tax.

Unlike alcohol excises, the wine equalisation tax is an *ad valorem* tax. It is calculated at a rate of 29 per cent of the final wholesale price or, in certain other permitted circumstances, of a nominal wholesale value calculated as 50 per cent of the retail price, or alternatively at the average wholesale price for identical wine.

From 1 October 2004, a rebate is payable on the first \$290,000 in wine equalisation tax paid annually by any producer.

Luxury car tax

The luxury car tax was implemented on 1 July 2000 as part of *The New Tax System* to maintain the long-standing policy of successive Australian Governments to have a tax differentiation between luxury vehicles and other vehicles sold in Australia.

Its introduction prevented disproportionate falls in the price of luxury vehicles, compared to standard model vehicles at pricing points just below the threshold, when the goods and services tax rate of 10 per cent replaced the previous wholesale sales tax rate of 45 per cent.

The luxury car tax applies at a rate of 25 per cent for every dollar over the luxury car threshold. The current luxury car threshold is \$57,009. The threshold is indexed annually using the motor vehicle purchase component of the CPI, which is composed of observed price movements for new vehicles sold in Australia.

Other taxation

Fringe benefits tax

Fringe benefits tax is paid on non-salary benefits provided by employers to employees, which are provided in place of, or in addition to, the salary and wages of employees.

The tax is payable by employers and is assessed on the value of the fringe benefits provided to employees or their associates. Fringe benefits tax is levied at 48.5 per cent of the grossed-up taxable value of benefits, as calculated under the fringe benefits tax rules.

Instalments are paid by employers (on a Business Activity Statement) for each quarter of the fringe benefits tax year, which runs from April to March. A final balancing payment is due in May, together with the lodgement of a fringe benefits tax return.

Consistent with Government Finance Statistics reporting standards, fringe benefits tax reported at the general government level excludes revenue collected from Australian Government agencies.

Agricultural levies

Agricultural levies and charges are used to fund industry activities, such as research and development, marketing and promotion, residue testing, and animal health programmes.

The need for a levy is usually identified by the industry itself and the levy is generally collected at the first point of sale of the primary produce or point of further processing.

All levies and charges are paid into the Consolidated Revenue Fund without deduction, and then disbursed to fund the relevant programme.

Other levies

The major contributor to this category is a levy of around \$80 million, imposed on the coal mining industry under the *Coal Mining Industry (Long Service Leave Funding) Act 1992*. The purpose of the levy is to manage and protect the long service leave entitlements of workers in the industry.

Broadcasting licence fees

Broadcasting licence fees are payable by all commercial radio and television licensees. The licence fees are calculated as a percentage of the licensees' gross earnings for the previous year.

Other taxes

The major contributor to this revenue head is licence fees payable for the operation of radio communications equipment and telecommunications networks used to provide carriage services to the public. These fees total approximately \$185 million.

Part 3: Revenue, Expenses and Budget Funding

Other contributors include:

- levies totalling approximately \$90 million which are collected by the Department of Transport and Regional Services, including Aircraft Noise Levies, the Stevedoring Levy and the Oil Pollution Compensation Fund levy; and
- other fees totalling approximately \$59 million, including Interstate Road Transport registration fees, Territory regulatory fees, taxes and fines, Airport leases – in lieu of land tax, *Trade Practices Act 1974* fees, Navigation Act fees and Airport Building Controllers fees.

Non-taxation revenue

Sales of goods and services

This category consists of revenue from the direct provision of goods and services by the Australian Government general government sector, including reimbursement of GST administration costs received from the states and territories.

Dividends

The main sources of dividends are the Australian Government's business enterprises and the Reserve Bank of Australia (RBA). Dividend payments from the RBA can be volatile, as they are sensitive to movements in interest rates and the exchange rate.

Interest

Interest from other Governments

This category mainly consists of revenue from the states for interest on general purpose and specific purpose borrowings.

The Australian Government receives interest payments from the states in respect of general purpose borrowings made on behalf of the states under the State Governments' Loan Council Programme (and from the Northern Territory in respect of advances made under similar general purpose capital assistance arrangements). Payments relating to these advances are made, in turn, by the Australian Government to bond holders.

Interest from the states on general purpose borrowings is declining as a result of the June 1990 Loan Council decision that the states and territories make additional payments to the Australian Government each year to facilitate the redemption of all maturing Australian Government securities issued on their behalf. The reduction in interest revenue from the states is matched by a reduction in public debt interest expenses.

The Australian Government also receives interest on specific purpose borrowings to the states, including on advances made under the Commonwealth-State Housing Agreements, States (Works and Housing) Assistance Acts, Northern Territory Housing

Statement 5: Revenue

Advances, and by the Australian Capital Territory on debts assumed upon self-government.

