

Part 1: Revenue Measures

Table 1: Revenue measures since the 2011-12 MYEFO^(a)

Page		2011-12	2012-13	2013-14	2014-15	2015-16
		\$m	\$m	\$m	\$m	\$m
	AGRICULTURE, FISHERIES AND FORESTRY					
	<i>Department of Agriculture, Fisheries and Forestry</i>					
9	Changes to agricultural production levies	-0.1	1.0	1.6	3.1	3.2
	Portfolio total	-0.1	1.0	1.6	3.1	3.2
	ATTORNEY-GENERAL'S					
	<i>Attorney-General's Department</i>					
10	Court fee increases	-	-	-	-	-
84	Document Verification Service — extension to the private sector(b)	-	-	1.0	2.3	3.5
	<i>Various Agencies</i>					
10	Court fee increases	-	10.9	22.0	22.0	22.0
	<i>Australian Customs and Border Protection Service</i>					
22	Company tax cut — do not proceed	-	-2.0	-5.0	-6.0	-8.0
11	Extension of the South Pacific Regional Trade and Economic Cooperation Agreement — Textile, Clothing and Footwear Scheme	-	-	-	-	-
11	Passenger movement charge — increase	-	85.0	140.0	175.0	210.0
	<i>Australian Federal Police</i>					
10	Australian Federal Police — partial cost recovery of airport policing	-	-	38.2	39.3	40.5
	<i>Australian Human Rights Commission</i>					
85	Economic Potential of Senior Australians — countering negative stereotypes and promoting positive media portrayal of older Australians(b)	-	-	..	..	-
	<i>Federal Court of Australia</i>					
87	National Native Title Tribunal reform — increased efficiencies(b)	-	0.1	0.1	0.1	0.1
	<i>National Native Title Tribunal</i>					
87	National Native Title Tribunal reform — increased efficiencies(b)	-	-0.1	-0.1	-0.1	-0.1
	Portfolio total	-	93.9	196.2	291.5	268.1
	BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY					
	<i>Australian Communications and Media Authority</i>					
12	Broadcast licence fees — rebate extension	-	-80.0	-	-	-
	Portfolio total	-	-80.0	-	-	-

Table 1: Revenue measures since the 2011-12 MYEFO^(a) (continued)

Page		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
	CLIMATE CHANGE AND ENERGY EFFICIENCY					
	<i>Clean Energy Regulator</i>					
13	Clean Energy Future — coverage of non-transport gaseous fuels under the carbon pricing mechanism	-	..	75.0	75.0	80.0
	<i>Department of Climate Change and Energy Efficiency</i>					
100	National Greenhouse and Energy Minimum Standards Program — establishment(b)	-	5.0	5.3	5.8	6.7
	Portfolio total	-	5.0	80.3	80.8	86.7
	DEFENCE					
	<i>Department of Defence</i>					
103	Middle East Area of Operations — continuation of Australia's military contribution(b)	-	21.3	-	-	-
104	Solomon Islands — continued Australian Defence Force assistance to the Regional Assistance Mission to Solomon Islands(b)	-	1.6	-	-	-
104	Timor-Leste — continuation of Australia's commitment to helping to maintain security and stability(b)	-	1.5	-	-	-
	Portfolio total	-	24.4	-	-	-
	EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS					
	<i>Department of Education, Employment and Workplace Relations</i>					
231	Ministerial Standing Council on Tertiary Education, Skills and Employment — Secretariat services(b)	1.2	-	-	-	-
	Portfolio total	1.2	-	-	-	-
	FAMILIES, HOUSING, COMMUNITY SERVICES AND INDIGENOUS AFFAIRS					
	<i>Indigenous Business Australia</i>					
137	Consolidation of the Indigenous Home Ownership Programs(b)	-	-1.7	0.3	0.6	0.8
	Portfolio total	-	-1.7	0.3	0.6	0.8
	FOREIGN AFFAIRS AND TRADE					
	<i>AusAID</i>					
90	Official development assistance — Pacific Police Development Program — continuation(b)	-	-	-	-	-
	<i>Department of Foreign Affairs and Trade</i>					
14	Export Finance and Insurance Corporation — special dividend	-	200.0	-	-	-
	Portfolio total	-	200.0	-	-	-

Table 1: Revenue measures since the 2011-12 MYEFO^(a) (continued)

Page		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
HEALTH AND AGEING						
<i>Department of Health and Ageing</i>						
179	Increased funding for the Private Health Insurance Ombudsman(b)	-	0.2	0.4	0.4	0.5
304	Latent Tuberculosis Infection Testing — revised purchasing arrangements(c)	-	-0.5	-0.5	-0.5	-0.5
191	Medicare Benefits Schedule — new and revised listings(b)	-	nfp	nfp	nfp	-
199	Pharmaceutical Benefits Scheme — new and amended listings(b)	nfp	nfp	nfp	nfp	nfp
202	Private Health Insurance Premiums and Competition Unit — establishment(b)	-	0.6	0.6	0.6	0.6
203	Prostheses List — removal of joint replacement prostheses with unacceptably high revision rates(b)	-	0.1	0.1	..	..
<i>Private Health Insurance Administration Council</i>						
202	Private Health Insurance Premiums and Competition Unit — establishment(b)	-	-	-	-	-
Portfolio total		-	0.4	0.4	0.5	0.5
IMMIGRATION AND CITIZENSHIP						
<i>Department of Immigration and Citizenship</i>						
15	Employer sanctions — reform	-	0.3	0.6	0.8	-
214	Migration Program — allocation of places for 2012-13(b)	-	3.6	3.7	4.5	4.6
126	Seasonal Labour Mobility Program with Pacific Island Countries and East Timor — establishment(b)	-	0.6	0.8	1.0	1.3
15	Visa Charges — revised arrangements	-	5.3	23.4	19.3	18.9
Portfolio total		-	9.9	28.5	25.6	24.8
INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION						
<i>Department of Industry, Innovation, Science, Research and Tertiary Education</i>						
106	Adjustment to the HECS-HELP Benefit for Early Childhood Education Teachers(b)	-	..	..	-0.1	-0.2
224	Commonwealth Supported Places and Higher Education Loan Program — change in eligibility for Australian citizens not residing in Australia(b)	-	-0.1	-0.3	-0.9	-2.1
227	Higher Education — increased student contributions for mathematics, statistics and science units(b)	-	-	1.2	4.7	8.1
231	Ministerial Standing Council on Tertiary Education, Skills and Employment — Secretariat services(b)	0.5	0.8	0.8	0.8	0.8
233	National Skills Reform — changes to income contingent loans for Vocational Education and Training students(b)	-	-1.8	2.7	32.0	41.8
124	Schools — Teach Next Program changes(b)	-

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INDUSTRY, INNOVATION, SCIENCE, RESEARCH AND TERTIARY EDUCATION (continued)						
<i>Australian Skills Quality Authority</i>						
221	Australian Skills Quality Authority (National Vocational Education and Training Regulator) — additional funding(b)	-	5.2	13.4	13.9	13.7
Portfolio total		0.5	4.1	17.8	50.5	62.2
SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES						
<i>Bureau of Meteorology</i>						
266	Bureau of Meteorology — website advertising — one-year trial(b)	-	nfp	-	-	-
<i>Department of Sustainability, Environment, Water, Population and Communities</i>						
16	Clean Energy Future — exemption of metered dose inhalers and imported foam products	-	-	-	-	-
268	Environment Protection and Biodiversity Conservation Act — implementation of reforms(b)	-	4.1	7.8	12.0	14.2
272	Remediation of land affected by the Tiwi Islands Plantation project — contribution(b)	-	1.0	-	-	-
<i>Great Barrier Reef Marine Park Authority</i>						
16	Temporary reduction in the Standard Tourist Program Charge for the Great Barrier Reef Marine Park	-	-3.5	-3.5	-3.5	-
Portfolio total		-	1.7	4.4	8.6	14.2
TREASURY						
<i>Australian Prudential Regulation Authority</i>						
276	Australian Prudential Regulation Authority — sustaining capacity(b)	-	18.9	20.0	19.7	23.8
280	Stronger Super — implementation of SuperStream reforms(b)	-	121.5	111.1	83.1	69.3
<i>Australian Securities and Investments Commission</i>						
277	Australian Securities and Investments Commission — enhanced market supervision(b)	-	1.5	7.0	9.4	15.2
278	Future of Financial Advice Reform(b)	-	4.0	10.4	5.3	5.3
309	Insolvency practitioners — modernisation and harmonisation of the regulatory framework(c)	-	6.4	3.7	2.7	2.8
281	Stronger Super — self managed superannuation funds auditor registration(b)	-	-0.5	..	-0.2	-0.2

Table 1: Revenue measures since the 2011-12 MYEFO^(a) (continued)

