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# TAXATION STATISTICS 2002-03

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A summary of taxation,  
superannuation and  
industry benchmark  
statistics 2002-03  
and 2003-04



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# **TAXATION STATISTICS 2002–03**

A summary of taxation,  
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## PREFACE

Welcome to the latest edition of *Taxation Statistics* – the Tax Office’s most comprehensive statistical publication.

*Taxation Statistics 2002–03: a summary of taxation, superannuation and industry benchmark statistics 2002–03 and 2003–04* presents an overview of the income and tax status of Australian individuals, companies, partnerships, trusts and funds for the 2002–03 income year. The publication also contains statistics for superannuation, capital gains tax (CGT), fringe benefits tax (FBT), pay as you go (PAYG) withholding, goods and services tax (GST), excise, and energy grant schemes.

The first chapter presents a description of the different taxes and collection systems and the sources of the statistics in this publication. We have included a section in the first chapter which lists instructions on how you can find the information you need in the book, CD-ROM or website versions of this publication. The second chapter presents a summary of the tax statistics reported in this edition. The remaining chapters present statistics and background information (for example, tax reforms that could have influenced the statistics) on specific taxes, collections systems, and energy grant schemes for the 2002–03 income year and/or 2003–04 financial year – current at the time of publication. However, some chapters also present time series tables showing statistics in earlier income or financial years. In this edition we have included ratios from business activity statement data with the industry benchmarks in chapter 15.

Once again, the CD-ROM attached to this publication contains an electronic copy of this publication and detailed statistical tables. These statistical tables include industry benchmark statistics (or financial ratios) on selected groups of business activities listed in the Tax Office publication, *Business industry codes 2003*. All detailed statistical tables can be downloaded in three different file formats – PDF, Excel and CSV.

A glossary that defines the items reported in the detailed tables is included on the CD-ROM.

The publication and CD-ROM are free. All the contents (chapters, detailed statistical tables and the glossary) included in this book and on the CD-ROM are also available online on our website at [www.ato.gov.au](http://www.ato.gov.au) We recommend that you view the publication on our website for any possible updates to the statistics and other information presented in the book and CD-ROM.

I hope you find the publication useful.

**Michael Carmody**  
Commissioner of Taxation

## GENERAL NOTES

The following symbol used in this publication means:

n.a. not applicable or not available

Data for *Taxation Statistics 2002–03* was compiled before all processing for the 2002–03 income year was completed. Statistics in some chapters are sourced from 2003 annual income tax returns and associated schedules (such as the capital gains tax schedule 2003) processed by 31 October 2004. The statistics in these chapters are not necessarily complete and will continue to change as data from 2003 tax returns and schedules processed after 31 October 2004 is included. Caution should be exercised in making comparisons between the statistics for the 2002–03 and prior income years. Better comparisons will be possible when *Taxation Statistics 2003–04* is published. In that edition, the 2002–03 income year statistics will include data from returns and amendments processed up to 31 October 2005.

Where figures have been rounded, discrepancies may occur between the sums of the component items and totals. Average amounts, percentage changes and proportions are calculated from actual (not rounded) figures.

In order to meet privacy regulations, the following measures have been applied.

- Some cells in some tables have been aggregated. In such cases, the total number of records (number indicator showing the number of returns or taxpayers) and the total amounts have not been affected.
- In the detailed tables, any cell containing a number indicator (that is, number of returns or taxpayers) of 5 is indicative only and may represent any number between 1 and 5. Number (No.) totals are the sum of the indicated cell values in a table. Number indicators and totals may vary between tables.
- Amount totals are the sum of the indicated cell values in a table. Amounts and totals may vary between tables.
- Statistics for some items may not be included in some tables.

Descriptions/definitions of the items in the chapter and detailed tables are in the glossary included on the CD-ROM attached to this publication. There is also an online version of the glossary on the Tax Office website.

This publication presents general descriptions of terms. It does not provide full technical or legal definitions.

## ENQUIRIES ABOUT THESE STATISTICS

A document titled *Taxation Statistics – frequently asked questions* is available at [www.ato.gov.au](http://www.ato.gov.au) where it will be regularly updated. We recommend that you read this document before sending your enquiries.

Please send any enquiries not answered in the document to [taxstats@ato.gov.au](mailto:taxstats@ato.gov.au)

Alternatively, send enquiries to:

The Director  
Taxation Statistics  
Revenue Analysis Branch  
Policy Management Division  
Australian Taxation Office  
PO Box 900  
Civic Square ACT 2608

You may also order copies of the book and CD-ROM by sending an email/letter to the email address/postal address mentioned above. Please state the number of copies you require and your postal address.

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Australian law requires that people pay taxes and other charges at federal, state or territory, and local government levels to fund a range of programs and community services.

The Australian Taxation Office (Tax Office) is responsible for managing Australia's major revenue systems and collecting a wide variety of taxes through various collection systems. The Tax Office is also responsible for administering several energy grant schemes.

This publication presents statistics on the taxes, other collections, and energy grants administered, as well as statistics sourced from various Tax Office forms.

This chapter describes the taxes, collection systems and energy grant schemes reported in the publication, and explains the period covered by the statistics and the sources of the statistics. The last two sections provide suggestions on how to find statistics and information in this publication, as well as other sources and contacts for more information.

## TAXES AND COLLECTION SYSTEMS

The Tax Office collects a range of taxes. As a result of changes to the tax system, some of the taxes and collection systems reported in previous editions of this publication were replaced with new tax collection systems on 1 July 2000.

**Income tax** makes up the greatest component of the federal revenue base.

While some types of income are exempt from tax in Australia and certain categories of people or entities do not have to pay tax, residents of Australia are generally liable for tax on their worldwide income. Non-residents are liable for tax on their income from an Australian source.

In calculating income tax liability for any year, taxpayers must first calculate their 'assessable income'. This comprises salary and wages, interest payments and other amounts considered to be income for tax purposes, such as some types of net capital gains. The next step is to deduct 'allowable deductions' in order to calculate their 'taxable income'. Taxpayers then apply the tax rates imposed by Parliament to their taxable income to arrive at a gross tax figure. Finally, they subtract the amount of any tax offsets (or rebates) to determine their tax liability.

This basic system can apply to individuals (or personal taxpayers), companies and funds. However, the type of tax offsets that can be claimed, assessable income considered, available deductions, tax rates and the particular return forms used may vary significantly from one type of entity to another.

Income tax statistics of personal (or individual) taxpayers are discussed in chapter 3. Income taxes of companies, partnerships, trusts and funds are discussed in chapters 4, 5, 6 and 7.

The **Medicare levy** is calculated at 1.5% of an individual's taxable income, but may vary depending on the taxpayer's circumstances. The levy is used to partially fund Medicare, the scheme that gives Australian residents access to health care. Higher income individuals and families who do not have adequate private patient hospital cover pay an extra 1% of their taxable income for the **Medicare levy surcharge**.

Statistics on the Medicare levy and the Medicare levy surcharge are discussed in chapter 3.

**Capital gains tax** (CGT) is the tax payable on any net capital gain included with other assessable income on an annual income tax return.

CGT statistics are discussed in chapter 9.

**Fringe benefits tax** (FBT) is levied on employers and based on the value of certain non-cash benefits provided to their employees, or to associates of their employees. It complements the income tax system but differs in that the person receiving the benefit does not bear the tax liability.

FBT statistics are discussed in chapter 10.

**Pay as you go** (PAYG) is a single, integrated system for reporting and paying tax on business and investment income, and withholding amounts. PAYG is divided into:

- **PAYG withholding**, which replaced the pay as you earn system, prescribed payments system, reportable payments system, non-resident withholding and other withholding systems, and
- **PAYG instalments**, which replaced provisional tax and the company and superannuation fund instalment system.

Statistics on PAYG withholding collections are discussed in chapter 11. PAYG instalments for companies and funds are discussed in chapters 4 and 7.

**Goods and services tax** (GST) is a tax of 10% on the supply of most goods and services consumed in Australia. This tax replaced wholesale sales tax and some state and territory taxes. The revenue raised from this tax goes directly to the states and territories. The supplier of the goods and services is liable to pay the GST to the Tax Office, even if they do not include the tax in the price charged to the customer.

Statistics on GST collections are discussed in chapter 12.

Other taxes imposed on the supply of goods include **wine equalisation tax**, which replaced wholesale sales tax on wine and certain other alcoholic beverages, and **luxury car tax**, which applies to cars with a value exceeding the luxury car tax threshold.

Statistics on wine equalisation tax and luxury car tax collections are also discussed in chapter 12.

**Excise** is imposed on domestically manufactured petroleum products, cigarettes and tobacco products, beer, spirits and other alcoholic beverages, and certain types of crude oil. The Tax Office assumed responsibility for collecting revenue from excise duty on 4 February 1999.

Statistics on excise collections are discussed in chapter 13.

The Tax Office is responsible for other taxes, including the **petroleum resource rent tax**. Petroleum resource rent tax statistics are discussed in chapter 4 (the company tax chapter).

Apart from collecting taxes and excise duty, the Tax Office is responsible for administering the **superannuation guarantee scheme**. The scheme requires all employers to provide a minimum level of superannuation support to a complying superannuation fund or retirement savings account for all eligible employees each financial year. Employers who fail to provide a minimum level of support are liable to pay the superannuation guarantee charge to the Tax Office. The charge is equal to the amount of the shortfall in the superannuation guarantee, plus an interest component and an administrative charge. The shortfall component of the charge is redistributed to a complying superannuation fund, complying approved deposit fund, retirement savings account or the Superannuation Holding Accounts Special Account for the benefit of the employee for whom the charge was paid.

Statistics on the superannuation guarantee scheme, the superannuation guarantee charge and other items related to the superannuation system are discussed in chapter 8.

## ENERGY GRANT SCHEMES

As well as collecting taxes and administering the superannuation guarantee scheme, the Tax Office is also responsible for administering the **energy grants credits scheme**. This scheme replaced the diesel fuel rebate scheme (the off-road scheme) and the diesel and alternative fuels grants scheme (the on-road scheme) on 1 July 2003.

The energy grants credits scheme helps cut fuel costs for businesses, particularly in rural Australia, by providing a grant for fuel used in specific activities. The scheme is generally available to owners and operators of a wider range of activities than the previous schemes. To be able to claim a grant, a business must be undertaking an eligible activity using an eligible fuel.

The **fuel sales grants scheme** was introduced to provide a grant to fuel retailers for the sale of petrol and diesel to consumers in regional and remote areas where fuel prices are generally higher. The scheme was designed so that, combined with the cut in excise rates on petrol and diesel (implemented to offset the effects of GST), the price of fuel in non-metropolitan areas did not need to change relative to metropolitan areas.

The **product stewardship for oil program** was introduced as part of the *Measures for a better environment package* announced on 31 May 1999. The scheme was introduced to encourage environmental and economically sustainable reuse of waste oils.

Statistics on energy grants claimed and paid under the schemes are discussed in chapter 14.

## OTHER STATISTICS REPORTED

Statistics on other items taxpayers declare on their returns are reported and discussed in different chapters. For example, expenses taxpayers can claim as deductions on their returns are reported in the personal tax, company tax, partnership tax, trust tax and fund tax chapters (chapters 3–7).

Statistics on items calculated by the Tax Office, based on items or information taxpayers declare on their returns, are also reported. For example, the personal tax chapter (chapter 3) reports statistics on the Higher Education Contribution Scheme assessment debt. The industry benchmarks chapter (chapter 15) presents financial ratio data, by industry, calculated from information declared on taxpayer returns.

While some statistics are presented in the chapter tables and figures, there are more comprehensive statistics in the detailed tables on the attached CD-ROM and in the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

## TIME COVERAGE OF THE STATISTICS

Statistics reported in the personal tax, company tax, partnership tax, trust tax, fund tax, CGT and industry benchmarks chapters (chapters 3–7, 9 and 15) are based on the income, expenses, deductions and other items taxpayers declared on their annual returns **for the 2002–03 income year**, and show the tax payable based on the income declared. For most entities, the 2002–03 income year covers the period from 1 July 2002 to 30 June 2003. However, some companies may use a substituted accounting period.

Reasons for using a substituted accounting period may be that a company is owned by a multinational and the holding company wishes to have all members of the corporate group operate under the same financial year. For example, the traditional financial year in the United States follows the calendar year, while the British financial year ends in March. Depending on the accounting period chosen, the activity reported could cover a 12-month period starting as early as 1 January 2002 ('early December' balancers) or finishing as late as 31 December 2003 ('late December' balancers).

Statistics reported in the FBT chapter (chapter 10) are based on items declared on the FBT return **for the 2003–04 FBT year**, and show the FBT payable based on the items declared. The 2003–04 FBT year refers to the period from 1 April 2003 to 31 March 2004.

Statistics reported in the PAYG withholding, GST and other taxes, and excise chapters (chapters 11–13), as well as the petroleum resource rent tax statistics in the company tax chapter (chapter 4) and the periodical revenue data in the summary chapter (chapter 2), refer to amounts the Tax Office collected (or amounts paid to the Tax Office) **during the 2003–04 financial year**. These collections may include amounts reported or paid for in relation to years other than the year in which they are received or collected. For example, PAYG withheld amounts reported on June 2003 activity statements relate to the period ending 30 June 2003 (end of the 2002–03

financial year), but amounts may have been received or collected in July or August 2003 (part of the 2003–04 financial year).

The 2003–04 financial year covers the period from 1 July 2003 to 30 June 2004.

Statistics reported in the superannuation chapter (chapter 8) refer to data **for the 2003–04 financial year**.

Statistics reported in the energy grant schemes chapter (chapter 14) refer to energy grants paid **during the 2003–04 financial year**.

## SOURCE OF STATISTICS

Statistics reported in this publication are sourced from annual tax returns, schedules to tax returns, activity statements and other sources. Copies of annual tax returns, relevant schedules and activity statements are in the appendix. They may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website.

## ANNUAL TAX RETURNS AND SCHEDULES

Australia's tax system works on self-assessment. This means that personal taxpayers (individuals), companies, partnerships, trusts and funds must show on their **annual income tax return** all their assessable income, and claim only the deductions or expenses and tax offsets (formerly called rebates) to which they are entitled.

To help individual taxpayers complete their income tax returns and fulfil their tax obligations, the Tax Office distributes *TaxPack*. The booklet provides taxpayers with instructions on how to fill in their returns and informs them of their rights and responsibilities. The booklet contains the return form that individual taxpayers need to complete. However, tax agents use a different return form when completing forms on behalf of individual clients.

An electronic version of *TaxPack*, **e-tax**, is also available on the Tax Office website. Compared to the previous income year, the number of returns lodged by self-preparer taxpayers using e-tax increased to 807,365 in 2002–03. This is more than seven times the 113,164 returns lodged through e-tax in 1999–2000, the year it was introduced.

Company, partnership, trust and fund taxpayers may also lodge their respective **income tax returns** in paper or electronic form. Instruction booklets are distributed to assist these taxpayers complete their returns. Booklets are reviewed annually to ensure the information is current.

Statistics reported in the personal tax, company tax, partnership tax, trust tax, fund tax, CGT and industry benchmarks chapters (chapters 3–7, 9 and 15) are sourced from 2003 annual income tax returns processed by 31 October 2004. The statistics in these chapters are not necessarily complete and will continue to change as data from 2003 tax returns processed after 31 October 2004 is included. The usual practice each year is to update the statistics for the two years before the current year in the time series tables included at the end of the relevant chapters. The proportion of tax returns processed each year by 31 October can vary.

Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2002–03 income year statistics and the statistics from previous years will be possible when *Taxation Statistics 2003–04* is published. In that edition, the 2002–03 income year statistics will include data from returns and amendments processed up to 31 October 2005.

Apart from annual income tax returns, personal (or individual), company, partnership, trust and fund taxpayers may have to complete **schedules** to report or declare items such as capital gains, capital losses, business income and expenses, and other items used to work out taxable income and/or tax payable. Only taxpayers who need to complete certain parts or items on their respective annual income tax returns and whose circumstances require them to complete a schedule have to lodge one. Completed schedules are generally attached to annual income tax returns, but some schedules must be sent to a specified address separately from the tax return.

The Tax Office distribute many different types of instruction booklets to help taxpayers complete their particular schedules. These instruction booklets also list guidelines (or tests) informing taxpayers of the circumstances, conditions or situations when they have to complete a particular schedule.

Some examples of schedules are the **business and professional items schedule** for personal (or individual) taxpayers, the **capital gains tax (CGT) schedule** and the **losses schedule**. Personal taxpayers with personal services income and/or business income and expenses to declare complete a business and professional items schedule and attach it to their individual annual income tax return. (For the 2002–03 and previous income years, the business and professional items schedule is included as the last four pages in the individual annual income tax return tax agents complete on behalf of their clients.)

Certain personal, company, trust and fund taxpayers have to complete a CGT schedule. This schedule was introduced in 2000–01. It replaced several return form labels included on past annual income tax returns.

Some company, trust and fund taxpayers also have to complete a losses schedule. This schedule was also introduced in 2000–01. It replaced most of the labels relating to loss items that were included on past annual income tax returns.

Some statistics in the personal tax, company tax, trust tax and CGT chapters were sourced from 2003 business and professional items schedules, 2003 CGT schedules and 2003 losses schedules processed by 31 October 2004. These statistics are not necessarily complete and will continue to change as data from 2003 schedules processed after 31 October 2004 is included.

Certain employers must also lodge an **annual FBT return** (in addition to reporting FBT instalment obligations on their activity statements) to report tax payable on the value of fringe benefits provided to employees and their associates during the FBT year (1 April to 31 March of the following year). Statistics in the FBT chapter (chapter 10) are sourced from



2004 annual FBT returns processed by 31 October 2004. Statistics for past FBT years in the time series table included in the chapter are either sourced from past editions of *Taxation Statistics* or updated to include data from FBT returns processed by 31 October 2004.

Businesses registered for GST and eligible to report quarterly (those businesses with an annual turnover of less than \$20 million) can choose to report and claim their GST payments on a **GST annual return**. The Tax Office advises businesses on their activity statement when they are eligible to use the GST annual return.

This option allows businesses to pay a quarterly GST instalment amount worked out by the Tax Office (or varied by the business) and report their actual GST information annually. The business must account for any difference between the actual GST liability and the GST instalments for the year on the GST annual return.

Statistics reported in the GST and other taxes chapter (chapter 12) are sourced from GST annual returns processed by 30 June 2004 (and from the activity statements and GST annual information report described in the next sections).

## ACTIVITY STATEMENTS

There are two activity statements, the **Business activity statement** and the **Instalment activity statement**.

The *Business activity statement* is the single form businesses use to report and remit their obligations and entitlements relating to:

- GST
- PAYG instalments
- PAYG amounts withheld from payments
- FBT instalments
- deferred company and fund instalments
- wine equalisation tax, and
- luxury car tax.

The *Instalment activity statement* is specifically used by businesses not registered (or required to register) for GST, personal taxpayers with investment income (including trustees), and people not in business who have employees to report their obligations and entitlements relating to:

- PAYG instalments
- PAYG amounts withheld from payments
- FBT instalments, and
- deferred company and fund instalments.

In certain circumstances, personal taxpayers (such as trustees) may need to complete a *Business activity statement* and one or more *Instalment activity statements*. This would occur, for example, if a family business is run through a trust. If the trust is registered for GST, the trustee would have to lodge a *Business activity statement* for the business activities of the trust and an *Instalment activity statement* for each instalment liability notified to the trustee. A trustee may have a liability for one or more of the beneficiaries of the trust, or for net income that does not form part of a beneficiary's share of trust net income.

Businesses or personal taxpayers complete activity statements periodically, depending on their liability, turnover and other factors. The Tax Office sends personalised activity statements to businesses and personal taxpayers before they need to lodge. Each statement has a unique document identification number and pre-printed information appropriate to the circumstances of the particular business or taxpayer.

Statistics reported in the PAYG withholding and GST and other taxes chapters (chapters 11 and 12) are sourced from activity statements processed by 30 June 2003.

## OTHER SOURCES

Statistics in some chapters come from other sources. For example, Australian business number (ABN) registrations in the GST and other taxes chapter (chapter 12) are sourced from ABN application forms. Historical excise statistics in chapter 13 are sourced from the Australian Customs Service. Some statistics on personal taxpayers are sourced from the Australian Bureau of Statistics (ABS); statistics on the baby bonus are sourced from the baby bonus claim form, which may be attached to the individual return form or lodged independently. Some statistics reported in the superannuation system chapter (chapter 8) are sourced from the ABS and the Australian Prudential Regulation Authority. Various editions of the *Commissioner of Taxation Annual Report* are the source of some statistics on revenue collections. Statistics on energy grants paid under the schemes are sourced from claim forms specific to each scheme and eGrant (a new claim process which eliminates the need for clients to lodge paper forms to claim grants). Other statistics are sourced from other Tax Office registration forms or schedules.

## FINDING STATISTICS AND OTHER INFORMATION IN THIS PUBLICATION

This publication is a source of tax statistics, but it is not the source of all the statistics the Tax Office collects or reports. For example, statistics on the number of tax legal cases and audits conducted are not reported in this publication. In addition, the publication reports only statistics on taxes or collection systems administered – it does not report taxes collected by states or territories, such as land taxes or stamp duty.

This publication is available in three forms:

- printed/book form
- CD-ROM, and
- online on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

Some information or statistics are available in the printed book (for example, the statistics included in the chapter tables, the description of certain items in the terminology boxes in the chapters). However, other statistics and information are available only electronically, that is, they can be viewed or downloaded only from the CD-ROM or from the online version of the publication on the Tax Office website. For example, the detailed statistical tables (which contain more data than the chapter tables) and the tax return guide form (which describes and defines more statistical items) are available only on the CD-ROM or from the online version on the Tax Office website.

To find statistics and other information included in this publication, the following steps are suggested.

- Determine if the information searched for is reported in *Taxation Statistics*. While the earlier parts of this chapter outline the contents of this publication, the *Taxation Statistics – frequently asked questions* document available on the Tax Office website mentions statistics available in past and current editions of *Taxation Statistics*, and provides a comprehensive list of items not reported in the publication.
- If the information sought is for a specific entity (for example, companies) or a particular tax (for example, FBT), read or browse through the entity or tax chapter in the publication. The statistics may be shown in the chapter tables or mentioned in the chapter text.
- If the information is not in the chapter tables or text, it may be in the statistical detailed tables. To find a statistical item in the detailed tables, you can do the following.
  - Read the list of the detailed tables included in the earlier pages of this publication and the description of these tables. (Descriptions of detailed tables are shown at the back of relevant chapters.)
  - View and download the different table indexes from the CD-ROM or from the online version of the publication. Table index appear on top of the list of detailed tables for the personal tax, company tax, partnership tax, trust tax and fund tax chapters and can be downloaded in PDF or Excel format. These index list the statistical items shown in the different detailed tables and show which tables they appear in.
- To find the definition or description of items mentioned in the chapter or in the tables, look through the terminology boxes and other text in the chapters or go through the tax return guide form included on the CD-ROM or in the online version of the publication. For convenience, the tax return guide form has been divided into smaller, self-contained parts, which can be viewed and downloaded separately in PDF format. The glossaries describe all the items appearing in the detailed tables, briefly discuss how some items are calculated and refer to other specific Tax Office publications (available in print or online) that can provide a more comprehensive and in-depth description of the items.
- Read the *Taxation Statistics – frequently asked questions* document on the Tax Office website.

## ➤ MORE INFORMATION

There is more information on general Tax Office administration and revenue collections in the *Commissioner of Taxation Annual Report*. This report is published in October each year, and can be found in government department, university and other public libraries and on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

We also produce a variety of publications, brochures, learning and training tools and other guides about the different taxes and collection systems reported in *Taxation Statistics*. These publications are designed to help people understand their tax obligations. Most are available in paper form and may be obtained by visiting Tax Office shopfronts. They can also be viewed or downloaded from the Tax Office website.

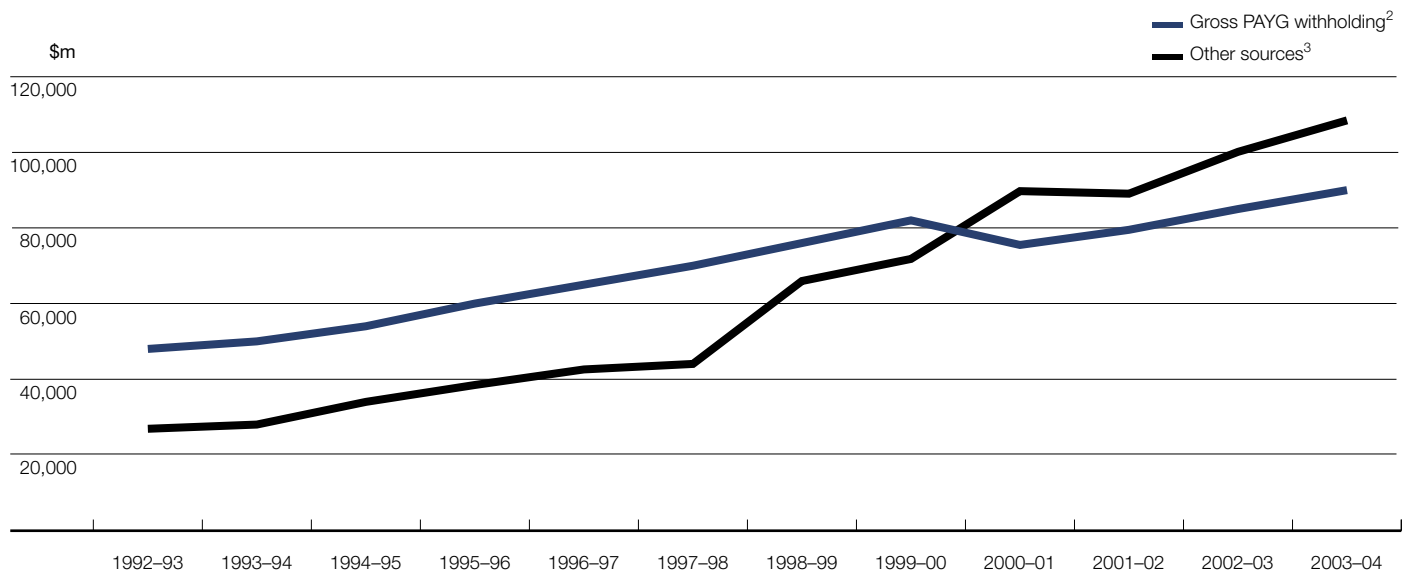
General tax information can also be obtained by phoning:

- **13 28 60** to obtain a fax on various topics
- **13 28 66** for business enquiries – information on business tax, including lodgment and payment of activity statements; business registration, including the Australian business number and tax file number; PAYG, GST and FBT obligations; and interest, dividend and royalty withholding tax
- **13 28 61** for personal tax enquiries – general income tax advice for individuals, including issues related to the baby bonus, family tax benefit and *TaxPack*
- **13 10 20** for superannuation enquiries
- **1300 137 290** for alcohol excise and wine equalisation tax enquiries
- **1300 137 292** for petroleum excise enquiries
- **1300 137 295** for tobacco excise enquiries
- **1300 657 162** for energy grant schemes enquiries – information on rebates and grants for use of diesel and alternative fuels, sale of petroleum products and general excise enquiries
- other Tax Office contact numbers listed on the Tax Office website or in the *White pages*.

In 2002–03 revenue collected by the Tax Office continued to grow strongly. The amount of tax collected from different entities (individuals, companies, partnerships, trusts and funds) and through the different collection systems (goods and services tax (GST), pay as you go (PAYG), wine equalisation tax and luxury car tax) continued to rise (figure 2.1).

This chapter presents an overview of *Taxation Statistics* by reporting some of the main statistics discussed in chapters 3–7 and 11–13.

**FIGURE 2.1: PAYG withholding and other sources of revenue<sup>1</sup>, 1992–93 to 2003–04**



1 Refers to revenue collected in each financial year.

2 The PAYG withholding system was introduced on 1 July 2000 as part of government tax reforms. PAYG withholding revenue collected before 2000–01 is calculated to be the sum of pay as you earn (PAYE) withholding, prescribed payments system, reportable payments system, non-resident interest withholding tax, non-resident dividend withholding tax, non-resident royalty withholding tax, mining withholding tax and tax file number withholding tax collections. For 2000–01, PAYG withholding revenue is the sum of PAYG withholding collections (including tax file number and Australian business number withholding tax collections), mining withholding and non-resident withholding tax collections (which were reported and paid separately from PAYG withholding). For 2001–02, mining withholding tax and non-resident withholding tax collections were included in PAYG withholding collections. All years include Higher Education Contribution Scheme collections.

3 Includes collections of income tax and contributions from superannuation funds, companies, individuals (which includes PAYG instalments and other payments), fringe benefits tax, excise, superannuation surcharge, GST, wine equalisation tax, luxury car tax, sales tax, petroleum resource rent tax and other minor taxes or collections from other systems.

### ANNUAL TAX RETURNS, 2002–03 INCOME YEAR

In 2002–03 approximately 12.5 million taxpayers lodged returns. Personal taxpayers (or individuals) accounted for 85% of total taxpayers. The shares of other entities are shown in table 2.1.

**TABLE 2.1: Number of taxpayers<sup>1</sup>, by type, 2001–02 and 2002–03 income years**

| Type of taxpayer | 2001–02 <sup>2</sup> |              | 2002–03 <sup>3</sup> |              |
|------------------|----------------------|--------------|----------------------|--------------|
|                  | No.                  | %            | No.                  | %            |
| Individual       | 10,343,677           | 85.3         | 10,663,866           | 85.4         |
| Company          | 648,504              | 5.3          | 664,164              | 5.3          |
| Partnership      | 463,129              | 3.8          | 451,380              | 3.6          |
| Trust            | 455,980              | 3.8          | 470,945              | 3.8          |
| Fund             | 210,608              | 1.7          | 229,458              | 1.8          |
| <b>Total</b>     | <b>12,121,898</b>    | <b>100.0</b> | <b>12,479,813</b>    | <b>100.0</b> |

1 Includes residents and non-residents.

2 The number of taxpayers is based on 2002 annual income tax returns processed by 31 October 2003 for all entities. (The number of taxpayers shown here for the different entities will not match the numbers shown in time series tables 3.25, 4.10, 5.4, 6.4 and 7.8 because the statistics shown in the time series tables for the 2001–02 income year have been updated – that is, they include data sourced from income tax returns processed after 31 October 2003.)

3 The number of taxpayers is based on 2003 annual income tax returns processed by 31 October 2004 for all entities.

### INDUSTRY PROFILE OF ANNUAL TAXPAYERS, 2002–03 INCOME YEAR

In 2002–03, 62% of total taxpayers (whose industry was stated) were individual salary and wage earners. A further 15% were investment income recipients, while 5% were in the property and business services industry (table 2.2).

The industry profile of individual or personal taxpayers (whose industry was stated) showed a similar trend. Approximately 72% of individual taxpayers were salary and wage earners, a further 16% were investment income recipients, while 3% were in the agriculture, forestry and fishing industry.

The main industry groups were quite different among companies, partnerships and trusts (whose industry was stated). Around 31% of all companies were in the property and business services industry. A further 20% were in the finance and insurance industry, while 10% were in the construction industry.

Among partnerships (whose industry was stated), 27% were in the agriculture, forestry and fishing industry, 15% were in the construction industry, and 13% were in the retail trade industry.

Among trusts (whose industry was stated), 29% were investment income recipients, 20% were in the property and business services industry, and 15% were in the finance and insurance industry.

Shares of other broad industries for each entity are shown in table 2.2.

**TABLE 2.2: Taxpayers<sup>1</sup>, by entity and industry, 2002–03 income year**

| Industry <sup>2</sup>                         | Individuals<br>No. | Companies<br>No. | Partnerships<br>No. | Trusts<br>No.  | Total<br>No.      |
|---|--------------------|------------------|---------------------|----------------|-------------------|
| Salary & wage earners <sup>3</sup>            | 6,548,244          | n.a.             | 0                   | 0              | 6,548,244         |
| Investment income recipients <sup>4</sup>     | 1,484,572          | n.a.             | 36,970              | 102,821        | 1,624,363         |
| Property & business services <sup>5</sup>     | 184,119            | 201,947          | 49,911              | 71,576         | 507,553           |
| Agriculture, forestry & fishing <sup>6</sup>  | 280,184            | 18,111           | 120,217             | 25,783         | 444,295           |
| Construction                                  | 169,039            | 62,685           | 63,922              | 21,450         | 317,096           |
| Finance & insurance                           | 28,372             | 127,670          | 6,272               | 54,705         | 217,019           |
| Retail trade                                  | 73,277             | 53,817           | 55,413              | 24,785         | 207,292           |
| Manufacturing                                 | 57,459             | 46,754           | 22,602              | 12,604         | 139,419           |
| Personal & other services                     | 67,597             | 16,996           | 17,022              | 6,935          | 108,550           |
| Transport & storage                           | 52,645             | 26,217           | 19,593              | 7,935          | 106,390           |
| Health & community services                   | 60,394             | 23,696           | 4,877               | 8,020          | 96,987            |
| Cultural & recreational services <sup>7</sup> | 58,539             | 12,618           | 7,777               | 3,083          | 82,017            |
| Wholesale trade                               | 16,009             | 33,805           | 11,022              | 8,551          | 69,387            |
| Accommodation, cafes & restaurants            | 11,190             | 14,713           | 15,703              | 8,450          | 50,056            |
| Communication                                 | 15,532             | 5,290            | 3,667               | 1,196          | 25,685            |
| Education                                     | 18,905             | 4,534            | 1,821               | 1,020          | 26,280            |
| Mining  | 1,885              | 3,892            | 703                 | 612            | 7,092             |
| Electricity, gas & water supply               | 428                | 820              | 297                 | 161            | 1,706             |
| Total industries stated                       | 9,128,390          | 653,565          | 437,789             | 359,687        | 10,579,431        |
| Other <sup>8</sup>                            | 1,535,476          | 10,599           | 13,591              | 111,258        | 1,670,924         |
| <b>Total all industries</b>                   | <b>10,663,866</b>  | <b>664,164</b>   | <b>451,380</b>      | <b>470,945</b> | <b>12,250,355</b> |

1 Excludes funds.

2 With the exception of the 'salary and wage earners' and 'investment income recipients' categories, the industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. Fine industries included under these broad industry groupings may be found in personal tax detailed table 4, company tax detailed table 4, partnership tax detailed table 5 and trust tax detailed table 5. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication *Business industry codes 2003*.

3 Refers to individual taxpayers who reported income only from salary and wages and/or non-business net income or loss of less than \$1,000 on their return.

4 Refers to personal taxpayers (not classified as 'salary and wage earners'), partnership or trust taxpayers who reported direct income from investment (for example, rental income, interest and dividends) and did not report income or loss from a business, partnership or trust on their returns. In past editions of *Taxation Statistics* this category was referred to as 'property' or 'property income recipients'.

5 This industry group includes services such as property operators and developers, real estate, non-financial asset investors, machinery and equipment hiring and leasing, technical, computer, scientific research, legal and accounting, marketing and business management and other business services listed in the Tax Office publication *Business industry codes 2003*. This industry group should not be confused with the 'property' or 'property income recipients' category that appeared in the tables of past editions of *Taxation Statistics*.

6 Includes entities that lodged a subsidiary return with income from primary production partnerships and trusts.

7 Includes sports.

8 Includes entities that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code, and those that did not state their industry.

## INCOME AND NET TAX PAYABLE FROM ANNUAL RETURNS, 2002–03 INCOME YEAR

In 2002–03 companies accounted for only 5% of total taxpayers. However, this entity group accounted for 78% of total income, 28% of taxable income and 25% of net tax (or net tax payable). Individuals accounted for 85% of total taxpayers and 20% of total income, 65% of taxable income and 71% of net tax (tables 2.1 and 2.3).

In the same period, around 8.5 million individual taxpayers received tax refunds totalling approximately \$20.6 billion – an average of \$2,430 per taxpayer.

**TABLE 2.3: Income, by entity, 2002–03 income year<sup>1</sup>**

| Entity                   | Total income<br>\$m | Taxable income<br>\$m | Net tax<br>\$m |
|--------------------------|---------------------|-----------------------|----------------|
| Individual <sup>2</sup>  | 381,200             | 365,290               | 87,849         |
| Company                  | 1,508,742           | 156,778               | 31,379         |
| Fund                     | 54,709              | 37,405                | 5,370          |
| Partnership <sup>3</sup> | 21,519              | n.a.                  | n.a.           |
| Trust <sup>3</sup>       | 60,689              | n.a.                  | n.a.           |
| <b>Total<sup>4</sup></b> | <b>1,945,930</b>    | <b>559,473</b>        | <b>124,598</b> |

1 The number of taxpayers is based on 2003 annual income tax returns processed by 31 October 2004 for all entities.

2 For individuals, total income includes net business income (or loss), distributions from partnerships or trusts, and non-business income such as interest, dividends, salary and wages, and other sources of income.

3 Profits from partnerships and trusts are distributed to partners and beneficiaries who pay tax on the income. Total income of partnerships or trusts is the sum of net business income or loss, net primary and non-primary distributions, net rents, gross interest, dividends, imputation credits, other Australian income, attributed foreign income and other assessable foreign income.

4 Total income does not include partnership and trust total income because the net income of these entities is distributed to other entities as assessable income.

## PERIODICAL REVENUE COLLECTION, 2003–04 FINANCIAL YEAR

In 2003–04 the Tax Office collected around \$199 billion in total revenue, an increase of 7% from the previous year (table 2.4). Total revenue collections for the 2003–04 financial year include items listed in table 2.4, less individual refunds.

PAYG withholding collections (\$90.3 billion) remained the main source of revenue in 2003–04, accounting for 45% of total Tax Office revenue collections (table 2.4 and figure 2.1).

GST collections increased by 8% compared to the previous year and stood at \$33.2 billion. The rise in GST collections can primarily be attributed to strong growth in private dwelling investment, together with continued solid household expenditure.

Excise collections in 2003–04 increased by 2% compared to the previous year. The increase is a result of strong domestic demand for excisable products, an increase in crude oil prices, and an increase in excise collected from tobacco

products (attributed to a decline in the illicit tobacco trade as a result of compliance enforcement activities).

Collections from wine equalisation tax increased by 5%, while luxury car tax increased by 27%. The increase in luxury car tax collected was due to a significant increase in luxury car sales driven by low interest rates, combined with numerous new model releases.

**TABLE 2.4: Revenue collections<sup>1</sup>, 2002–03 to 2003–04 financial years**

| Source of revenue                   | 2002–03 <sup>2</sup><br>\$m | 2003–04 <sup>3</sup><br>\$m |
|-------------------------------------|-----------------------------|-----------------------------|
| Gross PAYG withholding <sup>4</sup> | 84,922                      | 90,285                      |
| GST                                 | 30,699                      | 33,195                      |
| Excise                              | 20,734                      | 21,079                      |
| Petroleum resource rent tax         | 1,712                       | 1,168                       |
| Wine equalisation tax               | 668                         | 704                         |
| Luxury car tax                      | 262                         | 334                         |
| Other <sup>5</sup>                  | 58,241                      | 64,934                      |
| Individual refunds                  | –12,193                     | –12,967                     |
| <b>Total revenue<sup>6</sup></b>    | <b>185,044</b>              | <b>198,732</b>              |

1 The different sources of revenue shown in this table are discussed in chapters 4 and 11–13. Information on other sources of revenue and more historical statistics are available in the *Commissioner of Taxation annual report 2002–03*.

2 Revenue collected during the 2002–03 financial year (cash basis).

3 Revenue collected during the 2003–04 financial year (cash basis).

4 From 2001–02, mining withholding tax and non-resident withholding tax collections were already included in PAYG withholding collections (that is, they cannot be identified separately from other PAYG withholding collections). Both years include Higher Education Contribution Scheme collections.

5 Includes other tax collections from individuals, companies and superannuation funds (which include PAYG instalments and other payments), superannuation surcharge collections, fringe benefits tax collections (which include collections from Australian Government on-budget departments and authorities) and sales tax collections (which include alcohol surcharge). Information on these other sources of revenue is available in the *Commissioner of Taxation annual report 2002–03*.

6 Total amount may differ slightly from the sum of components due to rounding.

**HIGHLIGHTS**

- In 2002–03, 10.7 million personal taxpayers (individuals) lodged returns.
- Personal taxpayers had total income of \$381.2 billion, taxable income of \$365.3 billion and net tax payable of \$87.8 billion.
- Personal taxpayers claimed \$20.7 billion in total deductions, \$10.2 billion in work-related expenses, and the balance in other deductions.
- In 2002–03 around 7.1 million personal taxpayers were assessed to be entitled to tax offsets and credits totalling \$10.1 billion.

Personal (or individual) taxpayers are generally those taxpayers who receive most of their income from salary or wages, Australian Government pensions and benefits, or investments. They may also have business income, business losses or deductions.

The statistics in this chapter refer to all personal taxpayers, including those with business income.

**SOURCE OF PERSONAL TAX STATISTICS**

The data for *Taxation Statistics 2002–03* was compiled before all processing for the 2002–03 income year was completed. Statistics in this chapter are sourced from 2003 individual income tax returns and associated business and professional items schedules processed by 31 October 2004. The statistics are not necessarily complete and will continue to change as data from 2003 tax returns processed after 31 October 2004 is included. The usual practice each year is to update the statistics for the two years before the current year in the personal tax time series table (chapter table 3.25 and personal tax detailed table 7) included at the end of the chapter.

The proportion of tax returns processed each year by 31 October can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2002–03 income year statistics and statistics from previous years will be possible when *Taxation Statistics 2003–04* is published. In that edition, the 2002–03 income year statistics will include data from returns and amendments processed up to 31 October 2005.

**BOX 3.1: Individual tax return lodgments**

Most individual tax returns are prepared by tax agents and submitted electronically to the Tax Office for processing. For the 2002–03 income year, 74% (7.9 million) of tax returns were submitted by tax agents.

A copy of the individual tax return form prepared by tax agents is in the appendix.

In 2002–03, 73% (7.8 million) of tax returns were lodged through the electronic lodgment service (this system allows clients to lodge their tax returns electronically. Other tax forms may be submitted to the Tax Office electronically via the Tax Agent Portal).

In 1999–2000 the Tax Office introduced e-tax (electronic *TaxPack*) to encourage self-preparer taxpayers to lodge their tax return using the internet.

In 1999–2000, 113,164 returns were lodged by self-preparer taxpayers using e-tax. In 2000–01, the number of returns lodged by self-preparer taxpayers using e-tax more than doubled to 272,125; in 2001–02 the number further increased to 543,458; and in 2002–03 to 834,129.

Statistics for most items shown on the return form and business and professional items schedule are included in the detailed tables on the attached CD-ROM. The detailed tables are also included in the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

Statistics on baby bonus tax offsets discussed later in the chapter include statistics sourced from the baby bonus claim form, which may be lodged with a personal taxpayer's return, or independently.

Some statistics in the detailed tables were also sourced from 2003 capital gains tax (CGT) schedules processed by 31 October 2004. They are not necessarily complete and will continue to change as data from 2003 schedules processed after 31 October 2004 is included. In addition, not all personal taxpayers have to complete this schedule. The personal tax statistics sourced from this schedule do therefore not represent or refer to all personal taxpayers.

A copy of the CGT schedule is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website.

### NEW FEATURES AND INFORMATION

Several tax reforms and laws implemented during the 2002–03 financial year affected some of the personal tax statistics reported in this chapter. Some of these reforms and laws are listed below.

- The fully deductible amount for superannuation contributions by self-employed and other eligible persons increased from \$3,000 to \$5,000. Contributions above the fully deductible amount remained 75% deductible, with a maximum deduction equal to a taxpayer's age-based limit.
- New maximum rebates for dependants and housekeepers were introduced from 1 July 2002.
- From 1 July 2002 a taxpayer can claim a deduction if they enter into a perpetual conservation covenant with an authorised body for no consideration.
- Several new labels were introduced on the 2003 individual income tax return and some are included in the personal tax detailed tables. Definitions of these labels are in the personal tax return form guide, which is on the attached CD-ROM and on the Tax Office website. The new labels are:
  - Lump sum action code (item 3, label R)
  - Have any of your imputation credits claimed been received from managed funds? (item 11)
  - Ongoing baby bonus claim number of eligible days (item T5, label H)

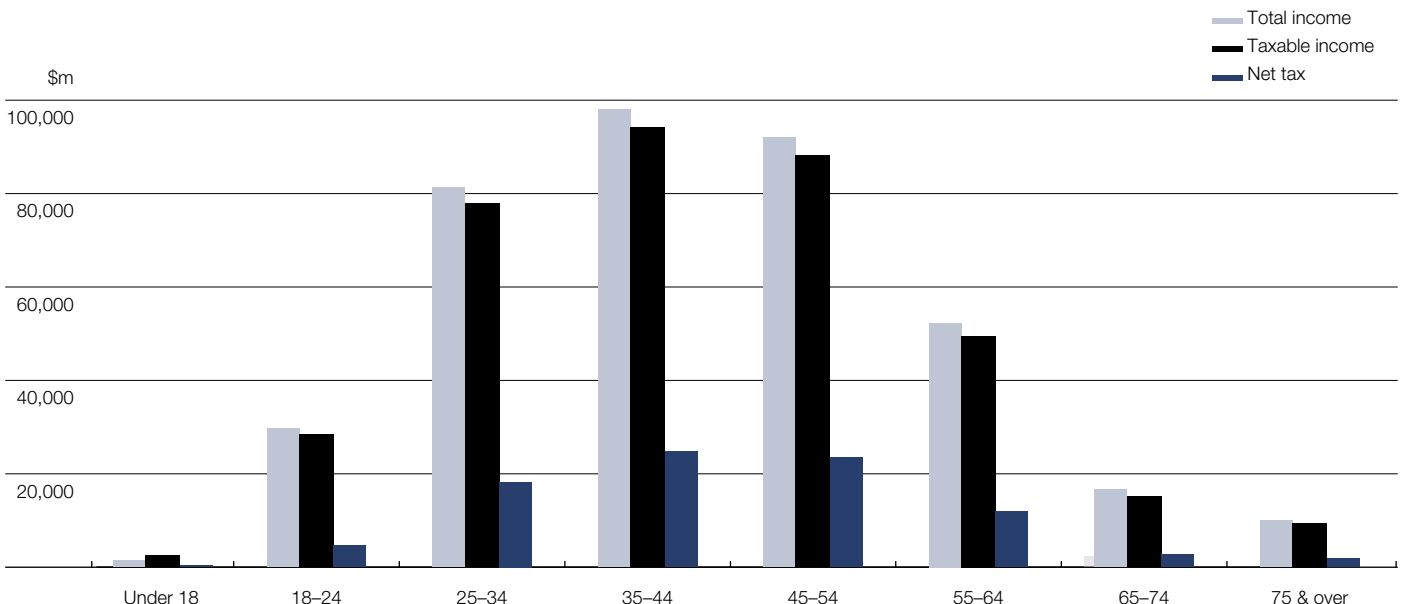
- One label was also removed from the 2003 individual return, but statistics from previous years for this item are still available in the personal tax time series table (chapter table 3.25 and personal tax detailed table 7). A definition of this label is in the personal tax return form guide, which is on the attached CD-ROM and on the Tax Office website. The label removed was:
  - Drought investment allowance (item P8, label U).

### PERSONAL TAXPAYERS

In 2002–03, 10.7 million personal (or individual) taxpayers lodged returns – representing 54% of the total Australian population (19.9 million) as of 30 June 2003 (ABS, *Australian demographic statistics*, June 2003, Cat. No. 3101.0). On average, personal taxpayers have accounted for 54% of the total Australian population since 1995–96. Approximately 81% of individuals lodging a return were taxable, while 80% of all personal taxpayers had tax instalments deducted from their pay regularly.

Figure 3.1 shows the distribution of total income, taxable income and net tax (or net tax payable) of personal taxpayers, by age. Taxpayers in the 35–44 year age group accounted for 22% of the total personal taxpayer population and 28% of the total personal net tax payable.

**FIGURE 3.1: Total income, taxable income and net tax, by age group, 2002–03 income year**





### PERSONAL TAXPAYER INCOME

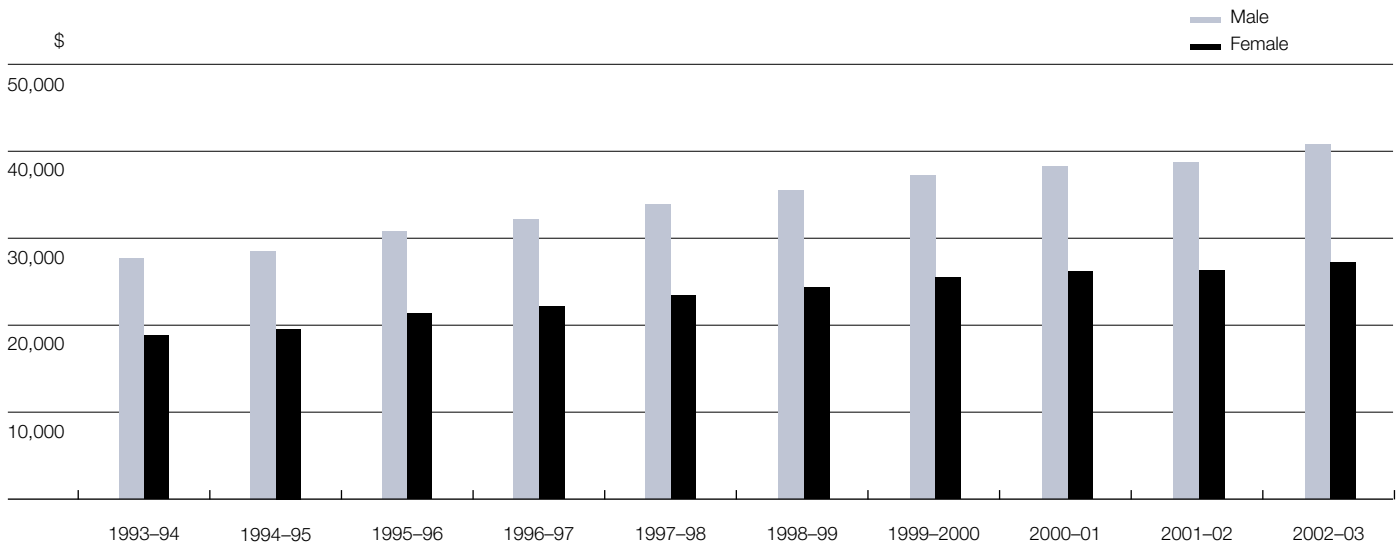
In 2002–03, 10.7 million personal taxpayers had a total income of \$381.2 billion and a taxable income of \$365.3 billion.

In 2002–03 the average taxable income for personal taxpayers (taxable and non-taxable combined) was \$34,255. Men had a much higher average taxable income (\$40,733) than women (\$27,180), reflecting different employment patterns and participation in the labour force. For the past eight years, both men's and women's average taxable incomes have increased steadily. However, the gap between men's and women's average taxable income has also increased (figure 3.2).

Males continue to represent a larger proportion (52%) of the total taxpayer population. This reflects a greater level of male participation in the labour force – in June 2003, men aged 15 and older had a 72% participation rate, whereas women aged 15 and older had a 56% participation rate (ABS, *The labour force*, July 2003, Cat. No. 6202.0).

Individuals obtain their income from a wide variety of sources (table 3.1). In 2002–03, 77% of the total number of personal taxpayers had income from salary and wages (as shown on payment summaries). Income from salary and wages accounted for 74% of total income.

**FIGURE 3.2: Average taxable income, by sex, 1993–94 to 2002–03 income years<sup>1</sup>**



<sup>1</sup> The statistics for the 2002–03 income year were sourced from 2003 individual income tax returns processed by 31 October 2004. As the statistics are not necessarily complete, caution should be exercised in comparing the statistics for 2002–03 and previous income years.

**BOX 3.2: Commonwealth of Australia benefits and payments<sup>1</sup>**

Commonwealth of Australia benefits and payments may include parenting payment (partnered); Newstart allowance; youth allowance; mature age allowance; partner allowance; sickness allowance; special benefit; widow allowance; austudy payment; exceptional circumstances relief payment, restart income support or farm household support (by way of financial assistance); Aboriginal Study Assistance Scheme (ABSTUDY) living allowance or payment under the Veterans' Children Education Scheme where the taxpayer is 16 years or older; Training for Employment Program allowance; New Enterprise Incentive Scheme allowance; textile, clothing and footwear special allowance; Green Corps training allowance; or other taxable Commonwealth education or training payments; an income support component from a Community Development Employment Project – shown as 'CDEP salary or wages' on the taxpayer's *PAYG payment summary – individual non business*; or CDEP scheme participant supplement.

Centrelink is the Australian Government agency responsible for providing these payments to individuals and assessing their eligibility to receive the payments or benefits. An individual's eligibility to receive these benefits and payments and the amount of payments they receive may depend on the individual's income, assets and other factors (see the Centrelink website at [www.centrelink.gov.au](http://www.centrelink.gov.au)).

While individuals with low incomes are more likely to be eligible, people with high incomes for the entire financial year may receive some of these benefits or payments (see personal tax detailed tables 5 and 15, part B). This is because the income reported in this publication refers to income for the entire financial year, while assessing eligibility for many of the above payments or benefits generally includes income at the time of application for a payment or benefit. The income at the time eligibility is determined may not necessarily represent the income earned over the entire financial year, which is why some people with high incomes may receive these payments or benefits.

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide the full technical or legal definition.

Some sources of income are one-off events, such as capital gains and eligible termination payments. Other sources of income are more likely to be declared by certain taxpayer groups. For example, taxpayers aged 65 years or older declared 56% (\$2.4 billion) of total Commonwealth of Australia pensions and allowances in 2002–03 (see personal tax detailed table 12). Similarly, non-taxable taxpayers (taxpayers with net tax payable equal to \$0) and taxable taxpayers with taxable income of less than \$25,000 accounted for 93% (\$4 billion) of total Commonwealth of Australia benefits and payments (see personal tax detailed table 5, part B and box 3.2).

Tables 3.16 to 3.24 at the end of this chapter report the areas with the 10 highest and lowest average (or mean) taxable incomes in each state and territory of Australia, as well as the areas with the 10 highest and lowest average taxable incomes in Australia, in 2002–03.

For 2002–03 the area with the highest average taxable income was postcode 3944, which is Portsea in Victoria. Second highest was postcode 2027, which includes the suburbs of Darling Point, Edgecliff, HMAS Rushcutters and Point Piper in New South Wales (NSW). Postcode 2027 consistently showed the highest average taxable income from 1994–95 to 2001–02. The area with the third highest average taxable income was postcode 3142, which includes the suburb of Toorak in Victoria.

The area with the lowest average taxable income was postcode 2308, which includes the suburbs/areas of Callaghan and Newcastle University in the state of New South Wales.

**PERSONAL TAXPAYER DEDUCTIONS**

Allowable deductions are subtracted from assessable (or total) income to give taxable income, to which the tax rates are then applied. Deductions are generally categorised as work-related deductions or other deductions. Work-related deductions are directly related to gaining or producing an employee's assessable income. Other deductions include gifts, film industry incentives and expenses such as the cost of managing tax affairs.

Deductions are common, with 80% (8.5 million) of the total individual taxpayer population claiming a deduction of some type. These deductions were valued at \$20.7 billion in 2002–03 (table 3.2). Male taxpayers accounted for 54% of the total number of taxpayers who claimed a deduction. Their deduction claims accounted for 66% (\$13.7 billion) of total deductions. Female taxpayers accounted for 46% of the total number of taxpayers who claimed a deduction. Their deduction claims accounted for 34% (\$7 billion) of total deductions.

In 2002–03 taxable personal taxpayers earning a taxable income of \$60,001 or more accounted for only 13% of claimants (both taxable and non-taxable), but their deductions accounted for 26% (\$5.5 billion) of total deductions claimed. Those earning between \$20,001 and \$60,000 taxable income accounted for the largest share (58%) of claimants, but their deductions accounted for only 45% (\$9.4 billion) of total deductions (personal tax detailed table 5, part C).

**TABLE 3.1: Source of personal taxpayer income, 2002–03 income year**

| Source of income <sup>1</sup>   | Taxpayers         |                | Income         |
|---|-------------------|----------------|----------------|
|   | No.               | \$m            | % <sup>2</sup> |
| Salary or wages   | 8,211,693         | 284,347        | 74.6           |
| Net partnership & trust distribution <sup>3</sup>                                   | 2,077,901         | 25,734         | 6.8            |
| Net business income   | 861,408           | 12,232         | 3.2            |
| Other pensions/annuities (non-government)   | 529,740           | 10,199         | 2.7            |
| Gross dividends   | 3,103,676         | 9,923          | 2.6            |
| Net capital gain  | 801,951           | 6,726          | 1.8            |
| Gross interest  | 3,850,294         | 6,065          | 1.6            |
| Eligible termination payments – other than excessive component <sup>4</sup>         | 307,530           | 5,382          | 1.4            |
| Allowances, benefits, earnings & tips   | 1,946,529         | 4,933          | 1.3            |
| Commonwealth of Australia benefits & payments                                       | 1,025,563         | 4,360          | 1.1            |
| Commonwealth of Australia pensions & allowances                                     | 654,474           | 4,224          | 1.1            |
| Primary imputation credits  | 3,036,288         | 4,008          | 1.1            |
| Lump sum payments – assessable in full (amount A)                                   | 171,859           | 1,586          | 0.4            |
| Net rent  | 1,409,170         | -1,366         | -0.4           |
| Net personal services income  | 58,910            | 868            | 0.2            |
| Other foreign income  | 794,390           | 786            | 0.2            |
| Foreign employment & pension or annuity income without an undeducted purchase price | 52,408            | 519            | 0.1            |
| Foreign pension or annuity income with an undeducted purchase price                 | 52,171            | 403            | 0.1            |
| Other income n.e.i. category 2 <sup>5</sup>   | 39,864            | 342            | 0.1            |
| Other salary & wages category 2 <sup>5</sup>  | 36,516            | 432            | 0.1            |
| Other salary & wages category 1 <sup>6</sup>  | 33,180            | 234            | 0.1            |
| Net farm management withdrawals or deposits   | 27,704            | -466           | -0.1           |
| Other income n.e.i. category 1 <sup>6</sup>   | 22,250            | 149            | 0.0            |
| Attributed personal services income   | 6,885             | 147            | 0.0            |
| Eligible termination payments – excessive component <sup>4</sup>                    | 518               | 36             | 0.0            |
| Attributed foreign income <sup>7</sup>  | 3,041             | 18             | 0.0            |
| Life assurance bonuses <sup>8</sup>   | 3,585             | 12             | 0.0            |
| Lump sum payments – 5% assessable (5% of amount B)                                  | 22,392            | 12             | 0.0            |
| Less total deferred losses  | 120,696           | 633            | 0.2            |
| <b>Total<sup>9</sup></b>  | <b>10,539,776</b> | <b>381,212</b> | <b>100.0</b>   |

1 Definitions for the different sources of income are in the personal tax return form guide on the attached CD-ROM.

2 A share of 0.0% indicates a share of less than 0.05%.

3 This is the sum of net partnership and trust distribution from primary production and net partnership and trust distribution from non-primary production.

4 Eligible termination payment (ETP) figures indicate the number of personal taxpayers who declared ETP amounts on their 2003 income tax return and the amounts they declared.

5 'Other salary and wages category 2' and 'Other income n.e.i. (not elsewhere included) category 2' are components of 'Other income category 2', which is reported on the individual return (item 22, label V).

6 'Other salary and wages category 1' and 'Other income n.e.i. (not elsewhere included) category 1' are components of 'Other income category 1', which is reported on the individual return (item 22, label Y).

7 The attributed foreign income amount is the sum of controlled foreign company income, transferor trust income, foreign investment fund and foreign life assurance policy income amounts.

8 Bonuses from life insurance companies and friendly societies.

9 Components do not add to total number of taxpayers as taxpayers may declare more than one type of income source. The total income amount shown in this table is the sum of components as shown by the taxpayer on their annual income tax return. It is not necessarily the total income calculated by the Tax Office during assessment.

**TABLE 3.2: Personal taxpayer deductions, 2002–03 income year**

| Type of deduction <sup>1</sup>                             | Taxpayers        |               | Amount claimed |
|--|------------------|---------------|----------------|
|  | No.              | \$m           | %              |
| Work-related expenses                                      | 6,728,755        | 10,207        | 49.4           |
| Prior year losses <sup>2</sup>                             | 95,918           | 2,735         | 13.2           |
| Undeducted purchase price of Australian pension or annuity | 285,658          | 1,850         | 9.0            |
| Non-employer sponsored superannuation                      | 168,508          | 1,333         | 6.5            |
| Interest & dividends                                       | 927,253          | 1,459         | 7.1            |
| Cost of managing tax affairs                               | 4,959,795        | 1,010         | 4.9            |
| Gifts or donations   | 3,723,776        | 959           | 4.6            |
| Low value pool   | 136,662          | 69            | 0.3            |
| Undeducted purchase price of foreign pension or annuity    | 45,241           | 46            | 0.2            |
| Film industry incentives                                   | 2,016            | 22            | 0.1            |
| Election expenses  | 1,739            | 3             | 0.0            |
| Project pool   | 1,093            | 2             | 0.0            |
| Other  | 347,336          | 957           | 4.6            |
| <b>Total<sup>3</sup></b>                                   | <b>8,498,546</b> | <b>20,653</b> | <b>100.0</b>   |

1 Definitions for the different types of deductions are in the personal tax return form guide on the attached CD-ROM.  
2 This is the sum of primary and non-primary production tax losses of earlier income years.  
3 Components do not add to total number of taxpayers claiming deductions as taxpayers may claim more than one type of deduction.

Work-related expenses are the most common type of deduction claimed. In 2002–03, 6.7 million people claimed such deductions. These deductions were valued at \$10 billion, or 49% of total deductions claimed (table 3.2). Male taxpayers accounted for 55% of the total number of taxpayers who claimed a work-related expense. Their work-related expense claims accounted for 66% (\$6.8 billion) of total work-related expenses. Female taxpayers accounted for 45% of the total number of taxpayers who claimed a work-related expense. Their work-related expense claims accounted for 34% (\$3.4 billion) of total work-related expenses.

Generally, the higher the income of the taxpayer, the higher the average work-related expense deduction claimed. In 2002–03 taxable personal taxpayers earning taxable income of \$60,001 or more accounted for only 14% of the total number of claimants (both taxable and non-taxable), but their work-

related expenses accounted for 25% (\$2.6 billion) of all work-related expense deductions claimed (see personal tax detailed table 5, part C). Taxable personal taxpayers earning taxable income between \$20,001 and \$60,000 accounted for 63% of claimants, and 61% (\$6.2 billion) of all work-related expense deductions. The average claim per taxable person was higher among those earning \$60,001 or more taxable income (\$2,743) than among those earning between \$20,001 and \$60,000 taxable income (\$1,476).

Personal taxpayers can claim more than one work-related expense (table 3.3). Clothing was the most common work-related expense claimed, with 4.4 million taxpayers claiming around \$1 billion worth of clothing (uniform) expenses. However, in value terms, motor vehicle expenses accounted for the largest share (40%) of total work-related expenses claimed, with the average claim valued at \$1,911.

**TABLE 3.3: Personal taxpayer work-related expenses, 2002–03 income year**

| Work-related expense <sup>1</sup> | Taxpayers        |               | Amount claimed |
|-----------------------------------|------------------|---------------|----------------|
|                                   | No.              | \$m           | %              |
| Motor vehicle (car)               | 2,118,669        | 4,048         | 39.7           |
| Clothing (uniform)                | 4,442,861        | 989           | 9.7            |
| Self-education                    | 516,091          | 721           | 7.1            |
| Other travel                      | 570,608          | 824           | 8.1            |
| Other                             | 5,036,285        | 3,624         | 35.5           |
| <b>Total<sup>2</sup></b>          | <b>6,728,755</b> | <b>10,207</b> | <b>100.0</b>   |

1 Definitions for the different types of work-related expenses are in the personal tax return form guide on the attached CD-ROM.  
2 Components do not add to the total number of taxpayers claiming work-related expenses as taxpayers may claim more than one type of work-related expense. Total amounts claimed may differ slightly from the sum of components due to rounding.

## PERSONAL TAXPAYERS WITH NET BUSINESS INCOME

In 2002–03 more than 1.5 million personal taxpayers declared net business income or loss on their return. This income comprised:

- net business income primary production
- net business income non-primary production
- distribution from partnerships primary production
- distribution from partnerships non-primary production
- distribution from trusts primary production, and/or
- net farm management withdrawals and deposits.

! Distribution from trusts non-primary production is generally income from investments, and thus has not been included in identifying taxpayers with net business income.

Eighteen per cent of taxpayers with net business income or loss (and whose industry was stated) were in the construction industry. Some 19% were in the property and business services industry, while 13% were in the agriculture, forestry and fishing industry.

**TABLE 3.4: Personal taxpayers with net business income<sup>1</sup>, by industry, 2002–03 income year**

| Industry <sup>2</sup>              | No. of taxpayers with net business income or loss <sup>3</sup> | No. of taxpayers with net business income <sup>4</sup> | No. of taxpayers with net business income as a major source <sup>5</sup> | No. of taxpayers with net business losses <sup>6</sup> |
|------------------------------------|--|--|--|--|
| Agriculture, forestry & fishing    | 108,944  | 48,053   | 29,275   | 60,891   |
| Mining                             | 1,391  | 1,048  | 727  | 343  |
| Manufacturing                      | 52,744   | 41,873   | 27,675   | 10,871   |
| Electricity, gas & water supply    | 385  | 318  | 206  | 67   |
| Construction                       | 155,271  | 143,796  | 112,798  | 11,475   |
| Wholesale trade                    | 15,245   | 10,454   | 6,925  | 4,791  |
| Retail trade                       | 70,733   | 49,614   | 35,505   | 21,119   |
| Accommodation, cafes & restaurants | 10,734   | 6,627  | 4,418  | 4,107  |
| Transport & storage                | 49,861   | 44,700   | 33,531   | 5,161  |
| Communication                      | 14,541   | 13,331   | 10,256   | 1,210  |
| Finance & insurance                | 26,688   | 11,489   | 5,747  | 15,199   |
| Property & business services       | 163,330  | 136,987  | 75,144   | 26,343   |
| Education                          | 17,345   | 14,514   | 6,385  | 2,831  |
| Health & community services        | 57,551   | 49,338   | 31,144   | 8,213  |
| Cultural & recreational services   | 55,808   | 37,897   | 17,852   | 17,911   |
| Personal & other services          | 64,723   | 51,571   | 34,855   | 13,152   |
| Total industries stated            | 865,294  | 661,610  | 432,443  | 203,684  |
| Other <sup>7</sup>                 | 675,100  | 525,212  | 340,766  | 149,888  |
| <b>Total</b>                       | <b>1,540,394</b>   | <b>1,186,822</b>                                       | <b>773,209</b>   | <b>353,572</b>   |

1 The term 'net business income' in this table and section refers to the sum of net business income primary production, net business income non-primary production, distribution from partnerships primary production, distribution from partnerships non-primary production, distribution from trusts primary production and net farm management withdrawals less deposits.

2 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. Fine industries included under these broad industry groupings may be found in personal tax detailed table 4. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication *Business industry codes 2003*.

3 Refers to the number of taxpayers who declared net business income greater than or less than \$0.

4 Refers to the number of taxpayers who declared net business income greater than \$0.

5 Refers to the number of taxpayers whose net business income was greater than each of the following groups of income: salary and wages, superannuation and annuities, investment income, other non-government income, and government cash benefits. The income groups of personal services income, net capital gains, losses and other payments are not included in this comparison.

6 Refers to taxpayers who declared net business income less than zero.

7 Includes taxpayers classified under the government, administration and defence code and those who did not state their industry.

### PERSONAL TAXPAYER BUSINESS EXPENSES

This section presents information on business expenses for all personal taxpayers who declared total business income (see footnote 1 of table 3.5).

Some 8% (839,315) of total personal taxpayers claimed business expenses worth \$48 billion in total (table 3.5). Male taxpayers accounted for 71% of the total number of taxpayers who claimed a business expense. Their business expense claims accounted for 80% (\$38.4 billion) of total business expenses. Female taxpayers accounted for 29% of the total number of taxpayers who claimed a business expense. Their business expense claims accounted for 20% (\$9.6 billion) of total business expenses.

In value terms, cost of sales expenses accounted for the largest share (41%) of total business expenses for personal taxpayers. Other expenses (802,469 claimants) and motor vehicle expenses (592,326 claimants) were the most common business expense items claimed.

Table 3.5 shows a breakdown of business expenses of personal taxpayers by different grades of total business income. In value terms, 71% of total business expenses were claimed by individuals with total business income of less than \$1 million. Cost of sales expenses accounted for 29% of total business expenses of individuals with total business income of less than \$1 million, 61% of total business expenses of individuals with total business income of \$1 million to less than \$2 million, and 77% of total business expenses of individuals with total business income of \$2 million or more.

**TABLE 3.5: Personal taxpayer business expenses, by total business income, 2002–03 income year**

| Type of expense <sup>2</sup> |            | Total business income <sup>1</sup> |                                      |                     | Total          |
|------------------------------|------------|------------------------------------|--------------------------------------|---------------------|----------------|
|                              |            | Less than \$1 million              | \$1 million to less than \$2 million | \$2 million or more |                |
| Cost of sales                | No.        | 222,248                            | 2,817                                | 1,775               | 226,840        |
|                              | \$m        | 9,765                              | 2,895                                | 7,017               | 19,677         |
| Motor vehicle                | No.        | 588,572                            | 2,622                                | 1,132               | 592,326        |
|                              | \$m        | 2,488                              | 33                                   | 21                  | 2,541          |
| Depreciation                 | No.        | 513,376                            | 2,975                                | 1,392               | 517,743        |
|                              | \$m        | 1,668                              | 48                                   | 42                  | 1,757          |
| External labour <sup>3</sup> | No.        | 91,191                             | 808                                  | 391                 | 92,390         |
|                              | \$m        | 1,516                              | 145                                  | 100                 | 1,761          |
| Rent                         | No.        | 147,500                            | 1,870                                | 917                 | 150,287        |
|                              | \$m        | 1,403                              | 84                                   | 103                 | 1,590          |
| Interest                     | No.        | 195,067                            | 2,895                                | 1,549               | 199,511        |
|                              | \$m        | 834                                | 77                                   | 100                 | 1,011          |
| Repairs & maintenance        | No.        | 266,145                            | 2,273                                | 1,122               | 269,540        |
|                              | \$m        | 596                                | 27                                   | 24                  | 646            |
| Lease expenses               | No.        | 45,604                             | 805                                  | 488                 | 46,897         |
|                              | \$m        | 292                                | 17                                   | 19                  | 329            |
| Superannuation               | No.        | 64,860                             | 1,916                                | 921                 | 67,697         |
|                              | \$m        | 324                                | 40                                   | 38                  | 401            |
| Bad debts                    | No.        | 7,897                              | 298                                  | 181                 | 8,376          |
|                              | \$m        | 22                                 | 5                                    | 4                   | 31             |
| Other expenses               | No.        | 796,841                            | 3,751                                | 1,877               | 802,469        |
|                              | \$m        | 15,011                             | 1,394                                | 1,647               | 18,052         |
| <b>Total<sup>4</sup></b>     | <b>No.</b> | <b>833,438</b>                     | <b>3,882</b>                         | <b>1,995</b>        | <b>839,315</b> |
|                              | <b>\$m</b> | <b>33,919</b>                      | <b>4,764</b>                         | <b>9,114</b>        | <b>47,798</b>  |

1 Refers to the total business income in item P8 of the business and professional items schedule.

2 Definitions for the different types of business expenses are in the personal tax return form guide on the attached CD-ROM.

3 Also referred to as 'Contractor, subcontractor and commission expenses'.

4 Components do not add to total number of taxpayers claiming business expenses as taxpayers may claim more than one type of business expense. Total amounts claimed may differ slightly from the sum of components due to rounding.

## PERSONAL TAXPAYER TAX OFFSETS AND CREDITS

The purpose of tax offsets (referred to as 'rebates' in previous editions of *Taxation Statistics*) is to provide tax relief for certain personal taxpayers – for example, low income earners or pensioners. Tax offsets reduce the amount of tax payable on taxable income. Credits are for tax already paid by the taxpayer or by a trustee on behalf of the taxpayer.

In general, tax offsets can reduce the amount of tax owing only to \$0. An exception to this rule is the 30% private health insurance rebate, which is refundable if the taxpayer chooses to claim it through their tax return. Before 1 July 2000, if the imputation credits to which an individual was entitled exceeded the individual's tax liability in an income year, they could not get a refund of that excess. From 1 July 2000, individuals who receive dividends from Australian shares or distributions from Australian managed funds can claim this difference back in full as a tax refund. This is known as the **refund of excess imputation credits**.

The tax liability of the majority of taxpayers is affected by tax offsets. In 2002–03 around 7.1 million people were assessed to be entitled to tax offsets and credits totalling \$10.1 billion (table 3.6). Male taxpayers accounted for 49% of the total number of taxpayers who were entitled to tax offsets and credits, while their tax offset and credits accounted for 58% (\$5.9 billion) of total tax offsets or credits. Female taxpayers accounted for 51% of the total number of taxpayers who were entitled to tax offsets and credits, while their tax offset and credit accounted for 42% (\$4.2 billion) of total tax offsets and credits.

Table 3.6 shows a selected list of the tax offsets and credits taxpayers can claim or be entitled to receive. Tax offsets are divided into two major groups: tax offsets personal taxpayers claim and declare on their annual income tax returns and tax offsets the Tax Office calculates on behalf of taxpayers. In general, the Tax Office calculates these tax offsets based on information personal taxpayers declare on their returns.

To be eligible to claim or receive the tax offsets listed in table 3.6, taxpayers must satisfy certain conditions. For example, to qualify for the zone or overseas forces tax offset, taxpayers must have lived in a remote or isolated area of Australia or served overseas as a member of Australia's Defence Force or a United Nations armed force. Eligibility for other tax offsets such as the low income tax offset or the senior Australians tax offset depends on the **taxable income** of taxpayers (see box 3.3) and other factors. (Eligibility rules for the tax offsets listed in table 3.6 are discussed further in the tax return form guide of this publication and in the *TaxPack 2003*, *TaxPack 2003 supplement* and *TaxPack 2003 for retirees* booklets.)

The most common type of tax offset claimed on individual tax returns was imputation credit (primary imputation credit and partnership and trust share of imputation credit from franked dividends). More than 3.9 million personal taxpayers claimed imputation credits worth \$5.2 billion, accounting for 76% of total tax offsets claimed on individual tax returns.

Among the selected Tax Office calculated tax offsets reported in table 3.6, the most common type of tax offset personal

taxpayers were entitled to was the low income tax offset, with more than 3 million personal taxpayers entitled. However, this tax offset represented only 10% (\$384 million) of the total value of selected Tax Office calculated tax offsets. There were 316,265 taxpayers who claimed the baby bonus tax offset and the total value of the tax offset they claimed (\$160 million) accounted for 4% of the total value of selected Tax Office calculated tax offsets (box 3.4). Termination payment tax offsets had the highest total value (\$1.6 billion), accounting for 40% of the total value of selected Tax Office calculated tax offsets.

### BOX 3.3: Tax offsets based on taxable income<sup>1</sup>

It is important to remember that tax offsets such as the low income tax offset and senior Australians tax offset are based on the **taxable income** of individuals and **not** their total income.

Taxable income is equal to total income less total deductions and tax losses of earlier income years. As shown in tables 3.2 and 3.3, there are numerous separate deduction items (including prior year losses). It is possible for people with high total incomes to claim large deductions, which results in them having low taxable incomes that make them eligible to claim or receive some tax offsets.

In personal tax detailed table 15, part D, for example, there were more than 144,000 personal taxpayers with total income of \$25,000 or more receiving the low income tax offset. These taxpayers could have claimed large deductions and/or prior year tax losses that resulted in them having taxable incomes of less than \$24,450, thus making them eligible to receive the low income tax offset. This is shown in personal tax detailed table 5, part D, where there were no taxpayers with **taxable income** of \$25,000 or more receiving the low income tax offset.

<sup>1</sup> Aside from taxable income, other factors or conditions are considered to determine if an individual is entitled to receive tax offsets. There is more information on eligibility rules in the *TaxPack 2003*, *TaxPack 2003 supplement* and *TaxPack 2003 for retirees* booklets.

### BOX 3.4: Baby bonus tax offsets claimed, 2002–03 income years

In 2002–03, 316,265 taxpayers claimed the baby bonus tax offset (table 3.6), which was introduced during the 2001–02 income year. Some 95% of taxpayers who claimed the baby bonus tax offset were women and, overall, they claimed 95% (or \$152.1 million) of the tax offset.

Around 88% (279,238) of taxpayers claiming the baby bonus tax offset were non-taxable (that is, they were taxpayers with net tax payable equal to \$0) or had a taxable income of less than \$25,000. These taxpayers accounted for 91% (\$145.3 million) of the total value of baby bonus tax offsets claimed (see personal tax detailed table 5, part D).

Foreign tax credits were the most common type of credits among the credits reported in table 3.6. In 2002–03 there were 640,767 personal taxpayers who claimed foreign tax credits worth \$125 million.

**TABLE 3.6: Selected tax offsets and credits claimed/Tax Office calculated, 2002–03 income year**

| Type of tax offset and credit <sup>1</sup>                                     | Taxpayers        |                  | Amounts        |
|--|------------------|------------------|----------------|
|  | No.              | \$m <sup>2</sup> | % <sup>3</sup> |
| <b>Tax offsets claimed or declared on return</b>                               |                  |                  |                |
| Total imputation credits <sup>4</sup>  | 3,402,817        | 5,246            | 76.2           |
| Superannuation contribution, annuity & pension                                 | 408,407          | 628              | 9.1            |
| Spouse   | 336,306          | 380              | 5.5            |
| Zone or overseas forces  | 492,969          | 204              | 3.0            |
| Medical expenses   | 421,669          | 225              | 3.3            |
| 30% private health insurance   | 342,559          | 162              | 2.4            |
| Parent/parent-in-law/invalid relative  | 11,700           | 14               | 0.2            |
| Superannuation contributions on behalf of spouse                               | 30,183           | 13               | 0.2            |
| Landcare & water tax offset brought forward from previous year                 | 216              | 0                | 0.0            |
| Landcare & water claimed   | 227              | 0                | 0.0            |
| Other  | 4,385            | 9                | 0.1            |
| Total <sup>5</sup>   | n.a.             | 6,882            | 100.0          |
| <b>Selected tax offsets calculated by the Tax Office</b>                       |                  |                  |                |
| Termination payment  | 249,277          | 1,582            | 40.2           |
| Senior Australians tax offset  | 599,201          | 1,131            | 28.8           |
| Low income   | 3,005,595        | 384              | 9.8            |
| Pension or pensioner   | 245,261          | 345              | 8.8            |
| Averaging  | 108,002          | 212              | 5.4            |
| Commonwealth of Australia benefits & allowances tax offset <sup>6</sup>        | 295,014          | 116              | 2.9            |
| Baby bonus <sup>7</sup>  | 316,265          | 160              | 4.1            |
| Life assurance (insurance) bonus   | 3,585            | 4                | 0.1            |
| Total <sup>5</sup>   | n.a.             | 3,934            | 100.0          |
| <b>Selected credits claimed</b>  |                  |                  |                |
| Foreign tax credits  | 640,767          | 125              | 95.3           |
| Section 100(2) <sup>8</sup>  | 2,292            | 6                | 4.7            |
| Total <sup>5</sup>   | n.a.             | 131              | 100.0          |
| <b>Total tax offsets and credits – Tax Office assessed/allowed<sup>9</sup></b> | <b>7,113,655</b> | <b>10,118</b>    |                |

1 Definitions for the different types of tax offsets and credits are in the personal tax return form guide on the attached CD-ROM.

2 An amount of \$0 indicates an amount of less than \$500,000.

3 A share of 0.0% indicates a share of less than 0.05%. Percentages calculated from actual (not rounded) figures.

4 Sum of primary imputation credit (item 11, label U on the individual return) and partnership and trust share of imputation credit from franked dividends (item 12, label Q on the individual return).

5 Components do not add to the total number of taxpayers claiming tax offsets or credits as taxpayers may claim more than one type of tax offset or credit. Total amounts claimed may differ slightly from the sum of components due to rounding.

6 Also referred to as 'Beneficiary tax offset'.

7 The number of taxpayers who claimed the baby bonus tax offset reported includes taxpayers who may not have lodged an individual tax return but lodged only the baby bonus claim form.

8 The total share of credits for tax paid by a trustee.

9 The total number here refers to the number of taxpayers assessed by the Tax Office to be entitled to certain tax offsets and credits. The total amount is calculated by the Tax Office during tax return assessment and includes amounts allowed by the Tax Office (which may differ from amounts claimed by taxpayers). The total amount may also include certain types of tax offsets or credits not included in the table (for example, other Tax Office calculated tax offsets) or exclude amounts listed above. Therefore, it will not necessarily agree with the sum of component items in the table.



## MEDICARE LEVY AND MEDICARE LEVY SURCHARGE

The **Medicare levy** is used to partially fund Medicare, the scheme that gives Australian residents access to health care. Most individuals who are residents of Australia at any time during the income year are liable to pay a Medicare levy based on their taxable income for the year. The Medicare levy is calculated at 1.5% of an individual's taxable income. However, this calculation may vary in certain circumstances.

Relief from the levy is provided to certain low income earners. A person whose taxable income for 2002–03 was \$15,062 or less did not have to pay the levy. If the person's income was more than \$15,062 but less than \$16,284, they had to pay a levy equal to 20% of the difference between their income and \$15,062. If the person's income was \$16,284 or more, they had to pay a levy equal to 1.5% of their taxable income.

If a taxpayer received a Commonwealth taxable pension, allowance or payment and they were below age pension age, they did not have to pay the Medicare levy if their taxable income was \$17,164 or less. If their taxable income was more than \$17,164 but less than \$18,556, they had to pay a levy equal to 20% of the difference between their income and \$17,164.

If a taxpayer was eligible for the senior Australians tax offset, they did not have to pay the Medicare levy if their taxable income was \$20,000 or less. If their taxable income was more than \$20,000 but less than \$21,622, they had to pay a levy equal to 20% of the difference between their income and \$20,000.

However, the income threshold for Medicare levy relief can vary depending on a person's marital status or number of dependants. For the 2002–03 income year, a taxpayer may have been eligible for a reduced levy based on family income (the combined taxable income of the taxpayer and their spouse) if they:

- had a spouse (married or de facto) on 30 June 2003
- had a spouse who died during 2002–03
- were entitled to a child-housekeeper or housekeeper tax offset or would be entitled if they were not eligible for the family tax benefit, or
- were a sole parent at any time during 2002–03.

If the taxpayer was classified in one of the four categories above, and their family income was less than or equal to the relevant lower income limit in table 3.7, they did not have to pay the levy. If the taxpayer's family income was more than the relevant lower income limit but less than or equal to the relevant upper limit in table 3.7, they paid a reduced levy.

**TABLE 3.7: Family income thresholds, 2002–03 income year**

| Number of dependent children and students during 2002–03 <sup>1</sup> | Lower income limit \$ | Upper income limit \$ |
|---|-----------------------|-----------------------|
| 0   | 25,417                | 27,477                |
| 1   | 27,751                | 30,001                |
| 2   | 30,085                | 32,524                |
| 3   | 32,419                | 35,047                |
| 4   | 34,753                | 37,570                |

<sup>1</sup> For taxpayers with more than four dependent children or students, the lower income limit increases by \$2,334 for each additional child or student and the upper income limit increases by \$2,523 for each additional child or student.

If a taxpayer was eligible for the senior Australians tax offset and their family income was \$31,729 or less, they did not have to pay the Medicare levy. If the family income was more than \$31,729 but less than \$34,302, they paid a reduced levy. (As in table 3.7, the lower income limit of \$31,729 increases by \$2,334 for each additional child or student, while the upper income limit of \$34,301 increases by \$2,523 for each additional child or student.)

Other taxpayers who did not have a spouse or dependant may still have been exempt from paying the Medicare levy if:

- they were a blind pensioner or they received a sickness allowance from Centrelink
- they were entitled to full free medical treatment for all conditions under Defence Force arrangements or Veterans' Affairs Repatriation Health Card (Gold Card) or repatriation arrangements
- they were not an Australian resident for tax purposes
- they were a resident of Norfolk Island
- they were a member of a diplomatic mission or consular post in Australia (or a member of such a person's family and they were living with them), they were not an Australian citizen and did not ordinarily live in Australia, or
- they had a certificate from the Levy Exemption Certification Unit of the Health Insurance Commission showing they were not entitled to Medicare benefits.

In 2002–03, 7.1 million personal taxpayers were liable for the Medicare levy, valued at \$4.8 billion in total. Of the total number of taxpayers liable for the Medicare levy, 57% were male and 43% were female. Male taxpayers accounted for 63% of the total levy, while female taxpayers were liable for 37% of the total levy. On average, male taxpayers were liable for a Medicare levy of \$759, while female taxpayers were liable for a Medicare levy of \$572 (table 3.8).

Higher income individuals and families who do not have adequate private patient hospital cover pay an extra 1% of their taxable income for the **Medicare levy surcharge**. This is in addition to the normal 1.5% Medicare levy. A personal taxpayer is liable for the Medicare levy surcharge if they and all their dependants do not have adequate private patient hospital cover and:

- they are a single person without a dependent child or children and have a taxable income for Medicare levy surcharge purposes of more than \$50,000, or
- they are a member of a family and the combined taxable income for Medicare levy surcharge purposes of the taxpayer and their spouse is more than \$100,000, plus \$1,500 for each dependant after the first one.

In 2002–03, 210,742 personal taxpayers were liable to pay the Medicare levy surcharge, valued at around \$128 million in total (an average of \$608 per person). Of the total number of taxpayers liable to pay the Medicare levy surcharge, 65% were male and 35% were female. Male taxpayers were liable for 70% of the total surcharge while female taxpayers accounted for 30% of the total surcharge. On average, male taxpayers were liable for a Medicare levy surcharge of \$650, while female taxpayers were liable for a Medicare levy surcharge of \$529 (table 3.8).

**TABLE 3.8: Medicare levy and Medicare levy surcharge, by sex, 2002–03 income year**

| Medicare levy           |                  |              |              |              |            |
|-------------------------|------------------|--------------|--------------|--------------|------------|
|                         | Taxpayers        |              | Amount       |              | Average    |
|                         | No.              | %            | \$m          | %            | \$         |
| Male                    | 4,051,839        | 56.7         | 3,077        | 63.5         | 759        |
| Female                  | 3,092,594        | 43.3         | 1,770        | 36.5         | 572        |
| <b>Total</b>            | <b>7,144,433</b> | <b>100.0</b> | <b>4,847</b> | <b>100.0</b> | <b>678</b> |
| Medicare levy surcharge |                  |              |              |              |            |
|                         | Taxpayers        |              | Amount       |              | Average    |
|                         | No.              | %            | \$m          | %            | \$         |
| Male                    | 137,561          | 65.3         | 89           | 69.8         | 650        |
| Female                  | 73,181           | 34.7         | 39           | 30.2         | 529        |
| <b>Total</b>            | <b>210,742</b>   | <b>100.0</b> | <b>128</b>   | <b>100.0</b> | <b>608</b> |

## PERSONAL TAXPAYER NET TAX

### BOX 3.5: Calculating net tax for personal taxpayers<sup>1</sup>

**Net tax** in this chapter refers to the net tax personal taxpayers are liable to pay before the application of any refundable items.

Before the 2000–01 income year, net tax was calculated using the formula:

$$\text{net tax} = [\text{tax on taxable income}^2 + \text{complementary tax}^3 - \text{total tax offsets (or rebates) and credits}]^4 + \text{Medicare levy} + \text{Medicare levy surcharge.}$$

(Imputation credits were included in total tax offsets and credits.)

However, from the 2000–01 income year onwards, imputation credits became refundable to taxpayers. They are no longer included in total tax offsets and credits.

Thus the net tax payable amount for the 2002–03 income year **includes** imputation credits. Net tax was calculated using the following formula:

$$\text{net tax} = (\text{tax on taxable income}^2 + \text{complementary tax}^3 - \text{total tax offsets and credits})^4 + \text{Medicare levy} + \text{Medicare levy surcharge.}$$

(Total tax offsets and credits do not include the 30% private health insurance tax offset, imputation credit, share of imputation credit from franked dividends and the section 100(2) credit.)

Imputation credits and other refunds are deducted after net tax is calculated to give the balance payable or refundable.

1 This box presents only general descriptions of the above terms. It does not provide full technical or legal definitions. Definitions for most items in this box are in the personal tax return form guide included on the attached CD-ROM. More information on how net tax payable and balance payable or refundable are calculated for personal taxpayers is included in the instructions booklet.

2 Taxable income = total income – total deductions – primary production prior year losses – non-primary production prior year losses. Personal income tax rates applied to taxable income are worked out based on a marginal scale (see table 3.9).

3 The amount of tax added to ordinary tax when a primary producer's average income exceeds taxable income.

4 This part of the calculation cannot result in an amount of less than \$0.

**TABLE 3.9: Personal income tax rates for residents, 2002–03 income year**

| Taxable income range | Tax rate or tax on income range                       |
|----------------------|---|
| \$0–\$6,000          | 0% or \$0   |
| \$6,001–\$20,000     | 17% or 17 cents for each \$1 over \$6,000             |
| \$20,001–\$50,000    | 30% or \$2,380 + 30 cents for each \$1 over \$20,000  |
| \$50,001–\$60,000    | 42% or \$11,380 + 42 cents for each \$1 over \$50,000 |
| \$60,001 or more     | 47% or \$15,580 + 47 cents for each \$1 over \$60,000 |

In 2002–03, 8.6 million individuals (4.7 million male taxpayers and 3.9 million female taxpayers) were liable for \$87.8 billion in net tax. Male taxpayers were liable for \$58.7 billion in net tax, and had an average net tax of \$12,345. Female taxpayers were liable for \$29.1 billion in net tax and had an average net tax of \$7,509 (personal tax detailed table 1).

Personal taxpayers with taxable income of \$60,001 or more accounted for 49% (\$42.97 billion) of total net tax payable by personal taxpayers (table 3.10).

The tax-free threshold for 2002–03 was \$6,000. It is apportioned in accordance with the date during the year a taxpayer ceases full-time education or ceases to be a resident.

**TABLE 3.10: Net tax payable, by taxable income, 2002–03 income year**

| Taxable income    | Taxpayers <sup>1</sup> |              | Net tax payable |                |
|-------------------|------------------------|--------------|-----------------|----------------|
|                   | No.                    | %            | \$m             | % <sup>2</sup> |
| Less than \$6,000 | 32,257                 | 0.4          | 21              | 0.0            |
| \$6,001–\$20,000  | 1,870,752              | 21.7         | 2,304           | 2.6            |
| \$20,001–\$50,000 | 4,710,308              | 54.6         | 31,481          | 35.8           |
| \$50,001–\$60,000 | 796,699                | 9.2          | 11,075          | 12.6           |
| \$60,001 or more  | 1,224,230              | 14.2         | 42,969          | 48.9           |
| <b>Total</b>      | <b>8,634,246</b>       | <b>100.0</b> | <b>87,849</b>   | <b>100.0</b>   |

<sup>1</sup> Taxpayer population includes only taxable individuals, that is, personal taxpayers with net tax payable greater than \$0.

<sup>2</sup> A share of 0.0% indicates a share of less than 0.05%.

Senior Australians entitled to the senior Australians tax offset do not have to pay income tax or the Medicare levy unless their income is more than the amounts shown in table 3.11.

**TABLE 3.11: Income tax and Medicare levy thresholds for senior Australians, 2002–03 income year**

| Type of senior Australian taxpayer  | Income tax threshold |
|---|----------------------|
| Single at any time during the year  | \$20,000             |
| Had a spouse but either the taxpayer or their spouse lived in a nursing home or they had to live apart due to illness | \$18,883             |
| Lived with their spouse for the full year   | \$16,306             |

### HIGHER EDUCATION CONTRIBUTION SCHEME AND STUDENT FINANCIAL SUPPLEMENT SCHEME

The **Higher Education Contribution Scheme (HECS)** began in 1989 as a way to supplement funding of Australia's higher education system. Through the scheme, students have to contribute to the cost of their higher education.

In 2003 the annual course contribution for a full-time course started before 1997 was \$2,702, or \$1,351 each semester. However, for full-time courses commenced in 1997 and later years, the contribution varies according to the individual units of study taken. Units of study are divided into three bands (table 3.12).

**TABLE 3.12: Full-time, full-year HECS contributions for each band, 2003 academic year**

| Band | Course   | Contribution \$ |
|------|--|-----------------|
| 1    | Arts, Humanities, Social Studies/Behavioural Sciences, Education, Visual/Performing Arts, Nursing, Justice and Legal Studies   | 3,680           |
| 2    | Mathematics, Computing, other Health Sciences, Agriculture/Renewable Resources, Built Environment/Architecture, Sciences, Engineering/Processing, Administration, Business and Economics | 5,242           |
| 3    | Law, Medicine, Medical Science, Dentistry, Dental Services, Veterinary Science   | 6,136           |

In general, students liable to make contributions under the scheme can pay upfront to the institution or defer their liability and pay through the tax system when their HECS repayment income reaches the minimum threshold.

The HECS repayment income is a person's taxable income, plus any amount of taxable income that has been reduced by a net rental loss, plus total reportable fringe benefits amounts. The income thresholds and repayment rates for the 2002–03 income year are listed in table 3.13.

**TABLE 3.13: HECS repayment income schedule, 2002–03 income year**

| HECS repayment income threshold | Repayment rate applied to HECS repayment income<br>% |
|---------------------------------|--|
| Below \$24,365                  | Nil  |
| \$24,365–\$25,694               | 3.0  |
| \$25,695–\$27,688               | 3.5  |
| \$27,689–\$32,118               | 4.0  |
| \$32,119–\$38,763               | 4.5  |
| \$38,764–\$40,801               | 5.0  |
| \$40,802–\$43,858               | 5.5  |
| \$43,859 and over               | 6.0  |

For 2002–03, the Tax Office assessed a total of 325,850 personal taxpayers as having a HECS debt payable, with the debt totalling \$591 million. Male taxpayers accounted for 42% of these taxpayers and were liable for 44% (\$258 million) of the total HECS debt payable. Female taxpayers accounted for 58% of these taxpayers and were liable for 56% (\$333 million) of the total HECS debt payable (table 3.14).

**TABLE 3.14: HECS assessment debt and SFSS debt (or SLS assessment debt), by sex, 2002–03 income year**

| HECS assessment debt               |                |              |            |              |              |
|------------------------------------|----------------|--------------|------------|--------------|--------------|
|                                    | Taxpayers      |              | Amount     |              | Average      |
|                                    | No.            | %            | \$m        | %            | \$           |
| Male                               | 136,719        | 42.0         | 258        | 43.6         | 1,887        |
| Female                             | 189,131        | 58.0         | 333        | 56.4         | 1,761        |
| <b>Total</b>                       | <b>325,850</b> | <b>100.0</b> | <b>591</b> | <b>100.0</b> | <b>1,814</b> |
| SFSS debt (or SLS assessment debt) |                |              |            |              |              |
|                                    | Taxpayers      |              | Amount     |              | Average      |
|                                    | No.            | %            | \$m        | %            | \$           |
| Male                               | 19,665         | 54.5         | 27         | 57.7         | 1,361        |
| Female                             | 16,409         | 45.5         | 20         | 42.3         | 1,194        |
| <b>Total</b>                       | <b>36,074</b>  | <b>100.0</b> | <b>46</b>  | <b>100.0</b> | <b>1,285</b> |

The **Student Financial Supplement Scheme (SFSS)**, or Supplementary Loan Scheme (SLS), is a voluntary loan scheme that gives tertiary students the option to borrow

money to help cover their living expenses while studying. Only SFSS loans taken out between 1993 and 1998 were subject to compulsory repayment through the tax system in 2002–03.

Personal taxpayers do not have to repay any money towards their outstanding SFSS debt until their taxable income is greater than \$34,493.

For 2002–03 the **SFSS repayment amount** (referred to as the **SLS assessment debt** in the personal tax detailed tables) is calculated using the rates shown in table 3.15.

**TABLE 3.15: SFSS repayment income schedule, 2002–03 income year**

| Taxable repayment income threshold | Repayment rate applied to SFSS repayment income<br>% |
|------------------------------------|--|
| Below \$34,494                     | Nil  |
| \$34,495–\$39,199                  | 2  |
| \$39,200–\$54,881                  | 3  |
| \$54,882 or more                   | 4  |

For 2002–03, the Tax Office assessed a total of 36,074 personal taxpayers as having a SFSS debt (or SLS assessment debt) payable, totalling approximately \$46 million. Male taxpayers accounted for 54% of these taxpayers and were liable for 58% (\$27 million) of the total SFSS debt payable. Female taxpayers accounted for 46% of these taxpayers and were liable for 42% (\$20 million) of the total SFSS debt payable (table 3.14).

## POSTCODE TABLES

This section contains tables (table 3.16 to table 3.23) showing 10 postcodes with the highest average (mean) taxable income of taxable personal taxpayers, and 10 postcodes with the lowest average (mean) taxable income of taxable personal taxpayers in each state or territory.

Table 3.24 shows the 10 postcodes with the highest average (mean) taxable income of taxable personal taxpayers, and the 10 postcodes with the lowest average (mean) taxable income of taxable personal taxpayers in Australia.

Selected statistics for other postcodes within different states and territories are available in personal tax detailed table 3, parts A to H.

**TABLE 3.16: Highest and lowest mean income-earning postcodes – New South Wales<sup>1</sup>, 2002–03 income year**

| Postcode   | Taxable <sup>2</sup><br>No. | Taxable<br>income<br>\$'000 | Mean<br>taxable<br>income <sup>3</sup><br>\$ | Total<br>imputation<br>No. | credits<br>\$'000 | Net tax<br>\$'000 | Mean<br>net tax <sup>4</sup><br>\$ | Net tax<br>ratio <sup>5</sup><br>% |
|--|-----------------------------|-----------------------------|--|----------------------------|-------------------|-------------------|------------------------------------|------------------------------------|
| <b>Top 10</b>  |                             |                             |  |                            |                   |                   |                                    |                                    |
| 2027   | 4,762                       | 526,710                     | 110,607                                      | 2,694                      | 48,032            | 199,326           | 41,858                             | 37.8                               |
| 2023   | 5,033                       | 507,129                     | 100,761                                      | 2,599                      | 41,681            | 187,005           | 37,156                             | 36.9                               |
| 2030   | 7,602                       | 745,017                     | 98,003                                       | 4,157                      | 52,488            | 275,829           | 36,284                             | 37.0                               |
| 2088   | 15,519                      | 1,520,802                   | 97,996                                       | 8,163                      | 63,304            | 555,598           | 35,801                             | 36.5                               |
| 2110   | 4,522                       | 435,001                     | 96,197                                       | 2,588                      | 25,623            | 159,853           | 35,350                             | 36.7                               |
| 2063   | 3,218                       | 306,475                     | 95,238                                       | 1,933                      | 14,611            | 112,716           | 35,027                             | 36.8                               |
| 2025   | 4,230                       | 366,030                     | 86,532                                       | 2,107                      | 21,877            | 129,594           | 30,637                             | 35.4                               |
| 2071   | 6,108                       | 526,700                     | 86,231                                       | 4,048                      | 27,415            | 184,955           | 30,281                             | 35.1                               |
| 2028   | 2,995                       | 246,348                     | 82,253                                       | 1,521                      | 11,716            | 86,031            | 28,725                             | 34.9                               |
| 2073   | 7,764                       | 637,898                     | 82,161                                       | 4,708                      | 21,677            | 222,726           | 28,687                             | 34.9                               |
| <b>Bottom 10</b>   |                             |                             |  |                            |                   |                   |                                    |                                    |
| 2347   | 610                         | 17,074                      | 27,991                                       | 220                        | 86                | 3,260             | 5,345                              | 19.1                               |
| 2469   | 973                         | 27,118                      | 27,871                                       | 337                        | 149               | 5,073             | 5,214                              | 18.7                               |
| 2475   | 126                         | 3,491                       | 27,704                                       | 34                         | 18                | 647               | 5,136                              | 18.5                               |
| 2834   | 649                         | 17,926                      | 27,621                                       | 125                        | 91                | 3,347             | 5,157                              | 18.7                               |
| 2396   | 273                         | 7,507                       | 27,499                                       | 97                         | 80                | 1,400             | 5,127                              | 18.6                               |
| 2359   | 215                         | 5,857                       | 27,240                                       | 80                         | 32                | 1,095             | 5,093                              | 18.7                               |
| 2361   | 252                         | 6,696                       | 26,572                                       | 89                         | 36                | 1,131             | 4,488                              | 16.9                               |
| 2403   | 239                         | 6,183                       | 25,871                                       | 108                        | 70                | 1,068             | 4,470                              | 17.3                               |
| 2735   | 146                         | 3,746                       | 25,658                                       | 50                         | 20                | 659               | 4,516                              | 17.6                               |
| 2308   | 68                          | 1,494                       | 21,965                                       | 11                         | 14                | 284               | 4,182                              | 19.0                               |
| <b>Total NSW</b>   | <b>2,850,636</b>            | <b>124,434,258</b>          | <b>43,651</b>                                | <b>1,028,500</b>           | <b>1,946,461</b>  | <b>32,462,233</b> | <b>11,388</b>                      | <b>26.1</b>                        |
| <sup>1</sup> For statistics on other postcodes in New South Wales see personal tax detailed table 3, part A: New South Wales.<br><sup>2</sup> Refers to personal taxpayers with net tax payable greater than \$0.<br><sup>3</sup> Mean (or average) taxable income in this table refers only to taxable individuals.<br><sup>4</sup> Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.<br><sup>5</sup> Net tax ratio is calculated using the formula: net tax/taxable income. |                             |                             |  |                            |                   |                   |                                    |                                    |

**Top 10**

|      |  |
|------|--|
| 2027 | Darling Point, Edgecliff, HMAS Rushcutters, Point Piper                        |
| 2023 | Bellevue Hill  |
| 2030 | Diamond Bay, Dover Heights, HMAS Watson, Rose Bay North, Vaucluse, Watsons Bay |
| 2088 | Clifton Gardens, Georges Heights, Mosman, Spit Junction, The Spit              |
| 2110 | Hunters Hill, Hunters Hill West, Woolwich                                      |
| 2063 | Northbridge  |
| 2025 | Woollahra  |
| 2071 | Killara  |
| 2028 | Double Bay   |
| 2073 | Pymble, West Pymble  |

**Bottom 10**

|      |  |
|------|--|
| 2347 | Banoon, Barraba, Bells Mountain, Caroda, Cobbadah, Gulf Creek, Gundamulda, Horton Valley, Ironbark, Lindsay, Longarm, Mayvale, Red Hill, Thiriloene, Upper Horton, Woodsreef   |
| 2469 | Banyabba, Bean Creek, Bingebeebra, Bonalbo, Boomoodeerie, Bottle Creek, Bulldog, Bungawalbin, Busbys Flat, Camira, Camira Creek, Capeen, Chatsworth, Clearfield, Clover Park, Coongbar, Culmaran Creek, Deep Creek, Drake, Duck Creek, Ewingar, Gibberagee, Goodwood Island, Hogarth Range, Jacksons Flat, Kippenduff, Louisa Creek, Mallanganee, Mookima Wybra, Mororo, Mount Marsh, Mummulgum, Myrtle Creek, Old Bonalbo, Paddys |

|      |   |
|------|---|
| 2475 | Flat, Pikapene, Pretty Gully, Rappville, Six Mile Swamp, Tabulam, Theresa Creek, Tunglebung, Warregah Island, Whiporie, Woombah, Wyan |
| 2475 | Beaury Creek, Tooloom, Urbenville, Wallaby Creek  |
| 2834 | Lightning Ridge   |
| 2396 | Baradine, Kenebri   |
| 2359 | Bundarra, Camerons Creek  |
| 2361 | Ashford, Atholwood, Bonshaw, Limestone, Pindaroi  |
| 2403 | Delungra, Gragin, Koloona, Myall Creek  |
| 2735 | Koraleigh   |
| 2308 | Callaghan, Newcastle University   |

**TABLE 3.17: Highest and lowest mean income-earning postcodes – Victoria<sup>1</sup>, 2002–03 income year**

| Postcode   | Taxable <sup>2</sup><br>No. | Taxable<br>income<br>\$'000 | Mean<br>taxable<br>income <sup>3</sup><br>\$ | Total<br>imputation credits<br>No. | Total<br>credits<br>\$'000 | Net tax<br>\$'000 | Mean<br>net tax <sup>4</sup><br>\$ | Net tax<br>ratio <sup>5</sup><br>% |
|--|-----------------------------|-----------------------------|--|------------------------------------|----------------------------|-------------------|------------------------------------|------------------------------------|
| <b>Top 10</b>  |                             |                             |  |                                    |                            |                   |                                    |                                    |
| 3944   | 234                         | 28,030                      | 119,788                                      | 138                                | 3,958                      | 10,881            | 46,500                             | 38.8                               |
| 3142   | 8,160                       | 893,959                     | 109,554                                      | 4,753                              | 67,725                     | 336,445           | 41,231                             | 37.6                               |
| 3186   | 12,173                      | 1,003,651                   | 82,449                                       | 6,609                              | 47,640                     | 350,707           | 28,810                             | 34.9                               |
| 3126   | 4,364                       | 355,724                     | 81,513                                       | 2,444                              | 14,908                     | 123,825           | 28,374                             | 34.8                               |
| 3002   | 2,396                       | 181,747                     | 75,854                                       | 1,095                              | 9,454                      | 61,796            | 25,791                             | 34.0                               |
| 3144   | 6,033                       | 454,199                     | 75,286                                       | 3,320                              | 25,698                     | 153,904           | 25,510                             | 33.9                               |
| 3004   | 2,938                       | 219,139                     | 74,588                                       | 1,087                              | 9,633                      | 74,781            | 25,453                             | 34.1                               |
| 3206   | 5,627                       | 390,405                     | 69,381                                       | 2,509                              | 12,316                     | 128,837           | 22,896                             | 33.0                               |
| 3143   | 4,804                       | 328,455                     | 68,371                                       | 2,248                              | 11,131                     | 107,354           | 22,347                             | 32.7                               |
| 3101   | 12,015                      | 821,367                     | 68,362                                       | 6,141                              | 29,624                     | 268,718           | 22,365                             | 32.7                               |
| <b>Bottom 10</b>   |                             |                             |  |                                    |                            |                   |                                    |                                    |
| 3778   | 90                          | 2,463                       | 27,370                                       | 20                                 | 6                          | 482               | 5,351                              | 19.6                               |
| 3887   | 111                         | 3,001                       | 27,034                                       | 21                                 | 7                          | 570               | 5,132                              | 19.0                               |
| 3237   | 70                          | 1,885                       | 26,935                                       | 20                                 | 23                         | 365               | 5,217                              | 19.4                               |
| 3588   | 167                         | 4,416                       | 26,442                                       | 48                                 | 10                         | 836               | 5,006                              | 18.9                               |
| 3705   | 125                         | 3,292                       | 26,338                                       | 46                                 | 27                         | 625               | 5,001                              | 19.0                               |
| 3573   | 162                         | 4,206                       | 25,964                                       | 80                                 | 62                         | 737               | 4,552                              | 17.5                               |
| 3571   | 113                         | 2,933                       | 25,960                                       | 58                                 | 29                         | 562               | 4,970                              | 19.1                               |
| 3475   | 117                         | 2,884                       | 24,647                                       | 45                                 | 23                         | 487               | 4,159                              | 16.9                               |
| 3487   | 56                          | 1,380                       | 24,642                                       | 40                                 | 40                         | 256               | 4,570                              | 18.5                               |
| 3800   | 67                          | 1,559                       | 23,264                                       | 10                                 | 6                          | 308               | 4,596                              | 19.8                               |
| <b>Total VIC</b>   | <b>2,183,981</b>            | <b>89,104,289</b>           | <b>40,799</b>                                | <b>689,901</b>                     | <b>1,323,358</b>           | <b>22,216,353</b> | <b>10,172</b>                      | <b>24.9</b>                        |
| <p>1 For statistics on other postcodes in Victoria see personal tax detailed table 3, part B: Victoria.</p> <p>2 Refers to personal taxpayers with net tax payable greater than \$0.</p> <p>3 Mean (or average) taxable income in this table refers only to taxable individuals.</p> <p>4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.</p> <p>5 Net tax ratio is calculated using the formula: net tax/taxable income.</p> |                             |                             |  |                                    |                            |                   |                                    |                                    |

**Top 10**

|      |                          |
|------|--------------------------|
| 3944 | Portsea                  |
| 3142 | Toorak                   |
| 3186 | Brighton, Brighton North |
| 3126 | Canterbury               |
| 3002 | East Melbourne, Jolimont |
| 3144 | Kooyong, Malvern         |
| 3004 | Melbourne                |
| 3206 | Albert Park, Middle Park |
| 3143 | Armadale                 |
| 3101 | Kew                      |

**Bottom 10**

|      |   |
|------|---|
| 3778 | Fernshaw, Narbethong  |
| 3887 | Lake Tyers, Nowa Nowa, Wairewa  |
| 3237 | Aire Valley, Beech Forest, Ferguson, Gellibrand Lower, Wattle Hill, Weeaprounah, Wyelangta, Yuulong |
| 3588 | Woorinen South  |
| 3705 | Cudgewa   |
| 3573 | Calivil, Mitiamo, Pine Grove, Pine Grove East, Terrick Terrick East                                 |
| 3571 | Auchmore, Dingee, Pompapiel, Tandarra, Yallock  |
| 3475 | Archdale, Archdale Junction, Bealiba, Burkes Flat, Cochranes Creek, Emu, Logan                      |
| 3487 | Lascelles   |
| 3800 | Monash University   |

**TABLE 3.18: Highest and lowest mean income-earning postcodes – Queensland<sup>1</sup>, 2002–03 income year**

| Postcode   | Taxable <sup>2</sup><br>No. | Taxable<br>income<br>\$'000 | Mean<br>taxable<br>income <sup>3</sup><br>\$ | Total<br>imputation<br>credits<br>No. | Total<br>credits<br>\$'000 | Net tax<br>\$'000 | Mean<br>net tax <sup>4</sup><br>\$ | Net tax<br>ratio <sup>5</sup><br>% |
|--|-----------------------------|-----------------------------|--|---------------------------------------|----------------------------|-------------------|------------------------------------|------------------------------------|
| <b>Top 10</b>  |                             |                             |  |                                       |                            |                   |                                    |                                    |
| 4007   | 5,022                       | 350,853                     | 69,863                                       | 2,150                                 | 14,931                     | 117,500           | 23,397                             | 33.5                               |
| 4709   | 660                         | 45,792                      | 69,382                                       | 248                                   | 94                         | 15,103            | 22,883                             | 33.0                               |
| 4743   | 464                         | 29,118                      | 62,754                                       | 154                                   | 57                         | 8,920             | 19,225                             | 30.6                               |
| 4745   | 1,312                       | 79,151                      | 60,329                                       | 595                                   | 465                        | 24,155            | 18,411                             | 30.5                               |
| 4744   | 3,082                       | 184,145                     | 59,748                                       | 1,302                                 | 971                        | 56,497            | 18,331                             | 30.7                               |
| 4746   | 964                         | 56,433                      | 58,541                                       | 274                                   | 110                        | 17,077            | 17,714                             | 30.3                               |
| 4717   | 2,238                       | 130,742                     | 58,419                                       | 781                                   | 485                        | 39,670            | 17,726                             | 30.3                               |
| 4067   | 3,842                       | 223,787                     | 58,248                                       | 1,735                                 | 7,746                      | 69,772            | 18,160                             | 31.2                               |
| 4069   | 16,152                      | 920,838                     | 57,011                                       | 7,706                                 | 25,532                     | 276,340           | 17,109                             | 30.0                               |
| 4009   | 87                          | 4,835                       | 55,577                                       | 26                                    | 166                        | 1,435             | 16,492                             | 29.7                               |
| <b>Bottom 10</b>   |                             |                             |  |                                       |                            |                   |                                    |                                    |
| 4424   | 68                          | 1,824                       | 26,819                                       | 34                                    | 33                         | 337               | 4,958                              | 18.5                               |
| 4402   | 84                          | 2,246                       | 26,742                                       | 18                                    | 2                          | 405               | 4,821                              | 18.0                               |
| 4613   | 212                         | 5,652                       | 26,659                                       | 73                                    | 15                         | 1,025             | 4,835                              | 18.1                               |
| 4412   | 85                          | 2,249                       | 26,454                                       | 45                                    | 15                         | 368               | 4,325                              | 16.3                               |
| 4600   | 211                         | 5,539                       | 26,253                                       | 34                                    | 19                         | 1,023             | 4,848                              | 18.5                               |
| 4673   | 182                         | 4,713                       | 25,894                                       | 51                                    | 35                         | 874               | 4,803                              | 18.6                               |
| 4468   | 137                         | 3,541                       | 25,849                                       | 30                                    | 53                         | 620               | 4,522                              | 17.5                               |
| 4467   | 56                          | 1,446                       | 25,827                                       | 9                                     | 3                          | 273               | 4,866                              | 18.8                               |
| 4365   | 62                          | 1,560                       | 25,168                                       | 7                                     | 0                          | 258               | 4,169                              | 16.6                               |
| 4418   | 52                          | 1,219                       | 23,451                                       | 31                                    | 40                         | 206               | 3,968                              | 16.9                               |
| <b>Total QLD</b>   | <b>1,622,933</b>            | <b>61,096,778</b>           | <b>37,646</b>                                | <b>445,788</b>                        | <b>723,720</b>             | <b>14,400,771</b> | <b>8,873</b>                       | <b>23.6</b>                        |
| <sup>1</sup> For statistics on other postcodes in Queensland see personal tax detailed table 3, part C: Queensland.<br><sup>2</sup> Refers to personal taxpayers with net tax payable greater than \$0.<br><sup>3</sup> Mean (or average) taxable income in this table refers only to taxable individuals.<br><sup>4</sup> Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.<br><sup>5</sup> Net tax ratio is calculated using the formula: net tax/taxable income. |                             |                             |  |                                       |                            |                   |                                    |                                    |

**Top 10**

|      |   |
|------|---|
| 4007 | Brisbane Airport, Doomben, Hamilton, Hamilton Central, Whinstanes   |
| 4709 | Tieri   |
| 4743 | Glenden, Suttor   |
| 4745 | Dysart, Norwich Park  |
| 4744 | Moranbah, Peak Downs Mine   |
| 4746 | German Creek, May Downs, Middlemount  |
| 4717 | Blackwater  |
| 4067 | Ironside, St Lucia, St Lucia South  |
| 4069 | Brookfield, Chapel Hill, Fig Tree Pocket, Kenmore, Kenmore DC, Kenmore East, Kenmore Hills, Lone Pine, Pinjarra Hills, Pullenvale, Upper Brookfield |
| 4009 | Eagle Farm, Eagle Farm BC   |

**Bottom 10**

|      |  |
|------|--|
| 4424 | Drillham, Drillham South, Glenaubyn  |
| 4402 | Cooyar, Kooralgin, Upper Cooyar Creek  |
| 4613 | Abbeywood, Boondooma, Brigooda, Coverty, Kinleymore, Manar, Melrose, Okeden, Proston, Speedwell, Stalworth |
| 4412 | Brigalow   |
| 4600 | Black Snake, Cinnabar, Killivan, Mudlo, Oakview  |
| 4673 | Littabella, Miara, Waterloo, Yandaran  |
| 4468 | Morven   |
| 4467 | Mungallala   |
| 4365 | Leyburn  |
| 4418 | Guluguba   |

**TABLE 3.19: Highest and lowest mean income-earning postcodes – South Australia<sup>1</sup>, 2002–03 income year**

| Postcode   | Taxable <sup>2</sup><br>No. | Taxable<br>income<br>\$'000 | Mean<br>taxable<br>income <sup>3</sup><br>\$ | Total<br>imputation credits<br>No. | Total<br>credits<br>\$'000 | Net tax<br>\$'000 | Mean<br>net tax <sup>4</sup><br>\$ | Net tax<br>ratio <sup>5</sup><br>% |
|--|-----------------------------|-----------------------------|--|------------------------------------|----------------------------|-------------------|------------------------------------|------------------------------------|
| <b>Top 10</b>  |                             |                             |  |                                    |                            |                   |                                    |                                    |
| 5650   | 78                          | 5,692                       | 72,975                                       | 50                                 | 99                         | 1,431             | 18,349                             | 25.1                               |
| 5651   | 114                         | 8,054                       | 70,648                                       | 88                                 | 104                        | 1,959             | 17,185                             | 24.3                               |
| 5632   | 159                         | 10,763                      | 67,694                                       | 125                                | 212                        | 2,972             | 18,690                             | 27.6                               |
| 5552   | 106                         | 6,650                       | 62,735                                       | 69                                 | 92                         | 1,799             | 16,968                             | 27.0                               |
| 5006   | 3,377                       | 205,702                     | 60,913                                       | 1,478                              | 12,579                     | 64,369            | 19,061                             | 31.3                               |
| 5081   | 4,449                       | 261,741                     | 58,831                                       | 2,243                              | 14,533                     | 79,684            | 17,910                             | 30.4                               |
| 5066   | 6,371                       | 370,065                     | 58,086                                       | 3,540                              | 17,196                     | 112,521           | 17,661                             | 30.4                               |
| 5064   | 5,036                       | 288,682                     | 57,324                                       | 2,752                              | 13,258                     | 85,907            | 17,059                             | 29.8                               |
| 5555   | 371                         | 21,009                      | 56,629                                       | 252                                | 403                        | 5,434             | 14,648                             | 25.9                               |
| 5061   | 5,393                       | 299,727                     | 55,577                                       | 2,504                              | 9,473                      | 89,987            | 16,686                             | 30.0                               |
| <b>Bottom 10</b>   |                             |                             |  |                                    |                            |                   |                                    |                                    |
| 5202   | 290                         | 8,753                       | 30,184                                       | 92                                 | 60                         | 1,674             | 5,773                              | 19.1                               |
| 5166   | 830                         | 25,016                      | 30,139                                       | 129                                | 47                         | 4,836             | 5,826                              | 19.3                               |
| 5010   | 1,207                       | 36,319                      | 30,090                                       | 143                                | 72                         | 7,205             | 5,969                              | 19.8                               |
| 5260   | 678                         | 20,281                      | 29,913                                       | 191                                | 148                        | 3,963             | 5,845                              | 19.5                               |
| 5256   | 301                         | 8,991                       | 29,871                                       | 95                                 | 99                         | 1,757             | 5,838                              | 19.5                               |
| 5012   | 2,355                       | 69,746                      | 29,616                                       | 263                                | 112                        | 13,721            | 5,826                              | 19.7                               |
| 5113   | 4,850                       | 142,123                     | 29,304                                       | 445                                | 148                        | 27,098            | 5,587                              | 19.1                               |
| 5320   | 240                         | 6,937                       | 28,902                                       | 42                                 | 13                         | 1,289             | 5,369                              | 18.6                               |
| 5733   | 52                          | 1,501                       | 28,856                                       | 9                                  | 20                         | 226               | 4,346                              | 15.1                               |
| 5732   | 69                          | 1,901                       | 27,553                                       | 8                                  | 1                          | 256               | 3,705                              | 13.4                               |
| <b>Total SA</b>  | <b>667,176</b>              | <b>25,257,421</b>           | <b>37,857</b>                                | <b>201,779</b>                     | <b>337,573</b>             | <b>5,905,181</b>  | <b>8,851</b>                       | <b>23.4</b>                        |
| <p>1 For statistics on other postcodes in South Australia see personal tax detailed table 3, part D: South Australia.</p> <p>2 Refers to personal taxpayers with net tax payable greater than \$0.</p> <p>3 Mean (or average) taxable income in this table refers only to taxable individuals.</p> <p>4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.</p> <p>5 Net tax ratio is calculated using the formula: net tax/taxable income.</p> |                             |                             |  |                                    |                            |                   |                                    |                                    |

**Top 10**

|      |   |
|------|---|
| 5650 | Cootra, Koongawa, Warrambo  |
| 5651 | Kyancutta   |
| 5632 | Kappinie, Yeelanna  |
| 5552 | Kainton, Paskeville, Sunnyvale, Thrington   |
| 5006 | North Adelaide, North Adelaide Melbourne St   |
| 5081 | Collinswood, Gilberton, Medindie, Medindie Gardens, Vale Park, Walkerville            |
| 5066 | Beaumont, Burnside, Erindale, Hazelwood Park, Stonyfell, Waterfall Gully, Wattle Park |
| 5064 | Glen Osmond, Glenunga, Mount Osmond, Myrtle Bank, St Georges, Urrbrae                 |

|                  |   |
|------------------|---|
| 5555             | Alford, Dowling, Dowlingsville, Hope Gap, Kulpara, Lake View, Melton, Mundoorra, Tickera, Winulta |
| 5061             | Hyde Park, Malvern, Unley, Unley BC, Unley DC, Unley Park   |
| <b>Bottom 10</b> |   |
| 5202             | Hindmarsh Tiers, Myponga, Myponga Beach   |
| 5166             | O'Sullivan Beach  |
| 5010             | Angle Park, Ferryden Park, Regency Park, Regency Park BC  |
| 5260             | Bayah, Tailem Bend  |
| 5256             | Clayton, Milang, Nurragi, Point Sturt, Tolderol   |
| 5012             | Athol Park, Mansfield Park, Woodville Gardens, Woodville North                                    |

|      |   |
|------|---|
| 5113 | Davoren Park, Davoren Park North, Davoren Park South, Elizabeth Downs, Elizabeth North, Elizabeth Park, Elizabeth West, Elizabeth West DC |
| 5320 | Bundey, Morgan, Murbko  |
| 5733 | Farina, Marree  |
| 5732 | Copley, Nepabunna   |



**TABLE 3.20: Highest and lowest mean income-earning postcodes – Western Australia<sup>1</sup>, 2002–03 income year**

| Postcode   | Taxable <sup>2</sup><br>No. | Taxable<br>income<br>\$'000 | Mean<br>taxable<br>income <sup>3</sup><br>\$ | Total<br>imputation<br>credits<br>No. | Total<br>credits<br>\$'000 | Net tax<br>\$'000 | Mean<br>net tax <sup>4</sup><br>\$ | Net tax<br>ratio <sup>5</sup><br>% |
|--|-----------------------------|-----------------------------|--|---------------------------------------|----------------------------|-------------------|------------------------------------|------------------------------------|
| <b>Top 10</b>  |                             |                             |  |                                       |                            |                   |                                    |                                    |
| 6011   | 4,898                       | 356,867                     | 72,860                                       | 2,493                                 | 18,785                     | 119,507           | 24,399                             | 33.5                               |
| 6716   | 302                         | 21,966                      | 72,734                                       | 74                                    | 23                         | 7,073             | 23,420                             | 32.2                               |
| 6009   | 8,575                       | 622,566                     | 72,602                                       | 4,691                                 | 26,718                     | 211,539           | 24,669                             | 34.0                               |
| 6010   | 7,569                       | 520,298                     | 68,741                                       | 3,763                                 | 22,022                     | 172,448           | 22,783                             | 33.1                               |
| 6015   | 3,581                       | 245,367                     | 68,519                                       | 2,075                                 | 10,941                     | 80,311            | 22,427                             | 32.7                               |
| 6356   | 106                         | 7,047                       | 66,478                                       | 68                                    | 86                         | 1,765             | 16,651                             | 25.0                               |
| 6012   | 3,699                       | 235,111                     | 63,561                                       | 1,633                                 | 13,559                     | 76,273            | 20,620                             | 32.4                               |
| 6437   | 359                         | 22,298                      | 62,112                                       | 79                                    | 309                        | 6,424             | 17,895                             | 28.8                               |
| 6392   | 325                         | 19,641                      | 60,433                                       | 180                                   | 159                        | 5,042             | 15,514                             | 25.7                               |
| 6754   | 590                         | 35,342                      | 59,902                                       | 161                                   | 80                         | 10,463            | 17,734                             | 29.6                               |
| <b>Bottom 10</b>   |                             |                             |  |                                       |                            |                   |                                    |                                    |
| 6348   | 129                         | 4,042                       | 31,331                                       | 40                                    | 99                         | 806               | 6,249                              | 19.9                               |
| 6290   | 637                         | 19,511                      | 30,629                                       | 228                                   | 392                        | 3,719             | 5,838                              | 19.1                               |
| 6061   | 9,611                       | 290,277                     | 30,203                                       | 1,448                                 | 572                        | 57,618            | 5,995                              | 19.8                               |
| 6262   | 275                         | 8,265                       | 30,056                                       | 67                                    | 122                        | 1,711             | 6,221                              | 20.7                               |
| 6472   | 95                          | 2,854                       | 30,044                                       | 52                                    | 94                         | 535               | 5,634                              | 18.8                               |
| 6338   | 311                         | 9,335                       | 30,015                                       | 138                                   | 246                        | 1,760             | 5,659                              | 18.9                               |
| 6288   | 228                         | 6,648                       | 29,158                                       | 80                                    | 97                         | 1,268             | 5,560                              | 19.1                               |
| 6333   | 1,709                       | 49,644                      | 29,049                                       | 469                                   | 677                        | 9,631             | 5,636                              | 19.4                               |
| 6358   | 69                          | 1,949                       | 28,244                                       | 45                                    | 55                         | 296               | 4,283                              | 15.2                               |
| 6327   | 51                          | 1,213                       | 23,780                                       | 16                                    | 8                          | 214               | 4,205                              | 17.7                               |
| <b>Total WA</b>  | <b>859,305</b>              | <b>34,540,303</b>           | <b>40,196</b>                                | <b>251,995</b>                        | <b>456,889</b>             | <b>8,500,953</b>  | <b>9,893</b>                       | <b>24.6</b>                        |
| <sup>1</sup> For statistics on other postcodes in Western Australia see personal tax detailed table 3, part E: Western Australia.<br><sup>2</sup> Refers to personal taxpayers with net tax payable greater than \$0.<br><sup>3</sup> Mean (or average) taxable income in this table refers only to taxable individuals.<br><sup>4</sup> Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.<br><sup>5</sup> Net tax ratio is calculated using the formula: net tax/taxable income. |                             |                             |  |                                       |                            |                   |                                    |                                    |

**Top 10**

|      |   |
|------|---|
| 6011 | Cottesloe, Peppermint Grove                         |
| 6716 | Fortescue, Hamersley Range, Millstream, Pannawonica |
| 6009 | Crawley, Dalkeith, Nedlands, Nedlands DC            |
| 6010 | Claremont, Karrakatta, Mount Claremont, Swanbourne  |
| 6015 | City Beach  |
| 6356 | Lake King, Mount Madden                             |
| 6012 | Mosman Park   |
| 6437 | Lawlers, Leinster, Sir Samuel                       |
| 6392 | Bokal, Boolading, Darkan                            |
| 6754 | Chichester, Paraburdoo, Wittenoom                   |

**Bottom 10**

|      |  |
|------|--|
| 6348 | Hopetoun   |
| 6290 | Augusta, Deepdene, East Augusta, Kudardup, Leeuwin, Molloy Island  |
| 6061 | Balga, Mirrabooka, Nollamara, Westminster  |
| 6262 | Boorara Brook, Meerup, Northcliffe, Shannon, Windy Harbour   |
| 6472 | Beacon, Bimbijy, Cleary, Karroun Hill, Mouroubra, Remlap   |
| 6338 | Amelup, Borden, Boxwood Hill, Bremer Bay, Magitup, Monjebup, Nalyerup, North Stirlings, Stirling Range National Park |
| 6288 | Alexandra Bridge, Courtenay, Hamelin Bay, Karridale, Nillup, Scott River, Warner Glen                                |

|      |  |
|------|--|
| 6333 | Bow Bridge, Denmark, Hay, Hazelvale, Kentdale, Kordabup, Mount Lindsay, Mount Romance, Nornalup, Ocean Beach, Parryville, Peaceful Bay, Scotsdale, Shadforth, Tingledale, Trent, William Bay |
| 6358 | Karlgarin  |
| 6327 | Redmond, Redmond West  |

**TABLE 3.21: Highest and lowest mean income-earning postcodes – Tasmania<sup>1</sup>, 2002–03 income year**

| Postcode   | Taxable <sup>2</sup><br>No. | Taxable<br>income<br>\$'000 | Mean<br>taxable<br>income <sup>3</sup><br>\$ | Total<br>imputation credits<br>No. | Total<br>credits<br>\$'000 | Net tax<br>\$'000 | Mean<br>net tax <sup>4</sup><br>\$ | Net tax<br>ratio <sup>5</sup><br>% |
|--|-----------------------------|-----------------------------|--|------------------------------------|----------------------------|-------------------|------------------------------------|------------------------------------|
| <b>Top 10</b>  |                             |                             |  |                                    |                            |                   |                                    |                                    |
| 7001   | 345                         | 18,149                      | 52,606                                       | 127                                | 566                        | 5,363             | 15,544                             | 29.5                               |
| 7005   | 6,195                       | 311,617                     | 50,301                                       | 2,785                              | 11,174                     | 88,777            | 14,330                             | 28.5                               |
| 7470   | 367                         | 17,181                      | 46,816                                       | 49                                 | 54                         | 4,458             | 12,146                             | 25.9                               |
| 7258   | 449                         | 20,920                      | 46,592                                       | 163                                | 969                        | 5,784             | 12,883                             | 27.6                               |
| 7004   | 3,270                       | 146,648                     | 44,847                                       | 1,007                              | 4,529                      | 39,613            | 12,114                             | 27.0                               |
| 7053   | 1,704                       | 74,062                      | 43,464                                       | 647                                | 858                        | 18,696            | 10,972                             | 25.2                               |
| 7000   | 6,321                       | 264,960                     | 41,917                                       | 1,808                              | 3,069                      | 67,376            | 10,659                             | 25.4                               |
| 7007   | 1,345                       | 55,991                      | 41,629                                       | 451                                | 656                        | 13,762            | 10,232                             | 24.6                               |
| 7023   | 125                         | 5,105                       | 40,840                                       | 37                                 | 68                         | 1,209             | 9,669                              | 23.7                               |
| 7467   | 828                         | 33,716                      | 40,720                                       | 127                                | 192                        | 8,247             | 9,960                              | 24.5                               |
| <b>Bottom 10</b>   |                             |                             |  |                                    |                            |                   |                                    |                                    |
| 7215   | 1,150                       | 33,623                      | 29,237                                       | 205                                | 237                        | 6,642             | 5,776                              | 19.8                               |
| 7112   | 936                         | 27,317                      | 29,185                                       | 154                                | 233                        | 5,339             | 5,704                              | 19.5                               |
| 7180   | 66                          | 1,924                       | 29,146                                       | 8                                  | 1                          | 344               | 5,213                              | 17.9                               |
| 7263   | 219                         | 6,373                       | 29,098                                       | 50                                 | 47                         | 1,201             | 5,483                              | 18.8                               |
| 7016   | 700                         | 20,047                      | 28,639                                       | 57                                 | 35                         | 3,732             | 5,332                              | 18.6                               |
| 7019   | 1,477                       | 42,064                      | 28,480                                       | 161                                | 84                         | 7,999             | 5,415                              | 19.0                               |
| 7175   | 58                          | 1,621                       | 27,946                                       | 13                                 | 2                          | 290               | 5,006                              | 17.9                               |
| 7027   | 85                          | 2,361                       | 27,780                                       | 15                                 | 3                          | 465               | 5,468                              | 19.7                               |
| 7178   | 63                          | 1,693                       | 26,871                                       | 6                                  | 11                         | 312               | 4,957                              | 18.4                               |
| 7264   | 207                         | 5,245                       | 25,339                                       | 25                                 | 4                          | 916               | 4,425                              | 17.5                               |
| <b>Total TAS</b>   | <b>196,486</b>              | <b>6,970,642</b>            | <b>35,477</b>                                | <b>46,358</b>                      | <b>68,337</b>              | <b>1,564,037</b>  | <b>7,960</b>                       | <b>22.4</b>                        |
| <p>1 For statistics on other postcodes in Tasmania see personal tax detailed table 3, part F: Tasmania.</p> <p>2 Refers to personal taxpayers with net tax payable greater than \$0.</p> <p>3 Mean (or average) taxable income in this table refers only to taxable individuals.</p> <p>4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.</p> <p>5 Net tax ratio is calculated using the formula: net tax/taxable income.</p> |                             |                             |  |                                    |                            |                   |                                    |                                    |

**Top 10**

|      |   |
|------|---|
| 7001 | Tasman Island   |
| 7005 | Dynnyrne, Lower Sandy Bay, Sandy Bay, University of Tasmania          |
| 7470 | Rosebery  |
| 7258 | Breadalbane, Relbia, White Hills                                      |
| 7004 | Battery Point, South Hobart   |
| 7053 | Bonnet Hill, Taroon   |
| 7000 | Glebe, Hobart, Mount Stuart, North Hobart, Queens Domain, West Hobart |
| 7007 | Mount Nelson, Tolmans Hill  |
| 7023 | Opossum Bay   |
| 7467 | Lake Margaret, Queenstown   |

**Bottom 10**

|      |   |
|------|---|
| 7215 | Beaumaris, Bicheno, Chain of Lagoons, Coles Bay, Cornwall, Douglas River, Falmouth, Four Mile Creek, Freycinet, Friendly Beaches, Gray, Scamander, Seymour, St Marys, Upper Scamander |
| 7112 | Abels Bay, Charlotte Cove, Cygnet, Deep Bay, Eggs and Bacon Bay, Garden Island Creek, Gardners Bay, Nicholls Rivulet, Randalls Bay, Verona Sands                                      |
| 7180 | Taranna   |
| 7263 | Alberton, Legerwood, Ringarooma, Talawa, Trenah   |
| 7016 | Risdon Vale   |
| 7019 | Clarendon Vale, Oakdowns, Rokeby  |

|      |  |
|------|--|
| 7175 | Bream Creek, Marion Bay  |
| 7027 | Colebrook  |
| 7178 | Murdunna   |
| 7264 | Boobyalla, Cape Portland, Derby, Eddystone, Eddystone Point, Gladstone, Herrick, Moorina, Musselroe Bay, Pioneer, Rushy Lagoon, South Mount Cameron, Telita, Weldborough |

**TABLE 3.22: Highest and lowest mean income-earning postcodes – Northern Territory<sup>1</sup>, 2002–03 income year**

| Postcode         | Taxable <sup>2</sup><br>No. | Taxable<br>income<br>\$'000 | Mean<br>taxable<br>income <sup>3</sup><br>\$ | Total<br>imputation<br>No. | credits<br>\$'000 | Net tax<br>\$'000 | Mean<br>net tax <sup>4</sup><br>\$ | Net tax<br>ratio <sup>5</sup><br>% |
|------------------|-----------------------------|-----------------------------|--|----------------------------|-------------------|-------------------|------------------------------------|------------------------------------|
| <b>Top 10</b>    |                             |                             |  |                            |                   |                   |                                    |                                    |
| 0880             | 868                         | 47,189                      | 54,365                                       | 295                        | 366               | 12,455            | 14,349                             | 26.4                               |
| 0886             | 604                         | 28,369                      | 46,968                                       | 143                        | 128               | 6,766             | 11,201                             | 23.8                               |
| 0847             | 110                         | 4,989                       | 45,350                                       | 19                         | 25                | 1,188             | 10,800                             | 23.8                               |
| 0820             | 7,543                       | 342,043                     | 45,346                                       | 1,974                      | 4,733             | 85,913            | 11,390                             | 25.1                               |
| 0800             | 1,393                       | 59,792                      | 42,923                                       | 304                        | 700               | 14,585            | 10,470                             | 24.4                               |
| 0846             | 126                         | 5,401                       | 42,864                                       | 19                         | 3                 | 1,297             | 10,291                             | 24.0                               |
| 0835             | 2,268                       | 95,357                      | 42,044                                       | 542                        | 663               | 22,265            | 9,817                              | 23.3                               |
| 0828             | 430                         | 17,894                      | 41,615                                       | 100                        | 218               | 4,307             | 10,016                             | 24.1                               |
| 0853             | 409                         | 16,691                      | 40,808                                       | 88                         | 22                | 3,553             | 8,686                              | 21.3                               |
| 0810             | 12,717                      | 515,133                     | 40,507                                       | 3,059                      | 2,680             | 118,594           | 9,326                              | 23.0                               |
| <b>Bottom 10</b> |                             |                             |  |                            |                   |                   |                                    |                                    |
| 0854             | 153                         | 5,871                       | 38,374                                       | 16                         | 17                | 1,129             | 7,378                              | 19.2                               |
| 0860             | 807                         | 30,743                      | 38,095                                       | 115                        | 108               | 6,005             | 7,441                              | 19.5                               |
| 0830             | 8,206                       | 311,734                     | 37,988                                       | 1,207                      | 490               | 66,249            | 8,073                              | 21.3                               |
| 0838             | 62                          | 2,320                       | 37,413                                       | 10                         | 1                 | 513               | 8,276                              | 22.1                               |
| 0845             | 244                         | 9,057                       | 37,120                                       | 38                         | 8                 | 1,893             | 7,760                              | 20.9                               |
| 0837             | 671                         | 24,367                      | 36,314                                       | 128                        | 70                | 5,075             | 7,563                              | 20.8                               |
| 0852             | 652                         | 22,857                      | 35,057                                       | 92                         | 127               | 4,477             | 6,866                              | 19.6                               |
| 0822             | 1,460                       | 49,649                      | 34,006                                       | 166                        | 73                | 9,166             | 6,278                              | 18.5                               |
| 0872             | 2,140                       | 70,852                      | 33,108                                       | 243                        | 91                | 12,686            | 5,928                              | 17.9                               |
| 0862             | 136                         | 4,391                       | 32,289                                       | 18                         | 7                 | 758               | 5,575                              | 17.3                               |
| <b>Total NT</b>  | <b>77,638</b>               | <b>3,160,702</b>            | <b>40,711</b>                                | <b>16,236</b>              | <b>18,229</b>     | <b>720,992</b>    | <b>9,287</b>                       | <b>22.8</b>                        |

1 For statistics on other postcodes in the Northern Territory see personal tax detailed table 3, part G: Northern Territory.