Interest from other sources

This item includes interest income on Australian Government cash balances and on other financial assets. It excludes swap transactions entered into as part of the Australian Government's debt management strategy, as they are classified as financing transactions under Government Finance Statistics standards. The Australian Office of Financial Management is responsible for the management and reporting of the Australian Government's net debt portfolio.

Other sources of non-taxation revenue

Other non-taxation revenue includes petroleum royalties paid by producers operating in the Timor Sea and the North-West Shelf oil and gas fields, Child Support Trust Revenue (collected by the Child Support Agency) and seigniorage from circulation coin production.

APPENDIX C: FORWARD ESTIMATES OF RECEIPTS

Table C1: Australian Government general government receipts (cash basis)

	Actual	Estimates		Projections		
	2003-04 \$m	2004-05 \$m	2005-06 \$m	2006-07 \$m	2007-08 \$m	2008-09 \$m
<i>Income taxation</i>						
Individuals and other withholding						
Gross income tax withholding	89,638	97,190	100,400	105,850	113,290	121,350
Gross other individuals	19,935	22,400	24,390	24,810	26,070	27,730
less: Refunds	12,325	13,700	15,000	15,810	16,580	17,830
Total individuals and other withholding	97,247	105,890	109,790	114,850	122,780	131,250
Companies	36,101	39,600	47,510	49,260	49,870	51,420
Superannuation funds						
Contributions and earnings	4,502	5,080	5,080	5,360	5,740	6,190
Superannuation surcharge	1,050	1,180	1,150	360	250	310
Total superannuation funds	5,551	6,260	6,230	5,720	5,990	6,500
Petroleum resource rent tax	1,168	1,460	1,350	1,630	1,770	1,520
Income taxation receipts	140,067	153,210	164,880	171,460	180,410	190,690
<i>Excise and customs</i>						
<i>Excise duty</i>						
Petrol	7,434	7,370	7,410	7,500	7,570	7,650
Diesel	5,587	6,100	6,420	6,660	6,910	7,050
Other fuel products	210	150	150	110	110	140
Crude oil	309	650	620	580	580	580
Beer	1,633	1,680	1,710	1,740	1,770	1,800
Potable spirits	659	780	840	900	970	1,040
Tobacco	5,247	5,280	5,340	5,360	5,380	5,410
Total excise duty	21,079	22,010	22,490	22,850	23,290	23,670
<i>Customs duty</i>						
Textiles, clothing and footwear	993	1,000	790	840	880	970
Passenger motor vehicles	960	850	840	650	720	830
Excise-like goods	1,581	1,680	1,600	1,600	1,630	1,660
Other imports	1,739	1,880	1,530	1,670	1,790	1,830
less: Refunds and drawbacks	235	300	300	300	300	300
Total customs duty	5,038	5,110	4,460	4,460	4,720	4,990
Excise and customs receipts	26,117	27,120	26,950	27,310	28,010	28,660
<i>Indirect taxation</i>						
Wine equalisation tax	704	690	700	750	790	840
Luxury car tax	335	300	310	340	360	370
Other taxes	-48	30	50	80	100	120
Indirect taxation receipts	992	1,020	1,060	1,170	1,250	1,330
<i>Other taxation</i>						
Fringe benefits tax	3,226	3,220	3,320	3,400	3,500	3,600
Agricultural levies	603	572	583	588	580	569
Other taxes	1,239	1,063	1,037	1,047	1,032	1,046
Other taxation receipts	5,068	4,855	4,939	5,035	5,111	5,215
Taxation receipts	172,243	186,205	197,829	204,975	214,781	225,895
<i>Non-taxation</i>						
Sales of goods and services	4,422	5,015	5,165	5,385	5,526	5,565
Dividends	3,223	3,808	3,632	2,952	2,357	1,852
Interest received	1,056	1,460	1,828	2,649	3,783	4,789
Other	6,028	6,174	6,061	5,931	6,078	6,144
Non-taxation receipts	14,729	16,457	16,686	16,917	17,744	18,350
Total receipts	186,971	202,662	214,515	221,891	232,525	244,245

APPENDIX D: CHANGES IN REVENUE SINCE MYEFO**Table D1: Reconciliation of 2004-05 general government revenue (accrual basis)**

