**Statement 5:**Revenue

Near record levels of participation and employment, a pick‑up in wages growth and sustained high commodity prices are supporting a rapid recovery in receipts following
the pandemic.

Since the October Budget, tax receipts have been revised up by $42.0 billion in 2023–24
and $134.8 billion over the 5 years from 2022–23 to 2026–27. A majority of this upgrade is concentrated in the near term, underpinned by a strong labour market and higher commodity prices.

The strong upgrade to tax receipts is expected to moderate after 2023–24 as commodity prices are assumed to return to long‑run levels and conditions in the labour market ease.

Excluding GST and policy decisions, tax receipts have been revised up $41.2 billion in 2023–24 and $114.2 billion over the 5 years from 2022–23 to 2026–27. The Government is returning most of the improvement in tax receipts to the budget. 87 per cent of the tax upgrades in the past 2 Budgets are being returned (82 per cent this Budget).

Elevated risks to the global outlook, volatility in commodity prices and uncertainty around the response of households to rising interest rates mean that tax receipts will remain vulnerable to the changing outlook for some time.

Policy decisions in this Budget focus on reforms to make the tax system fairer and more sustainable, policies to support small business and housing and measures to enhance tax system compliance and integrity. Policy decisions since the October Budget are expected to increase tax receipts by $1.3 billion in 2023–24 and $19.1 billion over the 5 years from 2022–23 to 2026–27.

Statement contents

[Overview 167](#_Toc134182344)

[Current year tax collections 168](#_Toc134182345)

[Tax receipts outlook 169](#_Toc134182346)

[Variations in receipts estimates 171](#_Toc134182347)

[Tax receipts estimates 172](#_Toc134182348)

[Non–tax receipts estimates 182](#_Toc134182349)

[Variations in revenue estimates 186](#_Toc134182350)

[Appendix A: Tax Expenditures 189](#_Toc134182351)

# Statement 5: Revenue

## Overview

Since the October Budget, tax receipts have been revised up by $42.0 billion in 2023–24 and $134.8 billion over the 5 years from 2022–23 to 2026–27.

Excluding GST and policy decisions, tax receipts have been revised up by $41.2 billion in 2023–24 and $114.2 billion over the 5 years from 2022–23 to 2026–27. The Government is returning most of the improvement in tax receipts to the budget. 87 per cent of the tax upgrades in the past 2 Budgets are being returned (82 per cent this Budget).

In the near term, the upgrade to tax receipts primarily reflects higher company tax and personal income tax, underpinned by higher commodity prices, a pick‑up in wages growth, strong employment growth and high participation. However, the strong near‑term upgrade to tax receipts is expected to moderate after 2023–24 as commodity prices are assumed to return to conservative long‑run levels and conditions in the labour market ease.

In addition to the strong growth in personal tax receipts, the recovery in company tax receipts has more closely followed the economy overall, rather than with the substantial lag observed following previous downturns. This is particularly the case for the resources sector where sustained and elevated commodity prices have exhausted previous losses and accumulated deductions.

Risks to the outlook for nominal GDP and tax receipts remain significant. The global outlook remains uncertain and any further deterioration in global conditions could impact commodity prices and consumer and business confidence. Uncertainty remains around how household consumption will continue to react to the rise in interest rates and cost of living pressures.

Policy decisions since the October Budget are expected to increase tax receipts by $1.3 billion in 2023–24 and $19.1 billion over the 5 years from 2022–23 to 2026–27.
For more details on policy decisions, see Budget Statement 1 and Budget Paper No. 2.

Table 5.1: Australian Government general government receipts

|  |  |  |  |
| --- | --- | --- | --- |
|    | Actual  |   | Estimates |
|   | 2021–22 |   | 2022–23 | 2023–24 | 2024–25 | 2025–26 | 2026–27 |
|   | $b  |   | $b  | $b  | $b  | $b  | $b  |
| **Total taxation receipts ($b)**  | **536.6** |   | **588.1** | **616.3** | **614.3** | **647.8** | **680.7** |
| Growth on previous year (%)  | 13.2 |   | 9.6 | 4.8 | ‑0.3 | 5.5 | 5.1 |
| Per cent of GDP  | 23.2 |   | 23.1 | 23.9 | 23.3 | 23.3 | 23.3 |
|   |    |   |   |    |   |   |   |
| **Tax receipts excluding GST ($b)**  | **463.0** |   | **506.4** | **530.4** | **525.1** | **553.4** | **580.6** |
| Growth on previous year (%)  | 15.5 |   | 9.4 | 4.7 | ‑1.0 | 5.4 | 4.9 |
| Per cent of GDP  | 20.1 |   | 19.9 | 20.6 | 19.9 | 19.9 | 19.9 |
|   |   |   |   |   |   |   |   |
| **Non‑taxation receipts ($b)**  | **47.8** |   | **47.5** | **51.9** | **56.9** | **53.1** | **54.4** |
| Growth on previous year (%)  | 3.7 |   | ‑0.5 | 9.1 | 9.7 | ‑6.7 | 2.4 |
| Per cent of GDP  | 2.1 |   | 1.9 | 2.0 | 2.2 | 1.9 | 1.9 |
|   |   |   |   |   |   |   |   |
| **Total receipts ($b)**  | **584.4** |   | **635.6** | **668.1** | **671.2** | **700.9** | **735.1** |
| Growth on previous year (%)  | 12.4 |   | 8.8 | 5.1 | 0.5 | 4.4 | 4.9 |
| Per cent of GDP  | 25.3 |   | 25.0 | 25.9 | 25.4 | 25.2 | 25.2 |

### Current year tax collections

Tax collections for 2022–23 continue to be higher‑than‑anticipated (Chart 5.1). Tax receipts to March 2023 are $13.0 billion higher‑than‑expected at the October Budget. This strength is predominantly in company tax and personal income tax, partly offset by weakness in superannuation fund taxes and, to a lesser extent, GST.

Personal income tax collections to March were around $7.1 billion (or 3.6 per cent) higher‑than‑expected at the October Budget, supported by higher employment, a pick‑up in wages growth and high net capital gains and net rent from prior year returns. Company tax collections to March were around $7.6 billion (or 8.5 per cent) higher‑than‑expected at the October Budget, reflecting consistently higher commodity prices and profits in the mining sector, and strong instalment payments from the non‑financial sector due to higher turnover.

Superannuation fund taxes collections to March were around $2.0 billion (or 21.5 per cent) lower‑than‑expected at the October Budget, reflecting lower earnings and higher‑than‑expected refunds.

Chart 5.1: Tax collections since 2022‑23 October Budget – deviations from expected collections by month and head of revenue

Source: Treasury

### Tax receipts outlook

Relative to the October Budget, tax receipts are forecast to be $42.0 billion (or 7.3 per cent) higher in 2023–24, and $134.8 billion (or 4.5 per cent) higher over the 5 years from
2022–23 to 2026–27. This upgrade reflects a stronger outlook for personal income tax
and company tax.

Personal income taxes have been revised up by $15.0 billion in 2023–24 and $74.1 billion over the 5 years from 2022–23 to 2026–27. This principally reflects strength in tax withholding from salary and wages, supported by high levels of employment and a larger labour force, which is expected to continue across the forward estimates. In 2022–23 it
also reflects higher than expected income from previous years increasing on‑assessment payments (in particular, capital gains from the sale of properties in 2021–22) and upward revisions to the outlook for non‑farm gross mixed income and property income (which includes dividend and interest income).

Company tax has been revised up by $28.9 billion in 2023–24 and $52.7 billion over the 5 years from 2022–23 to 2026–27. This reflects elevated commodity prices and an extension of the period over which commodity prices adjust to conservative (albeit higher) long‑term levels, strength in collections and an improved outlook for non‑financial companies.

Policy decisions in this Budget focus on reforms to make the tax system fairer and more sustainable, policies to support small business and housing and measures to enhance
tax system compliance and integrity. Policy decisions taken since the October Budget increase tax receipts by $1.3 billion in 2023–24 and $19.1 billion over the 5 years from
2022–23 to 2026–27. Key policy decisions include:

* *GST compliance program—four‑year extension*
* *Tobacco Excise—measures to improve health outcomes and aligning the treatment of stick and non‑stick tobacco tax*
* *Better Targeted Superannuation Concessions and Securing Australians’ Superannuation Package*
* *Petroleum Resource Rent Tax – Government Response to the Review of the PRRT Gas Transfer Pricing arrangements*
* *Small Business Support – $20,000 instant asset write‑off and Small Business Support –
Small Business Energy Incentive*
* *Housing (Build‑To‑Rent Developments) – accelerating tax deductions and reducing managed investment trust withholding tax rate*

For more details on policy decisions, see Budget Statement 1 and Budget Paper No. 2.

