Part 1: Revenue Measures

Table 1: Revenue measures since the 2018-19 MYEFO[(a)]

	2018-19	2019-20	2020-21	2021-22	2022-23
	$m	$m	$m	$m	$m
AGRICULTURE AND WATER RESOURCES					
Department of Agriculture and Water Resources					
Biosecurity imports levy — revised start date	-	-20.0	-	-	-
North Queensland Flood Recovery Package(b)(c)	-	-3.6	-8.8	-4.4	5.1
Primary Industries — changes to agricultural production levy(b)	-	-2.9	-2.9	-2.9	-2.9
Portfolio total	**-**	**-26.5**	**-11.7**	**-7.3**	**2.2**
ATTORNEY-GENERAL'S					
Administrative Appeals Tribunal					
Helping Small Business Grow — supporting small businesses with tax disputes(b)	0.1	0.3	0.3	0.3	0.3
Portfolio total	**0.1**	**0.3**	**0.3**	**0.3**	**0.3**
COMMUNICATIONS AND THE ARTS					
Australian Communications and Media Authority					
Consumer Safeguards — targeted measures(b)(c)	-	-	3.1	2.7	1.4
Regional Broadband Scheme — amendments(b)	-	-2.6	-2.6	-2.7	-2.7
Portfolio total	**-**	**-2.6**	**0.5**	**..**	**-1.4**
CROSS PORTFOLIO					
Various Agencies					
North Queensland Flood Recovery Package(b)(c)	*	*	*	*	*
Portfolio total	*****	*****	*****	*****	*****
EDUCATION AND TRAINING					
Department of Education and Training					
Closing the Gap refresh — Indigenous Youth Education Package(b)	-	..	-0.1	-0.1	-0.2
Higher Education Loan Program – partial cost recovery delay	..	-3.5	-	-	-
Trades Recognition Australia — full cost recovery(b)	8.9	25.8	29.7	34.2	34.2
VET Student Loans — increase in loan limit for aviation courses(b)(c)	-	4.3	9.5	11.1	13.0
Portfolio total	**8.9**	**26.6**	**39.1**	**45.1**	**46.9**
ENVIRONMENT AND ENERGY					
Department of the Environment and Energy					
Climate Solutions Package(b)(c)	-	-	-	25.3	25.3
Portfolio total	**-**	**-**	**-**	**25.3**	**25.3**

Table 1: Revenue measures since the 2018-19 MYEFO[(a)] (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	$m	$m	$m	$m	$m
FINANCE					
Department of Finance					
Establish the Emergency Response Fund(b)	-	116.1	191.0	200.1	217.7
National Disability Insurance Scheme — transitioning to full Scheme(b)	-	-	-	-	-
Portfolio total	**-**	**116.1**	**191.0**	**200.1**	**217.7**
HEALTH					
Department of Health					
Guaranteeing Medicare — improving quality and safety through stronger compliance(b)(c)	-	-	-	-	-
Improving Access to Medicines — Pharmaceutical Benefits Scheme — new and amended listings(b)	nfp	nfp	nfp	nfp	nfp
Portfolio total	**nfp**	**nfp**	**nfp**	**nfp**	**nfp**
HOME AFFAIRS					
Australian Transaction Reports and Analysis Centre					
AUSTRAC — Fintel Alliance(b)(c)	-	5.2	4.5	7.7	7.4
Department of Home Affairs					
Australia-Hong Kong Free Trade Agreement	-	-10.0	-10.0	-10.0	-10.0
Better Distribution of Medical Practitioners(b)(c)	-	..	..	..	-1.0
Extension of Temporary Graduate visa period for regional graduates(b)(c)	-	-	-	1.5	2.5
Increasing Work and Holiday Visa Cap for Indonesia(b)	-	0.6	1.5	1.9	2.2
Indonesia-Australia Comprehensive Economic Partnership Agreement	-	-	-	-	-
Migration Program — reducing the planning level	-	-	-	-	-
New Regional Visas — Population Package(b)(c)	-	-	-	-0.5	0.7
Visa Application Charge — exemption for INAS Games	-	-0.3	-	-	-
Visa Application Charge — exemption for T20 World Cup	-	-0.5	-0.8	-	-
Visa Application Charge — uplift	-	-	-	-	-
Portfolio total	**-**	**-5.0**	**-4.8**	**0.6**	**1.8**
INDUSTRY, INNOVATION AND SCIENCE					
Department of Industry, Innovation and Science					
Expanding Questacon's Education Outreach(b)	-	0.2	0.2	0.2	-
Implementing Sport 2030(b)(c)	-	-	-	-	-
Portfolio total	**-**	**0.2**	**0.2**	**0.2**	**-**