	MYEFO	Budget	Change on MYEFO	
	\$m	\$m	\$m	%
<i>Income taxation</i>				
Individuals and other withholding				
Gross income tax withholding	96,550	97,990	1,440	1.5
Gross other individuals	22,210	23,640	1,430	6.4
less: Refunds	13,700	13,700	0	0.0
Total individuals and other withholding	105,060	107,930	2,870	2.7
Companies	40,870	40,610	-260	-0.6
Superannuation funds				
Contributions and earnings	5,390	5,090	-300	-5.6
Superannuation surcharge	1,320	1,290	-30	-2.3
Total superannuation funds	6,710	6,380	-330	-4.9
Petroleum resource rent tax	1,560	1,460	-100	-6.4
Income taxation revenue	154,200	156,380	2,180	1.4
<i>Excise and customs</i>				
Excise duty				
Petrol	7,350	7,370	20	0.3
Diesel	5,900	6,100	200	3.4
Other fuel products	150	150	0	0.0
Crude oil	550	650	100	18.2
Beer	1,660	1,680	20	1.2
Potable spirits	780	780	0	0.0
Tobacco	5,260	5,280	20	0.4
Total excise duty	21,650	22,010	360	1.7
Customs duty				
Textiles, clothing and footwear	870	1,000	130	14.9
Passenger motor vehicles	1,354	1,450	96	7.1
Excise-like goods	1,610	1,680	70	4.3
Other imports	2,110	1,884	-226	-10.7
less: Refunds and drawbacks	230	300	70	30.4
Total customs duty	5,714	5,714	0	0.0
Excise and customs revenue	27,364	27,724	360	1.3
<i>Indirect taxation</i>				
Wine equalisation tax	690	690	0	0.0
Luxury car tax	330	300	-30	-9.1
Other taxes	120	190	70	58.3
Indirect taxation revenue	28,504	28,904	400	1.4
<i>Other taxation</i>				
Fringe benefits tax	3,020	3,050	30	1.0
Agricultural levies	575	572	-3	-0.6
Other levies	95	183	88	93.0
Broadcasting licence fees	234	287	53	22.6
Other taxes	994	825	-168	-16.9
Other taxation revenue	4,918	4,917	0	0.0
Taxation revenue	187,622	190,201	2,580	1.4
<i>Non-taxation</i>				
Sales of goods and services	4,404	4,828	424	9.6
Dividends	3,050	3,146	96	3.1
Interest received	1,435	1,562	127	8.8
Other	2,932	2,929	-3	-0.1
Non-taxation revenue	11,821	12,465	644	5.4
Total revenue	199,443	202,666	3,223	1.6

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Table D2: Reconciliation of 2005-06 general government revenue (accrual basis)

	MYEFO	Budget	Change on MYEFO	
	\$m	\$m	\$m	%
<i>Income taxation</i>				
Individuals and other withholding				
Gross income tax withholding	102,210	101,140	-1,070	-1.0
Gross other individuals	23,030	25,440	2,410	10.5
less: Refunds	15,020	15,000	-20	-0.1
Total individuals and other withholding	110,220	111,580	1,360	1.2
Companies	43,360	48,040	4,680	10.8
Superannuation funds				
Contributions and earnings	5,380	5,070	-310	-5.8
Superannuation surcharge	1,200	1,240	40	3.3
Total superannuation funds	6,580	6,310	-270	-4.1
Petroleum resource rent tax	1,460	1,350	-110	-7.5
Income taxation revenue	161,620	167,280	5,660	3.5
<i>Excise and customs</i>				
Excise duty				
Petrol	7,370	7,410	40	0.5
Diesel	6,130	6,420	290	4.7
Other fuel products	150	150	0	0
Crude oil	510	620	110	21.6
Beer	1,690	1,710	20	1.2
Potable spirits	870	840	-30	-3.4
Tobacco	5,270	5,340	70	1.3
Total excise duty	21,990	22,490	500	2.3
Customs duty				
Textiles, clothing and footwear	660	790	130	19.7
Passenger motor vehicles	1,350	1,448	98	7.3
Excise-like goods	1,530	1,600	70	4.6
Other imports	2,040	1,533	-507	-24.9
less: Refunds and drawbacks	230	300	70	30.4
Total customs duty	5,350	5,071	-279	-5.2
Excise and customs revenue	27,340	27,561	221	0.8
<i>Indirect taxation</i>				
Wine equalisation tax	695	700	5	0.7
Luxury car tax	345	310	-35	-10.1
Other taxes	170	220	50	29.4
Indirect taxation revenue	28,550	28,791	241	0.8
<i>Other taxation</i>				
Fringe benefits tax	3,260	3,350	90	2.8
Agricultural levies	588	583	-6	-0.9
Other levies	102	192	90	88.2
Broadcasting licence fees	243	264	21	8.6
Other taxes	1,064	808	-256	-24.1
Other taxation revenue	5,257	5,196	-61	-1.2
Taxation revenue	195,427	201,267	5,840	3.0
<i>Non-taxation</i>				
Sales of goods and services	4,491	4,965	474	10.6
Dividends	3,076	3,312	236	7.7
Interest received	1,602	2,000	399	24.9
Other	2,903	2,967	65	2.2
Non-taxation revenue	12,071	13,245	1,174	9.7
Total revenue	207,497	214,511	7,014	3.4

APPENDIX E: ACCRUAL AND CASH TAXATION ESTIMATES

Table E1: Estimates of taxation revenue on an accrual and cash basis

	2004-05	2005-06	2006-07	2007-08	2008-09
	\$b	\$b	\$b	\$b	\$b
Tax revenue (accrual)	190.2	201.3	209.0	218.8	230.1
Tax receipts (cash)	186.2	197.8	205.0	214.8	225.9
Difference (accrual less cash)	4.0	3.4	4.0	4.0	4.2
<i>Memorandum items:</i>					
Deferred company tax payments	-0.3	-0.3	0.0	0.0	0.0
ACIS(a)	0.6	0.6	0.6	0.6	0.6
Other	3.7	3.2	3.4	3.4	3.6
Total	4.0	3.4	4.0	4.0	4.2

(a) Automotive Competitiveness and Investment Scheme.