## Variations in receipts estimates

Since the October Budget, total receipts have been revised up by $46.7 billion in 2023–24 and $152.6 billion over the 5 years from 2022–23 to 2026–27. Table 5.2 reconciles the 2023–24 Budget estimates of total receipts with the October Budget and 2022 PEFO.

Table 5.2: Reconciliation of Australian Government general government receipts estimates from the 2022–23 October Budget and 2022 PEFO

|  |  |  |  |
| --- | --- | --- | --- |
|   | Estimates |   |    |
|    | 2022–23 | 2023–24 | 2024–25 | 2025–26 | 2026–27 |  | Total |
|    | $m | $m | $m | $m | $m |  | $m |
| **Receipts at 2022 PEFO** | **548,533**  | **585,189**  | **615,184**  | **643,900**  | **\***  |  | **\***  |
|  |  |   |  |  |  |  |  |
| **Changes from 2022 PEFO** |  |  |  |  |  |  |  |
| **to 2022‑23 October Budget** |  |  |  |  |  |  |  |
| Effect of policy decisions  | 1,410 | 2,458 | 3,967 | 5,253 | \* |  | \*  |
| Effect of parameter and other variations  | 57,286 | 33,793 | 23,689 | 29,870 | \* |  | \*  |
| **Total variations** | **58,696**  | **36,252**  | **27,656**  | **35,123**  | **\***  |  | **\***  |
| **Receipts at 2022‑23 October Budget** | **607,229**  | **621,441**  | **642,840**  | **679,023**  | **707,875**  |  | **3,258,408**  |
|  |  |   |  |  |  |  |  |
| **Changes from 2022‑23 October Budget** |  |   |  |  |  |  |  |
| **to 2023‑24 Budget** |  |   |  |  |  |  |  |
| Effect of policy decisions  | 125 | 1,757 | 5,378 | 6,413 | 8,382 |  | 22,055  |
| Effect of parameter and other variations  | 28,239 | 44,944 | 23,020 | 15,486 | 18,862 |  | 130,551  |
| **Total variations** | **28,364**  | **46,701**  | **28,398**  | **21,899**  | **27,244**  |  | **152,606**  |
|  |  |   |  |  |  |  |  |
| **Receipts at 2023‑24 Budget** | **635,593**  | **668,142**  | **671,238**  | **700,922**  | **735,118**  |   | **3,411,014**  |

\* Data is not available.

Since the October Budget, parameter and other variations have increased total receipts
by $44.9 billion in 2023–24 and $130.6 billion over the 5 years from 2022–23 to 2026–27.
Policy decisions increase total receipts by $1.8 billion in 2023–24 and $22.1 billion over
the 5 years from 2022–23 to 2026–27 compared with the October Budget.

The upgrade to the forecasts of total receipts overwhelmingly reflects upgrades to the forecasts of tax receipts.

## Tax receipts estimates

Relative to the October Budget, forecasts of tax receipts have been revised up by $42.0 billion in 2023–24 and by $134.8 billion over the 5 years from 2022–23 to 2026–27.

Table 5.3 reconciles the 2023–24 Budget estimates of tax receipts with the October Budget and 2022 PEFO.

Table 5.3: Reconciliation of Australian Government general government tax receipts estimates from the 2022–23 October Budget and 2022 PEFO

|  |  |  |  |
| --- | --- | --- | --- |
|   | Estimates |   |   |
|  | 2022–23 | 2023–24 | 2024–25 | 2025–26 | 2026–27 |  | Total |
|  | $m | $m | $m | $m | $m |  | $m |
| **Tax receipts at 2022 PEFO** | **508,425** | **541,737** | **566,570** | **598,183** | **\*** |  | **\*** |
|  |  |   |  |  |  |  |  |
| **Changes from 2022 PEFO** |  |  |  |  |  |  |  |
| **to 2022‑23 October Budget** |  |  |  |  |  |  |  |
| Effect of policy decisions  | 488 | 1,654 | 3,124 | 4,282 | \* |  | \* |
| Effect of parameter and other variations  | 53,945 | 30,901 | 20,758 | 26,870 | \* |  | \* |
| **Total variations** | **54,434** | **32,554** | **23,881** | **31,152** | **\*** |  | **\*** |
| **Tax receipts at 2022‑23 October Budget** | **562,858** | **574,292** | **590,451** | **629,335** | **655,471** |  | **3,012,407** |
|  |  |   |  |  |  |  |  |
| **Changes from 2022‑23 October Budget** |  |  |  |  |  |  |  |
| **to 2023‑24 Budget** |  |  |  |  |  |  |  |
| Effect of policy decisions  | 20 | 1,267 | 4,692 | 5,636 | 7,531 |  | 19,146 |
| Effect of parameter and other variations  | 25,172 | 40,717 | 19,189 | 12,875 | 17,740 |  | 115,694 |
| **Total variations** | **25,192** | **41,984** | **23,881** | **18,511** | **25,272** |  | **134,840** |
|  |  |   |  |  |  |  |  |
| **Tax receipts at 2023‑24 Budget** | **588,050** | **616,275** | **614,332** | **647,846** | **680,743** |  | **3,147,247** |

\* Data is not available.

Since the October Budget, parameter and other variations are expected to increase tax receipts by $40.7 billion in 2023–24 and $115.7 billion over the 5 years from 2022–23 to
2026–27. Around one fifth of the increase in tax receipts reflects changes to assumptions on the path of commodity prices in response to sustained high prices, largely in 2023–24 (see Box 2.4). Policy decisions increase tax receipts by $1.3 billion in 2023–24 and $19.1 billion over the 5 years from 2022–23 to 2026–27 compared with the October Budget.

|  |  |
| --- | --- |
| Chart 5.2: Revisions to total tax receipts since October Budget | Chart 5.3: Parameter and other variations to total tax receipts since October Budget |
|  |  |
| Source: Treasury | Source: Treasury |

These upgrades reflect the improved outlook for the nominal economy flowing through wages and profits, supporting personal income tax and company tax. Growth in the key economic parameters that influence tax receipts is shown in Table 5.4.

Table 5.4: Key economic parameters for tax receipts(a)

|  |  |  |  |
| --- | --- | --- | --- |
|   | Outcomes | 0B  | Forecasts |
|   | 2021–22 |   | 2022–23 | 2023–24 | 2024–25 | 2025–26 | 2026–27 |
|   |   |   |   |   |   |   |   |
| Revenue parameters  |   |   |   |   |   |   |   |
| Nominal gross domestic product | 11.0 |   | 10 1/4 | 1 1/4 | 2 1/2 | 5 1/4 | 5 1/4 |
| Change since October Budget |   |   | 2 1/4 | 2 1/4 | ‑1 3/4 | 1/4 |   |
|   |   |   |   |   |   |   |   |
| Compensation of employees(b) | 5.8 |   | 9 1/2 | 5 1/4 | 4 1/4 | 4 3/4 | 5 1/2 |
| Change since October Budget  |   |   | 1 1/2 | 1/4 | 0  | 0  |   |
|   |   |   |   |   |   |   |   |
| Corporate gross operating surplus(c)  | 12.4 |   | 13  | ‑8 3/4 | ‑4 1/2 | 5 1/4 | 4 1/2 |
| Change since October Budget  |   |   | 5 1/4 | 6 1/4  | ‑8 1/4 | 1/4 |   |
|   |   |   |   |   |   |   |   |
| Non‑farm gross mixed income | ‑2.0 |   | 5 1/4 | 5  | 5 3/4 | 5 1/2 | 5 1/2 |
| Change since October Budget  |   |   | ‑1 1/2 | 1 1/4 | 1  | ‑ 1/2 |   |
|   |   |   |   |   |   |   |   |
| Property income(d) | 10.4 |   | 24 1/2 | 12 1/2 | 5 1/2 | 6 1/4 | 5 1/4 |
| Change since October Budget  |   |   | 18 1/2 | 7 1/2 | 0  | 1 1/4 |   |
|   |   |   |   |   |   |   |   |
| Consumption subject to GST | 8.9 |   | 15 1/4 | 4 1/2 | 4 1/2 | 5  | 5  |
| Change since October Budget  |   |   | 1/2 | 3/4 | 0  | ‑ 1/4 |   |

1. Current prices, per cent change on previous year. Changes since October Budget are percentage points.
2. Compensation of employees measures total remuneration earned by employees.
3. Corporate gross operating surplus is an Australian System of National Accounts measure of company profits, gross of depreciation.
4. Property income measures income derived from rent, dividends and interest.