Table 1: Revenue measures since the 2018-19 MYEFO[(a)] (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	$m	$m	$m	$m	$m
JOBS AND SMALL BUSINESS					
Fair Work Ombudsman and Registered Organisations Commission Entity					
Protecting Vulnerable Workers — National Labour Hire Registration Scheme and other measures(b)(c)	-	2.4	5.3	3.7	3.6
Portfolio total	**-**	**2.4**	**5.3**	**3.7**	**3.6**
PRIME MINISTER AND CABINET					
North Queensland Livestock Industry Recovery Agency					
North Queensland Flood Recovery Package(b)(c)	-	46.8	48.1	49.5	-
Portfolio total	**-**	**46.8**	**48.1**	**49.5**	**-**
TREASURY					
Australian Prudential Regulation Authority					
Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry(b)(c)	-	20.9	21.6	21.7	20.3
Superannuation Complaints Tribunal — completion of casework(b)	-	-	2.1	0.1	0.1
Australian Securities and Investments Commission					
Government Response to the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry(b)(c)	-	-	40.5	122.2	128.5
Australian Taxation Office					
Better Distribution of Medical Practitioners(b)(c)	-	-2.0	-6.0	-12.0	-17.0
Black Economy — strengthening the Australian Business Number system(b)(c)	-	-	5.0	10.0	10.0
Extension of Temporary Graduate visa period for regional graduates(b)(c)	-	-	-	4.0	13.5
Increasing and expanding access to the instant asset write-off	-	-200.0	-500.0	50.0	250.0
Increasing Work and Holiday Visa Cap for Indonesia(b)	-	3.3	10.0	15.0	17.7
Indirect Tax Concession Scheme — diplomatic, consular and international organisation concessions(b)	-1.8	..	..	..	..
International Tax — signing the Australia-Israel Tax Treaty	-	-	*	*	*
International Tax — updating the list of information exchange countries	-	*	*	*	*
Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan	-	-750.0	-700.0	250.0	-4,540.0
Luxury Car Tax — increased refunds for eligible primary producers and tourism operators	-	-2.0	-3.0	-3.0	-3.0

Table 1: Revenue measures since the 2018-19 MYEFO[(a)] (continued)

	2018-19	2019-20	2020-21	2021-22	2022-23
	$m	$m	$m	$m	$m
TREASURY (continued)					
Migration Program — improving economic outcomes for Secondary Skilled Migrants(b)(c)	-	*	*	*	*
Migration Program — reducing the planning level	-	-	-	-	-
North Queensland Flood Recovery Package — tax treatment of qualifying grants	-	-	-	-	-
Personal Income Tax — increasing the Medicare levy low-income thresholds	-	-100.0	-50.0	-50.0	-50.0
Philanthropy — extending deductible gift recipient status to Men's Sheds and Women's Sheds	-	-	-	-3.0	-5.0
Philanthropy — updates to the list of specifically listed deductible gift recipients	-	-	..	..	-0.1
Protecting Your Super Package — amendment(b)	-	-173.0	63.0	-18.0	-11.0
Protecting Your Super Package — putting members' interests first(b)	-	-38.0	-2.0	-2.0	-2.0
Queensland storms — tax treatment of payments to primary producers	-	-	-	-	-
Superannuation — improving flexibility for older Australians	-	-	-10.0	-25.0	-40.0
Superannuation — permanent tax relief for merging superannuation funds	-	-	*	*	*
Superannuation — reducing red tape for superannuation funds	-	-	-	-	-
Tax Integrity — clarifying the operation of the hybrid mismatch rules	-	..	..	..	..
Tax Integrity — extension and expansion of the ATO Tax Avoidance Taskforce on Large Corporates, Multinationals and High Wealth Individuals(b)(c)	-	175.5	1,226.4	1,553.6	1,668.0
Tax Integrity — further consultation on amendments to Division 7A	-	*	*	*	*
Tax Integrity — increasing engagement and on-time payment of tax and superannuation liabilities(b)	-	-	-	-	-
Portfolio total	**-1.8**	**-1,065.3**	**97.6**	**1,913.7**	**-2,560.0**
Decisions taken but not yet announced(d)	**43.4**	**87.6**	**12.5**	**12.0**	**12.0**
Total impact of revenue measures(e)	**50.6**	**-819.4**	**378.0**	**2,243.2**	**-2,251.5**

* The nature of the measure is such that a reliable estimate cannot be provided.

.. Not zero, but rounded to zero.

\- Nil.

nfp not for publication.

(a) A minus sign before an estimate indicates a reduction in revenue, no sign before an estimate indicates a gain in revenue.

(b) These measures can also be found in the expense measures summary table.

(c) These measures can also be found in the capital measures summary table.

(d) Includes the impact of measures that are not for publication (nfp).

(e) Measures may not add due to rounding.

AGRICULTURE AND WATER RESOURCES

Biosecurity imports levy — revised start date

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Agriculture and Water Resources	-	-20.0	-	-	-

The Government will change the start date of the 2018-19 Budget measure titled *Agriculture, Food and Biosecurity – biosecurity imports levy* from 1 July 2019 to 1 September 2019. This change will allow an industry steering committee to make recommendations to the Minister for Agriculture and Water Resources on the design and implementation of the levy. This change is estimated to reduce revenue by $20.0 million over the forward estimates period.

Further information can be found in the press releases of 24 February 2019 and 5 March 2019 issued by the Minister for Agriculture and Water Resources.

Primary Industries — changes to agricultural production levy

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Agriculture and Water Resources	-	-2.9	-2.9	-2.9	-2.9
Related expense ($m)					
Department of Agriculture and Water Resources	*-*	*-2.9*	*-2.9*	*-2.9*	*-2.9*

From 1 July 2019, the Government will decrease the Emergency Plant Pest Response component of the banana levy from 0.75 of a cent per kilogram to zero, in consultation with the Australian Banana Growers' Council. This component of the banana levy funded the costs paid by the Government on behalf of the industry in relation to the 2013 emergency response to banana freckle in the Northern Territory. This measure is estimated to have no budget impact over the forward estimates period.

