

## PART 1: REVENUE MEASURES

**Table 1: Revenue measures since the 2013-14 MYEFO<sup>(a)</sup>**

| Page |   | 2013-14    | 2014-15     | 2015-16     | 2016-17     | 2017-18     |
|------|---|------------|-------------|-------------|-------------|-------------|
|      |   | \$m        | \$m         | \$m         | \$m         | \$m         |
|      | <b>AGRICULTURE</b>  |            |             |             |             |             |
|      | <i>Department of Agriculture</i>  |            |             |             |             |             |
| 7    | Biosecurity services for imports and live animal exports — ensuring full cost recovery  | -          | nfp         | nfp         | nfp         | nfp         |
| 7    | Changes to agricultural production levies   | -          | 3.3         | 3.3         | 3.3         | 3.3         |
| 53   | Support to Drought Affected Farmers(b)  | 0.5        | 11.2        | 11.2        | 11.2        | 11.2        |
|      | <b>Portfolio total</b>  | <b>0.5</b> | <b>14.5</b> | <b>14.5</b> | <b>14.5</b> | <b>14.5</b> |
|      | <b>ATTORNEY-GENERAL'S</b>   |            |             |             |             |             |
|      | <i>Australian Financial Security Authority</i>  |            |             |             |             |             |
| 228  | Australian Financial Security Authority — departmental capital budget supplementation(c)  | 2.4        | 2.4         | 2.3         | 2.5         | 2.5         |
|      | <i>Australian Transaction Reports and Analysis Centre</i>   |            |             |             |             |             |
| 9    | Australian Transaction Reports and Analysis Centre — industry contribution  | -          | 10.1        | 22.7        | 21.3        | 25.0        |
|      | <b>Portfolio total</b>  | <b>2.4</b> | <b>12.5</b> | <b>25.1</b> | <b>23.7</b> | <b>27.4</b> |
|      | <b>COMMUNICATIONS</b>   |            |             |             |             |             |
|      | <i>Australian Communications and Media Authority</i>  |            |             |             |             |             |
| 68   | Smaller Government — Telecommunications Universal Service Management Agency — abolition and transfer to the Department of Communications(b) | -          | -1.0        | -1.0        | -1.0        | -1.0        |
|      | <i>Department of Communications</i>   |            |             |             |             |             |
| 68   | Smaller Government — Telecommunications Universal Service Management Agency — abolition and transfer to the Department of Communications(b) | -          | -           | -           | -           | -           |
|      | <i>Telecommunications Universal Service Management Agency</i>   |            |             |             |             |             |
| 68   | Smaller Government — Telecommunications Universal Service Management Agency — abolition and transfer to the Department of Communications(b) | -          | -           | -           | -           | -           |
|      | <b>Portfolio total</b>  | <b>-</b>   | <b>-1.0</b> | <b>-1.0</b> | <b>-1.0</b> | <b>-1.0</b> |
|      | <b>DEFENCE</b>  |            |             |             |             |             |
|      | <i>Department of Defence</i>  |            |             |             |             |             |
| 74   | Middle East Area of Operations — continuation of Australia's military contribution(b)   | -          | 3.3         | -           | -           | -           |
|      | <b>Portfolio total</b>  | <b>-</b>   | <b>3.3</b>  | <b>-</b>    | <b>-</b>    | <b>-</b>    |