2 Refers to personal taxpayers with net tax payable greater than \$0.

3 Mean (or average) taxable income in this table refers only to taxable individuals.

4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.

5 Net tax ratio is calculated using the formula: net tax/taxable income.

**Top 10**

0880 Gapuwiyak, Gove, Nhulunbuy, Yirrkala  
 0886 Jabiru  
 0847 Pine Creek  
 0820 Bagot, Bayview, Charles Darwin, Cullen Bay, Darwin MC, East Point, Fannie Bay, HMAS Coonawarra, Larrakeyah, Ludmilla, Parap, Stuart Park, The Gardens, The Narrows, Winnellie, Woolner  
 0800 Darwin  
 0846 Adelaide River  
 0835 Howard Springs, Virginia  
 0828 Berrimah, Knuckey Lagoon  
 0853 Tindal RAAF  
 0810 Alawa, Brinkin, Casuarina, Coconut Grove, Jingili, Lee Point, Millner, Moil, Nakara, Nightcliff, Rapid Creek, Tiwi, Wagaman, Wanguri

**Bottom 10**

0854 Borroloola, King Ash Bay  
 0860 Tennant Creek  
 0830 Archer, Driver, Durack, Farrar, Gray, Marlow Lagoon, Moulden, Palmerston, Shoal Bay, Woodroffe, Yarrowonga  
 0838 Berry Springs  
 0845 Batchelor  
 0837 Manton, Noonamah  
 0852 Barunga, Beswick, Daly Waters, Dunmarra, Edith River, Eusey Station, Kalkaringi, Lajamanu, Larrimah, Manbulloo, Maranboy, Mataranka, Ngukurr, Numbulwar, Timber Creek, Victoria River Downs, Wave Hill  
 0822 Acacia Hills, Angurugu, Annie River, Bathurst Island, Bees Creek, Border Store, Cox Peninsula, Croker Island, Daly River, Delissaville, Fly Creek, Galiwinku, Goulbourn Island, Gunn Point, Hayes Creek, Lake Bennett, Lambells Lagoon, Livingstone, Maningrida, McMinns Lagoon, Middle Point, Milingimbi, Millwood, Minjilang, Nguuiu, Oenpelli, Point Stephens,

Pularumpi, Pulumpa, Ramingining, Southport, Tortilla Flats, Umbakumba, Virginia, Wadeye, Wagait Beach, Weddell, Woolaning  
 0872 Aherrenge, Ali Curung, Amata, Amoonguna, Antewenegerrde, Areyonga, Atitjere, Ayers Rock, Barrow Creek, Canteen Creek, Docker River, Erdunda, Finke, Haasts Bluff, Hermannsburg, Imampa, Jay Creek, Kaltukatjara, Kintore, Kiwirrkurra, Kulgera, Mount Liebig, Mulga Bore, Murputja Homelands, Nyapari, Papunya, Patjarr, Pitjantjatjara Homelands, Santa Teresa, Thangkenharengge, Ti Tree, Tjirrkarli, Tjukurla, Uluru, Umpangara, Urapuntja, Wallace Rockhole, Wanarn, Willowra, Wilora, Wingellina, Yuelamu, Yuendumu, Yulara, Ernabella, Fregon, Indulkana, Mimili, Warakurna  
 0862 Avon Downs, Cresswell Downs, Elliott, Helen Springs, Muckaty Station, Newcastle Waters, Phillip Creek Station, Renner Springs, Three Ways, Warrego, Wollogorang Station, Wycliffe Well

**TABLE 3.23: Highest and lowest mean income-earning postcodes – Australian Capital Territory<sup>1</sup>, 2002–03 income year**

| Postcode   | Taxable <sup>2</sup><br>No. | Taxable<br>income<br>\$'000 | Mean<br>taxable<br>income <sup>3</sup><br>\$ | Total<br>imputation<br>credits<br>No. | Total<br>credits<br>\$'000 | Net tax<br>\$'000 | Mean<br>net tax <sup>4</sup><br>\$ | Net tax<br>ratio <sup>5</sup><br>% |
|--|-----------------------------|-----------------------------|--|---------------------------------------|----------------------------|-------------------|------------------------------------|------------------------------------|
| <b>Top 10</b>  |                             |                             |  |                                       |                            |                   |                                    |                                    |
| 2603   | 4,767                       | 325,168                     | 68,212                                       | 2,544                                 | 10,407                     | 104,821           | 21,989                             | 32.2                               |
| 2600   | 4,408                       | 265,618                     | 60,258                                       | 2,284                                 | 6,798                      | 80,822            | 18,335                             | 30.4                               |
| 2604   | 4,658                       | 249,470                     | 53,557                                       | 1,959                                 | 2,789                      | 71,535            | 15,357                             | 28.7                               |
| 2601   | 1,468                       | 76,992                      | 52,447                                       | 694                                   | 1,412                      | 22,287            | 15,182                             | 28.9                               |
| 2605   | 6,253                       | 326,948                     | 52,287                                       | 3,371                                 | 5,102                      | 91,065            | 14,563                             | 27.9                               |
| 2911   | 108                         | 5,520                       | 51,107                                       | 41                                    | 311                        | 1,584             | 14,663                             | 28.7                               |
| 2607   | 7,517                       | 372,029                     | 49,492                                       | 3,888                                 | 6,142                      | 100,591           | 13,382                             | 27.0                               |
| 2612   | 5,225                       | 256,372                     | 49,066                                       | 2,130                                 | 3,973                      | 70,848            | 13,559                             | 27.6                               |
| 2618   | 643                         | 31,196                      | 48,516                                       | 337                                   | 809                        | 8,538             | 13,278                             | 27.4                               |
| 2606   | 4,180                       | 201,110                     | 48,112                                       | 1,752                                 | 2,713                      | 54,077            | 12,937                             | 26.9                               |
| <b>Bottom 10</b>   |                             |                             |  |                                       |                            |                   |                                    |                                    |
| 2914   | 2,375                       | 107,245                     | 45,156                                       | 771                                   | 262                        | 27,390            | 11,533                             | 25.5                               |
| 2900   | 589                         | 26,579                      | 45,126                                       | 208                                   | 178                        | 6,736             | 11,437                             | 25.3                               |
| 2913   | 11,093                      | 500,064                     | 45,079                                       | 3,938                                 | 2,800                      | 129,015           | 11,630                             | 25.8                               |
| 2602   | 13,280                      | 598,041                     | 45,033                                       | 5,461                                 | 4,751                      | 154,492           | 11,633                             | 25.8                               |
| 2902   | 8,836                       | 383,926                     | 43,450                                       | 3,521                                 | 2,508                      | 96,811            | 10,956                             | 25.2                               |
| 2617   | 13,444                      | 574,801                     | 42,755                                       | 5,555                                 | 4,487                      | 144,015           | 10,712                             | 25.1                               |
| 2903   | 5,501                       | 235,050                     | 42,729                                       | 2,195                                 | 1,135                      | 58,939            | 10,714                             | 25.1                               |
| 2906   | 7,918                       | 336,450                     | 42,492                                       | 2,403                                 | 938                        | 83,125            | 10,498                             | 24.7                               |
| 2905   | 14,692                      | 614,207                     | 41,806                                       | 5,034                                 | 2,326                      | 151,051           | 10,281                             | 24.6                               |
| 2615   | 20,907                      | 853,280                     | 40,813                                       | 7,668                                 | 4,157                      | 204,969           | 9,804                              | 24.0                               |
| <b>Total ACT</b>   | <b>170,731</b>              | <b>7,852,540</b>            | <b>45,994</b>                                | <b>70,867</b>                         | <b>80,496</b>              | <b>2,054,442</b>  | <b>12,033</b>                      | <b>26.2</b>                        |
| <p>1 For statistics on other postcodes in the Australian Capital Territory see personal tax detailed table 3, part H: Australian Capital Territory.</p> <p>2 Refers to personal taxpayers with net tax payable greater than \$0.</p> <p>3 Mean (or average) taxable income in this table refers only to taxable individuals.</p> <p>4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.</p> <p>5 Net tax ratio is calculated using the formula: net tax/taxable income.</p> |                             |                             |  |                                       |                            |                   |                                    |                                    |

**Top 10**

|      |  |
|------|--|
| 2603 | Forrest, Griffith, Manuka, Red Hill  |
| 2600 | Barton, Canberra, Capital Hill, Deakin, Deakin West, Duntroon, Fairbairn, RAAF, Harman, HMAS Harman, Parkes, Russell, Russell Hill, Yarralumla |
| 2604 | Causeway, Kingston, Narrabundah  |
| 2601 | Acton, Black Mountain, City  |
| 2605 | Curtin, Garran, Hughes   |
| 2911 | Crace, Kenny, Mitchell   |
| 2607 | Farrer, Isaacs, Mawson, Pearce, Torrens  |
| 2612 | Braddon, Campbell, Reid, Turner  |
| 2618 | Hall, Wallaroo   |
| 2606 | Chifley, Lyons, O'Malley, Phillip, Swinger Hill, Woden   |

**Bottom 10**

|      |  |
|------|--|
| 2914 | Amaroo, Forde, Harrison, Moncrieff, Mulanggarri, Throsby                                 |
| 2900 | Greenway, Tuggeranong  |
| 2913 | Casey, Franklin, Ginninderra Village, Kinlyside, Ngunnawal, Nicholls, Palmerston, Taylor |
| 2602 | Ainslie, Dickson, Downer, Hackett, Lyneham, O'Connor, Watson                             |
| 2902 | Kambah   |
| 2617 | Belconnen, Belconnen DC, Bruce, Evatt, Giralang, Kaleen, Lawson, McKellar                |
| 2903 | Erindale Centre, Oxley, Wanniasa   |
| 2906 | Banks, Conder, Gordon  |
| 2905 | Bonython, Calwell, Chisholm, Gilmore, Isabella Plains, Richardson, Theodore              |

|      |  |
|------|--|
| 2615 | Charnwood, Dunlop, Florey, Flynn, Fraser, Higgins, Holt, Kippax, Kippax Centre, Latham, Macgregor, Melba, Spence |
|------|--|

**TABLE 3.24: Highest and lowest mean income-earning postcodes – Australia, 2002–03 income year**

| Postcode   | Taxables <sup>1</sup><br>No. | Taxable<br>income<br>\$'000 | Mean<br>taxable<br>income <sup>2</sup><br>\$ | Total<br>imputation<br>credits<br>No. | Total<br>credits<br>\$'000 | Net tax<br>\$'000 | Mean net<br>tax <sup>3</sup><br>\$ | Net tax<br>ratio <sup>4</sup><br>% |
|--|------------------------------|-----------------------------|--|---------------------------------------|----------------------------|-------------------|------------------------------------|------------------------------------|
| <b>Top 10</b>  |                              |                             |  |                                       |                            |                   |                                    |                                    |
| 3944   | 234                          | 28,030                      | 119,788                                      | 138                                   | 3,958                      | 10,881            | 46,500                             | 38.8                               |
| 2027   | 4,762                        | 526,710                     | 110,607                                      | 2,694                                 | 48,032                     | 199,326           | 41,858                             | 37.8                               |
| 3142   | 8,160                        | 893,959                     | 109,554                                      | 4,753                                 | 67,725                     | 336,445           | 41,231                             | 37.6                               |
| 2023   | 5,033                        | 507,129                     | 100,761                                      | 2,599                                 | 41,681                     | 187,005           | 37,156                             | 36.9                               |
| 2030   | 7,602                        | 745,017                     | 98,003                                       | 4,157                                 | 52,488                     | 275,829           | 36,284                             | 37.0                               |
| 2088   | 15,519                       | 1,520,802                   | 97,996                                       | 8,163                                 | 63,304                     | 555,598           | 35,801                             | 36.5                               |
| 2110   | 4,522                        | 435,001                     | 96,197                                       | 2,588                                 | 25,623                     | 159,853           | 35,350                             | 36.7                               |
| 2063   | 3,218                        | 306,475                     | 95,238                                       | 1,933                                 | 14,611                     | 112,716           | 35,027                             | 36.8                               |
| 2025   | 4,230                        | 366,030                     | 86,532                                       | 2,107                                 | 21,877                     | 129,594           | 30,637                             | 35.4                               |
| 2071   | 6,108                        | 526,700                     | 86,231                                       | 4,048                                 | 27,415                     | 184,955           | 30,281                             | 35.1                               |
| <b>Bottom 10</b>   |                              |                             |  |                                       |                            |                   |                                    |                                    |
| 4467   | 56                           | 1,446                       | 25,827                                       | 9                                     | 3                          | 273               | 4,866                              | 18.8                               |
| 2735   | 146                          | 3,746                       | 25,658                                       | 50                                    | 20                         | 659               | 4,516                              | 17.6                               |
| 7264   | 207                          | 5,245                       | 25,339                                       | 25                                    | 4                          | 916               | 4,425                              | 17.5                               |
| 4365   | 62                           | 1,560                       | 25,168                                       | 7                                     | 0                          | 258               | 4,169                              | 16.6                               |
| 3475   | 117                          | 2,884                       | 24,647                                       | 45                                    | 23                         | 487               | 4,159                              | 16.9                               |
| 3487   | 56                           | 1,380                       | 24,642                                       | 40                                    | 40                         | 256               | 4,570                              | 18.5                               |
| 6327   | 51                           | 1,213                       | 23,780                                       | 16                                    | 8                          | 214               | 4,205                              | 17.7                               |
| 4418   | 52                           | 1,219                       | 23,451                                       | 31                                    | 40                         | 206               | 3,968                              | 16.9                               |
| 3800   | 67                           | 1,559                       | 23,264                                       | 10                                    | 6                          | 308               | 4,596                              | 19.8                               |
| 2308   | 68                           | 1,494                       | 21,965                                       | 11                                    | 14                         | 284               | 4,182                              | 19.0                               |
| <b>Total</b>   | <b>8,634,246</b>             | <b>352,499,306</b>          | <b>40,826</b>                                | <b>2,751,516</b>                      | <b>4,955,104</b>           | <b>87,849,050</b> | <b>10,174</b>                      | <b>24.9</b>                        |
| <p>1 Refers to personal taxpayers with net tax payable greater than \$0.</p> <p>2 Mean (or average) taxable income in this table refers only to taxable individuals.</p> <p>3 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.</p> <p>4 Net tax ratio is calculated using the formula: net tax/taxable income.</p> |                              |                             |  |                                       |                            |                   |                                    |                                    |

**Top 10**

|      |  |
|------|--|
| 3944 | Portsea  |
| 2027 | Darling Point, Edgecliff, HMAS Rushcutters, Point Piper                        |
| 3142 | Toorak   |
| 2023 | Bellevue Hill  |
| 2030 | Diamond Bay, Dover Heights, HMAS Watson, Rose Bay North, Vaucluse, Watsons Bay |
| 2088 | Clifton Gardens, Georges Heights, Mosman, Spit Junction, The Spit              |
| 2110 | Hunters Hill, Hunters Hill West, Woolwich                                      |
| 2063 | Northbridge  |
| 2025 | Woollahra  |
| 2071 | Killara  |

**Bottom 10**

|      |  |
|------|--|
| 4467 | Mungallala   |
| 2735 | Koraleigh  |
| 7264 | Boobyalla, Cape Portland, Derby, Eddystone, Eddystone Point, Gladstone, Herrick, Moorina, Musselroe Bay, Pioneer, Rushy Lagoon, South Mount Cameron, Telita, Weldborough |
| 4365 | Leyburn  |
| 3475 | Archdale, Archdale Junction, Bealiba, Burkes Flat, Cochranes Creek, Emu, Logan   |
| 3487 | Lascalles  |
| 6327 | Redmond, Redmond West  |
| 4418 | Guluguba   |
| 3800 | Monash University  |
| 2308 | Callaghan, Newcastle University  |

## DETAILED TABLES

The following personal tax detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

The 'items' referred to in the detailed tables are items declared on the 2003 individual tax return. A copy of this form is in the appendix.

To find out whether a particular item is included in a detailed table refer to the personal tax detailed tables index included on the attached CD-ROM and in the online version of this publication. (The index can be viewed or downloaded only in Adobe Acrobat (PDF) or Microsoft Excel (XLS) file format.) The table index lists the different items shown in the detailed tables and specifies in which tables they appear.

### Table 1: Selected items, by sex and state/territory of residence, 2002–03 income year

This table shows the number of taxable, non-taxable, male, female and all personal taxpayers for each state and territory. It also shows the total income, taxable income, net tax payable, average taxable income, average net tax payable, work-related expenses, gifts or donation deductions, total deductions claimed, total business expenses claimed, HECS assessment debts, SLS assessment debts, Medicare levy and Medicare levy surcharge of male, female and all taxpayers for each state and territory.

### Table 2: Selected items, by state/territory/region, 2002–03 income year

This table shows the number of records and amounts for selected income, deductions, tax offsets and other return items of personal taxpayers living in specified regions within different states and territories (for example, major urban, other urban, regional–high urbanisation, regional–low urbanisation, rural and other regions in New South Wales). A region is composed of postcodes grouped together according to specified population ranges.

- **Part A: Taxable individuals** – reports data for taxable individuals only, that is, personal taxpayers with net tax payable greater than \$0.
- **Part B: Non-taxable individuals** – reports data for non-taxable individuals only, that is, personal taxpayers with net tax payable equal to \$0.
- **Part C: All individuals** – reports data for all personal taxpayers.

### Table 3: Selected items, by state/territory and postcode, for taxable individuals, 2002–03 income year

This table shows the number of records and amounts for selected income, deductions, tax offsets and other return items of taxable personal taxpayers living in different postcodes (residential postcodes declared by taxpayers on their returns) for each state and territory. In addition, the number of non-taxable individuals residing in different postcodes is reported. The data for each state and territory is presented in a separate part:

- **Part A: New South Wales** – includes data on taxpayers living in residential postcodes in New South Wales
- **Part B: Victoria** – includes data on taxpayers living in residential postcodes in Victoria
- **Part C: Queensland** – includes data on taxpayers living in residential postcodes in Queensland
- **Part D: South Australia** – includes data on taxpayers living in residential postcodes in South Australia
- **Part E: Western Australia** – includes data on taxpayers living in residential postcodes in Western Australia
- **Part F: Tasmania** – includes data on taxpayers living in residential postcodes in Tasmania
- **Part G: Northern Territory** – includes data on taxpayers living in residential postcodes in the Northern Territory
- **Part H: Australian Capital Territory, other taxpayers and total taxpayers** – includes data on taxpayers living in residential postcodes in the Australian Capital Territory. Also includes data on taxpayers who are living overseas, taxpayers who did not state their residential postcode on their return, taxpayers living in other grouped postcodes and total taxpayers.

**Table 4: Selected items, by fine industry, 2002–03 income year**

This table shows the number of records and amounts for selected items from personal taxpayer returns. Taxpayers (and the data) are classified into fine industry groupings (determined by the taxpayer's main source of business income) based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system.

❗ Page numbers refer to the 2003 individual income tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

- **Part A: Tax Office calculated and miscellaneous items** – contains data on Tax Office calculated items such as HECS assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1 to 22 on pages 2, 6–8), adjustments items (A1, A3–A4 on page 4), selected credit items including 'credit for interest on early payments' (item C1 on page 8) and other Tax Office calculated items such as 'ETP-5% assessable', 'other salary and wages category 1' and 'other salary and wages category 2'.
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1 to D15 on pages 3 and 8) and tax loss items including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1 to T10 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers such as the averaging tax offset, life assurance bonus tax offset and others.
- **Part E: Business and professional items** – contains items from the business and professional items section of the return (pages 9–11).

❗ In order to meet privacy regulations, statistics for some items are not reported by fine industries in the different parts of this table. Statistics on items showing a low number of records are reported in table 11 ('Selected items, by broad industry').

**Table 5: All items, by taxable income, 2002–03 income year**

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the Tax Office based on information provided on the return. Taxpayers (and the data) are classified by taxable status (non-taxable and taxable) and are ranged by taxable income.

❗ Page numbers refer to the 2003 individual income tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

- **Part A: Tax Office calculated and miscellaneous items** – contains data on Tax Office calculated items such as HECS assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1 to 22 on pages 2, 6–8), adjustments items (A1, A3–A4 on page 4), selected credit items including 'credit for interest on early payments' (item C1 on page 8) and other Tax Office calculated items such as 'ETP-5% assessable', 'other salary and wages category 1' and 'other salary and wages category 2'.
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1 to D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1 to T10 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers such as the averaging tax offset, life assurance bonus tax offset and others.
- **Part E: Business and professional items** – contains items from the business and professional items section of the return (pages 9–11).

**Table 6: Number of personal taxpayers, by broad industry and state/territory/region, 2002–03 income year**

This table shows the number of personal taxpayers classified by broad industry in specified regions within different states and territories (for example, major urban, other urban, regional–high urbanisation, regional–low urbanisation, rural and other regions in New South Wales). A region category is composed of postcodes grouped together according to specified population ranges. The broad industry groups used to classify personal taxpayers are based on the ANZSIC industry groups.

**Table 7: Selected items for income years 1993–94 to 2002–03**

This table shows the number of records and amounts for selected items from the individual tax return (including items calculated by the Tax Office) for all income years between 1993–94 and 2002–03.

This table is also available at the back of this chapter (see table 3.25).

**Table 8: Non-resident individuals: selected items, by taxable income, 2002–03 income year**

This table shows the number of records and amounts for selected items from the individual tax return of non-resident personal taxpayers only. For this table, the taxpayers (and the data) are ranged by taxable income.

**Table 9: Five percentile distribution, by taxable income, 2002–03 income year**

This table shows a distribution of taxable income, total income, net tax and number of taxpayers. Taxable income is distributed across 20 quantiles. Each quantile contains 5% of the total number of taxpayers. The table shows the number of male and female taxpayers, and the amount and proportion of total income, taxable income and net tax for each quantile.

**Table 10: Trustee assessments: selected items, by taxable income, 2002–03 income year**

This table shows the number of records and amounts for selected return items from the individual tax return of trustees assessed. Trustees assessed (and the data) are classified by taxable status (non-taxable and taxable) and are ranged by taxable income.

**Table 11: Selected items, by broad industry, 2002–03 income year**

This table shows the number of records and amounts for selected items that are not included in personal tax detailed table 4 ('Selected items, by fine industry'). Taxpayers and the data are classified into broad industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC industry groups.

**Table 12: Selected items, by age, sex, taxable status and taxable income, 2002–03 income year**

This table shows the number of male, female and total personal taxpayers classified into different age brackets (from 'under 18' to '75 years and over') and ranged by grade of taxable income. The pension income, net tax payable, taxable income and total income of male, female and total taxpayers in the different age brackets and taxable income ranges are also shown.

**Table 13: Selected items, by sex, marital status, state/territory and taxable income, 2002–03 income year**

This table shows the number of single and married male, female and total personal taxpayers classified by state or territory and ranged by taxable income. The taxable income, total income and net tax payable of male, female and total taxpayers in the different states, territories and taxable income ranges are also shown.

**Table 14: Selected items, by statistical local area (SLA), 2002–03 income year**

This table shows the number of records and amounts for selected income, deductions, tax offsets and other return items of personal taxpayers living in different statistical local areas (SLAs). SLAs are based on the boundaries of incorporated bodies of local government where these exist. These bodies are the local government councils and the geographical areas which they administer are known as local government areas.



**Table 15: All items, by total income, 2002–03 income year**

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the Tax Office based on information provided on the return. Taxpayers (and the data) are ranged by total income.

❗ Page numbers refer to the 2003 individual income tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

- **Part A: Tax Office calculated and miscellaneous items** – contains data on Tax Office calculated items such as HECS assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1 to 22 on pages 2, 6–8), adjustments items (A1, A3–A4 on page 4), selected credit items, including ‘credit for interest on early payments’ (item C1 on page 8) and other Tax Office calculated items such as ‘ETP–5% assessable’, ‘other salary and wages category 1’ and ‘other salary and wages category 2’.
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1 to D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1 to T10 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers, such as the averaging tax offset, life assurance bonus tax offset and others.
- **Part E: Business and professional items** – contains items from the business and professional items section of the return (pages 9–11).

**Table 16: Taxpayers with business income, all items, by total business income, 2002–03 income year**

This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the Tax Office based on information provided on the return. Taxpayers (and the data) are ranged by total business income.

The statistics in the table refer only to taxpayers who had business income or loss. That is, taxpayers who declared primary or non-primary production business income or loss at the following items on the business and professional items schedule: gross payments where ABN not quoted, gross payments – voluntary agreement, gross payments – labour hire or other specified payments, assessable government industry payments and/or other business income.

❗ Page numbers refer to the 2003 individual income tax return form used by tax agents on behalf of their clients. A copy of this form is in the appendix.

- **Part A: Tax Office calculated and miscellaneous items** – contains data on Tax Office calculated items such as HECS assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.
- **Part B: Income, credits, selected deductible, withheld and adjustment items** – contains taxpayer claimed income items, selected deductible and withheld items (items 1 to 22 on pages 2, 6–8), adjustments items (A1, A3–A4 on page 4), selected credit items, including ‘credit for interest on early payments’ (item C1 on page 8) and other Tax Office calculated items such as ‘ETP–5% assessable’, ‘other salary and wages category 1’ and ‘other salary and wages category 2’.
- **Part C: Deduction and tax loss items** – contains taxpayer claimed deductions (items D1 to D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
- **Part D: Tax offset items** – contains tax offsets claimed by taxpayers on their return (items T1 to T10 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers, such as the averaging tax offset, life assurance bonus tax offset and others.
- **Part E: Business and professional items** – contains items from the business and professional items section of the return (pages 9–11).

### TIME SERIES TABLE

Table 3.25 shows selected items from individual returns for income years 1993–94 to 2002–03. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as **personal tax detailed table 7**. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items   | 1993-94 <sup>2</sup> | 1994-95 <sup>2</sup> | 1995-96         | 1996-97         | 1997-98         | 1998-99         | 1999-2000       | 2000-01 <sup>3</sup> | 2001-02 <sup>3</sup> | 2002-03 <sup>4</sup> |
|--|----------------------|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|----------------------|----------------------|
| Number of males <sup>5</sup>                           | No.                  | 5,125,869            | 5,219,019       | 5,514,448       | 5,530,602       | 5,557,601       | 5,669,815       | 5,720,288            | 5,691,305            | 5,566,326            |
| Number of females <sup>5</sup>                         | No.                  | 4,265,221            | 4,399,991       | 4,674,165       | 4,740,531       | 4,759,984       | 4,920,029       | 5,035,157            | 5,094,276            | 5,097,540            |
| Number of taxpayers <sup>5</sup>                       | No.                  | 9,391,090            | 9,619,010       | 10,188,613      | 10,271,133      | 10,317,585      | 10,589,844      | 10,755,445           | 10,785,581           | 10,663,866           |
| Number of taxables <sup>5,6</sup>                      | No.                  | 7,609,299            | 7,861,134       | 8,406,023       | 8,557,899       | 8,643,242       | 8,818,835       | 8,706,551            | 8,738,267            | 8,634,246            |
| Number of non-taxables <sup>5,7</sup>                  | No.                  | 1,781,791            | 1,757,876       | 1,782,590       | 1,713,234       | 1,674,343       | 1,771,009       | 2,048,894            | 2,047,314            | 2,029,620            |
| Number of non-residents                                | No.                  | 30,704               | 30,470          | 36,767          | 32,752          | 26,374          | 58,815          | 61,897               | 72,107               | 58,490               |
| Number of taxpayers by state of residence <sup>5</sup> |                      |                      |                 |                 |                 |                 |                 |                      |                      |                      |
| NSW  | No.                  | 3,144,503            | 3,218,860       | 3,387,715       | 3,414,645       | 3,435,905       | 3,544,451       | 3,612,487            | 3,587,662            | 3,509,700            |
| VIC  | No.                  | 2,388,392            | 2,424,271       | 2,551,232       | 2,565,682       | 2,585,675       | 2,660,264       | 2,706,336            | 2,716,673            | 2,682,896            |
| QLD  | No.                  | 1,662,979            | 1,726,892       | 1,836,479       | 1,862,616       | 1,887,204       | 1,957,288       | 1,994,203            | 2,028,330            | 2,035,860            |
| SA   | No.                  | 770,649              | 782,173         | 808,854         | 809,326         | 807,722         | 816,318         | 820,812              | 825,058              | 819,848              |
| WA   | No.                  | 921,304              | 952,173         | 1,012,312       | 1,026,845       | 1,039,115       | 1,058,645       | 1,067,472            | 1,071,453            | 1,066,656            |
| TAS  | No.                  | 240,869              | 243,112         | 244,703         | 250,746         | 246,502         | 244,187         | 246,136              | 247,191              | 247,230              |
| NIT  | No.                  | 84,901               | 87,516          | 95,328          | 98,578          | 99,512          | 99,294          | 97,595               | 97,967               | 95,700               |
| ACT  | No.                  | 177,543              | 183,450         | 202,636         | 188,861         | 190,025         | 198,588         | 199,581              | 200,665              | 197,732              |
| Not stated and other                                   | No.                  | n.a.                 | n.a.            | 49,354          | 53,834          | 25,925          | 10,819          | 10,823               | 10,582               | 8,244                |
| Total  | No.                  | 9,391,090            | 9,619,010       | 10,188,603      | 10,271,133      | 10,317,585      | 10,589,844      | 10,755,445           | 10,785,581           | 10,663,866           |
| Number of TaxPack express cases                        | No.                  | 136,152              | 132,502         | 195,648         | 229,724         | 238,290         | 230,696         | 184,890              | 149,627              | 116,023              |
| Number of e-tax returns                                | No.                  | n.a.                 | n.a.            | n.a.            | n.a.            | n.a.            | 113,164         | 266,198              | 537,847              | 807,365              |
| Number of tax agent cases ELS                          | No.                  | 6,119,697            | 6,489,583       | 7,013,005       | 7,060,465       | 7,382,347       | 7,911,996       | 7,838,086            | 7,857,240            | 7,792,981            |
| Number of tax agent cases total                        | No.                  | 6,674,622            | 6,939,842       | 7,395,749       | 7,607,694       | 7,839,219       | 8,207,736       | 8,240,820            | 8,154,603            | 7,922,496            |
| Taxable income or loss                                 | \$                   | 222,712,000,000      | 236,580,000,000 | 264,563,681,532 | 273,609,356,592 | 294,733,664,539 | 309,083,899,417 | 326,508,125,915      | 350,093,399,860      | 358,570,824,850      |
| Complementary tax                                      | No.                  | 74,815               | 62,213          | 51,916          | 64,153          | 70,391          | 63,933          | 45,706               | 43,757               | 52,910               |
| Gross tax  | \$                   | 26,000,000           | 19,000,000      | 16,571,001      | 23,261,559      | 26,805,535      | 26,432,455      | 15,132,484           | 15,987,577           | 22,378,365           |
| Medicare levy  | No.                  | 51,024,000,000       | 54,444,000,000  | 61,555,124,669  | 66,086,246,093  | 72,119,711,261  | 85,659,530,274  | 81,569,301,608       | 84,442,816,515       | 87,597,340,165       |
| Medicare levy surcharge                                | No.                  | 6,002,072            | 6,293,920       | 6,747,841       | 6,886,209       | 6,956,534       | 7,431,981       | 7,310,211            | 7,261,903            | 7,144,433            |
| Net tax <sup>8</sup>                                   | \$                   | 2,697,000,000        | 2,907,000,000   | 3,452,444,506   | 4,121,303,145   | 3,881,760,755   | 4,404,623,714   | 4,647,378,196        | 4,752,520,837        | 4,847,086,724        |
|  | No.                  | n.a.                 | n.a.            | n.a.            | n.a.            | 167,331         | 270,841         | 161,622              | 195,312              | 210,742              |
|  | \$                   | n.a.                 | n.a.            | n.a.            | n.a.            | 112,142,940     | 162,391,434     | 100,177,479          | 118,657,672          | 128,200,358          |
|  | \$                   | 47,653,000,000       | 50,940,000,000  | 58,016,332,830  | 62,811,041,571  | 67,862,497,836  | 80,750,449,936  | 81,808,132,606       | 84,526,621,110       | 87,849,050,107       |

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993–94 to 2002–03**

| Selected items  | 1993–94 <sup>2</sup> | 1994–95 <sup>2</sup> | 1995–96         | 1996–97         | 1997–98         | 1998–99         | 1999–2000       | 2000–01 <sup>3</sup> | 2001–02 <sup>3</sup> | 2002–03 <sup>4</sup> |
|---|----------------------|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|----------------------|----------------------|
| Comm of Aust benefits & payments  | No. 1,184,242        | 1,321,623            | 1,443,561       | 1,383,591       | 1,266,081       | 1,176,607       | 1,141,117       | 1,155,621            | 1,135,511            | 1,025,563            |
|   | \$ 4,836,000,000     | 4,501,000,000        | 4,893,226,896   | 4,804,597,220   | 4,447,839,856   | 4,361,728,549   | 4,155,623,361   | 4,369,647,995        | 4,591,711,189        | 4,359,913,849        |
| Salary or wages   | No. 7,209,181        | 7,413,071            | 7,819,289       | 7,847,264       | 7,924,382       | 7,986,133       | 8,194,864       | 8,332,408            | 8,323,479            | 8,211,693            |
|   | \$ 174,239,000,000   | 186,117,000,000      | 204,460,311,444 | 214,084,762,750 | 226,324,145,443 | 237,440,435,636 | 253,648,249,095 | 270,533,875,742      | 278,522,434,709      | 284,347,460,411      |
| Comm of Aust pensions & allowances  | No. 686,704          | 714,793              | 791,931         | 828,067         | 759,106         | 730,170         | 729,136         | 669,482              | 659,003              | 654,474              |
|   | \$ 3,573,000,000     | 3,760,000,000        | 4,277,423,596   | 4,643,405,772   | 4,212,576,407   | 4,093,157,845   | 4,208,369,257   | 4,016,179,864        | 4,082,040,100        | 4,224,353,807        |
| Other Australian pensions or annuities  | No. 283,755          | 342,482              | 398,417         | 429,210         | 464,783         | 492,106         | 520,777         | 526,563              | 530,375              | 529,740              |
|   | \$ 3,563,000,000     | 4,448,000,000        | 5,506,393,706   | 6,213,967,499   | 6,956,451,559   | 7,431,030,347   | 8,152,508,551   | 8,906,536,834        | 9,740,904,209        | 10,199,326,968       |
| Allowances, benefits, earnings, tips etc  | No. 1,968,086        | 1,983,192            | 2,055,155       | 2,044,493       | 2,048,300       | 2,061,103       | 2,105,352       | 2,053,786            | 1,990,787            | 1,946,529            |
|   | \$ 2,981,000,000     | 3,197,000,000        | 3,592,568,970   | 3,784,677,053   | 4,211,232,430   | 4,609,916,519   | 4,939,440,582   | 5,068,366,648        | 5,116,834,646        | 4,932,618,722        |
| Other salary & wages – category 1   | No. n.a.             | n.a.                 | n.a.            | n.a.            | 32,075          | 417             | 27,323          | 46,203               | 32,678               | 33,180               |
|   | \$ n.a.              | n.a.                 | n.a.            | n.a.            | 157,248,478     | 2,309,535       | 183,016,784     | 191,342,082          | 221,556,505          | 234,300,894          |
| Other salary & wages – category 2   | No. n.a.             | n.a.                 | n.a.            | n.a.            | 43,495          | 37,744          | 67,047          | 54,973               | 43,037               | 36,516               |
|   | \$ n.a.              | n.a.                 | n.a.            | n.a.            | 209,903,357     | 266,869,788     | 525,842,286     | 467,939,544          | 440,945,758          | 431,716,767          |
| Foreign employment & pension income   | No. 94,618           | 108,806              | 124,711         | 132,979         | n.a.            | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |
|   | \$ 547,000,000       | 608,000,000          | 685,185,670     | 738,893,849     | n.a.            | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |
| Foreign employment & pension or annuity income without an undeducted purchase price | No. n.a.             | n.a.                 | n.a.            | n.a.            | 69,387          | 71,035          | 69,755          | 55,949               | 51,600               | 52,408               |
|   | \$ n.a.              | n.a.                 | n.a.            | n.a.            | 472,984,415     | 520,228,192     | 503,820,932     | 498,650,619          | 504,361,466          | 518,773,200          |
| Foreign pension or annuity income with an undeducted purchase price                 | No. n.a.             | n.a.                 | n.a.            | n.a.            | 68,653          | 72,480          | 77,312          | 58,474               | 52,947               | 52,171               |
|   | \$ n.a.              | n.a.                 | n.a.            | n.a.            | 385,199,943     | 447,099,789     | 463,263,587     | 410,200,203          | 398,461,125          | 402,920,367          |
| Exempt foreign employment income  | No. 11,496           | 12,175               | 14,816          | n.a.            | n.a.            | n.a.            | 17,305          | 19,228               | 21,266               | 20,367               |
|   | \$ 360,000,000       | 421,000,000          | 486,834,438     | n.a.            | n.a.            | n.a.            | 771,238,513     | 961,267,231          | 1,152,084,244        | 1,042,774,327        |
| Lump sum payments – assessable in full  | No. 777,025          | 432,387              | 318,691         | 292,555         | 282,332         | 250,342         | 225,368         | 216,612              | 220,967              | 171,859              |
|   | \$ 2,574,000,000     | 1,629,000,000        | 1,604,533,776   | 1,809,899,783   | 2,044,863,327   | 1,943,591,836   | 1,859,364,691   | 1,854,135,743        | 1,968,171,301        | 1,586,405,468        |
| Lump sum payments – 5 % assessable  | No. 77,075           | 49,950               | 45,799          | 47,235          | 45,902          | 38,655          | 33,953          | 30,374               | 27,340               | 22,392               |
|   | \$ 35,000,000        | 21,000,000           | 19,279,059      | 20,751,392      | 20,709,723      | 18,022,671      | 17,278,781      | 15,598,959           | 13,692,175           | 11,551,784           |
| Eligible termination payments – 5 % assessable                                      | No. 301,876          | 181,516              | 165,994         | 155,438         | 147,072         | 130,711         | 122,070         | 104,322              | 99,177               | 90,675               |
|   | \$ 336,000,000       | 182,000,000          | 141,004,367     | 143,259,821     | 140,597,469     | 125,921,663     | 120,419,800     | 107,689,481          | 103,485,965          | 89,262,960           |
| Eligible termination payments – taxable at concessional rates                       | No. 144,017          | 137,830              | 142,392         | 141,235         | 136,445         | 138,873         | 141,290         | 125,884              | 141,445              | 138,235              |
|   | \$ 1,904,000,000     | 1,857,000,000        | 1,792,227,438   | 2,353,037,481   | 2,543,008,892   | 2,286,233,828   | 2,534,157,808   | 2,512,551,866        | 2,817,499,466        | 3,032,227,642        |

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items   | 1993-94 <sup>2</sup> | 1994-95 <sup>2</sup> | 1995-96         | 1996-97         | 1997-98         | 1998-99         | 1999-2000       | 2000-01 <sup>3</sup> | 2001-02 <sup>3</sup> | 2002-03 <sup>4</sup> |
|--|----------------------|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|----------------------|----------------------|
| Eligible termination payments – taxable at other rates | No.                  | 385,566              | 362,285         | 370,580         | 360,684         | 285,218         | 252,242         | 194,353              | 225,428              | 164,530              |
| EITP excessive component                               | \$                   | 2,020,000,000        | 2,067,000,000   | 2,131,753,760   | 2,536,504,747   | 2,722,117,648   | 2,391,226,285   | 2,161,524,900        | 2,122,819,840        | 1,828,339,130        |
| Eligible termination payments                          | No.                  | n.a.                 | 1,365           | 1,071           | 807             | 688             | 610             | 712                  | 724                  | 518                  |
| Total salary & wages in assessable income              | \$                   | n.a.                 | 15,000,000      | 10,409,033      | 19,454,731      | 27,623,367      | 36,101,052      | 32,395,840           | 61,839,568           | 36,055,965           |
| Net business income/loss – PP                          | No.                  | 519,309              | 521,182         | 539,808         | 513,783         | 431,420         | 400,690         | 326,087              | 371,716              | 307,530              |
| Net business income/loss – NPP                         | \$                   | 3,919,000,000        | 4,106,000,000   | 4,202,259,566   | 5,033,058,961   | 5,410,907,071   | 5,469,479,719   | 5,189,204,366        | 5,448,659,467        | 5,382,109,654        |
| Total net business income/loss                         | No.                  | 8,193,452            | 8,455,336       | 8,940,339       | 9,033,918       | 9,082,329       | 9,301,846       | 9,342,075            | 9,309,522            | 9,172,899            |
| Net partnership & trust distribution – PP              | \$                   | 196,921,000,000      | 208,696,000,000 | 228,566,406,046 | 241,134,014,279 | 254,881,685,376 | 283,699,095,091 | 301,143,874,236      | 310,713,151,093      | 316,264,587,489      |
| Net partnership & trust distribution – NPP             | No.                  | 124,186              | 119,280         | 122,816         | 123,847         | 125,888         | 122,039         | 114,765              | 112,445              | 109,132              |
| Total net partnership & trust distribution             | \$                   | -148,000,000         | -291,000,000    | -373,322,978    | -576,465,647    | -692,599,591    | -715,288,053    | -292,371,022         | -134,154,321         | -588,256,774         |
| Total net business income/loss                         | No.                  | 725,120              | 747,821         | 796,117         | 789,047         | 815,457         | 875,125         | 765,863              | 781,193              | 769,146              |
| Net partnership & trust distribution – PP              | \$                   | 7,119,000,000        | 7,856,000,000   | 8,411,958,990   | 8,698,548,270   | 9,776,062,798   | 12,464,169,810  | 10,902,449,427       | 12,244,370,583       | 12,820,555,640       |
| Net partnership & trust distribution – NPP             | No.                  | 830,057              | 848,047         | 898,449         | 606,543         | 918,989         | 948,202         | 862,807              | 876,122              | 861,405              |
| Total net partnership & trust distribution             | \$                   | 6,972,000,000        | 7,566,000,000   | 8,038,636,011   | 8,122,082,623   | 9,083,463,206   | 11,748,881,757  | 10,610,078,405       | 12,110,216,262       | 12,232,298,866       |
| Total net partnership & trust distribution             | No.                  | 384,340              | 364,301         | 374,263         | 387,824         | 373,277         | 344,374         | 332,067              | 320,375              | 301,380              |
| Net partnership & trust distribution – PP              | \$                   | 1,893,000,000        | 1,995,000,000   | 2,330,971,138   | 1,943,755,574   | 1,738,398,791   | 886,587,391     | 2,770,774,343        | 4,417,796,092        | 2,480,760,145        |
| Net partnership & trust distribution – NPP             | No.                  | 1,622,832            | 1,650,428       | 1,757,290       | 1,812,961       | 1,888,830       | 2,029,431       | 2,144,190            | 2,086,064            | 1,991,253            |
| Total net partnership & trust distribution             | \$                   | 14,883,000,000       | 16,539,000,000  | 16,845,186,923  | 17,550,393,336  | 18,982,494,823  | 22,459,671,456  | 21,967,895,110       | 22,038,943,461       | 23,253,071,458       |
| Partnership & trust deductions – PP                    | No.                  | 1,749,252            | 1,764,524       | 1,870,192       | 1,937,838       | 2,003,107       | 2,136,375       | 2,238,200            | 2,175,859            | 2,077,689            |
| Partnership & trust deductions – NPP                   | \$                   | 16,774,000,000       | 18,534,000,000  | 19,176,158,061  | 19,494,148,910  | 20,720,893,614  | 23,346,258,847  | 24,738,669,453       | 26,456,739,553       | 25,733,831,603       |
| Landcare operations expenses – PP                      | No.                  | n.a.                 | 85,124          | 91,509          | 90,749          | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |
| Other deductions relating to P&T distribution – PP     | \$                   | n.a.                 | 257,000,000     | 284,821,240     | 287,979,600     | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |
| Partnership & trust deductions – PP                    | No.                  | n.a.                 | n.a.            | n.a.            | n.a.            | 17,933          | 17,240          | 14,904               | 15,091               | 14,736               |
| Other deductions relating to P&T distribution – NPP    | \$                   | n.a.                 | n.a.            | n.a.            | n.a.            | 56,943,341      | 59,348,238      | 50,397,872           | 57,429,915           | 53,651,019           |
| Partnership & trust deductions – NPP                   | No.                  | n.a.                 | n.a.            | n.a.            | n.a.            | 77,233          | 69,443          | 66,197               | 95,604               | 74,931               |
| Landcare operations expenses – NPP                     | \$                   | n.a.                 | n.a.            | n.a.            | n.a.            | 239,467,092     | 231,115,622     | 228,096,298          | 277,438,504          | 241,326,134          |
| Other deductions relating to P&T distribution – NPP    | No.                  | n.a.                 | 142,785         | 173,536         | 198,806         | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |
| Landcare operations expenses – NPP                     | \$                   | n.a.                 | 629,000,000     | 768,108,432     | 765,212,833     | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |
| Other deductions relating to P&T distribution – NPP    | No.                  | n.a.                 | n.a.            | n.a.            | n.a.            | 2,935           | 1,852           | 1,675                | 1,432                | 1,324                |
| Other deductions relating to P&T distribution – NPP    | \$                   | n.a.                 | n.a.            | n.a.            | n.a.            | 9,851,521       | 4,957,326       | 5,172,847            | 4,339,230            | 4,554,955            |
| Other deductions relating to P&T distribution – NPP    | No.                  | n.a.                 | n.a.            | n.a.            | n.a.            | 226,120         | 286,084         | 321,836              | 355,007              | 338,977              |
| Other deductions relating to P&T distribution – NPP    | \$                   | n.a.                 | n.a.            | n.a.            | n.a.            | 836,037,627     | 1,047,754,751   | 1,176,860,041        | 1,237,995,251        | 1,238,429,919        |

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items   | 1993-94 <sup>2</sup> | 1994-95 <sup>2</sup> | 1995-96        | 1996-97        | 1997-98        | 1998-99        | 1999-2000      | 2000-01 <sup>3</sup> | 2001-02 <sup>3</sup> | 2002-03 <sup>4</sup> |
|--|----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|
| Total partnership & trust deductions                             | No.                  | 224,507              | 261,272        | 285,535        | 313,361        | 338,009        | 364,188        | 394,660              | 453,304              | 418,921              |
|  | \$                   | 886,000,000          | 1,052,929,672  | 1,053,192,433  | 1,142,299,581  | 1,218,998,788  | 1,343,175,937  | 1,460,827,058        | 1,577,202,900        | 1,537,962,027        |
| Gross rent   | No.                  | 969,569              | 1,034,111      | 1,139,857      | 1,239,293      | 1,276,348      | 1,334,701      | 1,364,840            | 1,394,923            | 1,393,431            |
|  | \$                   | 7,439,000,000        | 8,204,000,000  | 9,360,556,789  | 10,100,514,242 | 10,750,599,049 | 12,217,005,529 | 13,269,565,810       | 13,988,441,661       | 14,510,191,557       |
| Rental interest deductions                                       | No.                  | 647,833              | 700,533        | 785,055        | 872,604        | 913,349        | 975,922        | 1,016,849            | 1,059,507            | 1,077,891            |
|  | \$                   | 3,501,000,000        | 4,217,000,000  | 5,228,416,592  | 4,902,710,947  | 5,001,371,247  | 5,741,544,697  | 7,111,350,658        | 7,032,726,234        | 7,977,853,158        |
| Special building write-off                                       | No.                  | n.a.                 | n.a.           | n.a.           | 201,156        | 245,501        | 288,932        | n.a.                 | n.a.                 | n.a.                 |
|  | \$                   | n.a.                 | n.a.           | n.a.           | 330,714,849    | 404,041,774    | 481,876,080    | n.a.                 | n.a.                 | n.a.                 |
| Capital works deductions   | No.                  | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 316,848              | 357,685              | 385,988              |
|  | \$                   | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 562,910,505          | 646,973,605          | 704,495,219          |
| Other rental deductions  | No.                  | 959,789              | 1,024,711      | 1,130,425      | 1,232,491      | 1,271,737      | 1,333,190      | 1,360,960            | 1,396,013            | 1,395,889            |
|  | \$                   | 3,539,000,000        | 3,981,000,000  | 4,550,435,909  | 4,875,523,095  | 5,265,410,313  | 5,819,840,028  | 6,370,153,530        | 6,957,720,449        | 7,193,905,387        |
| Total rental deductions  | No.                  | 966,653              | 1,030,384      | 1,136,768      | 1,238,868      | 1,277,865      | 1,338,818      | 1,367,382            | 1,402,848            | 1,402,642            |
|  | \$                   | 7,040,000,000        | 8,199,000,000  | 9,778,852,501  | 10,081,531,928 | 10,670,823,334 | 12,043,260,805 | 14,044,414,693       | 14,637,420,288       | 15,876,253,764       |
| Net rent – profit  | No.                  | 480,736              | 482,504        | 505,853        | 607,300        | 636,553        | 621,605        | 576,062              | 603,705              | 562,756              |
|  | \$                   | 2,270,000,000        | 2,350,000,000  | 2,550,190,113  | 2,796,411,835  | 3,194,420,389  | 3,250,810,259  | 3,219,454,118        | 3,556,429,375        | 3,274,325,717        |
| Net rent – loss  | No.                  | 499,735              | 561,629        | 643,555        | 623,620        | 649,679        | 726,424        | 798,603              | 805,982              | 846,414              |
|  | \$                   | -1,872,000,000       | -2,345,000,000 | -2,968,110,454 | -2,777,190,348 | -2,412,679,911 | -3,057,076,605 | -3,994,320,141       | -4,005,369,402       | -4,640,387,924       |
| Net rent   | No.                  | 980,471              | 1,044,133      | 1,149,408      | 1,206,160      | 1,286,232      | 1,348,029      | 1,374,665            | 1,409,687            | 1,409,170            |
|  | \$                   | 399,000,000          | 6,000,000      | -417,920,341   | 19,221,487     | 599,294,631    | 173,733,654    | -774,866,023         | -648,940,027         | -1,366,062,207       |
| Gross interest   | No.                  | 5,634,643            | 5,718,457      | 6,003,284      | 5,821,717      | 4,815,925      | 4,663,509      | 4,500,360            | 4,055,960            | 3,850,294            |
|  | \$                   | 5,487,000,000        | 5,848,000,000  | 7,751,738,850  | 7,484,402,239  | 6,175,396,307  | 5,655,800,933  | 6,674,544,147        | 5,815,468,106        | 6,064,950,328        |
| Capital losses applied   | No.                  | 97,475               | 88,181         | 115,172        | 160,657        | n.a.           | n.a.           | n.a.                 | n.a.                 | n.a.                 |
|  | \$                   | 567,000,000          | 417,000,000    | 613,102,010    | 651,635,642    | n.a.           | n.a.           | n.a.                 | n.a.                 | n.a.                 |
| Net capital losses carried forward                               | No.                  | n.a.                 | n.a.           | 169,039        | 216,681        | 268,267        | 321,960        | 387,966              | 482,065              | 584,167              |
|  | \$                   | n.a.                 | n.a.           | 2,000,002,046  | 2,733,144,354  | 3,499,022,311  | 3,972,571,142  | 4,727,653,564        | 5,837,510,791        | 6,952,527,882        |
| Net capital gain   | No.                  | 414,631              | 332,524        | 441,801        | 695,454        | 855,739        | 1,022,566      | 1,431,131            | 1,124,438            | 801,951              |
|  | \$                   | 2,440,000,000        | 1,656,000,000  | 2,311,565,029  | 3,282,635,607  | 5,147,334,900  | 6,234,667,375  | 6,047,497,112        | 6,696,602,022        | 6,725,970,988        |
| Net tax on capital gains (taxable individuals only) <sup>5</sup> | \$                   | 711,000,000          | 476,000,000    | 631,470,079    | 880,499,537    | 1,386,797,449  | 2,063,095,189  | 2,405,077,918        | 2,653,647,698        | 2,660,478,296        |
| Dividends franked  | No.                  | 907,255              | 985,829        | 1,115,902      | 1,329,199      | 2,002,436      | 2,446,472      | 3,275,275            | 3,210,259            | 3,069,548            |
|  | \$                   | 2,520,000,000        | 3,776,000,000  | 4,509,210,922  | 4,770,776,522  | 5,490,587,848  | 6,906,308,259  | 9,093,119,080        | 8,191,190,992        | 9,387,854,534        |
| Total dividends  | No.                  | 988,488              | 1,078,232      | 1,188,988      | 1,422,577      | 2,048,300      | 3,152,924      | 3,354,704            | 3,257,050            | 3,103,676            |
|  | \$                   | 2,799,000,000        | 4,132,000,000  | 4,851,596,132  | 5,057,967,371  | 5,836,123,604  | 7,892,793,541  | 9,883,372,249        | 8,693,793,666        | 9,922,550,102        |

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items                            | 1993-94 <sup>2</sup>              | 1994-95 <sup>2</sup>       | 1995-96                    | 1996-97                    | 1997-98                    | 1998-99                    | 1999-2000                  | 2000-01 <sup>3</sup>       | 2001-02 <sup>3</sup>        | 2002-03 <sup>4</sup>        |
|---|-----------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Net farm management deposits              | No. 1,780<br>\$ 38,000,000        | 2,391<br>55,000,000        | 4,928<br>117,336,143       | 4,188<br>90,754,282        | 4,769<br>115,957,901       | 6,312<br>158,916,709       | 6,043<br>165,514,589       | 12,257<br>407,672,818      | 26,937<br>1,015,112,349     | 18,681<br>709,060,466       |
| Net farm management withdrawals           | No. 912<br>\$ 13,000,000          | 1,216<br>19,000,000        | 1,079<br>17,344,718        | 1,592<br>28,176,189        | 1,999<br>39,650,276        | 2,768<br>59,448,502        | 3,689<br>78,161,208        | 2,748<br>59,490,036        | 2,486<br>56,084,322         | 9,023<br>243,437,088        |
| Attributed foreign income                 | No. 5,505<br>\$ 12,000,000        | 2,640<br>8,000,000         | 2,525<br>10,100,141        | 4,429<br>19,062,512        | 1,435<br>16,946,159        | 1,730<br>13,003,789        | 1,718<br>26,551,946        | 2,770<br>17,953,770        | 2,515<br>13,676,350         | 2,863<br>17,737,469         |
| Other net foreign source income           | No. 243,693<br>\$ 298,000,000     | 248,067<br>269,000,000     | 296,341<br>347,948,934     | 333,338<br>392,110,227     | 386,834<br>548,774,573     | 453,782<br>576,485,248     | 534,894<br>605,200,405     | 622,075<br>724,414,459     | 725,186<br>779,007,241      | 794,390<br>785,562,250      |
| Under 18 excepted net income              | No. n.a.<br>\$ n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | 85,429<br>595,697,484      | 125,732<br>673,626,442     | 172,744<br>928,393,968     | 182,876<br>1,127,323,064   | 190,832<br>1,139,804,092   | 179,519<br>1,052,822,896    | 191,571<br>1,127,723,605    |
| Life insurance & friendly society bonuses | No. 45,333<br>\$ 208,000,000      | 45,958<br>230,000,000      | 47,006<br>219,755,123      | 35,281<br>146,990,881      | 19,823<br>71,824,257       | 14,059<br>49,838,890       | 11,904<br>43,876,034       | 8,521<br>34,823,842        | 5,280<br>26,723,086         | 3,585<br>12,172,140         |
| Other income n.e.i.                       | No. 74,738<br>\$ 289,000,000      | 76,496<br>298,000,000      | n.a.<br>323,774,465        | 91,984<br>409,161,186      | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.                | n.a.<br>n.a.                |
| Other income n.e.i. - category 1          | No. n.a.<br>\$ n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | 6,802<br>38,442,770        | 4,058<br>38,462,247        | 12,085<br>77,213,135       | 31,713<br>152,085,128      | 28,947<br>177,900,395       | 22,250<br>148,609,876       |
| Other income n.e.i. - category 2          | No. n.a.<br>\$ n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | 71,006<br>342,708,575      | 52,397<br>445,427,665      | 40,018<br>332,839,908      | 58,320<br>520,290,156      | 67,851<br>558,100,858       | 39,864<br>342,314,192       |
| Total income or loss <sup>10</sup>        | \$ 234,246,000,000                | 249,308,000,000            | 274,678,842,614            | 290,027,340,577            | 306,426,378,841            | 321,360,167,922            | 344,073,468,945            | 365,570,912,431            | 375,684,200,454             | 382,478,555,535             |
| Work related car expenses                 | No. 1,198,019<br>\$ 1,613,000,000 | 1,306,053<br>1,855,000,000 | 1,439,264<br>2,153,674,442 | 1,505,991<br>2,256,707,623 | 1,567,610<br>2,445,571,601 | 1,647,517<br>2,620,775,912 | 1,783,526<br>3,061,708,164 | 1,915,187<br>3,577,335,687 | 2,049,893<br>3,866,423,202  | 2,118,669<br>4,048,058,369  |
| Work related travel expenses              | No. 400,649<br>\$ 433,000,000     | 404,487<br>439,000,000     | 457,005<br>519,494,654     | 443,128<br>502,957,151     | 442,270<br>508,477,124     | 454,535<br>581,930,770     | 490,184<br>667,560,363     | 520,158<br>750,453,031     | 552,347<br>791,250,728      | 570,608<br>824,268,055      |
| Work related clothing expenses            | No. 3,032,634<br>\$ 545,000,000   | 3,193,561<br>575,000,000   | 3,404,913<br>629,757,234   | 3,471,832<br>641,794,834   | 3,569,213<br>669,847,625   | 3,718,221<br>711,778,067   | 3,936,392<br>785,059,159   | 4,092,400<br>841,730,954   | 4,386,415<br>1,108,332,837  | 4,442,861<br>989,207,561    |
| Work related self education expenses      | No. 458,569<br>\$ 385,000,000     | 508,436<br>436,000,000     | 482,423<br>469,022,722     | 491,311<br>530,623,316     | 559,280<br>618,369,361     | 509,029<br>574,636,475     | 508,508<br>618,618,699     | 512,458<br>667,396,064     | 520,714<br>703,900,676      | 516,091<br>721,171,204      |
| Other work related expenses               | No. 4,333,347<br>\$ 2,124,000,000 | 4,441,564<br>2,221,000,000 | 4,915,644<br>2,614,451,495 | 5,017,982<br>2,708,537,537 | 5,127,247<br>2,774,937,779 | 5,328,406<br>2,827,794,025 | 5,556,936<br>3,059,206,068 | 5,715,660<br>3,363,287,441 | 5,133,098<br>3,591,410,720  | 5,036,285<br>3,624,408,499  |
| Total work related expenses               | No. 5,506,433<br>\$ 5,101,000,000 | 5,681,047<br>5,525,000,000 | 6,141,874<br>6,385,829,817 | 6,230,764<br>6,640,620,597 | 6,359,876<br>7,006,828,647 | 6,525,591<br>7,316,915,249 | 6,765,620<br>8,192,142,670 | 6,934,238<br>9,200,203,177 | 6,802,433<br>10,061,318,163 | 6,728,755<br>10,207,113,688 |
| Deduction for project pool                | No. n.a.<br>\$ n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               | 6,932<br>4,381,256          | 1,093<br>2,464,725          |

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items                                      | 1993-94 <sup>2</sup> | 1994-95 <sup>2</sup> | 1995-96        | 1996-97        | 1997-98        | 1998-99        | 1999-2000      | 2000-01 <sup>3</sup> | 2001-02 <sup>3</sup> | 2002-03 <sup>4</sup> |
|---|----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|
| Low value pool deduction                            | No.                  | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 101,291              | 136,662              |
|   | \$                   | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 52,270,695           | 69,275,259           |
| Tax losses of earlier years claimed – PP            | No.                  | 62,537               | 51,791         | 52,107         | 42,645         | 47,640         | 44,634         | 49,372               | 41,170               | 29,848               |
|   | \$                   | 1,325,000,000        | 1,842,000,000  | 2,313,113,809  | 2,201,026,084  | 1,804,256,502  | 1,911,549,721  | 2,103,846,682        | 1,817,560,685        | 1,302,895,194        |
| Tax losses of earlier years claimed – NPP           | No.                  | 60,571               | 68,349         | 80,688         | 79,372         | 70,630         | 65,166         | 64,554               | 73,876               | 68,340               |
|   | \$                   | 2,050,000,000        | 1,381,000,000  | 1,767,660,867  | 1,767,182,155  | 1,769,870,685  | 1,663,472,013  | 1,623,826,579        | 1,676,247,016        | 1,432,226,113        |
| Total tax losses of earlier years claimed           | No.                  | 120,509              | 116,585        | 135,834        | 127,269        | 114,788        | 106,806        | 110,958              | 112,305              | 95,918               |
|   | \$                   | 3,374,000,000        | 3,223,000,000  | 4,080,774,676  | 3,968,208,239  | 3,936,376,297  | 3,575,021,734  | 3,727,673,261        | 3,493,807,701        | 2,735,121,307        |
| Australian film industry incentives                 | No.                  | 6,300                | 4,614          | 1,920          | 1,515          | 1,272          | 2,043          | 1,545                | 1,695                | 2,016                |
|   | \$                   | 36,000,000           | 30,000,000     | 39,491,206     | 30,218,190     | 21,500,685     | 20,075,845     | 10,812,801           | 21,933,712           | 22,127,495           |
| Non-employer sponsored superannuation contributions | No.                  | 243,809              | 226,071        | 225,268        | 211,373        | 203,299        | 191,961        | 185,438              | 188,296              | 168,508              |
|   | \$                   | 809,000,000          | 694,000,000    | 883,474,700    | 849,647,232    | 961,375,319    | 1,127,002,336  | 1,185,965,740        | 1,350,622,026        | 1,332,827,326        |
| Interest & dividend deductions                      | No.                  | 1,679,358            | 1,845,873      | 1,907,943      | 1,922,110      | 1,851,553      | 1,701,944      | 1,654,102            | 1,142,382            | 927,253              |
|   | \$                   | 517,000,000          | 594,000,000    | 1,023,676,412  | 1,110,995,958  | 1,301,669,962  | 867,754,981    | 1,035,331,458        | 1,373,517,321        | 1,458,542,817        |
| Gifts or donations                                  | No.                  | 3,156,223            | 3,170,370      | 3,259,236      | 3,232,260      | 3,300,100      | 3,445,447      | 3,539,117            | 3,702,038            | 3,723,776            |
|   | \$                   | 471,000,000          | 495,000,000    | 539,207,259    | 564,627,744    | 610,946,663    | 738,766,266    | 862,453,221          | 913,741,687          | 959,404,560          |
| Cost of managing tax affairs                        | No.                  | n.a.                 | n.a.           | n.a.           | 4,395,795      | 4,804,838      | 4,964,474      | 5,004,217            | 5,011,502            | 4,959,795            |
|   | \$                   | n.a.                 | n.a.           | n.a.           | 578,145,432    | 633,988,293    | 755,470,727    | 894,191,068          | 977,959,959          | 1,009,715,816        |
| Other deductions                                    | No.                  | 3,904,787            | 4,084,227      | 4,280,688      | 172,994        | 214,992        | 270,687        | 312,242              | 342,442              | 347,336              |
|   | \$                   | 1,139,000,000        | 1,385,000,000  | 1,337,465,974  | 247,151,553    | 702,208,391    | 888,852,220    | 986,968,414          | 960,383,966          | 957,068,872          |
| Total deductions <sup>11</sup>                      | No.                  | 7,387,917            | 7,582,123      | 8,031,015      | 8,158,184      | 8,371,081      | 8,577,271      | 8,670,015            | 8,612,099            | 8,498,546            |
|   | \$                   | 11,446,000,000       | 11,947,000,000 | 14,290,028,898 | 15,949,822,906 | 16,368,204,755 | 17,564,495,784 | 19,623,330,873       | 20,914,996,788       | 20,652,700,631       |
| Contractor/subcontractor & commission expenses      | No.                  | 74,024               | 71,192         | 75,246         | 77,437         | 84,938         | 87,030         | 89,042               | 93,186               | 92,390               |
|   | \$                   | 1,193,000,000        | 1,181,000,000  | 1,261,216,744  | 1,286,978,118  | 1,305,026,117  | 1,501,238,160  | 1,479,183,728        | 1,681,290,590        | 1,761,113,629        |
| Superannuation expenses                             | No.                  | 67,103               | 66,304         | 69,748         | 68,286         | 70,418         | 70,946         | 68,871               | 69,522               | 67,697               |
|   | \$                   | 164,000,000          | 175,000,000    | 230,659,671    | 242,843,589    | 270,353,230    | 324,152,247    | 346,756,317          | 380,625,123          | 401,411,643          |
| Cost of sales                                       | No.                  | 242,223              | 236,376        | 243,824        | 238,099        | 234,157        | 234,234        | 235,621              | 233,975              | 226,840              |
|   | \$                   | 9,968,000,000        | 10,044,000,000 | 11,457,043,415 | 11,758,971,396 | 12,723,014,024 | 13,666,200,112 | 17,357,642,233       | 19,101,427,584       | 19,676,632,266       |
| Bad debts   | No.                  | 7,390                | 8,150          | 8,868          | 9,069          | 9,190          | 9,699          | 9,353                | 9,281                | 8,376                |
|   | \$                   | 25,000,000           | 30,000,000     | 33,742,765     | 35,376,624     | 31,047,598     | 42,156,923     | 39,061,925           | 36,431,533           | 31,305,242           |
| Lease expenses                                      | No.                  | 46,167               | 46,493         | 49,928         | 50,021         | 53,133         | 56,681         | 52,837               | 51,648               | 46,897               |
|   | \$                   | 272,000,000          | 279,000,000    | 321,308,631    | 342,821,695    | 365,656,379    | 404,752,009    | 379,578,517          | 361,769,352          | 329,115,387          |
| Rental expenses                                     | No.                  | 141,159              | 142,272        | 158,022        | 157,562        | 162,304        | 165,330        | 158,258              | 158,054              | 150,287              |
|   | \$                   | 1,067,000,000        | 1,121,000,000  | 1,294,201,056  | 1,330,329,790  | 1,378,045,518  | 1,418,481,260  | 1,545,584,892        | 1,609,792,262        | 1,590,407,484        |

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items   | 1993-94 <sup>2</sup> | 1994-95 <sup>2</sup>      | 1995-96                   | 1996-97                   | 1997-98                   | 1998-99                   | 1999-2000                 | 2000-01 <sup>3</sup>      | 2001-02 <sup>3</sup>      | 2002-03 <sup>4</sup>      |
|--|----------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Interest expenses within Australia                         | No.<br>\$            | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 210,525<br>929,279,244    | 207,533<br>894,226,296    | 211,795<br>955,539,420    | 205,358<br>1,044,254,136  | 204,546<br>999,501,664    | 196,187<br>993,012,886    |
| Interest expenses overseas                                 | No.<br>\$            | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 3,839<br>18,757,951       | 2,960<br>13,921,653       | 3,313<br>15,435,266       | 4,073<br>21,093,898       | 4,128<br>19,578,419       | 3,781<br>18,082,873       |
| Total interest expenses                                    | No.<br>\$            | 183,334<br>741,000,000    | 188,907<br>818,000,000    | 210,337<br>997,174,400    | 213,938<br>1,002,728,855  | 210,117<br>908,147,949    | 214,653<br>970,974,686    | 208,897<br>1,065,348,034  | 208,174<br>1,019,080,083  | 199,511<br>1,011,095,759  |
| Depreciation expenses                                      | No.<br>\$            | 509,383<br>1,114,000,000  | 526,592<br>1,230,000,000  | 564,183<br>1,409,687,056  | 553,974<br>1,435,218,865  | 574,844<br>1,579,120,513  | 580,468<br>1,725,149,009  | 536,310<br>1,625,236,946  | 530,387<br>1,764,389,026  | 517,743<br>1,757,387,021  |
| Motor vehicle expenses                                     | No.<br>\$            | 559,139<br>1,842,000,000  | 571,336<br>1,954,000,000  | 605,314<br>2,170,103,222  | 595,917<br>2,180,086,045  | 637,737<br>2,410,215,305  | 655,412<br>2,643,915,560  | 591,067<br>2,490,736,727  | 605,730<br>2,553,754,385  | 592,326<br>2,541,228,469  |
| Repairs & maintenance expenses                             | No.<br>\$            | 278,361<br>513,000,000    | 282,765<br>523,000,000    | 302,096<br>582,390,298    | 297,080<br>581,949,004    | 303,601<br>624,960,419    | 299,763<br>656,898,914    | 283,272<br>633,481,453    | 282,824<br>698,360,376    | 269,540<br>646,466,478    |
| Other expenses   | No.<br>\$            | 722,042<br>10,118,000,000 | 740,844<br>11,023,000,000 | 791,977<br>12,743,418,837 | 789,440<br>13,402,233,413 | 848,391<br>14,898,230,244 | 873,284<br>16,356,365,393 | 801,422<br>16,456,920,989 | 815,734<br>17,685,751,000 | 802,469<br>18,051,784,685 |
| Total business expenses                                    | No.<br>\$            | 755,849<br>27,016,000,000 | 774,962<br>28,376,000,000 | 826,643<br>32,420,642,574 | 823,758<br>33,386,774,734 | 839,401<br>37,563,342,363 | 917,404<br>43,500,359,508 | 839,558<br>43,419,489,801 | 863,194<br>46,892,674,882 | 839,315<br>47,797,950,944 |
| Drought investment allowance <sup>2</sup>                  | No.<br>\$            | 13,424<br>31,000,000      | 1,678<br>8,000,000        | 663<br>3,931,447          | 582<br>6,034,607          | 468<br>2,388,493          | 219<br>763,616            | 88<br>199,814             | 66<br>896,046             | n.a.<br>n.a.              |
| Opening stock  | No.<br>\$            | 138,950<br>1,947,000,000  | 139,759<br>2,071,000,000  | 149,071<br>2,369,744,805  | 144,891<br>2,528,627,759  | 149,458<br>2,587,877,511  | 140,446<br>2,913,831,254  | 130,352<br>3,270,471,870  | 126,057<br>3,608,909,871  | 117,495<br>3,320,105,084  |
| Closing stock  | No.<br>\$            | 152,362<br>2,094,000,000  | 150,340<br>2,172,000,000  | 158,832<br>2,505,137,504  | 153,179<br>2,459,320,997  | 151,811<br>2,808,723,138  | 146,665<br>3,225,992,556  | 136,954<br>3,450,940,527  | 132,411<br>3,835,849,216  | 124,131<br>3,446,410,735  |
| Salary & wage expenses                                     | No.<br>\$            | 103,809<br>2,212,000,000  | 102,827<br>2,299,000,000  | 110,755<br>2,557,614,574  | 107,668<br>2,545,241,514  | 100,995<br>2,633,834,912  | 97,308<br>2,783,746,887   | 82,805<br>2,865,537,433   | 79,812<br>2,823,559,536   | 73,590<br>2,805,332,485   |
| Payments to related entities                               | No.<br>\$            | 35,805<br>455,000,000     | 35,247<br>466,000,000     | 36,525<br>499,315,856     | 35,260<br>490,909,920     | 30,670<br>649,248,556     | 28,836<br>701,796,813     | 21,391<br>642,694,417     | 20,561<br>563,457,734     | 18,767<br>429,306,276     |
| Depreciable assets purchased <sup>3</sup>                  | No.<br>\$            | 211,689<br>1,918,000,000  | 212,232<br>1,950,000,000  | 214,283<br>2,018,322,978  | 205,005<br>2,052,196,844  | 202,218<br>2,094,204,224  | 202,468<br>2,297,967,620  | 150,723<br>2,041,409,349  | n.a.<br>n.a.              | n.a.<br>n.a.              |
| Intangible depreciating assets first deducted <sup>3</sup> | No.<br>\$            | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 1,961<br>25,269,716       | 1,373<br>14,319,581       |
| Other depreciating assets first deducted <sup>3</sup>      | No.<br>\$            | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 114,223<br>1,487,748,337  | 111,923<br>1,396,006,882  |
| Depreciable assets sold <sup>14</sup>                      | No.<br>\$            | 59,226<br>489,000,000     | 57,665<br>497,000,000     | 58,462<br>540,167,644     | 53,039<br>492,181,517     | 46,201<br>720,509,291     | 42,761<br>611,955,608     | 28,602<br>397,192,498     | n.a.<br>n.a.              | n.a.<br>n.a.              |



**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items   | 1993-94 <sup>2</sup> | 1994-95 <sup>2</sup> | 1995-96        | 1996-97        | 1997-98        | 1998-99        | 1999-2000      | 2000-01 <sup>3</sup> | 2001-02 <sup>3</sup> | 2002-03 <sup>4</sup> |
|--|----------------------|----------------------|----------------|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|
| Termination value – intangible dep assets <sup>14</sup>    | No. n.a.             | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 855                  | 681                  |
|  | \$ n.a.              | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 15,997,214           | 14,728,393           |
| Termination value – other dep assets <sup>14</sup>         | No. n.a.             | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 41,697               | 34,667               |
|  | \$ n.a.              | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 852,107,067          | 658,797,385          |
| Gross PPS income   | No. 239,607          | 256,303              | 263,353        | 260,789        | 279,937        | 296,412        | 307,174        | n.a.                 | n.a.                 | n.a.                 |
|  | \$ 5,181,000,000     | 5,932,000,000        | 6,267,299,772  | 6,443,926,329  | 7,457,271,651  | 8,119,071,415  | 9,241,276,166  | n.a.                 | n.a.                 | n.a.                 |
| Gross RPS income   | No. n.a.             | n.a.                 | 2,450          | 3,470          | 11,231         | 10,541         | 9,429          | n.a.                 | n.a.                 | n.a.                 |
|  | \$ n.a.              | n.a.                 | 84,194,945     | 130,589,325    | 366,582,021    | 403,662,057    | 362,537,912    | n.a.                 | n.a.                 | n.a.                 |
| Gross payments where ABN not quoted                        | No. n.a.             | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 6,028                | 4,460                | 3,921                |
|  | \$ n.a.              | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 100,941,615          | 109,217,221          | 107,717,382          |
| Gross payments – voluntary agreement                       | No. n.a.             | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 24,849               | 18,155               | 13,772               |
|  | \$ n.a.              | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 657,412,672          | 521,581,711          | 412,487,019          |
| Environmental protection expenses                          | No. n.a.             | n.a.                 | n.a.           | 297            | 3,108          | 2,113          | 1,944          | 273                  | 605                  | 453                  |
|  | \$ n.a.              | n.a.                 | n.a.           | 755,141        | 1,822,612      | 1,169,696      | 1,294,115      | 848,779              | 554,265              | 1,284,640            |
| Section 40-880 deduction                                   | No. n.a.             | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 276                  | 344                  |
|  | \$ n.a.              | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 622,093              | 1,057,892            |
| Business deduction for project pool                        | No. n.a.             | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 185                  | 145                  |
|  | \$ n.a.              | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 288,899              | 599,494              |
| Landcare degradation expenses                              | No. 1,779            | 1,636                | 1,447          | 1,398          | 3,385          | 3,525          | 3,256          | 2,740                | 2,417                | 2,163                |
|  | \$ 4,000,000         | 5,000,000            | 5,058,620      | 4,816,823      | 15,271,371     | 13,852,914     | 13,395,355     | 11,667,552           | 9,384,309            | 8,947,523            |
| HECS assessment debt                                       | No. 123,957          | 147,674              | 191,210        | 200,632        | 328,089        | 319,956        | 337,298        | 348,686              | 338,118              | 325,850              |
|  | \$ 129,000,000       | 164,000,000          | 218,991,184    | 267,269,735    | 485,124,017    | 491,840,483    | 552,048,356    | 595,091,798          | 593,407,246          | 591,047,414          |
| Total tax withheld   | No. 7,416,351        | 7,634,557            | 8,081,052      | 8,149,885      | 8,245,908      | 8,309,039      | 8,508,667      | 8,628,944            | 8,613,514            | 8,501,077            |
|  | \$ 44,835,000,000    | 48,180,000,000       | 54,609,660,282 | 59,189,562,303 | 63,929,997,287 | 68,488,538,664 | 74,532,444,334 | 71,399,000,083       | 74,713,722,033       | 77,210,874,861       |
| Total business income – PP                                 | No. 110,800          | 103,970              | 103,662        | 101,845        | 99,984         | 99,516         | 93,615         | 88,522               | 86,027               | 81,113               |
|  | \$ 2,643,000,000     | 2,645,000,000        | 2,841,849,368  | 2,837,366,716  | 2,890,478,805  | 2,986,483,488  | 3,157,269,156  | 3,640,247,149        | 4,125,806,382        | 3,568,761,838        |
| Total business income – NPP                                | No. 714,170          | 734,173              | 780,404        | 772,479        | 783,075        | 834,381        | 863,568        | 758,455              | 772,358              | 760,252              |
|  | \$ 31,379,000,000    | 33,312,000,000       | 37,651,763,605 | 38,904,295,111 | 40,859,349,201 | 44,878,883,728 | 52,122,108,422 | 50,424,570,463       | 55,111,082,929       | 56,726,956,206       |
| Total business income                                      | No. 808,486          | 822,228              | 866,237        | 853,939        | 866,371        | 916,913        | 941,485        | 833,717              | 845,486              | 829,328              |
|  | \$ 34,022,000,000    | 35,957,000,000       | 40,420,701,631 | 41,486,917,803 | 43,768,697,359 | 47,865,367,216 | 55,279,377,578 | 54,064,817,612       | 59,236,889,311       | 60,295,718,044       |
| Assessable government industry payments – PPI <sup>5</sup> | No. n.a.             | n.a.                 | n.a.           | n.a.           | 5,954          | 6,212          | 7,026          | 10,339               | 10,383               | 10,816               |
|  | \$ n.a.              | n.a.                 | n.a.           | n.a.           | 18,696,377     | 19,182,579     | 24,430,724     | 53,351,584           | 66,612,613           | 59,374,185           |
| Assessable government industry payments – NPP <sup>5</sup> | No. n.a.             | n.a.                 | n.a.           | n.a.           | 3,960          | 3,136          | 2,967          | 10,226               | 9,150                | 9,663                |
|  | \$ n.a.              | n.a.                 | n.a.           | n.a.           | 71,675,015     | 67,535,266     | 67,308,637     | 255,796,813          | 243,030,185          | 286,719,815          |

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items   | 1993-94 <sup>2</sup> | 1994-95 <sup>2</sup> | 1995-96        | 1996-97        | 1997-98        | 1998-99         | 1999-2000       | 2000-01 <sup>3</sup> | 2001-02 <sup>3</sup> | 2002-03 <sup>4</sup> |
|--|----------------------|----------------------|----------------|----------------|----------------|-----------------|-----------------|----------------------|----------------------|----------------------|
| Total assessable government No.                        | n.a.                 | n.a.                 | n.a.           | 3,854          | n.a.           | 9,306           | 9,954           | 20,467               | 19,421               | 20,339               |
| industry payments <sup>15</sup>                        | \$                   | n.a.                 | n.a.           | 24,868,928     | 90,371,392     | 86,717,845      | 91,739,361      | 309,148,397          | 309,642,798          | 346,094,000          |
| Tax losses deducted                                    | No.                  | 84,436               | 78,837         | 83,116         | 82,286         | 75,728          | 70,828          | 78,332               | 82,746               | 70,006               |
|  | \$                   | 810,000,000          | 743,000,000    | 915,030,523    | 826,912,175    | 839,891,029     | 825,941,801     | 1,061,229,734        | 1,076,124,572        | 848,405,388          |
| Total PPS credit                                       | No.                  | 454,263              | 471,901        | 446,250        | 474,769        | 496,099         | 503,111         | n.a.                 | n.a.                 | n.a.                 |
|  | \$                   | 1,620,000,000        | 1,844,000,000  | 1,884,688,282  | 2,110,147,408  | 2,369,072,175   | 2,691,151,829   | n.a.                 | n.a.                 | n.a.                 |
| Provisional tax credit                                 | No.                  | 1,385,931            | 1,306,122      | 1,358,847      | 1,408,337      | 1,451,256       | 1,385,012       | n.a.                 | n.a.                 | n.a.                 |
|  | \$                   | 5,776,000,000        | 5,756,000,000  | 6,410,120,168  | 7,118,369,963  | 7,555,759,387   | 8,271,890,972   | n.a.                 | n.a.                 | n.a.                 |
| Tax payable (or balance payable)                       | No.                  | n.a.                 | n.a.           | 1,956,533      | 1,918,425      | 1,788,547       | 2,109,724       | 2,001,795            | 1,966,951            | 1,914,296            |
|  | \$                   | 2,887,000,000        | 3,003,000,000  | 3,617,391,700  | 4,642,830,872  | 5,024,454,449   | 6,674,463,956   | 7,692,537,271        | 7,920,880,210        | 8,021,776,541        |
| Tax refundable (or balance refundable)                 | No.                  | n.a.                 | n.a.           | 7,530,003      | 7,751,409      | 7,890,933       | 7,825,956       | 8,316,252            | 8,399,102            | 8,356,121            |
|  | \$                   | -7,181,000,000       | -7,711,000,000 | -8,401,444,318 | -9,867,316,330 | -10,544,020,337 | -11,019,778,911 | -10,646,858,770      | -11,261,427,715      | -11,906,158,449      |
| Tax payable/refundable (or balance payable/refundable) | \$                   | -4,294,000,000       | -4,708,000,000 | -4,700,452,014 | -5,224,485,458 | -5,519,565,888  | -4,345,314,955  | -2,954,321,499       | -3,340,547,505       | -3,884,381,908       |
| Tax losses carried forward                             | No.                  | 144,748              | 148,086        | n.a.           | n.a.           | n.a.            | 154,264         | 149,620              | 139,995              | 139,461              |
|  | \$                   | 3,365,000,000        | 3,396,000,000  | n.a.           | n.a.           | n.a.            | 4,339,068,132   | 4,127,516,710        | 3,788,399,208        | 3,455,012,915        |
| Spouse tax offset – dependent child                    | No.                  | n.a.                 | n.a.           | 111,197        | 110,147        | 113,292         | 116,435         | n.a.                 | n.a.                 | n.a.                 |
|  | \$                   | n.a.                 | n.a.           | 112,284,748    | 111,361,028    | 113,501,891     | 127,317,217     | n.a.                 | n.a.                 | n.a.                 |
| Spouse tax offset – housekeeper                        | No.                  | n.a.                 | n.a.           | 5,615          | 3,906          | 5,251           | 5,595           | 12,054               | 6,838                | 6,087                |
|  | \$                   | n.a.                 | n.a.           | 5,790,933      | 4,079,841      | 5,451,190       | 6,020,340       | 14,348,105           | 8,659,959            | 8,055,509            |
| Spouse tax offset – received HCCA or BPA               | No.                  | n.a.                 | n.a.           | 48,495         | 37,256         | 30,491          | 29,345          | n.a.                 | n.a.                 | n.a.                 |
|  | \$                   | n.a.                 | n.a.           | 23,343,376     | 18,091,428     | 14,757,816      | 14,975,309      | n.a.                 | n.a.                 | n.a.                 |
| Spouse tax offset – claiming part of year              | No.                  | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.            | 4,404           | 7,746                | 4,544                | 4,209                |
|  | \$                   | n.a.                 | n.a.           | n.a.           | n.a.           | n.a.            | 4,639,113       | 9,191,975            | 5,697,186            | 5,451,918            |
| Spouse tax offset – other                              | No.                  | n.a.                 | n.a.           | 319,452        | 306,865        | 319,584         | 462,737         | 338,177              | 334,641              | 326,010              |
|  | \$                   | n.a.                 | n.a.           | 289,035,549    | 291,942,601    | 295,285,389     | 452,203,145     | 345,379,809          | 361,248,284          | 366,362,531          |
| Total spouse tax offset                                | No.                  | n.a.                 | n.a.           | 491,842        | 469,339        | 469,626         | 472,138         | 357,977              | 346,023              | 336,306              |
|  | \$                   | n.a.                 | n.a.           | 433,138,091    | 437,020,491    | 446,460,345     | 477,211,363     | 368,919,889          | 375,605,429          | 379,869,958          |
| Spouse or child-housekeeper's separate net income      | No.                  | n.a.                 | n.a.           | 378,449        | n.a.           | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |
|  | \$                   | n.a.                 | n.a.           | 1,514,276,118  | n.a.           | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |
| Child-housekeeper's separate net income                | No.                  | n.a.                 | n.a.           | n.a.           | 18,148         | 11,761          | 6,919           | 5,252                | 3,589                | 3,050                |
|  | \$                   | n.a.                 | n.a.           | n.a.           | 265,738,866    | 99,419,619      | 24,874,309      | 29,742,070           | 14,550,314           | 28,880,809           |
| Spouse separate net income <sup>5</sup>                | No.                  | n.a.                 | n.a.           | n.a.           | n.a.           | 652,080         | 582,591         | 422,180              | 397,528              | 465,898              |
|  | \$                   | n.a.                 | n.a.           | n.a.           | 7,104,870,209  | 7,587,554,009   | 7,498,023,073   | 6,187,193,091        | 6,148,936,572        | 8,102,644,301        |

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items  | 1993-94 <sup>2</sup> | 1994-95 <sup>2</sup> | 1995-96       | 1996-97       | 1997-98       | 1998-99       | 1999-2000     | 2000-01 <sup>3</sup> | 2001-02 <sup>3</sup> | 2002-03 <sup>4</sup> |
|---|----------------------|----------------------|---------------|---------------|---------------|---------------|---------------|----------------------|----------------------|----------------------|
| Basic parenting allowance   | No.                  | n.a.                 | n.a.          | 141,893       | 145,315       | 152,261       | 115,475       | n.a.                 | n.a.                 | n.a.                 |
|   | \$                   | n.a.                 | n.a.          | 179,512,973   | 194,638,667   | 210,719,166   | 159,847,927   | n.a.                 | n.a.                 | n.a.                 |
| Sole parent tax offset  | No.                  | 242,817              | 257,294       | 278,099       | 203,145       | 302,663       | 310,864       | n.a.                 | n.a.                 | n.a.                 |
|   | \$                   | 231,000,000          | 250,000,000   | 277,794,323   | 300,981,138   | 323,348,586   | 337,154,480   | n.a.                 | n.a.                 | n.a.                 |
| Zone or overseas forces tax offset  | No.                  | 454,035              | 470,749       | 508,130       | 515,442       | 512,793       | 504,301       | 497,459              | 497,872              | 492,989              |
|   | \$                   | 179,000,000          | 188,000,000   | 199,325,382   | 205,017,886   | 208,876,221   | 202,083,050   | 198,607,603          | 208,409,053          | 208,538,146          |
| Superannuation contributions – superannuation only tax offset                                   | No.                  | 672,390              | 548,362       | 442,930       | 358,552       | 259,560       | 187,708       | 141,914              | 120,877              | 91,413               |
|   | \$                   | 44,000,000           | 35,000,000    | 28,068,477    | 22,466,569    | 17,950,782    | 11,577,216    | 8,871,263            | 7,651,270            | 5,763,257            |
| Superannuation contributions – annuity/pension tax offset                                       | No.                  | n.a.                 | n.a.          | 180,496       | 216,502       | 247,549       | 282,205       | 296,711              | 311,523              | 314,560              |
|   | \$                   | n.a.                 | n.a.          | 210,217,538   | 330,779,228   | 406,471,895   | 476,485,326   | 543,223,418          | 595,969,662          | 618,812,723          |
| Superannuation contributions – combination of superannuation contributions & annuity tax offset | No.                  | n.a.                 | n.a.          | 3,116         | 3,837         | 5,651         | 2,963         | 3,187                | 2,377                | 2,434                |
|   | \$                   | n.a.                 | n.a.          | 3,277,557     | 4,477,973     | 6,154,117     | 4,004,134     | 5,426,398            | 3,849,454            | 3,810,011            |
| Total superannuation contribution tax offset  | No.                  | n.a.                 | n.a.          | 542,166       | 516,112       | 511,964       | 472,876       | 441,813              | 434,777              | 408,407              |
|   | \$                   | n.a.                 | n.a.          | 241,577,947   | 376,373,756   | 428,243,696   | 492,066,676   | 557,521,619          | 607,470,386          | 628,385,991          |
| Senior Australians tax offset (SATO) <sup>16,17</sup>   | No.                  | n.a.                 | n.a.          | 27,776        | 35,842        | 40,610        | 48,249        | 301,341              | 602,060              | 599,201              |
|   | \$                   | n.a.                 | n.a.          | 9,661,135     | 28,663,152    | 34,259,696    | 42,805,135    | 509,431,564          | 1,157,313,613        | 1,131,001,246        |
| Medical expenses tax offset   | No.                  | n.a.                 | n.a.          | 261,553       | 284,602       | 308,781       | 333,764       | 350,930              | 400,280              | 421,669              |
|   | \$                   | n.a.                 | n.a.          | 113,204,714   | 128,061,564   | 145,073,149   | 162,296,859   | 173,243,520          | 203,367,259          | 224,888,784          |
| Other tax offsets   | No.                  | 255,041              | 361,714       | 33,115        | 16,767        | 17,736        | 9,337         | 7,335                | 5,103                | 4,385                |
|   | \$                   | 125,000,000          | 263,000,000   | 42,091,203    | 22,328,363    | 14,346,227    | 12,678,058    | 11,668,454           | 10,297,252           | 9,351,032            |
| Pensioner tax offset <sup>18,19</sup>   | No.                  | 600,659              | 618,759       | 702,460       | 677,916       | 651,430       | 657,218       | 560,136              | 247,851              | 245,261              |
|   | \$                   | 479,000,000          | 478,000,000   | 594,017,470   | 610,994,687   | 604,572,460   | 651,516,838   | 1,007,108,776        | 329,508,308          | 344,720,224          |
| Comm of Aust benefits & allowances tax offset <sup>20</sup>                                     | No.                  | 538,294              | 635,419       | 628,895       | 319,477       | 321,210       | 306,868       | 276,874              | 300,051              | 295,014              |
|   | \$                   | 211,000,000          | 317,000,000   | 268,741,664   | 110,881,096   | 120,133,081   | 116,601,451   | 87,966,320           | 105,684,955          | 115,831,244          |
| Life assurance bonus tax offset   | No.                  | 44,337               | 44,822        | 45,234        | 19,491        | 13,857        | 11,768        | 8,447                | 5,252                | 3,585                |
|   | \$                   | 71,000,000           | 76,000,000    | 73,035,066    | 49,622,410    | 18,136,882    | 16,198,653    | 12,977,020           | 8,911,745            | 3,650,066            |
| Section 98A(2) deduction  | No.                  | 172                  | 268           | 608           | 764           | 856           | 1,015         | 1,057                | 1,155                | 1,101                |
|   | \$                   | n.a.                 | n.a.          | 5,864,932     | 9,911,871     | 7,273,064     | 13,871,088    | 11,425,781           | 13,630,181           | 11,997,651           |
| Imputation credit primary   | No.                  | 904,385              | 983,612       | 1,329,200     | 1,989,385     | 2,431,825     | 2,639,573     | 3,256,184            | 3,191,917            | 3,036,288            |
|   | \$                   | 1,597,000,000        | 2,213,000,000 | 2,546,662,168 | 3,075,503,927 | 3,363,646,252 | 3,868,071,640 | 4,659,722,658        | 3,498,374,000        | 4,008,439,945        |

**TABLE 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items  | 1993-94 <sup>2</sup> | 1994-95 <sup>2</sup> | 1995-96       | 1996-97       | 1997-98       | 1998-99       | 1999-2000     | 2000-01 <sup>3</sup> | 2001-02 <sup>3</sup> | 2002-03 <sup>4</sup> |
|---|----------------------|----------------------|---------------|---------------|---------------|---------------|---------------|----------------------|----------------------|----------------------|
| Total imputation credits <sup>21</sup>                | No.                  | 1,095,989            | 1,195,015     | 1,350,500     | 1,602,203     | 2,280,428     | 2,967,368     | 3,599,871            | 3,566,721            | 3,402,817            |
|   | \$                   | 2,045,000,000        | 2,839,000,000 | 3,285,583,411 | 3,445,313,123 | 4,009,680,224 | 5,114,088,719 | 6,115,858,407        | 4,541,686,281        | 5,246,138,499        |
| Foreign tax credits                                   | No.                  | 192,125              | 168,271       | 266,941       | 292,190       | 323,317       | 391,465       | 489,034              | 555,427              | 640,767              |
|   | \$                   | 51,000,000           | 51,000,000    | 62,014,049    | 80,191,206    | 94,214,961    | 104,257,520   | 131,019,073          | 126,961,772          | 124,879,877          |
| Total tax withheld on interest & dividends            | No.                  | 256,070              | 274,592       | 290,328       | 210,800       | 162,325       | 239,079       | 242,210              | 188,881              | 190,744              |
|   | \$                   | 36,000,000           | 41,000,000    | 40,470,982    | 35,295,302    | 29,566,834    | 40,535,528    | 48,090,053           | 36,678,825           | 39,744,296           |
| Averaging tax offset                                  | No.                  | 125,676              | 129,655       | 143,437       | 127,332       | 116,201       | 103,439       | 135,685              | 146,292              | 108,002              |
|   | \$                   | 126,000,000          | 154,000,000   | 206,643,841   | 144,313,625   | 122,563,208   | 113,620,009   | 212,111,159          | 311,844,818          | 212,081,552          |
| Share of credit for tax paid by trustee <sup>22</sup> | No.                  | 3,790                | 3,024         | 3,223         | 5,575         | 4,448         | 4,277         | 4,787                | 2,955                | 2,292                |
|   | \$                   | 7,000,000            | 7,000,000     | 5,540,256     | 10,702,979    | 9,019,566     | 8,883,529     | 8,487,044            | 8,114,204            | 6,206,914            |
| Termination payment tax offset                        | No.                  | 666,830              | 512,842       | 500,976       | 481,499       | 453,381       | 429,613       | 257,785              | 276,515              | 249,277              |
|   | \$                   | 1,274,000,000        | 1,127,000,000 | 1,173,874,874 | 1,398,467,453 | 1,547,427,682 | 1,662,903,445 | 1,453,026,592        | 1,562,268,710        | 1,581,967,636        |
| Low income tax offset                                 | No.                  | 4,017,598            | 3,995,302     | 4,102,314     | 4,045,660     | 3,850,379     | 3,643,474     | 3,308,645            | 3,173,929            | 3,005,595            |
|   | \$                   | 520,000,000          | 517,000,000   | 532,351,894   | 524,570,962   | 499,933,313   | 472,850,903   | 423,483,311          | 406,058,852          | 384,235,869          |
| Total tax offsets/credits allowed <sup>23</sup>       | No.                  | 6,608,160            | 6,612,084     | 6,695,664     | 6,684,516     | 7,045,633     | 7,022,744     | 7,375,527            | 7,312,948            | 7,113,655            |
|   | \$                   | 6,010,000,000        | 6,410,000,000 | 6,997,943,009 | 7,397,813,629 | 8,249,572,021 | 9,494,106,033 | 10,647,750,575       | 9,395,156,021        | 10,117,849,074       |
| <b>SCHEDULE ITEMS<sup>24</sup></b>                    |                      |                      |               |               |               |               |               |                      |                      |                      |
| Total capital losses of current year applied          | No.                  | n.a.                 | n.a.          | n.a.          | n.a.          | 139,685       | 235,674       | 77,184               | 81,671               | 83,765               |
|   | \$                   | n.a.                 | n.a.          | n.a.          | n.a.          | 592,722,468   | 1,241,135,659 | 920,082,622          | 1,029,754,079        | 964,247,962          |
| Net capital losses of prior years applied             | No.                  | n.a.                 | n.a.          | n.a.          | 88,032        | 94,300        | 111,662       | 27,683               | 36,758               | 38,636               |
|   | \$                   | n.a.                 | n.a.          | n.a.          | 360,238,995   | 404,811,360   | 639,265,037   | 280,728,594          | 417,927,394          | 420,790,095          |

**Table 3.25: Personal tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03****Notes:**

- \* Please refer to the 'Personal tax' chapter and the *Taxation Statistics 2002-03* glossary for descriptions of the items reported in the table. The glossary is included in the online version of *Taxation Statistics 2002-03* on the Tax Office website. It is also included on the *Taxation Statistics 2002-03* CD-ROM.
- \* The symbol 'n.a.' used in this publication means not applicable or not available. In order to meet privacy regulations, the following measures have been applied.
- (a) Number indicators showing values of 1 to 4 have been replaced by 5. Hence, in the detailed tables, any cell containing a number indicator (that is, number of returns or taxpayers) of 5 is indicative only and may represent any number between 1 and 5. Number (No.) totals are the sum of the indicated cell values in a table. Number indicators and totals may vary between tables.
- (b) Amount totals are the sum of the indicated cell values in a table. Amounts and totals may vary between tables.
- (c) Statistics for some items may not be included in some tables.
- 1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.
  - 2 Amounts (\$) reported for the 1993-94 and 1994-95 income years are rounded to millions. Actual amount figures are not available.
  - 3 The 2000-01 and 2001-02 income year statistics reported in this table may not match the statistics reported in previous editions of *Taxation Statistics* because the statistics for these income years have been updated in this edition.
  - 4 The statistics for the 2002-03 income year were sourced from 2003 individual income tax returns and associated business and professional items schedules processed by 31 October 2004. The statistics are not necessarily complete. Therefore, caution should be exercised in making comparisons between the statistics for the 2002-03 and prior income years. For further information please refer to the 'Source of personal tax statistics' section in the 'Personal tax' chapter of *Taxation Statistics 2002-03*.
  - 5 Numbers exclude manually assessed and issued assessments.
  - 6 Refers to personal (or individual) taxpayers with net tax payable greater than \$0.
  - 7 Refers to personal (or individual) taxpayers with net tax payable equal to \$0 (no amount of net tax charged).
  - 8 Net tax is for taxable personal taxpayers only. Non-taxable individuals have net tax of \$0.
  - 9 Tax payable on net capital gains is estimated (based on individual tax rates).
  - 10 The 'Total income' reported in this table is based on the total calculated by the Tax Office during tax return assessment and therefore will not necessarily agree with the sum of component items (the amounts of different types of income) which taxpayers claim on their annual income tax returns.
  - 11 Total deductions is the sum of deduction items and total tax losses of earlier years claimed (prior year losses).
  - 12 The drought investment allowance ended on 30 June 2001. However, this expense can be claimed retrospectively. That is, expenses relating to the drought investment allowance can be claimed in the 2001-02 income year for expenditure incurred in prior income years.
  - 13 In the 2001-02 income year 'Depreciable assets purchased' was replaced by: 'Intangible depreciating assets first deducted' and 'Other depreciating assets first deducted'.
  - 14 In the 2001-02 income year 'Depreciable assets sold' was replaced by: 'Termination value - intangible depreciating assets' and 'Termination value - other depreciating assets'.
  - 15 In 2000-01 the diesel fuel rebate scheme was extended to provide the full rebate to rail transport and marine transport and to cover the use of other like fuels. The diesel and alternative fuels grants scheme was also introduced, under which grants are provided for the on-road use of fuel by businesses and other entities. As both diesel fuel rebates and diesel and alternative fuel grants are declared under the assessable government industry payments labels on the 2001 and the 2002 individual income tax returns, assessable government industry payments in 2000-01 and 2001-02 are significantly higher compared to assessable government industry payments in income years before 2000-01.
  - 16 Before 2000-01 the 'senior Australians tax offset' (SATO) was referred to as the 'low income aged person tax offset'. From 2000-01 SATO also includes pensioner tax offsets of individuals who are of age pension age. As a result of this change, the number of individuals who were entitled to claim SATO was significantly higher in 2000-01 compared to the number of individuals who were entitled to claim SATO (or low income aged person tax offset) before 2000-01. The senior Australians/low income aged person tax offset thresholds and the maximum tax offsets eligible individuals are entitled to claim also increased in 2000-01. As a result, the amounts of SATO claimed in 2000-01 were significantly higher compared to the amounts of SATO (or low income aged person tax offset) claimed before 2000-01.
  - 17 When the senior Australians tax offset (SATO) was introduced in 2000-01, many individuals claimed the pensioner tax offset when they were actually entitled to SATO. From 2001-02 the number of individuals claiming SATO includes many who claimed the pensioner tax offset in 2000-01. Hence, the number of individuals claiming SATO, and the amount claimed, increased significantly in 2001-02.
  - 18 From 2000-01 the senior Australians tax offset (SATO) also includes pensioner tax offsets of individuals who are of age pension age. Hence, from 2000-01 individuals who are of age pension age entitled to claim this tax offset were reclassified as individuals eligible to claim SATO.
  - 19 When the senior Australians tax offset (SATO) was introduced in 2000-01, many individuals claimed the pensioner tax offset when they were actually entitled to SATO. From 2001-02 the number of individuals claiming the pensioner tax offset decreased significantly, as many were reclassified as individuals eligible to claim SATO.
  - 20 Also referred to as 'beneficiary tax offset'.
  - 21 Sum of primary imputation credits and partnership and trust share of imputation credit from franked dividends (or subsidiary imputation credits).
  - 22 Also referred to as 'Section 100(2) credit'.
  - 23 The total number (no.) indicator refers to the number of taxpayers assessed by the Tax Office to be entitled to certain tax offsets and credits. The total amount is calculated by the Tax Office during tax return assessment and includes amounts allowed by the Tax Office (which may differ from amounts claimed by taxpayers). The total amount may also include certain types of tax offsets or credits not included in the table (such as other Tax Office calculated tax offsets) or exclude tax offsets and credits reported in other tables.
  - 24 Statistics for the schedule items for income years before 2000-01 were sourced from past individual tax returns. From 2000-01 onwards, the statistics are sourced from the capital gains tax (CGT) schedule. Not all individuals are required to complete and submit this schedule along with their return. Hence, the schedule item statistics from 2000-01 onwards only refer to/represent individuals who completed these schedules and whose schedules were processed by 31 October 2004.
  - 25 In the 1997-98 income year 'Spouse or child-housekeeper's separate net income' was replaced by: 'Child-housekeeper's separate net income' and 'Spouse separate net income'.

## 📌 HIGHLIGHTS

- In 2002–03, 664,164 companies lodged returns and disclosed \$31.4 billion in total net tax liability.
- Companies reported total income of \$1.5 trillion and total expenses of \$1.4 trillion.
- In the 2003–04 financial year petroleum resource rent tax totalled \$1.2 billion.

This chapter contains company statistics for the 2002–03 income year. However, it also includes petroleum resource rent tax statistics for the 2003–04 and past financial years.