Page		2011-12 \$m	2012-13 \$m	2013-14 \$m	2014-15 \$m	2015-16 \$m
	TREASURY (continued)					
	<i>Australian Taxation Office</i>					
17	Australian Business Register — towards a better business future	-	27.9	24.7	25.3	25.9
82	Australian Federal Police — continued deployment to the United Nations Mission in Cyprus(b)	-	-0.1	-	-	-
160	Australia's civilian engagement in Afghanistan — an integrated whole-of-government approach — continuation(b)	-	-1.0	-1.1	-	-
18	Bad debts — ensuring consistent treatment in related party financing arrangements	-	5.0	25.0	25.0	25.0
12	Broadcast licence fees — rebate extension	-	-	11.0	3.0	-4.0
	Capital gains tax					
18	– amendments to beneficial interests	-	*	*	*	*
19	– amendments to the revenue asset and trading stock roll-overs for interposing a company	-	*	*	*	*
19	– broadening relief for taxpayers affected by natural disasters	-	*	*	*	*
20	– broadening the exemptions for certain compensation payments and insurance policies	-	-	*	*	*
20	– refinements to the income tax law in relation to deceased estates	..	..	..	..	..
21	– strengthening certain integrity provisions in the scrip for scrip roll-over	-	-	-	-	-
21	Capital gains tax and loss relief to facilitate superannuation reforms	-	-	-5.0	-5.0	-5.0
	Clean Energy Future					
22	– Clean Energy Finance Corporation income tax exemption	-	-	-	-	-
13	– coverage of non-transport gaseous fuels under the carbon pricing mechanism	-	..	-75.0	-75.0	-80.0
22	Company tax cut — do not proceed	50.0	302.0	1,205.0	1,556.0	1,508.0
23	Debt-Equity rules — treatment of Tier 2 capital instruments under the Basel III capital reforms	-	*	*	*	*
23	Duty free allowances — cigarettes and tobacco	-	127.0	165.0	176.0	192.0
24	Extending the microbreweries excise refund scheme	-	-2.5	-2.5	-2.5	-2.5
	Fringe benefits tax					
24	– further reform of living-away-from-home allowances and benefits	-	50.0	217.0	353.0	399.0
25	– reform of airline transport fringe benefits	..	3.0	3.0	3.0	3.0
	GST					
26	– compliance program — two year extension	-	-	-	464.3	521.9

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	TREASURY (continued)					
	GST					
26	– Government response to Board of Taxation report: GST cross-border transactions — minor changes	-	*	-	-	-
27	– GST-free health supplies — minor changes	-	-	-	-	-
27	– GST-free nicotine replacement therapy	-	-	-	-	-
28	– limiting the Commissioner of Taxation's ability to backdate GST registrations	-	*	*	*	*
28	– reduced input tax credits for credit unions	..	..	..	..	..
29	– sale of a corporation's property by a mortgagee or chargee	-	-	-	-	-
29	– treatment of appropriations — minor change	-	-	-	-	-
29	Income tax — ensuring the effective operation of the general anti-avoidance rule	-	-	-	-	-
	International tax					
30	– Australia-Bahrain tax information exchange agreement	-	..	..	..	..
30	– Australia-India tax protocol	-	*	*	*	*
31	– increase in managed investment trust final withholding tax rate	-	50.0	65.0	70.0	75.0
31	– investment manager regime prospective arrangements	*	*	*	*	*
31	– removal of the capital gains tax discount for non-residents	-	..	5.0	20.0	30.0
32	– update to the list of countries that have effective exchange of information arrangements with Australia	..	..	..	..	..
32	Limited recourse debt — amended definition	-	-	-	-	-
103	Middle East Area of Operations — continuation of Australia's military contribution(b)	-	-72.2	-1.6	-	-
32	Not-for-profit reforms — extending the start date for better targeting of not-for-profit tax concessions	*	*	*	*	*
	Official development assistance					
89	– extension of AFP commitment to the UN Mission in Timor-Leste(b)	-	-0.8	-	-	-
90	– Pacific Police Development Program — continuation(b)	-	-0.4	-0.6	-0.6	-0.6
	Personal income tax					
33	– better targeting of the employment termination payment tax offset	20.0	20.0	50.0	55.0	60.0
34	– changes to tax rates for non-residents	-	19.3	22.2	22.2	25.2
34	– changes to the net medical expenses tax offset	-	..	115.0	125.0	130.0
35	– consolidate the dependency offsets into one	-	..	25.0	25.0	20.0

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TREASURY (continued)					
	Personal income tax				
35	-	-	-	280.0	515.0
	– do not proceed with 50 per cent tax discount for interest income				
36	-	-	-	402.6	1,209.7
	– do not proceed with standard deduction				
36	-	-	-	-	-
	– exempting flood relief payments from income tax				
37	-	-	40.0	85.0	130.0
	– mature age worker tax offset phase out				
37	-	-50.0	-12.0	-12.0	-11.0
	– Medicare levy low income thresholds				
38	-	-	-0.1	-0.1	-0.1
	Philanthropy — updating the list of specifically listed deductible gift recipients				
38	-	-1.0	-1.3	-1.8	-2.4
	Seasonal Labour Mobility Program — improved tax treatment				
104	-	-2.6	-0.1	-	-
	Solomon Islands — continued Australian Defence Force assistance to the Regional Assistance Mission to Solomon Islands(b)				
39	-	-	-150.0	-250.0	-300.0
	Spreading the Benefits of the Boom — company loss carry-back				
40	-	-2.0	-1.0	-1.0	-1.0
	Stronger Shipping for a Stronger Economy — minor amendments				
281	-	9.0	5.2	5.5	5.8
	Stronger Super — self managed superannuation funds auditor registration(b)				
	Superannuation				
40	-	580.0	730.0	130.0	-10.0
	– deferral of higher concessional contributions cap				
41	-	-	200.0	355.0	475.0
	– reduction of higher tax concession for contributions of very high income earners				
42	-	-	-	-	-
	Tax administration — restore Commissioner's ability to delay paying a refund				
42	-	-	10.0	100.0	280.0
	Tax Breaks for Green Buildings — closure				
	Tax compliance				
43	-	10.2	114.4	112.0	43.2
	– maintaining the cross agency approach to preventing abuse of secrecy jurisdictions (Project Wickenby)				
44	-	-	-	-	-
	– managing tax debt in challenging times: a balanced and differentiated approach				
44	-	..	..	..	..
	Tax laws — minor amendments				
45	-	-	-	*	*
	Taxation agent services regime — exemption for taxation advice in the context of financial advice				
45	*	*	*	*	*
	Taxation of financial arrangements — foreign currency regulations — amendments				
45	*	-5.0	-	-	-
	Temporary flood and cyclone reconstruction levy — further exemptions				
104	-	-3.7	-0.1	-	-
	Timor-Leste — continuation of Australia's commitment to helping to maintain security and stability(b)				
46	-	10.0	10.0	10.0	10.0
	Wine equalisation tax — protecting the integrity of the wine producer rebate				

Table 1: Revenue measures since the 2011-12 MYEFO^(a) (continued)

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	\$m	\$m	\$m	\$m	\$m
TREASURY (continued)					
<i>Department of the Treasury</i>					
Australian Reinsurance Pool Corporation					
17	-	75.0	75.0	75.0	75.0
18	-	100.0	-	-	-
26	-	-	-	97.2	98.1
Portfolio total	70.0	1,398.8	3,019.4	4,347.2	5,556.5
Decisions taken but not yet announced	4.4	65.0	13.4	13.5	10.0
Total impact of revenue measures(d)	76.0	1,722.4	3,362.4	4,762.9	6,027.0

* 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.

AGRICULTURE, FISHERIES AND FORESTRY

Changes to agricultural production levies

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Agriculture, Fisheries and Forestry	-0.1	1.0	1.6	3.1	3.2
<i>Related expense (\$m)</i>					
<i>Department of Agriculture, Fisheries and Forestry</i>	<i>-0.1</i>	<i>1.0</i>	<i>1.6</i>	<i>3.1</i>	<i>3.2</i>

The Government has adjusted the rate of the following agricultural production levies and export charges to meet changes in the funding needs of the agricultural industry organisations they support:

- Rice levy: maintained the rate of the rice levy at \$3.00 per tonne beyond 1 January 2012 and removed the listing of specific varieties in the current regulations so that the levy applies to all varieties of the rice species *Oryza Sativa*.
- Pig slaughter levy: increase the rate of the pig slaughter levy from \$1.35 to \$2.25 per head over three years, commencing on 1 July 2012. The levy will be increased in three 30 cent tranches.
- Dairy service levy: increase the rate of the dairy service levy from 2.6075 to 2.8683 cents per kilogram of milk fat, and from 6.3558 to 6.9914 cents per kilogram of protein, with effect from 1 July 2012.
- Wheat export charge: decrease the rate of the wheat export charge from 22 cents per tonne of wheat exported from Australia to zero, with effect from 18 May 2012. This rate will remain in place until the wheat export charge is abolished on 1 October 2012. Abolishing the wheat export charge was announced by the Government on 23 September 2011 in response to the Productivity Commission's report on Wheat Export Marketing Arrangements.

All revenue raised by the levy or export charge is provided directly to fund industry research and development or marketing programs. The Government will also continue to provide funding to match levies for research and development up to a cap, in accordance with existing co-investment arrangements.

