

Part 1: Revenue Measures

Table 1: Revenue measures since the 2012-13 MYEFO^(a)

Page		2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
AGRICULTURE, FISHERIES AND FORESTRY						
<i>Department of Agriculture, Fisheries and Forestry</i>						
9	Changes to agricultural production levies	-	0.3	0.3	0.3	0.3
76	Farm Finance — support for farmers(b)	-	6.0	20.8	30.0	30.9
Portfolio total		-	6.4	21.1	30.3	31.2
ATTORNEY-GENERAL'S						
<i>Attorney-General's Department</i>						
97	Strengthening the response to organised crime at the border and in the supply chain(b)	-	0.2	0.2	0.2	0.2
<i>Australian Customs and Border Protection Service</i>						
10	Customs duty — customs refund and duty drawback scheme for tobacco	-	-	-	-	-
25	Excise and excise-equivalent customs duty — index tobacco excise to average weekly ordinary time earnings	-	nfp	nfp	nfp	nfp
10	Import Processing Charge — ensuring full cost recovery	-	91.6	188.7	194.2	199.8
97	Strengthening the response to organised crime at the border and in the supply chain(b)	-	-	-	-	-
<i>Australian Transaction Reports and Analysis Centre</i>						
86	Australian Transaction Reports and Analysis Centre — establishment of new data centre(b)	-	1.5	2.5	2.5	2.5
<i>CrimTrac Agency</i>						
97	Strengthening the response to organised crime at the border and in the supply chain(b)	-	-	-	-	-
<i>Family Court and Federal Circuit Court</i>						
11	Independent Children's Lawyers — exemption from payment of new court fees	-	-0.9	-1.0	-1.0	-1.1
Portfolio total		-	92.4	190.4	195.8	201.4
BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY						
<i>Australian Broadcasting Corporation</i>						
287	Australian Broadcasting Corporation — Melbourne Accommodation Project(c)	-	..	-0.9	-1.6	-1.7
<i>Australian Communications and Media Authority</i>						
100	Australian Communications and Media Authority — revenue assurance project — continuation(b)	nfp	nfp	nfp	nfp	nfp

Table 1: Revenue measures since the 2012-13 MYEFO^(a) (continued)

Page		2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
	BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY (continued)					
12	Broadcast licence fees — permanent reduction	-	-	-	-	-
272	Trans-Tasman Mobile Roaming(b)	-	-	0.2	0.4	0.4
107	Untimed Local Calls in the Extended Zones — continuation(b)	-	nfp	nfp	nfp	nfp
	Portfolio total	-	..	-0.7	-1.2	-1.3
	DEFENCE					
	<i>Department of Defence</i>					
112	Middle East Area of Operations — continuation of Australia's military contribution(b)	-	10.7	-	-	-
	Portfolio total	-	10.7	-	-	-
	EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS					
	<i>Department of Education, Employment and Workplace Relations</i>					
195	Fraud prevention and compliance — increase compliance for customers with earned income(b)	-	34.0	-	-	-
220	Student Start-up Scholarships — conversion to Income Contingent Loans(b)	-	-	..	..	0.1
	Portfolio total	-	34.0	..	..	0.1
	FINANCE AND DEREGULATION					
	<i>Department of Finance and Deregulation</i>					
28	Personal income tax — increase in the Medicare levy — DisabilityCare Australia	-	-	42.8	161.1	263.5
	Portfolio total	-	-	42.8	161.1	263.5
	HEALTH AND AGEING					
	<i>Australian Radiation Protection and Nuclear Safety Agency</i>					
167	Australian Radiation Protection and Nuclear Safety Agency — improving Australia's capacity to deliver effective radiation protection and nuclear safety(b)	-	1.3	1.3	1.3	1.3
	<i>Department of Health and Ageing</i>					
144	Family payments reform — replacing the Baby Bonus(b)	-	-	-	-	-
172	High risk implantable devices — establishment of a national patient register(b)	-	-	1.4	2.9	2.7
182	Pharmaceutical Benefits Scheme — new and amended listings(b)	nfp	nfp	nfp	nfp	nfp
	<i>National Blood Authority</i>					
170	Health program funding — Better targeting(b)	-	-0.1	-3.9	-7.7	-10.7
	Portfolio total	-	1.1	-1.2	-3.6	-6.7

Table 1: Revenue measures since the 2012-13 MYEFO^(a) (continued)

Page		2012-13	2013-14	2014-15	2015-16	2016-17
		\$m	\$m	\$m	\$m	\$m
HUMAN SERVICES						
<i>Department of Human Services</i>						
182	Pharmaceutical Benefits Scheme — new and amended listings(b)	-	-	-	-	-
220	Student Start-up Scholarships — conversion to Income Contingent Loans(b)	-	-	-	-	-
	Portfolio total	-	-	-	-	-
IMMIGRATION AND CITIZENSHIP						
<i>Department of Immigration and Citizenship</i>						
13	457 Visas — increased application charge	-	46.8	52.8	50.4	48.0
196	Australia in the Asian Century — Enhancing the Working Holiday Maker Program(b)	-	-	-	-	-
13	Community Partnership Settlement Pilot	2.6	2.7	-	-	-
240	Cricket World Cup — assistance(b)	-	-	-	-	-
199	Migration Program — allocation of places for 2013-14(b)	-	3.1	3.2	4.1	4.2
	Portfolio total	2.6	52.6	56.0	54.6	52.3
INDUSTRY, INNOVATION, CLIMATE CHANGE, SCIENCE, RESEARCH AND TERTIARY EDUCATION						
<i>Clean Energy Regulator</i>						
14	Carbon unit auction schedule	-	-	-	-	-
<i>Kyoto Protocol</i>						
14	— adoption of second commitment period and new greenhouse gas global warming potentials	-	-	-	100.0	140.0
15	— election of additional land-based activities under the second commitment period and termination of the Non-Kyoto Carbon Fund	-	-	-	70.0	100.0
15	Renewable Energy Target — conclusion of the solar credits mechanism	-1.4	-0.4	-	-	-
<i>Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education</i>						
207	Australia in the Asian Century — AsiaBound Grants and changes to OS-HELP(b)	-	-	-	-	1.5
216	HECS-HELP Discount and Voluntary HELP Repayment Bonus — ending discounting(b)	-	-	3.1	13.1	25.6
218	Priority postgraduate and sub-bachelor courses — additional places(b)	-	-	0.1	0.3	0.5
220	Student Start-up Scholarships — conversion to Income Contingent Loans(b)	-	-	0.6	3.6	9.5
<i>National Vocational Education and Training Regulator (Australian Skills Quality Authority)</i>						
212	Australian Skills Quality Authority — cost recovery arrangements(b)	-5.0	-10.0	-	-	-
	Portfolio total	-6.4	-10.4	3.7	187.0	277.1

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Page		2012-13	2013-14	2014-15	2015-16	2016-17
		\$m	\$m	\$m	\$m	\$m
INFRASTRUCTURE AND TRANSPORT						
<i>Australian Maritime Safety Authority</i>						
17	Protection of the Sea Levy — retention at current level	-	-	-	-	-
<i>Department of Infrastructure and Transport</i>						
223	Adelaide Airport Noise Amelioration Program(b)	-	2.0	3.0	-	-
Portfolio total		-	2.0	3.0	-	-
REGIONAL AUSTRALIA, LOCAL GOVERNMENT, ARTS AND SPORT						
<i>National Capital Authority</i>						
18	Paid parking on national land in the suburbs of Parkes, Barton, Russell and Acton (ACT)	-	-	22.1	24.3	26.8
Portfolio total		-	-	22.1	24.3	26.8
RESOURCES, ENERGY AND TOURISM						
<i>Department of Resources, Energy and Tourism</i>						
19	Offshore petroleum registration fee surplus revenue	79.9	*	-	-	-
19	Selective cash bidding for offshore petroleum exploration acreage — establishment	-	-	57.7	44.9	57.7
Portfolio total		79.9	*	57.7	44.9	57.7
SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES						
<i>Bureau of Meteorology</i>						
20	Bureau of Meteorology — website advertising	nfp	nfp	nfp	nfp	nfp
<i>Department of Sustainability, Environment, Water, Population and Communities</i>						
Environment Protection and Biodiversity Conservation Act						
256	— deferral(b)	-4.1	-7.7	-4.1	-2.2	0.3
257	— water resources amendment(b)	-	-	5.8	5.9	6.0
261	Synthetic greenhouse gases and ozone depleting substances — implementation of destruction incentives program and reduction in regulatory burden(b)	-	-0.5	-0.5	-0.5	-0.5
262	Voluntary product stewardship — implementation(b)	0.1	0.1	0.1	0.1	0.1
Portfolio total		-4.0	-8.1	1.3	3.3	5.9
TREASURY						
<i>Australian Prudential Regulation Authority</i>						
268	Over-the-counter derivatives market supervision(b)	-	3.0	1.2	0.9	0.8
270	Superannuation — further financial assistance grants to compensate fund members for the failure of Trio(b)	-	-	-	-	-

Table 1: Revenue measures since the 2012-13 MYEFO^(a) (continued)

