## GENERAL

# TAXATION STATISTICS 2008-04 

## A summary of tax returns for the 2003-04 income year and collections for the 2004-05 financial year

## ©

# TAXATION STATISTICS <br> 2003-04 

A summary of tax returns for the 2003-04 income year and collections for the 2004-05 financial year

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## PREFACE

Welcome to the latest edition of Taxation Statistics - the Tax Office's most comprehensive statistical publication.

Taxation Statistics 2003-04: A summary of tax returns for the 2003-04 income year and collections for the 2004-05 financial year presents an overview of the income and tax status of Australian individuals, companies, partnerships, trusts and funds for the 2003-04 income year. The publication also contains statistics for capital gains tax (CGT) for 2003-04 income year and statistics for superannuation, fringe benefits tax (FBT), pay as you go withholding (PAYG), goods and services tax (GST), excise, and energy grant schemes for 2004-05 financial year.
To ensure coverage of a large proportion of tax returns, statistics in relation to the 2003-04 income year are sourced from returns processed by 31 October 2005. The subsequent web release of Taxation Statistics 2003-04 in April 2006 follows extensive analysis and quality assurance of our data. As part of compilation, we remove identifying information to ensure taxpayers' privacy is protected. While the Tax Office takes all care in compiling the statistics, the complexity of material means that errors may occur. As a consequence, we recommend use of the online version, which is updated to address issues as they are identified.

The first chapter of this publication presents a description of the different taxes and collection systems, information on sources of the statistics and instructions on how to find the information you need in the book, CD-ROM or website versions of the publication. The second chapter presents a summary of the tax statistics reported in this edition. The remaining chapters present statistics and background information (for example, tax reforms that could have influenced the statistics) on specific taxes, collection systems, and energy grant schemes for the 2003-04 income year and/or 2004-05 financial year - current at the time of publication. Some chapters also present time series tables showing statistics in earlier income or financial years.
It is important to note the statistics reported in Taxation Statistics 2003-04 are a snapshot of the taxation system as it was for the years shown, and do not include the impact of policy changes that came into effect in later income years.

Once again, the CD-ROM attached to this publication contains the publication and detailed statistical tables. These statistical tables include industry benchmark statistics on selected groups of business activities listed in the Tax Office publication, Business industry codes 2004. All detailed statistical tables can be downloaded in three different file formats - PDF, Excel and CSV.
A glossary that defines the items reported in the detailed tables is included on the CD-ROM.
The publication and CD-ROM are free. All the contents included in this book and on the CD-ROM are also available online from our website at www.ato.gov.au
This publication helps us inform the community of what taxpayers have been reporting to the Tax Office. It is a valuable resource, particularly for academics and researchers. Importantly it reflects an open and accountable tax administration, and provides another means for us to be accountable to taxpayers and the community.

## Michael D'Áranzo

 Michael D’AscenzoCommissioner of Taxation


## GENERAL NOTES

The following symbol used in this publication means:
n.a. not applicable or not available

Data for Taxation Statistics 2003-04 was compiled before all processing for the 2003-04 income year was completed. Statistics in some chapters are sourced from 2004 annual income tax returns and associated schedules (such as the capital gains tax schedule 2004) processed by 31 October 2005. The statistics in these chapters are not necessarily complete and will continue to change as data from 2004 tax returns and schedules processed after 31 October 2005 is included. Caution should be exercised in making comparisons between the statistics for the 2003-04 and prior income years. Better comparisons will be possible when Taxation Statistics 2004-05 is published. In that edition, the 2003-04 income year statistics will include data from returns and amendments processed up to 31 October 2006.

Where figures have been rounded, discrepancies may occur between the sums of the component items and totals. Average amounts, percentage changes and proportions are calculated from actual (not rounded) figures.
In order to meet privacy regulations, the following measures have been applied.

- Some cells in some tables have been aggregated. In such cases, the total number of records (number indicator showing the number of returns or taxpayers) and the total amounts have not been affected.
- In the detailed tables, number indicators may have been rounded to the nearest multiple of 5 . Hence, totals may differ from the sum of their components.
- Amount totals are the sum of the indicated cell values in a table. Amounts and totals may vary between tables.
- Statistics for some items may not be included in some tables.

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

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

## ENQUIRIES ABOUT THESE STATISTICS

A document titled Taxation Statistics - frequently asked questions is available at www.ato.gov.au where it will be regularly updated. We recommend that you read this document before sending your enquiries.

Please send any enquiries not answered in the document to taxstats@ato.gov.au
Alternatively, send enquiries to:

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

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Australian law requires that people pay taxes and other charges at federal, state or territory, and local government levels to fund a range of programs and community services.
The Australian Taxation Office (Tax Office) is responsible for managing Australia's major revenue systems and collecting a wide variety of taxes through various collection systems. The Tax Office is also responsible for administering several energy grant schemes.

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

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

## TAXES AND COLLECTION SYSTEMS

The Tax Office collects a range of taxes. As a result of changes to the tax system, some of the taxes and collection systems reported in previous editions of this publication were replaced with new tax collection systems on 1 July 2000.
Income tax makes up the greatest component of the federal revenue base.
While some types of income are exempt from tax in Australia and certain categories of people or entities do not have to pay tax, residents of Australia are generally liable for tax on their worldwide income. Non-residents are liable for tax on their income from an Australian source.

In calculating their income tax liability for any year, taxpayers must first calculate their 'assessable income'. This comprises salary and wages, interest payments and other amounts considered to be income for tax purposes, such as some types of net capital gains. The next step is to deduct 'allowable deductions' in order to calculate their 'taxable income'. Taxpayers then apply the tax rates imposed by Parliament to their taxable income to arrive at a gross tax figure. Finally, they subtract the amount of any tax offsets (or rebates) to determine their tax liability.
This basic system can apply to individuals (or personal taxpayers), companies and funds. However, the type of tax offsets that can be claimed, assessable income considered, available deductions, tax rates and the particular return forms used may vary significantly from one type of entity to another.
Income tax statistics of personal (or individual) taxpayers are discussed in chapter 3. Income taxes of companies, partnerships, trusts and funds are discussed in chapters 4, 5, 6 and 7.

The Medicare levy is calculated at $1.5 \%$ of an individual's taxable income, but may vary depending on the taxpayer's circumstances. The levy is used to partially fund Medicare, the scheme that gives Australian residents access to health care. Higher income individuals and families who do not have adequate private hospital cover pay an extra $1 \%$ of their taxable income for the Medicare levy surcharge.
Statistics on the Medicare levy and the Medicare levy surcharge are discussed in chapter 3.
Capital gains tax (CGT) is the tax payable on any net capital gain included with other assessable income on an annual income tax return.
CGT statistics are discussed in chapter 9 .
Fringe benefits tax (FBT) is levied on employers and based on the value of certain non-cash benefits provided to their employees, or to associates of their employees. It complements the income tax system but differs in that the person receiving the benefit does not bear the tax liability.

FBT statistics are discussed in chapter 10.
Pay as you go (PAYG) is a single, integrated system for reporting and paying tax on business and investment income, and withholding amounts. PAYG is divided into:

- PAYG instalments, which replaced provisional tax and the company and superannuation fund instalment system, and
- PAYG withholding, which replaced the pay as you earn system, prescribed payments system, reportable payments system, non-resident withholding and other withholding systems.
PAYG instalments for companies and funds are discussed in chapters 4 and 7 . Statistics for PAYG withholding collections are discussed in chapter 11.

Goods and services tax (GST) is a tax of $10 \%$ on the supply of most goods and services consumed in Australia. This tax replaced wholesale sales tax and some state and territory taxes. The revenue raised from this tax goes directly to the states and territories. The supplier of the goods and services is liable to pay the GST to the Tax Office, even if they do not include the tax in the price charged to the customer.
Statistics on GST collections are discussed in chapter 12.
Other taxes imposed on the supply of goods include wine equalisation tax, which replaced wholesale sales tax on wine and certain other alcoholic beverages, and luxury car tax, which applies to cars with a value exceeding the luxury car tax threshold.
Statistics on wine equalisation tax and luxury car tax collections are also discussed in chapter 12.

Excise is imposed on domestically manufactured petroleum products, cigarettes and tobacco products, beer, spirits and other alcoholic beverages, and certain types of crude oil. The Tax Office assumed responsibility for collecting revenue from excise duty on 4 February 1999.
Statistics on excise collections are discussed in chapter 13.
The Tax Office is responsible for other taxes, including the petroleum resource rent tax. Petroleum resource rent tax statistics are discussed in chapter 4 (the company tax chapter).

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

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

## ENERGY GRANT SCHEMES

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

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

The fuel sales grants scheme was introduced to provide a grant to fuel retailers for the sale of petrol and diesel to consumers in regional and remote areas where fuel prices are generally higher. The scheme was designed so that, combined with the cut in excise rates on petrol and diesel (implemented to offset the effects of GST), the price of fuel in non-metropolitan areas did not need to change relative to metropolitan areas.
The product stewardship for oil program was introduced as part of the Measures for a better environment package announced on 31 May 1999. The scheme was introduced to encourage environmental and economically sustainable re-use of waste oils.

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

## OTHER STATISTICS REPORTED

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

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

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

## TIME COVERAGE OF THE STATISTICS

Statistics reported in the personal tax, company tax, partnership tax, trust tax, fund tax, CGT and industry benchmarks chapters (chapters 3-7, 9 and 15) are based on the income, expenses, deductions and other items taxpayers declared on their annual returns for the 2003-04 income year, and show the tax payable based on the income declared. For most entities, the 2003-04 income year covers the period from 1 July 2003 to 30 June 2004. However, some companies may use a substituted accounting period.
Reasons for using a substituted accounting period may be that a company is owned by a multinational and the holding company wishes to have all members of the corporate group operate under the same financial year. For example, the traditional financial year in the United States follows the calendar year, while the British financial year ends in March. Depending on the accounting period chosen, the activity reported could cover a 12-month period starting as early as 1 January 2003 ('early December' balancers) or finishing as late as 31 December 2004 ('late December' balancers).

Statistics reported in the FBT chapter (chapter 10) are based on items declared on the FBT return for the 2004-05 FBT year, and show the FBT payable based on the items declared. The 2004-05 FBT year refers to the period from 1 April 2004 to 31 March 2005.

Statistics reported in the PAYG withholding, GST and other taxes, and excise chapters (chapters 11-13), as well as the petroleum resource rent tax statistics in the company tax chapter (chapter 4) and the periodical revenue data in the summary chapter (chapter 2), refer to amounts the Tax Office collected (or amounts paid to the Tax Office) during the 2004-05 financial year. These collections may include amounts reported or paid for in relation to years other than the year in which they are received or collected. For example, PAYG withheld amounts reported on June 2004 activity statements relate to the period ending 30 June 2004 (end of the 2003-04 financial year), but amounts may have been received or collected in July or August 2004 (part of the 2004-05 financial year).

The 2004-05 financial year covers the period from 1 July 2004 to 30 June 2005.

Statistics reported in the superannuation chapter (chapter 8) refer to data for the 2004-05 financial year.
Statistics reported in the energy grant schemes chapter (chapter 14) refer to energy grants paid during the 2004-05 financial year.

## SOURCE OF STATISTICS

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

## ANNUAL TAX RETURNS AND SCHEDULES

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

To help individual taxpayers complete their income tax returns and fulfil their tax obligations, the Tax Office distributes TaxPack. The booklet provides taxpayers with instructions on how to fill in their return and informs them of their rights and responsibilities. The booklet contains the return form that individual taxpayers need to complete. However, tax agents use a different return form when completing returns on behalf of individual clients.
An electronic version of TaxPack, e-tax, is also available on the Tax Office website. The number of returns lodged by self-preparer taxpayers using e-tax increased to 953,613 at 3 November 2004. In 1999-2000, the year e-tax was introduced, a total of 113,164 returns were lodged through e-tax.
Company, partnership, trust and fund taxpayers may also lodge their respective income tax returns in paper or electronic form. Instruction booklets are distributed to assist these taxpayers complete their returns. Booklets are reviewed annually to ensure the information is current.
Statistics reported in the personal tax, company tax, partnership tax, trust tax, fund tax, CGT and industry benchmarks chapters (chapters 3-7, 9 and 15) are sourced from 2004 annual income tax returns processed by 31 October 2005. The statistics in these chapters are not necessarily complete and will continue to change as data from 2004 tax returns processed after 31 October 2005 is included. The usual practice each year is to update the statistics for the two years before the current year in the time series tables included at the end of the relevant chapters.

The proportion of tax returns processed by 31 October each year can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2003-04 income year statistics and the statistics from previous years will be possible when Taxation Statistics 2004-05 is published. In that edition, the 2003-04 income year statistics will include data from returns and amendments processed up to 31 October 2006.
Apart from annual income tax returns, personal (or individual), company, partnership, trust and fund taxpayers may have to complete schedules to report or declare items such as capital gains, capital losses, business income and expenses, and other items used to work out taxable income and/or tax payable. Only taxpayers who need to complete certain parts or items on their respective annual income tax returns and whose circumstances require them to complete a schedule have to lodge one. Completed schedules are generally attached to annual income tax returns, but some schedules must be sent to a specified address separately from the tax return.

The Tax Office distributes many different types of instruction booklets to help taxpayers complete their particular schedules. These instruction booklets also list guidelines (or tests) informing taxpayers of the circumstances, conditions or situations when they have to complete a particular schedule.
Some examples of schedules are the business and professional items schedule for personal (or individual) taxpayers, the capital gains tax (CGT) schedule and the losses schedule. Personal taxpayers with personal services income and/or business income and expenses to declare are required to complete a business and professional items schedule and attach it to their individual annual income tax return.

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

Some statistics in the personal tax, company tax, trust tax and CGT chapters were sourced from 2004 business and professional items schedules, 2004 CGT schedules and 2004 losses schedules processed by 31 October 2005. These statistics are not necessarily complete and will continue to change as data from 2004 schedules processed after 31 October 2005 is included.

Certain employers must also lodge an annual FBT return (in addition to reporting FBT instalment obligations on their activity statements) to report tax payable on the value of fringe benefits provided to employees and their associates during the FBT year ( 1 April to 31 March of the following year). Statistics in the FBT chapter (chapter 10) are sourced from 2005 annual FBT returns processed by 31 October 2005. Statistics for past FBT years in the time series table included in the chapter are either sourced from past editions of Taxation Statistics or updated to include data from FBT returns processed by 31 October 2005.

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

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

Statistics reported in the GST and other taxes chapter (chapter 12) are sourced from GST annual returns processed by 30 June 2005 (and from the activity statements and GST annual information report described in the next section).

## ACTIVITY STATEMENTS

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

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

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

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

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

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

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

Statistics reported in the PAYG withholding and GST and other taxes chapters (chapters 11 and 12) are sourced from activity statements processed by 30 June 2004.

## OTHER SOURCES

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

## FINDING STATISTICS AND OTHER INFORMATION IN THIS PUBLICATION

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

- printed/book form
- CD-ROM, and
- online on the website at www.ato.gov.au

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

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

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


## ( MORE INFORMATION

There is more information on general Tax Office administration and revenue collections in the Commissioner of Taxation Annual Report. This report is published in October each year, and can be found in government department, university and other public libraries and on the Tax Office website at

## www.ato.gov.au

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

General tax information can also be obtained by phoning:

- 132860 to obtain a fax on various topics
- 132866 for business enquiries - information on business tax, including lodgment and payment of activity statements; business registration, including the ABN and tax file number; PAYG, GST and FBT obligations; and interest, dividend and royalty withholding tax
- 132861 for personal tax enquiries - general income tax advice for individuals, including issues related to the baby bonus, family tax benefit and TaxPack
- 131020 for superannuation enquiries
- 1300137290 for alcohol excise and wine equalisation tax enquiries
1300137292 for petroleum excise enquiries
1300137295 for tobacco excise enquiries
- 1300657162 for energy grant schemes enquiries information on rebates and grants for use of diesel and alternative fuels, sale of petroleum products and general excise enquiries, or
- other Tax Office contact numbers listed on the Tax Office website or in the White Pages ${ }^{\circledR}$.

In 2003-04 revenue collected by the Tax Office continued to grow strongly. The amount of tax collected from different entities (individuals, companies, partnerships, trusts and funds) and through the different collection systems (goods and services tax (GST), pay as you go (PAYG), wine equalisation tax and luxury car tax) continued to rise (figure 2.1).

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

FIGURE 2.1: PAYG withholding and other sources of revenue ${ }^{1}$, 1995-96 to 2004-05


20,000

| 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-00 | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |

1 Refers to revenue collected in each financial year.
2 The PAYG withholding system was introduced on 1 July 2000 as part of government tax reforms. PAYG withholding revenue collected before 2000-01 is calculated to be the sum of pay as you earn (PAYE) withholding, prescribed payments system, reportable payments system, non-resident interest withholding tax, non-resident dividend withholding tax, non-resident royalty withholding tax, mining withholding tax and tax file number withholding tax collections. For 2000-01, PAYG withholding revenue is the sum of PAYG withholding collections (including tax file number and Australian business number withholding tax collections), mining withholding and non-resident withholding tax collections (which were reported and paid separately from PAYG withholding). For 2001-02, mining withholding tax and non-resident withholding tax collections were included in PAYG withholding collections. All years include Higher Education Contribution Scheme collections. From 2002-03 onwards, PAYG withholding collections include private health insurance, family tax benefit and baby bonus expense items as well.
3 Includes collections of income tax and contributions from superannuation funds, companies, individuals (which includes PAYG instalments and other payments), fringe benefits tax, excise, superannuation surcharge, GST, wine equalisation tax, luxury car tax, sales tax, petroleum resource rent tax and other minor taxes or collections from other systems.

## ANNUAL TAX RETURNS, 2003-04 INCOME YEAR

In 2003-04 approximately 12.9 million taxpayers lodged returns. Personal taxpayers (or individuals) accounted for 85\% of total taxpayers. The shares of other entities are shown in table 2.1.

TABLE 2.1: Number of taxpayers ${ }^{1}$, by type, 2002-03 and 2003-04 income years

| Type of taxpayer | 2002-03 ${ }^{2}$ |  | 2003-04 ${ }^{3}$ |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | No. | \% |
| Individual | 10,663,866 | 85.4 | 10,978,900 | 85.4 |
| Company | 664,164 | 5.3 | 684,009 | 5.3 |
| Partnership | 451,380 | 3.6 | 447,207 | 3.5 |
| Trust | 470,945 | 3.8 | 501,860 | 3.9 |
| Fund | 229,458 | 1.8 | 248,149 | 1.9 |
| Total | 12,479,813 | 100.0 | 12,860,125 | 100.0 |

1 Includes residents and non-residents.
2 The number of taxpayers is based on 2003 annual income tax returns processed by 31 October 2004 for all entities. (The number of taxpayers shown here for the different entities do not match the numbers shown in time series tables 3.20, 4.11, 5.5, 6.5 and 7.7 because the statistics shown in the time series tables for the 2002-03 income year include data sourced from income tax returns processed after 31 October 2004.)
3 The number of taxpayers is based on 2004 annual income tax returns processed by 31 October 2005 for all entities.

## INDUSTRY PROFILE OF ANNUAL TAXPAYERS,

 2003-04 INCOME YEARIn 2003-04, 61\% of total taxpayers (whose industry was stated) were individual salary and wage earners. A further $17 \%$ were investment income recipients, while 5\% were in the property and business services industry (table 2.2).

The industry profile of individual or personal taxpayers (whose industry was stated) showed a similar trend. Approximately $70 \%$ of individual taxpayers were salary and wage earners, a further $18 \%$ were investment income recipients, while 3\% were in the agriculture, forestry and fishing industry.

The main industry groups were quite different among companies, partnerships and trusts. Around $31 \%$ of all companies (whose industry was stated) were in the property and business services industry. A further 19\% were in the finance and insurance industry, while 10\% were in the construction industry.

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

Among trusts (whose industry was stated), $30 \%$ were investment income recipients, 20\% were in the property and business services industry, and 13\% were in the finance and insurance industry.

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

TABLE 2.2: Taxpayers ${ }^{1}$, by entity and industry, 2003-04 income year

| Industry ${ }^{2}$ | Individuals <br> No. | Companies <br> No. | Partnerships <br> No. | Trusts <br> No. | No. |
| :--- | ---: | ---: | ---: | ---: | ---: |

1 Excludes funds.
2 With the exception of the 'Salary and wage earners' and 'Investment income recipients' categories, the industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system. Fine industries included under these broad industry groupings may be found in personal tax detailed table 4, company tax detailed table 4, partnership tax detailed table 5 and trust tax detailed table 5 . There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication Business industry codes 2004 (NAT 1827).
3 Refers to individual taxpayers who reported income only from salary and wages and/or non-business net income or loss of less than $\$ 1,000$ on their return.
4 Refers to personal taxpayers (not classified as 'Salary and wage earners'), partnership or trust taxpayers who reported direct income from investment (for example, rental income, interest and dividends) and did not report income or loss from a business, partnership or trust on their returns. In past editions of Taxation Statistics this category was referred to as 'Property' or 'Property income recipients'.
5 Includes entities that lodged a subsidiary return with income from primary production partnerships and trusts.
6 This industry group includes services such as property operators and developers, real estate, non-financial asset investors, machinery and equipment hiring and leasing, technical, computer, scientific research, legal and accounting, marketing and business management and other business services listed in Business industry codes 2004. This industry group should not be confused with the 'Property' or 'Property income recipients' category that appeared in the tables of past editions of Taxation Statistics.
7 Includes sports.
8 Includes entities that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code, and those that did not state their industry.

## INCOME AND NET TAX PAYABLE FROM ANNUAL RETURNS, 2003-04 INCOME YEAR

In 2003-04 companies accounted for only 5\% of total taxpayers. However, this entity group accounted for $76 \%$ of total income, $25 \%$ of taxable income and $26 \%$ of net tax. Individuals accounted for $85 \%$ of total taxpayers and $21 \%$ of total income, $67 \%$ of taxable income and $71 \%$ of net tax (tables 2.1 and 2.3).

TABLE 2.3: Income, by entity, 2003-04 income year ${ }^{1}$

| Entity | Total income \$m | Taxable income \$m | Net tax \$m |
| :---: | :---: | :---: | :---: |
| Individual ${ }^{2}$ | 414,649 | 394,690 | 95,486 |
| Company ${ }^{3}$ | 1,526,750 | 145,011 | 35,375 |
| Fund | 66,430 | 46,473 | 4,463 |
| Partnership ${ }^{4}$ | 16,724 | n.a. | n.a. |
| Trust ${ }^{4}$ | 76,701 | n.a. | n.a. |
| Total ${ }^{5}$ | 2,007,829 | 586,174 | 135,324 |

1 The number of taxpayers is based on 2004 annual income tax returns processed by 31 October 2005 for all entities.
2 For individuals, total income includes net business income (or loss), distributions from partnerships or trusts, and non-business income such as interest, dividends, salary and wages, and other sources of income.
3 For companies, taxable income refers to the 'Taxable or net income' item found in the 'Calculation statement' section of the company tax return.
4 Profits from partnerships and trusts are distributed to partners and beneficiaries who pay tax on the income. Total income of partnerships or trusts is the sum of net business income or loss, net primary and non-primary distributions, net rents, gross interest, dividends, imputation credits, other Australian income, attributed foreign income and other assessable foreign income.
5 Total income does not include partnership and trust total income because the net income of these entities is distributed to other entities as assessable income.

## PERIODICAL REVENUE COLLECTION, 2004-05 FINANCIAL YEAR

In 2004-05 the Tax Office collected around $\$ 215.0$ billion in total revenue, an increase of $8 \%$ from the previous year (table 2.4). Total revenue collections for the 2004-05 financial year include items listed in table 2.4, less individual refunds.

PAYG withholding collections (\$98.0 billion) remained the main source of revenue in 2004-05, accounting for 46\% of total Tax Office revenue collections (table 2.4 and figure 2.1).

GST collections increased by 6\% compared to the previous year and stood at $\$ 35.1$ billion. The rise in GST collections can be attributed to continued solid household expenditure.

Excise collections in 2004-05 increased by 4\% compared to the previous year. The increase is a result of strong domestic demand for products subject to excise, an increase in crude oil prices, and an increase in excise collected from tobacco products (attributed to a decline in the illicit tobacco trade as a result of compliance enforcement activities).

Collections from wine equalisation tax and luxury car tax declined by $3 \%$ and $11 \%$ respectively.

TABLE 2.4: Revenue collections ${ }^{1}$, 2003-04 to 2004-05 financial years

| Source of revenue | $\mathbf{2 0 0 3 - 0 4 2}$ <br> $\mathbf{\$ m}$ | $\mathbf{2 0 0 4 - 0 5 ^ { 3 }}$ <br> $\mathbf{\$ m}$ |
| :--- | ---: | ---: |
| Gross PAYG witholding ${ }^{4}$ | 90,285 | 98,013 |
| GST | 33,195 | 35,063 |
| Excise | 21,079 | 21,888 |
| Petroleum resource rent tax | 1,168 | 1,459 |
| Wine equalisation tax | 704 | 682 |
| Luxury car tax | 335 | 298 |
| Other $^{5}$ | 64,933 | $\mathbf{7 2 , 5 6 2}$ |
| Individual refunds | $\mathbf{- 1 2 , 9 6 7}$ | $\mathbf{- 1 5 , 1 1 5}$ |
| Total revenue $^{6}$ | $\mathbf{1 9 8 , 7 3 2}$ | $\mathbf{2 1 4 , 8 5 0}$ |

1 The different sources of revenue shown in this table are discussed in chapters 4 and 11-13. Information on other sources of revenue and more historical statistics are available in the Commissioner of Taxation Annual Report 2003-04.
2 Revenue collected during the 2003-04 financial year (cash basis).
3 Revenue collected during the 2004-05 financial year (cash basis).
4 From 2001-02, mining withholding tax and non-resident withholding tax collections were included in PAYG withholding collections (that is, they cannot be identified separately from other PAYG withholding collections). Both years include Higher Education Contribution Scheme collections.
5 Includes other tax collections from individuals, companies and superannuation funds (which include PAYG instalments and other payments), superannuation surcharge collections, fringe benefits tax collections (which include collections from Australian Government on-budget departments and authorities) and sales tax collections (which include an alcohol surcharge). Information on these other sources of revenue is available in the Commissioner of Taxation Annual Report 2003-04.
6 Total amount may differ slightly from the sum of components due to rounding.

## (1) HIGHLIGHTS

- In 2003-04 nearly 11.0 million personal taxpayers (individuals) lodged returns.
- Personal taxpayers had total income of $\$ 414.1$ billion, taxable income of $\$ 394.7$ billion and net tax payable of $\$ 95.5$ billion.
- Personal taxpayers claimed $\$ 22.9$ billion in total deductions, $\$ 11.1$ billion in work-related expenses, and the balance in other deductions.
- In 2003-04 around 7.5 million personal taxpayers were assessed to be entitled to tax offsets and credits totalling $\$ 11.6$ billion.

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

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

## SOURCE OF PERSONAL TAX STATISTICS

The data for Taxation Statistics 2003-04 was compiled before all processing for the 2003-04 income year was completed. Statistics in this chapter are sourced from 2004 individual income tax returns and associated business and professional items schedules processed by 31 October 2005. The statistics are not necessarily complete and will continue to change as data from 2004 tax returns processed after 31 October 2005 is included. The usual practice each year is to update the statistics for the two years before the current year in the personal tax time series table (chapter table 3.20 and personal tax detailed table 7) included at the end of the chapter.
The proportion of tax returns processed by 31 October each year can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2003-04 income year statistics and statistics from previous years will be possible when Taxation Statistics 2004-05 is published. In that edition, the 2003-04 income year statistics will include data from returns and amendments processed up to 31 October 2006.