**Table 1: Revenue measures since the 2013-14 MYEFO<sup>(a)</sup> (continued)**

| Page                                |  | 2013-14 | 2014-15      | 2015-16      | 2016-17     | 2017-18      |
|-------------------------------------|--|---------|--------------|--------------|-------------|--------------|
|                                     |  | \$m     | \$m          | \$m          | \$m         | \$m          |
| <b>EDUCATION</b>                    |  |         |              |              |             |              |
| <i>Department of Education</i>      |  |         |              |              |             |              |
| 77                                  | A sustainable Higher Education Loan Programme — repayment thresholds and indexation(b)       | -       | -14.3        | 261.0        | 322.4       | 462.1        |
| 79                                  | A sustainable Higher Education system — Research Training Scheme — student contributions(b)  | -       | -            | -            | 0.7         | 2.4          |
| Expanding opportunity               |  |         |              |              |             |              |
| 84                                  | – expansion of the demand driven system and sharing the cost fairly(b)                       | -       | -            | 1.8          | 13.1        | 41.6         |
| 85                                  | – FEE-HELP and VET FEE-HELP loan fee — cessation(b)  | -       | -            | -130.6       | -278.0      | -314.5       |
| 85                                  | – Higher Education Indexation — revised arrangements(b)                                      | -       | -            | -            | -0.3        | -0.9         |
| 86                                  | Higher Education Superannuation Programme — resumption of payments to universities in NSW(b) | -       | -            | -            | -           | -            |
| <b>Portfolio total</b>              |  | -       | <b>-14.3</b> | <b>132.2</b> | <b>57.8</b> | <b>190.7</b> |
| <b>FINANCE</b>                      |  |         |              |              |             |              |
| <i>Department of Finance</i>        |  |         |              |              |             |              |
| 114                                 | Infrastructure Growth Package — Asset Recycling Fund(b)                                      | *       | *            | *            | *           | *            |
| 115                                 | Medical Research Future Fund — establishment(b)  | -       | -            | -            | -           | -            |
| 117                                 | Smaller Government — Medibank Private Limited — sale(b)                                      | -       | nfp          | nfp          | nfp         | nfp          |
| <b>Portfolio total</b>              |  | -       | -            | -            | -           | -            |
| <b>HEALTH</b>                       |  |         |              |              |             |              |
| <i>Department of Health</i>         |  |         |              |              |             |              |
| 141                                 | Pharmaceutical Benefits Scheme — new and amended listings(b)                                 | nfp     | nfp          | nfp          | nfp         | nfp          |
| <b>Portfolio total</b>              |  | -       | -            | -            | -           | -            |
| <b>HUMAN SERVICES</b>               |  |         |              |              |             |              |
| <i>Department of Human Services</i> |  |         |              |              |             |              |
| 206                                 | Remove Grandfathering of Student Start-Up Scholarship Recipients(b)                          | -       | -            | -            | -           | -            |

**Table 1: Revenue measures since the 2013-14 MYEFO<sup>(a)</sup> (continued)**

| Page |   | 2013-14     | 2014-15      | 2015-16      | 2016-17      | 2017-18      |
|------|---|-------------|--------------|--------------|--------------|--------------|
|      |   | \$m         | \$m          | \$m          | \$m          | \$m          |
|      | <b>HUMAN SERVICES (continued)</b>   |             |              |              |              |              |
| 207  | Remove Relocation Scholarship Assistance for Students Relocating Within and Between Major Cities(b) | -           | -            | -            | -            | -            |
|      | <b>Portfolio total</b>  | -           | -            | -            | -            | -            |
|      | <b>IMMIGRATION AND BORDER PROTECTION</b>  |             |              |              |              |              |
|      | <i>Australian Customs and Border Protection Service</i>   |             |              |              |              |              |
| 10   | Korea-Australia Free Trade Agreement  | -           | -100.0       | -165.0       | -180.0       | -190.0       |
| 16   | Product Stewardship for Oil Scheme — modification to the levy                                       | -           | 8.0          | 7.0          | 8.0          | 9.0          |
| 17   | Reintroduction of fuel excise indexation  | -           | 10.0         | 20.0         | 30.0         | 50.0         |
| 157  | Smaller Government — strengthen and enhance Australia's border protection services(b)               | -           | 17.0         | 52.8         | 69.2         | 69.2         |
| 218  | Taxation treatment of biodiesel — modification(b)   | -           | -            | -0.3         | -0.3         | -0.3         |
|      | <i>Department of Immigration and Border Protection</i>  |             |              |              |              |              |
| 153  | Migration Programme — allocation of places for 2014-15(b)   | -2.9        | -0.6         | -0.6         | -0.6         | -0.7         |
| 160  | Visa simplification to support the vocational education and training sector(b)                      | -           | -            | 1.3          | 2.4          | 3.1          |
|      | <b>Portfolio total</b>  | <b>-2.9</b> | <b>-65.6</b> | <b>-84.9</b> | <b>-71.3</b> | <b>-59.7</b> |
|      | <b>INDUSTRY</b>   |             |              |              |              |              |
|      | <i>Department of Industry</i>   |             |              |              |              |              |
| 172  | Trade Support Loans — establishment(b)  | -           | -            | 2.7          | 12.7         | 27.0         |
|      | <b>Portfolio total</b>  | -           | -            | <b>2.7</b>   | <b>12.7</b>  | <b>27.0</b>  |
|      | <b>INFRASTRUCTURE AND REGIONAL DEVELOPMENT</b>  |             |              |              |              |              |
|      | <i>Department of Infrastructure and Regional Development</i>  |             |              |              |              |              |
| 176  | Infrastructure Growth Package — WestConnex Stage 2 — provision of a concessional loan(b)            | -           | -            | -            | 5.3          | 26.4         |
| 11   | Protection of the Sea Levy — reduction  | -           | -9.0         | -9.0         | -10.0        | -11.0        |
|      | <b>Portfolio total</b>  | -           | <b>-9.0</b>  | <b>-9.0</b>  | <b>-4.7</b>  | <b>15.4</b>  |