ATTORNEY-GENERAL'S

Australian Federal Police — partial cost recovery of airport policing

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Federal Police	-	-	38.2	39.3	40.5

The Government will partially recover the costs of aviation security services that are provided by the Australian Federal Police (AFP) at Australia's major international airports, consistent with the Australian Government's Cost Recovery policy. The charging relates only to the cost of the AFP's community policing role which supports commercial enterprises at major airports. Other aspects of the AFP's role at airports, including counter-terrorism activities, will not be affected by this arrangement.

The charging arrangement will commence on 1 July 2013 and will apply to operators of the 10 airports to which the AFP provides a community policing function (Adelaide, Brisbane, Cairns, Canberra, Darwin, Gold Coast, Hobart, Melbourne, Perth and Sydney).

The measure will generate revenue of \$118.1 million over four years.

Court fee increases

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Various Agencies	-	10.9	22.0	22.0	22.0
Attorney-General's Department	-	-	-	-	-
Total — Revenue	-	10.9	22.0	22.0	22.0
<i>Related expense (\$m)</i>					
Various Agencies	-	1.7	0.9	0.9	0.9
Attorney-General's Department	-	-	-	-	-
Total — Expense	-	1.7	0.9	0.9	0.9

The Government will reform court fees to better reflect the capacity of different types of litigants to pay, with an overall increase to court fee revenue of \$76.9 million over four years. The reforms will send more appropriate price signals to court users to encourage them to utilise alternative dispute processes where appropriate, and will focus particularly on fees for corporations and resource intensive matters.

These changes form part of the Government's wider court reform package that focuses on improving judicial transparency, accessibility, and timely resolution of disputes.

Extension of the South Pacific Regional Trade and Economic Cooperation Agreement — Textile, Clothing and Footwear Scheme

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Customs and Border Protection Service	-	-	-	-	-

The Government is providing for continued duty free entry of certain textiles, clothing and footwear (TCF) from Forum Island Countries that are covered by the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) by extending the SPARTECA (TCF provisions) Scheme until 31 December 2014. This measure is estimated to have no revenue impact over the forward estimates period. Operating costs for the Department of Industry, Innovation, Science, Research and Tertiary Education will be met from within existing resources.

Under SPARTECA, certain goods manufactured in Forum Island Countries may enter Australia duty free. The SPARTECA (TCF Provisions) Scheme allows TCF manufacturers to access duty free entry to Australia, promoting economic development in the Pacific.

The new Scheme end date of 31 December 2014 links with the TCF tariff reduction to five per cent from 1 January 2015.

Passenger movement charge — increase

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Customs and Border Protection Service	-	85.0	140.0	175.0	210.0

The Government will increase the passenger movement charge by \$8 to \$55 per passenger with effect from 1 July 2012, with the charge to be indexed annually by movements in the Consumer Price Index thereafter. The measure is estimated to increase revenue by \$610.0 million over the forward estimates period.

The passenger movement charge was last increased in 2008.

See the related expense measure *Asia Marketing Fund – establishment*.

BROADBAND, COMMUNICATIONS AND THE DIGITAL ECONOMY

Broadcast licence fees — rebate extension

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	11.0	3.0	-4.0
Australian Communications and Media Authority	-	-80.0	-	-	-
Total — Revenue	-	-80.0	11.0	3.0	-4.0

The Government will extend the 50 per cent television licence fee rebate for commercial broadcasters by six months until 30 June 2012. This measure is estimated to have a cost to revenue of \$70.0 million over the forward estimates period.

The extension from 1 January 2012 acknowledges that the appropriate model for allocation and pricing of radiofrequency spectrum was under review until the end of March 2012.

The Government will consider the appropriate settings for television licence fees from 1 July 2012 in its response to the Convergence Review's Final Report.

CLIMATE CHANGE AND ENERGY EFFICIENCY**Clean Energy Future — coverage of non-transport gaseous fuels under the carbon pricing mechanism**

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Clean Energy Regulator	-	..	75.0	75.0	80.0
Australian Taxation Office	-	..	-75.0	-75.0	-80.0
Total — Revenue	-	-	-	-	-

In response to consultation with industry, the Government has decided to mandate coverage of non-transport liquefied petroleum gas (LPG) and non-transport liquefied natural gas (LNG) by the carbon pricing mechanism from 1 July 2013, and will mandate coverage of non-transport compressed natural gas (CNG) by the carbon pricing mechanism from 1 July 2012.

Current carbon pricing arrangements apply an effective carbon price on non-transport gaseous fuels by increasing the excise and excise-equivalent customs duties on these fuels proportional to the relevant emissions rates and reducing fuel tax credits otherwise available to businesses. Coverage by the carbon pricing mechanism in place of these arrangements will reduce compliance costs and enable the gaseous fuels industry to better manage their carbon pricing obligations.

FOREIGN AFFAIRS AND TRADE

Export Finance and Insurance Corporation — special dividend

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Foreign Affairs and Trade	-	200.0	-	-	-

The Export Finance and Insurance Corporation (EFIC) will pay a special dividend of \$200 million in 2012-13 from excess capital reserves. EFIC's capital adequacy ratio is well above its internal benchmark, and payment of this dividend will not affect EFIC's ability to meet its core business requirements.

IMMIGRATION AND CITIZENSHIP

Employer sanctions — reform

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Immigration and Citizenship	-	0.3	0.6	0.8	-

The Government will introduce legislation to reform employer sanctions to better support employers and labour referrers to meet their obligations regarding the employment of non-citizens and provide more effective enforcement arrangements where breaches occur.

Criminal prosecution is currently the only legal recourse for employers who breach employment conditions. To address this, the Government will introduce graduated tiers of employer sanctions, including for employers that refer for work or hire a non-citizen who does not have work rights, or undertake actions that would cause a person to breach their visa conditions. These revised sanctions will range from warning and infringement notices with financial penalties to civil penalties and criminal prosecution for the most serious breaches.

To ensure that employers are aware of the new arrangements the Government will also launch an awareness and education campaign. Complementary improvements to the Visa Entitlement Verification Online (VEVO) service will also be made.

These reforms will increase revenue by an estimated \$1.7 million over three years.

Further information can be found in the press release of 12 December 2011 issued by the Minister for Immigration and Citizenship.

Visa charges — revised arrangements

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Immigration and Citizenship	-	5.3	23.4	19.3	18.9

Visa charges for a number of optional visa services will be revised in this Budget. From 2012-13 onwards visa label charges will increase from \$60 to \$70. From 2013-14 onwards the price of paper lodgement will increase from \$60 to \$80 and the surcharge for subsequent onshore applications will increase from \$600 to \$700.

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

This measure is expected to raise \$67.0 million in revenue over four years.

SUSTAINABILITY, ENVIRONMENT, WATER, POPULATION AND COMMUNITIES

Clean Energy Future — exemption of metered dose inhalers and imported foam products

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of Sustainability, Environment, Water, Population and Communities	-	-	-	-	-

The Government will exempt metered dose inhalers (MDIs) and imported foam and foam products from the equivalent carbon price applying to synthetic greenhouse gases. This measure is estimated to have no revenue impact as there is no revenue recognised in the forward estimates for these products.

MDIs are largely used for the treatment of chronic respiratory diseases. Exempting them from coverage under the equivalent carbon price ensures that their medical use will not be discouraged.

Foam and foam products are used for refrigerators, freezers and insulation panels. It is currently impracticable to apply an equivalent carbon price to imported foam products.

Temporary reduction in the Standard Tourist Program Charge for the Great Barrier Reef Marine Park

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Great Barrier Reef Marine Park Authority	-	-3.5	-3.5	-3.5	-

The Government will reduce the Standard Tourist Program Charge (STPC), the amount paid by a tourist on a visit to the Great Barrier Reef Marine Park with a commercial operator, from \$6.00 to \$3.50 for a full day and from \$3.00 to \$1.75 for a part day, commencing from 1 April 2012 until 31 March 2015. This measure is estimated to have a cost to revenue of \$10.4 million over the forward estimates period.

The temporary reduction will help ease the financial pressure on the Great Barrier Reef tourism industry.

Further information can be found in the joint press release of 2 February 2012 issued by the Deputy Prime Minister and Treasurer and the Minister for Sustainability, Environment, Water, Population and Communities.

TREASURY

Australian Business Register — towards a better business future

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	27.9	24.7	25.3	25.9
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	23.3	13.8	13.3	12.9
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	4.6	0.6	-	-

The Government will provide \$68.5 million over four years to the Australian Business Register (ABR) to improve the operation of the register and the quality and currency of its data by, amongst other things:

- expanding the ABR data fields to include geocoded addresses, details of branches and comprehensive associates data;
- enhancing the capacity to make determinations of whom is entitled to be granted and hold an Australian Business Number; and
- developing additional tools to support compliance activities, policy development, infrastructure and service delivery planning by the Commonwealth, State and local authorities.

This measure is estimated to increase revenue by \$103.8 million over the forward estimates period. In underlying cash terms, the estimated increase in receipts is \$97.7 million.