## BOX 3.1: Individual tax return lodgments

Most individual tax returns are prepared by tax agents and submitted electronically to the Tax Office for processing. For the 2003-04 income year, 74\% (8.1 million) of tax returns were submitted by tax agents.
A copy of the individual tax return form prepared by tax agents is in the appendix.
In 2003-04, 72\% (7.9 million) of tax returns were lodged through the electronic lodgment service. This system allows clients to lodge their tax returns electronically. Other tax forms may be submitted to the Tax Office electronically via the Tax Agent Portal.

In 1999-2000 the Tax Office introduced e-tax (electronic TaxPack) to encourage self-preparer taxpayers to lodge their tax return using the internet. In 1999-2000, 113,164 returns were lodged by self-preparer taxpayers using e-tax. For 2003-04, 1,016,044 million self-preparer taxpayers used e-tax.

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

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

Some statistics in the detailed tables were also sourced from 2004 capital gains tax (CGT) schedules processed by 31 October 2005. They are not necessarily complete and will continue to change as data from 2004 schedules processed after 31 October 2005 is included. In addition, as not all personal taxpayers have to complete this schedule, the personal tax statistics sourced from this schedule do not represent or refer to all personal taxpayers.
A copy of the CGT schedule is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website.

## NEW FEATURES AND INFORMATION

Several tax reforms and laws implemented during the 2003-04 income year affected some of the personal tax statistics reported in this chapter. Some of these reforms and laws are listed below.

■ From 1 July 2003, the Super Co-contribution replaced the superannuation tax offset for personal superannuation contributions.

- A new label, 'Pensioner’ (item T3, label O and T), was introduced on the 2004 individual income tax return and is included in the personal tax detailed tables. A definition of the item is in the personal tax return form guide, which is on the attached CD-ROM and on the Tax Office website.


## PERSONAL TAXPAYERS

In 2003-04 nearly 11.0 million personal (or individual) taxpayers lodged returns - representing 55\% of the total Australian population ( 20.1 million) as of 30 June 2004 (Australian Bureau of Statistics, Australian demographic statistics, June 2004
Cat. No. 3101.0). On average, personal taxpayers have accounted for about 54\% of the total Australian population since 1995-96. Approximately 81\% of individuals lodging a return were taxable, while 80\% of all personal taxpayers had tax instalments deducted from their pay regularly.

Figure 3.1 shows the distribution of total income, taxable income and net tax (or net tax payable) of personal taxpayers, by age. The largest contributors were taxpayers in the 35-44 year age group who accounted for 25\% of the total income taxpayer population, $26 \%$ of the total taxable income and $27 \%$ of the total personal net tax payable.

FIGURE 3.1: Total income, taxable income and net tax, by age group, 2003-04 income year


## PERSONAL TAXPAYER INCOME

In 2003-04 personal taxpayers had total income of $\$ 414.1$ billion (table 3.1), and taxable income of $\$ 394.7$ billion.

In 2003-04 the average taxable income for personal taxpayers (taxable and non-taxable combined) was \$35,950. Men had an average taxable income of $\$ 42,921$, whilst women had an average taxable income of $\$ 28,428$. The disparity in average taxable income between men and women reflects the different employment patterns and participation in the labour force. For the past 11 years, average taxable incomes for both men and women have increased steadily.

Males continue to represent a larger proportion of the total taxpayer population. This reflects a greater level of male participation in the labour force. In June 2004, men aged 15 and older had a $72 \%$ participation rate, whereas women aged 15 and older had a 56\% participation rate (Australian Bureau of Statistics, Labour force, June 2004, Cat. No. 6202.0).

Individuals obtain their income from a wide variety of sources (table 3.1). In 2003-04, 77\% of the total number of personal taxpayers had income from salary and wages (as shown on payment summaries). Income from salary and wages accounted for 74\% of total income.

FIGURE 3.2: Average taxable income ${ }^{1}$, by sex, 1994-95 to 2003-04 income years


1 The average taxable income shown includes taxpayers with zero taxable income or loss amounts.

TABLE 3.1: Source of personal taxpayer income, 2003-04 income year

| Source of income ${ }^{1}$ | Taxpayers |  | Income |
| :---: | :---: | :---: | :---: |
|  | No. | \$m | \% ${ }^{2}$ |
| Salary or wages | 8,435,280 | 305,010 | 73.7 |
| Net partnership \& trust distribution ${ }^{3}$ | 2,082,305 | 27,381 | 6.6 |
| Net business income | 909,323 | 13,654 | 3.3 |
| Gross dividends | 3,079,572 | 11,512 | 2.8 |
| Other pensions/annuities (non-government) | 543,304 | 10,994 | 2.7 |
| Net capital gain | 969,688 | 10,230 | 2.5 |
| Gross interest | 4,002,645 | 7,223 | 1.7 |
| Eligible termination payments - other than excessive component ${ }^{4}$ | 297,199 | 5,208 | 1.3 |
| Allowances, benefits, earnings \& tips | 1,989,319 | 5,136 | 1.2 |
| Primary imputation credits | 3,022,190 | 4,720 | 1.1 |
| Commonwealth of Australia pensions \& allowances | 669,729 | 4,677 | 1.1 |
| Commonwealth of Australia benefits \& payments | 997,931 | 4,659 | 1.1 |
| Lump sum payments - assessable in full (amount A) | 155,324 | 1,426 | 0.3 |
| Net personal services income | 72,163 | 1,088 | 0.3 |
| Other foreign income | 819,070 | 859 | 0.2 |
| Other income category $2^{5}$ | 105,947 | 809 | 0.2 |
| Less total deferred losses | 129,665 | 736 | 0.2 |
| Foreign employment \& pension or annuity income without an undeducted purchase price | 53,558 | 544 | 0.1 |
| Other income category $1^{6}$ | 65,156 | 495 | 0.1 |
| Foreign pension or annuity income with an undeducted purchase price | 54,542 | 392 | 0.1 |
| Attributed personal services income | 6,526 | 154 | 0.0 |
| Eligible termination payments - excessive component ${ }^{4}$ | 544 | 32 | 0.0 |
| Attributed foreign income ${ }^{7}$ | 5,166 | 12 | 0.0 |
| Lump sum payments - 5\% assessable (5\% of amount B) | 18,903 | 10 | 0.0 |
| Life assurance bonuses ${ }^{8}$ | 2,916 | 3 | 0.0 |
| Australian franking credits from a NZ company | 6,497 | 1 | 0.0 |
| Net farm management withdrawals or deposits | 26,911 | -82 | 0.0 |
| Net rent | 1,481,072 | -2,776 | -0.7 |
| Total ${ }^{9}$ | 10,819,176 | 414,114 | 100.0\% |

1 Definitions for the different sources of income are in the personal tax return form guide on the attached CD-ROM
2 A share of $0.0 \%$ indicates a share of less than $0.05 \%$.
3 This is the sum of net partnership and trust distribution from primary production and net partnership and trust distribution from non-primary production.
4 Eligible termination payment (ETP) figures indicate the number of personal taxpayers who declared ETP amounts on their 2004 income tax return and the amounts they declared.
5 'Other income category 2' includes 'Other salary and wages category 2' and 'Other income n.e.i. (not elsewhere included) category 2'
6 'Other income category 1 ' includes 'Other salary and wages category 1 ' and 'Other income n.e.i. (not elsewhere included) category 1 '.
7 The attributed foreign income amount is the sum of controlled foreign company income, transferor trust income, foreign investment fund and foreign life assurance policy income amounts.
8 Bonuses from life insurance companies and friendly societies.
9 Components do not add to total number of taxpayers as taxpayers may declare more than one type of income source. The total income amount shown in this table is the sum of components as shown by the taxpayer on their annual income tax return. It is not necessarily the total income calculated by the Tax Office during assessment.

Tables 3.11 to 3.19 at the end of this chapter report the areas with the 10 highest and lowest average (or mean) taxable incomes in each state and territory of Australia, as well as the areas with the 10 highest and lowest average taxable incomes in Australia, in 2003-04.
For 2003-04 the area with the highest average taxable income was postcode 3944, which is Portsea in Victoria. Second highest was postcode 2027, which includes the suburbs of Darling Point, Edgecliff, HMAS Rushcutters and Point Piper in New South Wales. The area with the third highest average taxable income was postcode 2023, which includes the suburb of Bellevue Hill in New South Wales.

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

## (7) MORE INFORMATION

Detailed tables containing information on personal taxpayer income include:

- Detailed table 1: contains information on personal taxpayer claimed income, by sex and state/territory of residence.
- Detailed table 2, parts A to C: contains selected information on personal taxpayer claimed income, by state/territory of residence and by taxable individuals, non-taxable individuals and all individuals.
- Detailed table 4, part B: contains selected income items claimed by personal taxpayers and other Tax Office calculated items, including 'Other salary and wages category 1' and 'Other salary and wages category 2', by fine industry.
- Detailed table 5, part B: contains all income items claimed by personal taxpayers and other Tax Office calculated items, including 'Other salary and wages category 1 ' and 'Other salary and wages category 2'.


## PERSONAL TAXPAYER DEDUCTIONS

Allowable deductions are subtracted from assessable (or total) income to give taxable income, to which the tax rates are then applied. Deductions are generally categorised as work-related deductions or other deductions. Work-related deductions are directly related to gaining or producing an employee's assessable income. Other deductions include gifts, film industry incentives, and expenses such as the cost of managing tax affairs.
Deductions are common, with 81\% (8.8 million) of the total individual taxpayer population claiming a deduction of some type. These deductions totalled $\$ 22.9$ billion in 2003-04 (table 3.2).
Please refer to the detailed tables index at the end of this chapter for more statistics on deductions.

## TABLE 3.2: Personal taxpayer deductions, 2003-04 income year

| Type of deduction ${ }^{1}$ | Taxpayers | Amount claimed |  |
| :---: | :---: | :---: | :---: |
|  | No. | \$m | \% ${ }^{2}$ |
| Work-related expenses | 6,959,955 | 11,101 | 48.4 |
| Prior year losses ${ }^{3}$ | 109,617 | 2,891 | 12.6 |
| Undeducted purchase price of Australian pension or annuity | 301,571 | 2,130 | 9.3 |
| Non-employer sponsored superannuation | 172,897 | 1,605 | 7.0 |
| Interest \& dividends | 931,745 | 1,743 | 7.6 |
| Cost of managing tax affairs | 5,032,904 | 1,106 | 4.8 |
| Gifts or donations | 3,874,128 | 1,165 | 5.1 |
| Low value pool | 170,882 | 89 | 0.4 |
| Undeducted purchase price of foreign pension or annuity | 47,877 | 46 | 0.2 |
| Film industry incentives | 1,475 | 22 | 0.1 |
| Election expenses | 2,396 | 5 | 0.0 |
| Project pool | 1,090 | 3 | 0.0 |
| Other | 386,222 | 1,030 | 4.5 |
| Total ${ }^{4}$ | 8,721,967 | 22,934 | 100.0 |

[^0]Work-related expenses are the most common type of deduction claimed. In 2003-04 approximately 7.0 million people claimed such deductions. These deductions were valued at $\$ 11.1$ billion, or $48 \%$ of total deductions claimed (table 3.2).

Personal taxpayers can claim more than one work-related expense (table 3.3). Clothing was the most common work-related expense claimed, with 4.7 million taxpayers claiming around $\$ 1.1$ billion worth of clothing (uniform) expenses. However, in value terms, motor vehicle expenses accounted for the largest share (40\%) of total work-related expenses claimed, with the average claim valued at $\$ 1,965$.

TABLE 3.3: Personal taxpayer work-related expenses, 2003-04 income year

| Work-related | Taxpayers <br> expense ${ }^{1}$ | Amount claimed <br> No. | \$m |
| :--- | ---: | ---: | ---: |
| \% |  |  |  |

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

## MORE INFORMATION

Detailed tables containing information on taxpayer deductions include:

- Detailed table 1: contains information on deductions, by sex and state/territory of residence.
- Detailed table 2, parts A to C: contains selected information on deductions, by state/territory of residence and by taxable individuals, non-taxable individuals and all individuals.
- Detailed table 4, part C: contains deductions and tax loss items claimed by taxpayers, including tax losses claimed in earlier years, by fine industry.
- Detailed table 5, part C: contains deductions and tax loss items claimed by taxpayers, including tax losses claimed in earlier years, by taxable income.


## PERSONAL TAXPAYERS WITH NET BUSINESS INCOME

In 2003-04 more than 1.3 million personal taxpayers declared net business income or loss on their return. This income comprised:

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

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

Around 26\% of taxpayers with net business income or loss (whose industry was stated) were in the agriculture, forestry and fishing industry. Some 16\% were in the property and business services industry, while 15\% were in the construction industry.

TABLE 3.4: Personal taxpayers with net business income ${ }^{1}$, by industry, 2003-04 income year

| Industry ${ }^{2}$ | Number of taxpayers with net business income ${ }^{3}$ | Number of taxpayers with net business losses ${ }^{4}$ | Number of taxpayers with net business income or loss ${ }^{5}$ |
| :---: | :---: | :---: | :---: |
| Agriculture, forestry \& fishing ${ }^{6}$ | 177,131 | 100,475 | 277,606 |
| Mining | 1,027 | 339 | 1,366 |
| Manufacturing | 42,603 | 11,446 | 54,049 |
| Electricity, gas \& water supply | 308 | 77 | 385 |
| Construction | 151,350 | 13,000 | 164,350 |
| Wholesale trade | 10,868 | 5,057 | 15,925 |
| Retail trade | 51,298 | 23,232 | 74,530 |
| Accommodation, cafes \& restaurants | 7,066 | 4,397 | 11,463 |
| Transport \& storage | 45,977 | 5,170 | 51,147 |
| Communication | 13,335 | 1,287 | 14,622 |
| Finance \& insurance | 15,056 | 13,635 | 28,691 |
| Property \& business services | 146,554 | 28,647 | 175,201 |
| Education | 16,046 | 3,110 | 19,156 |
| Health \& community services | 51,670 | 9,097 | 60,767 |
| Cultural \& recreational services | 40,120 | 19,325 | 59,445 |
| Personal \& other services | 53,629 | 14,751 | 68,380 |
| Total industries stated | 824,038 | 253,045 | 1,077,083 |
| Other ${ }^{7}$ | 511,065 | 147,004 | 658,069 |
| Total | 1,335,103 | 400,049 | 1,735,152 |

1 The term 'net business income' in this table and section refers to the sum of net business income primary production, net business income non-primary production, distribution from partnerships primary production, distribution from partnerships non-primary production, distribution from trusts primary production and net farm management withdrawals less deposits.
2 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system. Fine industries included under these broad industry groupings may be found in personal tax detailed table 4. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication Business industry codes 2004 (NAT 1827).
3 Refers to the number of taxpayers who declared net business income of more than than $\$ 0$.
4 Refers to the number of taxpayers who declared net business income of less than $\$ 0$.
5 Refers to the number of taxpayers who declared net business income of more than or less than $\$ 0$.
6 Includes ANZSIC code 99770, Subsidiary Rtn - Income from P\&T (Prim Prod),
7 Includes taxpayers classified under the government, administration and defence code and those who did not state their industry.

## ( MORE INFORMATION

Detailed tables containing information on personal taxpayers with net business income include:

- Detailed table 4, parts B and E: contains personal taxpayer business and professional income items, by fine industry.
- Detailed table 5, parts B and E: contains personal taxpayer business and professional income items, by taxable income.
- Detailed table 11: contains personal taxpayer business items, by broad industry.
- Detailed table 15, part E: contains personal taxpayer business and professional items, by total income.
- Detailed table 16, part E: contains personal taxpayer business and professional items, by total business income.


## PERSONAL TAXPAYER BUSINESS EXPENSES

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

Around 8\% $(884,744)$ of total personal taxpayers claimed business expenses worth $\$ 52.9$ billion (table 3.5). In value terms, cost of sales was the largest business expense and accounted for $42 \%$ of total business expenses for personal taxpayers. Other expenses ( 845,452 claimants) and motor vehicle expenses (619,482 claimants) were the most common business expense items claimed.

Table 3.5 shows a breakdown of business expenses of personal taxpayers by different grades of total business income. In value terms, $70 \%$ of total business expenses were claimed by individuals with total business income of less than $\$ 1$ million. Cost of sales expenses accounted for 29\% of total business expenses of individuals with total business income of less than $\$ 1$ million, $61 \%$ of total business expenses of individuals with total business income of $\$ 1$ million to less than $\$ 2$ million, and $79 \%$ of total business expenses of individuals with total business income of $\$ 2$ million or more.

TABLE 3.5: Personal taxpayer business expenses, by total business income, 2003-04 income year

| Type of expense ${ }^{2}$ |  | Total business income ${ }^{1}$ |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Less than \$1 million | $\$ 1$ million to less than $\$ 2$ million | $\$ 2$ million or more | Total |
| Cost of sales | No. | 228,639 | 3,161 | 2,167 | 233,967 |
|  | \$m | 10,649 | 3,283 | 8,365 | 22,298 |
| Motor vehicle | No. | 615,294 | 2,929 | 1,259 | 619,482 |
|  | \$m | 2,651 | 38 | 19 | 2,708 |
| Depreciation | No. | 540,669 | 3,376 | 1,633 | 545,678 |
|  | \$m | 1,821 | 52 | 46 | 1,919 |
| External labour ${ }^{3}$ | No. | 97,650 | 998 | 441 | 99,089 |
|  | \$m | 1,732 | 173 | 103 | 2,007 |
| Rent | No. | 154,703 | 2,044 | 1,004 | 157,751 |
|  | \$m | 1,538 | 92 | 115 | 1,744 |
| Interest | No. | 203,871 | 3,214 | 1,814 | 208,899 |
|  | \$m | 938 | 93 | 117 | 1,148 |
| Repairs \& maintenance | No. | 270,351 | 2,422 | 1,211 | 273,984 |
|  | \$m | 621 | 28 | 25 | 675 |
| Lease expenses | No. | 45,397 | 828 | 494 | 46,719 |
|  | \$m | 292 | 18 | 20 | 330 |
| Superannuation | No. | 69,762 | 2,117 | 986 | 72,865 |
|  | \$m | 352 | 44 | 37 | 432 |
| Bad debts | No. | 8,047 | 338 | 191 | 8,576 |
|  | \$m | 23 | 8 | 5 | 37 |
| Other expenses | No. | 838,926 | 4,276 | 2,250 | 845,452 |
|  | \$m | 16,233 | 1,600 | 1,773 | 19,606 |
| Total ${ }^{4}$ | No. | 877,875 | 4,472 | 2,397 | 884,744 |
|  | \$m | 36,849 | 5,430 | 10,624 | 52,903 |
| 1 'Total business income' here refers to the total business income in item P8 of the business and professional items schedule. <br> 2 Definitions for the different types of business expenses are in the personal tax return form guide on the attached CD-ROM. <br> 3 Also referred to as 'Contractor, subcontractor and commission expenses'. <br> 4 Components do not add to total number of taxpayers claiming business expenses as taxpayers may claim more than one type of business expense. Total amounts claimed may differ slightly from the sum of components due to rounding. |  |  |  |  |  |

## (7) MORE INFORMATION

Detailed tables containing information on personal taxpayers with net business expenses include:

- Detailed table 4, parts B and E: contains personal taxpayer business and professional income items, by fine industry.
- Detailed table 5, parts B and E: contains personal taxpayer business and professional income items, by taxable income.
- Detailed table 11: contains personal taxpayer business items, by broad industry.
- Detailed table 15, part E: contains personal taxpayer business and professional items, by total income.
- Detailed table 16, part E: contains personal taxpayer business and professional items, by total business income.


## PERSONAL TAXPAYER TAX OFFSETS AND CREDITS

The purpose of tax offsets is to provide tax relief for certain personal taxpayers, for example, low income earners or pensioners. Tax offsets reduce the amount of tax payable on taxable income. Credits are for tax already paid by the taxpayer or by a trustee on behalf of the taxpayer.

In general, tax offsets can reduce the amount of tax owing only to $\$ 0$. An exception to this rule is the $30 \%$ private health insurance rebate, which is refundable if the taxpayer chooses to claim it through their tax return. Before 1 July 2000, if the imputation credits an individual was entitled to exceeded the individual's tax liability in an income year, they could not get a refund of that excess. From 1 July 2000, individuals who receive dividends from Australian shares or distributions from Australian managed funds can claim this difference back in full as a tax refund. This is known as the 'refund of excess franking credits'.
The tax liability of the majority of taxpayers is affected by tax offsets. In 2003-04 around 7.5 million people were assessed to be entitled to tax offsets and credits totalling $\$ 11.6$ billion.
Table 3.6 shows a selected list of the tax offsets and credits taxpayers can claim or be entitled to receive. Tax offsets are divided into two major groups: tax offsets personal taxpayers claim and declare on their annual income tax returns and tax offsets the Tax Office calculates on behalf of taxpayers. In general, the Tax Office calculates these tax offsets based on information personal taxpayers declare on their returns.
To be eligible to claim or receive the tax offsets listed in table 3.6, taxpayers must satisfy certain conditions. For example, to qualify for the zone or overseas forces tax offset, taxpayers must have lived in a remote or isolated area of Australia or served overseas as a member of Australia's Defence Force or a United Nations armed force. Eligibility for other tax offsets, such as the low income tax offset or the senior Australians tax offset, depends on the taxable income of taxpayers (see box 3.2) and other factors. (Eligibility rules for the tax offsets listed in table 3.6 are discussed further in the personal tax return form guide of this publication and in the TaxPack 2004, TaxPack 2004 supplement and TaxPack 2004 for retirees booklets.)

## BOX 3.2: Tax offsets based on taxable income ${ }^{1}$

It is important to remember that tax offsets such as the low income tax offset and senior Australians tax offset are based on the taxable income of individuals and not their total income.
Taxable income is equal to total income less total deductions and tax losses of earlier income years. As shown in tables 3.2 and 3.3, there are numerous separate deduction items (including prior year losses). It is possible for people with high total incomes to claim large deductions, which results in them having low taxable incomes. This, in turn, make them eligible to claim or receive some tax offsets.

1 Aside from taxable income, other factors or conditions are considered to determine if an individual is entitled to receive tax offsets. There is more information on eligibility rules in the TaxPack 2004, TaxPack 2004 supplement and TaxPack 2004 for retirees booklets.

The most common type of tax offset claimed on individual tax returns was the imputation credit (primary imputation credit and partnership and trust share of imputation credit from franked dividends). About 3.4 million personal taxpayers claimed imputation credits worth $\$ 6.2$ billion, accounting for $80 \%$ of total tax offsets claimed on individual tax returns.
Among the selected Tax Office calculated tax offsets reported in table 3.6, the most common type of tax offset personal taxpayers were entitled to was the low income tax offset, with more than 3.5 million personal taxpayers entitled. However, this tax offset represented only 16\% (\$662.0 million) of the total value of selected Tax Office calculated tax offsets.
In 2003-04, 426,635 taxpayers claimed the baby bonus tax offset (table 3.6), which was introduced during the 2001-02 income year. The total value of the tax offset they claimed ( $\$ 247.0$ million) accounted for $6 \%$ of the total value of selected Tax Office calculated tax offsets. Termination payment tax offsets had the highest total value (\$1.6 billion), accounting for $37 \%$ of the total value of selected Tax Office calculated tax offsets.
Foreign tax credits were the most common type of credits among the credits reported in table 3.6. In 2003-04 there were 685,078 personal taxpayers who claimed foreign tax credits worth $\$ 136.0$ million.

TABLE 3.6: Selected tax offsets and credits claimed/Tax Office calculated, 2003-04 income year

| Type of tax offset and credit ${ }^{1}$ | Taxpayers No. | Amounts |  |
| :---: | :---: | :---: | :---: |
|  |  | \$m ${ }^{2}$ | $\%^{3}$ |
| Tax offsets claimed/declared on return |  |  |  |
| - Total franking credits ${ }^{4}$ | 3,376,867 | 6,199 | 77.9 |
| - Superannuation contribution, annuity \& pension | 332,147 | 677 | 8.5 |
| - Spouse | 337,914 | 396 | 5.0 |
| - Zone or overseas forces | 503,197 | 209 | 2.6 |
| - Medical expenses | 481,900 | 272 | 3.4 |
| - 30\% private health insurance rebate | 308,214 | 163 | 2.0 |
| - Parent/parent-in-law/invalid relative | 13,508 | 17 | 0.2 |
| - Superannuation contributions on behalf of spouse | 32,950 | 14 | 0.2 |
| - Landcare \& water tax offset brought forward from previous year | 116 | 0 | 0.0 |
| - Other | 4,056 | 11 | 0.1 |
| - Total ${ }^{5}$ | n.a. | 7,957 | 100.0 |
| Selected tax offsets calculated by the Tax Office |  |  |  |
| - Termination payment | 240,702 | 1,569 | 37.0 |
| - Senior Australians tax offset | 576,299 | 1,050 | 24.8 |
| - Low income | 3,501,968 | 662 | 15.6 |
| - Pension or pensioner | 274,068 | 413 | 9.7 |
| - Averaging | 103,728 | 148 | 3.5 |
| - Commonwealth of Australia benefits \& allowances tax offset ${ }^{6}$ | 322,262 | 148 | 3.5 |
| - Baby bonus ${ }^{7}$ | 426,635 | 247 | 5.8 |
| - Life assurance (insurance) bonus | 2,916 | 3 | 0.1 |
| - Total ${ }^{5}$ | n.a. | 4,240 | 100.0 |
| Selected credits claimed |  |  |  |
| - Foreign tax credits | 685,078 | 136 | 94.1 |
| - Section 100(2) ${ }^{8}$ | 2,852 | 9 | 5.9 |
| - Total ${ }^{5}$ | n.a. | 145 | 100.0 |
| Total tax offsets and credits - Tax Office assessed/allowed ${ }^{9}$ | 7,489,187 | 11,550 |  |
| 1 Definitions for the different types of tax offsets and credits are in the personal tax return form guide on the attached CD-ROM. <br> 2 An amount of $\$ 0$ indicates an amount of less than $\$ 500,000$. <br> 3 A share of $0.0 \%$ indicates a share of less than $0.05 \%$. Percentages calculated from actual (not rounded) figures. |  |  |  |
|  |  |  |  |  |
| 4 Sum of primary franking credit (item 11 , label U on the individual return) and partnership and trust share of franking credit from franked dividends (item 12 , label Q on the individual return). |  |  |  |
| 5 Components do not add to the total number of taxpayers claiming tax offsets or credits as taxpayers may claim more than one type of tax offset or credit. Total amounts claimed may differ slightly from the sum of components due to rounding. |  |  |  |
| 6 Also referred to as 'Beneficiary tax offset'. |  |  |  |
| 7 The number of taxpayers who claimed the baby bonus tax offset reported includes taxpayers who may not have lodged an individual tax return but lodged only the baby bonus claim form. |  |  |  |
| 8 The total share of credits for tax paid by a trustee. |  |  |  |
| 9 The total number here refers to the number of taxpayers assessed by the Tax Office to be entitled to certain tax offsets and credits. The total amount is calculated by the Tax Office during tax return assessment and includes amounts allowed by the Tax Office (which may differ from amounts claimed by taxpayers). The total amount may also include certain types of tax offsets or credits not included in the table (for example, other Tax Office calculated tax offsets) or exclude amounts listed above. Therefore, it will not necessarily agree with the sum of component items in the table |  |  |  |

## MORE INFORMATION:

Detailed tables containing information on personal taxpayer tax offsets and credits include:

- Detailed table 2, parts A, B and C: contains selected tax offsets of all taxable, non-taxable and individual personal taxpayers living in specified regions within different states and territories
Detailed table 4, parts B and D: contains selected personal taxpayer credit items and selected tax offsets, by fine industry.
- Detailed table 5, parts B and D: contains selected personal taxpayer credit items and selected tax offsets, by taxable income.
- Detailed table 15, parts B and D: contains selected personal taxpayer credit items and tax offsets, by total income.
Detailed table 16, parts B and D: contains selected personal taxpayer credit items and tax offsets, by total business income.