Page		2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
	TREASURY (continued)					
271	Superannuation Complaints Tribunal — additional funding(b)	-	1.0	0.9	0.3	0.3
	<i>Australian Securities and Investments Commission</i>					
264	Australian Securities and Investments Commission client contact centre — National Business Names registration system(b)	-	2.2	2.2	2.2	2.2
	<i>Australian Taxation Office</i>					
	A Plan for Australian Jobs					
21	– Research and Development tax incentive — better targeting	-	-	350.0	400.0	300.0
21	– Venture Australia — enhancing taxation arrangements	-	-	*	*	*
22	Anzac Centenary Program 2014-18 — Anzac Centenary Public Fund — deductible gift recipient specific listing	-	-1.3	-3.5	-2.3	-0.5
23	Better targeting of tax concessions — later start date and conclusion of transitional arrangements	-8.0	-29.0	-8.0	74.0	75.0
12	Broadcast licence fees — permanent reduction	-	-	-	-	-
24	Capital gains tax — clarification of the tax treatment of native title benefits	..	..	..	..	..
24	Clean Energy Future — deferral of the 2015-16 tax cuts	-	-	-	820.0	670.0
111	Defence Abuse Reparation Payment Scheme(b)	-	-	-	-	-
140	DisabilityCare Australia — Transition to Full Scheme(b)	-	..	..	..	..
25	Excise and excise-equivalent customs duty — index tobacco excise to average weekly ordinary time earnings	-	nfp	nfp	nfp	nfp
142	Family and Parental Payments — change to rules for receiving payments overseas(b)	-	-	-0.1	-0.1	-0.1
	Family payments reform					
143	– continuing indexation pauses on upper income limits and supplements(b)	-	-	-0.3	-	-0.1
144	– replacing the Baby Bonus(b)	-	6.3	28.2	47.4	49.2
76	Farm Finance — support for farmers(b)	-	-	-	-7.0	-6.0
26	GST — allowing businesses in a net refund position to continue to use the GST instalment system	-	-	-	-	-
216	HECS-HELP Discount and Voluntary HELP Repayment Bonus — ending discounting(b)	-	-	-	-	-
26	International tax — tax information exchange agreement with Uruguay	*	*	*	*	*
112	Middle East Area of Operations — continuation of Australia's military contribution(b)	-	-32.0	-17.0	-	-

Table 1: Revenue measures since the 2012-13 MYEFO^(a) (continued)

Page		2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
TREASURY (continued)						
26	Monthly PAYG instalments — extension to other large entities	-	-	-	900.0	500.0
27	Not-for-profit sector reforms — introducing a statutory definition of 'charity' — later start date	-	*	*	*	*
94	Official development assistance — Australian Federal Police contribution to the United Nations Mission in the Republic of South Sudan(b)	-	-0.2	-0.3	-0.2	-
	Personal income tax					
28	— exempting disaster payments from income tax	-	-	-	-	-
28	— increase in the Medicare levy — DisabilityCare Australia	-	-	3,300.0	3,850.0	4,200.0
29	— Medicare levy low-income threshold	-	-16.0	-8.0	-7.0	-7.0
30	— net medical expenses tax offset phase out	-	-2.0	175.0	285.0	510.0
30	— reforms to work-related self-education expenses	-	-	*	250.0	270.0
31	Petroleum resource rent tax — addressing issues arising from litigation	-50.0	-40.0	-10.0	-10.0	-10.0
	Philanthropy					
32	— extending deductible gift recipient status to organisations which provide ethics classes in government schools	-	-0.2	-0.3	-0.3	-0.3
32	— updating the list of specifically listed deductible gift recipients	-	..	-0.1	-0.1	..
	Protecting the corporate tax base from erosion and loopholes					
33	— addressing aggressive tax structures that seek to shift profits by artificially loading debt into Australia	-	-	190.0	665.0	635.0
33	— closing loopholes in the consolidation regime	-	10.0	110.0	185.0	235.0
34	— closing loopholes in the Offshore Banking Unit regime	-	20.0	100.0	100.0	100.0
35	— improving the integrity of the foreign resident capital gains tax regime	-	-	20.0	20.0	190.0
36	— increasing ATO compliance checks on offshore marketing hubs and business restructures	-	-	81.0	192.2	303.3
36	— preventing 'dividend washing'	-	-	20.0	20.0	20.0
36	— targeting the deduction for exploration to genuine exploration activity	-	100.0	400.0	350.0	250.0
163	Regional Assistance Mission to Solomon Islands — transition(b)	-	-3.5	-3.5	-2.5	-2.0
37	Review of Military Compensation Arrangements — income tax exemption for compensation for legal advice	-	-	-	-	-
220	Student Start-up Scholarships — conversion to Income Contingent Loans(b)	-	-	-	-	-

Table 1: Revenue measures since the 2012-13 MYEFO^(a) (continued)

Page		2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m	2016-17 \$m
	TREASURY (continued)					
38	Superannuation — reduction of higher tax concession for contributions of very high income earners — minor amendments	-	4.0	6.1	7.1	8.0
	Superannuation reforms					
39	– a fairer excess contributions tax system	-	-	-15.0	-15.0	-25.0
40	– encouraging the take-up of deferred lifetime annuities	-	-	-	-	-
40	– higher concessional contributions cap	-	-195.0	105.0	230.0	225.0
41	– reforming the tax exemption for earnings on superannuation assets supporting retirement income streams	-	-	2.0	152.0	202.0
42	– transfer of lost member accounts to the ATO	-	-	-	60.0	70.0
43	Tax administration — enhancing Standard Business Reporting, the Australian Business Register and Australian Business Number administration	-	-	42.6	34.0	29.8
297	Tax agent services licensing regime — online registration for financial advisors(c)	-	-	-	6.5	-
	Tax compliance					
43	– Australian Taxation Office trusts taskforce	-	10.6	62.8	128.9	176.7
44	– improving compliance through third party reporting and data matching	-	-	115.1	242.7	252.4
	Tax laws					
45	– miscellaneous amendments	..	..	..	..	..
45	– privileges and immunities for the International Committee of the Red Cross	-	..	..	..	..
221	The Conversation — funding support(b)	-	-0.3	-0.5	-0.5	-0.5
113	Timor-Leste — transition of Australia's security commitment and future Defence engagement(b)	-	-	-	-	-
45	Verifying the export of liquids, aerosols and gels sold under the sealed bag scheme	-	-	-	-	-
	<i>Department of the Treasury</i>					
22	Australian Reinsurance Pool Corporation — dividend	-	75.0	75.0	75.0	75.0
	Portfolio total	-58.0	-87.4	5,120.6	9,053.3	9,298.2

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Page		2012-13	2013-14	2014-15	2015-16	2016-17
		\$m	\$m	\$m	\$m	\$m
	VETERANS' AFFAIRS					
	<i>Department of Veterans' Affairs</i>					
182	Pharmaceutical Benefits Scheme — new and amended listings(b)	-	-	-	-	-
	Portfolio total	-	-	-	-	-
	Decisions taken but not yet announced	-49.9	17.7	15.7	16.3	13.9
	Total impact of revenue measures(d)	-35.8	111.0	5,532.5	9,766.3	10,220.1

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

.. Not zero, but rounded to zero.

- Nil.

nfp not for publication.

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

(b) These measures can also be found in the expense measures summary table.

(c) These measures can also be found in the capital measures summary table.

(d) Measures may not add due to rounding. Total impact does not include the measure *Excise and excise-equivalent customs duty — index tobacco excise to average weekly ordinary time earnings* due to taxpayer confidentiality. Estimates for this measure have been incorporated as a parameter variation in the budget aggregates. The Government intends to introduce legislation to enable better public disclosure of tax revenue, even when the identity of particular entities could be determined.

AGRICULTURE, FISHERIES AND FORESTRY**Changes to agricultural production levies**

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Department of Agriculture, Fisheries and Forestry	-	0.3	0.3	0.3	0.3
<i>Related expense (\$m)</i>					
<i>Department of Agriculture, Fisheries and Forestry</i>	-	0.3	0.3	0.3	0.3

The Government has introduced or will reappropriate the following agricultural production levies and export charges to meet changes in the funding needs of the agricultural industry organisations they support:

- Olive levies: from 1 May 2013, a new research and development (R&D) levy has applied to fresh olives for processing at a rate of \$3 per tonne and a new Plant Health Australia (PHA) levy has applied to fresh olives at a rate of 10 cents per tonne.
- Potted plants levies: from 1 July 2013, the R&D levy on potted plants will decrease from 3 per cent to 2.75 per cent of the sale value of the container for potted plants and a PHA levy will be introduced at a rate of 0.25 per cent of the sale value of the container.
- Chestnut levies and export charge: from 1 July 2013, the chestnut R&D levy and export charge will decrease from \$50 to \$45 per tonne of chestnuts and a PHA levy and charge will be introduced at a rate of \$5 per tonne.

All revenue raised by these levies and charges is provided directly to fund industry membership or research and development. The Government will also continue to provide funding to match levies for R&D up to a cap, in accordance with existing co-investment arrangements.