Accrual estimates are prepared using the tax liability method of revenue recognition. Under the tax liability method, taxation revenue is recognised at the time a taxpayer makes a self-assessment or when an assessment of a tax liability is raised by the relevant authority. This method retains some elements of cash revenue recognition — for example, revenue is recognised when cash payment occurs prior to an assessment being raised.

Specific drivers of the difference between the accrual and cash taxation revenue estimates are discussed below.

Automotive Competitiveness and Investment Scheme

The Automotive Competitiveness and Investment Scheme (ACIS) operates by providing customs duty credits to exporters of Australian automotive products. The credits can be set off against future customs duty on specific imports.

Under accrual accounting, an expense is recognised when the ACIS credits are issued. The later redemption of the credits results in an increase in the difference between the accrual and cash estimates for customs duty revenue, because the customs duty accrual revenue is recognised at the point of credit redemption but no cash is received. ACIS credits account for \$615 million of the difference between the accrual and cash estimates in 2005-06.

Deferred company tax payments

The PAYG arrangements for companies and superannuation funds (introduced as part of *The New Tax System*) better align tax payments with the period in which income is earned. In the absence of transitional arrangements, this would have created an overlap of tax payments, because payments of tax obligations for 1999-2000 (under the previous payment arrangements) and PAYG instalments for 2000-01 (under the new

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payment arrangements) both occurred during 2000-01. For a medium-sized company, for example, there would have been six payments due, instead of the usual four.

The Government implemented transitional arrangements to assist these taxpayers move to the new PAYG system, by allowing them to spread some of their tax payments in interest free instalments for up to five years. While the full amount of the tax obligations was included in accrual revenue for 2000-01 (the year in which the liabilities were recognised), the cash estimates will continue to be affected for the five year period.

The impact of these deferred payments has been to increase the cash taxation receipt estimates by around \$325 million in 2004-05 and \$330 million in 2005-06, while they have no impact on the accrual estimates in either year.

Other

This category consists of other timing differences between the recognition of accrual and cash revenue and instances where revenue has been recognised but payment is no longer expected to be received. For example:

- *receivables* arise where tax liabilities are recognised in one period, but the taxpayer is not expected to pay the liability until a later period;
- *remissions* occur where tax liabilities are recognised, but circumstances are taken into account and the Commissioner of Taxation reduces the amount of various penalties and interest required to be paid;
- a tax liability may be *written off* where the previously recognised revenue is no longer expected to be received; and
- a *credit amendment* may be issued where a tax assessment is amended (for example, where a court decision leads to a change in the interpretation of the tax laws).

To the extent that revenue includes tax assessments for which payment may not be received, expenses are recognised (that is, in respect of *remissions* and *write-offs* of bad and doubtful debts). The higher revenue is offset by these expenses, leaving the fiscal balance unaffected.

APPENDIX F: TAX EXPENDITURES

This appendix contains an overview of the cost of tax expenditures provided to taxpayers through the tax system.

Tax expenditures provide a benefit to a specified activity or class of taxpayer. They can be delivered as a tax exemption, tax deduction, tax offset, reduced tax rate or deferral of a tax liability. The Government can use tax expenditures to allocate resources to different activities or taxpayers in much the same way that it can use direct expenditure programmes. For this reason, and noting their direct impact on the fiscal balance, these concessions are generally called tax expenditures.

The data reported in this appendix are consistent with tax expenditure data reported in the *2004 Tax Expenditures Statement* published in January 2005. Several considerations need to be taken into account when analysing tax expenditure data (see section 2.1 of the *2004 Tax Expenditures Statement* for a detailed description).

Table F1 contains estimates of total tax expenditures for the period 2001-02 to 2008-09.

Table F1: Aggregate tax expenditures

Year	Superannuation	Other tax expenditures	Net value of tax expenditures	Tax expenditures as a proportion of GDP
	\$m	\$m	\$m	%
2001-02 (est)	9,860	19,866	29,726	4.2
2002-03 (est)	10,990	19,534	30,524	4.0
2003-04 (est)	12,030	19,178	31,208	3.8
2004-05 (proj)	13,290	19,374	32,664	3.8
2005-06 (proj)	14,580	19,936	34,516	3.7
2006-07 (proj)	15,580	21,507	37,087	3.8
2007-08 (proj)	16,530	22,146	38,676	3.8
2008-09 (prelim)	17,560	22,773	40,333	3.8

Tax expenditures are projected to decline as a proportion of GDP from 4.2 per cent in 2001-02 to around 3.8 per cent in 2008-09. The largest single contributing factor to the decline in tax expenditures is the removal of accelerated depreciation under *The New Business Tax System*.