Source: ABS Australian National Accounts: National Income, Expenditure and Product, and Treasury.

Changes in the outlook for individual heads of revenue are explained in more detail below.

#### Individuals and other withholding taxes

Since the October Budget, total individuals and other withholding tax receipts have been revised up by $15.0 billion in 2023–24 and $74.1 billion over the 5 years from 2022–23 to 2026–27. Year‑on‑year, individuals and other withholding tax receipts are expected to grow by 7.5 per cent in 2023–24 and fall by 1.9 per cent in 2024–25.

Excluding new policy decisions, individuals and other withholding tax receipts have been revised up by $15.4 billion in 2023–24 and $68.9 billion in the 5 years from 2022–23 to
2026–27.

Income tax withholding (tax on salary and wages) has been revised up by $10.8 billion in 2023–24 and $48.3 billion over the 5 years from 2022–23 to 2026–27 excluding policy decisions. This reflects strength in year‑to‑date collections from all withholders reflecting higher employment and a pick‑up in wages growth. Strength is expected to continue over the forward estimates, in line with employment and nominal wage growth, although this
is expected to moderate as conditions in the labour market ease.

Net other individuals has been revised up by $4.6 billion in 2023–24 and $20.6 billion over the 5 years from 2022–23 to 2026–27 excluding policy decisions. In the near‑term this reflects strength in collections from the lodgement of 2021–22 income year returns, in particular strength in capital gains and net rent. The outlook for net other individuals
has also been revised higher, reflecting higher non‑farm gross mixed income, flowing to income from unincorporated businesses and upgraded property income growth. Growth
in property income is largely being driven by higher interest income on assets (such as
term deposits), in line with the increase in interest rates.

New tax policy measures announced since the October Budget are expected to decrease individuals and other withholding tax receipts by $401.3 million in 2023–24 but increase individuals and other withholding tax receipts by $5.2 billion over the 5 years from 2022–23 to 2026–27. This is largely driven by:

* The *GST compliance program – four‑year extension* measure which is estimated to increase individuals and other withholding tax receipts by $624.1 million in 2023–24 and
$2.9 billion over the 5 years from 2022–23 to 2026–27.
* The *Small Business Support – $20,000 instant asset write‑off* measure which is expected to have no impact in 2023–24 but to decrease individuals and other withholding tax receipts by $200.0 million over the 5 years from 2022–23 to 2026–27.
* The measure *Small Business Support—helping small business manage their tax instalments and improving cashflow* which is expected to decrease individuals and other withholding tax receipts by $1.0 billion in 2023–24 but have no net impact on receipts over the 5 years from 2022–23 to 2026–27.

#### Fringe benefits tax

Since the October Budget, fringe benefits tax receipts have been revised up by $30.0 million in 2023–24 and $260.0 million over the 5 years from 2022–23 to 2026–27. This reflects an improvement in the outlook for the labour market.

New tax policy measures announced since the October Budget are expected to increase fringe benefits tax receipts by $10.0 million over the 5 years from 2022–23 to 2026–27.

#### Company tax

Since the October Budget, company tax receipts have been revised up to be $28.9 billion higher in 2023–24 and $52.7 billion higher over the 5 years from 2022–23 to 2026–27. Year‑on‑year, company tax receipts are expected to fall by 7.0 per cent in 2023–24 and 6.9 per cent in 2024–25 as a result of conservative assumptions for commodity export prices.

Excluding new policy decisions, company tax has been revised up by $29.3 billion in
2023–24 and $51.8 billion over the 5 years from 2022–23 to 2026–27. Collections in 2022–23 have continued to exceed expectations. Company tax receipts to March 2023 were $7.6 billion higher than expected at the October Budget. This reflects higher‑than‑expected collections from larger companies in the non‑mining, non‑finance sector, as well as higher collections from the resources sector as a result of elevated commodity prices.

The significant upward revision across the forward estimates reflects continued strength in company tax instalments and an improved outlook for company profits across the broader economy. Near term strength is largely driven by increased profitability in the resources sector, reflecting elevated near‑term commodity prices, and an extension in the period
over which commodity prices adjust to conservative, albeit higher, long‑term levels (see Box 2.4). An improved outlook for the non‑mining sectors also supports strength in
receipts in the near‑term.

Tax paid by resource companies is expected to moderate over the forward estimates in line with the assumed decline in commodity prices as well as the appreciation of the Australian dollar since the October Budget, offsetting some of the continuing strength in the financial and non‑mining, non‑finance sectors.

New tax policy measures announced since the October Budget are expected to decrease company tax receipts by $362.1 million in 2023–24 but increase company tax receipts by $911.5 million over the 5 years from 2022–23 to 2026–27. Key decisions driving these expected changes are:

* The measure *GST compliance program – four‑year extension* which is estimated to increase company tax receipts by $151.0 million in 2023–24 and $881.4 million over the 5 years from 2022–23 to 2026–27.
* The decision *Amending measures of the former Government* expected to increase receipts by $50.0 million in 2023–24 and $460.0 million over the 5 years from 2022–23 to 2026–27.
* The *Small Business Support – Small Business Energy Incentive* measure which is expected to have no impact in 2023–24 but to decrease company tax receipts by $160.0 million over the 5 years from 2022–23 to 2026–27.

|  |
| --- |
| Box 5.1 Australia’s implementation of a global minimum tax and a domestic minimum tax, key elements of Pillar Two of the OECD/G20 multilateral agreement on global taxIn October 2021, Australia, along with 135 other jurisdictions of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting joined a multilateral agreement on a Two‑Pillar Solution to address the tax challenges arising from the digitalisation and globalisation of the economy. In this Budget, the Government is making progress on its election commitment to support this agreement by implementing the key elements of Pillar Two – the global minimum tax and a domestic minimum tax for large multinational enterprises. These rules seek to address the global ‘race to the bottom’ on corporate taxes by introducing a global minimum effective tax rate of 15 per cent. This tax rate will apply on a jurisdictional basis to each multinational group with annual global revenue of at least EUR750 million (around AUD1.2 billion). The global minimum tax and domestic minimum tax will follow OECD implementation guidelines and not apply to investment funds, pension funds, government entities, international organisations, not‑for‑profit organisations, and income associated with international shipping. Where the tax paid by a large multinational in a jurisdiction does not reach the 15 per cent global minimum effective tax rate, the rules determine an amount of top‑up tax (Figure 5.1). That amount is collected through either: * The domestic minimum tax which will allow Australia to collect any top‑up tax on Australian profits, where the effective rate falls below 15 per cent.
* The Income Inclusion Rule which will allow Australia to collect any top‑up tax on the undertaxed profits of an Australian entity’s foreign subsidiaries located in jurisdictions where no domestic minimum tax is in place. If the Australian entity is a subsidiary of a foreign parent, Australia can only collect the top‑up tax if the foreign parent’s jurisdiction has not implemented an Income Inclusion Rule.
* The Undertaxed Profits Rule which will allow Australia to collect a proportion of any top‑up tax on profits of a foreign‑headquartered multinational if it has income in a jurisdiction which is being taxed below the global minimum rate of 15 per cent and where no Income Inclusion Rule applies. The share of top‑up tax that Australia will collect will be based on the proportion of the large multinational group’s employees and value of tangible assets in Australia relative to other countries.

continued on next page |
| Box 5.1 Australia’s implementation of a global minimum tax and a domestic minimum tax, key elements of Pillar Two of the OECD/G20 multilateral agreement on global tax (continued)Australia’s domestic minimum tax and Income Inclusion Rule will apply to income years commencing on or after 1 January 2024, while the Undertaxed Profits Rule will apply to income years commencing on or after 1 January 2025. The Government’s implementation of a global and domestic minimum tax is estimated to increase Australian tax receipts by $370 million over the 5 years from 2022–23.The revenue gain over the medium term will be dependent on the response of other jurisdictions in implementing these Rules, their own domestic minimum taxes, and behavioural responses by multinational groups.Australia will benefit from the global implementation of these Rules and the lowering of the tax differential between Australia and other countries. Over time, this will make Australia a more attractive place to invest, boosting economic growth and tax revenue. It will also support Australian domestic businesses, by decreasing some of the tax advantages that are available to large multinationals. Figure 5.1: Calculating an undertaxed large multinational group’s top‑up tax liability on its operations in each jurisdictionThis infographic shows that the jurisdictional top-up tax liability of an undertaxed large multinational is the product of two factors. The first factor is the difference between the multinational’s adjusted financial accounting profits and a permitted fixed return on its labour and tangible assets. The second factor is the difference between 15 per cent and its effective tax rate.”Source: OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting Pillar Two Global Anti‑Base Erosion (GloBE) Model Rules; Treasury |

#### Superannuation fund taxes

Since the October Budget, superannuation fund taxes receipts have been revised down by $3.9 billion in 2023–24 and $6.5 billion across the 5 years from 2022–23 to 2026–27. Receipts from superannuation fund taxes are expected to continue to be volatile. Year‑on‑year,
tax receipts from superannuation funds are expected to fall by 63.8 per cent in 2022–23
but rise 72.3 per cent in 2023–24 and 40.5 per cent in 2024–25.