**Table 1: Revenue measures since the 2013-14 MYEFO<sup>(a)</sup> (continued)**

| Page |  | 2013-14<br>\$m | 2014-15<br>\$m | 2015-16<br>\$m | 2016-17<br>\$m | 2017-18<br>\$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
|      | <b>PRIME MINISTER AND CABINET</b>  |                |                |                |                |                |
|      | <i>Department of the Prime Minister and Cabinet</i>  |                |                |                |                |                |
| 187  | Smaller Government — Council of Australian Governments Reform Council — cessation(b)                                       | -              | -2.6           | -2.6           | -2.5           | -2.5           |
|      | <b>Portfolio total</b>   | -              | <b>-2.6</b>    | <b>-2.6</b>    | <b>-2.5</b>    | <b>-2.5</b>    |
|      | <b>SOCIAL SERVICES</b>   |                |                |                |                |                |
|      | <i>Department of Social Services</i>   |                |                |                |                |                |
| 77   | A sustainable Higher Education Loan Programme — repayment thresholds and indexation(b)                                     | -              | -              | 0.1            | 0.2            | 0.4            |
| 153  | Migration Programme — allocation of places for 2014-15(b)  | -              | -              | -              | -              | ..             |
| 206  | Remove Grandfathering of Student Start-Up Scholarship Recipients(b)  | -              | -              | 2.8            | 5.9            | 7.3            |
| 207  | Remove Relocation Scholarship Assistance for Students Relocating Within and Between Major Cities(b)                        | -              | -              | ..             | ..             | ..             |
| 209  | Social Security Agreement with India(b)  | -              | -              | -              | -              | -              |
|      | <b>Portfolio total</b>   | -              | -              | <b>2.9</b>     | <b>6.1</b>     | <b>7.7</b>     |
|      | <b>TREASURY</b>  |                |                |                |                |                |
|      | <i>Australian Securities and Investments Commission</i>  |                |                |                |                |                |
| 12   | Farm Management Deposits — exempting deposits from the unclaimed moneys scheme   | -              | *              | *              | *              | *              |
|      | <i>Australian Taxation Office</i>  |                |                |                |                |                |
| 73   | Defence Forces Retirement Benefits and Defence Force Retirement and Death Benefits superannuation payments — indexation(b) | -              | *              | *              | *              | *              |
| 165  | Ethanol Production Grants Programme — cessation(b)   | -              | -              | -122.1         | -114.1         | -106.1         |
| 197  | Family Payment Reform — better targeting of Family Tax Benefit Part B(b)   | -              | -              | -              | 8.0            | 8.0            |
| 12   | Farm Management Deposits — exempting deposits from the unclaimed moneys scheme   | -              | -              | ..             | ..             | ..             |

**Table 1: Revenue measures since the 2013-14 MYEFO<sup>(a)</sup> (continued)**

| Page |  | 2013-14<br>\$m | 2014-15<br>\$m | 2015-16<br>\$m | 2016-17<br>\$m | 2017-18<br>\$m |
|------|--|----------------|----------------|----------------|----------------|----------------|
|      | <b>TREASURY (continued)</b>  |                |                |                |                |                |
| 216  | First Home Saver Accounts scheme — cessation(b)  | -              | -              | -              | 2.0            | 2.0            |
| 86   | Higher Education Superannuation Programme — resumption of payments to universities in NSW(b)   | nfp            | nfp            | nfp            | nfp            | nfp            |
| 13   | Income tax — mining interest realignments  | *              | *              | *              | *              | *              |
| 74   | Middle East Area of Operations — continuation of Australia's military contribution(b)  | -              | -8.0           | -6.5           | -              | -              |
| 153  | Migration Programme — allocation of places for 2014-15(b)  | -2.4           | -10.6          | -20.4          | -31.8          | -42.2          |
| 75   | Military Superannuation — establish new accumulation arrangements(b)   | -              | -              | -              | 6.7            | 14.2           |
| 139  | Pausing indexation of some Medicare Benefits Schedule fees and the Medicare Levy Surcharge and Private Health Insurance Rebate thresholds(b) | -              | -              | -              | 7.0            | 14.0           |
|      | Personal income tax  |                |                |                |                |                |
| 13   | – abolish the Dependent Spouse Tax Offset  | -              | -              | 130.0          | 100.0          | 90.0           |
| 14   | – abolish the Mature Age Worker Tax Offset   | -              | -              | 290.0          | 255.0          | 215.0          |
| 14   | – exempting Job Commitment Bonus from income tax   | -              | -              | -              | -              | -              |
| 15   | – increase the Medicare levy low-income thresholds for families  | -              | -9.0           | -13.0          | -13.0          | -13.0          |
| 15   | – Temporary Budget Repair Levy   | -              | 600.0          | 1,150.0        | 1,200.0        | 150.0          |
| 16   | Philanthropy — updating the list of specifically listed deductible gift recipients   | -              | -              | -              | -              | -              |
| 16   | Product Stewardship for Oil Scheme — modification to the levy  | -              | 11.0           | 12.0           | 12.0           | 12.0           |
| 17   | Reintroduction of fuel excise indexation   | -              | 270.0          | 730.0          | 1,240.0        | 1,800.0        |
| 206  | Remove Grandfathering of Student Start-Up Scholarship Recipients(b)  | -              | -              | -              | -              | -              |
| 17   | Repeal of the Minerals Resource Rent Tax — change to the schedule for increasing the Superannuation Guarantee rate to 12 per cent            | -              | -170.0         | -180.0         | -              | 440.0          |
| 18   | Research and Development Tax Incentive — reducing the rates of the refundable and non-refundable tax offsets                                 | -              | -              | 90.0           | 130.0          | 120.0          |
| 18   | Restoring integrity in the Australian tax system — further decisions   | *              | -20.0          | -213.0         | -188.0         | 48.0           |