The Government has also introduced Emergency Plant Pest Response (EPPR) levies for the above commodities as well as a corresponding charge for chestnuts. The EPPR levies and charges are initially set at a zero rate. This provides a mechanism which can be activated to recover costs incurred by the industry that are underwritten by the Commonwealth in response to emergency plant pest incidents.

ATTORNEY-GENERAL'S

Customs duty — customs refund and duty drawback scheme for tobacco

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Customs and Border Protection Service	-	-	-	-	-

The Government has amended the customs duty refund and duty drawback requirements for tobacco to smooth the implementation of plain packaging reforms. The amendments provided an option for a refund of customs duty for tobacco products where the products were destroyed under government supervision. The refund of customs duty ceased on 30 April 2013. The intention of the refund provision was to deal with the collection and destruction of branded tobacco unsold at 1 December 2012. This measure is estimated to have no revenue impact over the forward estimates period.

The amendments also reduced the risk to revenue and prevented the export of large volumes of branded tobacco products as a result of the plain packaging requirements.

Further information can be found in the press release of 9 November 2012 issued by the Australian Customs and Border Protection Service.

Import Processing Charge — ensuring full cost recovery

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Customs and Border Protection Service	-	91.6	188.7	194.2	199.8

The Government will restructure the Import Processing Charge (IPC) to recover the costs of all import related cargo and trade functions undertaken by the Australian Customs and Border Protection Service. Currently only a portion of these functions is cost recovered. To recover these costs charges will be increased for consignments valued over \$10,000. The increase to the IPC will result in additional revenue of \$674.3 million over four years and will be implemented in accordance with the Australian Government's cost recovery policy.

The new charges will come into effect on 1 January 2014. For consignments valued over \$10,000, the IPC for electronic sea import declarations will be increased by \$102.60 to \$152.60 per consignment; and the IPC for electronic air import declarations will be increased by \$81.90 to \$122.10 per consignment.

For consignments valued over \$1,000 and up to \$10,000 the IPC will remain at current levels: \$50.00 for electronic sea import declarations and \$40.20 for electronic air import declarations. The IPC is not applied to consignments valued at \$1,000 or less.

Independent Children's Lawyers — exemption from payment of new court fees

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Family Court and Federal Circuit Court	-	-0.9	-1.0	-1.0	-1.1

The Government will exempt Independent Children's Lawyers (ICLs) from payment of court fees for issuing subpoenas and filing applications for interim orders in family law proceedings. This measure is estimated to have a cost to revenue of \$4.0 million over four years.

Exempting ICLs from these payments supports the Government's objective of delivering equitable access to the justice system.

BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Broadcast licence fees — permanent reduction

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Communications and Media Authority	-	-	-	-	-
Australian Taxation Office	-	-	-	-	-
Total — Revenue	-	-	-	-	-

The Government has permanently reduced television licence fees for commercial broadcasters by 50 per cent, effective from the 2012-13 financial year. This measure is estimated to have a cost to revenue of \$615.0 million over the forward estimates period. Funding for this measure was included as a 'decision taken but not yet announced' in the *Mid-Year Economic and Fiscal Outlook 2012-13*.

This measure forms part of the Government's response to the *Final Report of the Convergence Review*.

Further information can be found in the press releases of 30 November 2012 and 12 March 2013 issued by the Minister for Broadband, Communications and the Digital Economy.

IMMIGRATION AND CITIZENSHIP**457 Visas — increased application charge**

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Department of Immigration and Citizenship	-	46.8	52.8	50.4	48.0

The Government will increase the visa application charge (VAC) for the Temporary Work (Skilled) — Standard Business Sponsorship (Subclass 457) Visa program from 1 July 2013 to \$900.

A full list of visa application charges is available on the Department of Immigration and Citizenship website at www.immi.gov.au.

This measure is expected to raise \$198.0 million in revenue over four years.

Community Partnership Settlement Pilot

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Department of Immigration and Citizenship	2.6	2.7	-	-	-

The Government introduced a new humanitarian Community Partnership Settlement Pilot (the Pilot) in 2012-13. Commencing in early 2013, the Pilot will allow up to 500 entrants from within the existing Humanitarian Program, to be settled in partnership with community organisations.

Under the Pilot, community groups will assist entrants for a period of 12 months, including finding employment through facilitating access to training services, linking with Job Services Australia and using the community partner's networks. Partnering community organisations will also be responsible for assisting nominated entrants by paying for airfares, overseas medical checks, some settlement related services, and Visa Application Charges (VACs).

The VAC is estimated to increase revenue by \$5.3 million over two years.

An evaluation of the Pilot will occur within 12 months and will test the feasibility of a fully-fledged ongoing program.

Further information can be found in the press release of 15 December 2012 issued by the then Minister for Immigration and Citizenship.

INDUSTRY, INNOVATION, CLIMATE CHANGE, SCIENCE, RESEARCH AND TERTIARY EDUCATION

Carbon unit auction schedule

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Clean Energy Regulator	-	-	-	-	-

Following consultation with industry, the Government has set a carbon unit auction schedule of eight auctions per vintage and advance auctioning of three-eighths of each vintage. The first auction of carbon units for the 2015-16 fiscal year, which is the first year of the floating price period, will take place in the first half of the 2014 calendar year. This measure is estimated to have no revenue impact over the forward estimates period. In underlying cash terms, the estimated increase in receipts is \$340.0 million over the forward estimates period.

The auction schedule determines how many carbon permit auctions are held in each fiscal year and what proportion of permits can be sold at advance auctions prior to their vintage year. Advance auctioning will enable businesses to more readily manage their carbon liabilities over time.

Kyoto Protocol — adoption of second commitment period and new greenhouse gas global warming potentials

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Clean Energy Regulator	-	-	-	100.0	140.0

The Government has signed up to a second commitment period under the Kyoto Protocol, with effect from 1 January 2013. A necessary precondition of joining the second commitment period under the Kyoto Protocol is the adoption of the United Nations Fourth Assessment Report Global Warming Potentials. These will be used to determine liabilities under the carbon pricing mechanism from 2017-18. This measure is estimated to have a gain to revenue of \$240.0 million over the forward estimates period due to associated changes in the assumed scheme cap in 2015-16 and 2016-17.

Joining the second commitment period has allowed the Government to reaffirm its international target of reducing net emissions by at least five per cent below 2000 levels by 2020 and ensure that Australian businesses have access to international credits under the Clean Development Mechanism.

Further information can be found in the joint press release of 9 December 2012 issued by the Minister for Climate Change and Energy Efficiency and the Parliamentary Secretary for Climate Change and Energy Efficiency.

Kyoto Protocol — election of additional land-based activities under the second commitment period and termination of the Non-Kyoto Carbon Fund

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Clean Energy Regulator	-	-	-	70.0	100.0
<i>Related expense (\$m)</i>					
Clean Energy Regulator	-	3.2	12.3	-	-
<i>Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education</i>	-	-49.6	-46.7	-60.7	-77.7
Total — Expense	-	-46.4	-34.4	-60.7	-77.7
<i>Related capital (\$m)</i>					
<i>Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education</i>	-0.2	-	-	-	-

The Government will count abatement from cropland management, grazing land management and revegetation towards Australia's commitments under the Kyoto Protocol from 1 July 2013. As a result, the Government will issue a greater number of permits to entities liable under the carbon pricing mechanism.

The changes outlined above will allow landholders to generate revenue under the Carbon Farming Initiative from the sale of carbon credits to liable entities. As a result, there is no need to proceed with the Non-Kyoto Carbon Fund, which was scheduled to commence on 1 July 2013.

This measure is estimated to provide savings to the Budget of \$389.4 million over the forward estimates period.

Renewable Energy Target — conclusion of the solar credits mechanism

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Clean Energy Regulator	-1.4	-0.4	-	-	-

The Government concluded the scheduled phase-out of the Solar Credits mechanism under the Renewable Energy Target on 1 January 2013, six months earlier than originally scheduled.

Budget Measures 2013-14 – Part 1: Revenue Measures

This measure has resulted in the Government receiving less revenue from fees for the creation and surrender of Renewable Energy Certificates and from the Renewable Energy Shortfall Charge. The reduction in revenue is estimated to be \$1.8 million over two years from 2012-13.

Further information can be found in the press release of 16 November 2012 issued by the then Minister for Climate Change and Energy Efficiency.

INFRASTRUCTURE AND TRANSPORT**Protection of the Sea Levy — retention at current level**

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Maritime Safety Authority	-	-	-	-	-

The Government will retain the Protection of the Sea Levy (PSL) at its current rate of 14.25 cents per net registered tonne for defined vessels to establish a \$10.0 million pollution response reserve which will enable the Australian Maritime Safety Authority (AMSA) to respond quickly to pollution incidents at sea.

The retention of the PSL at its current rate will also assist AMSA to recoup anticipated increased costs associated with the implementation of a number of pollution response and prevention initiatives. This would include improving and maintaining pollution response stockpiles, supporting the National Plan to Combat Pollution of the Sea by Oil and Other Noxious and Hazardous Substances, the National Maritime Emergency Response Arrangement and supporting vessel traffic service arrangements in the Torres Strait and the inner route of the Great Barrier Reef.

