Part 1: Receipt Measures

Table 1: Receipt measures since the 2021-22 MYEFO[(a)]

	2021-22	2022-23	2023-24	2024-25	2025-26
	$m	$m	$m	$m	$m
AGRICULTURE, WATER AND THE ENVIRONMENT					
Australian Fisheries Management Authority					
Forestry and Fishing – supporting the forestry and fishery industry(b)	-	-1.0	-1.0	-1.0	-
Portfolio total	**-**	**-1.0**	**-1.0**	**-1.0**	**-**
CROSS PORTFOLIO					
Various Agencies					
Commonwealth's Deregulation Agenda	-	-	-	-	-
Portfolio total	**-**	**-**	**-**	**-**	**-**
EDUCATION, SKILLS AND EMPLOYMENT					
Department of Education, Skills and Employment					
Guaranteeing Medicare – Supporting Rural Health(b)	-	-	-	-	-
Investing in Skills Development and Growing Australia's Workforce(b)	-	-	..	0.1	0.2
Portfolio total	**-**	**-**	**..**	**0.1**	**0.2**
FOREIGN AFFAIRS AND TRADE					
Export Finance and Insurance Corporation					
Critical Minerals Facility – projects(b)	nfp	nfp	nfp	nfp	nfp
Portfolio total	**-**	**-**	**-**	**-**	**-**
HEALTH					
Australian Digital Health Agency					
Guaranteeing Medicare – Digital Health(b)	-	32.3	-	-	-
Department of Health					
Improving Access to Medicines – Pharmaceutical Benefits Scheme new and amended listings(b)	nfp	nfp	nfp	nfp	nfp
mRNA Vaccine Manufacturing(b)	nfp	nfp	nfp	nfp	nfp
Portfolio total	**-**	**32.3**	**-**	**-**	**-**
HOME AFFAIRS					
Department of Home Affairs					
Australia-UK Free Trade Agreement – increasing market access opportunities and strengthening ties between our two countries(b)	-	-115.0	-105.0	-105.0	-105.0
Changes To Visa Rules – supplementing Australia's workforce during the recovery(b)	-15.0	-40.0	..	..	..
Commonwealth's Deregulation Agenda(b)	-	-1.7	-2,592.7	-2,605.7	-2,663.8

Table 1: Receipt measures since the 2021-22 MYEFO[(a)] (continued)

	2021-22	2022-23	2023-24	2024-25	2025-26
	$m	$m	$m	$m	$m
HOME AFFAIRS (continued)					
Humanitarian Program 2022-23 and Update on Afghan Arrivals(b)	-	..	..	..	..
Issuing Body Reform(b)	-	-	-	-	-
Migration Program – 2022-23 planning levels(b)	-	-70.0	..	..	..
Resident Return Visa – mandating online lodgement of applications	..	..	..	..	..
Portfolio total	**-15.0**	**-226.7**	**-2,697.7**	**-2,710.7**	**-2,768.8**
INDUSTRY, SCIENCE, ENERGY AND RESOURCES					
Clean Energy Regulator					
Energy and Emissions Reduction(b)	nfp	nfp	nfp	nfp	nfp
Department of Industry, Science, Energy and Resources					
Energy and Emissions Reduction(b)	nfp	-	-	-	-
Implementing Sport 2030 – Ensuring the Integrity of Sport(b)	-	-	1.0	-	-
Support for the Australian Space Industry(b)	nfp	nfp	nfp	nfp	nfp
Portfolio total	**-**	**-**	**1.0**	**-**	**-**
INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND COMMUNICATIONS					
Australian Communications and Media Authority					
Media Sector Reforms(b)	-	-	-	-	-
Department of Infrastructure, Transport, Regional Development and Communications					
Airport Building Controller and Airport Environmental Officer Functions – additional funding(b)	-	0.7	0.7	-	-
Northern Australia Infrastructure Facility – increased funding and expansion (b)	-	-	-	-	-
Portfolio total	**-**	**0.7**	**0.7**	**-**	**-**
PRIME MINISTER AND CABINET					
Australian Public Service Commission					
Supporting Regionalisation(b)	-	0.8	1.6	1.7	1.7
Indigenous Business Australia					
Indigenous Home Ownership Program Extension(b)	-1.8	-2.3	-1.7	-1.0	-0.8
Portfolio total	**-1.8**	**-1.5**	**-0.1**	**0.6**	**0.9**
TREASURY					
Australian Securities and Investments Commission					
Commonwealth's Deregulation Agenda(b)	-	-	-17.4	-23.4	-24.0
Australian Taxation Office					
Addressing Cost of Living Pressures – temporary reduction in fuel excise(b)	-2,770.0	-2,855.0	-	-	-

Table 1: Receipt measures since the 2021-22 MYEFO[(a)] (continued)