## FAMILY TAX BENEFIT

Family tax benefit (FTB) commenced on 1 July 2000. It has two main payment types, FTB Part A and FTB Part B. FTB claimants can either receive their benefit as a fortnightly payment or a lump sum from the Family Assistance Office, or through the tax system from the Tax Office.

TABLE 3.7: Family tax benefit (FTB) claimants, by type, 2003-04 income year

| Type of <br> FTB claim | Taxpayers <br> No. | FTB amount ${ }^{5}$ <br> \$m | Average <br> \$ |
| :--- | ---: | ---: | ---: |
| Entitlement ${ }^{1}$ | 117,203 | 344.6 | 2,940 |
| Reconciliation <br> credit $^{2}$ | 557,099 | 838.0 | 1,504 |
| Reconciliation <br> debit $^{3}$ | 57,634 | 34.0 | 589 |
| Consent debt $^{4}$ | 860 | 0.5 | 594 |

1 This amount represents FTB entitlement claims made through the tax system.
2 This amount represents the top ups (on reconciliation) paid by the Tax Office.
3 This amount is the FTB debt which has been offset by income tax refunds of the taxpayer.
4 This amount is the FTB debt which has been offset by income tax refunds of the taxpayer's spouse.
5 Includes FTB Part A, FTB Part B and the FTB Part A and Part B supplements, where applicable.

## MEDICARE LEVY AND MEDICARE LEVY SURCHARGE

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

Relief from the levy is provided to certain low income earners. A person whose taxable income for 2003-04 was $\$ 15,529$ or less did not have to pay the levy. If the person's income was more than $\$ 15,529$ but less than $\$ 16,789$, they had to pay a levy equal to $20 \%$ of the difference between their income and $\$ 15,529$. If the person's income was $\$ 16,789$ or more, they had to pay a levy equal to $1.5 \%$ of their taxable income.
If a taxpayer received a Commonwealth taxable pension, allowance or payment and they were below the age pension age, they did not have to pay the Medicare levy if their taxable income was $\$ 18,141$ or less. If their taxable income was more than $\$ 18,141$ but less than $\$ 19,612$, they had to pay a levy equal to $20 \%$ of the difference between their income and \$18,141.
If a taxpayer was eligible for the senior Australians tax offset, they did not have to pay the Medicare levy if their taxable income was $\$ 20,500$ or less. If their taxable income was more than \$20,500 but less than $\$ 22,163$, they had to pay a levy equal to $20 \%$ of the difference between their income and \$20,500.

However, the income threshold for Medicare levy relief can vary depending on a person's marital status or number of dependants. For the 2003-04 income year, a taxpayer may have been eligible for a reduced levy based on family income (the combined taxable income of the taxpayer and their spouse) if they:

- had a spouse (married or de facto) on 30 June 2004
- had a spouse who died during 2003-04
- were entitled to a child-housekeeper or housekeeper tax offset or would be entitled if they were not eligible for the family tax benefit, or
- were a sole parent at any time during 2003-04.

If the taxpayer was classified in one of the four categories above, and their family income was less than or equal to the relevant lower income limit in box 3.3, they did not have to pay the levy. If the taxpayer's family income was more than the relevant lower income limit but less than or equal to the relevant upper limit in box 3.3, they paid a reduced levy.

BOX 3.3: Family income thresholds, 2003-04 income year

| Number of dependent <br> children and students <br> during 2003-04 | Lower <br> income limit <br> \$ | Upper <br> income limit <br> \$ |
| :--- | ---: | ---: |
| 0 | 26,205 | 28,329 |
| 1 | 28,611 | 30,930 |
| 2 | 31,017 | 33,531 |
| 3 | 33,423 | 36,132 |
| 4 | 35,829 | 38,734 |

1 For taxpayers with more than four dependent children or students, the lower income limit increases by $\$ 2,406$ for each additional child or student and the upper income limit increases by $\$ 2,601$ for each additional child or student.

BOX 3.4: Family income thresholds for taxpayers who are eligible for the senior Australians tax offset, 2003-04 income year

| Number of dependent <br> children and students <br> during 2003-04 | Lower <br> income limit <br> \$ | Upper <br> income limit <br> \$ |
| :--- | ---: | ---: |
| 0 | 31,729 | 34,301 |
| 1 | 34,135 | 36,902 |
| 2 | 36,541 | 39,503 |
| 3 | 38,947 | 42,104 |
| 4 | 41,353 | 44,705 |
| For taxpayers with more than four dependent children or students, the lower <br> income limit increases by $\$ 2,406$ for each additional child or student and the <br> upper income limit increases by $\$ 2,601$ for each addditional child or student. |  |  |

Other taxpayers who did not have a spouse or dependant may still have been exempt from paying the Medicare levy if:
■ they were a blind pensioner or they received a sickness allowance from Centrelink

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

In 2003-04, 7.4 million personal taxpayers were liable for the Medicare levy, valued at $\$ 5.3$ billion in total. Of the total number of taxpayers liable for the Medicare levy, 56\% were male and $44 \%$ were female. Male taxpayers accounted for $63 \%$ of the total levy, while female taxpayers were liable for $37 \%$ of the total levy. On average, male taxpayers were liable for a Medicare levy of $\$ 798$, while female taxpayers were liable for a Medicare levy of $\$ 600$ (table 3.8).

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

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

In 2003-04, 282,675 personal taxpayers were liable to pay the Medicare levy surcharge, valued at around $\$ 173.0$ million in total (an average of $\$ 614$ per person). Of the total number of taxpayers liable to pay the Medicare levy surcharge, 64\% were male and $36 \%$ were female. Male taxpayers were liable for $69 \%$ of the total surcharge while female taxpayers accounted for $31 \%$ of the total surcharge. On average, male taxpayers were liable for a Medicare levy surcharge of $\$ 662$, while female taxpayers were liable for a Medicare levy surcharge of \$528 (table 3.8).

TABLE 3.8: Medicare levy and Medicare levy surcharge, by sex, 2003-04 income year

|  | Medicare levy |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Taxpayers |  | Amount |  | Average |
|  | No. | \% | \$m | \% |  |
| Male | 4,174,360 | 56.5 | 3,332 | 63.4 | 798 |
| Female | 3,211,225 | 43.5 | 1,926 | 36.6 | 600 |
| Total ${ }^{1}$ | 7,385,585 | 100.0 | 5,259 | 100.0 | 712 |
|  | Medicare levy surcharge |  |  |  |  |
|  | Taxpayers |  | Amount |  | Average |
|  | No. | \% | \$m | \% | \$ |
| Male | 181,506 | 64.2 | 120 | 69.4 | 662 |
| Female | 101,169 | 35.8 | 53 | 30.6 | 528 |
| Total ${ }^{1}$ | 282,675 | 100.0 | 173 | 100.0 | 614 |

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

## ( $)$ MORE INFORMATION

Detailed tables containing information on Medicare levy and Medicare levy surcharge include:

- Detailed table 2, parts A, B and C: contains the amount of Medicare levy and Medicare levy surcharge of all taxable, non-taxable and individual personal taxpayers living in specified regions within different states and territories.
- Detailed table 3, all parts: contains the amount of Medicare levy and Medicare levy surcharge for taxable individuals, by state/territory and postcode.
- Detailed table 4, part A: contains Tax Office calculated amount of Medicare levy surcharge, by fine industry.
- Detailed table 5 part A: contains Tax Office calculated amount of Medicare levy surcharge, by taxable income.
Detailed table 15, part A: contains Tax Office calculated amount of Medicare levy surcharge, by total income.
- Detailed table 16, part A: contains Tax Office calculated amount of Medicare levy surcharge, by total business income.


## PERSONAL TAXPAYER NET TAX

## BOX 3.5: Calculating net tax for personal taxpayers

Net tax in this chapter refers to the net tax personal taxpayers are liable to pay before the application of any refundable items.
Before the 2000-01 income year, net tax was calculated using the formula:
net tax $=$ [tax on taxable income ${ }^{2}+$ complementary tax ${ }^{3}-$ total tax offsets (or rebates) and credits] ${ }^{4}+$ Medicare levy + Medicare levy surcharge.
(Imputation credits were included in total tax offsets and credits.)
However, from the 2000-01 income year onwards, imputation credits became refundable to taxpayers. They are no longer included in total tax offsets and credits. Thus the net tax payable amount for the 2003-04 income year includes imputation credits. Net tax was calculated using the following formula:
net tax $=$ (tax on taxable income ${ }^{2}+$ complementary tax ${ }^{3}-$ total tax offsets and credits) ${ }^{4}+$ Medicare levy + Medicare levy surcharge.
(Total tax offsets and credits do not include the 30\% private health insurance tax offset, imputation credit, share of imputation credit from franked dividends, the first child tax offset (baby bonus) and the section 100(2) credit.)
Imputation credits and other refunds are deducted after net tax is calculated to give the balance payable or refundable.

1 This box presents only a general description of the above term. It does not provide the full technical or legal definition. Definitions for most items in this box are in the personal tax return form guide included on the attached CD-ROM. More information on how net tax payable and balance payable or refundable are calculated for personal taxpayers is included in the instructions booklet.
2 Taxable income = total income - total deductions - primary production prior year losses - non-primary production prior year losses. Personal income tax rates applied to taxable income are worked out based on a marginal scale (see box 3.6).
3 The amount of tax added to ordinary tax when a primary producer's average income exceeds taxable income.
4 This part of the calculation cannot result in an amount of less than $\$ 0$.

BOX 3.6: Personal income tax rates for residents, 2003-04 income year

| Taxable income range | Tax rate or tax on income range <br> $0 \%$ or $\$ 0$ |
| :--- | :--- |
| $\$ 0-\$ 6,000$ | Nil plus 17 cents for each $\$ 1$ <br> over $\$ 6,000$ |
| $\$ 6,001-\$ 21,600$ | $\$ 2,652$ plus 30 cents for each $\$ 1$ <br> over $\$ 21,600$ |
| $\$ 21,601-\$ 52,000$ | $\$ 11,772$ plus 42 cents for each $\$ 1$ <br> over $\$ 52,000$ |
| $\$ 52,001-\$ 62,500$ | $\$ 16,182$ plus 47 cents for each $\$ 1$ <br> over $\$ 62,500$ |
| $\$ 62,501$ or more |  |

In 2003-04, 8.9 million individuals were liable for $\$ 95.5$ billion in net tax, with an average net tax payable of $\$ 10,788$. The tax-free threshold for 2003-04 was $\$ 6,000$. It is apportioned in accordance with the date during the year a taxpayer ceases full-time education or ceases to be a resident.

## TABLE 3.9: Net tax payable, by taxable income, 2003-04 income year

| Taxable income | Taxpayers $^{1}$ |  | Net tax payable |  |
| :--- | ---: | ---: | ---: | ---: | ---: |
|  | No | $\%$ | $\$ \mathrm{~m}$ | $\%^{2}$ |
| Less than $\$ 6,000$ | 28,709 | 0.3 | 20 | 0.0 |
| $\$ 6,001-\$ 21,600$ | $2,033,253$ | 23.0 | 2,719 | 2.8 |
| $\$ 21,601-\$ 52,000$ | $4,683,489$ | 52.9 | 32,886 | 34.4 |
| $\$ 52,001-\$ 62,500$ | 828,849 | 9.4 | 11,961 | 12.5 |
| $\$ 62,501$ or more | $1,277,010$ | 14.4 | 47,900 | 50.2 |
| Total | $\mathbf{8 , 8 5 1 , 3 1 0}$ | $\mathbf{1 0 0 . 0}$ | $\mathbf{9 5 , 4 8 6}$ | $\mathbf{1 0 0 . 0}$ |

1 Taxpayer population includes only taxable individuals, that is, personal taxpayers with net tax payable of more than $\$ 0$.
2 A share of $0.0 \%$ indicates a share of less than $0.05 \%$.
Senior Australians entitled to the senior Australians tax offset do not have to pay income tax or the Medicare levy unless their income is more than the amounts shown in box 3.7.

BOX 3.7: Income tax and Medicare levy thresholds for senior Australians, 2003-04 income year

Type of senior Australian taxpayer $\begin{array}{r}\text { Income tax } \\ \text { threshold }\end{array}$
Single at any time during the year \$20,500
Had a spouse but either the taxpayer or their spouse lived in a nursing home or they had to live apart due to illness \$19,383
Lived with their spouse for the full year \$16,806

## MORE INFORMATION

Detailed tables containing information on personal taxpayer net tax include:

- Detailed table 1: contains information on the number of taxable, non-taxable, male, female and all personal taxpayers for each state and territory. It also includes the total income, taxable income, net tax payable, average taxable income and average net tax payable.


## HIGHER EDUCATION CONTRIBUTION SCHEME AND STUDENT FINANCIAL SUPPLEMENT SCHEME

The Higher Education Contribution Scheme (HECS) repayment income is a person's taxable income, plus any amount of taxable income that has been reduced by a net rental loss, plus total reportable fringe benefits amounts.
The income thresholds and repayment rates for the 2003-04 income year are listed in box 3.8.

## BOX 3.8: HECS repayment income schedule, 2003-04 income year

HECS repayment income threshold

Repayment rate applied to HECS repayment income \%
Below \$25,348 Nil
\$25,348-\$26,731 3.0
\$26,732-\$28,805 3.5
\$28,806-\$33,414 4.0
\$33,415-\$40,328 4.5
\$40,329-\$42,447 5.0
\$42,448-\$45,628 5.5
\$45,629 and over

For 2003-04, the Tax Office assessed a total of 344,257 personal taxpayers as having a HECS debt payable, with the debt totalling $\$ 655.0$ million. Male taxpayers accounted for 42\% of these taxpayers and were liable for 44\% (\$287.0 million) of the total HECS debt payable. Female taxpayers accounted for $58 \%$ of these taxpayers and were liable for $56 \%$ ( $\$ 368.0$ million) of the total HECS debt payable (table 3.10).

TABLE 3.10: HECS assessment debt and SFSS debt (or SLS assessment debt), by sex, 2003-04 income year

|  | HECS assessment debt |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Taxpayers |  | Amount |  | Average |
|  | No. | \% | \$m | \% |  |
| Male | 145,485 | 42.3 | 287 | 43.9 | 1,976 |
| Female | 198,772 | 57.7 | 368 | 56.1 | 1,850 |
| Total | 344,257 | 100.0 | 655 | 100.0 | 1,903 |
|  | SFSS debt (or SLS assessment debt) |  |  |  |  |
|  | Taxpayers |  | Amount |  | Average |
|  | No. | \% | \$m | \% | \$ |
| Male | 21,630 | 55.2 | 30 | 57.9 | 1,408 |
| Female | 17,583 | 44.8 | 22 | 42.1 | 1,260 |
| Total | 39,213 | 100.0 | 53 | 100.0 | 1,342 |

BOX 3.9: SFSS repayment income schedule, 2003-04 income year

| Taxable repayment income <br> threshold | Repayment rate applied to <br> SFSS repayment income <br> $\%$ |
| :--- | ---: |
| Below $\$ 35,886$ | Nil |
| $\$ 35,886-\$ 40,781$ | 2 |
| $\$ 40,782-\$ 57,095$ | 3 |
| $\$ 57,096$ or more | 4 |

For 2003-04, the Tax Office assessed a total of 39,213 personal taxpayers as having a Student Financial Supplement Scheme (SFSS) debt (or SLS assessment debt) payable, totalling approximately $\$ 53.0$ million. Male taxpayers accounted for $55 \%$ of these taxpayers and were liable for $58 \%$ ( $\$ 30.0$ million) of the total SFSS debt payable. Female taxpayers accounted for $45 \%$ of these taxpayers and were liable for $42 \%$ ( $\$ 22.0$ million) of the total SFSS debt payable (table 3.10).

## ( ) MORE INFORMATION

Detailed tables containing information on HECS and the SFSS include:

- Detailed table 1: contains the HECS assessment debts of all taxable, non-taxable and individual personal taxpayers living in specified regions within different states and territories.
- Detailed table 3, all parts: contains the HECS assessment debts for taxable individuals, by state/ territory and postcode.
- Detailed table 4, part A: contains Tax Office calculated information on the HECS assessment debt, by fine industry.
Detailed table 5, part A: contains Tax Office calculated information on the HECS assessment debt, by taxable income.
Detailed table 15, part A: contains Tax Office calculated information on the HECS assessment debt, by total income.
Detailed table 16, part A: contains Tax Office calculated information on the HECS assessment debt, by total business income.


## POSTCODE TABLES

This section contains tables (tables 3.11 to 3.19 ) showing 10 postcodes with the highest average (mean) taxable income of taxable personal taxpayers, and 10 postcodes with the lowest average (mean) taxable income of taxable personal taxpayers in each state or territory.
Table 3.19 shows the 10 postcodes with the highest average (mean) taxable income of taxable personal taxpayers, and the 10 postcodes with the lowest average (mean) taxable income of taxable personal taxpayers in Australia.

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

TABLE 3.11: Highest and lowest mean income-earning postcodes - New South Wales ${ }^{1}$, 2003-04 income year

| Postcode | Taxables ${ }^{2}$ <br> No. | Taxable income\$'000 | Mean taxable income ${ }^{3}$ | Total imputation credits |  | Net tax\$'000 | Mean net tax ${ }^{4}$ | Net tax ratio <br> \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | No. | \$'000 |  |  |  |
| Top 10 |  |  |  |  |  |  |  |  |
| 2027 | 4,754 | 597,284 | 125,638 | 2,688 | 57,476 | 229,858 | 48,350 | 38.5 |
| 2023 | 5,163 | 593,937 | 115,037 | 2,661 | 52,412 | 225,422 | 43,661 | 38.0 |
| 2088 | 15,664 | 1,709,838 | 109,157 | 8,133 | 86,522 | 640,288 | 40,876 | 37.4 |
| 2030 | 7,708 | 819,085 | 106,264 | 4,183 | 55,221 | 305,810 | 39,674 | 37.3 |
| 2110 | 4,556 | 475,324 | 104,329 | 2,628 | 28,497 | 175,830 | 38,593 | 37.0 |
| 2063 | 3,325 | 344,972 | 103,751 | 1,986 | 21,450 | 127,748 | 38,420 | 37.0 |
| 2025 | 4,284 | 397,695 | 92,833 | 2,115 | 21,260 | 142,182 | 33,189 | 35.8 |
| 2071 | 6,232 | 563,997 | 90,500 | 4,014 | 31,133 | 200,603 | 32,189 | 35.6 |
| 2028 | 2,899 | 256,577 | 88,505 | 1,439 | 15,198 | 90,529 | 31,228 | 35.3 |
| 2061 | 3,210 | 281,253 | 87,618 | 1,296 | 11,903 | 97,977 | 30,522 | 34.8 |
| Bottom 10 |  |  |  |  |  |  |  |  |
| 2462 | 741 | 22,746 | 30,696 | 258 | 140 | 4,328 | 5,841 | 19.0 |
| 2717 | 553 | 16,956 | 30,663 | 201 | 211 | 3,283 | 5,937 | 19.4 |
| 2449 | 598 | 18,284 | 30,575 | 296 | 218 | 3,597 | 6,015 | 19.7 |
| 2359 | 237 | 7,162 | 30,220 | 85 | 28 | 1,239 | 5,228 | 17.3 |
| 2306 | 689 | 20,610 | 29,913 | 71 | 26 | 3,837 | 5,569 | 18.6 |
| 2396 | 279 | 8,151 | 29,215 | 97 | 47 | 1,497 | 5,365 | 18.4 |
| 2735 | 136 | 3,894 | 28,631 | 53 | 20 | 691 | 5,083 | 17.8 |
| 2424 | 120 | 3,387 | 28,227 | 28 | 4 | 593 | 4,945 | 17.5 |
| 2361 | 251 | 6,899 | 27,486 | 90 | 46 | 1,191 | 4,745 | 17.3 |
| 2308 | 72 | 1,696 | 23,559 | 9 | 9 | 331 | 4,598 | 19.5 |
| Total NSW | 2,906,401 | 133,620,180 | 45,974 | 1,021,674 | 2,322,501 | 35,011,479 | 12,046 | 26.2 |

1 For statistics on other postcodes in New South Wales see personal tax detailed table 3, part A: New South Wales.
2 Refers to personal taxpayers with net tax payable of more than \$0.
3 Mean (or average) taxable income in this table refers only to taxable individuals.
4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.
5 Net tax ratio is calculated using the formula: net tax/taxable income.

## Top 10

2027 Darling Point, Edgecliff, HMAS Rushcutters, Point Piper
2023 Bellevue Hill
2088 Mosman
2030 Diamond Bay, Dover Heights, HMAS Watson, Rose Bay North, Vaucluse, Watsons Bay
2110 Hunters Hill, Hunters Hill West, Woolwich
2063 Northbridge
2025 Woollahra
2071 Killara
2028 Double Bay
2061 Kirribilli, Milsons Point

## Bottom 10

2462 Calliope, Coldstream, Diggers Camp, Gilletts Ridge, Lake Hiawatha, Lavadia, Minnie Water, Pillar Valley, Swan Creek, Tucabia, Ulmarra, Wooli
2717 Dareton
2449 Argents Hill, Bowraville, Girralong, Kennaicle Creek, Missabotti, South Arm, Tewinga
2359 Bundarra, Camerons Creek
2306 Windale
2396 Baradine, Barwon, Kenebri
2735 Koraleigh
2424 Caffreys Flat, Charity Creek, Cooplacurripa, Cundle Flat, Knorrit Flat, Mount George, Number One, Rocks Crossing, Tiri, Woodside
2361 Ashford, Atholwood, Bonshaw, Limestone, Pindaroi
2308 Callaghan, Newcastle University

TABLE 3.12: Highest and lowest mean income-earning postcodes - Victoria ${ }^{1}$, 2003-04 income year

| Postcode | Taxables ${ }^{2}$ <br> No. | Taxable income\$’000 | Mean taxable income ${ }^{3}$ | Total imputation credits |  | Net tax\$'000 | Mean net tax ${ }^{4}$ | Net tax ratio ${ }^{5}$ <br> \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | No. | \$'000 |  |  |  |
| Top 10 |  |  |  |  |  |  |  |  |
| 3944 | 263 | 35,371 | 134,490 | 152 | 4,295 | 13,811 | 52,514 | 39.0 |
| 3142 | 8,235 | 943,198 | 114,535 | 4,698 | 79,379 | 354,682 | 43,070 | 37.6 |
| 3186 | 12,295 | 1,088,695 | 88,548 | 6,635 | 56,822 | 383,401 | 31,183 | 35.2 |
| 3126 | 4,429 | 379,517 | 85,689 | 2,497 | 18,293 | 132,610 | 29,941 | 34.9 |
| 3144 | 6,132 | 500,559 | 81,631 | 3,328 | 29,480 | 172,925 | 28,200 | 34.5 |
| 3004 | 3,218 | 261,828 | 81,364 | 1,166 | 15,610 | 91,723 | 28,503 | 35.0 |
| 3002 | 2,450 | 191,550 | 78,184 | 1,094 | 11,050 | 65,066 | 26,557 | 34.0 |
| 3143 | 4,792 | 355,423 | 74,170 | 2,202 | 13,303 | 118,552 | 24,740 | 33.4 |
| 3101 | 12,243 | 878,960 | 71,793 | 6,160 | 35,931 | 289,447 | 23,642 | 32.9 |
| 3206 | 5,811 | 414,164 | 71,272 | 2,529 | 13,584 | 135,801 | 23,370 | 32.8 |
| Bottom 10 |  |  |  |  |  |  |  |  |
| 3580 | 404 | 11,439 | 28,314 | 117 | 44 | 2,038 | 5,045 | 17.8 |
| 3573 | 160 | 4,524 | 28,276 | 89 | 83 | 779 | 4,870 | 17.2 |
| 3920 | 694 | 19,602 | 28,245 | 54 | 15 | 3,608 | 5,199 | 18.4 |
| 3581 | 70 | 1,976 | 28,225 | 25 | 12 | 370 | 5,290 | 18.7 |
| 3529 | 71 | 1,961 | 27,614 | 41 | 25 | 351 | 4,947 | 17.9 |
| 3237 | 76 | 2,093 | 27,541 | 23 | 15 | 381 | 5,018 | 18.2 |
| 3800 | 75 | 2,024 | 26,987 | 12 | 9 | 417 | 5,555 | 20.6 |
| 3469 | 95 | 2,559 | 26,934 | 32 | 22 | 457 | 4,811 | 17.9 |
| 3705 | 129 | 3,465 | 26,859 | 50 | 29 | 615 | 4,770 | 17.8 |
| 3482 | 91 | 2,415 | 26,538 | 44 | 27 | 411 | 4,514 | 17.0 |
| Total VIC | 2,223,572 | 95,204,495 | 42,816 | 686,644 | 1,566,507 | 23,794,704 | 10,701 | 25.0 |
| 1 For statistics on other postcodes in Victoria see personal tax detailed table 3, part B: Victoria. <br> 2 Refers to personal taxpayers with net tax payable of more than $\$ 0$. <br> 3 Mean (or average) taxable income in this table refers only to taxable individuals. <br> 4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals. <br> 5 Net tax ratio is calculated using the formula: net tax/taxable income. |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

## Top 10

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

## Bottom 10

3580 Koondrook
3573 Calivil, Mitiamo, Pine Grove, Pine Grove East, Terrick, Terrick East
3920 Flinders Naval Depot, HMAS Cerberus
3581 Beauchamp, Lake Charm
3529 Kalpienung, Nullawil
3237 Aire Valley, Beech Forest, Ferguson, Gellibrand Lower, Wattle Hill, Weeaproinah, Wyelangta, Yuulong
3800 Monash University
3469 Elmhurst, Glenlofty, Glenlogie, Glenpatrick, Nowhere Creek
3705 Cudgewa
3482 Massey, Morton Plains, Warmur, Watchem, Watchem West