The PSL was increased from 11.25 cents to 14.25 cents, with effect from 1 April 2010, to recover the pollution-related clean-up costs in excess of the amount paid by the Pacific Adventurer shipowner.

REGIONAL AUSTRALIA, LOCAL GOVERNMENT, ARTS AND SPORT

Paid parking on National Land in the suburbs of Parkes, Barton, Russell and Acton (ACT)

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
National Capital Authority	-	-	22.1	24.3	26.8
<i>Related expense (\$m)</i>					
<i>National Capital Authority</i>	-	0.1	0.6	0.6	0.6
<i>Related capital (\$m)</i>					
<i>National Capital Authority</i>	-	5.8	3.1	-	-

The Government will introduce paid parking to all Australian Government owned car parks on National Land in the ACT suburbs of Parkes, Barton, Russell and Acton from 1 July 2014. This is estimated to generate revenue of \$73.3 million over three years and will help alleviate congestion in the area and allow visitors increased access to cultural institutions.

Capital funding of \$8.8 million over two years will be provided for the installation of pay parking machines and to upgrade selected carparks.

Funding of \$1.9 million over four years will also be provided for operational requirements associated with the introduction of pay parking.

RESOURCES, ENERGY AND TOURISM

Offshore petroleum registration fee surplus revenue

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Department of Resources, Energy and Tourism	79.9	*	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of Resources, Energy and Tourism</i>	14.0	-	-	-	-
<i>National Offshore Petroleum Safety and Environmental Management Authority</i>	3.8	-	-	-	-
<i>Total — Expense</i>	17.8	-	-	-	-

The Government will continue collecting, until 31 October 2013, registration fees under the *Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Act 2006* related to the establishment of the National Offshore Petroleum Titles Administrator and the National Offshore Petroleum Safety and Environmental Management Authority. This measure is estimated to provide savings to the Budget of \$62.1 million over the forward estimates period.

Selective cash bidding for offshore petroleum exploration acreage — establishment

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Department of Resources, Energy and Tourism	-	-	57.7	44.9	57.7
<i>Related expense (\$m)</i>					
<i>Geoscience Australia</i>	..	..	..	..	..
<i>Department of Resources, Energy and Tourism</i>	0.5	..	..	..	..
<i>Total — Expense</i>	0.5	..	..	..	..

The Government will introduce a cash bidding system for the allocation of offshore petroleum exploration acreage for areas containing known resources and mature areas from 2014. The existing work program bidding system will be maintained for all other areas. The measure is estimated to increase revenue by \$160.3 million over three years from 2014-15.

Funding of \$0.7 million over five years will be provided for the implementation and ongoing management of the new system, including a five-yearly Acreage Release Strategy to enable a more targeted approach to the release of offshore petroleum exploration acreage.

SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES

Bureau of Meteorology — website advertising

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Bureau of Meteorology	nfp	nfp	nfp	nfp	nfp
<i>Related expense (\$m)</i>					
Bureau of Meteorology	-	0.5	0.3	0.3	0.3

The Government will provide \$1.4 million over four years to enable the Bureau of Meteorology to host commercial advertising on its website on an ongoing basis. This measure follows the previously announced advertising trial. The introduction of website advertising was one of the options identified in the *Review of the Bureau of Meteorology's capacity to respond to future extreme weather and natural disaster events and to provide seasonal forecasting services*. Revenue from this measure will partially offset the costs of the services provided by the Bureau.

In order to protect the Bureau's position in any negotiations with potential advertisers, the estimated revenue from this measure is not for publication.

TREASURY

A Plan for Australian Jobs — Research and Development tax incentive — better targeting

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	350.0	400.0	300.0

The Government will better target support for research and development (R&D) by limiting access to the R&D tax incentive so that it only applies to companies with annual aggregate Australian turnover of less than \$20 billion. The measure will apply to income years starting on or after 1 July 2013. This measure is estimated to have a gain to revenue of \$1.1 billion over the forward estimates period.

The R&D tax incentive will provide a 45 per cent refundable tax offset to eligible companies with annual aggregate turnover of less than \$20 million and a 40 per cent non-refundable tax offset to all other eligible companies. Large companies with a turnover of \$20 billion or more that will no longer be able to access the R&D tax incentive will still be able to claim deductions for the R&D expenditure under general tax law provisions. There is broad support internationally for the proposition that small firms are more responsive to R&D tax incentives than large firms.

The gain to revenue from this measure will offset the cost of other Government priorities including measures announced as part of *A Plan for Australian Jobs*.

Further information can be found in the joint press release of 17 February 2013 issued by the Deputy Prime Minister and Treasurer and the Minister for Industry and Innovation.

See also the related expense measure titled *Research and Development tax incentive – quarterly credits* in the Treasury portfolio.

A Plan for Australian Jobs — Venture Australia — enhancing taxation arrangements

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	*	*	*

The Government will make changes to the Venture Capital Limited Partnership (VCLP) and the Early Stage Venture Capital Limited Partnership (ESVCLP) regimes to better meet the objective of increasing investment in new knowledge-based companies, high-skill jobs and competitive products and services. These changes will have effect from the date of Royal Assent of the enabling legislation. This measure is estimated to have a small but unquantifiable cost to revenue over the forward estimates period.

Budget Measures 2013-14 – Part 1: Revenue Measures

As recommended by the Board of Taxation, this measure includes changes that will deem any gains or losses made by a VCLP on the disposal of an eligible venture capital investment held for 12 months that flow through to partners to be on capital account for eligible domestic partners.

The Government will also lower the minimum investment capital required for entry into the ESVCLP program from \$10 million to \$5 million to facilitate increased investment by 'angel' investors.

The Government will also phase out the Pooled Development Fund (PDF) program over a number of years in consultation with stakeholders. The PDF program has been closed to new registrants since 2007.

These changes form part of *A Plan for Australian Jobs*. Further information can be found in the joint press release of 17 February 2013 issued by the Deputy Prime Minister and Treasurer and the Minister for Industry and Innovation and in the press release of 18 February 2013 issued by the Assistant Treasurer.

Anzac Centenary Program 2014-18 — Anzac Centenary Public Fund — deductible gift recipient specific listing

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-1.3	-3.5	-2.3	-0.5

The Government as part of the *Anzac Centenary Program 2014-18* will specifically list the Anzac Centenary Public Fund as a deductible gift recipient (DGR). Taxpayers may claim an income tax deduction for certain gifts of money or property to DGRs. This measure has an estimated cost to revenue of \$7.5 million over the forward estimates period.

Australian Reinsurance Pool Corporation — dividend

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Department of the Treasury	-	75.0	75.0	75.0	75.0

The Australian Reinsurance Pool Corporation (ARPC) will pay the Government an additional dividend of \$75.0 million per annum from 2013-14.

The ARPC was established in 2003 to administer the terrorism insurance scheme under the *Terrorism Insurance Act 2003* (the Act). The Act provides for a \$10 billion Commonwealth guarantee of the ARPC's liabilities. The ARPC pays dividends to compensate for the provision of the guarantee.

Further information can be found in the press release of 28 February 2013 issued by the Prime Minister.

See also the 2012-13 Budget measures titled *Australian Reinsurance Pool Corporation – one off dividend payment* and *Australian Reinsurance Pool Corporation – dividend*.

Better targeting of tax concessions — later start date and conclusion of transitional arrangements

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-8.0	-29.0	-8.0	74.0	75.0
<i>Related expense (\$m)</i>					
Department of the Treasury	-1.0	-1.0	9.0	29.0	30.0

The Government has announced a later start date for the 2011-12 Budget measure *Not-for-profit sector reforms – better targeting of not-for-profit tax concessions*, and set the conclusion date for transitional arrangements for activities which commenced prior to 7.30pm (AEST) on 10 May 2011. The forward estimates also incorporate a small-scale threshold of \$250,000 of annual accounting revenue. Unrelated commercial activities under this threshold would be exempt from income tax under the measure. The threshold was the subject of public consultation in a discussion paper released in May 2011, and will also be subject to further public consultation. The deferral of the start date, the size of the small-scale threshold, and the conclusion of the transitional arrangements on 1 July 2015 are estimated to result in a gain to revenue of \$104.0 million, and an increase in GST payments to the States and Territories of \$66.0 million, over the forward estimates period.

In the case of unrelated commercial activities that commenced after 7.30pm (AEST) on 10 May 2011, the measure will apply to activities undertaken from 1 July 2014 onwards. The later start date will enable further consultation and engagement with the not-for-profit sector on this measure and ensure there is an opportunity for detailed stakeholder input to be provided.

In the case of unrelated commercial activities that commenced prior to 7.30pm (AEST) on 10 May 2011, transitional arrangements for these activities will no longer apply from 1 July 2015, and the measure will apply to activities undertaken from 1 July 2015 onwards. When the 2011-12 Budget measure was announced, the Government stated that transitional arrangements and the timing of their conclusion would be subject to further consultation. As no date had previously been set for the conclusion of these transitional arrangements, the forward estimates had treated them as continuing indefinitely. As a result of the conclusion of the transitional arrangements, there is a positive impact on the forward estimates in 2015-16 and 2016-17.