	2021-22	2022-23	2023-24	2024-25	2025-26
	$m	$m	$m	$m	$m
TREASURY (continued)					
Australia-UK Free Trade Agreement – increasing market access opportunities and strengthening ties between our two countries(b)	-	..	50.0	120.0	160.0
Australia's Foreign Investment Framework – reducing regulatory burden	-0.1	-0.5	-0.5	-0.5	-0.6
Changes To Visa Rules – supplementing Australia's workforce during the recovery(b)	*	40.0	70.0	35.0	25.0
Commonwealth's Deregulation Agenda(b)	-	-	2,240.0	2,330.0	2,383.0
Cost of living tax offset	-	-3,900.0	-200.0	..	-
COVID-19 Response Package – ageing and aged care(b)	45.9	4.0	0.5	-	-
COVID-19 Response Package – making COVID-19 business grants-non assessable non-exempt	-	*	*	*	*
COVID-19 Response Package – tax deductibility of COVID-19 test expenses	*	*	*	*	*
Deferral of Shadow Economy – strengthening the Australian Business Number system measure	..	-5.0	..	..	..
Digitalising trust income reporting and processing	-	-	-	*	*
Employee Share Schemes – expanding access and further reducing red tape	-	*	*	*	*
Future Fund – extending income tax exemption to wholly owned Australian incorporated subsidiaries	-	-	-	-	-
Humanitarian Program 2022-23 and Update on Afghan Arrivals(b)	-	..	..	5.0	10.0
Indirect Tax Concession Scheme – diplomatic and consular concessions(b)	-2.7	-1.6	-1.6	-0.5	-0.5
Migration Program – 2022-23 planning levels(b)	-	5.0	25.0	30.0	30.0
Miscellaneous Amendments – Treasury portfolio legislation	*	*	*	*	*
Modernisation of pay as you go (PAYG) instalment systems	-	-	*	*	*
Patent Box – expanding the patent box tax concession to agricultural sector innovations(b)	-	-	-	-5.0	-5.0
Patent Box – expanding the patent box tax concession to low emissions technology innovations(b)	-	-	-	-10.0	-20.0
Patent Box – tax concession for Australian medical and biotechnology innovations: updated policy specifications	-	-	-	-	-
Personal Income Tax – increasing the Medicare levy low income thresholds	-	-20.0	-20.0	-30.0	-20.0

Table 1: Receipt measures since the 2021-22 MYEFO[(a)] (continued)

	2021-22	2022-23	2023-24	2024-25	2025-26
	$m	$m	$m	$m	$m
TREASURY (continued)					
Philanthropy – updates to specifically listed deductible gift recipients	-	-	-3.9	-3.8	-2.6
Primary Producers – increasing concessional tax treatment for carbon abatement and biodiversity stewardship income	-	-	-30.0	-30.0	-40.0
Small Business – skills and training boost(b)	-	-	-150.0	-250.0	-150.0
Small Business – technology investment boost(b)	-	-	-500.0	-350.0	-150.0
Smarter reporting of Taxable Payments Reporting System data	-	-	-	*	*
Supporting Retirees – extension of the temporary reduction in superannuation minimum drawdown rates(b)	-	-	-10.0	-20.0	-20.0
Tax Integrity – extension of the Australian Taxation Office (ATO) Tax Avoidance Taskforce on multinationals, large corporates and high wealth individuals(b)	-	-	480.8	925.7	727.4
Varying the GDP uplift factor for tax instalments(b)	-	-1,850.0	1,850.0	-	-
Women's Economic Security Package(b)	-	-	40.0	55.0	55.0
Department of the Treasury					
International Support(b)	nfp	nfp	nfp	nfp	nfp
Portfolio total	**-2,726.9**	**-8,583.1**	**3,822.9**	**2,777.5**	**2,957.7**
Decisions taken but not yet announced and not for publication	**401.8**	**428.6**	**470.2**	**535.2**	**548.5**
Total impact of receipt measures(c)	**-2,342.0**	**-8,350.8**	**1,596.0**	**601.7**	**738.5**

* 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 receipts, no sign before an estimate indicates a gain in receipts.
(b) These measures can also be found in the payment measures summary table.
(c) Measures may not add due to rounding.

Cross Portfolio

Commonwealth's Deregulation Agenda

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	2,240.0	2,330.0	2,383.0
Australian Securities and Investments Commission	-	-	-17.4	-23.4	-24.0
Department of Home Affairs	-	-1.7	-2,592.7	-2,605.7	-2,663.8
Total – Receipts	-	-1.7	-370.1	-299.1	-304.8
Related payments ($m)					
Clean Energy Regulator	-	-	-	-	-
National Offshore Petroleum Safety and Environmental Management Authority	-	-	-	-	-
Australian Bureau of Statistics	-	-	-	-	-
Department of Industry, Science, Energy and Resources	-	-	-	-	-
Department of Agriculture, Water and the Environment	-	-	-	-	-
Department of the Treasury	-	*0.3*	-	-	-
Australian Taxation Office	-	*5.5*	*-240.8*	*-268.8*	*-275.8*
Australian Competition and Consumer Commission	-	-	-	-	-
Department of Home Affairs	-	*0.8*	*1.7*	*0.9*	-
Attorney-General's Department	-	*0.7*	*0.8*	-	-
Total – Payments	-	*7.2*	*-238.4*	*-267.9*	*-275.8*

The Government continues to reform Australia's regulatory environment to ensure our economy remains productive, competitive and agile. Funding includes:

- $52.5 million over 5 years from 2021-22 to reduce regulatory burden for industry in the environmental assessment process through the national rollout of the Digital Environmental Assessments Program, supported by a National Biodiversity Data Repository
- $47.3 million over 15 years from 2021-22 to the Clean Energy Regulator to simplify existing compliance and assurance activities for the Emissions Reduction Fund and the Renewable Energy Target to reduce manual compliance reporting

- $19.9 million over 4 years from 2021-22 to the Australian Bureau of Statistics to develop a new reporting application to enable businesses to submit surveys on business indicators directly through their accounting software
- $17.5 million over 3 years from 2021-22 to enhance the digital capability of Australia's offshore oil and gas regulator and titles administrator
- $11.2 million over 5 years from 2021-22 to continue work in reducing the regulatory burden for business arising from compliance with mandatory safety and information standards under Australian Consumer Law
- $1.4 million over 2 years from 2022-23 to the Attorney-General's Department to progress a national approach to modernise the execution of common legal documents.

The Government will forgo receipts of $64.9 million over 3 years from 2023-24 to streamline fees associated with Australia's Business Registers as company registration and lifecycle management moves to the modernised platform (scheduled for September 2023). These reforms will:

- remove the companies annual late review fee
- reduce the number of fees paid for ad hoc lodgements under current requirements
- remove fees for searches conducted on the new registry website
- provide $0.3 million to the Department of Treasury to redesign wholesale business register search services (facilitated by third-party services).