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Table F2 is a list of the major tax expenditures in 2003-04.

Table F2: Major tax expenditures 2004-05

	\$m
Large positive tax expenditures	
Concessional taxation of funded superannuation	12,760
Exemption of Family Tax Benefit, Parts A and B, including expense equivalent	2,730
Capital gains tax discount for individuals and trusts	2,580
Senior Australians' Tax Offset	1,680
Tax offset for recipients of certain social security benefits, pensions or allowances	1,100
Exemption of certain income support benefits, pensions or allowances	1,100
Application of statutory formula to value car benefits	1,100
Exemption from excise for 'alternative fuels'	800
Concessional treatment of non-superannuation termination benefits	780
Exemption of 30 per cent private health insurance refund, including expense equivalent	750
Concessional rate of excise levied on aviation gasoline and aviation kerosene	745
Tax offset for low income earners	680
Large negative tax expenditures	
Higher rate of excise levied on cigarettes with less than 0.8 grams of tobacco	-1,380
Accelerated depreciation allowance for plant and equipment	-850

APPENDIX G: RECEIPTS HISTORY AND FORECASTS

Table G1: Australian Government receipts (cash basis)(a)

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05(est)	2005-06(est)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<i>Income taxation</i>												
Individuals and other withholding												
Income tax withholding	54,000	59,970	64,521	69,366	75,170	81,055	75,009	78,983	84,134	89,638	97,190	100,400
Other individuals	9,481	10,078	11,820	12,119	13,103	13,370	13,226	16,290	17,436	19,935	22,400	24,390
less: Refunds	7,931	8,285	8,808	9,525	10,325	10,946	10,989	10,637	11,651	12,325	13,700	15,000
Total individuals and other withholding	55,551	61,763	67,533	71,959	77,948	83,478	77,246	84,636	89,919	97,247	105,890	109,790
Companies	15,588	18,252	19,173	19,406	20,734	24,453	31,582	27,230	32,752	36,101	39,600	47,510
Superannuation funds												
Contributions and earnings	1,913	1,634	2,595	2,746	3,630	3,243	4,110	3,550	3,865	4,502	5,080	5,080
Superannuation surcharge				347	286	577	690	824	975	1,050	1,180	1,150
Total superannuation funds	1,913	1,634	2,595	3,093	3,916	3,820	4,800	4,373	4,840	5,551	6,260	6,230
Petroleum resource rent tax	865	791	1,308	907	419	1,184	2,379	1,361	1,712	1,168	1,460	1,350
Income taxation receipts	73,916	82,440	90,610	95,366	103,017	112,936	116,006	117,601	129,222	140,067	153,210	164,880
<i>Excise and customs</i>												
Excise duty												
Petroleum and other fuel products	9,406	10,224	10,543	10,895	10,974	11,189	11,919	12,386	12,866	13,231	13,620	13,980
Crude oil	27	13	9	16	31	219	526	393	417	309	650	620
Other excise	2,567	2,612	2,739	2,663	2,614	2,670	6,572	6,837	7,450	7,539	7,740	7,890
Total excise duty	12,001	12,849	13,291	13,574	13,619	14,078	19,017	19,616	20,733	21,079	22,010	22,490
Customs duty	3,474	3,124	3,289	3,637	3,634	3,771	4,584	4,625	4,982	5,038	5,110	4,460
Excise and customs receipts	15,475	15,973	16,580	17,211	17,253	17,849	23,601	24,241	25,715	26,117	27,120	26,950
<i>Indirect taxation</i>												
Wine equalisation tax							524	640	669	704	690	700
Luxury car tax							171	220	261	335	300	310
Other taxes	11,624	12,955	13,308	14,085	15,162	15,532	1,234	-75	-72	-48	30	50
Indirect taxation receipts	11,624	12,955	13,308	14,085	15,162	15,532	1,929	785	858	992	1,020	1,060

Part 3: Revenue, Expenses and Budget Funding

Table G1: Australian Government receipts (cash basis)(a) (continued)

	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05(est)	2005-06(est)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<i>Other taxation</i>												
Fringe benefits tax	2,740	3,031	3,163	3,168	3,289	3,373	3,207	3,272	3,103	3,226	3,220	3,320
Other taxes	1,933	1,988	2,154	2,390	2,383	1,005	1,312	1,645	1,762	1,842	1,635	1,619
Taxation receipts	105,687	116,386	125,815	132,219	141,104	150,695	146,056	147,544	160,661	172,243	186,205	197,829
<i>Non-taxation</i>												
Interest received	1,790	1,403	1,126	1,139	682	995	1,140	918	982	1,056	1,460	1,828
Dividends and other	2,952	3,899	4,089	3,610	4,659	14,138	13,651	14,080	14,504	13,673	14,997	14,858
Non-taxation receipts	4,743	5,302	5,216	4,749	5,341	15,133	14,791	14,998	15,487	14,729	16,457	16,686
Total receipts	110,430	121,688	131,031	136,968	146,444	165,828	160,847	162,542	176,147	186,971	202,662	214,515

(a) Figures up to and including 1998-99 are based on the old Commonwealth Budget Sector cash accounting framework. Figures from 1999-2000 are on an Australian Government general government GFS basis.

