Preface

Welcome to the latest edition of Taxation Statistics—a publication that provides an overview of some of the statistics available from the Australian Taxation Office (ATO).

Taxation Statistics 1999–2000 presents a profile of the income and taxation status of Australian individuals, companies, funds, partnerships and trusts using information from the 2000 income tax return forms. It also presents information about the superannuation system, fringe benefits tax, excise and other tax collections.

The first chapter presents a description of the different taxes and collection systems and the sources of the statistics in this publication. The second chapter presents an overview or summary of the taxation statistics reported in this edition. The remaining chapters present statistics on the specific taxes collected for the 1999–2000 income year and/or 2000–01 financial years—current at the time of publication.

This year there are 2 new chapters—‘GST and other taxes’ and ‘PAYG withholding’. These chapters replace the Sales Tax, Pay As You Earn, the Prescribed Payments System and Reportable Payments System chapters of earlier editions. The former Diesel Fuel Rebate Scheme chapter has been retitled and expanded to include new fuel rebate and grant schemes. These and other revisions reflect changes introduced under the new tax system which the ATO administers.

Once again, there is a CD and publication. The CD contains an electronic copy of the publication, a series of detailed tables, links and a glossary. The detailed tables are presented in PDF, Excel and CSV formats.

A key feature of this edition’s CD is the expanded detailed tables on industry benchmark statistics. While previous editions presented industry benchmark statistics on selected industries, this edition presents industry benchmark statistics on almost all fine industries.

As in previous editions, the publication and detailed tables are also available on ATO*assist*—the ATO’s internet site. It can be found at www.ato.gov.au.

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 1999–2000* was compiled before all processing for the 2000 year was completed. Statistics for companies, individuals, funds, partnerships and trusts are as at the compilation date of 31 October 2001, and are not necessarily complete. Statistics for prior income years have been updated in the relevant detailed tables and are considered final for those years. The 1999–2000 year statistics will be updated quarterly on the ATO website and finalised in the next edition of *Taxation Statistics*.

Where figures have been rounded, discrepancies may occur between the sums of the component items and totals.

In order to meet privacy regulations, some cells in some tables may have been aggregated. In such cases table ‘totals’ have not been affected.

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

Enquiries about these statistics

General enquiries about the content and interpretation of statistics in this publication, or about the availability of related data, should be directed to the:

Assistant Commissioner
Revenue Analysis Branch
ATO Resource Management
Australian Taxation Office
PO Box 900
Civic Square ACT 2608

Alternatively please ring: 1800 806 214

Or E-mail to: taxstats@ato.gov.au

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Australian Taxes

Australian taxes

Australian law requires that we pay taxes and other charges at Federal, State, Territory and local government levels in order to fund a range of government programs and community services.

The Australian Taxation Office (ATO) is responsible for managing and shaping Australia's major revenue systems and collecting a wide variety of taxes through various collection systems.

This chapter highlights some of the elements of the new tax system and describes some of the different types of taxes collected by the ATO which are reported in this publication. A brief description of the sources of the statistics in this publication is also presented.

Tax Reform

Royal Assent for the goods and services tax legislation, in July 1999, marked the beginning of a new chapter in the history of tax administration in Australia. The ATO was responsible for implementing ‘A New Tax System’ and delivering on a range of tax reforms. To achieve this, the ATO had to adopt a whole new approach to tax administration.

Also on the agenda for the year was the redesign of the business tax system. The Review of Business Taxation, headed by Mr John Ralph, submitted its final report, A Tax System Redesigned, to the Prime Minister and Treasurer in August 1999. Following this, some early pieces of business tax legislation were enacted by Parliament.

Some elements of the new tax system include:

- introduction of the goods and services tax and related wine equalisation and luxury car taxes
- personal income tax cuts
- increased family benefits
- introduction of the Pay As You Go system for instalments and withholding taxes
- new fringe benefits tax measures
- introduction of a savings bonus for older Australians
- introduction of Australian Business Numbers and establishment of the Australian Business Register
- introduction of the Business Activity Statement and Instalment Activity Statement
- registration and endorsement of the exemption and gift-deductibility status of charities
- an extension of the diesel fuel rebate for off-road vehicles and introduction of the Diesel and Alternative Fuels Grants Scheme for certain on-road transport
- the Fuel Sales Grant Scheme for regional and remote service stations
- the new Product Stewardship arrangements for waste oil.

Statistics on some of these new elements (such as the goods and services tax, wine equalisation tax, luxury car tax, fuel sales grant scheme, diesel and alternative fuels grants scheme and others) are discussed in some chapters of this publication.

Types of taxes and collection systems

The ATO is responsible for collecting a wide variety of taxes through various collection systems. As a result of the new 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, and certain categories of people or entities need not pay tax, in general, residents of Australia are liable for tax upon their worldwide income. Non-residents are liable upon their income with an Australian source.

In calculating income tax liability for any year, a person must first calculate his/her 'assessable income'. This comprises salary and wages, interest payments etc., and can also comprise amounts other than those generally understood as being income. Some types of net capital gains are included under this extended meaning. The next step is to deduct allowable deductions in order to calculate the 'taxable income'. The taxation rates imposed by Parliament are applied to this figure to identify a gross tax figure. Finally, the amount of any tax offsets (or rebates) are subtracted in order to determine the tax liability.

This basic system can apply to all types of entities—individuals, companies, funds, partnerships and trusts—although the type of tax offsets that can be claimed, assessable income considered, deductions, tax rates and the particular forms used by the entities, can vary significantly.

Personal (or individual) tax is discussed in chapter 3. **Income taxes of other entities—companies, partnerships and trusts and funds**—are discussed in chapters 4, 5 and 6.

A different system of income tax calculation applies to non-residents in receipt of dividends, interest or royalties from an Australian source. In these circumstances international **withholding taxes** apply. The gross amounts of income are subject to a prescribed rate of tax, and this constitutes a first and final liability for the taxpayer in respect of that income.

Other withholding taxes (including non-resident withholding taxes) are discussed in chapter 12.

Pay As You Go is a single, integrated system for reporting and paying tax on business and investment income and withholding amounts. The new system became effective from 1 January 2000 for taxpayers with substituted accounting periods; for others it came into force on 1 July 2000. The Pay As You Go system replaced 11 payment and recording systems including provisional tax, company and superannuation fund instalments, the Pay As You Earn collection system and the Prescribed Payments and Reportable Payments Systems.

The Pay As You Go collection system and statistics collected from this system are discussed in chapter 10.

The **provisional tax system** applied to individuals' business and investment income. An estimate of the anticipated income was made during the course of the financial year and an amount equal to the tax that would be payable upon that amount was paid to the ATO. Payment adjustments to reflect the actual amount earned were made when the return was lodged at the end of the year.

Although this tax was replaced by the Pay As You Go system on 1 July 2000, statistics on provisional tax (provisional tax credits in 1999–2000) are discussed in chapter 3.

Fringe benefits tax is levied upon employers and based upon the value of certain non-cash benefits provided to their employees or associates of their employees. It complements the income tax system but varies markedly because the benefit recipient does not bear the tax liability.

Fringe benefits tax is discussed in chapter 9.

The **goods and services tax** is generally a tax of 10 per cent on the supply of most goods and services consumed in Australia. This tax replaced the wholesale sales tax and some State and Territory taxes. The revenue raised from this tax goes directly to the States and Territories. The liability to pay this tax to the ATO rests on the supplier of the goods and services. Even if a supplier does not include the tax in the price charged to the customer, that supplier is still liable to pay the goods and services tax to the ATO.

The goods and services tax is discussed in chapter 11.

Other taxes imposed on the supply of goods under the new tax system include the **wine equalisation tax** which replaces the wholesale sales tax on wine and certain other alcoholic beverages and the **luxury car tax** which applies to cars when their value exceeds the luxury car tax threshold.

These 2 taxes are also discussed in chapter 11.

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

Excise is discussed in chapter 13.

Other taxes the ATO is responsible for include the **petroleum resource rent tax**. The petroleum resource rent tax is discussed in chapter 4 (the company tax chapter).

Aside from collecting taxes and excise duty, the ATO is responsible for administering the Superannuation Guarantee Scheme. The scheme requires all employers (in each financial year) to provide a minimum level of superannuation support to a complying superannuation fund or retirement savings account for each of their employees, subject to limited exemptions. Employers who fail to provide a minimum level of support are liable to pay the **Superannuation Guarantee Charge** to the ATO. 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 by the ATO to a complying superannuation fund, complying approved deposit fund, retirement savings account or the Superannuation Holding Accounts Reserve for the benefit of those employees in respect of whom the charge was paid.

The Superannuation Guarantee Scheme and the Superannuation Guarantee Charge are discussed in chapter 7.

Source of the statistics

Statistics reported and discussed in this publication are sourced from annual return forms, activity statements and other sources. PDF copies of all return forms and activity statements can be found in the appendix.

Annual taxation return forms

Taxpayers are required to lodge different annual return forms to fulfil their tax obligations. Most of the statistics in this publication are sourced from 2 annual return forms—income tax return forms (for individuals, companies, funds, trusts and partnerships) and the fringe benefits tax (FBT) annual return form.

Individual (or personal), company, fund, partnership and trust taxpayers report their income, profit, allowable deductions, expenses, tax offsets, rebate claims and other items in their respective annual **income tax return forms** to work out their tax liability.

Individual (or personal) taxpayers may lodge their **income tax return forms** in electronic or paper forms. To assist individual taxpayers to complete their income tax returns and fulfil their tax obligations, the ATO distributes *TaxPack*. *TaxPack* is an information booklet that provides taxpayers with instructions on how to fill in their forms while informing them of their rights and responsibilities. The return form individual taxpayers need to complete is contained in the booklet. However, a separate return form and instruction booklet exist for the use of tax agents completing forms on behalf of individual clients.

The ATO reviews *TaxPack* (and the instruction booklet used by tax agents) annually to ensure the information it contains is current and that taxpayers are given a high level of assistance when completing their tax returns. Approximately 19% of individuals used *TaxPack* to prepare their 1999–2000 income tax return.

An electronic version of *TaxPack*, **e-tax**, is also available on the ATO's website. More than 113 000 individual tax payers used **e-tax** to prepare their 1999–2000 income tax return.

Company, fund, partnership and trust taxpayers may also lodge their respective **income tax return forms** in paper or electronic forms. The ATO also distributes instruction booklets for these taxpayers to assist them to complete their forms and reviews these booklets annually to ensure that the information they contain is current.

Statistics for the 1999–2000 income year found in the personal tax, company tax, fund tax, partnership and trust taxes and capital gains tax chapters (chapters 3, 4,5, 6 and 8) and their respective detailed tables are sourced from the 2000 individual, company, fund, partnership and trust tax return forms processed before 31 October 2001.

Although employers must lodge Business Activity Statements or Instalment Activity Statements to report their fringe benefit tax instalment obligations (see below), they are still required to fill in annual **fringe benefit tax return forms** to report the tax payable on the value of fringe benefits they provided to their employees or to associates of their employees in respect of their employment during the FBT year (1 April to 31 March of the following year). Statistics for the

2000-01 FBT year in the fringe benefits tax chapter (chapter 9) are sourced from the 2001 FBT form processed before 31 October 2001.

Business Activity Statement

The government introduced the Business Activity Statement (BAS) as part of the new tax system on 1 July 2000. It replaced several ATO forms which businesses had to lodge before the new tax system was introduced. Currently, it is the single form businesses use to report and remit their obligations and entitlements relating to:

- goods and services tax
- Pay As You Go instalments
- Pay As You Go amounts withheld from payments
- fringe benefits tax instalments
- deferred company and fund instalments for 1999–2000
- wine equalisation tax and
- luxury car tax.

Businesses also use the BAS to claim credits for sales tax paid on eligible stock on hand at the start of 1 July 2000.

All businesses with any of the above tax obligations and entitlements are required to complete an activity statement periodically depending on the lodgment option chosen by the business.

The ATO sends the BAS to businesses before they need to lodge it. The statement is personalised for the business—it has a unique document identification number, some parts are already filled in and it shows when the business have to lodge and the period covered by the activity statement for each of the business' obligations. How often the business needs to lodge depends on the business' liability turnover and other factors.

Statistics on PAYG withholding and GST collections are sourced from BAS data as at 7 November 2001.

Instalment Activity Statement

Like the BAS, the Instalment Activity Statement (IAS) was introduced on 1 July 2000 as part of the new tax system. It replaced a wide range of forms which businesses and certain taxpayers had to complete to report their tax obligations and entitlements to the ATO before the introduction of the new tax system. Individual taxpayers, trustees with business income and businesses use the IAS to report their obligations and entitlements relating to:

- Pay As You Go Instalments
- Pay As You Go amounts withheld from payments

- fringe benefits tax instalments
- deferred company and fund instalments for 1999–2000.

All businesses and individuals with any of the above obligations are required to complete an Instalment Activity Statement either monthly, quarterly or annually.

The ATO sends the IAS to taxpayers before they need to lodge it. The statement is personalised, with some parts already filled in to save the taxpayer time and effort.

Some individual taxpayers (such as trustees) must complete a BAS and one or more IAS forms. 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 BAS for the business activities of the trust and an IAS in respect of each instalment liability notified to the trustee. A trustee may have a liability in respect of one or more of the beneficiaries of the trust, or in respect of net income which does not form part of a beneficiary's share of trust net income.

Statistics on PAYG withholding collections are sourced from IAS data as at 7 November 2001.

Other sources

Statistics in some chapters are sourced from other sources. For example, Australian Business Number (ABN) registrations in Chapter 11 are sourced from ABN application forms. Excise statistics in chapter 13 are sourced from Customs. Some of the statistics in the Superannuation chapter (chapter 7) are sourced from the Australian Prudential Regulation Authority (APRA). Some statistics on personal taxpayers are sourced from the Australian Bureau of Statistics. Some statistics on revenue collections were sourced from various editions of the *Commissioner of Taxation's Annual Report*. Other statistics are sourced from other ATO registration forms.

More information

More information on general ATO administration and arrangements can be found in the *Commissioner of Taxation's Annual Report*. This is published in October each year, and can be found in Government Info Shops, a range of libraries and on the ATO website (www.ato.gov.au).

The ATO also produces a variety of publications, brochures, learning and training tools and other guides discussing the different taxes and collection systems reported in this publication. These publications are designed to help people understand their tax obligations including those introduced under the new tax system. While most of these materials are available in paper form and may be acquired by visiting ATO*access* offices or calling the ATO's fax services (Fax from Tax), many are released in electronic form and may be accessed on the ATO's website.

The ATO also has a national enquiries phone service.

Summary

Summary

In 1999–2000, revenue collected by the ATO continued to grow strongly. Taxes collected from different entities (namely, individuals, companies, funds, partnerships and trusts) and through the different forms of collection systems (Pay As You Earn, Prescribed Payments System, Reportable Payments System, sales tax, excise and other withholding systems) continued their upward trend (Figure 2.1).

In 2000–01, as part of the new tax system, the ATO implemented new collection systems including the GST, wine equalisation tax and luxury car tax which replaced the sales tax, and the Pay As You Go (PAYG) collection system which replaced the Pay As You Earn (PAYE) and other withholding obligations. At the same time, other reforms were implemented to other existing collection systems (some of which are discussed in various chapters of this publication).

This chapter presents an overview of the publication by reporting some of the main statistics discussed in chapters 3 to 15. However, some of the statistics in the last section of this chapter ('Revenue from collection systems') were sourced from the *Commissioner of Taxation Annual Report for 2000–01*, and are not discussed further in this publication.

Figure 2.1: PAYE, PAYG and other sources of revenue[1]

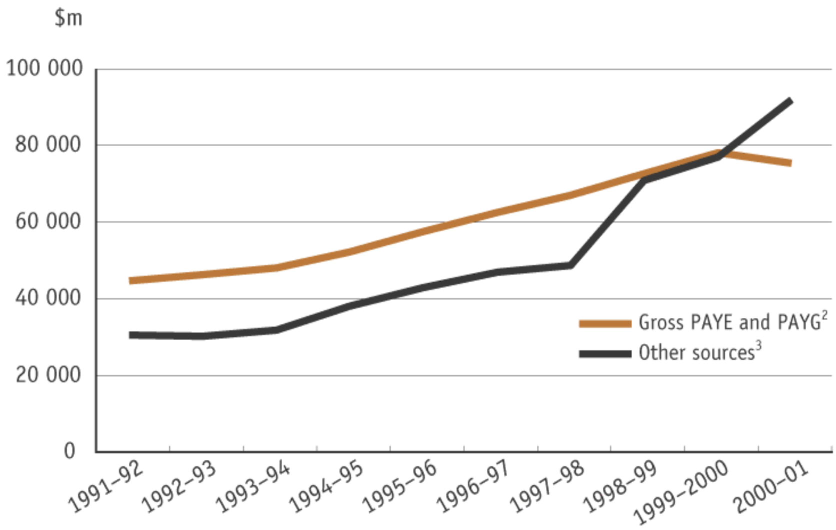

Figure 2.3: Comparative line graph showing PAYE/PAYG and other sources of revenue from 1991–92 to 2000–01

1. Refers to revenue collected in each financial year.
2. Gross PAYE collections up to 1999–2000 and Gross PAYG Withholding collections from 2000–01.
3. Includes collections of superannuation fund tax, company tax, fringe benefits tax, other gross individual collection, excise, superannuation surcharge, GST, wine equalisation tax, luxury car tax, sales tax, petroleum resource rent tax and other taxes or collections from other systems.

Annual tax returns 1999–2000

In 1999–2000, approximately 11.9 million taxpayers lodged returns. Individuals accounted for 85% of total taxpayers, companies 5%, partnerships and trusts each accounted for 4% and funds accounted for 2%.

Table 2.1: Number of taxpayers

Type of taxpayer[1]	1999-2000[2]	Proportion of taxpayers
	no.	%
Individuals	10 135 834	85.5
Companies	596 934	5.0
Partnerships	491 792	4.1
Trusts	450 061	3.8
Funds	184 456	1.6
Total	**11 859 077**	**100.0**

1. Includes residents and non-residents.
2. Number of taxpayers based on return forms for the 1999–2000 income year processed before 31 October 2001 for all entities.

Industry profile of annual taxpayers 1999–2000

In 1999–2000, 61% of all taxpayers (whose industry was stated) were salary and wage earners. A further 16% were in the property industry, 6% were in the finance, insurance, real estate and business services industry, and 5% were in the primary production industry.

The industry profile of individual or personal taxpayers (whose industry was stated) showed a similar trend. Around 72% of individual taxpayers were salary and wage earners, and a further 16% were in the property industry.

The main industry groups were quite different among companies, partnerships and trusts (whose industry was stated). Around 51% of all companies were in the finance, insurance, real estate and business services industry. A further 10% were in the construction industry, while 8% were in the retail trade industry.

Among partnerships (whose industry was stated), 27% were in the primary production industry, 16% were in the construction industry and 13% were in the retail trade industry.

Among trusts (whose industry was stated), 39% were in the property industry, 29% were in the finance, insurance, real estate and business services industry, while 7% were in the primary production industry.

Shares of other broad industries for each entity can be derived from Table 2.2.

Table 2.2: Taxpayers[1] by entity and industry, 1999–2000

Industry[2]	Individuals	Companies	Partnerships	Trusts	Total
	no	no.	no.	no.	no.
Salary & wage earners[3]	6 168 483	0	0	0	6 168 483
Property	1 363 890	0	42 266	157 032	1 563 188
Finance, insurance, real estate & business services	172 694	295 119	53 310	116 857	637 980
Primary production	289 851	15 681	131 223	26 198	462 953
Retail trade	69 068	47 801	61 219	24 733	202 821
Construction	207 247	55 665	75 425	20 339	358 676
Manufacturing	60 809	43 226	26 703	12 387	143 125

Transport & storage	49 192	23 191	23 469	7 657	103 509
Personal & other services	61 141	15 179	17 924	6 562	100 806
Health & community services	49 750	21 998	5 792	7 570	85 110
Cultural & recreational services[4]	46 727	10 967	7 794	2 964	68 452
Wholesale trade	15 115	30 125	11 679	8 407	65 326
Accommodation, cafes & restaurants	9 998	12 019	15 041	7 645	44 703
Communication	15 337	3 446	3 916	1 043	23 742
Education	16 668	2 760	1 946	759	22 133
Mining	3 159	3 496	857	579	8 091
Electricity, gas supply & water sewerage & drainage	552	722	328	178	1780
Total industry stated	**8 599 681**	**581 395**	**478 892**	**400 910**	**10 060 878**
Industry not stated[5]	1 536 153	15 539	12 900	49 151	1 613 743
Total	**10 135 834**	**596 934**	**491 792**	**450 061**	**11 674 621**

1. Excludes funds.
2. The industry groups are coded using the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.
3. Refers to individual taxpayers who reported income only from salary and wages and/or salary and wages with net income or loss from any other source, other than directly from business, of less than $1000 in their return form.
4. Includes sports.
5. Includes entities that have only registered a subsidiary return income from partnerships and trusts. May also include entities registered under the government and defence industry code.

Income and net tax payable from 1999–2000 annual returns

In 1999–2000, companies accounted for only 5% of total taxpayers. However, this entity group accounted for 77% of total income, 27% of taxable income and 25% of net tax. Individuals accounted for 85% of total taxpayers and 20% of total income, 66% of taxable income and 72% of net tax payable (Tables 2.1 and 2.3).

In the same period, around 7.6 million individual taxpayers received tax refunds. These totalled approximately $10.6 billion—an average of $1400 per taxpayer. Approximately 2 million individual taxpayers had a tax debt. These debts totalled $6 billion—an average of $3082 per taxpayer.

Table 2.3: Income by entity[1], 1999–2000

Entity	**Total Income**	**Taxable Income**	**Net Tax**
	$m	$m	$m
Individuals[2]	329 978	316 020	76 766
Companies	1 245 556	129 113	26 346
Funds	46 634	31 249	3 523
Partnerships[3]	15 893	n.a.	n.a.
Trusts[3]	39 472	n.a.	n.a.
Total[4]	**1 622 168**	**476 381**	**106 635**

1. Number of taxpayers based on return forms for the 1999–2000 income year processed before 31 October 2001 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 and salary and wages.
3. Profits from partnerships and trusts are distributed to beneficiaries who pay tax on the income.
4. Total income does not include partnerships and trusts total income because their income is distributed to the other entities as taxable income.

Periodical 2000–01 revenue collection

In 2000–01, the total revenue administered by the ATO was increased by 8% from the previous year (from $153.5 billion to $165.4 billion (Table 2.4). Total revenue collections for the 2000–01 financial year includes items listed in Table 2.4 minus individual refunds.

Table 2.4: Sources of revenue collections[1]

	1999-2000[2]	**2000-01**[3]
	$m	$m
Gross PAYG withholding[4]	80 495	74 474
Gross other individuals[5]	13 370	13 231
Company tax[5,6]	24 346	31 654
GST	n.a.	23 788
Excise[7]	19 811	19 330
Superannuation funds[5,8]	3 820	4 801
Fringe benefits tax[9]	3 657	3 492
Resource rent tax	1 184	2 378
Sales tax[10]	16 560	1 352
Other withholding[11]	1 217	1 216
WET & LCT[12]	n.a.	694
Individual refunds	10 946	10 989
Total revenue	**153 514**	**165 421**

1. Sourced from the *Commissioner of Taxation Annual Report 2000-01*. For more historical statistics please see this annual report or earlier editions of this report.
2. Revenue collected as of 30 June 2000.
3. Revenue collected as of 30 June 2001.
4. In 2000–01 gross PAYG withholding includes amounts withheld from salaries and wages and other payments which were subject to Pay As You Earn (PAYE) withholding arrangements, Prescribed Payment System (PPS) or Reportable Payments System (RPS) prior to 1 July 2000, plus tax file number withholding and Australian Business Number withholding from 1 July 2000. The PAYG withholding system was only introduced on 1 July 2000. The 1999–2000 'gross PAYG withholding' figure was calculated by summing all PAYE ($77 162 million), PPS ($3118 million) , RPS ($3 million) and tax file number withholding ($212 million) revenue.

5. The PAYG system was introduced from 1 July 2000. This system has 2 main components—PAYG withholding and PAYG instalments. Gross other individuals, companies and superannuation funds contain PAYG instalments and other payments.
6. Company tax collections in 1999–2000 refer to all company tax collections made in 1999–2000. Collections may include deferred payments made from previous years. The 1999–2000 company net tax payable reported in Table 2.3 and in the 'Company tax' chapter of this publication may not match the collection figure as the net tax payable only refers to the net tax for which companies are liable in 1999–2000. Companies may also make amendments to their return forms and/or defer the payment of the net tax they are liable for in a particular year to later years. In addition, company tax collections in 1999–2000 refer to revenue collected as of 30 June 2000, whereas the company net tax payable figure is based on company return forms processed as of 31 October 2001.
7. Includes excise surcharge collections, but excludes diesel fuel rebates.
8. Includes superannuation surcharge collections. Superannuation fund collections in 1999–2000 refer to all superannuation fund collections made in 1999–2000. Collections may include deferred payments made from previous years. The 1999–2000 fund net tax payable reported in Table 2.3 and in the 'Funds tax' chapter of this publication may not match the collection figure as the net tax payable only refers to the net tax funds are liable to pay in 1999–2000. Funds may also make amendments to their return forms and/or defer the payment of the net tax they are liable for in a particular year to later years. In addition, superannuation fund tax collections in 1999–2000 refer to revenue collected as of 30 June 2000, whereas the fund net tax payable figure is based on fund return forms processed as of 31 October 2001.
9. Includes collections from Commonweath on-Budget departments and authorities of $284 million in 1999–2000 and $263 million in 2000–01. Fringe benefit tax (FBT) collections in 2000–01 refer to all FBT collections made in 2000–01. Collections may include deferred payments made from previous years. The 2000–01 FBT payable reported in the 'FBT' chapter of this publication may not match the collection figure as the FBT payable only refers to the FBT entities are liable to pay in 2000–01. Entities may also make amendments to their return forms and/or defer the payment of the FBT they are liable for in a particular year to later years. In addition, the FBT collection in 2000–01 refers to revenue collected as of 30 June 2001, whereas the FBT payable figure is based on FBT return forms processed as of 31 October 2001.
10. Includes alcohol surcharge. Sales tax was replaced by the GST in 2000–01. Sales tax figure for 2000–01 refers to final sales tax payments in relation to the 1999–2000 year.
11. Includes non-resident withholding tax and mining withholding tax.
12. Wine equalisation tax (WET) and the luxury car tax (LCT) were only introduced in 1 July 2000. Along with GST, these taxes replaced sales tax.

Over the past decade, collections from the Pay As You Earn (PAYE) system have been the main source of revenue collection. However, in 2000–01 the PAYE along with the Prescribed Payments System (PPS), the Reportable Payments System (RPS) and other withholding collection systems were replaced by the PAYG withholding system. Despite this aggregation of systems, overall gross PAYG withholding collections ($74.5 billion) in 2000–01 were around 3% lower than gross PAYE collections ($77.2 billion) in 1999–2000. This decline predominantly reflects the lower personal tax rates introduced in 2000–01 as part of the new tax system.

Despite the lower amount collected, gross PAYG withholding collections remained the main source of revenue in 2000–01, accounting for 45% of total ATO revenue collections.

Company tax collections in 2000–01 were $31.7 billion. This was due to strong profit growth and a one-off, earlier payment date for some instalments under the transition to the PAYG system. These 2 factors combined to offset the reduction in company tax from 36% to 34% in 2000–01.

In 2000–01, net GST collections reached $23.8 billion while wine equalisation tax and luxury car tax collections reached $523.1 million and $170.8 million respectively.

With the introduction of the GST, wine equalisation tax and luxury car tax, sales tax was phased out in 2000–01. Sales tax collections (including the alcohol surcharge) fell from $16.6 billion in 1999-2000 to $1.4 billion in 2000–01. Sales tax collections in 2000–01 mainly refer to final payments in July 2000, in relation to the previous year.

Gross other collections from individuals fell by 1%. This occurred because the final quarterly instalment was deferred into 2000–01.

Total excise collections decreased by half a billion to $19.3 billion in 2000–01, mainly due to a decrease in petroleum excise collection. The decline in petroleum excise collection is mainly the result of the cessation of the surcharge with the introduction of the GST and the $0.015 cut in petroleum excise in March 2001.

Superannuation fund collections (including the surcharge) increased by 26% to $4.8 billion from the previous year. Strong growth in capital gains and employer contributions were the main sources of the increase. The one-off, earlier payment date for some instalments under the PAYG system also contributed to the significant increase in superannuation fund collections in 2000–01.

A doubling in the collection of petroleum resource rent tax from $1.2 billion to $2.4 billion reflected the sustained high world oil prices and higher domestic production activity. In addition, a new major oil field commenced remitting in 2000-01.

Personal tax

Highlights

- In 1999–2000, 10.1 million personal taxpayers (individuals) lodged returns.
- Personal taxpayers had a total income of $330 billion, taxable income of $316 billion and net tax payable of $76.8 billion.
- Personal taxpayers claimed $16.3 billion in total deductions, $7.8 billion in work related expenses and $38.5 billion in business expenses.

Personal (or individual) taxpayers are those taxpayers who receive most of their income from salary and wages, Australian government pensions and benefits, or investments. They may also have business income, business loss or deductions. A personal taxpayer is considered to have business income or loss if they complete any of the following items in their income tax returns:

- distribution from primary production
- deductions from primary production distribution
- net business income—primary production
- net business income—non-primary production
- trust distributions
- PPS or RPS credits
- tax withheld on withdrawal of income equalisation deposit
- an income equalisation deposit or withdrawal
- an industry code
- an indication they have multiple businesses, have ceased business or have commenced business
- business or professional declaration items.

The data in this chapter refers to all personal taxpayers, including those with business income or loss.

Source of statistics

Data for *Taxation Statistics 1999–2000* was compiled before all processing for the 2000 year was completed. Statistics in this chapter are sourced from individual income return forms as at the compilation date of 31 October 2001, and are not necessarily complete. Statistics for prior income years have been updated in the relevant detailed tables and are considered final for those years. The 1999-2000 year statistics will be updated quarterly on the ATO website and finalised in the next edition of *Taxation Statistics*.

Individual income return form lodgments

Most individual tax returns are prepared by tax agents and therefore most are submitted electronically to the ATO for processing. In 1999–2000, 77% of tax returns were submitted by tax agents.

A copy of the individual tax return form prepared by tax agents can be found in the appendix.

In 1999–2000, 75% of tax returns were lodged through the electronic lodgment service. The ATO is encouraging electronic lodgment, and this year introduced the **e-tax** (electronic *TaxPack*) on a national basis—113 164 returns were lodged by self-prepared taxpayers using this product.

Personal taxpayers

In 1999–2000, around 10.1 million personal taxpayers lodged returns—representing 53% of the total Australian population as of 30 June 2000. On average, personal (or individual) taxpayers have accounted for 53% of the total Australian population since 1995–96.

Approximately 83% of individuals lodging a return were taxable. Eighty per cent of all personal taxpayers had tax instalments deducted from their pay on a regular basis.

Figure 3.1 shows the distribution of total income, taxable income and net tax payable of personal taxpayers by age. Taxpayers in the 35–44 years age group accounted for 22% of the total personal taxpayer population and 29% of the total personal net tax payable.

Males continue to represent a larger proportion (53%) of the total taxpayer population. This figure reflects the greater level of male participation in the labour force—73% of men and 55% of women aged 15 and older were in the labour force in June 2000 (Source: ABS, The Labour Force, June 2001, Cat. No. 6203.0).

Figure 3.1: Income by age, 1999–2000

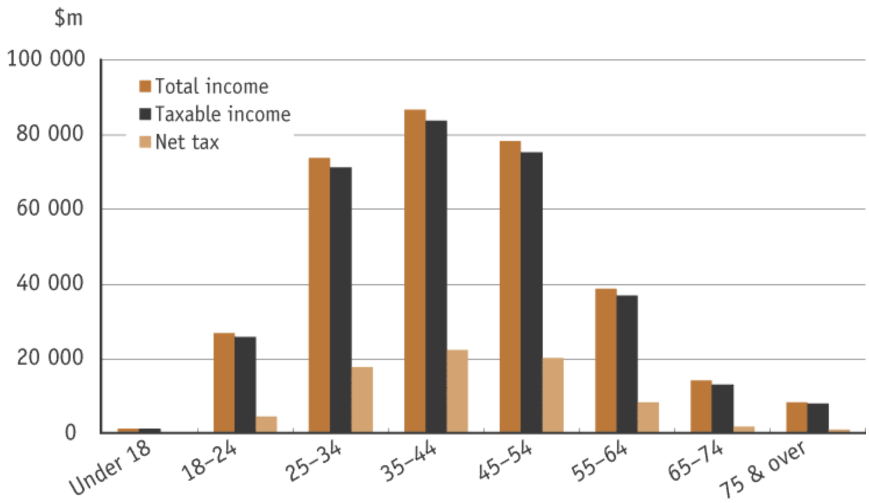

Figure 3.1: Column graph comparing individuals total income, taxable income and net tax amounts by age.

Industry

In 1999–2000, 72% of individual taxpayers (whose industry was stated) were classified as 'salary and wage earners' (Table 3.1). A further 16% and 3% were in the property industry and in the primary production industry respectively.

Table 3.1: Personal taxpayers by industry, 1999–2000

Industry[1]	**Non-taxable**[2]	**Taxable**[3]	**Total**
	no.	no.	no.
Salary & wage earners[4]	990 284	5 178 199	6 168 483
Property	212 872	1 151 018	1 363 890
Primary Production	69 507	220 344	289 851
Construction	18 061	189 186	207 247
Finance, insurance, real estate & business services	25 859	146 835	172 694
Health & community services	7 589	42 161	49 750
Retail trade	17 845	51 223	69 068
Manufacturing	11 033	49 776	60 809
Personal & other services	16 091	45 050	61 141
Transport & storage	7 031	42 161	49 192
Cultural & recreational services[5]	9 132	37 595	46 727
Wholesale trade	3 336	11 779	15 115
Education	3 393	13 275	16 668
Communication	1 900	13 437	15 337
Accommodation, cafes & restaurants	3 118	6 880	9 998
Mining	503	2 656	3 159
Electricity, gas, water, sewerage & drainage	48	504	552
Total industry stated	**1 397 602**	**7 202 079**	**8 599 681**

Industry not stated[6]	280 840	1 255 313	1 536 153
Total	**1 678 442**	**8 457 392**	**10 135 834**

1. The industry groups are coded using the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.
2. Refers to personal (or individual) taxpayers with net tax payable equal to or less than 0 (no amount of net tax charged).
3. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
4. Refers to individual taxpayers who reported income only from salary and wages and/or salary and wages with net income or loss from any other source, other than directly from business, of less than $1000 in their return form.
5. Includes sports.
6. Includes entities that have only registered a subsidiary return income from partnerships and trusts. May also include entities registered under the government and defence industry code.

Income

In 1999–2000, around 10.1 million personal taxpayers had a total income of $330 billion and a taxable income of $316 billion.

