Part 1: Receipt Measures

Table 1: Receipt measures since the 2020-21 MYEFO(a)

	2020-21	2021-22	2022-23	2023-24	2024-25
	$m	$m	$m	$m	$m
AGRICULTURE, WATER AND THE ENVIRONMENT					
Department of Agriculture, Water and the Environment					
Agriculture 2030(b)	-	11.4	18.0	15.5	15.3
Primary Industries — changes to agricultural production levy(b)	-	0.2	0.2	0.2	0.2
Portfolio total	**-**	**11.6**	**18.2**	**15.7**	**15.5**
ATTORNEY-GENERAL'S					
Administrative Appeals Tribunal					
Migration Litigation and Merits Review(b)	-	7.0	10.7	14.2	15.2
Federal Court of Australia					
Migration Litigation and Merits Review(b)	-	1.6	1.8	1.8	1.9
Portfolio total	**-**	**8.5**	**12.4**	**16.0**	**17.1**
DEFENCE					
Department of Defence					
Australian Defence Force operations in Afghanistan and the Middle East — extension(b)	-	4.6	-	-	-
Portfolio total	**-**	**4.6**	**-**	**-**	**-**
EDUCATION, SKILLS AND EMPLOYMENT					
Australian Skills Quality Authority					
Higher Education — additional support for tertiary and international education providers(b)	-	-14.8	-	-	-
Department of Education, Skills and Employment					
Higher Education — additional support for tertiary and international education providers(b)	-	-4.0	-2.8	-2.7	-2.7
Trades Recognition Australia — full cost recovery(b)	-	6.3	8.5	10.8	13.0
Tertiary Education Quality and Standards Agency					
Higher Education — additional support for tertiary and international education providers(b)	-	-2.4	-	-	-
Portfolio total	**-**	**-14.9**	**5.7**	**8.0**	**10.3**

Table 1: Receipt measures since the 2020-21 MYEFO[(a)] (continued)

	2020-21 $m	2021-22 $m	2022-23 $m	2023-24 $m	2024-25 $m
HEALTH					
Aged Care Quality and Safety Commission					
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care quality and safety(b)	-	-11.4	-11.0	-11.0	-10.9
Australian Digital Health Agency					
Digital Economy Strategy(b)	-	32.3	-	-	-
Department of Health					
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — residential aged care services and sustainability(b)	-	-1.3	-1.3	-0.1	..
COVID-19 Response Package — extension(b)	10.3	28.8	-	-	-
Improving Access to Medicines — Pharmaceutical Benefits Scheme new and amended Listings(b)	nfp	nfp	nfp	nfp	nfp
Private Health Insurance — building the sustainability of the sector and improving affordability for patients(b)	-	1.2	-	-	-
Portfolio total	**10.3**	**49.5**	**-12.3**	**-11.1**	**-10.9**
HOME AFFAIRS					
Australian Transaction Reports and Analysis Centre					
National Strategy to Prevent and Respond to Child Sexual Abuse(b)	-	0.7	0.7	0.7	0.7
Department of Home Affairs					
Extending the automotive research and development tariff concession	-0.1	-0.4	-0.4	-0.4	-0.4
Migration — additional flexibility for temporary visa holders to work in the agriculture sector(b)	*	*	*	*	*
Migration Program — 2021-22 planning levels(b)	-	-90.0	..	..	..
Sponsored Parent (Temporary) Visas — extension of validity period(b)	-	..	..	..	..
Women's Safety(b)	-	..	..	..	..
Portfolio total	**-0.1**	**-89.7**	**0.3**	**0.3**	**0.3**
INDUSTRY, SCIENCE, ENERGY AND RESOURCES					
Department of Industry, Science, Energy and Resources					
Advancing Australia's Gas Fired Recovery(b)	-	2.7	-	-	-
Implementing Sport 2030 — High Performance, Wellbeing and Integrity(b)	-	1.2	1.2	-	-
Portfolio total	**-**	**3.9**	**1.2**	**-**	**-**

Table 1: Receipt measures since the 2020-21 MYEFO[(a)] (continued)

	2020-21	2021-22	2022-23	2023-24	2024-25
	$m	$m	$m	$m	$m
INFRASTRUCTURE, TRANSPORT, REGIONAL DEVELOPMENT AND COMMUNICATIONS					
Australian Communications and Media Authority					
Digital Economy Strategy(b)	-	-	2.1	1.9	1.8
Civil Aviation Safety Authority					
Registration of Remotely Piloted Aircraft Systems and Regulatory Fee Reform(b)	-	1.4	25.5	24.9	27.0
Screen Australia					
COVID-19 Response Package — additional arts sector support(b)	-	0.8	-	-	-
Portfolio total	**-**	**2.2**	**27.6**	**26.8**	**28.8**
PRIME MINISTER AND CABINET					
National Recovery and Resilience Agency					
Building Australia’s Resilience(b)	-	4.7	-	-	-
Portfolio total	**-**	**4.7**	**-**	**-**	**-**
SOCIAL SERVICES					
Department of Social Services					
Increasing the Flexibility of the Pension Loans Scheme(b)	-	..	0.1	0.2	0.3
Portfolio total	**-**	**..**	**0.1**	**0.2**	**0.3**
TREASURY					
Australian Prudential Regulation Authority					
Stronger Consumer Outcomes for Members of Superannuation(b)	-	1.9	2.3	2.7	2.7
Australian Taxation Office					
2021 Storms and Floods — tax treatment of qualifying grants	-	-	-	-	-
Aged Care — Government response to the Royal Commission into Aged Care Quality and Safety — workforce(b)	-	-	15.0	15.0	-
Aligning the excise refund scheme for brewers and distillers with the producer rebate for wine producers	-	-55.0	-55.0	-55.0	-60.0
Australian Defence Force operations in Afghanistan and the Middle East — extension(b)	-	-6.8	-3.8	-	-
Corporate Tax — corporate collective investment vehicle revised start date(b)	*	*	*	*	*
COVID-19 Response Package — ensuring New Zealand maintains its primary taxing right over members of its sporting teams and support staff due to COVID-19	*	*	*	*	*