Table G2: Major categories of receipts as a proportion of gross domestic product (cash basis)(a)

	Taxation receipts										Non-taxation receipts									
	Income tax					Other taxation receipts					Interest Dividends and other receipts					Total				
	Gross ITW %	Gross other individuals %	Refunds individuals & withholding %	Companies Super funds %	PRRT income tax %	Total income tax %	Petrol & other products %	Other fuel excise %	Customs duty %	FBT other tax %	Total other tax %	Total tax receipts %	Interest Dividends and other receipts %	Total other receipts %	Total tax receipts %	Total interest Dividends and other receipts %	Total non-tax receipts %			
1975-76	10.6	2.8	1.7	11.7	3.2	-	14.9	1.3	1.6	1.2	1.2	6.4	21.3	1.7	0.1	1.8	23.1			
1976-77	10.8	2.8	1.4	12.2	3.1	-	15.2	1.2	1.5	1.3	1.3	6.3	21.6	1.7	0.2	1.9	23.5			
1977-78	10.7	2.5	0.9	12.2	3.1	0.0	15.3	1.3	1.4	1.1	1.1	6.1	21.4	1.8	0.3	2.1	23.5			
1978-79	10.2	2.1	0.9	11.4	2.7	0.0	14.1	1.9	1.5	1.2	1.2	6.7	20.7	1.7	0.3	2.0	22.7			
1979-80	10.4	2.2	0.9	11.8	2.6	0.0	14.4	2.5	1.4	1.2	1.2	6.9	21.4	1.5	0.3	1.7	23.1			
1980-81	10.6	2.3	0.8	12.1	3.2	0.0	15.4	2.8	1.2	1.2	1.2	7.1	22.5	1.5	0.3	1.7	24.2			
1981-82	11.3	2.3	0.8	12.7	3.0	0.0	15.8	2.5	1.1	1.2	1.2	6.9	22.6	1.4	0.3	1.8	24.4			
1982-83	11.6	2.3	1.1	12.8	2.7	0.0	15.5	2.7	1.1	1.1	1.1	7.3	22.8	1.5	0.5	2.0	24.8			
1983-84	11.1	2.2	1.2	12.2	2.2	0.0	14.5	2.8	1.0	1.1	1.1	7.6	22.1	1.5	0.6	2.1	24.1			
1984-85	11.5	2.4	0.9	13.2	2.5	0.0	15.6	2.9	1.0	1.3	1.3	8.0	23.6	1.4	0.7	2.1	25.7			
1985-86	11.8	2.7	1.4	13.4	2.5	0.0	15.9	2.9	1.0	1.3	1.3	8.0	23.8	1.4	1.0	2.4	26.3			
1986-87	12.1	3.2	1.3	14.2	2.5	0.0	16.7	2.7	0.9	1.2	1.2	7.9	24.6	1.3	1.1	2.5	27.0			
1987-88	11.6	3.2	1.3	13.7	2.8	0.0	16.5	2.4	0.9	1.2	1.2	7.8	24.3	1.2	0.8	2.0	26.3			
1988-89	11.9	2.8	1.5	13.7	2.9	0.0	16.6	2.0	0.6	1.1	1.1	7.2	23.8	1.1	0.3	1.4	25.2			
1989-90	11.6	2.7	1.5	13.2	3.4	0.1	16.7	2.0	0.6	1.0	1.0	7.0	23.7	0.9	0.3	1.2	24.9			
1990-91	11.3	2.9	1.7	12.9	3.6	0.3	16.8	2.0	0.6	0.8	0.8	6.7	23.4	0.8	0.4	1.2	24.7			
1991-92	11.0	2.3	1.9	11.7	3.3	0.3	15.5	1.8	0.6	0.8	0.8	6.1	21.6	0.7	0.6	1.4	23.0			
1992-93	10.8	2.0	1.8	11.3	3.1	0.4	15.1	1.7	0.6	0.8	0.8	5.9	21.0	0.6	0.7	1.3	22.3			
1993-94	10.8	1.9	1.6	11.5	2.8	0.3	14.9	1.9	0.5	0.7	0.7	6.2	21.1	0.5	1.0	1.5	22.6			
1994-95	11.0	2.0	1.7	11.8	3.3	0.4	15.7	2.0	0.5	0.7	0.6	6.8	22.5	0.4	0.6	1.0	23.5			
1995-96	11.5	2.0	1.7	12.3	3.6	0.3	16.4	2.0	0.5	0.6	0.6	6.8	23.2	0.3	0.8	1.1	24.3			
1996-97	11.8	2.2	1.7	12.8	3.6	0.5	17.2	2.0	0.5	0.6	0.6	6.7	23.8	0.2	0.8	1.0	24.8			