COMMUNICATIONS AND THE ARTS

Regional Broadband Scheme — amendments

Revenue ($m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Communications and Media Authority	-	-2.6	-2.6	-2.7	-2.7
Related expense ($m)					
Department of Communications and the Arts	*-*	*-2.6*	*-2.6*	*-2.7*	*-2.7*

The Government is revising its 2018-19 MYEFO measure *Regional Broadband Scheme – delay to start date* (RBS). The Government will reduce the cap on the RBS charge from $10.00 to $7.10 a month (indexed yearly to the CPI) and provide a new five year exemption from the RBS for the first 55,000 greenfield premises activated on certain carriers' networks. Under this measure, the Government will also place an obligation on NBN Co to provide public mapping data to be made available on the Government's NationalMap.

This measure is estimated to have a negligible cost to the budget over the forward estimates period.

EDUCATION AND TRAINING

Higher Education Loan Program — partial cost recovery delay

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Education and Training	..	-3.5	-	-	-

The Government will delay the introduction of partial cost recovery arrangements for the *Higher Education Loan Program* (HELP) to provide additional time for the sector to prepare for the new arrangements. The new arrangements will now commence from 1 January 2020 instead of 1 January 2019.

The measure is estimated to reduce revenue by $3.6 million over four years from 2018-19.

Further information on the partial cost recovery arrangements can be found in the 2018-19 Budget measure titled *Higher Education Loan Program — partial cost recovery*.

FINANCE

Establish the Emergency Response Fund

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Finance	-	116.1	191.0	200.1	217.7
Related expense ($m)					
Department of Finance	*-*	*17.5*	*18.4*	*19.2*	*20.2*
Department of Home Affairs	*-*	*-*	*-*	*-*	*-*
Total — Expense	*-*	*17.5*	*18.4*	*19.2*	*20.2*

The Government will revise its Fund arrangements to establish the Emergency Response Fund (the Fund) from 1 October 2019, to fund natural disaster recovery and response initiatives above and beyond existing state and federal programs.

The Fund will be established through legislation as a Commonwealth Investment Fund and will be managed by the Future Fund Board of Guardians, to provide a sustainable source of funding for recovery from catastrophic natural disasters. The initial size of the Fund will be approximately $3.9 billion, reflecting the transfer of uncommitted funds currently in the dormant Education Investment Fund.

The Government would make available up to $150 million per annum from the Fund from 2019-20 to 2023-24 following a significant and catastrophic natural disaster. The Fund will only be drawn down in this way where the Government determines there is a need for additional support beyond existing national disaster response programs.

The Government will develop a funding plan, setting out a consistent and transparent approach to funding projects across Australia.

The Government will also not proceed with the 2016-17 Budget measure titled *National Disability Insurance Scheme (NDIS) Savings Fund.* This measure is no longer required as the Government's positive budget position means that future funding for the NDIS has been secured.

Expansion of the Commonwealth Divestment Program

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Finance	nfp	nfp	nfp	nfp	nfp
Related expense ($m)					
Department of Finance	*nfp*	*nfp*	*nfp*	*nfp*	*nfp*
Related capital ($m)					
Department of Finance	*nfp*	*nfp*	*nfp*	*nfp*	*nfp*

The Government will divest surplus land currently owned by the Department of Finance over two years from 2019-20 to further rationalise the Commonwealth's property portfolio in the Australian Capital Territory.

The financials for this measure are not for publication (nfp) due to commercial-in-confidence sensitivities.

HOME AFFAIRS

Australia-Hong Kong Free Trade Agreement

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Home Affairs	-	-10.0	-10.0	-10.0	-10.0

On 26 March 2019, the governments of Australia and Hong Kong signed the Australia-Hong Kong Free Trade Agreement (A-HKFTA). Hong Kong is a Special Administrative Region of the People's Republic of China, and is able to enter into its own trade agreements. This agreement ensures a tariff rate of zero on all Australian exports to Hong Kong and eliminates tariffs on imports from Hong Kong. This measure is estimated to reduce revenue by $40.0 million over the forward estimates period.

The A-HKFTA also provides regulatory certainty for Australian businesses by providing new rules to facilitate trade.

Further information can be found in the joint press release of 26 March 2019 issued by the Prime Minister and the Minister for Trade, Tourism and Investment.

Extension of Temporary Graduate visa period for regional graduates

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	4.0	13.5
Department of Home Affairs	-	-	-	1.5	2.5
Total — Revenue	-	-	-	5.5	16.0
Related expense ($m)					
Department of Home Affairs	-	*0.5*	-	-	-
Department of the Treasury	-	-	-	*1.0*	*3.5*
Total — Expense	-	*0.5*	-	*1.0*	*3.5*
Related capital ($m)					
Department of Home Affairs	-	*2.5*	-	-	-

From November 2021, international students will be able to apply for an additional year on a second post-study work visa if they complete a higher education or postgraduate qualification in a regional area, and live in a regional area while holding a Temporary Graduate (subclass 485) visa. This measure is estimated to have a gain to the budget of $14.0 million over the forward estimates period.