For tax purposes, companies include all bodies or associations, incorporated or unincorporated, excluding partnerships and non-entity joint ventures. For tax purposes, limited partnerships and some corporate unit trusts and public trading trusts are treated as companies.

Generally, every resident company that derives assessable income, whether sourced within or out of Australia, and every non-resident company that derives assessable income from Australian sources, is required to lodge a company tax return. A resident non-profit company is not required to lodge a return if its taxable income is less than \$417.

The Australian financial year runs from 1 July to 30 June. For 98% of companies (accounting for 58% of total company net tax liability), the income year is the same as the financial year. However, those companies with an income year different from the financial year use a substituted accounting period (see company tax detailed table 3).

A company may use a substituted accounting period if it operates as a holding company, but is owned by a multinational. In this instance, the parent company may wish to have all members of the corporate group operate under the same financial year. For example, the traditional financial year in the United States follows the calendar year, while the British financial year ends in March. Depending on the accounting period chosen, the activity reported for the 2002–03 income year may cover a 12-month period starting as early as 1 January 2002 ('early December' balancers) or finishing as late as 31 December 2003 ('late December' balancers).

Companies pay a flat rate of tax without a tax-free threshold. For the 2002–03 income year this rate was 30% (table 4.1).

Under the **pay as you go (PAYG) instalments system**, companies pay instalments of their tax liability based on either a rate or amount determined from the last return lodged. PAYG instalments for the year are credited against the calculated tax payable on a company's annual income tax return to determine whether the company owes tax or is owed a refund. This is the final balance for the income year.

## BOX 4.1: PAYG instalments for companies<sup>1</sup>

The PAYG instalments system is a system for paying instalments towards the expected tax liability on a company's (or other entity's) business and investment income for the current income year. This system became effective for most taxpayers from the 2000–01 income year. For companies, the PAYG instalments system replaced the company instalment system.

Companies that are given an instalment rate<sup>2</sup> by the Tax Office are required to pay instalments. The Tax Office calculates the instalment rate from information on the company's last assessed income tax return and prints it on the company's activity statement (*Business activity statement* or *Instalment activity statement*).

In general, activity statements are sent in time for companies to report their PAYG instalment and other obligations and lodge their activity statement before payment is due. PAYG instalments are generally paid quarterly, but some companies can pay one annual instalment.

Most companies pay an instalment amount calculated by the Tax Office. Some companies calculate their own instalment rate. In doing this, they try to better match their instalments with their estimated end of year tax liability, taking into account changes in business income that will affect their tax liability. Factors that may affect business income include changes in profitability or the utilisation of losses.

Although companies have to lodge activity statements, they are also required to lodge an annual income tax return as PAYG instalments only approximate each company's end of year income tax liability. PAYG instalments paid during the year are credited against the calculated tax payable on a company's annual income tax return to determine whether the company owes tax or is owed a refund.

For the 2002–03 income year, 238,691 companies (36% of the total number of companies) paid \$27 billion in instalment payments (which included PAYG instalments and other interim payments). Statistics on instalments paid by companies for the 2002–03 income year are reported in company tax detailed tables 2 part E, 4 part E and 8 part E.

<sup>1</sup> This box presents only a general description of the above term. It does not provide a full technical or legal definition.

<sup>2</sup> An instalment rate is a percentage figure that approximates the tax payable on a company's (or other entity's) business and investment income. The Tax Office calculates the instalment rate from information contained in the company's latest income tax assessment.

### SOURCE OF COMPANY STATISTICS

The new company consolidation scheme has applied from 1 July 2002. Due to this, it should be noted that comparisons of current data with company returns from before this date may not be valid for all fields. This is because consolidation changes have varied the processes affecting various corporate groups' reported information, such as dividends, losses and other return form items. While not all companies have consolidation issues, many that do are large entities and carry a large weight in the overall company population, so there will be a permanent discontinuity in the time series tables created by these changes.

Depending on the structure of a tax consolidated group, consolidation eliminations can have a significant impact on almost all labels on the tax return. A business that is vertically integrated, with subsidiaries in the production, wholesale and retail levels, will have large eliminations to make. A horizontally structured business, such as a holding company owning a number of distinct mining businesses, may have very little in the way of intra-group transactions for, say, sales.

Consolidation eliminations particularly affect some labels. For example, the flows of dividend income and dividends paid reported by consolidated groups are much lower than the flows reported in earlier years from the same entities. This reflects the fact that most dividends are intra-group dividends.

The data for *Taxation Statistics 2002–03* was compiled before all processing for the 2002–03 income year was completed. The statistics (excluding the statistics on petroleum resource rent tax) in this chapter are sourced from 2003 company income tax returns processed by 31 October 2004. The statistics are not necessarily complete and will continue to change as data from 2003 tax returns processed after 31 October 2004 is included. The usual practice each year is to update the statistics for the two years before the current year in the company tax time series table (chapter table 4.10 and company tax detailed table 7).

The proportion of tax returns processed each year by 31 October can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2002–03 income year statistics and statistics from previous years will be possible when *Taxation Statistics 2003–04* is published. In that edition, the 2002–03 income year statistics will include data from returns and amendments processed up to 31 October 2005.

Company returns were lodged either electronically or in paper form. A copy of the return form is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

Statistics for most of the items shown on the return are included in the detailed tables on the attached CD-ROM and in the online version of this publication.

Some statistics in the detailed tables were also sourced from 2003 capital gains tax (CGT) schedules and 2003 losses schedules processed by 31 October 2004. They are not necessarily complete and will continue to change as data from 2003 schedules processed after 31 October 2004 is included. In addition, not all company taxpayers are required to complete these schedules. The company statistics sourced from these schedules do therefore not represent or refer to all company taxpayers.

Copies of the CGT schedule and the losses schedule are in the appendix. They may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website.

Statistics for petroleum resource rent tax collections were sourced from various issues of the *Commissioner of Taxation Annual Report*.

**BOX 4.2: Types of companies<sup>1</sup>**

**Cooperative company:** one in which the number of shares held by one person is limited, the shares are not quoted on a stock exchange, and the business is carried on primarily for:

- acquiring commodities or animals for disposal or distribution to its members
- disposing of or distributing its members' commodities or animals
- storing, marketing, packaging or processing its members' commodities
- rendering services to its members, or
- obtaining funds from its members so that it can make loans to them, enabling them to acquire residential and/or business premises.

**Corporate unit trust:** a unit trust that qualifies as a public unit trust and, as part of an arrangement for reorganising a company or company group, a business or other property of a company has been transferred to the unit trust and shareholders of the company involved in the reorganisation receive entitlements to take up units in the unit trust.

**Limited partnership:** a partnership in which the liability of at least one partner is limited. For tax purposes, a limited partnership is called a corporate limited partnership because it is effectively treated as a company.

**Non-profit company:** a company that is not carried on for the purpose of profit or gain to its individual members. The terms of the memorandum or articles of association, rules or other documents constituting the company or governing its activities must prohibit it from making any distribution in money, property or otherwise to its members.

**Pooled development fund:** a company that is registered as a pooled development fund under the *Pooled Development Funds Act 1992* to provide equity capital for eligible activities to resident Australian companies with total assets not exceeding \$50 million.

**Private company:** includes any company that is not a public company.

**Public company:** a public company as defined in the *Income Tax Assessment Act 1936* (section 103A) for the income year. A company is a public company for tax purposes if:

- the company's shares are listed on the stock exchange in Australia or elsewhere on the last day of the income year
- the company was a cooperative at all times during the income year
- the company has not, at any time since its formation, been carried on for the purposes of profit or gain to its individual members and was, at all times during the income year, prohibited by the terms of its constituent document from making any distribution (whether in money, property or otherwise) to its members or to relatives of its members, or
- the company is
  - a mutual life assurance company
  - a friendly society dispensary
  - a registered organisation
  - a body constituted by a law of the Commonwealth or of a state or territory and established for public purposes, not being a company within the meaning of the law in force in a state or territory relating to companies
  - a company in which a government body had a controlling interest on the last day of the income year, or
  - a public company subsidiary.

**Public trading trust:** a public unit trust that is also a trading trust and is either a resident in the income year concerned or was a public trading trust in a previous income year. A corporate unit trust cannot also be a public trading trust.

**Registered organisation:** can include an association registered under a law of a state or territory as a trade union; a society registered under a law of a state or territory providing for the registration of friendly or benefit societies; or an association of employees that is an organisation within the meaning of the *Workplace Relations Act 1996*.

**Strata title body corporate:** a body corporate constituted under legislation that creates a special form of legal ownership, referred to in various states or territories as strata title, unit title, group title or cluster title. For tax purposes, it is treated as a public company and does not qualify as a non-profit company.

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide full technical or legal definitions. The information is also derived from information provided on tax returns and may not match commonly understood definitions in all cases.



## NEW FEATURES AND INFORMATION

Several tax reforms and laws implemented during the 2002–03 income year affected the statistics for certain company items reported in this chapter and in the detailed tables. Some of these reforms and laws are listed below.

- From 1 July 2002, eligible wholly-owned groups may consolidate (operate as a single entity) for income tax purposes (see box 4.3).
- A film tax offset is available for producers of foreign and Australian films that cost \$15 million or more and are completed on or after 4 September 2001. The tax offset is applied at the rate of 12.5% to qualifying Australian expenditure on the film. The producer can claim the tax offset on their tax return when the film is completed.
- CGT relief and exemption for certain demerger dividends are available for demergers that occur after 30 June 2002. The tax relief applies where a corporate or trust group restructures by divesting itself of at least 80% of its interests in a demerger subsidiary to the owners of interests in the head entity.
- The general value shifting regime replaced the value shifting rules in Divisions 138, 139 and 140 of the *Income Tax Assessment Act 1997* from 1 July 2002 (subject to transitional rules). Value shifting broadly describes transactions and other arrangements that reduce the value of an asset and (usually) increase the value of a second asset.
- The simplified imputation system took effect from 1 July 2002 and, while changing the mechanics of the former imputation system, generally achieves the same outcome.
- The following new labels were introduced on the 2003 company income tax return and some are included in the company tax detailed tables. Definitions of these labels are in the company tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
  - Consolidated head company (item 3, label Z1)
  - Consolidated subsidiary member (item 3, label Z2)
  - Franking credits (item 7, label J)
  - Excess franking rebate (item 8, label H)
  - R&D tax offset (Calculation Statement, label U)
- The following labels were removed from the 2003 company return but statistics from previous years for these items are still available in the company tax time series table (chapter table 4.10 and company tax detailed table 7). Definitions of these labels are in the company tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
  - Drought investment allowance (item 7, label J)
  - Deficit deferral tax offset (item Calculation statement, label F)
- A new terminology box (box 4.3) and a new table (table 4.3) have also been included in this chapter.

**BOX 4.3: Terminology<sup>1,2</sup>**

**Consolidation:** the government enacted legislation that, from 1 July 2002, allows eligible wholly-owned groups to be treated as a single entity for income tax purposes.

A consolidated group usually consists of an Australian resident head company and its eligible wholly-owned Australian resident subsidiaries (including eligible companies, trusts and partnerships). The head company chooses whether to consolidate.

The head company in a consolidated group must:

- be an Australian resident (not a prescribed dual resident)
- have some or all of its income taxed at the general company rate
- not be specifically excluded from membership of a consolidated group under section 703-20 of the *Income Tax Assessment Act 1997*, and
- not be a wholly-owned subsidiary of another entity that meets the above requirements or, if it is, it must not be a subsidiary member of a consolidatable or consolidated group.

Subsidiary members of a consolidated group of companies are wholly owned (directly or indirectly) by the head company. An entity is a subsidiary member of a consolidated group if it is:

- a wholly-owned subsidiary of the head company of the group

and is:

- an Australian resident company (not a prescribed dual resident) that has all or some of its taxable income taxed at the general company tax rate
- a partnership, or
- a resident trust (including a non-fixed trust).

The wholly-owned group is taxed as a single tax entity, with subsidiary members treated as parts of the head company. Intra-group transactions are disregarded for income tax purposes. Intra-group debt and shareholdings are also ignored for income tax purposes. This:

- allows pooling of losses and credits, thus simplifying transactions and delivering cost savings
- eliminates complex provisions applying to intra-group transactions such as:
  - deemed dividend rules
  - deeming for determining capital gain and losses
  - franking rules in relation to intra-group dividends
  - formal requirements for intra-group transfers, and
  - related anti-avoidance rules.
- reduces impediments to group restructuring and allows:
  - movement of assets between group entities to be disregarded for income tax purposes, with no formal rollover requirements
  - shares to be bought back without triggering a capital gain or loss, and
  - a member entity to be liquidated without triggering a deemed dividend or a capital gain or loss.

<sup>1</sup> This box presents only a general description of the above term. It does not provide a full technical or legal definition.

<sup>2</sup> For more information see the *Consolidation reference manual*, which is on the attached CD-ROM and on the Tax Office website.

Company tax rates applied for the 2002–03 income year are shown in table 4.1.

**TABLE 4.1: Company tax rates, 2002–03 income year**

| Type of company   | Tax rate % |
|---|------------|
| <b>Private companies</b> (generally)  | 30         |
| <b>Public companies</b> (generally)   | 30         |
| <b>Retirement savings account (RSA) providers</b>   |            |
| – Standard component of taxable income  | 30         |
| – RSA component of taxable income   | 15         |
| <b>Life insurance companies</b> (including friendly societies)  |            |
| Ordinary class  | 30         |
| Complying superannuation class  | 15         |
| <b>Non-profit companies</b>   |            |
| First \$416 of taxable income   | Nil        |
| Shade-in above \$416 to \$915   | 55         |
| Taxable income above shade-in range   | 30         |
| <b>Pooled development funds (PDFs)</b>  |            |
| Companies that are PDFs throughout the year of income:  |            |
| – on small to medium-sized enterprise income component  | 15         |
| – on unregulated investment component   | 25         |
| Companies that become PDFs during the income year and are still PDFs at the end of the income year:                   |            |
| – on small to medium-sized enterprise income component  | 15         |
| – on unregulated investment component   | 25         |
| – on taxable income that exceeds the PDF component  | 30         |
| <b>Credit unions</b>  |            |
| Interest received by:   |            |
| – small credit unions (with a notional taxable income of less than \$50,000)  | 30         |
| – medium credit unions (with a notional taxable income of \$50,000–\$149,999) on taxable income that exceeds \$49,999 | 45         |
| – large credit unions (with a notional taxable income of \$150,000 or more)   | 30         |

**COMPANY TAXPAYERS****BOX 4.4: Company size, by total income<sup>1</sup>**

For the purposes of this chapter:

- **loss/nil companies<sup>1</sup>** have a total income less than or equal to \$0
- **micro companies** have a total income greater than or equal to \$1 but less than \$2 million
- **small companies** have a total income greater than or equal to \$2 million but less than \$10 million
- **medium companies** have a total income between \$10 million and \$100 million (inclusive), and
- **large companies** have a total income of more than \$100 million.

<sup>1</sup> The 'total income' amounts are the amounts companies declared at item 6, label S, on page 2 of the 2003 company tax return. For example, 'loss/nil' companies are companies that declared 'total income' amounts less than or equal to \$0 (total loss) on their returns at the indicated label.

In 2002–03 a total of 664,164 companies lodged returns in Australia. Approximately 90% of these companies classified their status as private companies. The next most common types of companies were strata title companies (7%) and public companies (2%).

In terms of company size based on company total income, the majority of companies (79%) were **micro companies** (table 4.2). **Large companies** accounted for less than 1% of the total number of companies.

**COMPANY TAXPAYERS, BY INDUSTRY**

For those companies whose industry was stated, 31% were in the property and business services industry, and a further 20% were in the finance and insurance industries (table 4.2).

The largest proportion of micro companies whose industry was stated was in the property and business services industry (32%), followed by the finance and insurance (17%) and construction (10%) industries.

The largest proportion of small companies whose industry was stated was in the property and business services (16%), retail trade (16%), manufacturing (15%) and wholesale trade (15%) industries.

The largest proportion of medium companies whose industry was stated was in the wholesale trade industry (20%), followed by the manufacturing (19%), property and business services (12%), and retail trade (12%) industries.

The largest proportion of large companies whose industry was stated was in the finance and insurance industry (23%), followed by the manufacturing (21%) and wholesale trade (18%) industries.

**TABLE 4.2: Companies, by industry and company size, 2002–03 income year**

| Industry <sup>1</sup>                         | Loss/nil<br>No. | Micro<br>No.   | Small<br>No.  | Medium<br>No. | Large<br>No. | Total<br>No.   |
|---|-----------------|----------------|---------------|---------------|--------------|----------------|
| Property & business services                  | 25,017          | 169,400        | 6,090         | 1,329         | 111          | 201,947        |
| Finance & insurance                           | 32,369          | 90,735         | 2,944         | 1,253         | 376          | 127,677        |
| Construction                                  | 4,058           | 53,322         | 4,517         | 745           | 43           | 62,685         |
| Retail trade                                  | 2,902           | 43,518         | 5,913         | 1,327         | 157          | 53,817         |
| Manufacturing                                 | 3,049           | 35,490         | 5,875         | 1,990         | 350          | 46,754         |
| Wholesale trade                               | 2,729           | 22,821         | 5,832         | 2,122         | 301          | 33,805         |
| Transport and storage                         | 1,591           | 21,974         | 1,990         | 592           | 70           | 26,217         |
| Health & community services                   | 912             | 22,170         | 516           | 93            | 5            | 23,696         |
| Agriculture, forestry & fishing               | 1,776           | 15,103         | 1,009         | 200           | 23           | 18,111         |
| Personal & other services                     | 1,167           | 15,120         | 587           | 111           | 11           | 16,996         |
| Accommodation, cafes & restaurants            | 979             | 12,075         | 1,393         | 253           | 13           | 14,713         |
| Cultural & recreational services <sup>2</sup> | 1,103           | 10,839         | 494           | 164           | 19           | 12,619         |
| Communication                                 | 439             | 4,468          | 264           | 93            | 26           | 5,290          |
| Education                                     | 437             | 3,941          | 138           | 18            | 0            | 4,534          |
| Mining  | 788             | 2,363          | 338           | 298           | 105          | 3,892          |
| Electricity, gas & water supply               | 84              | 558            | 89            | 60            | 29           | 820            |
| Total industry stated                         | 79,400          | 523,897        | 37,989        | 10,648        | 1,639        | 653,573        |
| Other <sup>3</sup>                            | 8,492           | 1,973          | 82            | 36            | 8            | 10,591         |
| <b>Total</b>                                  | <b>87,892</b>   | <b>525,870</b> | <b>38,071</b> | <b>10,684</b> | <b>1,647</b> | <b>664,164</b> |

1 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. Fine industries included under these broad industry groupings are listed in company tax detailed table 4. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication *Business industry codes 2003*.

2 Includes sports.

3 Includes companies lodging under the 'Nil company returns' code (code: 98000 in *Business industry codes 2003*) which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

**CONSOLIDATED COMPANIES, BY INDUSTRY**

Consolidation allows wholly-owned corporate groups to operate as a single entity for income tax purposes from 1 July 2002. The Australian Government introduced consolidation to reduce compliance costs for business, remove impediments to the most efficient business structures and improve the integrity of the tax system.

Table 4.3 shows the number of companies, by broad industry, that notified the Tax Office they were a head or subsidiary company of a consolidated group for the 2002–03 income year.

**TABLE 4.3: Number of head and subsidiary companies, by industry, 2002–03 income year**

| Industry <sup>1</sup>                         | Head companies | Subsidiary <sup>2</sup> companies |
|---|----------------|-----------------------------------|
| Agriculture, forestry & fishing               | 31             | 156                               |
| Mining  | 52             | 453                               |
| Manufacturing                                 | 130            | 920                               |
| Electricity, gas & water supply               | 5              | 38                                |
| Construction                                  | 46             | 537                               |
| Wholesale trade                               | 94             | 549                               |
| Retail trade                                  | 71             | 400                               |
| Accommodation, cafes & restaurants            | 23             | 157                               |
| Transport & storage                           | 44             | 280                               |
| Communication                                 | 15             | 140                               |
| Finance & insurance                           | 448            | 3,783                             |
| Property & business services                  | 285            | 3,220                             |
| Education                                     | 5              | 23                                |
| Health & community services                   | 7              | 127                               |
| Cultural & recreational services <sup>3</sup> | 17             | 163                               |
| Personal & other services                     | 12             | 91                                |
| Total industry stated                         | 1,285          | 11,037                            |
| Other <sup>4</sup>                            | 0              | 748                               |
| <b>Total</b>                                  | <b>1,285</b>   | <b>11,791</b>                     |

1 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. Fine industries included under these broad industry groupings are listed in company tax detailed table 4. There is a complete listing of all fine industries included under each broad industry group in *Business industry codes 2003*.

2 Refers to subsidiary companies that were members of a consolidated group at any time during the 2002–03 income year.

3 Includes sports.

4 Includes companies lodging under the 'Nil company returns' code (code: 98000 in *Business industry codes 2003*) which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

**COMPANY INCOME**

In 2002–03 companies reported total income of \$1.5 trillion (table 4.4). Despite accounting for less than 1% of the total number of companies, large companies accounted for 61% (\$916.7 billion) of total company income. Medium companies accounted for 19% (\$289.8 billion) of total income. Micro and small companies accounted for a similar proportion of total income (10%) despite the large difference in their numbers (there were 38,071 small companies and 525,870 micro companies) (table 4.2).

Most income (70%) was derived from sales of goods and services, followed by gross interest (7%) and gross dividends (3%). Sales of goods and services accounted for the largest proportion of the total income of most companies, regardless of size. Gross interest and gross dividends respectively accounted for the second and third largest proportions of the total income of small, medium and large companies. For micro companies, gross distributions from trusts accounted for the second largest proportion (4%) of total income, followed by gross rents (3%).

**TABLE 4.4: Company income, by source and company size, 2002–03 income year**

| Source of income <sup>1</sup>           | Loss/ nil<br>\$m <sup>2</sup> | Micro<br>\$m   | Small<br>\$m   | Medium<br>\$m  | Large<br>\$m   | Total<br>\$m     |
|---|-------------------------------|----------------|----------------|----------------|----------------|------------------|
| Sales of goods & services               | 30                            | 87,023         | 119,844        | 227,944        | 616,852        | 1,051,694        |
| Gross interest                          | 91                            | 2,567          | 2,819          | 11,057         | 92,318         | 108,853          |
| Gross dividends                         | 44                            | 2,208          | 2,693          | 7,355          | 35,358         | 47,657           |
| Gross rents                             | 4                             | 4,488          | 2,478          | 3,784          | 12,233         | 22,986           |
| Gross distribution from trusts          | 12                            | 6,400          | 2,599          | 1,898          | 2,946          | 13,855           |
| Gross distribution from partnerships    | -972                          | 1,004          | 674            | 985            | 4,395          | 6,086            |
| Assessable government industry payments | 0                             | 337            | 255            | 333            | 482            | 1,407            |
| Gross payments where ABN not quoted     | 0                             | 31             | 44             | 560            | 568            | 1,203            |
| Fringe benefit employee contributions   | 0                             | 232            | 53             | 15             | 59             | 359              |
| Other gross income                      | -511                          | 41,081         | 26,698         | 35,848         | 151,512        | 254,629          |
| <b>Total<sup>3</sup></b>                | <b>-1,302</b>                 | <b>145,371</b> | <b>158,157</b> | <b>289,778</b> | <b>916,723</b> | <b>1,508,728</b> |

1 Definitions of items are in the company tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.

2 An amount of \$0 indicates a value of less than \$500,000.

3 Total amount may differ slightly from the sum of components due to rounding. The total income amount is the sum of components as shown by the taxpayer on their annual income tax return. It is not necessarily the total calculated by the Tax Office during assessment.

## COMPANY EXPENSES

In 2002–03 company expenses totalled \$1.4 trillion. Table 4.5 shows that 49% (\$671.1 billion) of all company expenses were related to cost of sales, followed by interest expenses within Australia (6%) and external labour costs (3%). Salaries and wages are typically included in other expenses or in cost of sales.

For micro, small, medium and large companies, cost of sales accounted for the largest proportion of total expenses, while for loss/nil companies, interest expenses within Australia accounted for the largest proportion (16%) of total expenses.

**TABLE 4.5: Company expenses, by expense and company size, 2002–03 income year**

| Expense <sup>1</sup>          | Loss/nil<br>\$m <sup>2</sup> | Micro<br>\$m   | Small<br>\$m   | Medium<br>\$m  | Large<br>\$m   | Total<br>\$m     |
|-------------------------------|------------------------------|----------------|----------------|----------------|----------------|------------------|
| Cost of sales                 | 50                           | 41,499         | 75,183         | 150,538        | 403,783        | 671,052          |
| Interest expenses – Australia | 1,105                        | 3,918          | 3,235          | 9,697          | 64,011         | 81,966           |
| External labour <sup>3</sup>  | 51                           | 6,559          | 6,334          | 8,288          | 21,587         | 42,819           |
| Depreciation                  | 23                           | 6,941          | 2,874          | 5,874          | 22,529         | 38,241           |
| Rent                          | 8                            | 4,534          | 3,017          | 3,975          | 8,479          | 20,014           |
| Interest expenses – overseas  | 221                          | 425            | 381            | 1,370          | 11,006         | 13,403           |
| Employee superannuation       | 5                            | 4,400          | 2,494          | 2,792          | 5,236          | 14,928           |
| Repairs & maintenance         | 3                            | 1,498          | 1,265          | 2,393          | 8,026          | 13,186           |
| Motor vehicle                 | 4                            | 3,092          | 1,362          | 1,243          | 1,638          | 7,339            |
| Lease expenses – Australia    | 1                            | 757            | 586            | 1,180          | 3,732          | 6,257            |
| Bad debts                     | 63                           | 363            | 320            | 557            | 2,594          | 3,897            |
| Royalty expenses – Australia  | 1                            | 137            | 153            | 578            | 2,429          | 3,298            |
| Royalty expenses – overseas   | 15                           | 29             | 101            | 598            | 2,051          | 2,794            |
| Lease expenses – overseas     | 0                            | 23             | 15             | 101            | 386            | 524              |
| Other expenses                | 5,171                        | 68,696         | 50,000         | 83,396         | 247,140        | 454,402          |
| <b>Total<sup>4</sup></b>      | <b>6,721</b>                 | <b>142,870</b> | <b>147,320</b> | <b>272,579</b> | <b>804,628</b> | <b>1,374,119</b> |

1 Definitions of items are in the company tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.

2 An amount of \$0 indicates a value of less than \$500,000.

3 Also referred to as 'Contractor, subcontractor and commission expenses'.

4 Total amount may differ slightly from the sum of components due to rounding. The total expenses amount is the sum of components as shown by the taxpayer on their annual income tax return. It is not necessarily the total calculated by the Tax Office during assessment.

## COMPANY NET TAX (OR TAX PAYABLE)

### BOX 4.5: Calculating company net tax payable<sup>1</sup>

Expenses are deducted from income to give operating profit or loss. Extraordinary items and reconciliation items<sup>2</sup> are then applied to operating profit or loss to calculate taxable income or loss. For most companies, the general company tax rate (30%) for the income year ended 30 June 2003 is then applied to taxable income to calculate gross tax. Tax offsets or rebates and foreign tax credits are subtracted from gross tax, leaving **net tax payable**.

Credit for PAYG instalments raised and other credits (credit for interest on early payments – amount of interest, credit for tax withheld where an Australian business number (ABN) was not quoted, tax withheld from interest investments and other refundable credits) are subtracted from the sum of net tax payable and section 102AAM interest to work out the **balance payable or refundable**.<sup>3</sup>

- 1 This box presents only general descriptions of the above terms. It does not provide full technical or legal definitions. More information on the items mentioned in this box and on how net tax payable is calculated is available in the glossary or the *Company tax return instructions 2003* booklet on the attached CD-ROM.
- 2 Generally, reconciliation items are adjustments made for items where the tax treatment differs from the usual accounting treatment, or for which specific tax provisions apply.
- 3 Refers to the 'Total amount of tax payable or refundable' item (label S) in the 'Calculation statement' section on page 4 of the 2003 company tax return form. There is more information on how the balance payable or refundable is calculated on page 4 of the company return form and in the instructions booklet.

Companies were liable for \$31.4 billion in net tax for the 2002–03 income year (table 4.6). Large companies accounted for less than 1% of the total number of companies but they were liable for 58% of total company net tax. Companies using a substituted accounting period represented just 2% of all companies, but were liable for 42% of total company net tax (company tax detailed table 3).

In 2002–03, 28% (\$8.8 billion) of total company net tax was payable by companies in the finance and insurance industry (table 4.6). Large companies were liable for 56% (\$4.9 billion) of the net tax derived from this industry grouping.

The manufacturing industry had the next highest net tax liability, accounting for 14% (\$4.3 billion) of company net tax payable.

The finance and insurance industries accounted for the largest share of the net tax payable of loss/nil, micro, small, medium and large companies (table 4.6). The mining industry accounted for the second largest share of the net tax payable of large companies; the manufacturing industry accounted for the second largest share of the net tax payable of medium companies; and the property and business services industry accounted for the second largest share of net tax payable of micro and small companies.

**TABLE 4.6: Company<sup>1</sup> net tax payable, by industry and company size, 2002–03 income year**

| Industry <sup>2</sup>                         | Loss/nil <sup>3</sup><br>\$m <sup>4</sup> | Micro<br>\$m | Small<br>\$m | Medium<br>\$m | Large<br>\$m <sup>4</sup> | Total<br>\$m  |
|---|---|--------------|--------------|---------------|---------------------------|---------------|
| Finance & insurance                           | 30  | 1,903        | 757          | 1,190         | 4,877                     | 8,758         |
| Manufacturing                                 | 4   | 257          | 461          | 973           | 2,558                     | 4,254         |
| Mining  | 0   | 18           | 37           | 241           | 3,412                     | 3,709         |
| Property & business services                  | 21  | 1,217        | 699          | 653           | 507                       | 3,097         |
| Wholesale trade                               | 1   | 155          | 375          | 685           | 1,134                     | 2,349         |
| Communication                                 | 0   | 14           | 16           | 31            | 1,783                     | 1,844         |
| Retail trade                                  | 0   | 220          | 238          | 302           | 982                       | 1,742         |
| Construction                                  | 25  | 318          | 293          | 235           | 125                       | 996           |
| Transport & storage                           | 0   | 103          | 109          | 151           | 208                       | 571           |
| Agriculture, forestry & fishing               | 0   | 157          | 84           | 101           | 48                        | 390           |
| Cultural & recreational services <sup>5</sup> | 0   | 65           | 55           | 80            | 119                       | 318           |
| Accommodation, cafes & restaurants            | 0   | 70           | 88           | 60            | 27                        | 245           |
| Health & community services                   | 0   | 138          | 52           | 54            | 9                         | 252           |
| Personal & other services                     | 0   | 81           | 50           | 39            | 18                        | 188           |
| Electricity, gas & water supply               | 1   | 4            | 3            | 44            | 143                       | 195           |
| Education                                     | 0   | 20           | 12           | 13            | 0                         | 45            |
| Other <sup>6</sup>                            | 3   | 26           | 33           | 75            | 2,289                     | 2,426         |
| <b>Total</b>                                  | <b>86</b>                                 | <b>4,765</b> | <b>3,362</b> | <b>4,927</b>  | <b>18,239</b>             | <b>31,379</b> |

1 Only taxable companies would have net tax payable amounts, as taxable companies are defined as companies with net tax payable greater than \$0.

2 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. Fine industries included under these broad industry groupings are listed in company tax detailed table 4. There is a complete listing of all fine industries included under each broad industry group in the Tax Office publication *Business industry codes 2003*.

3 Loss/nil companies (companies with total income less than or equal to \$0) may still be liable for net tax payable because these companies may still have net capital gains, other assessable income and other income items reported as 'reconciliation items' on their company returns.

4 A \$0 net tax payable amount indicates an amount less than \$500,000.

5 Includes sports.

6 Includes companies lodging under the 'Nil company returns' code (code: 98000 in *Business industry codes 2003*) which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.



Public companies accounted for 63% (\$19.7 billion) of net tax payable but represented only 2% of taxable companies (table 4.7). Private companies accounted for 37% (\$11.5 billion) of total net tax, but represented 89% of companies.

**TABLE 4.7: Company net tax payable, by company type, 2002–03 income year**

| Company type <sup>1</sup> | Taxable companies <sup>2</sup> | Net tax payable  | Average net tax payable <sup>3</sup> |
|---------------------------|--------------------------------|------------------|--------------------------------------|
|                           | No.                            | \$m <sup>4</sup> | \$                                   |
| Public company            | 5,255                          | 19,684           | 3,745,793                            |
| Private company           | 248,880                        | 11,530           | 46,328                               |
| Limited partnership       | 270                            | 58               | 216,089                              |
| Cooperative               | 922                            | 66               | 71,858                               |
| Corporate unit trust      | 308                            | 3                | 8,658                                |
| Public trading trust      | 81                             | 19               | 231,920                              |
| Strata title              | 23,241                         | 6                | 265                                  |
| Pooled development fund   | 14                             | 7                | 534,232                              |
| Non-profit organisation   | 576                            | 4                | 6,742                                |
| Registered organisation   | 7                              | 1                | 176,668                              |
| <b>Total</b>              | <b>279,554</b>                 | <b>31,379</b>    | <b>112,247</b>                       |

1 See box 4.2 for definitions of the different company types.

2 Only taxable companies would have net tax payable amounts as taxable companies are defined as companies with net tax payable greater than \$0.

3 Average net tax figures are derived from actual (not rounded) net tax figures and taxable company numbers.

4 An amount of \$0 net tax payable indicates an amount less than \$500,000.

Less than 1% of taxable companies were liable for \$1 million or more in net tax, but they were liable for 71% of total company net tax (table 4.8).

**TABLE 4.8: Taxable companies and net tax payable, by grade of net tax payable, 2002–03 income year**

| Grade of net tax payable | Taxable companies |              | Net tax payable |              |
|--------------------------|-------------------|--------------|-----------------|--------------|
|                          | No.               | %            | \$m             | %            |
| \$1–\$9,999              | 156,137           | 56.2         | 444             | 1.4          |
| \$10,000–\$49,999        | 78,008            | 28.1         | 1,826           | 5.8          |
| \$50,000–\$99,999        | 19,590            | 7.0          | 1,377           | 4.4          |
| \$100,000–\$499,999      | 19,413            | 7.0          | 3,958           | 12.6         |
| \$500,000–\$999,999      | 2,382             | 0.9          | 1,640           | 5.2          |
| \$1,000,000 or more      | 2,440             | 0.9          | 22,133          | 70.5         |
| <b>Total</b>             | <b>277,970</b>    | <b>100.0</b> | <b>31,379</b>   | <b>100.0</b> |

### NON-TAXABLE COMPANIES

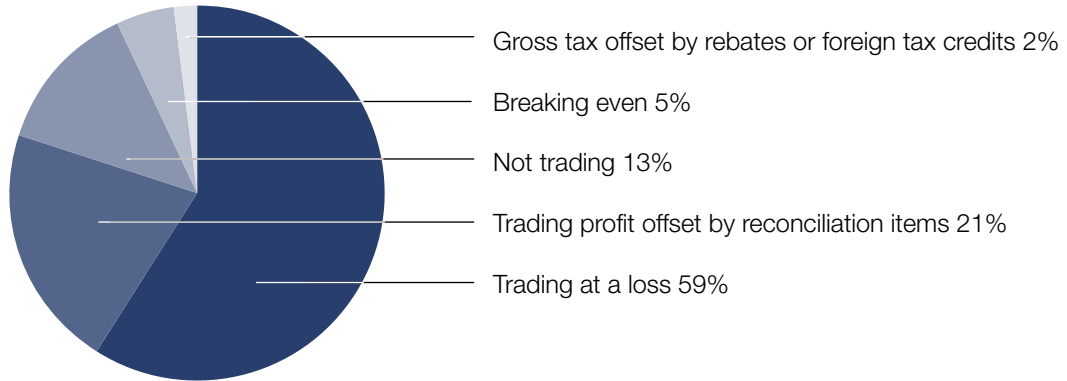
In general, non-taxable companies are companies with nil net tax payable. They include non-trading companies, those lodging nil returns and companies operating at a loss. In 2002–03, 384,610 companies (58% of companies) were non-taxable (table 4.9).

There are several reasons for a company being non-taxable. The main reason in 2002–03 was due to losses made on trading activities. Companies that made losses on trading activities accounted for 59% of non-taxable companies (figure 4.1). Losses can be due to poor trading performance (such as poor sales performance or poor cost control performance) or to the nature of a company's activities.

As shown in figure 4.1, 21% of non-taxable companies had trading profits, based on their trading activities, which were offset by adjustments made by reconciliation items such as deductions for decline in value of depreciating assets, capital works deductions and other deductible expenses. (For a full listing of possible reconciliation items see the 2003 company tax return.)

Companies that were not actively trading (reported no expenses, no income and consequently no profit or loss for the income year) comprised 13% of all non-taxable companies. Companies that broke even accounted for 5% of non-taxable companies. (Most break-even companies claimed prior year losses or had losses transferred in, which reduced their taxable income to zero. In the latter case they would have been members of a larger company group.) Other companies were non-taxable because their gross tax amounts were offset by rebates or foreign tax credits (2%).

**FIGURE 4.1: Non-taxable companies, 2002–03 income year**



Among non-taxable companies whose industry was stated, the property and business services industry accounted for 30% (114,335) of the total number of non-taxable companies (table 4.9). Some 57% of companies listed or classified under the property and business services industry grouping were non-taxable.

The mining industry, however, had the highest proportion (72%) of non-taxable companies. This reflects the large number of mining exploration companies engaging in activities that incur immediately deductible expenses, but as yet do not produce revenue. The industry with the next highest proportion of non-taxable companies was the communication industry (67%).

**TABLE 4.9: Non-taxable companies, by industry, 2002–03 income year**

| Industry <sup>1</sup>                         | Non-taxable companies | Total companies | Proportion of non-taxable companies to all companies |
|---|-----------------------|-----------------|--|
|   | No.                   | No.             | %  |
| Property & business services                  | 114,335               | 201,947         | 56.6   |
| Finance & insurance                           | 68,462                | 127,677         | 53.6   |
| Construction                                  | 35,906                | 62,685          | 57.3   |
| Retail trade                                  | 31,509                | 53,817          | 58.5   |
| Manufacturing                                 | 26,639                | 46,754          | 57.0   |
| Wholesale trade                               | 18,554                | 33,805          | 54.9   |
| Transport & storage                           | 15,917                | 26,217          | 60.7   |
| Health & community services                   | 14,083                | 23,696          | 59.4   |
| Agriculture, forestry & fishing               | 11,300                | 18,111          | 62.4   |
| Personal & other services                     | 10,326                | 16,996          | 60.8   |
| Accommodation, cafes & restaurants            | 9,759                 | 14,713          | 66.3   |
| Cultural & recreational services <sup>2</sup> | 8,355                 | 12,619          | 66.2   |
| Communication                                 | 3,558                 | 5,290           | 67.3   |
| Education                                     | 2,913                 | 4,534           | 64.2   |
| Mining  | 2,808                 | 3,892           | 72.1   |
| Electricity, gas & water supply               | 540                   | 820             | 65.9   |
| Total industry stated                         | 374,964               | 653,573         | 57.4   |
| Other <sup>3</sup>                            | 9,646                 | 10,591          | 91.1   |
| <b>Total</b>                                  | <b>384,610</b>        | <b>664,164</b>  | <b>57.9</b>  |

1 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. Fine industries included under these broad industry groupings are listed in company tax detailed table 4. There is a complete listing of all fine industries included under each broad industry group in the Tax Office publication *Business industry codes 2003*.

2 Includes sports.

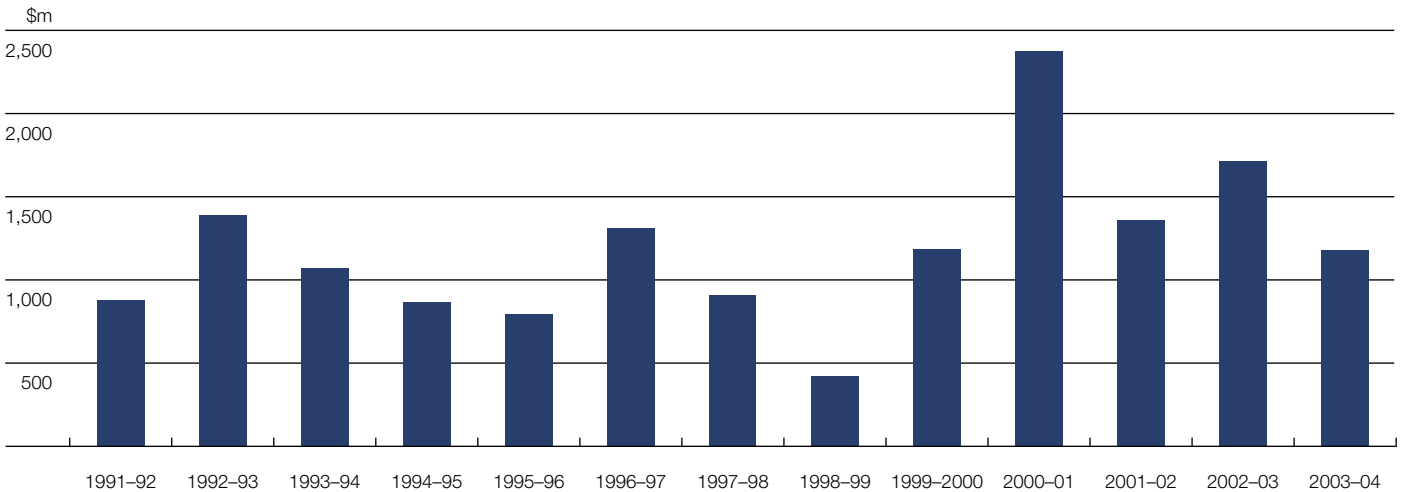
3 Includes companies lodging under the 'Nil company returns' code (code: 98000 in the Tax Office publication *Business industry codes 2003*) which includes non-taxable companies or companies with nil company returns – no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

### PETROLEUM RESOURCE RENT TAX

Petroleum resource rent tax is imposed by the *Petroleum Resource Rent Tax Assessment Act 1987* on all offshore petroleum projects except certain North-west Shelf projects. It was introduced as a more economically efficient replacement of Commonwealth royalties for these projects. Like royalties, petroleum resource rent tax payments are allowable deductions for calculating income tax. The tax is calculated at 40% of 'excess' profit (a tax on the economic rent of the petroleum resource), which is the excess of assessable receipts over deductible expenditure and eligible transferred

exploration expenditure. The tax is paid to the Tax Office quarterly, with the first three payments made in October, January and April. Companies submit their petroleum resource rent tax return in August and a final payment, or refund, is made following the issue of a notice of assessment by the Commissioner.

In the 2003–04 financial year, petroleum resource rent tax totalled \$1.2 billion (figure 4.2). The decline in collections (down 31% from \$1.7 billion in 2002–03) was mainly due to lower production and higher costs.

**FIGURE 4.2: Petroleum resource rent tax, 1991–92 to 2003–04 financial years****DETAILED TABLES**

The following company tax detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

To avoid double counting associated with company groups that consolidate part-way through a financial year, we have made some amendments to some company detailed tables. The issue arises in table 2 part D, table 4 part D and table 8 part D, and all parts of table 5, which are concerned with financial losses and other information. Companies that lodge a part-year 'non-membership' period return declare assets etc. that are duplicated on the head company's full-year return. This full-year return would show assets for the entire corporate group, and so these non-membership returns have been filtered out of the tables.

A new table has also been added to show the value of these items in the non-membership period returns for those companies becoming part of a consolidated group.

The 'items' referred to in the detailed tables are items declared on the 2003 company tax return. A copy of the form is in the appendix.

To find out whether a particular item is included in a detailed table, refer to the company tax detailed tables index included on the attached CD-ROM and in the online version of this publication. (The index can be viewed or downloaded only in Adobe Acrobat (PDF) or Microsoft Excel (XLS) file format.) The table index lists the different items shown in the detailed tables and specifies in which tables they appear.

**Table 1: Selected items, by net tax and company type, 2002–03 income year**

This table shows the number of records and amounts for selected items such as total income, taxable income, total credits/rebates, total refundable credits, net tax and net capital gain for public, private, other and total companies, ranged by grade of net tax.

**Table 2: Selected items, by taxable income, taxable status, residential status and company type, 2002–03 income year**

This table shows the number of records and amounts for items from the company tax return for taxable and non-taxable companies that are classified by different types (resident, non-resident, public, private and other), ranged by grade of taxable income.

- **Part A: Income items** – contains income labels from item 6 'Calculation of total profit or loss' on page 2 of the company return.
- **Part B: Expense items** – contains expense labels and operating profit/loss labels from item 6 'Calculation of total profit or loss' on page 2 of the company return.
- **Part C: Reconciliation to taxable income or loss items** – contains reconciliation labels from item 7 'Reconciliation to taxable income or loss' on page 2 of the company return.
- **Part D: Financial, losses and other information items** – contains labels from item 8 'Financial and other information', item 9 'STS depreciating assets' and item 10 'Losses information' on page 3, and tax offsets labels from item 16 on page 4 of the company return.

- **Part F: Financial, losses and other information items** – contains information for non-membership period returns. Labels included from item 8 ‘Financial and other information’, item 10 ‘Losses information’ on page 3 and tax offsets labels from item 16 on page 4 of the company return. For confidentiality reasons grades of taxable income have been removed, only totals are shown.

❗ In order to meet privacy regulations, statistics for some items may not be included in the tables.

**Table 3: Number of companies and net tax, by balance date, 2002–03 income year**

This table shows the number of companies and taxable companies that used an income year similar to the Australian financial year (June balancers) and companies and taxable companies that used a substituted accounting period. The net tax payable of these companies is also shown.

**Table 4: Selected items, by fine industry, 2002–03 income year**

This table shows the number of records and amounts for items from the company tax return for companies classified by fine industry groupings (determined by the main source of income) based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system.

- **Part A: Income items** – contains income labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.
- **Part B: Expense items** – contains expense labels and operating profit/loss labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.
- **Part C: Reconciliation to taxable income or loss items** – contains reconciliation labels from item 7 ‘Reconciliation to taxable income or loss’ on page 2 of the company return.
- **Part D: Financial, losses and other information items** – contains labels from item 8 ‘Financial and other information’, item 9 ‘STS depreciating assets’ and item 10 ‘Losses information’ on page 3, and tax offsets labels from item 16 on page 4 of the company return.
- **Part E: Calculation statement items** – contains labels from the ‘Calculation statement’ on page 4 of the company return.

- **Part F: Financial, losses and other information items** – contains information for non-membership period returns. Labels included from item 8 ‘Financial and other information’, item 10 ‘Losses information’ on page 3 and tax offsets labels from item 16 on page 4 of the company return. For confidentiality reasons, fine industry categories have been collapsed to broad industry.

❗ In order to meet privacy regulations, statistics for some items are not reported by fine industries in the different parts of this table. Statistics on items showing a low number of records are reported in table 10 (‘Other selected items, by broad industry’).

**Table 5: Selected items and financial ratios for medium to large companies, by broad industry, 2002–03 income year**

This table reports amounts for selected items from the company tax return and financial ratios calculated from these items for companies with total income greater than or equal to \$10 million. The financial ratios in this table include return on assets, net profit margin, gearing, interest cover and tax to profit ratios.

- **Part A: Taxable and profitable companies** – includes amounts for selected items and ratios calculated for companies with:
  - total income greater than or equal to \$10 million
  - net tax or tax payable greater than \$0, and
  - operating profit or loss greater than \$0.
- **Part B: Taxable and non-profitable companies** – includes amounts for selected items and ratios calculated for companies with:
  - total income greater than or equal to \$10 million
  - net tax or tax payable greater than \$0, and
  - operating profit or loss less than or equal to \$0.
- **Part C: Non-taxable and profitable companies** – includes amounts for selected items and ratios calculated for companies with:
  - total income greater than or equal to \$10 million
  - net tax or tax payable equal to \$0, and
  - operating profit or loss greater than \$0.

- **Part D: Non-taxable and non-profitable companies** – includes amounts for selected items and ratios calculated for companies with:
  - total income greater than or equal to \$10 million
  - net tax or tax payable equal to \$0, and
  - operating profit or loss less than or equal to \$0.
- **Part E: Non-membership period returns for taxable and profitable companies**  
Includes amounts for selected items with
  - total income equal to or greater than \$10 million
  - net tax or tax payable greater than \$0, and
  - operating profit or loss greater than \$0.
 Ratios are unavailable due to confidentiality and accuracy issues.
- **Part F: Non-membership period returns for non-taxable and profitable companies**  
Includes amounts for selected items with
  - total income equal to or greater than \$10 million
  - net tax or tax payable equal to \$0, and
  - operating profit or loss greater than \$0.
- **Part G: Non-membership period returns for non-taxable and non-profitable companies**  
Includes amounts for selected items with
  - total income equal to or greater than \$10 million
  - net tax or tax payable equal to \$0, and
  - operating profit or loss equal to or less than \$0.

**Table 6: Number of companies, by broad industry and state/territory/region, 2002–03 income year**

This table shows the number of public, private and other types of companies classified by broad industry in specified regions within different states and territories (for example, major urban, other urban, regional–high urbanisation, regional–low urbanisation, rural and other regions in New South Wales). A region category is composed of postcodes grouped together according to specified population ranges. The broad industry groups used to classify personal taxpayers are based on the ANZSIC industry groups.

**Table 7: Selected items for income years 1993–94 to 2002–03**

This table shows selected items from the company tax return for income years 1993–94 to 2002–03. The number of records and amounts for most items are shown.

This table is also available at the back of this chapter (see table 4.10).

**Table 8: Selected items, by total income, taxable status, residential status and company type, 2002–03 income year**

This table presents data (number of records and amounts) on items from the company tax return for taxable and non-taxable companies that are classified by different types (resident, non-resident, public, private and other) and ranged by grades of total income.

- **Part A: Income items** – contains income labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.
- **Part B: Expense items** – contains expense labels and operating profit/loss labels from item 6 ‘Calculation of total profit or loss’ on page 2 of the company return.
- **Part C: Reconciliation to taxable income or loss items** – contains reconciliation labels from item 7 ‘Reconciliation to taxable income or loss’ on page 2 of the company return.
- **Part D: Financial, losses and other information items** – contains labels from item 8 ‘Financial and other information’, item 9 ‘STS depreciating assets’ and item 10 ‘Losses information’ on page 3, and tax offsets labels from item 16 on page 4 of the company return.
- **Part E: Calculation statement items** – contains labels from the ‘Calculation statement’ on page 4 of the company return.


❗ In order to meet privacy regulations, statistics for some items may not be included in the tables.

**Table 9: Selected items, by broad industry and total income, 2002–03 income year**

This table shows the number of companies classified under the different broad industry groupings based on the ANZSIC system, and the total income, taxable income and net tax of these companies. The companies, total income, taxable income and net tax are also ranged by grade of total income.

**Table 10: Other selected items, by broad industry, 2002–03 income year**

This table shows the number of records and amounts for selected items that are not included in company tax detailed table 4 ('Selected items, by fine industry'). Taxpayers and the data are classified into broad industry groupings (determined by the taxpayers' main source of business income) based on the ANZSIC industry groups.

 In order to meet privacy regulations, statistics for some items may not be included in the tables.

**Table 11: Financial and other information, by broad industry, for non-membership period returns, 2002–03 income year**

This table details the labels from item 8 'Financial and other information' from page 3 of the company return that has been filtered out of table 2 part D, table 4 part D and table 8 part D due to potential double counting around consolidation issues.

**TIME SERIES TABLE**

Table 4.10 shows selected items from company returns for income years 1993–94 to 2002–03. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as company tax detailed table 7. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

Please note that the changes around the new company consolidation regime have caused a break in the time series. While for many companies there is no change to their position, the large eliminations involved in the consolidation regime will mean that, at an aggregate level, direct comparison from 2001–02 and 2002–03 data cannot be effectively achieved. Under the consolidation regime, all intra-group transactions and claims are removed from the group as a whole and only the final position is shown in the return lodged by the head of the consolidated group. This will lead to large variations in many of the labels lodged by some of the biggest corporate structures.

**TABLE 4.10: Company tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

Please note that the changes around the new company consolidation regime have caused a break in the time series. While for many companies there is no change to their position, the large eliminations involved in the consolidations system will mean that, at an aggregate level, direct comparison from 2001-02 and 2002-03 data can not be effectively achieved. Under the consolidation regime, all intra group transactions and claims are removed from the group as a whole and only the final position is shown in the return lodged by the head of the consolidated group. This will lead to large variations in many of the labels lodged by some of the biggest corporate structures.

| Selected items                                       | 1993-94         | 1994-95         | 1995-96           | 1996-97           | 1997-98           | 1998-99           | 1999-2000         | 2000-01 <sup>2</sup>             | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|--|-----------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------------------|----------------------|----------------------|
| Number of companies                                  |                 |                 |                   |                   |                   |                   |                   |                                  |                      |                      |
| - resident   | No. 497,405     | 531,960         | 552,916           | 581,911           | 587,538           | 630,064           | 657,364           | 673,037                          | 691,958              | 662,488              |
| - non-resident                                       | No. 1,678       | 1,498           | 1,454             | 1,461             | 1,290             | 1,526             | 1,622             | 1,874                            | 2,012                | 1,676                |
| - not stated   | No. n.a.        | n.a.            | n.a.              | n.a.              | n.a.              | 355               | 373               | 390                              | 456                  | 0                    |
| Number of companies                                  |                 |                 |                   |                   |                   |                   |                   |                                  |                      |                      |
| - private  | No. 460,032     | 492,552         | 500,857           | 524,641           | 527,691           | 571,395           | 597,462           | 313                              | 11                   | 598,613              |
| - public   | No. 27,904      | 28,380          | 20,657            | 19,882            | 16,677            | 18,571            | 19,294            | 40,590                           | 41,980               | 15,481               |
| - strata title                                       | No. n.a.        | n.a.            | 20,637            | 23,896            | 30,192            | 32,935            | 35,028            | 1,454                            | 1,629                | 44,911               |
| - non-profit   | No. n.a.        | n.a.            | n.a.              | 2,786             | 1,309             | 1,407             | 1,365             | 606,561                          | 621,861              | 1,483                |
| - other  | No. 11,147      | 12,526          | 12,219            | 2,058             | 994               | 1,082             | 1,121             | 49                               | 51                   | 1,201                |
| - cooperative  | No. n.a.        | n.a.            | n.a.              | 10,109            | 11,965            | 6,555             | 5,089             | 26,334                           | 28,894               | 2,475                |
| - Total  | No. 499,083     | 533,458         | 554,370           | 583,372           | 588,828           | 631,945           | 659,359           | 675,301                          | 694,426              | 664,164              |
| Gross payments where ABN not quoted                  | No. n.a.        | n.a.            | n.a.              | n.a.              | n.a.              | n.a.              | n.a.              | 1,110                            | 716                  | 390                  |
| \$   | n.a.            | n.a.            | n.a.              | n.a.              | n.a.              | n.a.              | n.a.              | 7,270,031,941                    | 4,116,741,686        | 1,202,689,103        |
| Sales of goods & services                            | No. n.a.        | n.a.            | n.a.              | 222,659           | 227,839           | 245,523           | 258,982           | 271,683                          | 275,564              | 265,817              |
| \$   | n.a.            | n.a.            | n.a.              | 719,463,511,921   | 762,982,566,703   | 867,870,170,078   | 944,610,223,694   | 976,548,846,692,1047,356,076,712 | 1,051,694,307,312    | 1,051,694,307,312    |
| Gross distributions from partnerships                | No. n.a.        | n.a.            | n.a.              | 13,649            | 12,678            | 13,015            | 13,268            | 13,913                           | 14,299               | 13,035               |
| \$   | n.a.            | n.a.            | n.a.              | 3,298,271,457     | 1,801,632,800     | 1,867,778,899     | 3,066,154,227     | 3,527,629,901                    | 4,266,910,199        | 6,086,190,387        |
| Gross distributions from trusts                      | No. n.a.        | n.a.            | n.a.              | 43,930            | 46,874            | 51,648            | 54,324            | 52,450                           | 55,924               | 56,182               |
| \$   | n.a.            | n.a.            | n.a.              | 7,367,336,824     | 9,016,798,013     | 10,998,694,865    | 12,428,099,394    | 12,371,310,200                   | 13,153,653,439       | 13,854,748,301       |
| Gross rents  | No. 65,954      | 70,072          | 72,842            | 74,427            | 72,636            | 73,772            | 73,625            | 71,748                           | 71,227               | 66,389               |
| \$   | 8,757,222,869   | 12,035,702,334  | 12,772,087,126    | 14,194,274,230    | 14,292,846,733    | 16,394,803,417    | 21,206,701,402    | 18,589,644,065                   | 21,188,651,459       | 22,985,501,392       |
| Gross interest                                       | No. n.a.        | 229,944         | 254,096           | 271,085           | 272,741           | 291,159           | 305,494           | 322,288                          | 329,887              | 321,264              |
| \$   | n.a.            | 74,885,485,936  | 89,982,031,545    | 97,625,459,933    | 94,863,730,629    | 97,293,515,085    | 117,010,973,121   | 142,129,297,262                  | 135,152,473,482      | 108,852,996,935      |
| Gross dividends                                      | No. n.a.        | 33,504          | 35,087            | 36,598            | 48,758            | 54,284            | 62,229            | 72,171                           | 71,854               | 64,311               |
| \$   | n.a.            | 26,864,875,105  | 36,563,266,019    | 41,238,518,612    | 48,375,943,392    | 94,283,702,019    | 66,777,486,439    | 72,317,165,295                   | 58,462,506,419       | 47,657,308,878       |
| Assessable government industry payments <sup>4</sup> | No. n.a.        | n.a.            | n.a.              | 7,169             | 9,416             | 8,745             | 9,756             | 16,355                           | 18,392               | 20,048               |
| \$   | n.a.            | n.a.            | n.a.              | 396,079,658       | 515,084,803       | 604,670,890       | 838,500,732       | 1,235,958,548                    | 1,385,939,772        | 1,406,876,450        |
| Other gross income                                   | No. n.a.        | 354,513         | 260,078           | 256,252           | 246,621           | 259,289           | 272,694           | 292,550                          | 295,326              | 276,834              |
| \$   | n.a.            | 788,039,915,204 | 231,459,358,545   | 198,557,359,239   | 188,937,300,790   | 211,268,126,026   | 224,868,204,164   | 257,253,849,157                  | 257,761,623,560      | 254,628,638,028      |
| Total income <sup>5</sup>                            | No. 426,727     | 458,946         | 481,384           | 505,417           | 514,922           | 553,516           | 579,096           | 586,739                          | 601,131              | 578,117              |
| \$   | 854,192,136,222 | 913,826,927,359 | 1,032,803,238,540 | 1,095,377,179,257 | 1,136,276,404,436 | 1,317,974,656,014 | 1,407,681,475,269 | 1,491,523,683,605                | 1,543,088,156,585    | 1,508,742,672,365    |
| Contractor/subcontractor & commission expenses       | No. n.a.        | 103,481         | 105,188           | 106,687           | 106,855           | 119,517           | 125,698           | 123,130                          | 127,042              | 122,725              |
| \$   | n.a.            | 19,371,395,430  | 23,132,385,950    | 22,586,968,357    | 25,710,174,267    | 34,084,864,626    | 37,385,917,893    | 37,833,024,486                   | 38,190,987,789       | 42,818,777,608       |



**TABLE 4.10: Company tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

Please note that the changes around the new company consolidation regime have caused a break in the time series. While for many companies there is no change to their position, the large eliminations involved in the consolidations system will mean that, at an aggregate level, direct comparison from 2001-02 and 2002-03 data can not be effectively achieved. Under the consolidation regime, all intra group transactions and claims are removed from the group as a whole and only the final position is shown in the return lodged by the head of the consolidated group. This will lead to large variations in many of the labels lodged by some of the biggest corporate structures.

| Selected items                              | 1993-94 | 1994-95         | 1995-96         | 1996-97         | 1997-98           | 1998-99           | 1999-2000         | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|---|---------|-----------------|-----------------|-----------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------------|
| Employee superannuation                     | No.     | 239,408         | 252,734         | 262,508         | 271,226           | 289,849           | 299,419           | 299,598              | 302,238              | 293,251              |
|   | \$      | 6,393,853,182   | 8,440,846,996   | 8,677,894,539   | 8,691,929,107     | 10,467,430,253    | 11,366,639,582    | 12,414,665,045       | 13,581,158,180       | 14,927,731,101       |
| Cost of sales                               | \$      | 427,926,353,144 | 471,962,439,019 | 483,017,875,572 | 493,109,995,224   | 554,903,038,704   | 600,096,979,762   | 615,836,912,598      | 660,807,622,552      | 671,052,240,314      |
| Bad debts                                   | No.     | 31,899          | 33,464          | 34,803          | 35,580            | 37,859            | 39,650            | 41,631               | 42,311               | 39,117               |
|   | \$      | 2,657,585,830   | 2,486,210,064   | 2,083,357,778   | 2,407,459,289     | 3,629,195,342     | 5,464,510,148     | 4,285,416,690        | 6,106,663,629        | 3,896,714,103        |
| Lease expenses within Australia             | No.     | n.a.            | 80,563          | 83,317          | 83,068            | 93,033            | 93,906            | 88,671               | 84,310               | 73,885               |
|   | \$      | n.a.            | 4,404,269,742   | 5,713,868,984   | 4,785,754,605     | 5,847,667,870     | 6,630,088,807     | 6,600,801,647        | 6,129,887,168        | 6,256,979,963        |
| Lease expenses overseas                     | No.     | n.a.            | 459             | 1,364           | 1,563             | 1,613             | 1,757             | 1,484                | 1,521                | 1,570                |
|   | \$      | n.a.            | 105,441,872     | 190,730,676     | 118,439,981       | 251,965,473       | 187,161,891       | 183,672,791          | 481,488,751          | 524,020,023          |
| Total lease expenses                        | No.     | 80,086          | 80,884          | 84,521          | 84,488            | 94,470            | 95,663            | 89,993               | 85,671               | 75,455               |
|   | \$      | 4,136,583,255   | 4,136,860,342   | 4,509,711,614   | 4,904,194,586     | 6,099,633,343     | 6,817,250,698     | 6,784,474,438        | 6,611,375,919        | 6,780,999,986        |
| Rent expenses                               | No.     | 170,029         | 174,561         | 182,963         | 184,629           | 197,157           | 204,965           | 205,384              | 209,696              | 199,182              |
|   | \$      | 12,517,364,366  | 13,257,164,168  | 13,865,697,434  | 14,602,308,333    | 16,270,608,767    | 17,622,480,585    | 18,657,975,842       | 20,084,275,087       | 20,013,704,526       |
| Interest expenses within Australia          | No.     | 230,946         | 236,999         | 243,495         | 235,387           | 250,079           | 259,467           | 284,585              | 272,103              | 253,024              |
|   | \$      | 56,650,216,209  | 70,174,923,064  | 73,429,782,781  | 72,574,847,839    | 75,521,780,601    | 90,727,232,267    | 112,422,947,323      | 106,597,765,090      | 81,966,329,011       |
| Interest expenses overseas                  | No.     | 3,732           | 3,904           | 5,942           | 6,092             | 6,132             | 6,592             | 7,085                | 7,461                | 10,705               |
|   | \$      | 6,763,377,232   | 8,593,684,602   | 9,868,980,852   | 9,673,434,111     | 9,699,669,128     | 13,932,830,636    | 19,306,010,802       | 16,518,337,710       | 13,402,528,482       |
| Royalty expenses within Australia           | No.     | 4,667           | 4,829           | 5,114           | 4,937             | 5,376             | 5,494             | 5,389                | 5,582                | 5,307                |
|   | \$      | 2,193,771,990   | 2,517,925,004   | 2,704,812,097   | 2,378,408,425     | 2,475,254,206     | 2,500,123,079     | 3,406,929,220        | 3,844,541,481        | 3,297,676,143        |
| Royalty expenses overseas                   | No.     | 1,481           | 1,479           | 1,451           | 1,343             | 1,472             | 1,568             | 1,561                | 1,594                | 1,448                |
|   | \$      | 1,544,849,877   | 1,671,459,098   | 1,572,430,319   | 1,743,972,053     | 2,167,070,285     | 2,347,713,980     | 2,541,343,396        | 2,531,337,249        | 2,793,831,597        |
| Depreciation expenses                       | No.     | 317,197         | 332,910         | 348,646         | 355,539           | 381,161           | 399,562           | 401,811              | 405,088              | 389,701              |
|   | \$      | 18,473,802,067  | 22,139,781,390  | 23,998,189,958  | 25,462,057,049    | 28,388,626,396    | 31,408,829,291    | 35,438,505,025       | 35,920,690,993       | 38,241,209,488       |
| Motor vehicle expenses                      | No.     | 244,543         | 253,187         | 263,601         | 268,591           | 289,262           | 303,486           | 308,652              | 314,659              | 300,260              |
|   | \$      | 5,437,234,181   | 5,987,615,978   | 6,231,017,910   | 6,402,949,890     | 6,911,356,811     | 7,389,040,171     | 7,412,056,158        | 7,411,951,652        | 7,338,999,021        |
| Repairs & maintenance                       | No.     | 239,174         | 249,003         | 257,043         | 258,623           | 274,514           | 282,420           | 283,662              | 287,914              | 274,356              |
|   | \$      | 6,510,375,086   | 9,240,545,147   | 11,675,452,221  | 11,158,123,393    | 11,640,455,053    | 12,663,545,651    | 13,009,835,020       | 13,362,098,679       | 13,185,793,366       |
| Other expenses                              | No.     | 457,250         | 481,512         | 506,295         | 516,246           | 556,014           | 581,440           | 594,282              | 609,323              | 585,733              |
|   | \$      | 267,871,225,690 | 289,597,433,417 | 335,645,634,596 | 347,235,779,664   | 396,498,251,204   | 436,668,556,808   | 480,135,462,612      | 488,847,562,117      | 454,402,144,198      |
| Total expenses <sup>6</sup>                 | No.     | 430,937         | 463,917         | 487,569         | 523,160           | 562,919           | 589,201           | 602,197              | 616,864              | 592,430              |
|   | \$      | 777,426,773,490 | 841,576,438,542 | 936,062,130,694 | 1,001,054,736,600 | 1,158,753,367,545 | 1,276,380,501,377 | 1,369,485,399,026    | 1,420,416,374,809    | 1,374,118,678,944    |
| Operating profit/loss & extraordinary items | No.     | 437,802         | 469,384         | n.a.            | n.a.              | n.a.              | n.a.              | n.a.                 | n.a.                 | n.a.                 |
|   | \$      | 84,459,462,678  | 72,259,979,524  | n.a.            | n.a.              | n.a.              | n.a.              | n.a.                 | n.a.                 | n.a.                 |

**TABLE 4.10: Company tax<sup>1</sup>. Selected items for income years 1993–94 to 2002–03**

Please note that the changes around the new company consolidation regime have caused a break in the time series. While for many companies there is no change to their position, the large eliminations involved in the consolidations system will mean that, at an aggregate level, direct comparison from 2001–02 and 2002–03 data can not be effectively achieved. Under the consolidation regime, all intra group transactions and claims are removed from the group as a whole and only the final position is shown in the return lodged by the head of the consolidated group. This will lead to large variations in many of the labels lodged by some of the biggest corporate structures.

| Selected items                              | 1993–94 | 1994–95        | 1995–96        | 1996–97        | 1997–98         | 1998–99         | 1999–2000       | 2000–01 <sup>2</sup> | 2001–02 <sup>2</sup> | 2002–03 <sup>3</sup> |
|---|---------|----------------|----------------|----------------|-----------------|-----------------|-----------------|----------------------|----------------------|----------------------|
| Operating profit or loss                    | No.     | n.a.           | 488,761        | 515,648        | 524,058         | 564,365         | 589,392         | 598,618              | 616,474              | 593,768              |
| Extraordinary revenue or expenses           | \$      | n.a.           | 95,612,201,587 | 94,339,236,325 | 107,440,469,564 | 159,500,273,150 | 131,293,134,028 | 122,038,283,993      | 122,671,781,682      | 134,623,993,421      |
| Net capital gain                            | No.     | n.a.           | 5,719          | 6,413          | 6,577           | 6,434           | 6,424           | 5,931                | 5,506                | 5,025                |
| Tax losses transferred in                   | \$      | n.a.           | -859,019,089   | 114,736,516    | 1,343,221,579   | -8,339,748,713  | 3,433,752,747   | 583,304,859          | -1,106,267,530       | 293,400,241          |
| Tax losses carried forward                  | No.     | 12,254         | 13,393         | 18,755         | 19,666          | 21,888          | 23,498          | 22,859               | 22,776               | 18,225               |
| Net capital losses carried forward          | \$      | 2,405,585,304  | 1,892,486,732  | 2,474,524,088  | 3,295,273,393   | 4,749,324,863   | 8,429,095,844   | 8,143,906,751        | 5,026,445,384        | 4,066,043,501        |
| Special building write-off                  | No.     | n.a.           | n.a.           | 13,484         | 12,016          | 19,229          | 20,052          | 9,773                | 9,171                | 6,760                |
| Capital works deductions                    | \$      | n.a.           | 13,160,178,147 | 12,582,083,517 | 11,517,559,781  | 14,615,102,477  | 16,795,614,228  | 21,315,735,490       | 19,730,526,024       | 11,498,796,676       |
| Drought investment allowance <sup>7</sup>   | No.     | n.a.           | 148,726        | 170,936        | 182,000         | 202,443         | 208,794         | 242,476              | 269,746              | 259,337              |
| Development allowance                       | \$      | n.a.           | 48,194,839,664 | 51,533,205,780 | 55,444,773,036  | 68,707,968,592  | 93,904,688,326  | 96,689,671,452       | 105,021,399,073      | 94,725,857,188       |
| Research & development non-syndicated       | No.     | n.a.           | n.a.           | 18,850         | n.a.            | 23,817          | 26,943          | 29,343               | 34,075               | 35,576               |
| Research & development syndicated           | \$      | n.a.           | n.a.           | 23,253,733,896 | n.a.            | 53,960,247,039  | 41,119,013,313  | 41,258,946,865       | 43,798,246,272       | 45,540,720,644       |
| Research & development concession claim     | No.     | n.a.           | 11,145         | 11,885         | 12,311          | 12,399          | 12,222          | n.a.                 | n.a.                 | n.a.                 |
| Research & development increment concession | \$      | n.a.           | 682,380,893    | 724,278,565    | 751,384,655     | 815,273,077     | 839,581,300     | n.a.                 | n.a.                 | n.a.                 |
| Tax losses deducted                         | No.     | n.a.           | n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | 9,642                | 12,759               | 11,220               |
| Taxable or net income <sup>8</sup>          | \$      | n.a.           | n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | 835,481,696          | 1,006,350,173        | 968,705,916          |
| Total non-refundable tax offsets & credit   | \$      | 36,739         | 7,835          | 752            | 161             | 133             | 91              | 27                   | 5                    | n.a.                 |
|   | \$      | 567,441,292    | 810,520,730    | 298,936,286    | 433,919         | 748,890         | 1,061,929       | 242,416              | 182,826              | n.a.                 |
|   | No.     | n.a.           | 226            | 191            | 155             | 214             | 189             | 223                  | 118                  | 69                   |
|   | \$      | n.a.           | 207,998,404    | 288,150,746    | 317,720,074     | 460,276,375     | 442,586,619     | 289,883,675          | 121,921,337          | 40,347,428           |
|   | No.     | n.a.           | 2,987          | 3,131          | 2,529           | 2,215           | 2,100           | 2,329                | n.a.                 | n.a.                 |
|   | \$      | n.a.           | 1,855,710,032  | 2,209,790,703  | 1,575,945,485   | 1,271,064,872   | 1,316,429,880   | 1,574,567,348        | n.a.                 | n.a.                 |
|   | No.     | n.a.           | 391            | 374            | 278             | 158             | 293             | 210                  | n.a.                 | n.a.                 |
|   | \$      | n.a.           | 748,293,055    | 439,853,054    | 205,866,740     | 63,212,851      | 42,351,940      | 65,499,003           | n.a.                 | n.a.                 |
|   | No.     | n.a.           | n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | n.a.                 | 3,832                | 3,917                |
|   | \$      | n.a.           | n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | n.a.                 | 5,601,749,777        | 6,281,376,618        |
|   | No.     | n.a.           | n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | n.a.                 | 494                  | 605                  |
|   | \$      | n.a.           | n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | n.a.                 | 256,674,662          | 381,521,662          |
|   | No.     | n.a.           | n.a.           | 82,181         | 94,025          | 98,529          | 104,446         | 98,410               | 123,786              | 117,239              |
|   | \$      | n.a.           | n.a.           | 4,750,456,693  | 5,285,334,987   | 6,969,499,606   | 7,009,083,236   | 9,154,536,783        | 9,897,491,822        | 10,561,063,953       |
|   | \$      | 70,521,784,664 | 79,461,655,263 | 89,182,917,293 | 102,388,478,916 | 109,960,850,270 | 148,184,067,665 | 151,754,665,171      | 157,820,558,937      | 156,777,560,537      |
|   | No.     | 23,036         | 23,426         | 26,469         | 4,841           | 5,593           | 5,842           | 6,458                | 7,349                | 8,314                |
|   | \$      | 7,484,414,382  | 9,034,332,199  | 13,714,375,640 | 425,894,509     | 452,412,419     | 553,720,512     | 669,276,602          | 718,322,074          | 575,990,689          |

**TABLE 4.10: Company tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

Please note that the changes around the new company consolidation regime have caused a break in the time series. While for many companies there is no change to their position, the large eliminations involved in the consolidations system will mean that, at an aggregate level, direct comparison from 2001-02 and 2002-03 data can not be effectively achieved. Under the consolidation regime, all intra group transactions and claims are removed from the group as a whole and only the final position is shown in the return lodged by the head of the consolidated group. This will lead to large variations in many of the labels lodged by some of the biggest corporate structures.

| Selected items   | 1993-94            | 1994-95        | 1995-96         | 1996-97         | 1997-98         | 1998-99         | 1999-2000       | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|--|--------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|----------------------|----------------------|
| Net tax <sup>3</sup>   | \$ 14,560,356,513  | 16,286,295,395 | 16,628,903,403  | 18,758,846,044  | 21,065,119,768  | 22,286,411,813  | 29,159,752,178  | 27,459,734,911       | 28,388,433,822       | 31,379,152,239       |
| Refundable tax offsets & credits or total refundable credits | No. 34,306         | 45,825         | 47,015          | 147,763         | 157,397         | 171,273         | 156,046         | 250,432              | 252,555              | 257,478              |
| Opening stock  | \$ 181,645,800     | 276,457,022    | 333,216,487     | 13,634,309,280  | 15,367,443,645  | 16,772,105,546  | 18,337,204,309  | 24,832,153,711       | 26,091,480,334       | 28,541,259,465       |
| Closing stock  | No. n.a.           | 120,710        | 123,875         | 124,453         | 122,336         | 125,573         | 126,333         | 125,017              | 127,248              | 120,385              |
| Total salary & wage expenses                                 | \$ 120,003,829,953 | 97,154,294,807 | 105,603,964,405 | 110,891,535,435 | 115,474,051,092 | 125,808,396,501 | 140,704,997,192 | 148,168,389,730      | 158,388,197,373      | 154,611,280,632      |
| Dividends franked  | No. 42,814         | 60,236         | 64,671          | 67,991          | 74,235          | 76,915          | 77,699          | 87,070               | 86,029               | 89,981               |
| Dividends unfranked  | \$ 20,634,656,656  | 30,796,113,599 | 34,430,204,656  | 40,309,105,438  | 34,607,281,526  | 39,443,352,188  | 44,179,997,106  | 100,282,808,142      | 91,163,563,530       | 54,034,106,194       |
| Total dividends  | No. 3,372          | 4,060          | 4,094           | 4,712           | 5,148           | 5,256           | 5,723           | 5,760                | 5,099                | 4,965                |
| Payments to related entities                                 | \$ 7,902,564,026   | 8,351,564,190  | 12,945,148,457  | 20,601,917,774  | 16,202,005,675  | 56,574,752,135  | 38,290,825,935  | 31,203,516,571       | 20,933,618,826       | 17,796,388,058       |
| Depreciable assets purchased <sup>10</sup>                   | No. 65,404         | 61,981         | 66,353          | 69,731          | 76,157          | 78,913          | 83,422          | 89,400               | 88,257               | 92,493               |
| Intangible depreciating assets 1st deducted <sup>10</sup>    | \$ 28,537,220,682  | 39,147,677,789 | 47,375,353,113  | 40,309,110,150  | 50,809,287,201  | 96,018,104,323  | 82,470,823,041  | 131,486,324,713      | 112,097,182,356      | 71,830,494,252       |
| Other depreciating assets 1st deducted <sup>10</sup>         | No. n.a.           | 188,429        | 197,095         | 204,130         | 208,178         | 213,198         | 181,842         | 171,227              | 186,851              | 180,895              |
| Termination value - intangible dep assets <sup>11</sup>      | \$ 16,380,604,257  | 13,030,543,542 | 13,881,010,746  | 15,541,427,917  | 13,382,832,206  | 15,505,399,051  | 15,089,582,857  | 14,235,501,271       | 13,354,021,528       | n.a.                 |
| Termination value - other dep assets <sup>11</sup>           | No. n.a.           | 185,671        | 183,923         | 182,245         | 183,162         | 190,219         | 195,746         | 188,989              | n.a.                 | n.a.                 |
| Net foreign income   | \$ 35,781,141,601  | 46,563,486,537 | 45,737,447,027  | 44,604,461,786  | 46,412,075,675  | 55,468,198,331  | 68,591,641,852  | n.a.                 | n.a.                 | n.a.                 |
| AFI - Listed country   | No. n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | n.a.            | n.a.            | n.a.                 | 5,679                | 3,706                |
|  | \$ n.a.            | n.a.           | n.a.            | n.a.            | n.a.            | n.a.            | n.a.            | n.a.                 | 4,767,009,949        | 2,382,255,526        |
|  | No. n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | n.a.            | n.a.            | n.a.                 | 133,977              | 129,423              |
|  | \$ n.a.            | n.a.           | n.a.            | n.a.            | n.a.            | n.a.            | n.a.            | n.a.                 | 50,841,112,298       | 44,434,973,504       |
|  | No. n.a.           | 70,271         | 68,649          | 64,224          | 65,396          | 64,224          | 64,063          | 57,463               | n.a.                 | n.a.                 |
|  | \$ 7,045,762,520   | 10,628,631,481 | 9,196,883,968   | 15,841,873,808  | 12,316,388,906  | 11,520,056,089  | n.a.            | n.a.                 | n.a.                 | n.a.                 |
|  | No. n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | n.a.            | n.a.            | n.a.                 | 2,977                | 2,700                |
|  | \$ n.a.            | n.a.           | n.a.            | n.a.            | n.a.            | n.a.            | n.a.            | n.a.                 | 1,256,170,009        | 595,799,677          |
|  | No. n.a.           | n.a.           | n.a.            | n.a.            | n.a.            | n.a.            | n.a.            | n.a.                 | 79,079               | 70,783               |
|  | \$ n.a.            | n.a.           | n.a.            | n.a.            | n.a.            | n.a.            | n.a.            | n.a.                 | 27,007,878,252       | 17,770,335,646       |
|  | No. n.a.           | 5,291          | 6,060           | 6,499           | 6,747           | 7,544           | 7,980           | 9,522                | 10,950               | 11,748               |
|  | \$ 4,487,078,028   | 4,626,162,839  | 4,224,050,527   | 4,866,383,340   | 6,954,926,472   | 7,488,879,622   | 5,625,685,563   | 5,034,155,257        | 4,132,387,415        | n.a.                 |
|  | No. n.a.           | 154            | 247             | 238             | n.a.            | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |
|  | \$ 89,108,830      | 437,942,883    | 172,974,458     | n.a.            | n.a.            | n.a.            | n.a.            | n.a.                 | n.a.                 | n.a.                 |

**TABLE 4-10: Company tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

Please note that the changes around the new company consolidation regime have caused a break in the time series. While for many companies there is no change to their position, the large eliminations involved in the consolidations system will mean that, at an aggregate level, direct comparison from 2001-02 and 2002-03 data can not be effectively achieved. Under the consolidation regime, all intra group transactions and claims are removed from the group as a whole and only the final position is shown in the return lodged by the head of the consolidated group. This will lead to large variations in many of the labels lodged by some of the biggest corporate structures.

| Selected items                                       | 1993-94  | 1994-95     | 1995-96           | 1996-97           | 1997-98           | 1998-99           | 1999-2000         | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|--|----------|-------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------------|
| AFI – Broad-exemption listed country                 | No. n.a. | n.a.        | n.a.              | n.a.              | 93                | 98                | 124               | 107                  | 278                  | 56                   |
| AFI – Limited-exemption listed country               | \$ n.a.  | n.a.        | n.a.              | n.a.              | 56,530,562        | 42,512,153        | 94,866,760        | 85,445,346           | 269,759,932          | 85,110,889           |
| AFI – Unlisted country                               | No. n.a. | 88          | 114               | 122               | 113               | 147               | 138               | 709                  | 228                  | 86                   |
| AFI – FIF income                                     | \$ n.a.  | 111,451,452 | 248,706,749       | 244,674,135       | 164,005,484       | 370,334,675       | 434,310,663       | 1,039,114,155        | 536,370,139          | 412,310,141          |
| AFI – Transferor trust                               | No. n.a. | n.a.        | 19                | 27                | 14                | 37                | 54                | 177                  | 23                   | 5                    |
| AFI – FLP income                                     | \$ n.a.  | n.a.        | 235,531           | 94,954,576        | 1,861,661         | 1,460,805         | 3,434,514         | 444,419,856          | 135,846,520          | 2,824                |
| Foreign exchange gains or losses of a capital nature | No. n.a. | n.a.        | 6                 | 31                | 17                | 23                | 14                | 17                   | 5                    | 10                   |
| Land degradation expenses                            | \$ n.a.  | n.a.        | 141,287           | 1,970,876         | 2,110,738         | 1,042,853         | 412,136           | 1,780,506            | 190,890              | 10                   |
| Trade debtors  | No. n.a. | n.a.        | 3,380             | 3,852             | 3,550             | 3,364             | 1,073             | 648                  | 520                  | 395                  |
| Current assets                                       | \$ n.a.  | n.a.        | 452,529,256       | 751,020,945       | -1,045,494,456    | 177,149,896       | -161,269,200      | -1,595,272,841       | 216,590,801          | 354,216,362          |
| Total assets   | No. n.a. | 300         | 305               | 110               | 402               | 538               | 522               | 495                  | 515                  | 514                  |
| Trade creditors                                      | \$ n.a.  | 12,356,584  | 11,564,307        | 3,589,528         | 20,481,201        | 23,204,004        | 29,159,585        | 40,691,488           | 40,519,621           | 33,770,188           |
| Current liabilities                                  | No. n.a. | n.a.        | 171,972           | 177,457           | 178,026           | 186,891           | 201,077           | 204,267              | 195,348              | 182,900              |
| Total liabilities                                    | \$ n.a.  | n.a.        | 118,703,359,991   | 122,707,314,917   | 128,589,019,823   | 377,926,275,649   | 314,983,729,385   | 166,565,936,668      | 147,984,188,126      | 128,243,997,037      |
| Shareholders' funds                                  | No. n.a. | n.a.        | 460,915           | 482,357           | 486,515           | 520,787           | 543,116           | 552,402              | 563,284              | 533,937              |
|  | \$ n.a.  | n.a.        | 721,556,750,409   | 774,514,834,457   | 745,549,800,430   | 797,443,802,197   | 1,057,815,707,595 | 1,451,207,774,107    | 1,571,684,355,584    | 1,610,133,398,025    |
|  | No. n.a. | n.a.        | 488,921           | 513,195           | 519,681           | 552,261           | 570,905           | 578,753              | 589,634              | 556,821              |
|  | \$ n.a.  | n.a.        | 2,220,588,804,850 | 2,527,212,997,865 | 2,645,415,613,436 | 2,850,377,924,468 | 3,479,716,811,537 | 4,128,659,717,312    | 4,290,305,643,565    | 4,057,959,225,698    |
|  | No. n.a. | n.a.        | 234,643           | 240,630           | 239,931           | 253,030           | 265,905           | 267,725              | 246,481              | 221,803              |
|  | \$ n.a.  | n.a.        | 125,500,719,650   | 127,594,584,893   | 102,939,733,289   | 161,276,480,235   | 169,478,471,050   | 123,439,457,464      | 137,950,504,621      | 104,484,807,030      |
|  | No. n.a. | n.a.        | 428,267           | 445,482           | 448,254           | 479,229           | 498,730           | 512,539              | 520,557              | 492,519              |
|  | \$ n.a.  | n.a.        | 716,533,972,566   | 782,175,959,833   | 730,319,262,024   | 748,237,631,843   | 1,094,739,170,427 | 1,604,894,289,790    | 1,659,468,327,241    | 1,252,024,982,875    |
|  | No. n.a. | n.a.        | 462,282           | 483,633           | 489,948           | 521,510           | 539,638           | 548,001              | 558,001              | 527,488              |
|  | \$ n.a.  | n.a.        | 1,592,510,200,966 | 1,833,992,010,798 | 1,938,405,515,308 | 2,059,519,725,009 | 2,540,960,532,008 | 3,143,168,915,318    | 3,174,634,875,299    | 3,038,525,785,938    |
|  | No. n.a. | n.a.        | 492,080           | 516,898           | 523,557           | 555,793           | 574,577           | 582,066              | 593,292              | 559,990              |
|  | \$ n.a.  | n.a.        | 638,008,808,078   | 693,164,607,067   | 707,010,099,006   | 790,858,155,119   | 938,752,804,787   | 985,483,980,320      | 1,115,670,768,266    | 1,019,433,439,760    |
| <b>SCHEDULE ITEMS<sup>12</sup></b>                   |          |             |                   |                   |                   |                   |                   |                      |                      |                      |
| Total capital gains                                  | No. n.a. | n.a.        | n.a.              | 20,562            | 23,813            | 26,651            | 29,226            | 13,452               | 15,694               | 14,335               |
|  | \$ n.a.  | n.a.        | n.a.              | 7,003,060,708     | 9,577,557,888     | 13,492,686,333    | 14,780,176,783    | 11,666,623,978       | 13,135,664,510       | 10,871,695,642       |

**TABLE 4.10: Company tax<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

Please note that the changes around the new company consolidation regime have caused a break in the time series. While for many companies there is no change to their position, the large eliminations involved in the consolidations system will mean that, at an aggregate level, direct comparison from 2001-02 and 2002-03 data can not be effectively achieved. Under the consolidation regime, all intra group transactions and claims are removed from the group as a whole and only the final position is shown in the return lodged by the head of the consolidated group. This will lead to large variations in many of the labels lodged by some of the biggest corporate structures.

| Selected items                               | 1993-94 | 1994-95 | 1995-96 | 1996-97        | 1997-98        | 1998-99        | 1999-2000      | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|--|---------|---------|---------|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|
| Total capital losses of current year applied | No.     | n.a.    | n.a.    | 4,175          | 4,629          | 5,724          | 7,357          | 5,063                | 5,235                | 4,406                |
|  | \$      | n.a.    | n.a.    | 1,553,184,488  | 2,827,371,812  | 3,726,215,991  | 3,675,715,170  | 2,806,369,600        | 3,331,751,866        | 4,704,084,628        |
| Net capital losses of prior years applied    | No.     | n.a.    | n.a.    | 4,380          | 3,299          | 3,769          | 4,596          | 2,332                | 3,013                | 2,567                |
|  | \$      | n.a.    | n.a.    | 861,304,909    | 889,720,363    | 1,024,226,853  | 1,075,923,279  | 705,635,683          | 853,953,134          | 874,830,695          |
| Capital losses transferred in                | No.     | n.a.    | n.a.    | 730            | 428            | 564            | 515            | 349                  | 446                  | 303                  |
|  | \$      | n.a.    | n.a.    | 1,293,297,918  | 1,111,140,850  | 1,594,870,262  | 1,591,586,582  | 1,555,683,809        | 3,303,143,158        | 992,119,283          |
| Tax losses transferred out                   | No.     | n.a.    | n.a.    | 6,974          | 6,730          | 7,099          | 7,482          | 6,010                | 5,896                | 5,165                |
|  | \$      | n.a.    | n.a.    | 11,556,459,056 | 10,507,769,684 | 12,858,531,029 | 15,815,673,767 | 18,638,361,500       | 18,059,113,713       | 10,257,542,773       |
| Net capital losses transferred out           | No.     | n.a.    | n.a.    | 736            | n.a.           | 804            | 910            | 479                  | 615                  | 341                  |
|  | \$      | n.a.    | n.a.    | 1,280,201,046  | n.a.           | 1,401,383,574  | 2,288,870,833  | 1,664,505,621        | 3,281,833,673        | 935,184,918          |

**Notes:**

\* Please refer to the 'Company tax' chapter and the *Taxation Statistics 2002-03* glossary for descriptions of the items reported in the table. The glossary is included in the online version of *Taxation Statistics 2002-03* on the Tax Office website. It is also included on the *Taxation Statistics 2002-03* CD-ROM.

\* The symbol 'n.a.' used in this publication means not applicable or not available.

In order to meet privacy regulations, the following measures have been applied.

- Number indicators showing values of 1 to 4 have been replaced by 5. Hence, in the detailed tables, any cell containing a number indicator (that is, number of returns or taxpayers) of 5 is indicative only and may represent any number between 1 and 5. Number (No.) totals are the sum of the indicated cell values in a table. Number indicators and totals may vary between tables.
- Amount totals are the sum of the indicated cell values in a table. Amounts and totals may vary between tables.
- Statistics for some items may not be included in some tables.
- This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website
- The 2000-01 and 2001-02 income year statistics reported in this table may not match the statistics reported in previous editions of *Taxation Statistics* because the statistics for these income years have been updated in this edition.
- The statistics for the 2002-03 income year were sourced from 2003 company income tax returns processed by 31 October 2004. The statistics are not necessarily complete. Therefore, caution should be exercised in making comparisons between the statistics for the 2002-03 and prior income years. For further information please refer to the 'Source of company statistics' section in the 'Company tax' chapter of *Taxation Statistics 2002-03*.
- In 2000-01 the diesel fuel rebate scheme (DFRS) was extended to provide the full rebate to rail transport and marine transport and to cover the use of other like fuels. The diesel and alternative fuels grants scheme (DAFGS) was also introduced. Under DAFGS (or on-road scheme) grants are provided for the on-road use of fuel by businesses and other entities. As both diesel fuel rebates and diesel and alternative fuel grants are declared under the assessable government industry payments labels on the 2001 and the 2002 company income tax returns, assessable government industry payments in 2000-01 and 2001-02 are significantly higher compared to assessable government industry payments in income years before 2000-01.
- The 'Total income' reported in this table is based on the total calculated by the Tax Office during tax return assessment and therefore will not necessarily agree with the sum of component items (the amounts of different types of income) which taxpayers claim on their annual income tax returns.
- The 'Total expenses' reported in this table are based on the total calculated by the Tax Office during tax return assessment and therefore will not necessarily agree with the sum of component items (the amounts of different types of expenses) which taxpayers claim on their annual income tax returns.
- The drought investment allowance ended on 30 June 2001. However, this expense can be claimed retrospectively. That is, expenses relating to the drought investment allowance can be claimed in the 2002-03 income year for expenditure incurred in prior income years.
- The 'Taxable or net income' referred to here refers to the 'Taxable or net income' item found in the 'Calculation statement' section of the company tax return. (In the 2003 company tax return, it is label A on page 4.) For this item, \$0 is reported if the calculated taxable income is equal to or less than \$0.
- 'Net tax' is referred to as 'Tax payable' in the company tax return. The net tax (or tax payable) amount cannot be less than \$0.
- In the 2001-02 income year 'Depreciable assets purchased' was replaced by 'Intangible depreciating assets first deducted' and 'Other depreciating assets first deducted'.
- In the 2001-02 income year 'Depreciable assets sold' was replaced by 'Termination value - intangible depreciating assets' and 'Termination value - other depreciating assets'.
- Statistics for the schedule items for income years before 2000-01 were sourced from past company tax returns. From 2000-01 onwards, the statistics are sourced from the capital gains tax (CGT) schedule and the losses schedule. Not all companies are required to complete and submit these schedules along with their return. Hence, the schedule item statistics for 2000-01 and 2002-03 only refer to/represent companies that completed these schedules and whose schedules were processed by 31 October 2004.

### ❶ HIGHLIGHTS

- In 2002–03, 451,380 partnerships lodged returns and reported total business income of around \$120 billion.
- The largest proportion of partnerships (28%) was in the agriculture, forestry and fishing industry.
- Partnerships reported \$114.3 billion in expenses, with the main type of expense being cost of sales, which accounted for around \$40 billion.

For tax purposes, a partnership is an association of people who carry on business as partners, or who receive income jointly, but does not include a company. Partners contribute their time, talents and/or capital towards the partnership and, in return, share in both the profits/losses and responsibilities.

A partnership generally does not pay tax in its own right. Members of the partnership pay tax at their individual tax rate on their share of partnership income included on their individual tax return. A partner's share of any capital gains or losses relating to capital gains tax (CGT) events for partnership assets must be disclosed on the partner's tax return.

As a partnership is a separate entity for tax purposes, it requires a separate tax file number and must lodge a partnership return at the end of the income year. All income earned by the partnership, and deductions claimed for expenses incurred in earning that income, must be shown on the tax return. Although this return is simply an information return, it provides the basis for determining the partners' respective shares of the net partnership income or loss.

### SOURCE OF PARTNERSHIP STATISTICS

The data for *Taxation Statistics 2002–03* was compiled before all processing for the 2002–03 income year was completed. Statistics in this chapter are sourced from 2003 partnership income tax returns processed by 31 October 2004. The statistics are not necessarily complete and will continue to change as data from 2003 tax returns processed after 31 October 2004 is included. The usual practice each year is to update the statistics for the two years before the current year in the partnership return time series table (chapter table 5.4 and partnership return detailed table 3).

The proportion of tax returns processed each year by 31 October can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2002–03 income year statistics and statistics from previous years will be possible when *Taxation Statistics 2003–04* is published. In that edition, the 2002–03 income year statistics will include data from returns and amendments processed up to 31 October 2005.

Partnership returns were lodged either electronically or in paper form. A copy of the return is in the appendix. It may be

viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

Statistics for most items shown on the partnership return are included in the detailed tables on the attached CD-ROM. The detailed tables are also included in the online version of this publication.

Please note that the new company consolidation regime may also have some small impact on partnership return information, in that some return items previously reported by a partnership are now reported as part of a consolidated entity in the company tables. The impacts on the partnership tables will mainly be apparent as a slight shrinking of the overall population for this entity. Please see the company chapter for more information on consolidation.

### NEW FEATURES AND INFORMATION

Several tax reforms and laws implemented during the 2002–03 income year affected the statistics for some partnership items reported in this chapter and in the detailed tables. Some of these reforms and laws are listed below.

- From 1 July 2002, eligible wholly-owned groups may consolidate (that is, operate as a single entity for income tax purposes). A consolidated group can be formed by a single Australian resident head company and all its eligible wholly-owned Australian resident subsidiaries.
- The general value shifting regime replaced the value shifting rules in Divisions 138, 139 and 140 of the *Income Tax Assessment Act 1997* from 1 July 2002 (subject to transitional rules). Value shifting broadly describes transactions and other arrangements that reduce the value of an asset and (usually) increase the value of a second asset.
- A new label, 'Consolidated subsidiary member' (item 2, label Z2), was included on the 2003 partnership income tax return and is in the partnership tax detailed tables. A definition of this label is in the partnership tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
- The following labels were also removed from the 2003 partnership return
  - 'Drought investment allowance' (item 5, label U)
  - 'Land care operations and deduction for decline in value of water facility' (item 51, label S)

Statistics for previous years for these items are still available in the partnership return time series table (chapter table 5.4 and partnership return detailed table 3). Definitions of these labels are in the partnership return glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.

New terminology has also been included in this chapter (see box 5.1).

**BOX 5.1: Terminology<sup>1</sup>**

**Consolidation:** the Australian Government enacted legislation that, from 1 July 2002, allows eligible wholly-owned groups to be treated as a single entity for income tax purposes.

A consolidated group usually consists of an Australian resident head company and its eligible wholly-owned Australian resident subsidiaries (including eligible companies, trusts and partnerships). The head company chooses whether to consolidate.

The head company in a consolidated group must:

- be an Australian resident (not a prescribed dual resident)
- have some or all of its income taxed at the general company rate
- not be specifically excluded from membership of a consolidated group under section 703–20 of the *Income Tax Assessment Act 1997*, and
- not be a wholly-owned subsidiary of another entity that meets the above requirements or, if it is, it must not be a subsidiary member of a consolidatable or consolidated group.

Subsidiary members of a consolidated group of companies are wholly owned (directly or indirectly) by the head company. An entity is a subsidiary member of a consolidated group if it is:

- a wholly-owned subsidiary of the head company of the group

and it is:

- an Australian resident company (not a prescribed dual resident) that has all or some of its taxable income taxed at the general company tax rate
- a partnership, or
- a resident trust (including a non-fixed trust).

The wholly-owned group is taxed as a single tax entity, with subsidiary members treated as parts of the head company. Intra-group transactions are disregarded for income tax purposes. Intra-group debt and shareholdings are also ignored for income tax purposes. This:

- allows pooling of losses and credits, thus simplifying transactions and delivering cost savings
- eliminates complex provisions applying to intra-group transactions, such as:
  - deemed dividend rules
  - deeming for determining capital gain and losses
  - franking rules in relation to intra-group dividends
  - formal requirements for intra-group transfers, and
  - related anti-avoidance rules
- reduces impediments to group restructuring and allows:
  - movement of assets between group entities to be disregarded for income tax purposes, with no formal rollover requirements
  - shares to be bought back without triggering a capital gain or loss, and
  - a member entity to be liquidated without triggering a deemed dividend or a capital gain or loss.

<sup>1</sup> This box presents only general descriptions of the above term. It does not provide full technical or legal definitions.

**PARTNERSHIP RETURNS**

In 2002–03 a total of 451,380 partnerships lodged returns in Australia (table 5.1).

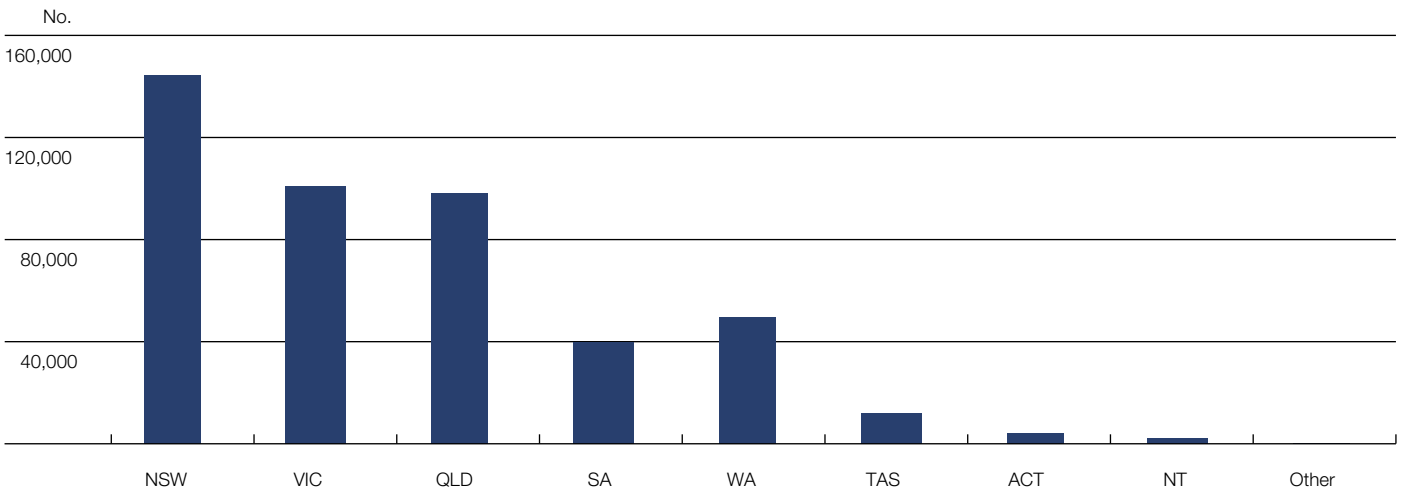
Partnership numbers generally reflect the geographic distribution of the Australian population, with more partnerships in the states with larger populations. Approximately 32% of partnerships were in New South Wales, followed by 22% in both Victoria and Queensland (figure 5.1).

**PARTNERSHIP RETURNS, BY INDUSTRY**

In 2002–03 the largest proportion of partnerships (whose industry was stated) was in the agriculture, forestry and fishing industry (28%), followed by the construction (15%) and retail trade (13%) industries (table 5.1).

The number of partnerships in specific industries in each state or territory is relative to the amount of industry activity in that state or territory. For example, the largest proportion of partnerships in the property, construction and primary production industries was in New South Wales, while the largest proportion of mining partnerships was in Western Australia and Queensland.

**FIGURE 5.1: Number of partnerships, by state/territory, 2002–03 income year**





**Table 5.1: Partnerships, by industry, 2002–03 income year**

| Industry <sup>1</sup>                         | Partnerships   |       |
|---|----------------|-------|
|   | No.            | %     |
| Agriculture, forestry & fishing <sup>2</sup>  | 120,217        | 27.5  |
| Construction                                  | 63,922         | 14.6  |
| Retail trade                                  | 55,413         | 12.7  |
| Property & business services <sup>3</sup>     | 49,911         | 11.4  |
| Investment income recipients <sup>4</sup>     | 36,970         | 8.4   |
| Manufacturing                                 | 22,602         | 5.2   |
| Transport & storage                           | 19,593         | 4.5   |
| Personal & other services                     | 17,022         | 3.9   |
| Accommodation, cafes & restaurants            | 15,703         | 3.6   |
| Wholesale trade                               | 11,022         | 2.5   |
| Cultural & recreational services <sup>5</sup> | 7,777          | 1.8   |
| Finance & insurance                           | 6,272          | 1.4   |
| Health & community services                   | 4,877          | 1.1   |
| Communication                                 | 3,667          | 0.8   |
| Education                                     | 1,821          | 0.4   |
| Mining  | 703            | 0.2   |
| Electricity, gas & water supply               | 297            | 0.1   |
| Total industry stated                         | 437,789        | 100.0 |
| Other <sup>6</sup>                            | 13,591         |       |
| <b>Total</b>                                  | <b>451,380</b> |       |

1 With the exception of the 'Investment income recipients' category, the industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. Fine industries included under these broad industry groupings are listed in partnership return detailed table 5. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication *Business industry codes 2003*.

2 Includes partnerships that lodged a subsidiary return with income from primary production partnerships and trusts.

3 This industry group includes services such as property operators and developers, real estate, non-financial asset investors, machinery and equipment hiring and leasing, technical, computer, scientific research, legal and accounting, marketing and business management and other business services listed in *Business industry codes 2003*. This industry group should not be confused with the 'Property' or 'Property income recipients' category that appeared in the tables of past editions of *Taxation Statistics*.

4 This category refers to partnerships that reported direct income from investment (for example, rental income, interest and dividends) and did not report income or loss from a business or another partnership or trust on their returns. In past editions of *Taxation Statistics* this category was referred to as 'Property' or 'Property income recipients'.

5 Includes sports.

6 Includes partnerships that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code and those that did not state their industry.

## PARTNERSHIP INCOME

### BOX 5.2: Partnership size, by total business income

For the purposes of this chapter:

- **loss/nil partnerships** have a total business income equal to or less than \$0
- **micro partnerships** have a total business income equal to or greater than \$1 but less than \$2 million
- **small partnerships** have a total business income equal to or greater than \$2 million but less than \$10 million
- **medium partnerships** have a total business income between \$10 million and \$100 million (inclusive), and
- **large partnerships** have a total business income greater than \$100 million.

In 2002–03 the majority of partnerships (83%) were classified as **micro partnerships**. Micro partnerships accounted for 55% (\$66.1 billion) of total business income. Partnerships classified as **large partnerships** accounted for less than 1% of the total number of partnerships, but they accounted for 17% (\$20.9 billion) of total business income (table 5.2).

Overall, partnerships had a total business income of around \$120 billion.

**TABLE 5.2: Number of partnerships and selected income items, by partnership size, 2002–03 income year**

| Items <sup>1</sup>                      |            | Loss/nil  | Micro         | Small         | Medium        | Large         | Total          |
|---|------------|-----------|---------------|---------------|---------------|---------------|----------------|
| Number of partnerships                  | No.        | 69,166    | 376,432       | 5,146         | 579           | 57            | 451,380        |
| Net rent                                | \$m        | 1,163     | 217           | 7             | 28            | 3             | 1,418          |
| Gross interest                          | \$m        | 233       | 289           | 35            | 53            | 44            | 653            |
| Gross (or total) dividends <sup>2</sup> | \$m        | 84        | 132           | 4             | 6             | 5             | 231            |
| Net business income                     | \$m        | -547      | 10,387        | 1,948         | 1,750         | 4,929         | 18,467         |
| <b>Total business income</b>            | <b>\$m</b> | <b>-7</b> | <b>66,092</b> | <b>19,039</b> | <b>14,031</b> | <b>20,868</b> | <b>120,022</b> |

1 Definitions of items are in the partnership return glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.

2 An amount equal to \$0 indicates an amount less than \$500,000.

### PARTNERSHIP EXPENSES

In 2002–03 partnerships had total business expenses of \$114.3 billion (table 5.3).

Micro partnerships accounted for 49% (\$56 billion) of total business expenses, while large partnerships accounted for 25% (\$28.8 billion) of total business expenses.

Cost of sales accounted for the largest share (35%) of all partnership expenses. This expense category also accounted for the largest share of the total expenses of micro (34%), small (53%), medium (51%) and large partnerships (21%).

**TABLE 5.3: Partnership expenses, by expense and partnership size, 2002–03 income year**

| Expense <sup>1</sup>         | Loss/Nil         | Micro         | Small         | Medium        | Large         | Total          |
|------------------------------|------------------|---------------|---------------|---------------|---------------|----------------|
|                              | \$m <sup>2</sup> | \$m           | \$m           | \$m           | \$m           | \$m            |
| Cost of sales                | 9                | 18,858        | 9,023         | 6,190         | 5,929         | 40,009         |
| External labour <sup>3</sup> | 6                | 2,199         | 573           | 478           | 1,637         | 4,893          |
| Depreciation                 | 28               | 3,251         | 327           | 395           | 467           | 4,468          |
| Interest                     | 50               | 2,126         | 384           | 473           | 557           | 3,591          |
| Rent                         | 4                | 1,776         | 359           | 216           | 185           | 2,540          |
| Repairs & maintenance        | 8                | 1,720         | 179           | 88            | 109           | 2,104          |
| Motor vehicles               | 7                | 1,948         | 101           | 30            | 24            | 2,111          |
| Superannuation               | 1                | 441           | 160           | 85            | 99            | 784            |
| Lease expenses               | 2                | 436           | 69            | 28            | 75            | 609            |
| Royalty expenses             | 0                | 1             | 1             | 8             | 82            | 92             |
| Bad debts                    | 1                | 47            | 39            | 28            | 26            | 141            |
| Other expenses               | 206              | 23,240        | 5,917         | 4,075         | 19,560        | 52,998         |
| <b>Total<sup>4</sup></b>     | <b>322</b>       | <b>56,042</b> | <b>17,131</b> | <b>12,095</b> | <b>28,750</b> | <b>114,340</b> |

1 Definitions of items are in the partnership return glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.

2 An expense amount equal to \$0 may refer to an amount less than \$500,000.

3 Also referred to as 'Contractor/subcontractor and commission expenses'.

4 Total amount may differ slightly from the sum of components due to rounding.

## DETAILED TABLES

The following partnership return detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

The 'items' referred to in the detailed tables are items declared on the 2003 partnership return. A copy of the return is in the appendix.

To find out whether a particular item is included in a detailed table, refer to the **partnership return detailed tables index** included on the attached CD-ROM and in the online version of this publication. (The index can be viewed or downloaded only in Adobe Acrobat (PDF) or Microsoft Excel (XLS) file format.) The table index lists the different items shown in the detailed tables and specifies in which tables they appear.

### Table 1: All items, by net Australian income, 2002–03 income year

This table shows the number of records and amounts for all items from the partnership return, ranged by net Australian income.


- **Part A: Business income, expense and reconciliation items** – contains income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the partnership return.
- **Part B: Other income and expense items** – contains labels from items 6, 8, 9, 10, 11 and 12 on page 3 of the partnership return.
- **Part C: Other deductions, foreign income and total net income** – contains labels from items 14, 15, 17, 19, 20 and 21 on page 4 of the partnership return.
- **Part D: Key financial information and business and professional items** – contains items 28 to 32 from the 'Key financial information' section and items 35 to 55 from the 'Business and professional items' section on page 5 of the partnership return.

### Table 2: Selected items, by broad industry, 2002–03 income year

This table shows the number of records and amounts for most items from the partnership return. Partnership returns (and the data) are classified by broad industry groupings (determined by the taxpayer's main source of business income) based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system.

- **Part A: Business income, expense and reconciliation items** – contains income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the partnership return.

- **Part B: Other income and expense items** – contains labels from items 6, 8, 9, 10, 11 and 12 on page 3 of the partnership return.
- **Part C: Other deductions, foreign income and total net income** – contains labels from items 14, 15, 17, 19, 20 and 21 on page 4 of the partnership return.
- **Part D: Key financial information and business and professional items** – contains items 28 to 32 from the 'Key financial information' section and items 35 to 55 from the 'Business and professional items' section on page 5 of the partnership return.

 In order to meet privacy regulations, statistics for some items may not be included in the tables.

### Table 3: Selected items for income years 1993–94 to 2002–03

This table shows selected items from the partnership return for income years 1993–94 to 2002–03. Most items display number of records and amounts.

This table is also available at the back of this chapter (see table 5.4).

### Table 4: Total business income, by broad industry and state/territory, 2002–03 income year

This table shows the number of partnerships and number of records and amounts for partnerships with total business income, by state and territory. Partnership returns (and the data) are classified into broad industry groupings based on the ANZSIC system.

### Table 5: Selected items, by fine industry (amounts only), 2002–03 income year

This table shows the number of partnership returns and amounts for most items from the partnership return. Partnership returns and the amounts are classified by fine industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC system.

- **Part A: Business income, expense and reconciliation items** – contains income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the partnership return.
- **Part B: Other income and expense items** – contains labels from items 6, 8, 9, 10, 11 and 12 on page 3 of the partnership return.

- **Part C: Other deductions, foreign income and total net income** – contains labels from items 14, 15, 17, 19, 20 and 21 on page 4 of the partnership return.
- **Part D: Key financial information and business and professional items** – contains items 28 to 32 from the 'Key financial information' section and items 35 to 55 from the 'Business and professional items' section on page 5 of the partnership return.

❗ In order to meet privacy regulations, statistics for some items may not be included in the tables.

### TIME SERIES TABLE

Table 5.4 shows selected items from partnership returns for income years 1993–94 to 2002–03. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as partnership return detailed table 3. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

Care should be taken when making comparisons from 2001–02 to 2002–03 data in the time series table. The new company consolidation regime may have some impact on partnership return information, in that some return items previously reported by a partnership are now reported as part of a consolidated entity in the company tables.