Table 1: Receipt measures since the 2020-21 MYEFO[(a)] (continued)

	2020-21	2021-22	2022-23	2023-24	2024-25
	$m	$m	$m	$m	$m
TREASURY (continued)					
Decommissioning Costs — Laminaria-Corallina oil fields and associated infrastructure	-	nfp	nfp	nfp	nfp
Digital Economy Strategy — self-assessing the effective life of intangible depreciating assets	-	-	-	-20.0	-150.0
Early release for victims of family and domestic violence(b)	-	-25.0	-25.0	-30.0	-30.0
Employee Share Schemes — removing cessation of employment as a taxing point and reducing red tape	-	-	-	-345.0	-205.0
First Home Super Saver Scheme — increasing the maximum releasable amount to $50,000(b)	-	-6.0	-6.0	-6.0	-7.0
First Home Super Saver Scheme — technical changes(b)	-	..	..	-	-
Flexible Super — reducing the eligibility age for downsizer contributions	-	-	..	..	..
Flexible Super — repealing the work test for voluntary superannuation contributions(b)	-	-	..	-10.0	-20.0
Increased powers for the Administrative Appeals Tribunal in relation to small business taxation decisions	-	*	*	*	*
Increased support for unemployed Australians(b)	-	45.0	165.0	145.0	145.0
International Tax — removing the preferential tax treatment for Offshore Banking Units	-	-	-30.0	-70.0	-60.0
International Tax — updating the list of exchange of information countries	-	..	..	..	..
Migration — additional flexibility for student visa holders to work in the tourism and hospitality sectors	*	*	*	*	*
Migration — additional flexibility for temporary visa holders to work in the agriculture sector(b)	*	*	*	*	*
Migration Program — 2021-22 planning levels(b)	-	-5.0	-40.0	-50.0	-50.0
Modernising the individual tax residency rules(b)	-	-	-	*	*
Not-for-profits — enhancing the transparency of income tax exemptions(b)	-	-	-	*	*
Patent Box — tax concession for Australian medical and biotechnology innovations(b)	-	-	-	-100.0	-100.0
Personal Income Tax — exemption for pay and allowances for Operation Paladin	-	-0.4	-0.1	-	-
Personal Income Tax — increasing the Medicare levy low-income thresholds	-	-100.0	-50.0	-50.0	-50.0
Philanthropy — updates to the list of specifically listed deductible gift recipients	-	-	-3.0	-3.2	-1.3

Table 1: Receipt measures since the 2020-21 MYEFO[(a)] (continued)

	2020-21	2021-22	2022-23	2023-24	2024-25
	$m	$m	$m	$m	$m
TREASURY (continued)					
Private Health Insurance — building the sustainability of the sector and improving affordability for patients(b)	-	-	15.0	11.0	15.0
Reducing compliance costs for individuals claiming self-education expense deductions	-	-	-	..	..
Removing the $450 per month threshold for superannuation guarantee eligibility(b)	-	-	..	..	..
Retaining the low and middle income tax offset for the 2021-22 income year	-	-	-7,400.0	-400.0	..
Self-managed Superannuation Funds — legacy retirement product conversions(b)		-	*	*	*
Self-managed Superannuation Funds — relaxing residency requirements(b)	-	-	*	*	*
Social Security Agreements — Republic of Serbia and Bosnia-Herzegovina(b)	-	-	..	..	..
Taxation of Financial Arrangements — hedging and foreign exchange deregulation	-	-	*	*	*
Temporary full expensing extension	-	-	-600.0	-10,900.0	-6,400.0
Temporary loss carry-back extension	-	-	-	-3,200.0	410.0
Women's Safety(b)	-	..	..	..	..
Portfolio total	*****	**-151.3**	**-8,015.6**	**-15,065.5**	**-6,560.6**
Decisions taken but not yet announced(c)	**28.1**	**185.0**	**605.4**	**617.6**	**608.9**
Total impact of receipt measures(d)	**38.3**	**14.1**	**-7,356.9**	**-14,392.0**	**-5,890.4**

* The nature of the measure is such that a reliable estimate cannot be provided.
.. Not zero, but rounded to zero.
\- Nil.
nfp not for publication.
(a) A minus sign before an estimate indicates a reduction in receipts, no sign before an estimate indicates a gain in receipts.
(b) These measures can also be found in the payment measures summary table.
(c) Includes the impact of measures that are not for publication (nfp).
(d) Measures may not add due to rounding.

Agriculture, Water and the Environment

Primary Industries — changes to agricultural production levy

Receipts ($m)	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Agriculture, Water and the Environment	-	0.2	0.2	0.2	0.2
Related payments ($m)					
Department of Agriculture, Water and the Environment	-	*0.2*	*0.2*	*0.2*	*0.2*

From 1 July 2021, the Government will increase the Emergency Animal Disease Response component of the laying chickens levy from nil to 1.1 cents per laying chicken, as requested by Australian Eggs Limited. The funds raised will be used to reimburse the Government for costs paid on behalf of the egg industry in relation to three emergency responses to avian influenza in Victoria in 2020.

This measure is estimated to have no net impact on the underlying cash balance over the forward estimates period.

