

# Statement 5: REVENUE

## Contents

<b>Part I: Overview</b> .....	<b>5-3</b>
Total revenue.....	5-3
Variations in revenue estimates.....	5-3
<b>Part II: Estimates of revenue</b> .....	<b>5-9</b>
Detailed revenue estimates .....	5-9
Taxation revenue .....	5-10
Non-taxation revenue .....	5-20
<b>Appendices</b>	
Appendix A: Changes in revenue since MYEFO .....	5-23
Appendix B: Forward estimates of revenue.....	5-25
Appendix C: Revenue measures.....	5-27
Appendix D: Tax expenditures.....	5-31
Appendix E: Cash revenue statistics and history.....	5-33



# STATEMENT 5: REVENUE

## Part I: Overview

Relative to the *Mid-Year Economic and Fiscal Outlook 2001-02 (MYEFO)*, total revenue in 2002-03 is expected to be higher, largely as a result of stronger growth in income tax revenue from small unincorporated businesses, primary producers and companies, and higher indirect tax revenue.

### TOTAL REVENUE

Revenue estimates<sup>1</sup> for the period from 2001-02 to 2005-06 are provided in Table 1.

**Table 1: Total Commonwealth general government revenue (accrual basis)**

	2001-02	2002-03	2003-04	2004-05	2005-06
	Estimate	Estimate	Projection	Projection	Projection
<b>Total tax revenue (\$b)</b>	<b>150.8</b>	<b>158.5</b>	<b>168.6</b>	<b>178.0</b>	<b>187.6</b>
Real growth on previous year (%)	-1.9	3.0	3.8	3.1	2.9
Per cent of GDP	21.2	21.1	21.2	21.1	21.0
<b>Non-tax revenue (\$b)</b>	<b>12.4</b>	<b>11.2</b>	<b>11.0</b>	<b>11.4</b>	<b>11.7</b>
Real growth on previous year (%)	17.7	-11.8	-4.3	1.1	0.8
Per cent of GDP	1.7	1.5	1.4	1.3	1.3
<b>Total revenue (\$b)</b>	<b>163.2</b>	<b>169.6</b>	<b>179.6</b>	<b>189.4</b>	<b>199.3</b>
Real growth on previous year (%)	-0.6	1.8	3.3	3.0	2.7
Per cent of GDP	23.0	22.6	22.6	22.5	22.3

Total revenue and total taxation revenue both remain a relatively constant share of GDP over the Budget and forward years. This is broadly consistent with historical outcomes. Further analysis of revenue as a proportion of GDP is provided in *Budget Paper No. 5*.

### VARIATIONS IN REVENUE ESTIMATES

Table 2 is a reconciliation of this Budget's revenue estimates with those at the 2001-02 Budget and the 2001-02 MYEFO, in terms of both policy decisions and economic parameter and other variations.

<sup>1</sup> All revenue estimates in this Statement are reported on an accrual basis unless otherwise specified. (Revenue estimates on a cash basis can be found in Box 1 and Appendix E.) The revenue estimates exclude GST revenue, which is collected by the Commonwealth and provided in full to the States and Territories. A discussion of GST revenue can be found in *Budget Paper No. 3*.

**Table 2: Reconciliation of total Commonwealth general government revenue estimates from 2001-02 Budget to 2002-03 Budget<sup>(a)</sup> (accrual basis)**

	2001-02 \$m	2002-03 \$m	2003-04 \$m	2004-05 \$m
<b>Revenue at 2001-02 Budget</b>	<b>158,840</b>	<b>164,903</b>	<b>175,548</b>	<b>185,657</b>
<b>Changes from 2001-02 Budget to MYEFO</b>				
Effect of policy decisions	-56	-67	-319	-275
Effect of economic parameter and other variations	1,923	1,421	468	-113
<b>Total variations</b>	<b>1,867</b>	<b>1,354</b>	<b>149</b>	<b>-388</b>
<b>Revenue at 2001-02 MYEFO</b>	<b>160,706</b>	<b>166,257</b>	<b>175,698</b>	<b>185,268</b>
<b>Changes from MYEFO to 2002-03 Budget</b>				
Effect of policy decisions	0	511	819	729
Effect of economic parameter and other variations	2,455	2,878	3,037	3,392
<b>Total variations</b>	<b>2,455</b>	<b>3,389</b>	<b>3,857</b>	<b>4,122</b>
<b>Revenue at 2002-03 Budget</b>	<b>163,161</b>	<b>169,646</b>	<b>179,555</b>	<b>189,390</b>

(a) The changes in the revenue estimates for 2001-02 and 2002-03 since the 2001-02 MYEFO are summarised by head of revenue at Appendix A.

## Total revenue in 2001-02

Since MYEFO, estimated total Commonwealth general government revenue has been revised up in 2001-02 by around \$2.5 billion, largely due to growth in income tax revenue from small unincorporated businesses, primary producers and companies, and growth in indirect tax revenues. These increases are expected to be partly offset by lower collections of superannuation contributions, higher than anticipated refunds to individuals and lower income tax on property income.

Abstracting from accounting reclassification and reporting issues for gross income tax withholding (ITW) in this Budget (refer to page 5-11), the gross ITW revenue estimate for 2001-02 is broadly unchanged from MYEFO, reflecting stronger growth in employment and tax collections, offset by weaker than anticipated wages growth.

Notwithstanding the upward revision to total revenue in accrual terms, underlying total cash revenue (abstracting from accounting classification changes) has only been revised up slightly, by \$46 million. Underlying cash taxation revenue has been revised downwards by \$442 million since MYEFO. This represents the difference between when a liability is recognised (for example, by the issue of an assessment) and when it is paid. Non-taxation receipts are estimated to be \$488 million higher in 2001-02.

## Total revenue in 2002-03 and the forward years

Since MYEFO, estimated total revenue has been revised up in 2002-03 by around \$3.4 billion, and the forward years have also been revised up. As for 2001-02, growth is expected in income tax revenue from small unincorporated businesses, primary

producers, and companies, and growth in indirect tax revenue. In addition, higher expected employment is anticipated to result in stronger gross ITW revenue. The estimate for non-taxation revenue has also been revised up since MYEFO.

## **Policy decisions**

Policy decisions taken since MYEFO (a description of these decisions is provided in *Budget Paper No. 2*) are expected to increase revenue by around \$500 million in 2002-03 and \$800 million in 2003-04. The major policy decisions that increase revenue over the four year period 2002-03 to 2005-06 include:

- additional funding for the Australian Taxation Office, as agreed by an independent pricing review, which will improve its tax administration functions and is expected to result in increased taxation revenue of \$1.5 billion; and
- an updated timetable for the next phase of business tax reform, resulting in a net increase in revenue of \$540 million — this includes the deferral of several measures, including the provision of franking credits for foreign dividend withholding tax and foreign income accounts, and a revised timetable for the remaining reforms to the taxation of financial arrangements and the introduction of the Tax Value Method.

These additional revenues are partially offset by<sup>2</sup>:

- a national excise scheme for low alcohol beer, at a cost to revenue of \$276 million, to replace a range of existing State subsidies with a nationally uniform and administratively efficient concession in the rate of excise on low alcohol beer;
- an increase in the Medicare levy low income threshold to \$14,539 for individuals and \$24,534 for families, with an associated increase in the additional threshold for each dependant child or student to \$2,253, at a cost to revenue of \$107 million; and
- implementation of the Government's superannuation election commitment, *A Better Superannuation System*, at a cost to revenue of \$34 million, incorporating several measures, including the introduction of a generous Government co-contribution to replace the existing rebate, and a reduction in the superannuation and termination payment surcharge rates by one tenth of their current levels in each of the next three income years.

---

<sup>2</sup> Costings are provided for the four year period 2002-03 to 2005-06.

## **Parameter and other variations**

The revenue estimate for 2001-02 has been revised up by around \$2.5 billion since MYEFO due to revisions to economic parameters and other variations. The main variations that increase the revenue estimates are:

- an increase in total individuals and other withholding tax revenue of around \$0.6 billion, as a result of a change in the accounting treatment of the Family Tax Benefit and Private Health Insurance Rebate (refer to page 5-11) — this increase in revenue is offset by an increase in expenses, and therefore has no impact on the fiscal balance;
- higher than expected growth in income tax revenue from small unincorporated businesses and primary producers, partially offset by weaker property income, of around \$1.2 billion;
- an upward revision to company tax of around \$400 million, due to an increase in the expected level of company tax liabilities (Box 1); and
- higher than anticipated indirect tax collections, including increases in revenue from tobacco (\$225 million), alcohol (\$55 million), diesel (\$130 million) and customs duty (\$120 million).

These upward variations in the estimates are partially offset by:

- lower than anticipated collections of superannuation contributions of around \$280 million; and
- higher than anticipated refunds to individuals of around \$180 million (abstracting from the change in the accounting treatment of the Family Tax Benefit and Private Health Insurance Rebate).

The higher tobacco revenue may reflect, in part, increased enforcement activity, together with significantly increased penalties introduced in 2000-01, which have limited the size of illicit sales of tobacco, thereby tending to strengthen tobacco excise revenue.