TABLE 3.13: Highest and lowest mean income-earning postcodes - Queensland ${ }^{1}$, 2003-04 income year

| Postcode | Taxables ${ }^{2}$ <br> No. | Taxable income\$’000 | Mean taxable income ${ }^{3}$ | Total imputation credits |  | Net tax\$’000 | Mean net tax ${ }^{4}$ | Net tax ratio ${ }^{5}$\% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | No. | \$'000 |  |  |  |
| Top 10 |  |  |  |  |  |  |  |  |
| 4007 | 5,237 | 377,191 | 72,024 | 2,215 | 19,430 | 125,635 | 23,990 | 33.3 |
| 4709 | 670 | 47,877 | 71,458 | 183 | 92 | 15,453 | 23,064 | 32.3 |
| 4745 | 1,383 | 90,077 | 65,132 | 574 | 505 | 27,991 | 20,240 | 31.1 |
| 4744 | 3,312 | 209,963 | 63,395 | 1,259 | 1,307 | 65,024 | 19,633 | 31.0 |
| 4743 | 456 | 28,887 | 63,348 | 108 | 40 | 8,753 | 19,196 | 30.3 |
| 4069 | 16,433 | 1,002,566 | 61,009 | 7,764 | 29,870 | 306,197 | 18,633 | 30.5 |
| 4746 | 963 | 58,516 | 60,764 | 271 | 129 | 17,558 | 18,232 | 30.0 |
| 4717 | 2,301 | 137,555 | 59,781 | 764 | 807 | 41,190 | 17,901 | 29.9 |
| 4155 | 632 | 37,365 | 59,121 | 285 | 1,378 | 11,579 | 18,321 | 31.0 |
| 4000 | 4,380 | 246,245 | 56,220 | 1,211 | 4,910 | 74,938 | 17,109 | 30.4 |
| Bottom 10 |  |  |  |  |  |  |  |  |
| 4381 | 158 | 4,507 | 28,528 | 40 | 11 | 793 | 5,016 | 17.6 |
| 4613 | 241 | 6,855 | 28,446 | 64 | 97 | 1,242 | 5,154 | 18.1 |
| 4425 | 96 | 2,699 | 28,116 | 46 | 17 | 446 | 4,642 | 16.5 |
| 4488 | 124 | 3,453 | 27,850 | 40 | 125 | 639 | 5,150 | 18.5 |
| 4377 | 227 | 6,273 | 27,633 | 73 | 59 | 1,110 | 4,890 | 17.7 |
| 4365 | 96 | 2,627 | 27,365 | 17 | 10 | 468 | 4,874 | 17.8 |
| 4468 | 127 | 3,417 | 26,905 | 34 | 26 | 596 | 4,695 | 17.5 |
| 4728 | 54 | 1,412 | 26,140 | 9 | 1 | 242 | 4,489 | 17.2 |
| 4732 | 67 | 1,748 | 26,095 | 17 | 4 | 272 | 4,066 | 15.6 |
| 4418 | 55 | 1,410 | 25,633 | 27 | 33 | 216 | 3,931 | 15.3 |
| Total QLD | 1,692,048 | 67,744,012 | 40,037 | 447,424 | 884,104 | 16,151,239 | 9,545 | 23.8 |
| 1 For statistics on other postcodes in Queensland see personal tax detailed table 3, part C: Queensland. <br> 2 Refers to personal taxpayers with net tax payable of more than \$0. <br> 3 Mean (or average) taxable income in this table refers only to taxable individuals. <br> 4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals. <br> 5 Net tax ratio is calculated using the formula: net tax/taxable income. |  |  |  |  |  |  |  |  |

## Top 10

4007 Ascot, Hamilton, Hamilton Central
4709 Tieri
4745 Dysart
4744 Moranbah
4743 Glenden, Suttor
4069 Brookfield, Chapel Hill, Fig Tree Pocket, Kenmore, Kenmore DC, Kenmore East, Kenmore Hills, Pinjarra Hills, Pullenvale, Upper Brookfield
4746 May Downs, Middlemount
4717 Blackwater
4155 Chandler
4000 Brisbane, Brisbane Adelaide Street, Brisbane GPO, Spring Hill

## Bottom 10

4381 Glen Aplin
4613 Abbeywood, Boondooma, Brigooda, Coverty, Kinleymore, Melrose, Okeden, Proston, Speedwell, Stalworth
4425 Bogandilla, Dulacca
4488 Bollon, Nebine
4377 The Summit
4365 Leyburn
4468 Morven
4728 Dunrobin, Garfield, Jericho, Mexico
4732 Muttaburra
4418 Guluguba

TABLE 3.14: Highest and lowest mean income-earning postcodes - South Australia ${ }^{1}$, 2003-04 income year

| Postcode | Taxables ${ }^{2}$ <br> No. | Taxable income\$’000 | Mean taxable income ${ }^{3}$ \$ | Total imputation credits |  | Net tax\$’000 | Mean net tax ${ }^{4}$ | Net tax ratio ${ }^{5}$ \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | No. | \$'000 |  |  |  |
| Top 10 |  |  |  |  |  |  |  |  |
| 5632 | 155 | 10,809 | 69,738 | 118 | 152 | 3,152 | 20,337 | 29.2 |
| 5006 | 3,394 | 226,346 | 66,690 | 1,459 | 15,060 | 72,291 | 21,300 | 31.9 |
| 5061 | 5,456 | 343,702 | 62,995 | 2,489 | 12,788 | 107,294 | 19,665 | 31.2 |
| 5066 | 6,435 | 397,821 | 61,821 | 3,537 | 21,096 | 121,335 | 18,855 | 30.5 |
| 5064 | 5,093 | 313,314 | 61,519 | 2,738 | 15,115 | 95,110 | 18,675 | 30.4 |
| 5081 | 4,543 | 276,699 | 60,907 | 2,245 | 14,793 | 83,820 | 18,450 | 30.3 |
| 5725 | 1,977 | 115,702 | 58,524 | 457 | 447 | 30,948 | 15,654 | 26.7 |
| 5065 | 5,318 | 299,056 | 56,235 | 2,715 | 12,800 | 86,863 | 16,334 | 29.0 |
| 5731 | 342 | 19,054 | 55,715 | 98 | 53 | 4,967 | 14,525 | 26.1 |
| 5062 | 7,686 | 426,374 | 55,474 | 3,615 | 15,763 | 125,213 | 16,291 | 29.4 |
| Bottom 10 |  |  |  |  |  |  |  |  |
| 5303 | 77 | 2,338 | 30,362 | 53 | 43 | 461 | 5,984 | 19.7 |
| 5432 | 78 | 2,324 | 29,795 | 39 | 57 | 413 | 5,300 | 17.8 |
| 5311 | 51 | 1,509 | 29,594 | 18 | 7 | 275 | 5,390 | 18.2 |
| 5655 | 52 | 1,532 | 29,457 | 26 | 15 | 282 | 5,423 | 18.4 |
| 5381 | 151 | 4,437 | 29,387 | 78 | 60 | 844 | 5,588 | 19.0 |
| 5320 | 234 | 6,847 | 29,260 | 41 | 24 | 1,267 | 5,415 | 18.5 |
| 5220 | 218 | 6,370 | 29,219 | 68 | 19 | 1,207 | 5,536 | 18.9 |
| 5732 | 64 | 1,855 | 28,978 | 8 | 2 | 260 | 4,058 | 14.0 |
| 5414 | 91 | 2,612 | 28,705 | 36 | 26 | 488 | 5,362 | 18.7 |
| 5357 | 133 | 3,806 | 28,618 | 28 | 52 | 691 | 5,193 | 18.1 |
| Total SA | 679,156 | 26,924,496 | 39,644 | 198,944 | 387,430 | 6,320,629 | 9,307 | 23.5 |

1 For statistics on other postcodes in South Australia see personal tax detailed table 3, part D: South Australia
2 Refers to personal taxpayers with net tax payable of more than \$0.
3 Mean (or average) taxable income in this table refers only to taxable individuals.
4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.
5 Net tax ratio is calculated using the formula: net tax/taxable income.

## Top 10

5632 Kapinnie, Yeelanna
5006 North Adelaide, North Adelaide Melbourne St
5061 Hyde Park, Malvern, Unley, Unley BC, Unley DC, Unley Park
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
5725 Olympic Dam, Roxby Downs
5065 Dulwich, Glenside, Linden Park, Toorak Gardens, Tusmore
5731 Coopers Creek, Cordillo Downs, Durham Downs, Innamincka, Leigh Creek, Lyndhurst, Merty Merty, Moolawatana, Witchelina
5062 Brown Hill Creek, Clapham, Hawthorn, Kingswood, Lower Mitcham, Lynton, Mitcham, Mitcham Shopping Centre, Netherby, Springfield, Torrens Park

## Bottom 10

5303 Parilla
5432 Belton, Carrieton, Cradock, Moockra, Yanyarrie
5311 Alawoona, Billiatt, Bugle Hut, Malpas, Meribah, Paruna, Schell Well, Taldra, Woodleigh, Wunkar
5655 Poochera, Pygery
5381 Brady Creek, Emu Downs, Geranium Plains, Hallelujah Hills, Robertstown, Worlds End, Worlds End Creek
5320 Bundey, Morgan, Murbko
5220 Parndana
5732 Copley, Nepabunna
5414 Manoora
5357 Blanchetown, Moorundie, New Well, Notts Well, Paisley, Wigley Flat

TABLE 3.15: Highest and lowest mean income-earning postcodes - Western Australia ${ }^{1}$, 2003-04 income year

| Postcode | Taxables ${ }^{2}$ <br> No. | Taxable income <br> \$'000 | Mean taxable income ${ }^{3}$ \$ | Total imputation credits |  | Net tax\$’000 | Mean net tax ${ }^{4}$ | Net tax ratio ${ }^{5}$\% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | No. | \$'000 |  |  |  |
| Top 10 |  |  |  |  |  |  |  |  |
| 6011 | 4,943 | 420,701 | 85,110 | 2,530 | 23,171 | 147,703 | 29,881 | 35.1 |
| 6009 | 8,702 | 702,607 | 80,741 | 4,644 | 33,936 | 243,307 | 27,960 | 34.6 |
| 6015 | 3,620 | 283,476 | 78,308 | 2,087 | 14,869 | 95,745 | 26,449 | 33.8 |
| 6010 | 7,763 | 563,893 | 72,639 | 3,800 | 27,879 | 186,748 | 24,056 | 33.1 |
| 6716 | 331 | 23,723 | 71,672 | 71 | 42 | 7,509 | 22,686 | 31.7 |
| 6012 | 3,871 | 276,556 | 71,443 | 1,613 | 15,166 | 93,367 | 24,120 | 33.8 |
| 6574 | 54 | 3,561 | 65,943 | 28 | 445 | 1,109 | 20,537 | 31.1 |
| 6159 | 1,466 | 94,479 | 64,447 | 556 | 4,950 | 29,596 | 20,189 | 31.3 |
| 6713 | 722 | 45,850 | 63,505 | 216 | 137 | 13,635 | 18,885 | 29.7 |
| 6343 | 146 | 9,153 | 62,694 | 90 | 110 | 2,204 | 15,096 | 24.1 |
| Bottom 10 |  |  |  |  |  |  |  |  |
| 6290 | 627 | 20,169 | 32,167 | 206 | 382 | 3,985 | 6,355 | 19.8 |
| 6061 | 9,801 | 313,845 | 32,022 | 1,340 | 661 | 62,711 | 6,398 | 20.0 |
| 6326 | 209 | 6,670 | 31,913 | 54 | 60 | 1,378 | 6,596 | 20.7 |
| 6333 | 1,816 | 57,735 | 31,792 | 499 | 832 | 11,519 | 6,343 | 20.0 |
| 6358 | 82 | 2,598 | 31,680 | 43 | 73 | 469 | 5,718 | 18.0 |
| 6372 | 93 | 2,907 | 31,259 | 54 | 124 | 564 | 6,060 | 19.4 |
| 6635 | 59 | 1,807 | 30,626 | 10 | 29 | 311 | 5,268 | 17.2 |
| 6288 | 219 | 6,657 | 30,399 | 84 | 105 | 1,255 | 5,731 | 18.9 |
| 6262 | 271 | 8,211 | 30,300 | 54 | 62 | 1,586 | 5,851 | 19.3 |
| 6620 | 138 | 4,041 | 29,283 | 44 | 86 | 741 | 5,372 | 18.3 |
| Total WA | 888,349 | 37,990,511 | 42,765 | 247,968 | 536,447 | 9,458,035 | 10,647 | 24.9 |

[^1]
## Top 10

6011 Cottesloe, Peppermint Grove
6009 Crawley, Dalkeith, Nedlands, Nedlands DC
6015 City Beach
6010 Claremont, Karrakatta, Mount Claremont, Swanbourne
6716 Fortescue, Hamersley Range, Millstream, Pannawonica
6012 Mosman Park
6574 Bindi Bindi, Gabalong
6159 North Fremantle
6713 Dampier, Dampier Archipelago
6343 Pingrup

## Bottom 10

6290 Augusta, Deepdene, East Augusta, Kudardup, Leeuwin, Molloy Island
6061 Balga, Mirrabooka, Nollamara, Westminster
6326 Narrikup
6333 Bow Bridge, Denmark, Hay, Hazelvale, Kentdale, Kordabup, Mount Lindesay, Mount Romance, Nornalup, Ocean Beach, Parryville, Peaceful Bay, Scotsdale, Shadforth, Tingledale, Trent, William Bay
6358 Karlgarin
6372 Yealering
6635 South Murchison, Yalgoo
6288 Alexandra Bridge, Courtenay, Hamelin Bay, Karridale, Nillup, Scott River, Warner Glen
6262 Boorara Brook, Meerup, Northcliffe, Shannon, Windy Harbour
6620 Perenjori, Rothsay

TABLE 3.16: Highest and lowest mean income-earning postcodes - Tasmania ${ }^{1}$, 2003-04 income year

| Postcode | Taxables ${ }^{2}$ <br> No. | Taxable income\$'000 | Mean taxable income ${ }^{3}$ | Total imputation credits |  | Net tax\$'000 | Mean net tax ${ }^{4}$ | Net tax ratio ${ }^{5}$ <br> \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | No. | \$'000 |  |  |  |
| Top 10 |  |  |  |  |  |  |  |  |
| 7001 | 361 | 20,589 | 57,034 | 133 | 609 | 6,200 | 17,175 | 30.1 |
| 7005 | 6,424 | 351,114 | 54,657 | 2,800 | 13,676 | 102,435 | 15,946 | 29.2 |
| 7174 | 54 | 2,622 | 48,564 | 9 | 90 | 819 | 15,164 | 31.2 |
| 7004 | 3,337 | 160,161 | 47,996 | 996 | 5,165 | 43,306 | 12,977 | 27.0 |
| 7258 | 477 | 22,822 | 47,845 | 165 | 717 | 6,229 | 13,059 | 27.3 |
| 7053 | 1,722 | 78,471 | 45,570 | 657 | 979 | 19,811 | 11,505 | 25.2 |
| 7023 | 137 | 6,139 | 44,807 | 41 | 54 | 1,535 | 11,204 | 25.0 |
| 7007 | 1,427 | 63,402 | 44,430 | 471 | 713 | 15,892 | 11,137 | 25.1 |
| 7470 | 363 | 15,973 | 44,004 | 40 | 17 | 3,963 | 10,918 | 24.8 |
| 7000 | 6,512 | 281,373 | 43,208 | 1,846 | 3,593 | 70,585 | 10,839 | 25.1 |
| Bottom 10 |  |  |  |  |  |  |  |  |
| 7248 | 4,585 | 142,700 | 31,123 | 639 | 474 | 27,854 | 6,075 | 19.5 |
| 7184 | 263 | 8,091 | 30,765 | 21 | 17 | 1,627 | 6,187 | 20.1 |
| 7180 | 57 | 1,742 | 30,555 | 6 | 1 | 333 | 5,840 | 19.1 |
| 7112 | 952 | 28,642 | 30,086 | 138 | 194 | 5,577 | 5,859 | 19.5 |
| 7016 | 754 | 22,475 | 29,808 | 59 | 36 | 4,150 | 5,504 | 18.5 |
| 7019 | 1,477 | 43,809 | 29,661 | 139 | 29 | 8,133 | 5,506 | 18.6 |
| 7178 | 72 | 2,131 | 29,602 | 7 | 12 | 394 | 5,467 | 18.5 |
| 7027 | 88 | 2,558 | 29,065 | 15 | 5 | 490 | 5,564 | 19.1 |
| 7187 | 53 | 1,497 | 28,246 | 13 | 43 | 266 | 5,025 | 17.8 |
| 7186 | 55 | 1,529 | 27,802 | 13 | 6 | 259 | 4,710 | 16.9 |
| Total TAS | 202,473 | 7,611,936 | 37,595 | 46,145 | 80,076 | 1,722,910 | 8,509 | 22.6 |
| 1 For statistics on other postcodes in Tasmania see personal tax detailed table 3, part F: Tasmania. <br> 2 Refers to personal taxpayers with net tax payable of more than $\$ 0$. <br> 3 Mean (or average) taxable income in this table refers only to taxable individuals. <br> 4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals. <br> 5 Net tax ratio is calculated using the formula: net tax/taxable income. |  |  |  |  |  |  |  |  |

## Top 10

7001 Tasman Island
7005 Dynnyrne, Lower Sandy Bay, Sandy Bay, University of Tasmania
7174 Copping
7004 Battery Point, South Hobart
7258 Breadalbane, Relbia, White Hills
7053 Bonnet Hill, Taroona
7023 Opossum Bay
7007 Mount Nelson, Tolmans Hill
7470 Rosebery
7000 Glebe, Hobart, Mount Stuart, North Hobart, Queens Domain, West Hobart

## Bottom 10

7248 Alanvale, Inveresk, Invermay, Mayfield, Mowbray, Mowbray Heights, Newnham, Rocherlea
7184 Nubeena, Stormlea, White Beach
7180 Taranna
7112 Abels Bay, Charlotte Cove, Cygnet, Deep Bay, Eggs and Bacon Bay, Garden Island Creek, Gardners Bay, Nicholls Rivulet, Randalls Bay, Verona Sands
7016 Risdon Vale
7019 Clarendon Vale, Oakdowns, Rokeby
7178 Murdunna
7027 Colebrook
7187 Koonya
7186 Saltwater River, Sloping Main

TABLE 3.17: Highest and lowest mean income-earning postcodes - Northern Territory ${ }^{1}$, 2003-04 income year

| Postcode | Taxables ${ }^{2}$ | Taxable income | Mean taxable income ${ }^{3}$ |  | utation credits | Net tax | Mean net $\operatorname{tax}^{4}$ | Net tax ratio ${ }^{5}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | No. | \$'000 | \$ | No. | \$'000 | \$'000 | \$ | \% |
| Top 10 |  |  |  |  |  |  |  |  |
| 0885 | 424 | 26,332 | 62,103 | 123 | 68 | 7,453 | 17,579 | 28.3 |
| 0880 | 876 | 50,058 | 57,144 | 286 | 393 | 13,227 | 15,099 | 26.4 |
| 0828 | 421 | 20,969 | 49,807 | 93 | 755 | 5,718 | 13,582 | 27.3 |
| 0820 | 8,121 | 401,270 | 49,411 | 2,015 | 5,623 | 103,340 | 12,725 | 25.8 |
| 0886 | 655 | 32,253 | 49,241 | 126 | 113 | 7,792 | 11,896 | 24.2 |
| 0800 | 1,486 | 69,239 | 46,594 | 300 | 673 | 17,518 | 11,789 | 25.3 |
| 0853 | 391 | 17,877 | 45,722 | 85 | 19 | 3,941 | 10,079 | 22.0 |
| 0835 | 2,340 | 101,968 | 43,576 | 542 | 812 | 23,491 | 10,039 | 23.0 |
| 0810 | 12,833 | 553,637 | 43,142 | 2,899 | 4,215 | 129,318 | 10,077 | 23.4 |
| 0832 | 2,284 | 96,644 | 42,313 | 292 | 160 | 21,391 | 9,366 | 22.1 |
| Bottom 10 |  |  |  |  |  |  |  |  |
| 0854 | 159 | 6,224 | 39,143 | 13 | 15 | 1,220 | 7,672 | 19.6 |
| 0860 | 732 | 28,520 | 38,961 | 103 | 93 | 5,405 | 7,383 | 19.0 |
| 0845 | 257 | 9,934 | 38,654 | 38 | 22 | 2,091 | 8,137 | 21.0 |
| 0852 | 686 | 24,847 | 36,220 | 88 | 44 | 4,806 | 7,006 | 19.3 |
| 0838 | 72 | 2,587 | 35,931 | 13 | 9 | 527 | 7,315 | 20.4 |
| 0841 | 69 | 2,460 | 35,648 | 7 | 1 | 429 | 6,210 | 17.4 |
| 0822 | 1,688 | 60,022 | 35,558 | 172 | 135 | 11,088 | 6,569 | 18.5 |
| 0847 | 72 | 2,550 | 35,413 | 12 | 5 | 514 | 7,138 | 20.2 |
| 0862 | 144 | 4,979 | 34,577 | 18 | 55 | 871 | 6,047 | 17.5 |
| 0872 | 2,188 | 71,819 | 32,824 | 217 | 69 | 12,545 | 5,733 | 17.5 |
| Total NT | 79,101 | 3,403,410 | 43,026 | 15,591 | 21,727 | 784,204 | 9,914 | 23.0 |
| 1 For statistics on other postcodes in the Northern Territory see personal tax detailed table 3, part G: Northern Territory. <br> 2 Refers to personal taxpayers with net tax payable of more than $\$ 0$. <br> 3 Mean (or average) taxable income in this table refers only to taxable individuals. <br> 4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals. <br> 5 Net tax ratio is calculated using the formula: net tax/taxable income. |  |  |  |  |  |  |  |  |

## Top 10

0885 Alyangula
0880 Gapuwiyak, Gove, Nhulunbuy, Yirrkala
0828 Berrimah, Knuckey Lagoon
0820 Bagot, Bayview, Charles Darwin, Coonawarra, Cullen Bay, Darwin International Airport, Darwin MC, East Point, Fannie Bay, Larrakeyah, Ludmilla, Parap, RAAF Base Darwin, Stuart Park, The Gardens, The Narrows, Winnellie, Woolner

## 0886 Jabiru

0800 Darwin
0853 Tindal RAAF
0835 Coolalinga, Howard Springs, Virginia
0810 Alawa, Brinkin, Casuarina, Coconut Grove, Jingili, Lee Point, Millner, Moil, Nakara, Nightcliff, Rapid Creek, Tiwi, Wagaman, Wanguri
0832 Bakewell, Bellamack, Gunn, Mitchell, Rosebery, Rosebery Heights

## Bottom 10

0854 Borroloola, King Ash Bay
0860 Tennant Creek
0845 Batchelor
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 0838 Berry Springs
0841 Darwin River
0822 Acacia Hills, Angurugu, Annie River, Bathurst Island, Bees Creek, Border Store, Cox Peninsula, Croker Island, Daly River, Delissaville, Fly Creek, Galiwinku, Goulburn Island, Gunn Point, Hayes Creek, Lake Bennett, Lambells Lagoon, Livingstone, Maningrida, McMinns Lagoon, Middle Point, Milikapiti, Milingimbi, Millwood, Minjilang, Nguiu, Oenpelli, Palumpa, Peppimenarti, Point Stephens, Pularumpi, Ramingining, Southport, Tortilla Flats, Umbakumba, Wadeye, Wagait Beach, Weddell, Woolaning

0847 Pine Creek
0862 Avon Downs, Cresswell Downs, Elliott, Helen Springs, Muckaty Station,
Newcastle Waters, Phillip Creek Station, Renner Springs, Three Ways, Warrego, Wollogorang Station, Wycliffe Well
0872 Aherrenge, Ali Curung, 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

TABLE 3.18: Highest and lowest mean income-earning postcodes - Australian Capital Territory ${ }^{1}$, 2003-04 income year

| Postcode | Taxables ${ }^{2}$ <br> No. | Taxable income\$'000 | Mean taxable income ${ }^{3}$ \$ | Total imputation credits |  | Net tax\$'000 | Mean net tax ${ }^{4}$ | Net tax ratio ${ }^{5}$ \% |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  |  | No. | \$'000 |  |  |  |
| Top 10 |  |  |  |  |  |  |  |  |
| 2603 | 4,785 | 349,785 | 73,100 | 2,546 | 14,644 | 113,992 | 23,823 | 32.6 |
| 2600 | 4,678 | 296,230 | 63,324 | 2,372 | 9,016 | 90,574 | 19,362 | 30.6 |
| 2601 | 1,388 | 80,539 | 58,025 | 649 | 2,513 | 24,267 | 17,484 | 30.1 |
| 2618 | 636 | 36,791 | 57,848 | 342 | 846 | 11,094 | 17,444 | 30.2 |
| 2604 | 4,862 | 276,134 | 56,794 | 1,999 | 3,522 | 79,438 | 16,339 | 28.8 |
| 2605 | 6,336 | 352,069 | 55,566 | 3,363 | 5,976 | 98,604 | 15,562 | 28.0 |
| 2607 | 7,526 | 395,381 | 52,535 | 3,839 | 6,337 | 107,785 | 14,322 | 27.3 |
| 2606 | 4,245 | 214,761 | 50,591 | 1,677 | 3,231 | 57,738 | 13,601 | 26.9 |
| 2612 | 5,640 | 284,032 | 50,360 | 2,225 | 4,639 | 77,139 | 13,677 | 27.2 |
| 2609 | 456 | 22,848 | 50,106 | 140 | 985 | 6,310 | 13,837 | 27.6 |
| Bottom 10 |  |  |  |  |  |  |  |  |
| 2912 | 1,101 | 51,815 | 47,062 | 325 | 290 | 13,142 | 11,936 | 25.4 |
| 2900 | 581 | 26,904 | 46,306 | 207 | 317 | 6,709 | 11,547 | 24.9 |
| 2914 | 2,622 | 121,181 | 46,217 | 765 | 264 | 30,471 | 11,621 | 25.1 |
| 2911 | 103 | 4,728 | 45,905 | 31 | 40 | 1,146 | 11,128 | 24.2 |
| 2902 | 9,026 | 409,695 | 45,391 | 3,513 | 2,407 | 103,140 | 11,427 | 25.2 |
| 2617 | 13,774 | 618,209 | 44,882 | 5,488 | 5,626 | 155,246 | 11,271 | 25.1 |
| 2903 | 5,575 | 249,734 | 44,795 | 2,176 | 1,534 | 62,349 | 11,184 | 25.0 |
| 2906 | 8,407 | 370,346 | 44,052 | 2,455 | 1,426 | 90,766 | 10,796 | 24.5 |
| 2905 | 14,873 | 648,905 | 43,630 | 4,957 | 3,153 | 159,266 | 10,708 | 24.5 |
| 2615 | 21,405 | 911,982 | 42,606 | 7,522 | 4,928 | 218,064 | 10,188 | 23.9 |
| Total ACT | 174,987 | 8,456,638 | 48,327 | 70,719 | 99,339 | 2,215,539 | 12,661 | 26.2 |

1 For statistics on other postcodes in the Australian Capital Territory see personal tax detailed table 3, part H: Australian Capital Territory.
2 Refers to personal taxpayers with net tax payable of more than \$0.
3 Mean (or average) taxable income in this table refers only to taxable individuals.
4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.
5 Net tax ratio is calculated using the formula: net tax/taxable income.