Excluding new policy decisions, superannuation fund taxes have been revised down
by $3.8 billion in 2023–24 and $7.4 billion over the 5 years from 2022–23 to 2026–27. Superannuation fund taxes have been revised down in 2022–23 in line with weaker fund earnings and higher‑than‑expected refunds, that have resulted in substantial downward revisions to instalment rates for large funds. While instalment rates are expected to recover, leading to an increase in receipts in 2024–25, weakness is expected to persist due to strength in the outlook for dividends and franking credits, which reduces tax receipts. This is partly offset by higher contributions due to the strong labour market.

New tax policy measures announced since the October Budget are expected to decrease superannuation fund taxes receipts by $66.7 million in 2023–24 but increase superannuation fund taxes receipts by $870.3 million over the 5 years from 2022–23 to 2026–27. This is largely driven by:

* The *Securing Australians’ Superannuation Package – increasing the payment frequency of the Superannuation Guarantee (SG) and investing in SG compliance* measure is expected to have no impact on receipts in 2023–24 but to increase superannuation fund taxes by $1.2 billion over the 5 years from 2022–23 to 2026–27.

#### Petroleum resource rent tax (PRRT)

Since the October budget, PRRT receipts have been revised up by $300.0 million in 2023–24 and $2.0 billion over the 5 years from 2022–23 to 2026–27.

Excluding new policy decisions, PRRT receipts have been revised down by $300.0 million in 2023–24 and $1.3 billion over the 5 years from 2022–23 to 2026–27. The downgrade reflects a deterioration in the outlook for oil and gas prices since the October Budget.
Oil prices have fallen since the October Budget and are assumed to be lower across
the forward estimates.

New PRRT policy measures announced since the October Budget increase PRRT receipts by $600.0 million in 2023–24 and $3.2 billion over the 5 years from 2022–23 to 2026–27 and reduce company tax receipts by $800.0 million over the five years from 2022‑23 to 2026‑27 for an increase in total tax receipts of $2.4 billion over the five years from 2022‑23 to 2026‑27 due to the measure *Petroleum Resource Rent Tax – Government Response to the Review of the PRRT Gas Transfer Pricing arrangements* (see Box 5.2).

|  |
| --- |
| Box 5.2 Reforms to the Petroleum Resource Rent TaxThe 2017 Callaghan Review of the Petroleum Resource Rent Tax (PRRT) recommended that the gas transfer pricing (GTP) rules that determine the value of gas for PRRT purposes in integrated LNG projects be further examined. In 2019, the former Government asked Treasury to review the GTP rules. Treasury has completed this review and reported to Government. Both the Callaghan and the GTP reviews noted that aspects of the PRRT are better suited to oil projects than LNG projects. LNG projects are highly capital intensive and, compared to oil projects, generally take much longer to become cash flow positive after commencing production. This impacts the PRRT collected from LNG projects, particularly where projects have very large carry‑forward deductions that are uplifted for many years. To date, not a single LNG project has paid any PRRT and many are not expected to pay significant amounts of PRRT until the 2030s. In this Budget, the Government is introducing changes to the PRRT to deliver a fairer return to the Australian community from their natural resources. The Government will introduce a cap on the use of deductions to offset assessable income of LNG producers under the PRRT. This will bring forward PRRT receipts from LNG projects and ensure a greater PRRT return to the community from the offshore LNG industry. The cap will limit LNG projects’ deductions each year to no more than 90 per cent of their assessable income, so that the PRRT will be paid on at least 10 per cent of income. The amounts that are unable to be deducted because of the cap will be carried forward and uplifted at the Government long‑term bond rate. The cap will not apply to certain classes of deductible expenditure in the PRRT – closing‑down expenditure, starting base expenditure and resource tax expenditure.These changes will apply to offshore LNG projects, which export the vast majority of their gas. To minimise the impact of early payments on projects, they would not be subject to the cap until 7 years after the first year of production.To support the operation of the cap, the Government will also make a number of changes to the GTP arrangements, including to modernise the PRRT for emerging developments in LNG project structures, better reflect the contributions and risks of the notional entities that comprise the LNG value chain, align the regulations with current transfer pricing practices and provide appropriate integrity rules for the regime. The changes have been carefully designed to provide industry and investors policy certainty, to ensure sufficient supply of domestic gas and ensure Australia remains a reliable trade and investment partner. |

#### Goods and services tax (GST)

Since the October Budget, GST receipts have been revised up by $368.0 million in 2023–24 and $6.1 billion over the 5 years from 2022–23 to 2026–27. Year‑on‑year, GST receipts are expected to increase by 5.2 per cent in 2023–24 and 3.9 per cent in 2024–25 in line with nominal household consumption.

Excluding new policy decisions, GST has been revised down by $481.0 million in 2023–24 but up $1.5 billion over the 5 years from 2022–23 to 2026–27. GST receipts have been downgraded in the near term due to weaker‑than‑expected collections for 2022–23, offset by upgrades to consumption subject to GST and higher population growth.

New tax policy measures announced since the October Budget are expected to increase
GST receipts by $849.0 million in 2023–24 and $4.6 billion over the 5 years from 2022–23
to 2026–27. This is largely due to the measures:

* *GST compliance program – four‑year extension* which is expected to increase GST receipts by $809.4 million in 2023–24 and $3.8 billion over the 5 years from 2022–23 to 2026–27.
* *Tobacco Excise—measures to improve health outcomes and aligning the treatment of stick and non‑stick tobacco tax* which is expected to increase GST receipts by $30.0 million in
2023–24 and by $290.0 million over the 5 years from 2022–23 to 2026–27.

#### Excise and customs duty

Since the October Budget, total excise and customs duty receipts have been revised up
by $1.1 billion in 2023–24 and $4.4 billion over the 5 years from 2022–23 to 2026–27. Year‑on‑year, excise and customs duty receipts are expected to increase by 9.2 per cent
in 2023–24 and 5.4 per cent in 2024–25 in line with nominal household consumption.

Excluding new policy decisions, excise and customs duty receipts have been revised up
by $493.2 million in 2023–24 and $820.1 million over the 5 years from 2022–23 to 2026–27. This reflects upward revisions to customs duty, alcohol excise and fuel excise.

Policy decisions are expected to increase excise and customs duty receipts by $586.8 million in 2023–24 and $3.5 billion over the 5 years from 2022–23 to 2026–27. This is largely driven by:

* The measure *Tobacco Excise—measures to improve health outcomes and aligning the treatment of stick and non‑stick tobacco tax* which is expected to increase customs duty receipts by $290.0 million in 2023–24 and by $3.0 billion over the 5 years from 2022–23 to 2026–27.

The 2023–24 Budget estimates continue to include provision for the Australia European Union Free Trade Agreement, which has not been finalised. This provision is assumed to impact customs duty receipts. No other Free Trade Agreements (FTAs) that are currently under negotiation are expected to have a material impact on revenue over the forward estimates. A full list of FTAs currently under negotiation is available on the Department of Foreign Affairs and Trade website.

#### Other taxes

Other taxes encompass a range of sources of receipts, including visa application charges, major bank levy, luxury car tax, wine equalisation tax and agricultural levies.

Since the October Budget, visa application charges have been revised up by $257.4 million in 2023–24 and $1.7 billion over the 5 years from 2022–23 to 2026–27.

New tax policy measures announced since the October Budget are expected to increase other tax receipts by $61.3 million in 2023–24 and $837.3 million over the 5 years from
2022–23 to 2026–27. Key decisions impacting other taxes include:

* The *Migration – uplift of Visa Application Charges* measure which is expected to increase Visa Application Charges by $100.0 million in 2023–24 and by $665.0 million over the
5 years from 2022–23 to 2026–27.
* The measure *Increasing the Passenger Movement Charge* which is expected to have no impact on other tax receipts in 2023–24 but increase other tax receipts by $520.0 million over the 5 years from 2022–23 to 2026–27.