Australian Reinsurance Pool Corporation — dividend

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	-	75.0	75.0	75.0	75.0

The Australian Reinsurance Pool Corporation (ARPC) will pay the Government an ongoing dividend of \$75.0 million a year from 2012-13.

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 Commonwealth guarantee of the ARPC's liabilities. The Government will be paid dividends to compensate for the provision of the guarantee consistent with the recommendation made in the 2012 Review of the Act

This is in addition to the special one-off dividend of \$100 million in 2012-13. See the related revenue measure titled – *Australian Reinsurance Pool Corporation — one-off dividend payment*.

Australian Reinsurance Pool Corporation — one-off dividend payment

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Department of the Treasury	-	100.0	-	-	-

The Australian Reinsurance Pool Corporation (ARPC) will pay the Government a special one-off dividend of \$100 million in 2012-13.

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 Commonwealth guarantee of the ARPC's liabilities. The Government will be paid a dividend to compensate for the provision of the guarantee, consistent with the recommendation made in the 2012 Review of the Act.

See also the related revenue measure titled – *Australian Reinsurance Pool Corporation – dividend*.

Bad debts — ensuring consistent treatment in related party financing arrangements

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	5.0	25.0	25.0	25.0

The Government will ensure a more consistent tax treatment for bad debts between related parties irrespective of whether they are members of a tax consolidated group. This will have effect from 7.30pm (AEST) on 8 May 2012 and is estimated to result in an \$80.0 million gain to revenue over the forward estimates period.

The measure will deny a tax deduction for a bad debt written off, where the debtor is a related party not in the same tax consolidated group. The corresponding gain to the debtor will also not be taxed.

Capital gains tax — amendments to beneficial interests

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*

The Government will make changes to support the effective operation of the 2011-12 Budget measure providing greater consistency in the application of the scrip for scrip roll-over and small business concessions to trusts, superannuation funds and life insurance companies. This measure is estimated to have a small but unquantifiable cost to revenue over the forward estimates period.

In particular, this measure ensures that the provisions concerning absolutely entitled beneficiaries, bankrupt individuals, security providers and companies in liquidation interact appropriately with the capital gains tax provisions and with the connected entity test in the small business entity provisions. These changes will apply at the option of taxpayers from the 2008-09 income year and automatically from Royal Assent.

This measure also ensures that consequential impacts on the *Wine Equalisation Tax Act 1999* through the operation of the changes to the connected entity test apply to wine producers from the first financial year after the amending legislation receives Royal Assent.

Capital gains tax — amendments to the revenue asset and trading stock roll-overs for interposing a company

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*

The Government will broaden the revenue asset and trading stock roll-overs that apply to the exchange of interests in a company or unit trust for shares in another company. These changes will apply from 7.30pm (AEST) on 8 May 2012. This measure is estimated to have an unquantifiable but small cost to revenue over the forward estimates period.

This measure ensures that these revenue asset and trading stock roll-overs will be available for all interests that qualify for the general conditions of each of the roll-overs, rather than only shares in consolidated groups. The measure also improves integrity by requiring that the replacement shares in the interposed company must maintain the character of the original revenue asset or trading stock asset that was exchanged.

Capital gains tax — broadening relief for taxpayers affected by natural disasters

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*

The Government will resolve minor policy issues relating to the previously announced measure that provides capital gains tax (CGT) relief for taxpayers affected by natural disasters, with effect from 1 July 2011. This measure is estimated to have an unquantifiable but small cost to revenue over the forward estimates period.

This measure will ensure that taxpayers that are eligible for an automatic CGT exemption (such as the CGT main residence exemption) are not prevented from choosing the same CGT treatment available to other taxpayers under the announced relief measure. It also allows taxpayers that participate in an eligible land swap program for natural disasters in relation to their main residence to treat the replacement land they receive under the program as their main residence.

Capital gains tax — broadening the exemptions for certain compensation payments and insurance policies

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	*	*	*

The Government will make minor extensions to the capital gains tax (CGT) exemptions for certain compensation payments and insurance policies, with effect from the 2005-06 income year. This measure is estimated to have an unquantifiable but small cost to revenue over the forward estimates period.

This measure will disregard CGT consequences where a taxpayer receives compensation, damages or certain insurance proceeds indirectly through a trust. This will ensure that the taxpayer has the same CGT outcome as a taxpayer who receives such proceeds directly. It will also ensure that insurance policies owned by superannuation funds that were treated as being CGT exempt prior to the 2011-12 Budget changes to compensation payments and insurance policies continue to be CGT exempt.

Capital gains tax — refinements to the income tax law in relation to deceased estates

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office

The Government will make a series of minor amendments to the 2011-12 Budget measure to ensure the proper functioning of the capital gains tax (CGT) provisions relating to deceased estates, with effect from Royal Assent. This measure is estimated to have a negligible cost to revenue over the forward estimates period.

In particular, these changes:

- reduce compliance costs involved with the integrity provisions by ensuring that the deceased’s tax return does not need to be amended as the taxing point will be recognised by the entity transferring the asset;
- modify application dates for two of the minor changes announced in the 2011-12 Budget to ensure that taxpayers are not disadvantaged; and

- broaden the scope of the integrity provisions to also apply to assets passing via survivorship.

Capital gains tax — strengthening certain integrity provisions in the scrip for scrip roll-over

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government will amend the integrity provisions of the capital gains tax (CGT) scrip for scrip roll-over to remove significant tax minimisation opportunities, including weaknesses highlighted in a recent court decision. These changes will have effect from 7.30pm (AEST) on 8 May 2012. This measure is estimated to have no revenue impact, but will protect a significant amount of revenue that otherwise would be at risk.

The scrip for scrip roll-over provides CGT relief for shareholders when they exchange their shares in a company takeover and a capital gain would otherwise arise. It also provides relief for unitholders of trusts involved in takeovers.

The measure will ensure that taxpayers cannot get around the scrip for scrip roll-over's integrity provisions by holding interests to acquire ownership rights, such as convertible preference shares, rather than the underlying shares; and defer indefinitely the CGT liability that would have otherwise arisen under the integrity provisions for the on-sale of the target entity by the acquiring entity.

The measure will also strengthen the integrity provisions by: broadening the scope of the rules that apply to intra-group debt to cover debts owed to group entities other than the head entity; removing the CGT exemption for the repayment of such debts as it undermines the effectiveness of the integrity provisions; and ensuring that the integrity provisions apply appropriately to trusts.

Capital gains tax and loss relief to facilitate superannuation reforms

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-5.0	-5.0	-5.0

The Government will amend the law to ensure that income tax considerations do not prevent mergers of superannuation funds or transfers of existing default members' balances and relevant assets in the transition to *Stronger Super* and *MySuper*. This measure is estimated to have a cost to revenue of \$15.0 million over the forward estimates period.

From 1 June 2012 to 1 July 2017, optional loss relief will be available for mergers of complying superannuation funds on the same terms and conditions as the former temporary loss relief that applied from 24 December 2008 to 30 September 2011, with some exceptions, including an optional roll-over for capital gains and appropriate integrity provisions.

From 1 July 2013 to 1 July 2017, an optional roll-over and loss relief will be made available for capital gains and capital losses on mandatory transfers of default members' balances and relevant assets to a MySuper product in another complying superannuation fund.

Clean Energy Future — Clean Energy Finance Corporation income tax exemption

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government will exempt the Clean Energy Finance Corporation (CEFC) from income tax, with effect from 1 July 2013. The tax exemption will provide certainty as to the taxation status of the CEFC and enhance its ability to finance investments in the commercialisation and deployment of renewable energy and enabling technologies, energy efficiency and low-emissions technologies.

This measure, which has no revenue impact, delivers on the Government's plan for a clean energy future.

Company tax cut — do not proceed

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	50.0	302.0	1,205.0	1,556.0	1,508.0
Australian Customs and Border Protection Service	-	-2.0	-5.0	-6.0	-8.0
Total — Revenue	50.0	300.0	1,200.0	1,550.0	1,500.0
<i>Related expense (\$m)</i>					
<i>Australian Taxation Office</i>	<i>-</i>	<i>-0.6</i>	<i>-1.2</i>	<i>-</i>	<i>-</i>
<i>Department of the Treasury</i>	<i>-</i>	<i>-16.0</i>	<i>-31.0</i>	<i>-46.0</i>	<i>-61.0</i>
Total — Expense	-	-16.6	-32.2	-46.0	-61.0

The Government will not proceed with the measure to lower the company tax rate, from the 2013-14 income year, nor implement an early start to the company tax rate cut for small businesses from the 2012-13 income year.

It has become clear that the Government is not able to progress a cut in the company tax rate through the Parliament.

The Government has decided to direct the savings from not proceeding with the company tax cut towards funding other Government priorities, including boosting productivity through a loss carry-back arrangement for companies and measures to alleviate cost of living pressures for households.

This measure will provide savings of \$4,755.8 million over the forward estimates period, including the removal of the growth dividend over the forward estimates associated with the company tax rate cut (including an estimated reduction of \$154.0 million in GST revenue payable to the States and Territories).

See also the *Spreading the Benefits of the Boom* package of measures.