**TABLE 5.4: Partnership returns<sup>1</sup>: Selected items for income years 1993-94 to 2002-03**

| Selected items                                 | 1993-94           | 1994-95        | 1995-96        | 1996-97        | 1997-98         | 1998-99         | 1999-2000       | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|--|-------------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|----------------------|----------------------|----------------------|
| Number of partnerships                         | No. 591,524       | 593,069        | 578,626        | 560,263        | 534,891         | 525,801         | 520,002         | 494,247              | 480,727              | 451,380              |
| Total business income                          | No. 153,360       | 152,699        | 146,293        | 145,712        | 142,388         | 138,647         | 135,366         | 127,991              | 124,517              | 118,049              |
| - PP   | \$ 15,106,721,651 | 15,901,896,060 | 17,090,757,743 | 17,044,589,221 | 17,286,712,562  | 16,942,355,345  | 17,317,861,804  | 20,037,480,752       | 23,451,680,728       | 20,521,835,367       |
| Total business income                          | No. 382,592       | 383,859        | 366,998        | 360,633        | 344,441         | 337,929         | 333,526         | 319,014              | 309,477              | 287,595              |
| - NPP  | \$ 70,616,068,303 | 74,838,152,007 | 77,066,407,928 | 77,118,890,334 | 89,085,435,217  | 94,674,831,618  | 103,609,479,310 | 103,903,335,938      | 114,614,150,641      | 99,500,610,510       |
| Total business income                          | No. n.a.          | 504,628        | 495,561        | 476,462        | 457,824         | 448,832         | 441,866         | 420,653              | 408,976              | 382,544              |
|  | \$ 85,722,779,954 | 90,740,048,067 | 94,156,490,691 | 94,163,479,555 | 106,372,147,779 | 111,617,186,963 | 120,927,341,114 | 123,940,816,690      | 138,065,831,369      | 120,022,445,877      |
| Contractor/subcontractor & commission expenses | No. 110,514       | 105,659        | 98,365         | 93,763         | 92,517          | 95,954          | 96,999          | 95,091               | 96,620               | 92,781               |
|  | \$ 3,073,911,540  | 3,247,960,134  | 3,239,361,091  | 3,012,540,581  | 3,364,213,664   | 3,698,257,628   | 4,268,551,886   | 4,085,166,766        | 5,562,973,195        | 4,893,198,974        |
| Superannuation expenses                        | No. 114,967       | 111,429        | 105,707        | 102,097        | 99,322          | 97,299          | 94,781          | 91,000               | 90,171               | 87,371               |
|  | \$ 280,617,834    | 304,357,370    | 390,980,888    | 414,974,284    | 439,329,930     | 523,043,250     | 591,576,342     | 663,829,555          | 741,571,268          | 784,102,079          |
| Cost of sales                                  | No. 285,555       | 285,210        | 275,271        | 263,065        | 252,410         | 243,771         | 236,135         | 225,333              | 219,781              | 207,421              |
|  | \$ 32,069,257,395 | 32,987,245,910 | 32,376,220,399 | 31,435,069,839 | 31,286,952,794  | 32,912,450,552  | 35,692,947,021  | 35,348,882,022       | 39,958,885,653       | 40,009,155,030       |
| Bad debts                                      | No. 11,270        | 11,591         | 11,693         | 11,734         | 12,029          | 11,782          | 11,821          | 11,679               | 11,379               | 10,354               |
|  | \$ 123,983,155    | 120,773,805    | 117,950,501    | 127,046,188    | 147,581,040     | 130,272,393     | 140,728,150     | 163,210,478          | 165,617,013          | 140,885,405          |
| Lease expenses                                 | No. 63,550        | 60,882         | 57,491         | 57,684         | 57,972          | 59,777          | 57,895          | 52,385               | 48,852               | 42,387               |
|  | \$ 677,509,946    | 662,977,748    | 706,948,687    | 732,104,668    | 775,152,030     | 846,119,149     | 817,764,081     | 805,635,014          | 704,810,072          | 609,323,167          |
| Rent expenses                                  | No. 158,043       | 153,358        | 146,658        | 140,936        | 134,977         | 129,623         | 124,809         | 116,569              | 113,044              | 104,566              |
|  | \$ 2,388,083,110  | 2,453,681,710  | 2,497,009,882  | 2,404,360,443  | 2,370,350,361   | 2,412,538,683   | 2,458,427,508   | 2,519,745,784        | 2,614,188,045        | 2,539,516,668        |
| Total interest expenses                        | No. 285,838       | 286,041        | 274,433        | 269,213        | 257,827         | 249,205         | 242,685         | 232,031              | 224,915              | 210,227              |
|  | \$ 2,874,509,322  | 3,129,086,599  | 3,336,939,970  | 3,079,363,158  | 2,998,554,646   | 3,246,207,018   | 3,716,661,352   | 4,176,322,219        | 4,058,064,238        | 3,590,974,060        |
| Total royalty expenses                         | No. 3,379         | 3,279          | 3,157          | 3,140          | 2,973           | 2,880           | 2,832           | 2,618                | 2,543                | 2,473                |
|  | \$ 58,405,297     | 88,877,952     | 90,776,063     | 89,407,362     | 222,125,303     | 157,284,486     | 397,391,864     | 174,882,945          | 207,046,990          | 723,487,236          |
| Depreciation expenses                          | No. 457,536       | 463,516        | 443,696        | 435,423        | 422,243         | 412,276         | 403,963         | 378,348              | 360,821              | 338,511              |
|  | \$ 3,084,317,942  | 3,355,106,662  | 3,667,172,219  | 3,566,378,897  | 3,803,802,548   | 4,158,535,772   | 4,384,383,714   | 4,326,870,621        | 4,602,393,194        | 4,467,912,991        |
| Motor vehicle expenses                         | No. 403,990       | 403,803        | 381,484        | 370,583        | 359,257         | 351,263         | 344,183         | 325,076              | 314,349              | 292,065              |
|  | \$ 2,370,503,643  | 2,426,228,920  | 2,374,630,118  | 2,306,920,768  | 2,269,473,998   | 2,254,266,178   | 2,371,790,263   | 2,266,204,643        | 2,214,213,331        | 2,110,806,642        |
| Repairs & maintenance                          | No. 347,096       | 348,669        | 332,926        | 327,044        | 317,212         | 309,532         | 301,136         | 285,961              | 277,954              | 259,905              |
|  | \$ 1,802,170,320  | 1,846,534,731  | 1,917,717,616  | 1,919,283,627  | 1,905,507,236   | 2,019,821,897   | 2,092,913,526   | 2,096,865,556        | 2,366,734,283        | 2,103,915,243        |
| Other expenses                                 | No. 503,252       | 506,219        | 495,548        | 478,077        | 458,537         | 449,782         | 442,601         | 420,865              | 409,714              | 383,742              |
|  | \$ 24,562,177,743 | 27,295,155,509 | 30,311,037,766 | 31,972,418,148 | 43,527,827,289  | 45,165,653,784  | 49,360,757,351  | 51,976,019,804       | 54,631,759,779       | 52,998,397,496       |
| Total expenses                                 | No. 510,532       | 513,946        | 503,504        | 486,234        | 466,503         | 457,554         | 450,236         | 428,475              | 417,064              | 390,884              |
|  | \$ 73,365,447,247 | 77,917,987,050 | 81,026,745,200 | 81,059,867,963 | 93,110,870,839  | 97,524,450,790  | 106,293,877,311 | 108,603,634,938      | 117,828,257,123      | 114,971,669,958      |

**TABLE 5.4: Partnership returns<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items                                | 1993-94           | 1994-95        | 1995-96        | 1996-97        | 1997-98        | 1998-99        | 1999-2000      | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|---|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|
| Drought investment allowance <sup>3</sup>     | No. 34,112        | 5,621          | 2,705          | 2,581          | 2,443          | 1,599          | 924            | 198                  | 137                  | n.a.                 |
|   | \$ 142,239,832    | 58,945,277     | 15,887,326     | 15,608,521     | 20,154,696     | 6,209,473      | 71,404,952     | 1,786,201            | 4,043,989            | n.a.                 |
| Income reconciliation adjustments             | No. n.a.          | n.a.           | n.a.           | n.a.           | n.a.           | 22,171         | 19,592         | 17,931               | 22,772               | 25,490               |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | -203,863,303   | -257,538,392   | 306,086,242          | 374,685,098          | 551,592,988          |
| Expense reconciliation adjustments            | No. n.a.          | n.a.           | n.a.           | n.a.           | n.a.           | 55,713         | 57,224         | 52,623               | 60,018               | 59,878               |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | -739,153,986   | -809,000,195   | -899,501,523         | -1,368,017,511       | -232,108,894         |
| Net business income – PP – profit             | No. 83,883        | 79,135         | 78,361         | 75,836         | 73,001         | 71,130         | 66,975         | 73,453               | 76,289               | 62,065               |
|   | \$ 2,889,486,519  | 2,980,439,432  | 3,555,317,918  | 3,106,997,065  | 3,043,022,542  | 2,731,321,813  | 2,603,530,033  | 3,878,601,537        | 5,202,774,090        | 3,834,037,351        |
| Net business income – PP – loss               | No. 77,137        | 82,436         | 79,387         | 77,804         | 76,687         | 74,856         | 75,171         | 60,157               | 54,236               | 61,951               |
|   | \$ -1,215,391,397 | -1,459,058,556 | -1,456,160,017 | -1,471,634,287 | -1,547,958,396 | -1,556,327,762 | -1,962,026,389 | -1,517,773,469       | -1,369,843,904       | -1,937,766,579       |
| Net business income or loss – PP              | No. 161,020       | 161,571        | 158,900        | 153,640        | 149,688        | 145,986        | 142,146        | 133,610              | 130,525              | 124,016              |
|   | \$ 1,674,095,121  | 1,521,380,875  | 2,099,157,900  | 1,635,362,777  | 1,495,064,145  | 1,174,994,051  | 641,503,644    | 2,360,828,068        | 3,832,930,186        | 1,896,270,772        |
| Net business income – NPP – profit            | No. 300,092       | 302,860        | 295,218        | 287,800        | 276,892        | 272,888        | 269,753        | 256,497              | 251,192              | 233,404              |
|   | \$ 12,346,281,289 | 13,409,245,637 | 13,233,044,918 | 13,716,072,610 | 15,291,305,055 | 15,256,466,786 | 16,980,701,580 | 15,808,416,329       | 18,617,733,152       | 18,996,591,950       |
| Net business income – NPP – loss              | No. 84,637        | 83,661         | 82,454         | 75,330         | 69,197         | 66,839         | 66,078         | 63,521               | 59,777               | 56,039               |
|   | \$ -1,564,011,498 | -1,821,774,550 | -2,351,525,725 | -2,465,558,700 | -2,684,209,708 | -3,312,833,524 | -3,788,367,023 | -3,426,897,403       | -3,210,465,495       | -2,427,108,768       |
| Net business income or loss – NPP             | No. 384,729       | 386,521        | 377,672        | 363,130        | 346,089        | 339,727        | 335,831        | 320,018              | 310,969              | 289,443              |
|   | \$ 10,782,269,790 | 11,587,471,086 | 10,881,519,192 | 11,250,513,909 | 12,607,095,346 | 11,943,633,262 | 13,192,334,557 | 12,381,518,926       | 15,407,267,657       | 16,569,483,182       |
| Net business income or loss                   | No. 486,544       | 513,444        | 491,090        | 484,596        | 464,894        | 455,962        | 448,978        | 425,925              | 414,767              | 388,649              |
|   | \$ 12,456,364,911 | 13,105,985,687 | 12,980,677,092 | 12,885,876,686 | 14,102,159,491 | 13,118,613,947 | 13,853,434,063 | 14,741,989,606       | 19,240,197,843       | 18,466,505,808       |
| Distribution from partnerships – PP – profit  | No. n.a.          | n.a.           | n.a.           | 53,977,615     | 68,257,573     | 85,236,833     | 60,015,772     | 68,484,184           | 83,452,234           | 66,518,059           |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 1,431          | 1,488                | 1,514                | 1,263                |
| Distribution from partnerships – PP – loss    | No. n.a.          | n.a.           | n.a.           | 899            | 895            | 812            | 782            | 631                  | 506                  | 594                  |
|   | \$ n.a.           | n.a.           | n.a.           | -13,404,074    | -14,013,804    | -16,026,631    | -15,746,163    | -15,214,015          | -12,740,725          | -15,460,307          |
| Distribution from partnerships – PP           | No. n.a.          | n.a.           | n.a.           | 2,487          | 2,464          | 2,301          | 2,213          | 2,119                | 2,020                | 1,857                |
|   | \$ n.a.           | n.a.           | n.a.           | 40,575,641     | 54,243,768     | 69,210,202     | 44,269,609     | 53,270,169           | 70,711,509           | 51,057,752           |
| Distribution from trusts – PP – profit        | No. n.a.          | n.a.           | n.a.           | 221            | 849            | 206            | 197            | 2,552                | 4,331                | 3,173                |
|   | \$ n.a.           | n.a.           | n.a.           | 4,049,340      | 5,776,993      | 7,126,713      | 5,719,657      | 10,210,543           | 30,436,727           | 8,607,410            |
| Distribution from trusts – PP – loss          | No. n.a.          | n.a.           | n.a.           | 17             | 8              | 8              | 10             | 5                    | 6                    | 5                    |
|   | \$ n.a.           | n.a.           | n.a.           | -370,178       | -30,790        | -68,324        | -238,496       | -197,130             | -38,677              | -85,699              |
| Distribution from trusts – PP                 | No. n.a.          | n.a.           | n.a.           | 238            | 857            | 214            | 207            | 2,555                | 4,337                | 3,178                |
|   | \$ n.a.           | n.a.           | n.a.           | 3,679,162      | 5,746,202      | 7,058,389      | 5,481,161      | 10,013,413           | 30,400,050           | 8,521,711            |
| Distribution from partnerships – NPP – profit | No. n.a.          | n.a.           | n.a.           | n.a.           | 4,894          | 4,727          | 4,540          | 4,302                | 4,067                | 3,693                |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | 188,836,751    | 238,377,249    | 295,980,573    | 268,874,188          | 349,413,291          | 411,395,007          |

**TABLE 5.4: Partnership returns<sup>1</sup>: Selected items for income years 1993-94 to 2002-03**

| Selected items                                | 1993-94 | 1994-95       | 1995-96       | 1996-97       | 1997-98       | 1998-99       | 1999-2000     | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|---|---------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------|----------------------|----------------------|
| Distribution from partnerships – NPP – loss   | No.     | n.a.          | n.a.          | n.a.          | 933           | 915           | 952           | 868                  | 771                  | 655                  |
|   | \$      | n.a.          | n.a.          | n.a.          | -40,225,213   | -150,383,583  | -388,250,663  | -49,479,503          | -27,492,393          | -27,621,555          |
| Distribution from partnerships – NPP          | No.     | n.a.          | n.a.          | n.a.          | 5,827         | 5,642         | 5,492         | 5,170                | 4,838                | 4,348                |
|   | \$      | n.a.          | n.a.          | n.a.          | 148,611,537   | 87,993,666    | -92,270,090   | 219,394,685          | 321,920,898          | 383,773,452          |
| Distribution from trusts – NPP – profit       | No.     | n.a.          | n.a.          | 9,603         | 10,845        | 11,012        | 10,455        | 12,615               | 11,850               | 10,495               |
|   | \$      | n.a.          | n.a.          | 133,151,369   | 116,424,517   | 167,075,225   | 389,157,105   | 377,600,051          | 425,727,268          | 97,891,160           |
| Distribution from trusts – NPP – loss         | No.     | n.a.          | n.a.          | 20            | 5             | 5             | 5             | 0                    | 0                    | 0                    |
|   | \$      | n.a.          | n.a.          | -171,060      | -17,309       | -1,583        | -2,512        | 0                    | 0                    | 0                    |
| Distribution from trusts – NPP                | No.     | n.a.          | n.a.          | 9,623         | 10,849        | 11,016        | 10,457        | 12,615               | 11,850               | 10,495               |
|   | \$      | n.a.          | n.a.          | 132,980,308   | 116,407,207   | 167,073,642   | 389,154,593   | 377,600,051          | 425,727,268          | 97,891,160           |
| P&T deductions relating to distribution – PP  | No.     | n.a.          | 799           | 777           | 792           | 741           | 694           | 672                  | 659                  | 600                  |
|   | \$      | n.a.          | 7,958,989     | 9,715,888     | 9,893,488     | 9,424,939     | 9,388,556     | 9,960,627            | 11,505,340           | 9,459,477            |
| P&T deductions relating to distribution – NPP | No.     | n.a.          | 2,565         | 2,612         | 2,860         | 3,028         | 3,025         | 3,127                | 3,006                | 2,708                |
|   | \$      | n.a.          | 28,049,312    | 25,646,780    | 34,438,090    | 31,847,955    | 32,132,088    | 32,635,945           | 39,756,955           | 33,510,789           |
| Total P&T deductions relating to distribution | No.     | n.a.          | 3,327         | 3,355         | 3,611         | 3,731         | 3,719         | 3,763                | 3,627                | 3,273                |
|   | \$      | n.a.          | 36,008,301    | 40,084,919    | 44,331,578    | 41,272,894    | 41,520,644    | 42,596,572           | 51,262,295           | 42,970,246           |
| Gross rent                                    | No.     | 109,082       | 111,775       | 108,343       | 107,977       | 103,209       | 98,250        | 82,431               | 81,319               | 76,752               |
|   | \$      | 3,117,218,663 | 3,252,754,349 | 3,271,671,465 | 3,372,016,039 | 3,356,128,917 | 3,525,752,461 | 3,438,092,927        | 3,647,403,162        | 3,738,182,949        |
| Net rent – profit                             | No.     | 78,803        | 79,035        | 76,232        | 77,067        | 74,297        | 72,697        | 60,243               | 60,744               | 57,288               |
|   | \$      | 1,307,589,261 | 1,379,201,717 | 1,373,108,029 | 1,450,546,176 | 1,489,152,373 | 1,544,324,566 | 1,518,409,906        | 1,638,050,903        | 1,663,159,540        |
| Net rent – loss                               | No.     | 30,580        | 33,165        | 33,883        | 31,027        | 27,427        | 26,185        | 22,505               | 21,185               | 20,156               |
|   | \$      | -307,812,777  | -314,212,459  | -334,399,591  | -281,997,373  | -240,216,999  | -241,049,157  | -233,791,885         | -228,170,618         | -245,498,184         |
| Net rent                                      | No.     | 109,383       | 112,200       | 110,115       | 108,095       | 103,473       | 98,882        | 82,748               | 81,929               | 77,444               |
|   | \$      | 999,776,483   | 1,064,989,557 | 1,038,708,437 | 1,168,548,802 | 1,248,935,373 | 1,303,275,409 | 1,284,618,021        | 1,409,880,285        | 1,417,661,356        |
| Rental interest deductions                    | No.     | 51,796        | 53,163        | 52,089        | 51,830        | 49,326        | 48,049        | 42,268               | 42,187               | 40,056               |
|   | \$      | 969,383,923   | 972,883,257   | 1,023,517,058 | 957,961,006   | 827,550,427   | 836,754,671   | 853,561,571          | 854,920,258          | 905,671,298          |
| Other rental deductions                       | No.     | 98,324        | 100,592       | 98,460        | 98,256        | 94,191        | 90,490        | 79,301               | 78,365               | 74,055               |
|   | \$      | 1,150,063,729 | 1,214,910,668 | 1,208,255,087 | 1,245,185,843 | 1,182,417,848 | 1,255,302,490 | 1,171,647,555        | 1,237,747,758        | 1,266,457,353        |
| Dividends franked                             | No.     | 18,482        | 20,557        | 21,104        | 22,813        | 32,159        | 35,442        | 44,911               | 44,498               | 44,003               |
|   | \$      | 49,276,778    | 90,919,893    | 103,664,322   | 119,824,307   | 132,714,531   | 111,738,557   | 185,705,276          | 189,102,082          | 201,381,245          |
| Dividends unfranked                           | No.     | 20,485        | 21,633        | 21,730        | 21,870        | 22,745        | 30,754        | 27,584               | 22,742               | 26,093               |
|   | \$      | 26,395,949    | 26,168,582    | 26,415,319    | 24,726,279    | 31,979,384    | 36,202,820    | 40,328,210           | 38,882,316           | 29,794,960           |
| Total dividends                               | No.     | 30,633        | 33,408        | 34,317        | 34,765        | 43,179        | 66,196        | 55,038               | 52,973               | 51,625               |
|   | \$      | 75,672,727    | 117,088,475   | 130,079,641   | 144,550,586   | 160,105,245   | 147,941,377   | 226,033,486          | 227,984,398          | 231,176,205          |

**TABLE 5.4: Partnership returns<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items  | 1993-94           | 1994-95        | 1995-96        | 1996-97        | 1997-98        | 1998-99        | 1999-2000      | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|---|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|
| Gross interest  | No. 199,625       | 211,107        | 209,760        | 204,527        | 183,403        | 171,433        | 164,630        | 164,435              | 151,220              | 137,520              |
|   | \$ 585,041,666    | 547,146,367    | 706,108,475    | 679,195,389    | 562,462,901    | 554,887,543    | 618,756,079    | 820,759,757          | 1,064,677,221        | 652,953,616          |
| Imputation credit primary                                 | No. 18,369        | 20,416         | 20,983         | 22,727         | 32,057         | 31,907         | 35,374         | 44,891               | 44,472               | 43,895               |
|   | \$ 30,966,109     | 41,918,193     | 56,655,042     | 66,721,954     | 73,294,862     | 72,679,299     | 62,145,637     | 95,111,039           | 80,891,119           | 85,994,295           |
| Imputation credit subsidiary                              | No. 5,320         | 5,581          | 5,470          | 5,898          | 6,332          | 6,652          | 6,118          | 6,639                | 6,541                | 5,704                |
|   | \$ 3,062,055      | 3,423,325      | 3,973,575      | 4,330,227      | 5,464,095      | 5,801,481      | 5,377,514      | 6,065,934            | 4,806,769            | 6,227,440            |
| TFN amounts withheld from gross interest                  | No. n.a.          | 10,961         | 11,145         | 9,418          | 7,328          | 6,871          | 6,798          | 6,258                | 4,663                | 4,133                |
|   | \$ n.a.           | 2,406,462      | 2,770,089      | 2,479,972      | 1,994,829      | 2,134,703      | 3,237,056      | 2,182,697            | 1,876,482            | 1,705,858            |
| TFN amounts withheld from dividends                       | No. n.a.          | 1,072          | 901            | 1,067          | 933            | 1,233          | 1,833          | 1,461                | 1,236                | 1,564                |
|   | \$ n.a.           | 101,051        | 112,023        | 102,472        | 119,107        | 181,191        | 280,334        | 235,288              | 167,718              | 246,499              |
| Credit for TFN amounts withheld from interest & dividends | No. n.a.          | 706            | 657            | 794            | 732            | 755            | 614            | 680                  | 590                  | 506                  |
|   | \$ n.a.           | 137,569        | 260,434        | 172,493        | 228,183        | 261,030        | 278,546        | 426,217              | 481,977              | 424,909              |
| Credit for tax withheld where ABN not quoted              | No. n.a.          | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 72                   | 40                   | 22                   |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 319,362              | 129,696              | 59,392               |
| Other Australian income                                   | No. 10,670        | 9,411          | 8,687          | 8,358          | 7,225          | 6,582          | 6,581          | 7,310                | 7,118                | 5,586                |
|   | \$ 167,533,076    | 280,530,364    | 113,321,703    | 114,314,869    | 93,837,503     | 99,136,529     | 155,585,891    | 127,835,443          | 126,745,612          | 128,237,564          |
| Investment income   | No. 15,157        | 14,630         | 14,883         | 14,588         | 13,963         | 12,599         | 11,330         | 10,883               | 9,198                | 7,603                |
|   | \$ 89,343,750     | 57,243,607     | 97,451,518     | 95,400,364     | 65,339,651     | 53,720,177     | 61,192,870     | 70,048,655           | 60,960,398           | 62,732,908           |
| Other deductions  | No. 17,709        | 17,701         | 16,752         | 16,473         | 16,127         | 15,547         | 14,577         | 14,669               | 14,558               | 13,668               |
|   | \$ 177,325,760    | 172,306,204    | 145,022,498    | 398,923,223    | 290,858,556    | 123,202,139    | 273,137,233    | 193,216,828          | 120,634,324          | 113,689,859          |
| Net Australian income or loss                             | No. 575,006       | 576,916        | 563,568        | 544,654        | 522,514        | 511,816        | 505,024        | 479,248              | 467,976              | 439,775              |
|   | \$ 14,415,600,564 | 15,121,200,985 | 15,019,556,603 | 14,892,502,881 | 16,165,274,304 | 15,395,236,211 | 16,090,905,048 | 17,650,799,284       | 22,766,279,186       | 21,304,389,645       |
| AFI - Listed country                                      | No. 37            | 35             | 21             | 31             | n.a.           | n.a.           | n.a.           | n.a.                 | n.a.                 | n.a.                 |
|   | \$ 54,295,318     | 36,384,062     | 42,038         | 114,907        | n.a.           | n.a.           | n.a.           | n.a.                 | n.a.                 | n.a.                 |
| AFI - Broad-exemption listed country                      | No. n.a.          | n.a.           | n.a.           | n.a.           | 24             | 18             | 27             | 25                   | 24                   | 36                   |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | 47,531         | 213,324        | 131,062        | 38,610               | 3,044                | 5,890                |
| AFI - Limited-exemption listed country                    | No. n.a.          | n.a.           | n.a.           | n.a.           | 0              | 5              | 6              | 5                    | 5                    | 5                    |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | 0              | 102            | 380,838        | 459,186              | 5,486,139            | 9,312                |
| AFI - Unlisted country                                    | No. 13            | 7              | 10             | 5              | 5              | 6              | 5              | 5                    | 5                    | 5                    |
|   | \$ 1,762,254      | 464,746        | 3,169,022      | 6,749,338      | 9,081,425      | 15,131,241     | 18,204,640     | 30,906,079           | 23,207,225           | 22,443,296           |
| AFI - FIF/FLP income                                      | No. 21            | 10             | 12             | 5              | 5              | 6              | 5              | 8                    | 9                    | 7                    |
|   | \$ 66,211         | 20,094         | 14,870         | 670,569        | 866,441        | 890,919        | 905,276        | 1,313,190            | 1,048,635            | 150,397              |



**TABLE 5.4: Partnership returns<sup>1</sup>: Selected items for income years 1993-94 to 2002-03**

| Selected items                             | 1993-94                          | 1994-95                   | 1995-96                   | 1996-97                   | 1997-98                   | 1998-99                    | 1999-2000                  | 2000-01 <sup>2</sup>       | 2001-02 <sup>2</sup>       | 2002-03 <sup>3</sup>       |
|--|----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Net other assessable foreign source income | No. 3,177<br>\$ 128,455,150      | n.a.<br>n.a.              | 3,037<br>61,433,852       | 2,919<br>50,413,225       | 3,387<br>53,234,548       | 3,446<br>44,169,593        | 3,353<br>31,578,630        | 3,759<br>231,028,106       | 4,147<br>342,002,649       | 4,333<br>191,844,264       |
| Foreign tax credits                        | No. n.a.<br>\$ n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 3,023<br>6,529,588        | 2,927<br>2,979,669         | 2,620<br>2,586,286         | 3,113<br>38,408,001        | 3,442<br>79,394,031        | 3,834<br>57,946,056        |
| Total net income or loss                   | No. 575,017<br>\$ 14,600,179,497 | 576,926<br>15,250,282,179 | 563,694<br>15,084,196,325 | 544,667<br>14,950,450,920 | 522,528<br>16,228,504,249 | 511,824<br>15,455,641,390  | 505,027<br>16,142,105,494  | 479,263<br>17,914,544,455  | 467,993<br>23,138,026,878  | 439,788<br>21,518,842,804  |
| Opening stock                              | No. 224,955<br>\$ 6,645,765,935  | 228,832<br>7,105,054,837  | 219,746<br>7,088,745,164  | 214,425<br>6,755,290,099  | 207,562<br>7,228,051,030  | 197,752<br>8,481,515,728   | 188,759<br>8,431,393,700   | 175,088<br>10,044,222,587  | 168,315<br>9,460,928,420   | 153,439<br>12,091,176,144  |
| Closing stock                              | No. 229,929<br>\$ 6,925,228,227  | 231,695<br>7,093,002,498  | 225,104<br>7,120,502,367  | 214,109<br>6,714,198,482  | 205,046<br>7,299,229,811  | 195,495<br>8,251,927,471   | 185,803<br>9,455,739,245   | 174,490<br>11,950,865,284  | 167,452<br>10,420,589,902  | 155,235<br>10,644,768,727  |
| Trade debtors                              | No. n.a.<br>\$ n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 102,224<br>3,432,831,057  | 98,514<br>3,803,158,973   | 93,515<br>4,060,819,708    | 95,411<br>5,301,795,341    | 91,617<br>6,055,658,233    | 69,185<br>5,778,720,172    | 60,311<br>5,479,454,171    |
| Current assets                             | No. n.a.<br>\$ n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 320,396<br>22,699,852,178 | 313,022<br>24,846,492,499 | 301,287<br>25,670,488,533  | 290,975<br>30,111,444,007  | 287,319<br>34,399,109,233  | 278,032<br>37,501,085,457  | 270,569<br>37,243,797,840  |
| Total assets                               | No. n.a.<br>\$ n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 354,548<br>86,287,248,796 | 349,748<br>98,057,511,934 | 338,592<br>101,449,333,870 | 326,353<br>118,970,497,682 | 322,443<br>133,701,939,018 | 312,881<br>137,903,517,376 | 305,537<br>317,850,491,683 |
| Trade creditors                            | No. n.a.<br>\$ n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 156,538<br>3,328,526,296  | 150,540<br>3,571,371,464  | 144,044<br>3,800,306,835   | 137,940<br>4,471,712,600   | 132,493<br>4,628,006,413   | 97,628<br>4,606,102,021    | 81,520<br>4,397,060,434    |
| Current liabilities                        | No. n.a.<br>\$ n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 242,957<br>19,470,867,276 | 234,210<br>21,403,971,442 | 225,009<br>22,703,084,613  | 218,153<br>26,164,965,032  | 242,616<br>29,696,265,002  | 234,280<br>31,086,266,311  | 225,654<br>31,431,271,511  |
| Total liabilities                          | No. n.a.<br>\$ n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 276,931<br>49,723,607,633 | 267,847<br>55,013,157,698 | 258,682<br>56,901,037,487  | 250,662<br>72,630,193,330  | 264,831<br>80,430,613,091  | 255,873<br>82,647,877,667  | 247,600<br>97,659,189,769  |
| Proprietors' funds                         | No. n.a.<br>\$ n.a.              | n.a.<br>n.a.              | n.a.<br>n.a.              | 349,463<br>38,331,492,277 | 343,565<br>40,742,032,572 | 332,148<br>42,706,637,511  | 319,386<br>47,931,273,484  | 314,725<br>60,163,311,097  | 306,439<br>57,714,080,215  | 298,240<br>87,662,815,133  |
| Total salary & wage expenses               | No. 190,862<br>\$ 6,815,143,461  | 189,116<br>7,181,057,566  | 180,423<br>7,189,507,767  | 174,956<br>7,120,413,201  | 167,132<br>7,253,241,651  | 161,638<br>8,550,900,652   | 153,109<br>9,041,534,787   | 141,372<br>11,264,975,505  | 135,122<br>9,808,190,847   | 122,991<br>9,183,296,481   |
| Payments to related entities               | No. 60,549<br>\$ 1,207,066,141   | 59,426<br>1,217,099,734   | 56,929<br>1,415,767,760   | 55,718<br>1,297,866,330   | 53,606<br>1,320,828,798   | 44,152<br>1,839,538,617    | 40,777<br>1,993,408,450    | 33,603<br>2,443,721,878    | 32,124<br>1,733,688,449    | 27,306<br>1,374,336,342    |
| Depreciable assets purchased               | No. 254,781<br>\$ 5,187,395,067  | 252,836<br>5,101,439,307  | 242,915<br>5,340,206,335  | 218,680<br>7,927,390,583  | 212,802<br>10,087,614,673 | 200,442<br>8,121,767,611   | 196,499<br>6,734,488,617   | 170,049<br>7,286,160,843   | n.a.<br>n.a.               | n.a.<br>n.a.               |
| Depreciable assets sold                    | No. 97,912<br>\$ 1,495,097,301   | 94,768<br>1,514,738,182   | 88,579<br>15,219,943,004  | 82,651<br>1,453,405,653   | 78,967<br>2,329,927,737   | 71,540<br>4,231,127,106    | 66,838<br>4,294,633,347    | 53,872<br>1,717,924,975    | n.a.<br>n.a.               | n.a.<br>n.a.               |
| Gross PPS income                           | No. 104,273<br>\$ 6,475,925,999  | 110,053<br>7,154,679,168  | 105,161<br>6,552,132,939  | 102,124<br>6,368,347,441  | 99,046<br>7,629,938,318   | 96,488<br>7,280,543,234    | 93,409<br>8,063,269,998    | n.a.<br>n.a.               | n.a.<br>n.a.               | n.a.<br>n.a.               |

**TABLE 5.4: Partnership returns<sup>1</sup>. Selected items for income years 1993–94 to 2002–03**

| Selected items   | 1993–94 | 1994–95    | 1995–96    | 1996–97     | 1997–98     | 1998–99     | 1999–2000   | 2000–01 <sup>2</sup> | 2001–02 <sup>2</sup> | 2002–03 <sup>3</sup> |
|--|---------|------------|------------|-------------|-------------|-------------|-------------|----------------------|----------------------|----------------------|
| Total gross RPS income                                     | No.     | n.a.       | n.a.       | 2,327       | n.a.        | n.a.        | n.a.        | n.a.                 | n.a.                 | n.a.                 |
|  | \$      | n.a.       | 1,572      | 242,449,133 | n.a.        | n.a.        | n.a.        | n.a.                 | n.a.                 | n.a.                 |
| Gross RPS income – PP                                      | No.     | n.a.       | n.a.       | n.a.        | 6,579       | 6,790       | 6,118       | n.a.                 | n.a.                 | n.a.                 |
|  | \$      | n.a.       | n.a.       | n.a.        | 817,712,456 | 876,574,733 | 814,016,323 | n.a.                 | n.a.                 | n.a.                 |
| Gross RPS income – NPP                                     | No.     | n.a.       | n.a.       | n.a.        | 2,738       | 2,690       | 2,410       | n.a.                 | n.a.                 | n.a.                 |
|  | \$      | n.a.       | n.a.       | n.a.        | 305,905,151 | 367,078,459 | 322,761,528 | n.a.                 | n.a.                 | n.a.                 |
| Intangible depreciating assets 1st deducted                | No.     | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | n.a.                 | 2,727                | 1,871                |
|  | \$      | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | n.a.                 | 91,434,652           | 56,446,497           |
| Other depreciating assets 1st deducted                     | No.     | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | n.a.                 | 124,870              | 110,984              |
|  | \$      | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | n.a.                 | 19,814,223,630       | 9,622,031,949        |
| Termination value – intangible dep assets                  | No.     | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | n.a.                 | 2,061                | 1,518                |
|  | \$      | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | n.a.                 | 85,497,485           | 64,565,899           |
| Termination value – other dep assets                       | No.     | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | n.a.                 | 75,165               | 58,414               |
|  | \$      | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | n.a.                 | 3,853,614,070        | 6,717,646,195        |
| Gross payments where ABN not quoted – PP                   | No.     | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | 148                  | 89                   | 165                  |
|  | \$      | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | 6,072,095            | 4,372,757            | 61,156,588           |
| Gross payments where ABN not quoted – NPP                  | No.     | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | 1,036                | 526                  | 722                  |
|  | \$      | n.a.       | n.a.       | n.a.        | n.a.        | n.a.        | n.a.        | 79,013,406           | 41,535,358           | 90,708,040           |
| Assessable government industry payments – PP <sup>4</sup>  | No.     | n.a.       | n.a.       | n.a.        | 26,124      | 27,416      | 30,503      | 34,506               | 34,703               | 36,021               |
|  | \$      | n.a.       | n.a.       | n.a.        | 148,800,062 | 156,322,440 | 190,223,339 | 295,086,354          | 318,235,172          | 337,438,195          |
| Assessable government industry payments – NPP <sup>4</sup> | No.     | n.a.       | n.a.       | n.a.        | 4,889       | 3,965       | 3,996       | 12,548               | 12,882               | 13,274               |
|  | \$      | n.a.       | n.a.       | n.a.        | 84,185,505  | 81,772,213  | 114,706,950 | 431,632,387          | 394,857,799          | 615,525,474          |
| Interest expenses overseas                                 | No.     | 462        | 478        | 505         | 588         | 544         | 534         | 620                  | 589                  | 516                  |
|  | \$      | 13,088,363 | 5,480,323  | 4,388,724   | 5,823,525   | 18,327,010  | 8,110,011   | 23,006,193           | 28,326,889           | 9,601,625            |
| Royalty expenses overseas                                  | No.     | 57         | 61         | 55          | 60          | 59          | 65          | 56                   | 56                   | 60                   |
|  | \$      | 6,562,751  | 10,957,819 | 24,844,399  | 30,169,517  | 5,236,484   | 38,510,157  | 51,809,866           | 56,855,365           | 91,501,306           |
| Environmental protection expenses                          | No.     | n.a.       | n.a.       | 731         | 832         | 722         | 545         | 409                  | 429                  | 424                  |
|  | \$      | n.a.       | n.a.       | 3,212,160   | 5,007,317   | 5,055,481   | 2,476,736   | 1,830,445            | 1,391,324            | 2,876,814            |

**TABLE 5.4: Partnership returns<sup>1</sup>. Selected items for income years 1993–94 to 2002–03**

**Notes:**

- \* Please refer to the 'Partnership returns' chapter and the *Taxation Statistics 2002–03* glossary for descriptions of the items reported in the table. The glossary is included in the online version of *Taxation Statistics 2002–03* on the Tax Office website. It is also included on the *Taxation Statistics 2002–03* CD-ROM.
  - \* The symbol 'n.a.' used in this publication means not applicable or not available
- In order to meet privacy regulations, the following measures have been applied.
- (a) Number indicators showing values of 1 to 4 have been replaced by 5. Hence, in the detailed tables, any cell containing a number indicator (that is, number of returns or taxpayers) of 5 is indicative only and may represent any number between 1 and 5. Number (No.) totals are the sum of the indicated cell values in a table. Number indicators and totals may vary between tables.
  - (b) Amount totals are the sum of the indicated cell values in a table. Amounts and totals may vary between tables.
  - (c) Statistics for some items may not be included in some tables.
- 1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website
  - 2 The 2000–01 and 2001–02 income year statistics reported in this table may not match the statistics reported in previous editions of *Taxation Statistics* because the statistics for these income years have been updated in this edition.
  - 3 The statistics for the 2002–03 income year were sourced from 2003 partnership income tax returns processed by 31 October 2004. The statistics are not necessarily complete. Therefore, caution should be exercised in making comparisons between the statistics for the 2001–02 and prior income years. For further information please refer to the 'Source of partnership statistics' section in the 'Partnership returns' chapter of *Taxation Statistics 2002–03*.
  - 4 In 2000–01 the diesel fuel rebate scheme (DFRS) was extended to provide the full rebate to rail transport and marine transport and to cover the use of other like fuels. The diesel and alternative fuels grants scheme (DAFGS) was also introduced. Under DAFGS (or on-road scheme) grants are provided for the on-road use of fuel by businesses and other entities. As both diesel fuel rebates and diesel and alternative fuel grants are declared under the assessable government industry payments labels on the 2001 and the 2002 partnership income tax returns, assessable government industry payments in 2000–01 and 2002–03 are significantly higher compared to assessable government industry payments in income years before 2000–01.

**HIGHLIGHTS**

- In 2002–03, 470,945 trusts lodged returns and reported total business income of \$185.3 billion.
- Investment income recipients accounted for the largest share (29%) of trust returns.
- Trusts reported \$171.0 billion in expenses, with the main type of expense being cost of sales, which accounted for \$89.2 billion.

A trust exists where a person, the 'trustee', is under an obligation to hold property or income for the benefit of other people, known as 'beneficiaries'. This obligation usually arises under the express terms of a trust, but may also be imposed by court order or declaration, or by the operation of law. Although the trustees hold the legal title to the property, they must deal with it in accordance with the terms of the trust for the benefit of the beneficiaries.

Beneficiaries can include public and charitable institutions, and the potential beneficiaries of a discretionary trust can include people not yet born.

A trust is not a separate taxable entity and a trust does not pay tax in its own right. In general terms, it is the beneficiaries (presently entitled to receive and retain trust income) who are subject to tax. The trustee is generally taxed only in respect of certain kinds of beneficiaries (such as non-residents and those under a legal disability) and where some part of the net income of the trust for tax purposes is not assessable to a beneficiary. The net income of the trust is generally assessable to the trustee or the beneficiaries in the income year it is derived by the trust.

An annual tax return must be lodged for a trust, regardless of the amount of income derived by the trust, and even if the trust makes a loss for tax purposes.

**SOURCE OF TRUST STATISTICS**

The data for *Taxation Statistics 2002–03* was compiled before all processing for the 2002–03 income year was completed. Statistics in this chapter are sourced from 2003 trust income tax returns processed by 31 October 2004. The statistics are not necessarily complete and will continue to change as data from 2003 tax returns processed after 31 October 2004 is included. The usual practice each year is to update the statistics for the two years before the current year in the trust return time series table (chapter table 6.4 and trust return detailed table 3).

The proportion of tax returns processed each year by 31 October can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2002–03 income year statistics and statistics from previous years will be possible

when *Taxation Statistics 2003–04* is published. In that edition, the 2002–03 income year statistics will include data from returns and amendments processed up to 31 October 2005.

Trust return forms were lodged either electronically or in paper form. A copy of the return form is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

Statistics for most items shown on the return form are included in the detailed tables on the attached CD-ROM and in the online version of this publication.

Some statistics in the detailed tables were also sourced from 2003 capital gains tax (CGT) schedules processed by 31 October 2004. They are not necessarily complete and will continue to change as data from 2003 schedules processed after 31 October 2004 is included. In addition, not all trusts are required to complete this schedule. The trust return statistics sourced from this schedule do therefore not represent or refer to all trust returns.

A copy of the CGT schedule is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website.

Please note that the new company consolidation regime may also have some small impact on trust return information, in that some return items previously reported by a trust are now reported as part of a consolidated entity in the company tables. The impacts on the trust tables will mainly be apparent as a slight shrinking of the overall population for this entity. Please see the company chapter for more information on consolidation.

**NEW FEATURES AND INFORMATION**

Several tax reforms and laws implemented during the 2002–03 income year affected certain statistics for trust items reported in this chapter and in the detailed tables. Some of these reforms and laws are listed below.

- From 1 July 2002, eligible wholly-owned groups may consolidate (that is, operate as a single entity for income tax purposes). A consolidated group can be formed by a single Australian resident head company and all its eligible wholly-owned Australian resident subsidiaries.
- The general value shifting regime replaced the value shifting rules in Divisions 138, 139 and 140 of the *Income Tax Assessment Act 1997* from 1 July 2002 (subject to transitional rules). Value shifting broadly describes transactions and other arrangements that reduce the value of an asset and (usually) increase the value of a second asset.

- A new label, 'Consolidated subsidiary member' (item 2, label Z2), was included on the 2003 trust return and is in the trust return detailed tables. A definition of this label is in the trust return glossary on the attached CD-ROM and in the online version of this publication.
- The label, 'Drought investment allowance' (item 5, label U), was removed from the 2003 trust return. Statistics for previous years for this item are still available in the trust return time series table (chapter table 6.4 and trust return detailed table 3). A definition of this label is in the trust return glossary on the attached CD-ROM and in the online version of this publication.
- New terminology (see box 6.1) has also been included in this chapter.

### BOX 6.1: Terminology<sup>1</sup>

**Consolidation:** the Australian Government enacted legislation that, from 1 July 2002, allows eligible wholly-owned groups to be treated as a single entity for income tax purposes.

A consolidated group usually consists of an Australian resident head company and its eligible wholly-owned Australian resident subsidiaries (including eligible companies, trusts and partnerships). The head company chooses whether to consolidate.

The head company in a consolidated group must:

- be an Australian resident (not a prescribed dual resident)
- have some or all of its income taxed at the general company rate
- not be specifically excluded from membership of a consolidated group under section 703–20 of the *Income Tax Assessment Act 1997*, and
- not be a wholly-owned subsidiary of another entity that meets the above requirements or, if it is, it must not be a subsidiary member of a consolidatable or consolidated group.

Subsidiary members of a consolidated group of companies are wholly owned (directly or indirectly) by the head company. An entity is a subsidiary member of a consolidated group if it is:

- a wholly-owned subsidiary of the head company of the group

and it is:

- an Australian resident company (not a prescribed dual resident) that has all or some of its taxable income taxed at the general company tax rate
- a partnership, or
- a resident trust (including a non-fixed trust).

The wholly-owned group is taxed as a single tax entity, with subsidiary members treated as parts of the head company. Intra-group transactions are disregarded for income tax purposes. Intra-group debt and shareholdings are also ignored for income tax purposes. This:

- allows pooling of losses and credits, thus simplifying transactions and delivering cost savings
- eliminates complex provisions applying to intra-group transactions, such as:
  - deemed dividend rules
  - deeming for determining capital gain and losses
  - franking rules in relation to intra-group dividends
  - formal requirements for intra-group transfers, and
  - related anti-avoidance rules
- reduces impediments to group restructuring and allows:
  - movement of assets between group entities to be disregarded for income tax purposes, with no formal rollover requirements
  - shares to be bought back without triggering a capital gain or loss, and
  - a member entity to be liquidated without triggering a deemed dividend or a capital gain or loss.

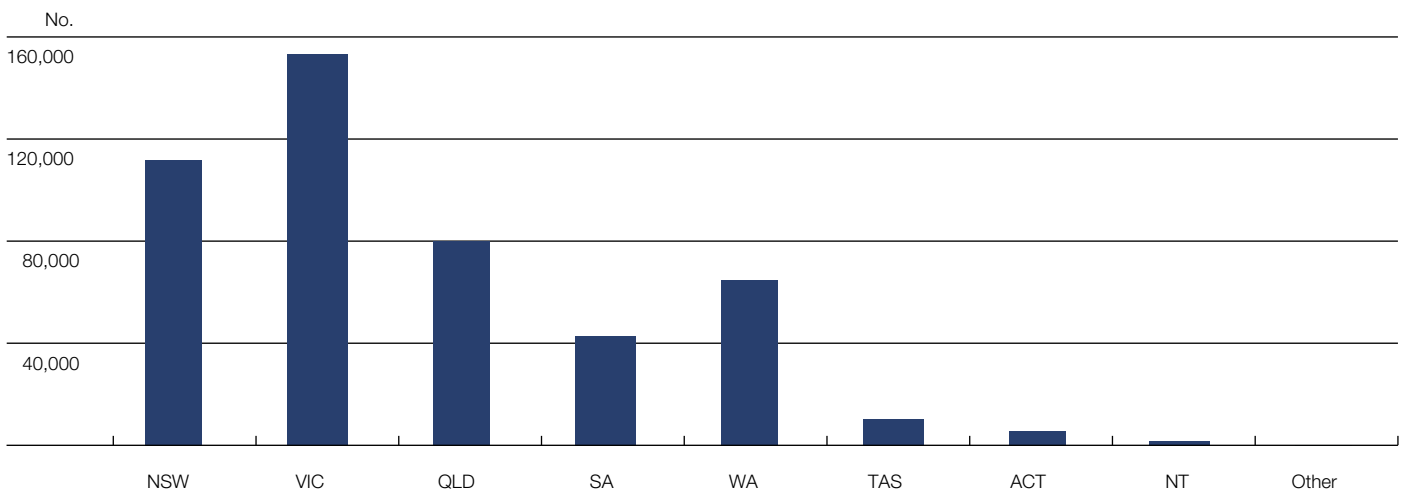
<sup>1</sup> This box presents only general descriptions of the above term. It does not provide full technical or legal definitions.

**TRUST RETURNS**

In 2002–03 a total of 470,945 trusts lodged returns in Australia (table 6.1).

Figure 6.1 shows that the greatest proportion of trusts was in Victoria (33%) and New South Wales (24%). The relatively high number of trusts in Victoria reflects a long-standing preference of that state for choosing trusts over other entities for commercial activities. Victoria reported the highest proportion of trusts across all industries (except for mining) for 2002–03 (trust return detailed table 4).

**FIGURE 6.1: Number of trusts, by state/territory, 2002–03 income year**



## TRUST RETURNS, BY INDUSTRY

In 2002–03 the largest proportion of trusts (whose industry was stated) was classified as ‘investment income recipients’ (29%) followed by those in the property and business services industry (20%) (table 6.1).

**TABLE 6.1: Trusts, by industry, 2002–03 income year**

| Industry <sup>1</sup>                         | Trusts         |                |
|---|----------------|----------------|
|   | No.            | % <sup>2</sup> |
| Investment income recipients <sup>3</sup>     | 102,821        | 28.6           |
| Property & business services <sup>4</sup>     | 71,576         | 19.9           |
| Finance & insurance                           | 54,705         | 15.2           |
| Agriculture, forestry & fishing <sup>5</sup>  | 25,783         | 7.2            |
| Retail trade                                  | 24,785         | 6.9            |
| Construction                                  | 21,450         | 6.0            |
| Manufacturing                                 | 12,604         | 3.5            |
| Wholesale trade                               | 8,551          | 2.4            |
| Accommodation, cafes & restaurants            | 8,450          | 2.3            |
| Health & community services                   | 8,020          | 2.2            |
| Transport & storage                           | 7,935          | 2.2            |
| Personal & other services                     | 6,935          | 1.9            |
| Cultural & recreational services <sup>6</sup> | 3,083          | 0.9            |
| Communication                                 | 1,196          | 0.3            |
| Education                                     | 1,020          | 0.3            |
| Mining  | 612            | 0.2            |
| Electricity, gas & water supply               | 161            | 0.0            |
| Total industry stated                         | 359,687        | 100.0          |
| Other <sup>7</sup>                            | 111,258        |                |
| <b>Total industries</b>                       | <b>470,945</b> |                |

1 With the exception of the ‘Investment income recipients’ category, the industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. Fine industries included under these broad industry groupings are listed in trust return detailed table 5. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication *Business industry codes 2003*.

2 A share of 0.0% indicates a share of less than 0.05%.

3 This category refers to trusts that reported direct income from investment (for example, rental income, interest and dividends) and did not report income or loss from a business or another trust or partnership on their returns. In past editions of *Taxation Statistics* this category was referred to as ‘Property’ or ‘Property income recipients’.

4 This industry group includes services such as property operators and developers, real estate, non-financial asset investors, machinery and equipment hiring and leasing, technical, computer, scientific research, legal and accounting, marketing and business management and other business services listed in *Business industry codes 2003*. This industry group should not be confused with the ‘Property’ or ‘Property income recipients’ category that appeared in the tables of past editions of *Taxation Statistics*.

5 Includes trusts that lodged a subsidiary return with income from primary production partnerships and trusts.

6 Includes sports.

7 Includes trusts that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code and those that did not state their industry.

## TRUST INCOME

### BOX 6.2: Trust size, by total business income

For the purposes of this chapter:

- **loss/nil trusts** have a total business income equal to or less than \$0
- **micro trusts** have a total business income equal to or greater than \$1 but less than \$2 million
- **small trusts** have a total business income equal to or greater than \$2 million but less than \$10 million
- **medium trusts** have a total business income between \$10 million and \$100 million (inclusive), and
- **large trusts** have a total business income greater than \$100 million.

In 2002–03 more than half (58% or 273,143) of the total number of trusts had a total business income equal to or less than \$0 (table 6.2). **Micro trusts** accounted for 39% of the total number of trusts, **small trusts** accounted for 3%, while **medium** and **large trusts** each accounted for less than 1% of total trusts.

Micro trusts accounted for the largest share (31% or \$57.6 billion) of total business income. Despite their small shares in the total number of trusts, small, medium and large trusts accounted for a significant share of total business income. Small trusts accounted for 28% (\$52.6 billion), medium trusts accounted for 29% (\$54.5 billion), while large trusts accounted for 11% (\$20.7 billion) of total business income (table 6.2).

Overall, trusts had a total business income of \$185.3 billion.

**TABLE 6.2: Number of trusts and selected income items, by trust size, 2002–03 income year**

| Items <sup>1</sup>           |            | Loss/nil   | Micro         | Small         | Medium        | Large         | Total          |
|------------------------------|------------|------------|---------------|---------------|---------------|---------------|----------------|
| Number of trusts             | No.        | 273,143    | 182,248       | 13,131        | 2,331         | 92            | 470,945        |
| Net rent                     | \$m        | 4,511      | 329           | 84            | 44            | 7             | 4,975          |
| Gross interest               | \$m        | 10,215     | 704           | 218           | 187           | 44            | 11,368         |
| Gross (or total) dividends   | \$m        | 7,043      | 680           | 143           | 36            | 4             | 7,907          |
| Net business income          | \$m        | -682       | 5,507         | 3,896         | 3,439         | 1,370         | 13,532         |
| <b>Total business income</b> | <b>\$m</b> | <b>-24</b> | <b>57,597</b> | <b>52,604</b> | <b>54,476</b> | <b>20,654</b> | <b>185,307</b> |

<sup>1</sup> Definitions of items are in the trust return glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.

### TRUST EXPENSES

In 2002–03 total expenses for trusts equalled \$171.0 billion. Over half (\$89.2 billion) of all trust expenses were related to cost of sales. This was followed by interest paid (3%) and external labour (3%) (table 6.3).

Micro trusts accounted for 30% (\$51.9 billion) of total expenses, small trusts accounted for 28% (\$48.5 billion),

medium trusts accounted for 30% (\$50.9 billion), while large trusts accounted for 11% (\$18.9 billion) of total expenses.

Cost of sales accounted for the largest share of the expenses of micro (31%), small (54%), medium (66%) and large (71%) trusts.

**TABLE 6.3: Trust expenses, by expense and trust size, 2002–03 income year**

| Expense <sup>1</sup>         | Loss/nil         | Micro         | Small         | Medium        | Large         | Total          |
|------------------------------|------------------|---------------|---------------|---------------|---------------|----------------|
|                              | \$m <sup>2</sup> | \$m           | \$m           | \$m           | \$m           | \$m            |
| Cost of sales                | 26               | 16,337        | 26,020        | 33,431        | 13,366        | 89,180         |
| Interest                     | 327              | 1,967         | 1,053         | 1,553         | 258           | 5,157          |
| External labour <sup>3</sup> | 12               | 1,779         | 1,642         | 1,402         | 268           | 5,102          |
| Rent                         | 4                | 1,976         | 1,209         | 839           | 332           | 4,361          |
| Depreciation                 | 26               | 2,088         | 911           | 530           | 244           | 3,800          |
| Superannuation               | 16               | 1,903         | 902           | 479           | 159           | 3,459          |
| Repairs & maintenance        | 3                | 924           | 505           | 336           | 89            | 1,856          |
| Motor vehicle                | 4                | 1,100         | 415           | 213           | 37            | 1,769          |
| Lease expenses               | 1                | 381           | 225           | 197           | 103           | 908            |
| Bad debts                    | 3                | 77            | 66            | 60            | 16            | 222            |
| Royalty expenses             | 0                | 1             | 7             | 9             | 1             | 18             |
| Other expenses               | 329              | 23,383        | 15,555        | 11,822        | 4,065         | 55,155         |
| <b>Total<sup>4</sup></b>     | <b>751</b>       | <b>51,917</b> | <b>48,510</b> | <b>50,870</b> | <b>18,938</b> | <b>170,987</b> |

<sup>1</sup> Definitions of items are in the trust return glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.

<sup>2</sup> An expense amount equal to \$0 may refer to an amount less than \$500,000.

<sup>3</sup> Also referred to as 'Contractor/subcontractor and commission expenses'.

<sup>4</sup> Total amount may differ slightly from the sum of components due to rounding.



## DETAILED TABLES

The following trust return detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

The 'items' referred to in the detailed tables are items declared on the 2003 trust return. A copy of the return is in the appendix.

To find out whether a particular item is included in a detailed table, refer to the **trust return detailed tables index** included on the attached CD-ROM and in the online version of this publication. (The index can be viewed or downloaded only in Adobe Acrobat (PDF) or Microsoft Excel (XLS) file format.) The table index lists the different items shown in the detailed tables and specifies in which tables they appear.

### Table 1: All items, by net Australian income, 2002–03 income year

This table shows the number of records and amounts for all items from the trust return form, ranged by net Australian income.

- **Part A: Business income, expense and reconciliation items** – contains business income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6 to 12 on page 3 of the trust return.
- **Part C: Other deductions, foreign income, capital gains, tax offsets and total net income** – contains labels from items 14 to 25 relating to the 'Deductions', 'Capital gains', 'Foreign income' and 'Tax offsets' sections on page 4 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 28 to 32 from the 'Key financial information' section and items 35 to 55 from the 'Business and professional items' section on page 5 of the trust return.

### Table 2: All items, by broad industry, 2002–03 income year

This table shows the number of records and amounts for all items from the trust return. Trust returns (and the data) are classified into broad industry groupings (determined by the taxpayer's main source of business income) based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system.

- **Part A: Business income, expense and reconciliation items** – contains business income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the trust return.

### Table 3: Selected items for income years 1993–94 to 2002–03

This table shows selected items from the trust return for income years 1993–94 to 2002–03. Most items display number and amount indicators.

This table is also available at the back of this chapter (see table 6.4).

### Table 4: Total business income, by broad industry and state/territory, 2002–03 income year


This table shows the number of trusts and number of records and amounts for trusts with total business income, by state and territory. Trust returns (and the data) are classified into broad industry groupings based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system.

### Table 5: Selected items, by fine industry (amounts only), 2002–03 income year

This table shows the number of trust returns and amounts for most items from the trust return. Trust returns and the amounts are classified into fine industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC system.

- **Part A: Business income, expense and reconciliation items** – contains business income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the trust return.
- **Part B: Other income and expense items** – contains labels from items 6 to 12 on page 3 of the trust return.

- **Part C: Other deductions, foreign income, capital gains, tax offsets and total net income** – contains labels from items 14 to 25 relating to the 'Deductions', 'Capital gains', 'Foreign income' and 'Tax offsets' sections on page 4 of the trust return.
- **Part D: Key financial information and business and professional items** – contains items 28 to 32 from the 'Key financial information' section and items 35 to 55 from the 'Business and professional items' section on page 5 of the trust return.

 In order to meet privacy regulations, statistics for some items may not be included in the tables.

### TIME SERIES TABLE

Table 6.4 shows selected items from trust returns for income years 1993–94 to 2002–03. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as trust return detailed table 3. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

Care should be taken when making comparisons from 2001–02 to 2002–03 data in the time series table. The new company consolidation regime may have some impact on trust return information, in that some return items previously reported by a trust are now reported as part of a consolidated entity in the company tables.

**TABLE 6.4 Trust returns<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items                                 | 1993-94            | 1994-95         | 1995-96         | 1996-97         | 1997-98         | 1998-99         | 1999-2000       | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------------|----------------------|----------------------|
| Number of trusts                               | No. 372,904        | 396,656         | 425,136         | 450,403         | 464,557         | 489,973         | 494,161         | 482,251              | 485,042              | 470,945              |
| Total business income                          | No. 16,237         | 16,990          | 17,690          | 19,634          | 20,786          | 21,361          | 21,587          | 20,998               | 21,205               | 20,888               |
| - PP   | \$ 4,260,746,448   | 4,668,754,188   | 5,573,748,797   | 6,063,299,488   | 6,818,390,294   | 7,194,635,349   | 7,760,025,477   | 8,785,274,122        | 10,223,508,715       | 9,502,244,035        |
| Total business income                          | No. 147,421        | 153,974         | 156,534         | 175,119         | 181,238         | 193,008         | 195,128         | 189,264              | 188,540              | 182,753              |
| - NPP  | \$ 102,396,331,029 | 111,098,788,318 | 122,514,729,446 | 131,449,217,655 | 140,653,720,628 | 156,310,170,487 | 170,468,950,864 | 163,930,942,638      | 174,932,525,475      | 175,805,192,820      |
| Total business income                          | No. n.a.           | 166,347         | 169,028         | 189,472         | 196,297         | 208,662         | 210,854         | 204,452              | 204,074              | 198,203              |
| \$   | 106,657,077,477    | 115,767,542,506 | 128,086,755,423 | 137,512,517,143 | 147,472,110,922 | 163,504,805,836 | 178,228,976,341 | 172,716,216,760      | 185,156,034,190      | 185,307,436,855      |
| Contractor/subcontractor & commission expenses | No. 38,077         | 38,363          | 37,270          | 38,486          | 40,736          | 45,840          | 47,825          | 45,304               | 45,817               | 44,980               |
| \$   | 3,783,915,492      | 3,971,504,322   | 4,141,801,406   | 3,557,288,986   | 4,308,413,080   | 5,132,524,706   | 5,494,752,149   | 4,790,135,956        | 5,051,808,623        | 5,102,047,871        |
| Superannuation expenses                        | No. 89,721         | 95,166          | 98,055          | 107,386         | 113,336         | 119,033         | 119,170         | 112,288              | 111,473              | 108,255              |
| \$   | 1,418,246,589      | 1,601,618,606   | 2,186,818,139   | 2,176,249,690   | 2,399,889,012   | 2,850,316,596   | 3,052,553,523   | 3,117,905,124        | 3,329,749,802        | 3,459,398,955        |
| Cost of sales                                  | No. 73,818         | 77,451          | 82,446          | 85,984          | 88,325          | 91,916          | 92,442          | 87,845               | 87,787               | 85,757               |
| \$   | 55,490,480,523     | 60,289,356,110  | 64,146,850,662  | 66,537,443,793  | 73,034,412,254  | 78,532,862,625  | 86,223,296,326  | 79,672,701,746       | 87,700,178,091       | 89,179,844,795       |
| Bad debts                                      | No. 9,072          | 9,664           | 9,847           | 11,063          | 11,973          | 12,841          | 13,485          | 13,596               | 13,705               | 12,650               |
| \$   | 168,523,864        | 176,490,929     | 175,551,033     | 206,156,744     | 177,958,572     | 193,230,068     | 218,570,978     | 266,672,772          | 272,976,660          | 222,238,489          |
| Lease expenses                                 | No. 34,223         | 33,622          | 33,112          | 36,888          | 39,117          | 41,833          | 40,677          | 36,769               | 34,335               | 30,580               |
| \$   | 809,725,428        | 814,721,332     | 805,632,915     | 900,180,930     | 954,591,273     | 1,111,687,886   | 1,136,530,694   | 1,081,760,546        | 1,003,796,315        | 908,043,895          |
| Rent expenses                                  | No. 64,622         | 68,180          | 69,699          | 77,281          | 79,963          | 83,489          | 83,053          | 78,000               | 77,539               | 75,327               |
| \$   | 2,600,209,522      | 2,766,091,101   | 3,102,884,642   | 3,274,079,793   | 3,597,028,977   | 3,974,486,091   | 4,151,238,426   | 4,276,896,662        | 4,492,717,137        | 4,360,640,446        |
| Total interest expenses                        | No. 102,264        | 107,191         | 108,288         | 119,759         | 123,864         | 129,419         | 129,935         | 128,222              | 127,693              | 123,865              |
| \$   | 2,678,666,347      | 2,838,922,790   | 3,336,769,569   | 3,785,028,440   | 3,560,964,855   | 4,603,690,171   | 5,177,814,493   | 6,196,169,747        | 6,357,382,770        | 5,156,758,333        |
| Total royalty expenses                         | No. 1,738          | 1,888           | 1,998           | 2,354           | 2,402           | 2,512           | 2,532           | 2,444                | 2,379                | 2,466                |
| \$   | 104,366,346        | 103,906,676     | 148,115,212     | 187,291,225     | 217,786,161     | 286,090,024     | 303,994,370     | 282,131,686          | 301,450,316          | 336,278,137          |
| Depreciation expenses                          | No. 129,142        | 137,398         | 140,121         | 155,773         | 163,235         | 172,501         | 174,358         | 167,376              | 165,174              | 162,363              |
| \$   | 1,792,746,539      | 2,158,493,968   | 2,471,693,433   | 2,737,383,478   | 3,049,665,777   | 3,377,618,261   | 3,951,858,057   | 3,763,234,563        | 3,887,876,214        | 3,799,618,405        |
| Motor vehicle expenses                         | No. 97,632         | 101,361         | 101,796         | 109,270         | 116,148         | 122,648         | 124,688         | 120,702              | 121,550              | 118,241              |
| \$   | 1,238,344,813      | 1,310,059,792   | 1,394,563,065   | 1,444,804,025   | 1,523,279,854   | 1,644,070,017   | 1,804,366,639   | 1,788,663,095        | 1,776,108,216        | 1,769,048,225        |
| Repairs & maintenance                          | No. 102,238        | 108,311         | 110,176         | 121,432         | 126,520         | 132,709         | 132,571         | 128,104              | 127,809              | 123,903              |
| \$   | 1,071,987,774      | 1,199,401,849   | 1,309,447,495   | 1,413,321,609   | 1,522,508,774   | 1,727,071,844   | 1,796,035,842   | 1,797,378,434        | 1,955,027,673        | 1,856,477,866        |
| Other expenses                                 | No. 160,613        | 170,123         | 184,110         | 196,087         | 202,783         | 215,290         | 217,132         | 210,343              | 211,142              | 206,353              |
| \$   | 28,099,995,685     | 30,511,538,818  | 36,547,222,747  | 42,436,430,197  | 42,500,468,399  | 48,352,601,643  | 51,853,501,930  | 53,641,079,931       | 55,420,066,375       | 55,154,516,058       |
| Total expenses                                 | No. 163,640        | 173,219         | 187,532         | 199,793         | 206,530         | 219,355         | 221,335         | 214,821              | 215,610              | 210,761              |
| \$   | 99,257,208,922     | 107,722,106,293 | 119,767,350,318 | 128,655,668,910 | 136,846,966,988 | 151,786,249,932 | 165,164,512,070 | 160,674,730,333      | 171,549,138,255      | 171,304,911,475      |

**TABLE 6.4 Trust returns<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items                                | 1993-94           | 1994-95        | 1995-96        | 1996-97        | 1997-98        | 1998-99        | 1999-2000      | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|---|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|
| Drought investment allowance <sup>4</sup>     | No. 16,527        | 2,582          | 735            | 847            | 797            | 602            | 320            | 69                   | 35                   | n.a.                 |
|   | \$ 125,055,234    | 75,370,380     | 21,971,214     | 23,166,494     | 20,762,283     | 16,266,007     | 4,865,877      | 2,305,445            | 8,882,634            | n.a.                 |
| Income reconciliation adjustments             | No. n.a.          | n.a.           | n.a.           | n.a.           | n.a.           | 16,543         | 16,164         | 14,515               | 15,825               | 16,988               |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | -146,973,859   | -485,055,405   | -1,139,541,165       | -131,890,462         | -32,608,442          |
| Expense reconciliation adjustments            | No. n.a.          | n.a.           | n.a.           | n.a.           | n.a.           | 39,872         | 41,942         | 39,720               | 43,797               | 46,192               |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | -436,954,884   | -409,802,316   | -376,137,876         | -523,164,849         | -448,845,271         |
| Net business income – PP – profit             | No. 10,076        | 10,290         | 11,429         | 12,126         | 12,798         | 12,799         | 12,208         | 13,544               | 14,651               | 12,816               |
|   | \$ 588,467,110    | 673,279,597    | 840,673,848    | 808,977,813    | 921,899,686    | 864,329,166    | 924,451,402    | 1,320,655,545        | 1,779,678,874        | 1,516,567,192        |
| Net business income – PP – loss               | No. 6,956         | 7,640          | 8,082          | 8,699          | 9,364          | 10,161         | 11,012         | 8,790                | 8,006                | 9,580                |
|   | \$ -274,573,991   | -302,981,416   | -335,536,740   | -373,534,782   | -435,456,129   | -536,878,659   | -681,131,448   | -541,079,174         | -453,889,762         | -674,222,507         |
| Net business income – PP                      | No. 17,032        | 17,930         | 19,649         | 20,825         | 22,162         | 22,960         | 23,220         | 22,334               | 22,657               | 22,396               |
|   | \$ 313,893,118    | 370,298,180    | 505,137,107    | 435,443,030    | 486,443,556    | 327,450,507    | 243,319,954    | 779,576,371          | 1,325,789,112        | 842,344,685          |
| Net business income – NPP – profit            | No. 107,553       | 112,166        | 118,819        | 127,338        | 133,149        | 142,122        | 145,357        | 133,262              | 136,807              | 133,790              |
|   | \$ 8,388,611,463  | 9,242,710,487  | 9,664,367,240  | 10,917,873,033 | 12,065,958,943 | 13,850,533,822 | 14,984,002,370 | 13,648,407,077       | 15,579,962,815       | 15,996,806,152       |
| Net business income – NPP – loss              | No. 44,944        | 49,539         | 55,472         | 58,092         | 58,187         | 61,496         | 60,034         | 65,476               | 62,531               | 60,701               |
|   | \$ -2,390,760,758 | -1,990,781,565 | -2,328,706,128 | -2,622,890,230 | -2,729,783,634 | -3,052,929,267 | -2,949,419,631 | -3,904,432,159       | -3,962,793,957       | -3,307,625,434       |
| Net business income – NPP                     | No. 152,497       | 161,705        | 164,240        | 185,430        | 191,336        | 203,618        | 205,391        | 198,738              | 199,338              | 194,491              |
|   | \$ 5,997,850,704  | 7,251,928,921  | 7,335,661,111  | 8,294,982,802  | 9,336,175,308  | 10,797,604,555 | 12,034,582,739 | 9,743,974,918        | 11,617,168,858       | 12,689,180,718       |
| Net business income or loss                   | No. n.a.          | 174,475        | 201,559        | 200,316        | 207,032        | 219,959        | 221,831        | 214,534              | 215,544              | 210,686              |
|   | \$ n.a.           | 7,621,510,226  | 11,472,982,136 | 8,730,425,832  | 9,822,618,864  | 11,125,055,062 | 12,277,883,333 | 10,523,546,849       | 12,942,957,970       | 13,531,525,403       |
| Distribution from partnerships – PP – profit  | No. n.a.          | n.a.           | n.a.           | 4,000          | 4,291          | 3,906          | 3,400          | 3,849                | 4,266                | 3,962                |
|   | \$ n.a.           | n.a.           | n.a.           | 191,723,159    | 227,349,382    | 175,247,676    | 168,435,571    | 248,843,881          | 344,374,659          | 313,532,382          |
| Distribution from partnerships – PP – loss    | No. n.a.          | n.a.           | n.a.           | 1,771          | 1,964          | 2,342          | 2,716          | 1,963                | 1,705                | 1,909                |
|   | \$ n.a.           | n.a.           | n.a.           | -48,866,934    | -55,395,496    | -78,865,737    | -131,817,209   | -83,619,550          | -80,843,314          | -84,552,478          |
| Distribution from partnerships – PP           | No. n.a.          | n.a.           | n.a.           | 5,771          | 6,255          | 6,248          | 6,116          | 5,812                | 5,971                | 5,871                |
|   | \$ n.a.           | n.a.           | n.a.           | 142,856,224    | 171,953,885    | 96,381,939     | 36,618,362     | 165,224,331          | 263,531,345          | 228,979,904          |
| Distribution from trusts – PP – profit        | No. n.a.          | n.a.           | n.a.           | 3,281          | 4,115          | 2,914          | 2,735          | 2,931                | 3,194                | 2,741                |
|   | \$ n.a.           | n.a.           | n.a.           | 269,911,324    | 378,865,664    | 340,015,724    | 367,474,876    | 289,619,835          | 365,022,454          | 351,218,702          |
| Distribution from trusts – PP – loss          | No. n.a.          | n.a.           | n.a.           | 290            | 318            | 341            | 327            | 285                  | 279                  | 310                  |
|   | \$ n.a.           | n.a.           | n.a.           | -9,315,199     | -8,920,609     | -12,246,919    | -14,727,244    | -15,950,892          | -10,667,449          | -17,821,514          |
| Distribution from trusts – PP                 | No. n.a.          | n.a.           | n.a.           | 3,571          | 4,433          | 3,255          | 3,062          | 3,216                | 3,473                | 3,051                |
|   | \$ n.a.           | n.a.           | n.a.           | 260,596,124    | 369,945,054    | 327,768,805    | 352,747,632    | 273,668,943          | 354,355,005          | 333,397,188          |
| Distribution from partnerships – NPP – profit | No. n.a.          | n.a.           | n.a.           | 20,470         | 21,026         | 22,647         | 23,540         | 23,334               | 25,023               | 25,298               |
|   | \$ n.a.           | n.a.           | n.a.           | 1,734,802      | 1,102,419,751  | 1,250,831,617  | 1,707,266,570  | 1,465,473,017        | 1,872,737,546        | 1,822,065,206        |

**TABLE 6.4 Trust returns<sup>1</sup>. Selected items for income years 1993–94 to 2002–03**

| Selected items                                | 1993–94 | 1994–95       | 1995–96       | 1996–97       | 1997–98       | 1998–99       | 1999–2000      | 2000–01 <sup>2</sup> | 2001–02 <sup>2</sup> | 2002–03 <sup>3</sup> |
|---|---------|---------------|---------------|---------------|---------------|---------------|----------------|----------------------|----------------------|----------------------|
| Distribution from partnerships – NPP – loss   | No.     | n.a.          | n.a.          | 5,122         | 5,294         | 5,859         | 5,907          | 5,880                | 6,227                | 6,381                |
| Distribution from partnerships – NPP          | \$      | n.a.          | n.a.          | n.a.          | -284,602,016  | -444,337,712  | -314,147,138   | -493,043,702         | -335,571,183         | -430,178,936         |
| Distribution from trusts – NPP – profit       | No.     | n.a.          | n.a.          | 25,592        | 26,320        | 28,506        | 29,447         | 29,214               | 31,250               | 31,679               |
| Distribution from trusts – NPP – loss         | \$      | n.a.          | n.a.          | n.a.          | 817,817,734   | 806,493,905   | 1,393,119,432  | 972,429,315          | 1,537,166,363        | 1,391,886,270        |
| Distribution from trusts – NPP – profit       | No.     | n.a.          | n.a.          | 84,596        | 93,044        | 101,664       | 105,736        | 108,131              | 110,536              | 109,132              |
| Distribution from trusts – NPP – loss         | \$      | n.a.          | n.a.          | 6,936,973,988 | 7,134,430,089 | 9,287,263,250 | 10,954,881,254 | 12,307,142,999       | 14,254,262,110       | 16,933,198,384       |
| Distribution from trusts – NPP – profit       | No.     | n.a.          | n.a.          | 197           | 266           | 315           | 335            | 353                  | 407                  | 479                  |
| Distribution from trusts – NPP – loss         | \$      | n.a.          | n.a.          | -9,357,955    | -6,399,095    | -20,828,990   | -27,855,208    | -18,769,000          | -18,669,268          | -28,950,271          |
| Distribution from trusts – NPP                | No.     | n.a.          | n.a.          | 84,793        | 93,310        | 101,979       | 106,071        | 108,484              | 110,943              | 109,611              |
| Distribution from trusts – NPP                | \$      | n.a.          | n.a.          | 6,927,616,032 | 7,128,030,993 | 9,266,434,260 | 10,927,026,046 | 12,288,373,999       | 14,235,592,842       | 16,904,248,113       |
| P&T deductions relating to distribution – PP  | No.     | n.a.          | 1,671         | 1,949         | 2,349         | 2,136         | 2,081          | 1,872                | 1,910                | 1,833                |
| P&T deductions relating to distribution – PP  | \$      | n.a.          | 15,003,737    | 33,129,526    | 42,870,516    | 28,530,247    | 34,329,127     | 28,442,551           | 29,604,067           | 26,517,279           |
| P&T deductions relating to distribution – NPP | No.     | n.a.          | 11,827        | 19,312        | 22,894        | 26,343        | 28,313         | 30,940               | 32,310               | 31,273               |
| P&T deductions relating to distribution – NPP | \$      | n.a.          | 216,312,659   | 303,953,786   | 378,430,426   | 450,244,597   | 535,108,617    | 610,161,962          | 694,998,816          | 623,726,568          |
| Total P&T deductions relating to distribution | No.     | n.a.          | 12,310        | 21,121        | 25,092        | 28,331        | 30,394         | 32,677               | 34,097               | 32,999               |
| Total P&T deductions relating to distribution | \$      | n.a.          | 231,316,396   | 376,638,969   | 421,300,942   | 478,774,844   | 569,437,744    | 638,604,513          | 724,602,883          | 650,243,847          |
| Gross rent                                    | No.     | 70,196        | 77,076        | 82,117        | 95,690        | 110,652       | 112,122        | 96,191               | 97,342               | 94,020               |
| Gross rent                                    | \$      | 4,735,267,376 | 5,471,663,361 | 6,290,602,084 | 6,946,249,201 | 7,365,911,692 | 10,829,786,156 | 11,360,300,885       | 12,193,337,747       | 12,914,641,997       |
| Net rent – profit                             | No.     | 54,533        | 58,551        | 64,193        | 72,014        | 84,511        | 84,707         | 71,494               | 73,963               | 70,553               |
| Net rent – profit                             | \$      | 2,201,856,087 | 2,513,443,614 | 2,769,985,919 | 3,182,045,061 | 3,436,155,838 | 4,760,301,032  | 4,887,403,062        | 5,490,244,252        | 5,504,497,903        |
| Net rent – loss                               | No.     | 16,226        | 19,024        | 22,672        | 24,205        | 26,813        | 27,880         | 24,876               | 24,080               | 24,208               |
| Net rent – loss                               | \$      | -428,950,586  | -345,431,206  | -464,839,069  | -398,939,471  | -491,914,191  | -519,189,645   | -512,121,049         | -514,539,376         | -529,912,498         |
| Net rent                                      | No.     | 70,759        | 77,575        | 86,865        | 96,219        | 111,324       | 112,587        | 96,370               | 98,043               | 94,761               |
| Net rent                                      | \$      | 1,772,905,501 | 2,168,012,407 | 2,305,146,849 | 2,783,105,589 | 3,050,592,382 | 4,241,111,387  | 4,375,282,013        | 4,975,704,876        | 4,974,585,405        |
| Rental interest deductions                    | No.     | 29,595        | 33,003        | 36,489        | 43,845        | 53,244        | 54,332         | 48,416               | 49,189               | 47,914               |
| Rental interest deductions                    | \$      | 1,227,920,230 | 1,289,628,632 | 1,553,479,877 | 1,565,190,332 | 1,539,713,238 | 2,014,454,507  | 2,125,579,901        | 2,044,709,568        | 2,249,389,128        |
| Other rental deductions                       | No.     | 60,548        | 66,442        | 71,841        | 84,567        | 98,463        | 100,119        | 91,154               | 92,758               | 89,897               |
| Other rental deductions                       | \$      | 1,734,956,005 | 2,013,128,924 | 2,421,032,272 | 2,591,909,555 | 2,497,383,396 | 3,994,459,305  | 4,155,298,137        | 4,357,558,083        | 4,856,881,696        |
| Dividends franked                             | No.     | 46,363        | 51,650        | 55,075        | 63,789        | 92,494        | 100,718        | 106,495              | 106,713              | 104,414              |
| Dividends franked                             | \$      | 1,158,319,600 | 1,893,896,102 | 2,442,229,475 | 2,463,300,971 | 2,810,409,613 | 5,008,378,541  | 6,038,636,021        | 5,725,787,513        | 7,102,161,069        |
| Dividends unfranked                           | No.     | 29,726        | 31,650        | 31,933        | 36,620        | 37,819        | 75,401         | 51,744               | 45,570               | 48,747               |
| Dividends unfranked                           | \$      | 190,656,414   | 253,445,035   | 267,710,647   | 464,281,714   | 423,877,785   | 769,072,449    | 844,526,000          | 727,076,602          | 804,448,435          |
| Total dividends                               | No.     | 50,736        | 56,651        | 62,624        | 69,033        | 97,196        | 176,119        | 111,751              | 111,234              | 108,366              |
| Total dividends                               | \$      | 1,348,976,014 | 2,147,341,137 | 2,709,940,122 | 2,927,582,685 | 3,234,287,398 | 5,777,450,990  | 6,883,162,021        | 6,452,864,115        | 7,906,609,504        |

**TABLE 6.4 Trust returns<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items  | 1993-94           | 1994-95        | 1995-96        | 1996-97        | 1997-98        | 1998-99        | 1999-2000      | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|---|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|
| Gross interest  | No. 176,506       | 195,999        | 224,818        | 230,913        | 235,451        | 242,378        | 241,889        | 239,498              | 229,573              | 219,835              |
|   | \$ 2,995,276,309  | 3,533,909,939  | 4,675,298,340  | 4,582,561,254  | 4,837,692,795  | 6,381,632,780  | 7,680,781,802  | 24,797,857,658       | 11,316,491,714       | 11,367,960,352       |
| Imputation credit primary                                 | No. 46,185        | 51,469         | 54,833         | 63,450         | 83,439         | 92,211         | 100,462        | 106,473              | 106,661              | 104,180              |
|   | \$ 716,671,239    | 1,111,794,909  | 1,332,524,825  | 1,365,189,262  | 1,550,303,613  | 1,940,175,736  | 2,505,208,227  | 3,095,859,730        | 2,448,551,177        | 3,020,369,779        |
| Imputation credit subsidiary                              | No. 15,319        | 17,943         | 19,810         | 25,254         | 31,076         | 35,686         | 39,573         | 45,865               | 48,123               | 45,384               |
|   | \$ 73,857,389     | 166,608,191    | 274,308,395    | 501,571,007    | 316,648,268    | 433,462,038    | 450,244,997    | 595,111,620          | 583,431,619          | 900,063,059          |
| TFN amounts withheld from gross interest                  | No. n.a.          | 11,875         | 12,942         | 14,142         | 13,981         | 14,045         | 14,612         | 12,832               | 10,812               | 10,118               |
|   | \$ n.a.           | 6,023,053      | 8,079,975      | 8,168,669      | 7,388,950      | 9,595,216      | 10,324,131     | 10,816,144           | 8,534,073            | 9,502,332            |
| TFN amounts withheld from dividends                       | No. n.a.          | 3,550          | 3,370          | 4,301          | 4,275          | 5,737          | 9,195          | 5,688                | 4,778                | 5,452                |
|   | \$ n.a.           | 893,532        | 913,298        | 1,057,231      | 1,142,850      | 1,482,334      | 2,689,922      | 2,037,532            | 1,452,993            | 1,651,394            |
| Credit for TFN amounts withheld from interest & dividends | No. n.a.          | 4,426          | 4,810          | 5,934          | 6,722          | 7,134          | 6,839          | 6,159                | 6,011                | 5,894                |
|   | \$ n.a.           | 1,678,950      | 2,425,489      | 2,977,037      | 4,256,726      | 4,448,384      | 5,405,000      | 5,278,740            | 3,956,029            | 4,716,645            |
| Credit for tax withheld where ABN not quoted              | No. n.a.          | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 141                  | 125                  | 75                   |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 210,289              | 216,927              | 1,084,677            |
| Other Australian income                                   | No. 13,834        | 13,216         | 13,798         | 14,545         | 12,926         | 12,817         | 14,916         | 16,929               | 17,255               | 14,172               |
|   | \$ 533,060,514    | 477,517,546    | 1,423,554,366  | 1,221,705,738  | 1,351,250,676  | 10,279,619,346 | 2,554,940,729  | 4,896,771,891        | 4,256,046,287        | 4,173,428,113        |
| Investment income   | No. 60,580        | 63,096         | 64,124         | 69,878         | 76,488         | 76,401         | 74,283         | 75,353               | 69,678               | 64,029               |
| deductions – Australia                                    | \$ 1,251,976,173  | 1,095,850,219  | 1,129,969,804  | 991,593,855    | 1,083,230,156  | 1,785,157,357  | 2,942,892,156  | 16,763,068,394       | 3,541,694,560        | 3,671,325,214        |
| Other deductions  | No. 98,347        | 72,974         | 70,335         | 78,489         | 82,772         | 87,370         | 89,285         | 96,009               | 96,046               | 94,150               |
|   | \$ 5,878,468,274  | 1,851,202,032  | 1,673,575,678  | 1,204,196,032  | 1,490,807,414  | 10,531,156,487 | 3,286,342,657  | 5,468,128,118        | 4,565,090,199        | 4,074,606,326        |
| Net Australian income or loss                             | No. 335,323       | 360,865        | 399,657        | 420,957        | 437,620        | 459,334        | 462,792        | 452,949              | 455,288              | 443,363              |
|   | \$ 11,999,794,730 | 13,676,699,269 | 15,736,706,979 | 18,834,497,705 | 22,232,040,718 | 35,063,277,553 | 41,544,829,155 | 45,402,961,166       | 49,951,874,063       | 55,437,761,418       |
| AFI – Listed country                                      | No. 183           | 89             | 31             | 195            | n.a.           | n.a.           | n.a.           | n.a.                 | n.a.                 | n.a.                 |
|   | \$ 352,415        | 941,495        | 1,790,887      | 384,647        | n.a.           | n.a.           | n.a.           | n.a.                 | n.a.                 | n.a.                 |
| AFI – Broad-exemption listed country                      | No. n.a.          | n.a.           | n.a.           | n.a.           | 63             | 105            | 102            | 73                   | 120                  | 84                   |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | 3,629,198      | 4,264,456      | 81,048         | 2,838,911            | 821,934              | 333,310              |
| AFI – Limited-exemption listed country                    | No. n.a.          | n.a.           | n.a.           | n.a.           | 8              | 12             | 7              | 17                   | 17                   | 23                   |
|   | \$ n.a.           | n.a.           | n.a.           | n.a.           | 250,882        | 985,809        | 5,448,875      | 1,773,903            | 2,978,585            | 2,296,600            |
| AFI – Unlisted country                                    | No. 18            | 14             | 16             | 8              | 15             | 21             | 23             | 22                   | 19                   | 16                   |
|   | \$ 205,736        | 197,370        | 543,319        | 210,650        | 214,446        | 155,909        | 130,166        | 662,618              | 4,193,247            | 5,835,208            |
| AFI – FIF/FLP income                                      | No. 77            | 64             | 57             | 47             | 39             | 38             | 60             | 64                   | 70                   | 76                   |
|   | \$ 1,371,382      | 774,489        | 2,814,732      | 4,928,007      | 4,453,402      | 115,352,148    | 274,051,452    | 68,135,153           | 67,261,004           | 30,293,782           |
| Net other assessable foreign source income                | No. 11,294        | 10,276         | 14,925         | 17,870         | 20,985         | 23,954         | 27,877         | 32,440               | 35,542               | 38,324               |
|   | \$ 790,567,471    | 345,728,048    | 1,010,080,795  | 1,264,159,468  | 2,332,431,877  | 2,214,314,462  | 2,916,178,322  | 3,130,929,627        | 3,964,710,812        | 5,212,696,616        |

**TABLE 6.4 Trust returns<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items               | 1993-94           | 1994-95        | 1995-96        | 1996-97         | 1997-98         | 1998-99         | 1999-2000       | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|------------------------------|-------------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------------|----------------------|----------------------|
| Foreign tax credits          | No. n.a.          | n.a.           | n.a.           | 15,430          | 18,775          | 20,390          | 22,412          | 27,343               | 30,509               | 35,070               |
|                              | \$ n.a.           | n.a.           | n.a.           | 48,598,014      | 64,502,425      | 96,521,927      | 98,487,188      | 172,511,088          | 239,925,920          | 332,245,409          |
| Total net income or loss     | No. 335,417       | 360,970        | 412,573        | 421,099         | 437,798         | 459,519         | 462,988         | 453,204              | 455,533              | 443,640              |
|                              | \$ 12,792,291,734 | 14,224,609,930 | 16,752,177,712 | 20,104,180,477  | 24,573,020,213  | 37,398,350,337  | 44,740,719,018  | 48,607,301,378       | 53,991,839,645       | 60,689,216,934       |
| Opening stock                | No. 56,980        | 59,497         | 59,645         | 64,670          | 66,442          | 69,529          | 69,649          | 66,625               | 64,475               | 59,866               |
|                              | \$ 10,628,448,195 | 12,416,772,560 | 14,059,435,548 | 14,048,832,339  | 12,026,350,079  | 14,223,922,384  | 15,537,955,616  | 18,058,408,651       | 20,341,669,709       | 32,367,700,338       |
| Closing stock                | No. 58,814        | 61,996         | 65,317         | 67,661          | 68,998          | 70,648          | 69,061          | 65,553               | 64,403               | 61,814               |
|                              | \$ 11,432,998,398 | 11,948,783,143 | 14,856,643,452 | 16,508,433,956  | 16,536,364,882  | 14,940,182,670  | 17,385,626,832  | 16,679,403,172       | 23,835,425,271       | 33,086,006,239       |
| Trade debtors                | No. n.a.          | n.a.           | n.a.           | 70,273          | 73,286          | 75,545          | 77,563          | 75,559               | 66,329               | 61,935               |
|                              | \$ n.a.           | n.a.           | n.a.           | 8,863,177,853   | 9,737,851,391   | 10,084,469,281  | 12,325,609,971  | 12,438,615,364       | 11,584,366,530       | 11,933,573,745       |
| Current assets               | No. n.a.          | n.a.           | n.a.           | 220,203         | 231,253         | 246,650         | 249,062         | 238,532              | 271,590              | 302,210              |
|                              | \$ n.a.           | n.a.           | n.a.           | 62,502,842,711  | 70,938,552,887  | 81,607,243,190  | 102,095,869,761 | 111,445,965,248      | 238,992,220,597      | 430,679,590,403      |
| Total assets                 | No. n.a.          | n.a.           | n.a.           | 228,055         | 239,757         | 256,076         | 258,470         | 247,570              | 282,963              | 315,796              |
|                              | \$ n.a.           | n.a.           | n.a.           | 191,975,896,557 | 200,897,780,212 | 259,525,524,881 | 324,674,210,549 | 346,857,543,739      | 749,593,261,806      | 1,041,168,861,958    |
| Trade creditors              | No. n.a.          | n.a.           | n.a.           | 100,369         | 103,832         | 108,088         | 109,509         | 104,076              | 85,244               | 77,230               |
|                              | \$ n.a.           | n.a.           | n.a.           | 7,795,815,760   | 8,895,442,500   | 9,325,470,613   | 10,943,817,836  | 10,346,919,462       | 10,218,111,491       | 9,736,885,776        |
| Current liabilities          | No. n.a.          | n.a.           | n.a.           | 201,113         | 210,188         | 224,460         | 226,975         | 222,178              | 250,193              | 272,395              |
|                              | \$ n.a.           | n.a.           | n.a.           | 71,454,125,080  | 79,213,874,314  | 94,922,710,397  | 112,068,984,991 | 119,246,142,524      | 161,863,910,962      | 187,257,188,558      |
| Total liabilities            | No. n.a.          | n.a.           | n.a.           | 219,676         | 229,679         | 245,413         | 247,783         | 238,620              | 270,587              | 295,586              |
|                              | \$ n.a.           | n.a.           | n.a.           | 130,077,898,200 | 144,713,670,876 | 182,103,602,907 | 217,799,270,787 | 228,840,571,482      | 330,481,041,393      | 372,363,296,795      |
| Proprietors' funds           | No. n.a.          | n.a.           | n.a.           | 219,233         | 229,558         | 245,009         | 247,333         | 235,650              | 274,043              | 303,923              |
|                              | \$ n.a.           | n.a.           | n.a.           | 61,287,888,460  | 52,187,439,006  | 73,749,719,796  | 111,271,850,115 | 144,887,642,611      | 420,292,226,391      | 656,383,288,868      |
| Total salary & wage expenses | No. 100,777       | 107,051        | 109,743        | 120,289         | 125,302         | 131,537         | 130,711         | 122,085              | 118,593              | 113,111              |
|                              | \$ 14,020,297,976 | 15,529,938,063 | 17,259,638,563 | 19,528,009,550  | 19,928,075,569  | 24,006,236,085  | 26,014,376,225  | 26,673,308,453       | 25,193,080,797       | 25,277,556,432       |
| Payments to related entities | No. 64,000        | 67,743         | 69,374         | 75,618          | 79,467          | 66,727          | 65,214          | 57,266               | 58,420               | 54,879               |
|                              | \$ 2,904,416,582  | 3,138,315,981  | 3,442,267,833  | 3,621,964,184   | 3,862,281,750   | 3,887,106,806   | 4,584,444,250   | 5,551,033,286        | 3,715,744,819        | 3,457,973,023        |
| Depreciable assets purchased | No. 80,623        | 85,427         | 84,935         | 91,821          | 95,057          | 94,342          | 92,501          | 83,238               | n.a.                 | n.a.                 |
|                              | \$ 3,451,683,986  | 4,097,198,121  | 4,638,768,433  | 5,067,799,115   | 5,393,059,959   | 6,733,520,159   | 6,766,401,554   | 6,375,138,270        | n.a.                 | n.a.                 |
| Depreciable assets sold      | No. 31,133        | 31,207         | 29,857         | 31,413          | 32,144          | 31,398          | 31,804          | 27,775               | n.a.                 | n.a.                 |
|                              | \$ 932,690,849    | 1,064,103,334  | 1,173,075,070  | 1,229,515,175   | 1,431,388,959   | 2,733,873,656   | 2,220,421,194   | 1,835,900,868        | n.a.                 | n.a.                 |
| Gross FPS income             | No. n.a.          | n.a.           | 14,103         | 15,382          | 18,622          | 18,733          | 18,230          | n.a.                 | n.a.                 | n.a.                 |
|                              | \$ n.a.           | n.a.           | 2,865,885,351  | 3,039,987,049   | 5,390,499,381   | 4,406,484,401   | 4,556,492,788   | n.a.                 | n.a.                 | n.a.                 |
| Total gross FPS income       | No. n.a.          | n.a.           | 325            | 510             | n.a.            | 1,697           | 1,567           | n.a.                 | n.a.                 | n.a.                 |
|                              | \$ n.a.           | n.a.           | 140,996,476    | 233,967,263     | n.a.            | 1,121,720,597   | 1,007,704,455   | n.a.                 | n.a.                 | n.a.                 |

**TABLE 6.4 Trust returns<sup>1</sup>. Selected items for income years 1993-94 to 2002-03**

| Selected items   | 1993-94 | 1994-95       | 1995-96       | 1996-97       | 1997-98       | 1998-99       | 1999-2000      | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|--|---------|---------------|---------------|---------------|---------------|---------------|----------------|----------------------|----------------------|----------------------|
| Intangible depreciating assets 1st deducted                | No.     | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | n.a.                 | 1,557                | 1,407                |
|  | \$      | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | n.a.                 | 73,266,774           | 82,173,001           |
| Other depreciating assets 1st deducted                     | No.     | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | n.a.                 | 64,234               | 63,003               |
|  | \$      | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | n.a.                 | 10,655,373,071       | 5,323,952,366        |
| Termination value – intangible dep assets                  | No.     | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | n.a.                 | 1,201                | 1,048                |
|  | \$      | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | n.a.                 | 82,813,361           | 83,262,086           |
| Termination value – other dep assets                       | No.     | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | n.a.                 | 40,036               | 34,265               |
|  | \$      | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | n.a.                 | 4,584,272,407        | 4,058,383,992        |
| Gross payments where ABN not quoted – PP                   | No.     | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | 21                   | 7                    | 11                   |
|  | \$      | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | 3,297,598            | 435,167              | 800,494              |
| Gross payments where ABN not quoted – NPP                  | No.     | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | 296                  | 132                  | 165                  |
|  | \$      | n.a.          | n.a.          | n.a.          | n.a.          | n.a.          | n.a.           | 33,033,654           | 23,364,921           | 38,569,911           |
| Assessable government industry payments – PPs <sup>5</sup> | No.     | n.a.          | n.a.          | n.a.          | 4,416         | 5,048         | 5,612          | 6,512                | 6,737                | 7,051                |
|  | \$      | n.a.          | n.a.          | n.a.          | 53,388,049    | 59,674,743    | 74,802,507     | 144,274,307          | 140,521,601          | 155,016,590          |
| Assessable government industry payments – NPP <sup>5</sup> | No.     | n.a.          | n.a.          | n.a.          | 2,911         | 2,648         | 2,625          | 6,067                | 6,423                | 7,232                |
|  | \$      | n.a.          | n.a.          | n.a.          | 143,633,987   | 199,792,340   | 236,056,415    | 944,369,312          | 1,041,023,037        | 1,144,654,036        |
| Interest expenses overseas                                 | No.     | 380           | 416           | 437           | 565           | 511           | 501            | 538                  | 529                  | 508                  |
|  | \$      | 41,456,663    | 52,576,190    | 69,005,504    | 45,726,908    | 116,988,743   | 102,153,499    | 51,745,741           | 50,088,344           | 51,243,008           |
| Royalty expenses overseas                                  | No.     | 63            | 63            | 53            | 64            | 63            | 59             | 78                   | 73                   | 63                   |
|  | \$      | 10,466,237    | 11,754,133    | 11,385,062    | 10,709,209    | 14,196,335    | 20,231,625     | 21,053,609           | 22,662,932           | 18,216,453           |
| Environment protection expenses                            | No.     | n.a.          | n.a.          | n.a.          | 165           | 180           | 136            | 123                  | 119                  | 131                  |
|  | \$      | n.a.          | n.a.          | n.a.          | 768,310       | 1,030,348     | 1,140,268      | 1,703,322            | 1,083,153            | 2,097,502            |
| Credit for interest on early payments                      | No.     | n.a.          | n.a.          | n.a.          | 27            | 26            | 24             | 46                   | 30                   | 43                   |
|  | \$      | n.a.          | n.a.          | n.a.          | 12,660        | 1,100         | 9,743          | 15,693               | 79,763               | 90,229               |
| Total prior year losses – PP                               | No.     | n.a.          | 4,937         | 6,110         | 6,904         | 6,882         | 6,911          | n.a.                 | n.a.                 | n.a.                 |
|  | \$      | n.a.          | 574,817,278   | 739,715,869   | 793,369,240   | 682,267,991   | 582,711,601    | n.a.                 | n.a.                 | n.a.                 |
| Total prior year losses – NPP                              | No.     | n.a.          | 44,328        | 54,065        | 64,172        | 60,020        | 57,838         | n.a.                 | n.a.                 | n.a.                 |
|  | \$      | n.a.          | 6,032,053,685 | 7,984,765,976 | 7,698,066,087 | 4,386,605,369 | 3,384,918,371  | n.a.                 | n.a.                 | n.a.                 |
| Capital losses applied                                     | No.     | 7,326         | 8,030         | 11,035        | n.a.          | n.a.          | n.a.           | n.a.                 | n.a.                 | n.a.                 |
|  | \$      | 247,030,195   | 279,442,184   | 316,179,677   | n.a.          | n.a.          | n.a.           | n.a.                 | n.a.                 | n.a.                 |
| Net capital losses carried forward                         | No.     | n.a.          | 8,620         | 15,424        | 21,515        | 32,014        | 30,977         | 35,452               | 42,752               | 49,028               |
|  | \$      | n.a.          | 1,105,647,725 | 2,107,846,524 | 3,425,591,804 | 5,368,897,848 | 5,569,861,467  | 6,327,865,175        | 13,504,737,102       | 34,525,275,411       |
| Net capital gains  | No.     | 25,488        | 23,507        | 31,591        | 50,807        | 53,009        | 62,074         | 64,661               | 62,314               | 49,529               |
|  | \$      | 1,664,667,672 | 1,222,528,652 | 2,646,872,194 | 6,757,953,617 | 5,463,230,302 | 11,005,468,065 | 7,281,925,937        | 5,529,924,899        | 4,751,244,831        |



**TABLE 6.4 Trust returns<sup>1</sup>. Selected items for income years 1993–94 to 2002–03**

| Selected items                               | 1993–94 | 1994–95   | 1995–96   | 1996–97   | 1997–98       | 1998–99       | 1999–2000      | 2000–01 <sup>2</sup> | 2001–02 <sup>2</sup> | 2002–03 <sup>3</sup> |
|--|---------|-----------|-----------|-----------|---------------|---------------|----------------|----------------------|----------------------|----------------------|
| Tax losses deducted                          | No.     | n.a.      | n.a.      | n.a.      | n.a.          | n.a.          | n.a.           | 41,926               | 48,382               | 44,223               |
|  | \$      | n.a.      | n.a.      | n.a.      | n.a.          | n.a.          | n.a.           | 1,865,028,978        | 2,150,015,155        | 1,924,339,763        |
| Tax losses carried forward                   | No.     | n.a.      | n.a.      | n.a.      | n.a.          | n.a.          | n.a.           | 69,894               | 79,275               | 77,410               |
|  | \$      | n.a.      | n.a.      | n.a.      | n.a.          | n.a.          | n.a.           | 10,720,753,951       | 11,461,976,339       | 12,126,572,969       |
| Land degradation expenses                    | No.     | 489       | 447       | 470       | 555           | 1,106         | 832            | 763                  | 741                  | 685                  |
|  | \$      | 4,825,077 | 4,739,087 | 7,027,655 | 5,177,952     | 20,531,827    | 18,207,468     | 21,040,950           | 16,352,347           | 15,647,651           |
| <b>SCHEDULE ITEMS<sup>6</sup></b>            |         |           |           |           |               |               |                |                      |                      |                      |
| Total capital gains                          | No.     | n.a.      | n.a.      | n.a.      | 49,057        | 61,978        | 74,576         | 45,821               | 46,941               | 41,856               |
|  | \$      | n.a.      | n.a.      | n.a.      | 4,148,018,962 | 9,695,822,408 | 10,783,961,367 | 20,991,706,346       | 22,793,581,763       | 16,379,056,955       |
| Total capital losses of current year applied | No.     | n.a.      | n.a.      | n.a.      | 11,936        | 14,575        | 18,466         | 23,537               | 13,436               | 12,121               |
|  | \$      | n.a.      | n.a.      | n.a.      | 474,573,824   | 642,319,469   | 2,220,719,402  | 3,384,621,185        | 8,251,338,807        | 7,524,958,054        |
| Net capital losses of prior years applied    | No.     | n.a.      | n.a.      | n.a.      | 7,289         | 7,659         | 8,529          | 4,736                | 5,968                | 5,395                |
|  | \$      | n.a.      | n.a.      | n.a.      | 254,498,030   | 224,420,265   | 267,067,756    | 371,402,592          | 458,508,052          | 399,929,524          |

**Notes:**

\* Please refer to the 'Trust returns' chapter and the *Taxation Statistics 2002–03* glossary for descriptions of the items reported in the table. The glossary is included in the online version of *Taxation Statistics 2002–03* on the Tax Office website. It is also included on the *Taxation Statistics 2002–03* CD-ROM.

\* The symbol 'n.a.' used in this publication means not applicable or not available in order to meet privacy regulations, the following measures have been applied.

(a) Number indicators showing values of 1 to 4 have been replaced by 5. Hence, in the detailed tables, any cell containing a number indicator (that is, number of returns or taxpayers) of 5 is indicative only and may represent any number between 1 and 5. Number (No.) totals are the sum of the indicated cell values in a table. Number indicators and totals may vary between tables.

(b) Amount totals are the sum of the indicated cell values in a table. Amounts and totals may vary between tables.

(c) Statistics for some items may not be included in some tables.

1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website

2 The 2000–2001 and 2001–02 income year statistics reported in this table may not match the statistics reported in previous editions of *Taxation Statistics* because the statistics for these income years have been updated in this edition.

3 The statistics for the 2002–03 income year were sourced from 2003 trust income tax returns and 2003 capital gains tax schedules processed by 31 October 2004. The statistics are not necessarily complete. Therefore, caution should be exercised in making comparisons between the statistics for the 2002–03 and prior income years. For further information please refer to the 'Source of trust statistics' section in the 'Trust returns' chapter of *Taxation Statistics 2002–03*.

4 The drought investment allowance ended on 30 June 2001. However, this expense can be claimed retrospectively. That is, expenses relating to the drought investment allowance can be claimed in the 2002–03 income year for expenditure incurred in prior income years.

5 In 2000–01 the diesel fuel rebate scheme was extended to provide the full rebate to rail transport and marine transport and to cover the use of other like fuels. The diesel and alternative fuels grants scheme was also introduced, under which grants are provided for the on-road use of fuel by businesses and other entities. As both diesel fuel rebates and diesel and alternative fuel grants are declared under the assessable government industry payments labels on the 2001 and the 2002 trust income tax returns, assessable government industry payments in 2000–01 and 2002–03 are significantly higher compared to assessable government industry payments in income years before 2000–01.

6 Statistics for the schedule items for income years before 2000–01 were sourced from past trust tax returns. From 2000–01 onwards, the statistics are sourced from the capital gains tax (CGT) schedule. Not all trusts are required to complete and submit this schedule along with their return. Hence, the schedule item statistics for 2000–01 and 2002–03 only refer to represent trusts that completed these schedules and whose schedules were processed by 31 October 2003.

**HIGHLIGHTS**

- In 2002–03, 229,458 funds lodged tax returns and reported total income of \$54.7 billion.
- Funds were liable for \$5.4 billion in net tax.
- Self managed superannuation funds accounted for 95% of the total number of funds.

The superannuation and life insurance industries play an important role in providing retirement income. Superannuation funds hold contributions in trust for members and invest these contributions to provide retirement benefits for their members.

Superannuation funds are run by trustees who act on behalf of fund members. Trustees are authorised to deposit accumulated member funds into a broad range of investments such as shares, property, government bonds and cash deposits. While trustees can use the services of professional fund managers, they remain fully responsible for a fund's operations and ensuring that it follows government rules.

The superannuation funds industry is regulated through numerous parliamentary Acts. Supervision of funds is the responsibility of the Australian Prudential Regulation Authority (APRA), the Australian Securities and Investments Commission (ASIC) and the Tax Office. Superannuation funds that comply with conditions specified in the *Superannuation Industry (Supervision) Act 1993* are eligible for concessional tax treatment. Non-regulated or otherwise non-complying funds are not eligible for these tax concessions.

Funds self-assess their final tax liability for an income year and specify their taxable income and the amount of tax payable on the annual fund income tax return.

Under the **PAYG instalments system**, funds are required to lodge a quarterly activity statement (a *Business activity statement* or an *Instalment activity statement*). This requires funds to report PAYG instalment obligations and pay instalments of their total tax liability. The amount paid is based on either a rate or amount determined from the last return lodged. PAYG instalments for the year are credited against the calculated tax payable on a fund's annual income tax return to determine whether the fund owes more tax or is owed a refund. This is the final balance for the income year.

For the 2002–03 income year, 117,614 (51% of total funds) paid \$3.8 billion in instalment payments (which included paid or payable PAYG instalments and other interim payments). Statistics on instalments paid by funds for the 2002–03 income year are reported in funds detailed table 2 part A, table 4 part A and table 6 part A.

**BOX 7.1: PAYG instalments for superannuation funds**

The pay as you go (PAYG) instalment system is a system for paying instalments toward the expected tax liability on a fund's business and investment income for the current income year. The system became effective for most taxpayers from the 2000–01 income year. For funds, PAYG instalments replaced the superannuation fund tax instalment system.

**SOURCE OF FUND STATISTICS**

The data for *Taxation Statistics 2002–03* was compiled before all processing for the 2002–03 income year was completed. Statistics in this chapter are sourced from the 2003 fund income tax returns processed by 31 October 2004. The statistics are not necessarily complete and will continue to change as data from 2003 tax returns processed after 31 October 2004 is included. The usual practice each year is to update the statistics for the two years before the current year in the fund tax time series table included at the end of the chapter.

The proportion of tax returns processed each year by 31 October can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2002–03 income year statistics and statistics from previous years will be possible when *Taxation Statistics 2003–04* is published. In that edition, the 2002–03 income year statistics will include data from returns and amendments processed up to 31 October 2005.

Superannuation fund tax returns were lodged either electronically or in paper form. A copy of the return is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

Statistics for most of the items shown on the return are included in the detailed tables on the attached CD-ROM and in the online version of this publication on the website.

**NEW FEATURES AND INFORMATION**

No significant tax reforms or laws were implemented during the 2002–03 income year which affected the statistics.

Fund tax rates applying for the 2002–03 income year are shown in table 7.1.

**TABLE 7.1: Superannuation fund tax rates, 2002–03 income year**

| Type of fund  | Tax rate % |
|---|------------|
| <b>Complying superannuation fund</b>  |            |
| Assessed on income, including realised capital gains and taxable contributions                                      | 15         |
| Assessed on non-arm's length income, private company dividends and certain trust distributions                      | 47         |
| <b>Non-complying superannuation fund</b>  |            |
| Assessed on income, including realised capital gains and taxable contributions                                      | 47         |
| <b>Complying approved deposit fund</b>  |            |
| Assessed on income, including realised capital gains and taxable contributions                                      | 15         |
| Assessed on non-arm's length income, private company dividends and certain trust distributions                      | 47         |
| <b>Non-complying approved deposit fund</b>  |            |
| Assessed on income, including realised capital gains and taxable contributions                                      | 47         |
| <b>Pooled superannuation trust</b>  |            |
| Assessed on income, including realised capital gains and any taxable contributions transferred from investing funds | 15         |
| Assessed on non-arm's length income, private company dividends and certain trust distributions                      | 47         |

**BOX 7.2: Fund types/status<sup>1</sup>**

**Superannuation fund:** generally, a trust fund established primarily to provide benefits to members or their dependants on retirement, resignation, death or disablement. A superannuation fund is usually governed by a trust deed and administered by trustees. A fund that complies with the *Superannuation Industry (Supervision) Act 1993* legislative requirements is said to be complying and is eligible for tax concessions. If it does not, tax concessions do not apply.

**Approved deposit fund:** created as a rollover vehicle into which a member can roll over superannuation benefits to retain them in the superannuation system. An approved deposit fund can accept:

- rollovers of eligible termination payments
- a shortfall component of the superannuation guarantee charge redistributed by the Tax Office
- rollovers of benefits (other than a pension) of 'lost' superannuation fund members.

An approved deposit fund cannot accept employer or member superannuation contributions and is taxed basically in the same way as a complying superannuation fund.

**Complying superannuation fund:** for a fund to be considered a complying superannuation fund for the purposes of the *Income Tax Assessment Act 1936* and receive concessional tax treatment, it must obtain a notice from either APRA or the Tax Office under the *Superannuation Industry (Supervision) Act 1993* that it is a complying fund. To obtain a compliance notice under the *Superannuation Industry (Supervision) Act 1993*, a fund must be a 'resident regulated superannuation fund' as defined during the income year it was in existence (or be a resident approved deposit fund for part of the year). It must also comply with the relevant regulatory provisions. To be a 'regulated superannuation fund', the fund trustee must elect for the *Superannuation Industry (Supervision) Act 1993* to apply to the fund and provide the election in the approved form to the Tax Office. Further, the governing rules of the fund must require either an Australian corporate trustee or provide that the sole or primary purpose of the fund is to provide old age pensions.

A superannuation fund is taxed as a 'complying superannuation fund' if it has received a notice of compliance from APRA or the Tax Office. A complying fund's assessable income is determined as though the trustee were a taxpayer and a resident. Taxable income is divided into two components:

- standard component, and
- special component.

The standard component is taxed at the concessional rate of 15%, while the special component is taxed at 47%. The special component comprises the 'special income' of the fund (usually private company dividends, non-arm's length income and certain distributions from trusts).

**Life insurance companies:** companies that are registered under the *Life Insurance Act 1995*. Life companies (except for friendly societies) cannot offer superannuation directly, but can issue life insurance policies to the trustee of a complying superannuation fund, the trustee of a complying approved deposit fund, or the trustee of a pooled superannuation trust.

**Pooled superannuation trust:** a resident unit trust that operates as an investment vehicle for superannuation funds or approved deposit funds or other pooled superannuation trusts. A pooled superannuation trust can accept deposits only from a regulated superannuation fund, approved deposit fund or another pooled superannuation trust. The investment income of this trust is taxed at concessional rates.

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide full technical or legal definitions.

## FUND TAXPAYERS

Broadly, the fund taxpayer population is divided into two categories: non-regulated funds and regulated funds. Only regulated funds (as defined under the *Superannuation Industry (Supervision) Act 1993*) qualify as complying superannuation funds for tax purposes and receive tax concessions.

Regulated funds can be one of six types: self managed superannuation funds, small APRA funds, corporate or employer-sponsored funds, or industry, retail or public sector funds.

Most funds with fewer than five members are **self managed superannuation funds**. Small APRA funds are those small funds (with less than five members) regulated by APRA. Corporate, industry, retail and public sector funds are superannuation funds with more than four members, and may be either public offer or non-public offer. They are generally established for the benefit of employees of a sponsoring

employer. In this chapter they have been aggregated into a category called 'large fund types'.

There is little distinction between the different types of funds for tax purposes, although special tax rules may apply to public sector funds.

In 2002–03 a total of 229,458 funds lodged returns in Australia (table 7.2). This represents an increase of 9% on the previous year.

Self managed superannuation funds were the most common type of fund in 2003–04, accounting for 95% of total funds at 31 October 2004. Self managed funds continue to show high growth rates and have increased from 198,137 in 2001–02 to 217,603 in 2002–03, an increase of 10%. The next most common type of funds were small APRA funds, accounting for 4%, with large fund types accounting for only 1% of funds.

**TABLE 7.2: Fund type<sup>1</sup>, by total income, 2002–03 income year**

| Fund type                        | No.            | Funds          |               |                       |
|----------------------------------|----------------|----------------|---------------|-----------------------|
|                                  |                | % <sup>3</sup> | Income \$m    | Income % <sup>3</sup> |
| Self managed superannuation fund | 217,603        | 94.8           | 9,975         | 18.2                  |
| Small APRA fund                  | 8,296          | 3.6            | 270           | 0.5                   |
| Large fund types <sup>2</sup>    | 1,920          | 0.8            | 41,719        | 76.3                  |
| Non-regulated fund               | 802            | 0.3            | 2,722         | 5.0                   |
| Other                            | 837            | 0.4            | 22            | 0.0                   |
| <b>Total</b>                     | <b>229,458</b> | <b>100.0</b>   | <b>54,709</b> | <b>100.0</b>          |

1 Includes superannuation funds, approved deposit funds and pooled superannuation trusts.

2 The term 'large fund types' refers to the aggregated category of funds which include corporate, industry, retail and public sector superannuation funds with more than four members, generally established for the benefit of employees of a sponsoring employer. This term should not be confused with 'large funds' (discussed in a later section) which refers to funds with income greater than \$100 million.

3 A share of 0.0% indicates a share of less than 0.5%

**FUNDS, BY INDUSTRY CLASSIFICATION**

The industry in which most members of a fund are employed determines the industry classification of the fund. Funds self-classify their industry each year on the fund tax return.

In 2002–03, 57% of funds classified themselves in the finance, insurance, real estate and business services industry, followed by 9% of funds in the wholesale and retail trade industry (table 7.3).

**TABLE 7.3: Fund<sup>1</sup> industry classification, by total income, 2002–03 income year**

| Industry <sup>2</sup>  | Funds          |              |               |              |
|--|----------------|--------------|---------------|--------------|
|  | No.            | %            | Income \$m    | Income %     |
| Finance, insurance, real estate & business services                | 131,443        | 57.3         | 20,360        | 37.2         |
| Wholesale & retail trade   | 21,658         | 9.4          | 3,664         | 6.7          |
| Health & education & welfare & community services                  | 17,937         | 7.8          | 5,642         | 10.3         |
| Building & construction  | 17,876         | 7.8          | 2,024         | 3.7          |
| Primary production   | 13,682         | 6.0          | 800           | 1.5          |
| Manufacturing  | 8,028          | 3.5          | 6,090         | 11.1         |
| Entertainment, recreation, hotels, personal services & restaurants | 7,957          | 3.5          | 1,267         | 2.3          |
| Transport, storage & communications                                | 6,639          | 2.9          | 2,583         | 4.7          |
| Mining   | 1,539          | 0.7          | 991           | 1.8          |
| Electricity, gas & water   | 1,177          | 0.5          | 947           | 1.7          |
| Government   | 664            | 0.3          | 7,945         | 14.5         |
| Other <sup>3</sup>   | 858            | 0.4          | 2,396         | 4.4          |
| <b>Total</b>   | <b>229,458</b> | <b>100.0</b> | <b>54,709</b> | <b>100.0</b> |

1 Includes superannuation funds, approved deposit funds and pooled superannuation trusts.

2 Fund industry groupings are different from the Australian and New Zealand Standard Industry Classification (ANZSIC) industry groupings used by other entities. Only superannuation funds need to specify their industry classification on the fund income tax return.

3 Includes those funds that nominate 'other' on their tax return, approved deposit funds and pooled superannuation trusts.

## FUND INCOME

### BOX 7.3: Fund size, by total income

For the purposes of this chapter:

- **loss/nil funds** have a total income less than or equal to \$0
- **micro funds** have a total income greater than or equal to \$1 but less than \$2 million
- **small funds** have a total income greater than or equal to \$2 million but less than \$10 million
- **medium funds** have a total income between \$10 million and \$100 million (inclusive), and
- **large funds<sup>1</sup>** have a total income greater than \$100 million.

1 The term 'large funds' should not be confused with the term 'large fund types' used in other parts of this chapter. 'Large fund types' refer to an aggregated category of superannuation funds that include corporate, industry, retail and public sector superannuation funds with more than four members, generally established for the benefit of employees of a sponsoring employer. 'Large fund types' may be classified as 'loss/nil', 'micro', 'small', 'medium' or 'large' funds depending on their total income for the income year.

In 2002–03, 97% of funds were **micro funds** (table 7.4). **Small, medium and large funds** accounted for less than 1% of the total number of funds, while less than 3% were funds with total income equal to or less than \$0.

**TABLE 7.4: Funds<sup>1</sup>, by size, 2002–03 income year**

| Fund size    | Funds <sup>1</sup> |                |
|--------------|--------------------|----------------|
|              | No.                | % <sup>2</sup> |
| Loss/nil     | 6,564              | 2.9            |
| Micro        | 222,179            | 96.8           |
| Small        | 360                | 0.2            |
| Medium       | 264                | 0.1            |
| Large        | 91                 | 0.0            |
| <b>Total</b> | <b>229,458</b>     | <b>100.0</b>   |

1 Includes superannuation funds, approved deposit funds and pooled superannuation trusts.  
2 A share of 0.0% indicates a share of less than 0.05%.

Funds reported total income of \$54.7 billion. Although medium and large funds accounted for less than 1% of funds, they accounted for 16% (\$8.8 billion) and 62% (\$33.6 billion) of total fund income respectively (table 7.5). Micro funds, which accounted for the majority of funds, accounted for 20% of total fund income.

Contributions from employers were the main source of income for all funds, accounting for 58% of total fund income. Distributions from trusts were the second main source of income for all funds, accounting for 11% of total fund income.

**TABLE 7.5: Fund income, by source and fund size, 2002–03 income year**

| Source of income <sup>1</sup>       | Loss/Nil         | Micro            | Small            | Medium           | Large            | Total            |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                                     | \$m <sup>2</sup> | \$m <sup>2</sup> | \$m <sup>2</sup> | \$m <sup>2</sup> | \$m <sup>2</sup> | \$m <sup>2</sup> |
| Employer contributions              | 0                | 4,424            | 990              | 5,289            | 21,209           | 31,913           |
| Distribution from trusts            | 0                | 1,245            | 242              | 1,526            | 2,953            | 5,967            |
| Gross interest                      | 0                | 1,013            | 75               | 299              | 1,480            | 2,867            |
| Dividends franked                   | 0                | 1,030            | 56               | 224              | 1,351            | 2,661            |
| Net foreign income                  | 0                | 139              | 65               | 562              | 1,657            | 2,423            |
| Employee contributions              | 0                | 670              | 57               | 222              | 786              | 1,735            |
| Imputation credits                  | 0                | 440              | 24               | 104              | 582              | 1,149            |
| Gross rents                         | 0                | 724              | 10               | 21               | 368              | 1,122            |
| Net capital gains                   | 0                | 620              | 73               | 150              | 265              | 1,109            |
| Dividends unfranked                 | 0                | 125              | 11               | 60               | 270              | 466              |
| Distribution from partnerships      | -1               | 27               | 0                | 2                | 38               | 66               |
| Net non-arm's length income         | 0                | 2                | 1                | 15               | 0                | 18               |
| Gross payments where ABN not quoted | 0                | 0                | 0                | 0                | 0                | 0                |
| Net previous income                 | 0                | 0                | 0                | 0                | 0                | 0                |
| Other income                        | 0                | 187              | 60               | 287              | 2,678            | 3,211            |
| <b>Total<sup>3</sup></b>            | <b>0</b>         | <b>10,647</b>    | <b>1,664</b>     | <b>8,761</b>     | <b>33,637</b>    | <b>54,709</b>    |

1 Definitions of items are in the fund tax return guide form on the attached CD-ROM.

2 Zero amounts may indicate an amount of \$0 or amounts less than \$500,000.

3 Total amount may not equal the sum of components due to rounding.

## FUND DEDUCTIONS

In 2002–03 funds claimed total deductions of \$17.3 billion. Large funds accounted for 75% (\$13.1 billion) of total deductions, followed by micro (11%) and medium funds (11%).

Table 7.6 shows that 41% (\$7.1 billion) of deductions related to the transfer of taxable contributions. (These amounts are included in the assessable income of life insurance companies.) A further 19% (\$3.3 billion) related to exempt current pension income.

For medium and large funds, deductions relating to the transfer of taxable contributions accounted for the largest share of their respective total expenses. This type of deduction accounted for 50% (\$6.6 billion) of total large fund deductions and 24% (\$457 million) of total medium fund deductions. For small funds, management/administration expenses accounted for the largest share (25% or \$82 million) of total small fund deductions, while for micro funds, exempt current pension income accounted for the largest share (45% or \$885 million) of total micro fund deductions.

**TABLE 7.6: Fund deductions, by deduction and fund size, 2002–03 income year**

| Deductions <sup>1</sup>            | Loss/nil<br>\$m <sup>2</sup> | Micro<br>\$m <sup>2</sup> | Small<br>\$m <sup>2</sup> | Medium<br>\$m <sup>2</sup> | Large<br>\$m <sup>2</sup> | Total<br>\$m <sup>2</sup> |
|------------------------------------|------------------------------|---------------------------|---------------------------|----------------------------|---------------------------|---------------------------|
| Transfer of taxable contributions  | 0                            | 10                        | 28                        | 457                        | 6,573                     | 7,067                     |
| Exempt current pension income      | 0                            | 885                       | 64                        | 374                        | 1,981                     | 3,304                     |
| Group life & disability premiums   | 0                            | 84                        | 49                        | 316                        | 1,531                     | 1,980                     |
| Management/administration expenses | 2                            | 385                       | 82                        | 363                        | 724                       | 1,557                     |
| Investment expenses                | 0                            | 164                       | 31                        | 70                         | 698                       | 964                       |
| Depreciation deducted              | 0                            | 46                        | 0                         | 2                          | 40                        | 88                        |
| Losses recouped <sup>3</sup>       | 0                            | 29                        | 16                        | 25                         | 3                         | 74                        |
| Salary & wage expenses             | 0                            | 3                         | 1                         | 7                          | 35                        | 46                        |
| Capital works deduction            | 0                            | 16                        | 0                         | 1                          | 12                        | 30                        |
| Interest expenses – Australia      | 0                            | 12                        | 0                         | 0                          | 0                         | 12                        |
| Exempt section S290A income        | 0                            | 3                         | 0                         | 0                          | 0                         | 3                         |
| Interest expenses – overseas       | 0                            | 0                         | 0                         | 0                          | 0                         | 0                         |
| Other deductions                   | 1                            | 342                       | 62                        | 317                        | 1,455                     | 2,178                     |
| <b>Total<sup>4</sup></b>           | <b>3</b>                     | <b>1,980</b>              | <b>334</b>                | <b>1,934</b>               | <b>13,052</b>             | <b>17,303</b>             |

1 Definitions of items are in the fund tax return guide form on the attached CD-ROM.

2 Zero amounts may indicate an amount of \$0 or amounts less than \$500,000.

3 Also referred to as 'tax losses deducted'.

4 Total amount may not equal the sum of components due to rounding.

## NET TAX PAYABLE

### BOX 7.4: Calculating fund net tax payable<sup>1</sup>

For funds, **net tax payable** is calculated by subtracting foreign tax credits and rebates or tax offsets from gross tax.

Other credits (credit for interest on early payments – amount of interest, credit for tax withheld where ABN not quoted and other credits) and fund instalments paid are subtracted from the sum of net tax payable and section 102AAM interest to work out the **balance payable or refundable credit**.<sup>2</sup>

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide full technical or legal definitions. More information on the items mentioned in this box is available in the tax return guide form or the *Fund income tax and regulatory return instructions 2003* booklet on the attached CD-ROM. There is more information on how net tax payable is calculated in the instruction booklet.

<sup>2</sup> Refers to the 'total amount of tax payable or refundable' item (label S) on the 'Calculation statement' section on page 2 of the 2003 fund tax return form. There is more information on how the balance payable or refundable is calculated in the fund return form (page 2) and the instruction booklet.

In 2002–03, 86% (196,750) of funds were liable for \$5.4 billion in net tax (table 7.7).

Large fund types (corporate, industry, retail and public sector funds) accounted for 70% (\$3.8 billion) of net tax payable by funds with a tax liability, despite accounting for only 1% of such funds. Self managed funds accounted for 96% (188,314) of these funds but were liable for only 23% (\$1.2 billion) of net tax.

**TABLE 7.7: Net tax, by type of fund<sup>1</sup>, 2002–03 income year**

| Type of fund                     | Funds liable for net tax <sup>1</sup> |            | Net tax      |            |
|----------------------------------|---------------------------------------|------------|--------------|------------|
|                                  | No.                                   | %          | \$m          | %          |
| Large fund types <sup>2</sup>    | 1,644                                 | 1          | 3,776        | 70         |
| Self managed superannuation fund | 188,314                               | 96         | 1,211        | 23         |
| Small APRA fund                  | 5,693                                 | 3          | 26           | 0          |
| Non-regulated fund               | 429                                   | 0          | 6            | 0          |
| Other                            | 670                                   | 0          | 350          | 7          |
| <b>Total<sup>3</sup></b>         | <b>196,750</b>                        | <b>100</b> | <b>5,370</b> | <b>100</b> |

<sup>1</sup> Includes superannuation funds, approved deposit funds and pooled superannuation trusts.

<sup>2</sup> 'Large fund types' in this table refers to the aggregated category that includes corporate, industry, retail and public sector funds. In this table it does not refer to funds with total income greater than \$100 million as referred to in table 7.4, 7.5 and 7.6 in the previous two sections.

<sup>3</sup> Total amount may not equal the sum of components due to rounding.

## DETAILED TABLES

The following fund tax detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

The 'items' referred to in the detailed tables are items declared on the 2003 fund tax return. A copy of the return is in the appendix.

To find out whether a particular item is included in a detailed table, refer to the **fund tax detailed tables index** included on the attached CD-ROM and in the online version of this publication. (The index can be viewed or downloaded only in Adobe Acrobat (PDF) or Microsoft Excel (XLS) file format.) The table index lists the different items shown in the detailed tables and specifies in which tables they appear.


### Table 1: Selected items, by net tax and fund status, 2002–03 income year

This table shows the number, taxable income and net tax of different types of funds (superannuation fund, approved deposit fund and pooled superannuation trust) ranged by different grades of net tax. The number, taxable income and net tax of taxable and non-taxable funds are also reported.

### Table 2: Selected items, by fund status and membership industry classification, 2002–03 income year

This table shows the number of records and amounts for items funds declare on their fund tax return. Funds (and the data) are classified by status (superannuation fund, approved deposit fund and pooled superannuation trust). Superannuation funds (and the data referring to superannuation funds) are further classified by membership industry classification.

- **Part A: Calculation statement items** – contains labels from item 8 'Calculation statement' on page 2 of the fund tax return.
- **Part B: Income items** – contains income labels from item 9 on page 3 of the fund tax return.
- **Part C: Expense items and losses information** – contains expense labels from item 9 and labels from item 10 'Losses information' on page 4 of the fund tax return.
- **Part D: Other information** – contains labels from item 11 'Other information' on page 4 of the fund tax return.

 In order to meet privacy regulations, statistics for some items may not be included in the tables.



**Table 3: Selected items for income years 1993–94 to 2002–03**

This table shows selected items from the fund tax return for income years 1993–94 to 2001–02. The number of records and amounts for most items are shown.

This table is also available at the back of the chapter (see table 7.8).

**Table 4: Selected items, by taxable income, 2002–03 income year**

This table shows the number of records and amounts for items funds declare on their fund tax return. Funds (and the data) are ranged by different grades of taxable income.

- **Part A: Calculation statement items** – contains labels from item 8 ‘Calculation statement’ on page 2 of the fund tax return.
- **Part B: Income items** – contains income labels from item 9 on page 3 of the fund tax return.
- **Part C: Expense items and losses information** – contains expense labels from item 9 and labels from item 10 ‘Losses information’ on page 4 of the fund tax return.
- **Part D: Other information** – contains labels from item 11 ‘Other information’ on page 4 of the fund tax return.

