STATEMENT 5: REVENUE

This statement contains details of the estimates of Commonwealth general government revenue.

The revenue estimates have been revised down since MYEFO, largely as a result of the Government's decision to provide $10.7 billion over four years for personal income tax cuts.

Information about GST revenue is provided in Budget Paper No. 3, *Federal Financial Relations 2003-04*.

STATEMENT 5: REVENUE

OVERVIEW

Relative to the *Mid-Year Economic and Fiscal Outlook 2002-03 (MYEFO)*, total revenue in 2003-04 is expected to be lower, largely as a result of the Government's decision to cut personal income taxes from 1 July 2003.

Total revenue

Revenue estimates[1] for the period from 2002-03 to 2006-07 are provided in Table 1. Detailed estimates by head of revenue are provided in Appendix A.

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

	2002-03 Estimate	2003-04 Estimate	2004-05 Projection	2005-06 Projection	2006-07 Projection
Total tax revenue ($b)	**159.8**	**166.5**	**173.7**	**182.8**	**193.1**
Real growth on previous year (%)	3.4	1.9	2.3	3.3	3.6
Per cent of GDP	21.2	20.9	20.7	20.6	20.6
Non-tax revenue ($b)	**12.0**	**11.8**	**11.3**	**11.4**	**11.6**
Real growth on previous year (%)	-7.2	-3.3	-6.1	-1.0	-0.5
Per cent of GDP	1.6	1.5	1.3	1.3	1.2
Total revenue ($b)	**171.8**	**178.3**	**185.0**	**194.2**	**204.7**
Real growth on previous year (%)	2.6	1.6	1.8	3.0	3.4
Per cent of GDP	22.8	22.4	22.0	21.9	21.9

Total taxation revenue as a share of GDP is expected to decline in the Budget and forward years, falling from 21.2 per cent of GDP in 2002-03 to 20.6 per cent of GDP in 2006-07. Total revenue over the same period is expected to fall from 22.8 per cent of GDP to 21.9 per cent of GDP. Historical total revenue and total taxation revenue outcomes (and their cash equivalents) are provided in Statement 13.

1 All revenue estimates in this statement are reported on an accrual basis unless otherwise specified. Commentary on accrual and cash taxation revenue is provided on page 5-6 and detailed estimates on a cash basis can be found in Appendix A and Appendix F. 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.

Variations in revenue estimates since 2002-03 Budget

Table 2 is a reconciliation of the 2003-04 Budget revenue estimates with those at the 2002-03 Budget and MYEFO in terms of both policy decisions and parameter and other variations.

Table 2: Reconciliation of total Commonwealth general government revenue estimates from 2002-03 Budget to 2003-04 Budget[(a)] (accrual basis)

	2002-03	2003-04	2004-05	2005-06
	$m	$m	$m	$m
Revenue at 2002-03 Budget	**169,646**	**179,555**	**189,390**	**199,341**
Changes between 2002-03 Budget and MYEFO				
Effect of policy decisions	93	181	192	245
Effect of parameter and other variations	-116	350	-791	-1,485
Total variations	**-23**	**531**	**-599**	**-1,240**
Revenue at 2002-03 MYEFO	**169,623**	**180,085**	**188,791**	**198,101**
Changes between MYEFO and 2003-04 Budget				
Effect of policy decisions	-58	-2,491	-2,828	-2,765
Effect of parameter and other variations	2,235	731	-972	-1,092
Total variations	**2,177**	**-1,761**	**-3,799**	**-3,856**
Revenue at 2003-04 Budget	**171,800**	**178,325**	**184,991**	**194,244**

(a) The changes in the revenue estimates for 2002-03 and 2003-04 since MYEFO are summarised by head of revenue at Appendix B.

Total revenue in 2002-03

Since MYEFO, total Commonwealth general government revenue for 2002-03 has been revised up by $2.2 billion, largely due to stronger than expected revenue from company tax, Commonwealth indirect taxes and non-taxation revenue. These increases are expected to be partly offset by lower revenue from gross income tax withholding (ITW) and fringe benefits tax (FBT), and higher than expected tax refunds to individuals.

Total revenue in 2003-04 and the forward years

Since MYEFO, total revenue for 2003-04 has been revised down by $1.8 billion. In the forward years, revenue is also expected to be lower. This is largely as a result of lower expected revenue from ITW — the Government's decision to provide further reductions in personal income tax from 1 July 2003, the flow-on effect of lower estimated ITW in 2002-03, and ongoing containment of wages growth are all expected to have a dampening effect on ITW growth. Partly offsetting this is higher than expected revenue from company tax and Commonwealth indirect taxes following on from strong collections in 2002-03. The estimate for non-taxation revenue has also been revised up by $1.1 billion for 2003-04.

Policy decisions

Policy decisions taken since MYEFO (a description of these is provided in Budget Paper No. 2, *Budget Measures 2003-04*) are expected to reduce revenue by $2.5 billion in 2003-04 and $2.8 billion in 2004-05. The reductions in personal income taxes from 1 July 2003 account for most of the reduction in revenue. This measure is estimated to reduce revenue by $10.7 billion over the four-year period 2003-04 to 2006-07. The tax cuts consist of:

- an increase in the personal income tax thresholds — the 30 per cent threshold is to be increased from $20,000 to $21,600, the 42 per cent threshold is to be increased from $50,000 to $52,000 and the 47 per cent threshold is to be increased from $60,000 to $62,500;
- an increase in the low income tax offset from $150 to $235 per year;
  - those eligible for the full offset will not pay income tax until their annual income exceeds $7,382 — up from $6,882 at present;
  - in addition, the income threshold at which the offset begins to reduce will be increased from $20,700 to $21,600; and
- an increase in the Medicare levy thresholds that apply to senior Australians.

Other major policy decisions reducing revenue over the four-year period 2003-04 to 2006-07 are:

- the Government's response to the Board of Taxation's *Review of International Taxation Arrangements*, which is expected to reduce tax revenue by $270 million — this package of reforms will improve the competitiveness of Australian companies with offshore operations by reducing the complexity of the Controlled Foreign Company and Foreign Investment Fund rules, effectively reducing foreign taxes through double tax treaties, and generally ensuring that 'active' businesses are subject to similar taxation as locally based competitors offshore;
- the Australia-Singapore Free Trade Agreement, expected to come into force in July 2003, which will reduce tariff revenue by $130 million — the agreement builds on Australia's strong economic partnership with Singapore and will provide significant economic benefits to the Australian economy through a more open, predictable and transparent framework for bilateral trade across a wide range of areas;
- the increase in the Medicare levy thresholds, in line with the increase in the consumer price index (CPI), which will reduce tax revenue by $85 million; and
- the reform of the trans-Tasman imputation arrangements which will reduce taxation revenue by $70 million — this reform will improve the ease of

trans-Tasman capital flows by reducing an additional layer of tax on these flows, thereby further strengthening the existing economic integration between Australia and New Zealand.

These reductions in revenue are partly offset by[2]:

- an increase in excise revenue of $71 million, forming part of an incentive package to encourage the earlier take up of low sulphur fuels ahead of the introduction of new mandatory cleaner fuel standards — these increases in excise revenue will fund grants to fuel producers to subsidise the cost of producing cleaner fuels in the transition to the new fuel standards;

- an increase in excise revenue of $35 million, as a result of making biodiesel an excisable fuel, as part of the Government's strategy to put in place a long-term sustainable framework for the taxation of fuels in Australia — the excise payable on biodiesel will be matched by grants payable to biodiesel producers, which will provide an effective excise exemption until 1 July 2008; and

- an increase in income tax revenue of $30 million as a result of a tax integrity measure to ensure that the cost of the capital protection feature of a capital protected loan product is not treated as a deductible interest expense.