Further information can be found in the joint press release of 31 January 2013 issued by the Assistant Treasurer and the Minister for Social Inclusion.

Capital gains tax — clarification of the tax treatment of native title benefits

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	..	..	..	..	..

The Government will remove the uncertainty regarding the capital gains tax (CGT) treatment of native title rights. This measure augments the *Mid-Year Economic and Fiscal Outlook 2012-13* measure *Income tax – clarification of the tax treatment of native title benefits*, which clarified that income tax is not payable on certain native title benefits. This measure will apply to CGT events happening on or after 1 July 2008, and clarifies that there are no CGT implications resulting from the transfer of native title rights (or the right to a native title benefit) to an Indigenous holding entity or Indigenous person, or from the creation of a trust that is an Indigenous holding entity over such rights. This measure also clarifies that capital gains or losses made from surrendering or cancelling such rights are disregarded. This measure is estimated to have a negligible cost to revenue over the forward estimates period.

Clean Energy Future — deferral of the 2015-16 tax cuts

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	-	820.0	670.0

The Government will defer the application of the Clean Energy Future personal income tax cuts scheduled to commence on 1 July 2015 due to revisions in carbon price projections from 2015-16 onwards. There will be no change to the tax cuts applied from the 2012-13 income year. This measure is estimated to have a gain to revenue of \$1.5 billion over the forward estimates period.

These tax cuts were intended to provide assistance for a projected increase in the carbon price to \$29.00 in 2015-16, from the fixed price of \$25.40 in 2014-15. As the carbon price in 2015-16 is now projected to be lower than \$25.40 (at around \$12.10), these tax cuts will be deferred until the estimated carbon price in the Budget reaches \$25.40. The Budget's revised carbon price methodology projects carbon prices above \$25.40 in 2018-19.

Payment increases under the *Household Assistance Package* and the tripling of the tax free threshold from 2012-13 will continue to meet the Government's commitments on household assistance for a carbon price below \$25.40.

This measure is part of the variations to the *Clean Energy Future* package due to the lower projected carbon price estimates.

Excise and excise-equivalent customs duty — index tobacco excise to average weekly ordinary time earnings

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	nfp	nfp	nfp	nfp
Australian Customs and Border Protection Service	-	nfp	nfp	nfp	nfp
Total — Revenue	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	nfp	nfp	nfp	nfp

The Government will change the indexation of excise and excise-equivalent customs duty for tobacco and tobacco products to average weekly ordinary time earnings (AWOTE), instead of the Consumer Price Index (CPI), commencing from 1 March 2014. The excise and excise-equivalent customs duty rates will continue to be indexed bi-annually, on 1 March and 1 September each year, to coincide with the releases of AWOTE data by the Australian Bureau of Statistics.

Consistent with legislative requirements for taxpayer confidentiality, estimates cannot be published for this measure and have been incorporated as a parameter variation in the budget aggregates. This measure is estimated to increase GST payments to the States and Territories over this period.

Currently, the rates of excise and excise-equivalent customs duty for cigarettes and other tobacco products are indexed bi-annually on and from 1 February and 1 August in line with the CPI. The 1 February 2014 CPI increase will not occur to ensure there are only two indexation adjustments in the 2014 calendar year.

Based on the average historical difference between annual AWOTE and CPI movements this measure would result in the cost of a typical packet of 25 cigarettes increasing by an additional 7 cents in the first half of 2014. This indexation would occur on 1 March 2014 instead of 1 February 2014.

Indexing tobacco excise and excise-equivalent customs duty to wages will ensure that tobacco excise keeps pace with incomes.

This reform implements another recommendation of the *Australia's Future Tax System* review, and builds on the Government's growing record of tax reform.

GST — allowing businesses in a net refund position to continue to use the GST instalment system

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	-	-	-
Related expense (\$m)					
Department of the Treasury	-	-	-	-	-

The Government has made revisions to the 2011-12 Budget measure *GST – providing businesses in a net refund position with access to the GST instalment system* to only allow those businesses already using the GST instalment system to continue to use it if they move into a net refund position. These revisions address concerns that the original measure could present a revenue risk. This measure will have effect from the date of Royal Assent of the enabling legislation. This measure is estimated to have no revenue impact over the forward estimates period.

International tax — tax information exchange agreement with Uruguay

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	*	*	*	*	*

The Government signed a tax information exchange agreement with Uruguay on 10 December 2012. The Agreement will enter into force once Australia and Uruguay have completed their respective domestic requirements. This measure is estimated to have a small but unquantifiable gain to revenue over the forward estimates period.

This Agreement will allow for the full exchange of information in relation to Australian federal taxes and Uruguayan taxes between tax collection agencies in Australia and Uruguay.

Australia has now signed 34 tax information exchange agreements.

Monthly PAYG instalments — extension to other large entities

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	-	900.0	500.0

The Government will extend the requirement to make monthly Pay As You Go (PAYG) income tax instalments to include all large entities in the PAYG instalment system, including trusts, superannuation funds, sole traders and large investors. This furthers the Government's goal of better aligning tax instalments with entities' income and trading conditions, and ensures tax neutrality between different business structures. This measure is estimated to have a gain to revenue of \$1.4 billion over the forward estimates period.

To provide these non-corporate entities with adequate time to prepare, they will be progressively brought in from the third tranche of the already announced move to monthly PAYG instalments for corporate entities. Specifically:

- corporate tax entities with turnover of more than \$1 billion will still move to monthly PAYG instalments from 1 January 2014;
- corporate tax entities with turnover of \$100 million or more will still move to monthly PAYG instalments from 1 January 2015;
- corporate tax entities with turnover of \$20 million or more, and all other entities in the PAYG instalment system with turnover of \$1 billion or more, will move to monthly PAYG instalments from 1 January 2016; and
- all other entities in the PAYG instalment system with turnover of \$20 million or more will move to monthly PAYG instalments from 1 January 2017.

Entities, other than head companies or provisional head companies, that have a turnover of less than \$100 million and report GST on a quarterly or annual basis will not be required to pay PAYG instalments monthly.

In addition, to ensure the continued equity of the system, entities in the taxation of financial arrangements (TOFA) regime will assess their entry to monthly instalments using a modified turnover test, based on their gross TOFA income, rather than their net TOFA income.

Not-for-profit sector reforms — introducing a statutory definition of 'charity' — later start date

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	*	*	*	*

The Government has announced a later start date for the 2011-12 Budget measure *Not-for-profit sector reforms — introducing a statutory definition of 'charity'*. This measure will take effect from 1 January 2014, rather than 1 July 2013 as originally announced. This measure is estimated to have a small but unquantifiable cost to revenue over the forward estimates period.

The new start date will provide time for the Australian Charities and Not-for-profits Commission to develop guidance for charities regarding the definition.

The proposed statutory definition of charity preserves common law principles and provides greater clarity and certainty about the meaning of 'charity' and 'charitable purpose'.

Personal income tax — exempting disaster payments from income tax

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	-	-	-

The Government has made certain payments associated with natural disasters exempt from income tax. This measure is estimated to have no revenue impact over the forward estimates period.

The Government has exempted from income tax the Disaster Income Recovery Subsidy (DIRS) payments provided between 3 January 2013 and 30 September 2013. The DIRS provides financial assistance to employees, small business persons and farmers who experience a loss of income as a direct consequence of a natural disaster occurring in Australia.

The Government has also exempted from income tax ex-gratia payments to New Zealand non-protected Special Category Visa holders affected by natural disasters that occurred in 2012-13. These ex-gratia payments are equivalent to the tax-exempt Australian Government Disaster Recovery Payment (AGDRP) and assist New Zealanders who would have been eligible for the AGDRP, but for their visa status.

Personal income tax — increase in the Medicare levy — DisabilityCare Australia

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	3,300.0	3,850.0	4,200.0
Department of Finance and Deregulation	-	-	42.8	161.1	263.5
Total — Revenue	-	-	3,342.8	4,011.1	4,463.5
<i>Related expense (\$m)</i>					
Department of Finance and Deregulation	-	-	0.2	0.8	1.3
Department of the Treasury	-	-	-	73.9	188.5
Total — Expense	-	-	0.2	74.7	189.8

The Government will increase the Medicare levy by half a percentage point from 1.5 to 2 per cent from 1 July 2014 to provide strong and stable funding for DisabilityCare Australia. This is estimated to have a gain to tax revenue of \$11.4 billion over the forward estimates period and \$20.4 billion to 2018-19. This will be dedicated to DisabilityCare Australia to provide certainty to Australians with a disability, their families and their carers.

Low-income earners will continue to receive relief from the Medicare levy through the low income thresholds for singles, families, seniors and pensioners. The current exemptions from the Medicare levy will also remain in place. The revenue raised by the increase in the Medicare levy will be invested in a new fund – the DisabilityCare Australia Fund (the Fund) – to be drawn on for expenditure directly related to DisabilityCare Australia. It is estimated the Fund will generate \$467.4 million in earnings over the forward estimates period.