Increasing Work and Holiday Visa Cap for Indonesia

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	3.3	10.0	15.0	17.7
Department of Home Affairs	-	0.6	1.5	1.9	2.2
Total — Revenue	-	3.9	11.5	16.9	19.9
Related expense ($m)					
Department of the Treasury	-	*0.9*	*2.6*	*3.7*	*4.4*
Department of Home Affairs	-	..	*0.1*	*0.1*	*0.1*
Total — Expense	-	*0.9*	*2.7*	*3.8*	*4.5*

The Government will seek to increase the annual cap for Work and Holiday (subclass 462) visas available to Indonesian citizens from 2,500 to 5,000 over a six year period from 2019-20 to 2024-25. This measure is estimated to have a gain to the budget of $40.4 million over the forward estimates period.

This is part of the *Indonesia-Australia Comprehensive Economic Partnership Agreement*.

Indonesia-Australia Comprehensive Economic Partnership Agreement

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Home Affairs	-	-	-	-	-

On 4 March 2019, the governments of Australia and Indonesia signed the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA). The agreement will foster economic cooperation between Australia and Indonesia and create new opportunities for Australian businesses. It will reduce non-tariff barriers to trade and over time will allow 99 per cent of Australian goods exports to enter Indonesia duty free or with significantly improved preferential arrangements.

This measure is estimated to have no revenue impact over the forward estimates period, as the tariff reductions are in line with existing tariff reductions Australia committed to under the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA).

Further information can be found in the joint press release of 4 March 2019 issued by the Prime Minister and the Minister for Trade, Tourism and Investment.

Migration Program — improving economic outcomes for Secondary Skilled Migrants

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	*	*	*	*
Related expense ($m)					
Department of Home Affairs	-	*0.1*	-	-	-
Related capital ($m)					
Department of Home Affairs	-	*0.2*	-	-	-

From November 2019, the *Skilled Migration Points Test* will be adjusted to award additional points to primary applicants when their partner has competent English but does not meet the existing requirements for skilled partner points. Single applicants will also be awarded additional points to ensure they are not disadvantaged. This measure is estimated to result in an unquantifiable increase in revenue over the forward estimates period. The Department of Home Affairs will be provided with $0.3 million in 2019-20 to implement this measure.

The *Skilled Migration Points Test* currently awards additional points to primary applicants where their partner is under 45 years old, has competent English, and has a skilled occupation applicable for the visa subclass and stream they have been invited to apply for.

These changes will prioritise applicants who are single or whose partner can demonstrate competent English and therefore have the best potential to participate in the Australian labour market.

Migration Program — reducing the planning level

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	-	-
Department of Home Affairs	-	-	-	-	-
Total — Revenue	-	-	-	-	-

The Government will reduce the planning level of the Migration Program from 190,000 to 160,000 places for four years from 2019-20.

The outlook for net overseas migration, and consequential impacts on revenue and expenses, are updated in line with program delivery each Budget update. Therefore, this measure has no further budget impact.

For the 2019-20 Migration Program, there will be 108,682 places in the Skill stream, 47,732 places in the Family stream, with a combined 3,586 places for Child and Special Eligibility streams.

Visa Application Charge — exemption for INAS Games

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Home Affairs	-	-0.3	-	-	-

The Government is waiving visa application charges for athletes and officials applying for a Temporary Activity (subclass 408) visa to participate in the 2019 INAS Global Games in Brisbane. The INAS Global Games is the world's largest multi-sport event for athletes with an intellectual impairment. This measure is estimated to reduce revenue by $0.3 million over the forward estimates period.

Visa Application Charge — exemption for T20 World Cup

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Home Affairs	-	-0.5	-0.8	-	-

The Government is waiving visa application charges for competitors and officials participating in the International Cricket Council T20 World Cup in Australia in 2020. This measure is estimated to reduce revenue by $1.3 million over the forward estimates period.

Visa Application Charge — uplift

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Department of Home Affairs	-	-	-	-	-

The Government is increasing the base visa application charge (VAC) for all visa subclasses, with the exception of the Visitor (subclass 600) visa, by 5.4 per cent from 1 July 2019. There will be no increase to second instalment VACs. This measure is estimated to increase revenue by $275.0 million over the period from 2018-19 to 2021-22. Provision for this revenue increase has already been included in the forward estimates.

TREASURY

Black Economy — strengthening the Australian Business Number system

Revenue ($m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	5.0	10.0	10.0
Related expense ($m)					
Australian Taxation Office	-	-	*0.2*	*0.6*	*0.2*
Related capital ($m)					
Australian Taxation Office	-	-	-	*1.8*	-

The Government will strengthen the Australian Business Number (ABN) system to disrupt black economy behaviour by requiring ABN holders:

- from 1 July 2021, with an income tax return obligation, to lodge their income tax return; and
- from 1 July 2022, to confirm the accuracy of their details on the Australian Business Register annually.

The new conditions will make ABN holders more accountable for meeting their government obligations, while minimising the regulatory impact on businesses doing the right thing.

This measure is estimated to have a gain to the budget of $22.2 million in fiscal balance terms over the forward estimates period. In underlying cash balance terms this measure is estimated to have a gain to the budget of $4.7 million over the forward estimates period. The difference between the fiscal and cash amounts arises as there is a delay between revenue liabilities raised on tax returns lodged by ABN holders and the subsequent cash collections.

Currently, ABN holders are able to retain their ABN regardless whether they are meeting their income tax return lodgement obligation or the obligation to update their ABN details.

See also the related 2018-19 Budget measure *Black Economy Taskforce — consulting on a new regulatory framework for Australian Business Numbers*.