For more detailed descriptions of these and other policy decisions since MYEFO refer to Budget Paper No. 2.

Parameter and other variations

Parameter and other variations since MYEFO are expected to increase the revenue estimate for 2002-03 by around $2.2 billion. The major upward parameter revisions are:

- company tax revenue is expected to be around $2.0 billion higher as a result of stronger than expected company profit growth; and

- Commonwealth indirect tax revenue is expected to be around $870 million higher, including increases in excise revenue from tobacco ($240 million)[3], diesel ($110 million) and petrol ($100 million), and increased revenue from customs duty ($300 million).

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2 Costings are provided over the four year period from 2003-04 to 2006-07.

3 The higher tobacco revenue reflects increased compliance and enforcement activity, together with significantly increased penalties introduced in 2000-01, which have limited the size of illicit sales of tobacco — thereby strengthening tobacco excise revenue.

These upward parameter revisions in the estimates are partly offset by:

- lower than anticipated revenue from ITW (around $1.1 billion), due to lower than expected wages growth;
- higher than anticipated refunds to individuals (around $410 million); and
- lower than expected FBT (around $140 million), reflecting a reduction in the use of fringe benefits since the introduction of *The New Tax System*.

In 2003-04, parameter and other variations have revised revenue estimates up by around $730 million since MYEFO. This has been driven by higher estimates of:

- company tax revenue, reflecting the flow-on effect of higher company tax revenue for 2002-03; and
- Commonwealth indirect tax revenue, as a result of higher expected tobacco excise and customs duty revenue.

These upward revisions to revenue are partly offset by lower estimates of:

- ITW revenue, reflecting ongoing containment of wages growth; and
- higher tax refunds to individuals.

Accrual and cash taxation revenue estimates

The revisions to the estimates of cash taxation receipts in this Budget are broadly in line with the revisions to the estimates of accrual taxation revenue. Estimated cash taxation receipts have been revised up since MYEFO by $881 million in 2002-03, largely reflecting higher than expected collections of company tax and Commonwealth indirect taxes. In the forward years, the cash estimates have been revised down since MYEFO, largely reflecting the Government's decision to provide personal income tax cuts in this Budget. More detail on the individual cash taxation estimates is provided in Table A2 (Appendix A).

There is a difference between the accrual and cash estimates because accrual taxation liabilities are generally recognised before the cash payments relating to the liabilities are received. As a result, accrual revenue is typically greater than cash receipts. The accrual taxation revenue estimate is $1.3 billion above the cash taxation receipts estimate for 2002-03 and $1.6 billion above the cash taxation receipts estimate for 2003-04. More detail on the differences between the accrual and cash taxation estimates is provided in Appendix D.

DETAILED ESTIMATES OF REVENUE

Revenue estimates by revenue head

A comparison of revenue estimates, by head of revenue for 2002-03 and 2003-04, is provided in Table 3.

Table 3: Commonwealth general government revenue (accrual basis)

	2002-03	2003-04	Change on 2002-03	
	Estimate	Estimate		
	$m	$m	$m	%
Taxation revenue				
Income tax				
Individuals and other withholding tax(a)				
Gross income tax withholding(b)	84,590	88,650	4,060	4.8
Gross other individuals	17,300	19,130	1,830	10.6
less: Refunds	11,540	12,200	660	5.7
Total individuals and other withholding tax	90,350	95,580	5,230	5.8
Companies	31,260	32,370	1,110	3.6
Superannuation funds				
Contributions and earnings	3,580	4,050	470	13.1
Superannuation surcharge	980	950	-30	-3.1
Total superannuation funds	4,560	5,000	440	9.6
Petroleum resource rent tax	1,720	1,280	-440	-25.6
Total income tax	**127,890**	**134,230**	**6,340**	**5.0**
Indirect tax				
Excise duty				
Petroleum and other fuel products and crude oil	13,250	13,280	30	0.2
Other excise	7,330	7,360	30	0.4
Total excise duty	20,580	20,640	60	0.3
Customs duty	5,630	5,915	285	5.1
Other indirect taxes(c)	900	930	30	3.3
Total indirect tax	**27,110**	**27,485**	**375**	**1.4**
Fringe benefits tax(d)	3,220	3,190	-30	-0.9
Agricultural levies	547	579	31	5.7
Other taxes	1,050	999	-51	-4.8
Total tax revenue	**159,817**	**166,483**	**6,665**	**4.2**
Non-tax revenue	11,983	11,842	-141	-1.2
Total revenue	**171,800**	**178,325**	**6,524**	**3.8**

(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 FBT collected from Commonwealth government agencies (estimated at $380 million in 2002-03 and $400 million in 2003-04).

In 2003-04, total revenue is expected to increase by $6.5 billion, with taxation revenue expected to increase by $6.7 billion and non-tax revenue anticipated to decrease by

$141 million. The major contributors to the increase in taxation revenue are a $4.1 billion increase in ITW revenue, a $1.8 billion increase in revenue from other individuals, a $1.1 billion increase in company tax revenue, a $440 million increase in superannuation funds tax revenue and a $375 million increase in Commonwealth indirect tax revenue.

The Budget revenue estimates are strongly influenced by forecast economic growth and the expected composition of economic activity. The 2003-04 revenue estimates are based on the following major economic assumptions:

- growth in nominal GDP of around 5½ per cent;
- average earnings growth of around 4 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 4½ per cent.

An analysis of the sensitivity of the revenue estimates to changes in the major economic parameters is provided in Statement 2.

Taxation revenue

Individuals and other withholding tax

Revenue estimates for 2002-03 and 2003-04 are provided in Table 4 for the various categories of individuals and other withholding tax.

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

	2002-03 Estimate $m	2003-04 Estimate $m	Change on 2002-03 $m	%
Individuals and other withholding tax				
Gross income tax withholding(a)	84,590	88,650	4,060	4.8
Gross other individuals	17,300	19,130	1,830	10.6
less: Refunds	11,540	12,200	660	5.7
Total individuals and other withholding tax	**90,350**	**95,580**	**5,230**	**5.8**
Includes Medicare levy revenue of:	5,000	5,400	400	8.0

(a) 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.

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.

From 1 July 2000, several income tax withholding arrangements were replaced by the PAYG withholding system as part of *The New Tax System*. These included the former Pay As You Earn (PAYE) system, prescribed payments system and reportable payments system. Most tax payments formerly made under the prescribed payment system or reportable payments system are now reported as revenue from other individuals, with the remainder reported under ITW.

ITW also includes all other withholding taxes levied on natural resource payments, dividends, interest and royalties paid to non-residents. These taxes are not separately identified from other PAYG revenues.

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.

ITW revenue is expected to increase by $4.1 billion (4.8 per cent) in 2003-04. This is broadly consistent with the combined effect of expected growth in wages and employment, partly offset by the effect of the Government's announcement of reductions in personal income tax from 1 July 2003.

Gross other individuals

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 (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 revenue from other individuals is collected directly from the taxpayer through the PAYG instalment system. Individuals who are registered for the goods and services tax and individuals with tax liabilities of $8,000 or more will generally make quarterly payments. Individuals who are not registered for the goods and services tax 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 prescribed payment system or reportable payments system are now reported as revenue from other individuals, with the remainder reported under ITW.

Revenue from other individuals is expected to increase by $1.8 billion (10.6 per cent) in 2003-04. Under *The New Tax System,* the payment date for annual instalments for 2002-03 was deferred from April 2003 to October 2003 — boosting revenue in 2003-04 relative to 2002-03.