**Table 1: Revenue measures since the 2013-14 MYEFO<sup>(a)</sup> (continued)**

| Page |   | 2013-14     | 2014-15      | 2015-16        | 2016-17        | 2017-18        |
|------|---|-------------|--------------|----------------|----------------|----------------|
|      |   | \$m         | \$m          | \$m            | \$m            | \$m            |
|      | <b>TREASURY (continued)</b>                                     |             |              |                |                |                |
| 209  | Social Security Agreement with India(b)                         | -           | -            | -0.6           | -1.4           | -2.8           |
| 19   | Superannuation Excess Contributions Tax                         | -           | -4.2         | -9.8           | -13.6          | -12.5          |
| 53   | Support to Drought Affected Farmers(b)                          | -           | -            | -              | -              | -              |
| 20   | Tax laws — miscellaneous amendments                             | -           | ..           | ..             | ..             | ..             |
| 218  | Taxation treatment of biodiesel — modification(b)               | -           | -            | 0.3            | 0.3            | 0.3            |
|      | <i>Department of the Treasury</i>                               |             |              |                |                |                |
| 12   | Australian Reinsurance Pool Corporation — assess future options | -           | 37.5         | 37.5           | 37.5           | 112.5          |
|      | <b>Portfolio total</b>  | <b>-2.4</b> | <b>696.7</b> | <b>1,874.4</b> | <b>2,636.6</b> | <b>2,849.4</b> |
|      | <b>Decisions taken but not yet announced</b>                    | <b>3.5</b>  | <b>85.6</b>  | <b>77.4</b>    | <b>90.2</b>    | <b>97.1</b>    |
|      | <b>Total impact of revenue measures(d)</b>                      | <b>1.1</b>  | <b>720.1</b> | <b>2,031.8</b> | <b>2,762.1</b> | <b>3,166.1</b> |

\* 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

### Biosecurity services for imports and live animal exports — ensuring full cost recovery

| Revenue (\$m)                    | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------------|---------|---------|---------|---------|---------|
| Department of Agriculture        | -       | nfp     | nfp     | nfp     | nfp     |
| <i>Related expense (\$m)</i>     |         |         |         |         |         |
| <i>Department of Agriculture</i> | -       | nfp     | nfp     | nfp     | nfp     |

The Government will move to full cost recovery of its biosecurity services for imports and live animal exports. Fees for import clearance, seaports, post entry animal quarantine and live animal exports will be set to recover expected operating costs for 2014-15 in line with the provision of services on a user pays basis. For import clearance and seaports, revenue shortfalls in 2013-14 will also be recovered in 2014-15.

This policy will be implemented in accordance with the Australian Government's cost recovery policy. The additional revenue is not for publication due to ongoing consultation with the relevant industries.

The new fees will come into effect on 1 July 2014.

The Government will also redesign and simplify the biosecurity cost recovery framework to support a more efficient and effective biosecurity system, with implementation expected to occur from 1 July 2015.

### Changes to agricultural production levies

| Revenue (\$m)                    | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------------|---------|---------|---------|---------|---------|
| Department of Agriculture        | -       | 3.3     | 3.3     | 3.3     | 3.3     |
| <i>Related expense (\$m)</i>     |         |         |         |         |         |
| <i>Department of Agriculture</i> | -       | 3.3     | 3.3     | 3.3     | 3.3     |

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:

- Hard onion levy and export charge: increase the overall rate of the levy and export charge on hard onions from \$2.00 to \$4.00 per tonne, commencing on 1 July 2014.
- Mushroom spawn levy: increase the overall rate of the levy on mushroom spawn from \$2.16 to \$4.32 per kilogram, commencing on 1 July 2014.
- Mango levy: increase the overall rate of the levy on mangoes from 1.750 cents to 1.893 cents per kilogram, commencing on 1 July 2014.