Increasing and expanding access to the instant asset write-off

Revenue ($m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-200.0	-500.0	50.0	250.0

From 7:30 PM (AEDT) on 2 April 2019 (Budget night), the Government is increasing and expanding access to the instant asset write-off.

The Government is increasing the instant asset write-off threshold from $25,000 to $30,000. The threshold applies on a per asset basis, so eligible businesses can instantly write off multiple assets.

Medium sized businesses will now also have access to the instant asset write-off.

The increased and expanded instant asset write-off will apply from Budget night until 30 June 2020.

Small businesses (with aggregated annual turnover of less than $10 million) will be able to immediately deduct purchases of eligible assets costing less than $30,000 that are first used, or installed ready for use, from Budget night to 30 June 2020.

Medium sized businesses (with aggregated annual turnover of $10 million or more, but less than $50 million) will also be able to immediately deduct purchases of eligible assets costing less than $30,000 that are first used, or installed ready for use, from Budget night to 30 June 2020. Medium sized businesses must also acquire these assets after Budget night to be eligible as they have previously not had access to the instant asset write-off.

This measure is estimated to reduce revenue by $400.0 million over the forward estimates period.

This measure will improve cash flow for small and medium sized businesses, providing a boost to business activity and investment.

Small businesses can continue to place assets which cannot be immediately deducted into the small business simplified depreciation pool (the pool) and depreciate those assets at 15 per cent in the first income year and 30 per cent each income year thereafter. The pool balance can also be immediately deducted if it is less than the applicable instant asset write-off threshold at the end of the income year (including existing pools). The current 'lock out' laws for the simplified depreciation rules (these prevent small businesses from re-entering the simplified depreciation regime for five years if they opt out) will continue to be suspended until 30 June 2020.

Medium sized businesses do not have access to the small business pooling rules and will instead continue to depreciate assets costing $30,000 or more (which cannot be immediately deducted) in accordance with the existing depreciating asset provisions of the tax law.

Arrangements prior to Budget night

The Government has already legislated a $20,000 instant asset write-off for small businesses. Eligible small businesses can already immediately deduct purchases of eligible assets costing less than $20,000 that are first used or installed ready for use by 30 June 2019.

On 29 January 2019, the Government announced that it would increase the instant asset write-off threshold for small businesses from $20,000 to $25,000 and extend the instant asset write-off for an additional 12 months to 30 June 2020.

These changes interact with the changes being announced as part of Budget. This means that, when legislated, small businesses will be able to immediately deduct purchases of eligible assets costing less than $25,000 that are first used or installed ready for use over the period from 29 January 2019 until Budget night.

The changes announced on 29 January 2019 were estimated to reduce revenue by $750.0 million over the period from 2018-19 to 2021-22. Provision for this revenue reduction has already been included in the forward estimates.

Indirect Tax Concession Scheme — diplomatic, consular and international organisation concessions

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-1.8	..	..	..	..
Related expense ($m)					
Department of the Treasury	*-1.8*	..	..	..	..

The Government has granted or extended access to refunds of indirect tax (including GST, fuel and alcohol taxes) under the Indirect Tax Concession Scheme (ITCS). New access to refunds will be granted to the diplomatic and consular representations of Sudan in Australia. The Commission for the Conservation of Southern Bluefin Tuna will be granted upgraded access to the ITCS. The Government has extended ITCS access for Laos, Mauritius and Samoa to include construction and renovation relating to their current and future diplomatic missions and consular posts.

This measure is estimated to reduce revenue by $1.8 million, and decrease GST payments to the states and territories by $1.8 million, over the forward estimates period.

Each of these changes has effect from a time specified by the Minister for Foreign Affairs. Consistent with international practice, these concessions are reciprocal and reviewed periodically.

International Tax — signing the Australia-Israel Tax Treaty

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	*	*	*

On 28 March 2019, the Government signed the *Convention between the Government of Australia and the Government of the State of Israel for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance*. The Government will also introduce amendments to the *International Tax Agreements Act 1953* to give the treaty force of law in Australia. That Act will also be amended to provide that certain income covered by a tax treaty is deemed to have an Australian source. This measure is estimated to have an unquantifiable reduction in revenue over the forward estimates period.

The Convention relieves double taxation, lowers withholding tax rates (on interest, dividend and royalty payments) and improves certainty for taxpayers in both countries.

Further information can be found in the joint press release of 28 March 2019 issued by the Treasurer and the Assistant Treasurer.

International Tax — updating the list of information exchange countries

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	*	*	*	*

The Government will update the list of countries whose residents are eligible to access a reduced withholding tax rate of 15 per cent, instead of the default rate of 30 per cent, on certain distributions from Australian Managed Investment Trusts (MITs). To be listed, countries must have established the legal relationship enabling them to share taxpayer information with Australia. This update will add Curaçao, Lebanon, Nauru, Pakistan, Panama, Peru, Qatar and the United Arab Emirates to join 114 other jurisdictions already on the list. These new jurisdictions have entered into information sharing agreements since the previous update in 2018. The updated list will be effective from 1 January 2020. This measure is estimated to have an unquantifiable impact on revenue over the forward estimates period.

This measure supports the operation of the MIT withholding tax system by providing the reduced withholding tax rate only to residents of countries that enter into effective information sharing agreements with Australia. These agreements form an important part of Australia's commitment to safeguard against offshore tax avoidance and evasion.