The Government will also forgo receipts of $6.9 million over 4 years from 2022-23 to make permanent the temporary tariff concession that is currently in place for certain medical and hygiene products to treat, diagnose or prevent the spread of COVID-19:

- The range of products to which the concession applies will be expanded and the end-use restriction removed
- The measure will apply from 1 July 2022.

The Government is also providing significant deregulation benefits to fuel and alcohol producers, importers, and distributors through streamlining the administration of fuel and alcohol excise and excise-equivalent customs goods. These changes are estimated to cost $127.5 million in underlying cash terms over the forward estimates period. From 1 July 2023, the changes will:

- enable fuel and alcohol businesses with an annual turnover of less than $50 million to lodge and pay excise and excise-equivalent customs duty on a quarterly basis, rather than weekly or monthly as at present. These businesses will lodge returns and pay excise by the 28th day of the month after the end of each quarter.

- enable businesses that import fuel and alcohol products for further manufacture or distribution, and want to defer payment of excise or excise-equivalent customs duty, to transfer the fuel or alcohol straight into a warehouse administered by the Australian Taxation Office (ATO) once the products have gone through Australian Border Force (ABF) customs clearance. The ABF will still collect tax on direct imports.

- streamline and align licensing requirements across the excise system, by:

  – removing all renewal requirements for excise and excise-equivalent customs goods licences; removing licence fees; enabling the ATO and ABF to issue entity-level licences in addition to site-level licences; and providing blanket permission to move goods between sites controlled by licensed businesses

  – removing onshore producers of crude oil and condensate from the excise system until and unless they exceed the relevant production threshold to be liable for excise payments

  – extending the time limit to apply for a refund of excise overpayments from 12 months to 4 years after payment, to align with refunds of customs duty

  – creating a public register of excise and excise-equivalent customs goods licences administered by the ATO.

- amend the excise and excise-equivalent customs duty regime for fuel by:

  – introducing a refund provision, similar to that in the excise law, for excise-equivalent customs duty on petroleum-based oils used in the further manufacture of petroleum lubricants, ending double taxation of these oils

  – removing the requirement to pay and then claim Fuel Tax Credits in respect of excise or excise-equivalent customs duty on fuels used in domestic commercial shipping (‘bunker fuels’), aligning their treatment with the duty-free treatment of bunker fuels for international voyages

  - setting a single rate for businesses to calculate and claim Vapour Recovery Unit refunds.

- amend the excise law to provide a targeted exemption from excise licensing requirements, up to a threshold of 10,000 litres per year, for licensed hospitality venues to fill beer from kegs into sealed, non-pressurised containers of no more than 2 litres capacity and not designed for medium- to long-term storage ('growlers').

The measure is expected to cost $336.9 million in underlying cash terms over the forward estimates period. Partial funding for this measure has already been provided for by the Government.

This measure builds on the 2021-22 MYEFO measure *Deregulation Agenda – next steps*.

Foreign Affairs and Trade

Australia-UK Free Trade Agreement – increasing market access opportunities and strengthening ties between our two countries

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	..	50.0	120.0	160.0
Department of Home Affairs	-	-115.0	-105.0	-105.0	-105.0
Total – Receipts	-	-115.0	-55.0	15.0	55.0
Related payments ($m)					
Department of the Treasury	-	..	*10.0*	*25.0*	*35.0*
Australian Taxation Office	-	-	*0.5*	*0.6*	*0.6*
Department of Foreign Affairs and Trade	-	-	-	-	-
Department of Industry, Science, Energy and Resources	-	-	-	-	-
Total – Payments	-	..	*10.5*	*25.6*	*35.6*

On 17 December 2021, the governments of Australia and the United Kingdom (UK) signed the Australia-United Kingdom Free Trade Agreement (Australia-UK FTA). This Agreement eliminates tariffs on over 99 per cent of Australian goods exports to the UK. The Australia-UK FTA:

- makes it easier for Australian businesses to operate in the UK market
- promotes UK investment across the Australian economy
- makes changes to the entry mobility pathways available to UK citizens into Australia to support business and investment opportunities
- amends the current Film Co-production Agreement between Australia and the UK to strengthen cultural ties between our two countries.

Under the Agreement, Australia and the UK will establish a Strategic Innovation Dialogue to enhance trade-facilitative innovation policies and practices.

This measure is estimated to decrease receipts by $100.0 million, and increase payments by $71.7 million over the forward estimates period.

Further information can be found in the media release of 17 December 2021 issued by the Minister for Trade, Tourism and Investment.

Critical Minerals Facility – projects

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Export Finance and Insurance Corporation	nfp	nfp	nfp	nfp	nfp
Related payments ($m)					
Export Finance and Insurance Corporation	*nfp*	*nfp*	*nfp*	*nfp*	*nfp*

The Government will provide financing to support critical minerals projects through the Critical Minerals Facility, including:

- EcoGraf Limited to expand the Australian Battery Anode Material Facility in Western Australia
- Renascor Resources for the development of the Siviour Graphite concentrate and Sperical Graphite projects in South Australia.

The Government has also commenced negotiations on financing an additional project through the Critical Minerals Facility, the details of which are commercially sensitive.

The financial implications for this measure are not for publication (nfp) due to commercial sensitivities.

This measure builds on the 2021-22 MYEFO measure titled *Critical Minerals – support for supply chains.*

Further information can be found in the joint media release of 2 February 2022 issued by the Minister for Trade, Tourism and Investment and the Minister for Resources and Water.