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All revenue raised by the levy or export charge is provided directly to fund industry research and development, marketing programmes, and/or industry biosecurity initiatives. 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 Transaction Reports and Analysis Centre — industry contribution**

| Revenue (\$m)   | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---|---------|---------|---------|---------|---------|
| Australian Transaction Reports and Analysis Centre        | -       | 10.1    | 22.7    | 21.3    | 25.0    |
| <i>Related expense (\$m)</i>                              |         |         |         |         |         |
| <i>Australian Transaction Reports and Analysis Centre</i> | -       | 0.2     | -       | -       | -       |

The Government will increase revenue by \$79.1 million over four years, through a phased increase in the Australian Transaction Reports and Analysis Centre's (AUSTRAC) industry levy.

AUSTRAC currently recovers around 53 per cent of its total expenses from industry. Under this measure, industry contributions to AUSTRAC's total expenses will increase to 70 per cent in 2014-15, 90 per cent in 2015-16 and 2016-17, and 100 per cent in 2017-18.

The Government will also remove the current \$300 base component fee for AUSTRAC's 3,638 smallest regulated entities, which will no longer be subject to any charge. Under the new arrangements, only the largest (around 1,029) reporting entities will be required to contribute towards AUSTRAC's expenses.

The increased revenue from this measure will be redirected by the Government to repair the Budget and fund policy priorities.

## IMMIGRATION AND BORDER PROTECTION

### Korea-Australia Free Trade Agreement

| Revenue (\$m)                                    | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--|---------|---------|---------|---------|---------|
| Australian Customs and Border Protection Service | -       | -100.0  | -165.0  | -180.0  | -190.0  |
| <i>Related expense (\$m)</i>                     |         |         |         |         |         |
| <i>Australian Taxation Office</i>                | -       | -       | 0.3     | 0.3     | 0.3     |

On 8 April 2014 the governments of Australia and the Republic of Korea signed the Korea-Australia Free Trade Agreement. Under the Agreement, both parties agreed to eliminate tariffs on a wide range of goods and provide additional access for investment and services. Parties are working toward bringing the Agreement into effect by the end of 2014. This measure is estimated to reduce revenue from tariffs by \$635.0 million, and increase expenses by \$0.9 million, over the forward estimates period.

Further information can be found in the press release of 8 April 2014 issued by the Minister for Trade and Investment.

## INFRASTRUCTURE AND REGIONAL DEVELOPMENT

### Protection of the Sea Levy — reduction

| Revenue (\$m)   | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|---|---------|---------|---------|---------|---------|
| Department of Infrastructure and Regional Development | -       | -9.0    | -9.0    | -10.0   | -11.0   |

The Government will reduce the Protection of the Sea Levy (PSL) from 14.25 cents to 11.25 cents per net registered tonne for defined vessels on an ongoing basis from 1 July 2014. This is estimated to reduce revenue by \$39.0 million over four years from 2014-15.

The PSL was increased from 11.25 cents to 14.25 cents, with effect from 1 April 2010, to recover the pollution-related clean-up costs in excess of the amount paid by the Pacific Adventurer shipowner. It was retained at 14.25 cents in the 2013-14 Budget to allow the Australian Maritime Safety Authority to establish a \$10.0 million pollution response reserve and implement the upgrade and modernisation of the national stockpile of oil and chemical spill equipment. These activities are now complete.

See also the related expense measure titled *Protection of the Sea Levy – reduction – offsetting savings* in the Infrastructure and Regional Development portfolio.

## TREASURY

### Australian Reinsurance Pool Corporation — assess future options

| Revenue (\$m)                | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|------------------------------|---------|---------|---------|---------|---------|
| Department of the Treasury   | -       | 37.5    | 37.5    | 37.5    | 112.5   |
| <i>Related expense (\$m)</i> |         |         |         |         |         |
| Department of the Treasury   | -       | 1.2     | -       | -       | -       |

The Australian Reinsurance Pool Corporation (ARPC) will pay the Government a fee totalling \$450.0 million over four years for the \$10.0 billion guarantee provided by the Australian Government to the ARPC.

The fee will replace the current requirement for the ARPC to provide a dividend to Government, and is more aligned to the substance of the guarantee provided by the Government to the ARPC.

In addition the Government will provide \$1.2 million in 2014-15 to the Department of the Treasury to develop options on the future of the *Terrorism Insurance Act 2003*, including the future role of the ARPC.

The ARPC was established as a temporary measure to ensure that Australia's commercial property continued to have access to terrorism insurance in the wake of the 11 September 2001 terrorist attacks.

The fiscal balance impact of this proposal is \$225.0 million over four years. The underlying cash impact of this proposal is \$73.8 million over four years.