The average taxable income for personal taxpayers (taxable and non-taxable combined) was $31 178 in 1999–2000. Men have a much higher average taxable income ($36 578) than women ($25 005), reflecting different employment patterns and participation in the labour force.

Individuals' incomes come from a wide variety of sources (Table 3.2). Seventy-eight per cent of the total number of personal (individual) taxpayers (or 7.9 million personal taxpayers) had income from salary and wages on group certificates. Income from salary and wages accounted for 74% of total income.

Some sources of income are one-off events, such as capital gains and eligible termination payments. While the number of people who return this type of income may remain stable over time, the underlying populations may change significantly from year to year.

Table 3.2: Sources of income, 1999–2000

Sources of income	Taxpayers	Income	
	no	$m	%[1]
Salary & wages on group certificates	7 874 538	242 630	73.5
Net partnership & trusts distribution	1 807 432	22 166	6.7
Net business income	907 842	10 931	3.3
Other pensions (non-government)	512 638	8 009	2.4
Gross dividends	2 641 976	7 607	2.3
Net capital gains	986 534	5 875	1.8
Gross interest	4 509 622	5 449	1.7
Eligible termination payments (ETP) [2]	387 801	5 245	1.6
Imputation credits[3]	2 862 432	4 920	1.5
Allowances, benefits, earnings & tips	2 020 524	4 505	1.4
Australian government pensions	712 643	4 111	1.2
Job search, Newstart, sickness & other benefits	1 075 138	3 881	1.2
Lump sum payments	249 964	1 797	0.5

Other foreign income	520 026	569	0.2
Foreign employment & pension or annuity income without an undeducted purchase price	69 266	498	0.2
Foreign pension or annuity income with an undeducted purchase price	76 083	451	0.1
Net rent	1 281 859	219	0.1
Life assurance bonuses[4]	11 637	43	0.0
Excessive eligible termination payments[5]	542	38	0.0
Attributed foreign income	1 633	25	0.0
Other income[6]	138 543	1 006	0.3
Total[7]	**n.a.**	**329 978**	**100.0**

1. A proportion of 0.0% indicates a proportion of less than 0.05%.
2. ETP figures indicate the number of personal taxpayers who declared ETP amounts in their 2000 income tax return form.
3. Includes partnership and trust imputation credits.
4. Bonuses from life insurance companies and friendly societies.
5. The excessive component of an ETP is if any part of an ETP exceeds the Reasonable Benefits Limit (RBL). In 1999–2000, the RBL was $485 692 if more than half of all benefits are taken as a lump sum and $971 382 if more than half of all benefits are taken as a pension. Any excessive component is taxed at the highest marginal rate plus Medicare levy.
6. 'Other income' is the sum of 'Other salary and wages category 1', 'Other salary and wages category 2' and 'Other income nei (not elsewhere included)'. These items are found in some of the Personal tax detailed tables in the CD. 'Other income' is also equal to the sum of 'Other income category 1' and 'Other income category 2'— items found in the supplementary section of the *2000 Individual Tax Return Form.*
7. Components do not add to total number of taxpayers as taxpayers may declare more than one type of income source.

A series of tables at the end of this chapter (Tables 3.13 to 3.21) 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 1999–2000.

The area with the highest average taxable income was postcode 2027, which includes the suburbs of Darling Point, Edgecliff, HMAS Rushcutters and Point Piper in New South Wales. Postcode 2027 has consistently remained the postcode with the highest average taxable income since 1994–95. The area with the second highest average taxable income in 1999–2000 was postcode 3142, which includes the suburbs of Hawksburn, Heyington and Toorak in Victoria. All the other postcodes listed in the 10 highest average taxable income table were based in New South Wales.

The area with the lowest average taxable income was postcode 5301, which includes the suburbs of Carcuma, Geranium, Jabuk, Moorlands, Parrakie, Peake, Sherlock and Wilkawatt in South Australia.

Deductions

Allowable deductions are subtracted from assessable income to give the taxable income—to which the tax rates are applied. Deductions are generally categorised as work-related deductions or other deductions. Work-related deductions are directly related to the gain or production of assessable income of an employee. Other deductions include gifts and tax-related expenses.

Deductions are common, with 82% of the total individual taxpayer population (or $8.3 million taxpayers) claiming a deduction of some type. These deductions were valued at $16.3 billion in 1999–2000.

In the 1999–2000 income year, individual taxpayers earning $50 000 or more accounted for only 19% of claimants, but represented 42% ($6.8 billion) of total deductions claimed. Those earning between $25 000 and $50 000 accounted for the largest share (41%) of claimants, but represented only 30% ($5 billion) of total deductions.

Table 3.3: Deductions claimed, 1999–2000

Type of deductions	Taxpayers	Amount claimed	
	no.	$m	%
Work-related expenses	6 514 003	7 763	47.6
Prior year losses	94 795	3 000	18.4
Undeducted purchase price of Australian pension or annuity	242 035	1 141	7.0
Non-employer sponsored superannuation	184 106	1 088	6.7
Investment	1 653 208	971	6.0
Cost of managing tax affairs	4 851 139	724	4.4
Gifts	3 350 557	703	4.3
Undeducted purchase price of foreign pension or annuity	66 888	59	0.4
Film industry	1 910	18	0.1
Election expenses	3 578	5	0.0
Other	254 874	822	5.0
Total[1]	**8 262 345**	**16 294**	**100.0**

1. 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 1999–2000, 6.5 million people claimed such deductions. These deductions were valued at $ 7.8 billion or 48% of total deductions claimed (Table 3.3).

Generally, the higher the income of the taxpayer, the higher the average work-related expense deduction claimed. In the 1999–2000 income year, people earning $50 000 or more accounted for only 20% of claimants, but represented 41% ($3.2 billion) of all work-related deductions. Those earning between $25 000 and $50 000 accounted for 45% of claimants, and 41% ($3.2 billion) of all work related deductions. The average claim per person was higher among those earning $50 000 or more ($2405) than among those earning between $25 000 and $50 000 ($1089).

Personal taxpayers can claim more than one work-related expense (Table 3.4). Clothing was the most common work-related expense claimed, with more than 3.8 million claiming $762 million worth of clothing (uniform) expenses. However, in value terms, motor vehicle expenses accounted for the largest share (37%) of total work-related expenses claimed, with the average claim valued at $1683.

Table 3.4: Work related expenses, 1999–2000

Type of work related expense	**Taxpayers**	**Amount claimed**	
	no.	$m	%
Motor vehicle	1 707 780	2 873	37.0
Clothing	3 821 181	762	9.8
Self-education	492 063	595	7.7
Other travel	466 674	629	8.1
Other	5 352 824	2904	37.4
Total[1]	**6 514 003**	**7 763**	**100.0**

1. Components do not add to total number of taxpayers claiming work related expenses as taxpayers may claim more than one type of work related expense.

Business expenses

Around 8% or 852 639 of total personal taxpayers claimed business expenses worth $38.5 billion in total. In value terms, cost of sales expenses accounted for the largest share (39%) of total business expenses for personal taxpayers. However, motor vehicles expenses was the most common type of business expense claimed, with around 608 000 claimants.

Table 3.5 shows a breakdown of business expenses of personal taxpayers in different grades of total business income. In value terms, 77% of total business expenses were claimed by individuals with total business incomes less than $1 million. Cost of sales expenses accounted for 30% of total business expenses of individuals with less than $1 million total business income, 64% of total business expenses of individuals with total business income between $1 million and $2 million, and 75% of total business expenses of individuals with more than $1 million total business income.

Table 3.5: Business expenses, 1999–2000

		Grades of total business income			
Type of expenses		Less than $1 000 000	$1 000 000 to less than $2 000 000	$2 000 000 or more	Total
Cost of sales	no.	211 077	2 335	1 167	214 579
	$m	8 912	2 400	3 789	15 102
Motor vehicle expenses	no.	605 232	2 012	760	608 004
	$m	2 372	31	16	2 418
Depreciation expenses	no.	535 644	2 362	932	538 938
	$m	1 504	40	33	1 577
External labour	no.	78 006	621	253	78 880
	$m	1 148	108	68	1 324
Rent expenses	no.	147 016	1 525	654	149 195
	$m	1 151	67	75	1 294
Interest expenses	no.	192 585	2 193	1 012	195 790
	$m	736	59	60	854

Repairs & maintenance	no.	273 263	1827	769	275 859
	$m	557	21	17	595
Lease expenses	no.	49 869	812	367	51 048
	$m	325	19	16	361
Superannuation expenses	no.	63 165	1 528	647	65 340
	$m	257	26	19	301
Bad debts	no.	8 393	229	118	8 740
	$m	27	3	3	34
All other expenses	no.	807 526	2 865	1 206	811 597
	$m	12 707	988	929	14 623
Total	**no.**[1]	**848 362**	**2 999**	**1 278**	**852 639**
	$m	**29 695**	**3 763**	**5 025**	**38 483**

1. Components do not add to total number of taxpayers claiming business expenses as taxpayers may claim more than one type of business expense.

Rebates/tax offsets and credits

The purpose of rebates—also called tax offsets—is to provide tax relief. Some rebates depend on the nature and level of income (for example, pensioner, beneficiary, low income). Others depend on characteristics such as maintaining a dependant or living in a remote area.

Rebates 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. Rebates can only reduce the amount of tax owing to zero with the exception of the 30% Private Health Insurance Rebate which is refundable. The excess of other rebates does not become a refund. However credits, other than imputation credits and foreign tax credits, can result in a refund.

Table 3.6: Rebates/tax offsets and credits, 1999–2000

Type of rebates/tax offsets and credits	Taxpayers	Amounts	
	no.	$m	%
Imputation credit	2 862 432	4 920	50.1
Eligible termination payments	415 168	1 599	16.3
Pensions	643 070	636	6.5
Superannuation	465 351	481	4.9
Spouse	464 396	456	4.6
Low income	3 499 416	454	4.6
Sole parent	300 486	326	3.3
Private health insurance 30% rebate	514 317	194	2.0
Zone	485 141	193	2.0
Medical expenses	321 278	154	1.6
Averaging	99 349	109	1.1
Benefits[1]	283 253	108	1.1
Foreign tax credit	380 479	97	1.0
Low income aged persons	46 143	41	0.4
Life assurance bonus	11 504	16	0.2
Parent/ parent-in-law/ invalid	11 338	13	0.1

Spouse superannuation contributions	26 993	12	0.1
Section 100(2) [2]	3 931	8	0.1
Other	9 053	12	0.1
Total claimed[3]	n.a.	9 828	100.0
Total allowed[4]	**6 750 827**	**9 143**	

1. Benefits refers to Jobsearch, Newstart and sickness allowances.
2. The total share of credits for tax paid by a trustee.
3. Amount shown is the sum of all the rebates/tax offsets and credits listed above.
4. Components do not add to total number of taxpayers allowed to claim a rebate as taxpayers may be entitled to more than one type of rebate/tax offset or credit. Amount shown is the total rebates/tax offsets and credits allowed (by the ATO) in assessment.

The tax liability of the majority of taxpayers is affected by rebates. In 1999–2000, around 6.8 million people received rebates and credits totalling $9.1 billion (Table 3.6). The most common type of rebate claimed was low income with more than 3.5 million claimants. However, low income rebates represented only 5% of the total value of all rebates and credits claimed. Imputation credits had the highest total value ($4.9 billion), accounting for half of the total value of rebates and credits claimed. This was followed by eligible termination payment rebates worth $1.6 billion, accounting for 16% of the total value of rebates and credits claimed.

Medicare levy and medicare levy surcharge

The **Medicare levy** is used to partially fund Medicare—the scheme which gives Australian residents access to health care. An individual who is a resident of Australia at any time during the income year is liable to pay a Medicare levy based on his/her taxable income for the year. The rate of the Medicare levy in 1999–2000 was 1.5% of the taxpayer's taxable income for that year.

Relief from the levy is provided to certain low income earners—a person whose taxable income for 1999–2000 is $13 550 or less does not have to pay the levy. However, if the person's income is more than $13 550 but less than $14 649 the person would have to pay a levy equal to 20% of the difference between the person's income and $13 550. If the person's income is $14 649 or more the person would have to pay the levy equal to 1.5% of the person's taxable income.

The income threshold for the levy, however, can vary depending on the person's marital status or the number of dependents the personal taxpayer has. If a taxpayer is married, the levy may not only depend on one taxpayer's own taxable income but on 'family income' (the combined taxable income of both spouses). In these cases a married taxpayer does not have to pay the levy if the family income is $22 865 or less. This threshold increases by $2100 for each dependent child or student for whom the taxpayer or the taxpayer's spouse is entitled to a notional dependants rebate.

In 1999–2000 around 7 million personal taxpayers were liable for Medicare levy valued at $4.2 billion.

From 1 July 1997, higher income individuals and families who do not have 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 surcharge if:

- the person is single without a dependent child or children and has a taxable income greater than $50 000, or
- the person is a member of a family and the combined taxable is greater than $100 000.

In 1999–2000 around 238 238 personal taxpayers were liable to pay Medicare levy surcharge valued at $141.9 million (an average of $595 per person).

Net tax

Calculating net tax for personal taxpayers

'Net tax' in this chapter refers to the net tax personal taxpayers are liable to pay (net tax payable). It is calculated by deducting from total income deduction items, primary and non-primary production prior year losses, rebates/tax offsets and credits, then adding the Medicare levy and Medicare levy surcharge.

After taking into consideration the amount of income, deductions, rebates/tax offsets, credits, the Medicare levy and surcharge, 8.5 million individuals were liable for $76.7 billion in net tax. This represented 72% of total net tax payable in 1999–2000.

Personal taxpayers with total income $50 001 and more accounted for 54% (or $41.4 billion) of total net tax payable by personal taxpayers (Table 3.7).

Table 3.7: Net tax payable by grades of total income, 1999–2000

Grades of total income	Taxpayers		Net tax payable	
	no.	%	$m	%[1]
Less than $5 400	26 159	0.3	15	0.0
$5 401–$20 700	2 286 852	27.0	3 259	4.2
$20 701–$38 000	3 131 612	37.0	17 373	22.6
$38 001–$50 000	1 383 640	16.4	14 744	19.2
$50 001 & more	1 629 129	19.3	41 375	53.9
Total	**8 457 392**	**100.0**	**76 766**	**100.0**

1. A proportion of 0.0% indicates a proportion less than 0.05%.

Family tax initiative

The Family Tax Initiative (FTI) was announced in the 1996 Budget and became effective on 1 January 1997. However, it was replaced by the Family Tax Benefit from 1 July 2000.

The FTI provided financial assistance to low and middle income families with dependent children. The level of income determined whether FTI was available as Family Tax Assistance (FTA) administered by the ATO, or Family Tax Payment (FTP) administered by the Department of Family and Community Services.

FTA increased the tax-free threshold for certain taxpayers with dependent children, which reduced their tax liability. FTP were fortnightly payments equal in value to the tax savings from FTA, and were available to certain low-income earners as an alternative to FTA.

There were 2 types of FTA benefits.

- **Part A benefit**: applied where there was at least one dependent child and the family income was less than $70 000 (increasing by $3000 for each dependent child after the first). Where this applied, the standard tax-free threshold for one member of a couple or for a sole parent was increased by $1000 for each dependent child.

- **Part B benefit**: provided an additional benefit directed at families with one primary income earner and at least one dependent child under 5 years. Where it applies, the standard tax-free threshold was further increased by an amount of $2500.

It was possible for personal taxpayers to qualify for both benefits.

In 1999–2000, 894 380 individuals claimed FTA benefits valued at $1.9 billion. There were 883 148 individuals who claimed the Part A benefit valued at $1.5 billion (or 78% of total FTA benefits) and 214 797 individuals who claimed the Part B benefit valued at $431.2 million (or 22% of total FTA benefits)

Provisional tax

Provisional tax was an estimate of tax payable on non-salary or non-wage income. Taxpayers who derived in excess of $999 from this type of income were liable to pay provisional tax. This income could be from investments, business, distributions from a trust, or any other source not covered by the Pay As You Earn system. People who had a significant shortfall in their tax instalment deductions from salary and wages also paid provisional tax. Provisional tax applied only to individual income and some income assessed to a trustee. It did not apply to company income. Provisional tax was replaced in the tax reforms introduced in July 2000.

Provisional tax was calculated by applying current year tax rates and the Medicare levy to the previous year's taxable income, which was first increased by a certain percentage known as the provisional tax uplift factor. For example, 1998–99 taxable income was increased by an uplift factor of 6% and 1999–2000 rates were applied to the increased amount. The uplift factor was set by law to take into account the average likely increase in income for the year based upon observed nominal GDP growth in the preceding period. The estimate of provisional tax calculated was then reduced by any rebates and credits to which the taxpayer was entitled.

A taxpayer paid provisional tax, based on this estimate, either in 4 instalments throughout the year or in a single lump sum. Provisional tax was payable in a single lump sum when:

- the prior year's provisional tax was $8000 or less
- the taxpayer's taxable income included primary production income, or
- the taxpayer had an occupation where income was irregular or seasonal such as authors, artists and sportspeople.

The amount of provisional tax paid during the year was offset against the actual tax liability when it was finally determined.

When a person paid provisional tax, that payment was credited against the tax payable on their notice of assessment. This was known as a provisional tax credit.

In 1999–2000, more than one million taxpayers received a provisional tax credit. These were for amounts assessed on their 1998–99 returns as provisional tax debits for 1999–2000. Personal taxpayers with more than $50 000 taxable income accounted for 58% ($4.6 billion) of total provisional tax credits (Table 3.8).

Table 3.8: Provisional tax credit by taxable income, 1999–2000

Grades of taxable income	Taxpayers	Provisional tax credit
	no	$m
$5 400 & less	8 871	13
$5 401–$20 700	332 001	707

$20 701–$38 000	421 377	1 477
$38 001–$50 000	182 499	932
$50 001 & more	289 181	4 558
Total taxable	**1 233 929**	**7 687**
Non-taxable	86 994	193
Total	**1 320 923**	**7 881**

The largest proportion of people (43%) with provisional tax credits whose industry was stated, were in the property industry (Table 3.9). They had provisional tax credits worth $1.1 billion. A further 16% of people with provisional tax credits and whose industry was stated, were in the primary production industry. Their provisional tax credits were worth $713 million.

Table 3.9: Provisional tax credit by industry[1], 1999–2000

Industry	Taxpayers		Provisional tax credits	
	no.	%[2]	$m	%[2]
Property	308 381	43.3	1 139	28.5
Primary production	112 867	15.8	713	17.8
Finance, insurance, real estate & business services	55 020	7.7	619	15.5
Health & community services	25 272	3.5	548	13.7
Salary & wage earners[3]	76 830	10.8	318	8.0
Retail trade	22 802	3.2	159	4.0
Construction	30 338	4.3	117	2.9
Personal & other services	21 121	3.0	109	2.7
Manufacturing	15 497	2.2	66	1.7
Cultural & recreational services[4]	11 689	1.6	62	1.6
Transport & storage	15 638	2.2	62	1.6
Wholesale trade	4 661	0.7	29	0.7
Accommodation, cafes & restaurants	3 164	0.4	19	0.5

Communication	2 643	0.4	10	0.2
Education	5 687	0.8	21	0.5
Mining	413	0.1	3	0.1
Electricity, gas supply, water, sewerage & drainage	102	0.0	1	0.0
Total stated	**712 125**	**100.0**	**3 995**	**100.0**
Industry not stated[5]	608 798		3 886	
Total	**1 320 923**		**7 881**	

1. In 1999–2000, the industry groups are coded using the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.
2. A proportion of 0.0% indicates a proportion less than 0.05%.
3. Refers to individual taxpayers who reported income from salary and wages and/or salary and wages with net income or loss from any other source, other than directly from business, of less than $1000 in their return form.
4. Includes sports.
5. Includes entities that have only registered a subsidiary return income from partnerships and trusts. May also include entities registered under the government and defence industry code.

Provisional tax will not apply for the 2000–01 and later income years, having been replaced by the PAYG system. As a result, statistics on provisional tax debit (estimated provisional tax payable for the following year, 2000–01) are not available for the 1999–2000 income year.

Higher Education Contribution 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 are required to contribute to the cost of their higher education.

In 2000, the annual course contribution for a full time course commenced prior to 1997 was $2600 or $1300 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 3 bands (Table 3.10).

Table 3.10: Contribution by course, applying in 1999–2000, for courses commenced after 1996

Band	Course	Contribution
		$
1	Arts, Humanities, Social Studies/Behavioural Sciences, Education, Visual/Performing Arts, Nursing, Justice and Legal Studies	3 463
2	Mathematics, Computing, other Health Sciences, Agriculture/Renewable Resources, Built Environment/Architecture, Sciences, Engineering/Processing, Administration, Business and Economics	4 932
3	Law, Medicine, Medical Science, Dentistry, Dental Services, and Veterinary Science	5 772

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

From 1999–2000, 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 1999–2000 are listed in Table 3.11.

Table 3.11: HECS repayment income schedule for 1999–2000

HECS repayment income threshold for 1999–2000	Percentage rate applied to HECS repayment income
	%
Below $21 984	Nil
$21 984–$23 183	3.0

$23 184–$24 982	3.5
$24 983–$28 980	4.0
$28 981–$34 976	4.5
$34 977–$36 814	5.0
$36 815–$39 572	5.5
$39 573 and above	6.0

In 1999–2000, a total of 316 605 personal taxpayers were assessed by the ATO to have a HECS debt payable totalling approximately $516.5 million. Female taxpayers accounted for 57% of these taxpayers and were liable for 55% (or $284.5 million) of the total HECS debt payable.

Tax rates for personal taxpayers

General tax rates applicable to Australian residents for the 1999–2000 income year[1]

Taxable income	Tax payable on total taxable income
$0–$5 400	Nil
$5 401–$20 700	20 cents for each $1 over $5 400
$20 701–$38 000	$3 060 + 34 cents for each $1 over $20 700
$38 001–$50 000	$8 942 + 43 cents for each $1 over $38 000
$50 001 & more	$14 102 + 47 cents for each $1 over $50 000

1. Resident individuals are also liable to pay a Medicare levy of 1.5% of taxable income. Family tax assistance, which increases a person's tax-free threshold, applied to 894 380 personal taxpayers in 1999–2000.

Tax reforms for 2000–01

The statistics discussed in this chapter are based on the tax returns lodged for individuals for the 1999–2000 income year and are not affected by reforms under the new tax system. However, several reforms came into effect on 1 July 2000 which will significantly affect the statistics for the 2000–01 financial year and the manner in which the statistics will be reported in future editions of this publication. Provisional tax statistics, for example, will no longer be applicable.

Reforms to personal income tax rates also formed an important part of the reforms. On 1 July 2000, the tax-free threshold was increased to $6000 and personal income tax rates were reduced (Table 3.12).

Table 3.12: Personal income tax rates, 1 July 2000

Income range	Tax rate
	%
$0-$6 000	0
$6 001–$20 000	17
$20 001–$50 000	30
$50 001–$60 000	42
$60 001 & more	47

Since 1 July 2000, family tax assistance is paid as direct fortnightly payments from the Family Assistance Office, rather than through increases to the tax-free threshold. Alternatively, family tax assistance can be claimed through an end of year claim lodged together with a tax return or through reduced PAYG amounts withheld from salary or wages, followed by an end of year claim for reconciliation purposes.

The changes to family payments were to streamline payments from 12 types to 3, with consistent determination of benefits through the Family Assistance Office (FAO).

Prior to 1 July 2000, if the **imputation credit** for the tax paid by the company exceeded the individual's tax liability, the individual could not get a refund of that excess. From 1 July 2000, individuals are able to claim this difference back in full as a tax refund. This is what is known as the **refund of excess imputation credits**.

Individuals who received dividends from Australian shares or distributions from Australian managed funds over the period from 1 July 2000 to 30 June 2001, and who:

- do not have to lodge an income tax return
- are Australian residents for tax purposes, and

- received less than $6000 in dividends from Australian shares or distributions from Australian managed investments with imputation credits attached

can claim a **refund of excess imputation credit** from the Australian Taxation Office (ATO).

Terminology[1]

Imputation credit: the personal (individual) taxpayer’s share of tax paid by a company on the profits from which the taxpayer’s dividends or distributions are paid. There are a number of different names for an 'imputation credit'. A taxpayer’s statement may show 'imputed tax credit', 'imputed credit', 'Class C imputation credit', 'imputation tax credit', 'Class C imputed credit', 'franking credit' or 'Australian imputed tax credit at the rate of 34% '

1. This box only presents general descriptions of the above term. It does not provide the full technical or legal definition.

Postcode Tables

Table 3.13: Highest and lowest mean income earning postcodes						New South Wales[1]		
Postcode	Taxable[2]	Taxable income	Mean taxable income[3]	Total imputation credits		Net tax	Mean net tax[4]	Effective rate of tax[5]
	no.	$000	$	no.	$000	$000	$	%
Top Ten								
2027	4 841	528 083	109 086	2 519	63 005	148 824	43 757	40
2311	363	33 568	92 475	119	480	11 784	33 784	37
2023	5 145	459 776	89 364	2 356	43 185	132 525	34 151	38
2088	15 505	1 380 773	89 053	7 613	71 775	455 658	34 017	38
2063	3 270	280 398	85 749	1 660	13 368	93 256	32 607	38
2110	4 674	396 270	84 782	2 249	28 518	122 518	32 314	38
2030	7 782	638 617	82 063	3 782	44 779	197 009	31 070	38
2071	6 398	502 874	78 599	3 812	28 758	157 798	29 158	37
2025	4 505	347 284	77 089	2 032	25 374	103 052	28 507	37
2061	3 060	234 882	76 759	1 133	16 327	70 888	28 502	37
Bottom Ten								
2466	435	10 805	24 839	126	100	1 872	4 534	18
2379	165	4 055	24 577	55	87	758	5 122	21
2403	237	5 697	24 039	90	56	1 066	4 734	20
2876	176	4 205	23 893	79	79	791	4 942	21
2356	50	1 183	23 659	3	1	214	4 294	18
2424	110	2 602	23 653	14	4	516	4 731	20
2735	146	3 446	23 600	47	13	689	4 804	20
2874	214	5 016	23 441	81	24	941	4 506	19
2721	123	2 876	23 380	52	19	555	4 669	20
2361	261	6 071	23 261	50	24	1 067	4 180	18
Total NSW	**2 841 088**	**110 671 852**	**38 954**	**782 578**	**1 951 184**	**28 945 317**	**10 875**	**28**

1. For statistics on other postcodes in New South Wales please see Personal tax detailed Table 3: Selected items by State and postcode, Part A—New South Wales.
2. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
3. Mean (or average) taxable income in this table only refers to taxable individuals.

4. Mean net tax in this table is calculated by dividing the sum of net tax and total imputation credits by the number of taxable individuals.
5. Effective rate of tax is calculated as the sum of total imputation credits and net tax assessed divided by taxable income.

Top Ten

2027	Darling Point, Edgecliff, HMAS Rushcutters, Point Piper
2311	Allynbrook, Bingleburra, Bonnington Park, Carrabolla, East Gresford, Eccleston, Gresford, Halton, Lewinsbrook, Lostock, Mount Rivers
2023	Bellevue Hill
2088	Balmoral, Beauty Point, Georges Heights, Mosman, Spit Junction, The Spit
2063	Northbridge
2110	Hunters Hill, Hunters Hill West, Woolwich
2030	Diamond Bay, Dover Heights, HMAS Watson, Rose Bay North, Vaucluse, Watsons Bay
2071	Killara
2025	Woollahra
2061	Kirribilli, Milsons Point

Bottom Ten

2466	Iluka, The Freshwater, Woody Head
2379	Goolhi, Mullaley
2403	Delungra, Gragin, Kocoona, Myall Creek
2876	Bogan Gate, Botifields, Gunningbland
2356	Gwabegar
2424	Caffreys Flat, Charity Creek, Cooplacurripa, Cundle Flat, Knorrit Flat, Mount George, Number One, Rocks Crossing, Tiri, Woodside
2735	Koraleigh
2874	Tullamore, Yethera
2721	Bland, Quandialla
2361	Ashford, Atholwood, Bonshaw, Limestone, Pindaroi

Table 3.14: Highest and lowest mean income earning postcodes						Victoria[1]		
Postcode	Taxable[2]	Taxable income	Mean taxable income[3]	Total imputation credits		Net tax	Mean net tax[4]	Effective rate of tax[5]
	no.	$000	$	no.	$000	$000	$	%
Top Ten								
3142	7 850	780 388	99 412	4 472	65 593	237 080	38 557	39
3002	2 233	163 238	73 102	1 031	8 751	49 758	26 202	36
3004	2 107	149 529	70 968	860	8 495	45 681	25 712	36
3126	4 341	300 814	69 296	2 450	15 167	93 095	24 939	36
3186	12 002	817 043	68 076	6 407	41 344	248 263	24 130	35
3944	201	13 410	66 719	114	1 256	3 256	22 449	34
3144	5 988	382 989	63 959	3 238	22 750	111 196	22 369	35
3206	5 629	346 114	61 488	2 490	12 988	106 117	21 159	34
3141	9 318	565 132	60 649	3 735	26 584	169 447	21 038	35
3143	4 728	284 551	60 184	2 226	12 545	84 914	20 613	34
Bottom Ten								
3324	235	5 548	23 610	87	122	969	4 641	20
3531	87	2 039	23 441	47	42	357	4 584	20
3542	76	1 780	23 425	33	9	326	4 404	19
3581	61	1 426	23 379	21	10	279	4 742	20
3571	151	3 462	22 927	69	20	638	4 356	19
3637	175	3 959	22 624	58	42	717	4 337	19
3509	144	3 254	22 597	93	74	608	4 738	21
3520	69	1 511	21 897	27	8	264	3 942	18
3529	56	1 199	21 405	25	23	204	4 042	19
3482	94	1 883	20 036	44	40	285	3 455	17
Total VIC	**2 134 285**	**76 890 092**	**36 026**	**688 687**	**1 210 823**	**19 222 452**	**9 574**	**27**

1. For statistics on other postcodes in Victoria please see Personal tax detailed Table 3: Selected items by State and postcode, Part B—Victoria.
2. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
3. Mean (or average) taxable income in this table only refers to taxable individuals.

4. Mean net tax in this table is calculated by dividing the sum of net tax and total imputation credits by the number of taxable individuals.
5. Effective rate of tax is calculated as the sum of total imputation credits and net tax assessed divided by taxable income.

Top Ten

3142	Hawksburn, Heyington, Toorak
3002	East Melbourne, Jolimont
3004	Queens Road Melbourne, St Kilda Road Melbourne
3126	Canterbury, Camberwell East
3186	Brighton, Brighton North, Dendy
3944	Point Nepean, Portsea
3144	Kooyong, Malvern, Malvern North
3206	Albert Park, Middle Park
3141	South Yarra, Chapel Street North
3143	Armadale, Armadale North

Bottom Ten

3324	Lismore, Mingay, Mount Bute
3531	Berriwillock, Boigbeat, Springfield
3542	Lalbert, Cokum, Titybong
3581	Bael Bael, Beauchamp, Kangaroo Lake, Korrak Korrak, Lake Charm, Lake Kangaroo, Mystic Park, Sandhill Lake
3571	Auchmore, Dingee, Pompapiel, Tandarra, Yallook
3637	Piree, Waaia, Yalca
3509	Linga, Underbool
3520	Kinypanial, Korong Vale, South Kinypanial, Yorkshire Flat
3529	Kalpienung, Nullawil, Winston
3482	Massey, Morton Plains, Warmur, Watchem, Watchem West

Table 3.15: Highest and lowest mean income earning postcodes							**Queensland[1]**	
Postcode	Taxable[2]	Taxable income	Mean taxable income[3]	Total imputation credits		Net tax	Mean net tax[4]	Effective rate of tax[5]
	no.	$000	$	no.	$000	$000	$	%
Top Ten								
4709	628	40 177	63 977	193	58	13 957	22 317	35
4007	4 955	291 357	58 801	2 109	17 358	82 669	20 187	34
4746	941	52 568	55 864	270	89	17 406	18 591	33
4744	2 809	155 117	55 221	921	318	50 923	18 242	33
4743	412	22 509	54 635	122	32	7 354	17 926	33
4745	1 179	62 666	53 152	428	153	20 210	17 271	33
4717	2 213	116 460	52 626	793	331	37 335	17 020	32
4069	15 507	785 297	50 641	7 471	32 281	218 319	16 160	32
4067	3 779	184 226	48 750	1 682	8 034	50 840	15 579	32
4068	10 108	479 417	47 429	4 317	21 124	130 214	14 972	32
Bottom Ten								
4620	119	2 816	23 664	27	51	511	4 717	20
4731	109	2 564	23 522	35	19	472	4 507	19
4468	142	3 330	23 448	33	33	554	4 133	18
4601	411	9 602	23 362	147	69	1 672	4 238	18
4388	133	3 060	23 011	26	3	582	4 398	19
4612	82	1 882	22 949	28	13	326	4 133	18
4402	88	1 992	22 631	16	3	359	4 114	18
4425	103	2 296	22 293	34	33	381	4 013	18
4375	91	2 017	22 165	26	28	361	4 276	19
4732	64	1 394	21 785	15	3	235	3 721	17
Total QLD	**1 540 507**	**51 138 048**	**33 196**	**421 247**	**641 778**	**12 195 303**	**8 333**	**25**

1. For statistics on other postcodes in Queensland please see Personal tax detailed Table 3: Selected items by State and postcode, Part C—Queensland.
2. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
3. Mean (or average) taxable income in this table only refers to taxable individuals.
4. Mean net tax in this table is calculated by dividing the sum of net tax and total imputation credits by the number of taxable individuals.

5. Effective rate of tax is calculated as the sum of total imputation credits and net tax assessed divided by taxable income.