Lower taxes for hard-working Australians: Building on the Personal Income Tax Plan

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-750.0	-700.0	250.0	-4,540.0

The Government will lower taxes for individuals by building on its legislated Personal Income Tax Plan (the plan). The changes to the plan will provide immediate relief to low- and middle-income earners, support consumption growth and ease cost of living pressures. It will also introduce structural changes to provide more reward for effort and to maintain our international competiveness.

This measure will reduce revenue by $19.5 billion over the forward estimates period, comprising: $3.5 billion in 2019-20; $3.7 billion in 2020-21; $3.8 billion in 2021-22; and $8.6 billion in 2022-23.

It will reduce revenue by $158 billion over the period from 2019-20 to 2029-30.

A provision for the impact of this measure was included in the *2018-19 Mid-Year Economic and Fiscal Outlook,* including $13.8 billion over the forward estimates: $2.7 billion in 2019-20; $3.0 billion in 2020-21; $4.0 billion in 2021-22; and $4.1 billion in 2022-23.

Consequently, the net reduction to revenue over the forward estimates is $5.7 billion, most of which occurs in the 2022-23 financial year.

Immediate relief to low- and middle-income earners

The Government will provide a further reduction in tax provided through the non-refundable low and middle income tax offset (LMITO). Under the changes, the reduction in tax provided by LMITO will increase from a maximum amount of $530 to $1,080 per annum and the base amount will increase from $200 to $255 per annum for the 2018-19, 2019-20, 2020-21 and 2021-22 income years.

The LMITO will now provide a reduction in tax of up to $255 for taxpayers with a taxable income of $37,000 or less. Between taxable incomes of $37,000 and $48,000, the value of the offset will increase 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 will be eligible for the maximum offset of $1,080. From taxable incomes of $90,000 to $126,000 the offset will phase out at a rate of 3 cents per dollar.

The LMITO will be received on assessment after individuals lodge their tax returns for the 2018-19, 2019-20, 2020-21 and 2021-22 income years. This will ensure that taxpayers receive a benefit when they lodge returns from 1 July 2019.

Locking in the benefits of lower taxes

From 1 July 2022, the Government will increase the top threshold of the 19 per cent personal income tax bracket from $41,000, as legislated under the plan, to $45,000.

From 1 July 2022, the Government will increase the low income tax offset (LITO) from $645, as legislated under the plan, to $700. The increased LITO will be withdrawn at a rate of 5 cents per dollar between taxable incomes of $37,500 and $45,000, instead of at 6.5 cents per dollar between taxable incomes of $37,000 and $41,000 as previously legislated under the plan. LITO will then be withdrawn at a rate of 1.5 cents per dollar between taxable incomes of $45,000 and $66,667.

Together, the increase to the top threshold of the 19 per cent personal income tax bracket and the changes to LITO will lock-in the reduction in tax provided by LMITO when LMITO is removed.

Further structural changes to the tax system to deliver lower taxes

From 1 July 2024-25, the Government will reduce the 32.5 per cent marginal tax rate to 30 per cent. This will more closely align the middle tax bracket of the personal income tax system with corporate tax rates, improving incentives for working Australians. In 2024-25 an entire tax bracket, the 37 per cent tax bracket will be abolished under the Government's already legislated plan. With these changes, by 2024-25 around 94 per cent of Australian taxpayers are projected to face a marginal tax rate of 30 per cent or less. The tax system will be simpler, reward effort and maintain progressivity.

This measure builds on the 2018-19 Budget measure *Personal Income Tax Plan*.

Luxury Car Tax — increased refunds for eligible primary producers and tourism operators

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-2.0	-3.0	-3.0	-3.0

The Government will provide further relief to farmers and tourism operators by amending the luxury car tax refund arrangements. For vehicles acquired on or after 1 July 2019, eligible primary producers and tourism operators will be able to apply for a refund of any luxury car tax paid, up to a maximum of $10,000. This measure is estimated to reduce revenue by $11.0 million over the forward estimates period.

Currently, primary producers and tourism operators may be eligible for a partial refund of the luxury car tax paid on eligible four-wheel or all-wheel drive cars, up to a maximum refund of $3,000. The eligibility criteria and types of vehicles eligible for the current partial refund will remain unchanged under the new refund arrangements.

North Queensland Flood Recovery Package — tax treatment of qualifying grants

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	-	-

The Government will provide an income tax exemption for qualifying grants made to primary producers, small businesses and non-profit organisations affected by the North Queensland floods. Qualifying grants include Category C and Category D grants provided under the *Disaster Recovery Funding Arrangements 2018*, and grants provided under the *On-Farm Restocking and Replanting Grants Program* and the *On-Farm Infrastructure Grants Program*. This measure is estimated to have no revenue impact over the forward estimates period.

The exemption will apply where the grants relate to the monsoonal trough, which produced flooding that started on or after 25 January 2019 and continued into February 2019. The grants will be made non-assessable non-exempt income for tax purposes.

See also the related expense measures *North Queensland Flood Recovery Package* and *Disaster Recovery Funding Arrangements – Funding for Northern Queensland Floods.*

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

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
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 the 2018-19 income year. The increases take account of recent movements in the CPI so that low-income taxpayers generally continue to be exempted from paying the Medicare levy. This measure is estimated to reduce revenue by $250.0 million over the forward estimates period.