### Farm Management Deposits — exempting deposits from the unclaimed moneys scheme

| Revenue (\$m)                                    | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--|---------|---------|---------|---------|---------|
| Australian Taxation Office                       | -       | -       | ..      | ..      | ..      |
| Australian Securities and Investments Commission | -       | *       | *       | *       | *       |
| Total — Revenue                                  | -       | *       | *       | *       | *       |
| <i>Related expense (\$m)</i>                     |         |         |         |         |         |
| Australian Securities and Investments Commission | -       | -       | *       | *       | *       |

The Government will amend the unclaimed moneys scheme in the *Banking Act 1959* to protect Farm Management Deposits from being transferred to the Commonwealth. This measure will have effect from the date of Royal Assent of the enabling legislation. This measure is estimated to have a small but unquantifiable cost to the Budget over the forward estimates period.

Further information can be found in the press release of 12 February 2014 issued by the Assistant Treasurer.

### Income tax — mining interest realignments

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | *       | *       | *       | *       | *       |

The Government will clarify the treatment of realignments of interests between joint venture partners in the minerals and petroleum industry. The measure will apply from 7:30pm (AEST) 14 May 2013. This measure is estimated to have a small but unquantifiable cost to revenue over the forward estimates period.

The measure will only apply to changes of ownership within a common project (which includes combining neighbouring fields into one project and sharing expenditure in areas such as planning, research and construction of infrastructure).

This reform addresses uncertainty for realignments, which are potentially affected by the decision to limit the immediate deduction for mining rights first used for exploration. These realignments do not raise the integrity concerns to which the original measure was directed.

### Personal income tax — abolish the Dependent Spouse Tax Offset

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -       | -       | 130.0   | 100.0   | 90.0    |

The Government will abolish the Dependent Spouse Tax Offset (DSTO) for all taxpayers from 1 July 2014.

The 2011-12 MYEFO measure *Personal income tax – Dependent Spouse Tax Offset – phase-out* limited access to the DSTO to those whose dependent spouse was born before 1 July 1952, effective from 1 July 2012. That measure had an estimated \$370.0 million gain to revenue over the then forward estimates period.

Taxpayers who are eligible to receive the Zone Tax Offset (ZTO), Overseas Civilians Tax Offset (OCTO) or Overseas Forces Tax Offset (OFTO) were exempt from the phase-out and can currently receive the DSTO regardless of the age of their dependent spouse.

Currently, taxpayers eligible for the ZTO, OCTO or OFTO can also claim eight other dependency offsets. For all other taxpayers, the 2012-13 Budget measure *Personal income tax – consolidate the dependency offsets into one* replaced these eight other dependency offsets with the Dependent (Invalid and Carer) Tax Offset (DICTO), effective from 1 July 2012. This measure will also replace these dependency offsets with the DICTO for ZTO, OCTO and OFTO taxpayers from 1 July 2014.

Taxpayers with a dependant who is genuinely unable to work due to a carer obligation or a disability may be eligible for the DICTO.

This measure is estimated to have a gain to revenue of \$320.0 million over the forward estimates period.

**Personal income tax — abolish the Mature Age Worker Tax Offset**

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -       | -       | 290.0   | 255.0   | 215.0   |

The Government will abolish the Mature Age Worker Tax Offset (MAWTO) from 1 July 2014. This measure is estimated to have a gain to revenue of \$760.0 million over the forward estimates period.

The 2012-13 Budget measure *Personal income tax – mature age worker tax offset phase out* began the phase out of the MAWTO from the 2012-13 income year, limiting it to taxpayers born before 1 July 1957. That measure had an estimated \$255.0 million gain to revenue over the then forward estimates period.

Encouraging mature age workers to participate in the workforce can be done more effectively through direct payments or incentives. Savings will be redirected to the Government's expanded seniors employment incentive payment called Restart to support mature age job seekers to re-enter the workforce. From 1 July 2014, a payment of up to \$10,000 will be available to employers who hire a mature aged job seeker, aged 50 years or over who has been receiving income support for at least six months.

See also the expense measure *Restart – boosting the wage subsidy for mature age job seekers*.

**Personal income tax — exempting Job Commitment Bonus from income tax**

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -       | -       | -       | -       | -       |

The Government will make the Job Commitment Bonus payments exempt from income tax, as was the original intent of the Government's election commitment. This measure will have no revenue impact over the forward estimates period.

The Job Commitment Bonus was announced in the 2013-14 MYEFO measure titled *Job Commitment Bonus – establishment*.

Further information can be found in the press release of 27 February 2014 issued by the Assistant Minister for Employment.

### Personal income tax — increase the Medicare levy low-income thresholds for families

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -       | -9.0    | -13.0   | -13.0   | -13.0   |

The Government will increase the Medicare levy low-income threshold for families from the 2013-14 income year. The threshold for couples with no children will be increased to \$34,367, and the additional amount of threshold for each dependent child or student will be increased to \$3,156 for the 2013-14 income year. This measure is estimated to have a cost to revenue of \$48.0 million over the forward estimates period.