Debt-Equity rules — treatment of Tier 2 capital instruments under the Basel III capital reforms

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*

The Government will ensure that on commencement of the Basel III capital reforms on 1 January 2013, certain capital instruments issued by authorised deposit taking institutions (ADIs) can be treated as debt for income tax purposes. This measure is estimated to have an unquantifiable but small revenue impact over the forward estimates period.

This change will apply to certain Tier 2 regulatory capital instruments issued by ADIs and certain other related entities regulated by the Australian Prudential Regulation Authority (APRA).

Under the Basel III capital reforms such instruments will have to be written-off or converted into ordinary shares if APRA decides that the ADI would otherwise become non-viable. If the current tax law applied to the instruments, they would likely be treated as equity for income tax purposes, and their funding costs would not be tax deductible.

Duty free allowances — cigarettes and tobacco

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	127.0	165.0	176.0	192.0
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	12.0	15.0	16.0	17.0

The Government will reduce the inbound duty free allowance for cigarettes and tobacco for international travellers aged 18 years and over to 50 cigarettes or 50 grams of tobacco, effective from 1 September 2012. This measure is estimated to provide savings to the Budget of \$600.0 million over the forward estimates period.

Currently, when arriving in Australia, international travellers aged 18 years and over are able to bring in up to 250 cigarettes or 250 grams of tobacco free of duty.

Extending the microbreweries excise refund scheme

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-2.5	-2.5	-2.5	-2.5

The Government will extend the current microbreweries excise refund scheme by increasing the maximum refund amount from \$10,000 to \$30,000 and removing the current production eligibility threshold of 30,000 litres of beer, with effect from 1 July 2012. The amendments will allow breweries to receive an excise refund of 60 per cent of excise paid, up to a maximum amount of \$30,000 per financial year. They will also ensure that the refund does not penalise successful local breweries as they expand their production.

This measure is estimated to have a cost to revenue of \$10.0 million over the forward estimates period.

Fringe benefits tax — further reform of living-away-from-home allowances and benefits

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	50.0	217.0	353.0	399.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	2.9	2.8	2.4	0.6
Department of the Treasury	-	-	2.0	3.0	4.0
Total — Expense	-	2.9	4.8	5.4	4.6

The Government will further reform the tax concession for living-away-from-home allowances and benefits by better targeting it at people who are legitimately maintaining a second home in addition to their actual home for an initial period. This measure builds on the reforms announced in the 2011-12 MYEFO measure *Fringe benefits tax – reform of living-away-from-home allowances and benefits* by:

- limiting access to the tax concession to employees who maintain a home for their own use in Australia, that they are living away from for work; and
- providing the tax concession for a maximum period of 12 months in respect of an individual employee for any particular work location.

These further reforms will stop employers from being able to give the tax concession to employees who aren't maintaining a second home, or are maintaining two homes indefinitely.

This measure will not affect:

- the tax concession for ‘fly-in fly-out’ arrangements, as these employees will not be subject to the 12 month time limit; or
- the tax treatment of travel and meal allowances, which are provided to employees who have to travel away from their usual place of work for short periods (generally up to 21 days).

The reforms will apply from 1 July 2012 for arrangements entered into after 7.30pm (AEST) on 8 May 2012, and from 1 July 2014 for arrangements entered into prior to that time.

The Government will consult with tax experts and employers on the technical detail of the legislation.

The measure will provide savings to the Budget of \$1,001.3 million over the forward estimates period, including an increase in GST payments to the States and Territories of \$9.0 million.

This measure further progresses a recommendation of the *Australia’s Future Tax System* review, and builds on the Government’s growing record of tax reform.

Fringe benefits tax — reform of airline transport fringe benefits

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	..	3.0	3.0	3.0	3.0
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	..	1.0	1.0	1.0	1.0

The Government will update the method of determining the taxable value of airline transport fringe benefits from stand-by value to market value. This measure will apply to benefits provided after 7.30pm (AEST) on 8 May 2012. This measure is estimated to increase revenue by \$12.0 million over the forward estimates period. The measure is also estimated to increase GST payments to the States and Territories by \$4.0 million over the same period.

An airline transport fringe benefit may arise when an employee of an airline or travel agent is provided with free or discounted travel on a stand-by basis. The taxable value of airline transport fringe benefits is currently the stand-by value of the benefit less the employee contribution. This method was developed when stand-by travel was a feature of commercial airline pricing and staff could be displaced from a flight up to the time of boarding. The concept of stand-by travel, however, is no longer commercially relevant as airlines now use discounted pricing to optimise passenger levels.

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

GST — compliance program — two year extension

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	464.3	521.9
Department of the Treasury	-	-	-	97.2	98.1
Total — Revenue	-	-	-	561.5	620.0
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	235.7	318.4
<i>Australian Taxation Office</i>	-	-	-	97.2	98.1
Total — Expense	-	-	-	332.9	416.5

The Government will provide \$195.3 million to the Australian Taxation Office (ATO) in 2014-15 and 2015-16 to continue a range of activities that promote voluntary GST compliance and provide a level playing field for Australian businesses. This extends a 2010-11 Budget measure by a further two years. Arrangements for funding these activities will be settled with the States and Territories in accordance with the GST Administration Performance Agreement.

The measure will ensure that issues relating to fraudulent GST refunds, systematic under-reporting of GST liabilities, failure to lodge GST returns and outstanding GST debts continue to be closely examined by the ATO.

This measure is estimated to increase tax revenue by \$986.2 million over the forward estimates period. In underlying cash terms, the estimated increase in receipts is \$880.9 million, including a GST component of \$554.1 million that will be paid to the States and Territories.

GST — Government response to Board of Taxation report: GST cross-border transactions — minor changes

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	*	-	-	-

The Government will amend the 2010-11 Budget measure implementing the recommendations of the Board of Taxation from its *Review of the application of GST to cross-border transactions*. This measure is estimated to have an unquantifiable but small revenue impact and an unquantifiable but small impact on GST payments to the States and Territories over the forward estimates period.

The package, originally announced to take effect from 1 July 2012, will now have a date of effect from the first quarterly tax period following Royal Assent of the enabling legislation. In addition, following consultation on the design and implementation of the announced measure, the Government will make a number of other changes including to those proposed for the supply of goods by non-residents and not proceeding with changes relating to the non-resident agency provisions.

To ensure the integrity of the originally announced measures, the Government will also clarify and narrow the definition of permanent establishment for GST purposes.

GST — GST-free health supplies — minor changes

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	-	-

The Government will further amend its 2011-12 Budget measure to ensure that a health supply by a health care provider paid for by a statutory compensation scheme operator is GST-free if the underlying supply from the health care provider to the individual is also GST-free. This measure is estimated to have no revenue impact and no impact on GST payments to the States and Territories over the forward estimates period.

GST — GST-free nicotine replacement therapy

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	-	-

The Government has broadened the range of nicotine replacement therapies that are granted GST-free status through a Ministerial Determination, with effect from 31 December 2011. This measure is estimated to have no revenue impact and no impact on GST payments to the States and Territories over the forward estimates period.

Nicotine replacement therapies listed in a Ministerial Determination and other drugs and medicinal preparations that are restricted to sale by pharmacists and by others permitted under law are GST-free. From 1 January 2012, additional types of nicotine replacement therapies were permitted to be sold in non-pharmacy settings, which would have unintentionally made their sale subject to GST. This measure ensures that all types of nicotine replacement therapies approved for sale in Australia continue to be GST-free to consumers.

GST — limiting the Commissioner of Taxation's ability to backdate GST registrations

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	*	*	*	*

As part of the introduction of self assessment for indirect taxes, the Government has amended the GST law to limit the Commissioner of Taxation's ability to backdate a taxpayer's GST registration to four years, with effect from 1 July 2012. The four year period is consistent with other time periods in the GST administration regime and provides taxpayers with more certainty. This measure is estimated to have an unquantifiable but small cost to revenue and an unquantifiable but small impact on GST payments to the States and Territories over the forward estimates period.

GST — reduced input tax credits for credit unions

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>

The Government will amend the GST law to restore access to a reduced input tax credit (RITC) for credit unions who rebrand as 'banks', with effect from 1 July 2011. This measure is estimated to have a minimal cost to revenue and a minimal impact on GST payments to the States and Territories over the forward estimates period.

This measure will reinstate the existing concession by allowing a RITC for acquisitions from an entity wholly owned by credit unions or rebranded credit unions by a credit union or rebranded credit union.

The measure will apply to entities who were approved credit unions by the Australian Prudential Regulation Authority as at 1 July 2011 and subsequently change their branding to include the title 'bank', but otherwise do not change their corporate structure.

GST — sale of a corporation's property by a mortgagee or chargee

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	-	-

The Government will revise its 2011-12 Budget measure to amend the GST law in relation to the mortgage lending sector to clarify its operation and reduce compliance costs. This measure is estimated to have no revenue impact and no impact on GST payments to the States and Territories over the forward estimates period.