Education, Skills and Employment

Higher Education — additional support for tertiary and international education providers

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Education, Skills and Employment	-	-4.0	-2.8	-2.7	-2.7
Tertiary Education Quality and Standards Agency	-	-2.4	-	-	-
Australian Skills Quality Authority	-	-14.8	-	-	-
Total — Receipts	-	-21.1	-2.8	-2.7	-2.7
Related payments ($m)					
Services Australia	*..*	*0.5*	*-*	*-*	*-*
Department of Education, Skills and Employment	*-2.4*	*32.9*	*-3.2*	*-2.8*	*-0.8*
Total — Payments	*-2.3*	*33.4*	*-3.2*	*-2.8*	*-0.8*

The Government will continue to support education providers and create new study options for students. This will ensure the diversity of Australia's education system is maintained and providers can respond to new opportunities in international education arising from the impacts of COVID-19. Funding includes:

- $26.1 million over four years from 2021-22 to assist non-university higher education providers to attract more domestic students through offering 5,000 additional short course places in 2021
- $9.4 million in 2021-22 to provide grants of up to $150,000 to eligible higher education and English language providers to support innovative online and offshore education delivery models
- extending the existing FEE-HELP loan fee exemption by six months to 31 December 2021 to reduce the financial burden for eligible students and encourage further demand at private higher education institutions, at a cost of $0.3 million over four years from 2021-22 (and $43.6 million in fiscal balance terms).

Education providers will also benefit from financial relief through revised regulatory charging arrangements under the Australian Skills Quality Authority (ASQA), the Tertiary Education Quality and Standards Agency (TEQSA), and the Department of Education, Skills and Employment (DESE) in relation to the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS). Funding includes:

- $30.3 million over four years from 2021-22 to waive eligible ASQA, TEQSA and CRICOS fees and charges by a further six months to 31 December 2021, with ASQA and TEQSA to commence revised cost recovery arrangements from 1 January 2022
- simplifying charging for CRICOS activities from 1 January 2022, including lowering charges applied by DESE, at a cost of $11.4 million over four years from 2021-22 (and $2.7 million per year ongoing)
- lowering eligible fees and charges for smaller higher education providers registered with TEQSA from 1 January 2022, as part of revised cost recovery arrangements, at a cost of $7.8 million over four years from 2021-22 (and $19.3 million over ten years from 2021-22).

The Government will also provide $1.1 million over two years from 2020-21 to create new employment pathways for students and boost financial incentives for universities to enrol students in 'Industry PhDs'. This measure will introduce an additional weighting in the *Research Training Program* funding formula for PhD students who undertake an industry placement.

This measure will be partially offset by funding already provided for by the Government, and by redirecting $11.4 million over four years from 2021-22 (and $0.6 million per year ongoing) from the *Higher Education Support* program.

This measure extends the 2020-21 Budget measure titled *JobMaker Plan – higher education – additional support for students and education providers* and the July 2020 Economic and Fiscal Update measure titled *COVID-19 Response Package – higher education.*

Further information can be found in the joint press release of 30 April 2021 issued by the Minister for Education and Youth and the Minister for Employment, Workforce, Skills and Family Business.

Home Affairs

Extending the automotive research and development tariff concession

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Department of Home Affairs	-0.1	-0.4	-0.4	-0.4	-0.4

The Government is supporting innovation in the automotive sector by extending the automotive research and development tariff concession for a further four years until 30 June 2025. The extension took effect on 1 April 2021.

Companies that are registered under the *Automotive Transformation Scheme Act 2009* as at 31 December 2020 will continue to be able to claim a tariff concession of up to five per cent on the value of imports used for automotive research and development in Australia.

This measure is estimated to decrease receipts by $1.7 million over the forward estimates period.

Migration — additional flexibility for student visa holders to work in the tourism and hospitality sectors

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	*	*	*	*	*

The Government will provide further support to employers in the tourism and hospitality sectors to help them find workers, by temporarily allowing student visa holders to work more than 40 hours per fortnight, as long as they are employed in the tourism or hospitality sectors.

This measure builds on previous changes, in response to COVID-19, which allowed international students working in critical sectors, such as agriculture, health and aged care, to work more than 40 hours per fortnight.

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

Migration — additional flexibility for temporary visa holders to work in the agriculture sector

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	*	*	*	*	*
Department of Home Affairs	*	*	*	*	*
Total — Receipts	*	*	*	*	*
Related payments ($m)					
Department of the Treasury	*	*	*	*	*

The Government is providing more flexibility for temporary visa holders in order to support Australian farmers to find workers, given the ongoing international border closures imposed to manage the health risks of COVID-19.

From 5 January 2021, work limitation conditions placed on student visa holders have been temporarily lifted to allow these visa holders to work more than 40 hours per fortnight if they are employed in the agriculture sector. This measure builds on changes which were previously provided for international students working in critical sectors, such as health and the aged care sector.

The Government has removed the requirement for applicants for the Temporary Activity visa (subclass 408) to demonstrate their attempts to depart Australia if they intend to undertake agricultural work. The period in which a temporary visa holder can apply for the Temporary Activity visa has also been extended from 28 days prior to visa expiry to 90 days prior to visa expiry.

This measure is estimated to result in a small but unquantifiable increase in the underlying cash balance over the forward estimates period.