Home Affairs

Changes To Visa Rules – supplementing Australia's workforce during the recovery

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	*	40.0	70.0	35.0	25.0
Department of Home Affairs	-15.0	-40.0	..	..	..
Total – Receipts	-15.0	-	70.0	35.0	25.0
Related payments ($m)					
Department of Education, Skills and Employment	*0.6*	*3.6*	*4.4*	*5.1*	*5.2*
Australian Taxation Office	*-*	*5.2*	*0.6*	*0.6*	*0.2*
Department of the Treasury	*..*	*5.0*	*10.0*	*5.0*	*..*
Department of Health	*-*	*..*	*0.2*	*0.2*	*0.1*
Services Australia	*..*	*..*	*..*	*..*	*-0.2*
Department of Social Services	*-1.9*	*-2.2*	*-1.9*	*-1.8*	*-6.8*
Department of Home Affairs	*-6.2*	*-4.8*	*-2.1*	*-1.4*	*-0.9*
Total – Payments	*-7.6*	*6.9*	*11.2*	*7.8*	*-2.3*

The Government has relaxed certain work restrictions for a range of visas including eligible Student and Working Holiday Maker (WHM) visa holders, and extended visas for certain engineering graduates negatively affected by COVID-19 travel restrictions, providing support to businesses and aiding Australia's economic recovery.

The Government is also incentivising international students and WHM visa holders to bring forward their arrival in Australia by refunding the Visa Application Charge for Student visa holders who arrive in Australia between 19 January 2022 and 19 March 2022, and for WHM visa holders who arrive in Australia between 19 January 2022 and 19 April 2022, inclusive. The Government will also increase country caps for Work and Holiday visas by 30 per cent in 2022-23, increasing overall places available by around 11,000.

The Government is also redistributing 10,000 places in the 2021-22 Migration Program from the Partner visa category within the Family stream to the Skill stream, thereby increasing the Skill stream ceiling from 79,600 to 89,600. This redistribution recognises the sharp fall in the number of on-hand Partner visa applications and will further support the economic recovery by increasing the places available for skilled visa holders.

The Government will also clarify the tax treatment for income earned by workers under the Australian Agriculture Visa scheme established in MYEFO 2021-22 to respond to workforce shortages in the agriculture and primary industry sectors.

This measure is estimated to increase receipts by $115.0 million, and increase payments by $16.0 million over the forward estimates period.

Migration Program – 2022-23 planning levels

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	5.0	25.0	30.0	30.0
Department of Home Affairs	-	-70.0	..	..	..
Total – Receipts	-	-65.0	25.0	30.0	30.0
Related payments ($m)					
Department of Education, Skills and Employment	-	*0.7*	*4.3*	*4.3*	*4.3*
Department of Health	-	-	..	..	..
Department of the Treasury	-	..	..	..	..
Services Australia	-	..	..	..	..
Department of Social Services	-	*-0.1*	*-0.2*	*-0.2*	*-0.1*
Department of Home Affairs	-	*-0.4*	*-0.2*	*-0.2*	*-0.1*
Total – Payments	-	*0.1*	*3.9*	*4.0*	*4.1*

The Government will maintain the 2022-23 permanent Migration Program planning level at 160,000. Skill stream places will increase from the 2021-22 planning levels to 109,900, and account for around 70 per cent of the permanent Migration Program. Partner visa granting arrangements will move to a demand-driven basis going forward.

These changes will help maximise the economic benefits of the permanent Migration Program.

This measure is estimated to increase receipts by $20.0 million, and increase payments by $12.1 million over the forward estimates period.

Resident Return Visa – mandating online lodgement of applications

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Department of Home Affairs	..	..	..	..	..

The Government has mandated online lodgement of Resident Return visa applications (except where special circumstances apply), improving processing efficiencies and enabling applicants to better track their application.

Currently, Resident Return visa applications can be lodged online or on a paper application form, with paper applications attracting a Non-Internet Application Charge. Over 99 per cent of applications lodged in 2020-21 were lodged online.

This measure is estimated to result in a negligible decrease in receipts over the forward estimates period.

Prime Minister and Cabinet

Indigenous Home Ownership Program Extension

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Indigenous Business Australia	-1.8	-2.3	-1.7	-1.0	-0.8
Related payments ($m)					
Indigenous Business Australia	-	-	-	-	-

The Government will re-profile existing funding provided to Indigenous Business Australia for regional housing construction loans as part of the *Indigenous Home Ownership Program,* at a cost of $7.7 million over 5 years from 2021-22. More than $100.0 million remains available from the Government's equity injection into the program to support new loans which will boost housing construction, create jobs and increase rates of Indigenous home ownership in regional Australia.

Treasury

Addressing Cost of Living Pressures – temporary reduction in fuel excise

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-2,770.0	-2,855.0	-	-	-
Related payments ($m)					
Department of the Treasury	*-65.0*	*-130.0*	-	-	-
Australian Taxation Office	*-835.0*	*-1,620.0*	-	-	-
Total – Payments	*-900.0*	*-1,750.0*	-	-	-

Global oil prices have risen significantly since the Russian invasion of Ukraine. The Government will help reduce the burden of higher fuel prices at home by halving the excise and excise-equivalent customs duty rate that applies to petrol and diesel for 6 months. The excise and excise-equivalent customs duty rates for all other fuel and petroleum-based products, except aviation fuels, will also be reduced by 50 per cent for 6 months. The Government is responding in a temporary, targeted and responsible way to reduce cost of living pressures experienced by Australian households and small businesses.

The measure will commence from 12.01am on 30 March 2022 and will remain in place for 6 months, ending at 11.59pm on 28 September 2022. Under the measure, existing policy settings for fuel excise and excise-equivalent customs duty, including indexation in August, will continue but on the basis of the halved rates. At the conclusion of the 6 month period the excise and excise-equivalent customs duty rates will then revert to previous rates, including indexation that would have occurred on those rates during the 6 month period.