In 2002-03, economic parameter and other variations have revised revenue estimates upwards by around \$2.9 billion since MYEFO. This is driven by higher estimates of:

- gross other individuals revenue, reflecting expectations of continued strong growth in small unincorporated business and primary producer incomes in 2002-03, partly offset by continuing weaker growth in property income;
- gross income tax withholding revenue, reflecting stronger expected employment growth;
- company tax revenue, reflecting stronger expected company profits; and

- indirect taxes, reflecting stronger expected diesel consumption.

These upward revisions to revenue are partly offset by a lower estimate for superannuation contributions and earnings in 2002-03, following lower collections in 2001-02.

### Box 1: Accrual and cash taxation revenue estimates

A comparison of taxation revenue on both an accrual and a cash basis is provided in the table below.

#### Total taxation revenue on an accrual and cash basis

	2001-02	2002-03	2003-04	2004-05	2005-06
	\$b	\$b	\$b	\$b	\$b
Tax revenue (accrual)	150.8	<b>158.5</b>	168.6	178.0	187.6
Tax receipts (cash)	148.8	<b>157.7</b>	167.3	176.7	186.4
Difference (accrual less cash)	1.9	<b>0.7</b>	1.3	1.3	1.2
<i>Memorandum items:</i>					
PAYG deferrals	-1.0	<b>-1.2</b>	-0.4	-0.3	-0.3
ACIS	0.4	<b>0.4</b>	0.4	0.4	0.3
Other	2.5	<b>1.6</b>	1.3	1.3	1.3

Accrual estimates are prepared using the *Tax Liability Method (TLM)* of revenue recognition. Under TLM, 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 Australian Tax Office or the Australian Customs Service. This method retains some elements of cash revenue recognition, for example, when a cash payment occurs prior to an assessment being raised.

Compared with the MYEFO estimates, taxation revenue in 2001-02 has increased in accrual terms, but cash taxation receipts have fallen in underlying terms. Accrual taxation revenue typically grows faster than cash taxation revenue when nominal economic growth is accelerating. This is because the liability is usually recognised earlier than the payment. Underlying growth in taxation revenue recognised, but not received, leads to accrual revenue being \$2.5 billion more than cash taxation revenue in 2001-02, and \$1.6 billion in 2002-03.

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

#### **PAYG deferrals**

The new PAYG arrangements for companies and superannuation funds seek to better align tax payments with the period in which income is earned. However, this 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 payment arrangements, both arose during 2000-01. For a medium-sized company, for example, there would have been six payments due, instead of the usual four.

**Box 1: Accrual and cash taxation revenue estimates (continued)**

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 over the following 2½ to 5 years. While the full amount of the tax obligations was reflected in the accrual revenues for 2000-01, reflecting the year in which the liabilities were assessed, the cash estimates will continue to be affected for the 5 year period, reflecting when the deferred tax payments will be received.

The impact of these PAYG deferrals has been to increase the cash taxation revenue estimates by around \$1.0 billion in 2001-02 and \$1.2 billion in 2002-03, while the deferrals have no impact on the accrual estimates in any year.

***Automotive Competitiveness and Investment Scheme (ACIS)***

ACIS will operate from 2001 to 2005, providing customs duty credits for the automotive industry in two separate packages for car assemblers and component firms, toolmakers, and design and engineering firms.

An increase in the level of ACIS credits recognised has resulted in an increase in the difference between the accrual and cash estimates for customs duty revenue. ACIS credits now account for around \$400 million of the difference in both 2001-02 and 2002-03.



## Part II: Estimates of revenue

### DETAILED REVENUE ESTIMATES

A comparison of revenue estimates, by head of revenue for 2001-02 and 2002-03, is provided in Table 3.

**Table 3: Commonwealth general government revenue (accrual basis)**

	2001-02	2002-03	Change on 2001-02	
	Estimate \$m	Estimate \$m	\$m	%
<b>Taxation revenue</b>				
Income tax				
Individuals and other withholding tax(a)				
Gross income tax withholding(b)	80,940	86,950	6,010	7.4
Gross other individuals	16,725	16,651	-74	-0.4
less: Refunds	10,350	10,570	220	2.1
Total individuals and other withholding tax	87,315	93,031	5,716	6.5
Companies	27,480	28,400	920	3.3
Superannuation funds				
Contributions and earnings	3,460	3,840	380	11.0
Superannuation surcharge	820	820	0	0.0
Total Superannuation funds	4,280	4,660	380	8.9
Petroleum resource rent tax	1,360	1,520	160	11.8
<b>Total income tax</b>	<b>120,435</b>	<b>127,611</b>	<b>7,176</b>	<b>6.0</b>
Indirect tax				
Excise duty				
Petroleum products and crude oil	12,690	12,840	150	1.2
Other excise	6,810	6,910	100	1.5
Total excise duty	19,500	19,750	250	1.3
Customs duty	5,004	5,094	90	1.8
Other indirect taxes(c)	760	870	110	14.5
<b>Total indirect tax</b>	<b>25,264</b>	<b>25,714</b>	<b>450</b>	<b>1.8</b>
Fringe benefits tax(d)	3,630	3,640	10	0.3
Agricultural levies	526	534	7	1.4
Other taxes	900	974	74	8.3
<b>Total tax revenue</b>	<b>150,756</b>	<b>158,473</b>	<b>7,717</b>	<b>5.1</b>
Non-tax revenue	12,406	11,173	-1,232	-9.9
<b>Total revenue</b>	<b>163,161</b>	<b>169,646</b>	<b>6,485</b>	<b>4.0</b>

(a) Includes Medicare levy revenue.

(b) Previously reported as Pay As You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australian Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.

(c) Includes the wine equalisation tax, luxury car tax and the final wholesale sales tax liability.

(d) Consistent with GFS reporting standards, excludes fringe benefits tax collected from Commonwealth government agencies (estimated at \$280 million in 2001-02 and \$290 million in 2002-03).

In 2002-03, total revenue is expected to increase by \$6.5 billion, of which taxation revenue is expected to increase by \$7.7 billion and non-tax revenue is expected to decrease by \$1.2 billion. The major contributors to the increase in taxation revenue are a \$6.0 billion increase in gross income tax withholding revenue, a \$0.9 billion increase in company tax revenue, a \$0.5 billion increase in indirect tax revenue and a \$0.4 billion increase in superannuation funds tax revenue.

The Budget revenue estimates are strongly influenced by forecast growth and the expected composition of economic activity. The 2002-03 revenue estimates are based on the following major economic assumptions:

- growth in nominal GDP of around 5¾ per cent (revenue tends to be more sensitive to growth in nominal GDP than to growth in real GDP);
- average earnings growth of around 3¾ per cent, excluding the impact of a higher Superannuation Guarantee Charge;
- growth in wage and salary related employment of around 1¾ per cent; and
- growth in company income of around 7¾ per cent.

An analysis of the sensitivity of the revenue estimates to changes in the major economic parameters is provided in *Budget Statement 9*.

## TAXATION REVENUE

### Individuals and other withholding tax

Revenue estimates for 2001-02 and 2002-03 are provided in Table 4 for the various categories of individuals and other withholding tax.

**Table 4: Individuals and other withholding tax (accrual basis)**

	2001-02	2002-03	Change on 2001-02	
	Estimate	Estimate		
	\$m	\$m	\$m	%
Individuals and other withholding tax				
Gross income tax withholding(a)	80,940	86,950	6,010	7.4
Gross other individuals	16,725	16,651	-74	-0.4
less: Refunds	10,350	10,570	220	2.1
<b>Total individuals and other withholding tax</b>	<b>87,315</b>	<b>93,031</b>	<b>5,716</b>	<b>6.5</b>
<i>Includes Medicare levy revenue of:</i>	4,970	5,185	215	4.3

(a) Previously reported as Pay As You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australian Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.

The accounting treatment of the Family Tax Benefit and Private Health Insurance Rebate has been revised in this Budget. These programmes previously consisted of expense and tax components. From this Budget, the tax components have been reclassified as expenses, consistent with payments made under the same programme through other delivery mechanisms. This results in an increase of around \$0.6 billion in both revenues and expenses, with no net consequence for the fiscal balance. These revenue effects are included in the estimates for each of the revenue heads.

### ***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 applicable Medicare levy revenue. The bulk of gross ITW revenue arises from tax withheld from wage and salary income.

From 1 July 2000, several income withholding arrangements were replaced by the ITW system as part of *The New Tax System*. These included the former Pay As You Earn (PAYE) system, Prescribed Payments System (PPS) and Reportable Payments System (RPS).

Gross ITW also includes all other withholding taxes levied on natural resource payments, dividends, interest and royalties paid to non-residents and amounts withheld because no Tax File Number or Australian Business Number was quoted. These taxes are not separately identified from other PAYG revenues. Previously, some of these other withholding taxes were separately estimated under company and other income tax. Consequently, the gross ITW estimates from 2001-02 include around \$2.0 billion in revenue which would previously have been reported in company and other related income taxes.

The obligation to withhold taxes arises when an individual or an entity makes a payment from which an amount must be withheld. This is usually in the form of wages or salaries, but also includes alienated personal services payments and non-cash benefits where a cash benefit would have given rise to a withholding obligation.

Gross ITW revenue is expected to increase by \$6.0 billion (more than 7 per cent) in 2002-03. This is broadly consistent with the combined effect of growth in wages and employment.