Top Ten

4709	Tieri
4007	Ascot, Doomben, Hamilton, Hamilton Central, Whitstanes
4746	German Creek, May Downs, Middlemount
4744	Moranbah, Peak Downs Mine
4743	Glenden, Suttor
4745	Dysart, Norwich Park
4717	Blackwater
4069	Brookfield, Chapel Hill, Fig Tree Pocket, Kenmore, Kenmore East, Kenmore Hills, Lone Pine, Pinjarra Hills, Pullenvale, Upper Brookfield
4067	Ironside, St Lucia, St Lucia South,
4068	Chelmer, Indooroopilly, Indooroopilly Centre, Long Pocket, Taringa

Bottom Ten

4620	Aramara, Brooweena, Doongul, Gigoomgan, Glenbar, Malarga, Gungaloon, Teebar, North Aramara, Woocoo
4731	Isisford
4468	Morven
4601	Barambah, Boonara, Booubyjan, Goomeri, Goomeribong, Kinbombi, Manumbar, Manyung, Tansey, Wrattens Forest
4388	Yelarbon, Kurumbul
4612	Hivesville, Kawl Kawl, Keysland, Stonelands, Wigton
4402	Cooyar
4425	Bogandilla, Dulacca
4375	Cottonvale
4732	Muttaburra

Table 3.16: Highest and lowest mean income earning postcodes							South Australia[1]	
Postcode	Taxable[2]	Taxable income	Mean taxable income[3]	Total imputation credits		Net tax	Mean net tax[4]	Effective rate of tax[5]
	no.	$000	$	no.	$000	$000	$	%
Top Ten								
5006	3 421	195 166	57 049	1 487	14 911	51 396	19 382	34
5725	1 803	90 686	50 297	509	159	25 749	14 370	29
5066	6 353	319 228	50 248	3 571	18 851	82 572	15 965	32
5064	5 041	248 274	49 251	2 738	12 604	65 111	15 417	31
5081	4 444	218 808	49 237	2 237	12 779	56 352	15 556	32
5061	5 423	260 628	48 060	2 490	8 913	73 061	15 116	32
5001	317	14 788	46 651	124	661	4 213	15 377	33
5062	7 388	338 082	45 761	3 544	14 458	89 080	14 014	31
5731	363	16 523	45 517	126	26	4 468	12 379	27
5065	5 252	237 743	45 267	2 743	9 390	62 793	13 744	30
Bottom Ten								
5265	177	3 957	22 356	85	60	713	4 370	20
5454	148	3 299	22 293	58	57	569	4 227	19
5642	90	1 985	22 052	38	33	343	4 174	19
5661	61	1 343	22 016	25	31	218	4 085	19
5381	128	2 812	21 968	32	12	516	4 121	19
5303	69	1 514	21 937	23	9	273	4 089	19
5464	159	3 469	21 814	63	26	632	4 133	19
5221	126	2 728	21 652	20	22	475	3 946	18
5651	51	1 072	21 028	24	4	214	4 268	20
5301	217	4 320	19 907	105	33	732	3 526	18
Total SA	**653 485**	**21 476 669**	**32 865**	**198 278**	**311 826**	**5 048 385**	**8 203**	**25**

1. For statistics on other postcodes in South Australia please see Personal tax detailed Table 3: Selected items by State and postcode, Part D—South Australia.
2. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
3. Mean (or average) taxable income in this table only refers to taxable individuals.
4. Mean net tax in this table is calculated by dividing the sum of net tax and total imputation credits by the number of taxable individuals.

5. Effective rate of tax is calculated as the sum of total imputation credits and net tax assessed divided by taxable income.

Top Ten

5006	North Adelaide, North Adelaide Melbourne St
5725	Olympic Dam, Roxby Downs
5066	Beaumont, Burnside, Erindale, Hazelwood Park, Stonyfell, Waterfall Gully, Wattle Park
5064	Glen Osmond, Glenunga, Mount Osmond, Myrtle Bank, St Georges, Urrbrae
5081	Collinswood, Gilberton, Medindie, Medindie Gardens, Vale Park, Walkerville
5061	Hyde Park, Malvern, Unley, Unley Park
5001	Adelaide
5062	Brownhill Creek, Clapham, Hawthorn, Kingswood, Lower Mitcham, Lynton, Mitcham, Netherby, Springfield,Torrens Park
5731	Coopers Creek, Cordillo Downs, Durham Downs, Innamincka, Leigh Creek, Lyndhurst, Merty Merty, Moolawatana, Witchelina
5065	Dulwich, Glenside, Linden Park, Toorak Gardens, Tusmore

Bottom Ten

5265	Coonalpyn
5454	Andrews, Spalding
5642	Darke Peake, Hambidge, Kielpa, Murlong, Rudall
5661	Pimbaacla, Wirrulla, Yantanabie
5381	Brady Creek, Emu Downs, Robertstown, Worlds End Creek, Worlds End, Geranium Plains, Halleluja Hills
5303	Parilla
5464	Anama, Brinkworth, Bungaree, Condowie, Hart, Koolunga, Marola, Rochester
5221	American River, Ballast Head, Muston
5651	Kyancutta
5301	Carcuma, Geranium, Jabuk, Moorlands, Parrakie, Peake, Sherlock, Wilkawatt

Table 3.17: Highest and lowest mean income earning postcodes						Western Australia[1]		
Postcode	Taxable[2]	Taxable income	Mean taxable income[3]	Total imputation credits		Net tax	Mean net tax[4]	Effective rate of tax[5]
	no.	$000	$	no.	$000	$000	$	%
Top Ten								
6612	95	6 308	66 397	35	1 254	1 061	24 360	37
6009	8 917	582 982	65 379	4 820	35 459	172 272	23 296	36
6011	4 932	302 599	61 354	2 515	18 619	86 827	21 380	35
6010	7 596	459 316	60 468	3 795	30 789	128 497	20 970	35
6909	68	3 984	58 584	25	254	1 187	21 196	36
6012	3 677	213 232	57 991	1 597	16 561	56 382	19 838	34
6015	3 766	215 027	57 097	2 111	9 281	62 564	19 077	33
6754	652	35 920	55 092	207	56	11 350	17 494	32
6437	403	22 076	54 780	100	204	6 555	16 772	31
6302	1 149	60 636	52 773	346	9 757	11 035	18 096	34
Bottom Ten								
6341	98	2 389	24 376	36	9	484	5 027	21
6311	191	4 647	24 328	63	32	921	4 992	21
6320	270	6 557	24 285	125	247	1 092	4 959	20
6309	101	2 437	24 124	35	25	444	4 637	19
6370	188	4 519	24 037	96	114	792	4 820	20
6336	166	3 899	23 490	60	55	714	4 632	20
6358	50	1 136	22 721	19	24	204	4 557	20
6616	53	1 191	22 479	27	65	205	5 105	23
6322	96	2 079	21 656	48	41	322	3 776	17
6343	88	1 770	20 110	23	26	301	3 719	19
Total WA	**843 187**	**29 831 221**	**35 379**	**246 781**	**435 902**	**7 404 739**	**9 299**	**26**

1. For statistics on other postcodes in Western Australia please see Personal tax detailed Table 3: Selected items by State and postcode, Part E—Western Australia.

2. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
3. Mean (or average) taxable income in this table only refers to taxable individuals.
4. Mean net tax in this table is calculated by dividing the sum of net tax and total imputation credits by the number of taxable individuals.
5. Effective rate of tax is calculated as the sum of total imputation credits and net tax assessed divided by taxable income.

Top Ten

6612	Jibberding, Miamoon, Mount Gibson, Paynes Find, Wubin
6009	Broadway Nedlands, Crawley, Dalkeith, Nedlands
6011	Cottesloe, Peppermint Grove
6010	Claremont, Claremont North, Karrakatta, Mount Claremont, Swanbourne
6909	Nedlands
6012	Mosman Park
6015	City Beach
6754	Chichester, Paraburdoo, Wittenoon
6437	Lawlers, Leinster
6302	Badgin, Balladong, Belmunging, Burges, Caljie, Cold Harbour, Daliak, Flynn, Gilgering, Greenhills, Gwambygine, Inkpen, Kauring, Malebelling, Mount Hardey, Mount Observation, Narraloggan, Quellington, Saint Ronans, Talbot, Wilberforce, York

Bottom Ten

6341	Nyabing
6311	Commodine, Contine, Cuballing, Dryandra, Lol Gray, Townsendale, Wardering, Yornaning
6320	Bobalong, Borderdale, Dartnall, Lake Toolbrunup, Moonies Hill, Tambellup, Lake Toolbrunup, Wansbrough
6309	Popanyinning, East Popanyinning, West Popanyinning, Stratherne
6370	East Wickepin, Kirk Rock, Malyalling, Wickepin, Wogolin
6336	Corackerup, Needilup, Ongerup, Toompup
6358	Karlgarin
6616	Latham
6322	Tenterden
6343	Pingrup

Table 3.18: Highest and lowest mean income earning postcodes							Tasmania[1]	
Postcode	Taxable[2]	Taxable income	Mean taxable income[3]	Total imputation credits		Net tax	Mean net tax[4]	Effective rate of tax[5]
	no.	$000	$	no.	$000	$000	$	%
Top Ten								
7005	6 353	286 737	45 134	2 913	11 514	75 667	13 723	30
7470	458	20 483	44 723	93	78	5 954	13 170	29
7006	128	5 301	41 412	58	158	1 360	11 855	29
7001	317	12 717	40 116	112	208	3 589	11 980	30
7258	431	17 188	39 880	146	667	4 337	11 609	29
7469	393	15 453	39 320	50	8	4 283	10 917	28
7053	1 685	63 810	37 869	638	658	16 638	10 265	27
7467	895	33 834	37 803	154	80	9 023	10 171	27
7004	3 128	117 041	37 417	919	2 794	29 552	10 341	28
7007	1 163	42 891	36 880	415	557	10 954	9 897	27
Bottom Ten								
7180	56	1 405	25 086	6	12	258	4 827	19
7016	732	18 157	24 805	62	7	3 551	4 861	20
7120	646	15 910	24 629	124	90	3 146	5 009	20
7112	914	22 308	24 407	158	100	4 387	4 909	20
7265	142	3 455	24 332	45	20	659	4 781	20
7177	151	3 620	23 974	26	34	690	4 797	20
7027	82	1 939	23 645	12	2	373	4 584	19
7264	190	4 402	23 168	47	7	783	4 159	18
7179	94	2 131	22 667	19	24	390	4 404	19
7178	60	1 265	21 082	12	1	229	3 833	18
Total TAS	**193 095**	**6 065 117**	**31 410**	**48 229**	**62 114**	**1 402 294**	**7 584**	**24**

1. For statistics on other postcodes in Tasmania please see Personal tax detailed Table 3: Selected items by State and postcode, Part F—Tasmania.
2. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
3. Mean (or average) taxable income in this table only refers to taxable individuals.
4. Mean net tax in this table is calculated by dividing the sum of net tax and total imputation credits by the number of taxable individuals.

5. Effective rate of tax is calculated as the sum of total imputation credits and net tax assessed divided by taxable income.

Top Ten

7005	Beachside, Dynnyrne, Lower Sandy Bay, Sandy Bay, University of Tasmania
7470	Primrose, Rosebery, Snake Gully, Williamsford
7006	Sandy Bay
7001	Hobart, Maatsuyker Island, Port Davey, Tasman Island,
7258	Breadalbane, Relbia, White Hills
7469	Granville Harbour, Renison Bell, Zeehan
7053	Bonnet Hill, Taronga, Taroona
7467	Lake Margaret, Lynchford, Queenstown
7004	Battery Point, Cascades, South Hobart
7007	Mount Nelson

Bottom Ten

7180	Taranna
7016	Risdon Vale
7120	Andover, Antill Ponds, Baden, Interlaken, Lake Crescent, Lemont, Levendale, Mount Seymour, Nala, Oatlands, Parattah, Pawtella, Rhyndaston, St Peters Pass, Stonehenge, Swanston, Tiberias, Tunbridge, Tunnack, Whitefoord, Woodbury, Woodsdale, York Plains
7112	Abels Bay, Charlotte Cove, Cygnet, Deep Bay, Eggs and Bacon Bay, Garden Island Creek, Gardners Bay, Nicholls Rivulet, Randalls Bay, Verona Sands
7265	Banca, Winnaleah
7177	Boomer Bay, Dunalley
7027	Colebrook, Eldon, Yarlington
7264	Boobyalla, Cape Portland, Derby, Eddystone Point, Gladstone, Herrick, Moorina, Musselroe Bay, Pioneer, Rushy Lagoon, South Mount Cameron, Telita, The Chimneys, Welborough
7179	Eaglehawk Neck
7178	Murdunna

Table 3.19: Highest and lowest mean income earning postcodes							**Northern Territory[1]**	
Postcode	Taxable[2]	Taxable income	Mean taxable income[3]	Total imputation credits		Net tax	Mean net tax[4]	Effective rate of tax[5]
	no.	$000	$	no.	$000	$000	$	%
Top Ten								
0800	1 382	80 244	58 064	306	10 618	16 803	19 841	34
0885	559	30 756	55 019	155	51	9 283	16 699	30
0880	634	32 802	51 738	219	503	8 964	14 931	29
0886	750	30 625	40 833	209	155	7 644	10 399	25
0820	7 372	295 483	40 082	1876	6 912	73 419	10 897	27
0811	847	33 457	39 501	240	255	8 667	10 535	27
0847	193	7 348	38 075	22	2	1 955	10 139	27
0853	373	14 185	38 030	90	9	3 381	9 087	24
0871	2 382	89 580	37 607	597	1 529	21 324	9 594	26
0835	2 062	77 236	37 457	556	638	18 916	9 483	25
Bottom Ten								
0831	1 060	35 459	33 452	182	46	8 118	7 702	23
0861	200	6 646	33 229	33	7	1 453	7 297	22
0837	692	22 898	33 089	146	303	4 964	7 610	23
0822	1 286	41 760	32 473	137	61	8 578	6 718	21
0846	122	3 926	32 182	15	14	886	7 377	23
0845	289	9 139	31 624	44	11	1 960	6 822	22
0854	175	5 491	31 376	16	9	1 060	6 104	20
0852	558	17 342	31 078	67	32	3 521	6 366	21
0872	2 190	63 964	29 207	250	104	12 381	5 701	20
0862	132	3 809	28 859	20	9	684	5 249	18
Total NT	**78 433**	**2 878 311**	**36 698**	**16 882**	**31 656**	**686 948**	**9 162**	**25**

1. For statistics on other postcodes in Northern Territory please see Personal tax detailed Table 3: Selected items by State and postcode, Part G—Northern Territory.
2. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
3. Mean (or average) taxable income in this table only refers to taxable individuals.

4. Mean net tax in this table is calculated by dividing the sum of net tax and total imputation credits by the number of taxable individuals.
5. Effective rate of tax is calculated as the sum of total imputation credits and net tax assessed divided by taxable income.

Top Ten

0800	Darwin
0885	Alyangula (Groote Eylandt)
0880	Gapuwiyak, Gove, Nhulunbuy, Yirrkala
0886	Jabiru
0820	Bagot, Bayview, Charles Darwin, Cullen Bay, East Point, Fannie Bay, HMAS Coonawarra, Larrakeyah, Ludmilla, Parap, Stuart Park, The Gardens, The Narrows, Winnellie, Woolner
0811	Casuarina
0847	Pine Creek
0853	Tindal RAAF
0871	Alice Springs
0835	Howard Springs, Viginia

Bottom Ten

0831	Palmerston
0861	Tennant Creek, Brunchilly
0837	Berry Springs, Manton, Noonamah
0822	Acacia Hills, Angurugu, Annie River, Bathurst Island, Bees Creek, Border Store, Cox Peninsula, Croker Island, Daly River, Darwin River, Delissaville, Fly Creek, Galiwinku, Goulbourn Island, Gunn Point, Hayes Creek, Lake Bennett, Lambells Lagoon, Livingstone, Maningrida, McMinns Lagoon, Middle Point, Milingimbi, Millwood, Minjilang, Nguiu, Oenpelli, Point Stephens, Pularumpi, Pulumpa, Ramingining, Southport, Tortilla Flats, Umbakumba, Virginia, Wadeye, Wagait Beach, Weddell, Winnellie, Woolaning
0846	Adelaide River
0845	Batchelor
0854	Borroloola, King Ash Bay
0852	Barunga, Beswick, Daly Waters, Dunmarra, Edith River, Elsey Station, Kalkaringi, Lajamanu, Larrimah, Manbulloo, Maranboy, Mataranka, Ngukurr, Numbulwar, Timber Creek, Victoria River Downs, Wave Hill

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

Table 3.20: Highest and lowest mean income earning postcodes						Australian Capital Territory[1]		
Postcode	Taxables[2]	Taxable income	Mean taxable income[3]	Total imputation credits		Net tax	Mean net tax[4]	Effective rate of tax[5]
	no.	$000	$	no.	$000	$000	$	%
Top ten								
2603	4 471	269 389	60 253	2 183	9 414	82 486	20 555	34
2600	4 334	224 546	51 810	1 988	6 550	65 063	16 523	32
2604	4 510	204 410	45 324	1 555	2 320	58 484	13 482	30
2601	1 749	78 084	44 645	685	1 590	22 116	13 554	30
2605	5 894	262 212	44 488	2 642	4 166	72 498	13 007	29
2607	7 708	340 953	44 234	3 357	6 485	93 226	12 936	29
2618	602	25 866	42 967	253	528	7 147	12 748	30
2609	415	17 622	42 462	105	1 008	4 279	12 742	30
2612	4 434	185 037	41 731	1 641	2 998	50 451	12 054	29
2606	4 173	172 350	41301	1 435	2 268	46 306	11 640	28
Bottom Ten								
2914	1 327	52 764	39 762	318	121	14 252	10 831	27
2913	9 784	388 242	39 681	2 606	2 108	104 549	10 901	28
2900	537	21 291	39 648	145	157	5 703	10 913	28
2902	8 848	343 938	38 872	2 703	2 551	92 034	10 690	28
2903	5 464	211 923	38 785	1 650	1 203	56 428	10 547	27
2906	7 005	270 665	38 639	1 431	662	72 102	10 387	27
2602	12 273	472 829	38 526	3 952	3 847	125 705	10 556	27
2617	13 180	504 156	38 252	4 344	3 817	133 465	10 416	27
2905	14 482	550 682	38 025	3 614	2 430	144 893	10 173	27
2615	20 017	741 161	37 027	5 668	3 756	192 134	9 786	26
Total ACT	**166 594**	**6 789 804**	**40 757**	**55 101**	**73 254**	**1 834 671**	**11 453**	**28**

1. For statistics on other postcodes in Australian Capital Territory please see Personal tax detailed Table 3: Selected items by State and postcode, Part H—Australian Capital Territory.
2. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
3. Mean (or average) taxable income in this table only refers to taxable individuals.

4. Mean net tax in this table is calculated by dividing the sum of net tax and total imputation credits by the number of taxable individuals.
5. Effective rate of tax is calculated as the sum of total imputation credits and net tax assessed divided by taxable income.

Top ten

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, University of Canberra
2605	Curtin, Garran, Hughes
2607	Farrer, Isaacs, Mawson, Pearce, Torrens
2618	Hall
2609	Fairbairn Civil Aerodrome, Fyshwick, Pialligo, Symonston
2612	Braddon, Campbell, Reid, Turner
2606	Chifley, Lyons, O'Malley, Phillip, Swinger Hill, Woden

Bottom Ten

2914	Amaroo, Forde, Harrison, Moncrieff, Mulanggarri, Throsby
2913	Casey, Franklin, Ginninderra Village, Kinlyside, Ngunnawal, Nicholls, Palmerston, Taylor
2900	Greenway, Tuggeranong
2902	Kambah
2903	Erindale, Oxley, Wanniassa
2906	Banks, Condor, Gordon
2602	Ainslie, Dickson, Downer, Hackett, Lyneham, O'Connor, Watson
2617	Belconnen, Bruce, Evatt, Giralang, Kaleen, Lawson, McKellar
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 3.21: Highest and lowest mean income earning postcodes								Australia
Postcode	Taxables[1]	Taxable income	Mean taxable income[2]	Total imputation credits		Net tax	Mean net tax[3]	Effective rate of tax[4]
	no.	$000	$	no.	$000	$000	$	%
Top Ten								
2027	4 841	528 083	109 086	2 519	63 005	148 824	43 757	40
3142	7 850	780 388	99 412	4 472	65 593	237 080	38 557	39
2311	363	33 568	92 475	119	480	11 784	33 784	37
2023	5 145	459 776	89 364	2 356	43 185	132 525	34 151	38
2088	15 505	1 380 773	89 053	7 613	71 775	455 658	34 017	38
2063	3 270	280 398	85 749	1 660	13 368	93 256	32 607	38
2110	4 674	396 270	84 782	2 249	28 518	122 518	32 314	38
2030	7 782	638 617	82 063	3 782	44 779	197 009	31 070	38
2071	6 398	502 874	78 599	3 812	28 758	157 798	29 158	37
2025	4 505	347 284	77 089	2 032	25 374	103 052	28 507	37
Bottom Ten								
5464	159	3 469	21 814	63	26	632	4 133	19
4732	64	1 394	21 785	15	3	235	3 721	17
6322	96	2 079	21 656	48	41	322	3 776	17
5221	126	2 728	21 652	20	22	475	3 946	18
3529	56	1 199	21 405	25	23	204	4 042	19
7178	60	1 265	21 082	12	1	229	3 833	18
5651	51	1 072	21 028	24	4	214	4 268	20
6343	88	1 770	20 110	23	26	301	3 719	19
3482	94	1 883	20 036	44	40	285	3 455	17
5301	217	4 320	19 907	105	33	732	3 526	18
Total	**8 457 392**	**305 830 761**	**36 161**	**2 457 923**	**4 718 620**	**76 765 685**	**9 635**	**27**

1. Refers to personal (or individual) taxpayers with net tax payable greater than 0.
2. Mean (or average) taxable income in this table only refers to taxable individuals.
3. Mean net tax in this table is calculated by dividing the sum of net tax and total imputation credit by the number of taxable individuals.
4. Effective rate of tax is calculated as the sum of total imputation credit and net tax assessed divided by taxable income.

Top Ten

2027	Darling Point, Edgecliff, HMAS Rushcutters, Point Piper
3142	Hawksburn, Heyington, Toorak
2311	Allynbrook, Bingleburra, Bonnington Park, Carrabolla, East Gresford, Eccleston, Gresford, Halton, Lewinsbrook, Lostock, Mount Rivers
2023	Bellevue Hill
2088	Balmoral, Beauty Point, Georges Heights, Mosman, Spit Junction, The Spit
2063	Northbridge
2110	Hunters Hill, Hunters Hill West, Woolwich
2030	Diamond Bay, Dover Heights, HMAS Watson, Rose Bay North, Vaucluse, Watsons Bay
2071	Killara
2025	Woollahra

Bottom Ten

5464	Anama, Brinkworth, Bungaree, Condowie, Hart, Koolunga, Marola, Rochester
4732	Muttaburra
6322	Tenterden
5221	American River, Ballast Head, Muston
3529	Kalpienung, Nullawil, Winston
7178	Murdunna
5651	Kyancutta
6343	Pingrup
3482	Massey, Morton Plains, Watchem,
5301	Carcuma, Geranium, Jabuk, Moorlands, Parrakie, Peake, Sherlock, Wilkawatt

Detailed tables

To view the personal tax detailed statistical tables please click here.

Company tax and the petroleum resource rent tax

Highlights

- A total of 596 934 companies lodged returns for the 1999–2000 income year.
- Companies disclosed $26.3 billion in total net tax liability for the 1999–2000 income year.
- For the 1999–2000 income year companies reported total income of $1245.6 billion and claimed $1127.9 billion in expenses.
- In the 2000–01 financial year, the petroleum resource rent tax totalled $2.4 billion.

For taxation purposes, companies include all bodies or associations, corporate 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 if they are 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 present a tax return. In the case of a resident non-profit company, there is no requirement to present a return where taxable income is less than $417.

The financial year runs from 1 July to 30 June. For 98% of companies (accounting for 70% of the total company net tax liability), the income year is the same as the financial year. However, those companies where the income year is different to the financial year use a substituted accounting period.

Companies may use a substituted accounting period if they are 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 commencing as early as 1 January 1999 (on 'early December' balances) or finishing as late as 31 December 2000 (on 'late December' balances).

Depending on the level of their previous year's tax liability and/or their substituted accounting period, companies paid income tax either in instalments (some of which are paid during the income year) or in a single lump sum paid during the subsequent year. Company tax payments for the 1999–2000 income year are recorded in the 1999–2000, 2000–01 and 2001–02 financial years.

Terminology [1]

For the purposes of this chapter:

- **small companies** have total income less than $10 million
- **medium companies** have total income of $10 million to less than $100 million
- **large companies** have a total income greater than $100 million.

Private company: one in which the shares are not quoted on a stock exchange, or which is capable of being controlled by relatively few shareholders. A subsidiary of a public company cannot be classified as a private company.

Public company: can be a company listed on a stock exchange (not necessarily in Australia), certain cooperative companies, non-profit companies, government bodies established for public purposes, companies controlled by governments, mutual life assurance companies, public company subsidiaries, friendly society dispensaries and registered organisations—including trade unions, employee associations and friendly societies.

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.

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 goods for disposal or distribution to its members
- disposal or distribution of its members' commodities or goods
- storage, marketing, packaging or processing of its members' commodities
- rendering of services to its members, or
- obtaining funds from its members in order to make loans to members to enable them to acquire residential and/or business premises.

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.

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.

1. This box only presents general descriptions of the above terms. It does not provide full technical or legal definitions.

Source of statistics

Data for *Taxation Statistics 1999–2000* was compiled before all processing for the 2000 year was completed. Statistics in this chapter are sourced from company income return forms as at the compilation date of 31 October 2001, and are not necessarily complete. Statistics for prior income years have been updated in the relevant detailed tables and are considered final for those years. The 1999–2000 year statistics will be updated quarterly on the ATO website and finalised in the next edition of *Taxation Statistics*.

Company returns were lodged either electronically or in paper form. A PDF copy of the company return form can be found in the appendix. Statistics for most items shown on the return form are included in the company detailed tables.

Company tax reforms

Key reforms affecting companies for the 1999–2000 income year include the following.

- Companies effectively wholly owned by non-resident or tax-exempt entities on or after 13 May 1997 are generally prevented from providing franking benefits to resident shareholders.

- Taxpayers are generally required to hold shares ‘at risk’ for more than 45 days (or 90 days for preference shares) in order to qualify for a franking benefit or inter-corporate dividend rebate.

- Partnership or trust distributions which consist of dividends, but are effectively in the nature of interest, are not entitled to the inter-corporate dividend rebate, franking credits or a franking rebate. This applies to interests created or acquired, or financial arrangements entered into, on or after 13 May 1997.

- Tax impediments to the demutualisation of mutual non-insurance organisations have been removed, from 12 May 1998, as long as an acceptable method of demutualisation is adopted.

- The continuity of ownership test has been modified, with effect from 21 September 1999, so that, broadly, it will only be satisfied if: (1) there is no substantial change in the composition of ownership within a group of continuing owners; and (2) majority ownership is maintained throughout the period from the loss year to the end of the income year.

- Measures to prevent duplication of losses where there is a change of majority ownership of a company after 21 September 1999, have come into effect. Losses subsequently realised by a company on assets held at the time ownership changes are not deductible unless the company also satisfies the same business test.

Company taxpayers

In 1999–2000, a total of 596 934 companies lodged returns in Australia.

Industry

For those companies whose industry was stated, 51% were in the finance, insurance, real estate and business services industry and a further 10% of companies were in the construction industry (Table 4.1).

Of all companies in the finance, insurance, real estate and business services industry, 85% were private companies and 3% were public companies. Ninety-nine per cent of companies in the construction industry were private (see company detailed Table 6)

Table 4.1: Companies by industry[1], 1999–2000

Broad industry	Small	Medium	Large	Total
	no.	no.	no.	no.
Finance, insurance, real estate & business services	292 484	2 237	398	295 119
Construction	55 048	579	38	55 665
Retail trade	46 479	1 161	161	47 801
Manufacturing	41 129	1 784	313	43 226
Wholesale trade	27 830	2 021	274	30 125
Health & community services	21 898	91	9	21 998
Transport & storage	22 684	453	54	23 191
Primary production	15 510	157	14	15 681
Personal & other services	15 099	73	7	15 179
Accommodation, cafes & restaurants	11 794	217	8	12 019
Cultural & recreational services	10 804	141	22	10 967
Mining	3 157	254	85	3 496
Communication	3 369	58	19	3 446
Education	2 753	7	0	2 760
Electricity, gas & water supply	654	53	15	722
Total industry stated	570 692	9 286	1 417	581 395
Industry not stated	15 392	110	37	15 539

Total	**586 084**	**9 396**	**1 454**	**596 934**

1. The industry groups are coded using the Australian and New Zealand Standard Industrial Classification system.

In terms of participants, the Australian company structure is dominated by small firms (98%). Table 4.1 shows that the largest proportion of small companies (whose industry was stated) were in the finance, insurance, real estate and business services industry (51%), followed by the construction (10%) and retail trade (8%) industries.

The greatest proportion of medium companies (whose industry was stated) were in the finance, insurance, real estate and business services industry (24%), followed by the wholesale trade (22%) and manufacturing (19%) industries.

The greatest proportion of large companies (whose industry was stated) were in the finance industry (28%), followed by the manufacturing (22%) and wholesale trade (19%) industries.

Income

In 1999–2000, companies reported total income of $1245.6 billion. Despite accounting for less than one per cent of the number of companies, large firms accounted for more than half of total company income (58%). Medium and small firms accounted for a similar level of income (21% each) despite the large disparity in their numbers.

For all firms regardless of size, most income (69%) was derived from the sale of goods and services. This was followed by gross interest (7%) and gross dividends (4%). Interest and dividends become relatively more important sources of income as the size of the firm increases (Table 4.2).

Table 4.2: Company sources of income, 1999–2000

	Small		Medium		Large		Total	
	$m	%	$m	%	$m	%	$m	%
Sales of goods & services	178 026	67.0	198 214	75.3	477 795	66.7	854 036	68.6
Gross interest	5 248	2.0	12 913	4.9	71 646	10.0	89 807	7.2
Gross dividends	4 589	1.7	11 151	4.2	37 388	5.2	53 128	4.3
Gross rents, leasing & hiring	6 547	2.5	3 119	1.2	9 481	1.3	19 146	1.5
Partnership & trust distribution	7 922	3.0	2 061	0.8	4 293	0.6	14 276	1.1
All other income[1]	63 467	23.9	35 845	13.6	115 851	16.2	215 163	17.3
Total income	**265 799**	**100.0**	**263 303**	**100.0**	**716 454**	**100.0**	**1 245 556**	**100.0**

1. Includes all other income such as royalties, insurance recoveries, subsidies, employee contributions to fringe benefits tax and government assistance from all sources.

Expenses

In 1999–2000, company expenses totalled $1127.9 billion. Table 4.3 shows that 48% of all company expenses related to cost of sales, followed by interest expenses (7%) and external labour costs (3%).

Table 4.3: Types of company expenses, 1999–2000

	Small		Medium		Large		Total	
	$m	%	$m	%	$m	%	$m	%
Cost of sales	106 679	42.5	136 131	57.0	299 614	47.0	542 424	48.1
Interest Expenses	8 039	3.2	12 091	5.1	58 825	9.2	78 955	7.0
External labour costs	12 467	5.0	7 002	2.9	13 711	2.1	33 180	2.9
Depreciation expenses	6 114	2.4	5 353	2.2	16 485	2.6	27 952	2.5
Rent expenses	6 042	2.4	3 004	1.3	6 495	1.0	15 541	1.4
Repairs & maintenance	2 491	1.0	2 151	0.9	6 737	1.1	11 379	1.0
Superannuation	5 387	2.1	1 888	0.8	2 949	0.5	10 224	0.9
Motor vehicle expenses	3 992	1.6	1 071	0.4	1 566	0.2	6 629	0.6
Lease Expenses	1 646	0.7	1 177	0.5	2 988	0.5	5 811	0.5
Bad debts	524	0.2	485	0.2	3 980	0.6	4 989	0.4
Royalty Expenses	390	0.2	1 270	0.5	2 499	0.4	4 159	0.4
All other expenses	97 073	38.7	67 350	28.2	222 224	34.8	386 647	34.3
Total	**250 844**	**100.0**	**238 973**	**100.0**	**638 073**	**100.0**	**1 127 890**	**100.0**

Net tax

Calculating company net tax

Expenses are deducted from income to give operating profit or loss. Extraordinary items and reconciliation items are then applied to operating profit or loss to calculate taxable income or loss. The general company tax rate (36%) for the income year ended 30 June 2000, is then applied to taxable income to calculate gross tax. Tax offsets (including rebates and credits) are subtracted from gross tax, leaving net tax.

Companies were liable for $26.3 billion in net tax for the 1999–2000 income year. Large companies (whose industry was stated) represented less than one per cent of the total company population, but were liable for 53% of total net tax (Table 4.4). Companies using a substituted accounting period represented just 2% of all companies, but remitted 30% of the total company net tax (see company detailed Table 8).

Table 4.4: Net tax payable by industry[1], 1999–2000

Industry	Small	Medium	Large	Total
	$m	$m	$m	$m
Finance, insurance, real estate & business services	4 707	2 089	5 254	12 050
Manufacturing	760	990	2 057	3 807
Retail trade	499	268	1 125	1 892
Wholesale trade	481	573	743	1 797
Mining	38	120	1 245	1 403
Communication	37	42	1 301	1 380
Construction	650	204	91	945
Personal & other services	105	42	596	743
Transport & storage	206	129	278	613
Cultural & recreational services	187	169	163	519
Primary production	195	108	35	338
Accommodation, cafes &	148	58	26	232

restaurants				
Health & community services	145	52	30	227
Electricity, gas & water supply	11	16	7	34
Education	19	4	0	23
Total industry stated	8 188	4 864	12 951	26 003
Industry not stated	109	78	156	343
Total	**8 297**	**4 942**	**13 107**	**26 346**

1. The industry groups are coded using the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.

In Table 4.4, 46% of total company net tax was payable by those companies in the finance, insurance, real estate and business services industry. Some of the high weighting in the finance industry reflects the classification of holding companies to this class. The net tax derived from this industry grouping totalled $12 billion. Large companies paid 44% or $5.2 billion of this total.

The manufacturing industry had the next highest tax liability with 14% or $3.8 million in net tax.

Finance and manufacturing were the 2 highest net tax payers for small, medium and large companies. However, the industry liable for the third highest amount of net tax varied according to company size. For small companies it was the construction industry, liable for $650 million or 8% of net tax; for medium companies it was the wholesale trade industry, liable for $573 million or 12% of net tax; and for large companies, it was the communication industry liable for $1.3 billion or 10% of net tax.

Table 4.5: Net tax payable by company type, 1999–2000

	Companies	**Net tax**[1]	**Average net tax**[2]
	no.	$m	$
Private Company	539 553	12 380	22 945
Strata Title	34 427	84	2 438
Public Company	16 100	12 050	748 463
Co-operative	4 620	146	31 574
Non-profit organisation	1 239	733	591 912
Corporate Unit Trust	289	1	4 567
Registered organisation	286	347	1 213 413
Limited Partnership	280	11	37 956
Public Trading Trust	105	9	87 608

Pooled Development Fund	35	585	16 711 271
Total	**596 934**	**26 346**	**44 136**

1. Rounded figures.
2. Average net tax figures are derived from actual (not rounded) net tax figures and company numbers.

Private companies accounted for 47% of net tax—equivalent to $12.4 billion—and represented 90% of companies. Public companies accounted for 46% of total net tax—equivalent to $12.1 billion—yet represented just under 3% of companies. Non-profit companies accounted for a further 3% of net tax, but represented less than one per cent of companies (Table 4.5).