Migration Program — 2021-22 planning levels

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-5.0	-40.0	-50.0	-50.0
Department of Home Affairs	-	-90.0	..	..	..
Total — Receipts	-	-95.0	-40.0	-50.0	-50.0
Related payments ($m)					
Department of Home Affairs	-	*21.4*	*21.2*	*7.6*	*4.9*
Department of Social Services	-	*5.8*	*7.5*	*7.4*	*6.6*
Department of Health	-	*0.3*	..	*-0.7*	*-0.8*
Department of Education, Skills and Employment	-	*0.1*	*1.4*	*-1.0*	*-3.5*
Services Australia	-	..	..	..	..
Department of the Treasury	-	..	*-5.0*	*-5.0*	*-5.0*
Total — Payments	-	*27.6*	*25.2*	*8.4*	*2.1*

The Government will maintain the 2021-22 Migration Program planning level at 160,000. Family and Skilled stream places will be maintained at their 2020-21 planning levels, with a continued focus on onshore visa applicants, including reducing the onshore Partner visa pipeline.

This measure will ensure the Migration Program is appropriate for the current health and economic circumstances.

The Humanitarian Program will be maintained at 13,750 places in 2021-22 and over the forward estimates, and the size of the program will remain as a ceiling rather than a target.

This measure is estimated to decrease the underlying cash balance by $298.3 million over the forward estimates period, driven by the continued prioritisation of onshore migrants and increased number of places for Partner visas.

Treasury

2021 Storms and Floods — tax treatment of qualifying grants

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	-	-

The Government will provide an income tax exemption for qualifying grants made to primary producers and small businesses affected by the storms and floods in Australia.

Qualifying grants are Category D grants provided under the *Disaster Recovery Funding Arrangements 2018*, where those grants relate to the storms and floods in Australia that occurred due to rainfall events between 19 February 2021 and 31 March 2021. These include small business recovery grants of up to $50,000 and primary producer recovery grants of up to $75,000. The grants will be made non-assessable non-exempt income for tax purposes.

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

See also the related payment measure titled *Disaster Recovery Funding Arrangements.*

Aligning the excise refund scheme for brewers and distillers with the producer rebate for wine producers

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-55.0	-55.0	-55.0	-60.0

The Government will increase the support available to brewers and distillers by aligning the *excise refund scheme for alcohol manufacturers* with the wine equalisation tax producer rebate. From 1 July 2021, under the revised scheme, eligible brewers and distillers will be able to receive a full remission (up from 60 per cent) of any excise they pay, up to a cap of $350,000 (increased from $100,000) per financial year.

The changes to the scheme will provide additional support to small distillers and brewers, which have been detrimentally affected by COVID-19, assist the growth of Australia’s craft brewing and distilling industry and reduce inconsistencies in support arrangements for alcohol producers.

This measure is estimated to decrease receipts by $225.0 million over the forward estimates period.

This measure builds on the 2020-21 MYEFO measure titled *Alcohol Taxation — automatic remission of excise duty for alcohol manufacturers.*

Further information can be found in the joint press release of 1 May 2021 issued by the Treasurer and the Minister for Housing and Assistant Treasurer.

Corporate Tax — corporate collective investment vehicle revised start date

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	*	*	*	*	*
Related payments ($m)					
Department of the Treasury	-	*1.8*	*0.9*	-	-

The Government will finalise the corporate collective investment vehicles (CCIV) component of the measure titled *Ten Year Enterprise Tax Plan — implementing a new suite of collective investment vehicles* announced in the 2016-17 Budget, with a revised commencement date of 1 July 2022.

The CCIV is an investment vehicle with a corporate structure that provides flow- through tax treatment. This investment vehicle will enhance the international competitiveness of the Australian managed funds industry by allowing fund managers to offer investment products using vehicles that are more familiar to overseas investors.

This measure is estimated to result in an unquantifiable impact on receipts over the forward estimates period, and an increase in payments of $2.6 million over two years to implement this measure.

COVID-19 Response Package — ensuring New Zealand maintains its primary taxing right over members of its sporting teams and support staff due to COVID-19

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	*	*	*	*	*

The Government will ensure New Zealand maintains its primary taxing right over members of its sporting teams and support staff in respect of Australian income tax and fringe benefits tax liabilities that arise from exceeding the 183-day test in the *Convention between Australia and New Zealand for the Avoidance of Double Taxation with Respect to Taxes on Income and Fringe Benefits and the Prevention of Fiscal Evasion* (the Convention) as a result of being located in Australia for league competitions because of COVID-19. The measure will apply to the 2020-21 and 2021- 22 income and fringe benefits tax years.

The measure ensures that the Convention operates as intended in relation to New Zealand sporting teams that compete in Australia for extended periods as a result of the circumstances that have eventuated from the COVID-19 pandemic.

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

Decommissioning Costs — Laminaria-Corallina oil fields and associated infrastructure

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	nfp	nfp	nfp	nfp

The Government will impose a temporary levy on offshore petroleum production to recover costs of decommissioning the Laminaria-Corallina oil fields and associated infrastructure. This will ensure taxpayers are not left to pay for the decommissioning and remediation.

The levy will terminate on 30 June of the year in which all costs associated with the decommissioning have been recovered.

The impact on receipts of this measure is not for publication (nfp) reflecting commercial sensitivities.

Further information will be announced following a consultation period with industry.

This measure relates to the 2020-21 MYEFO measure titled *Northern Endeavour Decommission.*

Digital Economy Strategy — self-assessing the effective life of intangible depreciating assets

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	-20.0	-150.0

The Government will allow taxpayers to self-assess the tax effective lives of eligible intangible depreciating assets, such as patents, registered designs, copyrights and in- house software. This measure will apply to assets acquired from 1 July 2023, after the temporary full expensing regime has concluded.

The tax effective lives of such assets are currently set by statute. Allowing taxpayers to self-assess the tax effective life of an asset will allow for a better alignment of tax outcomes with the underlying economic benefits provided by the asset. It will also align the tax treatment of these assets with that of most tangible assets.