### Non–tax receipts estimates

Since the October Budget, non‑tax receipts are expected to increase by $4.7 billion in
2023–24 and by $20.7 billion over the 5 years from 2022–23 to 2026–27.

Parameter and other variations account for the majority of this movement and are expected to increase non‑tax receipts by $4.2 billion in 2023–24, and by $17.8 billion over the 5 years from 2022–23 to 2026–27. This movement is driven by higher earnings from interest on cash deposits due to the rise in short‑term interest rates, higher earnings from the Future Fund and the Australian Government Investment Funds, as well as higher demand for Australian passports. In addition, non–tax receipts have been revised down by $3.0 billion in 2026–27 to account for the difference between the medium–term projection methodology at the October Budget and the forward estimate in this Budget.

Policy decisions are expected to increase non–tax receipts by $0.5 billion in 2023–24, and by $2.9 billion over the 5 years from 2022–23 to 2026–27. This movement includes the expected earnings of the National Reconstruction Fund Corporation, as announced in the 2023–24 Budget measure *National Reconstruction Fund Corporation – establishment*, receipts associated with the 2023–24 Budget measure *Enduring Funding Mechanism for AusCheck*, and receipts associated with the 2023–24 Budget measure *Strengthened and Sustainably Funded
Biosecurity System*.

Table 5.5: Reconciliation of 2022–23 general government (cash) receipts

|  |  |  |  |
| --- | --- | --- | --- |
|   | Estimates |   | Change from October Budget |
|  | October Budget | Budget |  |   |   |
|  | $m | $m |  | $m | % |
| Individuals and other withholding taxes |   |   |  |  |  |
| Gross income tax withholding | 260,000 | 269,600 |  | 9,600 | 3.7 |
| Gross other individuals | 61,900 | 69,500 |  | 7,600 | 12.3 |
| *less:* Refunds | 41,800 | 42,100 |  | 300 | 0.7 |
| Total individuals and other withholding tax | 280,100 | 297,000 |  | 16,900 | 6.0 |
| Fringe benefits tax | 3,490 | 3,630 |  | 140 | 4.0 |
| Company tax | 127,300 | 138,400 |  | 11,100 | 8.7 |
| Superannuation fund taxes | 12,610 | 9,610 |  | ‑3,000 | ‑23.8 |
| Petroleum resource rent tax | 2,600 | 2,350 |  | ‑250 | ‑9.6 |
| **Income taxation receipts** | **426,100** | **450,990** |  | **24,890** | **5.8** |
| Goods and services tax | 82,532 | 81,761 |  | ‑771 | ‑0.9 |
| Wine equalisation tax | 1,190 | 1,150 |  | ‑40 | ‑3.4 |
| Luxury car tax | 1,110 | 1,140 |  | 30 | 2.7 |
| Excise and customs duty |  |   |  |  |  |
| Petrol | 5,600 | 5,600 |  | 0 | 0.0 |
| Diesel | 13,170 | 13,110 |  | ‑60 | ‑0.5 |
| Other fuel products | 2,700 | 2,760 |  | 60 | 2.2 |
| Tobacco | 12,400 | 12,700 |  | 300 | 2.4 |
| Beer | 2,620 | 2,590 |  | ‑30 | ‑1.1 |
| Spirits | 3,480 | 3,390 |  | ‑90 | ‑2.6 |
| Other alcoholic beverages(a) | 1,500 | 1,640 |  | 140 | 9.3 |
| Other customs duty |  |   |  |  |  |
|  Textiles, clothing and footwear | 180 | 190 |  | 10 | 5.6 |
|  Passenger motor vehicles | 420 | 440 |  | 20 | 4.8 |
|  Other imports | 1,440 | 1,530 |  | 90 | 6.3 |
| *less:* Refunds and drawbacks | 700 | 700 |  | 0 | 0.0 |
| Total excise and customs duty  | 42,810 | 43,250 |  | 440 | 1.0 |
| Major Bank Levy | 1,550 | 1,540 |  | ‑10 | ‑0.6 |
| Agricultural levies | 623 | 631 |  | 8 | 1.2 |
| Visa application charges(b) | 2,565 | 2,995 |  | 430 | 16.8 |
| Other taxes(b) | 4,378 | 4,593 |  | 215 | 4.9 |
| **Indirect taxation receipts** | **136,758** | **137,060** |  | **302** | **0.2** |
| **Taxation receipts** | **562,858** | **588,050** |  | **25,192** | **4.5** |
|  |  |  |  |  |  |
| Sales of goods and services | 18,550 | 19,200 |  | 650 | 3.5 |
| Interest received | 5,275 | 6,115 |  | 840 | 15.9 |
| Dividends and distributions | 5,677 | 5,407 |  | ‑270 | ‑4.8 |
| Other non‑taxation receipts | 14,869 | 16,820 |  | 1,952 | 13.1 |
| **Non‑taxation receipts** | **44,371** | **47,543** |  | **3,172** | **7.1** |
| **Total receipts** | **607,229** | **635,593** |  | **28,364** | **4.7** |
| *Memorandum:* |  |  |  |  |  |
| *Total excise*  | *25,990* | *26,070* |  | *80* | *0.3* |
| *Total customs duty*  | *16,820* | *17,180* |  | *360* | *2.1* |
| *Capital gains tax(c)* | *21,900* | *28,600* |  | *6,700* | *30.6* |

1. ‘Other alcoholic beverages’ are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
2. Prior to the 2022–23 October Budget, ‘visa application charges’ were previously included in ‘other taxes’.
3. ‘Capital gains tax’ is part of gross other individuals, company tax and superannuation fund taxes.

Table 5.6: Reconciliation of 2023–24 general government (cash) receipts

|  |  |  |  |
| --- | --- | --- | --- |
|   | Estimates |   | Change from October Budget |
|  | October Budget | Budget |  |   |   |
|  | $m | $m |  | $m | % |
| Individuals and other withholding taxes |   |   |  |  |  |
| Gross income tax withholding | 275,500 | 286,700 |  | 11,200 | 4.1 |
| Gross other individuals | 64,900 | 69,700 |  | 4,800 | 7.4 |
| *less:* Refunds | 36,000 | 37,000 |  | 1,000 | 2.8 |
| Total individuals and other withholding tax | 304,400 | 319,400 |  | 15,000 | 4.9 |
| Fringe benefits tax | 3,510 | 3,540 |  | 30 | 0.9 |
| Company tax | 99,800 | 128,700 |  | 28,900 | 29.0 |
| Superannuation fund taxes | 20,460 | 16,560 |  | ‑3,900 | ‑19.1 |
| Petroleum resource rent tax | 2,450 | 2,750 |  | 300 | 12.2 |
| **Income taxation receipts** | **430,620** | **470,950** |  | **40,330** | **9.4** |
| Goods and services tax | 85,641 | 86,009 |  | 368 | 0.4 |
| Wine equalisation tax | 1,190 | 1,140 |  | ‑50 | ‑4.2 |
| Luxury car tax | 870 | 870 |  | 0 | 0.0 |
| Excise and customs duty |  |   |  |  |  |
| Petrol | 6,850 | 7,350 |  | 500 | 7.3 |
| Diesel | 15,620 | 15,830 |  | 210 | 1.3 |
| Other fuel products | 2,120 | 2,080 |  | ‑40 | ‑1.9 |
| Tobacco | 12,600 | 12,900 |  | 300 | 2.4 |
| Beer | 2,680 | 2,640 |  | ‑40 | ‑1.5 |
| Spirits | 3,480 | 3,540 |  | 60 | 1.7 |
| Other alcoholic beverages(a) | 1,620 | 1,680 |  | 60 | 3.7 |
| Other customs duty |  |   |  |  |  |
|  Textiles, clothing and footwear | 150 | 170 |  | 20 | 13.3 |
|  Passenger motor vehicles | 380 | 430 |  | 50 | 13.2 |
|  Other imports | 1,350 | 1,310 |  | ‑40 | ‑3.0 |
| *less:* Refunds and drawbacks | 700 | 700 |  | 0 | 0.0 |
| Total excise and customs duty  | 46,150 | 47,230 |  | 1,080 | 2.3 |
| Major Bank Levy | 1,600 | 1,620 |  | 20 | 1.3 |
| Agricultural levies | 591 | 586 |  | ‑5 | ‑0.9 |
| Visa application charges(b) | 2,867 | 3,125 |  | 257 | 9.0 |
| Other taxes(b) | 4,762 | 4,745 |  | ‑17 | ‑0.3 |
| **Indirect taxation receipts** | **143,672** | **145,325** |  | **1,654** | **1.2** |
| **Taxation receipts** | **574,292** | **616,275** |  | **41,984** | **7.3** |
|  |  |  |  |  |  |
| Sales of goods and services | 19,594 | 20,792 |  | 1,199 | 6.1 |
| Interest received | 5,805 | 7,654 |  | 1,848 | 31.8 |
| Dividends and distributions | 6,150 | 6,889 |  | 738 | 12.0 |
| Other non‑taxation receipts | 15,600 | 16,532 |  | 932 | 6.0 |
| **Non‑taxation receipts** | **47,149** | **51,867** |  | **4,717** | **10.0** |
| **Total receipts** | **621,441** | **668,142** |  | **46,701** | **7.5** |
| *Memorandum:* |  |  |  |  |  |
| *Total excise*  | *31,780* | *30,010* |  | *‑1,770* | *‑5.6* |
| *Total customs duty*  | *14,370* | *17,220* |  | *2,850* | *19.8* |
| *Capital gains tax(c)* | *21,300* | *23,200* |  | *1,900* | *8.9* |