The increase in these thresholds takes into account movements in the consumer price index (CPI) and ensures that low-income families who were not liable to pay the Medicare levy in 2012-13 will continue to be exempt unless their incomes have increased by more than the CPI.

The Medicare levy low-income thresholds for individuals and pensioners have already been increased by more than the growth in the CPI and therefore do not need to be further increased at this time.

### Personal income tax — Temporary Budget Repair Levy

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -       | 600.0   | 1,150.0 | 1,200.0 | 150.0   |

The Government will introduce a three year temporary levy (the Temporary Budget Repair Levy) on high income individuals from 1 July 2014 until 30 June 2017. The Temporary Budget Repair Levy will apply at a rate of two per cent on individuals' taxable income in excess of \$180,000 per annum.

A number of other tax rates that are currently based on calculations that include the top personal tax rate will also be increased. With the exception of the fringe benefits tax (FBT) rate, these tax rates will be increased for the same period that the Temporary Budget Repair Levy is in place. These consequential amendments are important to maintain integrity and fairness in the tax system.

To prevent high income earners from utilising fringe benefits to avoid the levy, the FBT rate will be increased from 47 per cent to 49 per cent from 1 April 2015 until 31 March 2017 to align with the FBT income year. The cash value of benefits received by employees of public benevolent institutions and health promotion charities, public and not-for-profit hospitals, public ambulance services and certain other tax-exempt entities will be protected by increasing the annual FBT caps. In addition, the fringe benefits rebate rate will be aligned with the FBT rate from 1 April 2015.

*Budget Measures 2014-15 – Part 1: Revenue Measures*

This measure is expected to increase revenue by \$3.1 billion over the forward estimates period.

**Philanthropy — updating the list of specifically listed deductible gift recipients**

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -       | -       | -       | -       | -       |

Since the 2013-14 MYEFO, the following organisations have been approved as deductible gift recipients (DGRs):

- Minderoo Foundation Trust, from 1 January 2014; and
- East African Fund (School of St Jude), from 1 July 2014.

Taxpayers may claim an income tax deduction for certain gifts of money or property to DGRs. This measure is estimated to have no revenue impact over the forward estimates period.

**Product Stewardship for Oil scheme — modification to the levy**

| Revenue (\$m)                                    | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--|---------|---------|---------|---------|---------|
| Australian Taxation Office                       | -       | 11.0    | 12.0    | 12.0    | 12.0    |
| Australian Customs and Border Protection Service | -       | 8.0     | 7.0     | 8.0     | 9.0     |
| Total — Revenue                                  | -       | 19.0    | 19.0    | 20.0    | 21.0    |
| <i>Related expense (\$m)</i>                     |         |         |         |         |         |
| <i>Australian Taxation Office</i>                | -       | 2.0     | 2.0     | 2.0     | 3.0     |

The Government will restore the Product Stewardship for Oil scheme to being budget neutral over the forward estimates period by increasing the rate of the levy to 8.5 cents per litre of oil or kilogram of grease from 1 July 2014. The rate of the benefit for Category 8 oils (Category 8 benefits provide a mechanism to refund levies paid on oils that are being put to particular uses (i.e. exempted uses)) will also be increased to ensure it continues to match the rate of the levy.

This measure is estimated to have a gain to the Budget of \$70.0 million over the forward estimates period.



**Reintroduction of fuel excise indexation**

| Revenue (\$m)                                    | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|--|---------|---------|---------|---------|---------|
| Australian Taxation Office                       | -       | 270.0   | 730.0   | 1,240.0 | 1,800.0 |
| Australian Customs and Border Protection Service | -       | 10.0    | 20.0    | 30.0    | 50.0    |
| <b>Total — Revenue</b>                           | -       | 280.0   | 750.0   | 1,270.0 | 1,850.0 |
| <i>Related expense (\$m)</i>                     |         |         |         |         |         |
| Australian Taxation Office                       | -       | 100.7   | 350.0   | 550.0   | 800.0   |
| Department of the Treasury                       | -       | 10.0    | 20.0    | 40.0    | 60.0    |
| Department of Industry                           | -       | 1.8     | -       | -       | -       |
| <b>Total — Expense</b>                           | -       | 112.5   | 370.0   | 590.0   | 860.0   |

The Government will secure funding for additional productivity-enhancing road infrastructure projects by re-introducing biannual indexation by the consumer price index of excise and excise-equivalent customs duty for all fuels except aviation fuels. This will generate \$2.2 billion over the forward estimates period for building new and upgrading existing road infrastructure. This includes allowance for a \$1.8 million increase in Ethanol Production Grants in 2014-15, administered by the Department of Industry, and a \$0.7 million increase in the Cleaner Fuel Grants Scheme.

The Government will amend the *Excise Act 1901* to ensure that the amount spent on road infrastructure funding is greater than the net revenue from the reintroduction of indexation on fuel excise and excise-equivalent customs duty.