Taxpayers will continue to have the option of applying the existing statutory effective life to depreciate these assets.

This measure will allow taxpayers to adopt a more appropriate useful life and encourage investment and hiring in research and development.

This measure is estimated to decrease receipts by $170.0 million over the forward estimates period.

This measure forms part of the Government's $1.2 billion *Digital Economy Strategy*. Further information can be found in the joint press release of 6 May 2021 issued by the Prime Minister, the Treasurer and the Minister for Superannuation, Financial Services and the Digital Economy.

See also the related payment measure titled *Digital Economy Strategy.*

Early release for victims of family and domestic violence

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-25.0	-25.0	-30.0	-30.0
Related payments ($m)					
Department of Social Services	*-*	*7.0*	*8.4*	*8.6*	*8.7*
Australian Taxation Office	*-9.0*	*-13.9*	*-12.4*	*-12.2*	*-12.2*
Total — Payments	*-9.0*	*-6.9*	*-3.9*	*-3.6*	*-3.5*

The Government will not proceed with a measure to extend early release of superannuation to victims of family and domestic violence.

Not proceeding with this measure is estimated to decrease receipts by $110.0 million over the forward estimates period and decrease payments by $27.0 million over the forward estimates period, as ATO funding to implement the measure is no longer required. Overall, this measure is estimated to decrease the underlying cash balance by $83.0 million over the forward estimates period.

Employee Share Schemes — removing cessation of employment as a taxing point and reducing red tape

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	-345.0	-205.0

The Government will remove the cessation of employment taxing point for the tax- deferred Employee Share Schemes (ESS) that are available for all companies. This change will apply to ESS interests issued from the first income year after the date of Royal Assent of the enabling legislation.

Employers use ESS to attract, retain and motivate staff by issuing interests such as shares, rights (including options) or other financial products to their employees, usually at a discount.

Currently, under a tax-deferred ESS, where certain criteria are met employees may defer tax until a later tax year (the deferred taxing point). The deferred taxing point is the earliest of:

- cessation of employment
- in the case of shares, when there is no risk of forfeiture and no restrictions on disposal
- in the case of options, when the employee exercises the option and there is no risk of forfeiting the resulting share and no restriction on disposal
- the maximum period of deferral of 15 years.

This change will result in tax being deferred until the earliest of the remaining taxing points.

The Government will also reduce red tape for ESS by:

- removing regulatory requirements for ESS, where employers do not charge or lend to the employees to whom they offer ESS
- where employers do charge or lend, streamlining requirements for unlisted companies making ESS offers that are valued at up to $30,000 per employee per year.

This measure will help Australian companies to engage and retain the talent they need to compete on a global stage, which is consistent with recommendations from the Global Business and Talent Attraction Taskforce.

This measure is estimated to decrease receipts by $550.0 million over the forward estimates period. At maturity, which occurs in the medium term, the proposal is expected to have a negligible impact on receipts as the costs of the proposal are expected to be offset by the collection of previous deferrals.

First Home Super Saver Scheme — increasing the maximum releasable amount to $50,000

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-6.0	-6.0	-6.0	-7.0
Related payments ($m)					
Department of the Treasury	-	..	-	-	-

The Government will increase the maximum releasable amount of voluntary concessional and non-concessional contributions under the First Home Super Saver Scheme (FHSSS) from $30,000 to $50,000.

Voluntary contributions made from 1 July 2017 up to the existing limit of $15,000 per year will count towards the total amount able to be released. The increase in maximum releasable amount will apply from the start of the first financial year after Royal Assent of the enabling legislation, which the Government expects will have occurred by 1 July 2022. This measure will ensure the FHSSS continues to help first home buyers in raising a deposit more quickly.

This measure is estimated to decrease the underlying cash balance by $25.0 million over the forward estimates period.

First Home Super Saver Scheme — technical changes

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	..	..	-	-
Related payments ($m)					
Australian Taxation Office	-	*14.5*	*4.3*	*2.2*	*1.4*
Department of the Treasury	-	*0.1*	-	-	-
Total — Payments	-	*14.6*	*4.3*	*2.2*	*1.4*

The Government will make four technical changes to the legislation underpinning the First Home Super Saver Scheme (FHSSS) to improve its operation as well as the experience of first home buyers using the scheme. These four changes assist FHSSS applicants who make errors on their FHSSS release applications by:

- increasing the discretion of the Commissioner of Taxation to amend and revoke FHSSS applications

- allowing individuals to withdraw or amend their applications prior to them receiving a FHSSS amount, and allow those who withdraw to re-apply for FHSSS releases in the future
- allowing the Commissioner of Taxation to return any released FHSSS money to superannuation funds, provided that the money has not yet been released to the individual
- clarifying that the money returned by the Commissioner of Taxation to superannuation funds is treated as funds' non-assessable non-exempt income and does not count towards the individual's contribution caps.

This measure will apply retrospectively from 1 July 2018. It is estimated to decrease the underlying cash balance by $22.6 million over the forward estimates period.

Flexible Super — reducing the eligibility age for downsizer contributions

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	..	..	..

The Government will reduce the eligibility age to make downsizer contributions into superannuation from 65 to 60 years of age. The measure will have effect from the start of the first financial year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

The downsizer contribution allows people to make a one-off, post-tax contribution to their superannuation of up to $300,000 per person from the proceeds of selling their home. Both members of a couple can contribute in respect of the same home, and contributions do not count towards non-concessional contribution caps.

This measure will allow more older Australians to consider downsizing to a home that better suits their needs, thereby freeing up the stock of larger homes for younger families.