The rate of excise and excise-equivalent customs duty currently applying to petrol and diesel is 44.2 cents per litre. This measure will halve the rate on petrol and diesel to 22.1 cents per litre from 30 March 2022, with the price faced by consumers expected to be reduced by a larger magnitude given GST will be levied on the lower excise rate.

The Australian Competition and Consumer Commission will monitor the price behaviour of retailers to ensure that the lower excise rate is fully passed on to Australians.

This targeted measure to provide temporary relief from fuel price pressures will be legislated to end on 28 September 2022.

This measure is estimated to decrease receipts by $5.6 billion, and decrease payments by $2.7 billion over the forward estimates period.

Australia's Foreign Investment Framework – reducing regulatory burden

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-0.1	-0.5	-0.5	-0.5	-0.6

The Government will amend Australia's foreign investment framework to reduce the regulatory burden faced by investors and support Australia's economic recovery from the COVID-19 pandemic.

The amendments will streamline the requirement for some investors to notify the Government before acquiring an interest, while still maintaining the Government's ability to address national interest concerns as they arise. These amendments are due to commence on 1 April 2022.

This measure is estimated to decrease receipts by $2.2 million over the forward estimates period.

Further information can be found in the explanatory statement to the *Foreign Acquisitions and Takeovers Amendment Regulations 2022*.

Cost of living tax offset

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-3,900.0	-200.0	..	-

The Government will increase the low and middle income tax offset (LMITO) for the 2021-22 income year. LMITO is targeted at low- and middle-income earners that are most susceptible to cost of living pressures. The Government is responding in a temporary, targeted and responsible way to reduce cost of living pressures experienced by Australian households.

The LMITO for the 2021-22 income year will be paid from 1 July 2022 when Australians submit their tax returns for the 2021-22 income year. This proposal will increase the LMITO by $420 for the 2021-22 income year. This increases the maximum LMITO benefit in 2021-22 to $1,500 for individuals and $3,000 for couples.

Other than those that do not require the full offset to reduce their tax liability to zero, all LMITO recipients will benefit from the full $420 increase. All other features of the current LMITO remain unchanged. Consistent with the current LMITO, taxpayers with incomes of $126,000 or more will not receive the additional $420.

This measure is estimated to decrease receipts by $4.1 billion over the forward estimates period.

This measure builds on the 2021-22 Budget measure titled *Retaining the low and middle income tax offset for the 2021-22 income year*.

COVID-19 Response Package – making COVID-19 business grants non-assessable non-exempt

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	*	*	*	*

The Government has extended the measure which enables payments from certain state and territory COVID-19 business support programs to be made non-assessable non-exempt (NANE) for income tax purposes until 30 June 2022. This measure was originally announced on 13 September 2020.

In recognition that NANE tax treatment is only to be provided in exceptional circumstances, eligibility is limited to COVID-19 grant programs directed at supporting businesses that are the subject of a public health directive applying to a geographical area in which the businesses operate and whose operations have been significantly disrupted as a result of the public health directive. Consistent with this, the Government has made the following state and territory grant programs eligible for this treatment since the 2021-22 MYEFO:

- New South Wales Accommodation Support Grant
- New South Wales Commercial Landlord Hardship Grant
- New South Wales Performing Arts Relaunch Package
- New South Wales Festival Relaunch Package
- New South Wales 2022 Small Business Support Program
- Queensland 2021 COVID-19 Business Support Grant
- South Australia COVID-19 Tourism and Hospitality Support Grant
- South Australia COVID-19 Business Hardship Grant.

This measure is estimated to result in an unquantifiable decrease in receipts over the forward estimates period.

COVID-19 Response Package – tax deductibility of COVID-19 test expenses

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	*	*	*	*	*

The Government will ensure that the costs of taking a COVID-19 test to attend a place of work are tax deductible for individuals from 1 July 2021. In making these costs tax deductible, the Government will also ensure fringe benefits tax (FBT) will not be incurred by businesses where COVID-19 tests are provided to employees for this purpose.

This measure is estimated to result in a significant but unquantifiable decrease in receipts over the forward estimates period.

Further information can be found in the media release of 8 February 2022 issued by the Minister for Housing and Assistant Treasurer.

Deferral of Shadow Economy – strengthening the Australian Business Number system measure

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	..	-5.0	..	..	..

The Government will defer the start date of the *Black Economy – strengthening the Australian Business Number (ABN) system* measure, announced in the 2019-20 Budget, by 12 months to assist with integration into the Australian Business Registry Services (ABRS).

This measure is estimated to decrease receipts by $5.0 million over the forward estimates period.

Digitalising trust income reporting and processing

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-	*	*

The Government will digitalise trust and beneficiary income reporting and processing, by allowing all trust tax return filers the option to lodge income tax returns electronically, increasing pre-filling and automating ATO assurance processes.

The measure will commence from 1 July 2024, subject to advice from software providers about their capacity to deliver.

Trust income reporting and assessment calculation processes have not been automated to the same extent as individual or company tax returns, resulting in longer processing times and limited pre-filling opportunities. This measure will reduce the compliance burdens on taxpayers, reduce processing times and enhance ATO processes.

The Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications.

This measure is estimated to result in an unquantifiable impact on receipts over the forward estimates period.

Employee Share Schemes – expanding access and further reducing red tape

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	*	*	*	*

The Government will expand access to employee share schemes and further reduce red tape so that employees at all levels can directly share in the business growth they help to generate.

Where employers make larger offers in connection with employee share schemes in unlisted companies, participants can invest up to:

- $30,000 per participant per year, accruable for unexercised options for up to 5 years, plus 70 per cent of dividends and cash bonuses; or
- any amount, if it would allow them to immediately take advantage of a planned sale or listing of the company to sell their purchased interests at a profit.