The threshold for singles will be increased from $21,980 to $22,398. The family threshold will be increased from $37,089 to $37,794. For single seniors and pensioners, the threshold will be increased from $34,758 to $35,418. The family threshold for seniors and pensioners will be increased from $48,385 to $49,304. For each dependent child or student, the family income thresholds increase by a further $3,471, instead of the previous amount of $3,406.

Philanthropy — extending deductible gift recipient status to Men's Sheds and Women's Sheds

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	-3.0	-5.0

The Government will establish a deductible gift recipient (DGR) general category to enable Men's Sheds and Women's Sheds to access DGR status from 1 July 2020. The measure is estimated to reduce revenue by $8.0 million over the forward estimates period.

Taxpayers may claim an income tax deduction for gifts of money or property of $2 or more to DGRs. Ensuring that Men's Sheds and Women's Sheds can become DGRs will further encourage philanthropy and support for the not-for-profit sector.

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

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	..	..	-0.1

Since the 2018-19 MYEFO, the following organisations have been approved as specifically-listed deductible gift recipients from 1 July 2019 to 30 June 2024:

- Australian Academy of Law;
- China Matters Limited;
- Foundation Broken Hill Limited;
- Motherless Daughters Australia Limited;
- Superannuation Consumers Centre Limited; and
- The Headstone Project (Tasmania) Incorporated.

Taxpayers may claim an income tax deduction for gifts of money or property to these organisations of $2 or more. The measure is estimated to reduce revenue by $0.1 million over the forward estimates period.

Protecting Your Super Package — amendment

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-173.0	63.0	-18.0	-11.0
Related expense ($m)					
Department of Human Services	-	*-0.1*	*-0.1*	*-0.1*	*-0.1*
Department of Jobs and Small Business	-	*-0.4*	*-1.4*	*-1.7*	*-1.8*
Department of Social Services	-	*-0.4*	*-0.7*	*-0.7*	*-0.8*
Australian Taxation Office	-	*-15.0*	*6.0*	*-1.0*	*-1.0*
Total — Expense	-	*-15.9*	*3.9*	*-3.5*	*-3.7*

The Government agreed to amendments to the *Protecting Your Super Package* announced in the 2018-19 Budget to:

- extend to 16 months the period after which an account that has not received any contribution is considered inactive;
- expand the definition of when an account is considered active for the ATO-led consolidation regime; and
- require the ATO to consolidate to an active account, where possible, within 28 days of receipt.

This measure is estimated to reduce the fiscal balance by $119.8 million over the forward estimates period.

Protecting Your Super Package — putting members' interests first

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-38.0	-2.0	-2.0	-2.0
Related expense ($m)					
Department of Jobs and Small Business	-	..	*0.1*	..	..
Department of Human Services	-	*-0.2*	-	-	-
Department of Social Services	-	*-2.2*	-	-	-
Total — Expense	-	*-2.3*	*0.1*	..	..

The Government will delay the start date for ensuring insurance within superannuation is only offered on an opt-in basis for accounts with balances of less than $6,000 and new accounts belonging to members under the age of 25 years to 1 October 2019. This measure is estimated to reduce the fiscal balance by $41.8 million over the forward estimates period.

These changes (currently before Parliament) will protect the retirement savings of young people and those with low balances by ensuring their superannuation is not unnecessarily eroded by premiums on insurance policies they do not need or are not aware of. The changes will also reduce the incidence of duplicated cover so that individuals are not paying for multiple insurance policies, which they may not be able to claim on. These changes will not prevent anyone who wants insurance from being able to obtain it — low balance and young members will still be able to opt-in to insurance cover within superannuation.

Queensland storms — tax treatment of payments to primary producers

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	-	-

The Government will treat as exempt income payments to primary producers in the Fassifern Valley, Queensland affected by storm damage in October 2018. The tax treatment relates to payments distributed to affected taxpayers through a grant totalling $1.0 million to the Foundation for Rural and Regional Renewal, working with the Salvation Army and a local community panel. This measure is estimated to have no revenue impact over the forward estimates period.

See also the related expense measure *Foundation for Rural and Regional Renewal — storm recovery.*

Superannuation — improving flexibility for older Australians

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-10.0	-25.0	-40.0

The Government will allow voluntary superannuation contributions (both concessional and non-concessional) to be made by those aged 65 and 66 without meeting the work test from 1 July 2020. People aged 65 and 66 will also be able to make up to three years of non-concessional contributions under the bring-forward rule. Those up to and including age 74 will be able to receive spouse contributions, with those 65 and 66 no longer needing to meet a work test. This measure is estimated to reduce revenue by $75.0 million over the forward estimates period.

Currently, people aged 65 to 74 can only make voluntary superannuation contributions if they self-report as working a minimum of 40 hours over a 30 day period in the relevant financial year. Those aged 65 and over cannot access bring-forward arrangements and those aged 70 and over cannot receive spouse contributions. Aligning the work test with the eligibility age for the Age Pension (scheduled to reach 67 from 1 July 2023) and increasing the age limit for spouse contributions to 74 will give older Australians greater flexibility to save for retirement.

Superannuation — permanent tax relief for merging superannuation funds

Revenue ($m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	*	*	*

The Government will make permanent the current tax relief for merging superannuation funds that is due to expire on 1 July 2020. This measure is estimated to have an unquantifiable reduction in revenue over the forward estimates period.