## Top 10

2603 Forrest, Griffith, Manuka, Red Hill
2600 Barton, Canberra, Capital Hill, Deakin, Duntroon, Harman, HMAS Harman, Parkes, Russell, Russell Hill, Yarralumla
2601 Acton, Black Mountain, City
2618 Hall, Wallaroo
2604 Causeway, Kingston, Narrabundah
2605 Curtin, Garran, Hughes
2607 Farrer, Isaacs, Mawson, Pearce, Torrens
2606 Chifley, Lyons, O'Malley, Phillip, Swinger Hill, Woden
2612 Braddon, Campbell, Reid, Turner
2609 Canberra International Airport, Fyshwick, Majura, Pialligo, Symonston

Bottom 10
2912 Gungahlin
2900 Greenway, Tuggeranong
2914 Amaroo, Bonner, Forde, Harrison
2911 Crace, Mitchell
2902 Kambah
2617 Belconnen, Belconnen DC, Bruce, Evatt, Giralang, Kaleen, Lawson, McKellar
2903 Erindale Centre, Oxley, Wanniassa
2906 Banks, Conder, Gordon
2905 Bonython, Calwell, Chisholm, Gilmore, Isabella Plains, Richardson, Theodore
2615 Charnwood, Dunlop, Florey, Flynn, Fraser, Higgins, Holt, Kippax, Kippax Centre, Latham, Macgregor, Melba, Spence

TABLE 3.19: Highest and lowest mean income-earning postcodes - Australia, 2003-04 income year

| Postcode | Taxables ${ }^{1}$ | Taxable income | Mean taxable income ${ }^{2}$ |  | mputation credits | Net tax | Mean net tax ${ }^{3}$ | Net tax ratio ${ }^{4}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | No. | \$'000 | \$ | No. | \$'000 | \$'000 | \$ | \% |
| Top 10 |  |  |  |  |  |  |  |  |
| 3944 | 263 | 35,371 | 134,490 | 152 | 4,295 | 13,811 | 52,514 | 39.0 |
| 2027 | 4,754 | 597,284 | 125,638 | 2,688 | 57,476 | 229,858 | 48,350 | 38.5 |
| 2023 | 5,163 | 593,937 | 115,037 | 2,661 | 52,412 | 225,422 | 43,661 | 38.0 |
| 3142 | 8,235 | 943,198 | 114,535 | 4,698 | 79,379 | 354,682 | 43,070 | 37.6 |
| 2088 | 15,664 | 1,709,838 | 109,157 | 8,133 | 86,522 | 640,288 | 40,876 | 37.4 |
| 2030 | 7,708 | 819,085 | 106,264 | 4,183 | 55,221 | 305,810 | 39,674 | 37.3 |
| 2110 | 4,556 | 475,324 | 104,329 | 2,628 | 28,497 | 175,830 | 38,593 | 37.0 |
| 2063 | 3,325 | 344,972 | 103,751 | 1,986 | 21,450 | 127,748 | 38,420 | 37.0 |
| 2025 | 4,284 | 397,695 | 92,833 | 2,115 | 21,260 | 142,182 | 33,189 | 35.8 |
| 2071 | 6,232 | 563,997 | 90,500 | 4,014 | 31,133 | 200,603 | 32,189 | 35.6 |
| Bottom 10 |  |  |  |  |  |  |  |  |
| 4365 | 96 | 2,627 | 27,365 | 17 | 10 | 468 | 4,874 | 17.8 |
| 3800 | 75 | 2,024 | 26,987 | 12 | 9 | 417 | 5,555 | 20.6 |
| 3469 | 95 | 2,559 | 26,934 | 32 | 22 | 457 | 4,811 | 17.9 |
| 4468 | 127 | 3,417 | 26,905 | 34 | 26 | 596 | 4,695 | 17.5 |
| 3705 | 129 | 3,465 | 26,859 | 50 | 29 | 615 | 4,770 | 17.8 |
| 3482 | 91 | 2,415 | 26,538 | 44 | 27 | 411 | 4,514 | 17.0 |
| 4728 | 54 | 1,412 | 26,140 | 9 | 1 | 242 | 4,489 | 17.2 |
| 4732 | 67 | 1,748 | 26,095 | 17 | 4 | 272 | 4,066 | 15.6 |
| 4418 | 55 | 1,410 | 25,633 | 27 | 33 | 216 | 3,931 | 15.3 |
| 2308 | 72 | 1,696 | 23,559 | 9 | 9 | 331 | 4,598 | 19.5 |
| Total Australia | 8,851,310 | 381,051,374 | 43,050 | 2,735,227 | 5,898,206 | 95,486,235 | 10,788 | 25.1 |
| 1 Refers to personal taxpayers with net tax payable of more than $\$ 0$. <br> 2 Mean (or average) taxable income in this table refers only to taxable individuals. <br> 3 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals. <br> 4 Net tax ratio is calculated using the formula: net tax/taxable income. |  |  |  |  |  |  |  |  |

## Top 10

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

## Bottom 10

4365 Leyburn
3800 Monash University
3469 Elmhurst, Glenlofty, Glenlogie, Glenpatrick, Nowhere Creek
4468 Morven
3705 Cudgewa
3482 Massey, Morton Plains, Warmur, Watchem, Watchem West
4728 Dunrobin, Garfield, Jericho, Mexico
4732 Muttaburra
4418 Guluguba
2308 Callaghan, Newcastle University

## DETAILED TABLES

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

The items referred to in the detailed tables are items declared on the 2004 individual tax return. A copy is in the appendix.

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

Table 1: $\quad$ Selected items, by sex and state/ territory of residence, 2003-04 income year
This table shows the number of taxable, non-taxable, male, female and all personal taxpayers for each state and territory. It also shows the total income, taxable income, net tax payable, average taxable income, average net tax payable, work-related expenses, gifts or donation deductions, total deductions claimed, total business expenses claimed, HECS assessment debts, SLS assessment debts, Medicare levy and Medicare levy surcharge of male, female and all taxpayers for each state and territory.

Table 2: Selected items, by state/territory/ region, 2003-04 income year
This table shows the number of records and amounts for selected income, deductions, tax offsets and other return items of personal taxpayers living in specified regions within different states and territories (for example, major urban, other urban, regional-high urbanisation, regional-low urbanisation, rural and other regions in New South Wales). A region is composed of postcodes grouped together according to specified population ranges.

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

Table 3: Selected items, by state/territory and postcode, for taxable individuals, 2003-04 income year
This table shows the number of records and amounts for selected income, deductions, tax offsets and other return items of taxable personal taxpayers living in different postcodes (residential postcodes declared by taxpayers on their returns) for each state and territory. In addition, the number of non-taxable individuals residing in different postcodes is reported. The data for each state and territory is presented in a separate part:

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


## Table 4: Selected items, by fine industry, 2003-04 income year

This table shows the number of records and amounts for selected items from personal taxpayer returns. Taxpayers (and the data) are classified into fine industry groupings (determined by the taxpayer's main source of business income) based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.
(1) Page numbers refer to the 2004 individual income tax return used by tax agents on behalf of their clients. A copy of this form is in the appendix.

Part A: Tax Office calculated and miscellaneous items - contains data on Tax Office calculated items such as HECS assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.

- Part B: Income, credits, selected deductible, withheld and adjustment items - contains taxpayer claimed income items, selected deductible and withheld items (items 1 to 22 on pages 2, 6-8), adjustments items (A1, A3-A4 on page 4), selected credit items including 'Credit for interest on early payments' (item C1 on page 8) and other Tax Office calculated items such as 'ETP-5\% assessable', 'Other salary and wages category 1 ' and 'Other salary and wages category 2'.
- Part C: Deduction and tax loss items contains taxpayer claimed deductions (items D1 to D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
Part D: Tax offset items - contains tax offsets claimed by taxpayers on their return (items T1 to T10 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers, such as the averaging tax offset, life assurance bonus tax offset and others.
Part E: Business and professional items - contains items from the business and professional items section of the return (pages 9-11).
(1) In order to meet privacy regulations, statistics for some items are not reported by fine industries in the different parts of this table. Statistics on items showing a low number of records are reported in table 11 ('Selected items, by broad industry').


## Table 5: All items, by taxable income, 2003-04 income year

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

Page numbers refer to the 2004 individual income tax return used by tax agents on behalf of their clients. A copy of this form is in the appendix.

Part A: Tax Office calculated and miscellaneous items - contains data on Tax Office calculated items such as HECS assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.

- Part B: Income, credits, selected deductible, withheld and adjustment items - contains taxpayer claimed income items, selected deductible and withheld items (items 1 to 22 on pages 2, 6-8), adjustments items (A1, A3-A4 on page 4), selected credit items including 'Credit for interest on early payments' (item C1 on page 8) and other Tax Office calculated items such as 'ETP-5\% assessable', 'Other salary and wages category 1 ' and 'Other salary and wages category 2'.
Part C: Deduction and tax loss items contains taxpayer claimed deductions (items D1 to D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
- Part D: Tax offset items - contains tax offsets claimed by taxpayers on their return (items T1 to T10 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers, such as the averaging tax offset, life assurance bonus tax offset and others.
- Part E: Business and professional items
- contains items from the business and professional items section of the return (pages 9-11).

Table 6: $\quad$ Number of personal taxpayers, by broad industry and state/territory/ region, 2003-04 income year
This table shows the number of personal taxpayers classified by broad industry in specified regions within different states and territories (for example, major urban, other urban, regional-high urbanisation, regional-low urbanisation, rural and other regions in New South Wales). A region category is composed of postcodes grouped together according to specified population ranges. The broad industry groups used to classify personal taxpayers are based on the ANZSIC industry groups.
Table 7: $\quad$ Selected items for income years 1994-95 to 2003-04
This table shows the number of records and amounts for selected items from the individual tax return (including items calculated by the Tax Office) for income years 1994-95 to 2003-04.

This table is also available at the back of this chapter (see table 3.20).

Table 8: Non-resident individuals: selected items, by taxable income, 2003-04 income year
This table shows the number of records and amounts for selected items from the individual tax return of non-resident personal taxpayers only. For this table, taxpayers (and the data) are ranged by taxable income.
Table 9: One percentile distribution, by taxable income, 2003-04 income year This table shows the distribution of taxable income, total income, net tax and number of taxpayers. Taxable income is distributed across 100 quantiles. Each quantile contains $1 \%$ of the total number of taxpayers. The table shows the number of male and female taxpayers, and the amount and proportion of total income, taxable income and net tax for each quantile.
Table 10: Trustee assessments: selected items, by taxable income, 2003-04 income year
This table shows the number of records and amounts for selected return items from the individual tax return of trustees assessed. Trustees assessed (and the data) are classified by taxable status (non-taxable and taxable) and are ranged by taxable income.

Table 11: Selected items, by broad industry, 2003-04 income year
This table shows the number of records and amounts for selected items that are not included in personal tax detailed table 4 ('Selected items, by fine industry'). Taxpayers (and the data) are classified into broad industry groupings (determined by the taxpayers' main source of business income) based on the ANZSIC industry groups.
Table 12: Selected items, by age, sex, taxable status and taxable income, 2003-04 income year
This table shows the number of male, female and total personal taxpayers classified into different age brackets (from 'under 18' to ' 75 years and over') and ranged by grade of taxable income. The pension income, net tax payable, taxable income and total income of male, female and total taxpayers in the different age brackets and taxable income ranges are also shown.

Table 13: Selected items, by sex, marital status, state/territory and taxable income, 2003-04 income year This table shows the number of single and married male, female and total personal taxpayers classified by state or territory and ranged by taxable income. The taxable income, total income and net tax payable of male, female and total taxpayers in the different states, territories and taxable income ranges are also shown.
Table 14: Selected items, by statistical local area (SLA), 2003-04 income year
This table shows the number of records and amounts for selected income, return items of personal taxpayers living in different statistical local areas (SLAs). SLAs are based on the boundaries of incorporated bodies of local government where these exist. These bodies are the local government councils and the geographical areas they administer are known as local government areas.

Table 15: All items, by total income, 2003-04 income year
This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the Tax Office based on information provided in the return. Taxpayers (and the data) are ranged by total income.
(1) Page numbers refer to the 2004 individual income tax return used by tax agents on behalf of their clients. A copy of this form is in the appendix.

Part A: Tax Office calculated and miscellaneous items - contains data on Tax Office calculated items such as HECS assessment debt, Medicare levy surcharge, net tax and balance payable or refundable. Also contains the total number of personal taxpayers who lodged returns.

- Part B: Income, credits, selected deductible, withheld and adjustment items - contains taxpayer claimed income items, selected deductible and withheld items (items 1 to 22 on pages 2, 6-8), adjustments items (A1, A3-A4 on page 4), selected credit items, including 'Credit for interest on early payments' (item C1 on page 8) and other Tax Office calculated items such as 'ETP-5\% assessable', 'Other salary and wages category 1 ' and 'Other salary and wages category 2'.
- Part C: Deduction and tax loss items contains taxpayer claimed deductions (items D1 to D15 on pages 3 and 8) and tax loss items, including tax losses of earlier years claimed (item L1 on page 3).
- Part D: Tax offset items - contains tax offsets claimed by taxpayers on their return (items T1 to T10 on pages 3 and 8) and other tax offsets calculated by the Tax Office on behalf of taxpayers, such as the averaging tax offset, life assurance bonus tax offset and others.
Part E: Business and professional items - contains items from the business and professional items section of the return (pages 9-11).
Table 16: Taxpayers with business income, all items, by total business income, 2003-04 income year
This table shows the number of records and amounts for items taxpayers declare on their personal tax return and items calculated by the Tax Office, based on information provided on the return. Taxpayers (and the data) are ranged by total business income.

The statistics in the table refer only to taxpayers who had business income or loss. That is, taxpayers who declared primary or non-primary production business income or loss at the following items on the business and professional items schedule: gross payments where ABN not quoted, gross payments - voluntary agreement, gross payments - labour hire or other specified payments, assessable government industry payments and/or other business income.
(1) Page numbers refer to the 2004 individual income tax return used by tax agents on behalf of their clients. A copy of this form is in the appendix.

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


## TIME SERIES TABLE

Table 3.20 shows selected items from individual returns for income years 1994-95 to 2003-04. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as personal tax detailed table 7. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.
TABLE 3．20：Personal tax．${ }^{1}$ Selected items for income years 1994－95 to 2003－04


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| $3,387,715$ |
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| $1,836,479$ |
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## TABLE 3．20：Personal tax．${ }^{1}$ Selected items for income years 1994－95 to 2003－04

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| Selected items |  | 1994-95 ${ }^{2}$ | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{3}$ | 2002-03 ${ }^{3}$ | 2003-04 ${ }^{4}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Net farm management withdrawals | No. | 1,216 | 1,079 | 1,592 | 1,999 | 2,768 | 3,689 | 2,748 | 2,490 | 9,217 | 12,407 |
|  | \$ | 19,000,000 | 17,344,718 | 28,176,189 | 39,650,276 | 59,448,502 | 78,161,208 | 59,490,036 | 56,056,073 | 247,610,010 | 372,271,046 |
| Attributed foreign income | No. | 2,640 | 2,525 | 4,429 | 1,435 | 1,730 | 1,718 | 2,770 | 2,537 | 2,939 | 5,166 |
|  | \$ | 8,000,000 | 10,100,141 | 19,062,512 | 16,946,159 | 13,003,789 | 26,551,946 | 17,953,770 | 13,864,983 | 19,348,077 | 12,162,613 |
| Other net foreign source income | No. | 248,067 | 296,341 | 333,338 | 386,834 | 453,782 | 534,894 | 622,075 | 729,882 | 812,747 | 819,070 |
|  | \$ | 269,000,000 | 347,948,934 | 392,110,227 | 548,774,573 | 576,485,248 | 605,200,405 | 724,414,459 | 791,120,971 | 830,534,974 | 858,827,501 |
| Under 18 excepted net income | No. | n.a. | n.a. | 85,429 | 125,732 | 172,744 | 182,876 | 190,832 | 181,329 | 196,565 | 201,287 |
|  | \$ | n.a. | n.a. | 595,697,484 | 673,626,442 | 928,393,968 | 1,127,323,064 | 1,139,804,092 | 1,061,430,552 | 1,152,170,793 | 1,170,257,656 |
| Life insurance \& friendly society bonuses | No. | 45,958 | 47,006 | 35,281 | 19,823 | 14,059 | 11,904 | 8,521 | 5,301 | 3,655 | 2,916 |
|  | \$ | 230,000,000 | 219,755,123 | 146,990,881 | 71,824,257 | 49,838,890 | 43,876,034 | 34,823,842 | 26,525,957 | 12,317,137 | 10,369,838 |
| Other income n.e.i. | No. | 76,496 | n.a. | 91,984 | n.a. | n.a. | n.a. | a. | n.a. | n.a. | п. |
|  | \$ | 298,000,000 | 323,774,465 | 409,161,186 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Other income n.e.i. category 1 | No. | n.a. | n.a. | n.a. | 6,802 | 4,058 | 12,085 | 31,713 | 29,323 | 23,307 | 37,843 |
|  | \$ | n.a. | n.a. | n.a. | 38,442,770 | 38,462,247 | 77,213,135 | 152,085,128 | 183,534,384 | 155,135,347 | 272,853,520 |
| Other income n.e.i. category 2 | No. | n.a. | n.a. | n.a. | 71,006 | 52,397 | 40,018 | 58,320 | 68,426 | 41,603 | 85,429 |
|  | \$ | n.a. | n.a. | n.a. | 342,708,575 | 445,427,665 | 332,839,908 | 520,290,156 | 567,199,928 | 356,465,978 | 603,977,595 |
| Total income or loss ${ }^{10}$ | \$ | 249,308,000,000 | 274,678,842,614 | 290,027,340,577 | 306,426,378,841 | 321,360,167,922 | 344,073,468,945 | 365,570,912,431 | 379,289,246,611 | 395,540,858,511 | 414,113,536,835 |
| Work-related car expenses | No. | 1,306,053 | 1,439,264 | 1,505,991 | 1,567,610 | 1,647,517 | 1,783,526 | 1,915,187 | 2,068,773 | 2,179,439 | 2,245,792 |
|  | \$ | 1,855,000,000 | 2,153,674,442 | 2,256,707,623 | 2,445,571,601 | 2,620,775,912 | 3,061,708,164 | 3,577,335,687 | 3,914,724,249 | 4,205,110,000 | 4,412,570,219 |
| Work-related travel expenses | No. | 404,487 | 457,005 | 443,128 | 442,270 | 454,535 | 490,184 | 520,158 | 557,238 | 589,664 | 613,279 |
|  | \$ | 439,000,000 | 519,494,654 | 502,957,151 | 508,477,124 | 581,930,770 | 667,560,363 | 750,453,031 | 802,245,098 | 860,462,992 | 900,456,698 |
| Work-related clothing expenses | No. | 3,193,561 | 3,404,913 | 3,471,832 | 3,569,213 | 3,718,221 | 3,936,382 | 4,092,400 | 4,417,965 | 4,542,238 | 4,674,429 |
|  | \$ | 575,000,000 | 629,757,234 | 641,794,834 | 669,847,625 | 711,778,067 | 785,059,159 | 841,730,954 | 1,115,471,894 | 1,011,500,199 | 1,066,230,648 |
| Work-related self-education expenses | No. | 508,436 | 482,423 | 491,311 | 559,280 | 509,029 | 508,508 | 512,458 | 524,251 | 527,637 | 515,594 |
|  | \$ | 436,000,000 | 469,022,722 | 530,623,316 | 618,369,361 | 574,636,475 | 618,618,699 | 667,396,064 | 710,178,171 | 740,093,241 | 753,770,848 |
| Other work-related expenses | No. | 4,441,564 | 4,915,644 | 5,017,982 | 5,127,247 | 5,328,406 | 5,556,936 | 5,715,660 | 5,175,275 | 5,174,933 | 5,231,885 |
|  | \$ | 2,221,000,000 | 2,614,451,495 | 2,708,537,537 | 2,774,937,779 | 2,827,794,025 | 3,059,206,068 | 3,363,287,441 | 3,628,397,051 | 3,752,013,334 | 3,967,570,244 |
| Total work-related expenses | No. | 5,681,047 | 6,141,874 | 6,230,764 | 6,359,876 | 6,525,591 | 6,765,620 | 6,934,238 | 6,859,587 | 6,913,547 | 6,959,955 |
|  | \$ | 5,525,000,000 | 6,385,829,817 | 6,640,620,597 | 7,006,828,647 | 7,316,915,249 | 8,192,142,670 | 9,200,203,177 | 10,171,016,463 | 10,569,179,766 | 11,100,585,379 |
| Deduction for project pool | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 7,013 | 1,135 | 1,090 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 4,456,075 | 2,700,758 | 2,819,065 |
| Low value pool deduction | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 102,189 | 140,643 | 170,882 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 52,908,221 | 71,869,171 | 88,912,998 |

TABLE 3.20: Personal tax. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04 86-L661 L6-9661 96-966L z96-ヤ66L $\begin{array}{lll}59,544 & 52,107 & 42,645\end{array}$ 1,804,256,502 87,213







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TABLE 3．20：Personal tax．${ }^{1}$ Selected items for income years 1994－95 to 2003－04
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TABLE 3.20: Personal tax. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04

| Selected items |  | 1994-95 ${ }^{2}$ | 1995-96 | 1996-97 | 1997-98 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Termination value intangible dep assets ${ }^{14}$ | No. | n.a. | n.a. | n.a. | n.a. |
|  | \$ | n.a. | n.a. | n.a. | a. |
| Termination value other dep assets ${ }^{14}$ | No. | n.a. | n.a. | n.a. | n.a. |
|  | \$ | n.a. | n.a. | n.a. | n.a. |
| Gross PPS income | No. | 256,303 | 263,353 | 260,789 | 279,937 |
|  | \$ | 5,932,000,000 | 6,267,299,772 | 6,443,926,329 | 7,457,271,651 |
| Gross RPS income | No. | n.a. | 2,450 | 3,470 | 11,231 |
|  | \$ | n.a. | 84,194,945 | 130,589,325 | 366,582,021 |
| Gross payments where ABN not quoted | No. | n.a. | n.a. | n.a. | n.a. |
|  | \$ | n.a. | n.a. | n.a. | a. |
| Gross payments - voluntary agreement | No. | n.a. | n.a. | n.a. | n.a. |
|  | \$ | n.a. | n.a. | n.a. | n.a. |
| Environmental protection expenses | No. | n.a. | n.a. | 297 | 3,108 |
|  | \$ | n.a. | n.a. | 755,141 | 1,822,612 |
| Section 40-880 deduction | No. | n.a. | n.a. | n.a. | a. |
|  | \$ | n.a. | n.a. | n.a. | n.a. |
| Business deduction for project pool | No. | n.a. | n.a. | n.a. | n.a. |
|  | \$ | n.a. | n.a. | n.a. | n.a. |
| Landcare degradation expenses | No. | 1,636 | 1,447 | 1,398 | 3,385 |
|  | \$ | 5,000,000 | 5,058,620 | 4,816,823 | 15,271,371 |
| HECS assessment debt | No. | 147,674 | 191,210 | 200,632 | 328,089 |
|  | \$ | 164,000,000 | 218,991,184 | 267,269,735 | 485,124,017 |
| Total tax withheld | No. | 7,634,557 | 8,081,052 | 8,149,885 | 8,245,908 |
|  | \$ | 48,180,000,000 | 54,609,660,282 | 59,189,562,303 | 63,929,997,287 |
| Total business income - PP | No. | 103,970 | 103,662 | 101,845 | 99,984 |
|  | \$ | 2,645,000,000 | 2,841,849,368 | 2,837,366,716 | 2,890,478,805 |
| Total business income NPP | No. | 734,173 | 780,404 | 772,479 | 783,075 |
|  | \$ | 33,312,000,000 | 37,651,763,605 | 38,904,295,111 | 40,859,349,201 |
| Total business income | No. | 822,228 | 866,237 | 853,939 | 866,371 |
|  | \$ | 35,957,000,000 | 40,420,701,631 | 41,486,917,803 | 43,768,697,359 |
| Assessable government industry payments - PP ${ }^{15}$ | No. | n.a. | n.a. | n.a. | 5,954 |
|  | \$ | n.a. | n.a. | n.a. | 18,696,377 |
| Assessable government industry payments - NPP15 | No. | n.a. | n.a. | n.a. | 3,960 |
|  | \$ | n.a. | n.a. | n.a. | 71,675,015 |

## TABLE 3.20: Personal tax. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04

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TABLE 3.20: Personal tax. ${ }^{1}$

| Selected items |  | 1994-95 ${ }^{2}$ | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{3}$ | 2002-03 ${ }^{3}$ | 2003-04 ${ }^{4}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Spouse separate net income ${ }^{16}$ | No. | n.a. | n.a. | n.a. | n.a. | 652,080 | 582,591 | 422,180 | 400,512 | 476,686 | 477,665 |
|  | \$ | n.a. | n.a. | n.a. | 7,104,870,209 | 7,587,554,009 | 7,498,023,073 | 6,187,193,091 | 6,200,513,909 | 8,319,485,959 | 9,224,969,634 |
| Basic parenting allowance | No. | n.a. | n.a. | 141,893 | 145,315 | 152,261 | 115,475 | n.a. | n.a. | n.a. | ก.а. |
|  | \$ | n.a. | n.a. | 179,512,973 | 194,638,667 | 210,719,166 | 159,847,927 | n.a. | n.a. | n.a. | n.a. |
| Sole parent tax offset | No. | 257,294 | 278,099 | 287,051 | 203,145 | 302,663 | 310,864 | . | . | n.a. | n.a. |
|  | \$ | 250,000,000 | 277,794,323 | 300,981,138 | 214,484,092 | 323,348,586 | 337,154,480 | n.a. | n.a. | n.a. | n.a. |
| Zone or overseas forces tax offset | No. | 470,749 | 508,130 | 515,774 | 515,442 | 512,793 | 504,301 | 497,459 | 502,738 | 507,727 | 503,197 |
|  | \$ | 183,000,000 | 199,325,382 | 205,017,836 | 208,876,221 | 208,667,981 | 202,083,050 | 198,607,603 | 205,453,931 | 209,819,869 | 208,779,922 |
| Superannuation contributions superannuation only tax offset | $\begin{aligned} & \text { No. } \\ & \$ \text {. } \end{aligned}$ | $\begin{array}{r} 548,362 \\ 35,000,000 \end{array}$ | $\begin{array}{r} 442,930 \\ 28,068,477 \end{array}$ | $\begin{array}{r} 358,552 \\ 22,466,569 \end{array}$ | $\begin{array}{r} 295,855 \\ 17,950,782 \end{array}$ | 259,560 $15,617,027$ | 187,708 $11,577,216$ | $\begin{array}{r} 141,914 \\ 8,871,263 \end{array}$ | $\begin{array}{r} 121,113 \\ 7,667,443 \end{array}$ | $\begin{array}{r} 91,979 \\ 5,800,331 \end{array}$ | n.a. |
| Superannuation contributions - annuity/ pension tax offset | $\begin{aligned} & \text { No. } \\ & \$ \end{aligned}$ | $\begin{aligned} & \text { n.a. } \\ & \text { n.a. } \end{aligned}$ | $\begin{array}{r} 128,279 \\ 210,217,538 \end{array}$ | $\begin{array}{r} 180,496 \\ 330,779,228 \end{array}$ | $\begin{array}{r} 216,502 \\ 353,901,775 \end{array}$ | $\begin{array}{r} 247,549 \\ 406,471,895 \end{array}$ | $\begin{array}{r} 282,205 \\ 476,485,326 \end{array}$ | $\begin{array}{r} 296,711 \\ 543,223,418 \end{array}$ | $\begin{array}{r} 312,864 \\ 599,109,587 \end{array}$ | $\begin{array}{r} 319,850 \\ 631,078,983 \end{array}$ | n.a. |
| Superannuation contributions - combination of superannuation contributions \& annuity tax offset | No. $\$$ | n.a. | $\begin{array}{r} 2,680 \\ 3,277,557 \end{array}$ | 3,116 $4,273,887$ | 3,837 $4,477,973$ | 5,651 $6,154,117$ | 2,963 $4,004,134$ | 3,187 $5,426,398$ | 2,390 $3,869,789$ | 2,503 $3,913,361$ | n.a. |
| Total superannuation contribution tax offset | No. | n.a. | 573,586 | 542,166 | 516,112 | 511,964 | 472,876 | 441,813 | 436,367 | 414,332 | 332,147 |
|  | \$ | n.a. | 241,577,947 | 357,522,704 | 376,373,756 | 428,243,696 | 492,066,676 | 557,521,619 | 610,646,819 | 640,792,675 | 676,799,746 |
| Senior Australians tax offset (SATO) ${ }^{17,18}$ | No. | n.a. | n.a. | 27,776 | 35,842 | 40,610 | 48,249 | 301,341 | 605,214 | 610,929 | 576,299 |
|  | \$ | n.a. | n.a. | 9,661,135 | 28,663,152 | 34,259,696 | 42,805,135 | 509,431,564 | 1,163,648,902 | 1,153,889,689 | 1,050,236,749 |
| Medical expenses tax offset | No. | n.a. | n.a. | 261,553 | 284,602 | 308,781 | 333,764 | 350,930 | 403,136 | 433,255 | 481,900 |
|  | \$ | n.a. | n.a. | 113,204,714 | 128,061,564 | 145,073,149 | 162,296,859 | 173,243,520 | 205,473,888 | 233,422,516 | 271,766,417 |
| Other tax offsets | No. | 361,714 | 316,717 | 33,115 | 16,767 | 17,736 | 9,337 | 7,335 | 5,145 | 4,532 | 4,056 |
|  | \$ | 263,000,000 | 180,411,139 | 42,091,203 | 22,328,363 | 14,346,227 | 12,678,058 | 11,668,454 | 10,568,275 | 10,185,074 | 11,151,688 |
| Pensioner tax offset ${ }^{19,20}$ | No. | 618,759 | 702,460 | 748,668 | 677,916 | 651,430 | 657,218 | 560,136 | 250,604 | 258,495 | 274,068 |
|  | \$ | 478,000,000 | 594,017,470 | 675,515,266 | 610,994,687 | 604,572,460 | 651,516,838 | 1,007,108,776 | 332,936,248 | 363,169,760 | 412,590,528 |
| Comm of Aust benefits \& allowances tax offset ${ }^{21}$ | No. | 635,419 | 628,895 | 340,526 | 319,477 | 321,210 | 306,868 | 276,874 | 306,346 | 312,345 | 322,262 |
|  | \$ | 317,000,000 | 268,741,664 | 115,199,298 | 110,881,096 | 120,133,081 | 116,601,451 | 87,966,320 | 107,981,395 | 122,393,614 | 148,125,585 |
| Life assurance bonus tax offset | No. | 44,822 | 45,234 | 34,253 | 19,491 | 13,857 | 11,768 | 8,447 | 5,273 | 3,655 | 2,916 |
|  | \$ | 76,000,000 | 73,035,066 | 49,622,410 | 25,630,178 | 18,136,882 | 16,198,653 | 12,977,020 | 8,844,745 | 3,693,531 | 3,109,703 |
| Section 98A(2) deduction | No. | 268 | 285 | 608 | 764 | 856 | 1,015 | 1,057 | 1,196 | 1,248 | 1,256 |
|  | \$ | n.a. | n.a. | 5,864,932 | 9,911,871 | 7,273,064 | 13,871,088 | 11,425,781 | 13,859,988 | 15,300,640 | 23,301,983 |