The Government will also remove regulatory requirements for offers to independent contractors, where they do not have to pay for interests.

This measure is estimated to result in an unquantifiable impact on receipts over the forward estimates period.

Future Fund – extending income tax exemption to wholly owned Australian incorporated subsidiaries

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-	-	-

The Government will amend the law to exempt wholly owned Australian incorporated subsidiaries of the Future Fund Board of Guardians (Future Fund Board) from corporate income tax. The measure will have effect from subsidiaries' first income year after Royal Assent of the enabling legislation.

Currently, the Future Fund Board is exempt from income taxes, but this exemption does not extend to its wholly owned subsidiaries. As a result, these subsidiaries pay corporate income tax, which is subsequently refunded to the Future Fund Board via franking credits attached to the dividends paid to it by the subsidiaries.

Extending this exemption will remove the administrative burden associated with the payment of tax by the subsidiaries and subsequent claiming of a refund.

This measure is estimated to have no impact on receipts over the forward estimates period.

Indirect Tax Concession Scheme – diplomatic and consular concessions

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-2.7	-1.6	-1.6	-0.5	-0.5
Related payments ($m)					
Department of the Treasury	*-2.6*	*-1.5*	*-1.5*	*-0.4*	*-0.4*

The Government has granted or extended access to refunds of indirect tax under the Indirect Tax Concession Scheme (ITCS) to the diplomatic and consular representations of: Fiji, India, Indonesia, Latvia, Malaysia, Nauru, Papua New Guinea, the Taipei Economic and Cultural Office, the Democratic Republic of Timor-Leste, Tonga, Samoa, the Solomon Islands, the United Kingdom and Vanuatu. Under the ITCS, diplomatic and consular representations receive refunds for indirect taxes including GST, fuel and alcohol taxes.

The Government has also extended ITCS access for Papua New Guinea and the Taipei Economic and Cultural Office to include construction and renovation relating to their current and future diplomatic missions and consular posts.

This measure is estimated to decrease receipts by $6.9 million, and decrease GST payments to the States and Territories by $6.4 million, over the forward estimates period.

Miscellaneous Amendments – Treasury portfolio legislation

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	*	*	*	*	*

The Government will make minor amendments to Treasury portfolio legislation that clarify the law to ensure it operates in accordance with the policy intent and make minor policy changes to improve administrative outcomes. These changes are part of the Government’s ongoing commitment to the maintenance of Treasury portfolio laws.

Further information can be found in the explanatory memorandum to the Treasury Laws Amendment (Enhancing Tax Integrity and Supporting Business Investment) Bill 2022, and the explanatory statement to the *Treasury Laws Amendment (Allowing Commutation of Certain Income Streams) Regulations 2022*.

This measure is estimated to result in an unquantifiable impact on receipts over the forward estimates period.

Modernisation of pay as you go (PAYG) instalment systems

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	*	*	*

The Government will enable companies to choose to have their pay as you go (PAYG) instalments calculated based on current financial performance, extracted from business accounting software, with some tax adjustments. This will support business cash flow by ensuring instalments reflect current performance.

The Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications of this measure.

Subject to advice from software providers about their capacity to deliver, it is anticipated that systems will be in place by 31 December 2023, with the measure to commence on 1 January 2024, for application to periods starting on or after that date.

This measure will improve alignment between PAYG instalment liabilities and profitability, and support companies in managing cash flows.

This measure is estimated to result in an unquantifiable impact on receipts over the forward estimates period.

Patent Box – expanding the patent box tax concession to agricultural sector innovations

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-	-5.0	-5.0
Related payments ($m)					
Australian Taxation Office	*-*	*3.1*	*4.4*	*3.2*	*2.7*

The Government will expand the patent box, announced in the 2021-22 Budget and currently before Parliament, to support practical, technology-focused innovations in the Australian agricultural sector.

The Government will provide concessional tax treatment for corporate taxpayers who commercialise their eligible patents linked to agricultural and veterinary (agvet) chemical products listed on the Australian Pesticides and Veterinary Medicines Authority (APVMA), PubCRIS (Public Chemicals Registration Information System) register, or eligible Plant Breeder’s Rights (PBRs).

Eligible corporate income will be subject to an effective income tax rate of 17 per cent for PBRs and patents granted or issued after 29 March 2022 and for income years starting on or after 1 July 2023. Eligible income will be taxed at the concessional tax rate to the extent that the research and development of the innovation took place in Australia.

Australia currently taxes profits generated by PBRs and patents on agvet products at the headline corporate rate (30 per cent for large businesses and 25 per cent for small enterprises). The patent box will offer a competitive tax rate for profits generated from eligible Australian owned and developed patents, supporting the commercialisation of innovation in Australia.

The Government will consult with industry before settling the detailed design of the patent box expansion to agriculture.

This measure is estimated to decrease receipts by $10.0 million, and increase payments by $13.4 million over the forward estimates period.

Patent Box – expanding the patent box tax concession to low emissions technology innovations

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-	-10.0	-20.0
Related payments ($m)					
Department of Industry, Science, Energy and Resources	-	*13.4*	*16.6*	*12.0*	*11.7*
Australian Taxation Office	-	*0.8*	*4.3*	*3.8*	*3.5*
Total – Payments	-	*14.3*	*20.9*	*15.8*	*15.2*

The Government will expand the patent box, announced in the 2021-22 Budget and currently before Parliament, to support the Government's technology-focused approach to reducing emissions in line with the Government's target to achieve net zero emissions by 2050.

The expanded patent box will provide concessional tax treatment for corporate taxpayers who commercialise their patented technologies which have the potential to lower emissions. Eligible corporate income will be subject to an effective income tax rate of 17 per cent, for patents granted after 29 March 2022 and for income years starting on or after 1 July 2023. Eligible income will be taxed at the concessional tax rate to the extent that the research and development of the innovation took place in Australia.