Individual income tax refunds

A final assessment of the income 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 head of revenue.

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 $660 million (5.7 per cent) in 2003-04. This reflects growth in revenue from ITW and other individuals in 2002-03.

Medicare Levy

Revenue from the Medicare levy is expected to increase by $400 million (8.0 per cent) in 2003-04. This reflects growth in wages and employment, partly offset by the Government's decision to increase 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 $34 million in 2003-04. Medicare levy revenue is included in the estimates of ITW, gross other individuals and refunds in Table 4.

Company and other related income taxes

Revenue estimates for 2002-03 and 2003-04 are provided in Table 5 for company and other related income tax categories.

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

	2002-03	2003-04	Change on 2002-03	
	Estimate	Estimate		
	$m	$m	$m	%
Companies	31,260	32,370	1,110	3.6
Superannuation funds				
Contributions and earnings	3,580	4,050	470	13.1
Surcharge	980	950	-30	-3.1
Total superannuation funds	4,560	5,000	440	9.6
Petroleum resource rent tax	1,720	1,280	-440	-25.6
Total	**37,540**	**38,650**	**1,110**	**3.0**

Company income tax

Company income tax includes all income taxes paid by companies, including 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 now pay their liability through four quarterly instalment payments and a balancing payment (five months after the final instalment), although some small companies are still able to pay an annual instalment.

As noted in Appendix D, under the transitional PAYG arrangements, the Government allowed companies to defer some of their liabilities from the old company tax instalment system for up to five years. The cash estimates reflect the expected receipt of these deferred payments ($1.1 billion in 2002-03 and $350 million in 2003-04).

Company tax revenue is expected to increase by around $1.1 billion (3.6 per cent) in 2003-04. This increase reflects the expectation that the current strength in company profits will continue into 2003-04.

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 of their liabilities from the old company tax instalment system for up to five years. The cash estimates reflect the expected receipt of these deferred payments ($175 million in 2002-03 and $25 million in 2003-04).

Superannuation tax on contributions and investment income is expected to increase by around $470 million (13.1 per cent) in 2003-04, reflecting expected growth in both contributions and earnings.

A superannuation surcharge is also collected from superannuation funds. A surcharge of up to 15 per cent is currently levied on the surchargable contributions of high income earners.

Revenue from the superannuation surcharge is expected to fall by $30 million (3.1 per cent) in 2003-04 reflecting the Government's decision to reduce the surcharge rate in three annual steps from 2002-03 to a maximum of 10½ per cent by 2004-05.[4]

Petroleum resource rent tax

Petroleum resource rent tax (PRRT) 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 petroleum and other fuel products). 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 its company tax liability.

PRRT revenue is expected to decrease by $440 million (25.6 per cent) in 2003-04. This is primarily due to an expected decline in production levels. In addition, the decrease reflects the effect of a higher estimated exchange rate reinforced by lower expected oil prices. The world price of crude oil is assumed to be US$23.30 per barrel in 2003-04.

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4 The reduction in surcharge revenue is subject to the passage of legislation through the Parliament.

Indirect tax

Revenue estimates for 2002-03 and 2003-04 are provided in Table 6 for the various categories of indirect taxation.

Table 6: Indirect tax (accrual basis)

	2002-03 Estimate $m	2003-04 Estimate $m	Change on 2002-03 $m	%
Excise duty				
Petroleum and other fuel products				
Petrol(a)	7,230	7,350	120	1.7
Diesel	5,420	5,540	120	2.2
Other(b)	150	185	35	23.3
Total petroleum and other fuel products	12,800	13,075	275	2.1
Crude oil	450	205	-245	-54.4
Other excise				
Beer	1,640	1,625	-15	-0.9
Potable spirits	550	645	95	17.3
Tobacco products	5,140	5,090	-50	-1.0
Total other excise	7,330	7,360	30	0.4
Total excise	**20,580**	**20,640**	**60**	**0.3**
Customs duty(c)	5,630	5,915	285	5.1
Other indirect taxes				
Wine equalisation tax(d)	670	690	20	3.0
Luxury car tax	250	260	10	4.0
Wholesale sales tax(e)	-20	-20	0	0.0
Total other indirect taxes	**900**	**930**	**30**	**3.3**
Total	**27,110**	**27,485**	**375**	**1.4**

(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, continue to be recognised.

Excise

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

Petroleum and other fuel excise includes excise on petrol, diesel fuel, biodiesel, aviation gasoline, aviation turbine fuel, 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 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.

In 2003-04, revenue from excise on petroleum and other fuel products is estimated to increase by $275 million (2.1 per cent), reflecting expected increased sales of petrol and diesel. Growth in the consumption of petrol and diesel in 2003-04 is expected to be 1.7 per cent and 2.2 per cent respectively.

There are two sources of excise on crude oil: 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 2003-04 by $245 million (54.4 per cent), due to lower 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; and
- on the alcohol content of draught and packaged beer, spirits, brandy and certain ready to drink beverages.

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

Other excise revenue is estimated to grow by $30 million (0.4 per cent) in 2003-04, mainly reflecting an expected increase in the consumption of ready to drink beverages and higher revenue from indexation of the excise rates.

Excise indexation

The rates of duty for excisable commodities (with the exception of petroleum products and crude oil) are 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 on low alcohol beer were reduced on 1 July 2002 as part of the national excise scheme for low alcohol beer, announced in the 2002-03 Budget.

Table 7: Excise rates

Commodity	Rates applying from 1 Feb 2002 $	Rates applying from 1 Jul 2002 $	Rates applying from 1 Aug 2002 $	Rates applying from 1 Feb 2003 $
Petroleum (per litre)				
Unleaded petrol	0.38143	0.38143	0.38143	0.38143
Diesel	0.38143	0.38143	0.38143	0.38143
Aviation gasoline	0.02808	0.02808	0.02808	0.02808
Aviation turbine fuel	0.02845	0.02845	0.02845	0.02845
Fuel oil	0.07557	0.07557	0.07557	0.07557
Heating oil	0.07557	0.07557	0.07557	0.07557
Kerosene	0.07557	0.07557	0.07557	0.07557
Beer (per litre of alcohol over 1.15 per cent)				
Draught beer, low strength	16.46	5.69	5.78	5.86
Draught beer, mid strength	17.87	17.87	18.16	18.41
Draught beer, high strength	23.39	23.39	23.76	24.09
Other beer, low strength	45.46	28.49	28.95	29.36
Other beer, mid strength	38.59	33.22	33.75	34.22
Other beer, high strength	33.22	33.22	33.75	34.22
Potable spirits (per litre of alcohol)				
Brandy	52.54	52.54	53.38	54.13
Ready to drink beverages (RTDs)	33.22	33.22	33.75	34.22
General rate for other spirits	56.27	56.27	57.17	57.97
Cigarettes (per stick)	0.20893	0.20893	0.21227	0.21524
Tobacco products (per kg)	261.16	261.16	265.34	269.05

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 account for around one-third of the total duty collected. A further one-third of customs duty revenue is derived from 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 2003-04 is forecast to grow by $285 million (5.1 per cent), largely reflecting expected growth in imports.

Other indirect taxes

All fruit and vegetable wine, wine products, mead and sake are subject to the wine equalisation tax. These products are not subject to excise. Wine equalisation tax is levied at a rate of 29 per cent, with tax being paid on the wholesale value of the goods.

A luxury car tax of 25 per cent applies to the GST exclusive price of a car above the luxury car tax threshold ($57,009).

Other indirect taxes are expected to increase by $30 million (3.3 per cent) in 2003-04. This largely reflects increased consumption of wine and higher sales of luxury motor vehicles.