⚠ In order to meet privacy regulations, statistics for some items may not be included in the tables.

**Table 5: Number of funds and net tax, by balance date, 2002–03 income year**

This table shows the number of funds, the number of funds with net tax payable and the amounts of their respective net tax by different balance dates.

**Table 6: Selected items, by total income, 2002–03 income year**

This table shows the number of records and amounts for items funds declare on their fund tax return. Funds (and the data) are ranged by different grades of total income.

- **Part A: Calculation statement items** – contains labels from item 8 ‘Calculation statement’ on page 2 of the fund tax return.
- **Part B: Income items** – contains income labels from item 9 on page 3 of the fund tax return.
- **Part C: Expense items and losses information** – contains expense labels from item 9 and labels from item 10 ‘Losses information’ on page 4 of the fund tax return.
- **Part D: Other information** – contains labels from item 11 ‘Other information’ on page 4 of the fund tax return.

⚠ In order to meet privacy regulations, statistics for some items may not be included in the tables.

#### TIME SERIES TABLE

Table 7.8 shows selected items from fund returns for income years 1993–94 to 2002–03. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as fund tax detailed table 3. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

TABLE 7.8: Fund tax.<sup>1</sup> Selected items for income years 1993-94 to 2002-03

| Selected items                        | 1993-94           | 1994-95        | 1995-96        | 1996-97        | 1997-98        | 1998-99        | 1999-2000      | 2000-01 <sup>2</sup> | 2001-02 <sup>2</sup> | 2002-03 <sup>3</sup> |
|---------------------------------------|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------|----------------------|----------------------|
| Number of funds                       | No. 98,392        | 110,166        | 127,537        | 147,481        | 162,935        | 186,102        | 203,245        | 212,337              | 223,383              | 229,458              |
| Net capital gains                     | No. 16,860        | 14,359         | 24,138         | 37,940         | 48,461         | 57,812         | 69,407         | 83,882               | 78,735               | 56,070               |
|                                       | \$ 3,494,117,988  | 1,335,975,161  | 2,266,293,593  | 4,131,155,851  | 8,711,033,830  | 7,065,802,679  | 7,880,116,516  | 5,704,350,712        | 2,957,175,119        | 1,109,021,577        |
| Gross rents                           | No. 13,069        | 14,741         | 16,390         | 19,069         | 23,515         | 27,243         | 29,567         | 30,603               | 31,561               | 32,828               |
|                                       | \$ 500,123,817    | 696,610,559    | 770,734,226    | 855,500,595    | 829,439,906    | 815,605,102    | 859,158,981    | 915,210,986          | 1,019,045,394        | 1,122,409,299        |
| Gross interest                        | No. 76,988        | 87,342         | 113,547        | 124,810        | 136,620        | 156,148        | 172,981        | 181,588              | 189,010              | 195,243              |
|                                       | \$ 2,209,458,482  | 2,638,267,023  | 3,262,590,716  | 3,295,416,794  | 2,805,888,085  | 3,058,974,328  | 3,294,888,248  | 3,820,978,825        | 2,977,576,972        | 2,867,168,284        |
| Dividends unfranked                   | No. n.a.          | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 89,335               | 99,027               |
|                                       | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 415,080,314          | 466,400,928          |
| Dividends franked                     | No. n.a.          | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.                 | 141,906              | 143,713              |
|                                       | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 2,889,722,638        | 2,503,100,829        | 2,661,069,283        |
| Gross dividends                       | No. 34,401        | 42,136         | 71,152         | 68,731         | 89,839         | 106,801        | 128,756        | 48                   | n.a.                 | n.a.                 |
|                                       | \$ 1,702,275,857  | 2,235,629,768  | 2,911,312,068  | 3,166,732,173  | 3,421,504,995  | 3,781,919,138  | 3,990,022,904  | 695,724              | n.a.                 | n.a.                 |
| Imputation credit                     | No. n.a.          | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 135,033              | 141,956              | 143,736              |
|                                       | \$ n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | n.a.           | 1,437,315,052        | 1,046,463,166        | 1,149,139,237        |
| Net foreign income                    | No. 9,170         | 9,607          | 14,503         | 19,693         | 24,632         | 32,106         | 43,746         | 60,449               | 73,463               | 81,850               |
|                                       | \$ 657,002,568    | 505,185,420    | 737,783,117    | 957,638,601    | 1,973,904,009  | 1,425,522,373  | 1,059,493,643  | 1,257,533,197        | 1,689,968,000        | 2,422,517,584        |
| Gross taxable employer contributions  | No. 70,338        | 80,152         | 101,226        | 106,733        | 116,296        | 128,006        | 134,466        | 133,604              | 136,147              | 137,006              |
|                                       | \$ 10,762,562,439 | 11,480,951,606 | 15,156,537,391 | 16,412,194,771 | 17,197,950,497 | 20,072,459,660 | 22,955,354,124 | 24,993,061,204       | 27,968,626,123       | 31,913,093,908       |
| Gross taxable employee contributions  | No. 7,108         | 8,828          | 11,904         | 13,491         | 15,494         | 17,506         | 18,040         | 17,946               | 19,511               | 20,564               |
|                                       | \$ 1,109,500,577  | 970,024,824    | 1,209,024,050  | 1,214,466,692  | 1,449,130,230  | 1,898,720,136  | 1,727,081,000  | 1,804,546,758        | 2,120,777,007        | 1,735,157,265        |
| S288A & 288B net previous income      | No. n.a.          | n.a.           | 164            | 16             | 9              | 39             | 12             | 6                    | 13                   | 7                    |
|                                       | \$ n.a.           | n.a.           | 1,235,803      | 153,303        | 14,356         | 6,881,308      | 78,146         | 45,702               | 213,117              | 56,592               |
| Gross distributions from partnerships | No. n.a.          | n.a.           | n.a.           | 1,337          | 1,229          | 1,446          | 1,695          | 1,851                | 2,112                | 2,304                |
|                                       | \$ n.a.           | n.a.           | n.a.           | 27,417,646     | 29,603,684     | 51,152,006     | 72,300,693     | 68,191,830           | 114,859,943          | 66,393,045           |
| Gross distributions from trusts       | No. n.a.          | n.a.           | n.a.           | 38,229         | 57,332         | 74,182         | 89,153         | 103,070              | 110,747              | 113,850              |
|                                       | \$ n.a.           | n.a.           | n.a.           | 1,281,455,846  | 2,030,223,175  | 2,441,877,434  | 2,958,172,071  | 3,728,216,649        | 4,412,117,417        | 5,966,574,070        |
| Other income                          | No. 11,615        | 9,120          | 18,835         | 21,916         | 19,206         | 22,987         | 28,023         | 29,343               | 36,836               | 28,836               |
|                                       | \$ 1,027,067,830  | 793,017,500    | 1,923,540,655  | 1,747,027,667  | 1,462,286,270  | 8,088,160,822  | 1,296,660,330  | 2,061,488,671        | 2,548,011,173        | 3,211,203,204        |
| Total income                          | \$ 21,551,361,747 | 20,852,992,058 | 28,580,955,386 | 33,945,895,490 | 41,689,037,779 | 50,944,759,054 | 49,944,575,425 | 49,439,063,072       | 49,778,293,256       | 54,708,617,690       |

**TABLE 7.8: Fund tax.<sup>1</sup> Selected items for income years 1993–94 to 2002–03**

| Selected items                       | 1993–94                        | 1994–95                 | 1995–96                  | 1996–97                  | 1997–98                  | 1998–99                   | 1999–2000                | 2000–01 <sup>2</sup>     | 2001–02 <sup>2</sup>     | 2002–03 <sup>3</sup>    |
|--------------------------------------|--------------------------------|-------------------------|--------------------------|--------------------------|--------------------------|---------------------------|--------------------------|--------------------------|--------------------------|-------------------------|
| Interest expenses within Australia   | No. 3,702<br>\$ 9,693,180      | 3,771<br>2,681,017      | 4,785<br>7,163,745       | 5,340<br>4,598,713       | 6,100<br>5,535,213       | 5,539<br>4,546,465        | 5,497<br>6,853,435       | 6,936<br>6,796,050       | 8,579<br>11,489,064      | 8,687<br>11,788,409     |
| Interest expenses overseas           | No. 111<br>\$ 703,505          | 119<br>31,226,813       | 77<br>1,560,483          | 35<br>52,111             | 81<br>63,553             | 103<br>200,721            | 168<br>1,825,213         | 98<br>293,466            | 86<br>141,963            | 89<br>81,725            |
| Total salary & wage expenses         | No. n.a.<br>\$ n.a.            | n.a.<br>n.a.            | n.a.<br>n.a.             | 362<br>20,453,562        | 156<br>17,050,821        | 150<br>18,877,438         | 163<br>24,858,632        | 154<br>25,411,867        | 158<br>46,687,938        | 142<br>45,834,510       |
| Other deductions                     | No. 80,543<br>\$ 2,575,346,446 | 93,985<br>3,911,420,282 | 109,031<br>3,625,870,999 | 134,134<br>3,530,907,212 | 150,538<br>3,961,916,100 | 173,030<br>10,942,588,509 | 190,476<br>4,991,593,844 | 122,610<br>3,020,073,153 | 104,141<br>2,218,450,507 | 90,537<br>2,177,675,549 |
| Transfers of taxable contributions   | \$ 2,357,326,179               | 2,079,133,365           | 2,687,042,420            | 3,850,412,000            | 4,299,299,200            | 5,286,979,839             | 5,582,747,778            | 5,742,337,302            | 6,619,288,095            | 7,067,138,809           |
| Tax losses deducted                  | No. 1,261<br>\$ 71,934,262     | 1,536<br>201,934,807    | 1,861<br>123,089,227     | 1,997<br>97,704,744      | 2,012<br>148,255,570     | 3,141<br>82,061,438       | 3,970<br>98,085,011      | 4,129<br>79,472,168      | 4,640<br>58,579,712      | 5,478<br>73,714,862     |
| Exempt current pension income        | No. 1,204<br>\$ 867,688,780    | 2,181<br>1,321,319,121  | 3,050<br>1,797,053,810   | 4,561<br>1,931,242,621   | 6,544<br>2,543,290,715   | 8,775<br>2,292,900,765    | 12,624<br>2,766,840,642  | 16,672<br>3,182,783,191  | 20,046<br>2,676,833,388  | 23,325<br>3,304,157,459 |
| Exempt section 290A income           | No. 184<br>\$ 24,175,299       | 166<br>11,235,936       | 133<br>9,492,659         | 162<br>7,996,781         | 133<br>2,022,640         | 144<br>2,443,199          | 157<br>3,505,923         | 196<br>4,617,798         | 149<br>2,202,761         | 144<br>3,466,279        |
| Total deductions                     | \$ 5,906,867,651               | 7,558,951,341           | 8,275,440,406            | 10,494,954,395           | 12,892,673,574           | 18,769,844,331            | 13,611,552,052           | 15,564,269,343           | 15,977,453,545           | 17,303,140,329          |
| Taxable income <sup>4</sup>          | \$ 16,656,225,169              | 13,724,435,404          | 20,383,944,748           | 23,554,407,818           | 28,841,795,370           | 29,982,392,688            | 32,835,484,155           | 33,871,981,437           | 33,800,839,014           | 37,405,475,915          |
| Tax losses carried forward           | No. n.a.<br>\$ n.a.            | n.a.<br>n.a.            | 8,417<br>n.a.            | 5,211<br>483,420,490     | 6,585<br>413,173,051     | 8,835<br>468,792,548      | 9,744<br>383,681,708     | 11,248<br>420,448,720    | 14,914<br>455,276,403    | 14,530<br>424,297,280   |
| Total investments                    | No. n.a.<br>\$ n.a.            | n.a.<br>n.a.            | 117,819<br>n.a.          | 137,139<br>158,400       | 179,044<br>179,044       | 191,621<br>191,621        | 196,699<br>196,699       | 208,224<br>208,224       | 218,007<br>218,007       | 218,007<br>218,007      |
| Exempt section 274(F) contributions  | No. n.a.<br>\$ n.a.            | n.a.<br>n.a.            | 717<br>326,316,913       | 694<br>301,414,046       | 569<br>289,855,315       | 590<br>278,057,036        | 607<br>267,778,002       | 718<br>239,774,007       | 681<br>533,584,570       | 533<br>306,355,121      |
| Exempt section 275B contributions    | No. n.a.<br>\$ n.a.            | n.a.<br>n.a.            | 117<br>1,619,603,076     | 107<br>1,672,712,345     | 78<br>1,992,798,066      | 89<br>7,922,332,125       | 89<br>698,397,479        | 83<br>1,206,521,899      | 64<br>15,098,957         | 49<br>1,874,923,173     |
| AFI – Listed country                 | No. n.a.<br>\$ n.a.            | n.a.<br>n.a.            | 123<br>166,684           | 196<br>8,488,858         | n.a.<br>n.a.             | n.a.<br>n.a.              | n.a.<br>n.a.             | n.a.<br>n.a.             | n.a.<br>n.a.             | n.a.<br>n.a.            |
| AFI – Broad-exemption listed country | No. n.a.<br>\$ n.a.            | n.a.<br>n.a.            | n.a.<br>n.a.             | n.a.<br>n.a.             | 59<br>5,826,239          | 44<br>501,504             | 66<br>21,899,981         | 78<br>1,185,672          | 6<br>163,661             | 6<br>32,383             |

**TABLE 7.8: Fund tax.<sup>1</sup> Selected items for income years 1993–94 to 2002–03**

| Selected items                         | 1993–94          | 1994–95       | 1995–96       | 1996–97       | 1997–98       | 1998–99       | 1999–2000     | 2000–01 <sup>2</sup> | 2001–02 <sup>2</sup> | 2002–03 <sup>3</sup> |
|--|------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------|----------------------|----------------------|
| AFI – Limited-exemption listed country | No. n.a.         | n.a.          | n.a.          | n.a.          | 6             | 9             | 9             | 7                    | 5                    | 0                    |
|  | \$ n.a.          | n.a.          | n.a.          | n.a.          | 3,555         | 1,333         | 48,267        | 2,583                | 601                  | 0                    |
| AFI – Unlisted country                 | No. n.a.         | n.a.          | n.a.          | 9             | 5             | 19            | 34            | 13                   | 5                    | 30                   |
|  | \$ n.a.          | n.a.          | n.a.          | 149,744       | 14,892        | 82,663        | 1,048,655     | 13,945               | 43,854               | 985,918              |
| AFI – FIF/FLP income                   | No. n.a.         | n.a.          | 56            | 34            | 48            | 73            | 65            | 93                   | 161                  | 305                  |
|  | \$ n.a.          | n.a.          | 31,837,132    | 73,985,223    | 39,817,994    | 17,460,766    | 36,903,505    | 7,325,634            | 50,165,921           | 15,482,571           |
| Tax spared foreign tax credits         | No. n.a.         | n.a.          | n.a.          | 177           | 215           | 583           | 1,065         | 1,750                | 2,276                | 2,332                |
|  | \$ n.a.          | n.a.          | n.a.          | 729,957       | 215           | 1,796,399     | 90,396        | 1,033,359            | 234,939              | 73,913               |
| Gross tax                              | \$ 2,506,826,590 | 2,063,223,012 | 3,058,639,470 | 3,564,701,504 | 4,330,978,202 | 4,530,848,124 | 4,955,730,328 | 5,107,887,864        | 5,095,790,488        | 5,630,342,860        |
| Total rebates & credits                | No. 1,541        | 33,967        | 51,263        | 64,568        | 83,050        | 101,013       | 120,492       | 69,779               | 72,183               | 70,555               |
|  | \$ 134,023,913   | 594,755,190   | 839,775,291   | 1,006,643,020 | 1,089,782,920 | 1,221,285,296 | 1,256,715,900 | 941,918,101          | 641,932,238          | 260,784,432          |
| Net tax <sup>5</sup>                   | \$ 2,239,964,134 | 1,468,460,901 | 2,217,920,889 | 2,561,836,951 | 3,241,179,659 | 3,309,539,853 | 3,699,255,310 | 4,165,943,348        | 4,453,831,281        | 5,369,558,427        |

**Notes:**

\* Please refer to the 'Fund tax' chapter and the *Taxation Statistics 2002–03* glossary for descriptions of the items reported in the table. The glossary is included in the online version of *Taxation Statistics 2002–03* on the Tax Office website. It is also included on the *Taxation Statistics 2002–03* CD-ROM.

\* The symbol 'n.a.' used in this publication means not applicable or not available

In order to meet privacy regulations, the following measures have been applied.

(a) Number indicators showing values of 1 to 4 have been replaced by 5. Hence, in the detailed tables, any cell containing a number indicator (that is, number of returns or taxpayers) of 5 is indicative only and may represent any number between 1 and 5. Number (No.) totals are the sum of the indicated cell values in a table. Number indicators and totals may vary between tables.

(b) Amount totals are the sum of the indicated cell values in a table. Amounts and totals may vary between tables.

(c) Statistics for some items may not be included in some tables.

1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website

2 The 2000–01 and 2001–02 income year statistics reported in this table may not match the statistics reported in previous editions of *Taxation Statistics* because the statistics for these income years have been updated in this edition.

3 The statistics for the 2002–03 income year were sourced from 2003 fund income tax returns processed by 31 October 2004. The statistics are not necessarily complete. Therefore, caution should be exercised in making comparisons between the statistics for the 2002–03 and prior income years. For further information please refer to the 'Source of fund statistics' section in the 'Fund tax' chapter of *Taxation Statistics 2002–03*.

4 The 'taxable income' referred to here refers to the 'Taxable income' item found in the 'Calculation statement' section of the fund annual income tax return. (In the 2003 fund annual income tax return, it is item 8, label A on page 2.) For this item, \$0 is reported if the calculated taxable income is equal to or less than \$0.

5 'Net tax' is referred to as 'Tax payable' in the fund tax return. The net tax (or tax payable) amount cannot be less than \$0.

### ! HIGHLIGHTS<sup>1</sup>

In June 2004, 90% of employees had some form of superannuation coverage in a superannuation system that included:

- 10.0 million employees
- 1.1 million employers
- 292,238 superannuation funds
- 26.5 million member superannuation accounts
- \$20.0 billion in member contributions per annum (2003–04)
- \$38.0 billion in employer contributions per annum (2003–04)
- \$29.5 billion in member benefit payments per annum (2003–04), and
- \$625.2 billion assets under management.

<sup>1</sup> The statistics for this chapter are sourced from information provided by entities to the Tax Office. Other statistics are sourced from Australian Bureau of Statistics publications and the Australian Prudential Regulation Authority.

The Tax Office's role in the superannuation system includes elements of compulsory and voluntary superannuation and equity measures relating to the taxation of superannuation.

In addition to superannuation fund income tax reported in chapter 7, the Tax Office administers:

- the superannuation guarantee
- the Superannuation Holding Accounts Special Account
- the Lost Members Register
- departing Australia superannuation payments
- the regulation of self managed superannuation funds
- the co-contributions system
- reasonable benefit limits
- the superannuation contributions surcharge, and
- the termination payments surcharge.

! The Superannuation Holding Accounts Special Account was previously called the Superannuation Holding Accounts Reserve.

Superannuation is a specifically designed long-term investment vehicle for individuals' retirement savings. The retirement income system includes:

- a compulsory element of superannuation, the superannuation guarantee, that requires employers to contribute a minimum level to their employees' superannuation accounts so that employees accumulate savings for a more comfortable retirement
- a voluntary level of superannuation encouraged by tax concessions
- a co-contributions scheme, under which voluntary superannuation savings are encouraged by matching voluntary contributions. The co-contributions scheme was introduced in July 2003 and is means-tested against income tax returns, and
- the age pension and associated social security arrangements that provide an income safety net in retirement.

**BOX 8.1: Terminology<sup>1</sup>**

**Accumulation fund:** where the benefit a member receives is the total of contributions to the fund, plus earnings on those contributions, less expenses and tax. In an accumulation fund members carry the investment risk.

**Defined benefit fund:** where the retirement benefits paid out are calculated using a formula specified in terms of years of service with the employer and average salary level over the last few years before retirement. The employer-sponsor of a defined benefit fund carries the investment risk so the defined benefits members receive do not depend on the investment performance of the fund.

**Self managed superannuation fund:** a superannuation fund that also satisfies the following conditions:

- has up to four members
- if the trustees of the fund are individuals, each individual trustee is a member
- if the trustee of the fund is a body corporate, each director of the body corporate is a member
- each member is a trustee of the fund or a director of the corporate trustee of the fund
- no member is an employee of another member, unless the members concerned are relatives, and
- no trustee of the fund receives any remuneration from the fund, or from any person, for any duties or services performed by the trustee in relation to the fund.

A superannuation fund with only one member can be a self managed superannuation fund if it satisfies several other conditions.

**Retirement savings account (RSA):** an account offered by banks, building societies, credit unions, life insurance companies and prescribed financial institutions (RSA providers) as a simple, low-cost, low-risk savings product. Employers may use an RSA as an alternative to making contributions to superannuation funds for their employees, and individuals can use an RSA for their personal superannuation contributions. An RSA is used for retirement savings. It is capital guaranteed, so contributions and interest on the account can be reduced only by fees and charges. The individual owns and controls the RSA, which is fully portable, meaning that the account owner can transfer the balance of the account to another RSA or superannuation provider on request. An RSA is subject to 15% tax on contributions, and the surcharge on contributions for higher income earners.

**Eligible termination payment (ETP):** is a lump sum superannuation benefit or similar payment made to a person because they, or another person, were a member of a superannuation fund, approved deposit fund (ADF) or a depositor with an RSA. ETPs also include payments made to an employee in consequence of termination of employment. ETPs can be rolled over into another superannuation fund, ADF or RSA. (A more detailed description of an ETP is in the 'Personal taxpayer' section of the glossary.

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide the full technical or legal definitions.

## NEW FEATURES AND INFORMATION

Changes to the retirement income system in 2003–04 are listed below.

- The quarterly superannuation guarantee was introduced from 1 July 2003.
- The thresholds for superannuation contributions surcharge or rate of termination payments surcharge were increased (see table 8.1).
- The limits for deductible superannuation guarantee contributions for employees, based on employee age, were increased (see table 8.2).
- Deduction limits for personal superannuation contributions made by self-employed persons were increased.
- Co-contributions were introduced from 1 July 2003. All Super Co-contributions relating to the 2003–04 income year will be paid from 2004–05 onwards.
- The maximum surcharge rate was reduced from 15% to 14.5% for the 2003–04 financial year

**TABLE 8.1: Relevant amounts used to calculate the rate of superannuation contributions surcharge or termination payments surcharge, 2000–01 to 2003–04 financial years**

|                   | Relevant amount |           |           |           |
|-------------------|-----------------|-----------|-----------|-----------|
|                   | 2000–01         | 2001–02   | 2002–03   | 2003–04   |
| Minimum threshold | \$81,493        | \$85,242  | \$90,527  | \$94,691  |
| Maximum threshold | \$98,955        | \$103,507 | \$109,924 | \$114,981 |
| Denominator       | \$1,165         | \$1,219   | \$1,295   | \$1,399   |

- The threshold for determining the superannuation contribution surcharge rate of certain fund members whose tax file number is not known was \$3,880 in 2002–03 and \$4,058 in 2003–04.
- Only the post-20 August 1996 portion of an employer ETP is subject to termination payments surcharge, regardless of when the payment is received.
- For employer ETPs made after 22 May 2001, any excessive component is not subject to termination payments surcharge.

**TABLE 8.2: Age-based limits for deductible superannuation guarantee contributions for employees, 2000–01 to 2003–04 financial years**

| Age in years | Employee's deduction limit |          |          |          |
|--------------|----------------------------|----------|----------|----------|
|              | 2000–01                    | 2001–02  | 2002–03  | 2003–04  |
| Under 35     | \$11,388                   | \$11,912 | \$12,651 | \$13,233 |
| 35 to 49     | \$31,631                   | \$33,087 | \$35,138 | \$36,754 |
| 50 & over    | \$78,445                   | \$82,054 | \$87,141 | \$91,149 |

- In 2003–04 an employer's superannuation guarantee charge percentage was 9%. The maximum contribution base for each quarterly contribution period was \$26,300 in 2000–01, \$27,510 in 2001–02, \$29,220 in 2002–03, and \$30,560 in 2003–04.

### SUPERANNUATION GUARANTEE SCHEME

The superannuation guarantee scheme was introduced on 1 July 1992 and is administered by the Tax Office. The quarterly superannuation guarantee, introduced on 1 July 2003, requires employers to provide a prescribed minimum level of superannuation support for each employee to a complying superannuation fund or retirement savings account by the 28th day following the end of the relevant quarter. Before the quarterly superannuation guarantee was introduced, employers had until 28 July following the end of the financial year to make the required superannuation payments.

In 2003–04 the minimum level of superannuation support was 9% of each employee's earnings base. There are some exemptions, based on low salary or wages, age, hours of work and residency status.

In 1988, 41% of employees had superannuation. After the introduction of compulsory award-based superannuation in 1991, 79% of employees had superannuation. In June 2004, 90% of employees had some form of superannuation coverage (figure 8.1).

For the 2003–04 year, the Australian Prudential Regulation Authority reported that superannuation contributions up until the end of June 2004 were \$58.0 billion. Total superannuation assets were \$625.2 billion. This represents an increase of 18% for 2003–04, and overall growth of 306% since the introduction of the superannuation guarantee scheme in July 1992.

### SUPERANNUATION GUARANTEE CHARGE

Employers who fail to provide a minimum level of superannuation support are liable to pay the superannuation guarantee charge. This charge is equal to:

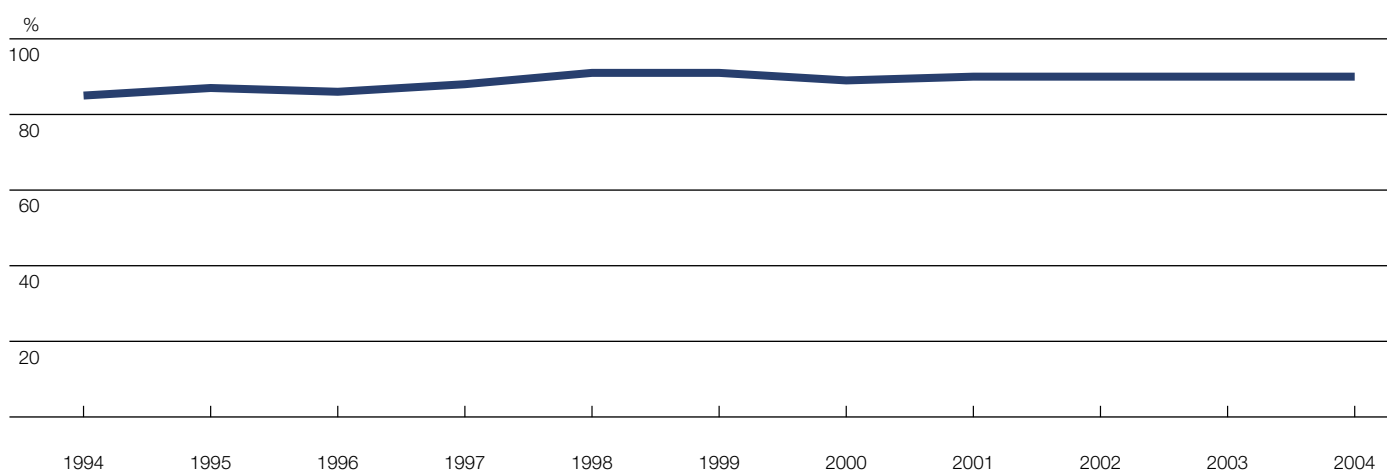
- the employer's total superannuation guarantee shortfalls
- an interest component of:
  - (pre-1 July 2003) 10% per annum calculated from the beginning of the financial year (1 July) relating to the shortfall to 14 August following the end of the financial year, or the date of lodgment of the superannuation guarantee statement (whichever is later), or
  - (post-1 July 2003) 10% per annum calculated from the beginning of the quarter relating to the shortfall to the 14th day of the second month following the end of the quarter, or the date of lodgment of the superannuation guarantee statement (whichever is later), and
- an administrative fee of \$50 plus \$30 for each employee not fully covered (before 1 July 2003) or \$20 for each employee not fully covered (after 1 July 2003).

Other penalties may also be applied:

- the general interest charge for late payment
- Part 7 penalty where the employer fails to provide:
  - a superannuation guarantee statement, and/or
  - information relevant to assessing their liability to pay the superannuation guarantee charge for a quarter, or
  - accurate and complete information
- certain tax administration penalties, such as penalties for providing false and misleading statements.

Superannuation guarantee revenue totalled \$234.6 million in 2003–04, an increase of 43.4% from the previous financial year (table 8.3).

**FIGURE 8.1: Employee superannuation coverage, 1994 to 2004 financial years**



Source: Australian Bureau of Statistics, *Weekly earnings of employees (Distribution)*, Cat. No. 6310.0; *Trade union membership*, Cat. No. 6325.0; *Employee benefits Australia*, Cat. No. 6334.0, *Employee earnings, benefits and trade union membership*, Cat. No. 6310.0.



**TABLE 8.3: Superannuation guarantee compliance results, 1999–00 to 2003–04 financial years**

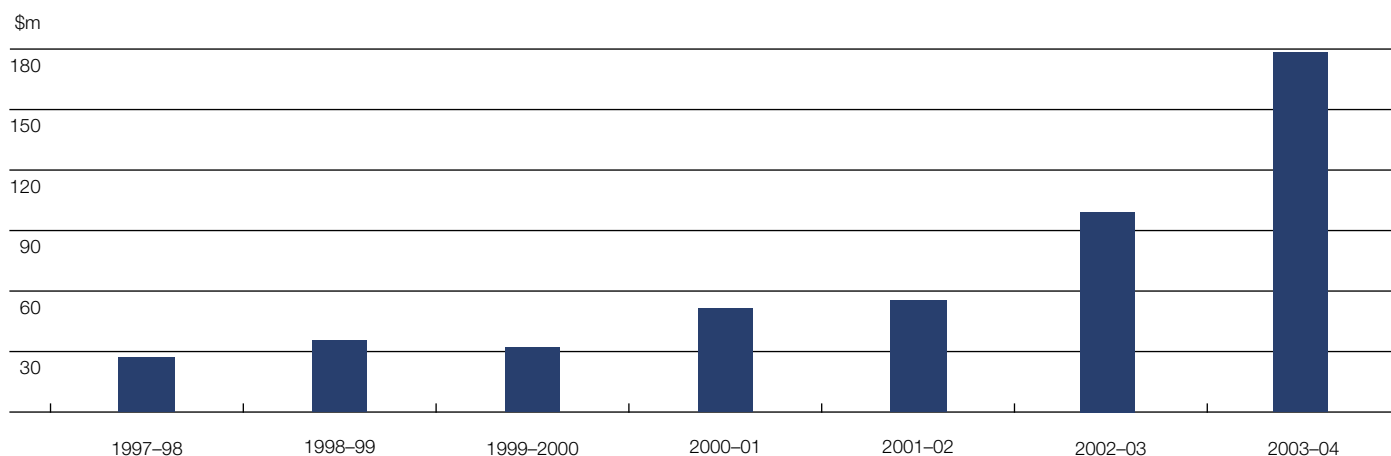
|  | 1999–00 | 2000–01 | 2001–02 | 2002–03 | 2003–04 | Variation <sup>1</sup> |
|--|---------|---------|---------|---------|---------|------------------------|
|  | \$m     | \$m     | \$m     | \$m     | \$m     | %                      |
| Superannuation guarantee charge raised                 | 82.46   | 118.97  | 156.4   | 253.5   | 380.8   | 50.2                   |
| Superannuation guarantee charge collected <sup>2</sup> | 66.7    | 69.8    | 100.7   | 163.6   | 234.6   | 43.4                   |

1 Variation from 2002–03 to 2003–04.  
2 Liabilities raised and amounts collected include voluntary disclosures.

**SUPERANNUATION GUARANTEE TRANSFERS**

The Tax Office collects the superannuation guarantee charge from employers and facilitates the transfer of the value of the shortfall component, plus interest penalty, to their employees' superannuation accounts. Up until November 2003, the Tax Office issued employees with vouchers to the value of their collected entitlements. Vouchers could be deposited with their superannuation account holder and the value claimed from the Tax Office and paid into the employee's superannuation account.

From November 2003, the Tax Office checks employees' Tax Office superannuation records to identify a current superannuation account to automatically transfer entitlements into. If an active account cannot be located, the employee is sent a letter containing a contribution reference number and advice to contact the Tax Office to arrange transfer of their entitlements to a qualifying superannuation account.

**FIGURE 8.2: Superannuation guarantee revenue transferred to a qualifying superannuation account, 1997–98 to 2003–04 financial years**

**SUPERANNUATION HOLDING ACCOUNTS SPECIAL ACCOUNT**

**!** The Superannuation Holding Accounts Special Account was previously called the Superannuation Holding Accounts Reserve.

The Superannuation Holding Accounts Special Account was established in 1995 to collect small superannuation contributions from employers (on behalf of employees) that superannuation funds were rejecting. It can also accept vouchers and transfers from the superannuation guarantee system.

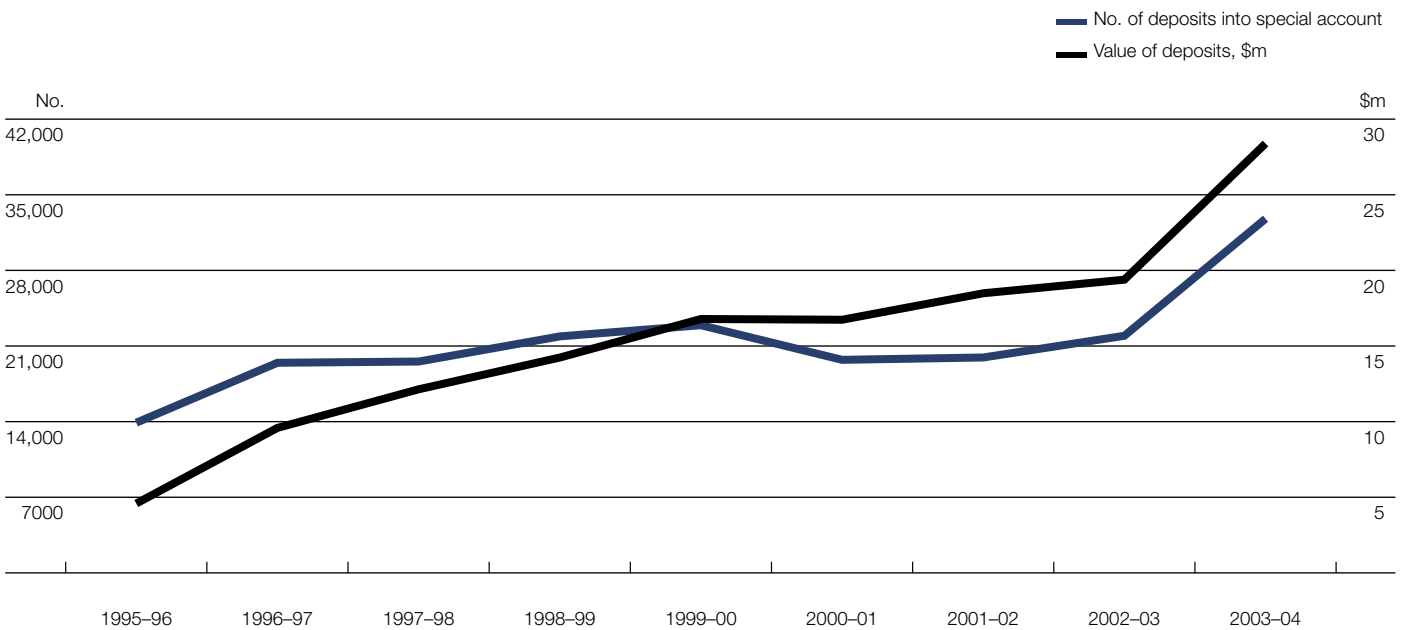
The Superannuation Holding Accounts Special Account is not a superannuation fund but a holding mechanism that allows individuals to consolidate small superannuation contributions from employers. Account balances can be transferred to a superannuation fund or retirement savings account at any time as long as certain conditions are met. Withdrawals can be

made by the individual or their legal representative in cases of disability, financial hardship, death or non-residency, or the account balance can be claimed on turning age 65. Account balances of less than \$200 can be withdrawn on request when ceasing employment.

At 2 July 2004 the balance of individual accounts in the Superannuation Holding Accounts Special Account was \$54 million. Some 45% (179,904) of individual accounts had balances greater than \$0, with an average value of \$299 per account. There were also 215,872 accounts with a \$0 balance, representing account balances transferred to a superannuation fund or paid to an individual (tables 8.4 and 8.5).

Withdrawals from the Superannuation Holding Accounts Special Account in 2003–04 totalled \$25.5 million, consisting of account balances with a value of \$1.6 million paid to individuals, and account balances with a value of \$23.9 million paid to superannuation funds.

**Figure 8.3: Superannuation Holding Accounts Special Account number and value of annual deposits, 1995–96 to 2003–04 financial years**



**TABLE 8.4: Individual account balances<sup>1</sup> held in Superannuation Holding Accounts Special Account, 1999–00 to 2003–04 financial years**

|         | Account > \$0<br>No. | Account value<br>\$m |
|---------|----------------------|----------------------|
| 1999–00 | 141,954              | 35                   |
| 2000–01 | 171,958              | 44                   |
| 2001–02 | 198,522              | 53                   |
| 2002–03 | 183,806              | 52                   |
| 2003–04 | 179,904              | 54                   |

<sup>1</sup> The total value of accounts in the Superannuation Holding Accounts Special Account is generally greater than the total value of individual accounts due to money awaiting distribution to individual accounts or transfer to super funds. The total value at 2 July 2004 was \$57 million.

**TABLE 8.5: Individual account balances held in Superannuation Holding Accounts Special Account, 2004<sup>1</sup>**

| Value of individual account balance        | Number<br>No.  | Value<br>\$m | Average value <sup>2</sup><br>\$ |
|--|----------------|--------------|----------------------------------|
| \$0  | 215,872        | 0            | 0                                |
| \$1–\$100                                  | 74,708         | 4            | 55                               |
| \$101–\$500                                | 77,566         | 18           | 232                              |
| \$501–\$1,000                              | 17,402         | 12           | 695                              |
| \$1,001 or more                            | 10,228         | 20           | 1,923                            |
| Total of account balances greater than \$0 | 179,904        | 54           | 299                              |
| <b>Total</b>                               | <b>395,776</b> | <b>54</b>    | <b>136</b>                       |

<sup>1</sup> At 2 July 2004.

<sup>2</sup> Average values calculated from actual (not rounded) amounts.

## LOST MEMBERS REGISTER

The Lost Members Register is a central register of lost superannuation fund members and retirement savings account holders. When a member of a regulated superannuation fund (other than a self managed superannuation fund), retirement savings account, approved deposit fund or other eligible rollover fund becomes 'lost', the fund must provide the details to the Tax Office. (Generally, a member is 'lost' when they cannot be contacted.) Superannuation funds report their lost members to the Tax Office every six months.

**TABLE 8.6: Number and value of accounts on the Lost Members Register, 1998–99 to 2003–04 financial years**

|         | Accounts<br>No. | Closing value<br>\$m |
|---------|-----------------|----------------------|
| 1998–99 | 4,700,000       | 7,332                |
| 1999–00 | 3,800,000       | 5,487                |
| 2000–01 | 4,700,000       | 6,780                |
| 2001–02 | 4,649,084       | 6,764                |
| 2002–03 | 4,617,701       | 7,265                |
| 2003–04 | 4,937,923       | 7,300                |

At 30 June 2004 there were 4.94 million accounts on the Lost Members Register, with a total value of \$7.3 billion. During 2003–04 close to 1 million accounts were removed from the Lost Members Register. The majority of these were due to people being reunited with their superannuation, the remainder a result of funds providing updated member records. Despite this, there was an increase in the number of accounts, due to approximately 1.3 million new accounts being reported as 'lost'.

The Lost Members Register has search facilities. SuperMatch allows funds, with authorisation from the individual, to search the register, unredeemed superannuation guarantee voucher data and the Superannuation Holding Accounts Reserve to identify lost members who now have accounts with them, and reunite them with their lost superannuation entitlements. SuperSeeker allows individuals to conduct their own searches using the internet.

The Tax Office continues to receive enquiries from clients who think they may have a superannuation benefit, and searches the database on a client's behalf. If a possible match is found, the client is provided with the account details.

## SELF MANAGED SUPERANNUATION FUNDS

The Tax Office assumed regulatory responsibility for self managed superannuation funds following amendments to the Superannuation Industry (Supervision) Act in October 1999. Previously these funds were regulated by the Australian Prudential Regulation Authority and known as excluded funds.

Generally, the Superannuation Industry Supervision Act defines a self managed superannuation fund according to these criteria:

- the fund has no more than four members
- all members of the fund are trustees
- no member of the fund is an employee of another member of the fund, unless these members are related, and
- no trustee of the fund receives any remuneration for their services as a trustee.

A self managed fund can also have a company as a trustee (known as a corporate trustee), provided the company meets certain criteria.

Box 8.1 contains a general description of a self managed superannuation fund.

**FIGURE 8.4: Number of self managed superannuation funds, by state, March 2004****TABLE 8.7: Number of self managed superannuation funds and members, and value of assets, by state<sup>1</sup>, June 2000 to March 2004**

|                   | State <sup>1</sup>         |         |        |        |                 |       | Australia      |
|-------------------|----------------------------|---------|--------|--------|-----------------|-------|----------------|
|                   | NSW <sup>2</sup>           | VIC     | QLD    | WA     | SA <sup>2</sup> | TAS   |                |
|                   | <b>Number of funds</b>     |         |        |        |                 |       |                |
| <b>June 2000</b>  | 65,124                     | 63,578  | 34,407 | 21,156 | 13,060          | 3,185 | <b>200,511</b> |
| <b>June 2001</b>  | 69,360                     | 67,714  | 36,645 | 22,532 | 13,910          | 3,393 | <b>213,554</b> |
| <b>June 2002</b>  | 74,715                     | 72,942  | 39,475 | 24,272 | 14,984          | 3,655 | <b>230,043</b> |
| <b>June 2003</b>  | 83,548                     | 81,565  | 44,142 | 27,141 | 16,755          | 4,087 | <b>257,238</b> |
| <b>March 2004</b> | 90,773                     | 88,619  | 47,959 | 29,489 | 18,204          | 4,440 | <b>279,484</b> |
|                   | <b>Members</b>             |         |        |        |                 |       |                |
| <b>June 2000</b>  | 124,349                    | 116,568 | 66,595 | 40,242 | 24,800          | 6,224 | <b>378,778</b> |
| <b>June 2001</b>  | 130,864                    | 122,676 | 70,084 | 42,350 | 26,099          | 6,550 | <b>398,623</b> |
| <b>June 2002</b>  | 141,674                    | 132,809 | 75,872 | 45,848 | 28,255          | 7,091 | <b>431,549</b> |
| <b>June 2003</b>  | 158,183                    | 148,285 | 84,714 | 51,191 | 31,547          | 7,917 | <b>481,838</b> |
| <b>March 2004</b> | 171,852                    | 161,098 | 92,034 | 55,615 | 34,273          | 8,602 | <b>523,474</b> |
|                   | <b>Assets (\$ million)</b> |         |        |        |                 |       |                |
| <b>June 2000</b>  | 22,977                     | 22,035  | 11,438 | 6,308  | 3,648           | 949   | <b>67,355</b>  |
| <b>June 2001</b>  | 25,906                     | 24,844  | 12,897 | 7,112  | 4,113           | 1,071 | <b>75,943</b>  |
| <b>June 2002</b>  | 30,544                     | 29,292  | 15,205 | 8,385  | 4,850           | 1,262 | <b>89,539</b>  |
| <b>June 2003</b>  | 36,324                     | 34,835  | 18,083 | 9,972  | 5,768           | 1,501 | <b>106,483</b> |
| <b>March 2004</b> | 45,351                     | 43,492  | 22,577 | 12,450 | 7,201           | 1,874 | <b>132,946</b> |

1 State refers to the state in which the fund is administered, not necessarily the state in which members reside.

2 ACT is included in NSW statistics and the Northern Territory in SA statistics.

Approximately 187,000 funds made the switch to the self managed fund environment in 1999, when the Tax Office assumed regulatory responsibility.

There are now 296,339 self managed funds. In 2003–04, 27,091 new funds were established, making this the fastest growing section of the Australian superannuation system.

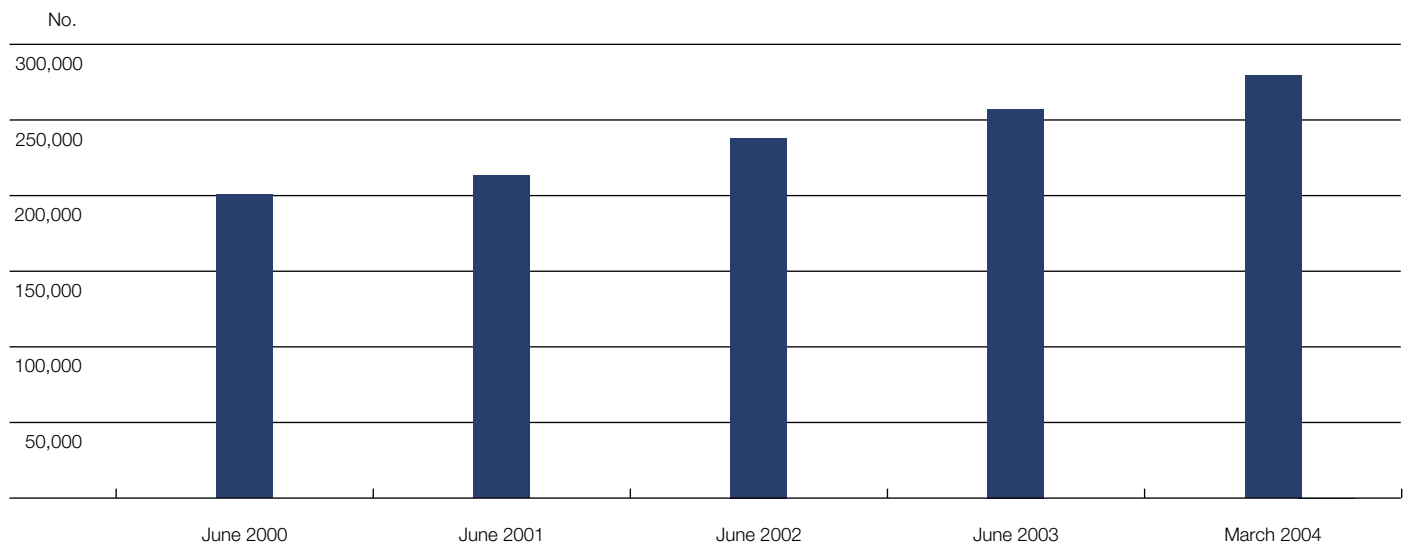
While self managed funds make up 99% of all superannuation funds, they represent only 2% of total superannuation member accounts. Self managed funds manage 22% of all assets in the Australian superannuation system (table 8.8).

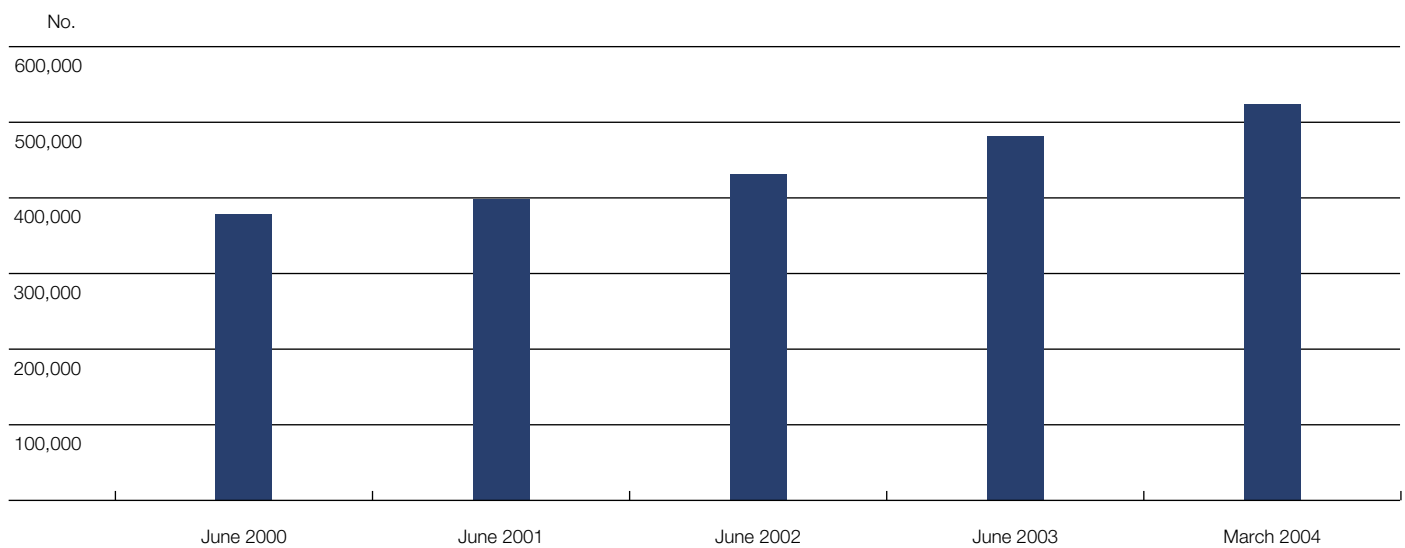
As the regulator of self managed funds, the Tax Office undertakes a range of compliance activities and runs a series of education campaigns to increase awareness of trustee obligations.

**TABLE 8.8: Self managed superannuation funds compared to the entire Australian superannuation system, June 2004**

|                         | Self managed funds | Australian superannuation system | Percentage of Australian superannuation system |
|-------------------------|--------------------|----------------------------------|--|
| Number of funds         | 290,440            | 292,238                          | 99.38  |
| Number of members       | 543,000            | 26.5 million                     | 2.05   |
| Assets under management | \$135 billion      | \$625.2 billion                  | 21.5   |

**FIGURE 8.5: Number of self managed superannuation funds, June 2000 to March 2004**



**FIGURE 8.6: Numbers of self managed superannuation fund members, June 2000 to March 2004****REASONABLE BENEFIT LIMITS**

Reasonable benefit limits are the maximum amount of superannuation and similar benefits that a person can receive at concessional rates of tax. Benefits taken in excess of a person's reasonable benefit limit do not receive tax concessions.

There are two types of reasonable benefit limits – a lump sum limit and a pension limit. The limits are indexed annually according to movement in average weekly ordinary time earnings published by the Australian Bureau of Statistics. For 2003–04, the lump sum limit was \$588,056 and the pension limit was \$1,176,106. Higher (transitional) limits may apply in some circumstances.

The reasonable benefit limits do not restrict the overall amount of benefits a taxpayer can receive. They ensure that superannuation pensions, annuities and eligible termination payments (ETPs) are taxed appropriately. If an ETP exceeds a person's reasonable benefit limit, tax is payable on the amount of excess (referred to as the excessive component), at the rate of either 38% or 47% plus Medicare levy. If all or part of a

superannuation pension or annuity exceeds a person's reasonable benefit limit, the excessive part is not subject to the pension rebate. Payers of ETPs, pensions or annuities (subject to some exceptions) report to the Tax Office only when benefits are paid out or, in the case of pensions or annuities, when payments start. Where the benefits exceed the person's relevant reasonable benefit limit, the Tax Office sends a reasonable benefit limits determination to the fund member to inform them that their superannuation entitlements have exceeded the limit and that the excess benefits will be taxed at the higher rates.

In 2003–04, 445,096 people received ETPs that were reported by payers so that the Tax Office could determine whether the benefit exceeded the person's relevant reasonable benefit limit. These payments were worth \$12.2 billion – an average of \$27,501 per person.

The 'tax-free amount' of a bona fide redundancy payment or an approved early retirement scheme payment for 2003–04 was \$5,882, plus \$2,941 for each completed year of service with the employer.

**TABLE 8.9: Eligible termination payments received<sup>1</sup>, 1998–99 to 2003–04 financial years**

| Aspect  |     | 1998–99 <sup>2</sup> | 1999–00 <sup>2</sup> | 2000–01 <sup>2</sup> | 2001–02 <sup>2</sup> | 2002–03 <sup>2</sup> | 2003–04 |
|---|-----|----------------------|----------------------|----------------------|----------------------|----------------------|---------|
| Individuals receiving eligible termination payments | No. | 512,143              | 478,588              | 460,576              | 453,560              | 469,730              | 445,096 |
| Payments paid                                       | No. | 711,821              | 686,648              | 641,705              | 627,717              | 648,624              | 617,171 |
| Total value of payments <sup>3</sup>                | \$m | 11,328               | 12,076               | 11,989               | 12,863               | 13,758               | 12,241  |
| Value per person <sup>4</sup>                       | \$  | 22,120               | 25,232               | 26,026               | 28,360               | 29,290               | 27,501  |

1 Based on reported superannuation fund pension payments.

2 Previous years figures were recalculated in September 2004 to include late benefits reported. For this reason, the figures vary from figures for the same years in previous editions of *Taxation Statistics*.

3 Excludes eligible termination payments of less than \$5,000 made by employers.

4 Average values calculated from actual (not rounded) figures.

## SUPERANNUATION CONTRIBUTIONS SURCHARGE

A superannuation contributions surcharge of up to 15% (reduced to 14.5% for the 2003–04 financial year) is levied on the surchargeable contributions of members whose adjustable taxable income exceeds the surcharge threshold for the income year. For most individuals, the adjustable taxable income is generally the sum of their taxable income, their total surchargeable contributions and reportable fringe benefits.

Taxable income for surcharge purposes excludes lump sum payments for unused long service leave (relating to post-15 August 1978 service) and unused annual leave due to a bona fide redundancy, invalidity or approved early retirement scheme. Employer ETP amounts included in adjustable taxable income are described in box 8.2.

The Tax Office obtains an individual's taxable income and reportable fringe benefits from their income tax return, while their superannuation provider reports their surchargeable contributions to the Tax Office each year. Each year the Tax Office matches income tax returns with superannuation provider reports for around 9 million members to determine their surcharge liabilities.

If the individual's adjustable taxable income is at or below the minimum threshold, no amount of surcharge is payable for the year. If the individual's adjustable taxable income is at or above the maximum threshold, the maximum surcharge rate of 15% will apply (14.5% for the 2003–04 financial year). If the individual's adjustable taxable income is between the minimum and maximum thresholds, a surcharge rate between 0% and the maximum rate is calculated using the formula set out below.

A person's tax file number is used to link surchargeable contributions with their taxable income on their tax return. If a superannuation provider does not report a person's tax file number to the Tax Office, the maximum surcharge rate may apply. However, a surcharge assessment can be amended if the tax file number is later provided.

In 2003–04, \$1,050 million was collected in superannuation contributions surcharge revenue.

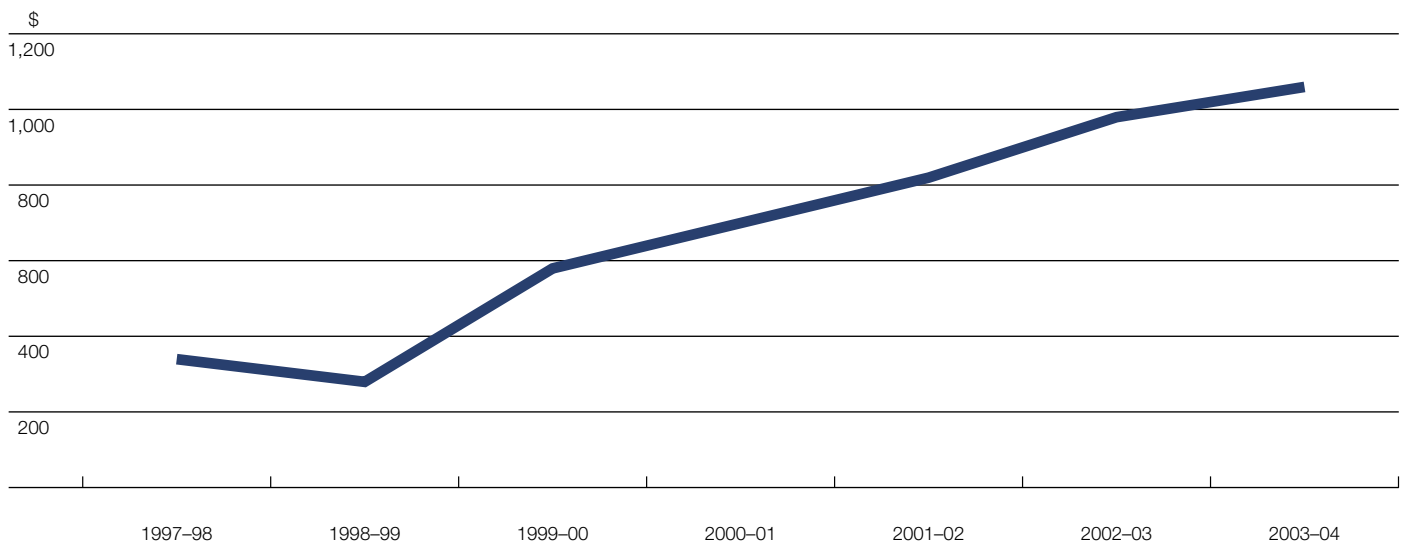
The surcharge liability is assessed to the holder of the surchargeable contributions. The holder may be a superannuation provider, an individual or the trustee or beneficiary of a deceased estate.

The surcharge amount is determined by multiplying the applicable surcharge rate by the person's surchargeable contributions. The Tax Office calculates the percentage surcharge rate using the formula:

$$\frac{\text{adjustable taxable income} - \text{minimum surcharge threshold}}{\text{denominator}}$$

The minimum and maximum surcharge thresholds are indexed each year (see table 8.1).

**FIGURE 8.7: Surcharge revenue, 1997–98 to 2003–04 financial years**



**BOX 8.2: Employer ETPs used to calculate adjustable taxable income**

If an individual receives one or more employer eligible termination payments (ETPs) in a financial year and the total of these (less the amount of any post-June 1994 invalidity components and capital gains tax exempt components of the ETPs, and any part of the ETPs that were made from employee share acquisition schemes) was less than the 'higher income amount' for that year, only a portion of all the ETPs will be used to calculate the individual's adjustable taxable income for superannuation contribution surcharge purposes.

To do this, the Tax Office uses only the ETP amounts the individual received for days of employment service after 20 August 1996 (the date the superannuation contributions surcharge effectively commenced).

The Tax Office applies the following formula to the total of each ETP:

$$\frac{\text{days of service post-20 August 1996} \\ \text{(or 365 days, whichever is less)}}{\text{total service days with employer}} \times \text{relevant employer ETP}$$

In the above formula, 'relevant employer ETP' means:

- (i) if no part of the payment was rolled over – the amount of the payment included in the member's taxable income of the income year comprising the financial year, or
- (ii) any part of the payment not rolled over that is included in the member's taxable income of the income year comprising the financial year, and
- (iii) the part of the payment rolled over after 30 June 1997 that would have been included in that taxable income if that part of the payment had not been rolled over.

If the individual received one or more employer ETPs in a financial year and the total of these (less the amount of any post-June 1994 invalidity components and capital gains tax exempt components of the ETPs, and any part of the ETPs made from employee share acquisition schemes) was at or above the 'higher income amount' for that year, all cash and post-20 August 1996 rolled over ETP amounts will be used to calculate the individual's adjustable taxable income.

The ETP low rate threshold was \$117,576 in 2003–04 (see table 8.9 for ETP statistics).



### ! HIGHLIGHTS

- In 2002–03 there were 663,045 taxable individuals, 12,064 taxable companies and 50,792 taxable funds with net capital gains totalling \$10.7 billion.
- Capital gains tax payable on the net capital gains of taxable individuals, companies and funds was estimated to be \$3.3 billion.
- In 2002–03, 268,811 taxable individuals, companies and funds declared \$31.0 billion in total current year capital gains on their capital gains tax schedules. Around 56% (\$17.5 billion) of these total capital gains were sourced from shares.

Capital gains tax (CGT) is the tax payable on any net capital gain included with other assessable income on an entity's (individual, company, trust or fund) tax return. Normal rates of tax apply to a net capital gain.

A net capital gain is the total capital gains made by a taxpayer for an income year, reduced by:

- the taxpayer's total capital losses for the income year and any net capital losses from previous years, and
- any CGT discount or small business CGT concessions to which the taxpayer is entitled.

If total capital gains are less than total capital losses for an income year, the taxpayer has a net capital loss for that income year. This loss cannot be deducted from assessable income; it can be applied only to reduce capital gains in subsequent income years.

A capital gain or capital loss may arise if a CGT event happens, with the most common CGT event being the sale of an asset. Some typical assets are:

- land
- shares
- units in a unit trust or managed investment fund
- collectables with a value of \$500 or more, for example, jewellery, and
- personal use assets valued at \$10,000 or more.

Examples of other CGT events include when:

- a CGT asset is lost or destroyed
- shares are cancelled, surrendered or redeemed
- an agreement not to work in a particular industry for a set period of time is entered into
- a trust is created over a CGT asset
- a trustee of a unit trust makes a non-assessable distribution to a unit holder
- a company makes a payment (not a dividend) to a shareholder

- a lease is granted, renewed or extended
- a deposit is forfeited because a sale or other transaction does not proceed, or
- a taxpayer stops being an Australian resident.

A unit holder or beneficiary can also receive a capital gain in a distribution from a managed fund or other trust.

### SOURCE OF CGT STATISTICS

The data for *Taxation Statistics 2002–03* was compiled before all processing for the 2002–03 income year was completed. Statistics in this chapter are sourced from the 2003 individual, company and fund income tax returns processed by 31 October 2004. The statistics are not necessarily complete and will continue to change as data from 2003 tax returns processed after 31 October 2004 is included. The usual practice each year is to update the statistics for the two years before the current year in the CGT time series table (chapter table 9.12 and CGT detailed table 1) included at the end of the chapter.

The proportion of tax returns processed by 31 October each year can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2002–03 income year statistics and statistics from previous years will be possible when *Taxation Statistics 2003–04* is published. In that edition, the 2002–03 income year statistics will include data from returns and amendments processed up to 31 October 2005.

Statistics reported in the 'Total capital gains, by source and entity' section of this chapter were sourced from 2003 CGT schedules (completed by individual, company and fund taxpayers) processed by 31 October 2004. The statistics are not necessarily complete and will continue to change as data from 2003 schedules processed after 31 October 2004 is included. In addition, not all personal, company and fund taxpayers have to complete these schedules. The statistics sourced from these schedules therefore do not represent or refer to all personal, company and fund taxpayers.

Individual, company and fund income tax returns and CGT schedules were lodged either electronically or in paper form. Copies of the return forms and the schedule are in the appendix. They may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

## NEW FEATURES AND INFORMATION

Several tax reforms and laws implemented during the 2002–03 income year affected certain CGT statistics reported in this chapter and in the detailed tables. Some of these reforms and laws are listed below.

- New demerger rules apply to owners of interests in a company or trust that are affected by a demerger of interests owned by the company or trust after 1 July 2002. Generally, a CGT event will occur in respect of those interests. CGT relief is provided to:
  - the owners of interests in the head entity of a demerger group who receive new interests in the demerged entity, and
  - entities in the demerger group.
- Landowners who enter into a conservation covenant after 1 July 2002 and do not receive any capital proceeds for entering into the covenant are taken to have disposed of part of their land if they are entitled to a deduction under Division 31 of the *Income Tax Assessment Act 1997*. The capital proceeds that the landowner is taken to have received are the amount they can deduct under Division 31. Also, tax concessions for a conservation covenant, including those entered into with government agencies on or after 1 July 2002, have been extended.
- Legislation was introduced to change the tax treatment of convertible notes issued by a company after 14 May 2002 where the notes are traditional securities. Under this proposal:
  - gains made when these notes are converted or exchanged for ordinary shares in a company will not be ordinary income at the time of conversion and losses will not be tax deductible. Gains will only be taxed when the shares are sold or disposed of
  - for ordinary investors, gains or losses on the sale or disposal of shares will be subject to CGT.
- The venture capital exemption was extended to certain other tax-exempt and taxable non-resident investors.
- New CGT events apply in respect of direct value shifts, venture capital investments and consolidated groups.
- Rollover relief is available to both a trust and its beneficiaries where the trust restructures into a company.
- The general value shifting regime replaced the value shifting rules in Divisions 138, 139 and 140 of the *Income Tax Assessment Act 1997*. Subject to transitional rules, the regime applies from 1 July 2002 and mainly affects interests in companies and trusts that are not consolidated but meet control and ownership tests.

There were no new additions or changes to the CGT schedule for the 2002–03 income year.

## BOX 9.1: Calculation of capital gains tax<sup>1</sup>

Individuals must include net capital gains on their income tax returns. Gains are taxed, along with other forms of income, at marginal rates. Before September 1999, capital gains income was taxed as if it were the ‘top slice’ of an individual’s income. That is, the gains were added on to other income. For *Taxation Statistics*, estimates of the net tax from capital gains have been provided on this basis, but as capital gains are not a separate source of revenue, these were only approximations of the tax revenue arising from capital gains.

Since changes to the capital gains system were announced in September 1999, capital gains included in taxable income are no longer treated differently to other forms of income. However, the net tax on capital gains for individuals continued to be shown as if it were still the ‘top slice’ of income. Because capital gains are legally no different to other income, the Tax Office is now showing the tax on these gains at the same rate as any other income – that is, at the average rate of tax for the taxpayer concerned. CGT for all income years since September 1999 has been recalculated on this basis so that direct comparisons across income years can be made.

While this gives the appearance that collection of tax from capital gains has fallen, this is not the case. The method of estimating tax from these gains has been modified to bring it into line with other sources of income. The dollar amount of capital gains will not have changed, nor the amount added to an individual taxpayer’s taxable income. To continue with the older ‘top slice’ approach could be seen to be overestimating the revenue from capital gains compared to other income sources.

## TAXPAYERS WITH NET CAPITAL GAINS

In 2002–03 there were 801,951 individual taxpayers, 18,225 companies and 56,070 funds with net capital gains (tables 9.1, 9.2 and 9.3). Some 83% (663,045) of individuals with net capital gains were classified as being taxable (that is, have net tax payable greater than \$0). For companies with net capital gains, 66% (12,064) were classified as being taxable, while nearly 91% (50,792) of funds with net capital gains were classified as being taxable.

Overall, taxable individuals with net capital gains accounted for only a small proportion (8%) of the total population of taxable individuals (8.7 million) (table 9.1). Similarly, taxable companies with net capital gains accounted for only a small proportion (4%) of total taxable companies (279,554) (table 9.2). Taxable funds with net capital gains, however, accounted for 26% of total taxable funds (196,750) (table 9.3).

For both taxable individuals and taxable companies, the proportion of taxable taxpayers with net capital gains to the number of taxable taxpayers increases as taxable incomes increase. Table 9.1 shows that only 5% of taxable individuals with taxable income less than or equal to \$20,000 had net capital gains. Among taxable individuals with taxable income between \$100,001 and \$500,000, 20% had net capital gains, while among taxable individuals with taxable income of \$5,000,001 or more, 44% had net capital gains.

**TABLE 9.1: Number of individual taxpayers with net capital gains, by taxable income, 2002–03 income year**

| Taxable income                              | Individuals            |                   |  |
|---|------------------------|-------------------|--|
|   | With net capital gains | All taxpayers     | Proportion of individuals with net capital gains to individual taxpayers |
| Taxables <sup>1</sup>                       | No.                    | No.               | %  |
| Less than or equal to \$20,000 <sup>2</sup> | 97,839                 | 1,919,289         | 5.1  |
| \$20,001–\$50,000                           | 312,312                | 4,715,947         | 6.6  |
| \$50,001–\$60,000                           | 75,148                 | 797,507           | 9.4  |
| \$60,001–\$100,000                          | 116,642                | 920,521           | 12.7   |
| \$100,001–\$500,000                         | 57,928                 | 296,533           | 19.5   |
| \$500,001–\$1,000,000                       | 2,301                  | 7,765             | 29.6   |
| \$1,000,001–\$5,000,000                     | 828                    | 2,251             | 36.8   |
| \$5,000,001 or more                         | 47                     | 106               | 44.3   |
| Total                                       | 663,045                | 8,659,919         | 7.7  |
| Non-taxables <sup>3</sup>                   | 138,906                | 2,050,905         | 6.8  |
| <b>Total taxpayers</b>                      | <b>801,951</b>         | <b>10,710,824</b> | <b>7.5</b>   |

1 Refers to individual (or personal) taxpayers with net tax payable greater than \$0.  
2 Includes taxpayers with taxable income equal to or less than \$0.  
3 Refers to individual taxpayers with net tax payable equal to \$0.

**TABLE 9.2: Number of company taxpayers with net capital gains, by taxable income, 2002–03 income year**

| Taxable income <sup>1</sup>    | Companies              |                |   |
|--------------------------------|------------------------|----------------|---|
|                                | With net capital gains | All taxpayers  | Proportion of companies with net capital gains to company taxpayers |
| Taxables <sup>2</sup>          | No.                    | No.            | %   |
| Less than or equal to \$20,000 | 2,799                  | 126,449        | 2.2   |
| \$20,001–\$50,000              | 2,127                  | 49,598         | 4.3   |
| \$50,001–\$60,000              | 529                    | 9,822          | 5.4   |
| \$60,001–\$100,000             | 1,407                  | 25,638         | 5.5   |
| \$100,001–\$500,000            | 3,592                  | 49,732         | 7.2   |
| \$500,001–\$1,000,000          | 695                    | 9,049          | 7.7   |
| \$1,000,001–\$5,000,000        | 688                    | 7,241          | 9.5   |
| \$5,000,001 or more            | 227                    | 2,025          | 11.2  |
| Total                          | 12,064                 | 279,554        | 4.3   |
| Non-taxables <sup>3</sup>      | 6,161                  | 384,610        | 1.6   |
| <b>Total taxpayers</b>         | <b>18,225</b>          | <b>664,164</b> | <b>2.7</b>  |

1 Refers to the 'Taxable or net income' item (label A) in the 'Calculation statement' section on page 4 of the 2003 annual company income tax return.  
2 Refers to company taxpayers with tax payable (or net tax) greater than \$0.  
3 Refers to company taxpayers with tax payable (or net tax) equal to \$0.

The proportion of taxable funds with net capital gains to the number of taxable funds showed a different trend to the other entities (table 9.3). Among taxable funds with taxable income less than or equal to 20,000, 22% had net capital gains. Among taxable funds with taxable income between \$500,001

and \$1,000,000, 40% had net capital gains. However, after this peak, the proportion of taxable funds with net capital gains decreases to 25% in the taxable income range between \$1,000,001 and \$5,000,000, before decreasing again to 21% for taxable funds with taxable income of \$5,000,001 or more.

**TABLE 9.3: Number of fund taxpayers with net capital gains, by taxable income, 2002–03 income year**

| Taxable income <sup>1</sup>    | Funds                  |                |  |
|--------------------------------|------------------------|----------------|--|
|                                | With net capital gains | All taxpayers  | Proportion of funds with net capital gains to fund taxpayers |
| Taxables <sup>2</sup>          | No.                    | No.            | %  |
| Less than or equal to \$20,000 | 20,901                 | 93,372         | 22.4   |
| \$20,001–\$50,000              | 13,261                 | 48,251         | 27.5   |
| \$50,001–\$60,000              | 2,500                  | 8,726          | 28.7   |
| \$60,001–\$100,000             | 6,674                  | 23,834         | 28.0   |
| \$100,001–\$500,000            | 7,079                  | 21,272         | 33.3   |
| \$500,001–\$1,000,000          | 191                    | 473            | 40.4   |
| \$1,000,001–\$5,000,000        | 100                    | 408            | 24.5   |
| \$5,000,001 or more            | 86                     | 414            | 20.8   |
| Total                          | 50,792                 | 196,750        | 25.8   |
| Non-taxables <sup>3</sup>      | 5,278                  | 32,708         | 16.1   |
| <b>Total taxpayers</b>         | <b>56,070</b>          | <b>229,458</b> | <b>24.4</b>  |

1 Refers to the 'Taxable income' item (label A) in the 'Calculation statement' section on page 2 of the 2003 annual fund income tax return.  
2 Refers to fund taxpayers with tax payable (or net tax) greater than \$0.  
3 Refers to fund taxpayers with tax payable (or net tax) equal to \$0.

### TAX PAYABLE ON NET CAPITAL GAINS

In 2002–03 an estimated \$3.3 billion in capital gains tax was payable by taxable individuals, companies and funds, on net capital gains totalling \$10.7 billion (table 9.4). Taxable individuals accounted for 66% (\$2.2 billion) of tax on net capital gains, followed by taxable companies, which accounted for 29% (\$0.9 billion).

Disposal or sale of an asset is still the most common CGT event. Asset disposal may be related to a range of economic and social factors, as well as to specific events. The pool of taxpayers who disposed of an asset in 2002–03 is not necessarily the same pool of taxpayers who disposed of assets in previous years. These economic, social and behavioural factors make it difficult to forecast tax payable on capital gains.

**TABLE 9.4: Tax payable on capital gains, by taxable entity, 2002–03 income year**

| Entity                   | Taxable taxpayers <sup>1</sup> | Net capital gains | Tax on net capital gains (CGT) <sup>2</sup> | Average CGT <sup>3</sup> |
|--------------------------|--------------------------------|-------------------|---|--------------------------|
|                          | No.                            | \$m               | \$m   | \$                       |
| Individual               | 663,045                        | 6,429             | 2,157                                       | 3,254                    |
| Company                  | 12,064                         | 3,266             | 937   | 77,708                   |
| Fund                     | 50,792                         | 1,048             | 159   | 3,132                    |
| <b>Total<sup>4</sup></b> | <b>725,901</b>                 | <b>10,743</b>     | <b>3,253</b>                                | <b>4,481</b>             |

1 Taxable taxpayers are taxpayers with net tax payable greater than \$0.  
2 Tax payable on net capital gains is estimated (based on entity type and tax rates).  
3 Average tax on net capital gains is calculated on actual (not rounded) figures.  
4 Total amounts may differ slightly from the sum of components due to rounding.

Among taxable individuals with net capital gains, the largest proportion (47%) had a taxable income between \$20,001 and \$50,000 (inclusive) (table 9.5). These individuals accounted for 20% (\$1.3 billion) of the total net capital gains of taxable individuals and were liable for 12% (\$252 million) of the total tax payable on net capital gains of taxable individuals. Taxable individuals with taxable income of \$60,001 or more accounted for 27% of the total number of taxable individuals with net capital gains. These individuals accounted for 69% (\$4.4 billion) of the total net capital gains of taxable individuals and 82% (\$1.8 billion) of the total tax payable on net capital gains.

The majority (51%) of taxable individuals with net capital gains were male. They accounted for 58% (\$3.7 billion) of the total

net capital gains of taxable individuals and were liable for 61% (\$1.3 billion) of the total tax payable on net capital gains (table 9.5).

Overall, male taxable taxpayers had higher average net capital gains (\$11,018) than female taxable taxpayers (\$8,302). However, female taxable taxpayers with taxable income of \$60,001 or more had higher average net capital gains (\$28,168) than male taxable taxpayers with the same taxable income range (\$23,281) (table 9.5).

Male taxable taxpayers also had a higher average tax payable on net capital gains (\$3,871) than female taxable taxpayers (\$2,603).

**TABLE 9.5: Net capital gains and CGT of taxable individuals, by taxable income and sex, 2002–03 income year**

| Taxable income                   | Taxable individuals <sup>1</sup> with net capital gains | Net capital gains <sup>2</sup> | Average net capital gains <sup>3</sup> | Tax on net capital gains (CGT) <sup>4</sup> | Average CGT <sup>3</sup> |
|----------------------------------|---|--------------------------------|--|---|--------------------------|
|                                  | No.   | \$m                            | \$                                     | \$m   | \$                       |
| <b>Male</b>                      |   |                                |  |   |                          |
| Loss/nil                         | 97  | 1                              | 6,009                                  | 0   | 0                        |
| \$1–\$6,000                      | 1,330   | 3                              | 2,153                                  | 1   | 628                      |
| \$6,001–\$20,000                 | 35,520  | 121                            | 3,403                                  | 12  | 330                      |
| \$20,001–\$50,000                | 140,646   | 583                            | 4,147                                  | 117   | 834                      |
| \$50,001–\$60,000                | 42,357  | 242                            | 5,703                                  | 62  | 1,453                    |
| \$60,001 or more                 | 120,225   | 2,799                          | 23,281                                 | 1,125                                       | 9,361                    |
| <b>Total</b>                     | <b>340,175</b>  | <b>3,748</b>                   | <b>11,018</b>                          | <b>1,317</b>                                | <b>3,871</b>             |
| <b>Female</b>                    |   |                                |  |   |                          |
| Loss/nil                         | 63  | 0                              | 5,454                                  | 0   | 0                        |
| \$1–\$6,000                      | 1,150   | 2                              | 1,482                                  | 1   | 468                      |
| \$6,001–\$20,000                 | 59,679  | 152                            | 2,555                                  | 14  | 232                      |
| \$20,001–\$50,000                | 171,666   | 674                            | 3,926                                  | 134   | 783                      |
| \$50,001–\$60,000                | 32,791  | 232                            | 7,068                                  | 59  | 1,814                    |
| \$60,001 or more                 | 57,521  | 1,620                          | 28,168                                 | 632   | 10,991                   |
| <b>Total</b>                     | <b>322,870</b>  | <b>2,681</b>                   | <b>8,302</b>                           | <b>841</b>                                  | <b>2,603</b>             |
| <b>Total taxable individuals</b> |   |                                |  |   |                          |
| Loss/nil                         | 160   | 1                              | 5,790                                  | 0   | 0                        |
| \$1–\$6,000                      | 2,480   | 5                              | 1,842                                  | 1   | 554                      |
| \$6,001–\$20,000                 | 95,199  | 273                            | 2,871                                  | 26  | 268                      |
| \$20,001–\$50,000                | 312,312   | 1,257                          | 4,026                                  | 252   | 806                      |
| \$50,001–\$60,000                | 75,148  | 473                            | 6,298                                  | 121   | 1,611                    |
| \$60,001 or more                 | 177,746   | 4,419                          | 24,863                                 | 1,758                                       | 9,888                    |
| <b>Total</b>                     | <b>663,045</b>  | <b>6,429</b>                   | <b>9,696</b>                           | <b>2,157</b>                                | <b>3,254</b>             |

1 Refers to individual taxpayers with net tax payable greater than \$0.

2 An amount of \$0 indicates an amount less than \$500,000.

3 Average amounts are calculated from actual (not rounded) figures.

4 Tax payable on net capital gains is estimated (based on entity type and tax rates).

Among taxable companies with net capital gains, 30% had a taxable income between \$100,001 and \$500,000 (inclusive) (table 9.6). However, these companies accounted for only 11% (\$371 million) of the total net capital gains of taxable companies and were liable for 12% (\$111 million) of the total tax payable on net capital gains by taxable companies.

Taxable companies with taxable income of \$5,000,001 or more accounted for 2% of the total number of taxable companies with net capital gains, but they accounted for 54% (\$510 million) of the total tax payable on net capital gains by taxable companies.

**TABLE 9.6: Net capital gains and CGT of taxable companies, by taxable income, 2002–03 income year**

| Taxable income <sup>1</sup> | Taxable companies <sup>2</sup> with net capital gains | Net capital gains | Average net capital gains <sup>3</sup> | Tax on net capital gains (CGT) <sup>4</sup> | Average CGT <sup>3</sup> |
|-----------------------------|---|-------------------|--|---|--------------------------|
|                             | No.   | \$m               | \$                                     | \$m   | \$                       |
| \$1–\$20,000                | 2,799   | 141               | 50,515                                 | 42  | 15,165                   |
| \$20,001–\$50,000           | 2,127   | 61                | 28,469                                 | 18  | 8,541                    |
| \$50,001–\$60,000           | 529   | 19                | 36,814                                 | 6   | 11,044                   |
| \$60,001–\$100,000          | 1,407   | 60                | 42,961                                 | 18  | 12,890                   |
| \$100,001–\$500,000         | 3,592   | 371               | 103,372                                | 111   | 31,007                   |
| \$500,001–\$1,000,000       | 695   | 169               | 242,956                                | 51  | 72,887                   |
| \$1,000,001–\$5,000,000     | 688   | 604               | 878,570                                | 181   | 263,347                  |
| \$5,000,001 or more         | 227   | 1,840             | 8,103,582                              | 510   | 2,245,175                |
| <b>Total</b>                | <b>12,064</b>   | <b>3,266</b>      | <b>270,723</b>                         | <b>937</b>                                  | <b>77,708</b>            |

1 Refers to the 'Taxable or net income' item (label A) in the 'Calculation statement' section on page 4 of the 2003 annual company income tax return.

2 Refers to companies with net tax payable greater than \$0.

3 Average amounts are calculated from actual (not rounded) figures.

4 Tax payable on net capital gains is estimated (based on entity type and tax rates).

Among taxable funds with net capital gains, the majority (41%) had a taxable income between \$1 and \$20,000 (inclusive) (table 9.7). However, these funds accounted for only 5% (\$53 million) of the total net capital gains of taxable funds and were liable for 6% (\$9 million) of the total tax payable on net

capital gains by taxable funds. Taxable funds with taxable income of \$5,000,001 or more accounted for less than 1% of the total number of taxable funds with net capital gains, but they accounted for 42% (\$67 million) of the total tax payable on net capital gains by taxable funds.

**TABLE 9.7: Net capital gains and CGT of taxable funds, by taxable income, 2002–03 income year**

| Taxable income <sup>1</sup> | Taxable funds <sup>2</sup> with net capital gains | Net capital gains | Average net capital gains <sup>3</sup> | Tax on net capital gains (CGT) <sup>4</sup> | Average CGT <sup>3</sup> |
|-----------------------------|---|-------------------|--|---|--------------------------|
|                             | No.   | \$m               | \$                                     | \$m   | \$                       |
| \$1–\$20,000                | 20,901  | 53                | 2,524                                  | 9   | 429                      |
| \$20,001–\$50,000           | 13,261  | 75                | 5,662                                  | 11  | 854                      |
| \$50,001–\$60,000           | 2,500   | 23                | 9,100                                  | 3   | 1,373                    |
| \$60,001–\$100,000          | 6,674   | 80                | 12,019                                 | 12  | 1,805                    |
| \$100,001–\$500,000         | 7,079   | 275               | 38,878                                 | 42  | 5,877                    |
| \$500,001–\$1,000,000       | 191   | 44                | 230,295                                | 7   | 34,545                   |
| \$1,000,001–\$5,000,000     | 100   | 53                | 528,484                                | 8   | 80,494                   |
| \$5,000,001 or more         | 86  | 445               | 5,173,585                              | 67  | 779,767                  |
| <b>Total</b>                | <b>50,792</b>                                     | <b>1,048</b>      | <b>20,629</b>                          | <b>159</b>                                  | <b>3,132</b>             |

1 Refers to the 'Taxable income' item (label A) in the 'Calculation statement' section on page 2 of the 2003 annual fund income tax return.

2 Refers to funds with net tax payable greater than \$0.

3 Average amounts are calculated from actual (not rounded) figures.

4 Tax payable on net capital gains is estimated (based on entity type and tax rates).

**TOTAL CAPITAL GAINS, BY SOURCE AND ENTITY**

In 2002–03, 268,811 taxable entities (individuals, companies and funds) declared \$31.0 billion in total current year capital gains on their CGT schedules (table 9.8).

In the CGT schedule, entities had to report capital gains from the following sources (see the 2003 CGT schedule in the appendix):

- shares and units (in unit trust)
- real estate
- other CGT assets and other CGT events, and
- collectables.

Around 56% (\$17.5 billion) of the total amount of total current year capital gains were sourced from shares (table 9.8). Real estate accounted for 28% (\$8.7 billion) of total current year capital gains, while other assets (including collectables) accounted for 16% (\$4.8 billion).

Taxable individuals (234,064) accounted for 87% of the total number of taxable entities with total capital gains. However, their total capital gains (\$13.1 billion) accounted for only 42% of the total capital gains declared by taxable entities on their schedules (table 9.9).

Some 45% of taxable individuals declared a total of \$3.7 billion in current year capital gains from shares, representing 28% of their total capital gains (table 9.9). Overall, taxable individuals' total capital gains from shares accounted for 21% of the total capital gains from shares declared by taxable entities (table 9.8 and table 9.9).

**TABLE 9.8: Total current year capital gains, by source, 2002–03 income year**

| Source of gains <sup>1</sup> | Taxable entities <sup>2</sup><br>with total current year capital gains |                         | Total current year capital gains |              |
|------------------------------|--|-------------------------|----------------------------------|--------------|
|                              | No.  | %                       | \$m                              | %            |
| Shares                       | 131,313  | 48.8                    | 17,521                           | 56.4         |
| Real estate                  | 126,542  | 47.1                    | 8,679                            | 28.0         |
| Other assets <sup>3</sup>    | 46,074   | 17.1                    | 4,841                            | 15.6         |
| <b>Total<sup>4</sup></b>     | <b>268,811</b>   | <b>n.a.<sup>5</sup></b> | <b>31,041</b>                    | <b>100.0</b> |

1 Sources include both active and non-active assets.

2 Refers to taxable individuals, companies and funds only.

3 Includes other CGT assets, any other CGT events and non-active asset collectables.

4 Components do not add to total number of taxable entities claiming total capital gains as entities may claim total capital gains from more than one source. Total amounts claimed may not equal the sum of components due to rounding.

5 Percentage components do not add to 100% as entities may claim total capital gains from more than one source.

**TABLE 9.9: Taxable individuals' total current year capital gains, by source, 2002–03 income year**

| Source of gains <sup>1</sup> | Taxable individuals <sup>2</sup><br>with total current year capital gains |                         | Total current year capital gains |              |
|------------------------------|---|-------------------------|----------------------------------|--------------|
|                              | No.   | %                       | \$m                              | %            |
| Shares                       | 104,529   | 44.7                    | 3,683                            | 28.0         |
| Real estate                  | 121,051   | 51.7                    | 7,163                            | 54.5         |
| Other assets <sup>3</sup>    | 39,048  | 16.7                    | 2,294                            | 17.5         |
| <b>Total<sup>4</sup></b>     | <b>234,064</b>  | <b>n.a.<sup>5</sup></b> | <b>13,140</b>                    | <b>100.0</b> |

1 Sources include both active and non-active assets.

2 Refers to individual taxpayers with net tax payable greater than \$0.

3 Includes other CGT assets, any other CGT events and non-active asset collectables.

4 Components do not add to total number of taxable individuals claiming total capital gains as individuals may claim total capital gains from more than one source. Total amounts claimed may not equal the sum of components due to rounding.

5 Percentage components do not add to 100% as individuals may claim total capital gains from more than one source.

Taxable companies (9,234) accounted for 3% of the total number of taxable entities with total capital gains, but their total capital gains (\$9.1 billion) accounted for 29% of the total capital gains declared by taxable entities on their schedules (table 9.10).

Some 45% (4,183) of these taxable companies declared a total of \$5.8 billion in current year capital gains from shares, representing 64% of the total capital gains of taxable companies (table 9.10). Overall, taxable companies' total capital gains from shares accounted for 33% of the total capital gains from shares declared by taxable entities (table 9.8 and table 9.10).

Taxable funds (25,513) accounted for 9% of the total number of taxable entities with total capital gains, but their total capital gains (\$8.8 billion) accounted for 28% of the total capital gains declared by taxable entities on their schedules (table 9.11).

The majority (89%) of these funds declared \$8.0 billion from shares, representing 91% of their total capital gains (table 9.11). Taxable funds' total capital gains from shares accounted for 46% of the total capital gains from shares declared by taxable entities (table 9.8 and 9.11).

**TABLE 9.10: Taxable companies' total current year capital gains, by source, 2002–03 income year**

| Source of gains <sup>1</sup> | Taxable companies <sup>2</sup><br>with total current year capital gains |                         | Total current year capital gains |              |
|------------------------------|---|-------------------------|----------------------------------|--------------|
|                              | No.   | %                       | \$m                              | %            |
| Shares                       | 4,183   | 45.3                    | 5,837                            | 64.1         |
| Real estate                  | 3,054   | 33.1                    | 1,252                            | 13.8         |
| Other assets <sup>3</sup>    | 2,845   | 30.8                    | 2,014                            | 22.1         |
| <b>Total<sup>4</sup></b>     | <b>9,234</b>  | <b>n.a.<sup>5</sup></b> | <b>9,103</b>                     | <b>100.0</b> |

1 Sources include both active and non-active assets.  
2 Refers to company taxpayers with net tax payable greater than \$0.  
3 Includes other CGT assets, any other CGT events and non-active asset collectables.  
4 Components do not add to total number of taxable companies claiming total capital gains as companies may claim total capital gains from more than one source. Total amounts claimed may not equal the sum of components due to rounding.  
5 Percentage components do not add to 100% as companies may claim total capital gains from more than one source.

**TABLE 9.11: Taxable funds' total current year capital gains, by source, 2002–03 income year**

| Source of gains <sup>1</sup> | Taxable funds <sup>2</sup><br>with total current year capital gains |                         | Total current year capital gains |              |
|------------------------------|---|-------------------------|----------------------------------|--------------|
|                              | No.   | %                       | \$m                              | %            |
| Shares                       | 22,601  | 88.6                    | 8,001                            | 90.9         |
| Real estate                  | 2,437   | 9.6                     | 264                              | 3.0          |
| Other assets <sup>3</sup>    | 4,181   | 16.4                    | 533                              | 6.1          |
| <b>Total<sup>4</sup></b>     | <b>25,513</b>   | <b>n.a.<sup>5</sup></b> | <b>8,798</b>                     | <b>100.0</b> |

1 Sources include both active and non-active assets.  
2 Refers to fund taxpayers with net tax payable greater than \$0.  
3 Includes other CGT assets, any other CGT events and non-active asset collectables.  
4 Components do not add to total number of taxable funds claiming total capital gains as funds may claim total capital gains from more than one source. Total amounts claimed may not equal the sum of components due to rounding.  
5 Percentage components do not add to 100% as funds may claim total capital gains from more than one source.



**DETAILED TABLES**

The following CGT detailed tables are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

**Table 1: Net capital gains subject to tax, 1993–94 to 2002–03 income years**

This table shows the number of taxable entities with net capital gains, the amount of their net capital gains and the estimated tax payable on these net capital gains (CGT), for income years 1993–94 to 2002–03.

This table is also available at the back of this chapter (see table 9.12).

**Table 2: Net capital gains subject to tax, by entity and taxable income, 2002–03 income year**

This table shows the number of individual, company and fund taxpayers with capital gains, the total number of individual, company and fund taxpayers (or total number of returns lodged by these entities), the proportion of taxpayers with capital gains to the total number of taxpayers, the net capital gains of these entities and the estimated tax payable (CGT) on these net capital gains. These items are ranged by taxable income.

**TIME SERIES TABLE**

Table 9.12 shows net capital gains subject to tax for income years 1993–94 to 2002–03. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as CGT detailed table 1. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

**TABLE 9.12: Capital gains tax<sup>1</sup>. Net capital gains subject to tax, 1993–94 to 2002–03 income years**

|  | 1993–94 | 1994–95 | 1995–96 | 1996–97 | 1997–98 | 1998–99 | 1999–2000 | 2000–01 <sup>2</sup> | 2001–02 <sup>2</sup> | 2002–03 <sup>3</sup> |         |
|--|---------|---------|---------|---------|---------|---------|-----------|----------------------|----------------------|----------------------|---------|
| <b>Taxable individuals<sup>4,9</sup></b> |         |         |         |         |         |         |           |                      |                      |                      |         |
| Number with net capital gains            | No.     | 346,417 | 270,531 | 379,579 | 599,984 | 734,282 | 809,787   | 857,458              | 1,176,926            | 919,083              | 663,045 |
| Net capital gains                        | \$m     | 2,285   | 1,541   | 2,205   | 3,092   | 4,829   | 5,890     | 5,849                | 5,668                | 6,342                | 6,429   |
| Tax payable on gains <sup>5</sup>        | \$m     | 711     | 476     | 632     | 881     | 1,387   | 2,063     | 1,777                | 1,936                | 2,103                | 2,157   |
| <b>Taxable companies<sup>6</sup></b>     |         |         |         |         |         |         |           |                      |                      |                      |         |
| Number with net capital gains            | No.     | 7,306   | 6,830   | 8,074   | 10,880  | 12,614  | 14,160    | 15,922               | 14,508               | 14,246               | 12,064  |
| Net capital gains                        | \$m     | 1,970   | 1,544   | 2,095   | 3,222   | 4,129   | 7,068     | 7,569                | 5,327                | 3,831                | 3,266   |
| Tax payable on gains <sup>5</sup>        | \$m     | 372     | 402     | 553     | 814     | 1,116   | 2,118     | 2,394                | 1,460                | 1,066                | 938     |
| <b>Taxable funds<sup>7</sup></b>         |         |         |         |         |         |         |           |                      |                      |                      |         |
| Number with net capital gains            | No.     | 14,988  | 11,398  | 20,292  | 32,172  | 40,326  | 47,263    | 56,781               | 76,172               | 70,148               | 50,792  |
| Net capital gains                        | \$m     | 3,235   | 780     | 2,208   | 3,930   | 8,504   | 6,931     | 7,650                | 5,521                | 2,846                | 1,048   |
| Tax payable on gains <sup>5</sup>        | \$m     | 493     | 117     | 331     | 591     | 1,276   | 1,043     | 1,158                | 834                  | 429                  | 159     |
| <b>Total<sup>8</sup></b>                 |         |         |         |         |         |         |           |                      |                      |                      |         |
| Number with net capital gains            | No.     | 368,711 | 288,759 | 407,945 | 643,036 | 787,222 | 871,210   | 930,176              | 1,267,606            | 1,003,477            | 725,901 |
| Net capital gains                        | \$m     | 7,490   | 3,865   | 6,508   | 10,244  | 17,462  | 19,889    | 21,068               | 16,516               | 13,019               | 10,743  |
| Tax payable on gains <sup>5</sup>        | \$m     | 1,576   | 995     | 1,516   | 2,286   | 3,779   | 5,224     | 5,329                | 4,230                | 3,598                | 3,254   |

**Notes:**

- \* Please refer to the 'Capital gains tax' chapter and the *Taxation Statistics 2002–03* glossary for descriptions of the items reported in the table. The glossary is included in the online version of *Taxation Statistics 2002–03* on the Tax Office website. It is also included on the *Taxation Statistics 2002–03* CD-ROM.
- 1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website
- 2 The 2000–01 and 2001–02 income year statistics reported in this table may not match the statistics reported in previous editions of *Taxation Statistics* because the statistics for these income years have been updated in this edition.
- 3 The statistics for the 2002–03 income year were sourced from 2003 individual, company and fund income tax returns processed by 31 October 2004. The statistics are not necessarily complete. Therefore, caution should be exercised in making comparisons between the statistics for the 2002–03 and prior income years. For further information please refer to the 'Source of CGT statistics' section in the 'Capital gains tax' chapter of *Taxation Statistics 2002–03*.
- 4 Refers to individual taxpayers with net tax payable greater than \$0.
- 5 Tax payable on net capital gains is estimated (based on entity type and tax rates).
- 6 Refers to company taxpayers with net tax (or tax payable) greater than \$0.
- 7 Refers to fund taxpayers with net tax (or tax payable) greater than \$0.
- 8 Totals may slightly differ from sum of components due to rounding.
- 9 Includes trustee assessments.

### 📌 HIGHLIGHTS

- For the 2003–04 FBT year, FBT payable (excluding FBT payable by Australian Government departments) was \$3.2 billion.
- FBT rebates claimed reached \$88.1 million.
- Employee contributions (excluding those made by employees of Australian Government departments) for motor vehicle, expense payments, housing, living away from home allowance, airline transport, board, property, car parking and other (including residual) benefits reached \$258.6 million for the 2003–04 FBT year.

Fringe benefits tax (FBT) is the tax paid by employers on non-salary benefits (fringe benefits) provided to employees or associates of employees. The benefit does not have to be provided directly by the employer for FBT to apply. FBT may still apply if the benefit is provided by an associate of the employer or by a third party under an arrangement with the employer.

Employees do not pay income tax on the fringe benefits they receive. FBT is paid by employers, irrespective of whether they are sole traders, partnerships, trusts, corporations, unincorporated associations or government bodies, and irrespective of whether they are liable to pay other taxes such as income tax. Employers, however, can generally claim an income tax deduction for the cost of providing fringe benefits. FBT paid by the employer may also be an allowable income tax deduction.

This chapter reports and discusses FBT statistics for the 2003–04 FBT year (1 April 2003 to 31 March 2004).

### BOX 10.1: Fringe benefits<sup>1</sup>

**Fringe benefit:** in general, a benefit provided in respect of employment. It includes any right, privilege, service or facility. Fringe benefits are provided to employees (or associates of the employees) in place of or in addition to salary or wages, for example, the use of a car for private purposes.

FBT is payable on the following types of benefits:

- cars (owned or leased by the employer, or otherwise made available to the employer) made available for the private use of an employee
- waiver of a debt owed by an employee
- loans to an employee at low interest rates or free of interest
- expenses of employees reimbursed or paid by an employer
- residential accommodation provided to an employee
- living away from home allowance
- free or discounted air travel on a stand-by basis provided to employees of airlines or travel agents
- board meals
- meal entertainment
- entertainment provided to an employee of a tax-exempt body, arising from non-deductible entertainment expenditure
- car parking facilities provided by the employer to an employee
- free or discounted property provided to an employee, and
- other residual benefits (benefits not falling under the types mentioned above).

<sup>1</sup> This box presents only a general description of the above term. It does not provide the full technical or legal definition. For more information on the different types of taxable fringe benefits, see the Tax Office publication *Fringe benefits tax (FBT) – A guide for employers*.

### NEW FEATURES AND INFORMATION

The following change implemented during the 2002–03 income year affected the statistics for some fringe benefit items reported in this chapter and the detailed tables.

For the 2003–04 FBT year, employers were required to provide the value of all reportable fringe benefits amounts provided to employees in the current FBT year, that is, from 1 April 2003 to 31 March 2004. Previously, the value of all reportable fringe benefits amounts provided referred to the previous year, for example, for the 2002–03 FBT year, the value of all reportable fringe benefits amounts related to the period 1 April 2001 to 31 March 2002.

A time series table (table 10.5) is included at the back of the chapter. This table contains selected FBT statistics from the 1993–94 to 2003–04 FBT years. This time series table is the same as FBT detailed table 5, which is on the attached CD-ROM and included in the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au) It can be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

For this edition, selected FBT statistics for the 2001–02 to 2002–03 FBT years have been updated (see table 10.5, FBT detailed table 5 and figure 10.1). The statistics for these years do therefore not match statistics reported in previous editions of *Taxation Statistics*.

### SOURCE OF FBT STATISTICS

The data for *Taxation Statistics 2002–03* was compiled before all processing for the 2003–04 FBT year was completed. Statistics in this chapter are sourced from 2004 FBT annual returns processed by 31 October 2004. They are not necessarily complete and will continue to change as data from 2004 FBT returns processed after 31 October 2004 is included.

The proportion of tax returns processed each year by 31 October can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2003–04 FBT year and previous years will be possible when *Taxation Statistics 2003–04* is published. In that edition, the 2003–04 FBT year statistics will include data from FBT returns and amendments processed up to 31 October 2005.

FBT returns were lodged electronically, in paper form, or through a tax agent. Returns lodged through a tax agent may have a different lodgment date. A copy of the 2004 FBT annual return is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website.

Because of changes to the annual FBT return introduced during the 2000–01 FBT year, some statistics reported in past editions of *Taxation Statistics* are no longer available. Statistics no longer reported in this chapter include:

- statistics on FBT payable, by type of benefit, and
- statistics on the number of employees who received certain types of benefits for some industries.

### REPORTING, CALCULATING AND PAYING FBT

FBT is treated as an annual tax and is collected through a self-assessment system. There is a general requirement that employers must keep sufficient records to enable their FBT liability to be assessed. A return covering the FBT year, which begins on 1 April and ends on 31 March of the following year, should be lodged by 21 May each year.

In the annual FBT return, employers declare the total taxable value of relevant fringe benefits provided to their employees and/or their employees' associates, in respect of their employment during each FBT year, and pay tax on that value.

An employer's FBT liability is calculated by applying the FBT rate of tax (48.5%) to the **fringe benefits taxable amount**. This is the sum of the **taxable value** of all fringe benefits

provided to employees during an FBT year, increased by the applicable **gross-up** rate (box 10.2).

As an offset to the gross-up rules, employers are allowed an income tax deduction for the FBT they have paid. Some tax-exempt employers who cannot claim an income tax deduction for FBT payments can reduce their FBT liability with a concessional rebate. (Rebates are discussed later in this chapter.)

### BOX 10.2: Gross-up rules

Gross-up rules were introduced in April 1994 to ensure salary or wage income and fringe benefits provided to employees received similar tax treatment. Under the gross-up rules, the employer's fringe benefits amounts (taxable value) for the FBT year were multiplied by  $1/(1-\text{FBT rate})$ .

The introduction of the goods and services tax (GST) on 1 July 2000 affected the calculation of an employer's FBT liability. Fringe benefits are now grossed up at one or two different rates, according to the employer's entitlement to GST input tax credits.

**Type 1** benefits are benefits for which the employer is entitled to an **input tax credit** for GST paid on goods or services acquired to provide fringe benefits. Most registered employers are entitled to input tax credits on their business-related purchases, including benefits purchased for an employee's private use. The type 1 GST-inclusive gross-up rate effectively ensures that the employer's net cost of providing the fringe benefit remains neutral under GST – that is, the higher gross-up rate removes the tax advantage of taking remuneration as benefits instead of salary. For type 1 benefits, the gross-up formula is:

$$\frac{(\text{FBT rate} + \text{GST rate})}{(1 - \text{FBT rate}) \times (1 + \text{GST rate}) \times \text{FBT rate}}$$

The FBT and GST rates applicable for the year ending 31 March 2004 (2003–04 FBT year) are 48.5% and 10% respectively. This formula results in a current gross-up rate of 2.1292.

**Type 2** benefits are benefits for which the employer is not entitled to input tax credits. Type 2 fringe benefits amounts are all other fringe benefits not included in type 1. For type 2 benefits, the gross-up formula is:

$$\frac{1}{1 - \text{FBT rate}}$$

This formula results in a current gross-up rate of 1.9417.

An employer's **fringe benefits taxable amount** is the sum of type 1 and type 2 fringe benefits amounts, plus any aggregate non-exempt amount. The **aggregate non-exempt** amount applies only to benefits provided by **public benevolent institutions**, charities concerned with the prevention or control of human diseases, and some hospitals.

**BOX 10.3: Terminology<sup>1</sup>**

**Aggregate non-exempt amount:** an employer's total exempt amount under section 57A of the *Fringe Benefits Tax Assessment Act 1986*, less:

- \$17,000 for each employee of some hospitals, or
- \$30,000 for each employee of public benevolent institutions and charities concerned with the prevention or control of human diseases.

**Input tax credit:** an amount a registered entity is entitled to claim to offset the GST paid on inputs an entity acquires to use in its enterprise. (Input tax credits are also discussed in chapter 12.)

**Public benevolent institution:** an entity that:

- is established and carried on for the relief of poverty, sickness, suffering, distress, misfortune, destitution or helplessness
- makes its services available without discrimination to every member of the public the organisation aims to benefit
- is administered for the public good without purpose of private gain, and
- provides direct relief for the benefit of a disadvantaged section of the public (for example, the provision of food and/or shelter for homeless people).

**Taxable value:** generally, the value of a fringe benefit after deducting any employee contributions or other relevant reductions. The *Fringe Benefits Tax Assessment Act 1986* contains a number of different valuation rules for calculating the taxable value of different categories of fringe benefit. Information on how to calculate different categories of fringe benefit are in the Tax Office publication *Fringe benefits tax (FBT) – A guide for employers*.

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide the full technical or legal definitions.

If an employer is eligible to use the **record keeping exemption arrangements**, the amount of FBT payable may be determined using the employer's aggregate fringe benefits amount from an earlier year.

**BOX 10.4: Record keeping exemption arrangements**

An employer must keep sufficient records to enable their FBT liability to be assessed. Since 9 April 1999 certain employers have been able to use an alternative way of calculating how much FBT to pay, rather than keep full records. These employers can calculate FBT on the aggregate fringe benefits amount of an earlier year (base year) when such records were kept. These changes were introduced to reduce the compliance costs of record keeping for small business.

An employer can elect to use the arrangements if they are not a government body or an income tax exempt organisation. FBT records must also have been kept in the base year, and the total taxable value of fringe benefits provided in the base year must not exceed the exemption threshold in a full year (table 10.1). There are a number of other requirements which must also be met before the record keeping exemption arrangements can be used.

**TABLE 10.1: Exemption threshold**

| FBT year  | \$    |
|-----------|-------|
| 1996–97   | 5,000 |
| 1997–98   | 5,130 |
| 1998–99   | 5,145 |
| 1999–2000 | 5,191 |
| 2000–01   | 5,268 |
| 2001–02   | 5,505 |
| 2002–03   | 5,747 |
| 2003–04   | 5,919 |

The arrangements cannot be used when the total taxable value of fringe benefits provided in the current year is more than 20% greater than the most recent base year amount. However, this 20% rule does not apply when the difference between the current year and most recent base year amount is \$100 or less.

If an employer's FBT liability for the previous year was less than \$3,000, they lodge and pay their FBT annually. The annual payment is due by 21 May following the FBT year. If an employer's FBT liability for the previous year was \$3,000 or more, they pay quarterly FBT instalments as notified on their quarterly activity statement. Instalments are payable on 21 July, 21 October, 21 January and 21 April through the activity statement. For deferred payers, the instalments are due on 28 July, 28 October, 28 February and 28 April.

Any balancing payment is made when the annual return is lodged (usually by 21 May). This is the tax on benefits provided during the full year (as disclosed on the return), less the amount of instalments paid. If the tax is less than the amount paid as instalments and the employer has no other taxes outstanding, the Tax Office refunds the balance.

Apart from lodging and paying FBT, employers are required to keep track of fringe benefits provided to individual employees. If the total taxable value of fringe benefits provided to an employee in an FBT year exceeds \$1,000, the grossed-up taxable value must be reported on the employee's payment summary. This value is called the **reportable fringe benefits amount**. This amount also includes fringe benefits provided to an employee's associates, such as a spouse or child.

The amount reported on payment summaries is not included in employees' assessable (or taxable) income. However, it is used to determine liability for superannuation and Medicare levy surcharges, entitlement to various income-tested Australian Government benefits and concessions (such as family tax benefit and child care benefits) and child support obligations.

Certain benefits are excluded from the reporting requirements, such as leasing entertainment facilities (for example, corporate boxes), meal entertainment, car parking and certain other benefits relating to employees living in remote areas. However, employers are still subject to FBT on these excluded benefits.

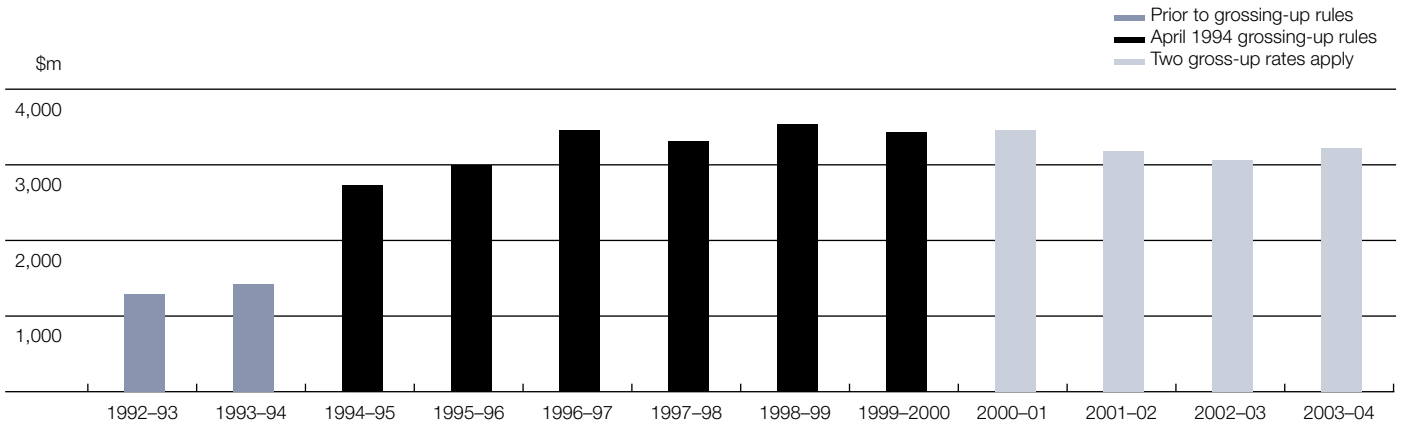
**FBT PAYABLE**

In 2003–04 there were 57,592 FBT payers. These taxpayers were liable for \$3.2 billion in FBT (figure 10.1 and table 10.2).

Excluding the 1998–99 FBT year, the number of FBT payers declined yearly from 1992–93 to 2002–03 (see table 10.5). This has been attributed partly to an increased trend for employers to seek employee contributions to reduce their FBT liability to nil so they are not required to lodge FBT returns.

The amount of FBT payable has increased significantly since 1992–93 from \$1.3 billion to \$3.2 billion in 2003–04. The increase is mainly due to the introduction of the gross-up rules (figure 10.1).

**FIGURE 10.1: FBT payable<sup>1</sup>, 1992–93 to 2003–04 FBT years**



<sup>1</sup> Refers to FBT payable calculated before rebates were deducted. Excludes FBT payable by Australian Government departments. For the FBT years 1994–95 to 1999–2000, an employer's aggregate fringe benefits amount (taxable value) for the FBT year was increased by 1/(1-FBT rate). On 1 July 2000 the government introduced a second FBT gross-up rate. Hence for the 2000–01 and later FBT years, two FBT gross-up rates are applied.

**FRINGE BENEFITS, BY TYPE AND INDUSTRY**

The types of benefits provided vary across industries. In general, some industries are more likely to provide certain types of fringe benefits because businesses traditionally provide benefits related to their area of business. For example, employers in the finance, insurance, property and business services industries are more likely to provide benefits such as low-cost loans, debt waivers, expenses and property to their employees, while employers in the airline industry (classified under the transport and storage industry category) are more likely to provide airline transport as a fringe benefit to their employees. This is because this type of fringe benefit arises only when employees or associates of airlines or travel agents

are provided with free or discounted air travel – subject to the stand-by restrictions that customarily apply to employees in the airline industry.

For the 2003–04 FBT year, the property and business services industry accounted for the largest number of total FBT payers providing property benefits, while the transport and storage industry accounted for the largest number of total FBT payers providing airline transport benefits (see FBT detailed table 3).

In terms of FBT payable, the manufacturing industry (19%), property and business services industry (15%), and the wholesale trade industry (12%) accounted for the largest share of total FBT payable (table 10.2).

**TABLE 10.2: FBT payable<sup>1</sup>, by industry, 2003–04 FBT year**

| Industry <sup>2</sup>               | FBT payers    |              | FBT payable <sup>1</sup> |              |
|-------------------------------------|---------------|--------------|--------------------------|--------------|
|                                     | No.           | %            | \$m                      | %            |
| Manufacturing                       | 8,110         | 14.1         | 621                      | 19.3         |
| Property & business services        | 13,780        | 23.9         | 488                      | 15.2         |
| Wholesale trade                     | 7,773         | 13.5         | 393                      | 12.2         |
| Finance & insurance                 | 3,486         | 6.1          | 379                      | 11.8         |
| Retail trade                        | 5,012         | 8.7          | 190                      | 5.9          |
| Government administration & defence | 1,175         | 2.0          | 184                      | 5.7          |
| Transport & storage                 | 1,888         | 3.3          | 138                      | 4.3          |
| Mining                              | 740           | 1.3          | 132                      | 4.1          |
| Education                           | 1,668         | 2.9          | 128                      | 4.0          |
| Construction                        | 3,520         | 6.1          | 99                       | 3.1          |
| Communication                       | 358           | 0.6          | 87                       | 2.7          |
| Personal & other services           | 1,706         | 3.0          | 79                       | 2.5          |
| Health & community services         | 3,300         | 5.7          | 78                       | 2.4          |
| Cultural & recreational services    | 1,280         | 2.2          | 70                       | 2.2          |
| Accommodation, cafes & restaurants  | 1,528         | 2.7          | 42                       | 1.3          |
| Electricity, gas & water supply     | 171           | 0.3          | 34                       | 1.1          |
| Agriculture, forestry & fishing     | 1,284         | 2.2          | 23                       | 0.7          |
| Other <sup>3</sup>                  | 813           | 1.4          | 54                       | 1.7          |
| <b>Total<sup>4</sup></b>            | <b>57,592</b> | <b>100.0</b> | <b>3,220</b>             | <b>100.0</b> |

1 Refers to FBT payable calculated before rebates were deducted. Excludes FBT payable by Australian Government departments.

2 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication *Business industry codes 2003*.

3 Includes FBT payable by FBT payers who did not state their industry.

4 Total amounts may differ slightly from the sum of components due to rounding.

### FBT REBATES

FBT is payable on the grossed-up taxable value of benefits, and an offsetting income tax deduction is allowed for FBT paid. However, certain non-profit employers (such as religious institutions, trade unions, scientific, charitable or public educational institutions) cannot claim the offsetting income tax deductions for FBT. To ensure these employers are not disadvantaged, they are eligible for an FBT rebate of 48%.

The amount of the rebate for the FBT years beginning on or after 1 April 2001 is calculated using the following formula:

$$0.48 \times (\text{gross tax} - \text{aggregate non-rebatable amount}) \times \frac{\text{rebatale days in year}}{\text{total days in year}}$$

**Gross tax** refers to the amount of FBT that would be payable if the rebate did not exist. The **aggregate non-rebatable amount** is the portion of the taxable value of fringe benefits for which the employer cannot obtain a rebate. **Rebatable days** refers to the number of whole days in the year on which the employer qualified for the rebate. **Total days** refers to the number of days in the year that the claimant was an employer.

For the 2003–04 FBT year, 3,449 entities claimed the rebate (table 10.3). The majority of these entities were in the education (36%), personal and other services (24%), and cultural and recreational services (10%) industries.

The total value of rebates claimed by eligible organisations in the 2004 FBT year was \$88.1 million. Rebates reduced the amount of FBT payable from \$3,220.0 million to \$3,132.3 million.

**TABLE 10.3: FBT rebates claimed, by industry, 2003–04 FBT year**

| Industry <sup>1</sup>               | Claims       |              | Amount claimed |              |
|-------------------------------------|--------------|--------------|----------------|--------------|
|                                     | No.          | %            | \$'000         | %            |
| Education                           | 1,250        | 36.2         | 39,182         | 44.5         |
| Personal & other services           | 812          | 23.5         | 18,512         | 21.0         |
| Cultural & recreational services    | 341          | 9.9          | 12,141         | 13.8         |
| Property & business services        | 286          | 8.3          | 5,025          | 5.7          |
| Accommodation, cafes & restaurants  | 278          | 8.1          | 4,182          | 4.7          |
| Health & community services         | 147          | 4.3          | 1,481          | 1.7          |
| Manufacturing                       | 31           | 0.9          | 1,320          | 1.5          |
| Finance & insurance                 | 26           | 0.8          | 702            | 0.8          |
| Government administration & defence | 41           | 1.2          | 597            | 0.7          |
| Transport & storage                 | 30           | 0.9          | 447            | 0.5          |
| Wholesale trade                     | 19           | 0.6          | 337            | 0.4          |
| Agriculture, forestry & fishing     | 40           | 1.2          | 327            | 0.4          |
| Retail trade                        | 14           | 0.4          | 313            | 0.4          |
| Construction                        | 12           | 0.3          | 109            | 0.1          |
| Other <sup>2</sup>                  | 122          | 3.5          | 3,422          | 3.9          |
| <b>Total<sup>3</sup></b>            | <b>3,449</b> | <b>100.0</b> | <b>88,096</b>  | <b>100.0</b> |

1 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication *Business industry codes 2003*.

2 Includes mining, communication, electricity, gas and water supply industries and entities that did not state their industry.

3 Total amounts claimed may differ slightly from the sum of components due to rounding.



## EMPLOYEE CONTRIBUTIONS

In some circumstances, an employee may make a payment to their employer as a contribution towards the cost of providing fringe benefits. These payments, referred to as 'employee contributions', are generally assessable income in the hands of the employer.

An employee contribution may be made only from an employee's after-tax income. Contributions related to a particular fringe benefit reduce the taxable value of that benefit, and therefore the amount of FBT payable. They may not be applied to reduce the taxable value of any other fringe benefit. Any operating expenses incurred by the employee in relation to a car supplied by the employer that are not reimbursed may also reduce the taxable value. Employers are not required to lodge FBT returns when the employee contributions reduce the total FBT liability to nil.

For the 2003–04 FBT year, employers had to report employee contributions for motor vehicle, expense payments, housing,

living away from home allowance, airline transport, board, property, car parking and other (residual) benefits (see the 2004 FBT annual return in the appendix). Total employee contributions for these benefits (excluding those made by employees of Australian Government departments) reached \$258.6 million for the 2003–04 FBT year.

A breakdown of employee contributions by broad industry and entity is shown in table 10.4. For companies, the greatest proportion of contributions was paid by employees in the manufacturing industry (25%). For partnerships and individuals (or sole traders), employees in the property and business services industry accounted for the largest share of contributions (38% and 32% respectively). For trusts, employees in the retail trade industry (29%) accounted for the largest share of contributions.

Overall, the government administration and defence industry accounted for the largest share of total employee contributions (20%).

**TABLE 10.4: Employee contributions<sup>1</sup>, by industry and entity, 2003–04 FBT year**

| Industry <sup>2</sup>               | Company<br>\$'000 | Partnership<br>\$'000 | Trust<br>\$'000 | Individual <sup>3</sup><br>\$'000 | Other <sup>4</sup><br>\$'000 | Total<br>\$'000 |
|-------------------------------------|-------------------|-----------------------|-----------------|-----------------------------------|------------------------------|-----------------|
| Government administration & defence | 670               | 0                     | 37              | 0                                 | 50,329                       | 51,036          |
| Manufacturing                       | 42,235            | 208                   | 3,250           | 11                                | 10                           | 45,714          |
| Property & business services        | 21,401            | 800                   | 6,045           | 61                                | 169                          | 28,476          |
| Retail trade                        | 20,094            | 521                   | 7,384           | 29                                | 0                            | 28,028          |
| Wholesale trade                     | 22,544            | 338                   | 4,046           | 0                                 | 0                            | 26,928          |
| Education                           | 14,460            | 4                     | 53              | 7                                 | 270                          | 14,794          |
| Finance & insurance                 | 9,926             | 11                    | 1,293           | 16                                | 716                          | 11,961          |
| Personal & other services           | 3,256             | 26                    | 128             | 4                                 | 6,114                        | 9,529           |
| Mining                              | 8,873             | 30                    | 21              | 0                                 | 0                            | 8,924           |
| Health & community services         | 4,454             | 25                    | 464             | 14                                | 3,034                        | 7,990           |
| Transport & storage                 | 6,032             | 4                     | 193             | 0                                 | 1,413                        | 7,642           |
| Construction                        | 4,587             | 38                    | 1,420           | 3                                 | 3                            | 6,052           |
| Accommodation, cafes & restaurants  | 1,782             | 4                     | 373             | 0                                 | 0                            | 2,158           |
| Agriculture, forestry & fishing     | 1,423             | 61                    | 471             | 15                                | 123                          | 2,093           |
| Cultural & recreational services    | 1,813             | 3                     | 87              | 31                                | 141                          | 2,076           |
| Other <sup>5</sup>                  | 1,023             | 16                    | 64              | 2                                 | 936                          | 2,041           |
| Communication                       | 1,896             | 0                     | 82              | 0                                 | 0                            | 1,978           |
| Electricity, gas & water supply     | 751               | 19                    | 4               | 0                                 | 430                          | 1,204           |
| <b>Total</b>                        | <b>167,221</b>    | <b>2,107</b>          | <b>25,415</b>   | <b>191</b>                        | <b>63,690</b>                | <b>258,623</b>  |

1 Excludes employee contributions made by employees of Australian Government departments. An employee contribution amount of \$0 may indicate an amount less than \$500.