Consistent with the Government's goal to start construction on key projects as soon as practicable, biannual indexation will commence from 1 August 2014.

**Repeal of the Minerals Resource Rent Tax — change to the schedule for increasing the superannuation guarantee rate to 12 per cent**

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -       | -170.0  | -180.0  | -       | 440.0   |

The Government will change the schedule for increasing the superannuation guarantee rate to 12 per cent. The superannuation guarantee rate will increase from 9.25 per cent to 9.5 per cent from 1 July 2014 as currently legislated to give certainty to employers and employees given the Minerals Resource Rent Tax Repeal and Other Measures Bill 2013 has not passed the Senate. The rate will remain at 9.5 per cent until 30 June 2018 and then increase by 0.5 percentage points each year until it reaches 12 per cent.

This measure is estimated to provide a net gain to revenue of \$90.0 million over the forward estimates period.

It is the Government's policy to proceed with the repeal of the minerals resource rent tax and other associated measures as announced.

**Research and Development Tax Incentive — reducing the rates of the refundable and non-refundable tax offsets**

| Revenue (\$m)                | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office   | -       | -       | 90.0    | 130.0   | 120.0   |
| <i>Related expense (\$m)</i> |         |         |         |         |         |
| Australian Taxation Office   | -       | -70.0   | -70.0   | -70.0   | -70.0   |

Consistent with the Government's commitment to cut the company tax rate from 1 July 2015, the Government will preserve the relative value of the Research and Development Tax Incentive by reducing the rates of the refundable and non-refundable offsets by 1.5 percentage points, effective from 1 July 2014.

The gain to revenue and savings from this measure will be redirected by the Government to repair the Budget and fund policy priorities.

This measure is estimated to provide a gain to the Budget of \$620.0 million in fiscal balance terms over the forward estimates period. In underlying cash terms, the gain to the Budget is \$550.0 million over the forward estimates period.

**Restoring integrity in the Australian tax system — further decisions**

| Revenue (\$m)                | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|------------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office   | *       | -20.0   | -213.0  | -188.0  | 48.0    |
| <i>Related expense (\$m)</i> |         |         |         |         |         |
| Australian Taxation Office   | -1.3    | -7.9    | -10.9   | -5.2    | 10.4    |

The Government has made further decisions in relation to the backlog of taxation and superannuation measures that were announced by former governments but not yet legislated. These decisions are estimated to have a cost to the Budget of \$358.1 million over the forward estimates period.

Additional consultation with stakeholders and the Australian Taxation Office has demonstrated that it is not possible to implement a number of these measures as initially announced, and that other measures need to be extended to achieve their policy intent. Accordingly, the Government has decided to:

- not proceed with changes that would have applied to multiple entry consolidated groups; \$140.0 million of revenue associated with this measure over the forward estimates period cannot be delivered;

- modify integrity measures in relation to the foreign resident CGT regime, estimated to have no revenue impact over the forward estimates period;
- modify integrity measures in relation to the consolidation regime, estimated to have an unquantifiable revenue impact over the forward estimates period;
- defer the start date of the new tax system for managed investment trusts by 12 months to 1 July 2015, estimated to have a gain to revenue of \$75.0 million over the forward estimates period;
- defer the start date of reforms to the offshore banking unit regime to income years commencing on or after 1 July 2015, estimated to have a cost to revenue of \$180.0 million over the forward estimates period; and
- defer the start date of the legislative elements of the measure to improve tax compliance through third party reporting and data matching to 1 July 2016, estimated to have a cost to the Budget of \$113.1 million over the forward estimates period.

Further information can be found in the press release of 13 May 2014 issued by the Acting Assistant Treasurer.

### **Superannuation Excess Contributions Tax**

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -       | -4.2    | -9.8    | -13.6   | -12.5   |

The Government will allow individuals the option of withdrawing superannuation contributions in excess of the non-concessional contributions cap made from 1 July 2013 and any associated earnings, with these earnings to be taxed at the individual's marginal tax rate. Final details of the policy will be settled following consultation with key stakeholders in the superannuation industry.

This measure delivers on the Government's election commitment to develop an appropriate process that addresses all inadvertent breaches of the contribution caps where the error would result in a disproportionate penalty.

This measure is estimated to have a cost to revenue of \$40.1 million over the forward estimates period.

**Tax laws — miscellaneous amendments**

| Revenue (\$m)              | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 |
|----------------------------|---------|---------|---------|---------|---------|
| Australian Taxation Office | -       | ..      | ..      | ..      | ..      |

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

The amendments include technical corrections to the uniform penalty rules that prevent certain penalties that are levied under the law from being collected and a number of amendments to address issues, raised by industry, in relation to the consolidation regime.

These changes are part of the Government's commitment to the care and maintenance of the taxation and superannuation systems, and the Government's broader deregulation agenda.