This measure will ensure that the amendments to the GST law now apply:

- from the first quarterly tax period after Royal Assent; and
- to all circumstances where a representative of an incapacitated entity is a creditor of that incapacitated entity, and the representative makes a supply of the incapacitated entity's property in satisfaction of a debt that the incapacitated entity owes to the representative.

GST — treatment of appropriations — minor change

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	-	-

The Government will extend the *Mid-Year Economic and Fiscal Outlook 2011-12* measure to clarify the GST treatment of payments under an appropriation, with effect from 1 July 2012. This measure is estimated to have no revenue impact and no impact on GST payments to the States and Territories over the forward estimates period.

This measure will provide a regulation making power in the GST law to prescribe that certain payments between government related entities are not subject to GST.

Income tax — ensuring the effective operation of the general anti-avoidance rule

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government will amend the income tax general anti-avoidance rule (Part IVA) to ensure that it continues to be effective in countering tax avoidance schemes, with effect from 2 March 2012. As this measure confirms the existing operation of the law, it is not expected to have a revenue impact over the forward estimates period.

For Part IVA to apply there must be a scheme, a 'tax benefit' obtained in connection with that scheme and it must be reasonable to conclude that a person entered into the scheme for the 'sole or dominant purpose' of enabling a taxpayer to obtain the 'tax benefit'.

This measure will clarify the circumstances in which a taxpayer obtains a 'tax benefit' in connection with a scheme.

The measure will also clarify that Part IVA is intended to apply to steps within what are otherwise broader commercial arrangements, which have been implemented in a particular way so as to avoid tax.

Further information can be found in the press release of 1 March 2012 issued by the former Assistant Treasurer.

International tax — Australia-Bahrain tax information exchange agreement

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-

The Government signed a tax information exchange agreement with Bahrain on 15 December 2011. The Agreement will enter into force once Australia and Bahrain have completed their respective domestic requirements. This measure is estimated to have a negligible revenue impact over the forward estimates period.

The Agreement allows for the full exchange of information in relation to Australia's federal taxes and Bahrain's taxes between the two countries.

Australia has now signed 33 tax information exchange agreements.

International tax — Australia-India tax protocol

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	*	*	*	*

The Government signed a protocol to update Australia's tax treaty with India on 16 December 2011, which will enter into force once both countries advise that they have completed their domestic requirements. This measure is expected to have an ongoing unquantifiable but small revenue impact over the forward estimates period.

The measure will update certain rules for the taxation of business profits, enhance the framework for administrative cooperation in the exchange of information between tax authorities, allow tax authorities of each country to assist in the collection of tax debts owed to the other country, and provide new rules to prevent tax discrimination.

Further information was published by the Treasury on its website on 22 December 2011.

International tax — increase in managed investment trust final withholding tax rate

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	50.0	65.0	70.0	75.0

The Government will increase the managed investment trust final withholding tax rate from 7.5 per cent to 15 per cent, with effect from 1 July 2012. This measure will return the withholding tax for managed investment trusts to the level of the original 2007 election commitment. This measure is estimated to have a gain to revenue of \$260.0 million over the forward estimates period.

International tax — investment manager regime prospective arrangements

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	*	*	*	*	*

The Government will extend the previously announced conduit income measure to exempt foreign managed funds from tax on gains from the disposal of certain non-Australian assets and certain non-portfolio conduit income. These funds (and their non-resident investors) will also be exempt from Australian tax on Australian sourced income and gains from certain portfolio financial arrangements. This measure will have effect from 1 July 2011. This measure is estimated to have a small but unquantifiable cost to revenue over the forward estimates period.

The measure will further enhance Australia as a financial services centre in the Asia-Pacific region.

Further information can be found in the press release of 16 December 2011 issued by the Minister for Financial Services and Superannuation.

International tax — removal of the capital gains tax discount for non-residents

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	..	5.0	20.0	30.0

The Government will remove the 50 per cent capital gains tax (CGT) discount for non-residents on capital gains accrued after 7.30 pm (AEST) on 8 May 2012. The CGT discount will remain available for capital gains accrued prior to this time where non-residents choose to obtain a market valuation of assets as at 8 May 2012. This measure is estimated to have a \$55.0 million gain to revenue over the forward estimates period.

International tax — update to the list of countries that have effective exchange of information arrangements with Australia

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office

The Government has updated the list of countries reported in the *Taxation Administration Regulations 1976* whose residents are eligible to access a reduced rate of withholding tax on certain distributions from Australian managed investment trusts, with effect from 1 January 2012. This measure is estimated to have a minimal cost to revenue over the forward estimates period.

The reduced withholding tax rate is restricted to residents of countries with which Australia has effective exchange of information arrangements and which are listed in the Regulations. This requirement safeguards the integrity of the managed investment trust withholding tax system and signals Australia's commitment to using effective exchange of information to reduce opportunities for international tax evasion and avoidance. This measure updates the list to include Anguilla, Aruba, Belgium, Malaysia, and the Turks and Caicos Islands.

Limited recourse debt — amended definition

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government will clarify that limited recourse debt includes arrangements where the creditor's right to recover the debt is effectively limited to the financed asset or security provided. This measure will have effect from 7.30pm (AEST) on 8 May 2012. It is estimated to have no revenue impact but will protect a significant amount of revenue that would otherwise be at risk.

The measure will ensure that tax deductions are not available for capital expenditure on assets that have been financed by limited recourse debt, to the extent that the taxpayer is not effectively at risk for the expenditure and does not make an economic loss.

Not-for-profit reforms — extending the start date for better targeting of not-for-profit tax concessions

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	*	*	*	*	*

The Government will extend the start date for the 2011-12 Budget measure *Not-for-profit sector reforms – better targeting of not-for-profit tax concessions* from 1 July 2011 to 1 July 2012. This measure is estimated to have an unquantifiable but small revenue impact over the forward estimates period.

The extension of the start date will provide additional time for consultation and will reduce the uncertainty for those in the not-for-profit (NFP) sector who have commenced commercial activities since the 2011-12 Budget and may be affected by the measure.

The extended start date of 1 July 2012 will only apply to new unrelated commercial activities that commenced after 7.30 pm (AEST) on 10 May 2011. Existing unrelated commercial activities that commenced prior to that date will continue to be covered by transitional arrangements as announced in the 2011-12 Budget.

The measure as announced in the 2011-12 Budget is about ensuring that valuable tax concessions are utilised to directly further the purposes for which they were provided, rather than to support unrelated commercial activities operated by NFP entities.

Further information can be found in the joint press release of 30 March 2012 issued by the Assistant Treasurer and the Minister for Social Inclusion.

Personal income tax — better targeting of the employment termination payment tax offset

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	20.0	20.0	50.0	55.0	60.0
<i>Related expense (\$m)</i>					
<i>Australian Taxation Office</i>	<i>2.9</i>	<i>5.3</i>	<i>0.3</i>	<i>0.1</i>	<i>-</i>

The Government will make the taxation of employment income fairer. The employment termination payment (ETP) tax offset can currently be used to reduce tax payable on payments included in remuneration packages such as 'golden handshakes', among other things, which are not related to genuine hardship. This primarily benefits high income earners who are more likely to receive such payments and receive much larger payments when they do. To address this, the Government will limit the availability of the ETP offset.

From 1 July 2012, only that part of an affected ETP, such as a golden handshake, that takes a person's total annual taxable income (including the ETP) to no more than \$180,000 will receive the ETP tax offset. Amounts above this whole-of-income cap will be taxed at marginal rates. The whole-of-income cap will complement the existing ETP cap (\$175,000 in 2012-13, indexed) which ensures that the tax offset only applies to amounts up to the ETP cap. The ETP tax offset ensures that ETPs up to the ETP cap are taxed at a maximum tax rate of 15 per cent for those over preservation age and 30 per cent for those under preservation age.

Existing arrangements will be retained for certain ETPs relating to genuine redundancy (including to those aged 65 and over), invalidity, compensation due to an employment-related dispute and death.

This measure provides savings to the Budget of \$196.4 million over the forward estimates period.

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

Personal income tax — changes to tax rates for non-residents

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	19.3	22.2	22.2	25.2

The Government will adjust the personal income tax rates and thresholds that apply to non-residents' Australian income. This will ensure that they better align with the rates and thresholds that will apply to residents over the forward estimates. This measure is estimated to increase revenue by \$88.9 million over the forward estimates period.

From 1 July 2012, the first two marginal tax rate thresholds will be merged into a single threshold. The marginal rate for this threshold will align with the second marginal tax rate for residents (32.5 per cent) and will apply to all taxable income below \$80,000. From 1 July 2015, the same marginal rate will again rise from 32.5 per cent to 33 per cent.

Personal income tax — changes to the net medical expenses tax offset

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	..	115.0	125.0	130.0

The Government will introduce a means test for the net medical expenses tax offset (NMETO) from 1 July 2012. For people with adjusted taxable income above the Medicare levy surcharge thresholds (\$84,000 for singles and \$168,000 for couples or families in 2012-13), the threshold above which a taxpayer may claim NMETO will be increased to \$5,000 (indexed annually thereafter) and the rate of reimbursement will be reduced to 10 per cent for eligible out of pocket expenses incurred. People with income below the surcharge thresholds will be unaffected. This measure is estimated to increase revenue by \$370.0 million over the forward estimates period.