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

Flexible Super — repealing the work test for voluntary superannuation contributions

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	..	-10.0	-20.0
Related payments ($m)					
Australian Taxation Office	-	1.4	1.3	0.3	0.2
Department of the Treasury	-	0.3	0.2	-	-
Total — Payments	-	1.7	1.5	0.3	0.2

The Government will allow individuals aged 67 to 74 years (inclusive) to make or receive non-concessional (including under the bring-forward rule) or salary sacrifice superannuation contributions without meeting the work test, subject to existing contribution caps. Individuals aged 67 to 74 years will still have to meet the work test to make personal deductible contributions. The measure will have effect from the start of the first financial year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

Currently, individuals aged 67 to 74 years can only make voluntary contributions (both concessional and non-concessional) to their superannuation, or receive contributions from their spouse, if they are working at least 40 hours over a 30 day period in the relevant financial year. Removing the requirement to meet the work test when making non-concessional or salary sacrifice contributions will simplify the rules governing superannuation contributions and will increase flexibility for older Australians to save for their retirement through superannuation.

This measure is estimated to result in a decrease in receipts of $30.0 million over the forward estimates period, and an increase in payments of $3.7 million over the forward estimates period to implement the measure.

Increased powers for the Administrative Appeals Tribunal in relation to small business taxation decisions

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	*	*	*	*

The Government will extend the power of the Administrative Appeals Tribunal (AAT) to pause or modify ATO debt recovery action in relation to disputed debts that are being reviewed by the Small Business Taxation Division (SBTD) of the AAT.

This measure will take effect from the date of Royal Assent of the enabling legislation.

Small business entities that file an application in relation to tax matters before the SBTD of the AAT on or after the commencement date will be able to apply for a pause or modification of the Commissioner's debt recovery actions, until the underlying dispute has been decided by the AAT.

When considering applications, the AAT will be required to consider the potential effect on the integrity of the tax system and ensure that applications are in relation to genuine disputes.

This measure will provide an avenue for small businesses to ensure they are not required to start paying a disputed debt until the matter has been determined by the AAT.

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

International Tax — removing the preferential tax treatment for Offshore Banking Units

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-30.0	-70.0	-60.0

The Government will remove the concessional 10 per cent effective tax rate that applies to income derived from eligible offshore banking activities. Existing Offshore Banking Units (OBUs) can continue to access the concessional 10 per cent effective tax rate until the end of their 2022-23 income year. The Government will also close the OBU regime to new entrants, effective from 26 October 2018.

In October 2018, the Organisation for Economic Cooperation and Development (OECD) raised concerns about Australia's OBU regime as part of its practice of reviewing jurisdictions' preferential tax regimes. Removing the concessional 10 per cent effective tax rate and closing the regime to new entrants will address the OECD's concerns.

As part of these changes, from 1 January 2024 the Government will remove the current exemption from withholding tax that applies to interest and gold fees paid by OBUs on certain offshore borrowings.

Legislation giving effect to this measure was introduced into Parliament on 17 March 2021.

This measure is estimated to decrease receipts by $160.0 million over the forward estimates period.

The Government will consult on alternative measures to support the industry and help ensure activity remains in Australia.

Further information is available in the Treasurer's press release of 12 March 2021.

International Tax — updating the list of exchange of information countries

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	..	..	..	..

The Government will update the list of jurisdictions that have an effective information sharing agreement with Australia. Residents of listed jurisdictions are eligible to access the reduced Managed Investment Trust (MIT) withholding tax rate of 15 per cent on certain distributions, instead of the default rate of 30 per cent. The updated list will be effective from 1 January 2022.

A jurisdiction can be listed as an information exchange country when it has an effective exchange of information (EOI) arrangement with Australia. This measure will add Armenia, Cabo Verde, Kenya, Mongolia, Montenegro and Oman to the information exchange countries list. These new jurisdictions have entered into effective information sharing agreements as assessed by the ATO as of 1 January 2021.

The measure will help maintain alignment between the EOI relationships that have been established and the concessional MIT withholding rate, to encourage jurisdictions to establish information sharing agreements with Australia. These agreements form an important part of Australia's commitment to safeguard against offshore tax avoidance and evasion.

This measure is estimated to have a negligible impact on receipts over the forward estimates period.

Modernising the individual tax residency rules

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	*	*
Related payments ($m)					
Australian Taxation Office	*-*	*-*	*1.0*	*-*	*-*

The Government will replace the individual tax residency rules with a new, modernised framework. The primary test will be a simple 'bright line' test — a person who is physically present in Australia for 183 days or more in any income year will be an Australian tax resident. Individuals who do not meet the primary test will be subject to secondary tests that depend on a combination of physical presence and measurable, objective criteria. The measure will have effect from the first income year after the date of Royal Assent of the enabling legislation.

Australia's current tax residency rules are difficult to apply in practice, creating uncertainty and resulting in high compliance costs for individuals and their employers.

The new framework, based on recommendations made by the Board of Taxation in its 2019 report to Government *Reforming individual tax residency rules – a model for modernisation*, will be easier to understand and apply in practice, deliver greater certainty, and lower compliance costs for globally mobile individuals and their employers.

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

Not-for-profits — enhancing the transparency of income tax exemptions

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	*	*
Related payments ($m)					
Australian Taxation Office	-	-	*1.9*	-	-
Department of the Treasury	-	-	-	*	*
Total — Payments	-	-	*1.9*	*	*

The Government will provide $1.9 million capital funding in 2022-23 to the ATO to build an online system to enhance the transparency of income tax exemptions claimed by not-for-profit entities (NFPs).