### ***Gross other individuals***

Gross other individuals revenue 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 (that is, where tax credits are insufficient to meet the tax liability on assessment).

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

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

Most gross other individuals revenue is collected directly from the taxpayer through the PAYG instalment system. Individuals who are registered for the goods and services tax (GST) and individuals with tax liabilities of \$8,000 or more will generally make quarterly payments. Individuals who are not registered for the GST and have liabilities of less than \$8,000 have the choice of making quarterly payments or an annual payment.

Most tax payments formerly made under the PPS or RPS are now reported under gross other individuals revenue, with the remainder reported under gross ITW.

Gross other individuals revenue is expected to decrease slightly in 2002-03, by around \$75 million, because under *The New Tax System* the payment date for annual instalments is deferred from April 2003 to October 2003. Accordingly, taxpayers in this category will not make a tax instalment payment in 2002-03, affecting tax payments which would otherwise contribute around \$1.0 billion to gross other individuals revenue.

Abstracting from this instalment timing issue, revenue is expected to grow as a result of continuing growth in income for small unincorporated businesses and primary producers, partly offset by slightly weaker growth in property income.

### ***Individual income tax refunds***

A final assessment of the tax liabilities of individual taxpayers is made on the basis of returns lodged after the end of each financial year. Refunds are made where tax credits exceed the final assessment. Where tax credits are insufficient to meet the final tax liability, taxpayers make an additional payment (debit assessments), which is recorded under the gross other individuals income tax category.

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

Refunds to individuals are expected to increase by only 2 per cent in 2002-03 to around \$10.6 billion, compared with growth of about 6.5 per cent in total individuals and other

withholding tax. This is mostly as a result of the change in accounting classification of the Family Tax Benefit and Private Health Insurance Rebate, but also due in part to continuing flow on effects from the substantial personal income tax cuts implemented on 1 July 2000.

### ***Medicare levy***

Revenue from the Medicare levy is expected to increase by about 4 per cent to around \$5.2 billion in 2002-03. This reflects higher growth in the wages and employment of individuals, partially offset by increases in the low income thresholds (more details are provided in *Budget Paper No. 2*). These increases in the thresholds reflect movement in the CPI, and are expected to reduce revenue by approximately \$40 million. In Table 4, Medicare levy revenue is included in the estimates of gross ITW, gross other individuals and refunds.

### **Company and other related income tax**

Revenue estimates for 2001-02 and 2002-03 are provided in Table 5 for company and other related income tax categories.

**Table 5: Company and other related income tax (accrual basis)**

	2001-02	2002-03	Change on 2001-02	
	Estimate	Estimate	\$m	%
	\$m	\$m		
Companies	27,480	28,400	920	3.3
Superannuation funds				
Contributions and earnings	3,460	3,840	380	11.0
Surcharge	820	820	0	0.0
Total superannuation funds	4,280	4,660	380	8.9
Petroleum resource rent tax	1,360	1,520	160	11.8
<b>Total</b>	<b>33,120</b>	<b>34,580</b>	<b>1,460</b>	<b>4.4</b>

### ***Company income tax***

Company income tax includes all income taxes paid by companies, where companies include incorporated and unincorporated associations, limited partnerships and some public unit trusts. Company tax has been collected through the Pay As You Go (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 pay tax through four quarterly instalment payments and a balancing payment, although some small companies are able to pay an annual instalment.

The introduction of the PAYG instalment system resulted in a bring forward of company tax payments, better aligning tax payments with the period in which the taxable income was earned. As a transitional measure, the Government allowed

companies to defer some liabilities from the old company tax instalment system for up to five years (Box 1). The cash estimates for the forward years reflect the expected receipt of these deferred payments (Appendix E).

In the 2001-02 income year, the company tax rate was reduced to 30 per cent from 34 per cent. Concessional rates also apply to certain income of life insurance companies, registered organisations, pooled development funds, small credit unions and offshore banking units.

Company tax revenue is expected to increase in 2002-03 by around \$0.9 billion, or about 3 per cent. This is largely attributable to expected growth in company income, resulting from a stronger outlook for the domestic and world economies.

### ***Superannuation funds tax***

Like companies, superannuation funds are taxed through the PAYG instalment system, but at a concessional rate of 15 per cent in relation to taxable contributions received and investment income, and 10 per cent on capital gains. Superannuation funds were also allowed to defer some liabilities from the old company tax instalment system for up to five years (Box 1).

Superannuation tax on contributions and investment income is expected to increase by around \$0.4 billion in 2002-03, or about 11 per cent. This is driven by strong expected growth in both contributions and earnings.

Superannuation surcharge is also collected from superannuation funds. A surcharge of up to 15 per cent is levied on the surchargeable contributions of members with high incomes. Revenue from the superannuation surcharge is expected to remain unchanged in 2002-03, due to earlier payments of surcharge tax in 2001-02.

From 2002-03, the Government will reduce the rate of surcharge in three annual steps to a maximum of 10.5 per cent by 2004-05. This is expected to reduce the estimate in 2003-04 by \$50 million (more details are provided in *Budget Paper No. 2*).

### ***Petroleum resource rent tax***

Petroleum resource rent tax (PRRT)<sup>3</sup> is levied on taxable profits in respect of offshore petroleum projects other than the North West Shelf production and associated exploration areas which are subject to excise (included in excise on crude oil) and petroleum royalties (included in non-tax revenue). PRRT is levied at a rate of 40 per cent of taxable profit and the amount paid is deductible from a company's total profit when determining company tax liability.

PRRT revenue is expected to increase by \$160 million or 12 per cent in 2002-03. This is primarily due to the expectation that fewer exploration related deductions will be

---

3 PRRT is levied under the Commonwealth's *Resource Rent Tax Assessment Act 1987*.

claimed. In addition, the increase reflects the effect of a higher world oil price, partially offset by a stronger exchange rate and an expected decrease in oil production. The world price of crude oil is assumed to be US\$21.29 per barrel in 2001-02 and US\$23.00 per barrel in 2002-03.

## Indirect tax

Revenue estimates for 2001-02 and 2002-03 are provided in Table 6 for the various categories of indirect taxation.

**Table 6: Indirect tax (accrual basis)**

	2001-02	2002-03	Change on 2001-02	
	Estimate	Estimate		
	\$m	\$m	\$m	%
Excise duty				
Petroleum products				
Petrol(a)	7,016	7,120	104	1.5
Diesel	5,175	5,310	135	2.6
Other(b)	119	120	1	0.8
Total petroleum products	12,310	12,550	240	1.9
Crude oil	380	290	-90	-23.7
Other excise				
Beer	1,650	1,610	-40	-2.4
Potable spirits	330	490	160	48.5
Tobacco products	4,830	4,810	-20	-0.4
Total other excise	6,810	6,910	100	1.5
<b>Total excise</b>	<b>19,500</b>	<b>19,750</b>	<b>250</b>	<b>1.3</b>
Customs duty(c)	5,004	5,094	90	1.8
Other indirect taxes				
Wine equalisation tax(d)	630	660	30	4.8
Luxury car tax	200	210	10	5.0
Wholesale sales tax(e)	-70	0	70	100.0
<b>Total other indirect taxes</b>	<b>760</b>	<b>870</b>	<b>110</b>	<b>14.5</b>
<b>Total</b>	<b>25,264</b>	<b>25,714</b>	<b>450</b>	<b>1.8</b>

(a) Includes unleaded petrol and lead replacement petrol.

(b) Includes aviation gasoline, aviation turbine fuel, fuel oil, heating oil and kerosene.

(c) Includes duties imposed on imported petroleum products, tobacco, beer and spirits, which are analogous to excise duty on these items.

(d) Estimates include the offsetting revenue effects of the WET rebate for cellar door and other sales.

(e) WST was abolished on 1 July 2000; however, final liabilities, net of refunds, were recognised in 2001-02.

## Excise

The major categories of excise duty revenue include petroleum products, crude oil, tobacco, and certain alcoholic beverages.

Petroleum products excise includes excise on motor spirit (petrol), diesel fuel, aviation gasoline, aviation turbine fuel, 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 replaces leaded petrol but is taxed at the unleaded petrol rate.
- All revenue from excise duty on aviation gasoline and aviation turbine fuel contributes to the funding of aviation programmes. The rates of excise (and customs duty) applying to aviation fuels are adjusted, as necessary, depending on the funding requirements of those programmes.

The estimate for excise from petroleum products in 2001-02 has increased since MYEFO by around \$100 million, largely reflecting stronger diesel excise collections. This is partially explained by more taxpayers, who are otherwise entitled to duty-free diesel for use overseas, choosing to pay full excise on all diesel purchased and subsequently claiming their rebate through the Diesel Fuel Rebate Scheme.

In 2002-03, revenue from excise on petroleum products is estimated to grow by \$240 million, reflecting higher estimated levels of petrol and diesel consumption. Growth in consumption of petrol and diesel in 2002-03 is expected to be 1.8 per cent and 2.0 per cent, respectively.

There are two sources of excise on crude oil<sup>4</sup>: production from offshore fields in the North West Shelf production licence areas which are not subject to PRRT; and production from onshore fields and fields in coastal waters. Excise on crude oil is levied on the sale price of the crude oil, and is the only excise not to be levied on a volumetric basis (where excise is applied per unit of quantity). Revenue is expected to be lower in 2002-03 by \$90 million due to lower anticipated levels of production.