## TABLE 3.20: Personal tax. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04

| Selected items |  | $1994-95^{2}$ | $1995-96$ | $1996-97$ | $1997-98$ |
| :--- | :--- | ---: | ---: | ---: | ---: |
| Imputation credit primary | No. | 983,612 | $1,114,855$ | $1,329,200$ | $1,989,385$ |
|  | $\$$ | $2,213,000,000$ | $2,546,662,168$ | $2,674,863,996$ | $3,075,503,927$ |
| Total imputation credits22 | No. | $1,195,015$ | $1,350,500$ | $1,602,203$ | $2,280,428$ |
|  | $\$$ | $2,839,000,000$ | $3,285,583,411$ | $3,445,313,123$ | $4,009,680,224$ |
| Foreign tax credits | No. | 168,271 | 266,941 | 292,190 | 323,317 |
|  | $\$$ | $51,000,000$ | $62,014,049$ | $80,191,206$ | $94,214,961$ |
| Total tax withheld on | No. | 274,592 | 290,328 | 210,800 | 162,325 |
| interest \& dividends | $\$$ | $41,000,000$ | $40,470,982$ | $35,295,302$ | $29,566,834$ |
| Averaging tax offset | No. | 129,655 | 143,437 | 127,332 | 116,201 |
|  | $\$$ | $154,000,000$ | $206,643,841$ | $144,313,625$ | $122,563,208$ |
| Share of credit for tax paid | No. | 3,024 | 3,223 | 5,575 | 4,448 |
| by trustee ${ }^{23}$ | $\$$ | $7,000,000$ | $5,540,256$ | $10,702,979$ | $9,019,566$ |
| Termination payment tax | No. | 512,842 | 500,976 | 481,499 | 453,381 |
| offset | $\$$ | $1,127,000,000$ | $1,173,874,874$ | $1,398,467,453$ | $1,547,427,682$ |
| Low income tax offset | No. | $3,995,302$ | $4,102,314$ | $4,045,660$ | $3,850,379$ |
|  | $\$$ | $517,000,000$ | $532,351,894$ | $524,570,962$ | $499,933,313$ |
| Total tax offsets/credits | No. | $6,612,084$ | $6,695,664$ | $6,684,516$ | $7,045,633$ |
| allowed²4 | $\$$ | $6,410,000,000$ | $6,997,943,009$ | $7,397,813,629$ | $8,249,572,021$ |
| SCHEDULE ITEMS ${ }^{25}$ |  |  |  |  |  |
| Total capital losses of | No. | n.a. | n.a. |  | n.a. |

## TABLE 3.20: Personal tax. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04

Notes:

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

* Totals may not equal the sum of components due to rounding.
In order to meet privacy regulations, the following measures have beer
In order to meet privacy regulations, the following measures have been applied.
(a) Number indicators shown may have been rounded to the nearest multiple of 5
(b) Statistics for some items may not be included in some tables.
This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.
2 Amounts (\$) reported for the 1994-95 income year are rounded to millions. Actual amount figures are not available.
2 Amounts (\$) reported for the 1994-95 income year are rounded to millions. Actual amount figures are not available

 Statistics 2003-04.
Numbers exclude manually assessed and issued assessments.
Refers to personal (or individual) taxpayers with net tax payable of more than $\$ 0$.
Refers to personal (or individual) taxpayers with net tax payable equal to $\$ 0$ (no amount of net tax charged).
Net tax is for taxable personal taxpayers only. Non-taxable individuals have net tax of $\$ 0$.
Tax payable on net capital gains is estimated (based on individual tax rates).

taxpayers claim on their annual income tax returns.
11 Total deductions is the sum of deduction items and total tax losses of earlier years claimed (prior year losses).
incurred in prior income years.
13 In the 2001-02 income year 'D

13 In the 2001-02 income year 'Depreciable assets purchased' was replaced by: 'Intangible depreciating assets first deducted' and 'Other depreciating assets first deducted'.
14 In the 2001-02 income year 'Depreciable assets sold' was replaced by 'Termination value - intangible depreciating assets' and 'Termination value - other depreciating assets'.


16 In the 1997-98 income year 'Spouse or child-housekeeper's separate net income' was replaced by 'Child-housekeeper's separate net income' and 'Spouse separate net income'.

 of SATO (or low income aged person tax offset) claimed before 2000-01.
 2000-01. Hence, the number of individuals claiming SATO, and the amount claimed, increased significantly in 2001-02.

 21 Also referred to as 'beneficiary tax offset'.
22 Sum of primary imputation credits and partnership and trust share of imputation credit from franked dividends (or subsidiary imputation credits).
23 Also referred to as 'Section 100(2) credit'

 complete and submit this schedule along with their return. Hence, the schedule item statistics for 2000-01 to 2003-04 refer to/represent only individuals who completed these schedules.


## (1) HIGHLIGHTS

- In 2003-04, 684,009 companies lodged returns and disclosed $\$ 35.4$ billion in total net tax liability.
- Companies reported total income of $\$ 1,526.8$ billion and total expenses of $\$ 1,405.8$ billion.
- In the 2004-05 financial year petroleum resource rent tax totalled $\$ 1.5$ billion.

This chapter contains company statistics for the 2003-04 income year. It also includes petroleum resource rent tax statistics for the 2004-05 and past financial years.

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

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

The Australian financial year runs from 1 July to 30 June. For $98 \%$ of companies (accounting for $64 \%$ of total company net tax liability), the income year is the same as the financial year. However, those companies with an income year different from the financial year use a substituted accounting period (see company tax detailed table 3).

A company may use a substituted accounting period if it operates as a holding company, but is owned by a multinational. In this instance, the parent company may wish to have all members of the corporate group operate under the same financial year. For example, the traditional financial year in the United States follows the calendar year, while the British financial year ends in March. Depending on the accounting period chosen, the activity reported for the 2003-04 income year may cover a 12-month period starting as early as 1 January 2003 ('early December' balancers) or finishing as late as 31 December 2004 ('late December' balancers).

Companies pay a flat rate of tax without a tax-free threshold. For the 2003-04 income year this rate was 30\% (box 4.4).
Under the pay as you go (PAYG) instalments system, companies pay instalments of their tax liability based on either a rate or an amount determined from the last return lodged.

## BOX 4.1: PAYG instalments for companies ${ }^{1}$

The PAYG instalments system is a system for paying instalments towards the expected tax liability on a company's (or other entity's) business and investment income for the current income year. This system became effective for most taxpayers from the 2000-01 income year. For companies, the PAYG instalments system replaced the company instalment system.
Companies that are given an instalment rate ${ }^{2}$ by the Tax Office are required to pay instalments. The Tax Office calculates the instalment rate from information on the company's last assessed income tax return and prints it on the company's Business activity statement or Instalment activity statement.
In general, activity statements are sent in time for companies to report their PAYG instalment and other obligations and lodge their activity statement before payment is due. PAYG instalments are generally paid quarterly, but some companies can pay one annual instalment.

Most companies pay an instalment amount calculated by the Tax Office. Some companies calculate their own instalment rate. In doing this, they try to better match their instalments with their estimated end of year tax liability, taking into account changes in business income that will affect their tax liability. Factors that may affect business income include changes in profitability or the utilisation of losses.
Although companies have to lodge activity statements, they are also required to lodge an annual income tax return as PAYG instalments only approximate each company's end of year income tax liability. PAYG instalments paid during the year are credited against the calculated tax payable on a company's annual income tax return to determine whether the company owes tax or is owed a refund.
For the 2003-04 income year, 278,896 companies ( $41 \%$ of the total number of companies) paid $\$ 29.0$ billion in instalment payments (which included PAYG instalments and other interim payments). Statistics on instalments paid by companies for the 2003-04 income year are reported in company tax detailed tables 2 part E, 4 part E and 8 part E.

1 This box presents only a general description of the above term. It does not provide the full technical or legal definition.
2 An instalment rate is a percentage figure that approximates the tax payable on a company's (or other entity's) business and investment income.

## SOURCE OF COMPANY STATISTICS

The company consolidation scheme has applied from 1 July 2002. Comparisons of current data with company returns from before this date may therefore not be valid for all fields. Consolidation changes have varied the way various corporate groups report information such as dividends, losses and other return form items. While not all companies have consolidation issues, many that do are large entities and carry a large weight in the overall company population, so there will be a permanent discontinuity in the time series tables created by these changes.
Depending on the structure of a consolidated group, consolidation eliminations (to remove intra-group transactions that are not recognised in consolidation) can have a significant impact on almost all labels on the tax return. For example, a vertically integrated business with subsidiaries in the production, wholesale and retail levels will have large eliminations to make. A horizontally structured business, such as a holding company owning a number of distinct mining businesses, may have very few intra-group transactions for, say, sales.
Consolidation eliminations particularly affect some labels. For example, the flows of dividend income and dividends paid reported by consolidated groups are much lower than the flows reported in earlier years by the same entities. This reflects the fact that most dividends are intra-group transactions.
The data for Taxation Statistics 2003-04 was compiled before all processing for the 2003-04 income year was completed. The statistics (excluding the statistics on petroleum resource rent tax) in this chapter are sourced from 2004 company income tax returns processed by 31 October 2005. The statistics are not necessarily complete and will continue to change as data from 2004 tax returns processed after 31 October 2005 is included. The usual practice each year is to update the statistics for the two years before the current year in the company tax time series table (chapter table 4.11 and company tax detailed table 7).

The proportion of tax returns processed by 31 October each year can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2003-04 income year statistics and statistics from previous years will be possible when Taxation Statistics 2004-05 is published. In that edition, the 2003-04 income year statistics will include data from returns and amendments processed up to 31 October 2006.
Company returns were lodged either electronically or in paper form. A copy of the return form is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at www.ato.gov.au

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

Some statistics in the detailed tables were also sourced from 2004 capital gains tax schedules and 2004 losses schedules processed by 31 October 2005. They are not necessarily complete and will continue to change as data from 2004 schedules processed after 31 October 2005 is included. In addition, as not all company taxpayers are required to complete these schedules, the statistics sourced from these schedules do not represent or refer to all company taxpayers.
Copies of the capital gains tax schedule and the losses schedule are in the appendix. They may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website.

## BOX 4.2: Types of companies

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

- acquiring commodities or animals for disposal or distribution to its members
- disposing of or distributing its members' commodities or animals
- storing, marketing, packaging or processing its members' commodities
- rendering services to its members, or
obtaining funds from its members so that it can make loans to them, enabling them to acquire residential and/or business premises.
Corporate unit trust: a unit trust that qualifies as a public unit trust and, as part of an arrangement for reorganising a company or company group, a business or other property of a company has been transferred to the unit trust and shareholders of the company involved in the reorganisation receive entitlements to take up units in the unit trust.
Limited partnership: a partnership in which the liability of at least one partner is limited. For tax purposes, a limited partnership is called a corporate limited partnership because it is effectively treated as a company.
Non-profit company: a company that is not carried on for the purpose of profit or gain to its individual members. The terms of the memorandum or articles of association, rules or other documents constituting the company or governing its activities must prohibit it from making any distribution in money, property or otherwise to its members.
Pooled development fund: a company that is registered as a pooled development fund under the Pooled Development Funds Act 1992 to provide equity capital for eligible activities to resident Australian companies with total assets not exceeding $\$ 50$ million.
Private company: includes any company that is not a public company.
Public company: a public company as defined in the Income Tax Assessment Act 1936 (section 103A) for the income year. A company is a public company for tax purposes if it satisfies any of the following criteria:
- the company's shares are listed on the stock exchange in Australia or elsewhere on the last day of the income year
- the company was a cooperative at all times during the income year
- the company has not, at any time since its formation, been carried on for the purposes of profit or gain to its individual members and was, at all times during the income year, prohibited by the terms of its constituent document from making any distribution (whether in money, property or otherwise) to its members or to relatives of its members, or
- the company is
- a mutual life assurance company
- a friendly society dispensary
- a body constituted by a law of the Commonwealth or of a state or territory and established for public purposes, not being a company within the meaning of the law in force in a state or territory relating to companies
- a company in which a government body had a controlling interest on the last day of the income year, or
- a public company subsidiary.

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

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

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

## NEW FEATURES AND INFORMATION

Several tax reforms and laws implemented during the 2003-04 income year affected the statistics for certain company items reported in this chapter and in the detailed tables. Some of these reforms and laws are listed below.

- Corporate tax entities can limit the amount of available tax losses that they utilise in an income year, commencing with the year that includes 1 July 2002. This change prevents wasting of tax losses and enables a corporate tax entity with prior year losses to increase the amount of franking credits it has available to pay franked dividends.
- Companies can assume a date that they failed the continuity of ownership test where the exact date is not known.
- As part of the introduction of the consolidation regime, the group loss transfer rules have generally ceased to apply for income years commencing after 30 June 2003. However, group loss transfers continue to be available within company groups provided either the loss company or the income company is an Australian branch of a foreign bank.
- A corporate tax entity's excess franking offsets are converted to a tax loss for the income year, effective from 1 July 2002. As franking tax offsets are generally not refundable to corporate tax entities, these excess franking offsets could otherwise be lost.
- Subject to transitional rules, the inter-corporate dividend rebate does not apply to dividends paid to a company after 30 June 2003. The intent of the rebate is superseded by the consolidation regime and the simplified imputation system. The combined effect of the two new regimes is that (a) intra-group dividends are ignored within consolidated groups; and (b) like other taxpayers, corporate recipients of franked dividends receive a franking rebate/tax offset equal to the amount of the franking credit.
- From 1 July 2002, cooperatives have the option of franking distributions paid to members. Cooperatives that choose not to frank dividends can continue to deduct distributions and rebates paid to members from their assessable income.
- The exemption of friendly societies' investment income on funeral policies, scholarship plans and income bonds will continue beyond 1 January 2003 for arrangements in place before that date.
- A wholly-owned group that does not choose to consolidate under the consolidation regime can no longer transfer assets between entities without triggering a capital gains tax event.
- The Trans-Tasman imputation measure allows a New Zealand company to choose to enter the Australian imputation system. This allows the New Zealand company to maintain an Australian franking account from 1 April 2003 and to attach Australian franking credits to dividends it pays from 1 October 2003, or one month after the company makes an election, whichever is later.
- A new label, 'Australian franking credits from a New Zealand company' (item 7, label C), was introduced on the 2004 company income tax return. A definition of this label is in the company tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
- The following labels were removed from the 2004 company income tax return:
- 'Initial year 13 month prepaid expenses' (item 8, label X)
- 'Later year 13 month prepaid expenses' (item 8, label Y)
- 'Foreign currency exchange gains or losses of a capital nature' (item 8, label I), and
- 'Water facility tax offset claimed' (item 16, label L).

Statistics for these items from previous years are still available in the company tax time series table (chapter table 4.11 and company tax detailed table 7). Definitions of these labels are in the company tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.

## BOX 4.3: Consolidation ${ }^{1,2}$

The company income tax consolidation regime, which operates from 1 July 2002, allows eligible wholly-owned groups to be treated as a single entity for income tax purposes.
A consolidated group usually consists of an Australian resident head company and its eligible wholly-owned Australian resident subsidiaries (including eligible companies, trusts and partnerships). The head company chooses whether to consolidate.

The head company in a consolidated group must:

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

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

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

The wholly-owned group is taxed as a single tax entity, with subsidiary members treated as parts of the head company. Intra-group transactions are not recognised for income tax purposes. Intra-group debt and shareholdings are also not recognised for income tax purposes. This:

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

1 This box presents only a general description of the above term. It does not provide the full technical or legal definition.
2 For more information see the Consolidation reference manual on the Tax Office website.

## BOX 4.4: Company tax rates, 2003-04 income year

| Type of company | Tax rate \% |
| :--- | ---: |
| Private companies (generally) | 30 |
| Public companies (generally) | 30 |
| Retirement savings account <br> (RSA) providers |  |
| - Standard component of taxable income | 30 |
| - RSA component of taxable income | 15 |
| Life insurance companies <br> (including friendly societies) |  |
| Ordinary class |  |
| Complying superannuation class | 30 |
| Non-profit organisations | 15 |
| First \$416 of taxable income | 55 |
| Shade-in above \$416 to \$915 |  |
| Taxable income above shade-in range | 30 |
| Pooled development funds (PDFs) |  |
| Companies that are PDFs throughout the <br> income year: |  |
| - on small to medium-sized enterprise income |  |
| component |  |$\quad 30$

## COMPANY TAXPAYERS

BOX 4.5: Company size, by total income
For the purposes of this chapter:

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

1 The 'total income' amounts are the amounts companies declared at item 6, label S, on page 2 of the 2004 company tax return. For example, 'loss/nil' companies are companies that declared 'total income' amounts equal to or less than \$0 (total loss) on their returns at the indicated label.

In 2003-04 a total of 684,009 companies lodged returns in Australia. Approximately 89\% of these companies classified their status as private companies. The next most common types of companies were strata title companies (8\%) and public companies (2\%).

In terms of company size based on company total income, the majority of companies ( $80 \%$ ) were micro companies (table 4.1). Large companies accounted for less than 1\% of the total number of companies.

## COMPANY TAXPAYERS, BY INDUSTRY

The largest proportion of total companies whose industry was stated was in the property and business services industry (31\%) followed by those in the finance and insurance industry (19\%). The smallest proportion of companies was in the electricity, gas and water supply industry (table 4.1).

TABLE 4.1: Companies ${ }^{1}$, by industry and company size, 2003-04 income year

| Industry ${ }^{2}$ | Companies |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Loss/nil No. | Micro No. | Small No. | Medium No. | Large No. | Total No. |
| Agriculture, forestry \& fishing | 1,779 | 15,275 | 1,039 | 202 | 24 | 18,319 |
| Mining | 628 | 2,227 | 298 | 222 | 75 | 3,450 |
| Manufacturing | 3,118 | 35,871 | 5,956 | 1,783 | 290 | 47,018 |
| Electricity, gas \& water supply | 75 | 560 | 68 | 50 | 22 | 775 |
| Construction | 4,405 | 56,266 | 5,069 | 832 | 43 | 66,615 |
| Wholesale trade | 2,733 | 23,718 | 5,901 | 2,063 | 287 | 34,702 |
| Retail trade | 3,111 | 45,110 | 6,156 | 1,267 | 152 | 55,796 |
| Accommodation, cafes \& restaurants | 1,012 | 12,506 | 1,436 | 250 | 16 | 15,220 |
| Transport \& storage | 1,675 | 22,983 | 2,033 | 546 | 59 | 27,296 |
| Communication | 482 | 5,328 | 267 | 90 | 22 | 6,189 |
| Finance \& insurance | 32,155 | 94,510 | 2,913 | 1,134 | 329 | 131,041 |
| Property \& business services | 26,532 | 175,067 | 6,116 | 1,241 | 119 | 209,075 |
| Education | 434 | 4,240 | 135 | 25 | 0 | 4,834 |
| Health \& community services | 1,023 | 22,780 | 518 | 71 | 11 | 24,403 |
| Cultural \& recreational services ${ }^{3}$ | 1,088 | 10,973 | 431 | 110 | 23 | 12,625 |
| Personal \& other services | 1,208 | 15,223 | 634 | 100 | 11 | 17,176 |
| Total industry stated | 81,458 | 542,637 | 38,970 | 9,986 | 1,483 | 674,534 |
| Other ${ }^{4}$ | 7,867 | 1,515 | 65 | 23 | 5 | 9,475 |
| Total | 89,325 | 544,152 | 39,035 | 10,009 | 1,488 | 684,009 |

1 Includes all companies that lodged returns (taxable and non-taxable).
2 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system. Fine industries included under these broad industry groupings are listed in company tax detailed table 4. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication Business industry codes 2004 (NAT 1827).
3 Includes sports.
4 Includes companies lodging under the 'Nil company returns' code (code: 98000 in Business industry codes 2004) which includes non-taxable companies or companies with nil company returns - no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

## CONSOLIDATED COMPANIES, BY INDUSTRY

Consolidation allows eligible wholly-owned corporate groups to operate as a single entity for income tax purposes from 1 July 2002 (box 4.3). The Australian Government introduced consolidation to reduce compliance costs for business, remove impediments to the most efficient business structures and improve the integrity of the tax system.

Table 4.2 shows the number of companies, by broad industry, which notified the Tax Office they were a head or subsidiary company of a consolidated group for the 2003-04 income year.

TABLE 4.2: Head and subsidiary companies, by industry, 2003-04 income year


## COMPANY INCOME

In 2003-04 companies reported total income of $\$ 1,526.8$ billion. Most income (72\%) was derived from sales of goods and services, followed by other gross income (16\%), gross interest ( $8 \%$ ) and gross rent ( $2 \%$ ). Sales of goods and services accounted for the largest proportion of the total income of most companies, regardless of size (table 4.3).

TABLE 4.3: Company income, by source and company size, 2003-04 income year

| Source of income ${ }^{1}$ | Companies |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Loss/nil $\$ \mathrm{~m}^{2}$ | Micro \$m | Small \$m | Medium \$m | Large \$m | Total \$m |
| Sales of goods \& services | 97 | 87,512 | 121,329 | 215,603 | 668,339 | 1,092,880 |
| Gross interest | 10 | 2,608 | 2,226 | 8,924 | 103,745 | 117,512 |
| Gross rent/leasing/hiring | 3 | 4,481 | 2,245 | 3,325 | 14,208 | 24,262 |
| Gross dividends | 2 | 2,128 | 1,666 | 2,868 | 13,890 | 20,555 |
| Gross distribution from trusts | 8 | 7,512 | 3,083 | 2,082 | 4,752 | 17,438 |
| Gross distribution from partnerships | -378 | 860 | 434 | 464 | 1,210 | 2,591 |
| Assessable government industry payments | 0 | 334 | 306 | 253 | 597 | 1,490 |
| Fringe benefit employee contributions | 0 | 238 | 61 | 22 | 35 | 355 |
| Gross payments where ABN not quoted | 0 | 17 | 17 | 94 | 110 | 239 |
| Other gross income | 9 | 46,659 | 29,540 | 33,639 | 139,583 | 249,429 |
| Total ${ }^{3}$ | -250 | 152,348 | 160,907 | 267,275 | 946,470 | 1,526,750 |

1 Definitions of items are in the company tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
2 An amount of $\$ 0$ may indicate an amount less than $\$ 500,000$.
3 Total amount may differ slightly from the sum of components due to rounding. The total income amount is the sum of components as shown by the taxpayer on their annual income tax return. It is not necessarily the total calculated by the Tax Office during assessment.

## COMPANY EXPENSES

In 2003-04 company expenses totalled $\$ 1,405.8$ billion.
Table 4.4 shows that $49 \%$ of total company expenses were related to cost of sales, followed by interest expenses within Australia (6\%) and external labour costs (3\%). Salaries and wages are typically included in other expenses or in cost of sales.

TABLE 4.4: Company expenses, by type and company size, 2003-04 income year

| Type of expense ${ }^{1}$ | Companies |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Loss/nil $\$ \mathrm{~m}^{2}$ | Micro \$m | Small \$m | Medium \$m | Large \$m | Total \$m |
| Cost of sales | 55 | 42,783 | 77,237 | 145,081 | 420,908 | 686,063 |
| Interest expenses - Australia | 488 | 3,957 | 2,545 | 8,108 | 73,206 | 88,304 |
| External labour ${ }^{3}$ | 47 | 6,833 | 6,615 | 7,449 | 25,729 | 46,673 |
| Depreciation | 19 | 4,184 | 2,766 | 5,153 | 26,485 | 38,607 |
| Rent | 6 | 4,761 | 3,118 | 3,743 | 10,080 | 21,708 |
| Employee superannuation | 5 | 4,690 | 2,609 | 2,682 | 6,592 | 16,579 |
| Interest expenses - overseas | 99 | 287 | 270 | 1,289 | 13,192 | 15,137 |
| Repairs \& maintenance | 2 | 1,449 | 1,241 | 2,121 | 8,352 | 13,164 |
| Motor vehicle | 4 | 3,222 | 1,439 | 1,151 | 1,681 | 7,497 |
| Lease expenses - Australia | 2 | 694 | 507 | 947 | 3,722 | 5,872 |
| Bad debts | 13 | 494 | 269 | 487 | 2,432 | 3,694 |
| Royalty expenses - Australia | 3 | 139 | 138 | 426 | 2,513 | 3,219 |
| Royalty expenses - overseas | 0 | 22 | 94 | 701 | 2,116 | 2,934 |
| Lease expenses - overseas | 0 | 14 | 21 | 46 | 117 | 197 |
| Other expenses | 1,681 | 66,053 | 48,375 | 68,766 | 271,248 | 456,122 |
| Total ${ }^{4}$ | 2,423 | 139,582 | 147,243 | 248,150 | 868,372 | 1,405,770 |

[^2]
## COMPANY NET TAX

## BOX 4.6: Company net tax, and calculating balance payable or refundable ${ }^{1}$

Expenses are deducted from income to give operating profit or loss. Extraordinary items and reconciliation items ${ }^{2}$ are then applied to operating profit or loss to calculate taxable income or loss. For most companies, the general company tax rate $(30 \%)$ for the income year ended 30 June 2004 is then applied to taxable income to calculate gross tax. Tax offsets or rebates and foreign tax credits are subtracted from gross tax, leaving net tax.