Fringe benefits tax and other taxes

Fringe benefits tax

FBT 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 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 (refer to Table 3) is expected to decrease in 2003-04 by $30 million (0.9 per cent), reflecting a continuing reduction in the use of fringe benefits since the introduction of *The New Tax System*.

Agricultural and other taxes

Revenue estimates for 2002-03 and 2003-04 are provided in Table 8 for agricultural and other taxes.

Table 8: Agricultural and other taxes (accrual basis)

	2002-03	2003-04	Change on 2002-03	
	Estimate	Estimate		
	$m	$m	$m	%
Agricultural taxes	547	579	31	5.9
Levies, other than agricultural	77	78	1	1.3
Broadcasting license fees	200	210	10	5.0
Other(a)	772	711	-62	-7.9
Total	**1,597**	**1,577**	**-20**	**-1.3**

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

Total agricultural and other tax revenue is estimated to decrease by $20 million (1.3 per cent) in 2003-04. This reflects lower expected revenue from other taxes, partially offset by higher expected revenue from agricultural taxes and broadcasting licence fees.

Non-taxation revenue

Revenue estimates for 2002-03 and 2003-04 are provided in Table 9 for the various categories of non-taxation revenue.

Table 9: Non-taxation revenue (accrual basis)

	2002-03	2003-04	Change on 2002-03	
	Estimate	Estimate		
	$m	$m	$m	%
Sales of goods and services	4,002	4,190	188	4.7
Interest				
Interest from other governments	232	215	-17	-7.3
Interest from other sources	976	684	-292	-29.9
Total interest	1,208	900	-308	-25.5
Dividends				
Dividends from associated entities	3,922	3,951	30	0.7
Dividends from other sources	38	23	-15	-39.5
Total dividends	3,960	3,974	15	0.4
Petroleum royalties	752	571	-181	-24.1
Other non-tax revenue(a)	2,061	2,207	146	7.1
Total	**11,983**	**11,842**	**-141**	**-1.2**

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

Non-taxation revenue is expected to decrease by $141 million (1.2 per cent) in 2003-04. This largely reflects lower income from interest and petroleum royalties, partly offset by higher income from sales of goods and services.

Sales of goods and services

This category consists of revenue from the direct provision of goods and services by the Commonwealth general government sector. Sales of goods and services are expected to increase by $188 million (4.7 per cent) in 2003-04, mainly due to an increase in revenue from immigration fees, particularly as a result of the introduction of a new category of parent immigration visas and the growth in overseas student visas associated with the provision of international education.

Interest

Interest income is expected to decrease by $308 million (25.5 per cent) in 2003-04.

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 other governments is expected to decrease by $17 million (7.3 per cent) in 2003-04, due to a continuing 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 standards. The Australian Office of Financial Management is responsible for the management and reporting of the Commonwealth's net debt portfolio.

Interest income from other sources is expected to decrease by $292 million (29.9 per cent) in 2003-04.

Dividends

The main sources of dividends are the Commonwealth's Government Business Enterprises and the Reserve Bank of Australia. Dividend payments from the Reserve Bank of Australia can be volatile, as they are sensitive to movements in interest rates and the exchange rate.

The Royal Australian Mint also provides dividend revenue to the Commonwealth. This includes royalties from numismatic coin sales and annual dividends from profits the Mint makes as the manufacturer of these products.

Total dividends are expected to increase by $15 million (0.4 per cent) in 2003-04.

Petroleum royalties

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

Petroleum royalties are expected to decrease by $181 million (24.1 per cent) in 2003-04, reflecting expected falls in production and world oil prices.

Other sources of non-tax revenue

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

Other non-tax revenue is expected to increase by $146 million (7.1 per cent) in 2003-04.

APPENDIX A: FORWARD ESTIMATES OF REVENUE

Table A1: Commonwealth revenue (accrual basis)

	2001-02 Actual $m	2002-03 Estimate $m	2003-04 Estimate $m	2004-05 Projection $m	2005-06 Projection $m	2006-07 Projection $m
Tax revenue						
Income tax						
Individuals and other withholding(a)						
Gross income tax withholding(b)	79,822	84,590	88,650	94,560	101,140	108,620
Gross other individuals	17,237	17,300	19,130	19,660	20,550	21,500
less: Refunds	10,637	11,540	12,200	12,810	13,680	14,720
Total individuals and other withholding	86,422	90,350	95,580	101,410	108,010	115,400
Companies	27,133	31,260	32,370	33,750	35,700	37,820
Superannuation funds						
Contributions and earnings	3,341	3,580	4,050	4,150	4,400	4,650
Surcharge	830	980	950	910	860	880
Total superannuation funds	4,171	4,560	5,000	5,060	5,260	5,530
Petroleum resource rent tax	1,306	1,720	1,280	920	810	730
Total income tax	**119,032**	**127,890**	**134,230**	**141,140**	**149,780**	**159,480**
Indirect tax						
Excise duty						
Petroleum products and crude oil	12,793	13,250	13,280	13,430	13,570	13,850
Other excise	6,837	7,330	7,360	7,430	7,520	7,630
Total excise duty	19,630	20,580	20,640	20,860	21,090	21,480
Customs duty	5,214	5,630	5,915	5,915	5,997	6,023
Other indirect taxes(c)	791	900	930	1,000	1,070	1,140
Total indirect tax	**25,634**	**27,110**	**27,485**	**27,775**	**28,157**	**28,643**
Fringe benefits tax(d)	3,675	3,220	3,190	3,230	3,330	3,440
Agricultural levies	550	547	579	593	595	590
Other taxes	956	1,050	999	917	939	951
Total tax revenue	**149,848**	**159,817**	**166,483**	**173,655**	**182,802**	**193,104**
Non-tax revenue						
Interest received	1,188	1,208	900	922	1,080	1,588
Dividends and other	11,334	10,775	10,942	10,414	10,362	10,023
Total non-tax revenue	**12,522**	**11,983**	**11,842**	**11,336**	**11,443**	**11,611**
Total revenue	**162,370**	**171,800**	**178,325**	**184,991**	**194,244**	**204,715**

(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 FBT collected from Commonwealth government agencies (estimated at $380 million in 2002-03 and $400 million in 2003-04).

Table A2: Commonwealth receipts (cash basis)

	2001-02 Actual $m	2002-03 Estimate $m	2003-04 Estimate $m	2004-05 Projection $m	2005-06 Projection $m	2006-07 Projection $m
Tax receipts						
Income tax						
Individuals and other withholding(a)						
Gross income tax withholding(b)	78,983	83,970	88,230	94,140	100,720	108,200
Gross other individuals	16,290	17,280	18,780	19,260	20,100	21,050
less: Refunds	10,637	11,540	12,200	12,810	13,680	14,720
Total individuals and other withholding	84,636	89,710	94,810	100,590	107,140	114,530
Companies	27,230	31,180	32,120	33,480	35,430	37,220
Superannuation funds						
Contributions and earnings	3,550	3,710	4,050	4,150	4,400	4,630
Surcharge	824	940	940	900	850	870
Total superannuation funds	4,373	4,650	4,990	5,050	5,250	5,500
Petroleum resource rent tax	1,361	1,720	1,280	920	810	730
Total income tax	**117,601**	**127,260**	**133,200**	**140,040**	**148,630**	**157,980**
Indirect tax						
Excise duty						
Petroleum products and crude oil	12,779	13,250	13,280	13,430	13,570	13,850
Other excise	6,837	7,330	7,360	7,430	7,520	7,630
Total excise duty	19,616	20,580	20,640	20,860	21,090	21,480
Customs duty	4,625	5,060	5,350	5,350	5,390	5,450
Other indirect taxes(c)	785	840	930	1,000	1,070	1,140
Total indirect tax	**25,026**	**26,480**	**26,920**	**27,210**	**27,550**	**28,070**
Fringe benefits tax(d)	3,272	3,140	3,160	3,200	3,300	3,410
Agricultural levies	550	547	579	593	595	590
Other taxes	1,095	1,075	990	907	929	941
Total tax receipts	**147,544**	**158,502**	**164,849**	**171,950**	**181,004**	**190,991**
Non-tax receipts						
Interest received	918	964	754	758	900	1,387
Dividends and other	14,062	14,440	13,303	14,419	13,037	12,780
Total non-tax receipts	**14,980**	**15,405**	**14,056**	**15,177**	**13,937**	**14,167**
Total receipts	**162,524**	**173,907**	**178,905**	**187,126**	**194,941**	**205,158**

(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 FBT collected from Commonwealth government agencies (estimated at $380 million in 2002-03 and $400 million in 2003-04).