1. ‘Other alcoholic beverages’ are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
2. Prior to the 2022–23 October Budget, ‘visa application charges’ were previously included in ‘other taxes’.
3. ‘Capital gains tax’ is part of gross other individuals, company tax and superannuation fund taxes.

Table 5.7: Australian Government general government (cash) receipts

|  |  |  |  |
| --- | --- | --- | --- |
|   | Actual |   | Estimates |
|   | 2021–22 |   | 2022–23 | 2023–24 | 2024–25 | 2025–26 | 2026–27 |
|   | $m |   | $m | $m | $m | $m | $m |
| Individuals and other withholding taxes |   |   |   |   |  |  |  |
| Gross income tax withholding | 239,669 |   | 269,600 | 286,700 | 280,800 | 295,200 | 315,200 |
| Gross other individuals | 57,432 |   | 69,500 | 69,700 | 70,100 | 71,600 | 76,500 |
| *less:* Refunds | 38,048 |   | 42,100 | 37,000 | 37,700 | 36,100 | 36,200 |
| Total individuals and other withholding tax | 259,052 |   | 297,000 | 319,400 | 313,200 | 330,700 | 355,500 |
| Fringe benefits tax | 3,331 |   | 3,630 | 3,540 | 3,550 | 3,460 | 3,480 |
| Company tax | 123,308 |   | 138,400 | 128,700 | 119,800 | 130,200 | 128,600 |
| Superannuation fund taxes | 26,546 |   | 9,610 | 16,560 | 23,260 | 23,060 | 25,310 |
| Petroleum resource rent tax | 1,638 |   | 2,350 | 2,750 | 2,700 | 2,850 | 2,500 |
| **Income taxation receipts** | **413,876** |  | **450,990** | **470,950** | **462,510** | **490,270** | **515,390** |
| Goods and services tax | 73,498 |   | 81,761 | 86,009 | 89,330 | 94,559 | 100,305 |
| Wine equalisation tax | 1,100 |   | 1,150 | 1,140 | 1,190 | 1,230 | 1,270 |
| Luxury car tax | 960 |   | 1,140 | 870 | 840 | 870 | 910 |
| Excise and customs duty |   |   |   |   |   |   |   |
| Petrol | 5,015 |   | 5,600 | 7,350 | 7,750 | 7,500 | 7,750 |
| Diesel | 11,744 |   | 13,110 | 15,830 | 16,720 | 17,380 | 18,180 |
| Other fuel products | 1,521 |   | 2,760 | 2,080 | 2,150 | 2,160 | 2,220 |
| Tobacco | 12,604 |   | 12,700 | 12,900 | 13,450 | 14,200 | 14,650 |
| Beer | 2,461 |   | 2,590 | 2,640 | 2,840 | 2,900 | 3,000 |
| Spirits | 3,213 |   | 3,390 | 3,540 | 3,810 | 3,900 | 4,020 |
| Other alcoholic beverages(a) | 1,456 |   | 1,640 | 1,680 | 1,810 | 1,840 | 1,900 |
| Other customs duty |   |   |   |   |   |   |   |
|  Textiles, clothing and footwear | 192 |   | 190 | 170 | 170 | 130 | 170 |
|  Passenger motor vehicles | 361 |   | 440 | 430 | 440 | 210 | 180 |
|  Other imports | 1,378 |   | 1,530 | 1,310 | 1,330 | 650 | 690 |
| *less:* Refunds and drawbacks | 818 |   | 700 | 700 | 700 | 700 | 700 |
| Total excise and customs duty  | 39,126 |   | 43,250 | 47,230 | 49,770 | 50,170 | 52,060 |
| Major Bank Levy | 1,454 |   | 1,540 | 1,620 | 1,650 | 1,710 | 1,800 |
| Agricultural levies | 626 |   | 631 | 586 | 593 | 613 | 614 |
| Visa application charges(b) | 1,982 |   | 2,995 | 3,125 | 3,319 | 3,460 | 3,574 |
| Other taxes(b) | 3,964 |   | 4,593 | 4,745 | 5,130 | 4,964 | 4,820 |
| **Indirect taxation receipts** | **122,710** |  | **137,060** | **145,325** | **151,822** | **157,576** | **165,353** |
| **Taxation receipts** | **536,586** |  | **588,050** | **616,275** | **614,332** | **647,846** | **680,743** |
| Sales of goods and services | 17,725 |   | 19,200 | 20,792 | 21,845 | 22,342 | 23,348 |
| Interest received | 2,446 |   | 6,115 | 7,654 | 7,168 | 6,930 | 7,160 |
| Dividends and distributions | 11,564 |   | 5,407 | 6,889 | 7,288 | 7,667 | 8,083 |
| Other non‑taxation receipts | 16,036 |   | 16,820 | 16,532 | 20,604 | 16,136 | 15,784 |
| **Non‑taxation receipts** | **47,772** |  | **47,543** | **51,867** | **56,905** | **53,076** | **54,375** |
| **Total receipts** | **584,358** |  | **635,593** | **668,142** | **671,238** | **700,922** | **735,118** |
| *Memorandum:* |  |  |  |  |  |  |  |
| *Total excise*  | *22,539* |  | *26,070* | *30,010* | *34,480* | *35,040* | *36,410* |
| *Total customs duty*  | *16,588* |  | *17,180* | *17,220* | *15,290* | *15,130* | *15,650* |
| *Capital gains tax(c)* | *25,400* |  | *28,600* | *23,200* | *20,300* | *20,100* | *20,900* |

1. ‘Other alcoholic beverages’ are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
2. Prior to the 2022–23 October Budget, ‘visa application charges’ were previously included in ‘other taxes’.
3. ‘Capital gains tax’ is part of gross other individuals, company tax and superannuation fund taxes.

## Variations in revenue estimates

The revenue estimates are the accrual accounting equivalent of the cash‑based receipts estimates. Changes in revenue are generally driven by the same factors as receipts.

Revenues are usually higher than the cash equivalents because the amounts are generally recognised when they are owed rather than when they are paid. The differences between the accrual and cash amounts therefore generally reflect payment timing differences. Table 5.8 provides a reconciliation of the 2023–24 Budget revenue estimates with those at the October Budget and 2022 PEFO.

Table 5.8: Reconciliation of Australian Government general government revenue estimates from the 2022–23 October Budget and 2022 PEFO

|  |  |  |  |
| --- | --- | --- | --- |
|   | Estimates |   |   |
|  | 2022–23 | 2023–24 | 2024–25 | 2025–26 | 2026–27 |   | Total |
|  | $m | $m | $m | $m | $m |   | $m |
| **Revenue at 2022 PEFO** | **561,848** | **595,641** | **621,687** | **655,232** | **\*** |  | **\*** |
|  |   |   |   |   |   |   |   |
| **Changes from 2022 PEFO to**  |   |   |   |   |   |   |   |
| **2022–23 October Budget** |  |  |  |  |  |  |   |
| Effect of policy decisions(a) | 1,766 | 3,156 | 4,364 | 6,065 | \* |   | \* |
| Effect of parameter and other variations | 61,403 | 34,642 | 23,040 | 29,707 | \* |   | \* |
| **Total variations** | **63,168** | **37,798** | **27,403** | **35,772** | **\*** |  | **\*** |
| **Revenue at 2022–23 October Budget** | **625,016** | **633,439** | **649,091** | **691,004** | **\*** |  | **\*** |
|  |   |   |   |   |   |   |   |
| **Changes from 2022–23 October Budget** |   |   |   |   |   |   |   |
| **to 2023–24 Budget** |  |  |  |  |  |  |   |
| Effect of policy decisions(a) | 141 | 1,525 | 4,722 | 5,890 | 7,619 |   | 19,897 |
| Effect of parameter and other variations | 28,609 | 45,408 | 23,520 | 16,844 | \* |   | \* |
| **Total variations** | **28,750** | **46,933** | **28,242** | **22,734** | **\*** |  | **\*** |
|  |   |   |   |   |   |   |   |
| **Revenue at 2023–24 Budget** | **653,767** | **680,372** | **677,333** | **713,738** | **748,237** |  | **3,473,446** |

\* Data is not available.