Australia currently taxes profits generated by patents on low emissions technologies at the headline corporate rate (30 per cent for large businesses and 25 per cent for small enterprises). The patent box will offer a competitive tax rate for profits generated from eligible Australian owned and developed patents, supporting the commercialisation of innovation in Australia.

Patents relating to low emissions technology, as set out in the 140 technology areas listed in the Government's 2020 Technology and Investment Roadmap Discussion Paper or included as priority technologies in the Government's 2021 and future annual Low Emissions Technology Statements will be within scope, provided the patented technology is considered to reduce emissions.

The Government will consult with industry before settling the detailed design of the patent box expansion to low emissions technologies.

This measure is estimated to decrease receipts by $30.0 million, and increase payments by $66.2 million over the forward estimates period.

Patent Box – tax concession for Australian medical and biotechnology innovations: updated policy specifications

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-	-	-

The Government has expanded the 2021-22 Budget measure *Patent Box – tax concession for Australian medical and biotechnology innovations*.

The Government will now allow patents granted or issued after 11 May 2021 to be eligible for the regime. This will incentivise further research and development (R&D) to be undertaken in Australia on medical and biotechnology patents, much of which occurs after the patent application.

The Government will also now allow standard patents granted by IP Australia, utility patents issued by the United States Patent and Trademark Office (USPTO), and European patents granted under the European Patent Convention (EPC) to be eligible. This will remove regulatory barriers to accessing the patent box regime for Australian developed innovations patented in the major overseas jurisdictions with equivalent patent regimes. However, taxpayers will still only benefit from the concessional tax treatment under the patent box to the extent that the R&D occurred in Australia.

The expanded measure is expected to decrease receipts by $120.0 million over 2023-24 and 2024-25. This measure has been provisioned for by the Government. Further information can be found in the media release of 10 February 2022 issued by the Treasurer and the explanatory memorandum to the Treasury Laws Amendment (Tax Concession for Australian Medical Innovations) Bill 2022.

Personal Income Tax – increasing the Medicare levy low-income thresholds

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-20.0	-20.0	-30.0	-20.0

The Government will increase the Medicare levy low-income thresholds for seniors and pensioners, families and singles from 1 July 2021. The increase in thresholds takes account of recent movements in the consumer price index so that low-income individuals continue to be exempt from paying the Medicare levy.

The threshold for singles will be increased from $23,226 to $23,365. The family threshold will be increased from $39,167 to $39,402. For single seniors and pensioners, the threshold will be increased from $36,705 to $36,925. The family threshold for seniors and pensioners will be increased from $51,094 to $51,401. For each dependent child or student, the family income thresholds will increase by a further $3,619 instead of the previous amount of $3,597.

This measure is estimated to decrease receipts by $90.0 million over the forward estimates period.

Philanthropy – updates to specifically listed deductible gift recipients

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-3.9	-3.8	-2.6

The Government will amend the tax law to specifically list the following organisations as deductible gift recipients (DGRs) for donations made within the specified dates:

- Melbourne Business School Ltd from 1 July 2022
- Advance Global Australians Ltd from 1 July 2022 to 30 June 2027
- Leaders Institute South Australia Inc from 1 July 2022 to 30 June 2027
- St Patrick’s Cathedral Melbourne Restoration Fund from 1 July 2022 to 30 June 2027
- Up to 28 entities related to community foundations affiliated with the peak body Community Foundations Australia from 1 July 2022 to 30 June 2027.

The Government will also extend the listing of Sydney Chevra Kadisha as a DGR for 2 years from 1 July 2022 to 30 June 2024.

Advance Global Australians Ltd will not be listed until it is registered with the Australian Charities and Not-for-profits Commission.

Community foundation-related entities will not be listed unless their governing rules do not permit a use of funds beyond that permitted for entities endorsed under the DGR categories in the tax law. Entities will also need to demonstrate that they will maintain minimum annual distributions, consistent with the current requirements for ancillary funds.

The specific listing of Mt Eliza Graduate School of Business and Government Ltd will be removed at the request of the organisation.

Taxpayers may claim an income tax deduction for donations of $2 or more to DGRs.

This measure is estimated to decrease receipts by $10.3 million over the forward estimates period.

Primary Producers – increasing concessional tax treatment for carbon abatement and biodiversity stewardship income

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-30.0	-30.0	-40.0

The Government will allow the proceeds from the sale of Australian Carbon Credit Units (ACCUs) and biodiversity certificates generated from on-farm activities to be treated as primary production income for the purposes of the Farm Management Deposits (FMD) scheme and tax averaging from 1 July 2022. The Government will also change the taxing point of ACCUs for eligible primary producers to the year when they are sold, and extend similar treatment to biodiversity certificates issued under the Agriculture Biodiversity Stewardship Market scheme, from 1 July 2022. Eligible primary producers are those who are currently eligible for the FMD scheme and tax averaging.

Currently, proceeds from selling ACCUs are treated as non-primary production income and are generally ineligible for concessional tax treatment under the FMD scheme or tax averaging. ACCU holders are taxed based on changes in the value of their ACCUs each year, which can result in tax liabilities prior to sale.

These changes will encourage more primary producers in regional and remote areas to undertake additional carbon abatement and biodiversity stewardship activities.

This measure is estimated to decrease receipts by $100.0 million over the forward estimates period.

Small Business – skills and training boost

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-150.0	-250.0	-150.0
Related payments ($m)					
Australian Taxation Office	*-*	*2.5*	*1.9*	*1.5*	*1.1*

The Government is introducing a skills and training boost to support small businesses to train and upskill their employees. The boost will apply to eligible expenditure incurred from 7:30pm (AEDT) on 29 March 2022 (Budget night) until 30 June 2024.