Figure 4.1: Companies by grade of net tax payable, 1999–2000

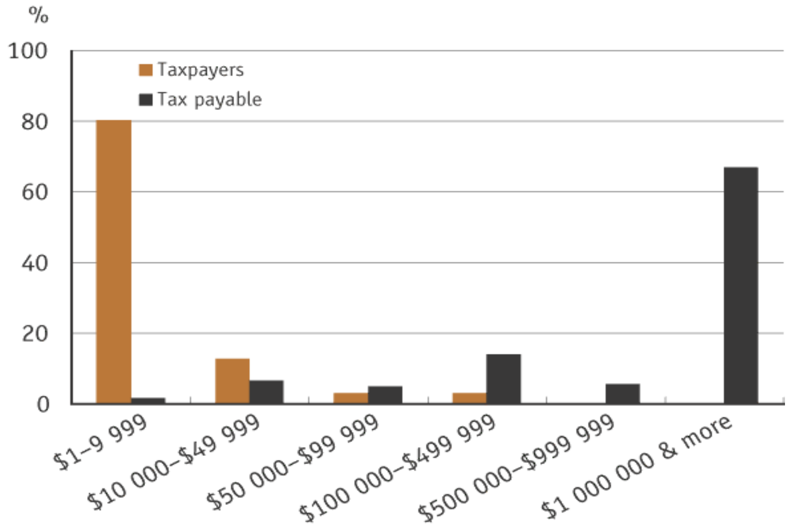

Figure 4.1: Column graph of companies by grade of net tax payable, comparing number of taxpayers to tax payable.

Figure 4.1 shows that less than one per cent of all companies paid $1 million or more in net tax but were liable for 67% of the total net tax paid.

Company ratio analysis

In Table 4.6, 5 ratios have been calculated for medium to large companies with total income over $10 million, at the broad industry level. This includes companies with turnover greater than $10 million as well as other public companies and all the subsidiaries of a group where at least one member has turnover greater than $10 million.

These ratios aim to provide insight into the operations of such companies and show similarities or differences between industries. However, there are several factors that can influence the level of these ratios which should be noted.

- The ratios are averages across each industry and, as such, may be influenced by, and tend to mask, the companies that have values at the extremes.
- The aggregate basis for the calculation of these ratios means that the ratios are subject to distortions due to multiple counting of intra-group transactions. The current tax system is based on legal entities (companies etc) and recognises that companies may be parts of larger corporate groups, which means that:
  - turnover reported in a consolidated set of accounts may be quite different to the total turnover reported on the tax returns of its constituent companies, and
  - subsidiaries of large corporate groups that have turnover less than $10 million may be omitted.
- The ratios may be affected by large corporate groups that have subsidiaries in a number of industries and also have control over where profits are allocated within the group.
- The ratios may be affected as much by corporated restructure as by true economic effects.
- Varied legislative measures, industry structure and individual business operations can also create differences in the values of these ratios.

Table 4.6: Medium to large company financial ratios[1], 1999–2000

Industry	Return on assets	Net profit margin	Gearing	Interest cover ratio	Effective rate of tax
	ratio	ratio	ratio	ratio	%
Primary production	0.13	0.14	1.08	8.81	24.75
Mining	0.11	0.19	1.80	3.41	26.61
Manufacturing	0.13	0.12	1.64	7.39	18.49
Electricity, gas supply & water sewerage & drainage	0.10	0.33	1.42	3.24	7.76

Construction	0.13	0.05	2.50	14.08	29.72
Wholesale trade	0.14	0.03	1.81	5.41	28.00
Retail trade	0.25	0.04	1.91	5.56	29.39
Accommodation, cafes & restaurants	0.10	0.07	1.13	9.36	21.96
Transport & storage	0.09	0.06	2.03	5.07	22.81
Communication	0.21	0.24	1.63	10.90	20.49
Finance, insurance, real estate & business services	0.08	0.97	3.18	2.70	14.63
Education	0.20	0.13	0.66	159.67	37.54
Health & community services	0.12	0.12	2.36	5.59	33.59
Cultural & recreational services	0.11	0.18	2.41	4.06	30.75
Personal & other services	0.04	1.06	7.79	1.47	32.03
Industry not stated	0.12	0.18	1.65	19.47	19.40
Total	**0.09**	**0.18**	**2.85**	**3.29**	**18.85**

1. Financial ratios are calculated from the data in companies detailed table 9.

Calculation of financial ratios[1]

Return on assets: operating profit or loss, plus interest costs, divided by total assets. This measures the ordinary economic return that accrues to a business from their assets. The effect of interest expenses are netted out from operating profit so that the calculation focuses on the ordinary returns of the assets and ignores how the assets are financed. Average asset levels vary across industries. Service-based businesses generally have very low asset levels, while mining and manufacturing operations are more heavily based around capital equipment. This ratio depends on how the assets themselves are valued.

Net profit margin: operating profit or loss, minus tax payable, divided by sales. It relates after tax profit to sales revenue. Profit margins vary across industries with many large retail operations having high volume, low margin business, whereas other industries may operate with lower volumes and higher margins.

Gearing: total liabilities divided by shareholder funds. It reflects the borrowing position of the firm compared to its equity. In general, higher levels of gearing lead to higher interest cost deductions and lower tax paid. In essence, some of the profit from the geared company or group is transferred to the lending entities.

Interest cover ratio: operating profit or loss, plus interest costs, divided by interest costs. This ratio shows the proportion of operating profit that is required to cover the interest expenses of the business. Higher borrowings lead to greater interest expenses and so the ratio measures the capacity of a business to service the interest component of debt capital.

Profit based effective tax rate: the tax payable, divided by the operating profit or loss. This ratio shows the proportion of a firm's operating profit that is paid in tax. It is important to note that there are numerous reconciliation items (capital gains, legislative concessions, losses and the like) that are applied to operating profit before tax is calculated. The use of these reconciliation items will affect the value of the ratio. Capital gains tend to increase the ratio whereas recouping prior year losses will tend to decrease it.

1. This box only presents general descriptions of the above terms. It does not provide full technical or legal definitions.

Non-taxable companies

In 1999–2000, a total of 55% of companies were non-taxable (Table 4.7). Non-taxable companies include non-trading companies, those lodging nil returns and companies operating at a loss.

There are several reasons for a company being non-taxable. The main reason in 1999–2000 was due to losses made on trading activities. Companies who made losses on trading activities accounted for 57% of non-taxable companies. Losses can be due to poor trading performance (such as poor sales performance or poor cost control performance) or due to the nature of their activities.

Figure 4.2: Non-taxable companies, 1999–2000

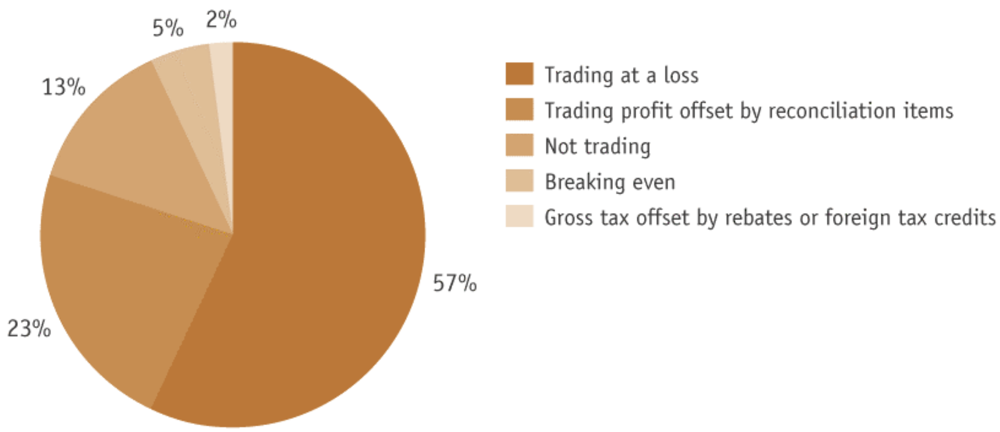

Figure 4.2: Pie chart breakdown showing reasons for companies being non-taxable.

Figure 4.2 shows that 23% of non-taxable companies had trading profits, based on their trading activities, which were offset by adjustments made by reconciliation items. These items included loss utilisation and reconciliation from accounting to taxable profits (including deduction of depreciation). 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. Other companies were non-taxable because their gross tax amounts were offset by rebates or foreign credits.

Table 4.7 shows that the mining industry had the highest proportion (72%) of non-taxable companies. This reflects the large number of mining exploration companies that engage in activities that incur immediately deductible expenses, but as yet do not produce revenue. The next industry with the highest proportion of non-taxable companies was the education industry (65%).

Table 4.7: Non-taxable companies by industry[1], 1999–2000

Industry	Non-taxable companies	Total companies	Proportion of non-taxable companies

	no.	no.	%
Finance, insurance, real estate & business services	156 170	295 119	52.9
Construction	27 781	55 665	49.9
Retail trade	26 376	47 801	55.2
Manufacturing	23 318	43 226	53.9
Wholesale trade	16 437	30 125	54.6
Health & community services	14 003	21 998	63.7
Transport & storage	13 779	23 191	59.4
Primary production	10 148	15 681	64.7
Personal & other services	8 914	15 179	58.7
Accommodation, cafes & restaurants	7 495	12 019	62.4
Cultural & recreational services	6 932	10 967	63.2
Mining	2 504	3 496	71.6
Communication	2 066	3 446	60.0
Education	1 794	2 760	65.0
Electricity, gas & water supply	450	722	62.3
Industry not stated	12 381	15 539	79.7
Total non-taxable industries	**330 548**	**596 934**	**55.4**

1. The industry groups are coded using the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.

Company tax rates

The following rates of tax are applicable to company income in the 1999–2000 income year.

Private companies (other than life companies)	Rate: 36%
Public companies[1] (other than life companies and registered organisations)	Rate: 36%
Life assurance companies	
Taxable income component relating to policies held by complying funds or in respect of roll-over annuities	Rate: 15%
Taxable income component relating to policies held by non-complying funds	Rate: 47%
Taxable income component relating to other life assurance and to accident and disability insurance	Rate: 39%
Taxable income component relating to general fund income:	
— Standard component: mutual life companies	Rate: 39%
— Standard component: other life companies	Rate: 36%
— RSA component	Rate: 15%
Registered organisations	
Taxable income component relating to policies held by complying funds or in respect of roll-over annuities	Rate: 15%
Taxable income component relating to policies held by non-complying funds	Rate: 47%
Taxable income component relating to other life assurance and to accident and disability insurance	Rate: 33%
RSA combined component:	
— RSA category A component	Rate: 15%
— RSA category B component	Rate: 36%
Pooled development funds	
Companies that are pooled development funds (PDFs) throughout the year of income:	
— on small to medium-sized enterprise income component	Rate: 15%

— on unregulated investment component | Rate: 25%

— on unregulated investment component	Rate: 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	Rate: 15%
— on that part of the taxable income that does not exceed the pooled development fund component	Rate: 25%
— on that part of the taxable income that exceeds the PDF component	Rate: 36%

Credit unions

Interest received by:—	Rate: 36%[2]
— small credit unions (with a notional taxable income of less than $50 000)	
— medium credit unions (with a notional taxable income of $50 000–$149 999) on that part of the taxable income which exceeds $49 999	Rate: 54%
— large credit unions (with a notional taxable income of $150 000 and more)	Rate: 36%

1. Public includes non-profit companies which are not liable to tax unless taxable income exceeds $416. Where taxable income is $1204 or less, the tax payable is limited to 55% of the excess of taxable income over $416. Friendly society dispensaries are non-profit companies.
2. Small credit unions are not taxed on interest income from loans to members.

Petroleum resource rent tax

Petroleum resource rent tax is imposed by the *Petroleum Resource Rent Tax Act 1987* on all offshore petroleum projects except the North-west Shelf. It was introduced as a more economically efficient replacement of Commonwealth royalties for these projects. Petroleum resource rent tax payments like royalties are allowable deductions for the calculation of income tax. It is calculated at the rate of 40% of 'excess' profit (similar to the concept of economic rent), which is the excess of assessable receipts over deductible expenditure and transferred exploration expenditure. The tax is paid to the ATO on a quarterly basis. The first 3 payments are made in October, January and April. Companies submit their tax return in August and a final payment, or refund, is made at that time.

In the 2000–01 financial year, the petroleum resource rent tax totalled $2.4 billion. A doubling in the collection of petroleum resource rent tax (up from $1.2 billion in 1999–2000) reflected the sustained high world oil prices and higher domestic production activity. In addition, a new major oil field commenced remitting in 2000–01.

Figure 4.3: Petroleum resource rent tax

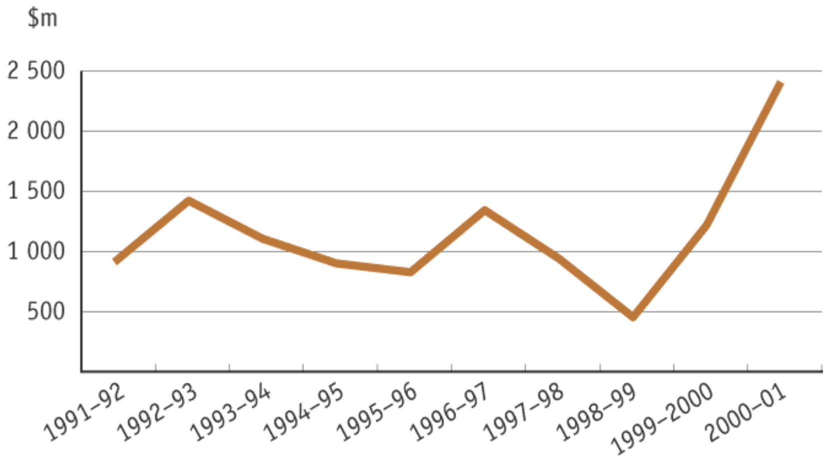

Figure 4.3: Lin.38

Graph showing movement of revenue from the petroleum resource rent tax from 1991-92 to 2000-01.

Detailed Tables

To view the company detailed statistical tables please click here.

Partnerships

Highlights

- In 1999–2000, 491 792 partnerships lodged returns and reported total business income of $112.7 billion.
- The largest proportion of partnerships (27%) was in the primary production industry.
- Partnerships reported $98.6 billion in expenses—the main type of expense was cost of sales, which accounted for $32 billion.

For tax purposes, a partnership is an association of people who carry on business as partners, or who receive income jointly. Partners contribute their time, talents and/or capital towards the partnership and in return share in both the profits/losses and responsibilities.

Partnerships generally do not pay tax in their own right. Members of the partnership are taxable in their individual capacities on their share of the net partnership income; they pay tax on partnership income included in their individual tax returns, at their individual rates of tax. Similarly, any capital gains or losses relating to the sale of partnership assets, must be disclosed in the individual partner's tax return.

Whilst partnerships are not treated as a separate legal entity for tax purposes, they do require a separate tax file number and must lodge a partnership income tax return at the end of the financial year. All income earned by the partnership and deductions claimed for expenses incurred in earning that income, must be shown in the 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 net partnership loss.

Source of statistics

Data for *Taxation Statistics 1999–2000* was compiled before all processing for the 2000 year was completed. Statistics in this chapter are sourced from partnership return forms as at the compilation date of 31 October 2001, and are not necessarily complete. Statistics for prior income years have been updated in the relevant detailed tables and are considered final for those years. The 1999–2000 year statistics will be updated quarterly on the ATO website and finalised in the next edition of *Taxation Statistics*.

Partnership return forms were lodged either electronically or in paper form. A PDF copy of the partnership return form can be found in the appendix. Statistics for most items shown on the return form are included in the partnership detailed tables.

Partnership taxpayers

In 1999–2000, a total of 491 792 partnerships lodged returns in Australia (Table 5.1).

Partnership numbers generally reflect the geographic distribution of the Australian population; there are higher numbers of partnerships in the States with larger populations. Approximately 30% of partnerships were in New South Wales, followed by 22% in both Victoria and Queensland (Figure 5.1).

Figure 5.1: Partnerships by State, 1999–2000

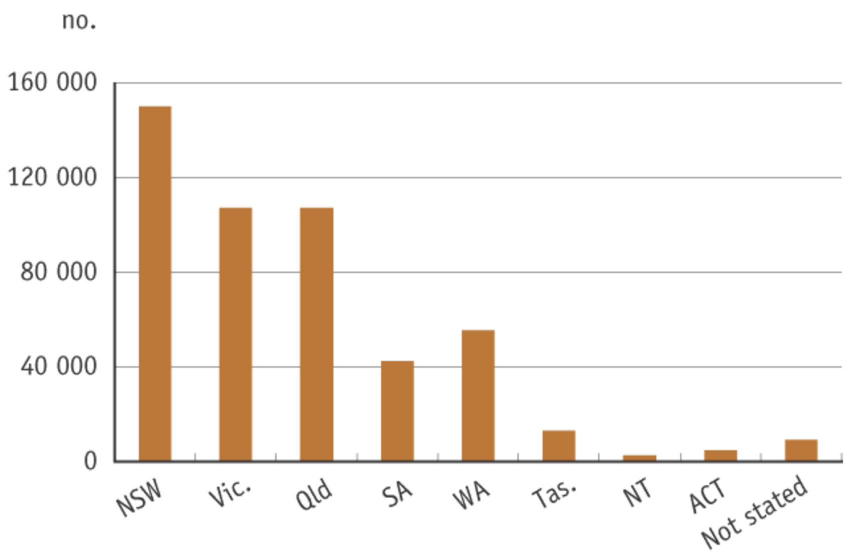

Figure 5.1: column graph showing the number of partnerships by State.

Industry

In 1999–2000, the largest proportion of partnerships (whose industry was stated) was in the primary production industry (27%), followed by the construction (16%) and retail trade (13%) industries (Table 5.1).

Table 5.1: Partnerships by industry, 1999–2000

Industry[1]	**Partnerships**	
	no.	%
Primary production	131 223	27.4
Construction	75 425	15.8
Retail trade	61 219	12.8
Finance, insurance, real estate & business services	53 310	11.1
Property	42 266	8.8
Manufacturing	26 703	5.6
Transport & storage	23 469	4.9
Personal & other services	17 924	3.7
Accommodation, cafes & restaurants	15 041	3.1
Wholesale trade	11 679	2.5
Cultural & recreational services[2]	7 794	1.6
Health & community services	5 792	1.2
Communication	3 916	0.8
Education	1 946	0.4
Mining	857	0.2
Electricity, gas supply & water sewerage & drainage	328	0.1
Total industry stated	**478 892**	**100.0**
Industry not stated[3]	12 900	
Total	**491 792**	

1. The industry groups are coded using the Australian and New Zealand Standard Industrial Classification system.

2. Includes sports.
3. Includes partnerships that have registered a subsidiary return income from partnerships and trusts and registered under the government administration and defence code.

The number of partnerships in specific industries in each State, is relative to the amount of industry activity in that State. For example, the largest proportion of partnerships in the property, construction and primary production industries were in New South Wales, while the largest proportion of mining partnerships were in Western Australia and Queensland (see partnership detailed Table 3).

Partnership income and expenses

For the purposes of this chapter:

- **small partnerships** have total business income less than $20 000 (excludes partnerships with 0 total business income or partnerships with total business loss)
- **medium partnerships** have total business income greater than $20 000 and less than $50 000
- **large partnerships** have total business income greater than $50 000.

In 1999–2000, partnerships had a total business income of $112.7 billion and total expenses of $98.6 billion (Tables 5.2 and 5.3).

Large partnerships accounted for 61% of total business income and 57% of total expenses. Medium partnerships accounted for 16% of total business income and 15% of total expenses. Small partnerships accounted for 10% of both total business income and total expenses (Tables 5.2 and 5.3).

Table 5.2: Income items by partnership size, 1999–2000

Source of income	Loss/nil	Small	Medium	Large	Total
	$m	$m	$m	$m	$m
Net rent	-108	206	359	807	1 264
Gross interest	87	70	104	332	593
Gross dividends	10	18	32	83	143
Net business income	-4 702	930	3 529	13 923	13 680
Total business income	14 429	11 095	18 168	69 031	112 723

Table 5.3 shows the main type of partnership expense for small, medium and large partnerships was cost of sales—32% of all partnership expenses were linked to cost of sales. The next most common total partnership expense was depreciation (4%).

For large partnerships the second greatest expense was external labour costs (5%), for medium partnerships the second greatest expense was motor vehicles (5%), and for small partnerships the second greatest expense was depreciation (5%).

Table 5.3: Partnership expenses, 1999–2000

Expense items	Loss/Nil	Small	Medium	Large	Total
	$m	$m	$m	$m	$m
Cost of sales	4 907	4 082	6 446	16 595	32 030
Total depreciation expenses	1 499	560	675	1 344	4 078
External labour	584	310	527	2 609	4 030
Interest	1 525	340	380	1 033	3 278
Rent	411	373	478	1 007	2 269
Motor vehicles	373	457	700	702	2 232
Repairs	631	293	364	685	1 973
Lease payments	179	97	141	363	780
Superannuation	88	48	76	340	552
Bad debts	19	6	11	92	128
Total royalty	273	7	10	103	393
Other expenses	7 085	3 640	4 944	31 163	46 832
Total expenses	**17 574**	**10 214**	**14 751**	**56 036**	**98 575**

Detailed tables

To view the partnership detailed statistical tables click here.

Trusts

Highlights

- In 1999–2000, 450 061 trusts lodged returns and reported total business income of $161.9 billion.
- The largest proportion of trusts (39%) was in the property industry.
- Trusts reported $149.8 billion in expenses—the main type of expense was cost of sales, which accounted for $79.1 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 trustee holds 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 trusts do not pay tax in their own right. In general terms it is the beneficiaries—ultimately entitled to receive and retain trust income—who are taxable. The trustee is generally only taxed in respect of certain kinds of beneficiaries (such as non-residents and those under a legal disability) and where there is some part of the net income of the trust for tax purposes which 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 taxation 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 statistics

Data for *Taxation Statistics 1999–2000* was compiled before all processing for the 2000 year was completed. Statistics in this chapter are sourced from trust return forms as at the compilation date of 31 October 2001, and are not necessarily complete. Statistics for prior income years have been updated in the relevant detailed tables and are considered final for those years. The 1999-2000 year statistics will be updated quarterly on the ATO website and finalised in the next edition of *Taxation Statistics*.

Trust return forms were lodged either electronically or in paper form. A PDF copy of the trust return form can be found in the appendix. Statistics for most items shown on the return form are included in the trust detailed tables.

Types of trusts[1]

Fixed trusts: where people have vested and indefeasible interests in all of the income and capital of the trust at all times during the income year.

Hybrid trust: not a fixed trust, but one in which people might have vested and indefeasible interests in some of the income or capital of the trust during the income year.

Discretionary trusts: neither a fixed trust nor hybrid trust, but one in which people benefit from the income or capital of the trust during the income year at someone else's discretion (usually the trustee's).

Fixed unit trusts: a fixed trust in which interests in the income and capital of the trust are represented by units.

Public unit trusts: a public trading trust and which is either a resident in the income year concerned or was a public trading trust in a previous income year. A unit trust is a 'public unit trust' where:

- it lists any of the units for quotation on the stock exchange
- it offered units to the public
- units were held by 50 or more persons, or
- it was a tax exempt entity or a complying superannuation fund, Approved Deposit Fund (ADF) or Pooled Superannuation Trust (PST), and holds a beneficial interest in 20% or more of the property or income of the trust, or during the income year was paid 20% or more of the monies paid by the trust to unitholders, or an arrangement exists that such an entity could have been given such a holding during the year or could have been entitled to 20% or more of any monies paid to unitholders during the income year. A unit trust is generally not treated as a public unit trust if 20 or fewer persons hold 75% or more of the beneficial interests in the property of income of the trust.

Public unit trusts—listed: a public unit trust in which any of its units were listed for quotation in the official list of a stock exchange in Australia or elsewhere during the income year.

Public unit trusts—unlisted: a public unit trust in which none of its units were listed for quotation in the official list of a stock exchange in Australia or elsewhere during the income year.

1. This box only presents general descriptions of the above terms. It does not provide full technical or legal definitions of these terms.

Trust taxpayers

In 1999–2000, a total of 450 061 trusts lodged returns in Australia (Table 5.4).

Figure 5.2 shows the greatest proportion of trusts were in Victoria (31%) and New South Wales (22%). 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 1999–2000 (see trusts detailed Table 3).

Figure 5.2: Trusts by State, 1999–2000

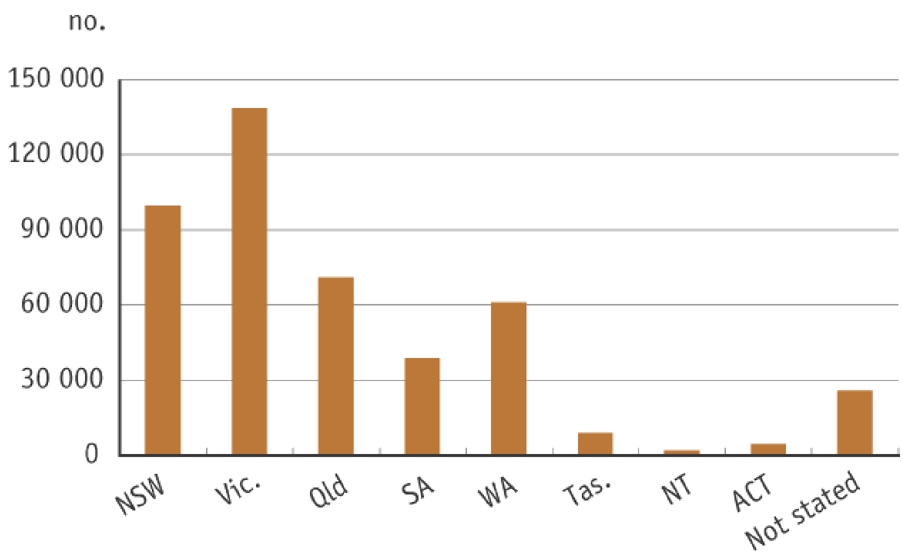

Figure 5.2: column graph showing number of trusts by State.

Industry

In 1999–2000, the largest proportion of trusts (whose industry was stated) was in the property (39%) and finance, insurance, real estate and business services (29%) industries (Table 5.4).

Table 5.4: Trusts by industry[1], 1999–2000

Industry	**Trusts**	**Proportion of total[2]**
	no.	%
Property	157 032	39.2
Finance, insurance, real estate & business services	116 857	29.1
Primary production	26 198	6.5
Retail trade	24 733	6.2
Construction	20 339	5.1
Manufacturing	12 387	3.1
Wholesale trade	8 407	2.2
Transport & storage	7 657	1.9
Accommodation, cafes & restaurants	7 645	1.9
Health & community services	7 570	1.9
Personal & other services	6 562	1.6
Cultural & recreational services[3]	2 964	0.7
Communication	1 043	0.3
Education	759	0.2
Mining	579	0.1
Electricity, gas supply & water sewerage & drainage	178	0.0
Total industry stated	**400 910**	**100.0**
Industry not stated[4]	49 151	
Total	**450 061**	

1. The industry groups are coded using the Australian and New Zealand Standard Industrial Classification system.
2. A proportion of 0.0% indicates a proportion of less than 0.05%.
3. Includes sports.
4. Includes trusts that have registered a subsidiary return income from partnerships and trusts and registered under the government administration and defence code.

Trust income and expenses

For the purposes of this chapter:

- **small trusts** have total business income less than $20 000 (excludes trusts with 0 total business income or trusts with total business loss)
- **medium trusts** have total business income greater than $20 000 and less than $50 000
- **large trusts** have total business income greater than $50 000.

In 1999–2000, trusts had a total business income of $161.9 billion (Table 5.5).

Large trusts accounted for 68% of total business income and 65% of total expenses (Tables 5.5 and 5.6). Medium trusts accounted for 10% of both total business income and total expenses. Small trusts accounted for 9% of total business income and 10% of total trust expenses.

Table 5.5: Income items by trust size, 1999–2000

Source of income	Loss/nil	Small	Medium	Large	Total
	$m	$m	$m	$m	$m
Net rent	-175	234	409	3 182	3 650
Gross interest	130	286	266	4 874	5 556
Gross dividends	20	105	178	4 721	5 024
Net business income	-1 922	245	1 039	12 111	11 473
Total business income	21 059	14 847	15 756	110 222	161 884

In 1999–2000, total expenses for trusts equalled $149.8 billion. More than half (53%) of all trust expenses were linked to cost of sales. This was followed by external labour costs (3%) and interest paid (3%) (Table 5.6).

Table 5.6: Trust expenses, 1999–2000

Expense items	Loss/nil	Small	Medium	Large	Total
	$m	$m	$m	$m	$m
Cost of sales	10 933	6 622	7 081	54 495	79 131
External labour	660	509	507	3 241	4 917
Interest	914	315	284	2 345	3 858

Rent	601	447	457	2 256	3 761
Depreciation expenses	756	413	376	1 836	3 381
Superannuation	371	412	388	1 695	2 866
Motor vehicles	267	302	283	804	1 656
Repairs	342	178	184	934	1 638
Lease payments	170	113	107	643	1 033
Bad debts	41	14	14	124	193
Royalty	28	19	18	223	288
Other	7 629	5 221	5 005	29 214	47 069
Total expenses	**22 712**	**14 566**	**14 703**	**97 810**	**149 791**

Detailed tables

To view the trust detailed statistical tables click here.

Fund tax

Highlights

- In 1999–2000, 184 456 funds lodged returns.
- Funds reported $46.6 billion in total income.
- Funds paid $3.5 billion in net tax.
- In 1999–2000 the majority of funds (80%) were self managed super funds.

The superannuation and life insurance industries play an important part in the Government's retirement income policy. Superannuation funds hold contributions in trust for members and invest these contributions to increase the fund's assets. The investment generated by contributions to funds provides Australian businesses with capital to create jobs, services and infrastructure. Increased long-term savings in funds providers reduce Australia's overseas borrowings and enables more control over the country's economic future.

Funds are run by trustees who act on behalf of the fund members. Trustees are authorised to deposit accumulated members' 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 the fund's operations and ensure it follows Government rules.

The funds industry is highly regulated through numerous Acts and supervision by such bodies as the Australian Prudential Regulation Authority (APRA), the Australian Securities Industry Commission (ASIC) and the Australian Taxation Office (ATO). Superannuation funds that comply with conditions specified in the *Superannuation Industry (Supervision) Act 1993* and its Regulations, are eligible for concessional tax treatment. Reduced taxation and the accumulation of the fund's earnings from investment, combine to produce a larger benefit for retirement. Non-regulated or otherwise non-complying funds are not eligible for these tax concessions.

In each year of income a superannuation fund is required to lodge an annual return and an income tax return. Funds self-assess their final tax liability for an income year and specify their taxable income and the amount of tax payable on the income tax return. The level of a fund's likely tax or tax liability determines whether a fund pays in a single lump sum or in instalments.

Terminology[1]

Fund categories

Superannuation funds: generally trust funds established primarily to provide benefits to members or their dependants on retirement, resignation, death or disablement. Superannuation funds are usually governed by a trust deed and administered by trustees. Funds that comply with the *Superannuation Industry (Supervision) Act 1993* legislative requirements are said to be regulated and are then eligible for taxation concessions.

Approved deposit funds (ADF): a type of rollover fund. These funds can only accept eligible termination payments. If a person retires early, is retrenched or changes jobs, their eligible termination payment can be rolled over into an approved deposit fund, where it will remain (attracting tax concessions on investment earnings) until that person reaches the age of 65.

Pooled superannuation trusts (PST): trusts in which assets of a number of superannuation funds, approved deposit funds or other pooled superannuation trusts are invested and managed by a professional fund manager. These trusts can accept deposits only from regulated superannuation funds, approved deposit funds and other pooled superannuation trusts. The investment income of these trusts is taxed at concessional rates.

Retirement savings account (RSA): An RSA is an account offered by banks, building societies, credit unions, life insurance companies and prescribed financial institutions (RSA providers). It is used for retirement savings and is similar to a superannuation fund. RSAs are capital guaranteed. This means that contributions and interest on the account can only be reduced 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. RSAs are subject to the existing 15% contributions tax, and the surcharge on contributions for higher income earners.

Life insurance companies: are companies that have life insurance as their sole or principal business or are registered under the *Life Insurance Act 1995.* Their business consists of undertaking liability of life policies and fund policies, and related business (including the investment, management and administration of statutory fund assets). Life companies can only offer superannuation products as such through a (usually associated) superannuation fund which invests in life policies with the company. They can offer income stream products and investments directly but these are not referred to as superannuation products because they don’t receive the same tax preferential treatment. Generally, the taxable income of life companies is determined in the same way as for other companies, however, there are a number of special rules designed, in part, to put the treatment of the superannuation business of life assurance companies on the same footing as superannuation funds.

Other terms

Complying super funds: for a fund to be considered a complying superannuation fund for the purposes of the *Income Tax Assessment Act 1936,* and receive concessional taxation treatment—it must first be a regulated superannuation fund. There are a number of requirements set out in the *Superannuation Industry (Supervision) Act 1993* (SISA) that a fund must meet to be a regulated fund—one of these is that the fund has made an election to be governed by the rules of SISA. In short, a complying fund is a superannuation fund that has elected to be regulated, has complied with SISA and has not received a notice of non-compliance. Super funds are taxed as a 'complying superannuation fund' if they have received notice under SISA of such. Complying funds' assessable income is determined as though the trustee were a taxpayer and a resident. Taxable income is divided into a standard component and a special component. The standard component is taxed at the concessional rate of 15% while the special component, comprising the 'special income' of the fund (usually private company dividends, non-arm's length income and certain distributions from trusts) is taxed at the rate of 47%.

1. This box only presents general descriptions of the above terms. It does not provide full technical or legal definitions.

Source of Statistics

Data for *Taxation Statistics 1999–2000* was compiled before all processing for the 2000 year was completed. Statistics in this chapter are sourced from fund income return forms as at the compilation date of 31 October 2001, and are not necessarily complete. Statistics for prior income years have been updated in the relevant detailed tables and are considered final for those years. The 1999-2000 year statistics will be updated quarterly on the ATO website and finalised in the next edition of *Taxation Statistics*.

Superannuation fund returns are lodged either electronically or in paper form. A PDF copy of the fund return form can be found in the appendix. Statistics for most of the items shown on the fund return form are included in the fund detailed tables.

The information and statistics presented in the 'Life Insurance' section of this chapter are sourced from Australian Prudential Regulation Authority (APRA) data.

Fund tax reforms

Several reforms came into effect for the 1999–2000 income year which affect the income taxation and regulation of superannuation funds. The key features of the reforms include:

- ATO regulation of self managed superannuation funds (most funds with fewer than 5 members)
- Restriction to investment rules of regulated funds
- Capital Gains Tax reforms, including—
    - CGT discount
    - Freezing indexation
    - Involuntary disposal roll-overs
    - Removal of depreciable CGT assets from CGT calculation
    - Scrip for scrip roll-over
    - Venture capital exemption.

Fund taxpayers

Broadly, the fund taxpayer population is divided into 2 categories: non-regulated funds and regulated funds. Only regulated funds (as defined by the *Superannuation Industry (Supervision) Act*) qualify as complying superannuation funds for tax purposes and receive taxation concessions. Regulated funds can be one of 6 types: self managed superannuation funds (SMSFs); small APRA funds (SAFs), corporate or employer sponsored, industry, retail and public sector.