Other excise is derived from beer, potable spirits and tobacco products. Excise is imposed:

- on a per stick basis for cigarettes and a per kilogram basis for other tobacco products;
- on the alcohol content of draught and packaged beer; and
- on the alcohol content of other products such as spirits, brandy and certain ready to drink beverages (RTDs).

Wine is exempt from excise, but is subject to the wine equalisation tax.

---

4 Crude oil excise is levied under the Commonwealth's *Petroleum Excise (Prices) Act 1987*.



Other excise revenue is estimated to grow by \$100 million in 2002-03, reflecting the full year impact of the reclassification of RTDs, partially offset by the introduction of the national excise scheme for low alcohol beer.

- Revenue from RTDs manufactured using imported spirits have been reported under excise duty rather than customs duty since February 2002. This results in an increase in excise revenue from 2001-02, fully offset by reductions in customs duty.
- The national excise scheme for low alcohol beer replaces a range of existing State subsidy schemes with a nationally uniform and administratively efficient concession in the rate of excise on low alcohol beer. It is costed at about \$70 million per year. The States and Territories have agreed to contribute to the cost of the scheme for as long as they receive Budget Balancing Assistance.

#### *Excise indexation*

The rates of duty for excisable commodities (with the exception of crude oil) have been adjusted each August and February in line with half yearly CPI movements. If the change in the CPI is negative, the excise rate is not reduced but instead the decline is carried forward to offset the next positive CPI movement.

Excise indexation for all petroleum products was removed in March 2001. Beer, spirits and tobacco excise rates continue to be indexed to half yearly CPI movements. Excise rates since 2 March 2001 are shown in Table 7.

**Table 7: Excise rates**

Commodity	Rates applying from 2 Mar 2001 \$	Rates applying from 4 Apr 2001 \$	Rates applying from 1 Aug 2001 \$	Rates applying from 1 Feb 2002 \$	Rates applying from 1 July 2002 \$
<b>Petroleum (per litre)</b>					
Unleaded petrol	0.38143	0.38143	0.38143	0.38143	0.38143
Diesel (gross)	0.38143	0.38143	0.38143	0.38143	0.38143
Aviation gasoline	0.02808	0.02808	0.02808	0.02808	0.02808
Aviation turbine fuel	0.02845	0.02845	0.02845	0.02845	0.02845
Fuel oil	0.07557	0.07557	0.07557	0.07557	0.07557
Heating oil	0.07557	0.07557	0.07557	0.07557	0.07557
Kerosene	0.07557	0.07557	0.07557	0.07557	0.07557
<b>Beer (per litre of alcohol over 1.15 per cent)</b>					
Draught beer, low strength	44.08	15.96	16.26	16.46	5.69
Draught beer, mid strength	37.42	17.33	17.66	17.87	17.87
Draught beer, high strength	32.22	22.68	23.11	23.39	23.39
Other beer, low strength	44.08	44.08	44.92	45.46	28.49
Other beer, mid strength	37.42	37.42	38.13	38.59	33.22
Other beer, high strength	32.22	32.22	32.83	33.22	33.22
<b>Potable spirits (per litre of alcohol)</b>					
Brandy	50.95	50.95	51.92	52.54	52.54
Ready to drink beverages (RTDs)	32.22	32.22	32.83	33.22	33.22
General rate for other spirits	54.56	54.56	55.60	56.27	56.27
Cigarettes (per stick)	0.20260	0.20260	0.20645	0.20893	0.20893
Tobacco products (per kg)	253.25	253.25	258.06	261.16	261.16

***Customs duty***

Customs duty is imposed either as a percentage of the value of the imported good or on a volumetric basis for excisable-like products (for example, dollars per litre).

Tariffs on passenger motor vehicles and textile, clothing and footwear account for around one-third of the total duty collected. A further one-third of customs duty revenue is duty imposed on imports of petroleum products, tobacco, beer and spirits, which is akin to excise duty on these items. The other dutiable goods currently attract a general tariff rate of 5 per cent.

Customs duty revenue in 2002-03 is forecast to grow by \$90 million, or around 2 per cent. This largely reflects higher demand for imports, partially offset by the change in reporting arrangements for ready to drink beverages.

***Other indirect taxes***

All grape wine, wine products, fruit and vegetable wine, cider, perry, mead and sake are subject to wine equalisation tax (WET). WET is levied at a rate of 29 per cent, with tax being paid on the wholesale value of the goods.

A luxury car tax (LCT) of 25 per cent applies to the GST exclusive price of a car above the LCT threshold (\$55,134).

## **Fringe benefits tax and other taxes**

### ***Fringe benefits tax***

Fringe benefits tax (FBT) is paid on those fringe benefits which are provided in place of, or in addition to, the salary and wages of employees. The term 'benefit' is broadly defined and includes any right (including property right), privilege, service or facility. FBT is payable by employers and is assessed on the value of the fringe benefits provided to employees or their associates. FBT is levied at 48.5 per cent on the grossed-up taxable value of benefits as calculated under the FBT rules. FBT instalments are paid by employers each quarter of the FBT year from April to March (on the Business Activity Statement), with a final balancing payment due in May together with lodgement of the FBT return.

FBT revenue is expected to increase modestly by \$10 million in 2002-03 (Table 3).

### ***Agricultural levies and other taxes***

Revenue estimates for 2001-02 and 2002-03 are provided in Table 8 for agricultural levies and other taxes.

**Table 8: Agricultural levies and other taxes (accrual basis)**

	2001-02	2002-03	Change on 2001-02	
	Estimate	Estimate		
	\$m	\$m	\$m	%
Agricultural levies				
Wool tax	56	56	0	0.0
Agricultural production taxes - domestic	467	474	7	1.5
Agricultural production taxes - export	3	3	0	0.0
Total agricultural levies	526	534	7	1.5
Other taxes				
Levies, other than agricultural	73	69	-4	-5.5
Broadcasting license fees	233	242	9	3.9
Other(a)	594	664	70	11.8
Total other taxes	900	974	74	13.2
<b>Total</b>	<b>1,426</b>	<b>1,508</b>	<b>82</b>	<b>5.8</b>

(a) Includes all other tax revenue collected by Commonwealth agencies.

Total agricultural levies and other tax revenue is estimated to increase by around 6 per cent in 2002-03. Of this, agricultural levies, non-agricultural levies and broadcasting licence fees are estimated to remain broadly unchanged.

The estimated increase of around 13 per cent in total other taxes is largely due to an increase in collections of the range of levies administered by the Department of

Transport and Regional Services, including the air passenger ticket levy and aircraft noise, stevedoring and marine navigation levies. This category also includes the Coalmining Long Service Leave Levy and Child Support fees and fines.

## NON-TAXATION REVENUE

Revenue estimates for 2001-02 and 2002-03 are provided in Table 9 for the various categories of non-taxation revenue.

**Table 9: Non-taxation revenue (accrual basis)**

	2001-02	2002-03	Change on 2001-02	
	Estimate	Estimate		
	\$m	\$m	\$m	%
Sales of goods and services	3,908	4,018	110	2.8
Interest			0	
Interest from other governments	243	233	-10	-4.1
Interest from other sources	980	957	-23	-2.3
Total interest	1,223	1,190	-33	-2.7
Dividends				
Dividends from associated entities	4,645	3,564	-1,081	-23.3
Dividends from other sources	114	31	-84	-72.8
Total dividends	4,760	3,595	-1,165	-24.5
Petroleum royalties	668	555	-113	-16.9
Other non-tax revenue(a)	1,847	1,816	-31	-1.7
<b>Total</b>	<b>12,406</b>	<b>11,173</b>	<b>-1,232</b>	<b>-9.9</b>

(a) Includes all other non-tax revenue collected by Commonwealth agencies.

### Sales of goods and services

This category consists of revenue from the direct provision of goods and services by the Commonwealth general government sector.

The increase of around 3 per cent for sales of goods and services in 2002-03 is largely due to expected increases in revenue from immigration fees, passenger movement charges and import entry charges, and increased revenue received from the States and Territories to meet the cost of administering the GST (more detail is provided in *Budget Paper No. 2*).

### Interest

#### *Interest from other Governments*

This category mainly consists of revenue from the States and Territories on General Purpose and Specific Purpose borrowings.

The Commonwealth 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 Commonwealth 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 Commonwealth each year to facilitate the redemption of all maturing Commonwealth securities issued on their behalf. The reduction in interest revenue from the States and Territories is matched by a reduction in public debt interest expenses.

The Commonwealth 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 Advances, and by the Australian Capital Territory on debts assumed upon self-government. Interest from the States on Specific Purpose borrowings will be lower in 2002-03 compared with 2001-02, reflecting the repayment of debt by the States in 2001-02.

Interest from other governments is expected to decrease in 2002-03, due to a reduction in the remaining stock of debt issued by the Commonwealth on behalf of the State and Territory governments.

### ***Interest from other sources***

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

### **Dividends**

The main sources of dividends are from the Commonwealth's Government 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.

Total dividends are projected to decrease by around 25 per cent in 2002-03, mainly due to lower dividends from the RBA.

### **Petroleum royalties**

Petroleum royalties are paid by producers operating in the North-West Shelf oil and gas fields off Western Australia.