Personal income tax — consolidate the dependency offsets into one

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	..	25.0	25.0	20.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	2.4	0.1	0.1	-
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	0.5	-	-	-

The Government will consolidate eight dependency tax offsets into a single, streamlined and non-refundable offset that is only available to taxpayers who maintain a dependant who is genuinely unable to work due to carer obligation or disability from 1 July 2012. This measure will provide savings to the Budget of \$66.9 million over the forward estimates period.

The offsets to be consolidated are the invalid spouse, carer spouse, housekeeper, housekeeper (with child), child-housekeeper, child-housekeeper (with child), invalid relative and parent/parent-in-law tax offsets.

The new consolidated offset will be based on the highest rate of the existing offsets it replaces, resulting in an increased entitlement for many of those eligible for this measure.

Taxpayers who are currently eligible to claim more than one offset amount in respect of multiple dependants who are genuinely unable to work will still be able to do so.

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

Personal income tax — do not proceed with 50 per cent tax discount for interest income

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	280.0	515.0
<i>Related expense (\$m)</i>					
Various Agencies	-	-7.3	-32.9	-43.2	-40.8
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	-	-4.3	-	-

The Government will not proceed with the 2010-11 Budget measure *Stronger, fairer, simpler tax reform – 50 per cent discount for interest income* (as amended in the 2010-11 MYEFO and the 2011-12 MYEFO), which was due to commence on 1 July 2013.

The Government's public consultation process involving key sector groups, industry participants and consumer groups revealed concerns with the complexity involved in calculating the discount and its overall effectiveness. Based on this feedback from industry and stakeholders the Government has decided not to proceed with this measure.

This measure will provide savings to the Budget of \$923.5 million over the forward estimates period.

Personal income tax — do not proceed with standard deduction

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	402.6	1,209.7
<i>Related expense (\$m)</i>					
<i>Various Agencies</i>	-	-2.5	-80.8	-197.4	-190.3
<i>Related capital (\$m)</i>					
<i>Australian Taxation Office</i>	-	-	-11.1	-	-

The Government will not proceed with the 2010-11 Budget measure *Stronger, fairer, simpler tax reform – standard deduction for work-related expenses and the cost of managing tax affairs* (as amended in the 2011-12 MYEFO) which was due to commence on 1 July 2013.

The Government is pursuing other simplification measures such as tripling the tax free threshold to \$18,200 from 1 July 2012, taking up to one million people out of the tax system. The ATO is also continuing to make it easier for people to complete their tax return through improvements in pre-filing.

This measure will provide savings to the Budget of \$2,094.4 million over the forward estimates period.

Personal income tax — exempting flood relief payments from income tax

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-

The Government has exempted from income tax ex-gratia payments to New Zealand non-protected special category visa holders affected by the floods that occurred in New South Wales and Queensland in early 2012. These ex-gratia payments are equivalent to the tax-exempt Australian Government Disaster Recovery Payment (AGDRP) and provide assistance to New Zealanders who would have been eligible for AGDRP, but for their visa status. This measure will have no revenue impact against the current forward estimates.

Personal income tax — mature age worker tax offset phase out

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	40.0	85.0	130.0

The Government will phase out the mature age worker tax offset (MAWTO) from 1 July 2012 for taxpayers born on or after 1 July 1957. Access to the MAWTO will be maintained for taxpayers who are aged 55 years or older in 2011-12. This measure is estimated to increase revenue by \$255.0 million over the forward estimates period.

Savings from this measure will be redirected to support other Government priorities, including better targeted mature age employment initiatives to ensure mature aged workers have the greatest opportunity possible to secure and retain work if they wish.

See also the related expense measures *National Workforce Development Fund – additional support for mature age workers*, *Mature Age Participation – job seeker assistance* and the Economic Potential of Senior Australians package of measures.

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

Personal income tax — Medicare levy low income thresholds

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-50.0	-12.0	-12.0	-11.0

The Government will increase the Medicare levy low income thresholds to \$19,404 for individuals and \$32,743 for families for the 2011-12 income year, with effect from 1 July 2011. This measure is estimated to have a cost to revenue of \$85.0 million over the forward estimates period.

The additional amount of threshold for each dependent child or student will also increase to \$3,007. The increase in these thresholds takes into account movements in the Consumer Price Index and ensures that low income families and individuals are not liable to pay the Medicare levy.

The Government will also increase the Medicare levy threshold for single pensioners below Age Pension age to \$30,451 for the 2011-12 income year, with effect from 1 July 2011. This increase will ensure that pensioners below Age Pension age do not pay the Medicare levy when they do not have an income tax liability.

Philanthropy — updating the list of specifically listed deductible gift recipients

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-0.1	-0.1	-0.1

Since the *Mid-Year Economic and Fiscal Outlook 2011-12*, the following organisation has been approved as a deductible gift recipient (DGR):

- One Laptop Per Child Australia, from 1 July 2012 to 30 June 2016.

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.

Seasonal Labour Mobility Program — improved tax treatment

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-1.0	-1.3	-1.8	-2.4

The Government will reduce the marginal tax rate for non-resident individuals participating in the Seasonal Labour Mobility Program (the Program) to 15 per cent, administered as a final withholding tax, with effect from 1 July 2012. This measure is estimated to have a cost to revenue of \$6.5 million over the forward estimates period.

This measure replaces the arrangements for the Pacific Seasonal Worker Pilot Scheme, which concludes on 30 June 2012. This reform will significantly reduce compliance costs for seasonal workers participating in the Program and simplify administration for the Australian Taxation Office by removing the requirement to lodge a tax return. Participants will be taxed on all eligible income at a flat rate of 15 per cent. Participants will no longer be required to pay the Medicare levy.

Further information can be found in the joint press release of 18 December 2011 issued by the Minister for Employment and Workplace Relations, Financial Services and Superannuation, the Minister for Foreign Affairs, and the Minister for Resources and Energy and Minister for Tourism.

Spreading the Benefits of the Boom — company loss carry-back

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-150.0	-250.0	-300.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	4.0	3.3	1.2	0.7
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	2.8	1.9	-	-

The Government will provide tax relief for companies by allowing them to carry-back tax losses so they receive a refund against tax previously paid. This measure is estimated to have a cost to revenue of \$700.0 million over the forward estimates period. The Government will also provide the Australian Taxation Office with \$13.9 million to implement the measure.

A one year loss carry-back will apply in 2012-13, where tax losses incurred in that year can be carried back and offset against tax paid in 2011-12. For 2013-14 and later years, tax losses can be carried back and offset against tax paid up to two years earlier. Companies will be able to carry back up to \$1 million of losses each year. This will provide a cash benefit of up to \$300,000 a year.

It will be available to companies and entities that are taxed like companies. It will apply to their revenue losses only and will be subject to integrity rules, and limited to a company's franking account balance.

This measure is part of the Government's reforms to boost productivity by helping business invest, innovate and take sensible risks.

This measure will assist Australian businesses adjust to structural changes in the economy by improving their access to tax losses, which will help them invest and take advantage of future opportunities.

Stronger Shipping for a Stronger Economy — minor amendments

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-2.0	-1.0	-1.0	-1.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	2.0	2.0	2.0	2.0

The Government has announced minor amendments to the *Mid-Year Economic and Fiscal Outlook 2011-12* measure implementing shipping industry reforms to further assist industry and ensure that implementation is consistent with the policy intent. These amendments include an increase in the rate of the seafarer refundable tax offset from 27 per cent to 30 per cent of gross payment amounts and make the payment apply on an annual basis. The loss wastage rule in respect of the income tax exemption was modified to ensure that the specific provisions would operate as intended.

This measure is estimated to result in a net cost of \$13.0 million over the forward estimates period.

This reform was announced jointly by the Minister for Infrastructure and Transport, and the Assistant Treasurer on 20 February 2012. These changes were included in the Tax Laws Amendment (Shipping Reform) Bill 2012 which was introduced into the House of Representatives on 22 March 2012.

Superannuation — deferral of higher concessional contributions cap

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	580.0	730.0	130.0	-10.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	-22.7	-15.0	0.5	7.7

The Government will defer the start date of the 2010-11 Budget measure *Stronger, fairer, simpler tax reform – increasing concessional contribution caps for individuals over 50 with low superannuation balances* by two years, from 1 July 2012 to 1 July 2014. Under the higher concessional contributions cap measure, individuals aged 50 and over with superannuation balances below \$500,000 will be able to make up to \$25,000 more in concessional contributions than allowed under the general concessional contributions cap.

The two-year deferral means that for 2012-13 and 2013-14, all individuals will be able to make concessional contributions of up to \$25,000 per year as permitted under the general concessional contributions cap. In 2014-15, the general cap is likely to increase to \$30,000 through indexation, and the higher cap would then commence at \$55,000.

In consultations on the implementation of the higher cap, the superannuation industry raised concerns in relation to the cost and complexity involved in administering the balance limit. Deferring the start date of the higher cap to 1 July 2014 will bring significant synergies and efficiencies, as it will allow implementation to occur in conjunction with changes to superannuation fund reporting and systems that will be occurring under the SuperStream reforms.