Most funds with fewer than 5 members are self managed super funds. Small APRA funds are those small funds that do not otherwise comply with the self managed fund requirements and are regulated by APRA. Corporate, industry, retail and public sector funds are superannuation funds with more than 4 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 taxation purposes, although special taxation rules may apply to public sector funds.

In 1999–2000, a total of 184 456 fund returns were lodged. Self managed funds (previously known as 'excluded funds') were the most common type of fund in 1999–2000. At 31 October 2001 there were 146 936 self managed funds which accounted for 80% of all funds. The next most common type of funds were small APRA funds, which accounted for 15% of superannuation funds (Table 6.5).

Income

For the purposes of this chapter:

- **small funds** have total income less than $10 million
- **medium funds** have total income more than $10 million and less than $100 million
- **large funds** have total income of $100 million or more.

In 1999–2000, funds reported a total income of $46.6 billion (Table 6.1). Employer contributions continued to be the largest source of income for funds. In 1999–2000, employer contributions totalled $21.3 billion, representing 46% of total fund income. Capital gains accounted for an additional $11.2 billion or 24% of total fund income.

Employer contributions and capital gains were the 2 highest income sources for small, medium and large funds. However, the proportion of capital gains for medium and large funds was significantly higher than that for small funds. It would appear this is partly because larger funds alter their larger portfolio of assets more frequently.

Table 6.1: Sources of fund income, 1999–2000

Sources of income	Small		Medium		Large		Total	
	$m	%	$m	%	$m	%	$m	%
Employer contributions	5 492	46.8	3 226	41.8	12 616	46.4	21 334	45.7
Total capital gains	1 935	16.5	2 016	26.1	7 213	26.5	11 163	23.9
Gross dividends	1 002	8.5	564	7.3	2 195	8.1	3 760	8.1
Gross interest	912	7.8	470	6.1	1 703	6.3	3 085	6.6
Distributions from trusts	976	8.3	642	8.3	1 041	3.8	2 659	5.7
Employee contributions	510	4.3	353	4.6	705	2.6	1 568	3.4
Net foreign income	67	0.6	217	2.8	711	2.6	995	2.1
Gross rents	513	4.4	32	0.4	266	1.0	811	1.7
Other income[1]	320	2.7	203	2.6	735	2.7	1 259	2.7
Total	**11 726**	**100.0**	**7 723**	**100.0**	**27 186**	**100.0**	**46 634**	**100.0**

1. Includes net previous income, net non-arms length income and distributions from partnerships.

Deductions

In 1999–2000, funds claimed total deductions of $15.4 billion. Table 6.2 shows that 30% of deductions ($4.6 billion) related to taxable contributions that had been transferred to pooled superannuation trusts, life assurance companies or registered organisations. A further 19% ($2.9 billion) related to current year capital losses and 17% ($2.6 billion) related to exempt current pension income.

Table 6.2: Types of fund deductions, 1999–2000

Deduction	Small		Medium		Large		Total	
	$m	%[1]	$m	%[1]	$m	%[1]	$m	%[1]
Transfer of taxable contributions	121	5.5	531	28.1	3 994	35.2	4 647	30.1
Total current year capital losses	366	16.7	202	10.7	2 317	20.4	2 885	18.7
Exempt current pension income	532	24.2	280	14.8	1 797	15.8	2 609	16.9
Net prior year capital losses	69	3.1	32	1.7	413	3.6	514	3.3
Depreciation deducted	84	3.8	4	0.2	38	0.3	126	0.8
Losses recouped	42	1.9	19	1.0	2	0.0	63	0.4
Total salary & wage expenses	2	0.1	5	0.3	17	0.1	24	0.2
Special building write-off	14	0.6	0	0.0	9	0.1	23	0.2
Interest expenses—Australia	6	0.3	0	0.0	0	0.0	6	0.0
Exempt section 290A income	3	0.1	0	0.0	0	0.0	3	0.0
Interest expenses—overseas	0	0.0	0	0.0	1	0.0	2	0.0
Other deductions	954	43.5	815	43.1	2 766	24.4	4 535	29.4
Total	**2 194**	**100.0**	**1 890**	**100.0**	**11 353**	**100.0**	**15 437**	**100.0**

1. A proportion of 0.0% indicates a proportion less than 0.05%.

Net tax

In 1999–2000, 81% of funds were liable for $3.5 billion in net tax.

Table 6.3 shows that large fund types (corporate, industry, retail and public sector funds) accounted for 70% of net tax payable by funds with a tax liability, despite accounting for only 5% of such funds. Self managed funds accounted for 81% of these funds but were liable for only 21% of net tax.

Table 6.3: Net tax by type of fund, 1999–2000

Type of fund	**Net tax**	
	no.	$m
Self managed super fund	119 905	728
Small APRA fund	19 670	111
Large fund types[1]	6 778	2 469
Non-regulated[2]	2 160	215
Total	**148 513**	**3 523**

1. Large fund types includes corporate, industry, retail and public sector funds. In this case large fund types does not refer to a specific level of income.
2. Includes those funds which nominate 'other' on their return form.

Membership 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 in their annual return.

In 1999–2000, nearly half of all funds (48%) classified themselves in the finance, insurance and real estate industry (Table 6.4). These funds held 13% of the total fund membership. The majority of fund members were in the primary production industry (56%), however only 8% of funds classified themselves in that industry.

Table 6.4: Funds[1] and fund members by industry classification, 1999–2000

Industry classification[2]	Funds		Members	
	no.	%	no.	%
Finance, insurance, real estate & business services	88 577	48.0	11 129 874	13.5
Wholesale & retail trade	21 982	11.9	5 325 170	6.5
Health, education, welfare & community services	16 716	9.1	4 052 889	4.9
Building & construction	16 421	8.9	3 676 333	4.5
Primary production	15 070	8.2	46 181 255	56.0
Manufacturing	8 443	4.6	4 173 195	5.1
Entertainment, recreation, hotels, personal services & restaurants	7 219	3.9	1 908 667	2.3
Transport, storage & communications	6 254	3.4	854 645	1.0
Mining	1 458	0.8	265 345	0.3
Electricity, gas & water	1 137	0.6	76 394	0.1
Government	589	0.3	1 937 246	2.3
Other[3]	590	0.3	2 953 307	3.6
Total	**184 456**	**100.0**	**82 534 320**	**100.0**

1. Includes superfunds, approved deposit funds and pooled superannuation trusts.
2. The industries listed here are based on the self classification of funds. Funds' industry groupings are different from the ANZSIC industry groupings used by other entities.
3. Includes those funds which nominate 'other' on their return form.

Table 6.5 shows that large fund types accounted for 73% of fund members but only 4% of funds. Self managed super funds accounted for 18% of fund members and 80% of funds. Whilst small APRA funds accounted for 4% of members and 15% of funds.

Table 6.5: Funds and fund members by type[1], 1999–2000

Fund type	**Funds**		**Members**	
	no.	%	no.	%
Self managed super fund	146 936	79.7	14 702 343	17.8
Small APRA fund	26 772	14.5	3 228 165	3.9
Large fund types	7 737	4.2	59 927 699	72.6
Non-regulated fund	1 281	0.7	1 165 656	1.4
Other	1 730	0.9	3 510 457	4.3
Total funds	**184 456**	**100.0**	**82 534 320**	**100.0**

1. Includes superfunds, approved deposit funds and pooled superannuation trusts.

Life insurance companies

Life insurance companies can only offer superannuation products as such through a (usually associated) superannuation fund which invests in life policies within the company. As of 30 June 2000, there were 43 registered life assurance companies in Australia. Total life insurance statutory fund assets for these companies were $182.6 billion. For the year, life insurance premiums totalled $41.9 billion, of which investment linked business comprised $28.2 billion and $12.7 billion non-investment linked business.

Total policy liabilities and bonuses covered by these assets were $159.7 billion for the year ending 30 June 2000 with 97% of this figure relating to Australian business. Superannuation business represented about 84% of Australian policy liabilities and bonuses, with ordinary business comprising the remaining 16%. Reforms that commence from 1 July 2000 broaden the tax base of life insurance business. The complying superannuation business of life insurers will continue to be taxed at a rate of 15% if the assets relating to this business are segregated into ‘virtual’ PSTs.

Superannuation fund rates

Complying superannuation funds

Assessed on income, including realised capital gains and taxable contributions	Rate: 15%
Assessed on non-arm's length income and private company dividends	Rate: 47%

Non-complying superannuation funds

Assessed on income, including realised capital gains and taxable contributions	Rate: 47%

Complying ADFs

Assessed on income, including realised capital gains and taxable contributions	Rate: 15%
Assessed on non-arm's length income and private company dividends	Rate: 47%

Non-complying ADFs

Assessed on income, including realised capital gains and taxable contributions	Rate: 47%

Pooled superannuation trusts

Assessed on income, including realised capital gains and any taxable contributions transferred from investing funds	Rate: 15%
Assessed on non-arm's length income and private company dividends	Rate: 47%

Detailed tables

To view the fund detailed statistical tables click here.

The superannuation system

Highlights

- In August 2000, 89% of employees had some form of superannuation coverage.
- Superannuation contributions to the end of June 2001 were worth $50.7 billion.
- For 2000–01 the Superannuation Guarantee Charge was valued at $105.8 million.
- The balance of the Superannuation Holding Account Reserve was $43.9 million.

The retirement incomes policy of successive Australian governments has for many years encouraged retirement savings in the form of superannuation for individuals in order to reduce dependence on the age pension and to provide a higher standard of living for the ageing population. This is achieved by a three-tiered retirement income policy comprising:

- the age pension and associated social security arrangements that provide an income safety net in retirement
- a voluntary level of superannuation encouraged by tax concessions, and
- a compulsory element of superannuation achieved by the Superannuation Guarantee scheme, which ensures a minimum level of employer contributions to superannuation funds so that employees will accumulate savings for a more comfortable retirement.

Superannuation is a long-term savings plan that aims to provide a source of income in retirement. It involves employers, employees or self-employed people making regular contributions over a long period to a superannuation fund or a retirement savings account. These contributions are held in trust for the member and invested to increase their balance or holding. The accumulated superannuation benefits are made available to the member or beneficiary:

- upon retirement (when a person is no longer earning income through employment), or
- upon reaching a prescribed age, or
- upon earlier ill health or death.

If a person is unable to receive superannuation benefits, or has insufficient superannuation funds invested, they will need to rely on other types of investments or the age pension.

Superannuation helps benefit the Australian economy; the majority of fund assets are invested in Australia which increases national savings. This pool of savings provides the capital needed to create jobs, services and infrastructure. Long-term economic advantages include a reduced need to rely on overseas borrowing and greater stability for Australia's economic and social future through a decreasing reliance on the aged pension.

Terminology [1]

Accumulation funds: where the benefit a member receives is the total of specifically defined contributions to the fund, plus earnings on those contributions, minus expenses and tax. In accumulation funds, members carry the investment risk. Most new superannuation funds are accumulation funds, including almost all industry funds.

Defined benefit funds: funds 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 during the last few years prior to retirement. The employer-sponsor of a defined benefit fund carries the investment risk, so the defined benefits that the members of the fund receive do not depend on the investment performance of the fund.

Self managed superannuation funds:

- have fewer than 5 members
- each individual trustee of the fund (or director if a corporate trustee) is a fund member
- each member of the fund is a trustee (or director)
- no member of the fund is an employee of another member of the fund, unless those members are related, and
- no trustee of the fund receives any remuneration for service given as a trustee.

A superannuation fund with only one member is a self managed superannuation fund if it satisfies several other conditions.

1. This box only presents general descriptions of the above terms. It does not provide the full technical or legal definitions.

Why superannuation needs to be provided

The introduction of superannuation was important for a range of social and economic reasons. The effects of an ageing population, accompanied by a decline in population growth, meant that future governments would find it increasingly difficult to sustain the payment of the age pension at current levels. By 2051 it is projected that 24% of the Australian population will be aged 65 and older, compared to 12% in 2001 (Figure 7.1).

This increase in the proportion of the population who are aged 65 and older is occurring for 2 main reasons: people are living longer—in 1996, life expectancy at birth was 75 years for males and 81 years for females, an increase of 20 and 22 years respectively since 1901–1910; and people are having fewer children. As a result, the potential pool of people available to work, compared to those retired, is decreasing.

Figure 7.1: Proportion of the population aged 65 and older[1]

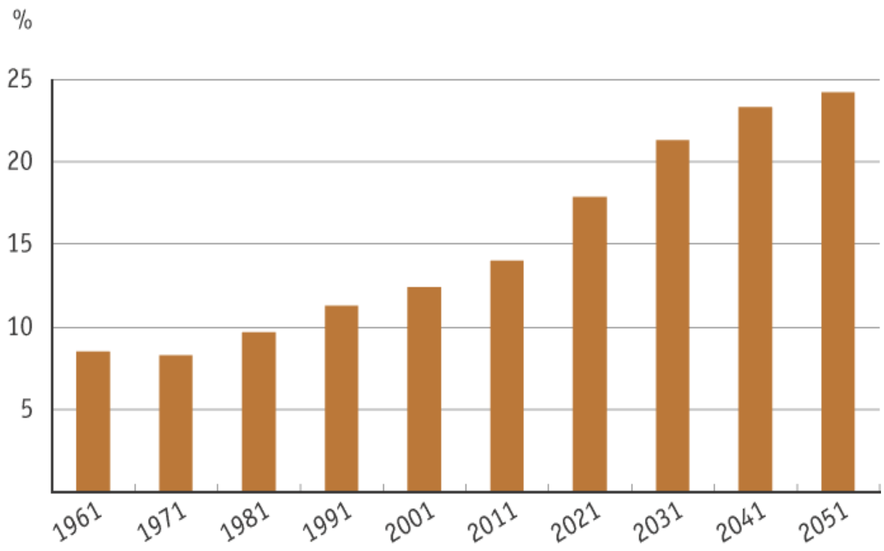

Figure 7.1: Column graph showing increase in number of people aged 65 and over from 1961 to 2051.

1. Source: Australian Bureau of Statistics, Estimated Resident Population by Sex and Age: States and Territories of Australia, Cat No. 3201.0; Population Projections, 1997 to 2051, Cat No. 3222.0, Series II.

What is the Superannuation Guarantee?

The Superannuation Guarantee was introduced on 1 July 1992 and is administered by the ATO. The scheme requires employers to provide a prescribed minimum level of superannuation support to a complying superannuation fund or retirement savings account for each employee in each financial year. The only exemptions are for:

- those who earn less than $450 per month
- those under the age of 18 and working less than 30 hours a week
- those aged between 65 and 70 who are working less than 10 hours a week
- those aged 70 and older
- those employees who elect not to receive the Superannuation Guarantee support because their accumulated superannuation benefits exceed the pension Reasonable Benefit Limit (RBL)
- non-resident employees paid for work done outside Australia
- resident employees employed by non-resident employers for work done outside Australia
- foreign executives who hold certain visas or entry permits, or
- employees receiving salary or wages under the Commonwealth Government Community Development Employment Program.

The guarantee was introduced because voluntary superannuation provisions, supported by tax incentives, were not increasing the coverage, level or rate of growth of superannuation savings. The guarantee reflects the Government's retirement income policy objective by providing greater coverage to employees. It is an efficient method of encouraging employers to comply and an orderly mechanism by which the level of support can increase over time.

In 1988, a total of 41% of employees had superannuation. After the introduction of compulsory award-based superannuation in 1991, 79% of employees had superannuation. In August 2000, 89% of employees had some form of superannuation coverage (Figure 7.2).

Figure 7.2: Employee superannuation coverage[1]

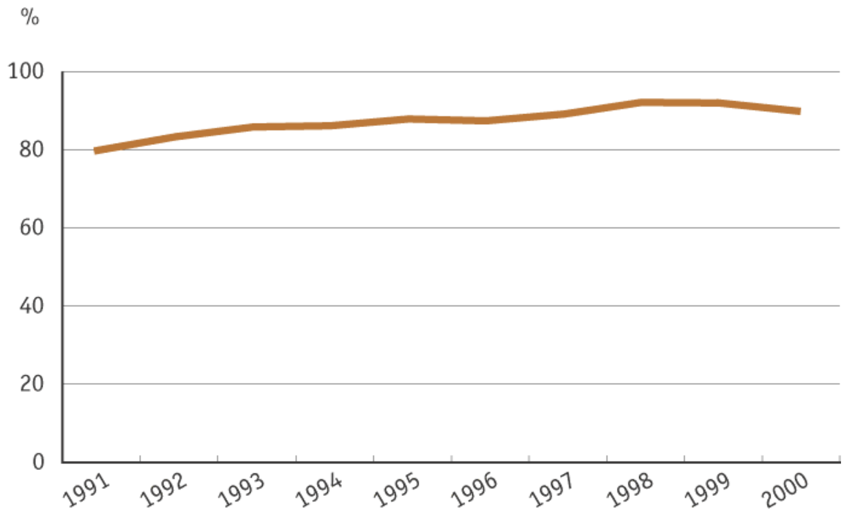

Figure 7.2: line graph showing trend in superannuation coverage from 1991 to 2000.

1. 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.

In 2000–01, the minimum level of superannuation support was 8% of each employee’s earnings. This will remain at 8% for 2001–02 and then increase to 9% for 2002–03 and subsequent years.

For the 2000–01 year, the Australian Prudential Regulation Authority reported that superannuation contributions up until the end of June 2001 were $50.7 billion.

The tax incentives available contributed to total superannuation assets reaching $527 billion in June 2001. This represents growth of 7.5% for the 2000–01 year, and growth of 219% since the introduction of the superannuation guarantee 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 amount of the shortfall in the Superannuation Guarantee paid by the employer, plus an interest component and an administrative charge. The ATO collects payments for the Superannuation Guarantee Charge and the shortfall component is redistributed to relevant employees.

In 2000–01, the assessments for the Superannuation Guarantee Charge were valued at $105.8 million. Of this amount, $14.1 million (936 assessments) related to the 2000–01 year of assessment. The remaining assessments lodged in 2000–01 were related to superannuation guarantee shortfalls for previous years.

Between 1999–2000 and 2000–01, revenue received from the Superannuation Guarantee Charge increased by only 1% (Figure 7.3), which was the lowest annual increase recorded. This is partly due to increased compliance by employers—that is they pay their contributions directly to a fund instead of the ATO.

Figure 7.3: Superannuation Guarantee revenue received

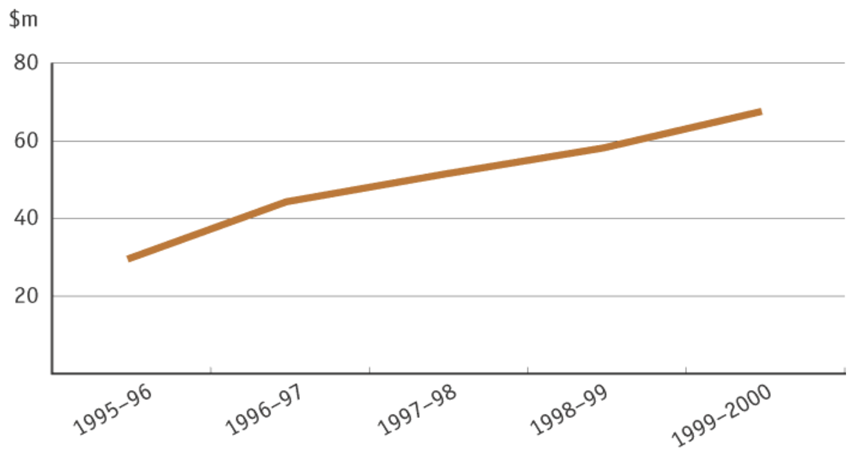

Figure 7.3: line graph showing increase in revenue from the superannuation guarantee from 1995-96 to 1999-2000.

Superannuation Guarantee vouchers

When the ATO receives a Superannuation Guarantee shortfall payment from an employer, the ATO issues the employee with a voucher for the amount of the shortfall and the interest penalty. The employee can then present the voucher to a complying superannuation fund or the retirement savings account of their choice, which will credit it to their account.

Table 7.1: Total Superannuation Guarantee vouchers issued[1]

	Vouchers	**Value**
	no.	$m
Vouchers issued & claimed	424 696	180.4
Vouchers issued & unclaimed	411 420	97.9
Total	**836 116**	**278.3**

1. At 2 July 2001.

At 2 July 2001, a total of 836 116 vouchers had been issued and were valued at $278.3 million. Table 7.1 shows that 51%, valued at $180.4 million, had been redeemed overall. In the year 2000–01, a total of $51 million worth of vouchers were redeemed, compared to $32 million in 1999–2000.

Table 7.2: Individual value of unclaimed Superannuation Guarantee vouchers[1]

Value of voucher	**Vouchers**		**Value**	
	no.	%	$m	%
$0–$20	14 451	3.5	0	0
$21–$100	206 391	50.2	10	10.2
$101–$500	142 356	34.6	32	32.7
$501–$1 000	30 023	7.3	21	21.4
$1 001 & more	18 199	4.4	35	35.7
Total	**411 420**	**100.0**	**98**	**100.0**

1. At 2 July 2001.

At 2 July 2001, there were 411 420 unclaimed superannuation vouchers. Half of these (50%) were valued between $21 and $100. Whilst only 12% of vouchers had a value of more than $500, they represented 57% of the total value of unclaimed vouchers (Table 7.2).

Superannuation Holding Account Reserve

The ATO recognised that a large proportion of unclaimed vouchers had a value less than $500 and were probably being rejected by superannuation funds. In response, the ATO instituted a range of projects to ensure these monies became invested with a superannuation fund. It is now possible to deposit them in a Superannuation Holding Account Reserve (SHAR), which is administered by the ATO.

This reserve is distinct from a superannuation fund in that it is a holding mechanism that allows individuals to consolidate their small contributions from employers. Once an individual’s funds are large enough to be self sufficient (not eroded by administration costs) they can request that account balances be transferred to a superannuation fund or retirement savings account provider.

Table 7.3: Individual account balances held in a Superannuation Holding Account Reserve[1]

Value of individual account balance	Number	Value	Average value
	no.	$m	$
$0	76 191	0	0
$1–$100	78 045	4	52
$101–$500	71 212	16	229
$501–$1 000	15 077	10	692
$1 001 & greater	7 624	13	1 719
Total [2]	**248 149**	**44**	**255**

1. At 2 July 2001.
2. Zero balances have been excluded from the average value calculations.

At 1 July 2001, the balance of the Superannuation Holding Account Reserve was $43.9 million. There were 171 958 individual accounts with an average value of $255. There were also 76 191 accounts with a zero balance (Table 7.3), which refers to the account balances that have been transferred to a superannuation fund or paid out to the individual.

Withdrawals from a Superannuation Holding Account Reserve can be made to a superannuation fund or retirement savings account nominated by the individual; to the individual or legal representative in cases of disability, death, non-residency; or claimed on turning age 65. Account balances of less than $200 can be cashed on request upon ceasing employment. In 2000–01, withdrawals from the Superannuation Holding Account Reserve totalled $7.9 million, consisting of account balances with a value of $1.4 million paid to individuals, and account balances with a value of $6.5 million paid to superannuation funds.

Lost members register

Since the introduction of the Superannuation Guarantee, the number of employees covered by superannuation has increased substantially. This is particularly true for casual and part-time employees. The increasing number of people who are accumulating superannuation, particularly itinerant and casual workers, has also resulted in an increase in the number of people losing track of their entitlements. As a result, the government introduced a register to assist fund members to keep track of their superannuation entitlements.

Superannuation funds report their lost members to the ATO every 6 months. Generally, a member is taken to be lost if they cannot be contacted. The lost members register is a database with search facilities, allowing ATO staff to conduct a search on behalf of clients. If a possible match is found, the ATO provides the client with fund details and encourages them to contact the fund directly.

During 2000–01 year, the ATO answered 104 830 inquiries from individuals. The percentage of these inquiries which resulted in a possible match was approximately 16% (a decrease from previous years due to measurement changes introduced in October 2000).

In addition the ATO has introduced SuperMatch, a facility which allows searches to be undertaken on an individual basis or in bulk by utilising the ATO's Electronic Commerce Interface (ECI). This allows superannuation funds to conduct the search for their members.

Since SuperMatch was activated, 44 645 record searches have been conducted using the facility. As the ATO does not actually conduct these searches we do not have reliable data on the number of possible matches that were returned.

Reasonable benefit limits

Reasonable benefit limits (RBL) are the maximum amount of superannuation and similar benefits that a person can receive during their lifetime at concessional rates of tax. Benefits taken in excess of a person's limit do not receive tax concessions.

There are 2 types of reasonable benefit limits—a lump sum RBL and a pension RBL. The limits are indexed annually according to movement in the average weekly ordinary time earnings published by the Australian Bureau of Statistics. For 2000–01, the lump sum RBL was $506 092 and the pension RBL was $1 012 181. Higher (transitional) limits may apply in some circumstances.

The main objective of the reasonable benefit limits regime is to determine whether benefits—superannuation pensions, annuities and eligible termination payments—are within or in excess of a person's reasonable benefit limit. The RBL does not restrict the overall amount of benefits that a taxpayer can receive. If a lump sum benefit is in excess of the person's limit, tax is payable on the amount of excess at the highest personal income tax rate (currently 47% plus Medicare levy). If all or part of a superannuation pension or annuity is in excess of the person's limit, it will be subject to a reduced pension rebate.

Funds advise the ATO when members qualify for a reasonable benefit limits assessment. Funds report only when the benefits are paid out or, in the case of pensions or annuities, when the payments commence. Where necessary, the ATO sends a reasonable benefit limits assessment 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.

Table 7.4: Eligible termination payments received[1]

Aspect		1996–97[2]	1997–98[2]	1998–99[2]	1999–2000[2]	2000–01
Individuals receiving eligible termination payments	no.	687 559	508 054	498 490	459 855	426 817
Payments paid	no.	919 819	705 568	684 758	652 243	584 414
Total value of payments[3]	$m	10 515	10 342	11 008	11 518	10 552
Value per person	$	15 294	20 356	22 083	25 047	24 722
Clients receiving benefits in the form of pensions & annuities[4]	no.	41 782	61 869	60 880	61 149	64 484

1. Based on superfund pension payments reported.
2. Previous years' figures were recalculated on 31 October 2001 to include late benefits reported. For this reason, the figures vary from previous editions' figures for the same years.
3. Excludes eligible termination payments of less than $5000.
4. Includes purchased pensions and purchased annuities as well as superannuation pensions.

In 2000–01, 426 817 people received eligible termination payments. These payments were worth $10.6 billion—an average of $24 722 per person. A further 64 484 people received benefits in the form of pensions or annuities (Table 7.4).

Between 1996–97 and 2000–01, the value of excessive components decreased from $110.7 million to $102.4 million.

Superannuation Contributions Surcharge

A Superannuation Contributions Surcharge of up to 15% is levied on the contributions of members whose adjustable taxable income exceeds the surcharge threshold.

The surcharge is added to the existing 15% tax on superannuation contributions and is intended to limit the concessionality of employer and deductible personal superannuation contributions for high income earners.

The threshold for 2000–01 was $81 493 and is indexed each year. The surcharge liability is assessed to the holder of the surchargeable contributions. The holder may be a superannuation provider, an individual or the trustee/beneficiary of a deceased estate.

The surcharge rate for 2000–01 increased by 1% on contributions for every $1165 of income greater than $81 493, up to a maximum of 15% on contributions for incomes of $98 955 and greater. A person's tax file number is used to link surchargeable contributions with their taxable income from their tax return. In any case where the person's tax file number is not known, the surcharge rate applied is 15%. However, a surcharge assessment can be amended if the tax file number is later provided.

Revenue collected from the Superannuation Contributions Surcharge in the 2000–01 income year was $699.1 million.

Capital gains tax

Highlights

- In 1999–2000, $5.3 billion in tax was payable in relation to capital gains.
- The total amount of net capital gains reported in 1999–2000 was $19.8 billion.
- Shares accounted for 57% ($11.4 billion) of the total amount of net capital gains.
- ‘Disposal of an asset’ was the most common CGT event in 1999–2000.

Capital gains tax (CGT) is the tax payable on any 'net capital gain' included with other assessable income in an annual income 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 concession to which the taxpayer is entitled.

If the total amount of capital gains is less than the total amount of capital losses for the income year, the taxpayer has a net capital loss for the income year that cannot be deducted from assessable income. It can only be applied to reduce capital gains in subsequent income years.

A capital gain or capital loss may arise if a CGT event happens, most commonly the sale of an asset. Some typical assets are:

- land and buildings-for example a holiday home
- shares
- units in a unit trust or managed investment fund
- collectables-for example, jewellery
- personal use assets.

Examples of other CGT events include when:

- a CGT asset is lost or destroyed
- there is cancellation, surrender or redemption of shares

- 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 unitholder
- 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
- 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.

In this chapter, 'net capital gains' have at times been referred to as capital gains or gains.

Source of statistics

Data for *Taxation Statistics 1999–2000* was compiled before all processing for the 2000 year was completed. Statistics in this chapter are sourced from individual, company and fund return forms as at the compilation date of 31 October 2001, and are not necessarily complete. Statistics for prior income years have been updated in the relevant detailed tables and are considered final for those years. The 1999–2000 year statistics will be updated quarterly on the ATO website and finalised in the next edition of *Taxation Statistics*.

Tax reform and capital gains

The CGT rate was effectively cut and the rules streamlined to reduce complexity and compliance costs for taxpayers, under changes that took effect at 11.45, am AEST on 21 September 1999.

These changes affect tax returns for 1999–2000 and future income years.

The key features are as follows:

- Capital gains arising from the disposal of an asset owned for at least 12 months may now be discounted for tax purposes:
  - by individuals and trusts—50%, and
  - by complying superannuation entities—$33^{1/}3$%.
- Small business operators benefit from an extended range of concessions. When combined these concessions can provide up to 100% exemption from capital gains on some transactions.
- Indexation has been frozen and averaging of capital gains has been abolished, reducing the complexity of CGT and compliance costs.

Tax payable on capital gains

In 1999–2000, $5.3 billion in tax was payable by individuals, companies and funds, on net capital gains totalling $19.8 billion (Table 8.1).

The amount of tax payable on net capital gains has increased considerably over the past decade. The considerable increase is attributable to many factors, such as: the privatisation of government assets; demutualisation of insurance entities and the subsequent increase in shareholdings; the share market boom; and the increase in the value of real estate over the last decade.

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 that disposed of an asset in 1999–2000 is not necessarily the same pool of taxpayers that had disposed of assets in previous years. These economic, social and behavioural factors make it difficult to forecast tax payable on capital gains.

Table 8.1: Tax payable on capital gains[1], 1999–2000

	Number	**Amount of net capital gains**	**Tax on net gains[2]**	**Average tax on net gains[3]**
	no.	$m	$m	$
Individuals	827 592	5 529	2 206	2 665
Companies	14 989	6 744	1 989	132 690
Funds	60 501	7 530	1 135	18 767
Total	**903 082**	**19 803**	**5 330**	**5 902**

1. Excludes non-taxable entities.
2. Tax payable on net capital gains is estimated (based on entity type and tax rates).
3. Average tax on net gains is calculated on actual, not rounded, figures.

Table 8.1 shows that individuals and companies paid the largest proportion of tax on net capital gains, accounting for 41% and 37% respectively.

Table 8.2: Taxpayers with net capital gains by grade of taxable income, 1999–2000

	Individuals		**Companies**		**Funds**	
Grade of taxable income	With net capital gains	All taxpayers	With net capital gains	All taxpayers	With net capital gains	All taxpayers
	no.	no.	no.	no.	no.	no.
Less than $20 700	188 790	2 480 202	4 102	132 020	19 044	61 038

$20 700–$37 999	263 579	3 165 549	1 810	34 817	11 727	26 473
$38 000–$49 999	144 626	1 364 882	876	14 964	5 601	12 096
$50 000–$99 999	179 235	1 238 277	2 381	33 627	13 692	29 318
$100 000–$499 999	48 157	200 732	4 068	43 373	9 581	17 718
$500 000–$999 999	2 166	5 673	862	7 743	307	591
$1 000 000–$4 999 999	874	1 949	643	5 627	254	605
$5 000 000 & more	63	128	247	2 044	295	388
Total taxable	827 592	8 457 392	14 989	274 215	60 501	148 227
No tax payable	158 942	1 678 442	6 807	322 719	13 310	36 229
Total	**986 534**	**10 135 834**	**21 796**	**596 934**	**73 811**	**184 456**

The proportion of taxpayers liable for tax on net capital gains increases as taxable income increases. For example, in Table 8.2 only 8% of taxable individuals in the $20 700–$37 999 taxable income range had a tax liability for net capital gains. This compares to 38% of people in the $500 000–$999 999 taxable income range.

Table 8.3: Average net capital gains for individuals by grade of taxable income, 1999–2000

Grade of taxable income	With net capital gain	Amount of net capital gain	Average net capital gain[1]
	no.	$m	$
Loss/nil	66	0	6 422
$1–5 400	2 329	4	1 926
$5 401–20 700	186 439	456	2 444
$20 701–38 000	263 610	832	3 157
$38 001–50 000	144 636	542	3 744
$50 001 & more	230 512	3 694	16 027
Total	**827 592**	**5 529**	**6 680**

1. Average tax on net capital gains is calculated on actual—not rounded—figures.

Table 8.3 shows the average net capital gain for individuals was $6680. Males had an average capital gain of $7778 while females had a lower capital gain average of $5525.

Source of capital gains

Across all taxpayer groups in 1999–2000, shares accounted for the majority (57%) of the total amount of net capital gains, followed by trust distributions (14%) and real estate (7%).

In 1999–2000, 986 534 of all individuals (nearly 10%) made a capital gain and 827 592 (84%) of these individuals were taxable—they paid $2.2 billion in net capital gains tax (Table 8.1).

Table 8.4: Individuals subject to tax on net capital gains[1], 1999–2000

Source of gain	Number with net capital gains		Amount of net capital gain		Tax on net gains	
	no.	%[2]	$m	%[2]	$m	%[2]
Shares	309 146	37.3	2 437	44.1	1 032	46.8
Trust distributions	318 491	38.5	1 534	27.7	590	26.7
Real estate	54 861	6.6	928	16.8	347	15.7
Units in unit trusts	75 007	9.1	229	4.1	86	3.9
Goodwill on sale of business	7 615	1.0	99	1.8	34	1.5
Equipment & plant including trucks	3 655	0.4	20	0.4	7	0.3
Collectables	1 385	0.2	13	0.2	5	0.2
Personal-use assets	6 863	0.8	35	0.6	13	0.6
Instalment receipts	1 000	0.1	3	0.1	1	0.0
Other[3]	49 569	6.0	231	4.2	91	4.1
Total	**827 592**	**100.0**	**5 529**	**100.0**	**2 206**	**100.0**

1. Excludes non-taxable individuals.
2. A proportion of 0.0% indicates a proportion of less than 0.05%.
3. Includes other assets not listed and not stated.