These royalties are expected to decrease by around 17 per cent in 2002-03, due to lower levels of petroleum production partially offset by a forecast increase in world oil prices. A substantial proportion of these royalties is paid to the Government of Western Australia.

### **Other sources of non-tax revenue**

Other non-tax revenue includes Child Support Trust Revenue (collected by the Child Support Agency) and revenue from Higher Education Contribution Scheme (HECS) student loans and seigniorage from circulation coin production.

Other non-tax revenue is expected to decline by around 2 per cent in 2002-03, mainly reflecting reductions in seigniorage and revenue from outstanding HECS debts owed to the Commonwealth.

## Appendix A: Changes in revenue since MYEFO

**Table A1: Reconciliation of 2001-02 revenue estimates (accrual basis)**

	2001-02			
	MYEFO \$m	Budget \$m	Change on MYEFO \$m	Change on MYEFO %
<b>Taxation revenue</b>				
Income tax				
Individuals and other withholding tax(a)				
Gross income tax withholding(b)	80,980	80,940	-40	0.0
Gross other individuals	15,510	16,725	1,215	7.8
less: Refunds	10,700	10,350	-350	-3.3
Total individuals and other withholding tax	85,790	87,315	1,525	1.8
Companies	27,085	27,480	395	1.5
Superannuation funds(c)	4,560	4,280	-280	-6.1
Petroleum resource rent tax	1,450	1,360	-90	-6.2
<b>Total income tax</b>	<b>118,885</b>	<b>120,435</b>	<b>1,550</b>	<b>1.3</b>
Indirect tax				
Excise duty				
Petroleum products and crude oil	12,590	12,690	100	0.8
Other excise	6,460	6,810	350	5.4
Total excise duty	19,050	19,500	450	2.4
Customs duty	4,885	5,004	118	2.4
Other indirect taxes(d)	740	760	20	2.7
<b>Total indirect tax</b>	<b>24,675</b>	<b>25,264</b>	<b>588</b>	<b>2.4</b>
Fringe benefits tax(e)	3,440	3,630	190	5.5
Agricultural levies	528	526	-2	-0.3
Other taxes	895	900	4	0.5
<b>Total tax revenue</b>	<b>148,424</b>	<b>150,756</b>	<b>2,332</b>	<b>1.6</b>
Non-tax revenue	12,283	12,406	123	1.0
<b>Total revenue</b>	<b>160,706</b>	<b>163,161</b>	<b>2,455</b>	<b>1.5</b>

(a) Includes Medicare levy revenue.

(b) Previously reported as Pay As You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australian Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.

(c) Includes tax on contributions, earnings and the contributions surcharge.

(d) Includes the wine equalisation tax, luxury car tax and the final wholesale sales tax liability.

(e) Consistent with GFS reporting standards, excludes fringe benefits tax collected from Commonwealth government agencies (estimated at \$280 million in 2001-02).

**Table A2: Reconciliation of 2002-03 revenue estimates (accrual basis)**

	2002-03			
	MYEFO \$m	Budget \$m	Change on MYEFO \$m	Change on MYEFO %
<b>Taxation revenue</b>				
Income tax				
Individuals and other withholding tax(a)				
Gross income tax withholding(b)	86,450	86,950	500	0.6
Gross other individuals	15,440	16,651	1,211	7.8
less: Refunds	11,090	10,570	-520	-4.7
Total individuals and other withholding tax	90,800	93,031	2,231	2.5
Companies	27,965	28,400	435	1.6
Superannuation funds(c)	4,860	4,660	-200	-4.1
Petroleum resource rent tax	1,480	1,520	40	2.7
<b>Total income tax</b>	<b>125,105</b>	<b>127,611</b>	<b>2,506</b>	<b>2.0</b>
Indirect tax				
Excise duty				
Petroleum products and crude oil	12,730	12,840	110	0.9
Other excise	6,510	6,910	400	6.1
Total excise duty	19,240	19,750	510	2.7
Customs duty	5,261	5,094	-167	-3.2
Other indirect taxes(d)	853	870	17	2.0
<b>Total indirect tax</b>	<b>25,354</b>	<b>25,714</b>	<b>360</b>	<b>1.4</b>
Fringe benefits tax(e)	3,560	3,640	80	2.2
Agricultural levies	527	534	7	1.4
Other taxes	936	974	38	4.1
<b>Total tax revenue</b>	<b>155,482</b>	<b>158,473</b>	<b>2,991</b>	<b>1.9</b>
Non-tax revenue	10,776	11,173	398	3.7
<b>Total revenue</b>	<b>166,257</b>	<b>169,646</b>	<b>3,389</b>	<b>2.0</b>

(a) Includes Medicare levy revenue.

(b) Previously reported as Pay As You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australian Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.

(c) Includes tax on contributions, earnings and the contributions surcharge.

(d) Includes the wine equalisation tax, luxury car tax and the final wholesale sales tax liability.

(e) Consistent with GFS reporting standards, excludes fringe benefits tax collected from Commonwealth government agencies (estimated at \$290 million in 2002-03).



## Appendix B: Forward estimates of revenue

**Table B1: Commonwealth revenue (accrual basis)**

	2000-01 Actual \$m	2001-02 Estimate \$m	2002-03 Estimate \$m	2003-04 Projection \$m	2004-05 Projection \$m	2005-06 Projection \$m
<b>Tax revenue</b>						
Income tax						
Individuals and other withholding(a)						
Gross income tax withholding(b)	75,614	80,940	86,950	93,020	99,670	106,580
Gross other individuals	13,426	16,725	16,651	18,657	19,940	21,113
less: Refunds	10,989	10,350	10,570	11,430	12,610	13,480
Total individuals and other withholding	78,051	87,315	93,031	100,247	107,000	114,213
Companies	35,136	27,480	28,400	30,270	32,280	33,870
Superannuation funds						
Contributions and earnings	4,652	3,460	3,840	4,360	4,740	5,150
Surcharge	634	820	820	800	760	710
Total superannuation funds	5,286	4,280	4,660	5,160	5,500	5,860
Petroleum resource rent tax	2,388	1,360	1,520	1,250	980	810
<b>Total income tax</b>	<b>120,861</b>	<b>120,435</b>	<b>127,611</b>	<b>136,927</b>	<b>145,760</b>	<b>154,753</b>
Indirect tax						
Excise duty						
Petroleum products and crude oil	12,447	12,690	12,840	13,000	13,220	13,410
Other excise	6,572	6,810	6,910	7,010	7,100	7,200
Total excise duty	19,019	19,500	19,750	20,010	20,320	20,610
Customs duty	4,606	5,004	5,094	5,504	5,654	5,895
Other indirect taxes(c)	1,976	760	870	900	930	960
<b>Total indirect tax</b>	<b>25,601</b>	<b>25,264</b>	<b>25,714</b>	<b>26,414</b>	<b>26,904</b>	<b>27,465</b>
Fringe benefits tax(d)	3,456	3,630	3,640	3,720	3,840	3,970
Agricultural levies	451	526	534	537	541	541
Other taxes	788	900	974	998	993	894
<b>Total tax revenue</b>	<b>151,156</b>	<b>150,756</b>	<b>158,473</b>	<b>168,596</b>	<b>178,038</b>	<b>187,622</b>
Non-tax revenue						
Interest received	1,105	1,223	1,190	1,386	2,012	2,778
Dividends and other	9,264	11,183	9,984	9,573	9,340	8,941
<b>Total non-tax revenue</b>	<b>10,369</b>	<b>12,406</b>	<b>11,173</b>	<b>10,959</b>	<b>11,352</b>	<b>11,718</b>
<b>Total revenue</b>	<b>161,526</b>	<b>163,161</b>	<b>169,646</b>	<b>179,555</b>	<b>189,390</b>	<b>199,341</b>

(a) Includes Medicare levy revenue.

(b) Previously reported as Pay As You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australian Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.

(c) Includes the wine equalisation tax, luxury car tax and the final wholesale sales tax liability.

(d) Consistent with GFS reporting standards, excludes fringe benefits tax collected from Commonwealth government agencies (estimated at \$280 million in 2001-02 and \$290 million in 2002-03).