Credit for PAYG instalments raised and other credits (credit for interest on early payments - amount of interest, credit for tax withheld where an Australian business number (ABN) was not quoted, tax withheld from interest investments and other refundable credits) are subtracted from the sum of net tax and section 102AAM interest to work out the balance payable or refundable. ${ }^{3}$
1 This box presents only general descriptions of the above terms. It does not provide full technical or legal definitions. More information on the items mentioned in this box and on how net tax is calculated is available in the glossary or the Company tax return instructions 2004 booklet on the attached CD-ROM.
2 Generally, reconciliation items are adjustments made for items where the tax treatment differs from the usual accounting treatment, or for which specific tax provisions apply.
3 Refers to the 'Total amount of tax payable or refundable' item (label S) in the 'Calculation statement' section on page 4 of the 2004 company tax return. There is more information on how the balance payable or refundable is calculated on page 4 of the company return and in the instructions booklet.

Companies were liable for $\$ 35.4$ billion in net tax for the 2003-04 income year (table 4.5). Large companies accounted for less than $1 \%$ of the total number of companies but were liable for $59 \%$ of total company net tax. Companies using a substituted accounting period represented $2 \%$ of all companies, but were liable for $36 \%$ of total company net tax (company tax detailed table 3).

TABLE 4.5: Company net tax ${ }^{1}$, by industry and company size, 2003-04 income year

| Industry ${ }^{2}$ | Companies |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Loss/nil ${ }^{3}$ |  |  | Medium |  |  |
|  | \$m ${ }^{4}$ | \$m | \$m | \$m | \$m | \$m |
| Agriculture, forestry \& fishing | 0 | 154 | 102 | 98 | 201 | 556 |
| Mining | 14 | 18 | 31 | 139 | 2,612 | 2,813 |
| Manufacturing | 2 | 277 | 534 | 950 | 2,687 | 4,450 |
| Electricity, gas \& water supply | 0 | 5 | 4 | 56 | 88 | 153 |
| Construction | 0 | 383 | 380 | 315 | 237 | 1,315 |
| Wholesale trade | 4 | 181 | 435 | 793 | 1,580 | 2,993 |
| Retail trade | 0 | 241 | 275 | 313 | 1,475 | 2,305 |
| Accommodation, cafes \& restaurants | 0 | 75 | 96 | 68 | 33 | 272 |
| Transport \& storage | 0 | 114 | 119 | 159 | 412 | 804 |
| Communication | 0 | 18 | 17 | 36 | 1,819 | 1,891 |
| Finance \& insurance | 27 | 2,233 | 928 | 1,224 | 8,427 | 12,840 |
| Property \& business services | 7 | 1,385 | 832 | 768 | 817 | 3,810 |
| Education | 0 | 24 | 16 | 20 | 0 | 60 |
| Health \& community services | 0 | 161 | 60 | 47 | 37 | 305 |
| Cultural \& recreational services ${ }^{5}$ | 0 | 73 | 48 | 52 | 248 | 422 |
| Personal \& other services | 0 | 85 | 55 | 42 | 28 | 210 |
| Other ${ }^{6}$ | 4 | 29 | 39 | 69 | 36 | 177 |
| Total | 59 | 5,458 | 3,972 | 5,150 | 20,737 | 35,375 |

1 Only taxable companies would have net tax amounts. Taxable companies are defined as companies with net tax of more than $\$ 0$.
2 The industry groups are classified based on the ANZSIC system. Fine industries included under these broad industry groupings are listed in company tax detailed table 4. There is a complete listing of all fine industries included under each broad industry group in Business industry codes 2004.
3 Loss/nil companies (companies with total income equal to or less than $\$ 0$ ) may still be liable for net tax because these companies may still have net capital gains, other assessable income and other income items reported as 'reconciliation items' on their company returns.
4 A \$0 net tax indicates an amount of less than $\$ 500,000$.
5 Includes sports.
6 Includes companies lodging under the 'Nil company returns' code (code: 98000 in Business industry codes 2004) which includes non-taxable companies or companies with nil company returns - no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

In the 2003-04 income year public companies accounted for $59 \%$ ( $\$ 20.8$ billion) of net tax but represented only $1 \%$ of total taxable companies. Private companies accounted for 41\% ( $\$ 14.3$ billion) of total net tax, but represented 89\% of total taxable companies (table 4.6).

TABLE 4.6: Company net tax, by company type, 2003-04 income year

| Company type $^{1}$ | Taxable <br> companies |
| :--- | ---: | ---: | ---: |
| No. |  |$\quad$ Net tax | Average |
| ---: |
| net tax ${ }^{3}$ |$|$| \$m |
| :--- |

1 See box 4.2 for definitions of the different company types.
2 Only taxable companies would have net tax amounts as taxable companies are defined as companies with net tax of more than $\$ 0$.
3 Average net tax figures are derived from actual (not rounded) net tax figures and taxable company numbers.
4 Total amount may differ slightly from the sum of components due to rounding.
Less than 1\% of taxable companies were each liable for $\$ 1.0$ million or more in net tax, but in aggregate they were liable for $70 \%$ of total company net tax (table 4.7).

TABLE 4.7: Taxable companies and net tax, by grade of net tax, 2003-04 income year

| Grade of net tax | Taxable companies |  | Net tax |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | \$m | \% |
| \$1-\$9,999 | 164,290 | 54.9 | 468 | 1.3 |
| \$10,000-\$49,999 | 85,040 | 28.4 | 1,995 | 5.6 |
| \$50,000-\$99,999 | 22,327 | 7.5 | 1,569 | 4.4 |
| \$100,000-\$499,999 | 22,440 | 7.5 | 4,589 | 13.0 |
| \$500,000-\$999,999 | 2,778 | 0.9 | 1,922 | 5.4 |
| \$1,000,000 or more | 2,641 | 0.9 | 24,833 | 70.2 |
| Total ${ }^{1}$ | 299,516 | 100.0 | 35,375 | 100.0 |

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

## NON-TAXABLE COMPANIES

In general, non-taxable companies are companies with nil net tax. They include the following:

- Companies trading at a loss. Losses can be due to poor trading performance (such as poor sales performance or poor cost control performance) or to the nature of a company's activities.
- Companies whose trading profits are offset by reconciliation. Profits, based on a company's trading activities, are offset by adjustments made by reconciliation items such as deductions for decline in value of depreciating assets, capital works deductions and other deductible expenses. (For a listing of possible reconciliation items see the 2004 company tax return.)
Non-trading companies. These companies were not actively trading (reported no income, no expenses and consequently no profit or loss for the income year).
- Break even companies. Most break-even companies claimed prior year losses or had losses transferred in, which reduced their taxable income to zero. In the latter case, they would have been members of a larger company group.


## TABLE 4.8: Non-taxable companies, 2003-04 income year

| Reason | Non-taxable companies <br> No. |  |
| :--- | ---: | ---: |
| Trading at a loss | 224,695 | 58.4 |
| Trading profit offset by <br> reconciliation | 82,736 | 21.5 |
| Not trading | 51,600 | 13.4 |
| Break-even | 17,934 | 4.7 |
| Gross tax offset by rebates or <br> foreign tax credits | 7,974 | 2.1 |
| Total $^{1}$ | $\mathbf{3 8 4 , 9 3 9}$ | $\mathbf{1 0 0 . 0}$ |
| 1 Total amount may differ slightly from the sum of components due to rounding. |  |  |

Among non-taxable companies whose industry was stated, the property and business services industry accounted for $30 \%$ of the total number of non-taxable companies. Some 55\% of companies listed or classified under the property and business services industry grouping were non-taxable (table 4.9).

A number of industries have a high proportion of non-taxable companies. This is the case in an industry comprising a large number of companies engaging in activities that incur immediately deductible expenses, but as yet do not produce revenue.

TABLE 4.9: Non-taxable companies, by industry, 2003-04 income year

| Industry ${ }^{1}$ | Non-taxable companies <br> No. | Total companies No. | Proportion of non-taxable companies to all companies |
| :---: | :---: | :---: | :---: |
| Agriculture, forestry \& fishing | 11,231 | 18,319 | 61.3 |
| Mining | 2,382 | 3,450 | 69.0 |
| Manufacturing | 25,971 | 47,018 | 55.2 |
| Electricity, gas \& water supply | 499 | 775 | 64.4 |
| Construction | 36,663 | 66,615 | 55.0 |
| Wholesale trade | 18,620 | 34,702 | 53.7 |
| Retail trade | 32,538 | 55,796 | 58.3 |
| Accommodation, cafes \& restaurants | 9,981 | 15,220 | 65.6 |
| Transport \& storage | 16,251 | 27,296 | 59.5 |
| Communication | 4,000 | 6,189 | 64.6 |
| Finance \& insurance | 66,395 | 131,041 | 50.7 |
| Property \& business services | 115,613 | 209,075 | 55.3 |
| Education | 3,029 | 4,834 | 62.7 |
| Health \& community services | 14,062 | 24,403 | 57.6 |
| Cultural \& recreational services ${ }^{2}$ | 8,308 | 12,625 | 65.8 |
| Personal \& other services | 10,296 | 17,176 | 59.9 |
| Total industry stated | 375,839 | 674,534 | 55.7 |
| Other ${ }^{3}$ | 8,654 | 9,475 | 91.3 |
| Total | 384,493 | 684,009 | 56.2 |

1 The industry groups are classified based on the ANZSIC system. Fine industries included under these broad industry groupings are listed in company tax detailed table 4. There is a complete listing of all fine industries included under each broad industry group in Business industry codes 2004
2 Includes sports.
3 Includes companies lodging under the 'Nil company returns' code (code: 98000 in Business industry codes 2004) which includes non-taxable companies or companies with nil company returns - no income, expense or balance sheet data present; companies that did not state their industry; and/or companies registered under the government administration and defence industry code.

## PETROLEUM RESOURCE RENT TAX

Petroleum resource rent tax is imposed by the Petroleum Resource Rent Tax Act 1987 on all offshore petroleum projects except certain North-West Shelf projects and projects in the Joint Petroleum Development Area in the Timor Sea. It was introduced as a more economically efficient replacement of Australian Government royalties for these projects. Like royalties, petroleum resource rent tax payments are allowable deductions for calculating income tax. The tax is calculated at $40 \%$ of 'excess' profit (a tax on economic rent of the petroleum resource), which is the excess of assessable receipts over deductible expenditure and eligible transferred exploration expenditure. The tax is paid to the Tax Office quarterly, with the first three payments made in October, January and April. Companies submit their petroleum resource rent tax returns in August and a final payment, or refund, is made following the issue of a notice of assessment by the Commissioner.

In the 2004-05 financial year petroleum resource rent tax totalled $\$ 1.46$ billion (table 4.10). The 25\% increase in collections from the previous year is due to an increase in world crude oil prices.

TABLE 4.10: Petroleum resource rent tax, 1995-96 to 2004-05 financial years

| Year | Collections | Change on <br> previous year <br> $\%$ |
| :--- | ---: | ---: |
| $1995-96$ | $\$ m$ | -8.6 |
| $1996-97$ | 791 | 65.4 |
| $1997-98$ | 1,308 | -30.7 |
| $1998-99$ | 907 | -53.8 |
| $1999-00$ | 419 | 182.6 |
| $2000-01$ | 1,184 | 100.9 |
| $2001-02$ | 2,379 | -42.8 |
| $2002-03$ | 1,361 | 25.8 |
| $2003-04$ | 1,712 | -31.8 |
| $2004-05$ | 1,168 | 24.9 |

## DETAILED TABLES

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

To avoid double counting associated with company groups that consolidate part-way through a financial year, we have amended some company detailed tables. The issue arises in tables 2 part D, 4 part D and 8 part D, and all parts of table 5, which are concerned with financial, losses and other information. Companies that lodge a part-year 'non-membership' period return declare assets and other items that are duplicated on the head company's full-year return. This full-year return would show assets for the entire corporate group, and so these non-membership returns have been filtered out of the tables.
A new table has also been added to show the value of these items in the non-membership period returns for companies becoming part of a consolidated group.
The items referred to in the detailed tables are items declared on the 2004 company tax return. A copy of the form is in the appendix.

To find out whether a particular item is included in a detailed table, refer to the company tax detailed tables index included on the attached CD-ROM and in the online version of this publication. (The index can be viewed or downloaded only in Adobe Acrobat (PDF) or Microsoft Excel (XLS) file format.) The table index lists the different items shown in the detailed tables and specifies the tables they appear in.
Table 1: Selected items, by net tax and company type, 2003-04 income year This table shows the number of records and amounts for selected items such as total income, taxable income, total credits/rebates, total refundable credits, net tax and net capital gains for public, private, other and total companies, ranged by grade of net tax.
Table 2: Selected items, by taxable income, taxable status, residential status and company type, 2003-04 income year This table shows the number of records and amounts for items from the company tax return for taxable and non-taxable companies that are classified by different types (resident, non-resident, public, private and other), ranged by grade of taxable income.

- Part A: Income items - contains income labels from item 6 'Calculation of total profit or loss' on page 2 of the company return.
Part B: Expense items - contains expense labels and operating profit/loss labels from item 6 'Calculation of total profit or loss' on page 2 of the company return.

Part C: Reconciliation to taxable income or loss items - contains reconciliation labels from item 7 'Reconciliation to taxable income or loss' on page 2 of the company return.

- Part D: Financial and other information items excluding non-membership period returns - contains labels from item 8 'Financial and other information' on page 3 of the company return.
Part E: Calculation statement items contains labels from item 9 'STS depreciating assets’ and item 10 'Losses information' on page 3, and tax offset labels from item 16 and the 'Calculation statement' on page 4 of the company return.
- Part F: Financial and other information items for non-membership period returns - details selected labels from item 8 'Financial and other information' on page 3 of the company return for subsidiary companies (non-membership period returns) that were members of a consolidated group at any time during the 2003-04 income year.
(1) In order to meet privacy regulations, statistics for some items may not be included in the tables.

Table 3: Number of companies and net tax, by balance date, 2003-04 income year
This table shows the number of companies and taxable companies that used an income year similar to the Australian financial year (June balancers) and companies and taxable companies that used a substituted accounting period. The net tax of these companies is also shown.

Table 4: Selected items, by fine industry, 2003-04 income year
This table shows the number of records and amounts for items from the company tax return for companies classified by fine industry groupings (determined by the main source of income) based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.
$\square$ Part A: Income items - contains income labels from item 6 'Calculation of total profit or loss' on page 2 of the company return.

- Part B: Expense items - contains expense labels and operating profit/loss labels from item 6 'Calculation of total profit or loss' on page 2 of the company return.
Part C: Reconciliation to taxable income or loss items - contains reconciliation labels from item 7 'Reconciliation to taxable income or loss' on page 2 of the company return.
- Part D: Financial and other information items excluding non-membership period returns - contains labels from item 8 'Financial and other information' on page 3 of the company return.
- Part E: Calculation statement items contains labels from item 9 'STS depreciating assets' and item 10 'Losses information' on page 3 and tax offset labels from item 16 and the 'Calculation statement' on page 4 of the company return.
(1) In order to meet privacy regulations, statistics for some items are not reported by fine industries in the different parts of this table. Statistics on items showing a low number of records are reported in table 10 ('Other selected items, by broad industry') and table 11 ('Selected financial and other information, by broad industry, for non-membership period returns').

Table 5: Selected items and financial ratios for medium to large companies, by broad industry, 2003-04 income year
This table reports amounts for selected items from the company tax return and financial ratios calculated from these items for companies with total income equal to or more than $\$ 10$ million. The financial ratios in this table include return on assets, net profit margin, gearing, interest cover and tax to profit ratios. This table also includes selected items from non-membership period returns.

- Part A: Taxable and profitable companies - includes amounts for selected items and ratios calculated for companies with:
- total income equal to or more than $\$ 10$ million
- net tax or tax payable more than $\$ 0$, and
- operating profit or loss more than $\$ 0$.

Part B: Taxable and non-profitable companies - includes amounts for selected items and ratios calculated for companies with:

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

Part D: Non-taxable and non-profitable companies - includes amounts for selected items and ratios calculated for companies with:

- total income equal to or more than $\$ 10$ million
- net tax or tax payable equal to $\$ 0$, and
- operating profit or loss equal to or less than \$0.

Table 6: Number of companies, by broad industry and state/territory/region, 2003-04 income year
This table shows the number of companies, classified by broad industry, in specified regions within different states and territories (for example, major urban, other urban, regional-high urbanisation, regional-low urbanisation, rural and other regions in New South Wales). A region category is composed of postcodes grouped together according to specified population ranges.
The broad industry groups used to classify personal taxpayers are based on the ANZSIC industry groups.
Table 7: Selected items for income years 1994-95 to 2003-04
This table shows selected items from the company tax return for income years 1994-95 to 2003-04. The number of records and amounts for most items are shown.
The table is also available at the back of this chapter (see table 4.11).

Table 8: Selected items, by total income, taxable status, residential status and company type, 2003-04 income year
This table presents data (number of records and amounts) on items from the company tax return for taxable and non-taxable companies, classified by different types (resident, non-resident, public, private and other) and ranged by grades of total income.
$\square$ Part A: Income items - contains income labels from item 6 'Calculation of total profit or loss' on page 2 of the company return.

- Part B: Expense items - contains expense labels and operating profit/loss labels from item 6 'Calculation of total profit or loss' on page 2 of the company return.
- Part C: Reconciliation to taxable income or loss items - contains reconciliation labels from item 7 'Reconciliation to taxable income or loss' on page 2 of the company return.
Part D: Financial and other information items excluding non-membership period returns - contains labels from item 8 'Financial and other information' on page 3 of the company return.
- Part E: Calculation statement items contains labels from item 9 'STS depreciating assets' and item 10 'Losses information' on page 3 and tax offset labels from item 16 and the 'Calculation statement' on page 4 of the company return.
Part F: Financial and other information items for non-membership period returns - details selected labels from item 8 'Financial and other information' on page 3 of the company return for subsidiary companies (non-membership period returns) that were members of a consolidated group at any time during the 2003-04 income year.
(1) In order to meet privacy regulations, statistics for some items may not be included in the tables.

Table 9: $\quad$ Selected items, by broad industry and total income, 2003-04 income year
This table shows the number of companies classified under the different broad industry groupings based on the ANZSIC system, and the total income, taxable income and net tax of these companies. The companies, total income, taxable income and net tax are also ranged by grade of total income.

## Table 10: Other selected items (items not included in table 4), by broad industry, 2003-04 income year

This table shows the number of records and amounts for selected items that are not included in company tax detailed table 4 ('Selected items, by fine industry'). Taxpayers and the data are classified into broad industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC industry groups.
(1) In order to meet privacy regulations, statistics for some items may not be included in the table.

## Table 11: Selected financial and other information, by broad industry, for non-membership period returns, 2003-04 income year

This table details selected labels from item 8 'Financial and other information' on page 3 of the company return for subsidiary companies (non-membership period returns) that were members of a consolidated group at any time during the 2003-04 income year.

## TIME SERIES TABLE

Table 4.11 shows selected items from company returns for income years 1994-95 to 2003-04. This table is also available on the attached CD-ROM and in the online version of the publication on the Tax Office website as company tax detailed table 7. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

Please note that the introduction of the company income tax consolidation regime from 1 July 2002 has caused a break in the time series. While for many companies there is no change to their position, the large eliminations involved in the consolidations system will mean that, at an aggregate level, direct comparison from 2001-02 and 2002-03 data cannot be effectively achieved. Under the consolidation regime, all intra-group transactions and claims related to item 8 'Financial and other information' are removed from the group and only the final position is shown in the return lodged by the head of the consolidated group. This will lead to large variations in many of the labels lodged by some of the biggest corporate structures.
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TABLE 4．11：Company tax．${ }^{1}$ Selected items for income years 1994－95 to 2003－04 1994－95 1995－96 1996－97 1997－98 ฮ்ં ฮ்ં 8९O＇ヤ乙๑ | U |
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|  |  | 1994－95 | 1995－96 | 1996－97 | 1997－98 | 1998－99 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Operating profit／loss \＆ extraordinary items | No． | 469，384 | n．a． | n．a． | n．a． | n．a． |
|  | \＄ | 72，259，979，524 | n．a． | n．a． | n．a． | n．a． |
| Operating profit or loss | No． | n．a． | 488，761 | 515，648 | 524，058 | 564，365 |
|  | \＄ | n．a． | 95，612，201，587 | 94，339，236，325 | 107，440，469，564 | 159，500，273，150 |
| Extraordinary revenue or expenses | No． | n．a． | 5，719 | 6，413 | 6，577 | 6，434 |
|  | \＄ | n．a． | －859，019，089 | 114，736，516 | 1，343，221，579 | －8，339，748，713 |
| Net capital gain | No． | 11，366 | 13，393 | 18，755 | 19，666 | 21，888 |
|  | \＄ | 1，892，486，732 | 2，474，524，088 | 3，295，273，393 | 4，749，324，863 | 8，646，845，608 |
| Tax losses transferred in | No． | n．a． | n．a． | 13，484 | 12，016 | 19，229 |
|  | \＄ | n．a． | 13，160，178，147 | 12，582，083，517 | 11，517，559，781 | 14，615，102，477 |
| Tax losses carried forward | No． | n．a． | 148，726 | 170，936 | 182，000 | 202，443 |
|  | \＄ | n．a． | 48，194，839，664 | 51，533，205，780 | 55，444，773，036 | 68，707，968，592 |
| Net capital losses carried forward | No． | n．a． | n．a． | 18，850 | n．a． | 23，817 |
|  | \＄ | n．a． | n．a． | 23，253，733，896 | n．a． | 53，960，247，039 |
| Special building write－off | No． | 11，145 | 12，037 | 11，885 | 12，311 | 12，399 |
|  | \＄ | 682，380，893 | 849，724，125 | 724，278，565 | 751，384，655 | 815，273，077 |
| Capital works deductions | No． | n．a． | n．a． | n．a． | n．a． | n．a． |
|  | \＄ | n．a． | n．a． | n．a． | n．a． | n．a． |
| Drought investment allowance ${ }^{7}$ | No． | 7，835 | 752 | 161 | 147 | 133 |
|  | \＄ | 810，520，730 | 298，936，286 | 433，919 | 4，564，087 | 748，890 |
| Development allowance | No． | 226 | 191 | 155 | 193 | 214 |
|  | \＄ | 207，998，404 | 288，150，746 | 317，720，074 | 460，276，375 | 535，085，143 |
| Research \＆development non－syndicated | No． | 2，987 | 3，131 | 2，529 | 2，323 | 2，215 |
|  | \＄ | 1，855，710，032 | 2，209，790，703 | 1，575，945，485 | 1，271，064，872 | 1，100，688，698 |
| Research \＆development syndicated | No． | 391 | 374 | 278 | 189 | 158 |
|  | \＄ | 748，293，055 | 439，853，054 | 205，866，740 | 84，855，023 | 63，212，851 |
| Tax losses deducted | No． | n．a． | 82，181 | 94，025 | 95，397 | 98，529 |
|  | \＄ | n．a． | 4，750，456，693 | 5，285，334，987 | 6，116，248，920 | 6，969，499，606 |
| Taxable or net income ${ }^{8}$ | \＄ | 79，461，655，263 | 89，182，917，293 | 102，388，478，916 | 109，960，850，270 | 160，135，443，245 |
| Total non－refundable tax offsets \＆credits | No． | 23，426 | 26，469 | 4，841 | 5，183 | 5，593 |
|  | \＄ | 9，034，332，199 | 13，714，375，640 | 425，894，509 | 452，412，419 | 540，567，228 |
| Net tax ${ }^{9}$ | \＄ | 16，286，295，395 | 16，628，903，403 | 18，758，846，044 | 21，065，119，768 | 22，286，411，813 |