2 The industry groups are classified based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication *Business industry codes 2003*.

3 Sole traders.

4 Includes local government, state government, state government statutory authorities, Australian Government–state statutory authorities, non-profit, strata title and cooperative organisations.

5 Includes entities that did not state their industry.

Employees from the government administration and defence industry accounted for the largest proportion (40%) of total housing contributions. Employees from the manufacturing industry accounted for the largest proportion (21%) of total motor vehicle contributions. There is a further breakdown of employee contributions, by type of benefit and industry, in FBT detailed table 4.

#### **BOX 10.5: Employee contributions, 2002–03 income year**

Fringe benefit employee contributions that companies, partnerships and trusts (employers) receive from their employees are also reported on the annual income tax returns of these entities (employers). There are statistics on fringe benefit employee contributions for the 2002–03 income year in some company, partnership and trust tax detailed tables (for example, see company tax detailed table 2 part A, partnership tax detailed table 1 part D and trust tax detailed table 1 part D).

#### **DETAILED TABLES**

**Table 1: FBT payers, by FBT payable, 2003–04 FBT year**

This table shows the number of FBT payers, ranged by FBT payable, for the 2003–04 FBT year.

**Table 2: FBT payable and FBT rebate, by broad industry, 2003–04 FBT year**

This table shows FBT payable, FBT rebates claimed and net FBT payable, by broad industry groupings, for the 2003–04 FBT year.

**Table 3: Number of FBT payers, by type of benefit and broad industry, 2003–04 FBT year**

This table shows the number of FBT payers in different broad industries that provided different types of benefits for the 2003–04 FBT year.

**Table 4: Employee contributions, by entity, type of benefit and broad industry, 2003–04 FBT year**

This table shows amounts of employee contributions that entities (companies, partnerships, trusts, individuals and others), classified by broad industry groupings, received from their employees for different types of benefits (motor vehicle, expense payments, housing, living away from home allowance, airline transport, board, property, car parking and other (residual)) for the 2003–04 FBT year.

**Table 5: Selected FBT items, 1992–93 to 2003–04 FBT years**

This table shows the number of FBT payers, FBT payable, FBT rebates claimed and net FBT for the 1992–93 to 2003–04 FBT years.

This table is also available at the back of the chapter (see table 10.5).

#### **TIME SERIES TABLE**

Table 10.5 shows the number of FBT payers, FBT payable, FBT rebates claimed and net FBT for the 1993–94 to 2003–04 FBT years. This table is also available on the CD-ROM and in the online version of this publication on the Tax Office website as FBT detailed table 5. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file formats.

**Table 10.5<sup>1</sup>: Fringe benefits tax. Selected FBT items<sup>2</sup>, 1992–93 to 2003–04 FBT years<sup>3</sup>**

|                            | 1992–93 <sup>4</sup> | 1993–94 <sup>4</sup> | 1994–95 <sup>4</sup> | 1995–96 <sup>4</sup> | 1996–97 <sup>4,5</sup> | 1997–98 <sup>3,5</sup> | 1998–99 <sup>3,5</sup> | 1999–2000 <sup>3,5</sup> | 2000–01 <sup>3,6</sup> | 2001–02 <sup>3,6</sup> | 2002–03 <sup>3,6</sup> | 2003–04 <sup>3,6</sup> |
|----------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------------------|------------------------|--------------------------|------------------------|------------------------|------------------------|------------------------|
| Number of FBT payers       | no.                  | 79,738               | 76,899               | 73,115               | 70,406                 | 69,367                 | 69,963                 | 66,902                   | 63,214                 | 61,612                 | 59,166                 | 57,592                 |
| FBT payable                | \$                   | 1,292,602,000        | 1,420,616,000        | 2,736,380,000        | 2,997,945,000          | 3,452,694,991          | 3,531,995,061          | 3,431,637,146            | 3,453,067,219          | 3,202,284,341          | 3,153,117,119          | 3,220,401,822          |
| FBT rebates                | no.                  | n.a.                 | n.a.                 | n.a.                 | n.a.                   | 3,084                  | 3,503                  | 3,590                    | 3,555                  | 3,567                  | 3,527                  | 3,449                  |
|                            | \$                   | n.a.                 | n.a.                 | 51,536,000           | 66,558,000             | 84,904,810             | 131,044,119            | 153,916,222              | 144,527,317            | 79,079,883             | 81,199,548             | 88,096,099             |
| <b>Net FBT<sup>7</sup></b> | <b>\$</b>            | <b>n.a.</b>          | <b>n.a.</b>          | <b>2,684,844,000</b> | <b>2,931,387,000</b>   | <b>3,367,790,181</b>   | <b>3,400,960,942</b>   | <b>3,277,720,924</b>     | <b>3,308,539,902</b>   | <b>3,123,204,458</b>   | <b>3,071,917,571</b>   | <b>3,132,305,722</b>   |

**Notes:**

- \* Please refer to the 'Fringe benefits tax' chapter and the *Taxation Statistics 2002–03* glossary for descriptions of the items reported in the table. The glossary is included in the online version of *Taxation Statistics 2002–03* on the Tax Office website. It is also included on the *Taxation Statistics 2002–03* CD-ROM.
- \* The symbol 'n.a.' used in this publication means not applicable or not available.
- 1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.
- 2 Statistics for all items exclude Australian Government department FBT statistics.
- 3 The statistics for the 2003–04 FBT year were sourced from 2004 FBT returns processed by 31 October 2004. The statistics are not necessarily complete. Therefore, caution should be exercised in making comparisons between the statistics for the 2003–04 and prior FBT years. For further information please refer to the 'Source of FBT statistics' section in the 'Fringe benefits tax' chapter of *Taxation Statistics 2002–03*. The statistics reported from 1996–97 to 2002–03 in this table may not match the statistics reported in previous editions of *Taxation Statistics* because the statistics for these income years have been updated.
- 4 Amounts (\$) reported for the 1992–93 to 1995–96 FBT years are rounded to thousands. Actual amount figures are not available.
- 5 The statistics for the 1996–97 to 1999–2000 FBT years include only FBT returns (or payers) with aggregate taxable amount greater than \$0.
- 6 The statistics for the 2000–01 to 2003–04 years include only FBT returns (or payers) with net FBT payable (referred to as the 'subtotal' label in the FBT return) greater than \$0.
- 7 Net FBT = FBT payable – FBT rebates.

## ❶ HIGHLIGHTS

- In 2003–04 the Tax Office collected \$90.3 billion of PAYG withholding revenue, accounting for 45% of total Tax Office revenue collections.
- Collections from PAYG withholders who sent \$1 million or more to the Tax Office reached \$60.1 billion, accounting for 67% of total PAYG withholding collections.

Pay as you go (PAYG) is a single, integrated system for reporting and paying amounts to meet expected tax liability. The PAYG system became effective from 1 July 2000 for most taxpayers. It generally means one set of rules, one set of payment dates and one form to fill in – a *Business activity statement* or an *Instalment activity statement*.

PAYG affects:

- entities (such as individuals or sole traders, companies, partnerships, trusts and superannuation funds) operating businesses, non-profit organisations and government organisations
- individuals with investment or business income, such as self-funded retirees, rental property owners, partners in a partnership, beneficiaries of a trust, and those with domestic employees, and
- some trustees.

PAYG has two components:

- PAYG withholding, which replaced the pay as you earn (PAYE), prescribed payments system, reportable payments system and other withholding systems, and
- PAYG instalments, which replaced provisional tax and the company and superannuation fund instalment system.

## SOURCE OF PAYG WITHHOLDING STATISTICS

This chapter presents a description of the PAYG withholding system and PAYG withholding revenue collections for the 2003–04 financial year. These collections may include amounts reported or paid for in relation to years other than the year in which they are actually received or collected by the Tax Office. For example, PAYG withheld amounts reported on June 2003 activity statements relate to the period ending 30 June 2003 (end of the 2002–03 financial year), but the Tax Office may have received or collected the PAYG withheld amount in July or August 2003 (part of the 2003–04 financial year).

Statistics in this chapter are mainly sourced from activity statements, payment summaries and annual payment summary statements (lodged electronically or in paper form) processed at 30 June 2004.

Copies of the *Business activity statement* and *Instalment activity statement* are in the appendix. Alternatively, they may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

## NEW FEATURES AND INFORMATION

Several changes occurred during the 2003–04 financial year which may have affected the statistics reported in this chapter and in the detailed tables.

- Where entities are treated as a consolidated group for tax purposes, the head company is responsible for the PAYG instalment obligations of the group, subject to special rules for the transitional period.
- A practice statement issued detailing the special administrative arrangements for withholding from alienated personal services income.
- A ruling issued to clarify where trustees under the *Bankruptcy Act 1996* are required to withhold amounts from certain payments to former employees.
- The threshold at which an individual or trustee becomes liable to PAYG instalments increased from \$250 to \$500 for individuals and from \$1,000 to \$2,000 for trustees.

The following two time series tables or detailed tables have been included in this chapter:

- PAYG withholding collections, by amount sent to the Tax Office, 2000–01 to 2003–04 financial years (see chapter table 11.4 or PAYG withholding detailed table 1), and
- PAYG withholding collections, by industry, 2000–01 to 2003–04 financial years (see chapter table 11.5 or PAYG withholding detailed table 2).

## THE PAYG WITHHOLDING SYSTEM

Withholding is the process by which entities withhold amounts from payments to others and send these amounts to the Tax Office. Before the introduction of the PAYG withholding system, many entities already sent withholding amounts in the form of PAYE tax instalment deductions withheld from their employees' salary or wages.

PAYG withholding applies generally to payments made, or non-cash benefits provided, on or after 1 July 2000. Payments and transactions subject to PAYG withholding are referred to as 'withholding payments'. Under the PAYG withholding system, entities are required to withhold amounts from the following kinds of payments they make to others:

- salaries, wages, allowances, bonuses or commissions paid to an employee
- payments to company directors
- payments to office holders (for example, members of parliament)

- payments to religious practitioners
- payments to members of the defence forces or police forces
- return to work payments
- payments covered by a voluntary agreement (for example, a business and a contract worker who has an Australian business number (ABN) can make a voluntary agreement to bring the worker's payments into the PAYG withholding system if the work payments are not subject to any other PAYG withholding)
- payments under a labour hire arrangement or payments specified by regulations
- pension or annuity payments
- eligible termination payments
- payments for unused leave on an individual's retirement or on termination of employment
- social security or similar payments
- Commonwealth education or training payments
- compensation, sickness or accident payments
- payments arising from an investment where the payee does not quote their tax file number (TFN) or, in some cases, their ABN
- situations where an investor becomes presently entitled to the income of a unit trust but does not quote their TFN or, in some cases, their ABN
- payments for a supply where the payee does not quote their ABN
- dividends, interest or royalties paid to an overseas person or received for a foreign resident
- interest payments derived by a lender in carrying on business through an overseas permanent establishment
- mining payments
- natural resource payments
- alienated personal services payments or attributed personal services income
- non-cash benefits, excluding fringe benefits, any exempt benefit under the *Fringe Benefits Tax Assessment Act 1986* or a benefit comprising the acquisition of a share or right under an employee share scheme within the meaning of Division 13A of Part III of the *Income Tax Assessment Act 1936*, and
- superannuation payments to temporary residents departing Australia permanently.

### BOX 11.1: Terminology<sup>1</sup>

**Alienated personal services payment:** a payment of personal services income that is received by a personal services entity and assessed to an individual under the rules in Division 86 of the *Income Tax Assessment Act 1997*. Income is personal services income if it is mainly a reward for an individual's personal efforts or skills. This applies regardless of whether the income is received directly by the individual or by a company, trust or partnership (personal services entity).

Statistics on personal services income for the 2002–03 income year are in the personal tax chapter and in some of the personal tax detailed tables.

**Non-cash benefit:** property or services in any form except money, for example, a barter transaction. A benefit is taken to have been provided to an entity if it is dealt with on the entity's behalf or as the entity directs.

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide the full technical or legal definitions.

In general, the amount required to be withheld from a withholding payment is worked out using the PAYG withholding tax tables. However, other specific rules and regulations prescribing how much to withhold may apply to certain types of withholding payments (see table 11.1). The Commissioner of Taxation may also vary the amount to be withheld due to the special circumstances of a payee or class of payees.

**TABLE 11.1: PAYG withholding rates and regulations**

| <b>Withholding payments</b>  | <b>Amount withheld</b>  |
|--|---|
| Salaries, wages, allowances, bonuses or commissions paid to an employee<br>Payments to company directors<br>Payments to a religious practitioner<br>Return to work payments<br>Payments covered by a voluntary agreement<br>Payments under a labour hire arrangement or specified by regulations<br>Pension or annuity payments<br>Eligible termination payments<br>Payments for unused leave on an individual's retirement or on termination of employment<br>Social security or similar payments<br>Commonwealth education or training payments<br>Compensation, sickness or accident payments | Calculated by using the Commissioner of Taxation's PAYG withholding tables. If the payee has not provided a TFN declaration, 48.5% of the payment will be withheld.   |
| Attributed personal services income  | Under administrative arrangements, a personal services entity with a PAYG obligation may calculate the amount to withhold based on either: <ul style="list-style-type: none"> <li>■ 70% of the gross personal services income, or</li> <li>■ a percentage based on the entity's net personal services income for the previous year.</li> </ul> Otherwise, the amount withheld must equal the amount the withholder would have withheld had the attributed personal services income been paid in full as salary or wages to the individual performing the personal services. |
| Payments arising from an investment where the payee does not quote their TFN or, in some cases, their ABN  | 48.5% of the payment, unless it is a partly franked dividend, in which case the 48.5% rate applies only to the unfranked portion.   |
| Payments for a supply where the payee does not quote their ABN   | 48.5% of the payment  |
| Dividends paid to an overseas person; dividends received for a foreign resident<br>Royalties paid to an overseas person; royalties received for a foreign resident   | Either at the 30% rate or as provided in a double taxation agreement with other countries   |
| Interest paid to an overseas person; interest received for a foreign resident<br>Interest derived through an overseas permanent establishment  | 10% of interest payments  |
| Departing Australia superannuation payments  | For undeducted contributions or post-June 1994 invalidity component – nil<br>For untaxed post-June 83 component – 40%<br>Remainder – 30%  |
| Mining payments  | 4% of payments  |
| Natural resource payments  | Rate set by the Commissioner  |
| Non-cash benefits  | The amount the PAYG withholder would have been required to withhold if the payment had been money. The amount is calculated according to the market value of the non-cash benefit when the benefit is provided.   |

## PAYG WITHHOLDERS

The obligation to withhold amounts from payments to others and send the amounts to the Tax Office is the responsibility of the entity making the withholding payment. The entity can be any of the following:

- an individual
- a body corporate
- a body politic
- a partnership
- any unincorporated association or body of persons
- a trustee of a trust, or
- a trustee of a superannuation fund.

PAYG withholding entities may be classified into three types:

- **small withholders** generally have total annual withholdings of up to \$25,000 and are required to report and send the amount withheld quarterly through their activity statements
- **medium withholders** generally have total annual withholdings of \$25,001 to \$1 million and are required to report and send the amount withheld monthly through their activity statements, and
- **large withholders** generally have total annual withholdings exceeding \$1 million. For these withholders, an amount withheld in any period commencing Saturday and ending Tuesday is payable on the Monday following the period, and an amount withheld in any period commencing Wednesday and ending Friday is payable on the Thursday following the period. Large withholders do not report or send the amounts withheld through their activity statements. Instead the Tax Office provides them with separate arrangements for notifying and sending amounts withheld.

Entities are required to register for PAYG withholding before they can withhold from any payments. (Entities that were already registered for PAYE had their registrations carried over to PAYG withholding automatically.)

Entities can register for PAYG withholding by either completing a form (which can be sent to the Tax Office in paper or electronic form) or contacting the Tax Office. Entities applying for an ABN can use the same form to register for PAYG withholding. The ABN is used as the registration number for PAYG withholding. Entities that do not wish to obtain an ABN or are not entitled to an ABN are issued with a withholding payer number.

## PAYG WITHHOLDING REVENUE COLLECTIONS

Before the introduction of the PAYG withholding system in 2000–01, tax collected through the PAYE system, prescribed payments system, reportable payments system, non-resident interest withholding tax, non-resident dividend withholding tax, non-resident royalty withholding tax, mining withholding tax and TFN withholding tax collection systems accounted for more than half of the total Tax Office revenue collected in each financial year. In figure 11.1, estimated PAYG withholding collections before 2000–01 (which represent the sum of PAYE, prescribed payments system, reportable payments system and other withholding collections) accounted for half of total revenue collections.

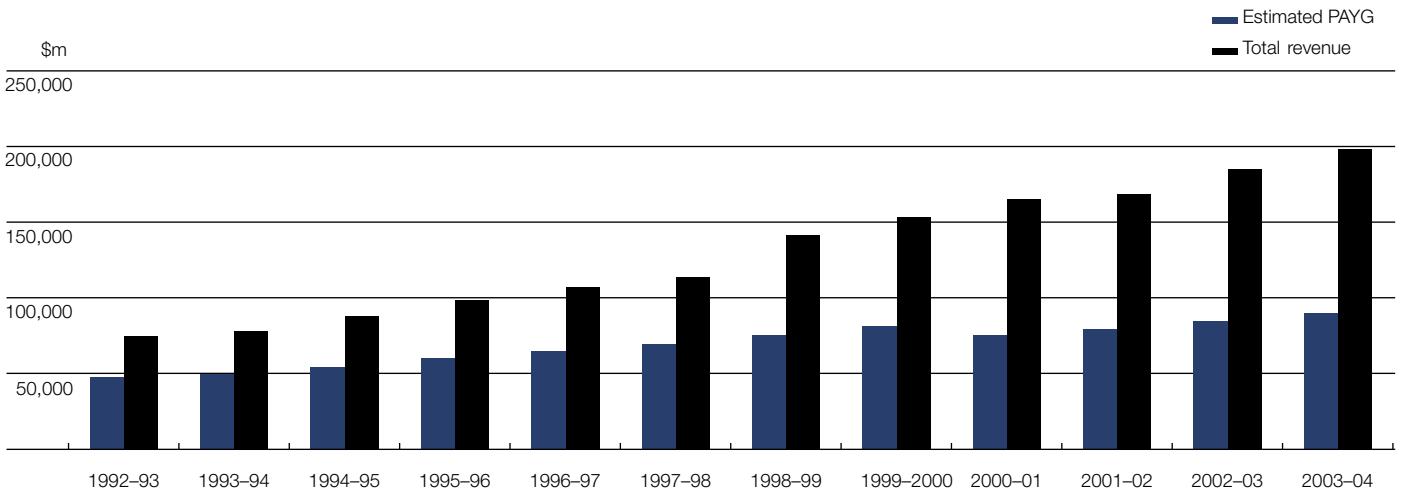
As shown in figure 11.1, from 1992–93 to 1999–2000, estimated withholding collections increased annually due to significant yearly increases in PAYE, prescribed payments system and non-resident withholding tax collections. The upward trend in PAYE and prescribed payments system collections reflected generally steady increases in employment and average weekly earnings, as well as a range of initiatives undertaken by the Tax Office aimed at identifying, establishing and collecting PAYE from non-compliant taxpayers. These initiatives included the debt management improvement strategy, a project on PAYE erosion, and the introduction of the Cash Economy Taskforce.

In 2000–01 the Tax Office collected \$75.7 billion in PAYG withholding revenue (the sum of PAYG withholding collections, including TFN and ABN withholding collections, mining withholding tax and non-resident withholding tax collections), a decrease of 7% from the previous year. As a result of the decline, the proportion of PAYG withholding collections to total revenue fell from 63% in 1992–93 to 46% in 2000–01. The significant decline in PAYG withholding revenue in 2000–01 was mainly due to the lower personal tax rates introduced as part of the new revenue system.

In 2001–02 the Tax Office collected \$79.6 billion in PAYG withholding revenue, an increase of \$3.9 billion (or 5%) from the previous year. In 2002–03 PAYG withholding revenue further increased by 7% to \$84.9 billion. There was an increase of 6% in 2003–04 to \$90.3 billion (figure 11.1 and table 11.4). For these years, the increase may be attributed to growth in employment, salary and wages. However, from the 2002–03 financial year, there were two new withholding events introduced. This means that the PAYG withholding revenue from the 2000–03 financial year includes withheld amounts from these events. For example, amounts withheld from payments to religious practitioners and/or from superannuation payments to temporary residents departing Australia permanently, which were not previously included, are included in the PAYG withholding revenue from 2002–03 onwards.

Despite the significant increase in PAYG withholding revenue from 2001–02, the proportion of PAYG withholding collections to total Tax Office revenue remained relatively steady. In 2002–03 PAYG withholding collections accounted for 46% of total Tax Office revenue collections. In 2003–04 the proportion of PAYG withholding collections fell to 45% (figure 11.1).

**FIGURE 11.1: PAYG withholding revenue collected<sup>1</sup> and total revenue collected<sup>2</sup>, 1992–93 to 2003–04 financial years<sup>3</sup>**



1 The PAYG withholding system was only introduced on 1 July 2000 as part of government tax reforms. PAYG withholding revenue collected before 2000–01 is calculated to be the sum of PAYE withholding, prescribed payments system, reportable payments system, non-resident interest withholding tax, non-resident dividend withholding tax, non-resident royalty withholding tax, mining withholding tax and TFN withholding tax collections. For 2000–01, PAYG withholding revenue is the sum of PAYG withholding collections (including TFN and ABN withholding tax collections), mining withholding and non-resident withholding tax collections (which were reported and paid separately from PAYG withholding). From 2001–02 onwards, mining withholding tax and non-resident withholding tax collections are included in PAYG withholding collections. All years include Higher Education Contribution Scheme collections.

2 Includes collections of PAYG withholding, income tax and contributions from superannuation funds, companies, individuals (which includes PAYG instalments and other payments), fringe benefits tax, excise, superannuation surcharge, GST, wine equalisation tax, luxury car tax, sales tax, petroleum resource rent tax and other minor taxes or collections from other systems.

3 Annual collections are from 1 July to 30 June of the following year (for example, 1992–93 collections include all collections from 1 July 1992 to 30 June 1993).



**BOX 11.2: Terminology<sup>1</sup>**

**Pay as you earn (PAYE) system:** introduced in 1941. Before the introduction of the PAYG system, it was the main tax collection system affecting individuals. Under PAYE, most salary and wage earners had instalments deducted from their pay to pay their tax, Medicare levy and Higher Education Contribution Scheme repayments. Employers were required to make tax instalment deductions at prescribed rates to cover their employees' anticipated tax liability at the end of the year, and pay them directly to the Tax Office.

**Prescribed payments system:** introduced in 1983. This was an income reporting and tax collection system designed to ensure that people in certain prescribed industries (construction, joinery and cabinet making, architectural services, cleaning, engineering services, motor vehicle repair, surveying services and road transport) paid their tax as they earned income. It also applied to certain payments (including payments under the introduced voluntary agreements) made from outside prescribed industries.

**Reportable payments system:** introduced in 1994. It was linked to the TFN and was designed to ensure people paid the correct amount of tax. Because it was an income-reporting system based on the TFN, payers were required to deduct tax only when a payee did not quote a TFN. Accordingly, remittances for reportable payments system deductions represented only a very small proportion of total tax revenue. It was initially introduced into the fishing and clothing industries, and subsequently into the smash repairs, and fruit and vegetable industries.

**Tax file number (TFN) withholding:** amounts of tax withheld by investment bodies from interest, dividends and unit trust distributions paid to a resident taxpayer where:

- no TFN has been quoted, or
- an exemption from quoting a TFN has not been claimed.

TFN withholding generally applies when the interest is paid, and is calculated at the highest marginal tax rate (47%) plus Medicare levy (1.5%), giving a rate of 48.5%.

Any TFN withholding by an investment body is shown on the statement or in the passbook, and the withheld amount is forwarded to the Tax Office.

Before 2 July 2000 an investor could quote a TFN to an investment body in relation to certain investments to avoid having 48.5% withheld from income on the investment. The requirement to withhold in the absence of a TFN generally continues under the PAYG withholding system but, as investments can be held in a business capacity, a business may quote either an ABN or a TFN to avoid withholding at the top rate. Non-resident investors are exempt from quoting a TFN but are subject to non-resident withholding tax rules (table 11.1).

**Australian business number (ABN) withholding:** a withholding event introduced by the PAYG withholding system for enterprise-to-enterprise transactions. From 1 July 2000 anyone carrying on a business is required to quote their ABN in relation to goods or services they supply to another business. Businesses must withhold 48.5% of the total payment if a supplier does not quote their ABN, or if the business is *not* satisfied that the supply is excluded from the ABN rule.

**Mining withholding tax:** mining payments made to Aboriginal people and Aboriginal distributing groups relating to the use of Aboriginal land for mining and exploration are subject to mining withholding tax. The rate of this withholding tax is 4%. The responsibility for paying the tax rests with the mining company, government or other person who makes the payment, and these bodies are therefore required to withhold an amount from a mining payment in accordance with the PAYG withholding rules. The mining payments to which the withholding system applies include:

- royalties received by the Commonwealth for the mining of Aboriginal land
- certain payments made to Aboriginal land councils, and
- payments made in relation to Aboriginal land for the issue of a miner's right or mining interest, for permission to enter or remain on the land to mine or explore, and payments of mining royalties in relation to Aboriginal land.

**Non-resident withholding tax on interest, dividends and royalties:** A final withholding tax that applies to non-residents (may be individuals, companies, funds, partners or trustees) who are liable for Australian tax on certain income earned in Australia. Amounts are generally withheld by the payers of interest, unfranked dividends or royalties to non-residents and sent to the Tax Office. The amount of tax payable depends on whether the recipient is a resident of a country covered by a tax agreement that has been given the force of law in Australia. Payers of interest, dividends or royalties to non-residents are required to withhold an amount from payments (when applicable) at the following rates:

- 10% for interest in all cases
- 30% for dividends unless an international agreement applies, and
- 30% for royalties unless an international agreement applies.

**Non-resident individual:** generally a person who maintains a home outside Australia and does not intend to live here permanently will be a non-resident for Australian income tax purposes.

**Non-resident company:** generally a company incorporated outside Australia is a non-resident for Australian tax purposes.

**Non-resident partnership, trust or superannuation fund:** a partnership, trust or superannuation fund that is based overseas and receives Australian-sourced interest or dividend income.

**Double taxation agreement:** an agreement between Australia and another country concerning the taxing of entities that may be taxed on the same income in both countries.

**Interest:** generally regarded as an amount paid as compensation to a lender for not having the use of its capital.

**Dividend:** generally regarded as an amount paid by a company to its shareholders.

**Royalty:** a payment made by one person for the use of rights owned by another person. The payment may be periodic, irregular or one-off. Australian income tax legislation extends the normal definition of royalties to include payments or credits of any kind in return for items listed in the definition of royalty in subsection 6(1) of the *Income Tax Assessment Act 1936*.

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide the full technical or legal definition.

Table 11.2 shows that approximately half of the amount withheld in 2003–04 was collected by PAYG withholders who sent \$5 million or more to the Tax Office. Those who withheld \$100,000 to \$499,999 accounted for the next largest proportion.

**TABLE 11.2: PAYG withholding collections, by amount sent to the Tax Office, 2003–04 financial year**

| Amount sent               | Amount collected |                |
|---------------------------|------------------|----------------|
|                           | \$m              | % <sup>1</sup> |
| \$1–\$999                 | 38               | 0.0            |
| \$1,000–\$4,999           | 474              | 0.5            |
| \$5,000–\$9,999           | 876              | 1.0            |
| \$10,000–\$24,999         | 2,688            | 3.0            |
| \$25,000–\$49,999         | 3,412            | 3.8            |
| \$50,000–\$99,999         | 4,769            | 5.3            |
| \$100,000–\$499,999       | 12,570           | 13.9           |
| \$500,000–\$999,999       | 5,389            | 6.0            |
| \$1,000,000–\$1,999,999   | 5,884            | 6.5            |
| \$2,000,000–\$2,999,999   | 3,503            | 3.9            |
| \$3,000,000–\$3,999,999   | 2,674            | 3.0            |
| \$4,000,000–\$4,999,999   | 2,185            | 2.4            |
| \$5,000,000–\$9,999,999   | 6,211            | 6.9            |
| \$10,000,000–\$19,999,999 | 7,145            | 7.9            |
| \$20,000,000–\$49,999,999 | 9,976            | 11.0           |
| \$50,000,000 or more      | 22,491           | 24.9           |
| <b>Total<sup>2</sup></b>  | <b>90,285</b>    | <b>100.0</b>   |

<sup>1</sup> A share of 0.0% indicates a share of less than 0.05%.

<sup>2</sup> Total amount may differ slightly from the sum of components due to rounding.

The amount of PAYG withholding revenue raised varied considerably according to the type of industry (tables 11.3 and 11.5). The amount collected can depend on factors such as the number of employees in each industry and income levels. For example, industries containing a large number of professional people may provide more PAYG withholding revenue because of their higher average salaries.

In 2003–04 the government administration and defence industry accounted for the largest share of total PAYG withholding revenue collected (12%) (table 11.3).

Since the introduction of the PAYG withholding system, the government administration and defence industry, the property and business services industry and the manufacturing industry have been the top three remitters of PAYG withholding amounts (table 11.5).

**TABLE 11.3: PAYG withholding collections, by industry, 2003–04 financial year**

| Industry                            | Amount collected |              |
|-------------------------------------|------------------|--------------|
|                                     | \$m              | %            |
| Government administration & defence | 11,015           | 12.2         |
| Property & business services        | 10,956           | 12.1         |
| Manufacturing                       | 10,295           | 11.4         |
| Health & community services         | 7,644            | 8.5          |
| Finance                             | 7,539            | 8.4          |
| Retail                              | 6,547            | 7.3          |
| Education                           | 5,500            | 6.1          |
| Construction                        | 5,379            | 6.0          |
| Personal & other services           | 4,900            | 5.4          |
| Wholesale                           | 4,698            | 5.2          |
| Transport & storage                 | 4,038            | 4.5          |
| Communication                       | 3,363            | 3.7          |
| Mining                              | 2,570            | 2.8          |
| Cultural & recreational services    | 1,590            | 1.8          |
| Accommodation, cafes & restaurants  | 1,580            | 1.7          |
| Electricity, gas & water supply     | 1,180            | 1.3          |
| Agriculture                         | 1,095            | 1.2          |
| Forestry                            | 146              | 0.2          |
| Fishing                             | 110              | 0.1          |
| Other & not stated <sup>1</sup>     | 140              | 0.2          |
| <b>Total<sup>2</sup></b>            | <b>90,285</b>    | <b>100.0</b> |

1 Includes withholders who did not state their industry and/or stated multiple industries.  
2 Total amount may differ slightly from the sum of components due to rounding.

## DETAILED TABLES

The following detailed tables on PAYG withholding collections are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

### Table 1: PAYG withholding collections, by amount sent to the Tax Office, 2000–01 to 2003–04 financial years

This table reports PAYG withholding amounts collected by the Tax Office (or amount sent by PAYG withholders to the Tax Office) ranged by amount sent during the 2000–01 to 2003–04 financial years.

This table is also available at the back of the chapter (see table 11.4).

### Table 2: PAYG withholding collections, by industry, 2000–01 to 2003–04 financial years

This table reports PAYG withholding amounts collected by the Tax Office from different industry groups (or amounts sent by different industries to the Tax Office) during the 2000–01 to 2003–04 financial years.

This table is also available at the back of the chapter (see table 11.5).

## TIME SERIES TABLES

The following tables show PAYG withholding collections from 2000–01 to 2003–04. These tables are also available on the attached CD-ROM and included in the online version of this publication on the Tax Office website. They may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

**TABLE 11.4<sup>1</sup>: PAYG withholding collections, by amount sent to the Tax Office, 2000–01 to 2003–04 financial years**

| Amount sent              | 2000–01 <sup>2</sup> |              | 2001–02          |                | 2002–03          |                | 2003–04          |                |
|--------------------------|----------------------|--------------|------------------|----------------|------------------|----------------|------------------|----------------|
|                          | Amount collected     |              | Amount collected |                | Amount collected |                | Amount collected |                |
|                          | \$m                  | %            | \$m              | % <sup>3</sup> | \$m              | % <sup>3</sup> | \$m              | % <sup>3</sup> |
| \$1–\$999                | 48                   | 0.1          | 36               | 0.0            | 37               | 0.0            | 38               | 0.0            |
| \$1,000–\$4,999          | 591                  | 0.8          | 460              | 0.6            | 465              | 0.5            | 474              | 0.5            |
| \$5,000–\$9,999          | 972                  | 1.3          | 846              | 1.1            | 867              | 1.0            | 876              | 1.0            |
| \$10,000–\$24,999        | 2,322                | 3.1          | 2,526            | 3.2            | 2,639            | 3.1            | 2,688            | 3.0            |
| \$25,000–\$49,999        | 2,756                | 3.7          | 3,223            | 4.0            | 3,377            | 4.0            | 3,412            | 3.8            |
| \$50,000–\$99,999        | 3,549                | 4.8          | 4,190            | 5.3            | 4,476            | 5.3            | 4,769            | 5.3            |
| \$100,000–\$499,999      | 8,768                | 11.8         | 10,497           | 13.2           | 11,603           | 13.7           | 12,570           | 13.9           |
| \$500,000–\$999,999      | 4,028                | 5.4          | 4,618            | 5.8            | 4,999            | 5.9            | 5,389            | 6.0            |
| \$1,000,000–\$1,999,999  | 4,667                | 6.3          | 5,103            | 6.4            | 5,428            | 6.4            | 5,884            | 6.5            |
| \$2,000,000–\$2,999,999  | 3,017                | 4.1          | 3,244            | 4.1            | 3,539            | 4.2            | 3,503            | 3.9            |
| \$3,000,000–\$3,999,999  | 2,476                | 3.3          | 2,311            | 2.9            | 2,499            | 2.9            | 2,674            | 3.0            |
| \$4,000,000–\$4,999,999  | 1,871                | 2.5          | 1,834            | 2.3            | 2,021            | 2.4            | 2,185            | 2.4            |
| \$5,000,000 or more      | 39,409               | 52.9         | 40,710           | 51.1           | 42,972           | 50.6           | 45,823           | 50.8           |
| <b>Total<sup>4</sup></b> | <b>74,474</b>        | <b>100.0</b> | <b>79,599</b>    | <b>100.0</b>   | <b>84,922</b>    | <b>100.0</b>   | <b>90,285</b>    | <b>100.0</b>   |

1 This table is the same as PAYG withholding detailed table 1, which can be viewed or downloaded from the attached CD-ROM or from the online version of this publication on the Tax Office website.

2 PAYG withholding amounts reported for 2000–01 exclude mining withholding tax collections and non-resident interest, dividends and royalty withholding tax collections.

3 A share of 0.0% indicates a share of less than 0.05%.

4 Total amount may differ slightly from the sum of components due to rounding.

**Table 11.5<sup>1</sup>: PAYG withholding collections, by industry, 2000–01 to 2003–04 financial years**

| Industry                            | 2000–01 <sup>2</sup> |              | 2001–02          |              | 2002–03          |              | 2003–04          |              |
|-------------------------------------|----------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
|                                     | Amount collected     |              | Amount collected |              | Amount collected |              | Amount collected |              |
|                                     | \$m                  | %            | \$m              | %            | \$m              | %            | \$m              | %            |
| Government administration & defence | 9,099                | 12.2         | 9,353            | 11.8         | 10,148           | 11.9         | 11,015           | 12.2         |
| Property & business services        | 7,403                | 9.9          | 8,686            | 10.9         | 9,893            | 11.6         | 10,956           | 12.1         |
| Manufacturing                       | 9,124                | 12.3         | 9,236            | 11.6         | 9,861            | 11.6         | 10,295           | 11.4         |
| Health & community services         | 6,031                | 8.1          | 6,705            | 8.4          | 7,159            | 8.4          | 7,644            | 8.5          |
| Finance                             | 6,445                | 8.7          | 6,712            | 8.4          | 7,082            | 8.3          | 7,539            | 8.4          |
| Retail                              | 5,226                | 7.0          | 5,672            | 7.1          | 6,131            | 7.2          | 6,547            | 7.3          |
| Education                           | 4,608                | 6.2          | 4,865            | 6.1          | 5,241            | 6.2          | 5,500            | 6.1          |
| Construction                        | 3,867                | 5.2          | 4,192            | 5.3          | 4,747            | 5.6          | 5,379            | 6.0          |
| Personal & other services           | 4,269                | 5.7          | 4,496            | 5.6          | 4,595            | 5.4          | 4,900            | 5.4          |
| Wholesale                           | 4,015                | 5.4          | 4,284            | 5.4          | 4,553            | 5.4          | 4,698            | 5.2          |
| Transport & storage                 | 3,539                | 4.8          | 3,681            | 4.6          | 3,985            | 4.7          | 4,038            | 4.5          |
| Communication                       | 3,749                | 5.0          | 4,089            | 5.1          | 3,413            | 4.0          | 3,363            | 3.7          |
| Mining                              | 2,129                | 2.9          | 2,269            | 2.9          | 2,439            | 2.9          | 2,570            | 2.8          |
| Cultural & recreational services    | 1,278                | 1.7          | 1,433            | 1.8          | 1,566            | 1.8          | 1,590            | 1.8          |
| Accommodation, cafes & restaurants  | 1,250                | 1.7          | 1,382            | 1.7          | 1,466            | 1.7          | 1,580            | 1.7          |
| Electricity, gas & water supply     | 1,045                | 1.4          | 1,050            | 1.3          | 1,130            | 1.3          | 1,180            | 1.3          |
| Agriculture                         | 885                  | 1.2          | 1,023            | 1.3          | 1,060            | 1.2          | 1,095            | 1.2          |
| Forestry                            | 126                  | 0.2          | 131              | 0.2          | 137              | 0.2          | 146              | 0.2          |
| Fishing                             | 100                  | 0.1          | 116              | 0.1          | 117              | 0.1          | 110              | 0.1          |
| Other & not stated <sup>3</sup>     | 288                  | 0.4          | 224              | 0.3          | 198              | 0.2          | 140              | 0.2          |
| <b>Total<sup>4</sup></b>            | <b>74,474</b>        | <b>100.0</b> | <b>79,599</b>    | <b>100.0</b> | <b>84,922</b>    | <b>100.0</b> | <b>90,285</b>    | <b>100.0</b> |

1 This table is the same as PAYG withholding detailed table 2, which can be viewed or downloaded from the attached CD-ROM or from the online version of this publication on the Tax Office website.

2 PAYG withholding amounts reported for 2000–01 exclude mining withholding tax collections and non-resident interest, dividends and royalty withholding tax collections.

3 Includes withholders who did not state their industry and/or stated multiple industries.

4 Total amount may differ slightly from the sum of components due to rounding.

**① HIGHLIGHTS**

- In 2003–04 total net GST collections (including Customs collections, penalties and interest on overpayments) increased by 8% from the previous year to \$33.2 billion.
- Wine equalisation tax collections (including Customs collections) increased by 5% from the previous year to \$704.2 million.
- Luxury car tax collections (including Customs collections) increased by 29% from the previous year to \$335.0 million.
- As of 2 July 2004, the Tax Office had registered 4,548,471 entities for an ABN.

Goods and services tax (GST) is a tax of 10% on the supply of most goods and services and other taxable supplies (for example, real property and rights) in Australia, including things that are imported. In most cases it does not apply to exports of goods or services, and other things consumed outside Australia.

GST is administered by the Tax Office on behalf of the Australian Government, and is appropriated to the states and territories. The Australian Government funds the Tax Office to administer GST, and is reimbursed by the states and territories.

This chapter provides a general description of GST, wine equalisation tax and luxury car tax and reports the amounts collected for these taxes for the 2003–04 financial year. These collections may include amounts reported in years other than those in which they are actually received by the Tax Office. For example, GST amounts reported on June 2003 business activity statements relate to the period ending 30 June 2003 (end of the 2002–03 financial year), but the Tax Office may not receive amounts due from the payer until after 30 June 2003 (part of the 2003–04 financial year). These GST collections would be recorded in the first quarter of 2003–04.

**SOURCE OF GST STATISTICS**

The GST, wine equalisation and luxury car tax collections (for the 2003–04 financial year) reported in this chapter are sourced from business activity statements, annual GST returns and annual GST information processed as at 30 June 2004. Samples of these forms are in the appendix. They may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

**NEW FEATURES AND INFORMATION**

Most of the tables in this chapter have been expanded to include data from 2000–01 (the first year GST, wine equalisation tax and luxury car tax were introduced) up to 2003–04. In addition, a time series table (table 12.8) is included at the back of the chapter. This time series table is the same as GST detailed table 1, which can be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format from the attached CD-ROM or from the online version of this publication on the Tax Office website.

**GOODS AND SERVICES TAX**

GST is similar to value-added taxes applying in other countries. It is a multi-stage tax, paid at each stage of the supply chain. Liability for GST rests with the supplier, who usually adjusts the price of a taxable supply to reflect the GST payable. If a supplier does not adjust the price to include GST, they are still liable to pay the GST to the Tax Office.

Most registered entities (or businesses) are entitled to claim an **input tax credit** for the GST payable on goods, services and imports they acquire and use in their enterprise or business (such as raw materials and machinery). The entity must hold a tax invoice for the goods and/or services (for acquisitions of more than \$50, excluding GST) at the time they claim the input tax credit. When calculating the amount they have to pay to the Tax Office, an entity offsets their input tax credits against the total GST payable. In this way, GST is collected only on the value added by each business in the production and distribution chain, with the tax being ultimately borne by the final consumer.

**BOX 12.1: Terminology<sup>1</sup>**

**Entity:** may be an individual (sole trader), a body corporate, a corporation sole, a body politic, a partnership, an unincorporated association or body of persons, a trust or a superannuation fund.

**Enterprise:** covers various business or trade activities but does not include hobbies or private recreational pursuits. It does include the activities of entities such as charities, deductible gift recipients, and religious and government organisations. Activities that constitute an enterprise are those done:

- in the form of a business
- in the form of an adventure or concern in the nature of trade
- on a regular or continuous basis, in the form of a lease, licence or other grant of an interest in property
- by a trustee of a fund or by an authority or institution to which deductible gifts can be made
- by a trustee or manager of a complying superannuation fund
- by a charitable institution or a trustee of a charitable fund
- by a religious institution, or
- by the Commonwealth, a state or a territory, or by a body corporate or corporation sole established for a public purpose by or under a law of the Commonwealth, a state or a territory.

However, an enterprise does not include activities done:

- as an employee, or in connection with earning payment as a company director, office holder or under a labour hire arrangement
- as a private recreational pursuit or hobby
- by an individual or partnership (all or most of the members of which are individuals) without a reasonable expectation of profit or gain, or
- as a member of a local governing body established by or under a law of a state or territory, for example, a member of a shire council or a member of a state board or authority.

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide the full technical or legal definitions.

**REGISTRATION FOR GST**

Any entity carrying on an enterprise and whose annual turnover is at or above the registration turnover threshold of \$50,000 (\$100,000 if the entity is a non-profit organisation) has to register for GST. Entities supplying taxi travel services in carrying on their enterprise have to register for GST, regardless of their annual turnover.

An entity carrying on an enterprise with an annual turnover of less than \$50,000 (less than \$100,000 for a non-profit organisation) may choose to register for GST, but does not have to do so.

Entities registering for GST use the same application form they use to apply for an **Australian business number (ABN)**.

**BOX 12.2: Australian business number**

The Australian business number (ABN) is a unique identifier that allows businesses to deal with the Tax Office and other government departments and agencies. It is available to other Australian Government, state, territory and local government regulatory bodies to streamline registration and reporting requirements. It is used by businesses and other entities for business-to-business and business-to-government transactions.

**For tax purposes, entities register for an ABN to enable them to:**

- register for GST and claim input tax credits
- register for pay as you go (PAYG)
- deal with investment bodies
- apply to the Tax Office for endorsement as a deductible gift recipient or income tax exempt charity
- interact with the Tax Office on other taxes and the energy grants credits scheme, and
- have a unique identifying number which they will eventually use for their business dealings with government at all levels.

In addition, where a business entity supplies goods or services to the value of \$50 or more to another business entity, it is required to quote its ABN on an invoice. If the ABN is not quoted, the entity making the payment must withhold tax at the top marginal rate of tax plus Medicare levy (at present 48.5%) from their payment to the supplier.

At 2 July 2004 there were 4,548,471 active ABNs, 2,315,151 of which were registered for GST.

**REPORTING AND PAYING GST**

Registered businesses and other entities can report and pay their GST (or claim input tax credits and/or refundable amounts) either monthly or quarterly through their *Business activity statement* (activity statement).

If a registered entity has an annual turnover of more than \$20 million or intends to participate in the deferred GST scheme, it must report and pay its GST obligations electronically every month.

If the entity has an annual turnover of less than \$20 million and does not intend to participate in the deferred GST scheme, it can report and pay its GST obligations quarterly or monthly.

Entities that report and pay quarterly have three reporting options:

- **Option 1:** Report and pay/claim actual GST amounts quarterly through their activity statement.
- **Option 2:** Report and pay/claim actual GST amounts quarterly but report less information/items on their activity statement, and lodge a GST annual information report.

- **Option 3:** Report and pay a quarterly GST instalment amount and lodge a GST annual return. This option involves:
  - paying a quarterly GST instalment amount worked out by the Tax Office (or varied by the entity), and
  - accounting for any difference between the entity's actual GST liability and its total GST instalments for the year on a GST annual return.

If an entity has income from a primary production business or special professional income (for example, the entity is an author or an artist), it pays only two instalments for the year, rather than four.

If an entity uses the third option, net refunds are paid only after it lodges its GST annual return, not each quarter. However, the GST instalment amount worked out by the Tax Office takes into account input tax credits.

Businesses and other entities are advised when they are eligible to use option 3 through their activity statement. The activity statement will also have the GST instalment amount pre-printed on it.

In general, businesses and other entities are eligible to pay quarterly GST instalments, if they

- have an annual turnover of \$2 million or less
- pay GST quarterly
- have lodged an activity statement for at least two quarters (or four months if they previously lodged their activity statement monthly)
- have lodged all their previous activity statements, and
- were not in an overall GST net refund position in the previous year, disregarding the first activity statement they lodged.

### SUPPLIES SUBJECT AND NOT SUBJECT TO GST

Goods, services or anything else supplied by an entity that are subject to GST are referred to as **taxable supplies**. An entity makes a taxable supply if it:

- is registered or required to be registered for GST
- makes a supply for consideration
- makes a supply in the course or furtherance of an enterprise it carries on, and
- makes a supply connected with Australia.

There are other types of supplies that are not subject to GST – **GST-free supplies** and **input taxed supplies**.

If a supply is **GST-free**, a GST-registered entity is not liable to pay GST on that supply, but is entitled to claim input tax credits for anything acquired or imported for use in its business or enterprise. GST-free supplies include most food, exports, sewerage and water, eligible childcare, non-commercial activities of charitable institutions, most education and health services, and government and administration services (except those government and administration services that are exempt under the *Treasurer's Determination* – refer to Division 81 of the *A New Tax System (Goods and Services Tax) Act 1999*).

If a supply is **input taxed**, the GST-registered entity is not liable for GST on the supply, but neither is it entitled to claim input tax credits for anything acquired or imported to make that supply. Input taxed supplies include some financial services, supplies of residential rents, supplies of residential premises (except for the sale of new residential premises, which is considered a taxable supply), most supplies of precious metals, and supplies of food by school tuckshops and canteens (if they choose to treat the supplies of food as input taxed and supply only food).



**BOX 12.3: Terminology<sup>1</sup>**

**Consideration:** for GST purposes includes any payment, or something done or not done in connection with a supply, in response to a supply, or to get someone to make a supply. This means that consideration need not be a monetary payment. Goods could be received as consideration, for example, in a barter transaction.

**Deferred GST scheme:** provides for the deferral of GST payments on imported goods. Generally, GST on taxable importations is payable when imported goods 'are entered for home consumption'. The scheme allows for GST payments on taxable importations to be deferred to coincide with payments of net amounts of GST on the activity statement. Only eligible businesses or other entities can defer payments of GST on imported goods.

A **supply** includes:

- a supply of goods
- a supply of services
- provision of advice or information
- a creation, grant, transfer, assignment or surrender of any right
- a grant, assignment or surrender of real property
- a financial supply
- an entry into or release from an obligation
  - to do anything
  - to refrain from an act, or
  - to tolerate an act or situation, or
- a combination of any two or more of the above.

A **supply of goods** is **connected with Australia** if:

- the goods are delivered or made available in Australia to the recipient of the supply
- the supply involves the goods being removed from Australia
- the goods are brought to Australia and the supplier imports the goods, or
- the goods are brought to Australia and the supplier installs or assembles goods in Australia.

A **supply of real property** is **connected with Australia** if the real property, or the land to which the real property relates, is in Australia.

A **supply of anything other than goods or real property** (such as services) is **connected with Australia** if either:

- the supply is made in Australia, or
- the supplier makes the supply through an enterprise the supplier carries on in Australia.

An enterprise is carried on in Australia if it is carried on through a permanent establishment.

**Sales tax credit:** credit for the wholesale sales tax (or sales tax) registered entities paid on the stock of trading goods held for sale or exchange at the start of 1 July 2000.

<sup>1</sup> This box presents only general descriptions of the above terms. It does not provide the full technical or legal definitions.

**GST COLLECTIONS****BOX 12.4: Calculating net GST collections**

For the 2000–01 financial year net GST collections were calculated using the formula:

$$\text{net GST} = (\text{gross GST payable} + \text{deferred GST payments on imports}) - \text{input tax credits} - \text{sales tax credits}$$

From the 2001–02 financial year onwards net GST collections are calculated using the formula:

$$\text{net GST} = (\text{gross GST payable} + \text{deferred GST payments on imports}) - \text{input tax credits}$$

Sales tax credits could not be claimed from 7 January 2001.

If the sum of gross GST payable and deferred GST payments on imports is more than input tax credits (and sales tax credits in 2000–01), that is, net GST is positive, the net difference is payable to the Tax Office.

If the sum of gross GST payable and deferred GST payments on imports is less than input tax credits (and sales tax credits in 2000–01), that is, net GST is negative, the net difference can be claimed as a refund.

Since the introduction of GST in 2000–01, GST collections, including Australian Customs Service (Customs) collections, have increased by 35% – from \$23.8 billion in 2000–01 to \$33.2 billion in 2003–04 (table 12.1). As a proportion of total Tax Office revenue, GST collections (Tax Office and Customs) increased from 14% in 2000–01 to 17% in 2003–04 (table 12.8).

In the 2003–04 financial year net GST collections increased by 8% from the previous year to \$33.2 billion. The increase was mainly due to strong growth in construction, together with continued solid household expenditure and very high levels of new car sales. Compared to the previous year, GST collected from the manufacturing industry increased by 18% while GST collected from the mining services industry increased by 71%. GST collections from the property and business services, communication, wholesale and retail industries also recorded strong growth compared to the previous year, increasing by 12%, 10%, 9% and 6% respectively.

Since 2000–01 the property and business services, wholesale and manufacturing industries have accounted for the largest share of GST collections. On average, GST collections from these industries have accounted for around 60% of total GST collections each year (table 12.1).

Since the introduction of GST, the government administration and defence, mining, education and health and community services industries have recorded net GST refunds. This is because these industries provide mainly GST-free supplies (table 12.1). For example, most education and health services are GST-free, and the mining industry produces large quantities of export goods, which are also GST-free.

**TABLE 12.1: Net GST collections<sup>1</sup>, by industry, 2000–01 to 2003–04 financial years**

| Industry <sup>2</sup>                        | 2000–01 <sup>3</sup> |              | 2001–02 <sup>4</sup> |              | 2002–03 <sup>5</sup> |              | 2003–04 <sup>6</sup> |              |
|--|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
|  | \$m                  | %            | \$m                  | %            | \$m                  | %            | \$m                  | %            |
| Property & business services                 | 4,022                | 18.2         | 5,363                | 21.3         | 6,495                | 22.6         | 7,268                | 23.3         |
| Wholesale                                    | 5,591                | 25.3         | 5,608                | 22.3         | 6,266                | 21.8         | 6,834                | 21.9         |
| Manufacturing                                | 3,778                | 17.1         | 3,896                | 15.5         | 4,441                | 15.4         | 5,232                | 16.8         |
| Finance & insurance                          | 3,655                | 16.5         | 2,936                | 11.7         | 3,439                | 12.0         | 3,584                | 11.5         |
| Retail                                       | 1,006                | 4.6          | 2,983                | 11.9         | 3,224                | 11.2         | 3,423                | 11.0         |
| Construction                                 | 1,121                | 5.1          | 2,161                | 8.6          | 2,761                | 9.6          | 2,981                | 9.6          |
| Communication                                | 1,994                | 9.0          | 2,171                | 8.6          | 2,459                | 8.6          | 2,705                | 8.7          |
| Personal & other services                    | 1,805                | 8.2          | 2,038                | 8.1          | 2,187                | 7.6          | 2,330                | 7.5          |
| Accommodation, cafes & restaurants           | 1,145                | 5.2          | 1,325                | 5.3          | 1,417                | 4.9          | 1,479                | 4.7          |
| Transport & storage                          | 1,184                | 5.4          | 1,210                | 4.8          | 1,223                | 4.3          | 1,343                | 4.3          |
| Cultural & recreational services             | 779                  | 3.5          | 851                  | 3.4          | 908                  | 3.2          | 988                  | 3.2          |
| Electricity, gas & water supply              | 587                  | 2.7          | 715                  | 2.8          | 727                  | 2.5          | 774                  | 2.5          |
| Agriculture, forestry & fishing              | -92                  | -0.4         | 126                  | 0.5          | 87                   | 0.3          | 23                   | 0.1          |
| Education                                    | -213                 | -1.0         | -349                 | -1.4         | -356                 | -1.2         | -355                 | -1.1         |
| Health & community services                  | -310                 | -1.4         | -399                 | -1.6         | -437                 | -1.5         | -383                 | -1.2         |
| Mining                                       | -253                 | -1.1         | -801                 | -3.2         | -891                 | -3.1         | -1,525               | -4.9         |
| Government administration & defence          | -3,712               | -16.8        | -4,718               | -18.8        | -5,228               | -18.2        | -5,549               | -17.8        |
| Other <sup>7</sup>                           | n.a.                 | n.a.         | 37                   | 0.1          | 35                   | 0.1          | 33                   | 0.1          |
| <b>Tax Office net GST collections</b>        | <b>22,086</b>        | <b>100.0</b> | <b>25,153</b>        | <b>100.0</b> | <b>28,757</b>        | <b>100.0</b> | <b>31,185</b>        | <b>100.0</b> |
| Customs collections <sup>8</sup>             | 1,702                |              | 1,745                |              | 1,942                |              | 2,010                |              |
| <b>Total net GST collections<sup>1</sup></b> | <b>23,788</b>        |              | <b>26,898</b>        |              | <b>30,699</b>        |              | <b>33,195</b>        |              |

1 Includes penalties and interest on overpayments.

2 Industry classifications are those provided by taxpayers on their ABN application. Some taxpayers operate in multiple industries, but they are included in only one broad industry group as chosen by the taxpayer on their ABN application.

3 Estimated collections at 30 June 2001. For the 2000–01 financial year, sales tax credits and input tax credits may be deducted from gross GST payable to calculate net GST collections. The net GST collection figure also includes deferred GST payments on imports.

4 Estimated collections at 30 June 2002. For the 2001–02 financial year, sales tax credits may no longer be deducted from gross GST payable to calculate net GST collections.

5 Estimated collections at 30 June 2003. For the 2002–03 financial year, sales tax credits may no longer be deducted from gross GST payable to calculate net GST collections.

6 Estimated collections at 30 June 2004. For the 2003–04 financial year, sales tax credits may no longer be deducted from gross GST payable to calculate net GST collections.

7 Includes entities that stated other industries and entities that did not state their industry.

8 Customs collects GST on taxable importations, where the imports are not subject to the deferred GST scheme.

**INPUT TAX CREDITS**

An input tax credit (or GST credit) is an amount a registered entity is entitled to claim to offset the GST paid on inputs the entity acquires to use in its enterprise. However, if a registered entity acquires a supply for private use and/or to make input taxed supplies, it cannot claim an input tax credit.

In 2003–04 entities claimed \$137.1 billion in input tax credits (table 12.2). In value terms, the retail (16%), wholesale (13%) and manufacturing (13%) industries claimed the largest respective shares of input tax credits. However, in aggregate, these industries recorded positive net GST (table 12.2).

**12.2: GST, input tax credits and deferred GST payments on imports, by industry, 2003–04 financial year**

| Industry <sup>1</sup>                        | Gross GST payable<br>\$m | Input tax credits<br>\$m | Deferred GST payments on imports<br>\$m | Net GST <sup>2</sup><br>\$m |
|--|--------------------------|--------------------------|---|-----------------------------|
| Property & business services                 | 19,771                   | 12,921                   | 478                                     | 7,268                       |
| Wholesale                                    | 19,810                   | 17,933                   | 4,957                                   | 6,834                       |
| Manufacturing                                | 20,083                   | 18,024                   | 3,173                                   | 5,232                       |
| Finance                                      | 15,266                   | 12,100                   | 418                                     | 3,584                       |
| Retail                                       | 24,533                   | 21,812                   | 702                                     | 3,423                       |
| Construction                                 | 13,337                   | 10,477                   | 121                                     | 2,981                       |
| Communication                                | 6,216                    | 3,846                    | 335                                     | 2,705                       |
| Personal & other services                    | 5,961                    | 3,763                    | 132                                     | 2,330                       |
| Accommodation, cafes & restaurants           | 3,139                    | 1,661                    | 1                                       | 1,479                       |
| Transport & storage                          | 6,163                    | 5,373                    | 553                                     | 1,343                       |
| Cultural & recreational services             | 2,845                    | 1,876                    | 19                                      | 988                         |
| Electricity, gas & water supply              | 4,549                    | 3,800                    | 25                                      | 774                         |
| Agriculture                                  | 4,642                    | 4,740                    | 156                                     | 58                          |
| Forestry                                     | 310                      | 264                      | 2                                       | 48                          |
| Fishing                                      | 98                       | 190                      | 9                                       | -83                         |
| Education                                    | 1,301                    | 1,663                    | 7                                       | -355                        |
| Health & community services                  | 3,044                    | 3,646                    | 219                                     | -383                        |
| Mining                                       | 3,525                    | 5,532                    | 482                                     | -1,525                      |
| Government administration & defence          | 1,827                    | 7,486                    | 110                                     | -5,549                      |
| Other  | 70                       | 37                       | 0                                       | 33                          |
| <b>Tax Office net GST collections</b>        | <b>156,430</b>           | <b>137,144</b>           | <b>11,899</b>                           | <b>31,185</b>               |
| Customs collections                          |                          |                          |   | 2,010                       |
| <b>Total net GST collections<sup>2</sup></b> |                          |                          |   | <b>33,195</b>               |

1 Industry classifications are those provided by taxpayers on their ABN application. Some taxpayers operate in multiple industries, but they are included in only one broad industry group as chosen by the taxpayer on their ABN application.

2 Includes penalties and interest on overpayments.

In general, if the calculated ratio of input tax credits to the sum of gross GST payable and deferred GST payments on imports for an industry is less than one, the industry is more likely to pay net GST to the Tax Office. This is the case for the retail, wholesale, manufacturing and other industries, which have recorded ratios of less than one since the 2000–01 financial year (table 12.3).

If the calculated ratio for an industry is greater than one, the industry is more likely to collect net GST refunds and mainly supply GST-free supplies. This is the case for the government administration and defence, fishing, education, mining and health and community services industries, which have recorded ratios of greater than one since 2000–01 (table 12.3).

**TABLE 12.3: Ratio of input tax credits to gross GST<sup>1</sup>, 2000–01 to 2003–04 financial years**

| Industry <sup>2</sup>               | Ratio   |         |         |         |
|-------------------------------------|---------|---------|---------|---------|
|                                     | 2000–01 | 2001–02 | 2002–03 | 2003–04 |
| Government administration & defence | 3.40    | 3.83    | 3.70    | 3.86    |
| Fishing <sup>3</sup>                | n.a.    | 1.88    | 1.77    | 1.78    |
| Education                           | 1.23    | 1.32    | 1.29    | 1.27    |
| Mining                              | 1.06    | 1.19    | 1.19    | 1.38    |
| Health & community services         | 1.14    | 1.15    | 1.15    | 1.12    |
| Agriculture <sup>3</sup>            | n.a.    | 0.97    | 0.97    | 0.86    |
| Retail                              | 0.86    | 0.86    | 0.87    | 0.86    |
| Electricity, gas & water supply     | 0.86    | 0.83    | 0.85    | 0.83    |
| Manufacturing                       | 0.79    | 0.81    | 0.81    | 0.83    |
| Forestry <sup>3</sup>               | na      | 0.80    | 0.83    | 0.85    |
| Transport & storage                 | 0.74    | 0.80    | 0.82    | 0.80    |
| Construction                        | 0.84    | 0.78    | 0.77    | 0.78    |
| Finance and insurance               | 0.72    | 0.77    | 0.77    | 0.77    |
| Wholesale                           | 0.71    | 0.74    | 0.74    | 0.72    |
| Cultural & recreational services    | 0.63    | 0.65    | 0.67    | 0.66    |
| Property & business services        | 0.65    | 0.65    | 0.65    | 0.64    |
| Personal & other services           | 0.61    | 0.64    | 0.63    | 0.62    |
| Communication                       | 0.64    | 0.63    | 0.61    | 0.59    |
| Accommodation, cafes & restaurants  | 0.47    | 0.51    | 0.52    | 0.53    |

1 Includes deferred GST payments on imports.

2 Industry classifications are those provided by taxpayers on their ABN application. Some taxpayers operate in multiple industries, but they are included in only one broad industry group as chosen by the taxpayer on their ABN application.

3 Ratios for the agriculture, forestry and fishing industries were not calculated independently in 2000–01. However, as a group, the agriculture, forestry and fishing industry had a calculated ratio of 1.03 in that year (see table 11.4 in *Taxation Statistics 1999–2000*).

## WINE EQUALISATION TAX

From 1 July 2000, sales tax on wine and certain other alcoholic beverages was replaced with GST, wine equalisation tax and an increase in excise and customs duty on beer, spirits, liqueurs and other beverages containing alcohol. Wine equalisation tax was designed to maintain the price relativities between cask wine and full strength packaged beer purchased for consumption away from licensed premises.

The wine equalisation tax rate is 29% and applies to:

- grape wine, including sparkling wine and fortified wine
- grape wine products such as marsala, vermouth, wine cocktails and creams
- other fruit wines and vegetable wines, including fortified fruit wines and vegetable wines
- cider or perry, and
- mead and sake, including fortified mead.

Exports of wine are not subject to wine equalisation tax.

Wine manufacturers, wine wholesalers and wine importers usually have the liability for wine equalisation tax and are

required to collect and remit the tax to the Tax Office or Customs.

In general, wine equalisation tax is included in the price retailers (including bottle shops, hotels, restaurants and cafes) pay for the wine. A retailer is not entitled to a GST credit for wine equalisation tax. Instead, the tax forms part of their cost base and is passed on in the retail price of the wine to the end consumer. However, if retailers sell wine wholesale (that is, to a reseller) they may have a wine equalisation tax liability.

## REBATES AND CREDITS

The Australian Government and state governments operate separate rebate and subsidy schemes for winemakers. The states provide a 15% subsidy of the wholesale value of cellar door and mail order sales to unlicensed people.

To further assist small winemakers, a rebate is provided for eligible cellar door, mail order and internet sales, and there is also provided:

- an additional 14% rebate on cellar door and mail order sales up to a wholesale value of \$300,000 a year, and

- a rebate reducing from 14% to 0% for sales with a wholesale value between \$300,000 and \$580,000 a year. Sales with a wholesale value above \$580,000 attract only the 15% state subsidy.

The combination of the subsidy and rebates means that cellar door and mail order sales up to a wholesale value of \$300,000 a year are effectively free of wine equalisation tax.

To qualify for the rebate a business must:

- be the producer of the wine
- hold a producers licence, a vigneron's licence or an equivalent licence, and
- sell the wine from premises to which the licence relates.

The rebate does not apply to:

- wine sold in the course of providing food in a winery restaurant, or
- wine sold by mail order or via the internet where a commission is payable to a third party.

Apart from rebates, entities liable for wine equalisation tax may be able to claim credits if they:

- overpaid wine equalisation tax
- paid wine equalisation tax twice
- did not quote their ABN when they purchased wine
- sold wine that was subject to wine equalisation tax, for a price that excluded the tax, to persons who quoted an ABN for the dealing
- exported wine that was subject to wine equalisation tax

- sold wine that was subject to wine equalisation tax, for a price that excluded the tax, to an eligible traveller in accordance with the prescribed rules for export sales, or
- wrote off bad debts that included wine equalisation tax they had paid.

There are other specialised wine equalisation tax credit grounds relating to imported wine, replacement of defective wine and ensuring there is no double taxation of containers.

### WINE EQUALISATION TAX COLLECTIONS

Since the introduction of wine equalisation tax in 2000–01, wine equalisation tax collections (including Customs collections) have increased by 35% – from \$523.1 million in 2000–01 to \$704.2 million in 2003–04 (table 12.4). Revenue collected from wine equalisation tax accounted for less than 1% of total Tax Office revenue for 2003–04 (table 12.8).

In the past financial years, the most significant increase in wine equalisation tax collections occurred in 2001–02, when wine equalisation tax collections reached \$640.2 million – an increase of 22% from the previous financial year. This increase was due to an extra activity statement payment during the 2001–02 financial year. In 2003–04 wine equalisation tax collections increased by 5% compared to the 2002–03 collection.

Companies have consistently accounted for the largest share of wine equalisation tax collections since 2000–01. On average, they have accounted for 95% of total wine equalisation tax collections each year (table 12.4).

**TABLE 12.4: Wine equalisation tax collections, by entity, 2000–01 to 2003–04 financial years**

| Entity                           | 2000–01 <sup>1</sup> |              | 2001–02 <sup>2</sup> |              | 2002–03 <sup>3</sup> |              | 2003–04 <sup>4</sup> |              |
|----------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
|                                  | \$'000               | %            | \$'000               | %            | \$'000               | %            | \$'000               | %            |
| Company                          | 501,423              | 96.4         | 607,471              | 95.3         | 630,167              | 94.1         | 657,798              | 94.0         |
| Trust                            | 16,650               | 3.2          | 25,522               | 4.0          | 27,078               | 4.1          | 30,805               | 4.4          |
| Partnership                      | 5,424                | 1.0          | 8,199                | 1.3          | 12,724               | 1.9          | 12,000               | 1.7          |
| Individual                       | 823                  | 0.2          | 1,643                | 0.3          | 2,295                | 0.3          | 2,713                | 0.4          |
| Government <sup>5</sup>          | -4,092               | -0.8         | -5,299               | -0.8         | -2,815               | -0.4         | -3,544               | -0.5         |
| <b>Tax Office collections</b>    | <b>520,228</b>       | <b>100.0</b> | <b>637,537</b>       | <b>100.0</b> | <b>665,778</b>       | <b>100.0</b> | <b>699,772</b>       | <b>100.0</b> |
| Customs collections <sup>6</sup> | 2,833                |              | 2,679                |              | 2,895                |              | 4,395                |              |
| <b>Total<sup>7</sup></b>         | <b>523,061</b>       |              | <b>640,216</b>       |              | <b>668,672</b>       |              | <b>704,167</b>       |              |

1 Estimated collections at 30 June 2001. Values have been truncated from previous year's release.

2 Estimated collections at 30 June 2002. Values have been truncated from previous year's release.

3 Estimated collections at 30 June 2003. Values have been truncated from previous year's release.

4 Estimated collections at 30 June 2004.

5 Negative figures indicate wine equalisation tax credits or refunds claimed.

6 Customs collects wine equalisation tax on taxable importations.

7 Total amount may differ slightly from the sum of components due to rounding.

In 2003–04, 13% (\$92.6 million) of total Tax Office wine equalisation tax collections were from entities that sent less than \$1 million wine equalisation tax to the Tax Office; 17% (\$117.2 million) were from entities that sent \$1 million to less than \$5 million; and 70% (\$489.9 million) were from entities that sent \$5 million or more (table 12.5).

**TABLE 12.5: Wine equalisation tax collections, by amount sent to the Tax Office, 2001–02 to 2003–04 financial years**

| Amount sent                      | Amount collected     |              |                      |              |                      |              |
|----------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
|                                  | 2001–02 <sup>1</sup> |              | 2002–03 <sup>2</sup> |              | 2003–04 <sup>3</sup> |              |
|                                  | \$'000               | %            | \$'000               | %            | \$'000               | %            |
| Less than \$99,999               | 16,969               | 2.7          | 20,447               | 3.1          | 23,877               | 3.4          |
| \$100,000–\$499,999              | 36,307               | 5.7          | 44,194               | 6.6          | 45,139               | 6.5          |
| \$500,000–\$999,999              | 22,080               | 3.5          | 24,862               | 3.7          | 23,598               | 3.4          |
| \$1,000,000–\$4,999,999          | 103,291              | 16.2         | 110,072              | 16.5         | 117,230              | 16.7         |
| \$5,000,000 or more              | 458,889              | 72.0         | 466,203              | 70.1         | 489,928              | 70.0         |
| <b>Tax Office collections</b>    | <b>637,537</b>       | <b>100.0</b> | <b>665,778</b>       | <b>100.0</b> | <b>699,772</b>       | <b>100.0</b> |
| Customs collections <sup>4</sup> | 2,679                |              | 2,895                |              | 4,395                |              |
| <b>Total<sup>5</sup></b>         | <b>640,216</b>       |              | <b>668,672</b>       |              | <b>704,167</b>       |              |

1 Estimated collections at 30 June 2002. Values have been truncated from previous year's release.

2 Estimated collections at 30 June 2003. Values have been truncated from previous year's release.

3 Estimated collections at 30 June 2004.

4 Customs collects wine equalisation tax on taxable importations.

5 Total amount may differ slightly from the sum of components due to rounding.

## LUXURY CAR TAX

From 1 July 2000, sales tax on luxury cars was replaced by GST and luxury car tax. Like wine equalisation tax, luxury car tax was designed to maintain price relativities, that is, ensure the price of luxury cars fell by about the same amount as the price of cars just under the luxury car tax threshold following the removal of sales tax and the introduction of GST. In effect, luxury car tax ensures that buyers of luxury cars continue to pay more tax than buyers of cars priced under the luxury car tax threshold.

Cars with a GST-inclusive value exceeding the luxury car tax threshold are subject to luxury car tax. The tax is payable only on the GST-exclusive value that exceeds the threshold. The following formula is used to calculate luxury car tax (LCT) payable:

$$\text{LCT} = \frac{25}{100} \times \frac{10}{11} \times (\text{LCT tax value} - \text{LCT threshold})$$

The luxury car tax threshold for the 2003–04 financial was \$57,009 and the luxury car tax rate was 25%.

Entities registered (or required to register) for GST, including retailers, wholesalers and manufacturers that make a taxable supply of a luxury car, are liable to pay luxury car tax. Importers (including private buyers) that make a taxable importation of a luxury car are also liable to pay the tax. Entities that make a taxable supply of a luxury car must report the amount of luxury car tax payable on their activity statement and remit the amount, together with the GST payable.

## LUXURY CAR TAX ADJUSTMENTS

Unlike GST, no input tax credit is available for luxury car tax, regardless of whether the luxury car is used within a business or for private purposes.

However, circumstances may occur in a period after the supply or importation of a luxury car that alter the amount of luxury car tax previously paid. As a result, luxury car tax may become refundable or an amount may become payable in a later tax period. The registered entity then needs to make a decreasing or increasing adjustment on its activity statement.

An entity has a **decreasing** luxury car tax adjustment if any of the following circumstances occur after the taxable supply or importation.

- There is a decrease in the price of the car. This may happen if luxury car tax was calculated on the price in a past tax period and the amount was included on the activity statement for that tax period. During a later tax period the supplier and the purchaser agreed that the price paid should decrease. The supplier needs to calculate the luxury car tax on the new price and then work out the difference between the luxury car tax previously paid and what would be payable using the new value.
- The supplier has written off a bad debt related to the supply of a luxury car or a debt has been overdue for 12 months.

- An entity did not quote its ABN at the time of the purchase or importation and the car is now used for a quotable purpose. For example, a dealership did not quote its ABN when purchasing a luxury car because the car was to be used by an executive of the dealership. However, when the car was delivered it was held as trading stock.
- The sale is cancelled.

An entity has an **increasing** luxury car tax adjustment if any of the following occur.

- There is an increase in the price of the car.
- An entity quoted its ABN at the time of the purchase or importation and now uses the car for a purpose other than a quotable purpose. For example, a dealership quoted its ABN when purchasing a luxury car because the car was to be held as trading stock. However, when the car was delivered it was used by an executive of the dealership.
- The supplier previously claimed a decreasing adjustment related to a bad debt or a debt overdue for 12 months or more and has now recovered all or part of the debt.
- An entity had a decreasing adjustment and now uses the car for a purpose other than a quotable purpose.

### LUXURY CAR TAX COLLECTED

Since the introduction of luxury car tax in 2000–01, luxury car tax collections (including Customs collections) have increased by 96% – from \$170.8 million in 2000–01 to \$335.0 million in 2003–04 (table 12.6). Revenue collected from luxury car tax accounted for less than 2% of total Tax Office revenue for 2003–04 (table 12.8).

In past financial years, the most significant increase in luxury car tax collections occurred in 2001–02 when luxury car tax collections reached \$219.9 million – an increase of 29% from the previous financial year. This increase was due to an extra activity statement payment during the 2001–02 financial year. In 2003–04 luxury car tax collections increased 29% when compared to 2002–03. The increase was due to a significant increase in luxury car sales driven by low interest rates, a strong economy and numerous new model releases.

Companies have consistently accounted for the largest share of luxury car tax collections since 2000–01. On average, they have accounted for around 77% of total luxury car tax collections each year (table 12.6).

**12.6: Luxury car tax collections, by entity, 2000–01 to 2003–04 financial years**

| Entity                           | 2000–01 <sup>1</sup> |              | 2001–02 <sup>2</sup> |              | 2002–03 <sup>3</sup> |              | 2003–04 <sup>4</sup> |              |
|----------------------------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|----------------------|--------------|
|                                  | \$'000               | %            | \$'000               | %            | \$'000               | %            | \$'000               | %            |
| Company                          | 131,802              | 77.7         | 167,101              | 76.4         | 197,005              | 75.9         | 260,268              | 78.0         |
| Trust & individual               | 36,760               | 21.7         | 49,515               | 22.6         | 60,048               | 23.1         | 70,047               | 21.0         |
| Partnership                      | 1,173                | 0.7          | 2,159                | 1.0          | 2,532                | 1.0          | 3,402                | 1.0          |
| <b>Tax Office collections</b>    | <b>169,736</b>       | <b>100.0</b> | <b>218,776</b>       | <b>100.0</b> | <b>259,584</b>       | <b>100.0</b> | <b>333,717</b>       | <b>100.0</b> |
| Customs collections <sup>5</sup> | 1,086                |              | 1,121                |              | 1,080                |              | 1,255                |              |
| <b>Total<sup>6</sup></b>         | <b>170,823</b>       |              | <b>219,897</b>       |              | <b>260,664</b>       |              | <b>334,971</b>       |              |

1 Estimated collections at 30 June 2001. Values have been reviewed from previous year's release.  
2 Estimated collections at 30 June 2002. Values have been reviewed from previous year's release.  
3 Estimated collections at 30 June 2003. Values have been reviewed from previous year's release.  
4 Estimated collections at 30 June 2004.  
5 Customs collects luxury car tax on taxable importations.  
6 Total amount may differ slightly from the sum of components due to rounding.

In 2003–04, 23% (\$74.8 million) of total Tax Office luxury car tax collections were from entities that sent less than \$1 million luxury car tax to the Tax Office; 40% (\$134.1 million) were from entities that sent \$1 million to less than \$5 million; and 37% (\$124.8 million) were from entities that sent \$5 million or more.

Compared to 2002–03, entities that sent \$5 million or more luxury car tax significantly increased their share of Tax Office luxury car tax collections, while entities that sent \$1 million to less than \$5 million decreased their share of luxury car tax collections (table 12.7).

**TABLE 12.7: Luxury car tax collections, by amount sent to the Tax Office, 2001–02 to 2003–04 financial years**

| Amount sent                      | 2001–02 <sup>1</sup> |              | Amount collected |              | 2003–04 <sup>3</sup> |              |
|----------------------------------|----------------------|--------------|------------------|--------------|----------------------|--------------|
|                                  | \$'000               | %            | \$'000           | %            | \$'000               | %            |
| Less than \$99,999               | 11,658               | 5.3          | 10,582           | 4.1          | 14,335               | 4.3          |
| \$100,000–\$499,99               | 25,689               | 11.7         | 29,796           | 11.5         | 37,238               | 11.2         |
| \$500,000–\$999,999              | 18,439               | 8.4          | 26,478           | 10.2         | 23,259               | 7.0          |
| \$1,000,000–\$4,999,999          | 123,870              | 56.6         | 120,699          | 46.5         | 134,103              | 40.2         |
| \$5,000,000 or more              | 39,118               | 17.9         | 72,030           | 27.7         | 124,782              | 37.3         |
| <b>Tax Office collections</b>    | <b>218,776</b>       | <b>100.0</b> | <b>259,584</b>   | <b>100.0</b> | <b>333,717</b>       | <b>100.0</b> |
| Customs collections <sup>4</sup> | 1,121                |              | 1,080            |              | 1,255                |              |
| <b>Total<sup>5</sup></b>         | <b>219,897</b>       |              | <b>260,664</b>   |              | <b>334,971</b>       |              |

1 Estimated collections at 30 June 2002. Values have been reviewed from previous year's release.

2 Estimated collections at 30 June 2003. Values have been reviewed from previous year's release.

3 Estimated collections at 30 June 2004.

4 Customs collects luxury car tax on taxable importations.

5 Total amount may differ slightly from the sum of components due to rounding.

### DETAILED TABLE

The following detailed table on selected GST, wine equalisation tax and luxury car tax items for the 2000–01 to 2003–04 financial years is on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The table may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

#### Table 1: Selected GST, wine equalisation tax and luxury car tax items, 2000–01 to 2003–04 financial years

This table shows selected GST, wine equalisation tax and luxury car tax items for the 2000–01 to 2003–04 financial years.

This table is also available at the back of the chapter (see table 12.8).

### TIME SERIES TABLE

Table 12.8 shows selected GST, wine equalisation tax and luxury car tax items for the 2000–01 to 2003–04 financial years. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.



**TABLE 12.8: Selected GST, wine equalisation tax and luxury car tax items, 2000–01 to 2003–04<sup>1</sup>**

| Item  |            | 2000–01 <sup>2</sup> | 2001–02 <sup>3</sup> | 2002–03 <sup>4</sup> | 2003–04 <sup>5</sup> |
|---|------------|----------------------|----------------------|----------------------|----------------------|
| Gross GST payable (Tax Office collections) <sup>6</sup>                                   | \$m        | 123,112              | 132,145              | 149,068              | 156,430              |
| Input tax credits   | \$m        | 98,936               | 118,183              | 132,977              | 137,144              |
| Sales tax credits <sup>7</sup>  | \$m        | 2,089                | n.a.                 | n.a.                 | n.a.                 |
| Deferred GST payments on imports <sup>6</sup>   | \$m        | n.a.                 | 11,190               | 12,666               | 11,899               |
| Net GST collections (Tax Office collections) <sup>8</sup>                                 | \$m        | 22,086               | 25,153               | 28,757               | 31,185               |
| Customs GST collections   | \$m        | 1,702                | 1,745                | 1,942                | 2,010                |
| <b>Total net GST collections (Tax Office and Customs)</b>                                 | <b>\$m</b> | <b>23,788</b>        | <b>26,898</b>        | <b>30,699</b>        | <b>33,195</b>        |
| Share of total GST collections to total Tax Office revenue                                | %          | 14.4                 | 15.9                 | 16.6                 | 16.7                 |
| Wine equalisation tax   |            |                      |                      |                      |                      |
| – Tax Office collections  | \$m        | 520                  | 638                  | 666                  | 700                  |
| – Customs collections   | \$m        | 3                    | 3                    | 3                    | 4                    |
| <b>– Total</b>  | <b>\$m</b> | <b>523</b>           | <b>640</b>           | <b>669</b>           | <b>704</b>           |
| Share of total wine equalisation tax collections to total Tax Office revenue <sup>9</sup> | %          | 0.3                  | 0.4                  | 0.4                  | 0.4                  |
| Luxury car tax  |            |                      |                      |                      |                      |
| – Tax Office collections  | \$m        | 170                  | 219                  | 262                  | 334                  |
| – Customs collections   | \$m        | 1                    | 1                    | 1                    | 1                    |
| <b>– Total</b>  | <b>\$m</b> | <b>171</b>           | <b>220</b>           | <b>263</b>           | <b>335</b>           |
| Share of total luxury car tax collections to total Tax Office revenue <sup>9</sup>        | %          | 0.1                  | 0.1                  | 0.1                  | 0.1                  |
| <b>Total Tax Office revenue</b>   | <b>\$m</b> | <b>165,426</b>       | <b>168,660</b>       | <b>185,044</b>       | <b>198,732</b>       |

**Notes:**

n.a. – not applicable or not available

1 This table is the same as GST and other taxes detailed table 1 which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.

2 Statistics refer to estimated collection as at 30 June 2001.

3 Statistics refer to estimated collection as at 30 June 2002.

4 Statistics refer to estimated collection as at 30 June 2003.

5 Statistics refer to estimated collection as at 30 June 2004.

6 For the 2000–01 financial year, deferred GST payments on import amounts were included in gross GST payable amounts.

7 From 2001–02 onwards, sales tax credits could no longer be claimed.

8 For the 2000–01 financial year, Tax Office net GST collections were equal to gross GST payable (including deferred GST payments on imports) minus input tax credits and sales tax credits. From 2001–02 onwards, Tax Office net GST collections were equal to the sum of gross GST payable and deferred GST payments on imports, minus input tax credits.

9 Percentage shares are calculated from unrounded amounts.

### ❶ HIGHLIGHTS

- Total excise collections (including surcharge, but excluding diesel fuel rebates and grants) increased from \$20.7 billion in 2002–03 to \$21.1 billion in 2003–04. This was mainly due to strong domestic demand for excisable products.
- Excise collected from tobacco was steady from the previous year, at \$5.2 billion.
- Excise collected from alcohol products increased by 3% from the previous year to \$2.3 billion, driven by an 18% increase in excise collected from spirits.
- Excise collected from crude oil decreased by 26% from the previous year to \$309 million due to a decrease in the volume weighted average (VOLWARE) price of crude oil.

Excise duty is levied on certain commodities which are manufactured or produced in Australia, irrespective of whether the components used to produce the goods are of foreign or domestic origin. Commodities subject to excise are petroleum, alcohol (spirits and beer, but not wine), tobacco and crude oil.

The Tax Office assumed responsibility for collecting excise duty in February 1999. Because of existing legislation, the Australian Customs Service (Customs) collects customs duty on equivalent imported goods.

The Tax Office does not calculate excise duty liability, but provides advice and assistance to manufacturers and dealers in excisable goods to meet their excise obligations.

Under the indexation provisions of the *Excise Tariff Act 1921*, the rates of excise duty on spirits, beer (except home brew) and tobacco products may be increased in February and August each year, in line with movements in the consumer price index. The indexation provisions no longer apply to petroleum, other types of fuel and petroleum-based oils and lubricants (not for use as fuel).

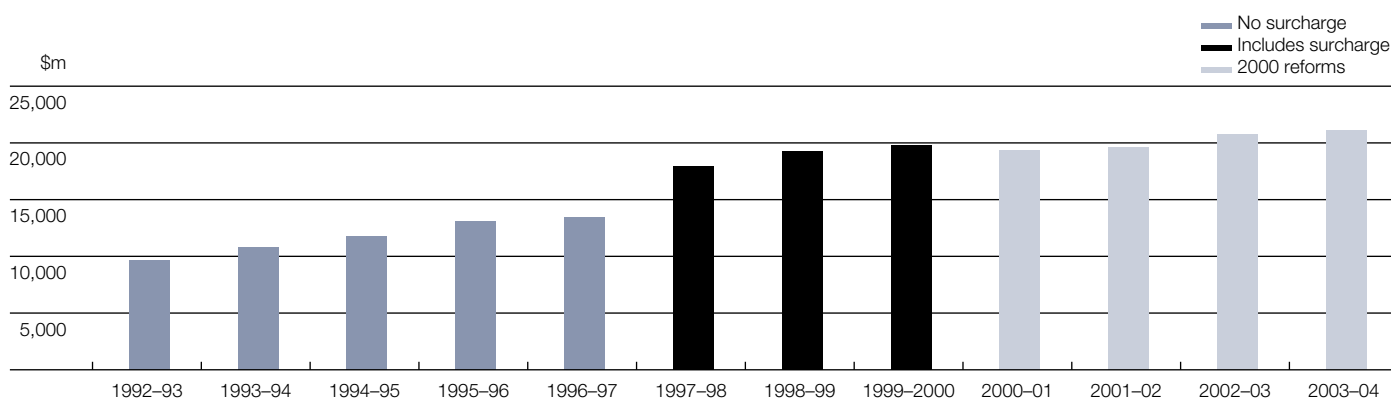
Statistics on excise collections for the 2003–04 financial year (1 July 2003 to 30 June 2004) are discussed in the following sections of this chapter. Excise statistics for the 2003–04 financial year and past financial years are sourced from Tax Office and Customs databases.

### EXCISE COLLECTIONS

From August 1997 until the implementation of tax changes on 1 July 2000 there was an excise surcharge on petroleum and tobacco products. This replaced the various state business franchise fees previously levied on these products. The surcharge amounts collected by the Australian Government were reimbursed to the states and territories under agreed repayment schemes.

These funding arrangements were no longer required with the introduction of a goods and services tax (GST) on 1 July 2000. Some surcharge amounts were collected in 2000–01, but they relate to clearances made in June 2000.

Figure 13.1 highlights how these legislative changes (and other factors) affected excise collections. For example, a large increase of \$4.5 billion occurred in 1997–98, mostly due to the introduction of the excise surcharge.

**FIGURE 13.1: Total excise collected<sup>1</sup>, 1992–93 to 2003–04 financial years**

<sup>1</sup> An excise surcharge on tobacco and petroleum was introduced in 1997 to replace the various state business franchise fees previously levied on these products. Surcharges were no longer payable following the introduction of GST on 1 July 2000. Although excise collections for 2000–01 still include some surcharge payments, they relate to clearances made in June 2000.

In 2003–04, \$21.1 billion in excise was collected, an increase of approximately \$345 million or 2% from the previous year. Most excise was collected from petroleum products, which accounted for 63% (\$13.2 billion) of total excise collections (table 13.1). Tobacco was the next major contributor, with 25% (\$5.2 billion) of total collections.

**TABLE 13.1: Excise collected, by type, 2003–04 financial year**

| Type                     | Amount collected |              |
|--------------------------|------------------|--------------|
|                          | \$m              | %            |
| Petroleum                | 13,230           | 62.8         |
| Tobacco                  | 5,240            | 24.9         |
| Beer                     | 1,638            | 7.8          |
| Spirits                  | 662              | 3.1          |
| Crude oil                | 309              | 1.5          |
| <b>Total<sup>1</sup></b> | <b>21,079</b>    | <b>100.0</b> |

<sup>1</sup> Total amount may differ slightly from the sum of components due to rounding.

The total quantity changes in petroleum products, tobacco, cigarettes and spirits subject to excise from 2002–03 to 2003–04 are shown in table 13.2.

**TABLE 13.2: Quantities of products subject to excise, 2002–03 to 2003–04 financial years**

| Product   | Unit                  | 2002–03   | 2003–04   | Percentage change over previous year <sup>1</sup> |
|---|-----------------------|-----------|-----------|---|
| <b>Petroleum</b>  |                       |           |           |   |
| Petrol – unleaded, leaded and lead replacement petroleum  | Megalitres            | 19,112.92 | 19,366.02 | 1.3   |
| Diesel  | Megalitres            | 14,442.83 | 14,602.52 | 1.1   |
| Other petroleum products  |                       |           |           |   |
| – fuel oil  | Megalitres            | 433.96    | 371.41    | –14.4   |
| – heating oil <sup>2</sup>  | Megalitres            | 63.79     | 54.38     | –14.7   |
| – aviation gasoline   | Megalitres            | 94.32     | 88.74     | –5.9  |
| – aviation kerosene <sup>2</sup>  | Megalitres            | 2,023.59  | 2,046.71  | 1.1   |
| – kerosene <sup>2,3</sup>   | Megalitres            | 46.24     | 24.03     | –48.0   |
| – oils and greases  | Megalitres            | 466.11    | 442.15    | –5.1  |
| Total petroleum products (excluding greases)  | Megalitres            | 36,683.75 | 36,995.96 | 0.9   |
| <b>Alcohol</b>  |                       |           |           |   |
| Beer  | Megalitres of alcohol | 52.65     | 51.97     | –1.3  |
| Spirits   |                       |           |           |   |
| – other spirits   | Megalitres of alcohol | 2.63      | 2.60      | –1.2  |
| – brandy  | Megalitres of alcohol | 0.67      | 0.61      | –8.7  |
| – ready to drink beverages  | Megalitres of alcohol | 12.57     | 13.73     | 9.2   |
| Total spirits   | Megalitres of alcohol | 15.86     | 16.94     | 6.7   |
| <b>Tobacco</b>  |                       |           |           |   |
| Cigarettes  | Million sticks        | 23,557.34 | 23,515.63 | –0.2  |
| Tobacco   | Million kilograms     | 0.80      | 0.59      | –26.3   |
| <p>1 Percentage change between the two years was calculated from actual (not rounded) data.</p> <p>2 Kerosene and heating oil items include some entries that are free of duty or subject to duty at the full fuel rate.</p> <p>3 The significant decrease in the quantity of kerosene subject to excise is attributed to a number of large power generation companies switching to gas for burner use.</p> |                       |           |           |   |

## PETROLEUM

Petroleum excise is levied on a variety of petroleum products including gasoline, diesel, kerosene, heating oil, fuel oil, condensate and stabilised crude used as fuel, topped crude petroleum oil, other refined or partly refined products, petroleum-based oils not used for fuel and fuel ethanol.

There are a variety of excise rates levied on petroleum products depending on their end use. Products used for fuel and in aviation attract different rates to those used in burner, solvent or industrial applications.

Before 1 March 2001 excise rates on petroleum products were adjusted in February and August each year, in line with movements in the consumer price index. However, since 1 August 2001, excise rates for refined petroleum products, other than oils and greases, have not been indexed biannually. (The change was introduced in March 2001, with effect from 1 August 2001.)

Excise rates applying to certain petroleum products during the 2003–04 financial year are shown in table 13.3.

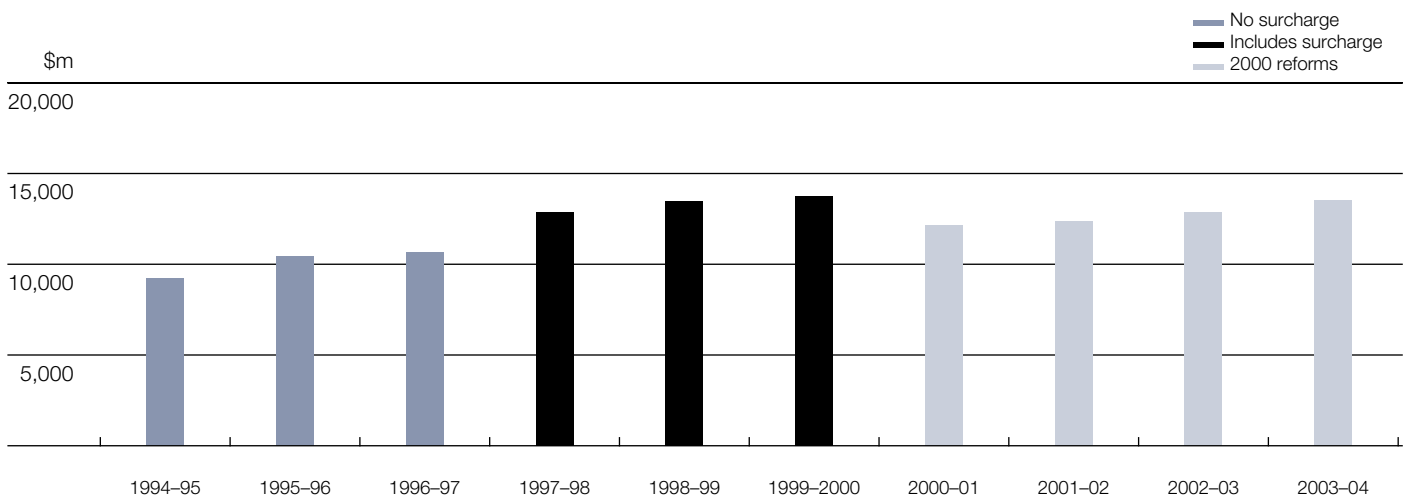
**TABLE 13.3: Excise rates on selected<sup>1</sup> petroleum products, 2003–04 financial year**

| Product           | Rates<br>\$/litre |
|-------------------|-------------------|
| Leaded petrol     | 0.40516           |
| Unleaded petrol   | 0.38143           |
| Diesel fuel       | 0.38143           |
| Fuel oil          | 0.07557           |
| Aviation kerosene | 0.03151           |
| Aviation gasoline | 0.03114           |

1 Excise duty rates on these and other petroleum products are reported and updated on the Tax Office website (see the online document *Excise duty rates*).

In 2003–04 around \$13.2 billion in excise was collected from refined petroleum products, an increase of 3% from the previous year (figure 13.2).

**FIGURE 13.2: Excise collected from petroleum products<sup>1</sup>, 1994–95 to 2003–04 financial years**



<sup>1</sup> An excise surcharge on tobacco and petroleum was introduced in 1997 to replace the various state business franchise fees previously levied on these products. Surcharges were no longer payable following the introduction of GST on 1 July 2000. Although excise collections for 2000–01 still include some surcharge payments, they relate to clearances made in June 2000.

**TOBACCO**

Tobacco manufacturers in Australia pay excise duty on locally manufactured cigarettes and tobacco products. Customs duty applies to imported tobacco products.

Both manufacturers and importers include the amount of the excise or customs duty in the sale price of their products. This means the cost of the excise or customs duty is passed on to the consumer.

Since 1 November 1999 excise duty on tobacco products containing 0.8 grams of tobacco or less has been calculated on a 'per stick' rate. These products include most cigarettes and very small cigars. The excise duty that applies to other tobacco and cigars or cigarettes that exceed 0.8 grams (actual tobacco content) is calculated on a per kilogram tobacco content rate (table 13.4).

**TABLE 13.4: Excise rates on tobacco products, 2003–04 financial year**

| Item  | Excise duty rates applying |                       |                   |
|---|----------------------------|-----------------------|-------------------|
|   | 1 Aug 03 to 31 Jan 04      | 1 Feb 04 to 31 Jul 04 | 1 Aug 04 onwards  |
|   | \$                         | \$                    | \$                |
| Cigarettes, cigars & tobacco in stick form not exceeding 0.8 grams per stick of tobacco | 0.21804 per stick          | 0.22044 per stick     | 0.22353 per stick |
| Snuff   | 2.22 per kg                | 2.24 per kg           | 2.27 per kg       |
| Other tobacco products  | 272.55 per kg              | 275.55 per kg         | 279.41 per kg     |
| Cigarettes – indicative excise:   |                            |                       |                   |
| – pack of 20  | 4.36 per pack              | 4.41 per pack         | 4.47 per pack     |
| – pack of 25  | 5.45 per pack              | 5.51 per pack         | 5.59 per pack     |
| – pack of 30  | 6.54 per pack              | 6.61 per pack         | 6.71 per pack     |
| – pack of 40  | 8.72 per pack              | 8.81 per pack         | 8.94 per pack     |
| – pack of 50  | 10.90 per pack             | 11.02 per pack        | 11.18 per pack    |
| Tobacco   |                            |                       |                   |
| – 50-gram pack  | 13.62 per pack             | 13.78 per pack        | 13.97 per pack    |

**TABLE 13.5: Excise rates on tobacco products**

| Date of effect       | Excise rate                      |   |
|----------------------|----------------------------------|---|
|                      | Per stick rate (\$) <sup>1</sup> | Tobacco content rate (\$/kg) <sup>2</sup> |
| From 1 August 1999   | n.a.                             | 235.90                                    |
| From 1 November 1999 | 0.18872                          | 235.90                                    |
| From 1 February 2000 | 0.19155                          | 239.44                                    |
| From 1 August 2000   | 0.19481                          | 243.51                                    |
| From 1 February 2001 | 0.20260                          | 253.25                                    |
| From 1 August 2001   | 0.20645                          | 258.06                                    |
| From 1 February 2002 | 0.20893                          | 261.16                                    |
| From 1 August 2002   | 0.21227                          | 265.34                                    |
| From 1 February 2003 | 0.21524                          | 269.05                                    |
| From 1 August 2003   | 0.21804                          | 272.55                                    |
| From 1 February 2004 | 0.22044                          | 275.55                                    |
| From 1 August 2004   | 0.22353                          | 279.41                                    |

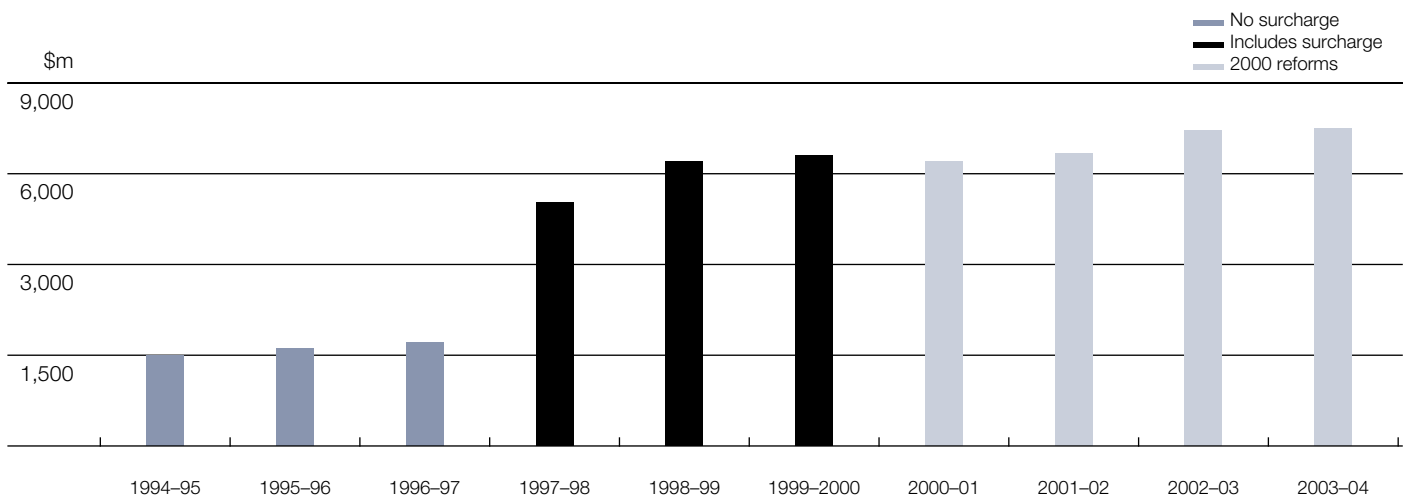
1 Applies to tobacco, cigars and cigarettes that are in stick form and do not exceed 0.8 grams in weight per stick of actual tobacco content.

2 Applies to other tobacco, cigars or cigarettes that exceed 0.8 grams in weight per stick of actual tobacco content.

Excise rates are increased where there are upward movements in the consumer price index. These increases occur in February and August each year. When introduced on 1 November 1999, the per stick rate, including surcharge, was \$0.18872. It has since increased by 18% to \$0.22353 as at 1 August 2004 (table 13.5).

The quantities of cigarettes subject to excise duty in 2003–04 remained steady at 23.5 billion sticks. Quantities of tobacco products decreased by 26% (table 13.2). Overall, excise collected from tobacco products also remained steady from the previous year at \$5.2 billion (figure 13.3).

From 1994–95 to 2003–04 the amount of excise collected from tobacco products has more than tripled (figure 13.3). Much of the increase occurred in 1997–98 and was due to the introduction of the excise surcharge in 1997 to replace various state franchise fees previously levied on these products.

**FIGURE 13.3: Excise collected from tobacco products<sup>1</sup>, 1994–95 to 2003–04 financial years**

<sup>1</sup> An excise surcharge on tobacco and petroleum was introduced in 1997 to replace the various state business franchise fees previously levied on these products. Surcharges were no longer payable following the introduction of GST on 1 July 2000. Although excise collections for 2000–01 still include some surcharge payments, they relate to clearances made in June 2000.

**ALCOHOL**

Australian manufacturers, distillers, brewers and distributors of alcoholic beverages not subject to wine equalisation tax have a responsibility under the *Excise Act 1901* and *Excise Tariff Act 1921* to pay excise duty.

Excise duty applies to:

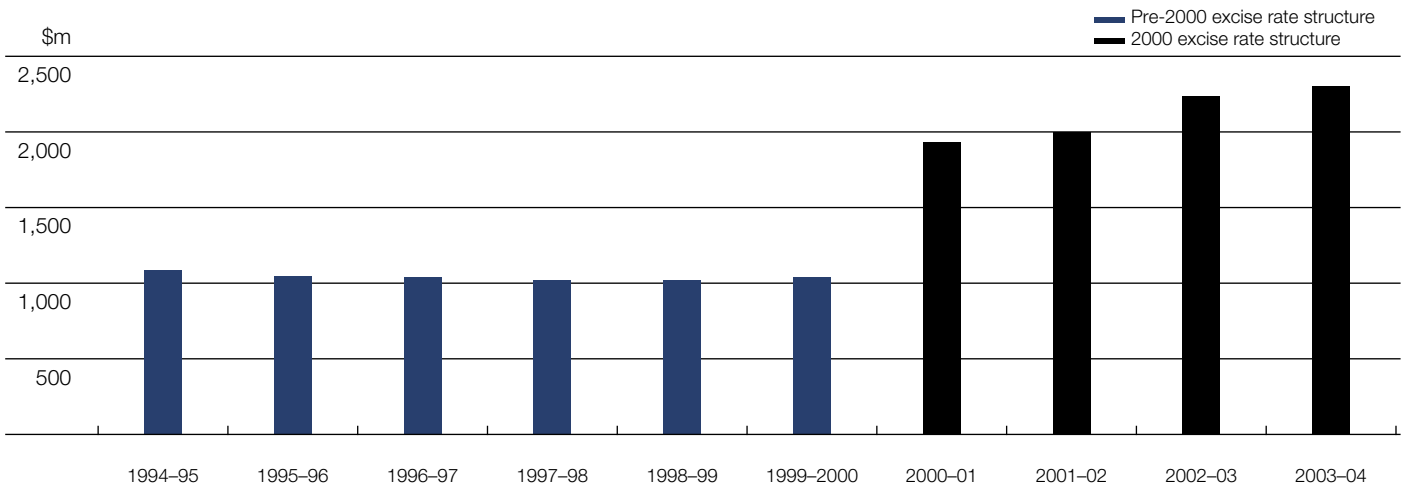
- beer
- spirits such as brandy, rum and vodka (unless the spirit is purchased for an approved purpose under the **concessional spirits scheme** – see box 13.1)
- liqueurs, and
- other alcoholic beverages not subject to wine equalisation tax.

Customs duty applies to imported alcoholic beverages.

In 2003–04 excise collected from alcohol products (beer and spirits) increased by 3% from the previous year to \$2.3 billion (figure 13.4), driven mainly by continuing high levels collected from spirits, as seen in 2002–03 (see ‘Spirits’ section below and table 13.7).

From 1994–95 to 2003–04 the amount of excise collected from alcohol products has more than doubled (figure 13.4). Most of the increase occurred in 2000–01 when higher excise rates were set to offset the abolition of wholesale sales tax on beer.

**FIGURE 13.4: Excise collected from alcohol products<sup>1</sup>, 1994–95 to 2003–04 financial years**



<sup>1</sup> Excise rates on beer, spirits, liqueurs and other alcoholic drinks not subject to wine equalisation tax were increased on 1 July 2000 to offset the removal of wholesale sales tax.



**BEER**

Rates of excise duty applicable to beer can be broken down into several categories (table 13.6). The duty-free threshold for beer is 1.15% alcohol content.

A rate of duty equivalent to the full strength beer rate (but without its duty-free threshold) applies to alcoholic beverages not exceeding 10% alcohol content by volume (table 13.6).

**TABLE 13.6: Excise rates on beer and other excisable beverages, of an alcoholic strength not exceeding 10%, 2003–04 financial year**

| Item   | Excise duty rates applying     |                       |                  |
|--|--------------------------------|-----------------------|------------------|
|  | 1 Aug 03 to 31 Jan 04          | 1 Feb 04 to 31 Jul 04 | 1 Aug 04 onwards |
| <b>Beer, in individual containers not exceeding 48 litres</b>                | <b>\$ per litre of alcohol</b> |                       |                  |
| – not exceeding 3% by volume of alcohol                                      | 29.74                          | 30.07                 | 30.49            |
| – exceeding 3% but not exceeding 3.5% by volume of alcohol                   | 34.66                          | 35.04                 | 35.53            |
| – exceeding 3.5% by volume of alcohol  | 34.66                          | 35.04                 | 35.53            |
| <b>Beer, in individual containers exceeding 48 litres</b>                    |                                |                       |                  |
| – not exceeding 3% by volume of alcohol                                      | 5.94                           | 6.01                  | 6.09             |
| – exceeding 3% but not exceeding 3.5% by volume of alcohol                   | 18.65                          | 18.86                 | 19.12            |
| – exceeding 3.5% by volume of alcohol  | 24.4                           | 24.67                 | 25.02            |
| <b>Other excisable beverages, of an alcoholic strength not exceeding 10%</b> | <b>34.66</b>                   | <b>35.04</b>          | <b>35.53</b>     |

Beer accounted for 71% of excise collected from alcohol products (beer and spirits) in 2003–04.

In 2003–04 the quantity of beer subject to excise decreased by less than 2% from the previous year (table 13.2). Excise revenue from beer also decreased slightly to \$1.64 billion (table 13.1).

**SPIRITS**

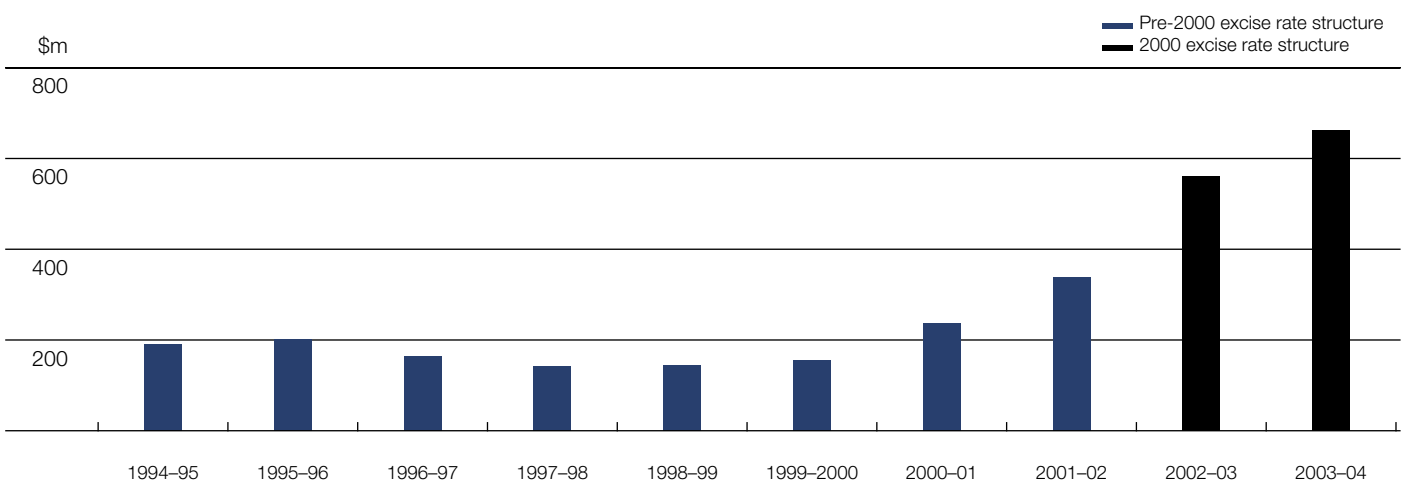
In most cases, spirit manufactured in Australia is subject to excise duty (see box 13.1 for circumstances where the duty may be waived). From 1 February 2002, imported spirits used to make ready-to-drink beverages by mixing with Australian-manufactured soft drinks and other ingredients have also been subject to excise duty, rather than customs duty (excise duty rates are listed in table 13.7). Consequently, the total quantity of excise collected from spirits has increased from that date with \$662 million collected in 2003–04, a 7% increase compared to the previous year (table 13.2).

Total quantities of spirits subject to excise increased by 7% during 2003–04 year. Excise collections from spirits increased by 18% to \$662 million (figure 13.5). The share of excise collected from spirits to total alcohol excise collection increased from 17% in 2001–02 to 29% in 2003–04.

**TABLE 13.7: Excise duty rates applying to spirits and other excisable beverages, of an alcoholic strength exceeding 10%, 2003–04 financial year**

| Item   | Units            | Excise duty rates applying |                          |                  |
|--|------------------|----------------------------|--------------------------|------------------|
|  |                  | 1 Aug 03 to<br>31 Jan 04   | 1 Feb 04 to<br>31 Jul 04 | 1 Aug 04 onwards |
| <b>Spirit categories</b>   |                  | \$                         | \$                       | \$               |
| Brandy   | Litre of alcohol | 54.83                      | 55.43                    | 56.21            |
| Fruit brandy   | Litre of alcohol | 58.72                      | 59.37                    | 60.2             |
| Whisky   | Litre of alcohol | 58.72                      | 59.37                    | 60.2             |
| Rum  | Litre of alcohol | 58.72                      | 59.37                    | 60.2             |
| Liqueurs   | Litre of alcohol | 58.72                      | 59.37                    | 60.2             |
| Spirits not elsewhere included   | Litre of alcohol | 58.72                      | 59.37                    | 60.2             |
| <b>Other excisable beverages, of an alcoholic strength exceeding 10%</b> | Litre of alcohol | 58.72                      | 59.37                    | 60.2             |

**FIGURE 13.5: Excise collected from spirits<sup>1</sup>, 1994–95 to 2003–04 financial years**



<sup>1</sup> Excise rates on beer, spirits, liqueurs and other alcoholic drinks not subject to wine equalisation tax were increased on 1 July 2000 to offset the removal of wholesale sales tax. In addition, from 1 February 2001, imported spirits used to make ready-to-drink beverages by mixing with Australian-manufactured soft drinks and other ingredients have also been subject to excise duty (rather than customs duty).

**BOX 13.1: Concessional spirits scheme**

While in most cases spirits of any kind manufactured in Australia are subject to excise duty, under specific circumstances that duty may be waived on spirits purchased for an approved purpose. In most cases, entities that want to purchase spirits duty-free must obtain a permit and meet certain requirements.

There are three types of spirit that may be purchased at the duty-free rate. (some require permits, while others do not).

- **Undenatured spirit**, or ethyl alcohol (ethanol), requires a permit.
- **Partially denatured** spirit, or specially methylated spirit, requires a permit.
- **Fully denatured** spirit, or industrial methylated spirit, does not require a permit.

Similarly, isopropyl, or isopropynol alcohol, does not require a permit.

For **undenatured** spirits to qualify for the concessional rate, the following uses are approved:

- essences
- medicines
- products labelled as mouth washes or gargles (even if other uses are indicated)
- vinegar and articles of food and drink (excluding spirituous beverages)
- fortification of non-grape wine
- for use in chemical or biological laboratories
- for use in hospitals, educational or similar institutions, or
- other manufacturing purposes approved by the Tax Office.

For partially denatured spirit to qualify for the concessional rate, the denatured spirit should be used for industrial, scientific, educational or therapeutic purposes where it can be demonstrated that industrial spirit cannot be used as a suitable medium or material.

Anyone who intends to use spirit for an approved purpose as outlined above may apply to the Tax Office for a permit.

However, there are some groups that do not need a permit to purchase concessional spirits. These include:

- **traditional health care practitioners** such as doctors, chiropractors, dentists, osteopaths, physiotherapists, registered nurses and veterinary surgeons (up to 60 litres each year)
- **alternative health care practitioners** such as acupuncturists, herbalists, homeopaths and naturopaths with a current Therapeutic Goods Act certificate (up to 60 litres each year)
- **pharmacists** with a current practitioners certificate number (up to 120 litres each year), and
- **educational institutions** such as universities, schools and colleges, agricultural institutes and technical colleges (up to five litres each year).

## CRUDE OIL

The vast majority of crude oil produced in Australia is subject to royalties, rather than excise duty. Royalties become payable once commercial production begins. However, offshore fields in the North-west Shelf are eligible for an excise duty exemption. Also onshore fields producing stabilised crude oil and condensate are permitted to produce 30 million barrels of product excise-free. Each commercially productive field must be prescribed by excise by-law to be eligible for either the 30-million barrel exemption or excise-free production, and its operators must maintain production records. These records are monitored by the Department of Industry, Tourism and Resources until the 30-million barrel threshold is reached. Once the threshold is breached, all production becomes excisable and administration transfers to the Tax Office.

Excise administrative arrangements apply a marginal tax rate regime to excisable production. Where a field produces more than the threshold amount in a financial year, the first 500 megalitres are free of duty. Figures given are based on the VOLWARE (volume weighted average realised) price determined each month by the Department of Industry, Tourism and Resources.

**TABLE 13.8: Excise rates for crude oil production**

| Production (megalitres) | Duty rate (%) |
|-------------------------|---------------|
| Less than 501           | Nil           |
| 501 to 600              | 10            |
| 601 to 700              | 15            |
| 701 to 800              | 20            |
| Greater than 800        | 30            |

Excise collections from crude oil decreased by 26% to \$309 million in 2003–04 (figure 13.6). The decrease was driven by a decrease in the VOLWARE price of crude oil. (The excise calculation is based on volume (production) multiplied by VOLWARE price of the crude oil. The value using the VOLWARE is based on the actual price the crude is sold at in United States dollars converted to Australian (AUD) dollars. Therefore, the factors affecting excise collection are volume, price on the open market and the exchange rate. The VOLWARE decreased from an average of AUD\$304.98 in 2002–03 to AUD\$291.57 in 2003–04.)

## DETAILED TABLE

The following detailed table on excise collections is on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The table may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

**Table 1: Excise collections, 1994–95 to 2003–04 financial years**

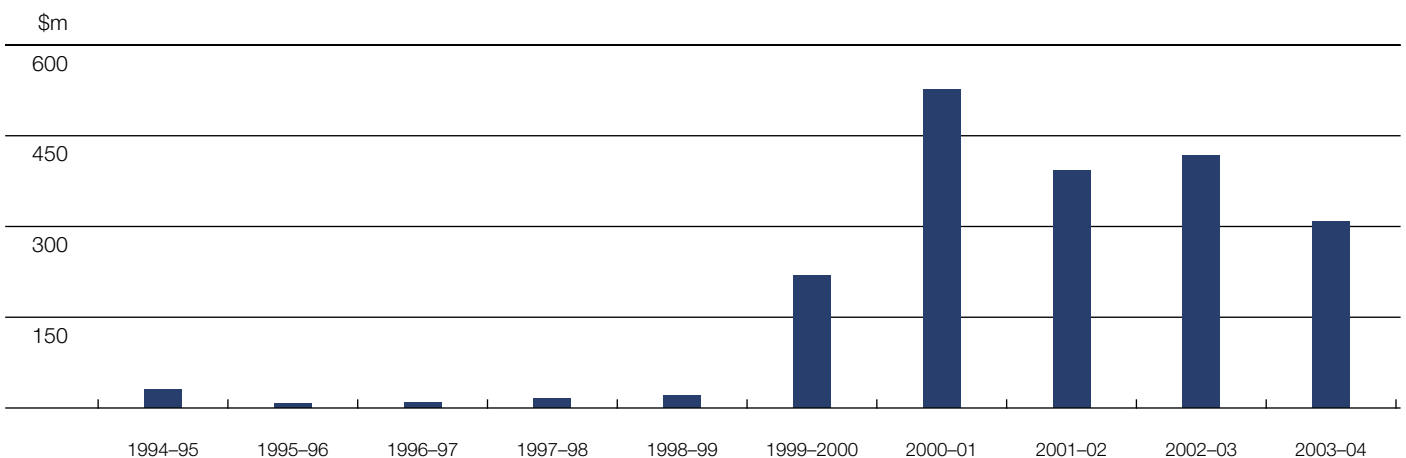
This table shows excise collected from beer, spirits, tobacco, petroleum and crude oil for the 1994–95 to 2003–04 financial years.

It is also at the end of this chapter (see table 13.9).

## TIME SERIES TABLE

Table 13.9 shows excise collected from beer, spirits, tobacco, petroleum and crude oil for the 1994–95 to 2003–04 financial years. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

**FIGURE 13.6: Excise collected from crude oil, 1994–95 to 2003–04 financial years**



**TABLE 13.9: Excise<sup>1</sup>. Excise collections, 1994-95 to 2003-04 financial years**

| Product  | 1994-95 <sup>4</sup>  | 1995-96 <sup>4</sup>  | 1996-97 <sup>5</sup>  | 1997-98 <sup>5</sup>  | 1998-99 <sup>6</sup>  | 1999-2000 <sup>7</sup> | 2000-01 <sup>7</sup>  | 2001-02 <sup>7</sup>  | 2002-03 <sup>7</sup>  | 2003-04 <sup>7</sup>  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | \$                    | \$                    | \$                    | \$                    | \$                    | \$                     | \$                    | \$                    | \$                    | \$                    |
| Beer   | 819,104,730           | 844,788,300           | 875,421,681           | 876,420,742           | 873,858,570           | 883,345,228            | 1,696,852,167         | 1,656,952,110         | \$1,679,000,687       | \$1,638,000,000       |
| Spirits  | 189,666,295           | 200,608,116           | 164,283,255           | 141,510,329           | 144,469,858           | 155,240,920            | 237,571,457           | 339,139,895           | \$560,442,695         | \$662,000,000         |
| Tobacco - base                                       | 1,499,525,627         | 1,614,386,251         | 1,713,085,043         | 1,648,740,024         | 1,633,735,774         | 1,658,905,895          | 4,637,484,401         | 4,840,582,580         | \$5,212,262,281       | \$5,240,000,000       |
| Tobacco - surcharge <sup>2</sup>                     | n.a.                  | n.a.                  | n.a.                  | 2,384,086,448         | 3,060,739,346         | 3,139,369,801          | 61,236,050            | n.a.                  | n.a.                  | n.a.                  |
| Petroleum - base <sup>3</sup>                        | 9,242,620,392         | 10,426,684,522        | 10,638,989,612        | 10,893,067,416        | 10,939,585,831        | 11,192,156,172         | 11,916,088,279        | 12,385,674,832        | \$12,865,062,253      | \$13,230,000,000      |
| Petroleum - surcharge <sup>2</sup>                   | n.a.                  | n.a.                  | n.a.                  | 1,948,454,014         | 2,545,207,153         | 2,561,010,591          | 254,205,349           | n.a.                  | n.a.                  | n.a.                  |
| Crude  | 29,872,035            | 7,342,309             | 9,397,535             | 15,361,411            | 20,596,390            | 218,669,876            | 526,439,080           | 393,113,491           | \$417,476,469         | \$309,000,000         |
| <b>Total excise (includes surcharge)<sup>2</sup></b> | <b>n.a.</b>           | <b>n.a.</b>           | <b>n.a.</b>           | <b>17,907,640,384</b> | <b>19,218,192,922</b> | <b>19,808,698,483</b>  | <b>19,329,876,783</b> | <b>n.a.</b>           | <b>n.a.</b>           | <b>n.a.</b>           |
| <b>Total excise (excludes surcharge)</b>             | <b>11,780,789,079</b> | <b>13,093,809,497</b> | <b>13,401,177,127</b> | <b>13,575,099,922</b> | <b>13,612,246,423</b> | <b>14,108,318,091</b>  | <b>19,014,435,384</b> | <b>19,615,462,908</b> | <b>20,734,244,385</b> | <b>21,079,000,000</b> |

**Notes:**

\* The symbol 'n.a.' used in this publication means not applicable or not available.