1. Excludes secondary impacts on public debt interest of policy decisions and offsets from the Contingency Reserve for decisions taken.

Since the October Budget, total revenue has been revised up by $46.9 billion in 2023–24 and by $156.7 billion over the 5 years from 2022–23 to 2026–27.

The changes in the individual heads of revenue accrual estimates relative to the October Budget are shown in Tables 5.9 and 5.10, for 2022–23 and 2023–24, respectively. For the 5‑year accrual table, the accrual equivalent of Table 5.7, see Budget Statement 10, Note 3.

Additional revenue and receipts historical tables are available online and can be accessed at [www.budget.gov.au](http://www.budget.gov.au).

Table 5.9: Reconciliation of 2022–23 general government (accrual) revenue

|  |  |  |  |
| --- | --- | --- | --- |
|   | Estimates |   | Change from October Budget |
|  | October Budget | Budget |  |   |   |
|  | $m | $m |  | $m | % |
| Individuals and other withholding taxes |   |   |  |  |  |
| Gross income tax withholding | 262,800 | 272,300 |  | 9,500 | 3.6 |
| Gross other individuals | 65,600 | 73,000 |  | 7,400 | 11.3 |
| *less:* Refunds | 41,800 | 42,100 |  | 300 | 0.7 |
| Total individuals and other withholding tax | 286,600 | 303,200 |  | 16,600 | 5.8 |
| Fringe benefits tax | 3,440 | 3,510 |  | 70 | 2.0 |
| Company tax | 129,900 | 140,800 |  | 10,900 | 8.4 |
| Superannuation fund taxes | 12,670 | 9,670 |  | ‑3,000 | ‑23.7 |
| Petroleum resource rent tax | 2,790 | 2,230 |  | ‑560 | ‑20.1 |
| **Income taxation revenue** | **435,400** | **459,410** |  | **24,010** | **5.5** |
| Goods and services tax | 86,820 | 88,040 |  | 1,220 | 1.4 |
| Wine equalisation tax | 1,210 | 1,170 |  | ‑40 | ‑3.3 |
| Luxury car tax | 1,120 | 1,150 |  | 30 | 2.7 |
| Excise and customs duty  |  |   |  |  |  |
| Petrol | 5,600 | 5,600 |  | 0 | 0.0 |
| Diesel | 13,220 | 13,160 |  | ‑60 | ‑0.5 |
| Other fuel products | 2,700 | 2,760 |  | 60 | 2.2 |
| Tobacco | 12,400 | 12,700 |  | 300 | 2.4 |
| Beer | 2,650 | 2,620 |  | ‑30 | ‑1.1 |
| Spirits | 3,480 | 3,390 |  | ‑90 | ‑2.6 |
| Other alcoholic beverages(a) | 1,500 | 1,640 |  | 140 | 9.3 |
| Other customs duty |  |   |  |  |  |
|  Textiles, clothing and footwear | 180 | 190 |  | 10 | 5.6 |
|  Passenger motor vehicles | 420 | 440 |  | 20 | 4.8 |
|  Other imports | 1,440 | 1,530 |  | 90 | 6.3 |
| *less:* Refunds and drawbacks | 700 | 700 |  | 0 | 0.0 |
| Total excise and customs duty | 42,890 | 43,330 |  | 440 | 1.0 |
| Major bank levy | 1,570 | 1,560 |  | ‑10 | ‑0.6 |
| Agricultural levies | 623 | 631 |  | 8 | 1.2 |
| Visa application charges(b) | 2,565 | 2,995 |  | 430 | 16.8 |
| Other taxes(b) | 5,670 | 5,883 |  | 213 | 3.8 |
| **Indirect taxation revenue** | **142,468** | **144,759** |  | **2,291** | **1.6** |
| **Taxation revenue** | **577,868** | **604,169** |  | **26,301** | **4.6** |
|  |  |  |  |  |  |
| Sales of goods and services | 18,371 | 19,078 |  | 707 | 3.9 |
| Interest | 8,192 | 9,053 |  | 861 | 10.5 |
| Dividends and distributions | 5,695 | 5,361 |  | ‑334 | ‑5.9 |
| Other non‑taxation revenue | 14,891 | 16,105 |  | 1,215 | 8.2 |
| **Non‑taxation revenue** | **47,149** | **49,598** |  | **2,449** | **5.2** |
| **Total revenue** | **625,016** | **653,767** |  | **28,750** | **4.6** |
| *Memorandum:* |  |  |  |  |  |
| *Total excise* | *26,070* | *26,150* |  | *80* | *0.3* |
| *Total customs duty* | *16,820* | *17,180* |  | *360* | *2.1* |
| *Capital gains tax(c)* | *21,900* | *28,600* |  | *6,700* | *30.6* |

1. ‘Other alcoholic beverages’ are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
2. Prior to the 2022–23 October Budget, ‘visa application charges’ were previously included in ‘other taxes’.
3. ‘Capital gains tax’ is part of gross other individuals, company tax and superannuation fund taxes.

Table 5.10: Reconciliation of 2023–24 general government (accrual) revenue

|  |  |  |  |
| --- | --- | --- | --- |
|   | Estimates |   | Change from October Budget |
|  | October Budget | Budget |  |   |   |
|  | $m | $m |  | $m | % |
| Individuals and other withholding taxes |   |   |  |  |  |
| Gross income tax withholding | 278,600 | 289,300 |  | 10,700 | 3.8 |
| Gross other individuals | 68,900 | 73,600 |  | 4,700 | 6.8 |
| *less:* Refunds | 36,000 | 37,000 |  | 1,000 | 2.8 |
| Total individuals and other withholding tax | 311,500 | 325,900 |  | 14,400 | 4.6 |
| Fringe benefits tax | 3,460 | 3,500 |  | 40 | 1.2 |
| Company tax | 101,700 | 131,100 |  | 29,400 | 28.9 |
| Superannuation fund taxes | 20,520 | 16,620 |  | -3,900 | -19.0 |
| Petroleum resource rent tax | 2,430 | 2,770 |  | 340 | 14.0 |
| **Income taxation revenue** | **439,610** | **479,890** |  | **40,280** | **9.2** |
| Goods and services tax | 88,630 | 89,080 |  | 450 | 0.5 |
| Wine equalisation tax | 1,210 | 1,160 |  | -50 | -4.1 |
| Luxury car tax | 860 | 860 |  | 0 | 0.0 |
| Excise and customs duty  |  |   |  |  |  |
| Petrol | 6,850 | 7,350 |  | 500 | 7.3 |
| Diesel | 15,670 | 15,880 |  | 210 | 1.3 |
| Other fuel products | 2,140 | 2,100 |  | -40 | -1.9 |
| Tobacco | 12,600 | 12,900 |  | 300 | 2.4 |
| Beer | 2,700 | 2,670 |  | -30 | -1.1 |
| Spirits | 3,510 | 3,570 |  | 60 | 1.7 |
| Other alcoholic beverages(a) | 1,620 | 1,680 |  | 60 | 3.7 |
| Other customs duty |  |   |  |  |  |
|  Textiles, clothing and footwear | 150 | 170 |  | 20 | 13.3 |
|  Passenger motor vehicles | 380 | 430 |  | 50 | 13.2 |
|  Other imports | 1,350 | 1,310 |  | -40 | -3.0 |
| *less:* Refunds and drawbacks | 700 | 700 |  | 0 | 0.0 |
| Total excise and customs duty | 46,270 | 47,360 |  | 1,090 | 2.4 |
| Major bank levy | 1,620 | 1,640 |  | 20 | 1.2 |
| Agricultural levies | 591 | 586 |  | -5 | -0.9 |
| Visa application charges(b) | 2,867 | 3,125 |  | 257 | 9.0 |
| Other taxes(b) | 6,011 | 6,028 |  | 16 | 0.3 |
| **Indirect taxation revenue** | **148,060** | **149,839** |  | **1,778** | **1.2** |
| **Taxation revenue** | **587,670** | **629,729** |  | **42,058** | **7.2** |
|  |  |  |  |  |  |
| Sales of goods and services | 19,596 | 20,811 |  | 1,215 | 6.2 |
| Interest | 7,476 | 9,426 |  | 1,950 | 26.1 |
| Dividends and distributions | 6,169 | 6,913 |  | 744 | 12.1 |
| Other non-taxation revenue | 12,528 | 13,494 |  | 965 | 7.7 |
| **Non-taxation revenue** | **45,769** | **50,643** |  | **4,874** | **10.6** |
| **Total revenue** | **633,439** | **680,372** |  | **46,933** | **7.4** |
| *Memorandum:* |  |  |  |  |  |
| *Total excise* | *31,850* | *30,090* |  | *-1,760* | *-5.5* |
| *Total customs duty* | *14,420* | *17,270* |  | *2,850* | *19.8* |
| *Capital gains tax(c)* | *21,300* | *23,200* |  | *1,900* | *8.9* |