The States and Territories will be able to draw down from the Fund when they meet key conditions, including agreement to the full scheme, and once at least 50 per cent of their eligible population are covered by the scheme. This is the stage at which it is likely that States and Territories will begin to incur significant new costs related to their participation. The States and Territories will receive an estimated \$262.4 million over the forward estimates period and \$9.7 billion over the life of the Fund, once they have agreed to implement fully DisabilityCare Australia and key conditions are met. This will help the States and Territories with the cost of establishing DisabilityCare Australia.

For further information, see the joint press release of 1 May 2013, issued by the Prime Minister, the Deputy Prime Minister and Treasurer, and the Minister for Disability Reform.

See also the related expense measure titled *DisabilityCare Australia – Transition to Full scheme*.

Personal income tax — Medicare levy low-income threshold

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-16.0	-8.0	-7.0	-7.0

The Government will increase the Medicare levy low-income threshold for families to \$33,693 for the 2012-13 income year, with effect from 1 July 2012. This measure is estimated to have a cost to revenue of \$38.0 million over the forward estimates period.

The additional amount of threshold for each dependent child or student will also increase to \$3,094. The increase in these thresholds takes into account movements in the Consumer Price Index and ensures that low-income families are not liable to pay the Medicare levy.

The Government increased the Medicare levy low-income thresholds for individuals and pensioners for 2012-13 as part of the *Household Assistance Package*. The Medicare levy low-income thresholds increased to \$20,542 for individuals and \$32,279 for pensioners eligible for the Seniors and Pensioners Tax Offset.

Personal income tax — net medical expenses tax offset phase out

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-2.0	175.0	285.0	510.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	0.1	2.5	0.8	0.4	0.2
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	0.4	-	0.1	-

The Government will phase out the net medical expenses tax offset (NMETO) with transitional arrangements for those currently claiming the offset. The NMETO will continue to be available for taxpayers for out of pocket medical expenses relating to disability aids, attendant care or aged care expenses until 1 July 2019 when DisabilityCare Australia is fully operational and aged care reforms have been in place for several years. This measure is estimated to provide savings to the Budget of \$963.5 million over the forward estimates period.

From 1 July 2013 those taxpayers who claimed the NMETO for the 2012-13 income year will continue to be eligible for the NMETO for the 2013-14 income year if they have eligible out of pocket medical expenses above the relevant thresholds. Similarly, those who claim the NMETO in 2013-14 will continue to be eligible for the NMETO in 2014-15.

This reform is consistent with the recommendations of the *Australia's Future Tax System* review, and builds on the Government's growing record of tax reform.

Personal income tax — reforms to work-related self-education expenses

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	*	250.0	270.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	0.3	0.7	2.2	2.2
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	-	0.3	-	-

The Government will better target work-related self-education expense deductions through an annual \$2,000 cap on these expenses from 1 July 2014. This measure is estimated to provide savings to the Budget of \$514.3 million over the forward estimates period.

Taxpayers will be able to claim a tax deduction of up to \$2,000 of education expenses in an income year. Deductible education expenses are costs incurred in undertaking a course of study or other education activity, such as conferences and workshops, and include tuition fees, registration fees, student amenity fees, textbooks, professional and trade journals, travel and accommodation expenses, computer expenses and stationery, where these expenses are incurred in the production of the taxpayer's current assessable income. The potential for uncapped claims for a wide range of expenses provides an opportunity for some people to enjoy significant private benefits at taxpayers' expense.

Employers are generally not liable for fringe benefits tax for education and training they provide or fund for their employees, in order to support employers investing in the skills of their workers. This treatment will be retained, unless an employee salary sacrifices to obtain these benefits.

Savings from this measure will be redirected to the *Better Schools – A National Plan for School Improvement* package.

Further information can be found in the press release of 13 April 2013 issued by the Deputy Prime Minister and Treasurer. As outlined in this release, the Government will consult closely to better target this deduction while still supporting essential training. A discussion paper will be released in late May 2013 as part of this process of consultation.

Petroleum resource rent tax — addressing issues arising from litigation

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-50.0	-40.0	-10.0	-10.0	-10.0

The Government will amend the *Petroleum Resource Rent Tax Act 1987* to provide industry with certainty regarding the scope to deduct legitimate expenditure following the decision in *Esso Australia Resources Pty Ltd v Commissioner of Taxation*. This measure will have effect from the commencement date of petroleum projects subject to the petroleum resource rent tax (PRRT). This measure is estimated to have a cost to revenue of \$120.0 million over the forward estimates period.

The Government will amend the PRRT law to:

- restore the capacity for taxpayers to apportion expenditure across a number of projects; and
- allow taxpayers to claim a deduction for services purchased from third parties (while preserving the requirement to break down the cost of services where the contractor is a related party).

Further information can be found in the joint press release of 14 December 2012, issued by the Deputy Prime Minister and Treasurer, the Minister for Resources, Energy and Tourism, and the Assistant Treasurer.

Philanthropy — extending deductible gift recipient status to organisations which provide ethics classes in government schools

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-0.2	-0.3	-0.3	-0.3

The Government will allow public funds that are established and maintained solely for the purpose of providing ethics classes in government schools in Australia to be endorsed as deductible gift recipients (DGRs), as a new general category. This expansion is for organisations that are authorised under State or Territory legislation and approved by State or Territory governments to conduct ethics classes in government schools as an alternative to special religious education classes. This measure is estimated to have a cost to revenue of \$1.1 million over the forward estimates period.

Further information can be found in the press release of 8 April 2013 issued by the Assistant Treasurer.

Philanthropy — updating the list of specifically listed deductible gift recipients

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	..	-0.1	-0.1	..

Since the *Mid-Year Economic and Fiscal Outlook 2012-13*, the following organisations have been approved as deductible gift recipients (DGRs):

- Australian Peacekeeping Memorial Project Incorporated;
- National Boer War Memorial Association Incorporated;
- National Congress of Australia's First Peoples Limited;
- Philanthropy Australia Incorporated; and
- United Way Australia.

Taxpayers may claim an income tax deduction for certain gifts of money or property to DGRs. This measure has an estimated cost to revenue of \$0.2 million over the forward estimates period.

Protecting the corporate tax base from erosion and loopholes — addressing aggressive tax structures that seek to shift profits by artificially loading debt into Australia

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	190.0	665.0	635.0

The Government will address profit shifting by multinationals through the disproportionate allocation of debt to Australia by tightening and improving the integrity of several aspects of Australia's international tax arrangements, with effect for income years commencing on or after 1 July 2014. This measure is estimated to have a gain to revenue of \$1.5 billion over the forward estimates period.

In particular, these changes involve:

- tightening and improving the effectiveness of the thin capitalisation rules including changing all safe harbour limits and extending a worldwide gearing test to inbound investors;
- increasing the *de minimis* threshold from \$250,000 to \$2 million of debt deductions which will reduce compliance costs for small business;
- better targeting the exemption for foreign non-portfolio dividends received by Australian companies; and
- removing the provision allowing a tax deduction for interest expenses incurred in deriving certain exempt foreign income.

The Government will consult with industry on the implementation of this measure. In addition, the Board of Taxation will conduct a review of the thin capitalisation arm's length test. The Australian Taxation Office will also commence consultation with taxpayers and industry to progress any guidance material in relation to these changes.

Protecting the corporate tax base from erosion and loopholes — closing loopholes in the consolidation regime

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	10.0	110.0	185.0	235.0

The Government will improve the integrity of the corporate tax system by addressing a number of issues relating to consolidated groups that were identified by the Board of Taxation. These amendments will apply to transactions that take place after 14 May 2013. This measure is estimated to have a gain to revenue of \$540.0 million and also protect a significant amount of revenue over the forward estimates period.

The law will be amended to ensure that:

- non-residents are not able to ‘churn’ (that is, buy and sell) assets between consolidated groups to allow the same ultimate owner to claim double deductions;
- certain deductible liabilities are not taken into account twice; and
- consolidated groups cannot access double deductions by shifting the value of assets between entities.

In addition, the Government will ensure that only net gains and losses are recognised for tax purposes for certain intra-group liabilities and assets that are subject to the taxation of financial arrangements regime, upon exit of a member from a consolidated group. To preserve how taxpayers have applied the current law, this amendment will apply to all income tax returns and requests for amended assessments lodged from the date of announcement. The Commissioner of Taxation will not have the power to alter the treatment of affected amounts in assessments made before the date of announcement.

The Government will consult on the development of the legislation. The Government will also address concerns raised by the Board of Taxation about inconsistencies in the tax treatment for multiple entry consolidated (MEC) groups used by multinationals and ordinary consolidated groups. The Government will ensure that MEC groups cannot access tax benefits not available to domestic consolidated groups. A tripartite review chaired by the Treasury and involving the Australian Taxation Office and the private sector will consider how best to implement the measure. The amended tax treatment will apply from 1 July 2014.