APPENDIX B: CHANGES IN REVENUE SINCE MYEFO

Table B1: Reconciliation of 2002-03 revenue estimates (accrual basis)

	2002-03			
	MYEFO $m	Budget $m	Change on MYEFO $m	Change on MYEFO %
Taxation revenue				
Income tax				
Individuals and other withholding tax(a)				
Gross income tax withholding(b)	85,680	84,590	-1,090	-1.3
Gross other individuals	17,430	17,300	-130	-0.7
less: Refunds	11,130	11,540	410	3.7
Total individuals and other withholding tax	91,980	90,350	-1,630	-1.8
Companies	29,240	31,260	2,020	6.9
Superannuation funds(c)	4,480	4,560	80	1.8
Petroleum resource rent tax	1,650	1,720	70	4.2
Total income tax	**127,350**	**127,890**	540	0.4
Indirect tax				
Excise duty				
Petroleum products and crude oil	13,100	13,250	150	1.1
Other excise	7,060	7,330	270	3.8
Total excise duty	20,160	20,580	420	2.1
Customs duty	5,330	5,630	300	5.6
Other indirect taxes(d)	810	900	90	11.1
Total indirect tax	**26,300**	**27,110**	810	3.1
Fringe benefits tax(e)	3,360	3,220	-140	-4.2
Agricultural levies	534	547	13	2.4
Other taxes	983	1,050	67	6.8
Total tax revenue	**158,528**	**159,817**	1,290	0.8
Non-tax revenue	11,096	11,983	887	8.0
Total revenue	**169,623**	**171,800**	2,177	1.3

(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 FBT collected from Commonwealth government agencies (estimated at $380 million in 2002-03).

Table B2: Reconciliation of 2003-04 revenue estimates (accrual basis)

	2003-04			
	MYEFO $m	Budget $m	Change on MYEFO $m	Change on MYEFO %
Taxation revenue				
Income tax				
Individuals and other withholding tax(a)				
Gross income tax withholding(b)	92,890	88,650	-4,240	-4.6
Gross other individuals	19,210	19,130	-80	-0.4
less: Refunds	11,970	12,200	230	1.9
Total individuals and other withholding tax	100,130	95,580	-4,550	-4.5
Companies	31,030	32,370	1,340	4.3
Superannuation funds(c)	4,830	5,000	170	3.5
Petroleum resource rent tax	1,300	1,280	-20	-1.5
Total income tax	**137,290**	**134,230**	-3,060	-2.2
Indirect tax				
Excise duty				
Petroleum products and crude oil	13,310	13,280	-30	-0.2
Other excise	7,160	7,360	200	2.8
Total excise duty	20,470	20,640	170	0.8
Customs duty	5,675	5,915	240	4.2
Other indirect taxes(d)	900	930	30	3.3
Total indirect tax	**27,045**	**27,485**	440	1.6
Fringe benefits tax(e)	3,440	3,190	-250	-7.3
Agricultural levies	569	579	10	1.8
Other taxes	1,003	999	-4	-0.4
Total tax revenue	**169,347**	**166,483**	-2,864	-1.7
Non-tax revenue	10,738	11,842	1,104	10.3
Total revenue	**180,085**	**178,325**	-1,761	-1.0

(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 FBT collected from Commonwealth government agencies (estimated at $400 million in 2003-04).

APPENDIX C: REVENUE MEASURES

A summary of the revenue measures introduced since MYEFO is provided in Table C1. A full description of all 2003-04 Budget revenue measures can be found in Budget Paper No. 2.

Table C1: Revenue measures since the 2002-03 MYEFO[(a)] (accrual basis)

	2003-04 $m	2004-05 $m	2005-06 $m	2006-07 $m
ATTORNEY-GENERAL'S				
A Safer Australia –				
cost recovery for enhanced checking of aviation security identification card holders	1.5	0.8	0.8	0.8
cost recovery for x-ray facilities for shipping container inspections	16.3	16.3	16.3	-
Chemical paraquat dichloride – removal of import duty	-0.5	-0.5	-0.5	-0.5
Passenger motor vehicle and automotive components – reduction in tariff rate	-	-	-	-
Singapore-Australia Free Trade Agreement – reduced tariffs	-30.0	-30.0	-35.0	-35.0
Portfolio total	**-12.7**	**-13.4**	**-18.4**	**-34.7**
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
Government Bookshop Network – closure	-2.9	-4.1	-4.0	-3.9
Premium rate telephone numbers – cost recovery for service provider rules	-	0.3	0.1	0.1
Submarine telecommunications cables – protection and cost recovery	-	0.6	0.4	0.2
Telecommunications competition regulation – cost recovery	-	5.8	5.6	5.7
Portfolio total	**-2.9**	**2.6**	**2.1**	**2.1**
EDUCATION, SCIENCE AND TRAINING				
A Fairer Medicare – additional medical school places	-	..	0.1	0.1
International Education – increase in the Educational Services for Overseas Students Fee	3.9	4.5	5.3	6.1
Our Universities – Higher Education Loans Programme (HELP) – HECS-HELP, FEE-HELP and OS-HELP	-	-	5.4	20.8
Radioactive waste management facility – collection and disposal charges	0.2	-	-	-
Student Financial Supplement Scheme – repeal	-0.3	-0.4	-1.3	-2.2
Portfolio total	**3.7**	**4.1**	**9.4**	**24.8**
ENVIRONMENT AND HERITAGE				
Sydney Harbour Federation Trust – rent	1.5	2.5	4.0	5.5
Portfolio total	**1.5**	**2.5**	**4.0**	**5.5**
FAMILY AND COMMUNITY SERVICES				
Student Financial Supplement Scheme – repeal	-	-1.7	-5.1	-8.4
Portfolio total	**-**	**-1.7**	**-5.1**	**-8.4**

Table C1: Revenue measures since the 2002-03 MYEFO[(a)] (accrual basis) (continued)