Small businesses (with aggregated annual turnover of less than $50 million) will be able to deduct an additional 20 per cent of expenditure incurred on external training courses provided to their employees. The external training courses will need to be provided to employees in Australia or online, and delivered by entities registered in Australia.

Some exclusions will apply, such as for in-house or on-the-job training and expenditure on external training courses for persons other than employees.

The boost for eligible expenditure incurred by 30 June 2022 will be claimed in tax returns for the following income year. The boost for eligible expenditure incurred between 1 July 2022 and 30 June 2024, will be included in the income year in which the expenditure is incurred.

This measure is estimated to decrease receipts by $550.0 million, and increase payments by $7.0 million over the forward estimates period.

Small Business – technology investment boost

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-500.0	-350.0	-150.0
Related payments ($m)					
Australian Taxation Office	*-*	*2.5*	*3.6*	*1.1*	*-*

The Government is introducing a technology investment boost to support digital adoption by small businesses. The boost will apply to eligible expenditure incurred from 7:30pm (AEDT) on 29 March 2022 (Budget night) until 30 June 2023.

Small businesses (with aggregated annual turnover of less than $50 million) will be able to deduct an additional 20 per cent of the cost incurred on business expenses and depreciating assets that support their digital adoption, such as portable payment devices, cyber security systems or subscriptions to cloud-based services.

An annual cap will apply in each qualifying income year so that expenditure up to $100,000 will be eligible for the boost.

The boost for eligible expenditure incurred by 30 June 2022 will be claimed in tax returns for the following income year. The boost for eligible expenditure incurred between 1 July 2022 and 30 June 2023 will be included in the income year in which the expenditure is incurred.

This measure is estimated to decrease receipts by $1.0 billion, and increase payments by $7.2 million over the forward estimates period.

Smarter reporting of Taxable Payments Reporting System data

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-	*	*

The Government will allow businesses the option to report *Taxable Payments Reporting System* data (via accounting software) on the same lodgment cycle as their activity statements.

Subject to advice from software providers about their capacity to deliver, it is anticipated that systems will be in place by 31 December 2023, with the measure to commence on 1 January 2024, for application to periods starting on or after that date.

This measure will increase the accuracy and timeliness of reporting while lowering compliance costs for taxpayers.

The Government will consult with affected stakeholders, tax practitioners and digital service providers to finalise the policy scope, design and specifications of the measure.

This measure is estimated to result in an unquantifiable impact on receipts over the forward estimates period.

Supporting Retirees – extension of the temporary reduction in superannuation minimum drawdown rates

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	-10.0	-20.0	-20.0
Related payments ($m)					
Services Australia	..	*0.1*	*0.2*	-	-
Department of Social Services	-	*18.0*	*-5.7*	*-5.5*	*-5.4*
Department of Veterans' Affairs	-	*1.1*	-	-	-
Total – Payments	..	*19.2*	*-5.5*	*-5.5*	*-5.4*

The Government has extended the 50 per cent reduction of the superannuation minimum drawdown requirements for account-based pensions and similar products for a further year to 30 June 2023.

The minimum drawdown requirements determine the minimum amount of a pension that a retiree has to draw from their superannuation in order to qualify for tax concessions. Given ongoing volatility, this change will allow retirees to avoid selling assets in order to satisfy the minimum drawdown requirements.

This measure is estimated to decrease receipts by $50.0 million and increase payments by $2.8 million over the forward estimates period.

Tax Integrity – extension of the Australian Taxation Office (ATO) Tax Avoidance Taskforce on multinationals, large corporates and high wealth individuals

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-	480.8	925.7	727.4
Related payments ($m)					
Australian Taxation Office	*-*	*-*	*325.0*	*327.6*	*-*

The Government will provide $325.0 million in 2023-24 and $327.6 million in 2024-25 to the ATO to extend the operation of the Tax Avoidance Taskforce by 2 years to 30 June 2025.

The Taskforce was established in 2016 to undertake compliance activities targeting multinationals, large public and private groups, trusts and high wealth individuals. It also scrutinises specialist tax advisors and intermediaries that promote tax avoidance schemes and strategies.

The ATO's total resourcing requirement, including for the delivery of the extension of the Tax Avoidance Taskforce, will be settled as part of the independent review of the ATO's ongoing resourcing requirement announced as part of the 2021-22 MYEFO measure titled *Australian Taxation Office – continuation of compliance programs and independent resourcing review*.

This measure is estimated to increase receipts by $2.1 billion, and increase payments by $652.6 million over the forward estimates period.

Varying the GDP uplift factor for tax instalments

Receipts ($m)

	2021-22	2022-23	2023-24	2024-25	2025-26
Australian Taxation Office	-	-1,850.0	1,850.0	-	-
Related payments ($m)					
Department of the Treasury	*-*	*-50.0*	*50.0*	*-*	*-*

The Government has decided to set the GDP uplift factor for pay as you go (PAYG) and GST instalments at 2 per cent for the 2022-23 income year. This uplift factor is lower than the 10 per cent that would have applied under the statutory formula.

The lower uplift rate will provide cash flow support to small businesses, including sole traders, and other individuals with investment income, helping them to invest and grow. Around 2.3 million taxpayers are expected to benefit from this measure.

The 2 per cent GDP uplift rate will apply to small to medium enterprises eligible to use the relevant instalment methods (up to $10 million annual aggregated turnover for GST instalments and $50 million annual aggregated turnover for PAYG instalments) in respect of instalments that relate to the 2022-23 income year and fall due after the enabling legislation receives Royal Assent.

This measure is estimated to have no net impact on receipts, and no net impact on GST payments to the States and Territories over the forward estimates period.