**Table B2: Commonwealth receipts (cash basis)**

	2000-01 Actual \$m	2001-02 Estimate \$m	2002-03 Estimate \$m	2003-04 Projection \$m	2004-05 Projection \$m	2005-06 Projection \$m
<b>Tax receipts</b>						
Income tax						
Individuals and other withholding(a)						
Gross income tax withholding(b)	75,009	80,290	86,480	92,830	99,480	106,390
Gross other individuals	13,226	16,215	16,241	18,247	19,530	20,703
/ess: Refunds	10,989	10,350	10,570	11,430	12,610	13,480
Total individuals and other withholding	77,246	86,155	92,151	99,647	106,400	113,613
Companies	31,582	27,100	28,860	30,010	32,000	33,590
Superannuation funds						
Contributions and earnings	4,110	3,650	4,010	4,380	4,760	5,170
Surcharge	690	810	810	790	750	700
Total superannuation funds	4,800	4,460	4,820	5,170	5,510	5,870
Petroleum resource rent tax	2,379	1,360	1,520	1,250	980	810
<b>Total income tax</b>	<b>116,006</b>	<b>119,075</b>	<b>127,351</b>	<b>136,077</b>	<b>144,890</b>	<b>153,883</b>
Indirect tax						
Excise duty						
Petroleum products and crude oil	12,445	12,690	12,840	13,000	13,220	13,410
Other excise	6,572	6,810	6,910	7,010	7,100	7,200
Total excise duty	19,017	19,500	19,750	20,010	20,320	20,610
Customs duty	4,584	4,600	4,690	5,100	5,250	5,580
Other indirect taxes(c)	1,929	780	870	900	930	960
<b>Total indirect tax</b>	<b>25,530</b>	<b>24,880</b>	<b>25,310</b>	<b>26,010</b>	<b>26,500</b>	<b>27,150</b>
Fringe benefits tax(d)	3,207	3,410	3,570	3,690	3,810	3,940
Agricultural levies	451	526	534	537	541	541
Other taxes	862	939	968	988	985	885
<b>Total tax receipts</b>	<b>146,056</b>	<b>148,830</b>	<b>157,733</b>	<b>167,302</b>	<b>176,726</b>	<b>186,398</b>
Non-tax receipts						
Interest received	1,140	992	1,045	1,187	1,838	2,597
Dividends and other	13,651	14,174	13,532	12,699	12,197	11,454
<b>Total non-tax receipts</b>	<b>14,791</b>	<b>15,165</b>	<b>14,578</b>	<b>13,886</b>	<b>14,035</b>	<b>14,051</b>
<b>Total receipts</b>	<b>160,847</b>	<b>163,996</b>	<b>172,310</b>	<b>181,188</b>	<b>190,761</b>	<b>200,449</b>

(a) Includes Medicare levy receipts.

(b) Previously reported as Pay As You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australian Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.

(c) Includes the wine equalisation tax, luxury car tax and the final wholesale sales tax liability.

(d) Consistent with GFS reporting standards, excludes fringe benefits tax collected from Commonwealth government agencies (estimated at \$280 million in 2001-02 and \$290 million in 2002-03).

## Appendix C: Revenue measures

A summary of the revenue measures introduced since the MYEFO is provided in Table C1. A full description of all 2002-03 Budget revenue measures can be found in Part I of *Budget Paper No. 2*.

**Table C1: Revenue measures since the 2001-02 MYEFO<sup>(a)</sup> (accrual basis)**

	2002-03 \$m	2003-04 \$m	2004-05 \$m	2005-06 \$m
<b>Communications, Information Technology and the Arts</b>				
Changes to the Regional Equalisation Plan rebates	1.3	1.3	1.3	1.3
<b>Portfolio total</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>
<b>Education, Science and Training</b>				
Extension of the Postgraduate Education Loans Scheme	-	0.1	0.2	0.3
<b>Portfolio total</b>	<b>-</b>	<b>0.1</b>	<b>0.2</b>	<b>0.3</b>
<b>Foreign Affairs and Trade</b>				
Increase in the price of the Australian passport	4.5	4.3	4.3	4.3
New senior Australian passport	-1.5	-1.5	-1.5	-1.5
<b>Portfolio total</b>	<b>3.0</b>	<b>2.8</b>	<b>2.8</b>	<b>2.8</b>
<b>Immigration and Multicultural and Indigenous Affairs</b>				
Align the onshore and offshore Visa Application Charge for skilled points tested migration	7.2	7.4	7.5	7.7
Align the Resident Return Visa application charge with the Australian citizenship application fee	2.7	2.7	2.8	2.8
Increase in the permanent migrant intake	-0.6	-0.6	-0.6	-0.6
Second instalment Visa Application Charge for the Adult Australian Migrant English Programme for onshore applicants for permanent residence	0.9	1.8	1.8	1.9
<b>Portfolio total</b>	<b>10.2</b>	<b>11.3</b>	<b>11.5</b>	<b>11.8</b>
<b>Transport and Regional Services</b>				
Aviation war risk insurance - indemnities for Australian carriers, airports and service providers	*	*	*	*
<b>Portfolio total</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Treasury</b>				
<b>Income tax</b>				
12 month extension of the grouping rules	20.0	-50.0	-	-
<i>A Better Superannuation System -</i>				
allow temporary residents to access their superannuation after they have departed Australia	70.0	110.0	75.0	70.0
continuing superannuation contributions to age 75	..	..	..	..
higher fully deductible amount for superannuation contributions by self-employed persons	-	-10.0	-10.0	-10.0
quarterly Superannuation Guarantee contributions	-	35.0	5.0	6.0
reducing the Superannuation Surcharge rate	-	-50.0	-120.0	-200.0
reduction of the tax rate on excessive Eligible Termination Payments	-	-5.0	-5.0	-5.0

**Table C1: Revenue measures since the 2001-02 MYEFO<sup>(a)</sup> (accrual basis)  
(continued)**

	2002-03 \$m	2003-04 \$m	2004-05 \$m	2005-06 \$m
<b>Treasury (continued)</b>				
replacement of the rebate for personal superannuation contributions	-	10.0	10.0	10.0
splitting of superannuation contributions between couples	-	-3.0	-4.0	-4.0
superannuation for life: child accounts	-0.2	-0.6	-1.0	-1.5
superannuation from the Baby Bonus	-	-0.7	-1.9	-3.0
Amendment to the inter-corporate dividend rebate for unfranked dividends	-	-	-	-
ATO pricing review - additional revenue from enhanced ATO resources	330.0	345.0	405.0	420.0
Deductibility of certain gifts	*	*	*	*
Ensuring companies are able to access the same business test	*	*	*	*
Exemption from income tax for the language, literacy and numeracy supplement	-	-	-	-
Extended eligibility for the Senior Australians' Tax Offset	..	..	..	..
Implementing the next phase of business tax reform	-10.0	300.0	230.0	20.0
Increase in Medicare levy thresholds	-42.8	-21.4	-21.4	-21.4
Increase in the medical expenses offset threshold	-	17.0	18.0	19.0
Maintaining the benefit of the franked dividend rebate	-	-15.0	-40.0	-70.0
Remove taxation of financial instruments at point of conversion or exchange	-	-	-	-
Statutory effective life caps for certain classes of assets	*	*	*	*
Taxation of life insurance policyholders	-	-5.0	-5.0	-5.0
Taxation relief for demergers	*	*	*	*
<b>Indirect tax</b>				
Diesel/water emulsion relief from excise	..	..	..	..
Excise free treatment for non-recyclable oils and lubricants	-1.3	-1.3	-1.3	-1.3
Imposition of excise on higher of labelled or actual alcoholic strength	4.3	4.6	4.9	5.1
National excise scheme for low alcohol beer	-68.0	-69.0	-69.0	-70.0
<b>Non-tax revenue</b>				
Additional reimbursements from the States and Territories	184.5	201.8	218.2	235.8
Australian Securities and Investments Commission increased fees	7.5	8.4	22.9	22.9
Authorised deposit-taking institutions and insurance cost recovery	3.0	3.0	3.0	3.0
<b>Portfolio total</b>	<b>497.0</b>	<b>803.8</b>	<b>713.4</b>	<b>420.6</b>
<b>Total impact of revenue measures(b)</b>	<b>511.4</b>	<b>819.3</b>	<b>729.2</b>	<b>436.8</b>

\* The nature of the measure is such that a reliable estimate cannot be provided.

.. not zero, but rounded to zero

- nil

(a) A minus sign before an estimate indicates a reduction in revenue, no sign before an estimate indicates a gain to revenue.

(b) Measures may not add to total due to rounding.

**Table C2: Revenue measures up to the 2001-02 MYEFO<sup>(a)</sup> (accrual basis)**

	2002-03 \$m	2003-04 \$m	2004-05 \$m	2005-06 \$m
<b>Agriculture, Fisheries and Forestry</b>				
Reduction in Australian Quarantine Inspection Service export programme fees and charges	-29.8	-29.8	-29.8	-29.8
<b>Portfolio total</b>	<b>-29.8</b>	<b>-29.8</b>	<b>-29.8</b>	<b>-29.8</b>
<b>Employment, Workplace Relations and Small Business</b>				
Air passenger ticket levy	-	-	-	-
<b>Portfolio total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Industry, Science and Resources</b>				
Timor Sea arrangement	*	*	*	*
<b>Portfolio total</b>	<b>*</b>	<b>*</b>	<b>*</b>	<b>*</b>
<b>Transport and Regional Services</b>				
Air passenger ticket levy	98.4	98.4	98.4	98.4
<b>Portfolio total</b>	<b>98.4</b>	<b>98.4</b>	<b>98.4</b>	<b>98.4</b>
<b>Treasury</b>				
<b>Income Tax</b>				
Alienation of personal services income - the 'results test'	-	-	-	-
Alienation of personal services income - <i>de minimus</i> provisions for the 'results test'	-1.0	-1.0	-1.0	-1.0
Alienation of personal services income - treatment of commission agents	-35.0	-35.0	-35.0	-35.0
Amendment of income tax assessments to allow for repayments of assessable income	*	*	*	*
Amendment to non-commercial losses rules	-	-	-	-
Amendments to the double taxation convention between Australia and the United States	-10.0	-235.0	-190.0	-185.0
Amendments to the reform of the debt/equity borderline	*	*	*	*
Amendment to the taxation of expatriates resident in Australia	-	*	*	*
Amendments to the thin capitalisation regime	*	*	*	*
Broadening the exemption from Interest Withholding Tax (IWT)	-10.0	-10.0	-10.0	-10.0
Capital Gains Tax rollover relief for fixed trust to company restructures	*	*	*	*
Capital Gains Tax treatment of perpetual conservation covenants	-0.7	-0.7	-0.5	-
Deductibility of certain gifts	*	*	*	*
Deductibility of travel expenses	-	-	-	-
Deductions for certain conservation covenants	*	*	*	*
Exclusion from the Superannuation Guarantee for payments made to non-residents employed for the 2001 Goodwill Games in Brisbane	..	..	..	..
Extension of German forced labour compensation Capital Gains Tax exemption	*	*	*	*
Film industry package - refundable tax offset for large scale film production	-5.0	-35.0	-32.0	-43.0
Foreign bank tax liability extension	-	-	-	-
Fringe benefits reporting - exclusion of benefits associated with police force removals	*	*	*	*
Fringe benefits reporting - exclusion of travel between home and work in unmarked police vehicles	*	*	*	*