Individuals made $2.4 billion in net capital gain from shares, representing 44% of total net capital gains. Individuals paid $1 billion in net capital gains tax on shares. A further $1.5 billion (28%) in capital gains came from trust distributions which accounted for $590 million in net capital gains tax (Table 8.4).

Table 8.5: Companies subject to tax on net capital gains[1], 1999–2000

Source of gain	Number with net capital gains		Amount of net capital gain		Tax on net gains	
	no.	%	$m	%	$m	%
Shares	6 850	45.7	5 010	74.3	1 487	74.8
Real estate	1 884	12.6	342	5.1	98	4.9
Trust distributions	3 340	22.3	283	4.2	91	4.6
Goodwill on sale of business	812	5.4	259	3.8	73	3.7
Collectables	100	0.7	98	1.5	35	1.8
Plant & equipment	776	5.2	22	0.3	6	0.3
Other[2]	1 227	8.2	730	10.8	198	9.9
Total	**14 989**	**100.0**	**6 744**	**100.0**	**1 989**	**100.0**

1. Excludes non-taxable companies.
2. Includes personal use assets, other assets not listed, units in a unit trust, instalment receipts and not stated.

For companies, the majority of net capital gains—$5 billion—came from shares (Table 8.5). Companies paid $1.5 billion in tax on net capital gains from shares. Real estate was the next most common source of capital gains, with $342 million in net capital gains. Companies paid $98 million in tax on net capital gains from real estate.

Table 8.6: Funds subject to tax on net capital gains[1], 1999–2000

Source of gain	Number with net capital gains		Amount of net capital gain		Tax on net gains	
	no.	%	$m	%[2]	$m[3]	%[2]
Shares	35 398	58.5	3 983	52.9	605	53.3
Trust distributions	16 132	26.7	982	13.0	147	12.9
Collectables	362	0.6	85	1.1	13	1.1
Real estate	2 017	3.3	72	1.0	11	1.0
Equipment & plant including applicable trucks	38	0.1	2	0.0	0	0.0
Other[4]	6 554	10.8	2 406	32.0	360	31.7

Total	**60 501**	**100.0**	**7 530**	**100.0**	**1 135**	**100.0**

1. Excludes non-taxable funds.
2. A proportion of 0.0% indicates a proportion of less than 0.05%.
3. A number of 0 indicates an amount less than one million.
4. Includes personal use assets, other assets not listed, units in unit trusts, instalment receipts and not stated.

For funds, the majority of capital gains—nearly $4 billion—came from shares (Table 8.6). Funds paid $605 million in tax on net capital gains from shares. A further $982 million of capital gains came from trust distributions. Funds paid $147 million in tax on net capital gains from trust distributions.

Detailed Tables

To view the capital gains tax detailed statistical tables click here.

Fringe benefits tax

Highlights

- Fringe benefits payable for the 2000–01 FBT year reached $3.4 billion (including rebates).
- Fringe benefit rebates reached $139.1 million.
- Total employee contributions for motor vehicle and housing benefits reached $334.6 million.

Fringe benefits tax (FBT) is the tax payable by employers on non-salary benefits provided to employees or associates of employees. 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.

FBT is treated as an annual tax and is collected via a self-assessment system. Employers are required to declare the total taxable value of relevant fringe benefits provided to their employees and to associates of their employees, in respect of their employment during each FBT year (which runs from 1 April to 31 March of the following year) and to pay tax on that value.

The FBT payable is calculated under the 'gross-up rules' (discussed in the next section) by applying the FBT rate of tax to the 'fringe benefits taxable amount'. This is the sum of the grossed-up 'taxable values' of all fringe benefits for a year of tax. For the year beginning 1 April 2000, the rate of FBT was 48.5 %.

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. (Record keeping arrangements are discussed towards the end of the chapter.)

As an offset to the grossing-up rules, employers are allowed an income tax deduction for FBT tax paid. Some tax-exempt employers who are unable to claim an income tax deduction for payments of FBT are able to reduce their FBT liability with a concessional rebate. (Rebates are discussed in the fourth section of this chapter.)

FBT returns may be lodged electronically or in paper form and through a tax agent. Returns lodged through a tax agent may have a different lodgment date.

Data for *Taxation Statistics 1999–2000* was compiled before all processing for the 2001 year was completed. The statistics in this chapter are compiled from the

2001 FBT annual return forms for the 2000–01 FBT year, processed before 31 October 2001 and are not necessarily complete.

Because of changes in the 2001 FBT return forms (and changes to the 'gross-up rules') some statistics previously 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
- statistics on the number of employees who received certain types of benefits for some industries.

A PDF copy of the 2001 FBT return form is found in the appendix.

Terminology[1]

Fringe benefit: broadly defined and includes any right, privilege, service or facility. Fringe benefits are received by employees (or associates of the employees) in place of or in addition to salary or wages, such as the use of a car for private purposes.

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. (Further discussion of input tax credits and the GST is found in chapter 11.)

1. This box only presents general descriptions of the above terms. It does not provide the full technical or legal definitions.

Tax reform

As part of the Government's new tax system, there have been several reforms implemented which affect fringe benefits tax.

Reportable fringe benefits

From 1 April 1999, it became mandatory for all employers to keep track of fringe benefits provided to individual employees. If the total taxable value of fringe benefits provided to an employee in a FBT year exceeds $1000, the grossed-up taxable value is recorded 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 to superannuation and Medicare levy surcharges, entitlement to various income-tested government benefits, and concessions and child support obligations (such as family tax and/or childcare benefits).

Certain benefits are excluded from the reporting requirements, such as leasing of entertainment facilities (for example corporate boxes), meal entertainment, car parking and certain other benefits relating to employees living in remote areas. Some benefits are excluded by regulation, such as certain benefits provided to Defence Force personnel. However, employers are still subject to FBT on these excluded benefits.

Tax instalments

Employers whose previous year's FBT liability is less than $3000 can lodge and pay their FBT annually.

Employers whose previous year's FBT liability was $3000 or more are required to pay quarterly FBT instalments which are notified on the employer's quarterly Business Activity Statement (BAS) or Instalment Activity Statement (IAS). For the 2000–01 FBT year, most businesses reported their FBT instalments on activity statements that were due on 11 November 2000, 28 February 2001 and 28 April 2001. Businesses who were large Pay As You Go withholders lodged their FBT instalments at different dates. Businesses who were required to or elected to lodge their activity statements monthly or have approval to adopt a substituted accounting period for income tax purposes also lodged their FBT instalments at different dates.

From the 2001–02 FBT year and onwards, the due dates for FBT instalment payments for businesses that lodge their activity statements quarterly are:

by 28 July	one-quarter of the estimated liability for the year must be paid on the activity statement
by 28 October	two-quarters of the estimated liability must be paid on the activity statement

by 28 February	three-quarters of the estimated liability must be paid on the activity statement
by 28 April	the fourth-quarter of the estimated liability must be paid on the activity statement.

From the 2000–01 FBT year onwards, employers must lodge a FBT annual return by 21 May and pay balance of tax outstanding, that is, tax on benefits provided during the full year (as disclosed in 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 ATO will refund the balance.

Gross-up rules

Gross-up rules were introduced in April 1994 to ensure salary/wage income and fringe benefits provided to employees received similar tax treatment. Under the grossing-up rules the employer's aggregate fringe benefits amounts (taxable value) for the FBT year was increased by 1/(1–FBT rate).

However, from the 2000–01 FBT year, an employer's fringe benefits taxable amount is determined by classifying fringe benefits into 2 types of aggregate fringe benefit amounts. The reason for using 2 separate gross-up calculations is the introduction of the GST. A GST applies to the supply of most goods and services in Australia and on goods imported to Australia from 1 July 2000. The GST has an impact on the calculation of an employer's FBT liability.

An employer's type 1 aggregate fringe benefits amount will be the total value of fringe benefits provided to employees or their associates in respect of which the provider of the benefit is entitled to input tax credits at the time the benefit was acquired—these are 'GST-creditable benefits'. Where the provider is entitled to input tax credits for benefits acquired, the total value of those fringe benefits is grossed up by the employer to a tax-inclusive value using the following formula:

$$\frac{(\text{FBT rate} + \text{GST rate})}{(1 - \text{FBT rate}) \times (1 + \text{GST rate}) \times \text{FBT rate}}$$

The FBT and GST rates applicable for the year ending 31 March 2001 are 48.5% and 10% respectively. This formula results in a gross-up rate of 2.1292.

An employer's type 2 aggregate fringe benefits amount will be all other fringe benefits which are 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 gross-up rate of 1.9417 (based on the FBT rate of 48.5%).

An employer's fringe benefits taxable amount represents the total of the type 1 and type 2 aggregate fringe benefits amounts—plus any aggregate non-exempt amount calculated using the indicated formulae. (For the FBT year 1 April 2000 to

31 March 2001, the aggregate non-exempt amount only applies for certain employers that are public hospitals.)

Other reforms

Other changes to FBT which took effect for the 2000–01 FBT year include:

- the amount of FBT-free fringe benefits (not including exempt benefits) that a public hospital can provide to employees is limited to $17 000
- remote area housing benefits are generally a FBT-exempt benefit for all employers
- meals provided on work days to employees of primary producers are also FBT-exempt.

FBT payable

In 2000–01, there were 58 840 fringe benefits. These taxpayers were liable for $3.4 billion in FBT (Figure 9.1).

The number of FBT payers has declined at an average rate of 4% over the past 10 years. This is partly due to an increased trend for employers to seek employee contributions to negate their requirement to lodge FBT returns. Employers are not required to lodge FBT returns when employee contributions reduce the FBT liability to nil.

Despite the decreasing trend in FBT payers, FBT payable has increased significantly during the past decade (from $1.3 billion in 1991–92 to $3.4 billion in 2000–01) mainly due to the introduction of gross up rules (Figure 9.1).

Figure 9.1: FBT payable[1]

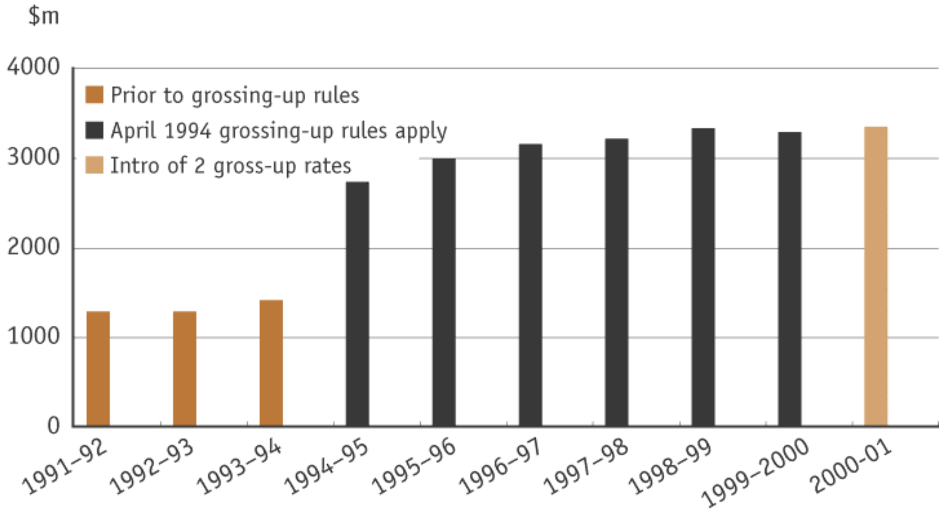

Figure 9.1: column graph showing FBT payable from 1991-92 to 2000-01.

1. FBT payable includes rebates. For the FBT years 1994–95 to 1999–2000, employer's aggregate fringe benefits amounts (taxable value) for the FBT year was increased by 1/(1-FBT rate). On 1 July 2000, the government introduced 2 FBT grossing-up rates. Hence, for FBT years commencing on 2000–01, 2 FBT grossing-up rates will apply.

Fringe benefits by industry

In general, some industries are more likely to provide fringe benefits and/or specific types of fringe benefits. For example, employers in the finance, insurance, real estate and business services industry are more likely to provide benefits such as low-cost loans, expenses and property to their employees, while employers in the airline industry (classified under the transport industry category) are more likely to provide airline transport as a fringe benefit to their employees. (This is because this type of fringe benefit only arises 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 2000–01 FBT year, the finance insurance, real estate and business services industries accounted for the largest number of total FBT taxpayers providing loan benefits (30%), debt waiver benefits (33%), expense benefits (27%) and property benefits (28%) to their employees. The transport and storage industry accounted for 45% of total FBT taxpayers providing airline transport benefits. (See FBT detailed Table 3 for the number of FBT taxpayers by type of benefit and industry.)

Table 9.1: FBT payable by industry, 2000–01 FBT year

Industry	FBT payers		FBT payable[1]	
	no	%	$m	%
Finance, insurance, real estate & business services	13 613	23.1	758	22.6
Manufacturing	7 630	13.0	540	16.1
Wholesale trade	6 825	11.6	364	10.9
Retail trade	5 891	10.0	195	5.8
Communication	1 813	3.1	197	5.9
Personal & other services	4 774	8.1	184	5.5
Government, administration & defence	993	1.7	169	5.1
Mining	1 041	1.8	152	4.5
Cultural & recreational services	1 437	2.4	122	3.6
Education	1 661	2.8	128	3.8
Transport & storage	1 403	2.4	119	3.5
Construction	4 101	7.0	124	3.7

Health & community Services	3 284	5.6	117	3.5
Electricity, gas & water supply	367	0.6	52	1.5
Primary production	1 802	3.1	36	1.1
Accommodation, cafes & restaurants	1 094	1.9	35	1.0
Other[2]	1 111	1.9	60	1.8
Total	**58 840**	**100.0**	**3 352**	**100.0**

1. FBT payable includes rebates but excludes FBT payable by Commonwealth department organisations.
2. Includes FBT payable by FBT payers who did not state their industry.

Overall, the finance, insurance, property and business services industry (23%), the manufacturing (16%) and the wholesale trade (11%) industries accounted for the largest share of total FBT payable (Table 9.1).

Rebates

FBT is payable on the grossed-up taxable value of benefits, and an offsetting income tax deduction is allowed for FBT paid. Certain non-profit, non-government employers (such as: religious institutions, trade unions, scientific, charitable or public educational institutions) are unable to claim an income tax deduction for FBT. To ensure that these employers are not disadvantaged, they are eligible for a rebate of FBT at the rate of 48%.

The amount of the rebate for the FBT years beginning on or after 1 April 2000 is calculated using the following formula:

$$0.48 \times (\text{gross tax} - \text{aggregate non-rebatable amount}) \times \frac{\text{rebatable days in year}}{\text{total days in year}}$$

'Gross tax' refers to the amount of FBT that would be payable if the rebate did not exist. '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 during the year of tax excluding the days on which the employer did not engage in activities as an employer.

Table 9.2: FBT rebates claimed by industry, 2000–01 FBT year

	Claims		Amount claimed	
	no.	%	$'000	%
Education	1 173	35.2	46 332	33.3
Cultural & recreational services	325	9.8	37 685	27.1
Personal & other services	659	19.8	20 166	14.5
Accommodation, cafes, & restaurants	267	8.0	11 330	8.1
Finance, insurance, real estate & business services	285	8.6	9 873	7.1
Health & community services	272	8.2	7 404	5.3
Government administration & defence	54	1.6	1 222	0.9
Primary production	35	1.0	678	0.5
Manufacturing	21	0.6	517	0.4
Transport & storage	28	0.8	424	0.3
Wholesale trade	9	0.3	269	0.2

Retail trade	9	0.3	159	0.1
Construction	8	0.2	38	0.0
Other[1]	186	5.6	2 978	2.1
Total	**3 331**	**100.0**	**139 078**	**100.0**

1. Includes mining, communication, electricity, gas and water supply industries and entities who did not state their industry.

In 2000–01, a total of 3331 entities claimed the rebate (Table 9.2). The majority of these were in the education (35%), personal and other services (20%) and cultural and recreational services (10%) industries.

The total value of rebates claimed by eligible organisations in 2000–01 was $139.1 million. Rebates reduced the amount of FBT payable from $3.4 billion to $3.2 billion.

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 only be made from an employee's after-tax income. Contributions in respect of 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, which 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.

Employee contributions are most likely to be made on motor vehicles and housing benefits. (In the 2001 FBT forms, employee contributions for motor vehicle and housing benefits are the only contributions reported.)

For the 2000–01 FBT year, total employee contributions for motor vehicle and housing benefits reached $334.6 million.

A breakdown of employee contributions by broad industry and entity is presented in Table 9.3. For companies, the greatest proportion of contributions were paid by employees in the manufacturing industry (23%). For partnerships, trusts and individuals (or sole traders), the finance, real estate, insurance and business services industry accounted for the largest share of contributions (53%, 28% and 45% respectively).

Overall, the government, administration and defence industry accounted for the largest share (43%) of total employee contributions.

Table 9.3: Employee contributions by industry and entity, 2000–01 FBT year

Industry	Company	Partnership	Trust	Individual[1]	Other[2]	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Government administration & defence	12	0	19	0	144 407	144 438
Finance, insurance, real estate & Business Services	28 755	1 042	10 511	88	1 128	41 526
Manufacturing	31 347	83	4 768	3	187	36 389
Wholesale trade	27 091	288	5 077	3	50	32 510

Retail trade	21 287	315	8 784	22	109	30 517
Construction	7 447	22	3 057	2	45	10 574
Health & community services	5 248	7	1 590	37	1 885	8 767
Transport & storage	3 625	2	665	0	754	5 046
Education	1 401	4	76	5	2 792	4 278
Communication	3 492	29	162	0	0	3 682
Accommodation, cafes, & restaurants	1 931	35	1 183	9	125	3 285
Cultural & recreational services	1 410	18	322	0	538	2 287
Personal & other services	1 175	6	426	0	447	2 055
Primary production	1 571	116	1 273	10	129	3 100
Electricity, gas supply & water sewerage & drainage	469	0	20	0	520	1 010
Mining	654	1	33	0	0	687
Industry not stated[3]	467	13	123	17	3 828	4 447
Total	**137 381**	**1 982**	**38 091**	**197**	**156 946**	**334 596**

1. Sole traders.
2. Includes local government, State government, State Government Statuatory Authority, Commonwealth State Statuatory Authority, non-profit, strata title, co-operative organisations.
3. Includes entities who did not indicate their industry.

Employees from the finance, real estate, insurance and business services industries accounted for the largest share (19%) of total motor vehicle contributions. Employees from the government administration and defence industry accounted for the largest share (89%) of total housing contributions (see FBT detailed Table 4)

Employee contributions 1999–2000 income year

Aside from the FBT return form, fringe benefit employee contributions for companies, partnerships and trusts are also reported in the annual income return forms of these entities. Statistics on fringe benefit employee contributions for the 1999–2000 income year may be found in the company, partnership and trust taxes detailed tables (for example, see Company detailed Table 4 Part A, Partnership detailed Table 2 Part D, Trust detailed Table 2 Part D).

Record keeping exemption arrangements

An employer is required to keep records to identify and explain all transactions and acts relevant to determining its FBT liability. From 1 April 1998 certain employers are exempted from the record-keeping requirements and are able to calculate FBT on the aggregate fringe benefits amount of an earlier year (base year) when such records were kept. The Government introduced these arrangements with the aim of reducing 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 9.4)

Table 9.4: Exemption threshold

FBT Year	$
1996–97	5 000
1997–98	5 130
1998–99	5 145
1999–2000	5 191
2000–01	5 268

The arrangements can also be used when the total taxable value of fringe benefits provided in the current year is not 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.

Detailed tables

To view the fringe benefits tax detailed statistical tables click here.

PAYG withholding

Highlights

- In 2000–01, the ATO collected $74.5 billion of PAYG withholding collections, accounting for 45% of total ATO revenue collections.

- Collections from PAYG withholders who remitted $1 million or more reached $51.4 billion, accounting for 69% of total PAYG withholding collections.

Pay As You Go (PAYG) is a single, integrated system for reporting and paying tax on business and investment income and withholding amounts. The new system became effective from 1 July 2000 for most taxpayers. PAYG brings instalments of income tax (and other liabilities) and withholding obligations together in one system, which for most taxpayers means one set of rules, one set of payment dates and one form (the Business Activity Statement or Instalment Activity Statement) to fill in.

PAYG affects:

- entities (such as individuals or sole traders, companies, partnerships, trusts, 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 and beneficiaries of a trust, and those with domestic employees

- some trustees.

PAYG is divided into 2 systems:

- **PAYG withholding** which replaces the Pay As You Earn (PAYE), Prescribed Payments System (PPS), Reportable Payments System (RPS) and other withholding systems

- **PAYG instalments** which replaces provisional tax and the company and superannuation fund instalment system.

This chapter presents a description and statistics on the PAYG withholding system. The statistics are mainly sourced from Business Activity Statements and Instalment Activity Statements data as at 7 November 2001.

The PAYG withholding system

Withholding is the process by which entities deduct amounts from payments to others and remit these amounts to the ATO. Before the introduction of the PAYG withholding system, many entities already remitted withholding amounts in the form of the Pay As You Earn (PAYE) tax instalment deductions that they withheld from their employees' salary or wages.

The PAYG withholding system replaced the PAYE system and other withholding obligations. PAYG also imposes new withholding requirements in relation to:

- payments for work or services performed by an individual under a labour hire arrangement
- payments for work or services performed by an individual where there is a voluntary agreement to withhold
- payments for a supply where no ABN has been quoted by the supplier or the supplier's agent
- payments of alienated personal services income
- non-cash benefits.

Withholding payments

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 members of the Defence Forces or police forces
- return to work payments
- a payment covered by a voluntary agreement (for example, a business and a contract worker who has an 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)
- a payment under a labour hire arrangement or a payment specified by regulations
- a payment of pension or annuity
- eligible termination payments
- a payment for unused leave on an individual's retirement or on termination of employment
- a social security or similar payment
- a Commonwealth education or training payment
- a compensation, sickness or accident payment
- a payment arising from an investment where the payee does not quote its TFN or, in some cases, its ABN
- an investor becoming presently entitled to the income of a unit trust
- a payment for a supply where the payee does not quote its ABN
- a dividend, interest or royalty paid to an overseas person or received for a foreign resident
- an interest payment derived by a lender in carrying on business through an overseas permanent establishment
- a mining payment
- a natural resource payment.

Alienated personal services payments and non-cash benefits may also be treated as withholding payments, but specific withholding rules apply in such cases.

Terminology[1]

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 the *Income Tax Assessment Act 1997 Division 86*. 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 is received by a company, trust or partnership (personal services entity).

Non-cash benefits: property or services in any form except money. A barter transaction is an example. A benefit is taken to have been provided to an entity if it is dealt with on the entity's behalf or is provided or dealt with as the entity directs.

1. This box only presents general descriptions of the above terms. It does not provide the full technical or legal definitions.

PAYG withholders

The obligation to withhold (deduct amounts from payments to others) and remit the amount to the ATO is imposed on 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 unincoporated association or body of persons
- a trust
- a superannuation fund.

PAYG withholding entities may be classified into 3 types.

- **Small withholders** have total annual withholdings of up to $25 000. These withholders are required to report and remit their withholdings quarterly (through their BAS and IAS forms).
- **Medium withholders** have total annual withholdings of $25 001 to $1 million. These withholders are required to report and remit their withholdings monthly (through their BAS and IAS forms).
- **Large withholders** have total annual withholdings exceeding $1 million. For these withholders, an amount deducted in any period commencing Saturday and ending Tuesday is payable on the Monday following the period, and an amount deducted in any period commencing Wednesday and ending Friday is payable on the Thursday following the period. Large withholders do not report or remit their withholding through the BAS or IAS forms. Instead the ATO provides them with separate arrangements for the notification and payment of PAYG amounts withheld.

Entities are required to register for PAYG withholding before they can withhold from any payments. (Entities who 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 ATO in paper or electronic form) or by contacting the ATO. 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 who do not wish to obtain an ABN or who are not entitled to an ABN are issued with a Withholding Payer Number (WPN).

Terminology[1]

Pay As You Earn (PAYE) system: introduced in 1941. Prior to 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 are required to make tax instalment deductions at prescribed rates, in order to cover their employee's anticipated tax liability at the end of the year, and pay them directly to the ATO.

Prescribed Payments System (PPS): introduced in 1983. It 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 was also applied to certain payments—including the introduced voluntary agreements—made from outside prescribed industries.

Reportable Payments System (RPS): introduced in 1994. It was linked to the tax file number and was designed to ensure people paid the correct amount of tax. Because it was a TFN-based income reporting system, payers were only required to deduct tax when a payee did not quote a tax file number. As a result, RPS deductions were not generally expected to be made. Accordingly, remittances for RPS deductions represented only a very small proportion of total taxation revenue. It was initially introduced into the fishing and clothing industries, and subsequently into the smash repairs and fruit vegetable industries.

Tax File Number (TFN) withholding Tax: tax instalments deducted from a resident taxpayer's account where:

- no tax file number has been quoted, or
- an exemption from quoting a tax file number hasn't been claimed.

TFN withholding tax is generally withheld at the time the interest is paid and is calculated at the highest marginal tax rate (47%) plus Medicare levy (1.5%), currently 48.5%.

Any TFN withholding tax deducted by the investment body is shown on the statement or in the passbook and the withheld amount is forwarded to the ATO.

Before 2 July 2000 an investor could quote a TFN to an investment body in relation to certain investments to avoid withholding of 48.5% 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 tax file number, but are subject to non-resident withholding tax rules (see Chapter 12: Other withholding taxes).

Australian Business Number (ABN) withholding: a new withholding event introduced by the PAYG withholding system for business-to-business transactions. From 1 July 2000, anyone carrying on an enterprise (this is usually a business) is required to quote their Australian Business Number (ABN) in relation to goods or services they supply to another enterprise. 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.

PAYG withholding collections: the revenue collected from the PAYG withholding system in 2000–01 and includes 'individual refunds'. For years prior to 2000–01 it is comparable to the sum of PAYE, PPS, RPS and TFN withholding tax collections.

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

PAYG withholding collections

Prior to the introduction of the PAYG withholding system in 2000-01, tax collected via the PAYE, PPS, RPS and TFN withholding tax collection systems accounted for more than half of total revenue collected in each financial year.

Figure 10.1: PAYG withholding revenue collected[1]

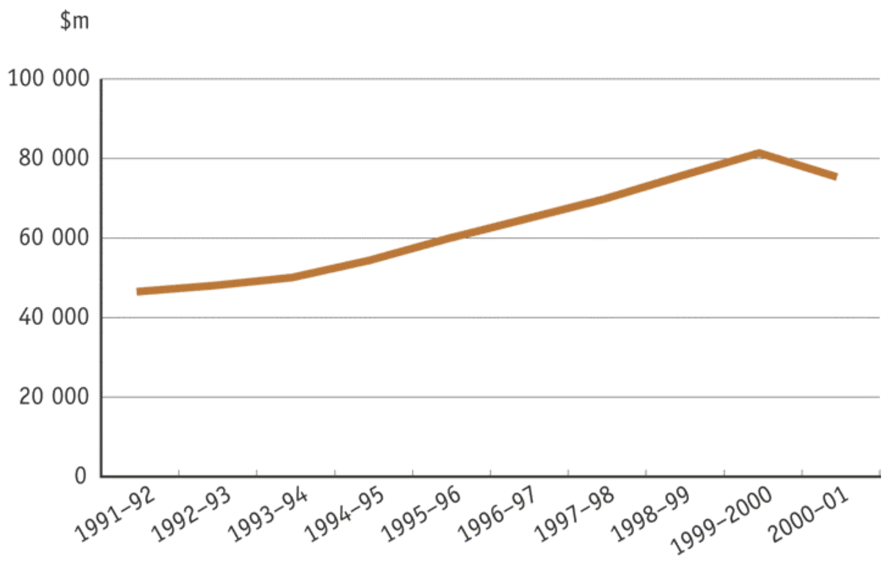

Figure 10.1: line graph showing increase in revenue from PAYG withholding (previously PAYE, PPS and RPS) from 1991-92 to 2000-01.

1. Collections over the period from 1 July to 30 June of the following year (for example, 1991–92 collection includes all collections over the period from 1 July 1991 to 30 June 1992).

As shown in Figure 10.1, over the period from 1991–92 to 1999–2000 estimated PAYG withholding increased annually due to significant yearly increases in PAYE and PPS collections. This upward trend reflected generally steady increases in employment and average weekly earnings, as well as a range of initiatives undertaken by the ATO. These include the debt management improvement strategy, which aimed to identify, establish and collect PAYE from non-compliant taxpayers, a project on PAYE erosion and the introduction of the Cash Economy Taskforce.

In 2000–01, the ATO collected $74.5 billion in PAYG withholding revenue, a decrease of 7% from the previous year. PAYG withholding collections accounted for 45% of total ATO revenue collections ($165.4 billion), much lower than the 52% share recorded during the previous year. The significant decline in PAYG withholding collection is mainly due to the lower personal tax rates introduced as part of the new tax system.

The level of PAYG withholding collections may also be adversely affected by an increase in the emphasis of non-cash benefits, such as cars, which are provided by employers to employees, and which are available for private use by the employee. As employees substitute such non-cash benefits for salary and wages, taxable incomes decrease and reduce the level of PAYE collections. However, fringe benefits tax would be payable on these benefits (see Chapter 9: Fringe Benefits Tax).

Table 10.1 shows a breakdown of PAYG withholding collections in 2000–01 by the amount of remittances. In 2000–01, 5% of total PAYG withholding ($3.9 billion) was collected from withholders who remitted less than $25 000; 26% (or $19.1 billion) was collected from withholders who remitted between $25 000 to less than $1 million; 69% (or $51.4 billion) was collected from withholders who remitted $1 million or more.

Table 10.1 PAYG withholding collections by amount remitted, 2000–01

Amount remitted	**Amount collected**	
	$m	%
$1–$999	48	0.1
$1 000–$4 999	591	0.8
$5 000–$9 999	972	1.3
$10 000–$24 999	2 322	3.1
$25 000–$49 999	2 756	3.7
$50 000–$99 999	3 549	4.8
$100 000–$499 999	8 768	11.8
$500 000–$999 999	4 028	5.4
$1 000 000–$1 999 999	4 667	6.3
$2 000 000–$2 999 999	3 017	4.1
$3 000 000–$3 999 999	2 476	3.3
$4 000 000–$499 9999	1 871	2.5
$5 000 000 and more	39 409	52.9
Total	**74 474**	**100.0**

The amount of PAYG withholding revenue raised varied considerably according to the type of industry as shown in Table 10.2. Collections 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 2000–01, the manufacturing and the government administration and defence industries accounted for the largest share of total PAYG withholding revenue collected (12% each).

Table 10.2: PAYG withholding by industry, 2000–01

Industry	**Amount collected**

	$m	%
Manufacturing	9 124	12.3
Government administration & defence	9 099	12.2
Property & business services	7 403	9.9
Finance	6 445	8.7
Health & community services	6 031	8.1
Retail	5 226	7.0
Construction	3 867	5.2
Education	4 608	6.2
Personal & other services	4 269	5.7
Wholesale	4 015	5.4
Communications	3 749	5.0
Transport & storage	3 539	4.8
Mining	2 129	2.9
Cultural & recreational services	1 278	1.7
Accommodation, cafes and restaurants	1 250	1.7
Electricity, gas & water supply	1 045	1.4
Agriculture	885	1.2
Forestry	126	0.2
Fishing	100	0.1
Other & not stated[1]	288	0.4
Total	**74 474**	**100.0**

1. Includes withholders who did not state their industry.

GST and other taxes

Highlights

- Around $23.8 billion net GST was collected in 2000–01.
- Wine equalisation tax collections reached $523.1 million, while $170.8 million luxury car tax was collected.
- As of 30 June 2001, the ATO had registered more than 3.5 million entities for an ABN.

On 1 July 2000, the Government, as part of the new tax system, abolished the sales tax (or wholesale sales tax) for assessable dealings made on and after 1 July 2000, and replaced it with the goods and services tax (GST). The GST also replaced the excise surcharge payable on petroleum and tobacco products which the Commonwealth collected and reimbursed to the states and territories under agreed repayment schemes (see Chapter 12: Excise).

Aside from the GST, the Government also introduced the wine equalisation tax and the luxury car tax. These taxes were designed to maintain price relativities following the removal of sales tax and the introduction of the GST.

Under the auspices of the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (the IGA) GST is administered by the ATO, and the States and Territories pay to the Commonwealth agreed GST administration costs. The Commonwealth Government funds the ATO to administer the GST based on the number of GST registrations. The GST is collected by the ATO on behalf of the Commonwealth, as an agent for the States and Territories, and is appropriated to the States and Territories.

This chapter provides a general description of the GST, the wine equalisation tax and the luxury car tax and reports statistics on these taxes sourced from Business Activity Statements data as at 7 November 2001.

The goods and services tax

The GST is similar to 'value-added taxes' applying in other countries. It is generally a tax of 10 per cent on the purchase of most goods and services in Australia, including those that are imported. It does not apply to exports of goods, or services consumed outside Australia.

The GST is a multi-stage tax.

Liability for this tax rests on a registered entity or supplier of goods or services. Usually the entity or supplier includes the GST in the price of the good or service which is paid by the purchaser. Even if a registered supplier does not include the tax in the price charged to the purchaser, that supplier is still liable to pay the GST to the ATO.

Most registered entities are entitled to claim an 'input tax credit' for the GST included in the price they pay for items and imports they purchased and used in their enterprise or business (such as purchases of raw materials and machinery), provided the entity holds the receipt for the goods and/or services (particularly for receipts greater than $50). When calculating the amount they have to pay to the ATO, a registered entity offsets their input tax credits from their total GST amount 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 paid by the final consumer. However, sales by one business to another is effectively tax free.

Terminology[1]

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 charitable institution or by 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.

Deferred GST Scheme: provides for the deferral of the payment of GST on imported goods. Generally, GST on taxable importations is payable when imported goods ‘are entered for home consumption’. The scheme allows for the deferral of payments of GST on taxable importations from 21 to 51 days to coincide with payments of net amounts of GST on the Business Activity Statement. Only eligible entities are able to defer payments of GST on imported goods.

1. This box only presents general descriptions of the above terms. It does not provide the full technical or legal definitions.

Who can register for the 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) is required to register for the GST. Entities supplying taxi travel services in carrying on their enterprise are also required to register for the GST regardless of their annual turnover.

An entity carrying on an enterprise with an annual turnover less than $50 000 (less than $100 000 for a non-profit organisation) may choose to register voluntarily for the GST, but is not required to do so.

By registering for the GST, entities are entitled to claim input tax credits for the GST they pay on enterprise-related purchases. Entities that are not registered, cannot claim input tax credits. Entities registered for the GST at the start of 1 July 2000, can also claim a credit for the sales tax they have paid on the stock of trading goods held for sale or exchange on the start of that date, thus avoiding inappropriate double taxation.

A registered entity must lodge a GST return (which is incorporated in the Business Activity Statement) either monthly or quarterly. If a registered entity has an annual turnover of less than $20 million, it may lodge its return quarterly or monthly. If a registered entity has an annual turnover of more than $20 million and/or intends to participate in the Deferred GST Scheme, it is compulsory for that entity to lodge its return monthly.