Deferring the start date of the higher concessional contributions cap will provide savings to the Budget of \$1,459.5 million over the forward estimates period.

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

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	200.0	355.0	475.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	13.9	23.9	23.0	19.1
<i>Related capital (\$m)</i>					
Australian Taxation Office	-	1.8	1.8	-	-

The Government will make the superannuation system fairer by reducing the tax concession which very high income earners receive on their concessional contributions, so it is more in line with the concession received by average income earners.

Currently, the 15 per cent flat tax on concessional contributions provides high income earners with a significantly larger tax concession than those on lower marginal tax rates. From 1 July 2012, individuals with income greater than \$300,000 will have the tax concession on their contributions reduced from 30 per cent to 15 per cent (excluding the Medicare levy).

The definition of 'income' for the purpose of this measure includes concessional superannuation contributions. If an individual's income excluding their concessional contributions is less than the \$300,000 threshold, but the inclusion of their concessional contributions pushes them over the threshold, the reduced tax concession will only apply to the part of the contributions that is in excess of the threshold. 'Concessional contributions' for the purpose of the measure includes notional employer contributions for members of defined benefit funds.

The reduced tax concession will not apply to concessional contributions which exceed the concessional contributions cap and are therefore subject to 'excess contributions tax'. These contributions are effectively taxed at the top marginal tax rate and therefore do not receive a tax concession.

Treasury will consult with the superannuation industry and other relevant stakeholders on further design and implementation details.

This measure will provide savings to the Budget of \$946.5 million over the forward estimates. It is estimated that it will affect around 128,000 people in 2012-13, or 1.2 per cent of people contributing to superannuation.

Tax administration — restore Commissioner’s ability to delay paying a refund

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	-	-	-	-

The Government will restore the Commissioner of Taxation’s previous administrative practice of retaining certain refunds for verification prior to payment, with effect from the date of Royal Assent of the enabling legislation. This measure is estimated to have no revenue impact and no impact on GST payments to the States and Territories over the forward estimates period.

This measure will give the Commissioner time to check the validity of a refund claim, and is necessary to protect the integrity of the tax refund system.

Tax Breaks for Green Buildings — closure

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	10.0	100.0	280.0
<i>Related expense (\$m)</i>					
<i>Department of Climate Change and Energy Efficiency</i>	-0.8	-4.2	-4.2	-4.0	-2.0

The Government will not proceed with the Tax Breaks for Green Buildings program. The program would have driven significantly higher cost abatement than that delivered by the carbon price. This measure is estimated to increase revenue by \$390.0 million over the forward estimates period. Funding for the Department of Climate Change and Energy Efficiency will also be reduced by \$15.2 million over five years from 2011-12.

Tax compliance — maintaining the cross agency approach to preventing abuse of secrecy jurisdictions (Project Wickenby)

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	10.2	114.4	112.0	43.2
<i>Related expense (\$m)</i>					
<i>Australian Crime Commission</i>	-	1.6	2.1	1.9	-
<i>Commonwealth Director of Public Prosecutions</i>	-	0.6	3.7	3.7	-
<i>Australian Transaction Reports and Analysis Centre</i>	-	0.5	1.0	1.0	-
<i>Attorney-General's Department</i>	-	0.1	0.5	0.5	-
<i>Australian Taxation Office</i>	-	-	29.7	18.3	-
<i>Australian Federal Police</i>	-	-	5.2	5.1	-
<i>Australian Securities and Investments Commission</i>	-	-	0.7	0.6	-
<i>Total — Expense</i>	-	2.8	42.9	31.1	-
<i>Related capital (\$m)</i>					
<i>Australian Crime Commission</i>	-	..	-	-	-

The Government will provide \$76.8 million over three years to the Australian Taxation Office (ATO) and other Project Wickenby agencies to continue the Government's fight against tax evasion, avoidance and related crimes.

The Project Wickenby cross-agency task force was established in 2006 to protect the integrity of Australia's financial and regulatory systems by preventing people from promoting or participating in the abusive use of secrecy havens to avoid tax in Australia.

As at 29 February 2012, Project Wickenby has collected more than \$602 million of outstanding revenue, including:

- more than \$292.0 million in cash collections;
- more than \$10.0 million collected from return lodgements demanded;
- nearly \$308.0 million made from increased voluntary compliance following interventions by the Project Wickenby taskforce; and
- \$2.0 million in assets recovered by the Commonwealth Director of Public Prosecutions under Commonwealth Proceeds of Crime provisions.

This measure will allow the Project Wickenby taskforce agencies to complete existing project work and transition the work to 'business as usual' activity by 30 June 2015.

This measure is estimated to increase revenue by \$279.8 million over the forward estimates period. In underlying cash terms, the estimated increase in receipts is \$210.1 million.

Tax compliance — managing tax debt in challenging times: a balanced and differentiated approach

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	-	-
<i>Related expense (\$m)</i>					
<i>Department of the Treasury</i>	-	104.5	135.6	99.8	51.5
<i>Australian Taxation Office</i>	-	37.6	30.3	27.1	11.0
<i>Total — Expense</i>	-	142.1	165.9	126.9	62.5

The Government will provide \$106.0 million over four years to the Australian Taxation Office (ATO) to improve the management of outstanding taxation debts and superannuation guarantee charges.

This measure will allow the ATO to support a greater range of taxpayers in meeting their reporting and payment obligations through contacting them earlier and by providing more targeted assistance.

This measure is estimated to have a nil revenue impact in fiscal balance terms over four years as it relates to the collection of outstanding tax debts that have already been recognised as revenue. The measure will increase estimated cash receipts by \$1,125.0 million over the forward estimates period, including a GST component of \$391.4 million that will be paid to the States and Territories.

Tax laws — minor amendments

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-

The Government will make minor amendments to the tax laws to correct technical defects, remove anomalies and address unintended outcomes in the tax legislation. This measure is estimated to have a minimal revenue impact over the forward estimates period.

The amendments will address minor issues identified with the Minerals Resource Rent Tax legislation, and will update an obsolete cross-reference in the tax laws.

Taxation agent services regime — exemption for taxation advice in the context of financial advice

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	-	-	*	*

The Government has extended the financial advisers exemption from compliance with the *Tax Agent Services Act 2009* up until and including 30 June 2013. This measure is estimated to have an unquantifiable revenue impact over the forward estimates period.

This extension will allow for the details of the regulatory model to be settled and help resolve implementation issues associated with bringing financial planners under the scope of the Tax Agent Services regime. The new regulatory model will focus on the principles of consumer protection and delivery of quality tax advice by financial advisers.

Taxation of financial arrangements — foreign currency regulations — amendments

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	*	*	*	*	*

The Government will make minor technical amendments to the foreign currency provisions, so that the previously announced compliance cost savings measures operate appropriately. This measure is estimated to have an unquantifiable but small revenue impact over the forward estimates period.

Temporary flood and cyclone reconstruction levy — further exemptions

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	*	-5.0	-	-	-

The Government will extend the exemptions for the temporary flood and cyclone reconstruction levy (the temporary flood levy) to include individuals who were eligible for an Australian Government Disaster Recovery Payment (AGDRP) in 2010-11 even if they did not apply for and receive the payment, as required under the existing exemptions. This component of the measure has a cost to revenue of \$5 million in 2012-13.

The Government will also extend the exemptions from the temporary flood levy to include those people who have been affected by a natural disaster in 2011-12. The classes of individuals to whom the extension apply are those who, in 2011-12:

- are eligible for an AGDRP for a disaster event;

- are directly affected by a Natural Disaster Relief and Recovery Arrangements (NDRRA) declared disaster and would have met the AGDRP criteria; or
- are a New Zealand non-protected special category visa holder who received an ex-gratia payment from the Australian Government in relation to a disaster that occurred.

This component of the measure has an unquantifiable cost to revenue over the forward estimates period, due to the fact that the 2011-12 income year is yet to come to a close.

The Government introduced the temporary flood levy for 2011-12 only to contribute towards rebuilding costs following the natural disasters that affected Australia in 2010-11. Further information is available in the 2011-12 Budget measure *Natural Disaster Recovery and Rebuilding – Temporary flood and cyclone reconstruction levy*.

Wine equalisation tax — protecting the integrity of the wine producer rebate

Revenue (\$m)	2011-12	2012-13	2013-14	2014-15	2015-16
Australian Taxation Office	-	10.0	10.0	10.0	10.0

The Government will amend the wine producer rebate to ensure that wine producers will not be able to claim multiple rebates for the same quantity of wine, beyond the total amount of wine equalisation tax payable. This measure will apply to assessable dealings from 1 July 2012 and is estimated to increase revenue by \$40.0 million over the forward estimates period.

This measure will protect the integrity of the rebate and address unintended policy outcomes arising where wine is subject to blending and/or further manufacture, which have been previously raised as concerns by the wine industry and the Australian National Audit Office.

See the related expense measure *Australian wine industry – support*.