Protecting the corporate tax base from erosion and loopholes — closing loopholes in the Offshore Banking Unit regime

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	20.0	100.0	100.0	100.0

The Government will amend the existing Offshore Banking Unit (OBU) regime to better target genuine mobile financial sector activities and address integrity issues with the current regime. These changes will apply to income years commencing on or after 1 July 2013. This measure is estimated to have a gain to revenue of \$320.0 million over the forward estimates period.

The measure will:

- treat dealings with related parties, including the transfer of transactions between an OBU and a related domestic bank, as ineligible for OBU treatment;
- treat transactions between OBUs, including between unrelated OBUs, as ineligible for OBU treatment;

- ensure that other provisions of the income tax law interact appropriately with the OBU provisions; and
- tighten the current list of eligible OBU activity.

The Government will consult with industry to develop recommendations to address concerns with the allocation of expenses between OBU and non-OBU activities and on issues raised by the *Johnson Report*.

Protecting the corporate tax base from erosion and loopholes — improving the integrity of the foreign resident capital gains tax regime

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	20.0	20.0	190.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	-	0.2	2.6	6.8
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	-	-	0.4	0.8

The Government will make a number of amendments to improve Australia's foreign resident capital gains tax (CGT) regime. Two technical amendments to the regime will apply to CGT events with effect from 7.30pm (AEST) 14 May 2013 and a new withholding system to support the regime will apply from 1 July 2016. This measure is estimated to provide savings to the Budget of \$219.2 million over the forward estimates period.

The amendments will be made to the principal asset test to ensure that indirect Australian real property interests are taxable if disposed of by a foreign resident. In particular, the amendments will:

- remove the ability to use transactions between members of the same consolidated group to create and duplicate assets; and
- value mining, quarrying or prospecting information and goodwill together with the mining rights to which they relate.

The Government will consult on the development of the legislation. Also, from 1 July 2016, a 10 per cent non-final withholding tax will apply to the disposal by foreign residents of certain taxable Australian property. This measure will not apply to residential property transactions under \$2.5 million or to disposals by Australian residents.

The Government will consult publicly on the design and implementation of the regime to minimise compliance costs.

Protecting the corporate tax base from erosion and loopholes — increasing ATO compliance checks on offshore marketing hubs and business restructures

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	81.0	192.2	303.3
Related expense (\$m)					
Australian Taxation Office	-	21.6	25.5	30.0	32.1

The Government will provide \$109.1 million over four years to the Australian Taxation Office to increase compliance activity targeted at restructuring activity that facilitates profit shifting opportunities. This measure is estimated to increase revenue by \$576.5 million over the forward estimates period. In underlying cash terms, the estimated increase in receipts is \$406.0 million.

Protecting the corporate tax base from erosion and loopholes — preventing 'dividend washing'

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	20.0	20.0	20.0

The Government will close a loophole that enables sophisticated investors to engage in 'dividend washing' from 1 July 2013. This measure is estimated to have a gain to revenue of \$60.0 million over the forward estimates period.

Currently, sophisticated investors can engage in 'dividend washing' to, in effect, trade franking credits. This can result in some shareholders receiving two sets of franking credits for the same parcel of shares. This is outside the intent of the dividend imputation system.

This measure will ensure that when an investor engages in 'dividend washing' by selling shares with a dividend and then immediately buying equivalent shares that still carry a right to a dividend, they will only be entitled to use one set of franking credits. The changes will be targeted to the two-day period after a share goes ex-dividend.

The Government will consult on the development of the legislation.

Protecting the corporate tax base from erosion and loopholes — targeting the deduction for exploration to genuine exploration activity

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	100.0	400.0	350.0	250.0

The Government will better target the immediate deduction for the cost of assets first used for exploration by excluding mining rights and information. The measure is estimated to have a gain to revenue of \$1.1 billion over the forward estimates period.

This measure will improve the sustainability of this important concession, which recognises that resources exploration is a vital and economically risky activity that has spillover benefits to the economy.

Under this measure, mining rights and information first used for exploration will be depreciated over 15 years, or their effective lives, whichever is shorter. The effective life of a mining right and associated exploration information will be the life of the mine that it leads to. If the exploration is unsuccessful, the remaining amount will be written off when this is established.

The following will continue to be immediately deductible (that is, the measure will not apply to):

- the costs of mining rights from a relevant government issuing authority;
- the costs of mining information from a relevant government authority;
- the costs incurred by a taxpayer itself in generating new information or improving existing information; and
- the mining rights acquired by a farmee under a recognised 'farm-in, farm-out' arrangement – which are often used by small explorers and do not represent a base erosion concern.

The measure applies to taxpayers who start to hold the mining right or information after 7.30pm (AEST) on 14 May 2013 unless: the taxpayer has committed to the acquisition of the right or information (either directly or through the acquisition of an entity holding the asset) before that time; or they are taken by tax law to already hold the right or information before that time. Any commitment will need to be objectively verifiable.

The Government will consult closely with industry on the design and implementation of the measure.

Review of Military Compensation Arrangements — income tax exemption for compensation for legal advice

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	-	-	-

The Government will provide an income tax exemption for compensation provided for legal advice to beneficiaries under the *Military Rehabilitation and Compensation Act 2004* (MRC Act) from 1 July 2013. This measure will have no revenue impact over the forward estimates period.

This measure responds to the Review of Military Compensation Arrangements and extends the existing income tax exemption for financial advice under the MRC Act.

Superannuation — reduction of higher tax concession for contributions of very high income earners — minor amendments

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	4.0	6.1	7.1	8.0

The Government will make minor amendments to the 2012-13 Budget measure titled *Superannuation – reduction of higher tax concession for contributions of very high income earners*, effective from 1 July 2012. This measure is estimated to have a gain to revenue of \$25.2 million over the forward estimates period.

These minor amendments involve:

- exempting from the measure employer contributions for Federal judges sitting on or after 1 July 2012 who are entitled to a benefit payable under the *Judges' Pension Act 1968*, and employer contributions made to constitutionally protected funds for State higher level office holders sitting on or after 1 July 2012 (to mitigate constitutional risks);
- using a similar definition of income for the measure to that used for calculating whether an individual is liable to pay the Medicare levy surcharge; and
- refunding former temporary residents the tax paid under the measure as they effectively do not receive any concessional tax treatment on their contributions to superannuation as a result of the operation of other rules.

Superannuation reforms — a fairer excess contributions tax system

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	-15.0	-15.0	-25.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	2.4	1.3	0.6	0.6
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	0.3	-	-	-

The Government will reform the system of excess contributions tax (ECT) that was introduced by the previous government in 2007, to make it fairer and give individuals greater choice. Excess concessional contributions will be taxed at an individual's marginal tax rate, plus an interest charge to recognise that the tax on excess contributions is collected later than normal income tax. In addition, individuals will be allowed to withdraw any excess concessional contributions from their superannuation fund. These reforms will apply to all excess concessional contributions made from 1 July 2013. This measure is estimated to have a cost to the Budget of \$60.0 million over the forward estimates period.

Under the current ECT arrangements, concessional contributions in excess of the annual cap are taxed at the top marginal tax rate (46.5 per cent) regardless of the personal marginal tax rate faced by the individual. In addition, individuals are only able to withdraw excess concessional contributions the first time they make an excess contribution after 1 July 2011, and only up to a maximum amount of \$10,000.

It is estimated that this measure will reduce the tax liability of around 41,000 people in 2013-14, by around \$1,300 on average, while around 59,000 people will have a slightly larger tax liability. All of these individuals will have the option of deciding whether they want to withdraw their excess concessional contributions from their superannuation fund.

This measure is part of a package of reforms to improve the fairness, sustainability and efficiency of the superannuation system. Further information can be found in the joint press release of 5 April 2013 issued by the Deputy Prime Minister and Treasurer, and the Minister for Financial Services and Superannuation.

Superannuation reforms — encouraging the take-up of deferred lifetime annuities

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	-	-	-

The Government will encourage the take-up of deferred lifetime annuities by providing these products with the same concessional tax treatment that applies to investment earnings on superannuation assets supporting retirement income streams from 1 July 2014. This reform will give retirees more choice by assisting those who wish to ensure financial security in their later years, by allocating part of their superannuation to a product that will provide an ongoing income stream beyond a certain age. This measure is estimated to have no revenue impact over the forward estimates period.

A deferred lifetime annuity is an annuity that is purchased for an up-front premium but where payments do not commence immediately — for example, the product might be purchased at age 60 with payments commencing at age 80 and continuing for life. The existing law requires that income streams must make payments at least annually. As a deferred annuity does not meet this requirement it does not qualify as an income stream, and therefore is not entitled to the associated concessional tax treatment that applies to earnings on superannuation assets supporting income streams.

This measure progresses a recommendation of the *Australia's Future Tax System* review and responds to calls to expand the range of superannuation options available to retirees.

This measure is part of a package of reforms to improve the fairness, sustainability and efficiency of the superannuation system. Further information can be found in the joint press release of 5 April 2013 issued by the Deputy Prime Minister and Treasurer, and the Minister for Financial Services and Superannuation.