Entities registering for GST use the same application form used to apply for an Australian Business Number (ABN). An entity required to register for GST purposes must have an ABN.

Australian Business Number

The Australian Business Number (ABN) is a new single identifier which allows businesses to deal with the ATO and ultimately with other government departments and agencies. It is available to State, Territory and local government regulatory bodies to streamline registration requirements. It is used by businesses and other entities for business-to-business transactions as well as 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 ATO for endorsement as a deductible gift recipient (DGR) or income tax exempt charity (ITEC)
- interact with the ATO on other taxes including the Diesel and Alternative Fuels Grants Scheme.
- have a single identifying number which they will eventually use for their business dealings with government at all levels
- claim credits for wholesale sales tax paid on stock on hand at the start of 1 July 2000.

In addition, where an entity supplies goods, services or anything else to another entity and the entity is required to quote its ABN on an invoice, that other entity does not have to withhold tax (at the top marginal rate plus Medicare levy) from their payment to the entity.

Eventually, the ABN will replace the Australian Company Number (ACN) and the Australian Registered Body Number. It will eventually become the only number an entity needs for its business dealings with government. For example, when the system is fully operational, an entity will only need to notify any one government agency once of any changes to its details in the Australian Business Register.

However, the ABN will not cover all the entity's dealings with the ATO. For example, the entity will still need to quote its private tax file number (TFN) when lodging its personal and business income tax returns. In addition, applying for an ABN does not replace an entity's registration requirements with other agencies, for example, registering its business name.

By 30 June 2001, the ATO registered 3 516 986 million entities for an ABN, including 799 502 processed in 2000–01 (Table 11.1).

Table 11.1: ABN registration results, 2000–01

Action	no.

ABNs issued	799 502
Cancellations processed	77 516

Electronic registrations proved popular again in 2000–01, with 63% of applications received through the Business Entry Point (BEP) web site or the Electronic Lodgment Service.

Table 11.2: ABN lodgment results, 2000–01

Lodgments	**%**
Paper applications	37
Business Entry Point website	25
Electronic Lodgment Service	38

Supplies subject to GST

Goods, services or activities supplied by a registered entity which are subject to the GST are referred to as **taxable supplies**. An entity makes a taxable supply if the entity:

- is registered or required to be registered
- makes a supply for ‘consideration’
- makes a supply in the course or furtherance of an enterprise the entity carries on, and
- makes a supply ‘connected with Australia’.

‘Consideration’ for GST purposes means paying, doing something or not doing something in return for 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 given as consideration, for example, in a barter transaction.

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 goods are removed from Australia
- the goods are brought to Australia by a supplier who imports the goods, or
- the supplier installs or assembles goods in Australia that are brought to Australia by someone else.

A supply of anything other than goods, such as services or real property, 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.

Terminology[1]

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, or
  - to refrain from an act, or
  - to tolerate an act or situation, or
- any 2 or more combination of the above.

1. This box only presents general descriptions of the above terms. It does not provide the full technical or legal definitions.

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 registered entity does not charge GST on that supply, but is entitled to claim input tax credits for anything acquired or imported for use in its 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.

If a supply is input taxed, the registered entity does not charge GST on the supply, but neither is the entity 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 a new house which is considered a taxable supply), most supplies of precious metals, supplies of food by school tuckshops and canteens (if they choose to treat the supplies of food as input taxed and they supply nothing other than food).

GST payments/collections

In this chapter, net GST collections is calculated using this formula:

Net GST = Gross GST payable (including deferred payments of GST on imported goods) – input tax credits – sales tax credit

If gross GST payable is greater than input tax credits and sales tax credit combined (net GST is positive), then the net difference will be paid to the ATO. If the total GST payable is less than input tax credits and sales tax credit combined (net GST is negative), then the net difference will be claimed as a refund.

In 2000–01, $23.8 billion in net GST was collected (Table 11.3). The wholesale industry accounted for the largest share (25%) of total ATO net GST collections, followed by the property and business industry (18%). The government and defence, mining, education, health and community services, agricultural, forestry and fishing industries recorded net GST refunds. This could be explained by the fact that these industries mainly provide GST-free supplies. For example, most education and health services are considered GST-free and the agricultural, forestry, fishing and mining industries produce large quantities of export goods which are also GST-free.

Table 11.3: GST, input and sales tax credits by broad industry[1]

Broad industry type[2]	**Gross GST payable**[3]	**Input tax credits**	**Sales tax credits**[4]	**Net GST**[5]
	$m	$m	$m	$m
Wholesale	19 880	14 081	208	5 591
Property & business services	11 522	7 449	51	4 022
Manufacturing	17 997	14 174	44	3 778
Finance & insurance	13 115	9 454	6	3 655
Communication services	5 873	3 756	124	1 994
Personal & other services	4 799	2 945	49	1 805
Transport & storage	4 636	3 439	13	1 184
Accommodation, cafes & restaurants	2 242	1 057	41	1 145
Construction	6 977	5 836	20	1 121
Retail	17 877	15 384	1 488	1 006
Cultural & recreational services	2 142	1 342	21	779

Electricity, gas & water	4 119	3 531	2	587
Agriculture, forestry & fishing	3 487	3 574	4	-92
Education	905	1 116	2	-213
Mining	3 941	4 194	1	-253
Health & community services	2 052	2 347	15	-310
Government administration & defence	1 547	5 257	2	-3 712
ATO collections	123 112	98 936	2 089	22 086
Collections From Customs[6]				1 702
Total Collections				**23 788**

1. Estimated collections as at 30 June 2001.
2. Industry classification are those provided by taxpayers on their Business Activity Statement (BAS). Some taxpayers operate in multiple industries, but they will be included in only one broad industry group as chosen by the taxpayer on their BAS.
3. Includes deferred payments of GST on imported goods.
4. Credit for sales tax paid by entities registered by 1 July 2001 paid on the stock of new goods held for sale or exchange at the start of that date.
5. Calculated from the actual (not rounded) figures for gross GST payable, input tax credits and sales credits then rounded to millions.
6. The Australian Customs Service (Customs) collects GST on taxable importations.

Input tax credits and other credits

An **input tax credit** is an amount a registered entity is entitled to claim to offset the GST paid on inputs an entity acquires to use in its enterprise. However, if a registered entity acquires a supply for private use and/or is intended to be used to make **input taxed supplies**, the entity can not claim an input tax credit.

In 2000–01 entities claimed a total of $98.9 billion in input tax credits. In value terms, the retail (16%), wholesale (14%) and manufacturing (14%) industries claimed the greatest respective shares of input tax credits. However, none of these industries collected net GST refunds.

In general, if the calculated ratio of input tax credits to gross GST payable for an industry is less than one, the industry is more likely to pay net GST to the ATO—such is the case for the retail, wholesale, manufacturing and other industries which recorded ratios of less than one (Table 11.4). If the calculated ratio of input tax credits to gross GST payable for an industry is greater than one, the industry is more likely to collect net GST refunds and mainly supply GST-free supplies—such is the case for the government and defence, mining, agriculture, forestry and fishing, education and health and community services industries which recorded ratios greater than one (Table 11.4).

Table 11.4: Input tax credits against gross GST

Broad industry type	ratio
Government administration & defence	3.40
Education	1.23
Health & community services	1.14
Agriculture, forestry & fishing	1.03
Mining	1.06
Electricity, gas & water	0.86
Retail	0.86
Construction	0.84
Manufacturing	0.79
Transport & storage	0.74
Finance & insurance	0.72
Wholesale	0.71
Property & business services	0.65
Communication services	0.64

Cultural & recreational services	0.63
Personal & other services	0.61
Accommodation, cafes & restaurants	0.47

Aside from input tax credits, entities registered at the start of 1 July 2000 can claim a **credit for the sales tax** they paid on the stock of trading goods held for sale or exchange at the start of that date. In 2000–01, entities claimed $2.1 billion special credits. The retail industry accounted for the largest share of the sales tax credit claimed (71%).

Following the Government's reduction of the excise on petrol and diesel fuel from 1 July 2000 to compensate for the effect of the GST, commercial resellers with an ABN (such as service stations, distributors, agents, transport companies, fishing cooperatives) who bought petrol (leaded, unleaded and lead replacement) and/or diesel before that date, are eligible for the **GST special petroleum credit**. To receive the credit, they must have received the products (or have stock in transit on which the higher rate of excise has been paid) before 1 July 2000, for sale on or after that date.

This credit is equal to the difference between the excise rate at 30 June 2000 and the new rate at 1 July 2000.

In 2000–01, GST special petroleum credit claims reached $33.1 million.

Wine equalisation tax

From 1 July 2000, the sales tax on wine and certain other alcoholic beverages was replaced with the GST, the wine equalisation tax and an increase in excise and customs duty on beer, spirits, liqueurs and other beverages containing alcohol. The wine equalisation tax is designed to maintain the price relativities between cask wine and full strength packaged beer that is purchased for consumption away from licensed premises.

The wine equalisation tax rate is 29% and it applies to the following beverages:

- 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
- mead and sake, including fortified mead.

Exports of wine, however, are not subject to the wine equalisation tax.

Wine manufacturers, wine wholesalers and wine importers usually have the liability for this tax and are required to collect and remit wine equalisation tax remittances to the Australian Taxation Office or the Australian Customs Service (Customs).

In general, the wine equalisation tax will be included in the price for which retailers (including bottle shops, hotels, restaurants and cafes) purchase the wine. The retailer is not entitled to an input tax credit for the wine equalisation tax. The wine equalisation tax forms part of the retailers' cost base and is passed on in the retail price of the wine to the end consumer. However, if retailers make their own wholesale sales of wine (that is, to a reseller) they may have a wine equalisation tax liability.

Rebates and credits

Commonwealth and State governments operate separate rebate/subsidy schemes for winemakers. The States provide a 15 per cent subsidy of the wholesale value of cellar door and mail order sales to unlicensed people.

To further assist small winemakers, the Commonwealth supports the State schemes by providing a rebate for eligible cellar door, mail order and internet sales. The Commonwealth provides:

- an additional 14 per cent rebate on cellar door and mail order sales up to a wholesale value of $300 000 per year

- a rebate reducing from 14% to 0%, for sales with a wholesale value between $300 000 and $580 000 per year. Sales with a wholesale value above $580 000 attract the 15% State subsidy alone.

The combination of the State subsidy and Commonwealth rebate means that cellar door and mail order sales up to a wholesale value of $300 000 per year are effectively wine equalisation tax free.

To qualify for the Commonwealth rebate an entity must:

- be the producer of the wine

- hold a producer's licence, a vigneron's licence or an equivalent licence, and

- sell the wine from premises to which the licence relates.

The Commonwealth rebate does not apply to:

- wine sold in the course of providing food in a winery restaurant, or

- wine sold by mail order or by way of the internet where a commission is payable to a third party.

Aside from rebates, entities liable for the wine equalisation tax may be able to claim credits when the entity:

- overpaid wine equalisation tax

- paid wine equalisation twice

- forgot to quote the ABN when the entity 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

- has written off bad debts that included wine equalisation the entity paid.

There are other specialised wine equalisation tax credit grounds relating to imported wine, replacement of defective wine and ensuring that there is no double taxation of containers.

Wine equalisation tax collections

In 2000–01 wine equalisation tax collections reached $523.1 million (including Customs collections). Companies accounted for 96% of total collections (Table 11.5).

Table 11.5: Wine equalisation tax collections[1]

Entity	**Collections**	**Proportions**
	$	%
Companies	501 423 357	96.4
Trusts	16 650 034	3.2
Partnerships	5 424 320	1.0
Individuals	823 168	0.2
Governments[2]	-4 092 481	-0.8
Total ATO collection	**520 228 398**	**100.0**
Customs collection	2 833 068	
Total	**523 061 466**	

1. Estimated collections as at 30 June 2001.
2. Negative figures indicate wine equalisation tax credits given to foreign embassies in Australia.

Luxury car tax

From 1 July 2000, the sales tax on luxury cars was replaced by the GST and the luxury car tax. Like the wine equalisation tax, the luxury car tax is designed to maintain price relativities, that is, ensure that the price of luxury cars falls 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 the GST. In effect, the luxury car tax ensures that buyers of luxury cars continue to pay more tax than buyers of cars priced under the luxury car threshold.

Cars with a GST-inclusive value which exceeds the luxury car tax threshold are subject to the luxury car tax. The luxury car tax is only payable on the GST-exclusive value that exceeds the threshold. The following formula is used to calculate the luxury car tax (LCT) payable:

$$\text{LCT} = \frac{25}{100} \times \frac{10}{11} \times (\text{LCT tax value} - \text{LCT threshold})$$

For the 2000–01 financial year the luxury car tax threshold was $55 134 and the luxury car tax rate was 25%.

Entities such as retailers, wholesalers and manufacturers who make a taxable supply of a luxury car are liable to pay the luxury car tax. Importers (including private buyers) who make a taxable importation of a luxury car are also liable to pay the tax. Entities registered (or entities required to register) for the GST who make a taxable supply of a luxury car must include the amount of luxury car tax payable on their Business Activity Statement and must remit the amount together with the GST payable.

Luxury car tax adjustments

Unlike the GST, no input tax credit is available for the luxury car tax, regardless of whether the luxury car is used within the business or for private purposes. However, the luxury car tax payable in a certain tax period may be adjusted or reduced if a change of circumstances means luxury car tax is refundable. A **decreasing** luxury car tax adjustment occurs when the corrected luxury car tax payable is less than the luxury car tax previously paid or payable.

An entity needs to decrease the amount of luxury car tax payable if any of the following changes have occurred after the taxable supply or importation.

- There is a decrease in the price of the car. (This may arise if luxury car tax was calculated on the price at a past tax period and the amount was included in 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 or a debt has been overdue for 12 months.

- The supplier did not quote their ABN at the time of the purchase or importation and the car is now used for a quotable purpose.

- The sale is cancelled.

A luxury car tax payable in a tax period, however, may also be increased. An **increasing** luxury car tax adjustment occurs when the corrected luxury car tax payable is more than the luxury car tax previously paid or payable. An entity needs to increase the amount of luxury car tax payable if any of the following changes have occurred after the taxable supply or importation.

- There is an increase in the price of the car.

- The supplier quoted their ABN at the time of the purchase or importation and now uses the car for a purpose other than a quotable purpose.

- The supplier previously claimed a decreasing adjustment in respect of a bad debt or a debt overdue for 12 months or more and now have recovered all or part of the debt.

- The supplier had a decreasing adjustment and now use the car for a purpose other than a quotable purpose.

Luxury car tax collected

In 2000–01 the ATO collected a total of $170.8 million in luxury car tax. Companies accounted for the largest proportion of luxury car tax (78%) amounts collected (Table 11.6).

Table 11.6: Luxury car tax collections[1]

Entity	**Collections**[2]	**Proportion**[3]
	$	%
Companies	131 802 801	77.7
Trusts	36 788 431	21.7
Partnerships	1 173 568	0.7
Individuals	-28 051	-0.0
Total ATO collection	**169 736 749**	**100.0**
Customs collection	1 086 399	0.6
Total	**170 823 148**	

1. Estimated collections as at 30 June 2001.
2. Negative figures indicate refunds or credits on overpaid taxes.
3. A proportion of 0.0% may indicate a value of less than 0.05%.

More information

More information on the GST, wine equalisation tax (including grounds for wine equalisation tax credits) and the luxury car tax can be obtained from the Tax Reform Enquiries line 13 24 78. Please also refer to the ATO publication, *Guide to the GST*. Further information on the Deferred GST Scheme can be obtained by calling the Deferred GST Helpline on 1300 130 915.

Other withholding taxes

Highlights

- In 2000–01, $1214.2 million in total withholding tax was collected (excluding TFN amounts withheld).
- Interest withholding tax accounted for 58% or $703.6 million of total collections.
- Royalty withholding tax accounted for 30% or $368.8 million of total collections.
- Dividend withholding tax accounted for 12% or $141.8 million of total collections. This included $1.4 million in mining withholding tax.

Withholding tax is tax deducted from income at its source. Withholding tax applies to all non-residents who are liable for Australian taxation on income earned in Australia. Amounts are generally deducted by the payers of interest, unfranked dividends or royalties to non-residents and remitted to the ATO. The amount of tax payable depends on whether the recipient is a resident of a country covered by a tax agreement which has been given the force of law in Australia.

The rules governing non-resident withholding tax form part of the new Pay As You Go (PAYG) withholding system and the obligation to collect the tax falls on the payer.

Payers of interest, dividends or royalties to non-residents are required to:

- deduct withholding tax from the payments (when applicable) at the following rates—
  - 10% for interest in all cases
  - 30% for dividends unless an international agreement applies
  - 30% for royalties unless an international agreement applies
- pay the tax deducted to the Commissioner within 21 days after the close of the month during which the payment was made, and
- lodge an annual reconciliation statement by 31 October each year.

This chapter presents data on collections of non-resident interest withholding tax, non-resident dividend withholding tax, mining withholding tax and non-resident royalty withholding tax, for the 2000–01 financial year. Data on collections of tax file number (TFN) withholding now falls under the PAYG withholding system and cannot be separately identified.

Terminology[1]

Non-resident individuals: generally a person who maintains a home outside Australia and who does not intend to live here permanently will be a non-resident for Australian income tax purposes.

Non-resident companies: generally a company incorporated outside Australia is a non-resident for Australian taxation purposes.

Non-resident partnerships, trusts and superannuation funds: partnerships, trusts and superannuation funds that are based overseas and receive Australian-sourced interest or dividend income.

Double tax agreements: agreements between Australia and various countries concerning the application of tax on those entities who may be taxed in both countries on the same income.

Interest: generally regarded as an amount paid as compensation to a lender for not having the use of its capital.

Dividends: generally regarded as an amount paid by a company to its shareholders.

Royalties: payments made by one person for the use of rights owned by another person. They may be periodic, irregular or one-off payments. Australian income tax legislation extends the normal definition of royalties to include payments or credits of any kind in return for items listed in subsection 6(1) of the *Income Tax Assessment Act 1936*.

Mining withholding tax: Mining payments made to Aborigines 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 on 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:

- amounts representing 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.

1. This box only presents general descriptions of the above terms. It does not provide the full technical or legal definitions.

Revenue raised

In 2000–01, a total of $1214.2 million in withholding tax was collected. Interest withholding tax accounted for 58% of all withholding tax. A further 30% came from royalty withholding tax and 12% from dividend withholding tax.

Non-resident interest withholding tax

Interest withholding tax is payable on interest derived by a non-resident (unless specific exemptions apply) and applies where interest is paid by:

- a resident, unless the interest is wholly incurred by the resident as an expense of carrying on a business overseas at or through a branch; or
- a non-resident and the interest is an expense wholly or partly incurred by the non-resident in carrying on a business in Australia at or through a branch in Australia.

Withholding is required not only where interest is actually paid to a non-resident, but also where interest is payable and has been dealt with on behalf of, or at the direction of, the non-resident—for example, by being reinvested.

Non-resident interest withholding tax is imposed at a flat rate of 10% on the *gross* amount of interest paid—that is, without deducting expenses incurred in deriving that interest. The flat 10% rate is unaffected by Australia's double tax agreements (DTAs).

Table 12.1: Non-resident interest withholding tax paid by organisation, 2000–01

Type of organisation	**Number**		**Amount**	
	no.	%	$'000	%
Companies	2 595	28.4	276 498	39.3
Nominee companies[1]	229	2.5	101 086	14.4
Banks	70	0.8	91 465	13.0
Other financial institutions[2]	264	2.9	85 076	12.1
Trusts	1 483	16.2	18 637	2.6
Government institutions	11	0.1	7 470	1.1
Funds	105	1.1	1 827	0.3
Other[3]	4 392	48.0	121 504	17.3
Total	**9 149**	**100.0**	**703 563**	**100.0**

1. Refers to bodies corporate that are controlled solely by securities dealers and operated for the sole purpose of facilitating settlement of security transactions.
2. Includes building societies and credit unions.
3. Includes custodians.

In 2000–01, a total of $703.6 million in interest withholding tax was collected, an increase of 27% from the previous year.

Companies accounted for 28% of interest withholding payers and remitted 39% of interest withholding tax. Banks represented less than one percent of payers, and remitted 13% of total interest withholding tax. Other financial institutions (including building societies and credit unions) represented just 3% of payers, but remitted 12% of interest withholding tax. In contrast, trusts represented 16% of payers but remitted only 3% of interest withholding tax (Table 12.1).

Non-resident dividend withholding tax

Non-resident dividend withholding tax is imposed on dividends paid by a resident company to non-residents. Withholding tax is paid on the gross amount of the dividends (no deductions may be made from the dividends) and the flat rate withholding tax applies whether or not the non-resident has other income subject to Australian tax under ordinary assessment processes. Unless a withholding tax exemption applies, dividends derived by a non-resident who carries on a business in Australia through a branch, are subject to withholding tax instead of being taxed by assessment.

Non-resident dividend withholding tax is imposed at a rate of 30% on unfranked dividends paid to non-residents by Australian companies. This rate is generally reduced to 15% for residents of countries that have double taxation agreements with Australia.

Table 12.2: Non-resident dividend withholding tax paid by organisation, 2000–01

Category	**Number**		**Amount**	
	no.	%	$'000	%
Companies	406	23.5	60 849	42.9
Nominee companies[1]	77	4.5	45 182	31.9
Banks	8	0.5	18 286	12.9
Trusts	362	20.9	2 872	2.0
Other financial institutions[2]	23	1.3	482	0.3
Funds	56	3.2	288	0.2
Other[3]	798	46.1	13 809	9.7
Total	**1 730**	**100.0**	**141 768**	**100.0**

1. Refers to bodies corporate that are controlled by securities dealers and operated for the sole purpose of facilitating settlement of security transactions. Includes mining withholding tax of $1.4 million.
2. Includes building societies and credit unions.
3. Includes government institutions and custodians.

In 2000–01, a total of $141.8 million in dividend withholding tax was collected, including $1.4 million in mining withholding tax.

Table 12.2 shows that companies represented 24% of payers and paid 43% of dividend withholding tax. Banks represented less than one percent of payers, but paid 13% of dividend withholding tax. In contrast, other organisations represented nearly half (46%) of all payers, but paid just under 10% dividend withholding tax.

Non-resident royalty withholding tax

Royalties derived by a non-resident are subject to withholding tax (unless exemptions apply). Withholding tax applies where the royalties are paid by:

- a resident—unless they are outgoings wholly incurred by the payer in carrying on a business outside Australia at or through a branch; or

- a non-resident and are outgoings wholly or partly incurred by the payer in carrying on a business in Australia at or through a branch in Australia.

Withholding is required not only where royalties are actually paid to a non-resident, but also where royalties are payable and are dealt with on behalf of, or at the direction of, the non-resident by—for example, by being reinvested.

The normal rate of royalty withholding tax is 30% on gross royalty payments—unless the royalties are effectively connected with a branch in Australia. This rate is generally reduced to 10% for residents of countries that have double taxation agreements with Australia. If the country of residence of the recipient also taxes the income, that country gives credit against its tax for the Australia tax.

Table 12.3: Non-resident royalty withholding tax paid by organisation, 2000–01

Type of organisation	Number		Amount	
	no.	%	$'000	%[1]
Companies	1 595	72.7	299 255	81.1
Trusts[2]	77	3.5	3 398	0.9
Banks	8	0.4	487	0.1
Other financial institutions[3]	5	0.2	164	0.0
Nominee companies	5	0.2	35	0.0
Other[4]	505	23.0	65 500	17.8
Total	**2 195**	**100.0**	**368 839**	**100.0**

1. A proportion of 0.0% indicates a proportion of less than 0.05%.
2. Includes funds.
3. Includes building societies and credit unions.
4. Includes government institutions.

In 2000–01, a total of $368.8 million in royalty withholding tax was collected. Table 12.3 shows companies accounted for 73% of payers and paid 81% of total royalty withholding. Other organisations accounted for 23% of payers and paid 18% of royalty withholding tax.

Excise

- Highlights
- Excise collections
- Petroleum
- Tobacco
- Alcohol
- Crude oil
- Detailed tables

Highlights

- Total excise collection decreased by half a billion to $19.3 billion in 2000–01 from the previous year reflecting a decrease in petroleum excise collection mainly due to the cessation of the surcharge with the introduction of the GST and the $0.015 cut in petroleum excise in March 2001.

- Excise collected from alcohol products increased by 86% to $1.9 billion in 2000–01 from the previous year.

- Excise collected from crude oil more than doubled in 2000–01 compared to the previous year's collection.

Excise is an inland tax levied on the domestic production or manufacture of certain goods. The goods subject to excise are petroleum, alcohol (spirits and beer, but not wine), tobacco and crude oil. The ATO assumed responsibility for the collection of excise duty in February 1999—and now collects more than $19 billion per year. Because of existing legislation, customs duty is collected on equivalent imported goods by the Australian Customs Service.

The ATO 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 and tobacco are increased in February and August each year where there are upward movements in the Consumer Price Index (CPI). Similar indexation provisions for certain petroleum products ceased in March 2001.

As part of the new tax system there were major changes to the excise rate structure, effective 1 July 2000. There were further changes made in respect of beer and petroleum. These changes and excise data for the 2000–01 financial year are discussed in the following sections of this chapter.

Excise collections

From August 1997 and prior to the 1 July 2000 tax changes, an excise surcharge was payable on petroleum and tobacco products. It replaced the various State business franchise fees previously levied on these products. The surcharge amounts collected by the Commonwealth were reimbursed to the states and territories under agreed repayment schemes.

These funding arrangements were no longer required with the introduction of the goods and services tax (GST) and while some surcharge amounts were collected in 2000–01 they relate to clearances that were made in June 2000.

Figure 13.1 highlights how these changes in legislation (and other factors) affected excise collection for the past decade. For example, a large increase of $4.5 billion occurred between 1996–97 and 1997–98 mostly due to the introduction of the excise surcharge.

Figure 13.1: Total excise collected[1]

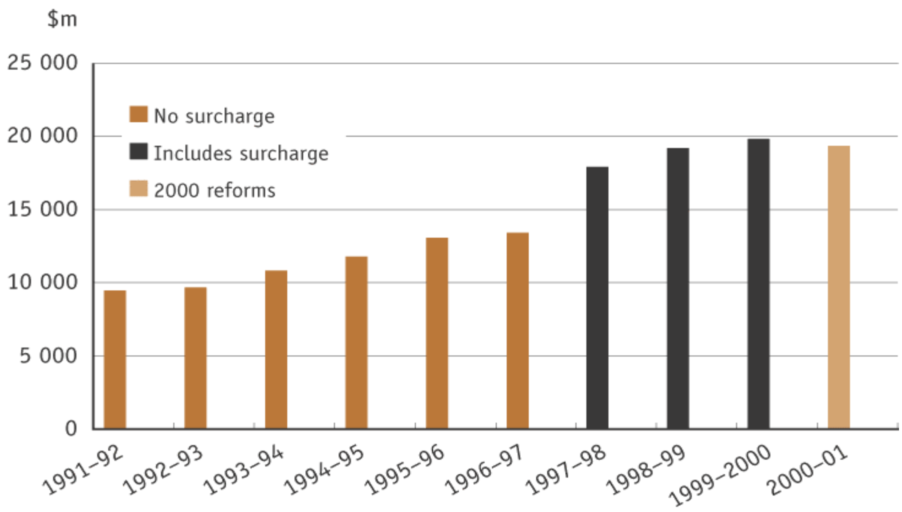

Figure 13.1: column graph showing trend in total excise revenue from 1991-92 to 2000-01.

1. Surcharge excise on tobacco and petroleum was introduced in 1997 to replace the various State business franchise fees previously levied on these products. 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.

Table 13.1: Excise collected by type in 2000–01

Type	Amount collected	Proportion
	$m	%
Petroleum[1]	12 170	63.0
Tobacco	4 699	24.3

Beer	1 697	8.8
Spirits	238	1.2
Crude oil	526	2.7
Total	**19 330**	**100.0**

1. Excise collected for petroleum includes $33.1 million of GST special petroleum credit.

In 2000–01, $19.3 billion in excise (including $33.1 million of GST special petroleum credit) was collected, a decrease of half a billion from the previous year. Most excise was collected from petroleum products, with nearly $12.2 billion collected in 2000–01, accounting for 63% of total excise collections (Table 13.1). Tobacco was the next major contributor with $4.7 billion (24%).

In volume terms, the total quantity of petroleum products and spirits subject to excise increased in 2000–01 compared to 1999–2000, while quantities of beer, cigarettes and tobacco subject to excise decreased (Table 13.2).

Table 13.2: Quantities of products subject to excise

Products	**Units**	**1999-2000**	**2000-01**	**Change over previous year**[1]
Petroleum				
Petrol—ULP, LP and LRF	megalitres	18 187.83	18 031.40	-0.9%
Diesel	megalitres	12 840.63	13 067.47	1.8%
Other petroleum products				
– fuel oil	megalitres	332.90	369.10	10.9%
– heating oil	megalitres	72.11	55.05	-23.7%
– aviation gasoline	megalitres	99.25	105.17	6.0%
– aviation kerosene	megalitres	2 464.07	2 353.21	-4.5%
– kerosene	megalitres	23.47	22.25	-5.2%
– Oil & greases	megalitres	n.a.	231.39	n.a.
Total petroleum products	megalitres	34 020.27	34 235.03	0.6%
Alcohol				
Beer	megalitres of alcohol	54.07	52.66	-2.6%
Spirits				

– other spirits	megalitres of alcohol	3.25	2.97	-8.6%
– brandy	megalitres of alcohol	0.85	0.87	2.6%
– designer drinks	megalitres of alcohol	n.a.	1.20	n.a.
Total Spirits	megalitres of alcohol	4.10	5.04	23.0%
Tobacco				
Cigarette	sticks	25 587.03	23 061.43	-9.9%
Tobacco	million kg	0.64	0.61	-4.3%

1. Percentage change between the 2 years was calculated from actual (not rounded) data.

Petroleum

The excise rates on leaded, unleaded and diesel petroleum products were reduced from 1 July 2000 in order to offset the introduction of the GST.

Following the respective releases of the June and December Quarter CPI's, excise rates were adjusted upward in accordance with normal indexation practice. The Government later made the decision to reduce rates, effective on and from 2 March 2001, and to forego further indexation increases in respect of all petroleum products.

The excise rates, including the surcharge duty, per litre, of large volume petroleum products are shown in Table 13.3.

Table 13.3: Excise rates for petroleum products

	1 July 2000	1 August 2000	1 February 2001	2 March 2001
	$ per litre	$ per litre	$ per litre	$ per litre
Leaded petrol	0.39725	0.40400	0.42016	0.40516
Unleaded petrol	0.37481	0.38118	0.39643	0.38143
Diesel fuel	0.37481	0.38118	0.39643	0.38143
Fuel oil	0.07426	0.07552	0.07854	0.07557
Aviation kerosene	0.02795	0.02843	0.02957	0.02845

Figure 13.2: Excise collected from petroleum products[1]

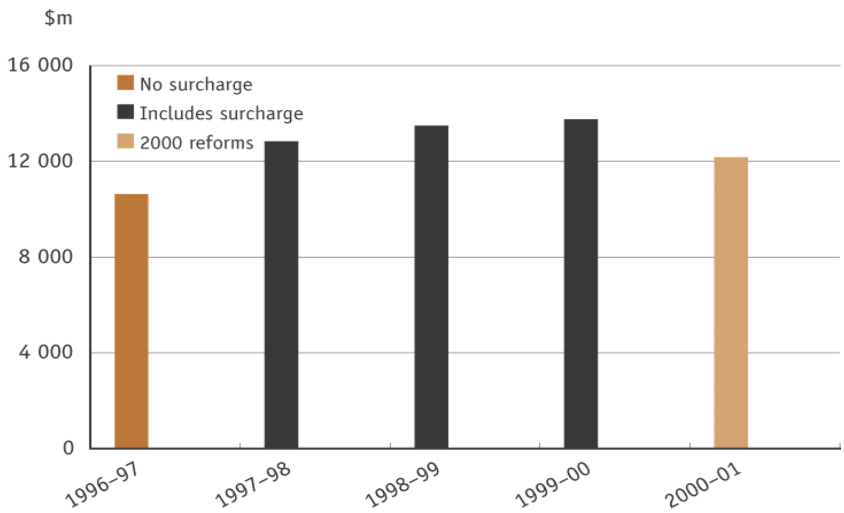

Figure 13.2: column graph showing trend in petroleum excise collections from 1996-97 to 2000-01.

1. Surcharge excise on tobacco and petroleum was introduced in 1997 to replace the various State business franchise fees previously levied on these products. 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.

In 2000–01, around $12.2 billion in excise (including $33.1 million of GST special petroleum credit) was collected from petroleum products (excluding crude oil), a decline of around 12% from the previous year (Figure 13.2). The decline in excise collections for petroleum is mainly the result of the cessation of the surcharge with the introduction of the GST and the $0.015 cut in petroleum excise in March 2001. In volume terms, quantities of petroleum products subject to excise showed little variation from the previous year, increasing by less than 1% (Table 13.2).

Duty collections on leaded petrol have continued to fall and amounted to less than $0.5 billion compared to around $1.4 billion from the previous year.

Around $11.7 billion or 95% of the excise collected from the petroleum industry in 2000–01 was paid by the 4 major oil companies.

Australian petroleum companies

At the manufacturing level, there are 8 major refineries in Australia. They are owned and operated by the 4 large companies which dominate the Australian petroleum industry and produce the majority of excisable products used. These companies are also extensively involved in the distribution and retailing of petroleum products in Australia.

Tobacco

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, very small cigars and bidis.

Excise rates are increased where there are upward movements in the CPI. These increases occur in February and August each year (Table 13.4).

When introduced on 1 November 1999, the per stick rate, including surcharge, was $0.18872. It has since increased by 9.4% to $0.20645 as at 1 August 2001.

Table 13.4: Excise rates for tobacco products

Date of effect	Excise rate	Excise rate
	per stick rate $ [1]	$/kg (tobacco content rate) [2]
From 1 August 1999	n.a.	235.90
From 1 November 1999	0.18872	235.90
From 2 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

1. Applies to tobacco, cigars and cigarettes that are in stick form and not exceeding 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.

Table 13.5: Excise rates on tobacco products as of 1 August 2001

Item	Excise rate
	$
Cigarettes, cigars & tobacco, in stick form not exceeding 0.8 grams per stick of tobacco	0.20645 per stick
Snuff	2.10 per kg
Other tobacco products	258.06 per kg
Cigarettes—indicative excise per pack:	
– Pack of 20	4.13
– Pack of 25	5.16

– Pack of 30	6.19
– Pack of 40	8.26
– Pack of 50	10.32
Tobacco	
– 50 grams pack	12.90

In 2000–01, the quantities of cigarettes and tobacco subject to tax decreased by nearly 10% and 4% respectively from the previous year (Table 13.2). Excise collected from tobacco products also decreased by 2% from the previous year to $4.7 billion. Most (97%) of the excise collected was from cigarettes.