	2003-04	2004-05	2005-06	2006-07
	$m	$m	$m	$m
HEALTH AND AGEING				
Private health insurance levy – supporting the Private Health Insurance Ombudsman	-	-	-	-
Portfolio total	**-**	**-**	**-**	**-**
IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS				
International Education –				
Professional Development Visa	2.2	3.2	3.3	3.4
Student Guardian Visa	0.6	1.2	1.2	1.2
Student Visa Application Charge	13.5	15.8	18.8	21.8
Portfolio total	**16.3**	**20.2**	**23.3**	**26.4**
TRANSPORT AND REGIONAL SERVICES				
Sydney airport noise levy – extension	-	-	-	17.0
Portfolio total	**-**	**-**	**-**	**17.0**
TREASURY				
Income tax				
Alienation of personal services income – changes to the treatment of losses	..	..	..	..
Capital gains tax –				
roll-over for worker entitlement funds	-	-	-	-
roll-over relief for financial service providers on transition to the Financial Services Reform regime	-	-	-	-
Consolidation –				
allowing certain trusts to head consolidated groups	-2.0	-2.0	-2.0	-2.0
transitional exclusion of certain value shifts from the General Value Shifting Regime	-5.0	-	-	-
Deductibility of certain gifts	*	*	*	*
Deductions for certain conservation covenants	*	*	*	*
Employee share schemes – roll-over of taxing point on corporate restructure	-	-	*	*
Farm Management Deposits Scheme – earlier access to deposits	-5.0	*	*	*
Imputation system –				
allow former exempting entities to carry forward surplus exempting credit balances	-	-	-	-
allow franking of non-share dividends	..	..	..	..
removal of franking additional tax	..	..	..	..
International taxation –				
changes to the taxation treatment of certain foreign hybrid entities	..	..	..	..
interaction between transfer pricing provisions and royalty withholding tax	-1.0	-1.0	-1.0	-1.0
Review of International Taxation Arrangements	-60.0	-165.0	-10.0	-35.0
trans-Tasman imputation (triangular) reform	-5.0	-20.0	-20.0	-25.0
Medical expenses offset – include payments for maintaining dogs for the guidance or assistance of disabled individuals	*	*	*	*
Medicare levy – increase in thresholds	-34.0	-17.0	-17.0	-17.0
No-Australian Business Number – amendments to withholding rules	*	*	*	*

Table C1: Revenue measures since the 2002-03 MYEFO[(a)] (accrual basis) (continued)

	2003-04 $m	2004-05 $m	2005-06 $m	2006-07 $m
TREASURY (continued)				
Personal income tax reductions	-2,400.0	-2,650.0	-2,750.0	-2,900.0
Petroleum resource rent tax –				
deductibility of closing down costs	*	*	*	*
partial use of infrastructure	*	*	*	*
Simplified Tax System –				
allow depreciating asset roll-over relief on partnership reconstitutions	-1.0	-2.0	-2.0	-2.0
extending eligibility to retail fuel outlets	-4.0	-1.0	-1.0	-1.0
Tax exemption for Australian Defence Force members on Operation Falconer	-2.0	-	-	-
Tax exemption for Second World War compensation payments	*	*	*	*
Tax exemption for structured orders	..	..	..	..
Taxation of discretionary trusts	1.0	1.0	1.0	1.0
Taxation of financial arrangements –				
application of the debt/equity reforms to certain related party at call loans	*	*	-	-
clarifying the debt/equity treatment of certain financial instruments	*	*	*	*
reform of taxation of foreign currency gains and losses	*	*	*	*
Taxation treatment of capital protected products	3.0	7.0	9.0	11.0
Uniform capital allowances – technical amendments to the mining provisions	-	-	-	-
Indirect tax				
Aviation fuel excise –				
excise increase to provide supplementary funding for the Civil Aviation Safety Authority	6.5	-	-	-
extension of excise collection for Location Specific Pricing Subsidy	6.2	0.8	-	-
Fuel tax reform –				
fuel tax framework	-	-	-	-
excise (and customs) duty on biodiesel	5.0	10.0	10.0	10.0
Measures for a Better Environment – cleaner fuel –				
incentive to switch to low sulphur fuels	-	-	6.0	65.0
defer the introduction of the penalty rate of excise on high sulphur diesel	-	-	-	-
Fringe benefits tax				
Alienation of personal services income – preventing the double taxation of fringe benefits	..	..	..	..
Aligning fringe benefits tax deemed depreciation rate with effective life of cars	-8.0	-9.0	-10.0	-10.0
Exemption for remote area housing fringe benefits provided by public hospitals	..	..	..	..

Table C1: Revenue measures since the 2002-03 MYEFO[(a)] (accrual basis) (continued)

	2003-04	2004-05	2005-06	2006-07
	$m	$m	$m	$m
TREASURY (continued)				
Non-tax revenue				
Australian Prudential Regulation Authority – strengthened capabilities in prudential regulation	5.9	5.2	5.3	5.5
Superannuation Complaints Tribunal – additional funding	2.1	1.3	1.4	1.5
Portfolio total	**-2,497.3**	**-2,841.7**	**-2,780.3**	**-2,899.0**
Total impact of revenue measures(b)	**-2,491.4**	**-2,827.5**	**-2,764.9**	**-2,866.4**

* 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 2002-03 MYEFO[(a)] (accrual basis)

	2003-04	2004-05	2005-06	2006-07
	$m	$m	$m	$m
AGRICULTURE, FISHERIES AND FORESTRY				
Sugar Package - levy	30.0	30.0	30.0	22.5
Portfolio total	**30.0**	**30.0**	**30.0**	**22.5**
ATTORNEY-GENERAL'S				
Tariff-free access for the world's poorest countries	-2.5	-2.5	-2.5	-2.5
Portfolio total	**-2.5**	**-2.5**	**-2.5**	**-2.5**
COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE ARTS				
Increased regulatory oversight of Australia Post	5.3	3.1	3.2	3.2
Portfolio total	**5.3**	**3.1**	**3.2**	**3.2**
HEALTH AND AGEING				
Medical indemnity insurance - Incurred-But-Not-Reported levy	*	*	*	*
Portfolio total	*	*	*	*
IMMIGRATION AND MULTICULTURAL AND INDIGENOUS AFFAIRS				
Increase in the Parent Migration intake	71.2	84.0	102.7	108.1
Regulation of the migration advice industry	2.3	2.8	3.4	3.4
Portfolio total	**73.5**	**86.8**	**106.1**	**111.5**
TREASURY				
Income tax				
Amendments to demergers legislation	*	*	*	*
Amendments to the double tax agreement with Malaysia	-2.0	-	-	-
A new double tax agreement with Mexico	-2.0	-2.0	-2.0	-2.0
Apportionment of deductions for cash donations	-	-	-1.0	-1.0
Deductibility of certain gifts	*	*	*	*
Ensure structured settlements are not taxed at the life company level	-1.0	-1.0	-1.0	-1.0
Government response to the Report of the Inquiry into the Definition of Charities and Related Organisations	-	-2.0	-4.0	-4.0
Improvement to tax treatment for venture capital	-1.0	-5.0	-10.0	-15.0
Income tax deduction for the Incurred-But-Not-Reported levy	-	-1.0	-2.0	-3.0
Income tax exemption for the Commonwealth Games Federation	*	*	*	*
Modify 6 month rule for complying pensions and annuities	*	*	*	*
Not proceeding with Tax Value Method and associated High Level Rules	-	-	30.0	25.0

Table C2: Revenue measures up to the 2002-03 MYEFO[(a)] (accrual basis) (continued)

	2003-04	2004-05	2005-06	2006-07
	$m	$m	$m	$m
TREASURY (continued)				
Reclassify internal rollovers as Eligible Termination Payments	*	*	*	*
Recovery of Pay As You Go withholding amounts	50.0	50.0	50.0	50.0
Require a minimum payment from a commuted pension or annuity	*	*	*	*
Taxation of copyright collecting societies	-	-	-	-
Technical amendments to the treatment of life insurance companies	..	..	..	..
Timor Sea Treaty - Tax Code	-3.0	-3.0	-3.0	-4.0
Treatment of foreign losses under the consolidation regime	*	*	*	*
Indirect tax				
Excise (and customs) duty on fuel ethanol	34.4	44.6	61.5	62.0
Fringe benefits tax				
Continuity of treatment of State and Territory provided non-remote housing fringe benefits	-	-	-	-
Employee entitlement funds	-1.0	-6.0	-10.0	-15.0
Non-tax revenue				
Terrorism insurance – commercial cover	*	*	*	*
Portfolio total	**74.4**	**74.6**	**108.5**	**92.0**
Total impact of revenue measures(b)	**180.7**	**192.0**	**245.3**	**226.7**

* 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: ACCRUAL AND CASH TAXATION ESTIMATES

A comparison of the taxation revenue estimates on both an accrual and a cash basis is provided in Table D1.