Currently non-charitable NFPs can self-assess their eligibility for income tax exemptions, without an obligation to report to the ATO. From 1 July 2023, the ATO will require income tax exempt NFPs with an active Australian Business Number (ABN) to submit online annual self-review forms with the information they ordinarily use to self-assess their eligibility for the exemption. This measure will ensure that only eligible NFPs are accessing income tax exemptions.

This measure is estimated to have an unquantifiable impact on the underlying cash balance over the forward estimates period.

Patent Box — tax concession for Australian medical and biotechnology innovations

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	-100.0	-100.0
Related payments ($m)					
Australian Taxation Office	*-*	*1.3*	*2.7*	*1.2*	*1.2*

The Government will introduce a patent box tax regime to further encourage innovation in Australia by taxing corporate income derived from patents at a concessional effective corporate tax rate of 17 per cent, with the concession applying from income years starting on or after 1 July 2022.

The patent box will apply to income derived from Australian medical and biotechnology patents. The Government will also consult on whether a patent box would be an effective way of supporting the clean energy sector.

Australia currently taxes profits generated by patents at the headline corporate rate (30 per cent for large businesses and 25 per cent for small to medium enterprises from 1 July 2021). The patent box will offer a competitive tax rate for profits generated from Australian owned and developed patents.

The requirement for domestic development will encourage additional investment and hiring in research and development activity and encourage companies to develop and apply their innovations in Australia.

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

This measure is estimated to decrease the underlying cash balance by $206.4 million over the forward estimates period.

This measure builds on the 2020-21 Budget measures titled *JobMaker Plan — Research and Development Tax Incentive — supporting Australia's economic recovery* and *JobMaker Plan — Modern Manufacturing Strategy*.

Personal Income Tax — exemption for pay and allowances for Operation Paladin

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-0.4	-0.1	-	-

The Australian Government will provide a full income tax exemption for the pay and allowances of Australian Defence Force (ADF) personnel deployed to Operation Paladin from 1 July 2020.

Operation Paladin is our contribution to the United Nations Truce Supervision Organisation, with ADF personnel deployed in Israel, Jordan, Syria, Lebanon and Egypt.

This measure ensures that personnel are subject to consistent tax treatment regardless of the operational area of Operation Paladin to which they are deployed.

This measure is estimated to decrease receipts by $0.5 million over the forward estimates period.

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

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-100.0	-50.0	-50.0	-50.0

The Government will increase the Medicare levy low-income thresholds for singles, families, and seniors and pensioners from 1 July 2020 to take account of recent movements in the CPI so that low-income taxpayers generally continue to be exempt from paying the Medicare levy.

The threshold for singles will be increased from $22,801 to $23,226. The family threshold will be increased from $38,474 to $39,167. For single seniors and pensioners, the threshold will be increased from $36,056 to $36,705. The family threshold for seniors and pensioners will be increased from $50,191 to $51,094. For each dependent child or student, the family income thresholds increase by a further $3,597 instead of the previous amount of $3,533.

This measure is estimated to decrease receipts by $250.0 million over the forward estimates period.

Philanthropy — updates to the list of specifically listed deductible gift recipients

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-3.0	-3.2	-1.3

Since the 2020-21 MYEFO, the following organisations have been approved as specifically listed deductible gift recipients (DGRs) for the following dates:

- Australian Associated Press Ltd from 1 July 2021 to 30 June 2026
- Virtual War Memorial Limited from 1 July 2021 to 30 June 2026
- Scripture Union Queensland from 1 July 2021 to 30 June 2023.

The following organisations have received approval for a five-year extension of their DGR status for the following dates:

- Cambridge Australia Scholarships Limited from 1 July 2021 to 30 June 2026
- Foundation 1901 Limited from 1 September 2021 to 31 August 2026.

Taxpayers may claim an income tax deduction for gifts of $2 or more to these organisations.

The specific listing of the East African Fund Limited will be removed at the request of the organisation. The organisation is currently operating as the School of St Jude Limited and is a public benevolent institution endorsed by the ATO as a DGR under a general DGR category.

This measure is estimated to decrease receipts by $7.5 million over the forward estimates period.

Reducing compliance costs for individuals claiming self-education expense deductions

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	..	..

The Government will remove the exclusion of the first $250 of deductions for prescribed courses of education. The measure will have effect from the first income year after the date of Royal Assent of the enabling legislation.

The first $250 of a prescribed course of education expense is currently not deductible. Removing the $250 exclusion for prescribed courses of education will reduce compliance costs for individuals claiming self-education expense deductions.

This measure is estimated to have a negligible impact on receipts over the forward estimates period.

Removing the $450 per month threshold for superannuation guarantee eligibility

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	..	..	..
Related payments ($m)					
Australian Taxation Office	*-*	*2.0*	*4.8*	*13.8*	*10.9*

The Government will remove the current $450 per month minimum income threshold, under which employees do not have to be paid the superannuation guarantee by their employer. The measure will have effect from the start of the first financial year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

This measure will improve equity in the superannuation system by expanding the superannuation guarantee coverage for cohorts with lower incomes. The *Retirement Income Review* estimated that around 300,000 individuals would receive additional superannuation guarantee payments each month, 63 per cent of whom are women.

This measure is estimated to decrease the underlying cash balance by $31.5 million over the forward estimates period.

Retaining the low and middle income tax offset for the 2021-22 income year

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-7,400.0	-400.0	..

The Government will retain the low and middle income tax offset (LMITO) for the 2021-22 income year, providing further targeted tax relief for low- and middle-income earners.