**Table C2: Revenue measures up to the 2000-01 MYEFO<sup>(a)</sup> (accrual basis)  
(continued)**

	2002-03 \$m	2003-04 \$m	2004-05 \$m	2005-06 \$m
<b>Treasury (continued)</b>				
General interest charge changes - 1 per cent reduction in the margin applied to the 90 day bank bill yield benchmark	-10.0	-10.0	-10.0	-10.0
General interest charge changes - replacing the 13 week Treasury Note yield benchmark	-1.0	-1.0	-1.0	-1.0
Giving co-operatives the option to frank dividend payments	-5.0	-10.0	-10.0	-10.0
HHH rescue package - Income Tax issues	-	-	-	-
Improving the integrity of dividend imputation for life insurance companies	nfp	nfp	nfp	nfp
Incentives to promote Australian venture capital investment by non-residents	-	-20.0	-20.0	-20.0
Income tax exemption of compensation for deployment allowance paid to Australian Defence Force (ADF) members	*	*	*	*
Income tax exemption of compensation for loss of pay and allowances paid to Australian Defence Force (ADF) Reserve personnel	*	*	*	*
Maintaining the existing definition of research and development and the existing treatment of trading stock and feedstock	*	*	*	*
Modification to the 175 per cent premium tax concession for research and development	-15.0	-15.0	-25.0	-25.0
Prepayment rule for forestry managed investments	-25.0	-5.0	-	-25.0
Streamlining of the crude oil excise regime	-19.0	-9.0	-7.0	-7.0
Tax exemption for structured settlement annuities	-1.4	-2.5	-3.6	-4.6
Timor Sea arrangements	*	*	*	*
Trading stock rules for oyster farmers	..	..	..	..
<b>Indirect tax</b>				
Abolition of fees for licences to manufacture excisable goods	-	-	-	-
Abolition of oils and lubricants excise indexation	-1.1	-1.8	-2.5	-3.3
<b>Non-tax revenue</b>				
Increased levy to support enhanced prudential supervision of superannuation	3.8	3.8	3.8	3.1
Small Business Assistance Package - capping of fees paid by small business to the Australian Securities and Investments Commission	-	-	-	-
<b>Portfolio total</b>	<b>-135.4</b>	<b>-387.2</b>	<b>-343.8</b>	<b>-376.8</b>
<b>Total impact of revenue measures(b)</b>	<b>-66.8</b>	<b>-318.6</b>	<b>-275.2</b>	<b>-308.2</b>

\* The nature of the measure is such that a reliable estimate cannot be provided.

.. not zero, but rounded to zero

- nil

(a) A minus sign before an estimate indicates a reduction in revenue, no sign before an estimate indicates a gain to revenue.

(b) Measures may not add to total due to rounding.

## Appendix D: Tax expenditures

This appendix contains a brief overview of the cost of tax concessions provided by the concessional tax treatment of specific activities and/or groups.

Tax concessions provide a benefit to a specified activity or class of taxpayer. Tax concessions can be delivered in a variety of ways, for example by a tax exemption, tax deduction, tax rebate, reduced tax rate or by deferring a tax liability. The Government can use tax concessions to allocate resources to different activities 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 tax concessions are generally called *tax expenditures*.

The data reported in this appendix are consistent with tax expenditure data reported in the *2001 Tax Expenditures Statement* published in December 2001. The Tax Expenditures Statement (TES) is an annual statement of Commonwealth tax expenditures.

Table D1 contains estimates of total tax expenditures for the period 1998-99 to 2005-06. There are several major considerations that need to be taken into account when analysing these data.

- These figures may understate the total cost of tax expenditures, as some identified tax expenditures have not been estimated due to a lack of data and the TES does not necessarily provide a comprehensive listing of all tax expenditures.
- Some caution should be exercised when using these tax expenditure estimates to measure the amount of tax revenue forgone. Tax expenditure estimates measure the benefit of the tax concession to the recipient, not the impact on the fiscal balance from the removal of that tax expenditure. The two might differ due to behavioural responses or for other reasons (see chapters 1.4 and 2.4 of the *2001 Tax Expenditures Statement*).
- Trends in aggregate tax expenditures over time will reflect both changes to the cost of individual tax expenditures and changes in the coverage of tax expenditures being costed.
- Tax expenditure aggregates are *net* aggregates as they include the offsetting effects of negative tax expenditures.
- Changes over time in methodology and data used to calculate the value of particular tax expenditures can result in large revisions to tax expenditure estimates. Therefore estimates that were provided in previous editions of the TES or in previous budgets may not be strictly comparable to figures reported here.

**Table D1: Aggregate tax expenditures 1998-99 to 2005-06**

Year	Superannuation	Other tax expenditures	Total	Tax expenditures as a proportion of GDP
	\$m	\$m	\$m	%
1998-99 (est)	9,510	16,243	25,753	4.4
1999-00 (est)	10,210	17,572	27,782	4.4
2000-01 (est)	9,065	20,520	29,585	4.4
2001-02 (proj)	9,485	19,787	29,272	4.1
<b>2002-03 (proj)</b>	<b>10,305</b>	<b>19,500</b>	<b>29,805</b>	<b>4.0</b>
2003-04 (proj)	11,225	19,537	30,762	3.9
2004-05 (proj)	11,875	20,260	32,135	3.8
2005-06 (proj)	12,900	20,864	33,764	3.8

Measured tax expenditures are projected to decline as a proportion of GDP from 4.4 per cent in 1998-99 to around 3.8 per cent in 2005-06. The largest single contributing factor to the decline in total measured tax expenditures is the removal of accelerated depreciation under *The New Business Tax System*.



## Appendix E: Cash revenue statistics and history

**Table E1: Commonwealth receipts (cash basis)<sup>(a)</sup>**

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02(b)	2002-03(b)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Tax receipts</b>												
Income tax												
Individuals and other withholding(c)												
Gross income tax withholding(d)	44,664	46,115	47,988	51,831	57,791	62,272	66,842	72,376	77,934	75,009	80,290	86,480
Gross other individuals	9,170	8,320	8,697	9,481	10,078	11,820	12,119	13,103	13,370	13,226	16,215	16,241
Gross PPS(e)	1,563	1,674	1,871	2,169	2,179	2,250	2,524	2,794	3,120	0	0	0
less: Refunds	7,771	7,833	7,103	7,931	8,285	8,808	9,525	10,325	10,946	10,989	10,350	10,570
Total individuals and other withholding	47,626	48,275	51,452	55,551	61,763	67,533	71,959	77,948	83,478	77,246	86,155	92,151
Companies	13,419	13,071	12,700	15,588	18,252	19,173	19,406	20,734	24,453	31,582	27,100	28,860
Superannuation funds												
Contributions and earnings	1,139	1,522	1,191	1,913	1,634	2,595	2,746	3,630	3,243	4,110	3,650	4,010
Surcharge	0	0	0	0	0	0	347	286	577	690	810	810
Total superannuation funds	1,139	1,522	1,191	1,913	1,634	2,595	3,093	3,916	3,820	4,800	4,460	4,820
Petroleum resource rent tax	876	1,389	1,072	865	791	1,308	907	419	1,184	2,379	1,360	1,520
<b>Total income tax</b>	<b>63,060</b>	<b>64,258</b>	<b>66,416</b>	<b>73,916</b>	<b>82,440</b>	<b>90,610</b>	<b>95,366</b>	<b>103,017</b>	<b>112,936</b>	<b>116,006</b>	<b>119,075</b>	<b>127,351</b>
Indirect tax(f)												
Excise duty												
Crude oil and LPG	64	116	62	27	13	9	16	31	219	526	380	290
Petroleum products(g)	7,093	7,200	8,499	9,406	10,224	10,543	10,895	10,974	11,189	11,919	12,310	12,550
Other excise	2,324	2,361	2,253	2,567	2,612	2,739	2,663	2,614	2,670	6,572	6,810	6,910
Total excise duty	9,482	9,677	10,814	12,001	12,849	13,291	13,574	13,619	14,078	19,017	19,500	19,750
Customs duty	3,299	3,331	3,226	3,474	3,124	3,289	3,637	3,634	3,771	4,584	4,600	4,690
Other indirect taxes(h)	9,113	9,252	10,414	11,624	12,955	13,308	14,085	15,162	15,532	1,929	780	870
<b>Total indirect tax</b>	<b>21,893</b>	<b>22,260</b>	<b>24,455</b>	<b>27,099</b>	<b>28,928</b>	<b>29,888</b>	<b>31,296</b>	<b>32,415</b>	<b>33,381</b>	<b>25,530</b>	<b>24,880</b>	<b>25,310</b>