Table D1: Estimates of taxation revenue on an accrual and cash basis

	2002-03	**2003-04**	2004-05	2005-06	2006-07
	$b	**$b**	$b	$b	$b
Tax revenue (accrual)	159.8	**166.5**	173.7	182.8	193.1
Tax receipts (cash)	158.5	**164.8**	171.9	181.0	191.0
Difference (accrual less cash)	**1.3**	**1.6**	**1.7**	**1.8**	**2.1**
Memorandum items:					
Deferred company tax payments	-1.2	**-0.4**	-0.4	-0.4	0.0
ACIS(a)	0.6	**0.6**	0.6	0.6	0.6
Other	2.0	**1.4**	1.5	1.5	1.5
Total	1.3	**1.6**	1.7	1.8	2.1

(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 Australian Tax Office or the Australian Customs Service. 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.

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 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 over the following 2½ to 5 years. While the full amount of the tax obligations was generally included in accrual revenue 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 deferred payments has been to increase the cash taxation revenue estimates by around $1.2 billion in 2002-03 and $375 million in 2003-04, while they have no impact on the accrual estimates in either year.

Automotive Competitiveness and Investment Scheme

The Automotive Competitiveness Investment Scheme (ACIS) operates by providing customs duty credits to exporters of Australian automotive products. The credits can be used to offset 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 revenue (accrual) is recognised at the point of credit redemption but no cash is received. ACIS credits account for $570 million of the difference between the accrual and cash estimates.

ACIS has been extended in this Budget from its original expiry date of December 2005 to December 2015.

Other

This category consists of 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, 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 ATO 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.

This 'other' category of the difference between the accrual and cash taxation estimates is expected to decline from \$2.0 billion in 2002-03 to \$1.4 billion in 2003-04, largely reflecting a change in the mix of receivables and their associated provisions for credit amendment.

APPENDIX E: 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 taxpayers.

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 offsets, reduced tax rate or by deferring a tax liability. The Government can use tax concessions 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 tax concessions are generally called tax expenditures.

The data reported in this appendix are consistent with tax expenditure data reported in the *2002 Tax Expenditures Statement* published in January 2003. The Tax Expenditures Statement is an annual statement of Commonwealth tax expenditures.

Table E1 contains estimates of total tax expenditures for the period 1999-2000 to 2006-07. 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 Tax Expenditures Statement 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 *2002 Tax Expenditures Statement*).

- These figures may overstate the total cost of tax expenditures, as each tax expenditure estimate is an independent calculation of the financial benefits derived by taxpayers that receive that concession, and as such do not generally take into account any inter-relationship between tax expenditures.

- 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 Tax Expenditures Statement or in previous Budgets may not be strictly comparable to figures reported here.

Table E1: Aggregate tax expenditures 1999-2000 to 2006-07

Year	Superannuation $m	Other tax expenditures $m	Total $m	Tax expenditures as a proportion of GDP (%)
1999-00 (est)	10 410	17 258	27 668	4.4
2000-01 (est)	9 820	20 497	30 317	4.5
2001-02 (est)	9 770	20 132	29 902	4.2
2002-03 (proj)	10 590	19 681	30 271	4.0
2003-04 (proj)	**11 210**	**18 756**	**29 966**	**3.8**
2004-05 (proj)	11 890	19 413	31 303	3.7
2005-06 (proj)	12 550	20 346	32 896	3.7
2006-07 (proj)	13 190	21 270	34 460	3.7

Measured tax expenditures are projected to decline as a proportion of GDP from 4.5 per cent in 2000-01 to around 3.7 per cent in 2006-07. 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 F: CASH REVENUE STATISTICS AND HISTORY

Table F1: Commonwealth receipts (cash basis)[(a)]

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03(b)	2003-04(b)
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Tax receipts												
Income tax												
Individuals and other withholding(c)												
Gross income tax withholding	46,115	47,988	51,831	57,791	62,272	66,842	72,376	77,934	75,009	78,983	83,970	88,230
Gross other individuals	8,320	8,697	9,481	10,078	11,820	12,119	13,103	13,370	13,226	16,290	17,280	18,780
Gross PPS(d)	1,674	1,871	2,169	2,179	2,250	2,524	2,794	3,120	0	0	0	0
less: Refunds	7,833	7,103	7,931	8,285	8,808	9,525	10,325	10,946	10,989	10,637	11,540	12,200
Total individuals and other withholding	48,275	51,452	55,551	61,763	67,533	71,959	77,948	83,478	77,246	84,636	89,710	94,810
Companies	13,071	12,700	15,588	18,252	19,173	19,406	20,734	24,453	31,582	27,230	31,180	32,120
Superannuation funds												
Contributions and earnings	1,522	1,191	1,913	1,634	2,595	2,746	3,630	3,243	4,110	3,550	3,710	4,050
Surcharge	0	0	0	0	0	347	286	577	690	824	940	940
Total superannuation funds	1,522	1,191	1,913	1,634	2,595	3,093	3,916	3,820	4,800	4,373	4,650	4,990
Petroleum resource rent tax	1,389	1,072	865	791	1,308	907	419	1,184	2,379	1,361	1,720	1,280
Total income tax	**64,258**	**66,416**	**73,916**	**82,440**	**90,610**	**95,366**	**103,017**	**112,936**	**116,006**	**117,601**	**127,260**	**133,200**
Indirect tax(e)												
Excise duty												
Crude oil and LPG	116	62	27	13	9	16	31	219	526	393	450	205
Petroleum products	7,200	8,499	9,406	10,224	10,543	10,895	10,974	11,189	11,919	12,386	12,800	13,075
Other excise	2,361	2,253	2,567	2,612	2,739	2,663	2,614	2,670	6,572	6,837	7,330	7,360
Total excise duty	9,677	10,814	12,001	12,849	13,291	13,574	13,619	14,078	19,017	19,616	20,580	20,640
Customs duty	3,331	3,226	3,474	3,124	3,289	3,637	3,634	3,771	4,584	4,625	5,060	5,350
Other indirect taxes(f)	9,252	10,414	11,624	12,955	13,308	14,085	15,162	15,532	1,929	785	840	930
Total indirect tax	**22,260**	**24,455**	**27,099**	**28,928**	**29,888**	**31,296**	**32,415**	**33,381**	**25,530**	**25,026**	**26,480**	**26,920**

Table F1: Commonwealth receipts (cash basis)[a] (continued)

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03(b)	2003-04(b)
	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m	$m
Fringe benefits tax	1,344	1,417	2,740	3,031	3,163	3,168	3,289	3,373	3,207	3,272	3,140	3,160
Other taxes	1,572	1,736	1,933	1,988	2,154	2,390	2,383	1,005	1,312	1,645	1,622	1,569
Total tax receipts	**89,434**	**94,024**	**105,687**	**116,386**	**125,815**	**132,219**	**141,104**	**150,695**	**146,056**	**147,544**	**158,502**	**164,849**
Non-tax receipts												
Interest received	2,477	2,051	1,790	1,403	1,126	1,139	682	995	1,140	918	964	754
Dividends and other	3,150	4,671	2,952	3,899	4,089	3,610	4,659	14,116	13,634	14,062	14,440	13,303
Total non-tax receipts	**5,627**	**6,722**	**4,743**	**5,302**	**5,216**	**4,749**	**5,341**	**15,111**	**14,774**	**14,980**	**15,405**	**14,056**
Total receipts	**95,062**	**100,747**	**110,430**	**121,688**	**131,031**	**136,968**	**146,444**	**165,806**	**160,829**	**162,524**	**173,907**	**178,905**

(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 (cash) basis.
(b) Estimates.
(c) Inclusive of the Medicare levy.
(d) PPS denotes Prescribed Payments System, which was replaced by the PAYG withholding system from 1 July 2000. It includes Reportable Payments System payments by individuals.
(e) These items are reported net of Revenue Replacement Payments (RRPs) to the States.
(f) This item includes wholesale sales tax, wine equalisation tax and luxury car tax.