However, since 1996–97, there has been a 174% increase in the amount of excise collected from tobacco (Figure 13.3). Most of this increase occurred in 1997–98 and was due to the introduction of the excise surcharge.

Figure 13.3: Excise collected from tobacco products[1]

figure 13.3: column graph showing trend in tobacco excise collections from 1996-97 to 2000-01.

1. Surcharge excise on tobacco and petroleum was introduced in 1997 to replace the various State business franchise fees previously levied on these products. 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.

Australian tobacco companies

The tobacco industry in Australia consists of 3 major companies with 2 manufacturing facilities. They accounted for almost 100% of excise duty paid on tobacco products in 2000–01.

Alcohol

As part of the tax measures that came into effect on 1 July 2000, the Government implemented major changes to the excise rate structure of alcohol products.

- Introduction of the wine equalisation tax on sales, importations and similar dealings with wine and similar products. This tax is levied at 29% and was introduced to keep the price of wine stable following the introduction of the GST and the removal of the wholesale sales tax. GST is calculated on the price including the wine equalisation tax.
- The excise rate on beer, spirits, liqueurs and other alcoholic drinks not subject to the wine equalisation tax was increased to offset the removal of wholesale sales tax.
- A three-tiered rate structure for beer—a low-alcohol beer rate, a mid-strength beer rate and a full-strength beer rate. The duty-free threshold for beer remains at 1.15% alcohol content.

Further changes to the rates applying to beer became operative on 4 April 2001. These changes gave effect to the Government's decision to reduce the excise payable on draught beer served over the bar in licensed premises.

Figure 13.4: Excise collected from alcohol products[1]

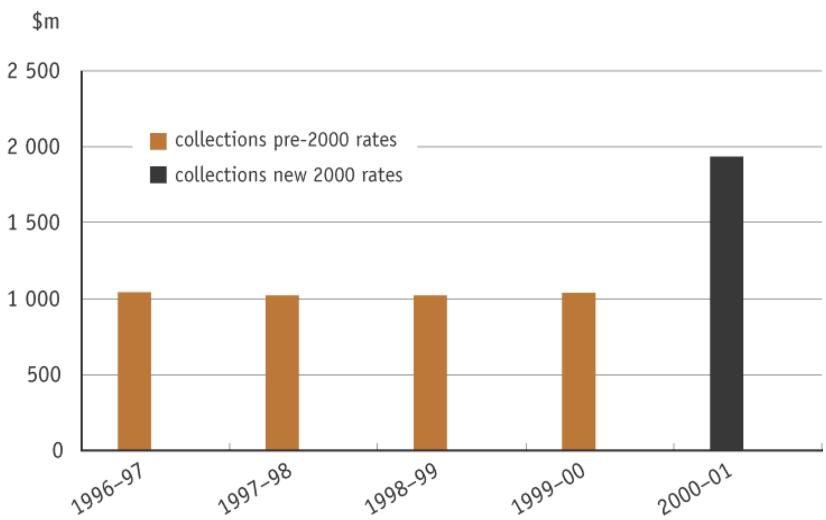

Figure 13.4: column graph showing increase in alcohol excise collections from 1996-97 to 2000-01.

1. Excise rates on beer, spirits, liqueurs and other alcoholic drinks not subject to the wine equalisation tax were increased on 1 July 2000 to offset the removal of the wholesale sales tax.

In 2000–01, the quantity of beer subject to excise decreased by nearly 3% from the previous year (Table 13.2). Despite this decrease, excise collected from alcohol products increased by 86% from the previous year to $1.9 billion (Figure 13.4). This increase was mainly the result of the setting of higher excise rates to offset the abolition of wholesale sales tax on beer.

Beer accounted for 88% of excise collected on alcohol products.

Australian brewing and spirits industries

The brewing industry is dominated by 2 groupings of companies, which hold about 97% of the beer market in excise dollar terms. The domestic spirits industry is also dominated by 2 companies. Together they pay about 70% of total spirits excise liability. The excise paying component of the Australian spirits industry is small in revenue terms (about $200 million) compared to the imported spirit component (about $1 billion).

Crude oil

The vast majority of crude oil production in Australia has no excise duty but is instead subject to royalties. Excise applies to all on-shore fields producing stabilised crude oil and off-shore fields in the North-west Shelf. Each commercially productive field must be prescribed by excise by-law, and its operators must maintain production records which are monitored by the Department of Industry, Science and Resources until a 30-million-barrel threshold is reached. Until the 30 million barrels threshold of crude oil from each field is reached, the production is excise-free. Thereafter, excise administrative arrangements apply on a sliding scale.

For a field that produces more than the threshhold amount in a financial year, the first 500 megalitres are rate free. The next 100 megalitres (501–600) are subject to 10% duty, with the following 100 megalitres (601–700) subject to 20% duty. The next 100 megalitres (701–800) are subject to 30% duty, and all other production is subject to 35% duty calculated on the VOLWARE (volume weighted average of actual prices) price determined each month by the Department of Industry, Science and Resources.

Figure 13.5: Excise collected from crude oil

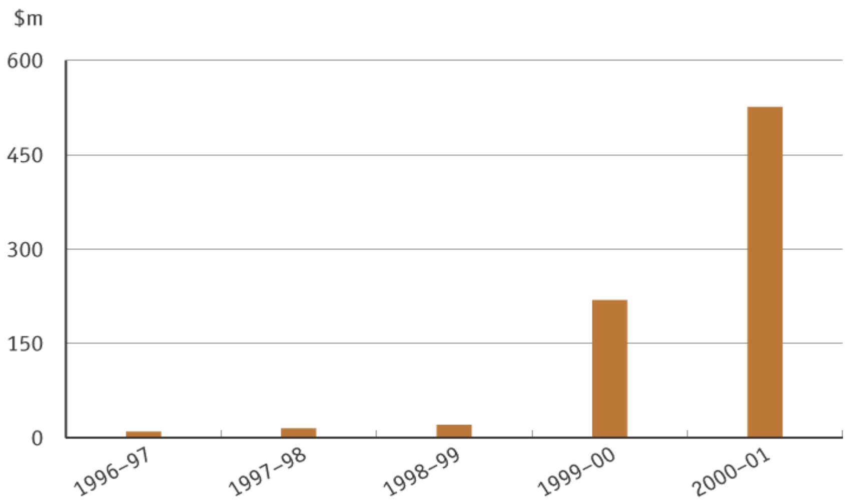

figure 13.5: column graph showing large increase in crude oil excise collections from 1996-96 to 2000-01.

As a result of increased oil production from the floating platform in 2000–01 there was a further significant increase in excise collections from crude oil—$526.4 million compared to $218.7 million in 1999–2000 (Figure 13.5).

The production levels have increased as follows: 6432 megalitres in 1998–99, 8166 in 1999–2000 and 9181 in 2000–01.

The world price of crude oil remained an incentive for oil producers in the North-west Shelf to sustain high levels of production. The historically low Australian dollar has also kept the VOLWARE price at an inflated level.

Detailed tables

To view the excise detailed statistical tables click here.

Fuel rebate and grants schemes

Highlights

- Total diesel fuel rebates paid increased by 26% from the previous year to $1.9 billion, partly due to the extension of the Diesel Fuel Rebate Scheme.
- Grants totalling $558.3 million were paid under the Diesel and Alternative Fuel Grant Scheme.
- Grants totalling $221 million were paid under the Fuel Sales Grants Scheme.
- From 1 January to 30 June 2001, the Product Stewardship (Oil) Scheme paid a total $2.8 million in benefits to a small client base.

Excise duty is levied on fuel produced in Australia and an equivalent rate of customs duty is levied on petroleum products imported into Australia. The Government, however, provides a rebate of excise or customs duty paid on diesel fuel and like fuels under the Diesel Fuel Rebate Scheme (off-road scheme) and provides a grant to businesses and other enterprises for the on-road use of diesel and alternative fuels through the Diesel and Alternative Fuels Grant Scheme (on-road scheme).

Both the Diesel Fuel Rebate Scheme and the Diesel and Alternative Fuels Grant Scheme were to be replaced with an energy grants (credits) scheme from 1 July 2002. However, legislation passed in September 2001 extended the sunset provisions of both these schemes until 30 June 2003 unless replaced by an energy grants (credits) scheme before this date. (An energy grants (credits) scheme is expected to provide similar benefits, but also actively encourage conversion to cleaner fuels.) The September 2001 legislation also extended the eligibility of the on-road scheme for emergency services vehicles.

The schemes were extended to allow time for recommendations from the Inquiry into Fuel Taxation to be considered. The Inquiry into Fuel Taxation was announced on 1 March 2001. The inquiry will examine the total existing taxation structure (both Commonwealth and State) of petroleum and petroleum substitute products, particularly for transport and off-road use, and related rebates, subsidies and grants.

This chapter mainly contains statistics on rebates and grants paid under the 2 schemes for the 2000–01 financial year. The chapter also contains information on other fuel grant schemes, such as the Fuel Sales Grants Scheme and the Product Stewardship Oil Scheme.

Diesel Fuel Rebate Scheme

Under the Diesel Fuel Rebate Scheme (DFRS or off-road scheme), the Government provides a rebate of the excise and customs duty paid on diesel and like fuels that are purchased for specific off-road uses—mainly in the mining, agriculture and other primary production industries as well as certain eligible residential uses. The primary purpose of the scheme is to maintain competitiveness in key export industries, such as mining and agriculture, in a manner consistent with the Government's broader fiscal objectives.

The rebate 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)
- for electricity generation at certain residential premises
- at hospitals, nursing homes, homes for the aged and any other institution providing medical or nursing care
- rail transport
- marine transport.

The off-road categories of marine transport and rail transport and the inclusion of like fuels in all categories were introduced as an extension to the scheme from 1 July 2000.

The rebate for all activities at 30 June 2001 was 38.385 cents per litre. The rate payable for like fuels, which attracts the lower rate of excise duty, is 7.605 cents per litre. The rates are no longer adjusted in line with changes to the consumer price index following the abolition of the twice yearly indexation of petroleum excise rates.

Total rebate paid

In 2000–01, just over $1.9 billion was paid in diesel fuel rebate. The amount of rebate paid increased more than 26% from the previous year (Figure 14.1), partly due to the extension of the scheme to rail transport, marine transport, the inclusion of like fuels and an increase in the amount claimed by the mining industry due to strong demand in that sector. There are around 135 000 claimants in the scheme.

Figure 14.1: Total diesel fuel rebate paid[1]

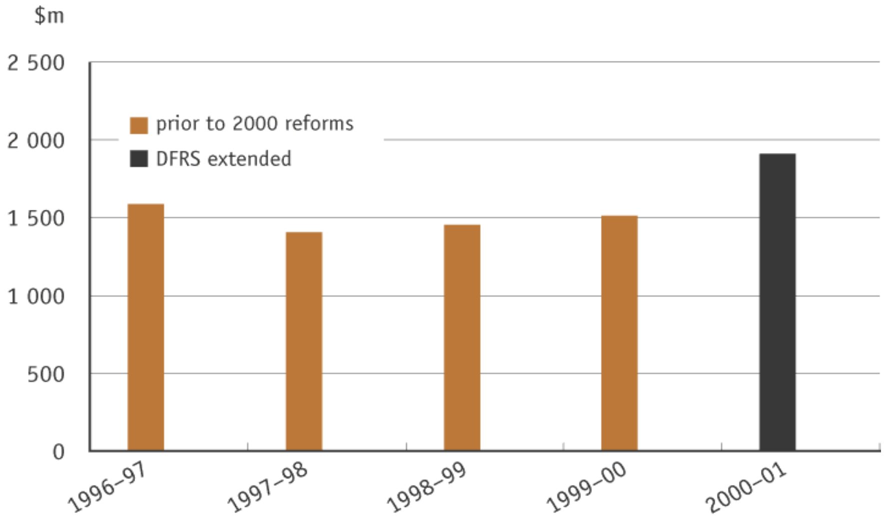

Figure 14.1: column graph showing trend in total diesel fuel rebate paid from 1996-97 to 2000-01.

1. From 2000–01 onwards, total rebate paid includes rebates payable to diesel fuel and like fuels used for marine and rail transport and like fuels used for other specific off-road uses.

In 2000–01, the majority of the rebate was paid to companies (70%), followed by partnerships (18%) (Table 14.1). This split is consistent with previous years.

Table 14.1: Total diesel fuel rebate paid by entity, 2000–01

Entity	**Amount paid**	**Proportion**
	$'000	%
Company	1 327 226	69.5
Partnership	339 280	17.8
Government	118 679	6.2
Individual	78 598	4.1
Other	45 888	2.4
Total	**1 909 670**	**100.0**

Rebate paid by industry

In 2000–01, a total of $922.2 million in rebates were paid to the mining industry, accounting for 48% of all rebates paid (Table 14.2). This was followed by the agriculture industry, which received $549.2 million in rebates (29% of the total).

Table 14.2: Total rebate paid by industry[1], 2000–01

Industry or activity	Claims paid		Total amount paid		Average amount paid
	no.	%[2]	$'000	%[2]	$
Mining	6 856	3.2	922 240	48.3	134 516
Agriculture	189 151	87.5	549 181	28.8	2 903
Rail	317	0.1	177 654	9.3	560 423
Fishing	7 606	3.5	96 391	5.0	12 673
Marine	3 520	1.6	72 382	3.8	20 563
Forestry	6 465	3.0	50 841	2.7	7 864
Residential	1 959	0.9	10 568	0.6	5 394
Hospitals	164	0.1	1 411	0.1	8 606
Nursing homes	51	0.0	115	0.0	2 260
Aged homes	60	0.0	204	0.0	3 395
Other medical	9	0.0	25	0.0	2 784
Like fuels[3]	65	0.0	28 659	1.5	440 915
Total	**216 223**	**100.0**	**1 909 670**	**100.0**	**8 832**

1. Rebates paid to the different industries and activities show rebates paid for diesel fuel use only.
2. A 0.0% share indicates a share of less than 0.05%.
3. The rebate paid to the 'like fuels' category is the sum of all rebates paid to all industries and/or activities that used like fuels.

While the mining industry accounted for the majority of the total rebates in dollar terms, the industry accounted for only 3% of claimants. Conversely, the agriculture industry accounted for just over 87% of all claimants. These figures are linked to business size—while the mining industry is dominated by a few large companies making large claims, the agriculture industry consists primarily of individuals and partnerships making smaller value claims (an average of $2903 compared to $134 516 in the mining industry). Rail transport has a high average claim ($560 423) due to the heavy fuel use by a small number of claimants.

Rebate paid by State

The greatest proportion of the rebate was paid to claimants located in New South Wales and the Australian Capital Territory (Table 14.3). This was followed by Western Australia.

Table 14.3: Total rebate paid by State, 2000–01

	Claims		Total amount paid		Average amount paid
	no.	%	$'000	%	$
NSW & ACT	62 086	28.7	577 667	30.2	9 304
WA	28 310	13.1	537 712	28.2	18 994
QLD	54 465	25.2	396 481	20.8	7 280
VIC	45 904	21.2	182 596	9.6	3 978
SA	18 306	8.5	100 785	5.3	5 506
TAS	6 245	2.9	49 269	2.6	7 889
NT	907	0.4	65 159	3.4	71 840
Total	**216 223**	**100.0**	**1 909 670**	**100.0**	**8 832**

In 2000–01, the average rebate paid per claimant was $8832, an increase of 33% from the previous year.

Diesel and Alternative Fuel Grants Scheme

The Diesel and Alternative Fuel Grants Scheme (DAFGS or the on-road scheme) provides grants for the on-road use of fuel by businesses and other entities. The scheme commenced on 1 July 2000 and is designed to cut fuel costs for a range of businesses. It will 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 grant is available for the use of diesel and specified alternative fuels (compressed natural gas, liquefied petroleum gas, recycled waste oil, ethanol and canola oil) based on a flat rate per litre of fuel, except for gas, which is calculated on a per cubic metre basis.

Generally, the grant is available to businesses and other enterprises for the on-road use of diesel and alternative fuels in vehicles that have a gross vehicle mass (GVM) of 4.5 tonnes or more and that are registered for use on public roads. However, eligibility requirements differ for primary producers and other enterprises. Only trips on a public road are eligible.

The scheme separates claims for vehicles over 20 tonnes and vehicles between 4.5 to 20 tonnes. About 63% of claims lodged are for vehicles over 20 tonnes accounting for 89% of the grant paid. Vehicles between 4.5 tonnes and 20 tonnes account for 37% of claims and 11% of the grant paid.

Total grants paid

In 2000–01, just over $558.3 million worth of grants were paid under the Diesel and Alternative Fuel Grant Scheme. This was the scheme's first year of operation.

Table 14.4: Total grant paid by industry, 2000–01

Industry	Claims paid		Total amount paid		Average amount paid
	no.	%[1]	$'000	%[1]	$
Transport & storage	104 012	43.1	313 019	56.1	3 009
Wholesale trade	28 691	11.9	87 716	15.7	3 057
Construction	16 418	6.8	16 919	3.0	1 030
Manufacturing	4 526	1.9	14 582	2.6	3 222
Agriculture	21 389	8.9	10 732	1.9	502
Government, administration & defence	2 599	1.1	8 021	1.4	3 086
Retail trade	7 663	3.2	6 420	1.1	838
Property & business services	5 521	2.3	5 782	1.0	1 047
Forestry	2 034	0.8	5 760	1.0	2 832
Personal & other services	2 796	1.2	4 017	0.7	1 437
Mining	1 415	0.6	2 797	0.5	1 977
Communication services	252	0.1	2 229	0.4	8 843
Electricity, gas & water supply	555	0.2	1 100	0.2	1 982
Cultural & recreational services	938	0.4	976	0.2	1 040
Health & community services	790	0.3	597	0.1	755
Fishing	437	0.2	336	0.1	769
Accommodation cafes & restaurants	347	0.1	288	0.1	831

Education	631	0.3	262	0.0	415
Finance & insurance	89	0.0	179	0.0	2 010
Multiple industries[2]	414	0.2	800	0.1	1 931
Industry not stated	39 565	16.4	75 795	13.6	1 916
Total	**241 082**	**100.0**	**558 326**	**100.0**	**2 316**

1. A 0.0% share indicates a share of less than 0.05%.
2. Refers to claimants (entities) who ticked more than one industry in their ABN application form.

There were 77 000 claimants for the on-road grant at the end of its first year. Just over 56% of the grant is paid to businesses in the transport and storage industry, followed by the wholesale trade industry (16%) (Table 14.4).

Table 14.5: Total grant paid by State, 2000–01

State	**Claims**		**Total amount paid**		**Average amount paid**
	no.	%	$'000	%	$
NSW	69 359	28.8	162 183	29.0	2 338
VIC	55 167	22.9	145 592	26.1	2 639
QLD	59 874	24.8	121 091	21.7	2 022
WA	26 221	10.9	53 038	9.5	2 023
SA	20 026	8.3	55 589	10.0	2 776
TAS	6 710	2.8	12 206	2.2	1 819
ACT	1 456	0.6	2 220	0.4	1 524
NT	2 001	0.8	5 938	1.1	2 967
State not stated	268	0.1	468	0.1	1 749
Total	**241 082**	**100.0**	**558 326**	**100.0**	**2 316**

Fuel Sales Grants Scheme

The Fuel Sales Grants Scheme (FSGS) 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 is designed so that combined with the cut on excise rates on petrol and diesel (implemented under the new tax system to offset the effects of the GST), 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 one 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 may apply for an additional grant.

Eligible fuels for the grant include leaded and unleaded petrol and diesel, including light fuel oil, two-stroke, premium unleaded and Shell Optimax.

For the 2000–01 year a total of $221 million in grants was paid.

Other grant schemes

The Product Stewardship (Oil) Scheme (PSO) was introduced as part of the *Measures for a Better Environment* package, announced by the Commonwealth government on 31 May 1999. The scheme was introduced to encourage environmental and economically sustainable reuse of waste oils. Environment Australia has the primary responsibility for the development of policy direction, while the ATO 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 are able to claim benefits at various rates for waste oil recycled. These rates depend on the final product and end use.

Since 1 January 2001, an excise levy of 5 cents per litre, adjusted in accordance with the CPI to 5.2 cents per litre on 1 February 2001, has been charged 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
- synthetic equivalents of the above products.

For the period 1 January 2001 to 30 June 2001 a total of $11.8 million was collected.

The PSO benefit, however, has a small client base; 34 recyclers are currently registered and claiming benefits. A total of $2.8 million was paid for the period 1 January 2001 to 30 June 2001.

There are 6 categories of product that attract a benefit under the scheme (Table 14.6). The amount of benefit paid on each of these categories depends upon the level of processing and the end product of the recycling activities. The different categories of recycled products attract different benefits.

Table 14.6: Categories and benefit rates for recycled oil products as at May 2001

Category no.	**Category description**	**Benefit rate**
		$/litre
1	Re-refined base oils (for use as a lubricant or a hydraulic transformer oil)[1]	0.50
2	Other re-refined base oils (for example, chain bar oil)	0.10

3	Diesel fuels to which the *Excise Tariff Act 1921* applies	0.07
4	Diesel extenders (filtered, de-watered, and de-mineralised)	0.05
5	High grade industrial burner oils (filtered, de-watered, and de-mineralised)	0.05
6	Low grade industrial burner oils (filtered and de-watered)	0.03

1. 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.

The breakdown of payments according to categories paid in the first 6 months are listed in Table 14.7.

Table 14.7: Benefit payments by category, 1 January 2001 to 30 June 2001

Category no.	**Category description**	**Payments**
		$
1	Re-refined base oils (for use as a lubricant or a hydraulic transformer oil)	No payments
2	Other re-refined base oils	102
3	Diesel fuels	585 538
4	Diesel extenders	73 093
5	High grade industrial burner oils	1 205 793
6	Low grade industrial burner oils	977 349
Total		**2 841 875**

If the recycled oil for which a benefit is claimed attracts an excise liability once it has been recycled, the duty for this oil product must be paid to the Australian Taxation Office.

More information

More information on fuel rebates and grants schemes can be obtained from the Diesel Fuel Infoline on 1300 657 162.

Detailed table

To view the diesel fuel rebate scheme detailed statistical table click here.

Industry benchmarks

Industry benchmarks

In recent years, the ATO has worked in conjunction with community groups, industry representatives and tax practitioners, on a range of activities aimed at maintaining the integrity of the tax system, encouraging and improving record keeping practices among businesses and reducing (as much as is possible) compliance costs for business—particularly small businesses. The provision of financial ratios or ‘benchmarks’ is one such initiative.

Financial ratio data related to gross profit, net profit and wages to turnover are useful indicators of business activity and performance for tax practitioners, the business community and the ATO. They are widely used in external publications and can be consistently calculated from income tax return form data.

Ratios calculated

Gross profit ratio: is calculated as total business income minus cost of sales, divided by total business income.

Net profit ratio: is calculated as total business income minus total expenses, divided by total business income.

Wages to turnover ratio: is calculated as salary and wages paid divided by total business income.

The purpose of benchmarks

Benchmarks help tax advisers to identify industry averages and therefore, those businesses that vary significantly from these averages. Tax advisers can then use this information to determine the reasons for any variance and to 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 benchmark data to compare the performance of their business with industry averages.

For example, a low gross profit ratio may indicate to a business owner that:

- their job quotes or prices are lower than their competitors
- they are paying too much for their stock purchases
- there is wastage of materials due to an over estimation of requirements to complete jobs
- they do not have enough sales in higher profit margin lines (poor sales mix)
- improvements in the way products are displayed or merchandised need to be considered
- their stock level is too high (it may be better to buy stock as it is needed to improve the cashflow of the business).

A low net profit ratio may indicate that some operating expenses are high in comparison 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 to the business of motor vehicles
- the cost of other major overheads.

For a business owner, a high wages to turnover ratio 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 are producing income
- the time taken to complete jobs
- the pay rates of employees.

The business community may also use these ratios when evaluating job tenders. The gross profit and net profit ratios of a business compared to the industry average may be one factor that is taken into account in deciding whether a particular tender is successful.

For the ATO, providing access to benchmark information is part of a commitment to being more open and current in its operations and forms part of its industry-based project approach to compliance. In providing benchmarks for businesses, the ATO aims to have a more direct impact on taxpayer behaviour *before* tax returns are prepared and lodged. Feedback from tax professionals indicates that the use of benchmarks in the preparation of tax returns is increasing.

Once tax returns are lodged, the ATO uses benchmarks—together with a range of other information—to identify any compliance issues and clients that may require further assistance or monitoring. The wages to turnover ratio, in particular, provides a relevant measure in those industries where cash wages are common. The ATO may also use benchmarks to make comparisons between taxpayers and may seek further information from clients whose ratios vary substantially from their industry averages.

There will be a range of legitimate reasons why businesses vary from industry averages. Similarly, businesses whose ratios are close to the industry average may, for various reasons, have compliance problems or other financial difficulties. Therefore, it is important to recognise that the ratios developed are not definitive benchmarks and that they should not be used in isolation. Benchmarks are most useful as a guide when considered over a period of time or in conjunction with other information. For example, when considering the viability of a business, other factors such as the age of the business and its performance over a number of years need to be taken into account.

In previous years the ATO's benchmark initiative was directed, primarily, towards a relatively small number of high volume 'cash' industries. However, in order to maximise the number of taxpayers, businesses and tax advisers able to benefit from this information, the ATO has published financial ratio benchmark data for all industries. This information is provided on the CD.

Calculating ratios

Exclusion criteria: when analysing a large population there are cases, which, if included, would produce misleading results. For example, there will be cases where income tax return form labels have either not been filled in or not completed correctly, or where the ratios for an individual entity are exceptional and would distort the calculation of a true industry average. In an attempt to remove these cases from the calculation of the ratios and thereby improve the quality of the end product, certain exclusion criteria have been developed and applied. Read exclusion criteria.

Ratio calculations: ratios were calculated for each taxpayer in the population and then, using these figures, 2 sets of average ratio values were determined for each of the sub-groups. The first set includes both profit making and loss making entities. It acknowledges there are many taxpayers who return losses and provides a benchmark figure for the entire industry population. The second set of ratios excludes those businesses that return a loss and so provides an industry average for 'profitable' businesses. There will be circumstances where one particular benchmark will be more useful than the other will. However, in many situations reference to both sets of ratios will be beneficial.

Industry: income tax returns only allow for one industry code to be shown, representing the main business activity of the entity. For entities involved in more than one business, it is not possible to separately identify the amount of income and expenses that can be directly attributed to the major business activity.

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. The cost of sales amount is therefore overstated in these cases.

Salary and wage expenses: the total salary and wages expenses label is not used in the calculation of taxable income. It is a non-compulsory information label and is therefore more likely to contain errors.

Population size variations: when using a particular ratio it is important to note the size of the population, as an average ratio calculated using a large population will generally be more reliable than one calculated from a small population. For each entity type and industry, average ratios have been calculated by State, by total business income range and by business status.

Ratios

The data shows that the net profit ratios of companies and trusts are generally lower than those of partnerships and individuals. The main reason for this is that the salary and wages income returned to the owners of a company or working beneficiaries of a trust is generally a business expense for the company or trust. However, in a partnership, the income returned to the partners comes in the form of a distribution of net income after business expenses are deducted. A similar situation occurs for individuals. The wages to turnover ratios for individuals and partnerships are lower than for companies and trusts for the same reason.

The future

The New Tax System introduced on 1 July 2000 provides a range of measures aimed at improving compliance. Business Activity Statements, for example, provide a source of up-to-date trading information. An ATO project currently underway uses BAS data to calculate the performance of businesses against 8 separate financial ratios in order to establish industry level benchmarks (or norms). Businesses whose performance against those ratios suggests they may be operating outside their industry norms, are identified for closer analysis and, if necessary, for follow-up.

BAS data provides the ATO with the opportunity to identify and deal with issues likely to have a negative impact on revenue as they emerge, rather than after they become ingrained business practice. Details of the financial ratios derived from BAS data may be published in future editions—subject to satisfactory completion and evaluation of the project.

Detailed tables

To view the industry benchmark detailed statistical tables and exclusion criteria click here.

Detailed statistical tables

Detailed statistical tables for most chapters are available in the following 3 formats:

- Adobe Acrobat–**PDF** (recommended for printing of tables)
- MS EXCEL spreadsheet–**XLS** (recommended for manipulation of table data)
- Comma Separated Version–**CSV** (recommended for users without EXCEL).

Definitions and descriptions of most detailed table items are available in the Glossary.

Click on the links below to view / download the detailed statistical tables.

Personal tax	Company tax
Fund tax	Partnerships
Trusts	Capital gains tax
Fringe Benefits Tax	Excise
Diesel fuel and rebate scheme	Industry benchmarks

Personal tax detailed tables

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Click on the links below to download the table in your preferred format

Table 1:	**Selected items by sex and State of residence**	PDF	XLS	CSV
Table 2:	**Selected items by region and State**	PDF	XLS	CSV
Table 3:	**Selected items by State and postcode**			
	Part A—NSW	PDF	XLS	CSV
	Part B—VIC	PDF	XLS	CSV
	Part C—QLD	PDF	XLS	CSV
	Part D—SA	PDF	XLS	CSV
	Part E—WA	PDF	XLS	CSV
	Part F—TAS	PDF	XLS	CSV
	Part G—NT	PDF	XLS	CSV
	Part H—ACT, not stated and overseas and Total Australia	PDF	XLS	CSV
Table 4:	**Selected items by fine industry**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
	Part E	PDF	XLS	CSV
Table 5:	**All items by grade of taxable income**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV

	Part D	PDF	XLS	CSV
	Part E	PDF	XLS	CSV
Table 6:	**All items by grade of total income**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
	Part E	PDF	XLS	CSV
Table 7:	**Selected items for income years 1993–94 to 1999–2000**	PDF	XLS	CSV
Table 8:	**Non-resident individuals: selected items by grade of taxable income**	PDF	XLS	CSV
Table 9:	**Five percentile distribution by taxable income**	PDF	XLS	CSV
Table 10:	**Trustee assessments: selected items by grade of taxable income**	PDF	XLS	CSV
Table 11:	**All items by grade of total business income**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
	Part E	PDF	XLS	CSV
Table 12:	**Selected items by age, sex, taxable status and grade of taxable income**	PDF	XLS	CSV
Table 13:	**Selected items by sex, marital status, State and grade of taxable income**	PDF	XLS	CSV
Table 14:	**Number of personal taxpayers by broad industry, region and State**	PDF	XLS	CSV
Table 15:	**Other selected items by broad industry**	PDF	XLS	CSV

Company tax detailed tables

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Table 1:	**Selected items by grade of net tax and company type**	PDF	XLS	CSV
Table 2:	**All items by grade of taxable income, taxable status, residential status and company type**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
	Part E	PDF	XLS	CSV
Table 3:	**All items by grade of total income, taxable status, residential status and company type**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
	Part E	PDF	XLS	CSV
Table 4:	**All items by fine industry**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
	Part E	PDF	XLS	CSV
Table 5:	**Selected items by broad industry and grade of total income**	PDF	XLS	CSV

Table 6:	**Number of companies by broad industry, State/region and company type**	PDF	XLS	CSV
Table 7:	**Selected items for income years 1993–94 to 1999–2000**	PDF	XLS	CSV
Table 8:	**Income tax paid by balance date**	PDF	XLS	CSV
Table 9:	**Financial ratios for medium to large companies by broad industry**	PDF	XLS	CSV

Partnerships detailed tables

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Table 1:	**All items by grade of net Australian income**			
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	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
Table 2:	**All items by fine industry**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
Table 3:	**Total business income by broad industry and State**	PDF	XLS	CSV
Table 4:	**Selected items for income years 1993–94 to 1999–2000**	PDF	XLS	CSV

Trusts detailed tables

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Table 1:	**All items by grade of net Australian income**			
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	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
Table 2:	**All items by fine industry**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
Table 3:	**Total business income by broad industry and State**	PDF	XLS	CSV
Table 4:	**Selected items for income years 1993–94 to 1999–2000**	PDF	XLS	CSV

Fund tax detailed tables

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Table 1:	**Selected items by type of fund and grade of net tax**	PDF	XLS	CSV
Table 2:	**All items by type of fund and membership industry**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
Table 3:	**All items by grade of total income**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
Table 4:	**All items by grade of taxable income**			
	Part A	PDF	XLS	CSV
	Part B	PDF	XLS	CSV
	Part C	PDF	XLS	CSV
	Part D	PDF	XLS	CSV
Table 5:	**Net tax by balance date**	PDF	XLS	CSV
Table 6:	**Selected items: 1993–94 to 1999–2000**	PDF	XLS	CSV

Capital gains tax detailed tables

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Table 1:	**Capital gains subjects to tax: income years 1993–94 to 1999–2000**	PDF	XLS	CSV
Table 2:	**Capital gains subject to tax: by entity and grade of taxable income**	PDF	XLS	CSV

Fringe Benefits tax detailed tables

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Table 1:	**FBT payers by grade of net tax**	PDF	XLS	CSV
Table 2:	**FBT payable and FBT rebate by broad industry**	PDF	XLS	CSV
Table 3:	**Number of FBT payers by type of benefit and broad industry**	PDF	XLS	CSV
Table 4:	**Employee contributions by entity, type of benefit and broad industry**	PDF	XLS	CSV

Excise detailed table

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Table 1:	**Excise collections: 1996–97 to 2000–01**	PDF	XLS	CSV

Diesel fuel and rebate scheme detailed table

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Table 1:	**Quantity and value of claims paid by industry: 1996–97 to 2000–01**	PDF	XLS	CSV

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Table 1	**Industry by entity and business status**	PDF	XLS	CSV
Table 2	**Industry by entity and State**	PDF	XLS	CSV
Table 3	**Industry by entity and grade of total business income**	PDF	XLS	CSV
Table 4	**Ratios and exclusion criteria**	PDF	XLS	CSV

Glossary

The glossary contains general definitions and descriptions of the tax return fields found in the Individuals, Companies, Partnerships, Trusts, FBT, IAS and BAS forms. It also provides general descriptions of items/statistics found in the tables of this publication and how some of the items have been calculated.

Note: the glossary does not provide the full, legal definitions of terms.

To link to the glossary click here.

Appendix: Tax return forms and activity statements

Statistics reported and discussed in this publication are sourced mainly from annual return forms and activity statements. PDF copies of all return forms and activity statements can be viewed via the links below.

Individual (personal taxpayer) 1999–2000

Company 1999–2000

Partnership 1999–2000

Trust 1999–2000

Fund 1999–2000

Fringe Benefits Tax 2000–01

Business Activity Statement 2000–01 Sample A

Business Activity Statement 2000–01 Sample B

Instalment Activity Statement 2000–01

Feedback about Taxation Statistics 1999–2000

We are currently reviewing this publication in order to improve its contents, level of usage, accessibility and overall presentation. We would appreciate you completing and submitting the following questionnaire. Your suggestions and comments will help shape the next edition.

Click here to view / download the Taxation Statistics 1999–2000 questionnaire