**Table E1: Commonwealth receipts (cash basis)<sup>(a)</sup> (continued)**

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02(b)	2002-03(b)
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Fringe benefits tax(i)	1,327	1,344	1,417	2,740	3,031	3,163	3,168	3,289	3,373	3,207	3,410	3,570
Other taxes	1,690	1,572	1,736	1,933	1,988	2,154	2,390	2,383	1,005	1,312	1,465	1,501
<b>Total tax receipts</b>	<b>87,970</b>	<b>89,434</b>	<b>94,024</b>	<b>105,687</b>	<b>116,386</b>	<b>125,815</b>	<b>132,219</b>	<b>141,104</b>	<b>150,695</b>	<b>146,056</b>	<b>148,830</b>	<b>157,733</b>
Non-tax receipts												
Interest received	2,976	2,477	2,051	1,790	1,403	1,126	1,139	682	995	1,140	992	1,045
Dividends and other	2,563	3,150	4,671	2,952	3,899	4,089	3,610	4,659	14,138	13,651	14,174	13,532
<b>Total non-tax receipts</b>	<b>5,539</b>	<b>5,627</b>	<b>6,722</b>	<b>4,743</b>	<b>5,302</b>	<b>5,216</b>	<b>4,749</b>	<b>5,341</b>	<b>15,133</b>	<b>14,791</b>	<b>15,165</b>	<b>14,578</b>
<b>Total receipts</b>	<b>93,509</b>	<b>95,062</b>	<b>100,747</b>	<b>110,430</b>	<b>121,688</b>	<b>131,031</b>	<b>136,968</b>	<b>146,444</b>	<b>165,828</b>	<b>160,847</b>	<b>163,996</b>	<b>172,310</b>

(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 a Commonwealth general government GFS basis. As a result, the category 'Dividends and other' now includes many large items that were netted off payments in outcomes prior to 1999-2000, namely receipts from sales of goods and services, receipts from sales of non-financial assets and other receipts. From 2000-01, 'Dividends and other' also includes GST input credit receipts.

(b) Estimates.

(c) Presented on a basis inclusive of the Medicare levy.

(d) Previously reported as Pay as You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australian Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.

(e) PPS denotes Prescribed Payments System, which was replaced by the PAYG withholding system from 1 July 2000.

(f) These items are reported net of Revenue Replacement Payments (RRPs) to the States.

(g) Excludes the diesel fuel rebate offset to receipts, which is classified as an expense.

(h) This item includes wholesale sales tax, wine equalisation tax and luxury car tax.

(i) Consistent with GFS reporting standards, FBT is no longer classified as an income tax.

**Table E2: Major categories of receipts as a proportion of gross domestic product (cash basis)<sup>(a)</sup>**

	Taxation receipts												Non-taxation receipts				
	Income tax							Other taxation receipts					Total tax receipts	Interest	Dividends and other	Total non-tax receipts	Total receipts
	Gross ITW (b)	Gross other individuals	Refunds (c)	Companies	Super funds	PRRT	Total income tax(e)	Petroleum products (f)	Other excise (g)	Customs duty	FBT (h)	Total other tax(i)					
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
1991-92	11.0	2.3	1.9	3.3	0.3	0.2	15.5	1.8	0.6	0.8	0.3	6.1	21.7	0.7	0.6	1.4	23.0
1992-93	10.8	2.0	1.8	3.1	0.4	0.3	15.1	1.7	0.6	0.8	0.3	5.9	21.0	0.6	0.7	1.3	22.3
1993-94	10.7	1.9	1.6	2.8	0.3	0.2	14.9	1.9	0.5	0.7	0.3	6.2	21.1	0.5	1.0	1.5	22.6
1994-95	11.0	2.0	1.7	3.3	0.4	0.2	15.7	2.0	0.5	0.7	0.6	6.7	22.4	0.4	0.6	1.0	23.4
1995-96	11.5	2.0	1.6	3.6	0.3	0.2	16.4	2.0	0.5	0.6	0.6	6.8	23.1	0.3	0.8	1.1	24.2
1996-97	11.8	2.2	1.7	3.6	0.5	0.2	17.1	2.0	0.5	0.6	0.6	6.6	23.7	0.2	0.8	1.0	24.7
1997-98	11.9	2.2	1.7	3.5	0.6	0.2	17.0	1.9	0.5	0.6	0.6	6.6	23.6	0.2	0.6	0.8	24.4
1998-99	12.2	2.2	1.7	3.5	0.7	0.1	17.4	1.9	0.4	0.6	0.6	6.4	23.9	0.1	0.8	0.9	24.8
1999-00	12.4	2.1	1.7	3.9	0.6	0.2	17.9	1.8	0.4	0.6	0.5	6.0	23.9	0.2	2.2	2.4	26.4
2000-01	11.2	2.0	1.6	4.7	0.7	0.4	17.3	1.9	1.0	0.7	0.5	4.5	21.7	0.2	2.0	2.2	23.9
2001-02(j)	11.3	2.3	1.5	3.8	0.6	0.2	16.8	1.8	1.0	0.6	0.5	4.2	21.0	0.1	2.0	2.1	23.1
2002-03(j)	11.5	2.2	1.4	3.8	0.6	0.2	17.0	1.7	0.9	0.6	0.5	4.1	21.0	0.1	1.8	1.9	23.0

- (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 a Commonwealth general government GFS basis. As a result, the category 'Dividends and other' now includes many large items that were netted off payments in outcomes prior to 1999-2000, namely receipts from sales of goods and services, receipts from sales of non-financial assets and other receipts. From 2000-01, 'Dividends and other' also includes GST input credit receipts.
- (b) Previously reported as Pay as You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australian Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.
- (c) Refunds refers to refunds paid to individuals.
- (d) Petroleum Resource Rent Tax.
- (e) The total for 'income tax' also includes gross Prescribed Payments System receipts.
- (f) Includes crude oil and liquid petroleum gas (LPG) excise, but excludes the diesel fuel rebate offset to receipts, which is classified as an expense.
- (g) Other excise comprises excise from beer, potable spirits and tobacco.
- (h) Consistent with GFS reporting standards, FBT is no longer classified as an income tax.
- (i) The total for 'other taxation receipts' also includes wholesale sales tax, wine equalisation tax, luxury car tax, agricultural levies and other taxes.
- (j) Estimates.

**Table E3: Major categories of receipts as a proportion of total revenue (cash basis)<sup>(a)</sup>**

	Taxation receipts												Non-taxation receipts			
	Income tax						Other taxation receipts						Total tax receipts	Interest	Dividends and other	Total non-tax receipts
	Gross ITW	Gross other individuals	Refunds (c)	Companies	Super funds	PRRT	Total income tax(e)	Petroleum products	Other excise (f)	Customs duty	FBT (h)	Total other tax(i)				
	(b) %	individuals %	(c) %	%	%	(d) %	tax(e) %	(f) %	(g) %	%	(h) %	tax(i) %	%	%	%	%
1991-92	47.8	9.8	8.3	14.4	1.2	0.9	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	13.7	1.6	1.5	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	12.6	1.2	1.1	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	14.1	1.7	0.8	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	15.0	1.3	0.6	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	14.6	2.0	1.0	69.2	8.1	2.1	2.5	2.4	26.9	96.0	0.9	3.1	4.0
1997-98	48.8	8.8	7.0	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	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	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	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(j)	49.0	9.9	6.3	16.5	2.7	0.8	72.6	7.7	4.2	2.8	2.1	18.1	90.8	0.6	8.6	9.2
2002-03(j)	50.2	9.4	6.1	16.7	2.8	0.9	73.9	7.5	4.0	2.7	2.1	17.6	91.5	0.6	7.9	8.5

(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 a Commonwealth general government GFS basis. As a result, the category 'Dividends and other' now includes many large items that were netted off payments in outcomes prior to 1999-2000, namely receipts from sales of goods and services, receipts from sales of non-financial assets and other receipts. From 2000-01, 'Dividends and other' also includes GST input credit receipts.

(b) Previously reported as Pay as You Go (Withholding) and other withholding. Other withholding was previously reported under company and other income tax, and includes amounts withheld for failure to quote a Tax File Number or an Australian Business Number, interest, dividends and royalty payments to non-residents, and payments to aboriginal groups for the use of land for mineral exploration and mining.

(c) Refunds refers to refunds paid to individuals.

(d) Petroleum Resource Rent Tax.

(e) The total for 'income tax' also includes gross Prescribed Payments System receipts.

(f) Includes crude oil and liquid petroleum gas (LPG) excise, but excludes the diesel fuel rebate offset to revenue, which is classified as an expense.

(g) Other excise comprises excise from beer, potable spirits and tobacco.

(h) Consistent with GFS reporting standards, FBT is no longer classified as an income tax.

(i) The total for 'other taxation revenue' also includes wholesale sales tax, wine equalisation tax, luxury car tax, agricultural levies and other taxes.

(j) Estimates.