Table G2: Major categories of receipts as a proportion of gross domestic product (cash basis)(a) (continued)

	Taxation receipts										Non-taxation receipts									
	Income tax					Other taxation receipts					Interest Dividends and other receipts					Total				
	Gross ITW %	Gross other individuals %	Refunds individuals & w/holding %	Total Companies Super funds %	PRRT income tax %	Total income tax %	Excise duty %	Other fuel products %	Customs duty %	FBT other tax %	Total other tax %	Total tax receipts %	Dividends %	Other receipts %	Total other receipts %	Total tax receipts %	Total non-tax receipts %	Total receipts %		
1997-98	12.0	2.2	1.7	12.9	3.5	0.6	0.2	17.1	2.0	0.5	0.7	0.6	6.6	23.6	0.2	0.6	0.8	24.5		
1998-99	12.3	2.2	1.8	13.2	3.5	0.7	0.1	17.5	1.9	0.4	0.6	0.6	6.5	23.9	0.1	0.8	0.9	24.8		
1999-00	12.5	2.1	1.8	13.4	3.9	0.6	0.2	18.1	1.8	0.4	0.6	0.5	6.1	24.2	0.2	2.3	2.4	26.6		
2000-01	11.2	2.0	1.6	11.6	4.7	0.7	0.4	17.4	1.9	1.0	0.7	0.5	4.5	21.9	0.2	2.0	2.2	24.1		
2001-02	11.1	2.3	1.5	11.9	3.8	0.6	0.2	16.5	1.8	1.0	0.6	0.5	4.2	20.7	0.1	2.0	2.1	22.8		
2002-03	11.1	2.3	1.5	11.9	4.3	0.6	0.2	17.0	1.8	1.0	0.7	0.4	4.1	21.2	0.1	1.9	2.0	23.2		
2003-04	11.0	2.4	1.5	12.0	4.4	0.7	0.1	17.2	1.7	0.9	0.6	0.4	4.0	21.2	0.1	1.7	1.8	23.0		
2004-05(est)	11.3	2.6	1.6	12.3	4.6	0.7	0.2	17.8	1.7	0.9	0.6	0.4	3.8	21.6	0.2	1.7	1.9	23.5		
2005-06(est)	10.8	2.6	1.6	11.8	5.1	0.7	0.1	17.8	1.6	0.9	0.5	0.4	3.6	21.3	0.2	1.6	1.8	23.1		

(a) Figures up to and including 1998-99 are based on the old Commonwealth Budget Sector cash accounting framework. Figures from 1999-2000 are on an Australian Government general government GFS basis.

Table G3: Major categories of receipts as a proportion of total receipts (cash basis)(a)