1 This table is the same as excise detailed table 1 which can be viewed/downloaded from the attached CD-ROM or from the online version of this publication on the Tax Office website.

2 Surcharge excise on tobacco and petroleum was introduced in 1997 following a High Court case involving state business franchise fees. Surcharge data does not include administrative costs. Surcharges were ceased with the introduction of GST on 1 July 2000. Although excise collections for 2000-01 still include surcharge amounts, they relate to clearances that were made in June 2000.

3 For 2000-01, excise collected from petroleum includes a total of \$33.1 million GST special petroleum credit.

4 Data for 1994-95 to 1995-96 is extracted from the Customs Commercial Database. Prior to 1994-95, data is based on Treasury Budget figures. Data from the Customs database may be slightly different to Treasury Budget paper data due to timing differences between the two systems.

5 Data for 1996-97 and 1997-98 is from the financial system data but does not include refunds.

6 Data for 1998-99 is from the Customs financial system. Data includes refunds.

7 Data is based on information from the Customs financial system and from the Tax Office SAP system, and includes refunds.

**① HIGHLIGHTS**

- On 1 July 2003 the energy grants credits scheme replaced the diesel fuel rebate scheme (DFRS) and the diesel and alternative fuels grants scheme (DAFGS). The benefits and legislative requirements of these two schemes are preserved in the energy grants credits scheme. The benefits previously provided by the diesel fuel rebate scheme are now referred to as 'off-road grants' and the benefits previously provided by the diesel and alternative fuels grants scheme are now referred to as 'on-road grants'.
- Total off-road grants paid under the energy grants credits scheme have dropped by 0.3% from the previous year (in 2002–03 these payments were made through the diesel fuel rebate scheme) to around \$2.3 billion.
- Total on-road grants paid under the energy grants credits scheme increased by 6% from the previous year (in 2002–03 these payments were made through the diesel and alternative fuels grants scheme) to around \$855.5 million.
- Grants totalling around \$233 million were paid under the fuel sales grants scheme (FSGS).
- A total of approximately \$13 million was paid under the product stewardship for oil program (PSO) in 2003–04.

Excise duty is levied on fuel produced in Australia and an equivalent rate of customs duty is levied on petroleum products imported into Australia. A grant to businesses and other enterprises is provided for certain off-road and on-road uses of diesel and alternative fuels through the energy grants credits scheme.

From 1 July 2003 the energy grants credits scheme replaced both the diesel fuel rebate scheme and the diesel and alternative fuels grants scheme. Those claiming under the off-road or on-road schemes were automatically registered for the new scheme. In addition, a number of new activities or uses of diesel fuel were included in the energy grants credits scheme which were previously dealt with through excise remissions or refunds.

Apart from the energy grants credits scheme, the fuel sales grants scheme, implemented in July 2000, provides a grant to fuel retailers for the sale of petrol and diesel to consumers in regional and remote areas where fuel prices are generally higher. The product stewardship for oil program was also implemented from 1 January 2001 to encourage environmental and economically sustainable reuse of waste oils.

This chapter contains statistics on grants paid under these three fuel schemes for the 2003–04 financial year.

**SOURCE OF GRANT STATISTICS**

Statistics for this chapter are sourced from various registration and claim forms (the energy grants credits scheme claim form, fuel sales grants scheme claim form and product stewardship for oil program claim form). Most claims are lodged through paper forms, but some are lodged electronically through the Tax Office's electronic commerce interface or through the electronic lodgment system.

In July 2002 the Tax Office introduced a new claim process, eGrant, to eliminate the need for some clients to lodge paper forms to claim diesel and alternative fuels grants scheme grants. This has been extended to the energy grants credits scheme. Under eGrant, the information on fuel transactions is captured at the point of sale by a fuel card and forwarded to the Tax Office to authorise payment of the claim. For this edition, energy grants credits scheme statistics sourced from eGrant are reported in this chapter as part of energy grants credits scheme statistics.

**ENERGY GRANTS CREDITS SCHEME – OFF-ROAD ACTIVITY**

Under the energy grants credits scheme (off-road), a grant is issued equivalent to the excise and customs duty paid on diesel and like fuels purchased for specific off-road uses – mainly in the mining, agriculture and other primary production industries, as well as for certain eligible residential, commercial and industrial uses. The primary purpose of the scheme is to maintain competitiveness in key export industries, such as mining and agriculture.

The off-road grant is generally payable on diesel fuel and like fuels used in the following activities:

- mining operations (use of any vehicle on a public road is not eligible)
- primary production – forestry, agriculture and fishing (use of a road vehicle on a public road is not eligible)
- electricity generation at certain residential, retail and hospitality premises
- hospitals, nursing homes, homes for the aged and any other institution providing medical or nursing care
- rail transport (use of a road vehicle on a public road is not eligible), and
- marine transport (but only in the course of carrying on a business or other enterprise).

During 2003–04 the scheme was broadened to include grants for the following activities:

- use of 'specified diesel' as a burner fuel. Clients with remission certificates for this product that was administered under the Excise Regulations were transitioned to the energy grants credits scheme from September 2003, and

- use of diesel in certain industrial processes. Clients previously claiming refunds or remissions administered under the Excise Regulations were transitioned to the energy grants credits scheme from July 2003 and registered under the 'specified industrial' activity.

The off-road grant for most off-road activities at 30 June 2004 was 38.143 cents per litre. The rate payable for like fuels attracts the lower rate of excise duty, which is 7.557 cents per litre. The grant rate is no longer adjusted in line with consumer price index changes since the abolition of biannual indexation of petroleum excise rates.

The two exceptions to the rates outlined in the previous paragraph are grants paid:

- to agricultural clients, who were paid a marginally higher rate that recognised the effect of the recent severe drought on their businesses. The agriculture grant rate was 38.857 cents per litre for claims lodged from 1 July 2003 to 31 December 2003, and 39.286 cents per litre for claims lodged from 1 January 2004 to 30 June 2004, and
- for specified industrial activity, which attracts a grant of 30.586 cents per litre.

#### TOTAL GRANTS PAID – OFF-ROAD ACTIVITY

In 2003–04 around \$2.3 billion was paid in energy grants credits scheme off-road grants, a drop of 0.3% from the previous year for diesel fuel rebate scheme rebates (figure 14.1, or see time series table 14.12 at the back of this chapter). Around 93,182 claimants lodged claims in 2003–04.

In 2003–04 the majority of the off-road grant was paid to companies (60%), followed by government (15%) (table 14.1). This split is consistent with previous years.

**TABLE 14.1: Energy grants credits scheme off-road fuel grants paid, by entity, 2003–04 financial year**

| Entity                   | Amount paid      |              |
|--------------------------|------------------|--------------|
|                          | \$'000           | %            |
| Company                  | 1,371,909        | 60.0         |
| Partnership              | 324,947          | 14.2         |
| Government               | 345,406          | 15.1         |
| Individual               | 74,407           | 3.3          |
| Other                    | 169,274          | 7.4          |
| <b>Total<sup>1</sup></b> | <b>2,285,943</b> | <b>100.0</b> |

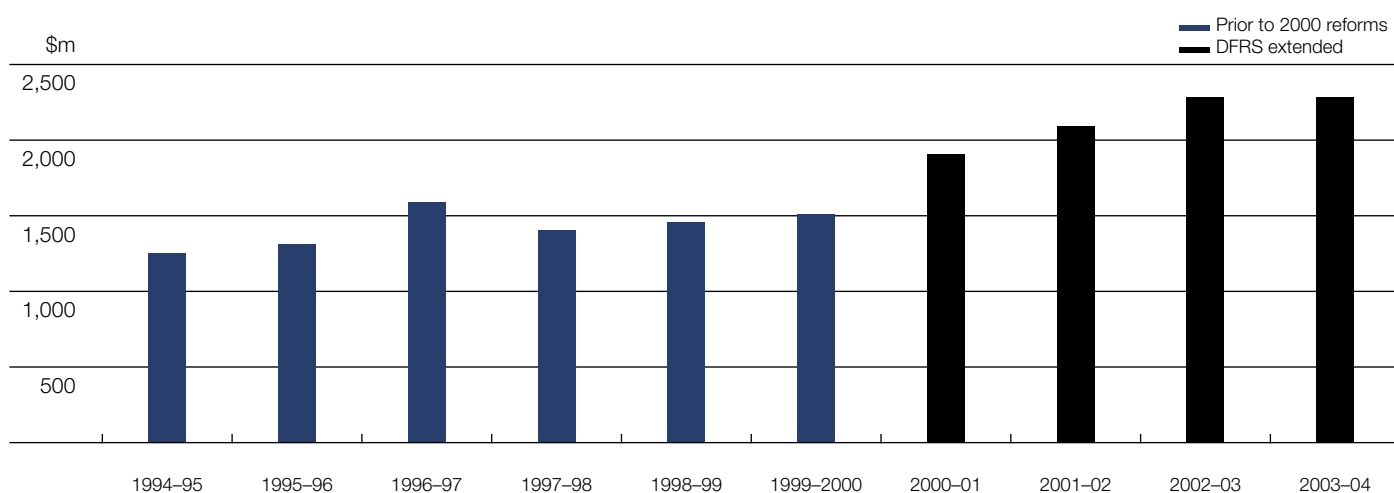
<sup>1</sup> Total amount may differ slightly from the sum of components due to rounding.

#### ENERGY GRANTS CREDIT SCHEME OFF-ROAD GRANTS PAID TO INDUSTRY SECTORS AND OPERATIONS

In 2003–04 a total of \$1.1 billion was paid in off-road grants to the mining industry, which was 47% of the total off-road fuel grants paid under the energy grants credits scheme (table 14.2). This was followed by agriculture, which received \$575 million in off-road grants (25% of the total).

While the mining industry accounts for the majority of all off-road grants in dollar terms, it lodged around only 3% of claims. Conversely, agricultural clients accounted for approximately 87% of all off road claims. These figures are linked to the business size. The mining industry is dominated by a few large companies making large claims, while the agricultural industry consists primarily of individuals and partnerships making smaller value claims (an average of \$3,339 in agriculture compared to \$179,646 in the mining industry). Rail transport has a high average claim (\$551,104) due to heavy fuel use by a small number of claimants.

**FIGURE 14.1: Total energy grants credits scheme off-road grants paid<sup>1</sup>, 1994–95 to 2003–04 financial years**



1 From 2000–01, total rebates or grants paid include amounts payable for diesel fuel and like fuels used for marine and rail transport, and like fuels used for other specific off-road uses.

2 From July 2003 the grant paid includes diesel fuel claimed under the specified industrial activity, and from September 2003 for specified diesel under burner use activity.

**TABLE 14.2: Energy grants credits scheme off-road grants paid, by industry/operation, 2003–04 financial year**

| Industry/operation                  | Number of claims paid |                | Total amount paid |                | Average amount paid <sup>1</sup> |
|-------------------------------------|-----------------------|----------------|-------------------|----------------|----------------------------------|
|                                     | No.                   | % <sup>2</sup> | \$'000            | % <sup>2</sup> | \$                               |
| Rail                                | 448                   | 0.2            | 246,894           | 10.8           | 551,104                          |
| Specified industrial                | 213                   | 0.1            | 38,536            | 1.7            | 180,922                          |
| Mining                              | 5,997                 | 3.0            | 1,077,337         | 47.1           | 179,646                          |
| Marine                              | 4,534                 | 2.3            | 181,402           | 7.9            | 40,009                           |
| Burner                              | 149                   | 0.1            | 3,444             | 0.2            | 23,114                           |
| Fishing                             | 6,005                 | 3.0            | 96,847            | 4.2            | 16,128                           |
| Forestry                            | 5,485                 | 2.8            | 48,390            | 2.1            | 8,822                            |
| Nursing & medical                   | 221                   | 0.1            | 1,704             | 0.1            | 7,712                            |
| Electricity generation <sup>3</sup> | 2,424                 | 1.1            | 15,557            | 0.7            | 6,418                            |
| Agriculture                         | 172,441               | 87.3           | 575,831           | 25.2           | 3,339                            |
| <b>Total<sup>4</sup></b>            | <b>197,917</b>        | <b>100.0</b>   | <b>2,285,943</b>  | <b>100.0</b>   | <b>11,571</b>                    |

1 Average amounts paid are calculated from actual (not rounded) total amounts.

2 A share of 0.0% indicates a share of less than 0.05%.

3 From 1 July 2002, diesel fuel rebate scheme rebates categorised in this table as 'electricity generation' include those paid for diesel fuel purchased for the generation of electricity at retail and hospitality businesses where there is no ready access to a commercial supply of electricity. This category was referred to as 'residential' in past editions of *Taxation Statistics*.

4 Total amount may differ slightly from the sum of components due to rounding.

### ENERGY GRANTS CREDITS SCHEME OFF-ROAD GRANTS PAID TO STATE/TERRITORY CLAIMANTS

The greatest amount of off-road grants was paid to claimants with business addresses located in New South Wales (table 14.3). Those with business addresses in the Northern Territory received the highest average grant at \$32,029 per claim.

In 2003–04 the average grant paid per claimant was \$11,541, an increase of 3% from the previous year.

**TABLE 14.3: Energy grants credits scheme off-road grants paid, by state/territory<sup>1</sup>, 2003–04 financial year**

| State/Territory          | Number of claims |              | Total amount paid |              | Average amount paid <sup>2</sup> |
|--------------------------|------------------|--------------|-------------------|--------------|----------------------------------|
|                          | No.              | %            | \$'000            | %            | \$                               |
| NT                       | 1,405            | 0.7          | 45,033            | 2.0          | 32,029                           |
| WA                       | 20,969           | 10.6         | 405,983           | 17.8         | 19,364                           |
| QLD                      | 45,452           | 23.0         | 641,207           | 28.0         | 14,096                           |
| NSW (includes ACT)       | 53,418           | 27.0         | 718,243           | 31.4         | 13,431                           |
| TAS                      | 5,829            | 2.9          | 45,605            | 2.0          | 7,818                            |
| VIC                      | 43,631           | 22.0         | 276,828           | 12.1         | 6,340                            |
| SA                       | 21,573           | 10.9         | 134,299           | 5.9          | 6,220                            |
| Not indicated            | 5,640            | 2.9          | 18,745            | 0.8          | 3,321                            |
| <b>Total<sup>3</sup></b> | <b>197,917</b>   | <b>100.0</b> | <b>2,285,943</b>  | <b>100.0</b> | <b>11,541</b>                    |

1 State/territory is based on a client's business address and does not reflect where the fuel was actually used.

2 Average amounts paid are calculated from actual (not rounded) total amounts.

3 Total amount may differ slightly from the sum of components due to rounding.



**ENERGY GRANTS CREDITS SCHEME – ON-ROAD ACTIVITY**

Under the energy grants credits scheme (on-road), grants are provided for the on-road use of fuel by businesses and other entities. It is designed to help regional and rural Australia, in particular, but the benefits of lower transport and production costs are expected to flow on to all Australians.

The on-road grant is available for the use of diesel (including diesel blended with recycled waste oil) and specified

alternative fuels (compressed natural gas, liquefied petroleum gas, biodiesel and ethanol) based on a flat rate per litre of fuel, except for compressed natural gas, which is calculated on a per cubic metre basis. The on-road grant rates for the energy grants credits scheme are no longer automatically indexed in line with movements in the consumer price index. This is a result of the decision to abolish indexation of the excise duty rates on petroleum and other types of fuel from 1 March 2001.

The rates for on-road grants are listed in table 14.4.

**TABLE 14.4: Energy grants credits scheme on-road rates at 30 June 2004**

| Fuel   | Rate (cents per litre or cubic metre) |
|--|---------------------------------------|
| On-road diesel fuel (including diesel blended with recycled waste oil)   | 18.510                                |
| On-road alternative fuels  |                                       |
| Liquefied petroleum gas  | 11.925                                |
| Ethanol  | 20.809                                |
| Compressed natural gas   | 12.617                                |
| Liquefied natural gas  | 08.130                                |
| Biodiesel (effective from 18 September 2003) that is the subject of a fuel standard under the <i>Fuel Quality Standards Act 2000</i> and complies with that standard   | 18.510                                |
| A fuel that is a blend of biodiesel and diesel that consists principally of biodiesel and is the subject of a fuel standard under the <i>Fuel Quality Standards Act 2000</i> and complies with that standard | 18.510                                |

Generally, the on-road grant is available to businesses and other enterprises for the on-road use of diesel and alternative fuels in vehicles with a gross vehicle mass (GVM) of 4.5 tonnes or more that are registered for use on public roads.

### ENERGY GRANTS CREDITS SCHEME ON-ROAD GRANTS PAID TO INDUSTRY SECTORS

In 2003–04 around \$855.5 million was paid in on-road grants under the energy grants credits scheme, an increase of 6% from the previous year under the diesel and alternative fuels grants scheme (table 14.5). There has been a general increase in the amount claimed across industries (see time series table

14.13 at the back of this chapter). This is partly due to the continued strength of the economy in both the domestic and export areas.

There were approximately 56,094 businesses registered for energy grants credits scheme on-road grants at the end of the year. Over 71% of on-road grants were paid to businesses in the transport and storage sector.

**TABLE 14.5: Energy grants credits scheme on-road grants paid, by industry, 2003–04 financial year**

| Industry                            | Number of claims paid |                | Total amount paid |                | Average amount paid <sup>2</sup> |
|-------------------------------------|-----------------------|----------------|-------------------|----------------|----------------------------------|
|                                     | No.                   | % <sup>1</sup> | \$'000            | % <sup>1</sup> | \$                               |
| Transport & storage                 | 136,293               | 58.6           | 612,927           | 71.7           | 4,497                            |
| Wholesale trade                     | 10,641                | 4.6            | 28,349            | 3.3            | 2,664                            |
| Construction                        | 19,119                | 8.2            | 41,130            | 4.8            | 2,151                            |
| Manufacturing                       | 8,111                 | 3.5            | 32,226            | 3.8            | 3,973                            |
| Agriculture                         | 24,971                | 10.7           | 29,843            | 3.5            | 1,195                            |
| Government administration & defence | 2,842                 | 1.2            | 18,267            | 2.1            | 6,428                            |
| Retail trade                        | 10,142                | 4.4            | 18,165            | 2.1            | 1,791                            |
| Personal & other services           | 4,825                 | 2.1            | 18,070            | 2.1            | 3,745                            |
| Forestry                            | 1,738                 | 0.8            | 8,152             | 1.0            | 4,691                            |
| Property & business services        | 4,687                 | 2.0            | 14,118            | 1.7            | 3,012                            |
| Mining                              | 1,604                 | 0.7            | 10,842            | 1.3            | 6,760                            |
| Communication                       | 3,336                 | 1.4            | 10,493            | 1.2            | 3,146                            |
| Electricity, gas & water supply     | 425                   | 0.2            | 3,092             | 0.4            | 7,278                            |
| Cultural & recreational services    | 990                   | 0.4            | 909               | 0.1            | 919                              |
| Health & community services         | 326                   | 0.1            | 371               | 0.0            | 1,140                            |
| Accommodation, cafes & restaurants  | 556                   | 0.2            | 1,125             | 0.1            | 2,024                            |
| Education                           | 684                   | 0.3            | 646               | 0.1            | 946                              |
| Fishing                             | 361                   | 0.1            | 319               | 0.0            | 884                              |
| Finance & insurance                 | 863                   | 0.4            | 6,304             | 0.7            | 7,306                            |
| Other <sup>3</sup>                  | 19                    | 0.0            | 30                | 0.0            | 1,628                            |
| <b>Total<sup>4</sup></b>            | <b>232,533</b>        | <b>100.0</b>   | <b>855,390</b>    | <b>100.0</b>   | <b>3,679</b>                     |

1 A share of 0.0% indicates a share of less than 0.05%.

2 Average amounts paid are calculated from actual (not rounded) total amounts.

3 Includes entities that did not state their industry.

4 Total amount may differ slightly from the sum of components due to rounding.

### ENERGY GRANTS CREDITS SCHEME ON-ROAD GRANTS PAID TO STATE/TERRITORY CLAIMANTS

The greatest proportion of energy grants credits scheme on-road grants was paid to claimants with business addresses located in New South Wales and the Australian Capital Territory (table 14.6). Those with business addresses in the Northern Territory were paid the highest average grant of \$5,449 per claim.

**TABLE 14.6: Energy grants credits scheme on-road grants paid, by state/territory<sup>1</sup>, 2003–04 financial year**

| State/ territory           | Number of claims |              | Total amount paid |              | Average amount paid <sup>2</sup> |
|----------------------------|------------------|--------------|-------------------|--------------|----------------------------------|
|                            | No.              | %            | \$'000            | %            | \$                               |
| NSW (includes ACT)         | 69,315           | 29.8         | 251,573           | 29.4         | 3,621                            |
| VIC                        | 55,325           | 23.8         | 219,318           | 25.6         | 3,964                            |
| QLD                        | 55,621           | 23.9         | 188,942           | 22.1         | 3,397                            |
| WA                         | 24,644           | 10.6         | 83,812            | 9.8          | 3,401                            |
| SA                         | 19,468           | 8.4          | 82,400            | 9.6          | 4,233                            |
| TAS                        | 6,253            | 2.7          | 19,551            | 2.3          | 3,127                            |
| NT                         | 1,726            | 0.7          | 9,405             | 1.1          | 5,449                            |
| State/territory not stated | 181              | 0.1          | 389               | 0.0          | 2,149                            |
| <b>Total<sup>3</sup></b>   | <b>232,533</b>   | <b>100.0</b> | <b>855,390</b>    | <b>100.0</b> | <b>3,679</b>                     |

1 State/territory is based on a client's business address and does not reflect where the fuel was actually used.  
2 Average amounts paid are calculated from actual (not rounded) total amounts.  
3 Total amount may differ slightly from the sum of components due to rounding.

### FUEL SALES GRANTS SCHEME

The fuel sales grants scheme was introduced on 1 July 2000 to provide a grant to fuel retailers for the sale of petrol and diesel to consumers in regional and remote areas where fuel prices are generally higher. The scheme is designed so that, combined with the cut in excise rates on petrol and diesel (implemented under tax reforms to offset the effects of the goods and services tax), the price of fuel in non-metropolitan areas need not change relative to metropolitan areas.

The grant is paid to fuel retailers for sales of fuel to final consumers in defined non-metropolitan zones after 30 June 2000. This includes sales by distributors of bulk fuel to end users such as farms and mines where the sale occurs in a defined non-metropolitan zone.

The grant is paid at 1 cent per litre for non-metropolitan zones and 2 cents per litre for remote zones. If fuel has been sold consistently in a remote area at more than \$1.20 per litre, fuel retailers are eligible for an additional grant.

Eligible fuels for the grant include leaded and unleaded petrol, diesel, light fuel oil, two-stroke and premium.

There were around 3,956 registered claimants for fuel sales grants scheme grants at 30 June 2004 that were paid on-road grants totalling \$233 million.

Total grants and number of claims paid to entities and claimants in different states and territories are shown in tables 14.7 and 14.8 respectively. Companies received 78% of the total on-road grants paid, while trusts received 16%.

**TABLE 14.7: Fuel sales grants scheme grants paid, by entity, 2003–04 financial year**

| Entity                  | Number of claims paid |                | Total amount paid |                | Average amount paid <sup>1</sup> |
|-------------------------|-----------------------|----------------|-------------------|----------------|----------------------------------|
|                         | No.                   | % <sup>2</sup> | \$'000            | % <sup>2</sup> | \$                               |
| Company                 | 9,669                 | 37.5           | 180,255           | 77.5           | 18,642                           |
| Trust                   | 5,371                 | 20.8           | 36,987            | 15.9           | 6,887                            |
| Partnership             | 8,522                 | 33.1           | 12,661            | 5.4            | 1,486                            |
| Individual              | 2,146                 | 8.3            | 2,600             | 1.1            | 1,212                            |
| Government organisation | 69                    | 0.3            | 55                | 0.0            | 795                              |
| Superannuation fund     | 4                     | 0.0            | 25                | 0.0            | 6,418                            |
| <b>Total</b>            | <b>25,780</b>         | <b>100.0</b>   | <b>232,583</b>    | <b>100.0</b>   | <b>9,022</b>                     |

1 Average amounts paid are calculated from actual (not rounded) total amounts.  
2 A share of 0.0% indicates a share of less than 0.05%.

Victorian fuel retailers received 45% of the grants, followed by New South Wales fuel retailers with 24% of the grants (table 14.8). Because the statistics are based on a business address, these figures do not reflect where the fuel was actually sold to the end user or motorist. Many fuel retailers lodge a consolidated claim for total national sales.

**TABLE 14.8: Fuel sales grants scheme grants paid, by state/territory<sup>1</sup>, 2003–04 financial year**

| State/territory          | Number of claims paid |              | Total amount paid |              | Average amount paid <sup>2</sup> | Litres claimed        |
|--------------------------|-----------------------|--------------|-------------------|--------------|----------------------------------|-----------------------|
|                          | No.                   | %            | \$'000            | %            | \$                               |                       |
| VIC                      | 3,317                 | 12.9         | 103,790           | 44.6         | 31,286                           | 7,283,351,792         |
| NSW (includes ACT)       | 6,929                 | 26.9         | 56,522            | 24.3         | 8,158                            | 5,217,479,860         |
| QLD                      | 8,158                 | 31.6         | 32,190            | 13.8         | 3,946                            | 2,684,159,211         |
| WA                       | 2,622                 | 10.2         | 18,721            | 8.0          | 7,139                            | 1,255,935,566         |
| SA                       | 2,336                 | 9.1          | 13,470            | 5.8          | 5,765                            | 1,048,109,953         |
| TAS                      | 1,766                 | 6.9          | 4,485             | 1.9          | 2,540                            | 434,739,707           |
| NT                       | 651                   | 2.5          | 3,405             | 1.5          | 5,234                            | 221,303,630           |
| <b>Total<sup>3</sup></b> | <b>25,780</b>         | <b>100.0</b> | <b>232,583</b>    | <b>100.0</b> | <b>9,022</b>                     | <b>18,145,079,719</b> |

1 State/territory is based on a client's business address and does not reflect where the fuel was actually sold to the motorist or end user.  
2 Average amounts paid are calculated from actual (not rounded) total amounts.  
3 Total amount may differ slightly from the sum of components due to rounding.

### PRODUCT STEWARDSHIP FOR OIL PROGRAM

The product stewardship for oil program was introduced as part of the *Measures for a better environment* package announced on 31 May 1999. The scheme was introduced to encourage environmental and economically sustainable reuse of waste oils. The Department of Environment and Heritage has primary responsibility for developing policy direction, while the Tax Office is responsible for administering the scheme.

The scheme initially involves a levy–benefit arrangement. Producers and importers of virgin oils and lubricants pay an excise levy, which is then used to fund benefit payments to recyclers who are treating waste oil in an environmentally appropriate manner. The fund payments provide incentives to recyclers to collect and recycle more oil. Recyclers can claim benefits at various rates for waste oil recycled, depending on the final product and end use.

At 30 June 2004, an excise levy of 5.449 cents per litre was levied on the following oils and lubricants:

- petroleum-based oils – including lubricant base oils, prepared lubricant additives containing carrier oils, lubricants, hydraulic fluids, brake fluids, transmission oils, and transformer and heat transfer oils
- petroleum-based greases, and
- synthetic equivalents of the above products.

For the 2003–04 financial year, a total of \$25 million in excise was collected.

The product stewardship for oil program, however, has a small client base, with 49 recyclers currently registered and claiming benefits. A total of \$13 million in benefits was paid for the 2003–04 financial year (table 14.10).

Eight categories of products attract a benefit under the scheme (table 14.9). The amount of benefit paid for each of these categories depends on the level of processing and the end product of the recycling activities. The different categories of recycled products attract different benefits.

**TABLE 14.9: Categories and benefit rates for recycled oil products<sup>1</sup>, at 30 June 2004**

| Category number   | Category description  | Rate (cents per litre) |
|---|---|------------------------|
| 1   | Re-refined base oil (for use as a lubricant or a hydraulic or transformer oil) <sup>2</sup>   | 50                     |
| 2   | Other re-refined base oils (for example, chain bar oil)   | 10                     |
| 3   | Diesel fuels to which the Excise Tariff Act 1921 applies  | 7                      |
| 4   | Diesel extenders (filtered, de-watered, de-mineralised)   | 5                      |
| 5   | High-grade industrial burner oils (filtered, de-watered and de-mineralised)   | 5                      |
| 6   | Low-grade industrial burner oils (filtered and de-watered)  | 3                      |
| 7   | Industrial process oils and lubricants, including hydraulic and transformer oils (re-processed or filtered but not re-refined)  | 0                      |
| 8   | Specific uses of eligible oils as declared by the Minister for the Environment and Heritage by gazette notice. The minister may declare additional uses of oil as eligible under this category. | 5.449                  |
| 9   | Recycled oil, eligible for categories 5 or 6, blended with a petroleum product that meets the criteria specified in the amended Product Stewardship (Oil) Regulations 2000.                     | 9.557                  |
| <p>1 Category descriptions and benefit rates are subject to change.</p> <p>2 The regulations specify a health, safety and environment standard for re-refined lubricants that is consistent with the current requirements for 'virgin' products. The basic requirement of this standard is to produce a non-carcinogenic product.</p> |   |                        |

Companies received the highest proportion of benefits (92%) and received the highest amount of benefit per claim (\$25,708) (table 14.10).

**Table 14.10: Product stewardship for oil program payments, by entity, 2003–04 financial year**

| Entity       | Number of claims paid <sup>1</sup> |              | Total amount paid |              | Average amount paid |
|--------------|------------------------------------|--------------|-------------------|--------------|---------------------|
|              | No.                                | %            | \$                | %            | \$                  |
| Company      | 464                                | 90.8         | 11,928,773        | 91.9         | 25,708              |
| Partnership  | 5                                  | 1.0          | 9,857             | 0.1          | 1,971               |
| Trust        | 42                                 | 8.2          | 1,040,570         | 8.0          | 24,775              |
| <b>Total</b> | <b>511</b>                         | <b>100.0</b> | <b>12,979,201</b> | <b>100.0</b> | <b>25,400</b>       |

<sup>1</sup> Recyclers can lodge more than one claim a year.

The highest proportion of benefits (42%) was paid to Queensland-based entities, followed by entities based in New South Wales (table 14.11).

**TABLE 14.11: Product stewardship for oil program payments, by state/territory<sup>1</sup>, 2003–04 financial year**

| State/ territory   | Number of claims <sup>2</sup> |              | Total amount paid |              | Average amount paid | Litres claimed     |
|--------------------|-------------------------------|--------------|-------------------|--------------|---------------------|--------------------|
|                    | No.                           | %            | \$                | %            | \$                  |                    |
| NSW (includes ACT) | 222                           | 43.4         | 5,119,018         | 39.4         | 23,059              | 64,777,977         |
| VIC                | 96                            | 18.8         | 1,244,286         | 9.6          | 12,961              | 33,299,479         |
| QLD                | 92                            | 18.0         | 5,369,297         | 41.4         | 58,362              | 106,751,358        |
| WA                 | 41                            | 8.0          | 715,477           | 5.5          | 17,451              | 18,782,051         |
| SA and NT          | 28                            | 5.4          | 336,852           | 2.6          | 12,030              | 10,444,405         |
| TAS                | 32                            | 6.3          | 194,273           | 1.5          | 6,071               | 6,475,736          |
| <b>Total</b>       | <b>511</b>                    | <b>100.0</b> | <b>12,979,201</b> | <b>100.0</b> | <b>25,400</b>       | <b>240,531,005</b> |

<sup>1</sup> State/territory is based on a client's business address and does not reflect where the fuel was actually recycled or processed.  
<sup>2</sup> Recyclers can lodge more than one claim a year.

If the recycled oil for which a benefit is claimed attracts an excise liability once it has been recycled, the duty for this product must be paid to the Tax Office.

**DETAILED TABLES**

The following detailed tables on the fuel schemes are on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The tables may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

**Table 1: Energy grants credits scheme (off-road) – quantity and value of claims paid, by industry/operation, 1994–95 to 2003–04 financial years**

This table reports the number of claims, quantity of fuel and the value of off-road grants claimed by the mining, agriculture, forestry, fishing, marine transport and rail transport industry sectors, as well as those claimed by residential, nursing homes, aged homes, hospitals and other medical operations. The statistics are for the 1994–95 to 2003–04 financial years.

This table is also available at the back of the chapter (see table 14.12).

**Table 2: Energy grants credits scheme (on-road) – quantity and value of claims paid, by industry, 2000–01 to 2003–04 financial years**

This table reports the number of claims, quantity of fuel and the value of on-road grants claimed by different broad industry groups. The statistics are for the 2000–01 to 2003–04 financial years.

This table is also available at the back of the chapter (see table 14.13).

**Table 3: Fuel sales grants scheme – quantity and value of claims paid, by state/territory, 2000–01 to 2003–04 financial years**

This table reports the number of claims, quantity of fuel and the value of fuel sales grants scheme grants claimed by clients/entities in different states/territories. The state/territory is based on a client's business address and does not reflect where the fuel was actually sold to the motorist or end user. The statistics are for the 2000–01 to 2003–04 financial years.

This table is also available at the back of the chapter (see table 14.14).

**Table 4: Product stewardship for oil program – quantity and value of benefits paid, by state/territory, 2000–01 to 2003–04 financial years**

This table reports the number of claims, quantity of fuel and the value of product stewardship for oil program benefits claimed by clients/entities in different states/territories. The state/territory is based on a client's business address and does not reflect where the fuel was actually recycled or processed. The statistics are for the 2000–01 to 2003–04 financial years.

This table is also available at the back of the chapter (see table 14.15).

**TIME SERIES TABLES**

The following tables show grants and rebates claimed under the energy grants credits scheme off-road and diesel fuel rebate scheme, respectively, for the 1994–95 to 2003–04 financial years and grants claimed under the energy grants credits scheme on-road and diesel and alternative fuels grants scheme for the 2000–01 to 2003–04 financial years. These tables are also available on the Tax Office website. They may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

**TABLE 14.12<sup>1</sup>: Energy grants credits scheme (off-road) – quantity and value of claims paid, by industry/operation, 1994–95 to 2003–04 financial years**

| Industry/operation <sup>2</sup> | 1994–95            |                       | 1995–96              |                    | 1996–97               |                      |
|---------------------------------|--------------------|-----------------------|----------------------|--------------------|-----------------------|----------------------|
|                                 | Claims paid<br>no. | Litres paid<br>litres | Total amount<br>\$   | Claims paid<br>no. | Litres paid<br>litres | Total amount<br>\$   |
| Mining                          | 7,960              | 2,417,520,373         | 709,143,623          | 7,781              | 2,441,960,745         | 754,459,564          |
| Residential                     | 12,458             | 45,915,614            | 11,097,317           | 5,884              | 34,814,565            | 8,778,957            |
| Aged homes                      | 128                | 1,642,046             | 396,569              | 116                | 1,087,978             | 273,630              |
| Nursing homes                   | 115                | 733,224               | 176,308              | 98                 | 729,623               | 183,227              |
| Hospitals                       | 428                | 8,908,845             | 2,152,298            | 401                | 7,999,808             | 2,029,047            |
| Other medical                   | 35                 | 449,460               | 108,232              | 38                 | 472,450               | 119,249              |
| Agriculture                     | 190,973            | 1,288,123,787         | 408,479,958          | 190,861            | 1,264,846,318         | 420,946,819          |
| Fishing                         | 9,044              | 277,931,170           | 87,853,471           | 9,512              | 273,395,725           | 91,671,278           |
| Forestry                        | 5,223              | 108,069,856           | 34,093,523           | 5,551              | 109,746,522           | 36,415,469           |
| Rail transport <sup>3</sup>     | n.a.               | n.a.                  | n.a.                 | n.a.               | n.a.                  | n.a.                 |
| Marine transport <sup>3</sup>   | n.a.               | n.a.                  | n.a.                 | n.a.               | n.a.                  | n.a.                 |
| Burner                          | n.a.               | n.a.                  | n.a.                 | n.a.               | n.a.                  | n.a.                 |
| Like fuels <sup>4</sup>         | n.a.               | n.a.                  | n.a.                 | n.a.               | n.a.                  | n.a.                 |
| <b>Total</b>                    | <b>226,364</b>     | <b>4,149,294,375</b>  | <b>1,253,501,298</b> | <b>220,242</b>     | <b>4,135,053,734</b>  | <b>1,314,877,239</b> |
|                                 |                    |                       |                      | <b>245,336</b>     | <b>4,789,109,032</b>  | <b>1,587,639,827</b> |



**TABLE 14.12<sup>1</sup>: Energy grants credits scheme (off-road) – quantity and value of claims paid, by industry/operation, 1994–95 to 2003–04 financial years**

| Industry/operation <sup>2</sup> | 1997–98            |                       | 1998–99              |                    | 1999–2000             |                    | Total amount         | Total amount         |
|---------------------------------|--------------------|-----------------------|----------------------|--------------------|-----------------------|--------------------|----------------------|----------------------|
|                                 | Claims paid<br>no. | Litres paid<br>litres | Total amount<br>\$   | Claims paid<br>no. | Litres paid<br>litres | Claims paid<br>no. |                      |                      |
| Mining                          | 7,189              | 2,386,000,205         | 772,568,926          | 6,956              | 2,419,917,510         | 6,828              | 2,282,891,374        | 753,590,026          |
| Residential                     | 1,935              | 29,999,111            | 7,949,457            | 1,884              | 30,421,659            | 1,784              | 29,428,169           | 7,805,650            |
| Aged homes                      | 74                 | 474,805               | 125,425              | 61                 | 416,758               | 61                 | 483,057              | 131,239              |
| Nursing homes                   | 58                 | 335,493               | 88,612               | 61                 | 518,317               | 46                 | 476,624              | 127,850              |
| Hospitals                       | 288                | 6,393,987             | 1,688,929            | 251                | 5,210,585             | 212                | 4,384,788            | 1,176,882            |
| Other medical                   | 22                 | 257,446               | 68,124               | 16                 | 126,343               | 20                 | 159,189              | 40,730               |
| Agriculture                     | 185,746            | 1,430,564,766         | 496,947,297          | 177,868            | 1,446,674,595         | 205,142            | 1,725,537,786        | 609,712,021          |
| Fishing                         | 8,748              | 274,923,062           | 95,367,788           | 8,238              | 280,513,982           | 8,070              | 274,994,070          | 97,241,711           |
| Forestry                        | 5,169              | 95,134,260            | 33,097,769           | 5,272              | 111,175,342           | 5,338              | 118,205,565          | 41,664,679           |
| Rail transport <sup>3</sup>     | n.a.               | n.a.                  | n.a.                 | n.a.               | n.a.                  | n.a.               | n.a.                 | n.a.                 |
| Marine transport <sup>3</sup>   | n.a.               | n.a.                  | n.a.                 | n.a.               | n.a.                  | n.a.               | n.a.                 | n.a.                 |
| Burner                          | n.a.               | n.a.                  | n.a.                 | n.a.               | n.a.                  | n.a.               | n.a.                 | n.a.                 |
| Like fuels <sup>4</sup>         | n.a.               | n.a.                  | n.a.                 | n.a.               | n.a.                  | n.a.               | n.a.                 | n.a.                 |
| <b>Total</b>                    | <b>209,229</b>     | <b>4,224,083,135</b>  | <b>1,407,902,327</b> | <b>200,607</b>     | <b>4,294,975,091</b>  | <b>227,501</b>     | <b>4,436,560,622</b> | <b>1,511,490,786</b> |

**TABLE 14.12<sup>1</sup>: Energy grants credits scheme (off-road) – quantity and value of claims paid, by industry/operation, 1994–95 to 2003–04 financial years**

| Industry/operation <sup>2</sup> | 2000–01            |                       | 2001–02              |                    | 2002–03               |                      |
|---------------------------------|--------------------|-----------------------|----------------------|--------------------|-----------------------|----------------------|
|                                 | Claims paid<br>no. | Litres paid<br>litres | Total amount<br>\$   | Claims paid<br>no. | Litres paid<br>litres | Total amount<br>\$   |
| Mining                          | 6,856              | 2,491,469,105         | 922,239,506          | 7,256              | 2,577,258,486         | 979,992,265          |
| Residential                     | 1,959              | 30,483,460            | 10,567,571           | 2,115              | 29,426,857            | 10,806,312           |
| Aged homes                      | 60                 | 581,140               | 203,700              | 86                 | 512,389               | 196,076              |
| Nursing homes                   | 51                 | 342,901               | 115,237              | 61                 | 343,261               | 130,493              |
| Hospitals                       | 164                | 4,270,599             | 1,411,346            | 154                | 4,440,350             | 1,691,158            |
| Other medical                   | 9                  | 74,959                | 25,055               | 19                 | 88,351                | 33,854               |
| Agriculture                     | 189,151            | 1,470,582,599         | 549,180,749          | 175,956            | 1,529,873,461         | 550,721,376          |
| Fishing                         | 7,606              | 257,885,743           | 96,390,570           | 8,638              | 267,735,979           | 101,481,043          |
| Forestry                        | 6,465              | 136,557,726           | 50,840,712           | 6,285              | 120,392,176           | 45,326,007           |
| Rail transport <sup>3</sup>     | 317                | 469,998,482           | 177,654,066          | 453                | 580,291,651           | 221,522,966          |
| Marine transport <sup>3</sup>   | 3,520              | 189,888,908           | 72,381,854           | 4,664              | 350,862,096           | 133,692,597          |
| Burner                          | n.a.               | n.a.                  | n.a.                 | n.a.               | n.a.                  | n.a.                 |
| Like fuels <sup>4</sup>         | 65                 | 379,243,066           | 28,659,473           | 194                | 654,859,038           | 49,609,316           |
| <b>Total</b>                    | <b>216,223</b>     | <b>5,431,378,688</b>  | <b>1,909,669,838</b> | <b>205,881</b>     | <b>6,116,084,095</b>  | <b>2,095,203,463</b> |
|                                 |                    |                       |                      | <b>205,294</b>     | <b>6,528,673,815</b>  | <b>2,281,496,242</b> |

**TABLE 14.12<sup>1</sup>: Energy grants credits scheme (off-road) – quantity and value of claims paid, by industry/operation, 1994–95 to 2003–04 financial years**

| Industry/operation <sup>2</sup> | 2003–04            |                       | Total amount<br>\$   |
|---------------------------------|--------------------|-----------------------|----------------------|
|                                 | Claims paid<br>no. | Litres paid<br>litres |                      |
| Mining                          | 5,997              | 3,251,090,741         | 1,077,337,356        |
| Residential                     | 2,424              | 41,994,644            | 15,556,848           |
| Aged homes <sup>5</sup>         | 221                | 4,716,792             | 1,704,444            |
| Nursing homes <sup>5</sup>      | n.a.               | n.a.                  | n.a.                 |
| Hospitals <sup>5</sup>          | n.a.               | n.a.                  | n.a.                 |
| Other medical <sup>5</sup>      | n.a.               | n.a.                  | n.a.                 |
| Agriculture                     | 172,441            | 1,511,767,532         | 575,831,387          |
| Fishing                         | 6,005              | 257,735,707           | 96,846,725           |
| Forestry                        | 5,485              | 130,065,173           | 48,389,746           |
| Rail transport <sup>3</sup>     | 448                | 656,940,504           | 246,894,454          |
| Marine transport <sup>3</sup>   | 4,534              | 718,195,723           | 181,401,917          |
| Burner                          | 149                | 11,235,916            | 3,443,964            |
| Like fuels <sup>4</sup>         | 213                | 141,489,964           | 38,536,336           |
| <b>Total</b>                    | <b>197,917</b>     | <b>6,725,232,696</b>  | <b>2,285,943,177</b> |

**Notes:**

\* The symbol 'n.a.' used in this publication means not applicable or not available.

1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.

2 Rebates paid to the different industries and operations show rebates paid for diesel fuel use only.

3 The diesel fuel rebate scheme was amended on 1 July 2000. It was extended to provide a rebate for diesel and like fuels purchased and used by eligible businesses in the rail and marine transport industries.

4 As part of the diesel fuel rebate scheme extension, all businesses undertaking eligible activities can receive a full rebate of the customs and excise duty paid on like fuels, aside from diesel. The rebate paid to the 'like fuels' category is the sum of all rebates paid to all industries/operations that used like fuels.

5 From 1 July 2003 these activities have been combined.

**TABLE 14.13: Energy grants credits scheme (on-road) – quantity and value of claims paid, by industry, 2000–01 to 2003–04 financial years**

| Industry                                  | 2000–01            |                       |                    | 2001–02            |                       |                    | 2002–03            |                       |                    |
|---|--------------------|-----------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|-----------------------|--------------------|
|   | Claims paid<br>no. | Litres paid<br>litres | Total amount<br>\$ | Claims paid<br>no. | Litres paid<br>litres | Total amount<br>\$ | Claims paid<br>no. | Litres paid<br>litres | Total amount<br>\$ |
| Transport & storage                       | 104,012            | 1,697,469,511         | 313,018,707        | 130,293            | 2,232,036,594         | 411,733,423        | 111,995            | 2,414,789,991         | 445,522,828        |
| Wholesale trade                           | 28,691             | 478,542,213           | 87,716,218         | 31,762             | 553,356,018           | 102,343,250        | 25,848             | 550,980,901           | 101,955,086        |
| Construction                              | 16,418             | 93,007,804            | 16,918,677         | 23,015             | 140,274,458           | 25,875,914         | 17,954             | 183,702,762           | 33,978,234         |
| Manufacturing                             | 4,526              | 77,515,676            | 14,581,729         | 6,303              | 115,984,754           | 21,418,364         | 5,229              | 120,838,876           | 22,347,114         |
| Agriculture                               | 21,389             | 59,546,122            | 10,732,390         | 30,865             | 97,309,208            | 17,935,431         | 21,851             | 108,384,902           | 20,036,369         |
| Government<br>administration &<br>defence | 2,599              | 45,223,394            | 8,020,822          | 3,565              | 70,685,590            | 12,722,404         | 2,840              | 74,237,958            | 13,296,994         |
| Retail trade                              | 7,663              | 35,627,701            | 6,420,241          | 10,678             | 53,119,598            | 9,803,670          | 8,395              | 58,463,718            | 10,806,714         |
| Personal & other<br>services              | 2,796              | 32,083,029            | 4,016,519          | 6,719              | 43,611,162            | 8,052,176          | 5,410              | 50,156,179            | 9,273,580          |
| Forestry                                  | 2,034              | 31,298,487            | 5,760,443          | 2,432              | 40,487,853            | 7,482,028          | 1,862              | 41,453,968            | 7,671,675          |
| Property & business<br>services           | 5,521              | 21,946,673            | 5,781,561          | 3,799              | 30,262,900            | 5,578,237          | 3,236              | 34,624,420            | 6,403,713          |
| Mining                                    | 1,415              | 15,466,413            | 2,797,282          | 1,829              | 20,469,293            | 3,783,530          | 1,386              | 25,081,381            | 4,641,935          |
| Communication<br>services                 | 252                | 12,134,769            | 2,228,509          | 459                | 16,037,937            | 2,967,544          | 459                | 19,088,249            | 3,532,823          |
| Electricity, gas & water<br>supply        | 555                | 6,141,639             | 1,100,148          | 671                | 10,009,463            | 1,839,660          | 525                | 13,406,866            | 2,474,662          |
| Cultural & recreational<br>services       | 938                | 5,408,202             | 975,820            | 1,096              | 7,327,139             | 1,352,936          | 840                | 7,984,288             | 1,476,802          |
| Health & community<br>services            | 790                | 3,236,627             | 596,504            | 918                | 4,280,766             | 791,904            | 661                | 5,252,874             | 972,307            |
| Education                                 | 631                | 1,454,900             | 262,042            | 899                | 2,459,104             | 452,709            | 606                | 2,542,220             | 470,556            |
| Accommodation,<br>cafés & restaurants     | 347                | 1,601,820             | 288,394            | 521                | 2,674,249             | 494,557            | 375                | 2,498,571             | 462,372            |
| Fishing                                   | 437                | 1,856,555             | 336,228            | 583                | 2,114,808             | 390,453            | 388                | 2,282,763             | 422,437            |
| Finance & insurance                       | 89                 | 991,343               | 178,928            | 205                | 1,833,920             | 338,682            | 189                | 1,748,304             | 323,611            |
| Industry not stated                       | 39,565             | 415,013,844           | 75,795,447         | 58,485             | 635,696,662           | 117,459,316        | 45,348             | 660,132,620           | 122,109,471        |
| Multiple industries <sup>2</sup>          | 414                | 4,348,963             | 799,640            | n.a.               | n.a.                  | n.a.               | n.a.               | n.a.                  | n.a.               |
| <b>Total</b>                              | <b>241,082</b>     | <b>3,039,915,685</b>  | <b>558,326,249</b> | <b>315,097</b>     | <b>4,080,031,476</b>  | <b>752,816,188</b> | <b>255,397</b>     | <b>4,377,651,811</b>  | <b>808,179,283</b> |

**TABLE 14.13<sup>1</sup>: Energy grants credits scheme (on-road) – quantity and value of claims paid, by industry, 2000–01 to 2003–04 financial years**

| Industry                                  | 2003–04            |                       |  | Total amount<br>\$ |
|---|--------------------|-----------------------|--|--------------------|
|   | Claims paid<br>no. | Litres paid<br>litres |  |                    |
| Transport & storage                       | 136,293            | 3,314,387,439         |  | 612,927,521        |
| Wholesale trade                           | 10,641             | 153,254,192           |  | 28,349,896         |
| Construction                              | 19,119             | 222,371,893           |  | 41,130,466         |
| Manufacturing                             | 8,111              | 174,186,685           |  | 32,226,097         |
| Agriculture                               | 24,971             | 161,417,098           |  | 29,843,504         |
| Government<br>administration &<br>defence | 2,842              | 105,813,676           |  | 18,267,956         |
| Retail trade                              | 10,142             | 98,271,104            |  | 18,165,454         |
| Personal & other<br>services              | 4,825              | 97,649,527            |  | 18,070,906         |
| Forestry                                  | 1,738              | 44,049,146            |  | 8,152,383          |
| Property & business<br>services           | 4,687              | 77,591,280            |  | 14,118,124         |
| Mining                                    | 1,604              | 58,606,569            |  | 10,842,747         |
| Communication<br>services                 | 3,336              | 56,711,789            |  | 10,493,841         |
| Electricity, gas & water<br>supply        | 425                | 16,710,127            |  | 3,092,955          |
| Cultural & recreational<br>services       | 990                | 4,922,352             |  | 909,710            |
| Health & community<br>services            | 326                | 2,007,018             |  | 371,499            |
| Education                                 | 684                | 3,494,435             |  | 646,820            |
| Accommodation,<br>cafés & restaurants     | 556                | 6,080,140             |  | 1,125,434          |
| Fishing                                   | 361                | 1,727,677             |  | 319,117            |
| Finance & insurance                       | 863                | 34,067,005            |  | 6,304,794          |
| Industry not stated                       | 19                 | 167,319               |  | 30,925             |
| Multiple industries <sup>2</sup>          | n.a.               | n.a.                  |  | n.a.               |
| <b>Total</b>                              | <b>232,533</b>     | <b>4,633,486,471</b>  |  | <b>855,390,149</b> |

**Notes:**

The symbol 'n.a.' used in this publication means not applicable or not available.

1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.

2 Refers to claimants (entities) who ticked more than one industry in their Australian business number application form.

**TABLE 14.14<sup>1</sup>: Fuel sales grants scheme – quantity and value of claims paid, by state/territory, 2000–01 to 2003–04 financial years**

| State/Territory <sup>2</sup> | 2000–01            |                       |                                     | 2001–02            |                       |                                     | 2002–03            |                       |                                     |
|------------------------------|--------------------|-----------------------|-------------------------------------|--------------------|-----------------------|-------------------------------------|--------------------|-----------------------|-------------------------------------|
|                              | Claims paid<br>No. | Litres paid<br>Litres | Total amount <sup>4</sup><br>\$'000 | Claims paid<br>No. | Litres paid<br>Litres | Total amount <sup>4</sup><br>\$'000 | Claims paid<br>No. | Litres paid<br>Litres | Total amount <sup>4</sup><br>\$'000 |
| VIC                          | n.a.               | n.a.                  | n.a.                                | 3,730              | 6,334,672,283         | 89,452                              | 3,901              | 6,487,555,832         | 85,111                              |
| NSW (includes ACT)           | n.a.               | n.a.                  | n.a.                                | 7,472              | 4,725,814,165         | 54,165                              | 7,933              | 5,929,218,636         | 62,805                              |
| QLD                          | n.a.               | n.a.                  | n.a.                                | 8,017              | 2,457,847,860         | 30,774                              | 9,120              | 3,013,601,767         | 37,485                              |
| WA                           | n.a.               | n.a.                  | n.a.                                | 2,903              | 1,032,145,175         | 14,315                              | 2,963              | 1,154,167,312         | 15,717                              |
| SA                           | n.a.               | n.a.                  | n.a.                                | 2,612              | 818,289,469           | 11,809                              | 2,624              | 1,147,878,252         | 13,985                              |
| TAS                          | n.a.               | n.a.                  | n.a.                                | 1,749              | 424,316,729           | 4,532                               | 2,014              | 463,826,328           | 4,612                               |
| NT                           | n.a.               | n.a.                  | n.a.                                | 815                | 204,941,388           | 3,426                               | 711                | 230,101,377           | 3,391                               |
| Not stated                   | n.a.               | n.a.                  | n.a.                                | n.a.               | n.a.                  | n.a.                                | 6                  | 178,304               | 3                                   |
| <b>Total<sup>3</sup></b>     | <b>n.a.</b>        | <b>n.a.</b>           | <b>221,000</b>                      | <b>27,299</b>      | <b>15,998,027,069</b> | <b>208,472</b>                      | <b>29,272</b>      | <b>18,426,527,808</b> | <b>223,109</b>                      |

**TABLE 14.14<sup>1</sup>: Fuel sales grants scheme – quantity and value of claims paid, by state/territory, 2000–01 to 2003–04 financial years**

| State/Territory <sup>2</sup> | 2003–04            |                       |                                     |
|------------------------------|--------------------|-----------------------|-------------------------------------|
|                              | Claims paid<br>No. | Litres paid<br>Litres | Total amount <sup>4</sup><br>\$'000 |
| VIC                          | 3,317              | 7,283,351,792         | 103,790                             |
| NSW (includes ACT)           | 6,929              | 5,217,479,860         | 56,522                              |
| QLD                          | 8,158              | 2,684,159,211         | 32,190                              |
| WA                           | 2,622              | 1,255,935,566         | 18,721                              |
| SA                           | 2,336              | 1,048,109,953         | 13,470                              |
| TAS                          | 1,766              | 434,739,707           | 4,485                               |
| NT                           | 651                | 221,303,630           | 3,405                               |
| Not stated                   | n.a.               | n.a.                  | n.a.                                |
| <b>Total<sup>3</sup></b>     | <b>25,779</b>      | <b>18,145,079,719</b> | <b>232,583</b>                      |

**Notes:**

The symbol 'n.a.' used in this publication means not applicable or not available.

1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.

2 State/territory is based on the claimant's business address and does not necessarily reflect where the fuel was actually sold to the motorist or end user.

3 Total amount may differ slightly from the sum of components due to rounding.

4 Amount reported for the 2000–01 financial year is rounded to millions. An unrounded figure is not available.

**TABLE 14.15<sup>1</sup>: Product stewardship for oil program – quantity and value of benefits paid, by state/territory, 2000–01 to 2003–04 financial years**

| State/Territory <sup>2</sup> | 2001–02                         |                       |                    | 2002–03                         |                       |                    | 2003–04                         |                       |                    |
|------------------------------|---------------------------------|-----------------------|--------------------|---------------------------------|-----------------------|--------------------|---------------------------------|-----------------------|--------------------|
|                              | Claims paid <sup>3</sup><br>No. | Litres paid<br>Litres | Total amount<br>\$ | Claims paid <sup>3</sup><br>No. | Litres paid<br>Litres | Total amount<br>\$ | Claims paid <sup>3</sup><br>No. | Litres paid<br>Litres | Total amount<br>\$ |
| QLD                          | 88                              | 84,738,436            | 4,325,485          | 68                              | 78,378,899            | 4,102,898          | 92                              | 106,751,358           | 5,369,297          |
| NSW (including ACT)          | 142                             | 43,205,443            | 1,462,419          | 172                             | 47,347,503            | 3,198,542          | 222                             | 64,777,977            | 5,119,018          |
| VIC                          | 85                              | 27,392,193            | 930,088            | 88                              | 33,379,107            | 1,213,852          | 96                              | 33,299,479            | 1,244,286          |
| WA                           | 41                              | 24,723,391            | 1,010,382          | 43                              | 14,967,784            | 642,048            | 41                              | 18,782,051            | 715,477            |
| SA & NT                      | 23                              | 5,959,219             | 182,714            | 23                              | 9,422,570             | 289,706            | 28                              | 10,444,405            | 336,852            |
| TAS                          | 39                              | 8,736,931             | 262,039            | 37                              | 6,920,292             | 212,770            | 32                              | 6,475,736             | 194,273            |
| <b>Total</b>                 | <b>418</b>                      | <b>194,755,613</b>    | <b>8,173,127</b>   | <b>431</b>                      | <b>190,416,155</b>    | <b>9,659,816</b>   | <b>511</b>                      | <b>240,531,006</b>    | <b>12,979,203</b>  |

**Notes:**

The symbol 'n.a.' used in this publication means not applicable or not available.

1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.

2 State/territory is based on the claimant's business address and does not necessarily reflect where the fuel was actually recycled or processed.

3 While there were only 40 registered recyclers in 2001–02, and 49 registered in 2002–03, recyclers can lodge more than one claim per year.



In recent years the Tax Office has worked in conjunction with community groups, industry representatives and tax practitioners on a range of activities. These activities are aimed at maintaining the integrity of the tax system, encouraging and improving record keeping practices among businesses, and reducing (as much as possible) compliance costs for business, particularly small business. Providing financial ratios or 'benchmarks' is one such activity.

### INDUSTRY FINANCIAL RATIOS (INCOME TAX RETURN)

Financial ratio data related to gross profit, net profit and wages to turnover provides useful indicators of business activity and performance for tax practitioners, the business community and the Tax Office. The data is widely used in external publications and can be calculated from income tax return data.

The industry benchmark detailed tables contain financial ratio benchmark data for each entity type and most business activities (see box 15.3). The ratios calculated for each business activity have been used to produce two sets of average ratio values. The first set includes both profit-making and loss-making entities. It provides a benchmark figure for an entire business activity/industry division or group (box 15.3). The second set of ratios excludes businesses that return a loss, providing an industry average for 'profitable' businesses only.

#### BOX 15.1: Financial ratios calculated<sup>1</sup>

**Gross profit ratio:** total business income minus cost of sales, divided by total business income.

**Net profit ratio:** total business income minus total expenses, divided by total business income.

**Wages to turnover ratio:** salary and wages paid, divided by total business income.

<sup>1</sup> Calculated from income tax return labels.

### ACTIVITY STATEMENT INDUSTRY RATIOS

Activity statements provide a source of up-to-date trading information.

Activity statement data can be used to provide industry with more information regarding business performance. It may assist the Tax Office identify and address issues likely to have a negative impact on revenue as they emerge, rather than after they become business practice.

As a result, **activity statement industry ratios** have been released.

The industry benchmark detailed tables contain activity statement ratio data for each entity type and most business activities (see box 15.3). Tables 1 and 3 have been calculated for each business activity and make use of two sets of data. The first set includes both profit-making and loss-making entities and provides a benchmark figure for an entire business activity/industry division or group (box 15.3). The second set of ratios excludes businesses that return a loss, providing an industry average for 'profitable' businesses only. Table 2 has been calculated for each business activity and provides an industry average for all entities.

#### BOX 15.2: Activity statement ratios calculated<sup>1</sup>

**Wages to sales ratio:** total salary, wages and other payments (W1)<sup>2</sup>, divided by total sales (G1)<sup>2</sup>.

**Expenses to sales ratio:** non-capital purchases (G11)<sup>2</sup> plus total salary, wages and other payments (W1)<sup>2</sup>, divided by total sales (G1)<sup>2</sup>.

**Net GST to sales ratio:** GST on sales or GST instalment (1A)<sup>2</sup> minus GST on purchases (1B)<sup>2</sup>, divided by total sales (G1)<sup>2</sup>.

<sup>1</sup> Calculated from *Business activity statement* labels.

<sup>2</sup> Labels from activity statements.

### **SOURCE OF INDUSTRY BENCHMARKS/ INDUSTRY FINANCIAL RATIOS (INCOME TAX RETURN)**

The data for *Taxation Statistics 2002–03* was compiled before all processing for the 2002–03 income year was completed. The data used to calculate the financial ratios for the business activities and entities was sourced from statistics collected from 2003 individual, company, partnership and trust income tax returns processed by 31 October 2004.

The names of the business activity groups used in the tables are based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system. The numerical codes corresponding to these business activity names are referred to as business activity codes. For this edition of *Taxation Statistics*, the industry benchmark tables show financial ratios for business activities at the ANZSIC division and group (three-digit) levels (see box 15.3).

### **SOURCE OF INDUSTRY BENCHMARKS/ACTIVITY STATEMENT INDUSTRY RATIOS**

The GST and PAYG withholding collections for the 2002-03 financial year reported in this chapter are sourced from activity statements, and annual GST information reports. Samples of these forms are in the appendix. They may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at [www.ato.gov.au](http://www.ato.gov.au)

Generally, new data used in activity statement industry ratios is compiled two months after the end of the quarterly reporting period. For example, data for the quarter ending 30 September 2004 is compiled on 1 December 2004. Companies that use a substituted accounting period (that is, their financial year is not 1 July to 30 June) are not included in the calculation of activity statement industry ratios for this publication.

The names of the business activities used in the tables are based on the Australian and New Zealand Standard Industry Classification (ANZSIC) system (see box 15.3). The numerical codes corresponding to these business activity names are referred to as business activity codes. For this edition of *Taxation Statistics*, the industry benchmark tables show activity statement ratios for business activities at the ANZSIC business activity (five-digit) level (see box 15.3).

**BOX 15.3: Business activity codes**

A complete list of the activities and the corresponding codes for the 2002–03 income year are in the Tax Office publication *Business industry codes 2003*. There is a copy of this publication on the attached CD-ROM and on the Tax Office website.

The publication lists industries under ANZSIC<sup>1</sup> divisions and groups. For example, under the ANZSIC division 'Agriculture, forestry and fishing', the following groups of business activities are listed:

- Horticulture, forestry and fishing
- Grain, sheep and beef cattle farming
- Dairy cattle farming
- Poultry farming
- Other livestock farming
- Other crop growing
- Services to agriculture
- Hunting and trapping
- Forestry and logging
- Marine fishing
- Aquaculture.

Under these groups, more specific business activities are listed with their corresponding Tax Office–ANZSIC five-digit code.

**The first three digits of this code is the ANZSIC group code.** For example, under poultry farming, 10 activities are listed with the corresponding codes:

- chicken farming – for meat (01410)
- duck farming (01410)
- game bird farming (01410)
- goose farming (01410)
- poultry farming – for meat (01410)
- poultry hatchery operation – meat breeds (01410)
- turkey farming (01410)
- egg farm operation (01420)
- poultry farming – for eggs (01420)
- poultry hatchery operation – egg breeds (01420)

All 10 activities have '014' as the first three digits of their business activity/industry code. This is their ANZSIC group code.

In this edition of *Taxation Statistics*, the industry benchmark **financial ratio** tables show ratios for business activities at the ANZSIC division and group (three-digit) levels. That is, a mean ratio is calculated for each ANZSIC division and for each ANZSIC group within a division. For example, a mean ratio will be calculated and presented for all business activities classified under 'poultry farming' (that is, all businesses with '014' as the first three digits of their business activity code). Ratios are **not** calculated/presented separately for the five-digit Tax Office–ANZSIC business activities: 'duck farming', 'goose farming', 'egg farm operation' and other activities listed under 'poultry farming'.

However, the industry benchmark **activity statement ratio tables** show ratios at the **five-digit** ANZSIC level.

Ratios may not be available for some ANZSIC groups (three-digit level), business activities (five-digit level) and/or entities because:

- there is insufficient data to calculate the ratios and/or
- the data cannot be shown for confidentiality reasons.

<sup>1</sup> For more information on the Australian and New Zealand Standard Industry Classification (ANZSIC) system, division and group levels, see the Australian Bureau of Statistics (ABS) publication *Australian and New Zealand Standard Industrial Classification (ANZSIC)*, Cat. No. 1292.0. This publication can be viewed on the ABS website at [www.abs.gov.au](http://www.abs.gov.au)

## THE PURPOSE OF BENCHMARKS

Benchmarks assist tax advisers identify averages for groups of activities and, therefore, businesses that vary significantly from those averages. Tax advisers can use this information to determine reasons for any variation and identify action that should be taken to correct problems and improve business practices – in particular those related to record keeping.

The business community and business owners generally may use benchmarks to compare the performance of their business with industry averages.

For example, for **financial ratios**, a low gross profit ratio may indicate to a business owner that:

- their job quotes or prices are lower than those of their competitors
- they are paying too much for their stock purchases
- there is wastage of materials due to overestimating job requirements
- they do not have enough sales in higher profit margin lines (poor sales mix)
- they need to improve merchandising or product displays, or
- their stock level is too high and it may be better to buy stock as needed to improve their cash flow.

A low net profit ratio may indicate that some operating expenses are high compared to industry averages. A business owner might need to look at:

- the location of their business and rent expenses
- the level of contractor and subcontractor expenses
- the number of employees and their effectiveness
- the cost of business motor vehicles, or
- the cost of other major overheads.

A high wages to turnover ratio for a business owner might suggest that quotes for jobs are too low. This ratio could also be an indicator of the efficiency of labour used in a business. In particular, an owner may consider:

- the rate at which employees produce income
- the time taken to complete jobs, and
- the pay rates of employees.

For **activity statement ratios**:

- a high wages to sales ratio may indicate to a business owner that quotes for jobs are too low. This ratio could also be an indicator of the efficiency of labour used in a business
- a high expenses to sales ratio may indicate that operating expenses are high compared to industry averages
- a high or low net GST to sales ratio may indicate that a business is incorrectly calculating GST payable and input tax credits.

For the Tax Office, providing access to benchmark information is part of a commitment to being more open and up to date in operations conducted and forms part of an industry-based project approach to compliance. In providing benchmarks for businesses, the Tax Office aims to have a more direct impact on taxpayer behaviour before tax returns and activity statements are prepared and lodged. Feedback from tax professionals indicates that the use of benchmarks in preparing tax returns is increasing.

Once tax returns or activity statements are lodged, benchmarks (together with a range of other information) are used to identify any compliance issues that may require further monitoring. The wages to turnover ratio and wages to sales ratio, in particular, provide relevant measures in those industries where cash wages are common. Benchmarks are also used to compare taxpayers, and the Tax Office may seek further information from clients whose ratios vary substantially from their industry averages.

**BOX 15.4: Terminology**

**Cost of sales:** for income tax purposes, cost of sales is defined as the cost of anything produced, manufactured, acquired or purchased for manufacture, sale or exchange in deriving the gross proceeds or earnings of the business. In some cases, other expenses such as salary and wages and rent are included in the cost of sales figure, which overstates the cost of sales amount.

**Industry:** income tax returns allow for only one business industry code to be shown. For entities involved in more than one business, it is not possible to separately identify the amount of income and expenses attributed to the major business activity.

**Salary and wage expenses:** this return label is not used in calculating taxable income. It is a non-compulsory information label and is therefore more likely to contain errors.

**Total sales (G1):** Contains details of all taxable supplies (including GST), GST-free and input taxed supplies.

**Non-capital purchases (G11):** Includes the total amount of acquisitions and importations for use in a business, other than capital items. It includes those items that, at the time of acquisition, are to be used partly for private or domestic purposes. G11 does not include superannuation, wages, bad debts, or capital and depreciation expenses.

**GST on sales or GST instalment (1A):** The amount of GST remitted to the Tax Office – calculated from the total of taxable supplies.

**GST on purchases (1B):** An amount of GST claimed as input tax credits, which has been paid on all creditable acquisitions and importations (including capital items).

**Total salary, wages and other payments (W1):** Comprises total amounts paid (before withholding any amounts) covering a range of payments. This includes all payments paid to employees such as:

- salary
- wages
- commissions
- retainers
- performance incentives
- bonus payments
- holiday leave loading
- severance payments
- termination and redundancy payments, and
- payments made to an individual payee for work or services where the parties (payer and payee) enter into a voluntary agreement to withhold an amount from these amounts.

## RATIOS

For industry financial ratios (income tax return), the data shows that the net profit ratios of companies and trusts are generally lower than those of partnerships and individuals. This is because the salary and wages income returned is generally a business expense for the owners of a company or working beneficiaries of a trust. However, the income returned to the partners in a partnership is in the form of a distribution of net income after business expenses are deducted. A similar situation occurs for individuals.

For the same reason, the wages to turnover ratios for individuals and partnerships are lower than those of companies and trusts.

## EXCLUSIONS AND CONSIDERATIONS

When analysing a large population, the inclusion of some cases can produce misleading results. For example, income tax return labels used in the calculations may not have been completed or not completed correctly, or the ratios for an individual entity are exceptional and would distort the calculation of a true industry average.

In an attempt to improve the quality of the end product, certain exclusion criteria have been developed and applied. (There is a list and explanation of these exclusion criteria in all the industry benchmark tables.)

Despite the application of these exclusion criteria, it is still important to recognise that the benchmarks developed are not definitive and should not be used in isolation. For example, there is a range of legitimate reasons as to why businesses vary from industry averages and, conversely, businesses with ratios close to the industry average may have compliance problems or other financial difficulties. Also, an average ratio calculated using a large population is generally more reliable than one calculated from a small population.

Benchmarks are most useful as a guide when considered over a period of time or in conjunction with other information. For example, the age of the business and its performance over a number of years should also be taken into account when considering the viability of a business.

## FUTURE DEVELOPMENTS

The activity statement industry ratios will provide tax practitioners, the business community and the Tax Office with up-to-date information. Quarterly updates on the Tax Office website are planned. These will include activity ratios for the current year's individual quarters and averages for the immediate past year.

## DETAILED TABLES

### BOX 15.5: Using and finding industries/business activities in the detailed tables

Before viewing or downloading the industry benchmark tables from the CD-ROM or from the online version of this publication on the Tax Office website, we recommend that users first read the other parts of this chapter (particularly box 15.3) and the exclusion criteria explanatory notes included in all the industry benchmark tables. These explain what the ratios are, what items were used to calculate them, how the ratios were calculated and how to properly interpret the ratios.

In most cases, people who use the industry benchmark tables are looking for ratios for a specific industry or business activity. To find ratios for a particular industry, it is recommended users download the Tax Office publication *Business industry codes 2003* before downloading the tables. By going through this document, users will have a better idea of which industry a business, service or activity will be classified under, and the industry code assigned to the business, service or activity.

After downloading this booklet, users may download the detailed tables in their preferred format (Excel, PDF or Comma Separated Values) and then follow the instructions included with the tables.

### INDUSTRY FINANCIAL RATIO DETAILED TABLES (INCOME TAX RETURNS)

There are three main types of industry benchmark detailed tables. They all contain gross profit ratios, net profit ratios and wages to turnover ratios for business activity/industry (ANZSIC) divisions and groups listed in the Tax Office publication *Business industry codes 2003*.

Industry financial ratio tables 1 to 3 contain the benchmark data and are outlined here.

⚠ For financial ratio detailed tables 1 to 3, ratios may not be available for some business (ANZSIC) group codes and/or entities because there is insufficient data to calculate the ratios, or the data cannot be shown for confidentiality reasons.

**Table 1****Industry benchmarks, financial ratios, by business status, 2002–03 income year****(Parts A to I)**

This table calculates gross profit, net profit and wages to turnover ratios for profitable and all entities falling under different business activity/industry (ANZSIC) divisions or groups. Each ANZSIC division or group is classified by business status – ‘commenced business’ (businesses that just started) and ‘established business’. Industry ratios are therefore calculated for ‘commenced’ and ‘established’ business entities.

**Table 2****Industry benchmarks, financial ratios, by state/territory, 2002–03 income year****(Parts A to I)**

This table calculates gross profit, net profit and wages to turnover ratios for profitable and all entities falling under different business activity/industry (ANZSIC) divisions or groups. Each ANZSIC division or group is classified by state/territory. Industry ratios are therefore calculated for business entities in different states/territories.

**Table 3****Industry benchmarks, financial ratios, by total business income/total income, 2002–03 income year****(Parts A to I)**

This table calculates gross profit, net profit and wages to turnover ratios for profitable and all entities falling under different business activity/industry (ANZSIC) divisions or groups. Each ANZSIC division or group is ranged by total business income for individual, partnership and trust benchmark tables and ranged by total income for company benchmark tables. Industry ratios are therefore calculated for business entities falling under different ranges of total business income or total income, depending on the entity.

Each of the financial ratio tables 1 to 3 is divided into a number of smaller sections to help locate specific information. **Part A** contains benchmark ratios calculated for broad industries (or ANZSIC division). The ratios for fine industries (or ANZSIC groups) are presented in **Parts B to I**, according to broad industry headings, as follows.

- Part B: Agriculture, forestry and fishing**  
This part contains ratios for business activities with codes beginning with the digits: 011, 012, 013, 014, 015, 016, 021, 022, 030, 041 and 042.
- Part C: Manufacturing**  
This part contains ratios for business activities with codes beginning with the digits: 211, 212, 213, 214, 215, 216, 217, 218, 219, 221, 222, 223, 224, 225, 226, 231, 232, 233, 241, 242, 243, 251, 252, 253, 254, 255, 256, 261, 262, 263, 264, 271, 272, 273, 274, 275, 276, 281, 282, 283, 284, 285, 286, 291, 292 and 294.
- Part D: Wholesale trade**  
This part contains ratios for business activities with codes beginning with the digits: 451, 452, 453, 461, 462, 471, 472, 473 and 479.
- Part E: Mining; electricity, gas and water supply**  
This part contains ratios for business activities with codes beginning with the digits: 110, 120, 131, 141, 142, 151, 361, 362 and 370.
- Part F: Construction; transport and storage; communication**  
This part contains ratios for business activities with codes beginning with the digits: 411, 412, 421, 422, 423, 424, 425, 611, 612, 620, 630, 640, 650, 661, 662, 663, 664, 670, 711 and 712.
- Part G: Finance and insurance; property and business services**  
This part contains ratios for business activities with codes beginning with the digits: 731, 732, 733, 734, 741, 742, 751, 752, 771, 772, 773, 774, 781, 782, 783, 784, 785 and 786.
- Part H: Education; cultural and recreational services; personal and other services; health and community services**  
This part contains ratios for business activities with codes beginning with the digits: 841, 842, 843, 844, 911, 912, 921, 922, 923, 924, 925, 931, 932, 933, 951, 952, 961, 962, 963, 861, 862, 863, 864, 871 and 872.
- Part I: Retail trade; accommodation, cafes and restaurants**  
This part contains ratios for business activities with codes beginning with the digits: 511, 512, 521, 522, 523, 524, 525, 526, 531, 532, 571, 572, 573 and 574.

Financial ratio tables 1 to 3 also contain instructions on how to find industries and ratios in the tables and information on how the ratios were calculated, particularly the exclusion criteria used to calculate the ratios.

Each entity – individuals (or personal taxpayers), companies, partnerships and trusts – has its own respective tables 1 to 3, with each table having nine parts (A to I).



A complete list of industry benchmark tables for all the entities is listed below. Overall, there are 108 industry benchmark financial ratio tables (counting each part as a table).

### **INDIVIDUALS**

- Table IN1:** Individual industry benchmarks, financial ratios, by business status, 2002–03 income year (parts A to I)
- Table IN2:** Individual industry benchmarks, financial ratios, by state/territory, 2002–03 income year (parts A to I)
- Table IN3:** Individual industry benchmarks, financial ratios, by total business income, 2002–03 income year (parts A to I)

### **COMPANIES**

- Table CO1:** Company industry benchmarks, financial ratios, by business status, 2002–03 income year (parts A to I)
- Table CO2:** Company industry benchmarks, financial ratios, by state/territory, 2002–03 income year (parts A to I)
- Table CO3:** Company industry benchmarks, financial ratios, by total income, 2002–03 income year (parts A to I)

### **PARTNERSHIPS**

- Table PA1:** Partnership industry benchmarks, financial ratios, by business status, 2002–03 income year (parts A to I)
- Table PA2:** Partnership industry benchmarks, financial ratios, by state/territory, 2002–03 income year (parts A to I)
- Table PA3:** Partnership industry benchmarks, financial ratios, by total business income, 2002–03 income year (parts A to I)

### **TRUSTS**

- Table TR1:** Trust industry benchmarks, financial ratios, by business status, 2002–03 income year (parts A to I)
- Table TR2:** Trust industry benchmarks, financial ratios, by state/territory, 2002–03 income year (parts A to I)
- Table TR3:** Trust industry benchmarks, financial ratios, by total business income, 2002–03 income year (parts A to I)

**ACTIVITY STATEMENT INDUSTRY RATIO DETAILED TABLES**

There are three main types of industry benchmark activity statement ratio detailed tables. They all contain expenses to sales ratios, wages to sales ratios, and net GST paid to sales ratios for most business activity/industry (ANZSIC) divisions listed in the Tax Office publication *Business industry codes 2003*.

Activity statement industry ratio tables 1 to 3 contain the benchmark data and are outlined here.

**!** Ratios may not be available for some business (ANZSIC) group codes and/or entities in certain states/territories because there is insufficient data to calculate the ratios, there are data quality problems or the data cannot be shown for confidentiality reasons.

|   |  |
|---|--|
| <p><b>Table 1</b><br/><b>(Parts A to H)</b></p> | <p><b>Industry benchmarks, activity statement ratios, by entity type, business status and profitability, 2002–03 income year</b></p> <p>In this table expenses to sales, wages to sales and net GST paid to sales are calculated for ‘profitable’ and ‘all’ taxpayers falling under different industry (ANZSIC code) groups for the income year indicated. Each ANZSIC group is classified by business status – ‘commenced business’ (businesses that just started) and ‘established business’. Industry ratios are therefore calculated for ‘commenced’ and ‘established’ businesses of all entity types.</p> |
| <p><b>Table 2</b><br/><b>(Parts A to H)</b></p> | <p><b>Industry benchmarks, activity statement ratios, by entity type and by state/territory 2002–03 income year</b></p> <p>In this table expenses to sales, wages to sales and net GST paid to sales are calculated for each ANZSIC group classified by state/territory for the income year indicated. Industry ratios are therefore calculated for businesses owned by entities in different states/territories.</p>  |
| <p><b>Table 3</b><br/><b>(Parts A to H)</b></p> | <p><b>Industry benchmarks, activity statement ratios, by entity, level of sales and profitability 2002–03 income year</b></p> <p>In this table expenses to sales, wages to sales and net GST paid to sales are calculated for ‘profitable’ and ‘all’ entity types falling under different industry (ANZSIC code) groups for the income year indicated. Each ANZSIC group is ranged by total sales (Label G1) income.</p>   |

Each of the activity statement industry ratio tables 1 to 3 is divided into a number of smaller sections to help locate specific information. **Parts A to H** present benchmark ratios calculated for fine industries (or ANZSIC codes) and are presented according to broad industry headings, as follows.

**!** The activity statement industry ratio tables use full five-digit ANZSIC codes. Ratios may not be available for some business (ANZSIC) group codes and/or entities in certain states/territories because there is insufficient data to calculate the ratios, there are data quality problems or the data cannot be shown for confidentiality reasons.

**Part A: Agriculture, forestry and fishing**

This part contains ratios for business activities with codes beginning with the digits: 011, 012, 013, 014, 015, 016, 021, 022, 030, 041 and 042.

**Part B: Manufacturing**

This part contains ratios for business activities with codes beginning with the digits: 211, 212, 213, 214, 215, 216, 217, 218, 219, 221, 222, 223, 224, 225, 226, 231, 232, 233, 241, 242, 243, 251, 252, 253, 254, 255, 256, 261, 262, 263, 264, 271, 272, 273, 274, 275, 276, 281, 282, 283, 284, 285, 286, 291, 292 and 294.

**Part C: Wholesale trade**

This part contains ratios for business activities with codes beginning with the digits: 451, 452, 453, 461, 462, 471, 472, 473 and 479.

**Part D: Mining; electricity, gas and water supply**

This part contains ratios for business activities with codes beginning with the digits: 110, 120, 131, 141, 142, 151, 361, 362 and 370.

**Part E: Construction; transport and storage; communication**

This part contains ratios for business activities with codes beginning with the digits: 411, 412, 421, 422, 423, 424, 425, 611, 612, 620, 630, 640, 650, 661, 662, 663, 664, 670, 711 and 712.

**Part F: Finance and insurance; property and business services**

This part contains ratios for business activities with codes beginning with the digits: 731, 732, 733, 734, 741, 742, 751, 752, 771, 772, 773, 774, 781, 782, 783, 784, 785 and 786.

**Part G: Education; cultural and recreational services; personal and other services; health and community services**

This part contains ratios for business activities with codes beginning with the digits: 841, 842, 843, 844, 911, 912, 921, 922, 923, 924, 925, 931, 932, 933, 951, 952, 961, 962, 963, 861, 862, 863, 864, 871 and 872.

**Part H: Retail trade; accommodation, cafes and restaurants**

This part contains ratios for business activities with codes beginning with the digits: 511, 512, 521, 522, 523, 524, 525, 526, 531, 532, 571, 572, 573 and 574.

Activity statement industry ratio tables 1 to 3 also contain instructions on how to find industries and ratios in the tables and information on how the ratios were calculated, particularly the exclusion criteria used to calculate the ratios.

Each entity – individuals (or personal taxpayers), companies, partnerships and trusts – has its own respective tables 1 to 3, with each table having 8 parts (A to H).

A complete list of industry benchmark tables for all the entities is listed below.

### **INDIVIDUALS**

- Table BASIN1:** Individual industry benchmarks, activity statement ratios, by business status, 2002–03 income year (parts A to H)
- Table BASIN2:** Individual industry benchmarks, activity statement ratios, by state/territory, 2002–03 income year (parts A to H)
- Table BASIN3:** Individual industry benchmarks, activity statement ratios, by level of sales and profitability, 2002–03 income year (parts A to H)

### **COMPANIES**

- Table BASCO1:** Company industry benchmarks, activity statement ratios, by business status, 2002–03 income year (parts A to H)
- Table BASCO2:** Company industry benchmarks, activity statement ratios, by state/territory, 2002–03 income year (parts A to H)
- Table BASCO3:** Company industry benchmarks, activity statement ratios, by level of sales and profitability, 2002–03 income year (parts A to H)

### **PARTNERSHIPS**

- Table BASPA1:** Partnership industry benchmarks, activity statement ratios, by business status, 2002–03 income year (parts A to H)
- Table BASPA2:** Partnership industry benchmarks, activity statement ratios, by state/territory, 2002–03 income year (parts A to H)
- Table BASPA3:** Partnership industry benchmarks, activity statement ratios, by level of sales and profitability, 2002–03 income year (parts A to H)

### **TRUSTS**

- Table BASTR1:** Trust industry benchmarks, activity statement ratios, by business status, 2002–03 income year (parts A to H)
- Table BASTR2:** Trust industry benchmarks, activity statement ratios, by state/territory, 2002–03 income year (parts A to H)
- Table BASTR3:** Trust industry benchmarks, activity statement ratios, by level of sales and profitability, 2002–03 income year (parts A to H)

# APPENDIX: ANNUAL TAX RETURN FORMS

## INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002–03 INCOME YEAR



### Individual tax return 2003

1 July 2002 to  
30 June 2003

Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only.

www.ato.gov.au

**Your tax file number (TFN)**

See the Privacy note in the *Taxpayer's declaration* on page 12 of this tax return.

Are you an Australian resident?  Print Y for yes or N for no.

Have you included any attachments—other than PAYG payment summaries?  Print Y for yes or N for no.

**Your name**

Title—for example, Mr, Mrs, Ms, Miss

Your sex  
Print X in the relevant box Male  Female

Surname or family name

Given names

Has any part of your name changed since completing your last tax return?  Print Y for yes or N for no.

If you answered yes, print previous surname.

**Your postal address**

Has your postal address changed since completing your last tax return?  Print Y for yes or N for no.

|                          |       |          |
|--------------------------|-------|----------|
| <input type="text"/>     |       |          |
| <input type="text"/>     |       |          |
| Suburb or town           | State | Postcode |
| Country—if not Australia |       |          |

**Your home address**

If the same as your current postal address, print AS ABOVE.

|                          |       |          |
|--------------------------|-------|----------|
| <input type="text"/>     |       |          |
| <input type="text"/>     |       |          |
| Suburb or town           | State | Postcode |
| Country—if not Australia |       |          |

**Your date of birth**

If you were under 18 years of age on 30 June 2003 you must complete item A1 on page 4 of this tax return.

|                      |                      |                      |
|----------------------|----------------------|----------------------|
| Day                  | Month                | Year                 |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

**Final tax return**

If you know this is your final tax return, print FINAL.

**Your daytime telephone number**

Area code  Telephone number

**Your spouse's name**

Surname or family name

Given names

**Electronic funds transfer (EFT)**

Do you want to use electronic funds transfer (EFT) this year for your tax refund or family tax benefit payment where applicable?  Print Y for yes or N for no.

If you answered yes, complete the account details—do not provide details if they are the same as last year.

BSB number  Account number

Must be six digits.

Account name

F

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002-03 INCOME YEAR**

**Income**

**1 Salary or wages**

Your main salary and wage occupation

Occupation code

Payer's Australian business number

Tax withheld  
(do not show cents)

Income  
(do not show cents)

.00

.00

.00

.00

.00

.00

.00

.00

.00

.00

**2 Allowances, earnings, tips, director's fees etc.**

.00

.00

**3 Lump sum payments**

Amount A in lump sum payments box

.00

.00

5% of amount B in lump sum payments box

.00

.00

TYPE

**4 Eligible termination payments (ETP)**

Taxable amount other than excessive component

.00

Excessive component

.00

.00

**5 Commonwealth of Australia government allowances and payments like Newstart, youth allowance and austudy payment**

.00

.00

**6 Commonwealth of Australia government pensions and allowances**

.00

.00

TAX OFFSET

CODE

VETERAN  
CODE

**7 Other Australian pensions or annuities—including superannuation pensions**

Type

.00

.00

**8 Attributed personal services income**

.00

.00

**Total tax withheld**

Add up the  boxes.

\$  .00

**9 Total reportable fringe benefits amounts**

.00

**10 Gross interest**

Tax file number amounts withheld from gross interest

Gross interest

.00

**11 Dividends**

Unfranked amount

.00

Franked amount

.00

Tax file number amounts withheld from dividends

Imputation credit

.00

**1 Only used by taxpayers completing the supplementary section**

Transfer the amount from **TOTAL SUPPLEMENT INCOME OR LOSS** on page 8 and write it here.

.00

LOSS

**TOTAL INCOME OR LOSS**

Add up the income amounts and deduct any loss amount in the  boxes.

.00

LOSS

F

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002-03 INCOME YEAR**

Attach all requested attachments here. Place the 'Payee's Tax Return Copy' of PAYG payment summaries on top followed by any other attachments.

**Deductions**

|            |  |          |                                 |                          |            |
|------------|--|----------|---------------------------------|--------------------------|------------|
| <b>D1</b>  | Work related car expenses  | <b>A</b> | <input type="text" value="00"/> | <input type="checkbox"/> | CLAIM TYPE |
| <b>D2</b>  | Work related travel expenses   | <b>B</b> | <input type="text" value="00"/> |                          |            |
| <b>D3</b>  | Work related uniform, occupation specific or protective clothing, laundry and dry cleaning expenses  | <b>C</b> | <input type="text" value="00"/> | <input type="checkbox"/> | CLAIM TYPE |
| <b>D4</b>  | Work related self-education expenses   | <b>D</b> | <input type="text" value="00"/> | <input type="checkbox"/> | CLAIM TYPE |
| <b>D5</b>  | Other work related expenses  | <b>E</b> | <input type="text" value="00"/> |                          |            |
| <b>D6</b>  | Low value pool deduction   | <b>K</b> | <input type="text" value="00"/> |                          |            |
| <b>D7</b>  | Interest and dividend deductions   | <b>I</b> | <input type="text" value="00"/> |                          |            |
| <b>D8</b>  | Gifts or donations   | <b>J</b> | <input type="text" value="00"/> |                          |            |
| <b>D9</b>  | Deductible amount of undeducted purchase price (UPP) of an Australian pension or annuity. (Deductible amount of UPP of a foreign pension or annuity is dealt with at D12 on page 8). | <b>L</b> | <input type="text" value="00"/> |                          |            |
| <b>D10</b> | Cost of managing tax affairs   | <b>M</b> | <input type="text" value="00"/> |                          |            |

**D** Only used by taxpayers completing the supplementary section  
 Transfer the amount from TOTAL SUPPLEMENT DEDUCTIONS on page 8 and write it here.

|                         |   |                                 |
|-------------------------|---|---------------------------------|
| <b>TOTAL DEDUCTIONS</b> | Item D1 to <b>D</b> —add up the boxes.            | <input type="text" value="00"/> |
| <b>SUBTOTAL</b>         | <b>TOTAL INCOME OR LOSS less TOTAL DEDUCTIONS</b> | <input type="text" value="00"/> |

**Losses**

|                               |   |   |           |                                 |
|-------------------------------|---|---|-----------|---------------------------------|
| <b>L1</b>                     | Tax losses of earlier income years claimed this income year | Primary production                                      | <b>F</b>  | <input type="text" value="00"/> |
|                               |   | Non-primary production                                  | <b>Z</b>  | <input type="text" value="00"/> |
| <b>TAXABLE INCOME OR LOSS</b> |   | Subtract item L1 amounts from amount at <b>SUBTOTAL</b> | <b>\$</b> | <input type="text" value="00"/> |

**Tax offsets**

|           |   |   |                                 |                                 |   |
|-----------|---|---|---------------------------------|---------------------------------|---|
| <b>T1</b> | Spouse (without dependent child or student), child-housekeeper or housekeeper<br>If you had a spouse during 2002-03 you must complete Spouse details—married or de facto on page 5. | <b>P</b>  | <input type="text" value="00"/> | <input type="checkbox"/>        | CLAIM TYPE  |
|           | Child-housekeeper's separate net income   | <b>V</b>  | <input type="text" value="00"/> |                                 |   |
| <b>T2</b> | Senior Australians—If you had a spouse during 2002-03 you must complete Spouse details—married or de facto on page 5.   | <b>N</b>  | <input type="text"/>            |                                 | TAX OFFSET CODE   |
| <b>T3</b> | Superannuation contributions, annuity and pension   | Personal undeducted superannuation contributions  | <b>T</b>                        | <input type="text" value="00"/> | Superannuation contributions, annuity and pension tax offsets |
|           |   |   | <b>S</b>                        | <input type="text" value="00"/> | <input type="checkbox"/>                                      |
| <b>T4</b> | 30% private health insurance<br>You must complete Private health insurance policy details on page 4.  | Amount of refundable tax offset—not contributions | <b>G</b>                        | <input type="text" value="00"/> |   |
| <b>T5</b> | Ongoing baby bonus claim<br>First time baby bonus claimants and all transferees must use the 2003 baby bonus instructions and claim.  | Number of eligible days                           | <b>H</b>                        | <input type="text"/>            | <input type="text"/>  |

**T** Only used by taxpayers completing the supplementary section  
 Transfer the amount from TOTAL SUPPLEMENT SECTION TAX OFFSETS on page 8 and write it here.

|                          |   |          |                                 |
|--------------------------|---|----------|---------------------------------|
| <b>TOTAL TAX OFFSETS</b> | Items T1 to <b>T</b> —add up the boxes. | <b>U</b> | <input type="text" value="00"/> |
|--------------------------|---|----------|---------------------------------|

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002–03 INCOME YEAR**

**Private health insurance policy details**

You must provide the details for each policy if item T4 or item M2 asked you to complete this section.

|                               |                               |                            |
|-------------------------------|-------------------------------|----------------------------|
| Health<br>fund ID             | Membership number             | TYPE                       |
| <b>B</b> <input type="text"/> | <b>C</b> <input type="text"/> | <input type="checkbox"/> F |
| <b>B</b> <input type="text"/> | <b>C</b> <input type="text"/> | <input type="checkbox"/> F |
| <b>B</b> <input type="text"/> | <b>C</b> <input type="text"/> | <input type="checkbox"/> F |
| <b>B</b> <input type="text"/> | <b>C</b> <input type="text"/> | <input type="checkbox"/> F |

**Medicare levy related items**

**M1 Medicare levy reduction or exemption**

If you complete this item and you had a spouse during 2002–03 you must complete Spouse details—married or de facto on page 5.

**Reduction based on family income**

Number of dependent children and students **Y**

**Exemption categories**

Full 1.5% levy exemption—number of days **V**  CLAIM

Half 1.5% levy exemption—number of days **W**  TYPE

**M2 Medicare levy surcharge (MLS)**

**THIS ITEM IS COMPULSORY**

If you do not complete this question you may be charged the full Medicare levy surcharge.

For the whole period 1 July 2002 to 30 June 2003, were you and all your dependants (including your spouse)—if you had any—covered by private patient HOSPITAL cover?

**E**  Print Y for yes or N for no.

If you answered yes, you must complete Private health insurance policy details above. If you answered no, read below.

If you are liable for the surcharge for the whole period 1 July 2002 to 30 June 2003 you must write '0' at label **A**.

If you are liable for the surcharge for part of the period 1 July 2002 to 30 June 2003 you must write the number of days you were NOT liable at label **A**.

If you are NOT liable for the surcharge for the whole period 1 July 2002 to 30 June 2003 you must write '365' at label **A**.

Number of days NOT liable for surcharge **A**

Number of dependent children **D**

If you had a spouse during 2002–03 (and you printed N at label **E**), complete Spouse details—married or de facto on page 5. If you were covered by private patient hospital cover at any time during 2002–03 you must complete Private health insurance policy details above.

**Adjustments**

**A1 Under 18 excepted net income**

If you were under 18 years of age on 30 June 2003 you must complete this item or you may be taxed at a higher rate. Read the information on A1 in TaxPack 2003 for more information.

**J**  .00 TYPE

**A2 Part-year tax-free threshold**

Read the information on A2 in TaxPack 2003 before completing this item.

Date

Months eligible for threshold **N**

Income while a full-time student **O**  .00

**F**



**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002–03 INCOME YEAR**

**Spouse details—married or de facto**

Only provide these details if you had a spouse—married or de facto—during 2002–03 and you completed any of the following items: 6, T1, T2, M1, M2 (and at label **E** you printed N), T6 (supplementary section).

Spouse's date of birth **K**  Day  Month  Year

Did you have a spouse for the full year 1 July 2002 to 30 June 2003? **L**  Print **Y** for yes or **N** for no.

If you did not have a spouse for the full year, write the dates you had a spouse between 1 July 2002 and 30 June 2003.

**M**  Day  Month  Year **From**

**N**  Day  Month  Year **To**

The information below relates to your spouse's income—the list shows which details you need to complete. If you have completed:

- item 6 or T2, complete labels **O**, **T**, **P** and **Q**
- item T1, complete label **R**
- item M1 (label **V** or **W**), complete label **O**
- item M1 (label **Y** only), complete label **O** if you had a spouse on 30 June 2003
- item M2 and if you printed N for no at label **E**, complete label **T**. If you had a spouse for all of 2002–03 also complete labels **O**, **U** and **S**
- item T6, complete labels **O** and **S**.

For any of the following that you are required to complete, if the amount is zero, write '0'.

Spouse's 2002–03 taxable income **O**  .00

Your spouse's share of trust income on which the trustee is assessed under section 98 and which has not been included in spouse's taxable income **T**  .00

Distributions to your spouse on which family trust distribution tax has been paid which your spouse would have had to show as assessable income if the tax had not been paid **U**  .00

Your spouse's total reportable fringe benefits amounts **S**  .00

Amount of any Commonwealth of Australia government pensions and allowances that your spouse received in 2002–03 **P**  .00

Amount of any exempt pension income that your spouse received in 2002–03 (make sure you only include your spouse's exempt pension income) **Q**  .00

Your spouse's 2002–03 separate net income. **R**  .00

**F**

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002-03 INCOME YEAR**

**Supplementary section**

**Income**

Refer to *TaxPack 2003 supplement* before you complete item 12. If you are required to complete item 12 include deferred non-commercial business losses from a prior year at either labels **X** or **Y** as appropriate. Refer to *TaxPack 2003 supplement* for the relevant code.

**12 Partnerships and trusts**

**Primary production**

|  |          |     |   |                          |  |
|--|----------|-----|---|--------------------------|--|
| Distribution from partnerships   | <b>N</b> | .00 | / | <input type="checkbox"/> | <p><b>Note:</b> If you have a net loss from a partnership business activity, complete items P3 and P9 in the <i>Business and professional items section</i> of this tax return in addition to item 12.</p> |
| Distribution from trusts   | <b>L</b> | .00 | / | <input type="checkbox"/> |  |
| Landcare operations and deduction for decline in value of water facility | <b>I</b> | .00 | / | <input type="checkbox"/> |  |
| Other deductions relating to distribution                                | <b>X</b> | .00 | / | <input type="checkbox"/> |  |
|  |          |     |   | TYPE                     |  |
| Net primary production distribution                                      |          |     |   | /                        | LOSS   |
|  |          |     |   | .00                      | <input type="checkbox"/>   |

**Non-primary production**

|   |          |     |   |                          |  |
|---|----------|-----|---|--------------------------|--|
| Distribution from partnerships less foreign income                        | <b>O</b> | .00 | / | <input type="checkbox"/> | <p>Distributions of net capital gains (including net foreign capital gains) must be included at item 17 on page 7.</p> <p>Distributions of foreign income must be included at item 18 or 19 on page 7.</p> |
| Distribution from trusts less net capital gains and foreign income        | <b>U</b> | .00 | / | <input type="checkbox"/> |  |
| Landcare operations expenses  | <b>J</b> | .00 | / | <input type="checkbox"/> |  |
| Other deductions relating to distribution at labels <b>O</b> and <b>U</b> | <b>Y</b> | .00 | / | <input type="checkbox"/> |  |
|   |          |     |   | TYPE                     |  |
| Net non-primary production distribution                                   |          |     |   | /                        | LOSS   |
|   |          |     |   | .00                      | <input type="checkbox"/>   |

**Share of credits from income**

|  |          |  |
|--|----------|--|
| Share of credit for tax withheld where Australian business number not quoted                               | <b>P</b> |  |
| Share of imputation credit from franked dividends  | <b>Q</b> |  |
| Share of credit for tax file number amounts withheld from interest, dividends and unit trust distributions | <b>R</b> |  |
| Share of credit for tax paid by trustee  | <b>S</b> |  |

**F**

**13 Personal services income (PSI)**

|  |          |     |   |                          |
|--|----------|-----|---|--------------------------|
| Tax withheld—voluntary agreement                           | <b>G</b> | .00 | / | <input type="checkbox"/> |
| Tax withheld where Australian business number not quoted   | <b>H</b> |     | / | <input type="checkbox"/> |
| Tax withheld—labour hire or other specified payments       | <b>J</b> | .00 | / | <input type="checkbox"/> |
| Net PSI—transferred from label <b>A</b> item P1 on page 9. |          |     |   | /                        |
|  |          |     |   | .00                      |
|  |          |     |   | LOSS                     |

**14 Net income or loss from business**

|  |          |     |   |                          |
|--|----------|-----|---|--------------------------|
| Primary production—transferred from label <b>V</b> item P8 on page 10.     | <b>B</b> | .00 | / | LOSS                     |
| Non-primary production—transferred from label <b>Z</b> item P8 on page 10. | <b>C</b> | .00 | / | LOSS                     |
| Tax withheld—voluntary agreement   |          |     |   | /                        |
|  |          |     |   | .00                      |
|  |          |     |   | LOSS                     |
|  |          |     |   | <input type="checkbox"/> |
|  |          |     |   | LOSS                     |
|  |          |     |   | <input type="checkbox"/> |
|  |          |     |   | LOSS                     |
|  |          |     |   | <input type="checkbox"/> |
|  |          |     |   | LOSS                     |
|  |          |     |   | <input type="checkbox"/> |

If you show a loss at label **B** or **C** you must complete item P9 on page 11.

**F**

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002-03 INCOME YEAR**

**15 Deferred non-commercial business losses**

Item P9 on page 11 must be completed before you complete this item.

Your share of deferred losses from partnership activities **F**

Deferred losses from sole trader activities **G**

Total deferred losses **H**

**16 Net farm management deposits or withdrawals**

**E**  /  LOSS **F**

**17 Capital gains**

Did you have a capital gains tax event during the year? **G**  Print Y for yes or N for no.

You must also print Y at label **G** if you received a distribution of a capital gain from a trust.

Net capital gain **A**

Total current year capital gains **H**

Net capital losses carried forward to later income years **V**

**18 Foreign entities**

Did you have either a direct or indirect interest in a controlled foreign company (CFC)? **I**  Print Y for yes or N for no.

CFC income **K**

Have you ever, either directly or indirectly, caused the transfer of property—including money—or services to a non-resident trust estate? **W**  Print Y for yes or N for no.

Transferor trust income **B**

Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)? **J**  Print Y for yes or N for no.

FIF and FLP income **C**

**19 Foreign source income and foreign assets or property**

Assessable foreign source income **E**

Net foreign employment and net foreign pension or annuity income WITHOUT an undeducted purchase price **L**  /  TYPE

Net foreign pension or annuity income WITH an undeducted purchase price **D**

Other net foreign source income **M**

Exempt foreign employment income **N**

Foreign tax credits **O**

During the year did you own, or have an interest in, assets located outside Australia which had a total value of AUD\$50,000 or more? **P**  Print Y for yes or N for no.

**F**

**20 Rent**

Gross rent **P**

Interest deductions **Q**

Capital works deductions **F**

Other rental deductions **U**

Net rent **P** less (**Q** + **F** + **U**)  /  LOSS

**21 Bonuses from life insurance companies and friendly societies**

**W**  /  CLAIM TYPE

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002-03 INCOME YEAR**

**22 Other income**

|   |            |                      |                      |                      |            |
|---|------------|----------------------|----------------------|----------------------|------------|
| Type of income                            | Category 1 | <input type="text"/> | <b>Y</b>             | <input type="text"/> | <b>.00</b> |
|   | Category 2 | <input type="text"/> | <b>V</b>             | <input type="text"/> | <b>.00</b> |
| Tax withheld—lump sum payments in arrears |            | <b>E</b>             | <input type="text"/> | <b>.00</b>           |            |
| Taxable professional income               |            | <b>Z</b>             | <input type="text"/> | <b>.00</b>           |            |

**TOTAL SUPPLEMENT INCOME OR LOSS**

Items 12 to 22—add up the **Y** boxes for income amounts and deduct any loss amounts in the **V** boxes.  **.00**  **LOSS**  
 Transfer this amount to page 2 at **I**.

**Deductions**

**D11 Australian film industry incentives** **G**  **.00**

**D12 Deductible amount of undeducted purchase price of a foreign pension or annuity** **Y**  **.00**

**D13 Non-employer sponsored superannuation contributions**

|                                 |                      |          |                      |            |
|---------------------------------|----------------------|----------|----------------------|------------|
| Full name of fund               | Account number       | <b>H</b> | <input type="text"/> | <b>.00</b> |
| Fund Australian business number | <input type="text"/> |          |                      |            |
| Fund tax file number            | <input type="text"/> |          |                      |            |

**D14 Deduction for project pool** **D**  **.00**

**D15 Other deductions—not claimable at items D1 to D14**

|                   |          |                      |            |
|-------------------|----------|----------------------|------------|
| Election expenses | <b>E</b> | <input type="text"/> | <b>.00</b> |
| Other deductions  | <b>J</b> | <input type="text"/> | <b>.00</b> |

**TOTAL SUPPLEMENT DEDUCTIONS**

Items D11 to D15—add up the **G** boxes and transfer this amount to **D** on page 3  **.00**

**Tax offsets**

**T6 Superannuation contributions on behalf of your spouse**  
 You must also complete Spouse details—married or de facto on page 5.  
 Contributions paid  **.00** **A**  **.00**

**T7 Zone or overseas forces** **R**  **.00**

**T8 20% tax offset on net medical expenses over the threshold amount** **X**  **.00**

**T9 Parent, spouse's parent or invalid relative** **B**  **.00**

**T10 Landcare and water facility**

|  |          |                      |            |  |
|--|----------|----------------------|------------|--|
| Water facility tax offset claimed  | <b>M</b> | <input type="text"/> | <b>.00</b> | <input type="checkbox"/> <b>CLAIM TYPE</b> |
| Landcare and water facility tax offset brought forward from earlier income years | <b>T</b> | <input type="text"/> | <b>.00</b> |  |

**T11 Other tax offsets**  **C**  **.00**  **CLAIM TYPE**  
 If you are entitled to a low income tax offset, do not write it anywhere on your tax return. The ATO will calculate it for you.

**TOTAL SUPPLEMENT TAX OFFSETS**

Items T6 to T11—add up the **A** boxes  **.00**  
 Transfer this amount to **T** on page 3

**Adjustments**

**A3 Amount on which family trust distribution tax has been paid**  
 Read the information on A3 in *TaxPack 2003 supplement* before completing this item. **X**  **.00**

**A4 Amount on which ultimate beneficiary non-disclosure tax was payable**  
 Read the information on A4 in *TaxPack 2003 supplement* before completing this item. **Z**  **.00**

**Credit for interest on tax paid**

**C1 Credit for interest on early payments—amount of interest** **L**

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002-03 INCOME YEAR**

**Business and professional items section**

**S1 Simplified tax system (STS) election**

Complete these labels if you are electing to enter the STS, you are continuing in the STS or you are exiting from the STS.

**Entering or continuing**

Only complete this column if you are entering or continuing in the STS

Are you eligible for the STS? **G**  Print Y for yes or leave blank

Are you electing to enter the STS? **H**  Print Y for yes or leave blank

OR

Are you continuing in the STS? **R**  Print Y for yes or leave blank

Is your business grouped with another business? **I**  Print Y for yes or leave blank

**Exiting**

Only complete this column if you are exiting from the STS.

Eligible but choosing to leave? **S**  Print Y for yes or leave blank

OR

No longer eligible? **T**  Print Y for yes or leave blank

**P1 Personal services income (PSI)**

Only complete item P1 if you earned PSI as a sole trader.

**Part A**

Did you satisfy the results test? Print X in the appropriate box.

**P** NO  Read on.

YES  Go to item P2.

Have you received a personal services business determination(s) that was in force for the whole of the period you earned PSI? Print X in the appropriate box.

**C** NO  Read on.

YES  Go to item P2.

Did you receive 80% or more of your PSI from one source? Print X in the appropriate box.

**Q** NO  Read on.

YES  Go to part B.

If you received less than 80% of your PSI from each source for the whole of the period you earned PSI and you satisfied any of the following personal services business tests, indicate which business test(s) you satisfied. Print X in the appropriate box(es). Refer to the publication *Business and professional items* before you complete this question.

Unrelated clients test **D1**  Employment test **E1**  Business premises test **F1**

If you printed X at **D1**, **E1** or **F1**, proceed to P2 below; otherwise go to part B.

**Part B**

PSI—voluntary agreement **M**  .00

PSI—where Australian business number not quoted **N**  .00

PSI—labour hire or other specified payments **O**  .00

PSI—other **J**  .00

Total amount of deductions for payments to associates for principal work **K**  .00

Total amount of other deductions against PSI **L**  .00

Net PSI (**M** + **N** + **O** + **J**) less (**K** + **L**) **A**  .00 /  **F**

Transfer the amount at label **A** to label **A** item 13 on page 6.

**P2 Description of main business or professional activity**

Industry code **A**

**P3 Number of business activities**

**B**

**P4 Status of your business—**

print X in one box only

Ceased business **C1**

Commenced business **C2**

**P5 Business name of main business and Australian business number (ABN)**

|                      |                          |
|----------------------|--------------------------|
| <input type="text"/> |                          |
| <input type="text"/> | ABN <input type="text"/> |

**P6 Business address of main business**

|                                     |                            |                               |
|-------------------------------------|----------------------------|-------------------------------|
| <input type="text"/>                |                            |                               |
| <input type="text"/>                |                            |                               |
| Suburb or town <input type="text"/> | State <input type="text"/> | Postcode <input type="text"/> |

**P7 Did you sell any goods or services using the internet?**

**Q**  Print Y for yes or N for no. **F**

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002-03 INCOME YEAR**

**P8 Business income and expenses**

| Income  | Primary production                                      | Non-primary production                                  | Totals  |
|---|---|---|---|
| Gross payments where Australian business number not quoted <b>C</b> | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        |
| Gross payments—voluntary agreement <b>E</b>                         | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        |
| Gross payments—labour hire or other specified payments <b>N</b>     | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        |
| Assessable government industry payments <b>G</b>                    | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/>                        |
| Other business income <b>I</b>                                      | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/> / <input type="text"/> |
| <b>Total business income</b>  | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/> / <input type="text"/> |

| Expenses  | Primary production   | Non-primary production   | Totals   |
|---|--|--|--|
| Opening stock   | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>K</b>                        |
| Purchases and other costs                             | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>L</b>                        |
| Closing stock   | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> / <input type="text"/> <b>M</b> |
| Cost of sales (label <b>K</b> + <b>L</b> - <b>M</b> ) | <input type="text" value=".00"/> / <input type="text"/>          | <input type="text" value=".00"/> / <input type="text"/>          | <input type="text" value=".00"/> / <input type="text"/> <b>F</b> |
| Contractor, sub-contractor and commission expenses    | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>F</b>                        |
| Superannuation expenses                               | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>G</b>                        |
| Bad debts   | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>I</b>                        |
| Lease expenses  | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>J</b>                        |
| Rent expenses   | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>K</b>                        |
| Interest expenses within Australia                    | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>Q</b>                        |
| Interest expenses overseas                            | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>R</b>                        |
| Depreciation expenses                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>M</b>                        |
| Motor vehicle expenses                                | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> / <input type="text"/> <b>N</b> |
| Repairs and maintenance                               | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>O</b>                        |
| All other expenses                                    | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/>                                 | <input type="text" value=".00"/> <b>P</b>                        |
| <b>Total expenses</b>                                 | <input type="text" value=".00"/> / <input type="text"/> <b>S</b> | <input type="text" value=".00"/> / <input type="text"/> <b>T</b> | <input type="text" value=".00"/> / <input type="text"/>          |

**Reconciliation items**

|   |   |   |  |
|---|---|---|--|
| Deduction for environmental protection expenses                                   | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        | <input type="text" value=".00"/> <b>V</b>                        |
| Section 40-880 deduction  | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        | <input type="text" value=".00"/> <b>A</b>                        |
| Business deduction for project pool   | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        | <input type="text" value=".00"/> <b>L</b>                        |
| Landcare operations and business deduction for decline in value of water facility | <input type="text" value=".00"/>                        | <input type="text" value=".00"/>                        | <input type="text" value=".00"/> <b>W</b>                        |
| Income reconciliation adjustments   | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/> / <input type="text"/> <b>X</b> |
| Expense reconciliation adjustments  | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/> / <input type="text"/> | <input type="text" value=".00"/> / <input type="text"/> <b>H</b> |

|   |  |  |   |
|---|--|--|---|
| <b>Net income or loss from business this year</b> | <input type="text" value=".00"/> / <input type="text"/> <b>B</b> | <input type="text" value=".00"/> / <input type="text"/> <b>C</b> | <input type="text" value=".00"/> / <input type="text"/> |
|---|--|--|---|

|   |   |   |                                  |
|---|---|---|----------------------------------|
| Deferred non-commercial business losses from a prior year | <input type="text" value=".00"/> <b>D</b> | <input type="text" value=".00"/> <b>E</b> | <input type="text" value=".00"/> |
|---|---|---|----------------------------------|

|   |  |  |  |
|---|--|--|--|
| <b>Net income or loss from business</b> | <input type="text" value=".00"/> / <input type="text"/> <b>Y</b> | <input type="text" value=".00"/> / <input type="text"/> <b>Z</b> | <input type="text" value=".00"/> / <input type="text"/> <b>F</b> |
|---|--|--|--|

Transfer the amounts at labels **Y** and **Z** to item 14 on page 6.

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002-03 INCOME YEAR**

**P9 Business loss activity details**

**Note:** If you incurred a net loss from more than three business activities this year show the three activities with the highest losses. If you print loss code 8 at labels **G**, **M** or **S** you must complete item 15 on page 7.

**Activity 1** Description of activity **D**  **F**

Industry code **E**  Partnership (P) or sole trader (S) **F**  Type of loss **G**  Deferred non-commercial business loss from a prior year **H**  **.00** Net loss **I**  **.00** **F**

**Activity 2** Description of activity **J**  **F**

Industry code **K**  Partnership (P) or sole trader (S) **L**  Type of loss **M**  Deferred non-commercial business loss from a prior year **N**  **.00** Net loss **O**  **.00** **F**

**Activity 3** Description of activity **P**  **F**

Industry code **Q**  Partnership (P) or sole trader (S) **R**  Type of loss **S**  Deferred non-commercial business loss from a prior year **T**  **.00** Net loss **U**  **.00** **F**

**P10 STS depreciating assets**

For completion by STS taxpayers only. STS taxpayers are not required to complete a *Capital allowances schedule 2003*.

Low cost assets (less than \$1,000) **A**  **.00** General pool assets (less than 25 years) **B**  **.00** Long life pool assets (25 years or more) **C**  **.00**

**Other business and professional items**

**P11 Trade debtors** **E**  **.00**

**P12 Trade creditors** **F**  **.00**

**P13 Total salary and wage expenses** **G**  **.00** /  TYPE

**P14 Payments to associated persons** **H**  **.00**

**P15 Intangible depreciating assets first deducted** **I**  **.00**

**P16 Other depreciating assets first deducted** **J**  **.00**

**P17 Termination value of intangible depreciating assets** **D**  **.00**

**P18 Termination value of other depreciating assets** **K**  **.00**

**P19 Trading stock election** **P**  Print Y for yes or leave blank.

**Hours taken to prepare and complete the Business and professional items section** **S**  **F**

**INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2002-03 INCOME YEAR**

**Consent to use part or all of your 2003 tax refund to repay your spouse's family tax benefit (FTB) overpayment**

You must read the information on family tax benefit in *TaxPack 2003* before completing FTB claimant's details.  
Only complete the details below if:

- you were the spouse of an FTB claimant on 30 June 2003 and your income was taken into account in their claim—check with your spouse—AND
- your spouse has given you authority to quote on your tax return their customer reference number (CRN). If your spouse does not know their CRN they can contact the Family Assistance Office AND
- your spouse expects to have an FTB overpayment for 2003 AND
- you expect to receive a tax refund for 2003 AND
- you consent to use part or all of your tax refund to repay your spouse's FTB overpayment.

**Note:** An FTB overpayment can only be raised after reconciliation has been completed. If an FTB overpayment is raised after your refund has been sent to you the ATO will not be able to use your refund to repay the FTB overpayment.

**Spouse's CRN**

**Spouse's sex**  
Print X in the relevant box. Male  Female

**Spouse's name**  
Print full name. Surname or family name   
Given names

**Spouse's date of birth**

I consent to the ATO using part or all of my 2002-03 tax refund to repay the 2003 FTB overpayment of my spouse, whose details I have provided above. I have obtained my spouse's permission to quote their CRN.

Your signature  Date

**Taxpayer's declaration**

Read and sign the declaration after completing your tax return, including the Supplementary section, Business and professional items section and other schedules if applicable.

**I declare that:**

- the information provided to my registered tax agent for the preparation of this tax return is true and correct and
- I understand the ATO has the right to review my tax return and, for a period of up to six years, to issue me with a revised assessment if a review shows any inaccuracies in income or entitlements that change my assessment, and
- I authorise my registered tax agent to lodge this tax return.

Taxpayer's signature  Date

**Important:** The tax law imposes heavy penalties for giving false or misleading information.

**Privacy:**

It is not an offence not to quote your tax file number (TFN). However, your assessment will be delayed if you do not quote your TFN. The ATO is authorised by the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* and the *A New Tax System (Family Assistance) (Administration) Act 1999* to ask for information on this tax return. We need this information to help us to administer the taxation laws. We may give this information to other government agencies authorised by law to receive it—for example, benefit payment agencies such as Centrelink, the Department of Education, Science and Training and the Department of Family and Community Services; law enforcement agencies such as the National Crime Authority; and other agencies such as the Child Support Agency, the Australian Bureau of Statistics and the Reserve Bank of Australia.

**Tax agent's declaration**

I,


declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.

Agent's signature  Date  Client's reference

Contact name  Agent's telephone number  Agent's reference number



COMPANY TAX RETURN, 2002-03 INCOME YEAR



# Company tax return 2003

Day Month Year to Day Month Year  
or specify period if part year or approved substitute period

**1 July 2002 to  
30 June 2003**

www.ato.gov.au

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Notes to assist in the preparation of this tax return are provided in the *Company tax return 2003 instructions* (the instructions) available from the Australian Taxation Office.

Tax file number (TFN)

Is a payment due?

Is a refund due?

---

**Name of company and Australian business number (ABN)**

ABN

---

**Previous name of company**  
If the company name has changed, print the previous name exactly as shown on the last tax return lodged and show Australian Company Number (ACN) or Australian Registered Business Number (ARBN).

ACN or ARBN\*   
\* Cross out whichever is not applicable.

---

**Current postal address**  
If the address has not changed, print it exactly as shown on the last tax return lodged.

Suburb or town  State  Postcode

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**Postal address on previous tax return**  
If the address has changed, print the previous address exactly as shown on the last tax return lodged.

Suburb or town  State  Postcode

---

**Business address of main business**

Suburb or town  State  Postcode

---

**Final tax return**

---

**1 Ultimate holding company name and ABN or country code**

ABN or country code\*   
\* Cross out whichever is not applicable.