Table F2: Major categories of receipts as a proportion of gross domestic product (cash basis)[a]

	Taxation receipts														Non-taxation receipts			
	Income tax								Other taxation receipts									
	Gross ITW	Gross other individuals	Refunds	**Total individuals & w'holding** (b)	Companies	Super funds	PRRT	**Total income tax**	Petrol products	Other excise	Customs duty	FBT	Total other tax(c)	Total tax receipts	Interest	Dividends and other	Total non-tax receipts	**Total receipts**
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
1974-75	10.4	2.4	1.3	**11.5**	3.5	-	-	**15.0**	1.0	1.5	1.2	-	5.8	20.8	1.7	0.0	1.7	**22.6**
1975-76	10.7	2.8	1.7	**11.7**	3.2	-	-	**14.9**	1.3	1.6	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	-	-	**15.3**	1.2	1.5	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	-	6.1	21.4	1.8	0.3	2.1	**23.6**
1978-79	10.2	2.1	0.9	**11.4**	2.7	0.0	-	**14.1**	1.9	1.5	1.2	-	6.7	20.8	1.7	0.3	2.0	**22.9**
1979-80	10.4	2.2	0.9	**11.8**	2.6	0.0	-	**14.5**	2.5	1.4	1.2	-	7.0	21.4	1.5	0.3	1.8	**23.2**
1980-81	10.6	2.3	0.8	**12.1**	3.2	0.0	-	**15.4**	2.8	1.2	1.2	-	7.1	22.5	1.5	0.3	1.8	**24.3**
1981-82	11.4	2.3	0.8	**12.8**	3.0	0.0	-	**15.8**	2.5	1.1	1.2	-	6.9	22.7	1.5	0.3	1.8	**24.5**
1982-83	11.7	2.3	1.1	**12.9**	2.7	0.0	-	**15.5**	2.7	1.1	1.1	-	7.3	22.9	1.5	0.5	2.0	**24.9**
1983-84	11.1	2.2	1.2	**12.3**	2.2	0.0	-	**14.5**	2.8	1.0	1.1	-	7.6	22.2	1.5	0.6	2.1	**24.2**
1984-85	11.5	2.4	0.9	**13.2**	2.5	0.0	-	**15.7**	2.9	1.0	1.3	-	8.0	23.6	1.4	0.7	2.1	**25.8**
1985-86	11.8	2.7	1.4	**13.4**	2.5	0.0	-	**15.9**	2.9	1.0	1.3	-	8.0	23.9	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	0.2	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	0.3	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	0.3	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	0.0	**16.7**	2.0	0.6	1.0	0.3	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	0.1	**16.8**	2.0	0.6	0.8	0.3	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	0.2	**15.5**	1.8	0.6	0.8	0.3	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	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	**11.5**	2.8	0.3	0.2	**14.9**	1.9	0.5	0.7	0.3	6.2	21.0	0.5	1.0	1.5	**22.5**
1994-95	11.0	2.0	1.7	**11.8**	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	**12.3**	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	**12.7**	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**

Table F2: 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										
	Gross ITW	Gross other individuals	Refunds	**Total individuals & w'holding** (b)	Companies	Super funds	PRRT	**Total income tax**	Petrol products	Other excise	Customs duty	FBT	Total other tax(c)	Total tax receipts		Interest	Dividends	Total and non-tax other receipts	**Total receipts**
	%	%	%	%	%	%	%	%	%	%	%	%	%	%		%	%	%	%
1997-98	11.9	2.2	1.7	**12.8**	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	**13.2**	3.5	0.7	0.1	**17.4**	1.9	0.4	0.6	0.6	6.4	23.8		0.1	0.8	0.9	**24.7**
1999-00	12.4	2.1	1.7	**13.3**	3.9	0.6	0.2	**18.0**	1.8	0.4	0.6	0.5	6.0	24.0		0.2	2.2	2.4	**26.4**
2000-01	11.2	2.0	1.6	**11.5**	4.7	0.7	0.4	**17.3**	1.9	1.0	0.7	0.5	4.5	21.8		0.2	2.0	2.2	**24.0**
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(d)	11.1	2.3	1.5	**11.9**	4.1	0.6	0.2	**16.9**	1.8	1.0	0.7	0.4	4.1	21.0		0.1	1.9	2.0	**23.0**
2003-04(d)	11.1	2.4	1.5	**11.9**	4.0	0.6	0.2	**16.7**	1.7	0.9	0.7	0.4	4.0	20.7		0.1	1.7	1.8	**22.5**

(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 (cash) basis.
(b) Also includes gross Prescribed Payments System and Reportable Payments System receipts.
(c) Also includes wholesale sales tax, wine equalisation tax, luxury car tax, agricultural and other taxes.
(d) Estimates.

Table F3: Major categories of receipts as a proportion of total receipts (cash basis)[(a)]

	Taxation receipts														Non-taxation receipts		
	Income tax								Other taxation receipts								
	Gross ITW	Gross other individuals	Refunds	**Total individuals & w'holding** (b)	Companies	Super funds	PRRT	**Total income tax**	Petrol products	Other excise	Customs duty	FBT	Total other tax (c)	Total tax receipts	Interest	Dividends and other	Total non-tax receipts
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
1974-75	45.9	10.8	5.6	**51.1**	15.5	-	-	**66.6**	4.6	6.7	5.5	-	25.7	92.3	7.7	0.0	7.7
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	92.2	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	0.0	**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	0.3	**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	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	**50.8**	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	**51.1**	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	**50.3**	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	**50.8**	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	**51.5**	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

Table F3: Major categories of receipts as a proportion of total receipts (cash basis)[(a)] (continued)

	Taxation receipts														Non-taxation receipts		
	Income tax								Other taxation receipts								
	Gross ITW	Gross other individuals	Refunds	**Total individuals & w'holding** (b)	Companies	Super funds	PRRT	**Total income tax**	Petrol products	Other excise	Customs duty	FBT	Total other tax (c)	Total tax receipts	Interest	Dividends and other	Total non-tax receipts
	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%
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(d)	48.3	9.9	6.6	**51.6**	17.9	2.7	1.0	**73.2**	7.6	4.2	2.9	1.8	18.0	91.1	0.6	8.3	8.9
2003-04(d)	49.3	10.5	6.8	**53.0**	18.0	2.8	0.7	**74.5**	7.4	4.1	3.0	1.8	17.7	92.1	0.4	7.4	7.9

(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 (cash) basis.
(b) Also includes gross Prescribed Payments System and Reportable Payments System receipts.
(c) Also includes wholesale sales tax, wine equalisation tax, luxury car tax, agricultural levies and other taxes.
(d) Estimates.