	Taxation receipts										Non-taxation receipts									
	Income tax					Other taxation receipts					Total tax receipts					Dividends and other receipts				
	Gross ITW %	Gross other individuals %	Refunds %	Total individuals & withholding %	Companies %	Super funds %	PRRT %	Total income tax %	Petrol & other products %	Other fuel %	Excise %	Customs duty %	FBT %	Total other tax receipts %	Total tax receipts %	Interest %	Dividends %	and other receipts %	Total non-tax receipts %	
1975-76	46.1	12.0	7.3	50.7	13.7	-	64.5	5.7	6.9	5.1	-	27.7	92.2	7.5	0.3	7.8				
1976-77	46.0	11.7	6.0	51.8	13.1	-	64.9	5.2	6.3	5.4	-	27.0	91.8	7.4	0.8	8.2				
1977-78	45.3	10.5	4.0	51.9	13.1	0.0	65.0	5.7	5.9	4.8	-	26.0	91.0	7.6	1.4	9.0				
1978-79	44.8	9.3	4.0	50.0	11.8	0.0	61.8	8.3	6.6	5.3	-	29.3	91.1	7.4	1.5	8.9				
1979-80	45.1	9.6	3.8	50.9	11.4	0.0	62.4	10.7	6.0	5.2	-	30.0	92.4	6.4	1.2	7.6				
1980-81	43.7	9.7	3.3	50.1	13.3	0.0	63.4	11.4	5.1	5.1	-	29.4	92.8	6.1	1.1	7.2				
1981-82	46.4	9.2	3.5	52.2	12.3	0.0	64.6	10.1	4.5	5.0	-	28.2	92.8	5.9	1.3	7.2				
1982-83	46.9	9.1	4.4	51.7	10.8	0.1	62.5	10.8	4.5	4.5	-	29.4	91.9	6.1	2.1	8.1				
1983-84	45.9	9.1	4.9	50.7	9.3	0.0	60.0	11.7	4.3	4.7	-	31.4	91.4	6.0	2.6	8.6				
1984-85	44.7	9.4	3.6	51.2	9.6	0.0	60.8	11.4	3.7	5.0	-	30.9	91.8	5.5	2.7	8.2				
1985-86	45.0	10.3	5.2	51.0	9.4	0.0	60.4	10.9	3.6	5.0	-	30.4	90.8	5.3	3.9	9.2				
1986-87	44.6	11.8	5.0	52.6	9.1	0.0	61.8	9.9	3.5	4.4	0.7	29.2	90.9	4.9	4.2	9.1				
1987-88	44.0	12.0	5.1	52.2	10.8	0.0	63.0	9.2	3.4	4.5	1.1	29.6	92.5	4.4	3.0	7.5				
1988-89	47.3	11.3	5.8	54.4	11.6	0.0	65.9	7.9	2.5	4.2	1.1	28.5	94.5	4.2	1.3	5.5				
1989-90	46.4	10.8	6.1	53.1	13.5	0.4	67.0	8.0	2.3	4.1	1.2	28.1	95.2	3.6	1.2	4.8				
1990-91	45.8	11.6	6.9	52.2	14.4	1.1	68.0	8.2	2.4	3.4	1.3	27.1	95.0	3.4	1.6	5.0				
1991-92	47.8	9.8	8.3	50.9	14.4	1.2	67.4	7.7	2.5	3.5	1.4	26.6	94.1	3.2	2.7	5.9				
1992-93	48.5	8.8	8.2	50.8	13.7	1.6	67.6	7.7	2.5	3.5	1.4	26.5	94.1	2.6	3.3	5.9				
1993-94	47.6	8.6	7.1	51.1	12.6	1.2	65.9	8.5	2.2	3.2	1.4	27.4	93.3	2.0	4.6	6.7				
1994-95	46.9	8.6	7.2	50.3	14.1	1.7	66.9	8.5	2.3	3.1	2.5	28.8	95.7	1.6	2.7	4.3				
1995-96	47.5	8.3	6.8	50.8	15.0	1.3	67.7	8.4	2.1	2.6	2.5	27.9	95.6	1.2	3.2	4.4				
1996-97	47.5	9.0	6.7	51.5	14.6	2.0	69.2	8.1	2.1	2.5	2.4	26.9	96.0	0.9	3.1	4.0				

Table G3: Major categories of receipts as a proportion of total receipts (cash basis)(a) (continued)

	Taxation receipts										Non-taxation receipts						
	Income tax					Other taxation receipts					Total tax receipts	Dividends and other receipts	Total non-tax receipts				
	Gross ITW %	Refunds other individuals %	Companies individuals & w/holding %	Super funds %	PRRT income tax %	Petrol & other products %	Other fuel excise %	Customs duty %	FBT other tax %	Total other tax receipts %				Interest %			
1997-98	48.8	8.8	7.0	52.5	14.2	2.3	0.7	69.6	8.0	1.9	2.7	2.3	26.9	96.5	0.8	2.6	3.5
1998-99	49.4	8.9	7.1	53.2	14.2	2.7	0.3	70.3	7.5	1.8	2.5	2.2	26.0	96.4	0.5	3.2	3.6
1999-00	47.0	8.1	6.6	50.3	14.7	2.3	0.7	68.1	6.9	1.6	2.3	2.0	22.8	90.9	0.6	8.5	9.1
2000-01	46.6	8.2	6.8	48.0	19.6	3.0	1.5	72.1	7.7	4.1	2.8	2.0	18.7	90.8	0.7	8.5	9.2
2001-02	48.6	10.0	6.5	52.1	16.8	2.7	0.8	72.4	7.9	4.2	2.8	2.0	18.4	90.8	0.6	8.7	9.2
2002-03	47.8	9.9	6.6	51.0	18.6	2.7	1.0	73.4	7.5	4.2	2.8	1.8	17.8	91.2	0.6	8.2	8.8
2003-04	47.9	10.7	6.6	52.0	19.3	3.0	0.6	74.9	7.2	4.0	2.7	1.7	17.2	92.1	0.6	7.3	7.9
2004-05(est)	48.0	11.1	6.8	52.2	19.5	3.1	0.7	75.6	7.0	3.8	2.5	1.6	16.3	91.9	0.7	7.4	8.1
2005-06(est)	46.8	11.4	7.0	51.2	22.1	2.9	0.6	76.9	6.8	3.7	2.1	1.5	15.4	92.2	0.9	6.9	7.8

(a) Figures up to and including 1998-99 are based on the old Commonwealth Budget Sector cash accounting framework. Figures from 1999-2000 are on an Australian Government general government GFS basis.