**Immediate holding company name and ABN**

ABN

---

**2 Description of main business activity**

Industry code **B**  Percentage of foreign shareholding **A**  %

---

**3 Status of company—print X in a box if applicable**

|   |   |  |   |   |
|---|---|--|---|---|
| Resident <b>C1</b> <input type="checkbox"/>     | Cooperative <b>D1</b> <input type="checkbox"/>  | Pooled development fund <b>D5</b> <input type="checkbox"/> | Private <b>D9</b> <input type="checkbox"/>                        | Multiple business <b>E1</b> <input type="checkbox"/>  |
| Non-resident <b>C2</b> <input type="checkbox"/> | Non-profit <b>D3</b> <input type="checkbox"/>   | Limited partnership <b>D6</b> <input type="checkbox"/>     | Public <b>D10</b> <input type="checkbox"/>                        | Ceased business <b>E2</b> <input type="checkbox"/>    |
|   | Strata title <b>D4</b> <input type="checkbox"/> | Corporate unit trust <b>D7</b> <input type="checkbox"/>    | Consolidated head company <b>Z1</b> <input type="checkbox"/>      | Commenced business <b>E3</b> <input type="checkbox"/> |
|   |   | Public trading trust <b>D8</b> <input type="checkbox"/>    | Consolidated subsidiary member <b>Z2</b> <input type="checkbox"/> |   |

---

**4 Interposed entity election status**  
If the company has made or is making one or more interposed entity elections from a day in the 2002-03 income year or an earlier income year, print the appropriate election status code for the company at label **F**. If making one or more elections from a day in the 2002-03 income year, complete and attach the *Interposed entity election 2003*. **F**

---

**5 Simplified tax system (STS) elections—complete these labels if you are electing to enter the STS, you are continuing in the STS or you are exiting from the STS**

|  |   |
|--|---|
| <p><b>Entering or continuing</b>—only complete this column if you are entering or continuing in the STS</p> <p>Are you eligible for the STS? <b>G</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>Are you electing to enter the STS? <b>H</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p style="text-align: center;"><b>OR</b></p> <p>Are you continuing in the STS? <b>R</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>Is your business grouped with another business? <b>I</b> <input type="checkbox"/> Print Y for yes, N for no or leave blank.</p> | <p><b>Exiting</b>—only complete this column if you are exiting from the STS</p> <p>Eligible but choosing to leave? <b>S</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p style="text-align: center;"><b>OR</b></p> <p>No longer eligible? <b>T</b> <input type="checkbox"/> Print Y for yes or leave blank. <b>F</b></p> |
|--|---|

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**COMPANY TAX RETURN, 2002-03 INCOME YEAR**

**Information statement To be completed by all companies**

**6 Calculation of total profit or loss**

**Income**

Gross payments where ABN not quoted **A**

Other sales of goods and services **C**

Gross distribution from partnerships **D**   CODE

Gross distribution from trusts **E**   CODE

Gross interest **F**

Gross rent and other leasing and hiring income **G**

Total dividends **H**

Fringe benefit employee contributions **I**   CODE

Assessable government industry payments **Q**   CODE

Other gross income **R**

**Total income** **S**   **F**

**Expenses**

Cost of sales **A**

Contractor, sub-contractor and commission expenses **C**

Employee superannuation **D**

Bad debts **E**

Lease expenses within Australia **F**

Lease expenses overseas **I**

Rent expenses **H**

Interest expenses within Australia **V**

Interest expenses overseas **J**

Royalty expenses within Australia **W**

Royalty expenses overseas **U**

Depreciation expenses **X**

Motor vehicle expenses **Y**

Repairs and maintenance **Z**

All other expenses **S**

**Total expenses** **Q**

**Operating profit or loss**

Subtract Total expenses **Q** **R**

from Total income **S**

Extraordinary revenue or expenses **N**

**Total profit or loss** **T**   **F**

**7 Reconciliation to taxable income or loss**

Total profit or loss amount shown at label **T**, item 6

Did you have a CGT event during the year? **G**  Print Y for yes or N for no.

Do you need to complete a CGT schedule 2003?

Also print Y for yes at label **G** if the company received a distribution of a capital gain from a trust.

**Add:**

Net capital gain **A**

Non-deductible exempt income expenditure **U**

Franking credits **J**

Other assessable income **B**

Non-deductible expenses **W**

R&D accounting expenditure claimed under R&D tax concession **D**

**Subtotal**

**Less:**

Section 46FA deductions for flow-on dividends **C**

Deduction for decline in value of depreciating assets **F**

Immediate deduction for capital expenditure **E**

Deduction for project pool **H**

Capital works deductions **I**

Section 40-880 deduction **Z**

Development allowance **K**

R&D concession claim (100%, 125% not 50% increment) **L**

R&D incremental concession —additional 50% increment **M**   CODE

Landcare operations and deduction for decline in value of water facility **N**

Deduction for environmental protection expenses **O**

Offshore banking unit adjustment **P**

Exempt income **V**

Other income not included in assessable income **Q**

Other deductible expenses **X**

Tax losses deducted **R**

Tax losses transferred in **S**

**Subtraction items subtotal**

**Add:**

Election to take R&D tax offset **Y**

**Taxable income or loss** **T**   **F**

**COMPANY TAX RETURN, 2002-03 INCOME YEAR**

**8 Financial and other information**

Do the 21 September 1999 prepayment changes apply? **T**  Print Y for yes or N for no.

If you printed Y, complete labels **X** and **Y**.

Initial year 13 month prepaid expenses **X**

Later year 13 month prepaid expenses **Y**

Opening stock **A**

Purchases and other costs **S**

Closing stock **B**  CODE

Trading stock election  Print Y for yes or leave blank.

Trade debtors **C**

All current assets **D**

Total assets **E**

Trade creditors **F**

All current liabilities **G**

Total liabilities **H**

Total debt **J**

Commercial debt forgiveness **K**

Shareholders' funds **R**  **F**

Franked dividends paid **J**

Unfranked dividends paid **K**

Franking account balance **M**

Excess franking rebate **H**

Balance of unfranked non-portfolio dividend account at year end **L**

Loans to shareholders and their associates **N**  CODE

Intangible depreciating assets first deducted **Z**

Other depreciating assets first deducted **A**

Termination value of intangible depreciating assets **P**

Termination value of other depreciating assets **E**

Total salary and wage expenses **D**  CODE

Payments to associated persons **Q**

Net foreign income **R**

Tax spared foreign tax credits **S**

Broad-exemption listed country **B**

Limited-exemption listed country **C**

Unlisted country **U**

Transferor trust **V**

Foreign investment fund income **W**

Foreign life policy **X**

Foreign currency exchange gains or losses of a capital nature **I**

Section 128F exempt interest paid **O**  **F**

Do you need to complete a *Losses schedule 2003*?

Attributed foreign income  
Do you need to complete a *Losses schedule 2003*?

**9 STS depreciating assets**

For completion by STS taxpayers only. STS taxpayers are not required to complete a *Capital allowances schedule 2003*.

Low cost assets (less than \$1,000)  
STS depreciation deduction **A**  **.00**

General pool assets (less than 25 years)  
**B**  **.00**

Long life pool assets (25 years or more)  
**C**  **.00**

**10 Losses information**

Tax losses carried forward to later income years **U**

Net capital losses carried forward to later income years **V**

A *Consolidated groups losses schedule 2003* or *Losses schedule 2003*, as applicable, must also be completed and attached if the sum of labels **U** and **V** is greater than \$100,000. Refer to the applicable schedule instructions for full details of who is required to complete the schedule.

**11 Personal services income**

Does your income include an individual's personal services income? **N**  Print Y for yes or N for no. **F**

If you printed Y at label **N**, complete and attach a *Personal services income schedule 2003*.

**12 Licensed clubs only**

Percentage of non-member income **A**  %

**13 Life insurance companies and friendly societies only**

Virtual PST **B**

Net capital gain —complying super class **C**

Net capital gain —ordinary class **D**

Gross taxable contributions **E**

Fees and charges **F**

Exempt management fees **J**

**COMPANY TAX RETURN, 2002-03 INCOME YEAR**

**14 Pooled development funds**  
 Small and medium sized enterprises income **G**  Unregulated investment income **H**

---

**15 Retirement savings accounts (RSAs) providers only**  
 Total deductions from RSAs **T**   
 Gross income of RSAs **R**  Exempt income from RSAs **S**   
 Gross taxable contributions of RSAs **W**  Net taxable income from RSAs **V**

---

**16 Landcare and water facility tax offset**  
 Water facility tax offset claimed **L**  CODE  
 Landcare and water facility tax offset brought forward from prior years **K**

---

**17 Internet trading** Did you sell any goods or services using the internet? **Q**  Print Y for yes or N for no.

---

**Overseas transactions or interests/Thin capitalisation/Foreign source income**—the following questions must be answered. If you printed Y at item 19 or 20, complete and attach a *Schedule 25A 2003*.

**International related party dealings/Transfer pricing**

**18** Did you have any transactions or dealings with international related parties (irrespective of whether they were on revenue or capital account)? Such transactions or dealings include the transfer of tangible or intangible property and any new or existing financial arrangements. **X**  Print Y for yes or N for no.

**19** Was the aggregate amount of the transactions or dealings with international related parties (including the value of property transferred or the balance outstanding on any loans) greater than \$1 million? **Y**  Print Y for yes or N for no.

**20 Overseas interests**  
 Did you have an overseas branch or a direct or indirect interest in a foreign trust, controlled foreign entity, transferor trust, foreign investment fund or foreign life policy? **Z**  Print Y for yes or N for no.

**21 Thin capitalisation**  
 Did the thin capitalisation provisions apply as outlined in the instructions and the *Guide to thin capitalisation*? If yes, complete the *Thin capitalisation schedule 2003*. **O**  Print Y for yes or N for no.

**22 Foreign source income**  
 Was the amount of foreign tax credits paid or carried forward greater than \$100,000 OR was the amount of assessable foreign income greater than \$500,000? **P**  Print Y for yes or N for no. **F**

---

**Calculation statement**

|   |       |  |   |
|---|-------|--|---|
| Foreign tax credits <b>D</b> \$ <input type="text"/> :                                      | Less: | Taxable or net income <b>A</b> \$ <input type="text"/> .00   | Gross tax <b>B</b> \$ <input type="text"/> :  |
| Franking deficit tax credit offset <b>E</b> \$ <input type="text"/> :                       |       | Rebates/tax offsets <b>C</b> \$ <input type="text"/> :   |   |
| PAYG instalments raised <b>T</b> \$ <input type="text"/> :                                  | Less: | Tax assessed <b>G</b> \$ <input type="text"/> :  | Tax payable <b>S</b> \$ <input type="text"/> :  |
| Credit for interest on early payments—amount of interest <b>V</b> \$ <input type="text"/> : |       | Total of labels <b>D</b> and <b>E</b> <b>G</b> \$ <input type="text"/> :   | Sec102AAM interest <b>H</b> \$ <input type="text"/> :   |
| Credit for tax withheld where ABN not quoted <b>W</b> \$ <input type="text"/> .00           | Add:  | Total of labels <b>T</b> , <b>V</b> , <b>W</b> , <b>Y</b> , <b>U</b> and <b>Z</b> <b>R</b> \$ <input type="text"/> : | Total amount of tax payable (+) or refundable (-) <b>S</b> \$ <input type="text"/> : <b>F</b> |
| Tax withheld from interest/investments <b>Y</b> \$ <input type="text"/> :                   |       |  |   |
| R&D tax offset <b>U</b> \$ <input type="text"/> :   | Less: |  |   |
| Other refundable credits <b>Z</b> \$ <input type="text"/> :                                 |       |  |   |

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**Tax agent's declaration** **I**,  declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.

Agent's signature  Day Month Year  Client's reference

Contact name  Area code  Telephone number  Agent's reference number

---


**Declaration** I declare that the information in this tax return is true and correct.

Public officer signature  Hours taken to prepare and complete this tax return **J**  **F**

Title  Day Month Year

Public officer's name  Daytime contact telephone number  Area code  **F** Telephone number  **F**

**PARTNERSHIP TAX RETURN, 2002-03 INCOME YEAR**

|   |   |  |
|---|---|--|
|    | <h2 style="margin: 0;">Partnership tax return 2003</h2> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <div style="border: 1px solid black; padding: 2px;">Day</div> <div style="border: 1px solid black; padding: 2px;">Month</div> <div style="border: 1px solid black; padding: 2px;">Year</div> <span>to</span> <div style="border: 1px solid black; padding: 2px;">Day</div> <div style="border: 1px solid black; padding: 2px;">Month</div> <div style="border: 1px solid black; padding: 2px;">Year</div> </div> <p style="font-size: small; margin: 5px 0;">or specify period if part year or approved substitute period<br/>Print neatly in <b>BLOCK LETTERS</b> with a black or blue ballpoint pen only.</p> | <p><b>1 July 2002 to<br/>30 June 2003</b></p> <p style="font-size: x-small; margin-top: 5px;">www.ato.gov.au</p>   |
| <p><b>Notes to assist in the preparation of this tax return are provided in the <i>Partnership and trust tax returns 2003 instructions</i> (the instructions) available from the Australian Taxation Office (ATO).</b></p>  | <p>Tax file number (TFN)</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>  | <p>Have you attached any 'other attachments'?</p> <div style="border: 1px solid black; width: 50px; height: 20px;"></div>  |
| <p><b>Name of partnership and Australian business number (ABN)</b></p>  | <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>   |  |
| <p><b>Previous name of partnership</b><br/>If the partnership name has changed, print the previous name <b>exactly</b> as shown on the last tax return lodged.</p>  | <div style="border: 1px solid black; height: 20px; width: 100%;"></div>   |  |
| <p><b>Current postal address</b><br/>If the address has not changed, print it <b>exactly</b> as shown on the last tax return lodged.</p>  | <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="display: flex; justify-content: space-between; font-size: x-small;"> <span>Suburb or town</span> <span>State</span> <span>Postcode</span> </div> <div style="border: 1px solid black; height: 20px; width: 100%; font-size: x-small;">                 Country—if not Australia             </div>  |  |
| <p><b>Postal address on previous tax return</b><br/>If the address has changed, print your previous address <b>exactly</b> as shown on the last tax return lodged.</p>  | <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="display: flex; justify-content: space-between; font-size: x-small;"> <span>Suburb or town</span> <span>State</span> <span>Postcode</span> </div> <div style="border: 1px solid black; height: 20px; width: 100%; font-size: x-small;">                 Country—if not Australia             </div>  |  |
| <p><b>Full name of the partner to whom notices should be sent</b></p> <ul style="list-style-type: none"> <li>• If the partner is an individual, print details here.</li> <li>• If the partner is a company or trust, print details here including ABN.</li> </ul>   | <p style="font-size: x-small;">Title—for example, Mr, Mrs, Ms, Miss</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="display: flex; justify-content: space-between; font-size: x-small;"> <span>Surname or family name</span> <span>Given names</span> </div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p style="font-size: x-small;">Name</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>  |  |
| <p><b>Interposed entity election status</b><br/>If the partners have made or are making one or more interposed entity elections from a day in the 2002-03 income year or an earlier income year, print the appropriate election status code for the partnership. If making one or more elections from a day in the 2002-03 income year, complete and attach the <i>Interposed entity election 2003</i>.</p> | <div style="border: 1px solid black; width: 30px; height: 20px;"></div>   |  |
| <p><b>TFN of former partnership</b><br/>If the partnership arose as a result of a reconstitution</p>  | <div style="border: 1px solid black; width: 100%; height: 20px;"></div>   | <p>Final tax return</p> <div style="border: 1px solid black; width: 50px; height: 20px;"></div>  |
| <p><b>Important:</b> Before making this declaration check to ensure that all income has been disclosed and the tax return is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the ATO. The income tax law imposes heavy penalties for false or misleading statements in tax returns.</p>  |   |  |
| <p><b>Declaration:</b> I declare that the information in this tax return is true and correct.</p>   |   |  |
| <p>Hours taken to prepare and complete this tax return</p> <div style="border: 1px solid black; width: 50px; height: 20px;"></div>  | <p>Signature</p> <div style="border: 1px solid black; width: 150px; height: 20px;"></div>   | <p>Date</p> <div style="display: flex; justify-content: space-between; font-size: x-small;"> <div style="border: 1px solid black; padding: 2px;">Day</div> <div style="border: 1px solid black; padding: 2px;">Month</div> <div style="border: 1px solid black; padding: 2px;">Year</div> </div> |
| This declaration and all attached documents must be signed by a partner.  |   |  |
| <p><b>Tax agent's declaration</b> I,</p>  | <div style="border: 1px solid black; height: 20px; width: 100%;"></div> <p>declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.</p>  |  |
| <p>Agent's signature</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>  | <p>Agent's telephone number</p> <div style="display: flex; justify-content: space-between; font-size: x-small;"> <div style="border: 1px solid black; padding: 2px;">Day</div> <div style="border: 1px solid black; padding: 2px;">Month</div> <div style="border: 1px solid black; padding: 2px;">Year</div> </div>  | <p>Client's reference</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>  |
| <p>Contact name</p> <div style="border: 1px solid black; height: 20px; width: 100%;"></div>   | <p>Area code</p> <div style="border: 1px solid black; width: 50px; height: 20px;"></div> <p>Telephone number</p> <div style="border: 1px solid black; width: 100%; height: 20px;"></div>  | <p>Agent's reference number</p> <div style="border: 1px solid black; width: 100%; height: 20px;"></div>  |
| <p><b>ATO use only</b></p> <p>Indics X</p> <div style="border: 1px solid black; width: 100%; height: 20px;"></div>  |   | <p><b>F</b></p>  |
| <p>NAT 0659—6.2003</p>  | <p>IN-CONFIDENCE—when completed</p>   | <p>PAGE 1</p>  |

**PARTNERSHIP TAX RETURN, 2002-03 INCOME YEAR**

**1 Description of main business activity**  
 \_\_\_\_\_ Industry code **A** \_\_\_\_\_

**2 Status of business**—print X at label **B1**, **B2** or **B3**, whichever is the first applicable option, or leave blank  
 Multiple business **B1**       Ceased business **B2**       Commenced business **B3**   
**Consolidation status**—print X at label **Z2** if applicable  
 Consolidated subsidiary member **Z2**

**3 Simplified tax system (STS) elections**—complete these labels if you are electing to enter the STS, you are continuing in the STS or you are exiting from the STS

|  |  |
|--|--|
| <p><b>Entering or continuing</b>—only complete this column if you are entering or continuing in the STS</p> <p>Are you eligible for the STS? <b>G</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>Are you electing to enter the STS? <b>H</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p><b>OR</b></p> <p>Are you continuing in the STS? <b>R</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>Is your business grouped with another business? <b>I</b> <input type="checkbox"/> Print Y for yes, N for no or leave blank.</p> | <p><b>Exiting</b>—only complete this column if you are exiting from the STS</p> <p>Eligible but choosing to leave? <b>S</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p><b>OR</b></p> <p>No longer eligible? <b>T</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> |
|--|--|

**4 Did you sell any goods or services using the internet?** **Q**  Print Y for yes or N for no. **F**

**Income excluding foreign income**

**5 Business income and expenses**

|  | Primary production                                       | Non-primary production  | Totals   |
|--|--|---|--|
| Gross payments where ABN not quoted <b>C</b>     | _____ .00  | <b>D</b> _____ .00  | _____ .00  |
| Assessable government industry payments <b>E</b> | _____ .00 / <input type="checkbox"/> <small>CODE</small> | <b>F</b> _____ .00 / <input type="checkbox"/> <small>CODE</small> | _____ .00  |
| Other business income <b>G</b>                   | _____ .00 / <input type="checkbox"/> <small>CODE</small> | <b>H</b> _____ .00 / <input type="checkbox"/> <small>CODE</small> | _____ .00 / <input type="checkbox"/> <small>CODE</small> |
| <b>Total business income</b>                     | _____ .00 / <input type="checkbox"/> <small>CODE</small> | _____ .00 / <input type="checkbox"/> <small>CODE</small>          | _____ .00 / <input type="checkbox"/> <small>CODE</small> |

**Expenses**

|  |  |  |   |
|--|--|--|---|
| Contractor, sub-contractor and commission expenses | _____ .00  | _____ .00  | <b>C</b> _____ .00  |
| Superannuation expenses                            | _____ .00  | _____ .00  | <b>D</b> _____ .00  |
| Cost of sales                                      | _____ .00 / <input type="checkbox"/> <small>CODE</small> | _____ .00 / <input type="checkbox"/> <small>CODE</small> | <b>E</b> _____ .00 / <input type="checkbox"/> <small>CODE</small> |
| Bad debts  | _____ .00  | _____ .00  | <b>F</b> _____ .00  |
| Lease expenses                                     | _____ .00  | _____ .00  | <b>G</b> _____ .00  |
| Rent expenses                                      | _____ .00  | _____ .00  | <b>H</b> _____ .00  |
| Total interest expenses                            | _____ .00  | _____ .00  | <b>I</b> _____ .00  |
| Total royalty expenses                             | _____ .00  | _____ .00  | <b>J</b> _____ .00  |
| Depreciation expenses                              | _____ .00  | _____ .00  | <b>K</b> _____ .00  |
| Motor vehicle expenses                             | _____ .00  | _____ .00  | <b>L</b> _____ .00 / <input type="checkbox"/> <small>CODE</small> |
| Repairs and maintenance                            | _____ .00  | _____ .00  | <b>M</b> _____ .00  |
| All other expenses                                 | _____ .00  | _____ .00  | <b>N</b> _____ .00  |
| <b>Total expenses—labels C to N</b>                | _____ .00 / <input type="checkbox"/> <small>CODE</small> | _____ .00 / <input type="checkbox"/> <small>CODE</small> | <b>O</b> _____ .00 / <input type="checkbox"/> <small>CODE</small> |

**Reconciliation items**

|  |   |   |   |
|--|---|---|---|
| <b>Add:</b> Income reconciliation adjustments  | _____ .00 / <input type="checkbox"/> <small>CODE</small>          | _____ .00 / <input type="checkbox"/> <small>CODE</small>          | <b>A</b> _____ .00 / <input type="checkbox"/> <small>CODE</small>   |
| <b>Add:</b> Expense reconciliation adjustments | _____ .00 / <input type="checkbox"/> <small>CODE</small>          | _____ .00 / <input type="checkbox"/> <small>CODE</small>          | <b>B</b> _____ .00 / <input type="checkbox"/> <small>CODE</small>   |
| <b>Net income or loss from business</b>        | <b>Q</b> _____ .00 / <input type="checkbox"/> <small>CODE</small> | <b>R</b> _____ .00 / <input type="checkbox"/> <small>CODE</small> | <b>S</b> / _____ .00 / <input type="checkbox"/> <small>CODE</small> |

PAGE 2

**PARTNERSHIP TAX RETURN, 2002–03 INCOME YEAR**

|          |                                   |          |                                  |  |          |
|----------|-----------------------------------|----------|----------------------------------|--|----------|
| <b>6</b> | Tax withheld where ABN not quoted | <b>T</b> | <input type="text" value=".00"/> |  | <b>F</b> |
|----------|-----------------------------------|----------|----------------------------------|--|----------|

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|          |   |          |                                  |   |                      |
|----------|---|----------|----------------------------------|---|----------------------|
| <b>8</b> | Partnerships and trusts   |          |                                  |   |                      |
|          | Primary production  |          |                                  |   |                      |
|          | Distribution from partnerships                                      | <b>A</b> | <input type="text" value=".00"/> | / | <input type="text"/> |
|          | Distribution from trusts  | <b>Z</b> | <input type="text" value=".00"/> | / | <input type="text"/> |
|          | Deductions relating to distribution in labels <b>A</b> and <b>Z</b> | <b>S</b> | <input type="text" value=".00"/> |   |                      |
|          | Net primary production distribution                                 |          | <input type="text" value=".00"/> | / | <input type="text"/> |
|          | Non-primary production  |          |                                  |   |                      |
|          | Distribution from partnerships, less foreign income                 | <b>B</b> | <input type="text" value=".00"/> | / | <input type="text"/> |
|          | Distribution from trusts, less net capital gain and foreign income  | <b>R</b> | <input type="text" value=".00"/> | / | <input type="text"/> |
|          | Deductions relating to distribution in labels <b>B</b> and <b>R</b> | <b>T</b> | <input type="text" value=".00"/> |   |                      |
|          | Net non-primary production distribution                             |          | <input type="text" value=".00"/> | / | <input type="text"/> |

Distributions of foreign income must be included at item 19 or 20.

|  |  |          |                                  |  |  |
|--|--|----------|----------------------------------|--|--|
|  | Share of credits from income   |          |                                  |  |  |
|  | Share of credit for tax withheld where ABN not quoted                | <b>C</b> | <input type="text" value=".00"/> |  |  |
|  | Share of imputation credit from franked dividends                    | <b>D</b> | <input type="text"/>             |  |  |
|  | Share of credit for TFN amounts withheld from interest and dividends | <b>E</b> | <input type="text"/>             |  |  |

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|          |      |  |                          |          |                                  |
|----------|------|--|--------------------------|----------|----------------------------------|
| <b>9</b> | Rent |  | Gross rent               | <b>F</b> | <input type="text" value=".00"/> |
|          |      |  | Interest deductions      | <b>G</b> | <input type="text" value=".00"/> |
|          |      |  | Capital works deductions | <b>X</b> | <input type="text" value=".00"/> |
|          |      |  | Other rental deductions  | <b>H</b> | <input type="text" value=".00"/> |
|          |      |  | Net rent                 |          | <input type="text" value=".00"/> |

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|           |  |          |                                  |  |
|-----------|--|----------|----------------------------------|--|
| <b>10</b> | Gross interest—including Commonwealth government loan interest | <b>J</b> | <input type="text" value=".00"/> |  |
|           | TFN amounts withheld from gross interest                       | <b>I</b> | <input type="text"/>             |  |

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|           |                                     |          |                      |          |                                  |
|-----------|-------------------------------------|----------|----------------------|----------|----------------------------------|
| <b>11</b> | Dividends                           |          | Unfranked amount     | <b>K</b> | <input type="text" value=".00"/> |
|           |                                     |          | Franked amount       | <b>L</b> | <input type="text" value=".00"/> |
|           |                                     |          | Imputation credit    | <b>M</b> | <input type="text" value=".00"/> |
|           | TFN amounts withheld from dividends | <b>N</b> | <input type="text"/> |          |                                  |

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|           |                                      |                      |  |          |                                  |
|-----------|--------------------------------------|----------------------|--|----------|----------------------------------|
| <b>12</b> | Other Australian income—give details |                      |  |          |                                  |
|           | Type of income                       | <input type="text"/> |  | <b>O</b> | <input type="text" value=".00"/> |

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|           |                        |  |               |                                  |  |
|-----------|------------------------|--|---------------|----------------------------------|--|
| <b>13</b> | Total of items 5 to 12 |  | Add the boxes | <input type="text" value=".00"/> |  |
|-----------|------------------------|--|---------------|----------------------------------|--|

**PARTNERSHIP TAX RETURN, 2002-03 INCOME YEAR**

**Deductions**

**14 Deductions relating to Australian investment income** **P**

**15 Other deductions**—show only deductions not claimable at any other item

| Name of each item of deduction | Amount                           | <b>Q</b> <input type="text" value=".00"/> |
|--------------------------------|----------------------------------|---|
| <input type="text"/>           | <input type="text" value=".00"/> |   |
| <input type="text"/>           | <input type="text" value=".00"/> |   |

**16 Total of items 14 and 15**

**17 Net Australian income or loss** Subtract item 16 from item 13. **\$**  /  **F**

**Foreign income**

**19 Attributed foreign income**

Did you have either a direct or indirect interest in a foreign trust, controlled foreign company, or transferor trust?

**S**  Print Y for yes or N for no.

Broad-exemption listed country **M**

Limited-exemption listed country **U**

Unlisted country **X**

Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)?

**T**  Print Y for yes or N for no.

FIF/FLP income **Y**

If you printed Y at label **S** or **T**, complete and attach a *Schedule 25A 2003*.

**20 Other assessable foreign source income**—other than income shown at item 19

Gross **B**  Net **V**   
 Foreign tax credits **Z**

**21 Total net income or loss** Total of items 17 to 20—add the  boxes  /

**Overseas transactions**

**26 Overseas transactions**

Was the aggregate amount of your transactions or dealings with international related parties (including the value of any property/service transferred or the balance of any loans) greater than \$1 million?

**W**  Print Y for yes or N for no.

If you printed Y at label **W**, complete and attach a *Schedule 25A 2003*.



**PARTNERSHIP TAX RETURN, 2002-03 INCOME YEAR**

**27 Personal services income**

If you printed Y at label **N**, complete and attach a *Personal services income schedule 2003*.

Does your income include an individual's personal services income? **N**  Print Y for yes or N for no.

**F**

**Key financial information**

28 All current assets **F**  .00

31 Total liabilities **J**  .00

29 Total assets **G**  .00

32 Proprietors' funds **K**  .00 /

30 All current liabilities **I**  .00

**Business and professional items**

The following information must be filled in for all partnerships carrying on a business.

**33 Business name of main business**

**34 Business address of main business**

|                |       |                   |
|----------------|-------|-------------------|
|                |       |                   |
|                |       |                   |
| Suburb or town | State | Postcode <b>A</b> |

35 Opening stock **C**  .00

45 Termination value of other depreciating assets **W**  .00

36 Purchases and other costs **B**  .00

46 Deduction for project pool **P**  .00

37 Closing stock **D**  .00 /  CODE

47 Section 40-880 deduction **X**  .00

38 Trade debtors **E**  .00

48 Fringe benefit employee contributions **T**  .00

39 Trade creditors **H**  .00

49 Interest expenses overseas **Q**  .00

40 Total salary and wage expenses **L**  .00 /  CODE

50 Royalty expenses overseas **R**  .00

41 Payments to associated persons **M**  .00

52 Deduction for environmental protection expenses **V**  .00

42 Intangible depreciating assets first deducted **N**  .00

53 Trading stock election  Print Y for yes or leave blank. **F**

43 Other depreciating assets first deducted **U**  .00

44 Termination value of intangible depreciating assets **O**  .00

For completion by STS taxpayers only. STS taxpayers are not required to complete a *Capital allowances schedule 2003*.

**54 STS depreciating assets**

Low cost assets (less than \$1,000)

General pool assets (less than 25 years)

Long life pool assets (25 years or more)

STS depreciation deduction **A**  .00

**B**  .00

**C**  .00

**55 13 month prepaid expenses**

Initial year 13 month prepaid expenses **X**  .00

Do the 21 September 1999 prepayment changes apply? **T**  Print Y for yes or N for no.

If you printed Y at label **T**, complete labels **X** and **Y**.

Later year 13 month prepaid expenses **Y**  .00 **F**

**PARTNERSHIP TAX RETURN, 2002-03 INCOME YEAR**


**57 Statement of distribution of net Australian income or loss as shown at item 17**

| 1<br>Name in full of each partner and TFN or postal address.<br>If the partner is a trustee, including a trustee company,<br>show the name of the trust not the name of the trustee. | 2<br>Share of income        |                                 | 3<br>Credit for tax<br>withheld where<br>ABN not quoted<br>\$ | 4<br>Imputation credit<br>\$ | 5<br>TFN amounts withheld<br>\$ |   |
|--|-----------------------------|---------------------------------|---|------------------------------|---------------------------------|---|
|  | Primary<br>production<br>\$ | Non-primary<br>production<br>\$ |   |                              |                                 |   |
| TFN  | A                           | B                               | C   | D                            | E                               |   |
| TFN  | A                           | B                               | C   | D                            | E                               |   |
| TFN  | A                           | B                               | C   | D                            | E                               |   |
| TFN  | A                           | B                               | C   | D                            | E                               |   |
| TFN  | A                           | B                               | C   | D                            | E                               |   |
| +  |                             |                                 |   |                              |                                 |   |
| <b>Totals of each column</b>   |                             | A                               | B   | C                            | D                               | E |
| <b>F</b>   |                             |                                 |   |                              |                                 |   |

PAGE 6

**Important**  
If any partner 18 years of age or more at 30 June 2003 does not have real and effective control over their share of income, print their name(s).

**TRUST TAX RETURN, 2002-03 INCOME YEAR**



**Australian Taxation Office**

# Trust tax return 2003

Day Month Year to Day Month Year

or specify period if part year or approved substitute period  
**Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only.**

**1 July 2002 to 30 June 2003**

www.ato.gov.au

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Notes to assist in the preparation of this tax return are provided in the *Partnership and trust tax returns 2003 instructions* (the instructions) available from the Australian Taxation Office (ATO).

Tax file number (TFN)  Have you attached any 'other attachments'?

**Name of trust and Australian business number (ABN)**

**Previous name of trust**  
 If the trust name has changed, print the previous name exactly as shown on the last notice of assessment or the last tax return lodged.

**Current postal address**  
 If the address has not changed, print it exactly as shown on the last notice of assessment or the last tax return lodged.  
 Suburb or town State Postcode  
 Country—If not Australia

**Postal address on previous tax return**  
 If the address has changed, print your previous address exactly as shown on the last notice of assessment or the last tax return lodged.  
 Suburb or town State Postcode  
 Country—If not Australia

**Full name of the trustee to whom notices should be sent**

- If the trustee is an individual, print details here.
- If the trustee is a company, print details here including ABN.

Title—for example, Mr, Mrs, Ms, Miss   
 Surname or family name Given names  
 Name   
 ABN

**Daytime contact telephone number** Area code  Telephone number

**Family trust/Interposed entity election status**  
 If the trustee(s) has/have made or is/are making or revoking a family trust election and/or made or is/are making one or more interposed entity elections for the 2002-03 income year or an earlier income year, print the appropriate election status code for the trust. If making one or more elections or revoking a family trust election for the 2002-03 income year, complete and attach the *Family trust election and/or family trust revocation 2003* and/or the *Interposed entity election 2003*.

**Type of trust** Print the code representing the type of trust.  Print X if also an item 1.5 charitable trust in section 50-5 of ITAA 1997.  If code D, write the date of death. Day Month Year

**Is any tax payable by the trustee?**  Print Y for yes or N for no. **Final tax return**

**Electronic funds transfer (EFT)**—Do you want to use EFT for your refund this year?  Print Y for yes or N for no.  
 If you printed Y, complete the account details. Do not provide details if they are the same as last year.  
 BSB number  Account number   
 Account name

**Important:** Before making this declaration check to ensure that all income has been disclosed and the tax return is true and correct in every detail. If you are in doubt about any aspect of the tax return, place all the facts before the ATO. The income tax law imposes heavy penalties for false or misleading statements in tax returns. **This declaration and all attached documents must be signed by a trustee or public officer.**

**Declaration:** I declare that the information in this tax return is true and correct.

Hours taken to prepare and complete this tax return  Signature  Date Day Month Year

**Tax agent's declaration** I declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.

Agent's signature  Client's reference   
 Contact name Agent's telephone number Agent's reference number ATO use only  
   Indics X

NAT 0660—6.2003 IN-CONFIDENCE—when completed PAGE 1

**TRUST TAX RETURN, 2002-03 INCOME YEAR**

**1 Description of main business activity**

Industry code **A**

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**2 Status of business**—print X at label **B1**, **B2** or **B3**, whichever is the first applicable option, or leave blank

Multiple business **B1**       Ceased business **B2**       Commenced business **B3**

Consolidation status—print X at label **Z2** if applicable

Consolidated subsidiary member **Z2**

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**3 Simplified tax system (STS) elections**—complete these labels if you are electing to enter the STS, you are continuing in the STS or you are exiting from the STS

|   |   |
|---|---|
| <p><b>Entering or continuing</b>—only complete this column if you are entering or continuing in the STS</p> <p>Are you eligible for the STS? <b>G</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>Are you electing to enter the STS? <b>H</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>OR</p> <p>Are you continuing in the STS? <b>R</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>Is your business grouped with another business? <b>I</b> <input type="checkbox"/> Print Y for yes, N for no or leave blank.</p> | <p><b>Exiting</b>—only complete this column if you are exiting from the STS</p> <p>Eligible but choosing to leave? <b>S</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> <p>OR</p> <p>No longer eligible? <b>T</b> <input type="checkbox"/> Print Y for yes or leave blank.</p> |
|---|---|

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**4 Did you sell any goods or services using the internet?** **Q**  Print Y for yes or N for no. **F**

**Income excluding foreign income**

**5 Business income and expenses**

|  | Primary production                                   | Non-primary production  | Totals   |
|--|--|---|--|
| Gross payments where ABN not quoted <b>C</b>     | <input type="text"/> .00                             | <b>D</b> <input type="text"/> .00                             | <input type="text"/> .00                                 |
| Assessable government industry payments <b>E</b> | <input type="text"/> .00 / <input type="text"/> CODE | <b>F</b> <input type="text"/> .00 / <input type="text"/> CODE | <input type="text"/> .00                                 |
| Other business income <b>G</b>                   | <input type="text"/> .00 / <input type="text"/>      | <b>H</b> <input type="text"/> .00 / <input type="text"/>      | <input type="text"/> .00 / <input type="text"/> <b>F</b> |
| <b>Total business income</b>                     | <input type="text"/> .00 / <input type="text"/>      | <input type="text"/> .00 / <input type="text"/>               | <input type="text"/> .00 / <input type="text"/>          |

**Expenses**

|  |   |   |  |
|--|---|---|--|
| Contractor, sub-contractor and commission expenses | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>C</b> <input type="text"/> .00                        |
| Superannuation expenses                            | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>D</b> <input type="text"/> .00                        |
| Cost of sales                                      | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | <b>E</b> <input type="text"/> .00 / <input type="text"/> |
| Bad debts  | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>F</b> <input type="text"/> .00                        |
| Lease expenses                                     | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>G</b> <input type="text"/> .00                        |
| Rent expenses                                      | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>H</b> <input type="text"/> .00                        |
| Total interest expenses                            | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>I</b> <input type="text"/> .00                        |
| Total royalty expenses                             | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>J</b> <input type="text"/> .00                        |
| Depreciation expenses                              | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>K</b> <input type="text"/> .00                        |
| Motor vehicle expenses                             | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>L</b> <input type="text"/> .00                        |
| Repairs and maintenance                            | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>M</b> <input type="text"/> .00                        |
| All other expenses                                 | <input type="text"/> .00                        | <input type="text"/> .00                        | <b>N</b> <input type="text"/> .00                        |
| <b>Total expenses—labels C to N</b>                | <input type="text"/> .00 / <input type="text"/> | <input type="text"/> .00 / <input type="text"/> | <b>O</b> <input type="text"/> .00 / <input type="text"/> |

**Reconciliation items**

|  |  |  |  |
|--|--|--|--|
| <b>Add:</b> Income reconciliation adjustments  | <input type="text"/> .00 / <input type="text"/>          | <input type="text"/> .00 / <input type="text"/>          | <b>A</b> <input type="text"/> .00 / <input type="text"/> |
| <b>Add:</b> Expense reconciliation adjustments | <input type="text"/> .00 / <input type="text"/>          | <input type="text"/> .00 / <input type="text"/>          | <b>B</b> <input type="text"/> .00 / <input type="text"/> |
| <b>Net income or loss from business</b>        | <b>Q</b> <input type="text"/> .00 / <input type="text"/> | <b>R</b> <input type="text"/> .00 / <input type="text"/> | <b>S</b> <input type="text"/> .00 / <input type="text"/> |

PAGE 2

**TRUST TAX RETURN, 2002–03 INCOME YEAR**

|  |  |  |                                  |                          |
|--|--|--|----------------------------------|--------------------------|
| <b>6</b>   | Tax withheld where ABN not quoted                                      | <b>T</b>                               | <input type="text" value=".00"/> |                          |
| <b>7</b>   | Credit for interest on early payments—amount of interest               | <b>W</b>                               | <input type="text"/>             | <b>F</b>                 |
| <b>8 Partnerships and trusts</b>   |  |  |                                  |                          |
| <b>Primary production</b>  |  |  |                                  |                          |
|  | Distribution from partnerships   | <b>A</b>                               | <input type="text" value=".00"/> | <input type="checkbox"/> |
|  | Distribution from trusts   | <b>Z</b>                               | <input type="text" value=".00"/> | <input type="checkbox"/> |
|  | Deductions relating to distribution in labels <b>A</b> and <b>Z</b>    | <b>S</b>                               | <input type="text" value=".00"/> |                          |
|  | Net primary production distribution                                    |  | <input type="text" value=".00"/> | <input type="checkbox"/> |
| <b>Non-primary production</b>  |  |  |                                  |                          |
|  | Distribution from partnerships, less foreign income                    | <b>B</b>                               | <input type="text" value=".00"/> | <input type="checkbox"/> |
|  | Distribution from trusts, less net capital gain and foreign income     | <b>R</b>                               | <input type="text" value=".00"/> | <input type="checkbox"/> |
|  | Deductions relating to distribution in labels <b>B</b> and <b>R</b>    | <b>T</b>                               | <input type="text" value=".00"/> |                          |
|  | Net non-primary production distribution                                |  | <input type="text" value=".00"/> | <input type="checkbox"/> |
| Distributions of net capital gains (including net foreign capital gains) must be included at item 18. Distributions of foreign income must be included at item 19 or 20. |  |  |                                  |                          |
| <b>Share of credits from income</b>  |  |  |                                  |                          |
|  | Share of credit for tax withheld where ABN not quoted                  | <b>C</b>                               | <input type="text" value=".00"/> |                          |
|  | Share of imputation credit from franked dividends                      | <b>D</b>                               | <input type="text"/>             |                          |
|  | Share of credit for TFN amounts withheld from interest and dividends   | <b>E</b>                               | <input type="text"/>             |                          |
| <b>9</b>   | <b>Rent</b>  |  |                                  |                          |
|  | Gross rent   | <b>F</b>                               | <input type="text" value=".00"/> |                          |
|  | Interest deductions  | <b>G</b>                               | <input type="text" value=".00"/> |                          |
|  | Capital works deductions   | <b>X</b>                               | <input type="text" value=".00"/> |                          |
|  | Other rental deductions  | <b>H</b>                               | <input type="text" value=".00"/> |                          |
|  | Net rent   |  | <input type="text" value=".00"/> | <input type="checkbox"/> |
| <b>10</b>  | <b>Gross interest</b> —including Commonwealth government loan interest | <b>J</b>                               | <input type="text" value=".00"/> |                          |
|  | TFN amounts withheld from gross interest                               | <b>I</b>                               | <input type="text"/>             |                          |
| <b>11</b>  | <b>Dividends</b>   |  |                                  |                          |
|  | Unfranked amount   | <b>K</b>                               | <input type="text" value=".00"/> |                          |
|  | Franked amount   | <b>L</b>                               | <input type="text" value=".00"/> |                          |
|  | Imputation credit  | <b>M</b>                               | <input type="text" value=".00"/> |                          |
|  | TFN amounts withheld from dividends                                    | <b>N</b>                               | <input type="text"/>             |                          |
| <b>12</b>  | <b>Other Australian income</b> —give details                           |  |                                  |                          |
|  | Type of income   | Excepted net income                    | <input type="text" value=".00"/> |                          |
|  | <input type="text"/>   |  | <input type="text" value=".00"/> | <input type="checkbox"/> |
| <b>13</b>  | <b>Total of items 5 to 12</b>  | Add the <input type="checkbox"/> boxes | <input type="text" value=".00"/> | <input type="checkbox"/> |

**TRUST TAX RETURN, 2002-03 INCOME YEAR**

**Deductions**

**14 Deductions relating to Australian investment income** **P**

**15 Other deductions**—show only deductions not claimable at any other item

| Name of each item of deduction | Amount                           |   |
|--------------------------------|----------------------------------|---|
| <input type="text"/>           | <input type="text" value=".00"/> | <b>Q</b> <input type="text" value=".00"/> |
| <input type="text"/>           | <input type="text" value=".00"/> |   |

**16 Total of items 14 and 15**

**17 Net Australian income or loss**—other than capital gains Subtract item 16 from item 13. **\$**  /

**18 Capital gains**

Do you need to complete a *CGT schedule 2003*?

Did you have a CGT event during the year? **G**  Print Y for yes or N for no.

Net capital gain **A**

Also print Y at label **G** if the trust received a distribution of a capital gain from a trust.

**Foreign income**

**19 Attributed foreign income**

Did you have either a direct or indirect interest in a foreign trust, controlled foreign company or transferor trust? **S**  Print Y for yes or N for no.

Broad-exemption listed country **M**

Limited-exemption listed country **U**

Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)? **T**  Print Y for yes or N for no.

Unlisted country **X**

If you printed Y at label **S** or **T**, complete and attach a *Schedule 25A 2003*. Do you need to complete a *Losses schedule 2003*?

FIF/FLP income **Y**

**20 Other assessable foreign source income**—other than income shown at item 19

Do you need to complete a *Losses schedule 2003*?

Gross **B**  Net **V**

Foreign tax credits **Z**

**21 Total of items 17 to 20** Add the  boxes  /

**22 Tax losses deducted** **C**

**23 Total net income or loss** Subtract item 22 from item 21.  /

**24 Losses information**

Tax losses carried forward to later income years **U**

Net capital losses carried forward to later income years **V**

A *Losses schedule 2003* must also be completed and attached if the sum of labels **U** and **V** is greater than \$100,000 or if the trust has a foreign loss or if the trust is a listed widely held trust and failed the majority ownership test for a loss.

**25 Landcare and water facility tax offset**

Water facility tax offset claimed **F**  CODE

Landcare and water facility tax offset brought forward from prior years **G**

**Overseas transactions**

**26 Overseas transactions**

Was the aggregate amount of your transactions or dealings with international related parties (including the value of any property/service transferred or the balance of any loans) greater than \$1 million? **W**  Print Y for yes or N for no.

If you printed Y at label **W**, complete and attach a *Schedule 25A 2003*.

Was any beneficiary who was not a resident of Australia at any time during the income year, 'presently entitled' to a share of the income of the trust? **A**  Print Y for yes or N for no.

If you printed Y at label **A**, attach the information requested in the instructions.

Amount of tax spared foreign tax credits **Q**

**TRUST TAX RETURN, 2002-03 INCOME YEAR**

**27 Personal services income**

If you printed **Y** at label **N**, complete and attach a *Personal services income schedule 2003*.

Does your income include an individual's personal services income? **N**  Print **Y** for yes or **N** for no. **F**

**Key financial information**

28 All current assets **F**  .00  
 29 Total assets **G**  .00  
 30 All current liabilities **I**  .00  
 31 Total liabilities **J**  .00  
 32 Proprietors' funds **K**  .00 /

**Business and professional items**

The following information must be filled in for all trusts carrying on a business.

33 Business name of main business

34 Business address of main business   
  
  
 Suburb or town State Postcode **A**

35 Opening stock **C**  .00  
 36 Purchases and other costs **B**  .00  
 37 Closing stock **D**  .00 /  CODE  
 38 Trade debtors **E**  .00  
 39 Trade creditors **H**  .00  
 40 Total salary and wage expenses **L**  .00 /  CODE  
 41 Payments to associated persons **M**  .00  
 42 Intangible depreciating assets first deducted **N**  .00  
 43 Other depreciating assets first deducted **U**  .00  
 44 Termination value of intangible depreciating assets **O**  .00  
 45 Termination value of other depreciating assets **W**  .00  
 46 Deduction for project pool **P**  .00  
 47 Section 40-880 deduction **X**  .00  
 48 Fringe benefit employee contributions **T**  .00  
 49 Interest expenses overseas **Q**  .00  
 50 Royalty expenses overseas **R**  .00  
 51 Landcare operations and deduction for decline in value of water facility **S**  .00  
 52 Deduction for environmental protection expenses **V**  .00  
 53 Trading stock election  Print **Y** for yes or leave blank. **F**

For completion by STS taxpayers only. STS taxpayers are not required to complete a *Capital allowances schedule 2003*.

54 STS depreciating assets  
 Low cost assets (less than \$1,000) General pool assets (less than 25 years) Long life pool assets (25 years or more)  
 STS depreciation deduction **A**  .00 **B**  .00 **C**  .00

55 13 month prepaid expenses  
 Do the 21 September 1999 prepayment changes apply? **T**  Print **Y** for yes or **N** for no.  If you printed **Y** at label **T**, complete labels **X** and **Y**.  
 Initial year 13 month prepaid expenses **X**  .00  
 Later year 13 month prepaid expenses **Y**  .00 **F**

56 Medicare levy reduction or exemption  
 Spouse's 2002-03 taxable income—if nil show '0' **A**  .00  
 Number of dependent children and students **B**   
 Full 1.5% levy exemption—number of days **C**  /  CODE  
 Half 1.5% levy exemption—number of days **D**  **F**

**Medicare levy surcharge and 30% private health insurance tax offset**  
 If the trust is liable for the Medicare levy surcharge or entitled to the 30% private health insurance tax offset, refer to the instructions.

**TRUST TAX RETURN, 2002-03 INCOME YEAR**

PAGE 6

**Note:** It is not an offence not to quote a TFN. However, TFNs help the ATO to correctly identify each beneficiary's tax records. The ATO is authorised by the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997* to ask for information in this tax return. We need this information to help administer the tax laws.

**57 Statement of distribution**  
 For closely held trusts: Is a beneficiary named at item 57 a trustee beneficiary?  Print Y for yes or N for no.  **W** If yes, refer to the instructions to find out whether an *Ultimate beneficiary schedule* needs to be lodged. Non-resident beneficiary additional information

| 1<br>Name in full of each beneficiary and TFN or postal address | 2<br>Birth date | 3<br>Assessment calculation code | 4<br>Share of income |                        | 5<br>Credit for tax withheld where ABN not quoted | 6<br>Imputation credit | 7<br>TFN amount withheld | 8<br>Net capital gain | 9<br>Attributed foreign income | 10<br>Other assessable foreign source income | 11<br>Foreign tax credits | 12<br>s98(3) assessable amount | 13<br>s98(4) assessable amount |
|---|-----------------|----------------------------------|----------------------|------------------------|---|------------------------|--------------------------|-----------------------|--------------------------------|--|---------------------------|--------------------------------|--------------------------------|
|   |                 |                                  | Primary production   | Non-primary production |   |                        |                          |                       |                                |  |                           |                                |                                |
|   |                 | V                                | A                    | B                      | C   | D                      | E                        | F                     | G                              | H  | I                         | J                              | K                              |
|   |                 | V                                | A                    | B                      | C   | D                      | E                        | F                     | G                              | H  | I                         | J                              | K                              |
|   |                 | V                                | A                    | B                      | C   | D                      | E                        | F                     | G                              | H  | I                         | J                              | K                              |
| <b>Totals of each column</b>                                    |                 |                                  |                      |                        |   |                        |                          |                       |                                |  |                           |                                |                                |

Income to which no beneficiary is presently entitled and in which no beneficiary has an indefeasible vested interest, and the trustee's share of credit for tax deducted


**Items 58 and 59 must be answered for all trusts**—if you answer yes to any of these questions, print **Yes** in the 'other attachments' box on page 1 of this tax return.

**58 Beneficiary under legal disability who is presently entitled to income from another trust**  
 Was any beneficiary in this trust, who was under a legal disability on 30 June 2003, also presently entitled to a share of the income of another trust?  Print Y for yes or N for no.  **F**

**59 Non-resident trust**  
 Is the trust a non-resident trust?  Print Y for yes or N for no.  **F**  
 If yes, state the amount of income derived outside Australia to which no beneficiary is presently entitled. Insert NIL, if applicable. \$



**FUND TAX RETURN, 2002–03 INCOME YEAR**

|  |  |   |
|--|--|---|
|   | <h2 style="margin: 0;">Fund income tax and regulatory return 2003</h2> <div style="display: flex; justify-content: center; align-items: center; gap: 10px;"> <div style="border: 1px solid black; padding: 2px;">Day</div> <div style="border: 1px solid black; padding: 2px;">Month</div> <div style="border: 1px solid black; padding: 2px;">Year</div> <span>to</span> <div style="border: 1px solid black; padding: 2px;">Day</div> <div style="border: 1px solid black; padding: 2px;">Month</div> <div style="border: 1px solid black; padding: 2px;">Year</div> </div> <p style="font-size: small; margin: 0;">or specify period if part year or approved substitute period</p> <p style="font-weight: bold; margin: 0;">Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only.</p> | <p style="font-weight: bold; margin: 0;">1 July 2002 to<br/>30 June 2003</p> <p style="font-size: small; margin: 0;">www.ato.gov.au</p> |
| Notes to assist in the preparation of this return are provided in the <i>Fund income tax and regulatory return 2003 instructions</i> (the instructions) available from the Australian Taxation Office (ATO). |  |   |
| <b>Tax file number (TFN)</b>   |  |   |
| <b>Name of fund or trust</b>   |  |   |
| <b>Australian business number (ABN)</b>  |  |   |
| <b>Previous name of fund or trust</b><br>If the fund or trust name has changed, print it <b>exactly</b> as shown on the last notice of assessment or the last return lodged.                                 |  |   |
| <b>Current postal address</b><br>If the address has not changed, print it <b>exactly</b> as shown on the last notice of assessment or the last return lodged.  | Suburb or town _____ State _____ Postcode _____  |   |
| <b>Postal address on previous return</b><br>If the address has changed, print it <b>exactly</b> as shown on the last notice of assessment or the last return lodged.   | Suburb or town _____ State _____ Postcode _____  |   |
| <b>Email address</b><br>If applicable  |  |   |
| <b>Name of trustee</b><br>If the trustee is a company, print details here including ABN.   |  |   |
| ABN  |  |   |
| If the trustee is an individual, print details here.   |  |   |
| Title  |  |   |
| Family name  |  |   |
| First given name   |  |   |
| Other given names  |  |   |
| <b>Hours taken to prepare and complete this return</b> <b>J</b>  |  | <b>Business postcode</b>  |
| <b>Was the fund or trust wound up during the year?</b> <b>K</b>  |  | Print Y for yes or N for no.  |
| <b>Date wound up</b> <b>L</b>  | Day _____ Month _____ Year _____   |   |
| NAT 0658—6.2003  | IN-CONFIDENCE—when completed   | PAGE 1  |

**FUND TAX RETURN, 2002–03 INCOME YEAR**

**1 Superannuation fund number** **A**

**2 Date of establishment of fund or trust** **B**  Day  Month  Year

**3 Status of fund or trust**—print X in the applicable boxes.

Resident **C1**  Superannuation fund **D1**   
 Non-resident **C2**  Approved deposit fund **D2**   
 Pooled superannuation fund trust **D3**  Membership industry classification **E1**

**4 Type of fund or trust**—print X in the applicable box.

Self-managed superannuation fund (ATO regulated) **H1**  Public offer or retail **H3**  Employer sponsored or corporate **H5**  Non-regulated **H7**   
 Small APRA fund **H2**  Industry or award **H4**  Public sector fund **H6**  Other **H8**  **F**

**5 Family trust/Interposed entity election status**

If the trust or fund has made or is making a family trust election and/or made or is making one or more interposed entity elections for the 2002–03 income year or an earlier income year, print the appropriate **election status code** for the fund or trust in the boxes at the right of label **I**. If making one or more elections or revoking a family trust election for the 2002–03 income year, complete and attach the *Family trust election and/or family trust revocation 2003* and/or the *Interposed entity election 2003*.

**I**  **F**

**6 Is the fund or trust complying in accordance with section 45, 47 or 48 of the Superannuation Industry (Supervision) Act 1993?**

**F**  Print Y for yes or N for no. **F**

**Income tax calculation and information statement**

**8 Calculation statement**

Taxable income **A**  **00**  
 Foreign tax credits **D**  **.**  
 Gross tax **B**  **.**  
 Rebates/Tax offsets **C**  **.**  
**Less:** Total of labels **D** and **C** **G**  **.**  
 Tax payable  **.**

**Add:** Section 102AAM interest charge **H**  **.**

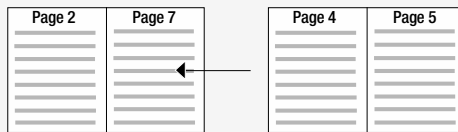
Credit for interest on early payments—amount of interest **V**  **.**  
 Credit for tax withheld where ABN/TFN not quoted **M**  **.**  
 Refundable imputation credits **Q**  **.**  
**Less:** Total of labels **V**, **M** and **Q** **R**  **.**  
 Subtotal  **.**  
**Less:** PAYG instalments raised **T**  **.**  
**Total amount of tax payable (+) or refundable (-)** **S**  **.** **F**

**FUND TAX RETURN, 2002–03 INCOME YEAR**

**Fund income tax and regulatory return 2003**

Tax file number

Notes: 1 Ensure that pages 3 to 6 are completed and inserted.  
 2 To help the ATO to collate and maintain your information, please complete the Tax file number blocks on page 1 and above.



**Information statement—to be completed by all entities**

**9a Income**

Did you have a CGT event during the year? **G**  Print Y for yes or N for no.

Do you need to complete a CGT schedule 2003?

Also print Y at label **G**, if the fund received a distribution of a capital gain from a trust.

Net capital gain **A**  ·00

Gross rent and other leasing and hiring income **B**  ·00

Gross interest **C**  ·00

Unfranked amount **D**  ·00

Franked amount **J**  ·00

Imputation credit **K**  ·00

Gross foreign income **I**  ·00

Do you need to complete a Losses schedule 2003?

Net foreign income **E**  ·00

Gross taxable employer contributions **F**  ·00

Gross taxable employee or depositor contributions **M**  ·00

Net private company dividends and other excessive non-arm's length income **H**  ·00

Sections 288A and 288B net previous income **W**  ·00

Gross distribution from partnerships **V**  ·00 /

Gross payments where ABN not quoted **L**  ·00

Gross distribution from trusts **X**  ·00 /  CODE

Other income **R**  ·00

Total of above labels excluding label **I** **S**  ·00 /  F

**FUND TAX RETURN, 2002-03 INCOME YEAR**

**Information statement—to be completed by all entities**

**9b Deductions**

|   |          |                               |     |
|---|----------|-------------------------------|-----|
| Interest expenses within Australia                    | <b>A</b> | <input type="text" value=""/> | ·00 |
| Interest expenses overseas                            | <b>B</b> | <input type="text" value=""/> | ·00 |
| Total salary and wage expenses                        | <b>C</b> | <input type="text" value=""/> | ·00 |
| Capital works deductions                              | <b>Q</b> | <input type="text" value=""/> | ·00 |
| Deduction for decline in value of depreciating assets | <b>W</b> | <input type="text" value=""/> | ·00 |
| Group life and disability premiums                    | <b>J</b> | <input type="text" value=""/> | ·00 |
| Management/administration expenses                    | <b>K</b> | <input type="text" value=""/> | ·00 |
| Investment expenses                                   | <b>L</b> | <input type="text" value=""/> | ·00 |
| Other deductions                                      | <b>D</b> | <input type="text" value=""/> | ·00 |
| Transfer of taxable contributions                     | <b>E</b> | <input type="text" value=""/> | ·00 |
| Tax losses deducted                                   | <b>F</b> | <input type="text" value=""/> | ·00 |
| Exempt current pension income                         | <b>G</b> | <input type="text" value=""/> | ·00 |
| Exempt section 290A income                            | <b>H</b> | <input type="text" value=""/> | ·00 |
| <b>Taxable income or loss</b>                         | <b>T</b> | <input type="text" value=""/> | ·00 |

Add labels **A** to **H** above and deduct total from **S** on page 3.

**10 Losses information**

If the total of labels **U** + **V** is greater than \$100,000 complete and attach a *Losses schedule 2003*.

A *Losses schedule 2003* must also be completed and attached if the fund has a foreign loss. Refer to the instructions.

|  |          |                               |     |
|--|----------|-------------------------------|-----|
| Tax losses carried forward to later income years         | <b>U</b> | <input type="text" value=""/> | ·00 |
| Net capital losses carried forward to later income years | <b>V</b> | <input type="text" value=""/> | ·00 |

**11 Other information**

|   |          |                               |     |
|---|----------|-------------------------------|-----|
| Intangible depreciating assets first deducted       | <b>A</b> | <input type="text" value=""/> | ·00 |
| Other depreciating assets first deducted            | <b>U</b> | <input type="text" value=""/> | ·00 |
| Termination value of intangible depreciating assets | <b>B</b> | <input type="text" value=""/> | ·00 |
| Termination value of other depreciating assets      | <b>W</b> | <input type="text" value=""/> | ·00 |
| Total investments                                   | <b>Q</b> | <input type="text" value=""/> | ·00 |
| Number of members                                   | <b>R</b> | <input type="text" value=""/> |     |
| Exempt section 274(7) contributions                 | <b>M</b> | <input type="text" value=""/> | ·00 |
| Exempt section 275B contributions                   | <b>N</b> | <input type="text" value=""/> | ·00 |
| Broad-exemption listed country                      | <b>O</b> | <input type="text" value=""/> | ·00 |
| Limited-exemption listed country                    | <b>L</b> | <input type="text" value=""/> | ·00 |
| Unlisted country                                    | <b>J</b> | <input type="text" value=""/> | ·00 |
| FIF/FLP income                                      | <b>P</b> | <input type="text" value=""/> | ·00 |
| Tax spared foreign tax credits                      | <b>K</b> | <input type="text" value=""/> | ·00 |

**Attributed foreign income**  
Do you need to complete a *Losses schedule 2003*?

**FUND TAX RETURN, 2002–03 INCOME YEAR**

**12 Landcare and water facility tax offset**

Water facility tax offset claimed **A**   /  CODE

Landcare and water facility tax offset brought forward from prior years **B**

**13 Internet transactions**

Did the fund have dealings—including purchases and sales of assets or borrowings—on the internet? **I**  Print Y for yes or N for no.

**Overseas transactions or interest/Thin capitalisation/Foreign source income**

The following questions must be answered—print Y for yes or N for no at questions 14 to 23.

If you print Y at item 15 or 16, complete and attach a *Schedule 25A 2003*.

**International related party dealings/Transfer pricing**

**14 Did you have any transactions or dealings with international related parties (irrespective of whether they were on revenue or capital account)? Such transactions or dealings include the transfer of tangible or intangible property and any new or existing financial arrangements.** **X**

**15 Was the aggregate amount of the transactions or dealings with international related parties (including the value of property transferred or the balance outstanding on any loans) greater than \$1 million?** **Y**

**16 Overseas interests**  
Did you have an overseas branch or a direct or indirect interest in a foreign trust, controlled foreign entity, transferor trust, foreign investment fund or foreign life policy? **Z**

**17 Thin capitalisation**  
Did the thin capitalisation provisions apply as outlined in the instructions?  
If yes, complete the *Thin capitalisation schedule 2003*. **O**

**18 Foreign source income**  
Was the amount of foreign tax credits paid or carried forward greater than \$100,000 OR was the amount of assessable foreign income greater than \$500,000? **P**  **F**

**19 Exempt current pension income**  
If there is an amount of exempt current pension income, has the trustee of the fund obtained the relevant actuary's certificate or certificates required by section 273A, 273B or 283 as a condition of exemption?  
Answer this question **ONLY** if there is an amount of exempt current pension income.

**20 Death or disability deduction**  
Is the fund or trust claiming a deduction for premiums for death or disability cover under section 279 that requires an actuary's certificate to be obtained?   
If so, has the fund or trust obtained the relevant certificate?

**21 Transfer of taxable contributions**  
Has the fund or trust, with the consent of the transferee, transferred taxable contributions to a life assurance company, registered organisation or pooled superannuation trust?   
If so, show the names of the transferee or transferees and the amount of contributions transferred to each.

Name

Amount

Name

Amount

**22 Exempt income claim**

(a) Is the fund or trust a continuously complying fixed interest approved deposit fund claiming to have part of its income treated as exempt under section 290A?

(b) Is the reckoning date at which the components in the formula in subsection 290A(2) were determined, a date other than the beginning of the income year?

If so, state the reckoning date.

Day Month Year

|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|

**23 Payments to contributing employers and associates**

Has the fund or trust made a payment or transferred a benefit that is included in the assessable income of the recipient under section 82AAQ?

**FUND TAX RETURN, 2002-03 INCOME YEAR**

**Regulatory information for self-managed superannuation funds**

Only self-managed superannuation funds are to complete the remaining questions.  
 All other funds go to page 8 and complete the trustee declaration and the tax agent's certificate (if applicable).

**24 Fund's auditor details**

**Name of auditor**

Title

Family name

First given name

Other given names

**Name of organisation**

**Postal address**

Suburb or town State Postcode

**Telephone** Area code  Number

**25 Which professional body does the auditor belong to?**  CODE

**26 Is the auditor's report qualified?**  Print Y for yes or N for no.

**27 Did the fund comply with all relevant SIS requirements?**  Print Y for yes or N for no.

**28 Provide details of any audit qualification and/or other breaches of the relevant SIS requirements that occurred during the year.**

**FUND TAX RETURN, 2002–03 INCOME YEAR**

**Financial information—all assets and earnings of the fund must be included in question 29a or 29b**

**29a Managed investments**

|                           | <b>Earnings</b>                                     |                          |
|---------------------------|---|--------------------------|
|                           | including realised gains/losses for the income year |                          |
| Life insurance policies   | <b>A</b> <input type="text" value="·00"/>           | <input type="checkbox"/> |
| Other managed investments | <b>B</b> <input type="text" value="·00"/>           | <input type="checkbox"/> |

|          | <b>Asset values</b>              |
|----------|----------------------------------|
| <b>M</b> | <input type="text" value="·00"/> |
| <b>N</b> | <input type="text" value="·00"/> |

**29b Direct investments**

|   |   |                          |
|---|---|--------------------------|
| Overseas assets                         | <b>C</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Real property                           | <b>D</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Other property                          | <b>E</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Listed shares and equities              | <b>F</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Unlisted shares and equities            | <b>G</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Public trusts                           | <b>H</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Other trusts                            | <b>I</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Cash, debt securities and term deposits | <b>J</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Loans                                   | <b>K</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Other                                   | <b>L</b> <input type="text" value="·00"/> | <input type="checkbox"/> |

|          |                                  |
|----------|----------------------------------|
| <b>O</b> | <input type="text" value="·00"/> |
| <b>P</b> | <input type="text" value="·00"/> |
| <b>Q</b> | <input type="text" value="·00"/> |
| <b>R</b> | <input type="text" value="·00"/> |
| <b>S</b> | <input type="text" value="·00"/> |
| <b>T</b> | <input type="text" value="·00"/> |
| <b>U</b> | <input type="text" value="·00"/> |
| <b>V</b> | <input type="text" value="·00"/> |
| <b>W</b> | <input type="text" value="·00"/> |
| <b>X</b> | <input type="text" value="·00"/> |

**30 In-house and related party assets**

|                          | <b>Earnings</b>                           |                          |
|--------------------------|---|--------------------------|
| In-house                 | <b>A</b> <input type="text" value="·00"/> | <input type="checkbox"/> |
| Related party investment | <b>B</b> <input type="text" value="·00"/> | <input type="checkbox"/> |

|          | <b>Asset values</b>              |
|----------|----------------------------------|
| <b>C</b> | <input type="text" value="·00"/> |
| <b>D</b> | <input type="text" value="·00"/> |

**31 Value of leased assets**

|                     |   |
|---------------------|---|
| In-house            | <b>E</b> <input type="text" value="·00"/> |
| Other related party | <b>F</b> <input type="text" value="·00"/> |
| Non-related party   | <b>G</b> <input type="text" value="·00"/> |

**32 Has the fund acquired assets from its members or a related party?**

**H**  Print Y for yes or N for no. F

**33 Liability information**

|                       |   |
|-----------------------|---|
| Members' entitlements | <b>A</b> <input type="text" value="·00"/> |
| Borrowings            | <b>B</b> <input type="text" value="·00"/> |
| Other liabilities     | <b>C</b> <input type="text" value="·00"/> |

**FUND TAX RETURN, 2002-03 INCOME YEAR**

**34 Fund expenditure**

|  |          |                      |                            |
|--|----------|----------------------|----------------------------|
| Benefit payments                       | <b>D</b> | <input type="text"/> | ·00                        |
| Outward roll-overs and transfers       | <b>E</b> | <input type="text"/> | ·00                        |
| Administration and investment expenses | <b>F</b> | <input type="text"/> | ·00                        |
| Other expenses                         | <b>G</b> | <input type="text"/> | ·00 / <input type="text"/> |

**35 Contribution information**

|                                 |          |                      |     |
|---------------------------------|----------|----------------------|-----|
| Non-taxable contributions       | <b>H</b> | <input type="text"/> | ·00 |
| Inward roll-overs and transfers | <b>I</b> | <input type="text"/> | ·00 |

**F**

**Trustee declaration: I declare that the information in this tax return is true and correct.**

|                      |                      |                      |  |     |       |      |                      |                      |                      |
|----------------------|----------------------|----------------------|--|-----|-------|------|----------------------|----------------------|----------------------|
| Trustee's signature  | <input type="text"/> | Date                 | <table border="0" style="display: inline-table;"> <tr> <td style="text-align: center;">Day</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Year</td> </tr> <tr> <td style="text-align: center;"><input type="text"/></td> <td style="text-align: center;"><input type="text"/></td> <td style="text-align: center;"><input type="text"/></td> </tr> </table> | Day | Month | Year | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Day                  | Month                | Year                 |  |     |       |      |                      |                      |                      |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |  |     |       |      |                      |                      |                      |

**This declaration and all attached documents must be signed by a trustee.**

|                        |   |           |        |                      |                      |
|------------------------|---|-----------|--------|----------------------|----------------------|
| Trustee's contact name | <input type="text"/>  |           |        |                      |                      |
| Trustee's telephone    | <table border="0" style="display: inline-table;"> <tr> <td style="text-align: center;">Area code</td> <td style="text-align: center;">Number</td> </tr> <tr> <td style="text-align: center;"><input type="text"/></td> <td style="text-align: center;"><input type="text"/></td> </tr> </table> | Area code | Number | <input type="text"/> | <input type="text"/> |
| Area code              | Number  |           |        |                      |                      |
| <input type="text"/>   | <input type="text"/>  |           |        |                      |                      |

**Tax agent's declaration**

I,

declare that this tax return has been prepared in accordance with information supplied by the trustee, that the trustee has given me a declaration stating that the information provided to me is true and correct and that the trustee has authorised me to lodge the tax return.

|                      |                      |                      |  |     |       |      |                      |                      |                      |
|----------------------|----------------------|----------------------|--|-----|-------|------|----------------------|----------------------|----------------------|
| Agent's signature    | <input type="text"/> | Date                 | <table border="0" style="display: inline-table;"> <tr> <td style="text-align: center;">Day</td> <td style="text-align: center;">Month</td> <td style="text-align: center;">Year</td> </tr> <tr> <td style="text-align: center;"><input type="text"/></td> <td style="text-align: center;"><input type="text"/></td> <td style="text-align: center;"><input type="text"/></td> </tr> </table> | Day | Month | Year | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| Day                  | Month                | Year                 |  |     |       |      |                      |                      |                      |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |  |     |       |      |                      |                      |                      |

|                      |   |           |        |                      |                      |
|----------------------|---|-----------|--------|----------------------|----------------------|
| Agent's telephone    | <table border="0" style="display: inline-table;"> <tr> <td style="text-align: center;">Area code</td> <td style="text-align: center;">Number</td> </tr> <tr> <td style="text-align: center;"><input type="text"/></td> <td style="text-align: center;"><input type="text"/></td> </tr> </table> | Area code | Number | <input type="text"/> | <input type="text"/> |
| Area code            | Number  |           |        |                      |                      |
| <input type="text"/> | <input type="text"/>  |           |        |                      |                      |

Client's reference

Contact name

Agent's reference number



**FRINGE BENEFITS TAX RETURN, 2003–04 FBT YEAR**



Australian Government  
Australian Taxation Office

**Fringe benefits tax  
(FBT) return 2004**

1 April 2003 to 31 March 2004

OFFICE USE ONLY

**2004**

**1 Tax file number (TFN)**

It is not an offence not to quote your tax file number but not quoting it may increase the risk of administrative error and/or delay this return. If you do not have a TFN, refer to the 2004 FBT return guide for more information.

**2 Australian business number (ABN)—if applicable**

**3 Name of trustee or senior partner**

**Individual**

Title—for example,  
Mr, Mrs, Ms, Miss

Surname or  
family name

Given names



**Non-individual  
(company,  
partnership, trust etc.)**

Name of corporate  
trustee/senior partner



**4 Name of employer**

**Individual**

Title—for example,  
Mr, Mrs, Ms, Miss

Surname or  
family name

Given names



**Non-individual  
(company,  
partnership, trust etc.)**



**5 Postal address**

Address

Suburb or town

Office use only

State

Postcode

Country  
if not  
Australia

**6 Previous name and/or postal address**

If the employer name and/or postal address has changed, print it exactly as shown on the last FBT return lodged.  
A CHANGE OF NAME MUST BE SUPPORTED BY A CERTIFIED COPY OF THE DOCUMENTARY EVIDENCE.

**Individual**

Title—for example,  
Mr, Mrs, Ms, Miss

Surname or  
family name

Given names



**Non-individual  
(company,  
partnership, trust etc.)**



Address



Suburb or town

State

Postcode

Country  
if not  
Australia

**FRINGE BENEFITS TAX RETURN, 2003–04 FBT YEAR**

**7 Current business/trading name and/or address**

If your business/trading name and/or address has changed since last year, or this is your first FBT return, print the details here.

Business/trading name

Business/trading address

Suburb or town

State  Postcode  Country if not Australia

**8 Previous name of trustee or senior partner**

If your organisation is a trust or partnership, and your details have changed, show the name of the trustee or the senior partner of your organisation as shown on the last FBT return lodged.

**Individual**

Title—for example, Mr, Mrs, Ms, Miss

Surname or family name

Given names

**Non-individual**

(company, partnership, trust etc.)

Name of corporate trustee/senior partner

**9 Name of the person to contact**

Provide the name, daytime contact phone number and email address (if applicable) of the person we can contact, if needed, regarding the information in this return.

Title—for example, Mr, Mrs, Ms, Miss

Surname or family name

Given names

Daytime contact telephone number  Area code  Telephone number

email address

**10 Number of employees receiving fringe benefits during the period 1 April 2003 to 31 March 2004**

**11 Total reportable fringe benefits amounts—for all employees for the period 1 April 2003 to 31 March 2004. Refer to the 2004 FBT return guide for more information.**

.00

**12 Hours taken to prepare and complete this form**

Refer to the 2004 FBT return guide for more information. Do not include tax agent's time.

**13 Do you expect to lodge an FBT return for 2004–05 or future years?**

YES  NO

**FRINGE BENEFITS TAX RETURN, 2003–04 FBT YEAR**

**14 Calculated fringe benefits taxable amounts**

Refer to the 2004 FBT return guide for more information.

**Whole dollars only**

- A Type 1 aggregate amount  .Dd X 2.1292 =  .Dd **A**
- B Type 2 aggregate amount  .Dd X 1.9417 =  .Dd **B**
- C Aggregate non-exempt amount  .Dd **C**  
(hospitals and public benevolent institutions only)

- 15 Fringe benefits taxable amount (A + B) or C  .Dd
- 16 Amount of tax payable (48.5% of item 15 amount)
- 17 Aggregate non-rebatable amount   
Refer to the 2004 FBT return guide for more information.
- 18 Amount of rebate: 48% of (item 16 amount less item 17 amount)
- 19 Sub-total (item 16 amount less item 18 amount)
- 20 Less instalment amounts reported on activity statements  .Dd  
Refer to the 2004 FBT return guide for more information.
- 21 Payment due—SEND THIS AMOUNT WITH YOUR PAYMENT ADVICE.
- or
- 22 Credit due to you

**23 DETAILS OF FRINGE BENEFITS PROVIDED**

| Type of benefits provided<br>(1 April 2003 to 31 March 2004) | Number   | WHOLE DOLLARS ONLY      |                           |                         |   |
|--|----------|-------------------------|---------------------------|-------------------------|---|
|  |          | Gross taxable value (a) | Employee contribution (b) | Value of reductions (c) | Taxable value of benefits (a) – (b) – (c) |
| Cars using the statutory formula                             | <b>A</b> |                         |                           |                         | .Dd                                       |
| Cars using the operating cost method                         | <b>B</b> |                         |                           |                         | .Dd                                       |
| Loans granted  | <b>C</b> |                         |                           |                         | .Dd                                       |
| Debt waiver  | <b>D</b> |                         |                           |                         | .Dd                                       |
| Expense payments   | <b>E</b> |                         |                           |                         | .Dd                                       |
| Housing—units of accommodation provided                      | <b>F</b> |                         |                           |                         | .Dd                                       |
| Employees receiving living-away-from-home allowance          | <b>G</b> |                         |                           |                         | .Dd                                       |
| Airline transport (airlines and travel agents only)          | <b>H</b> |                         |                           |                         | .Dd                                       |
| Board  | <b>J</b> |                         |                           |                         | .Dd                                       |
| Property   | <b>K</b> |                         |                           |                         | .Dd                                       |
| Income tax exempt body—entertainment                         | <b>L</b> |                         |                           |                         | .Dd                                       |
| Other benefits (residual)                                    | <b>M</b> |                         |                           |                         | .Dd                                       |
| Car parking  | <b>N</b> |                         |                           |                         | .Dd                                       |
| Meal entertainment   | <b>P</b> |                         |                           |                         | .Dd                                       |

**24 Tax agent's declaration**

I,  declare that this return has been prepared in accordance with information supplied by my client, that my client has given me a declaration stating that the information provided to me is true and correct and that my client has authorised me to lodge the return.

Signature of agent  Day Month Year  Registered no. of agent

\* NOTE: Where the agent is a partnership or a company, this certificate must be signed in the name of the partnership or company by a person who is registered as a nominee of that partnership or company. That person's name must be appended.

**25 Employer's declaration**

**Privacy** The Australian Taxation Office is authorised by the *Fringe Benefits Tax (Assessment) Act 1986* and the *Taxation Administration Act 1953* to ask for information on this return. We need this information to help us to administer the taxation laws. We may give this information to other government agencies authorised by law to receive it—for example, the Australian Bureau of Statistics and the Reserve Bank of Australia.

Employer's declaration where the employer lodges the return

I,  declare that the information in this return is true and correct.

Signature of employer \*


(\*proprietor, partner, public officer, trustee or, for government departments and authorities, the delegated officer)

Date

This return will not be regarded as having been lodged unless the appropriate declaration has been signed by the tax agent or the employer. Page 3

**GST ANNUAL RETURN, 2003-04 FINANCIAL YEAR**

**P**



46460404

**Annual GST return**

Document ID

ABN

Contact person who completed the form

Contact phone number

**When completing this form, please**

- use a BLACK pen only (to help with processing)
- leave boxes blank if not applicable (do not use N/A, NIL)
- show whole dollars only (do not show cents)
- do not use symbols such as +, -, /, \$

**Why have you received this annual GST return?**

You have chosen to pay GST instalments. Please complete this form to calculate and pay any further amount you owe the Tax Office, or to calculate any amount the Tax Office owes you.

**When is this form due?**

You must return this form and make any payment by

**How to complete this form**

- Complete the boxes (G1, G2, G3, G10 & G11) that apply to your business for the period shown above, using information from your accounts or by using the GST calculation sheet
- Indicate whether the G1 amount includes GST by writing **X** in the appropriate box

GST accounting method

Total sales **G1** \$

Does the amount shown at G1 include GST? (indicate with **X**)  Yes  No

Export sales **G2** \$

Other GST-free sales **G3** \$


Capital purchases **G10** \$


Non-capital purchases **G11** \$


**Report GST and any wine equalisation tax and luxury car tax amounts for the period in the Summary section over the page**


NAT 4646-4.2004


**How to pay**

 **BPAY:** contact your bank, credit union or building society to make this payment from your cheque or savings account. Quote biller code **75556** and your EFT code (shown on the other side of this payment slip) as the customer reference number.

 **Direct credit:** transfer funds directly to the Tax Office using computer based banking software.

 **Direct debit:** have your payment deducted from your nominated bank account (excluding credit cards).

 **Mail payments:** mail this payment slip together with your cheque / money order using the envelope provided. Please do not use pins or staples. Do NOT send cash.

 **Post Office:** payments can be made at any Post Office by cash, cheque or EFTPOS (subject to daily limits). A \$3,000 cash limit applies. Your payment slip must be presented with your payment.

- Cheques/money orders should be made payable to the 'Deputy Commissioner of Taxation' and crossed 'Not Negotiable'.
- All cheques must be tendered in Australian currency.

**Payments cannot be made by credit card or in person at any Tax Office branch or shopfront.**

**GST ANNUAL RETURN, 2003–04 FINANCIAL YEAR**

**How to complete this section**

- Calculate your GST on sales (1A) and GST on purchases (1B) for the period shown on the front using information from your accounts or by using the GST calculation sheet
- If you have a Wine equalisation tax obligation, complete 1C & 1D (if appropriate)
- If you have a Luxury car tax obligation, complete 1E & 1F (if appropriate)
- Add the amounts reported at 1A on your BAS form(s) for the period shown on the front. Write the amount at 1H
- Complete 2A & 2B
- Complete the 'Payment or refund' section

**Summary**

**Amounts you owe the Tax Office**

GST on sales **1A** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

Wine equalisation tax **1C** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

Luxury car tax **1E** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

1A + 1C + 1E **2A** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

**Amounts the Tax Office owes you**

GST on purchases **1B** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

Wine equalisation tax refundable **1D** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

Luxury car tax refundable **1F** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

GST instalments (amounts reported at 1A in your BAS for the period shown on front) **1H** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

1B + 1D + 1F + 1H **2B** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

**Payment or refund?**

**Is 2A more than 2B?**  
(indicate with X)

- Yes, then write the result of **2A minus 2B** at 9. **This amount is payable to the Tax Office.**
- No, then write the result of **2B minus 2A** at 9. **This amount is refundable to you** (or offset against any other tax debt you have).

**Your payment or refund amount**

**9** \$ [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] .00

ⓘ Do not use symbols such as +, -, /, \$

**Declaration** I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.

Signature \_\_\_\_\_

Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Please return this completed form to

**HRS** [ ] [ ] **MINS** [ ] [ ]

Please estimate the time taken to complete this form. Include the time taken to collect any information.

Activity statement instructions are available from [www.ato.gov.au](http://www.ato.gov.au) or can be ordered by phoning **13 28 66**. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from [www.ato.gov.au](http://www.ato.gov.au)



Australian Government  
Australian Taxation Office


\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**GST INFORMATION REPORT, 2003–04 FINANCIAL YEAR**

**Q**

  
 46470404

## Annual GST information report

Document ID

ABN

Contact person who completed the form

Contact phone number

**When completing this form, please**

- use a BLACK pen only (to help with processing)
- leave boxes blank if not applicable (do not use N/A, NIL)
- show whole dollars only (do not show cents)
- do not use symbols such as +, -, /, \$

**Why have you received this annual GST information report?**

You chose to calculate GST quarterly and report annually (Option 2) in at least one quarter during the year.

You now need to complete this form to report the following GST information for the period shown at the top of this form.

**When is this form due?**

You must return this form by

**➤ How to complete this form**

- Complete the boxes (G2, G3, G10 & G11) that apply to your business using information from your accounts or by using the GST calculation sheet
- You must report amounts for the entire period shown at the top of this form

GST accounting method

Export sales **G2** \$

Other GST-free sales **G3** \$

Capital purchases **G10** \$

Non-capital purchases **G11** \$

**Declaration** I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.

Signature \_\_\_\_\_ Date     /     /


Please return this completed form to

**HRS**     **MINS**

Please estimate the time taken to complete this form. Include the time taken to collect any information.

Activity statement instructions are available from [www.ato.gov.au](http://www.ato.gov.au) or can be ordered by phoning **13 28 66**. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from [www.ato.gov.au](http://www.ato.gov.au)



**Australian Government**  
Australian Taxation Office

NAT 4647-4.2004

# APPENDIX: SCHEDULES

## CAPITAL GAINS TAX SCHEDULE, 2002-03 INCOME YEAR

### Capital gains tax (CGT) schedule 2003

Use in conjunction with company, trust or fund income tax return.  
For instructions on how to complete this schedule refer to the publication *Guide to capital gains tax*.  
Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only.  
Do not use correction fluid or tape. Print one letter or number in each box.

www.ato.gov.au



Tax file number (TFN)

Taxpayer's name

Australian business number (ABN)

Signature as prescribed in tax return

#### Part A Capital gains from CGT assets and CGT events

##### Non-active assets

|   | Capital gains—indexation method |           |           |           | Capital gains—discount method |           |           |           | Other capital gains |           |           |           |
|---|---------------------------------|-----------|-----------|-----------|-------------------------------|-----------|-----------|-----------|---------------------|-----------|-----------|-----------|
| Shares and units (in unit trusts)         | <b>A</b>                        | <b>B</b>  | <b>C</b>  | <b>D</b>  | <b>E</b>                      | <b>F</b>  | <b>G</b>  | <b>H</b>  | <b>I</b>            | <b>J</b>  | <b>K</b>  | <b>L</b>  |
| Real estate                               | <b>M</b>                        | <b>N</b>  | <b>O</b>  | <b>P</b>  | <b>Q</b>                      | <b>R</b>  | <b>S</b>  | <b>T</b>  | <b>U</b>            | <b>V</b>  | <b>W</b>  | <b>X</b>  |
| Other CGT assets and any other CGT events | <b>Y</b>                        | <b>Z</b>  | <b>AA</b> | <b>AB</b> | <b>AC</b>                     | <b>AD</b> | <b>AE</b> | <b>AF</b> | <b>AG</b>           | <b>AH</b> | <b>AI</b> | <b>AJ</b> |
| Collectables                              | <b>AK</b>                       | <b>AL</b> | <b>AM</b> | <b>AN</b> | <b>AO</b>                     | <b>AP</b> | <b>AQ</b> | <b>AR</b> | <b>AS</b>           | <b>AT</b> | <b>AU</b> | <b>AV</b> |

##### Active assets

|   |           |           |           |           |           |           |           |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Shares and units (in unit trusts)         | <b>M</b>  | <b>N</b>  | <b>O</b>  | <b>P</b>  | <b>Q</b>  | <b>R</b>  | <b>S</b>  | <b>T</b>  | <b>U</b>  | <b>V</b>  | <b>W</b>  | <b>X</b>  |
| Real estate                               | <b>Y</b>  | <b>Z</b>  | <b>AA</b> | <b>AB</b> | <b>AC</b> | <b>AD</b> | <b>AE</b> | <b>AF</b> | <b>AG</b> | <b>AH</b> | <b>AI</b> | <b>AJ</b> |
| Other CGT assets and any other CGT events | <b>AK</b> | <b>AL</b> | <b>AM</b> | <b>AN</b> | <b>AO</b> | <b>AP</b> | <b>AQ</b> | <b>AR</b> | <b>AS</b> | <b>AT</b> | <b>AU</b> | <b>AV</b> |

Add amounts at **A** to **S** above and write the total at **V** below.

Total current year capital gains (CYCG) **V**

Add amounts at **B** to **T** above and write the total at **W** below.

**W**

Add amounts at **C** to **U** above and write the total at **X** below.

**X**

NAT 3423—6.2003

IN-CONFIDENCE—when completed

Page 1

**CAPITAL GAINS TAX SCHEDULE, 2002-03 INCOME YEAR**

**Part B Current year capital losses (CYCL) from CGT assets and CGT events—other than capital losses from collectables**

|  |          |                      |     |  |  |  |  |  |  |  |
|--|----------|----------------------|-----|--|--|--|--|--|--|--|
| Shares and units<br>(in unit trusts)   | <b>A</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Real estate  | <b>B</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Other CGT assets and<br>any other CGT events                                     | <b>C</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Add amounts at <b>A</b> to <b>C</b> above and write the total at <b>D</b> below. |          |                      |     |  |  |  |  |  |  |  |
| <b>Total current year<br/>capital losses</b>                                     | <b>D</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |

**Part D Applying capital losses against current year capital gains**

|  |          |                      |     |  |  |  |  |  |  |  |
|--|----------|----------------------|-----|--|--|--|--|--|--|--|
| <i>Capital gains—indexation method</i>   |          |                      |     |  |  |  |  |  |  |  |
| Current year capital<br>losses applied   | <b>E</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Prior year net capital<br>losses applied   | <b>I</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Capital losses<br>transferred in applied   | <b>M</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Add amounts at <b>E</b> to <b>M</b> above and write the total at <b>Q</b> below. |          |                      |     |  |  |  |  |  |  |  |
| <b>Total capital<br/>losses applied</b>  | <b>Q</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| <i>Capital gains—discount method</i>   |          |                      |     |  |  |  |  |  |  |  |
|  | <b>F</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
|  | <b>J</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
|  | <b>N</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Add amounts at <b>F</b> to <b>N</b> above and write the total at <b>R</b> below. |          |                      |     |  |  |  |  |  |  |  |
|  | <b>R</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| <i>Other capital gains</i>   |          |                      |     |  |  |  |  |  |  |  |
|  | <b>G</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
|  | <b>K</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
|  | <b>O</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Add amounts at <b>G</b> to <b>O</b> above and write the total at <b>S</b> below. |          |                      |     |  |  |  |  |  |  |  |
|  | <b>S</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |

**Current year capital losses applied**

Add amounts at **E**, **F** and **G** above and write the total at **H** below.

**H**  .00 |

**Total capital losses applied**

Add amounts at **I**, **J** and **K** above and write the total at **L** below.

**L**  .00 |

**Capital losses transferred in applied**

Add amounts at **M**, **N** and **O** above and write the total at **P** below.

**P**  .00 |

For companies required to lodge a *Losses schedule 2003*, the amount at **P** must equal the corresponding amount on their losses schedule.

**Part E Current year capital gains (CYCG) after applying capital losses**

|   |          |                      |     |  |  |  |  |  |  |  |
|---|----------|----------------------|-----|--|--|--|--|--|--|--|
| <i>Capital gains—indexation method</i>  |          |                      |     |  |  |  |  |  |  |  |
| Non-active<br>assets  | <b>A</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Active assets   | <b>D</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |
| Add amounts at <b>A</b> and <b>D</b> above and write the total at <b>G</b> below. |          |                      |     |  |  |  |  |  |  |  |
| <b>Totals—CYCG after<br/>applying capital losses</b>                              | <b>G</b> | <input type="text"/> | .00 |  |  |  |  |  |  |  |

*Capital gains—discount method*

**B**  .00 |

**E**  .00 |

Add amounts at **B** and **E** above and write the total at **H** below.

**H**  .00 |

*Other capital gains*

**C**  .00 |

**F**  .00 |

Add amounts at **C** and **F** above and write the total at **I** below.

**I**  .00 |



CAPITAL GAINS TAX SCHEDULE, 2002-03 INCOME YEAR

Part F Applying the CGT discount on capital gains

Capital gains—discount method. From non-active assets (J), From active assets (K). Grids for values.

Part G Applying the CGT concessions for small business

Capital gains—indexation method. Small business active asset reduction (L), Small business retirement exemption (O), Small business roll-over (R). Grids for values.

Part H Calculating net capital gain

Totals—CGT discount and small business concessions (A). Deduct the amount at A above from the amount at G in part E on page 2 and write the result at D below. Add amounts at J to S above and write the total at B below. Deduct the amount at B above from the amount at H in part E on page 2 and write the result at E below. Add amounts at N to T above and write the total at C below. Deduct the amount at C above from the amount at I in part E on page 2 and write the result at F below. Net capital gain (D + E + F). Grids for values.

Part I Unapplied net capital losses (UNCL) carried forward to later income years

UNCL from collectables (H), UNCL from all other CGT assets and CGT events (I). Grids for values.

Part J Small business 15-year exemption

Exempt capital gains (J). Grids for values.

Part K Scrip-for-scrip roll-over for exchanging taxpayer

Roll-over chosen? (A), Print Y for yes, or N for no in the appropriate box (N), Original interests cost base (B), Replacement interests market value (C). Grids for values.

### CAPITAL GAINS TAX SCHEDULE, 2002-03 INCOME YEAR

**Part L Scrip-for-scrip roll-over for acquiring entity—to be completed by companies and trusts only**

|   |                                    |  |   |                                      |  |                                   |   |
|---|------------------------------------|--|---|--------------------------------------|--|-----------------------------------|---|
| <b>E</b> Y <input type="checkbox"/> <b>N</b> <input type="checkbox"/> | Acquiring entity                   | Print Y for yes, or N for no in the appropriate box. | <b>F</b> <input type="checkbox"/>                                     | Number of original entities          |  | <b>G</b> <input type="checkbox"/> | Taxpayer IDN of original entity                             |
| <b>H</b> <input type="checkbox"/>                                     | Number of shares/units etc. issued |  | <b>I</b> <input type="checkbox"/>                                     | Number of options/rights etc. issued |  | <b>K</b> <input type="checkbox"/> | First element of cost base of interests acquired            |
| <b>J</b> <input type="checkbox"/>                                     | Amount of other considerations     |  | <b>L</b> Y <input type="checkbox"/> <b>N</b> <input type="checkbox"/> | Joint choice for roll-over           |  | <b>M</b> <input type="checkbox"/> | Cost base—significant common stakeholder interests acquired |
|   |                                    |  |   |                                      |  |                                   |   |
|   |                                    |  |   |                                      |  |                                   |   |

**Part M Did you have an employee share scheme in place at any time during the year?—to be completed by companies only**

**N**  **Y**  Print Y for yes, or N for no in the appropriate box.

**Part N Same majority underlying ownership and pre-CGT assets—Division 149—to be completed by companies only**

**O** Y  **N**  Print Y for yes, or N for no in the appropriate box.

**Part O Cost base adjustments resulting from debt forgiveness—Division 139—to be completed by companies only**

|   |                      |  |                                   |                            |  |  |
|---|----------------------|--|-----------------------------------|----------------------------|--|--|
| <b>P</b> Y <input type="checkbox"/> <b>N</b> <input type="checkbox"/> | Interest in creditor | Print Y for yes, or N for no in the appropriate box. | <b>Q</b> <input type="checkbox"/> | Total cost base reduction  |  |  |
| <b>R</b> Y <input type="checkbox"/> <b>N</b> <input type="checkbox"/> | Interest in debtor   |  | <b>S</b> <input type="checkbox"/> | Total cost base adjustment |  |  |

**Part P Cost base adjustments resulting from loss transfers—Subdivision 170-C—to be completed by companies only**


|   |                                      |  |                                   |                            |  |  |
|---|--------------------------------------|--|-----------------------------------|----------------------------|--|--|
| <b>T</b> Y <input type="checkbox"/> <b>N</b> <input type="checkbox"/> | CGT event for interest in transferor | Print Y for yes, or N for no in the appropriate box. | <b>U</b> <input type="checkbox"/> | Total cost base reduction  |  |  |
| <b>V</b> Y <input type="checkbox"/> <b>N</b> <input type="checkbox"/> | CGT event for interest in transferee |  | <b>W</b> <input type="checkbox"/> | Total cost base adjustment |  |  |

Page 4

TAXATION STATISTICS 2002-03

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**LOSSES SCHEDULE, 2002–03 INCOME YEAR**

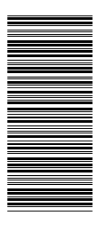


## Losses schedule 2003

Companies and trusts that do not join consolidated groups are to complete and attach this schedule to their 2003 tax return.  
Superannuation funds are to complete and attach this schedule to their 2003 tax return.

Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only.  
Print one letter or number in each box.  
Do not use correction fluid or tape.

[www.ato.gov.au](http://www.ato.gov.au)



**Tax file number (TFN)**

**Name of entity**

**Australian business number**

**Signature as prescribed in tax return**

Notes to assist in the preparation of this schedule are provided in the *Losses schedule 2003 instructions* available from the Australian Taxation Office.

**Part A Losses carried forward to the 2003–2004 income year—excludes foreign source losses and film losses**

**1 Tax losses carried forward to later income years**

| Year of loss                       |  | .00 |
|------------------------------------|--|-----|
| 2002–2003                          | <b>B</b> <input style="width: 80px;" type="text"/> |     |
| 2001–2002                          | <b>C</b> <input style="width: 80px;" type="text"/> |     |
| 2000–2001                          | <b>D</b> <input style="width: 80px;" type="text"/> |     |
| 1999–2000                          | <b>E</b> <input style="width: 80px;" type="text"/> |     |
| 1998–1999                          | <b>F</b> <input style="width: 80px;" type="text"/> |     |
| 1997–1998 and earlier income years | <b>G</b> <input style="width: 80px;" type="text"/> |     |
| <b>Total</b>                       | <b>U</b> <input style="width: 80px;" type="text"/> |     |

Transfer the amount at label **U** to the corresponding label on your tax return.

**2 Net capital losses carried forward to later income years**

| Year of loss                       |  | .00 |
|------------------------------------|--|-----|
| 2002–2003                          | <b>H</b> <input style="width: 80px;" type="text"/> |     |
| 2001–2002                          | <b>I</b> <input style="width: 80px;" type="text"/> |     |
| 2000–2001                          | <b>J</b> <input style="width: 80px;" type="text"/> |     |
| 1999–2000                          | <b>K</b> <input style="width: 80px;" type="text"/> |     |
| 1998–1999                          | <b>L</b> <input style="width: 80px;" type="text"/> |     |
| 1997–1998 and earlier income years | <b>M</b> <input style="width: 80px;" type="text"/> |     |
| <b>Total</b>                       | <b>V</b> <input style="width: 80px;" type="text"/> |     |

Transfer the amount at label **V** to the corresponding label on your tax return.

NAT 3425—6.2003

IN-CONFIDENCE—when completed

PAGE 1



**LOSSES SCHEDULE, 2002-03 INCOME YEAR**



**Part E Loss transfer details—company only**

**1 Tax losses transferred in**

|   |                                   |
|---|-----------------------------------|
| Transferor TFN  |                                   |
| <b>A</b> <input type="text"/>   | <b>G</b> <input type="text"/> .00 |
| <b>B</b> <input type="text"/>   | <b>H</b> <input type="text"/> .00 |
| <b>C</b> <input type="text"/>   | <b>I</b> <input type="text"/> .00 |
| Other losses transferred in <b>J</b> <input type="text"/> .00                         |                                   |
| Total ( <b>G</b> + <b>H</b> + <b>I</b> + <b>J</b> ) <b>S</b> <input type="text"/> .00 |                                   |

Transfer the amount at label **S** to the corresponding label on your tax return.

**2 Net capital losses transferred in**

|  |                                   |
|--|-----------------------------------|
| Transferor TFN   |                                   |
| <b>D</b> <input type="text"/>  | <b>L</b> <input type="text"/> .00 |
| <b>E</b> <input type="text"/>  | <b>M</b> <input type="text"/> .00 |
| <b>F</b> <input type="text"/>  | <b>N</b> <input type="text"/> .00 |
| Other losses transferred in <b>O</b> <input type="text"/> .00                                  |                                   |
| Total ( <b>L</b> + <b>M</b> + <b>N</b> + <b>O</b> ) <b>P</b> <input type="text"/> .00 <b>F</b> |                                   |

The amount at label **P** must equal the corresponding label on your *Capital gains tax (CGT) schedule 2003*, if one is required.

**3 Tax losses transferred out**

|   |                                   |
|---|-----------------------------------|
| Transferee TFN  |                                   |
| <b>A</b> <input type="text"/>   | <b>G</b> <input type="text"/> .00 |
| <b>B</b> <input type="text"/>   | <b>H</b> <input type="text"/> .00 |
| <b>C</b> <input type="text"/>   | <b>I</b> <input type="text"/> .00 |
| Other losses transferred out <b>J</b> <input type="text"/> .00                        |                                   |
| Total ( <b>G</b> + <b>H</b> + <b>I</b> + <b>J</b> ) <b>Q</b> <input type="text"/> .00 |                                   |

**4 Net capital losses transferred out**

|   |                                   |
|---|-----------------------------------|
| Transferee TFN  |                                   |
| <b>D</b> <input type="text"/>   | <b>L</b> <input type="text"/> .00 |
| <b>E</b> <input type="text"/>   | <b>M</b> <input type="text"/> .00 |
| <b>F</b> <input type="text"/>   | <b>N</b> <input type="text"/> .00 |
| Other losses transferred out <b>O</b> <input type="text"/> .00                        |                                   |
| Total ( <b>L</b> + <b>M</b> + <b>N</b> + <b>O</b> ) <b>K</b> <input type="text"/> .00 |                                   |

**5 Consideration for transfer of loss**

Has any consideration been paid, credited or otherwise provided in respect of any loss transferred? **R**  **Y**  **N**  Print Y for yes or N for no in the appropriate box. **F**




# APPENDIX: ACTIVITY STATEMENTS

## BUSINESS ACTIVITY STATEMENT – SAMPLE A

**C**

Office use only



41950404

### Business activity statement

Document ID

ABN

Form due on

Payment due on

GST accounting method

Contact phone number

Contact person who completed the form

When completing this form, please

- use a BLACK pen only (to help with processing)
- leave boxes blank if not applicable (do not use N/A, NIL)
- show whole dollars only (do not show cents)
- do not use symbols such as +, -, /, \$

#### Goods and services tax (GST)

Complete Option 1 OR 2 OR 3 (indicate one choice with an X)

**Option 1: Calculate GST and report quarterly**

Total sales **G1** \$

Does the amount shown at G1 include GST? (indicate with X)  Yes  No

Export sales **G2** \$

Other GST-free sales **G3** \$

Capital purchases **G10** \$

Non-capital purchases **G11** \$

**Report GST on sales at 1A and GST on purchases at 1B in the Summary section over the page and then complete the other sections**

**OR**

**Option 2: Calculate GST quarterly and report annually**

Total sales **G1** \$

Does the amount shown at G1 include GST? (indicate with X)  Yes  No

**Report GST on sales at 1A and GST on purchases at 1B in the Summary section over the page and then complete the other sections**

**Option 3: Pay GST instalment amount quarterly**

**G21** \$

**Write this amount at 1A in the Summary section over the page (leave 1B blank)**

**OR if varying this amount, complete G22, G23, G24**

Estimated net GST for the year **G22** \$

Varied amount for the quarter **G23** \$

**Write the G23 amount at 1A in the Summary section over the page and then complete the other sections (leave 1B blank)**

Reason code for variation **G24**

#### PAYG tax withheld

Total salary, wages and other payments **W1** \$

Amount withheld from payments shown at W1 **W2** \$

Amount withheld where no ABN is quoted **W4** \$


Other amounts withheld (excluding any amount shown at W2 or W4) **W3** \$

Total amounts withheld (W2 + W4 + W3) **W5** \$


**Write the W5 amount at 4 in the Summary section over the page and then complete the other sections**

NAT 4195-4.2004


### How to pay




**BPAY:** contact your bank, credit union or building society to make this payment from your cheque or savings account. Quote biller code **75556** and your EFT code (shown on the other side of this payment slip) as the customer reference number.




**Direct credit:** transfer funds directly to the Tax Office using computer based banking software.



**Direct debit:** have your payment deducted from your nominated bank account (excluding credit cards).



**Mail payments:** mail this payment slip together with your cheque / money order using the envelope provided. Please do not use pins or staples. Do NOT send cash.



**Post Office:** payments can be made at any Post Office by cash, cheque or EFTPOS (subject to daily limits). A \$3,000 cash limit applies. Your payment slip must be presented with your payment.

- Cheques/money orders should be made payable to the 'Deputy Commissioner of Taxation' and crossed 'Not Negotiable'.
- All cheques must be tendered in Australian currency.

**ⓘ Payments cannot be made by credit card or in person at any Tax Office branch or shopfront.**

**BUSINESS ACTIVITY STATEMENT – SAMPLE A**

|  |  |
|--|--|
| <div style="background-color: black; color: white; padding: 2px; font-weight: bold;">PAYG income tax instalment</div> <p><b>Only complete Option 1 OR 2 (indicate one choice with X)</b></p> <p><input type="checkbox"/> <b>Option 1: Pay a PAYG instalment amount quarterly</b></p> <p>T7 \$ <input style="width: 100px;" type="text"/></p> <p><b>Write the T7 amount at 5A in the Summary section OR if varying this amount, complete T8, T9, T4</b></p> <p>Estimated tax for the year T8 \$ <input style="width: 100px;" type="text"/>.00</p> <p>Varied amount for the quarter T9 \$ <input style="width: 100px;" type="text"/>.00</p> <p><b>Write the T9 amount at 5A in the Summary section</b></p> <p>Reason code for variation T4 <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/></p> <p><b>OR</b></p> <p><input type="checkbox"/> <b>Option 2: Calculate PAYG instalment using income times rate</b></p> <p>PAYG instalment income T1 \$ <input style="width: 100px;" type="text"/>.00</p> <p>T2 <input style="width: 50px;" type="text"/> %</p> <p>OR</p> <p>New varied rate T3 <input style="width: 50px;" type="text"/> %</p> <p>T1 x T2 (or x T3) T11 \$ <input style="width: 100px;" type="text"/>.00</p> <p><b>Write the T11 amount at 5A in the Summary section</b></p> <p>Reason code for variation T4 <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/></p> <div style="background-color: black; color: white; padding: 2px; font-weight: bold;">Fringe benefits tax (FBT) instalment</div> <p>F1 \$ <input style="width: 100px;" type="text"/></p> <p><b>Write the F1 amount at 6A in the Summary section OR if varying this amount, complete F2, F3, F4</b></p> <p>Estimated FBT for the year F2 \$ <input style="width: 100px;" type="text"/>.00</p> <p>Varied amount for the quarter F3 \$ <input style="width: 100px;" type="text"/>.00</p> <p><b>Write the F3 amount at 6A in the Summary section</b></p> <p>Reason code for variation F4 <input style="width: 20px;" type="text"/> <input style="width: 20px;" type="text"/></p> <p><b>Declaration</b> I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.</p> <p>Signature _____ Date    /    /</p> | <div style="background-color: black; color: white; padding: 2px; font-weight: bold;">Summary</div> <p><b>If you are using GST Option 3 leave 1B, 1C, 1D, 1E, 1F blank</b></p> <p><b>Amounts you owe the Tax Office</b></p> <p>GST on sales or GST instalment <b>1A</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>Wine equalisation tax <b>1C</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>Luxury car tax <b>1E</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>PAYG tax withheld <b>4</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>PAYG income tax instalment <b>5A</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>FBT instalment <b>6A</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>Deferred company/fund instalment <b>7</b> \$ <input style="width: 100px;" type="text"/>.00</p> <hr/> <p>1A + 1C + 1E + 4 + 5A + 6A + 7 <b>8A</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p><b>Amounts the Tax Office owes you</b></p> <p>GST on purchases <b>1B</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>Wine equalisation tax refundable <b>1D</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>Luxury car tax refundable <b>1F</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>Credit from PAYG income tax instalment variation <b>5B</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p>Credit from FBT instalment variation <b>6B</b> \$ <input style="width: 100px;" type="text"/>.00</p> <hr/> <p>1B + 1D + 1F + 5B + 6B <b>8B</b> \$ <input style="width: 100px;" type="text"/>.00</p> <div style="background-color: black; color: white; padding: 2px; font-weight: bold;">Payment or refund?</div> <p><b>Is 8A more than 8B? (indicate with X)</b></p> <p><input type="checkbox"/> Yes, then write the result of <b>8A minus 8B</b> at 9. <b>This amount is payable to the Tax Office.</b></p> <p><input type="checkbox"/> No, then write the result of <b>8B minus 8A</b> at 9. <b>This amount is refundable to you</b> (or offset against any other tax debt you have).</p> <p><b>Your payment or refund amount</b></p> <p><b>9</b> \$ <input style="width: 100px;" type="text"/>.00</p> <p><b>!</b> Do not use symbols such as +, -, /, \$</p> <p>Please return this completed form to _____</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p style="text-align: center;">HRS    MINS</p> <p style="text-align: center;"><input style="width: 30px;" type="text"/> <input style="width: 30px;" type="text"/> <input style="width: 30px;" type="text"/> <input style="width: 30px;" type="text"/></p> <p style="font-size: small;">Please estimate the time taken to complete this form. Include the time taken to collect any information.</p> </div> |
|--|--|

Activity statement instructions are available from [www.ato.gov.au](http://www.ato.gov.au) or can be ordered by phoning 13 28 66. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from [www.ato.gov.au](http://www.ato.gov.au)

Australian Government  
Australian Taxation Office




**BUSINESS ACTIVITY STATEMENT – SAMPLE B**

**G**

When completing this form, please

- use a BLACK pen only (to help with processing)
- leave boxes blank if not applicable (do not use N/A, NIL)
- show whole dollars only (do not show cents)
- do not use symbols such as +, -, /, \$

Office use only



42350404

Business activity statement

Document ID

ABN

Form due on

Payment due on

GST accounting method

Contact phone number

Contact person who completed the form

PAYG income tax instalment

Complete Option 1 OR 2 (indicate one choice with an X)

**Option 1: Pay a PAYG instalment amount quarterly**

T7 \$

Write the T7 amount at 5A in the Summary section over the page OR if varying this amount, complete T8, T9, T4

Estimated tax for the year T8 \$

Varied amount for the quarter T9 \$

Write the T9 amount at 5A in the Summary section over the page and then complete the other sections

Reason code for variation T4

OR

**Option 2: Calculate PAYG instalment using income times rate**

PAYG instalment income T1 \$

T2  %

OR

New varied rate T3  %

T1 x T2 (or x T3) T11 \$

Write the T11 amount at 5A in the Summary section over the page and then complete the other sections

Reason code for variation T4

Goods and services tax (GST)

Total sales G1 \$

Does the amount shown at G1 include GST? (indicate with an X)  Yes  No

Export sales G2 \$

Other GST-free sales G3 \$


Capital purchases G10 \$

Non-capital purchases G11 \$


Report GST on sales at 1A and GST on purchases at 1B in the Summary section over the page and then complete the other sections

NAT 4235-4.2004


**How to pay**




**Bank:** contact your bank, credit union or building society to make this payment from your cheque or savings account. Quote biller code **75556** and your EFT code (shown on the other side of this payment slip) as the customer reference number.




**Direct credit:** transfer funds directly to the Tax Office using computer based banking software.



**Direct debit:** have your payment deducted from your nominated bank account (excluding credit cards).



**Mail payments:** mail this payment slip together with your cheque / money order using the envelope provided. Please do not use pins or staples. Do NOT send cash.



**Post Office:** payments can be made at any Post Office by cash, cheque or EFTPOS (subject to daily limits). A \$3,000 cash limit applies. Your payment slip must be presented with your payment.

- Cheques/money orders should be made payable to the 'Deputy Commissioner of Taxation' and crossed 'Not Negotiable'.
- All cheques must be tendered in Australian currency.

❗ Payments cannot be made by credit card or in person at any Tax Office branch or shopfront.

**BUSINESS ACTIVITY STATEMENT – SAMPLE B**

|   |  |  |  |   |
|---|--|--|--|---|
| <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p><b>PAYG tax withheld</b></p> <p>Total salary, wages and other payments <b>W1</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Amount withheld from payments shown at W1 <b>W2</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Amount withheld where no ABN is quoted <b>W4</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Other amounts withheld (excluding any amount shown at W2 or W4) <b>W3</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Total amounts withheld (W2 + W4 + W3) <b>W5</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00<br/> <b>Write the W5 amount at 4 in the Summary section below</b></p> </div>  | <div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <p><b>Fringe benefits tax (FBT) instalment</b></p> <p><b>F1</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/></p> <p><b>Write the F1 amount at 6A in the Summary section below OR if varying this amount, complete F2, F3, F4</b></p> <p>Estimated FBT for the year <b>F2</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Varied amount for the quarter <b>F3</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p><b>Write the F3 amount at 6A in the Summary section below</b></p> <p>Reason code for variation <b>F4</b> <input style="width: 20px; border: none; border-bottom: 1px solid black; text-align: center; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/> <input style="width: 20px; border: none; border-bottom: 1px solid black; text-align: center; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/></p> </div>  |  |  |   |
| <div style="border: 1px solid black; padding: 5px;"> <p><b>Summary</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top; padding: 5px;"> <p><b>Amounts you owe the Tax Office</b></p> <p>GST on sales <b>1A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Wine equalisation tax <b>1C</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Luxury car tax <b>1E</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>PAYG tax withheld <b>4</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>PAYG income tax instalment <b>5A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>FBT instalment <b>6A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Deferred company/fund instalment <b>7</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p><b>8A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00<br/> <small>1A + 1C + 1E + 4 + 5A + 6A + 7</small></p> </td> <td style="width: 50%; vertical-align: top; padding: 5px;"> <p><b>Amounts the Tax Office owes you</b></p> <p>GST on purchases <b>1B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Wine equalisation tax refundable <b>1D</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Luxury car tax refundable <b>1F</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Credit from PAYG income tax instalment variation <b>5B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Credit from FBT instalment variation <b>6B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p><b>8B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00<br/> <small>1B + 1D + 1F + 5B + 6B</small></p> </td> </tr> </table> </div> |  | <p><b>Amounts you owe the Tax Office</b></p> <p>GST on sales <b>1A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Wine equalisation tax <b>1C</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Luxury car tax <b>1E</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>PAYG tax withheld <b>4</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>PAYG income tax instalment <b>5A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>FBT instalment <b>6A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Deferred company/fund instalment <b>7</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p><b>8A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00<br/> <small>1A + 1C + 1E + 4 + 5A + 6A + 7</small></p> | <p><b>Amounts the Tax Office owes you</b></p> <p>GST on purchases <b>1B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Wine equalisation tax refundable <b>1D</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Luxury car tax refundable <b>1F</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Credit from PAYG income tax instalment variation <b>5B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Credit from FBT instalment variation <b>6B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p><b>8B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00<br/> <small>1B + 1D + 1F + 5B + 6B</small></p> |   |
| <p><b>Amounts you owe the Tax Office</b></p> <p>GST on sales <b>1A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Wine equalisation tax <b>1C</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Luxury car tax <b>1E</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>PAYG tax withheld <b>4</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>PAYG income tax instalment <b>5A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>FBT instalment <b>6A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Deferred company/fund instalment <b>7</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p><b>8A</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00<br/> <small>1A + 1C + 1E + 4 + 5A + 6A + 7</small></p>  | <p><b>Amounts the Tax Office owes you</b></p> <p>GST on purchases <b>1B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Wine equalisation tax refundable <b>1D</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Luxury car tax refundable <b>1F</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Credit from PAYG income tax instalment variation <b>5B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p>Credit from FBT instalment variation <b>6B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p><b>8B</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00<br/> <small>1B + 1D + 1F + 5B + 6B</small></p> |  |  |   |
| <div style="border: 1px solid black; padding: 5px;"> <p><b>Payment or refund?</b></p> <p>Is <b>8A</b> more than <b>8B</b>? <input type="checkbox"/> Yes, then write the result of <b>8A</b> minus <b>8B</b> at 9. This amount is payable to the Tax Office.</p> <p>(indicate with X) <input type="checkbox"/> No, then write the result of <b>8B</b> minus <b>8A</b> at 9. This amount is refundable to you (or offset against any other tax debt you have).</p> <p style="text-align: right;"><b>Your payment or refund amount</b></p> <p style="text-align: right;"><b>9</b> \$ <input style="width: 100px; border: none; border-bottom: 1px solid black; text-align: right; font-family: monospace; font-size: 1.2em; margin-right: 5px;" type="text"/>.00</p> <p style="text-align: right;">⚠ Do not use symbols such as +, -, /, \$</p> </div>   |  |  |  |   |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; border: 1px solid black; padding: 5px; vertical-align: top;"> <p><b>Declaration</b> I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.</p> <p>Signature _____ Date    /    /</p> </td> <td style="width: 33%; border: 1px solid black; padding: 5px; vertical-align: top;"> <p>Please return this completed form to</p> </td> <td style="width: 33%; border: 1px solid black; padding: 5px; vertical-align: top;"> <p style="text-align: center;"><b>HRS</b>    <b>MINS</b></p> <p style="text-align: center;"> <input style="width: 20px; height: 20px; border: 1px solid black; margin-right: 5px;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black; margin-right: 5px;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black; margin-right: 5px;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black; margin-right: 5px;" type="text"/> </p> <p style="font-size: 0.8em;">Please estimate the time taken to complete this form. Include the time taken to collect any information.</p> </td> </tr> </table>  |  | <p><b>Declaration</b> I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.</p> <p>Signature _____ Date    /    /</p>  | <p>Please return this completed form to</p>  | <p style="text-align: center;"><b>HRS</b>    <b>MINS</b></p> <p style="text-align: center;"> <input style="width: 20px; height: 20px; border: 1px solid black; margin-right: 5px;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black; margin-right: 5px;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black; margin-right: 5px;" type="text"/> <input style="width: 20px; height: 20px; border: 1px solid black; margin-right: 5px;" type="text"/> </p> <p style="font-size: 0.8em;">Please estimate the time taken to complete this form. Include the time taken to collect any information.</p> |
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| <p style="font-size: 0.8em;">Activity statement instructions are available from <a href="http://www.ato.gov.au">www.ato.gov.au</a> or can be ordered by phoning <b>13 28 66</b>. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from <a href="http://www.ato.gov.au">www.ato.gov.au</a></p>  |  |  |  |   |
| <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%; vertical-align: top;"> <p style="font-size: 0.8em; margin: 0;">Australian Government<br/>Australian Taxation Office</p> </td> <td style="width: 70%; vertical-align: top;"> <div style="border: 1px solid black; height: 60px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 30px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 30px;"></div> </td> </tr> </table>   |  | <p style="font-size: 0.8em; margin: 0;">Australian Government<br/>Australian Taxation Office</p>   | <div style="border: 1px solid black; height: 60px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 30px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 30px;"></div>   |   |
| <p style="font-size: 0.8em; margin: 0;">Australian Government<br/>Australian Taxation Office</p>  | <div style="border: 1px solid black; height: 60px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 30px; margin-bottom: 5px;"></div> <div style="border: 1px solid black; height: 30px;"></div>   |  |  |   |

**INSTALMENT ACTIVITY STATEMENT**

**J**



Office use only



41970404

**Instalment activity statement**

Document ID

Form due on

Payment due on

Contact phone number

Contact person who completed the form

- When completing this form, please
- use a BLACK pen only (to help with processing)
  - leave boxes blank if not applicable (do not use N/A, NIL)
  - show whole dollars only (do not show cents)
  - do not use symbols such as +, -, /, \$

**PAYG income tax instalment**

Complete Option 1 OR 2 (indicate one choice with an X)

Option 1: Pay a PAYG instalment amount quarterly

T7 \$

Write the T7 amount at 5A in the Summary section over the page OR if varying this amount, complete T8, T9 and T4

Estimated tax for the year T8 \$

Varied amount for the quarter T9 \$

Write the T9 amount at 5A in the Summary section over the page and then complete the other sections

Reason code for variation T4

**OR**

Option 2: Calculate PAYG instalment using income times rate

PAYG instalment income T1 \$

T2  %

OR  
New varied rate T3  %

T1 x T2 (or x T3) T11 \$

Write the T11 amount at 5A in the Summary section over the page and then complete the other sections

Reason code for variation T4

**PAYG tax withheld**

Total salary, wages and other payments W1 \$

Amount withheld from payments shown at W1 W2 \$

Amount withheld where no ABN is quoted W4 \$

Other amounts withheld (excluding any amount shown at W2 or W4) W3 \$

Total amounts withheld (W2 + W4 + W3) W5 \$

Write the W5 amount at 4 in the Summary section over the page and then complete the other sections

NAT 4197-4.2004

**How to pay**



**Bank:** contact your bank, credit union or building society to make this payment from your cheque or savings account. Quote biller code **75556** and your EFT code (shown on the other side of this payment slip) as the customer reference number.



**Direct credit:** transfer funds directly to the Tax Office using computer based banking software.



**Direct debit:** have your payment deducted from your nominated bank account (excluding credit cards).



**Mail payments:** mail this payment slip together with your cheque / money order using the envelope provided. Please do not use pins or staples. Do NOT send cash.



**Post Office:** payments can be made at any Post Office by cash, cheque or EFTPOS (subject to daily limits). A \$3,000 cash limit applies. Your payment slip must be presented with your payment.

- Cheques/money orders should be made payable to the 'Deputy Commissioner of Taxation' and crossed 'Not Negotiable'.
- All cheques must be tendered in Australian currency.

**ⓘ Payments cannot be made by credit card or in person at any Tax Office branch or shopfront.**

**INSTALMENT ACTIVITY STATEMENT**

**Fringe benefits tax (FBT) instalment**

**F1** \$

**Write the F1 amount at 6A in the Summary section below  
OR if varying this amount, complete F2, F3, F4**

Estimated FBT for the year **F2** \$

Varied amount for the quarter **F3** \$

**Write the F3 amount at 6A in the Summary section below**

Reason code for variation **F4**

**Summary**

| Amounts you owe the Tax Office  | Amounts the Tax Office owes you  |
|---|--|
| PAYG tax withheld <b>4</b> \$ <input style="width: 150px;" type="text"/>                |  |
| PAYG income tax instalment <b>5A</b> \$ <input style="width: 150px;" type="text"/>      | Credit from PAYG income tax instalment variation <b>5B</b> \$ <input style="width: 150px;" type="text"/> |
| FBT instalment <b>6A</b> \$ <input style="width: 150px;" type="text"/>                  | Credit from FBT instalment variation <b>6B</b> \$ <input style="width: 150px;" type="text"/>             |
| Deferred company/fund instalment <b>7</b> \$ <input style="width: 150px;" type="text"/> |  |
| <b>4 + 5A + 6A + 7</b> <b>8A</b> \$ <input style="width: 150px;" type="text"/>          | <b>5B + 6B</b> <b>8B</b> \$ <input style="width: 150px;" type="text"/>                                   |

**Payment or refund?**

**Is 8A more than 8B?**  Yes, then write the result of **8A minus 8B** at 9. **This amount is payable to the Tax Office.**

No, then write the result of **8B minus 8A** at 9. **This amount is refundable to you** (or offset against any other tax debt you have).

**Your payment or refund amount**

**9** \$

**!** Do not use symbols such as +, -, /, \$

**Declaration** I declare that the information given on this form is true and correct, and that I am authorised to make this declaration.

Signature \_\_\_\_\_ Date \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Please return this completed form to

**HRS**

**MINS**

Please estimate the time taken to complete this form. Include the time taken to collect any information.

Activity statement instructions are available from [www.ato.gov.au](http://www.ato.gov.au) or can be ordered by phoning **13 28 66**. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from [www.ato.gov.au](http://www.ato.gov.au)

Australian Government  
Australian Taxation Office

- ABN, *see* Australian business number
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