Since December 2008, tax relief has been available for superannuation funds to transfer revenue and capital losses to a new merged fund, and to defer taxation consequences on gains and losses from revenue and capital assets.

The tax relief will be made permanent from 1 July 2020, ensuring superannuation fund member balances are not affected by tax when funds merge. It will remove tax as an impediment to mergers and facilitate industry consolidation, consistent with the recommendation of the Productivity Commission's final report, *Superannuation: Assessing Efficiency and Competitiveness.* Consolidation would help address inefficiencies by reducing costs, managing risks and increasing scale, leading to improved retirement outcomes for members.

Superannuation — reducing red tape for superannuation funds

Revenue ($m)	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	-	-

The Government will reduce costs and simplify reporting for superannuation funds by streamlining some administrative requirements for the calculation of exempt current pension income (ECPI).

The Government will allow superannuation fund trustees with interests in both the accumulation and retirement phases during an income year to choose their preferred method of calculating ECPI.

The Government will also remove a redundant requirement for superannuation funds to obtain an actuarial certificate when calculating ECPI using the proportionate method, where all members of the fund are fully in the retirement phase for all of the income year.

This measure will start on 1 July 2020 and is estimated to have no revenue impact over the forward estimates period.

Tax Integrity — clarifying the operation of the hybrid mismatch rules

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	..	..	..	..

The Government will make a number of minor amendments to Australia's hybrid mismatch rules to clarify their operation. This measure will apply to income years commencing on or after 1 January 2019, with the exception of the amendments to the integrity rule, which will apply to income years commencing on or after 2 April 2019. This measure is estimated to have a negligible revenue impact over the forward estimates period.

The purpose of the hybrid mismatch rules is to prevent multinational corporations from exploiting differences in the tax treatment of an entity or instrument under the laws of two or more tax jurisdictions. Stipulating how the rules apply to MEC groups and trusts, limiting the meaning of foreign tax, and specifying that the integrity rule can apply where other provisions have applied will give greater certainty to taxpayers in complying with the rules.

Tax Integrity — extension and expansion of the ATO Tax Avoidance Taskforce on Large Corporates, Multinationals and High Wealth Individuals

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	175.5	1,226.4	1,553.6	1,668.0
Related expense ($m)					
Australian Taxation Office	-	*54.4*	*315.5*	*317.6*	*316.9*
Department of the Treasury	-	-	-	-	-
Total — Expense	-	*54.4*	*315.5*	*317.6*	*316.9*
Related capital ($m)					
Australian Taxation Office	-	*6.5*	-	-	-

The Government will provide $1.0 billion over four years from 2019-20, including $6.5 million in capital funding, to the ATO to extend the operation of the Tax Avoidance Taskforce and to expand the Taskforce's programs and market coverage. This measure is estimated to have a gain to the budget of $3.6 billion over the forward estimates period. In underlying cash balance terms this measure is estimated to have a gain to the budget of $2.0 billion over the forward estimates period. The difference between the fiscal and cash amounts arises as there is a delay between revenue liabilities raised as a result of the compliance activity and the subsequent cash collections.

The Taskforce undertakes compliance activities targeting multinationals, large public and private groups, trusts and high wealth individuals. This measure will allow the Taskforce to expand these activities, including increasing its scrutiny of specialist tax advisors and intermediaries that promote tax avoidance schemes and strategies.

The Government has also provided $24.2 million in 2018-19 to the Department of the Treasury to conduct a communications campaign focused on improving the integrity of the Australian tax system. Funding for this has already been provided for by the Government.

Tax Integrity — further consultation on amendments to Division 7A

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	*	*	*	*

The Government will defer the start date of the 2018-19 Budget measure, *Tax Integrity — clarifying the operation of the Division 7A integrity rule*, from 1 July 2019 to 1 July 2020. This measure is estimated to have an unquantifiable impact on revenue over the forward estimates period.

The Government issued a consultation paper in October 2018 seeking stakeholder views on the proposed implementation approach for the amendments to Division 7A of the *Income Tax Assessment Act 1936*. The Government received valuable feedback from stakeholders which highlighted that this is a complex area of the tax law and raised implementation issues that warrant further consideration.

Delaying the start date by 12 months will allow additional time to further consult with stakeholders on these issues and to refine the Government's implementation approach, including to ensure appropriate transitional arrangements so taxpayers are not unfairly prejudiced.

Tax Integrity — increasing engagement and on-time payment of tax and superannuation liabilities

Revenue ($m)

	2018-19	2019-20	2020-21	2021-22	2022-23
Australian Taxation Office	-	-	-	-	-
Related expense ($m)					
Department of the Treasury	-	*8.0*	*10.9*	*11.4*	*11.5*
Australian Taxation Office	-	*7.9*	*10.7*	*11.6*	*11.8*
Total — Expense	-	*15.9*	*21.6*	*23.0*	*23.3*

The Government will provide $42.1 million over four years to the ATO to increase activities to recover unpaid tax and superannuation liabilities. These activities will focus on larger businesses and high wealth individuals to ensure on-time payment of their tax and superannuation liabilities. The measure will not extend to small businesses.

This measure is estimated to have no revenue impact in fiscal balance terms over the forward estimates period as the debt liabilities have already been recognised. In underlying cash balance terms this measure is estimated to have a gain to the budget of $103.6 million over the forward estimates period. The measure is estimated to increase GST payments to the States and Territories by $41.8 million over the forward estimates period.