The LMITO provides a reduction in tax of up to $1,080. Taxpayers with a taxable income of $37,000 or less will benefit by up to $255 in reduced tax. Between taxable incomes of $37,000 and $48,000, the value of the offset increases at a rate of 7.5 cents per dollar to the maximum offset of $1,080. Taxpayers with taxable incomes between $48,000 and $90,000 are eligible for the maximum offset of $1,080. For taxable incomes of $90,000 to $126,000, the offset phases out at a rate of 3 cents per dollar. Consistent with current arrangements, the LMITO will be received on assessment after individuals lodge their tax returns for the 2021-22 income year.

Retaining the LMITO for 2021-22 provides low- and middle-income earners with a further benefit and provides additional support to help secure the economic recovery.

This measure is estimated to decrease receipts by $7.8 billion over the forward estimates period.

This measure builds on the 2020-21 Budget measure titled *JobMaker Plan — bringing forward the Personal Income Tax Plan and retaining the low and middle income tax offset*.

Self-managed Superannuation Funds — legacy retirement product conversions

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	*	*	*
Related payments ($m)					
Australian Taxation Office	-	5.9	2.6	2.1	-
Department of the Treasury	-	0.6	0.3	-	-
Department of Social Services	-	-	1.6	4.8	6.5
Total — Payments	-	6.6	4.5	6.9	6.5

The Government will allow individuals to exit a specified range of legacy retirement products, together with any associated reserves, for a two-year period. The measure will have effect from the first financial year after the date of Royal Assent of the enabling legislation. The measure will include market-linked, life-expectancy and lifetime products, but not flexi-pension products or a lifetime product in a large APRA-regulated or public sector defined benefit scheme.

Currently, these products can only be converted into another like product and limits apply to the allocation of any associated reserves without counting towards an individual's contribution caps.

This measure will permit full access to all of the product's underlying capital, including any reserves, and allow individuals to potentially shift to more contemporary retirement products.

Social security and taxation treatment will not be grandfathered for any new products commenced with commuted funds and the commuted reserves will be taxed as an assessable contribution.

This measure is estimated to result in an unquantifiable impact on receipts and an increase in payments of $24.4 million over the forward estimates period, due to some product holders receiving a more beneficial social security means test outcome upon exiting their legacy retirement product.

Self-managed Superannuation Funds — relaxing residency requirements

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	*	*	*
Related payments ($m)					
Department of the Treasury	-	*0.2*	..	-	-

The Government will relax residency requirements for self-managed superannuation funds (SMSFs) and small APRA-regulated funds (SAFs) by extending the central control and management test safe harbour from two to five years for SMSFs, and removing the active member test for both fund types. The measure will have effect from the start of the first financial year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

This measure will allow SMSF and SAF members to continue to contribute to their superannuation fund whilst temporarily overseas, ensuring parity with members of large APRA-regulated funds. This will provide SMSF and SAF members the flexibility to keep and continue to contribute to their preferred fund while undertaking overseas work and education opportunities.

This measure is estimated to have a small but unquantifiable impact on the underlying cash balance over the forward estimates period.

Taxation of Financial Arrangements — hedging and foreign exchange deregulation

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	*	*	*

The Government will make technical amendments to the Taxation of Financial Arrangements legislation which will include facilitating access to hedging rules on a portfolio hedging basis. The amendments will also reduce compliance costs and correct unintended outcomes, so that taxpayers are not subject to unrealised taxation on foreign exchange gains and losses unless this is elected. These changes will take effect for relevant transactions entered into on or after 1 July 2022.

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

Temporary full expensing extension

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-600.0	-10,900.0	-6,400.0

The Government will extend the 2020-21 Budget measure titled *JobMaker Plan – temporary full expensing to support investment and jobs* for 12 months until 30 June 2023 to further support business investment and the creation of more jobs.

Temporary full expensing will be extended to allow eligible businesses with aggregated annual turnover or total income of less than $5 billion to deduct the full cost of eligible depreciable assets of any value, acquired from 7:30pm AEDT on 6 October 2020 and first used or installed ready for use by 30 June 2023.

The 12-month extension will provide eligible businesses with additional time to access the incentive. This will encourage businesses to make further investments, including in projects requiring longer planning times, and continue to support economic recovery in 2022-23. All other elements of temporary full expensing will remain unchanged, including the alternative eligibility test based on total income, which will continue to be available to businesses. From 1 July 2023, normal depreciation arrangements will apply.

This measure is estimated to decrease receipts by $17.9 billion over the forward estimates period and $3.4 billion over the medium term. The impact on receipts is reduced over the medium term as the measure brings forward deductions that would have been made in future years.

Temporary loss carry-back extension

Receipts ($m)

	2020-21	2021-22	2022-23	2023-24	2024-25
Australian Taxation Office	-	-	-	-3,200.0	410.0

The Government will further support Australia's economic recovery and business investment by extending the 2020-21 Budget measure titled *JobMaker Plan — temporary loss carry-back to support cash flow*. The extension will allow eligible companies to carry back (utilise) tax losses from the 2022-23 income year to offset previously taxed profits as far back as the 2018-19 income year when they lodge their 2022-23 tax return. Loss carry-back encourages businesses to invest, utilising the 2021-22 Budget measure titled *Temporary full expensing extension* by providing eligible companies earlier access to the tax value of losses generated by full expensing deductions.

Companies with aggregated turnover of less than $5 billion are eligible for temporary loss carry-back. The tax refund is limited by requiring that the amount carried back is not more than the earlier taxed profits and that the carry-back does not generate a franking account deficit. Companies that do not elect to carry back losses under this measure can still carry losses forward as normal.

This measure is estimated to decrease receipts by $2.8 billion over the forward estimates period, with a net cost of $1.9 billion over the medium term. The impact on receipts is reduced over the medium term as the measure reduces tax losses available to be utilised in later years.