Superannuation reforms — higher concessional contributions cap

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-195.0	105.0	230.0	225.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	0.2	0.3	0.1	-0.8	-0.9

The Government will simplify the design and administration of the proposed higher concessional contributions cap, by providing a \$35,000 concessional cap to anyone who meets certain age requirements. The start date for the new higher cap will be brought forward to 1 July 2013 for people aged 60 and over. Individuals aged 50 and over will be able to access the higher cap from 1 July 2014. This measure is estimated to provide savings to the Budget of \$366.1 million over the forward estimates period.

The new higher cap will not be limited to individuals with superannuation balances below \$500,000 in light of feedback from the superannuation sector that this requirement would be difficult to administer. When the general concessional cap reaches \$35,000 through indexation, it will apply to all individuals from that time forward. The general concessional cap is expected to reach \$35,000 from 1 July 2018 based on current forecasts.

It is estimated that around 171,000 Australians aged 60 and over will benefit from the higher cap in 2013-14, and around 363,000 Australians aged 50 and over will benefit from the higher cap in 2014-15.

This measure is part of a package of reforms to improve the fairness, sustainability and efficiency of the superannuation system. Further information can be found in the joint press release of 5 April 2013 issued by the Deputy Prime Minister and Treasurer, and the Minister for Financial Services and Superannuation.

Superannuation reforms — reforming the tax exemption for earnings on superannuation assets supporting retirement income streams

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	2.0	152.0	202.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	3.8	7.5	13.7	13.7
Department of Finance and Deregulation	-	0.5	0.9	-	-
<i>Total — Expense</i>	-	4.3	8.4	13.7	13.7
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	-	1.6	-	-
Department of Finance and Deregulation	-	0.2	1.2	-	-
<i>Total — Capital</i>	-	0.2	2.7	-	-

The Government will better target the tax exemption for earnings on superannuation assets supporting retirement income streams. From 1 July 2014, future earnings on assets supporting income streams will be tax-free up to \$100,000 a year for each individual. Earnings above the \$100,000 threshold will be taxed at the same concessional rate of 15 per cent that applies to earnings in the accumulation phase. This measure is estimated to provide savings to the Budget of \$313.0 million over the forward estimates period.

Under current arrangements, all earnings (such as dividends and interest) on assets supporting income streams (superannuation pensions and annuities) are tax-free. In contrast, earnings in the accumulation phase of superannuation are taxed at 15 per cent.

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Under this measure, the \$100,000 threshold will be indexed to the Consumer Price Index and will increase in \$10,000 increments. For assets that were purchased before 5 April 2013, the measure will only apply to capital gains that accrue after 1 July 2024. Capital gains that are subject to the tax will receive a 33 per cent discount, and will therefore be effectively taxed at a rate of 10 per cent.

It is estimated that around 16,000 individuals will be affected by this measure in 2014-15, which represents around 0.4 per cent of Australia's projected 4.1 million retirees in that year.

This measure will also apply to defined benefit funds, so that members of such funds will face a corresponding decrease in their tax concessions in the retirement phase.

This measure is part of a package of reforms to improve the fairness, sustainability and efficiency of the superannuation system. Further information can be found in the joint press release of 5 April 2013 issued by the Deputy Prime Minister and Treasurer, and the Minister for Financial Services and Superannuation.

Superannuation reforms — transfer of lost member accounts to the ATO

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	-	60.0	70.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	-	0.1	5.6	5.9

The Government will protect the real value of more lost superannuation accounts by increasing the threshold below which small inactive accounts and the accounts of uncontactable members are required to be transferred to the Australian Taxation Office (ATO). The threshold will be increased from \$2,000 to \$2,500 from 31 December 2015, and then to \$3,000 from 31 December 2016. This measure is estimated to provide savings to the Budget of \$118.4 million over the forward estimates period. The ATO will receive \$4.6 million over the forward estimates to implement these changes and administer \$7.0 million in interest payments associated with reclaimed funds.

Together with the strategies the ATO has in place for reuniting lost members with their super, the measure is expected to see a further reduction in the number and value of lost accounts. Individuals can reclaim their lost superannuation accounts transferred to the ATO at any time. As a result of reforms announced in the *Mid-Year Economic and Fiscal Outlook 2012-13*, interest will be paid on these accounts at a rate equivalent to growth in the Consumer Price Index to maintain their real value.

This measure is part of a package of reforms to improve the fairness, sustainability and efficiency of the superannuation system. Further information can be found in the joint press release of 5 April 2013 issued by the Deputy Prime Minister and Treasurer, and the Minister for Financial Services and Superannuation.

Tax administration — enhancing Standard Business Reporting, the Australian Business Register and Australian Business Number administration

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	42.6	34.0	29.8
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	21.2	13.8	7.9	6.7
Department of Finance and Deregulation	-	0.1	0.1	0.1	0.1
Total — Expense	-	21.3	13.9	8.0	6.8
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	18.3	11.9	-	-

The Government will provide \$80.2 million over the forward estimates period to the Australian Taxation Office and the Department of Finance and Deregulation to strengthen up-front checks for issuing Australian Business Numbers and encourage the use of AUSkey, which is a secure credential for accessing online services of the Australian Business Register. This measure will also enhance Standard Business Reporting to continue to reduce compliance costs for business.

This measure will reduce regulatory costs and minimise the compliance burden for individuals and businesses and reflects the key principles of the Organisation for Economic Co-operation and Development's *'Right from the Start'* report, which emphasises the benefits of tackling compliance issues early and as they occur.

This measure is estimated to increase revenue by \$106.4 million over the forward estimates period. In underlying cash terms, the estimated increase in receipts is \$100.2 million.

Tax compliance — Australian Taxation Office trusts taskforce

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	10.6	62.8	128.9	176.7
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	9.2	16.6	19.7	22.4

The Government will provide \$67.9 million over four years to the Australian Taxation Office (ATO) to undertake compliance activity in relation to taxpayers who have been involved in egregious tax avoidance and evasion using trust structures. This measure is estimated to increase revenue by \$379.0 million over the forward estimates period. In underlying cash terms, the estimated increase in receipts is \$217.1 million.

The ATO will target the exploitation of trusts to conceal income, mischaracterise transactions, artificially reduce trust income amounts and underpay tax.

The ATO will undertake compliance activity to target known tax scheme designers, promoters, individuals and businesses who participate in such arrangements. This measure will tackle the use of abusive trust schemes in the wider community and encourage active compliance by taxpayers.

Tax compliance — improving compliance through third party reporting and data matching

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	115.1	242.7	252.4
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	8.8	20.2	24.2	22.3
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	1.6	0.6	-	-

The Government will provide \$77.8 million over four years to the Australian Taxation Office (ATO) to improve compliance and provide a level playing field for Australian taxpayers by expanding data matching with third party information. This measure is estimated to have a gain to revenue of \$610.2 million over the forward estimates period. In underlying cash terms, the estimated increase in receipts is \$431.7 million.

The information provided to the ATO will also improve the pre-filling of tax returns, making tax time simpler for taxpayers.

The measure will establish new and strengthen existing reporting systems for:

- taxable government grants and specified other government payments;
- sales of real property, shares (including options and warrants), and units in managed funds;
- sales through merchant debit and credit services;
- managed investment trust and partnership distributions, company dividend and interest payments; and
- transactions reported to the ATO by the Australian Transaction Reports and Analysis Centre.

The Government will consult with key stakeholders including the States and Territories on the design of these systems.

Tax laws — miscellaneous amendments

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	..	..	..	..	..

The Government will make a series of minor amendments to the tax laws to correct technical defects, remove anomalies and address unintended outcomes which have been recently identified in the tax legislation. This measure is estimated to have a negligible impact on revenue over the forward estimates period.

The amendments will address minor technical issues identified in the tax laws, including income tax, fringe benefits tax and resource rent taxes.

Tax laws — privileges and immunities for the International Committee of the Red Cross

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	..	..	..	..
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	..	..	..	..

The Government will provide the International Committee of the Red Cross and some of its officials with certain privileges and immunities, consistent with Australia's commitments under the *Arrangement between the Government of Australia and the International Committee of the Red Cross on Regional Headquarters in Australia*. The measure will have effect following commencement of the enabling regulations. This measure is estimated to have a negligible cost to revenue over the forward estimates period.

These privileges and immunities are broadly consistent with corresponding concessions provided to other international organisations and their officials.

Verifying the export of liquids, aerosols and gels sold under the sealed bag scheme

Revenue (\$m)	2012-13	2013-14	2014-15	2015-16	2016-17
Australian Taxation Office	-	-	-	-	-

The Government will not proceed with the new regulatory arrangement for liquids, aerosols and gels (LAGs) items announced in the *Mid-Year Economic and Fiscal Outlook 2007-08* measure *Verification measures to support new arrangements concerning liquids, aerosols and gels and the sealed bag scheme*, following consultation with industry. Instead, the interim arrangement allowing travellers to pack LAGs items in their checked luggage announced in that measure will continue. This measure is estimated to have no revenue impact over the forward estimates period.

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Continuation of the interim arrangement means that a more intensive LAGs declaration requirement will not be imposed, thus avoiding an administrative burden on the duty-free industry.