1. ‘Other alcoholic beverages’ are those not exceeding 10 per cent by volume of alcohol (excluding beer, brandy and wine).
2. Prior to the 2022–23 October Budget, ‘visa application charges’ were previously included in ‘other taxes’.
3. ‘Capital gains tax’ is part of gross other individuals, company tax and superannuation fund taxes.

## Appendix A: Tax Expenditures

This appendix contains an overview of Australian Government tax expenditures. Section 12 of the *Charter of Budget Honesty Act 1998* (CBHA) requires the publication of an overview of estimated tax expenditures.

The Government published an enhanced Tax Expenditures and Insights Statement (TEIS) on 28 February 2023. The TEIS provides an estimate of the revenue forgone from tax expenditures, along with distributional analysis on large tax expenditures and commonly utilised features of the tax system.

Tax benchmarks represent a standard tax treatment that applies to similar taxpayers or types of activities. Policy approaches can apply a tax treatment different from a standard approach, which can give rise to positive or negative tax expenditures. The choice of benchmark unavoidably involves judgment and may therefore be contentious in some cases.

Consistent with most OECD countries, estimates of tax expenditures reflect the extent to which a variation is utilised, similar to Budget estimates of outlays on demand‑driven expenditure programs. This is known as the ‘revenue forgone’ approach which, in practice, involves estimating the difference in revenue between the actual and benchmark tax treatments but, importantly, assuming taxpayer behaviour is the same in each circumstance. Revenue forgone estimates therefore do not indicate the revenue gain to the Budget if a specific tax expenditure was abolished through policy change, as there may be significant changes in taxpayer behaviour.

Care needs to be taken when comparing tax expenditures with direct expenditures as they may measure different things. In addition, estimates from different editions of previously released Statements are generally not directly comparable, because of changes or modifications to – for example – benchmarks, individual tax expenditures, data used or modelling methodology.

The information in Table A.1 is derived from the 2022–23 TEIS, based on economic parameters as at the publication of the 2022–23 October Budget. It does not include the impact of policy decisions, or changes in the economic outlook since then on tax expenditures. The TEIS is not a statement of policy intent. The information and analysis presented in the TEIS and Table A.1 is intended to increase transparency about the impacts of tax expenditures and other features of the tax system.

Table A.1: Estimates of large measured tax expenditures

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Tax type affected** | **Code** | **Title** | **Revenue forgone 2022‑23\* ($m)** | **Average growth – 2018‑19 to 2021‑22 (%)** | **Average growth over FEs (%)** |
|  | **Positive tax expenditures and deductions** |  |  |  |
| CGT | E8 | Main residence exemption – discount component | 26,000 | 15.1 | ‑8.9 |
| Deductions |  | Rental deductions | 24,400 | ‑2.5 | 9.4 |
| CGT | E15 | Discount for individuals and trusts | 23,690 | 16.3 | ‑11.9 |
| Super | C2 | Concessional taxation of employer superannuation contributions | 23,300 | 6.6 | 3.2 |
| CGT | E7 | Main residence exemption | 22,000 | 14.5 | ‑8.4 |
| Super | C4 | Concessional taxation of superannuation entity earnings | 21,500 | ‑0.9 | 1.5 |
| Deductions |  | Work related expenses | 9,900 | 4.4 | 3.4 |
| GST | H26 | Food | 8,400 | 3.5 | 3.8 |
| Income | A25 | Exemption for National Disability Insurance Scheme amounts | 8,080 | 58.7 | 19.2 |
| Income | B69 | Accelerated depreciation for business entities | 7,800 | N/A | N/A |
| GST | H14 | Education | 5,850 | 6.5 | 4.6 |
| GST | H17 | Health – medical and health services | 5,000 | 2.3 | 7.0 |
| Income | B85 | Simplified depreciation rules | 4,800 | 117.5 | N/A |
| GST | H2 | Financial supplies – input taxed treatment | 4,650 | ‑1.7 | 7.5 |
| Income | B59 | Lower company tax rate | 3,600 | 52.5 | ‑1.3 |
| Income | A26 | Exemption of Child Care Assistance payments | 2,900 | 8.2 | 8.9 |
| Income | B11 | Exemption from interest withholding tax on certain securities | 2,520 | ‑5.4 | 0.5 |
| FBT | D15 | Exemption for public benevolent institutions (excluding hospitals) | 2,450 | 6.7 | 3.2 |
| Super | C6 | Deductibility of life and total and permanent disability insurance premiums provided inside of superannuation | 2,380 | ‑3.2 | 4.3 |
| Income | A19 | Medicare levy exemption for residents with taxable income below the low‑income thresholds | 2,050 | 1.7 | 1.2 |
| FBT | D11 | Exemption for public and not‑for‑profit hospitals and public ambulance services | 2,000 | 3.9 | 2.0 |
| Income | A38 | Exemption of Family Tax Benefit payments | 1,790 | ‑4.9 | 6.0 |
| Income | B1 | Local government bodies income tax exemption | 1,770 | 1.8 | 1.1 |
| GST | H5 | Child care services | 1,710 | 6.6 | 8.0 |
| GST | H18 | Health – residential care, community care and other care services | 1,600 | 5.7 | 6.9 |
| Deductions |   | Cost of managing tax affairs and other deductions | 1,600 | 2.3 | 3.2 |

\* For deductions, revenue forgone refers to the reduction in tax in relation to the specified income year due to the utilisation of deductions.

Table A.1: Estimates of large measured tax expenditures (continued)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Tax type affected** | **Code** | **Title** | **Revenue forgone 2022‑23\* ($m)** | **Average growth – 2018‑19 to 2021‑22 (%)** | **Average growth over FEs (%)** |
| Super | C3 | Concessional taxation of personal superannuation contributions | 1,550 | 25.0 | ‑8.3 |
| Income | A23 | Concessional taxation of non‑superannuation termination benefits | 1,550 | ‑9.1 | N/A |
| Income | A17 | Exemption of the Private Health Insurance Rebate | 1,500 | ‑2.8 | 1.5 |
| Income | B23 | Temporary loss carry‑back for certain incorporated entities | 1,480 | N/A | N/A |
| Income | A56 | Philanthropy – deduction for gifts to deductible gift recipients | 1,405 | 2.6 | ‑1.0 |
| Super | C1 | Concessional taxation of capital gains for superannuation funds | 1,350 | 18.9 | ‑8.8 |
| Income | B80 | Capital works expenditure deduction | 1,270 | 1.3 | ‑1.4 |
| Income | A37 | Exemption of certain income support benefits, pensions or allowances | 1,260 | 6.5 | 0.0 |
| Other | F6 | Concessional rate of excise levied on aviation gasoline and aviation turbine fuel | 1,190 | ‑10.2 | 7.9 |
| GST | H3 | Financial supplies – reduced input tax credits | 1,150 | 0.0 | 6.8 |
| GST | H6 | Water, sewerage and drainage | 1,130 | 1.5 | 2.4 |
| Income | B12 | Exemption of inbound non‑portfolio dividends from income tax | 1,010 | 18.4 | 0.8 |
|  | **Negative tax expenditures** |  |  |  |
| Other | F21 | Customs duty | ‑2,070 | ‑0.5 | ‑14.9 |
| Other | F4 | Luxury car tax | ‑1,120 | 11.9 | ‑0.9 |

\*For deductions, revenue forgone refers to the reduction in tax in relation to the specified income year due to the utilisation of deductions.