continued from previous page

|  |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{2}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Refundable tax offsets \& credits or total refundable credits | No. $\$$ | $\begin{array}{r} 45,825 \\ 276,457,022 \end{array}$ | $\begin{array}{r} 47,015 \\ 333,216,487 \end{array}$ | $\begin{array}{r} 147,763 \\ 13,634,309,280 \end{array}$ | $\begin{array}{r} 157,397 \\ 15,367,443,645 \end{array}$ | $\begin{array}{r} 171,273 \\ 16,772,105,546 \end{array}$ | $\begin{array}{r} 156,046 \\ 18,337,204,309 \end{array}$ | $\begin{array}{r} 250,432 \\ 24,832,153,711 \end{array}$ | $\begin{array}{r} 255,383 \\ 25,925,893,759 \end{array}$ | $\begin{array}{r} 272,146 \\ 29,020,605,664 \end{array}$ | $\begin{array}{r} 297,727 \\ 29,576,248,392 \end{array}$ |
| Opening stock | No. | 120,710 | 123,875 | 124,453 | 122,336 | 125,573 | 126,333 | 125,017 | 130,698 | 129,736 | 122,895 |
|  | \$ | 65,458,391,591 | 73,853,016,501 | 78,620,442,513 | 74,612,149,790 | 90,306,760,534 | 89,655,761,868 | 137,726,509,489 | 131,826,094,330 | 118,515,211,128 | 115,808,382,861 |
| Closing stock | No. | 125,723 | 127,790 | 128,978 | 127,084 | 130,993 | 131,787 | 131,540 | 136,281 | 135,090 | 127,876 |
|  | \$ | 79,019,105,438 | 77,169,508,618 | 81,601,497,566 | 79,813,030,475 | 83,103,307,521 | 97,503,133,082 | 138,993,734,168 | 116,126,890,507 | 125,527,124,296 | 129,156,623,311 |
| Total salary \& wage expenses | No. | 273,430 | 286,541 | 289,311 | 297,793 | 317,543 | 326,554 | 324,591 | 328,312 | 326,517 | 305,286 |
|  | \$ | 97,154,294,807 | 105,603,964,405 | 110,891,535,435 | 115,474,051,092 | 125,808,396,501 | 140,704,997,192 | 148,168,389,730 | 159,734,805,532 | 165,199,174,182 | 166,358,742,709 |
| Dividends franked | No. | 60,236 | 64,671 | 67,991 | 74,235 | 76,915 | 77,699 | 87,070 | 86,468 | 93,327 | 94,230 |
|  | \$ | 30,796,113,599 | 34,430,204,656 | 40,309,105,438 | 34,607,281,526 | 39,443,352,188 | 44,179,997,106 | 100,282,808,142 | 74,835,843,815 | 55,902,788,897 | 48,402,985,887 |
| Dividends unfranked | No. | 4,060 | 4,094 | 4,712 | 5,148 | 5,256 | 5,723 | 5,760 | 5,090 | 5,327 | 4,509 |
|  | \$ | 8,351,564,190 | 12,945, 148,457 | 20,601,917,774 | 16,202,005,675 | 56,574,752,135 | 38,290,825,935 | 31,203,516,571 | 20,796,080,072 | 18,423,904,232 | 5,773,538,567 |
| Total dividends | No. | 61,981 | 66,353 | 69,731 | 76,157 | 78,913 | 83,422 | 89,400 | 88,731 | 95,731 | 96,249 |
|  | \$ | 39,147,677,789 | 47,375,353,113 | 40,309,110,150 | 50,809,287,201 | 96,018,104,323 | 82,470,823,041 | 131,486,324,713 | 95,631,923,887 | 74,326,693,129 | 54,176,524,454 |
| Payments to related entities | No. | 188,429 | 197,095 | 204,130 | 208,178 | 213,198 | 181,842 | 171,227 | 191,243 | 193,068 | 184,737 |
|  | \$ | 16,380,604,257 | 13,030,543,542 | 13,881,010,746 | 15,541,427,917 | 13,382,832,206 | 15,505,399,051 | 15,089,582,857 | 52,705,114,980 | 14,123,770,801 | 14,061,351,078 |
| Depreciable assets purchased ${ }^{10}$ | No. | 185,671 | 183,923 | 182,245 | 183,162 | 190,219 | 195,746 | 188,989 | n.a. | n.a. | n.a. |
|  | \$ | 35,781,141,601 | 46,563,486,537 | 45,737,447,027 | 44,604,461,786 | 46,412,075,675 | 55,468,198,331 | 68,591,641,852 | n.a. | n.a. | n.a. |
| Intangible depreciating assets 1st deducted ${ }^{10}$ | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 5,831 | 4,086 | 3,539 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 4,811,665,190 | 2,645,343,322 | 2,616,485,857 |
| Other depreciating assets 1 st deducted ${ }^{10}$ | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 137,221 | 138,817 | 128,284 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 51,379,483,063 | 48,783,503,317 | 59,328,351,553 |
| Depreciable assets sold'11 | No. | 70,271 | 68,649 | 67,194 | 65,396 | 64,224 | 64,063 | 57,463 | n.a. | n.a. | n.a. |
|  | \$ | 7,045,762,520 | 10,628,631,481 | 9,196,883,968 | 15,841,873,808 | 9,779,580,340 | 12,316,388,906 | 11,520,056,089 | n.a. | n.a. | n.a. |
| Termination value intangible dep assets ${ }^{11}$ | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 3,061 | 2,906 | 2,386 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1,449,571,332 | 632,076,264 | 358,018,924 |
| Termination value other dep assets ${ }^{11}$ | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 80,802 | 75,773 | 62,656 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 27,571,899,416 | 18,562,190,923 | 29,137,770,547 |
| Net foreign income | No. | 5,291 | 6,060 | 6,499 | 6,747 | 7,544 | 7,980 | 9,522 | 11,058 | 12,347 | 12,875 |
|  | \$ | 4,487,078,028 | 4,626,162,839 | 4,224,050,527 | 4,866,383,340 | 6,954,926,472 | 7,488,879,622 | 5,625,685,563 | 5,022,030,317 | 4,219,506,506 | 4,458,372,028 |
| AFI - Listed country | No. | 154 | 247 | 238 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
|  | \$ | 89,108,830 | 437,942,883 | 172,974,458 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |


|  |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{2}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| AFI - Broad-exemption listed country | No. | п.a. | n.a. | n.a. | 93 | 98 | 124 | 107 | 282 | 62 | 51 |
|  | \$ | n.a. | n.a. | n.a. | 56,530,562 | 42,512,153 | 94,866,760 | 85,445,346 | 269,503,093 | 91,488,043 | 89,632,707 |
| AFI - Limited-exemption listed country | No. | n.a. | n.a. | n.a. | 107 | 168 | 165 | 181 | 202 | 160 | 119 |
|  | \$ | n.a. | n.a. | n.a. | 137,983,238 | 204,045,792 | 388,730,756 | 266,361,360 | 243,822,019 | 293,128,446 | 420,748,215 |
| AFI - Unlisted country | No. | 88 | 114 | 122 | 113 | 147 | 138 | 709 | 235 | 93 | 79 |
|  | \$ | 111,451,452 | 248,706,749 | 244,674,135 | 164,005,484 | 370,334,675 | 434,310,663 | 1,039,114,155 | 572,781,040 | 446,757,763 | 271,996,854 |
| AFI - FIF income | No. | 124 | 150 | 61 | 43 | 43 | 56 | 81 | 63 | 119 | 39 |
|  | \$ | 4,348,898 | 20,056,690 | 14,993,182 | 16,873,380 | 8,247,492 | 17,473,047 | 22,195,847 | 21,395,032 | 81,393,917 | 16,428,693 |
| AFI - Transferor trust | No. | n.a. | 19 | 27 | 14 | 37 | 54 | 177 | 28 | 5 | 0 |
|  | \$ | n.a. | 235,531 | 94,954,576 | 1,861,661 | 1,460,805 | 3,434,514 | 444,419,856 | 143,504,329 | 2,824 | 0 |
| AFI - FLP income | No. | n.a. | 6 | 31 | 17 | 23 | 14 | 17 | 5 | 0 | 0 |
|  | \$ | n.a. | 141,287 | 1,970,876 | 2,110,738 | 1,042,853 | 412,136 | 1,780,506 | 190,890 | 0 | 0 |
| Foreign exchange gains or losses of a capital nature | No. | n.a. | 3,380 | 3,852 | 3,550 | 3,364 | 1,073 | 648 | 523 | 414 | 0 |
|  | \$ | n.a. | 452,529,256 | 751,020,945 | -1,045,494,456 | 177,149,896 | -161,269,200 | -1,595,272,841 | 217,044,312 | 351,193,309 | 0 |
| Land degradation expenses | No. | 300 | 305 | 110 | 402 | 538 | 522 | 495 | 521 | 540 | 532 |
|  | \$ | 12,356,584 | 11,564,307 | 3,589,528 | 20,481,201 | 23,204,004 | 29,159,585 | 40,691,488 | 48,741,188 | 42,465,465 | 30,592,318 |
| Trade debtors | No. | n.a. | 171,972 | 177,457 | 178,026 | 186,891 | 201,077 | 204,267 | 200,209 | 197,477 | 184,534 |
|  | \$ | n.a. | 118,703,359,991 | 122,707,314,917 | 128,589,019,823 | 377,926,275,649 | 314,983,729,385 | 166,565,936,668 | 148,615,724,486 | 153,648,382,157 | 150,428,551,640 |
| Current assets | No. | n.a. | 460,915 | 482,357 | 486,515 | 520,787 | 543,116 | 552,402 | 580,876 | 580,440 | 546,095 |
|  | \$ | n.a. | 721,556,750,409 | 774,514,834,457 | 745,549,800,430 | 797,443,802,197 | 1,057,815,707,595 | 1,451,207,774,107 | 1,577,007,455,398 | 1,696,307,928,829 | 1,326,557,428,063 |
| Total assets | No. | n.a. | 488,921 | 513,195 | 519,681 | 552,261 | 570,905 | 578,753 | 608,319 | 605,906 | 567,680 |
|  | \$ | n.a. | 2,220,588,804,850 | 2,527,212,997,865 | 2,645,415,613,436 | 2,850,377,924,468 | 3,479,716,811,537 | 4,128,659,717,312 | 4,279,991,886,030 | 4,350,781,538,335 | 3,937,092,291,163 |
| Trade creditors | No. | n.a. | 234,643 | 240,630 | 239,931 | 253,030 | 265,905 | 267,725 | 253,274 | 240,888 | 219,278 |
|  | \$ | n.a. | 125,500,719,650 | 127,594,584,893 | 102,939,733,289 | 161,276,480,235 | 169,478,471,050 | 123,439,457,464 | 138,523,161,884 | 111,516,971,387 | 114,247,081,639 |
| Current liabilities | No. | n.a. | 428,267 | 445,482 | 448,254 | 479,229 | 498,730 | 512,539 | 536,788 | 535,556 | 502,412 |
|  | \$ | n.a. | 716,533,972,566 | 782,175,959,833 | 730,319,262,024 | 748,237,631,843 | 1,094,739,170,427 | 1,604,894,289,790 | 1,670,749,748,728 | 1,342,967,932,044 | 1,060,936,787,107 |
| Total liabilities | No. | n.a. | 462,282 | 483,633 | 489,948 | 521,510 | 539,638 | 548,001 | 575,992 | 574,477 | 538,275 |
|  | \$ | n.a. | 1,592,510,200,966 | 1,833,992,010,798 | ,938,405,515,308 | 2,059,519,725,009 | 2,540,960,532,008 | 3,143,168,915,318 | 3,171,946,994,632 3 | 3,256,086,610,643 | 2,936,561,485,215 |
| Shareholders' funds | No. | n.a. | 492,080 | 516,898 | 523,557 | 555,793 | 574,577 | 582,066 | 612,190 | 609,585 | 570,420 |
|  | \$ | n.a. | 638,008,808,078 | 693,164,607,067 | 707,010,099,006 | 790,858,155,119 | 938,752,804,787 | 985,483,980,320 | 1,108,044,891,398 | 1,094,694,927,692 | 1,000,530,764,922 |
| SCHEDULE ITEMS ${ }^{12}$ |  |  |  |  |  |  |  |  |  |  |  |
| Total capital gains | No. | n.a. | n.a. | 20,562 | 23,813 | 26,651 | 29,226 | 13,452 | 16,052 | 15,344 | 18,152 |
|  | \$ | n.a. | n.a. | 7,003,060,708 | 9,577,557,888 | 13,492,686,333 | 14,780,176,783 | 11,666,623,978 | 13,319,602,004 | 11,365,943,629 | 12,653,912,044 |

## TABLE 4.11: Company tax. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04



 $\stackrel{8}{\circ}$ 861,304,909 $8+6$ ' $\angle 6 z^{\prime} 66 z^{\prime}$ '
$0 \varepsilon \angle$

 Q \&
Notes:
For the purposes of the time series table it is important to note that the changes around the葛 هூ liso induded on the Taxation Statistics 2003-04 CD-ROM. The symbol 'n.a.' used in this publication means not applicable or not available.
Totals may not equal the sum of components due to rounding.
in order to meet privacy regulations, the following measures have been applied.
a) Number indicators shown may have been rounded to the nearest multiple of 5 .
b) Statistics for some items may not be included in some tables.
This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.
2 The 2001-02 and 2002-03 income year statistics reported in this table may not match the statistics reported in previous editions of Taxation statistics because the statistics for these income years have been updated in this edition.
3 The statistics for the 2003-04 income year were sourced from 2004 company income tax returns processed by 31 October 2005. The statistics are not necessarily complete. Therefore, caution should be exercised in making comparisons between the statistics for 2003-04 and prior income years. For further information please refer to the 'Source of company statistics' section in the 'Company tax' chapter of Taxation Statistics 2003 - 04 . Under DAFGS (or on-road scheme) grants are provided for the on-road use of fuel by businesses and other entities. As both diesel fuel rebates and diesel and alternative fuels grants are declared under the assessable government industry payments labels on partnership income tax returns from 2000-01 onwards, assessable government industry payments from 2000-01 are significantly higher compared to assessable government industry payments in income years before 2000-01.
The 'Total income' reported in this table is based on the total calculated by the Tax Office during tax return assessment and therefore will not necessarily agree with the sum of component items (the amounts of different types of income) which taxpayers claim on their annual income tax returns.
The 'Total expenses' reported in this table is based taxpayers claim on their annual income tax returns. The drought investment allowa
incurred in prior income years.
the calculated taxable income is equal to or less thon
10 In the 2001-02 income year 'Depreciable assets purchased' was replaced by 'Intangible depreciating assets first deducted' and 'Other depreciating assets first deducted.
11 In the 2001-02 income year 'Depreciable assets sold' was replaced by 'Termination value - intangible depreciating assets' and 'Termination value - other depreciating assets'
2 Staistics for the schedule items for income years before 2000-01 were sourced from past company tax returns. From 2000-01 onwards, the statistics are sourced from the capital gains

## (1) HIGHLIGHTS

- In 2003-04, 447,207 partnerships lodged returns and reported total business income of around $\$ 123.4$ billion.
- The largest proportion of partnerships (27\%) was in the agriculture, forestry and fishing industry.
- Partnerships reported $\$ 108.3$ billion in expenses, with the main type of expense being cost of sales, which accounted for $\$ 44.5$ billion.

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

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

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

## SOURCE OF PARTNERSHIP STATISTICS

Statistics in this chapter are sourced from 2004 partnership income tax returns processed by 31 October 2005. The data for Taxation Statistics 2003-04 was compiled before all processing for the 2003-04 income year was completed. The statistics are not necessarily complete and will continue to change as data from 2004 tax returns processed after 31 October 2005 is included. The usual practice each year is to update the statistics for the two years before the current year in the partnership return time series table (chapter table 5.5 and partnership return detailed table 3).

The proportion of tax returns processed by 31 October each year can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2003-04 income year statistics and statistics from previous years will be possible when Taxation Statistics 2004-05 is published. In that edition, the 2003-04 income year statistics will include data from returns and amendments processed up to 31 October 2006.

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

Statistics for most items shown on the partnership return are included in the detailed tables on the attached CD-ROM. The detailed tables are also included in the online version of this publication.
Please note that the new company consolidation regime may also have some small impact on partnership return information, in that some return items previously reported by a partnership are now reported as part of a consolidated entity in the company tables. The impacts on the partnership tables will mainly be apparent as a slight shrinking of the overall population for this entity. Please see box 5.1 for more information on consolidations.

## NEW FEATURES AND INFORMATION

A tax reform implemented during the 2003-04 income year affected the statistics for some partnership items reported in this chapter and in the detailed tables.

- The Trans-Tasman imputation measure allows a New Zealand company to choose to enter the Australian imputation system. This allows the New Zealand company to maintain an Australian franking account from 1 April 2003 and to attach Australian franking credits to dividends it pays from 1 October 2003, or one month after the company makes an election, whichever is later.
- A new label, 'Australian franking credits from a New Zealand company' (item 20, label D), was introduced on the 2004 partnership income tax return and is in the partnership tax detailed tables. A definition of this label is in the partnership tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
- The following labels were removed from the 2004 partnership return:
- 'Initial year 13 month prepaid expenses' (item 55, label X), and
- 'Last year 13 month prepaid expenses' (item 55, label Y).

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

## BOX 5.1: Consolidation

The company tax income consolidation regime, which operates from 1 July 2002, allows wholly-owned groups to be treated as a single entity for income tax purposes.

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

The head company in a consolidated group must:

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

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

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

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

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

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

## PARTNERSHIP RETURNS

In 2003-04 a total of 447,207 partnerships lodged returns in Australia (table 5.1).

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

TABLE 5.1: Number of partnerships, by state/territory, 2003-04 income year

| State/territory | Partnerships <br> No. |  |
| :--- | ---: | ---: |
| \% ${ }^{1}$ |  |  |
| NSW | 143,858 | 32.2 |
| VIC | 99,727 | 22.3 |
| QLD | 97,319 | 21.8 |
| SA | 39,272 | 8.8 |
| WA | 48,712 | 10.9 |
| TAS | 11,847 | 2.6 |
| NT | 2,233 | 0.5 |
| ACT | 4,147 | 0.9 |
| Other | 92 | 0.0 |
| Total | $\mathbf{4 4 7 , 2 0 7}$ | $\mathbf{1 0 0 . 0}$ |

1 A share of $0.0 \%$ indicates a share of less than $0.05 \%$.

## PARTNERSHIP RETURNS, BY INDUSTRY

In 2003-04 the largest proportion of partnerships (whose industry was stated) was in the agriculture, forestry and fishing industry (27\%), followed by the construction (15\%) and retail trade (13\%) industries (table 5.2).

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

TABLE 5.2: Partnerships, by industry, 2003-04 income year

| Industry ${ }^{1}$ | Partnerships |  |
| :---: | :---: | :---: |
|  | No. | \% |
| Agriculture, forestry \& fishing ${ }^{2}$ | 118,376 | 27.3 |
| Mining | 676 | 0.2 |
| Manufacturing | 21,929 | 5.1 |
| Electricity, gas \& water supply | 275 | 0.1 |
| Construction | 62,673 | 14.5 |
| Wholesale trade | 10,840 | 2.5 |
| Retail trade | 54,750 | 12.6 |
| Accommodation, cafes \& restaurants | 15,569 | 3.6 |
| Transport \& storage | 18,827 | 4.3 |
| Communication | 3,495 | 0.8 |
| Finance \& insurance | 5,762 | 1.3 |
| Property \& business services ${ }^{3}$ | 48,363 | 11.2 |
| Education | 1,886 | 0.4 |
| Health \& community services | 4,900 | 1.1 |
| Cultural \& recreational services ${ }^{4}$ | 7,600 | 1.8 |
| Personal \& other services | 16,694 | 3.9 |
| Investment income recipients ${ }^{5}$ | 40,433 | 9.3 |
| Total industry stated | 433,048 | 100.0 |
| Other ${ }^{6}$ | 14,159 |  |
| Total industries | 447,207 |  |

1 With the exception of the 'Investment income recipients' category, the industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system. Fine industries included under these broad industry groupings are listed in partnership return detailed table 5. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication Business industry codes 2004 (NAT 1827).
2 Includes partnerships that lodged a subsidiary return with income from primary production partnerships and trusts.
3 This industry group includes services such as property operators and developers, real estate, non-financial asset investors, machinery and equipment hiring and leasing, technical, computer, scientific research, legal and accounting, marketing and business management and other business services listed in Business industry codes 2004. This industry group should not be confused with the 'Property' or 'Property income recipients' category that appeared in the tables of past editions of Taxation Statistics.
4 Includes sports.
5 This category refers to partnerships that reported direct income from investment (for example, rental income, interest and dividends) and did not report income or loss from a business or another partnership or trust on their returns. In past editions of Taxation Statistics this category was referred to as 'Property' or 'Property income recipients'.
6 Includes partnerships that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code and those that did not state their industry.

## PARTNERSHIP INCOME

BOX 5.2: Partnership size, by total business income
For the purposes of this chapter:

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

In 2003-04 the majority of partnerships (83\%) were classified as micro partnerships. Micro partnerships accounted for 54\% ( $\$ 67.0$ billion) of total business income. Partnerships classified as large partnerships accounted for less than $1 \%$ of the total number of partnerships, but they accounted for 17\% ( $\$ 20.9$ billion) of total business income (table 5.3).
Overall, partnerships had a total business income of around $\$ 123.4$ billion.

TABLE 5.3: Number of partnerships and selected income items, by partnership size, 2003-04 income year

| Items ${ }^{1}$ | Partnerships |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Loss/nil | Micro | Small | Medium | Large | Total |
| Number of partnerships | No. | 70,290 | 370,725 | 5,528 | 612 | 52 | 447,207 |
| Net rent | \$m | 1,168 | 202 | 9 | 29 | 2 | 1,410 |
| Gross interest | \$m | 205 | 308 | 37 | 58 | 52 | 659 |
| Gross (or total) dividends ${ }^{2}$ | \$m | 100 | 102 | 4 | 5 | 0 | 212 |
| Net business income | \$m | -537 | 10,318 | 2,069 | 1,868 | 117 | 13,836 |
| Total business income | \$m | -5 | 67,026 | 20,690 | 14,730 | 20,932 | 123,373 |

1 Definitions of items are in the partnership return glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
2 An amount equal to $\$ 0$ may indicate an amount less than $\$ 500,000$.

## PARTNERSHIP EXPENSES

In 2003-04 partnerships had total business expenses of $\$ 108.3$ billion.

Micro partnerships accounted for 52\% (\$56.8 billion) of total business expenses, while large partnerships accounted for 19\% (\$19.8 billion) of total business expenses.

Cost of sales accounted for the largest share (41\%) of all partnership expenses. This expense category also accounted for the largest share of the total expenses of small (53\%), medium (50\%) and large partnerships (46\%).

TABLE 5.4: Partnership expenses, by type and partnership size, 2003-04 income year

| Expense ${ }^{1}$ | Partnerships |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Loss/nil $\$ m^{2}$ | Micro \$m | Small \$m | Medium \$m | Large \$m | Total \$m |
| Cost of sales | -1 | 18,891 | 9,828 | 6,440 | 9,386 | 44,543 |
| Depreciation | 28 | 3,391 | 316 | 320 | 617 | 4,672 |
| External labour ${ }^{3}$ | 13 | 2,379 | 695 | 709 | 811 | 4,607 |
| Interest | 66 | 2,339 | 413 | 425 | 989 | 4,232 |
| Rent | 4 | 1,826 | 389 | 191 | 213 | 2,623 |
| Repairs \& maintenance | 9 | 1,747 | 186 | 71 | 182 | 2,195 |
| Motor vehicle | 8 | 1,935 | 105 | 25 | 22 | 2,094 |
| Royalty expenses | 0 | 37 | 15 | 87 | 710 | 850 |
| Superannuation | 1 | 471 | 173 | 83 | 105 | 833 |
| Lease expenses | 1 | 397 | 69 | 22 | 51 | 539 |
| Bad debts | 2 | 49 | 37 | 29 | 32 | 148 |
| Other expenses | 175 | 23,390 | 6,329 | 4,462 | 6,641 | 40,997 |
| Total ${ }^{4}$ | 305 | 56,851 | 18,555 | 12,865 | 19,758 | 108,335 |

1 Definitions of items are in the partnership return glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
2 An amount equal to \$0 may indicate an amount less than \$500,000.
3 Also referred to as 'Contractor/subcontractor and commission expenses'.
4 Total amount may differ slightly from the sum of components due to rounding.

## DETAILED TABLES

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

The items referred to in the detailed tables are items declared on the 2004 partnership return. A copy of the return is in the appendix.

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

## Table 1: All items, by net Australian income,

 2003-04 income yearThis table shows the number of records and amounts for all items from the partnership return, ranged by net Australian income.
$\square$ Part A: Business income, expense and reconciliation items - contains income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the partnership return.
Part B: Other income and expense items - contains labels from items $6,8,9$, 10,11 and 12 on page 3 of the partnership return.
Part C: Other deductions, foreign income and total net income - contains labels from items 14, 15, 17, 19, 20 and 21 on page 4 of the partnership return.
Part D: Key financial information and business and professional items contains items 28 to 32 from the 'Key financial information' section and items 35 to 54 from the 'Business and professional items' section on page 5 of the partnership return.

Table 2: Selected items, by broad industry, 2003-04 income year
This table shows the number of records and amounts for most items from the partnership return. Partnership returns (and the data) are classified by broad industry groupings (determined by the taxpayer's main source of business income) based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.

- Part A: Business income, expense and reconciliation items - contains income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the partnership return.
- Part B: Other income and expense items - contains labels from items $6,8,9$, 10,11 and 12 on page 3 of the partnership return.
- Part C: Other deductions, foreign income and total net income - contains labels from items 14, 15, 17, 19, 20 and 21 on page 4 of the partnership return.
- Part D: Key financial information and business and professional items contains items 28 to 32 from the 'Key financial information' section and items 35 to 54 from the 'Business and professional items' section on page 5 of the partnership return.
(1) In order to meet privacy regulations, statistics for some items may not be included in the tables.

Table 3: $\quad$ Selected items for income years 1994-95 to 2003-04
This table shows selected items from the partnership return for income years 1994-95 to 2003-04. Most items display number of records and amounts.

This table is also available at the back of this chapter (see table 5.5).
Table 4: Total business income, by broad industry and state/territory, 2003-04 income year
This table shows the number of partnerships and number of records and amounts for partnerships with total business income, by state and territory. Partnership returns (and the data) are classified into broad industry groupings based on the ANZSIC system.

## Table 5: $\quad$ Selected items, by fine industry

 (amounts only), 2003-04 income yearThis table shows the number of partnership returns and amounts for most items from the partnership return. Partnership returns and the amounts are classified by fine industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC system.

- Part A: Business income, expense and reconciliation items - contains income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the partnership return. Part B: Other income and expense items - contains labels from items 6, 8, 9, 10,11 and 12 on page 3 of the partnership return.
Part C: Other deductions, foreign income and total net income - contains labels from items 14, 15, 17, 19, 20 and 21 on page 4 of the partnership return.
Part D: Key financial information and business and professional items contains items 28 to 32 from the 'Key financial information' section and items 35 to 54 from the 'Business and professional items' section on page 5 of the partnership return.
(1) In order to meet privacy regulations, statistics for some items may not be included in the tables.


## TIME SERIES TABLE

Table 5.5 shows selected items from partnership returns for income years 1994-95 to 2003-04. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as partnership return detailed table 3. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

Care should be taken when comparing 2001-02 and 2002-03 data in the time series tables. The new company consolidation regime may have some impact on partnership return information, in that some return items previously reported by a partnership are now reported as part of a consolidated entity in the company tables.
TABLE 5．5：Partnership returns．${ }^{1}$ Selected items for income years 1994－95 to 2003－04 2003－04 ${ }^{3}$
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| Selected items |  | 1994－95 | 1995－96 | 1996－97 | 1997－98 | 1998－99 | 1999－2000 | 2000－01 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Number of partnerships | No． | 593，069 | 578，626 | 560，263 | 534，891 | 525，801 | 520，002 | 494，247 |
| Total business income －PP | No． | 152，699 | 146，293 | 145，712 | 142，388 | 138，647 | 135，366 | 127，991 |
|  | \＄ | 15，901，896，060 | 17，090，757，743 | 17，044，589，221 | 17，286，712，562 | 16，942，355，345 | 17，317，861，804 | 20，037，480，752 |
| Total business income －NPP | No． | 383，859 | 366，998 | 360，633 | 344，441 | 337，929 | 333，526 | 319，014 |
|  | \＄ | 74，838，152，007 | 77，066，407，928 | 77，118，890，334 | 89，085，435，217 | 94，674，831，618 | 103，609，479，310 | 103，903，335，938 |
| Total business income | No． | 504，628 | 495，561 | 476，462 | 457，824 | 448，832 | 441，866 | 420，653 |
|  | \＄ | 90，740，048，067 | 94，156，490，691 | 94，163，479，555 | 106，372，147，779 | 111，617，186，963 | 120，927，341，114 | 123，940，816，690 |
| Contractor／subcontractor \＆ commission expenses | No． | 105，659 | 98，365 | 93，763 | 92，517 | 95，954 | 96，999 | 95，091 |
|  | \＄ | 3，247，960，134 | 3，239，361，091 | 3，012，540，581 | 3，364，213，664 | 3，698，257，628 | 4，268，551，886 | 4，085，166，766 |
| Superannuation expenses | No． | 111，429 | 105，707 | 102，097 | 99，322 | 97，299 | 94，781 | 91，000 |
|  | \＄ | 304，357，370 | 390，980，888 | 414，974，284 | 439，329，930 | 523，043，250 | 591，576，342 | 663，829，555 |
| Cost of sales | No． | 285，210 | 275，271 | 263，065 | 252，410 | 243，771 | 236，135 | 225，333 |
|  | \＄ | 32，987，245，910 | 32，376，220，399 | 31，435，069，839 | 31，286，952，794 | 32，912，450，552 | 35，692，947，021 | 35，348，882，022 |
| Bad debts | No． | 11，591 | 11，693 | 11，734 | 12，029 | 11，782 | 11，821 | 11，679 |
|  | \＄ | 120，773，805 | 117，950，501 | 127，046，188 | 147，581，040 | 130，272，393 | 140，728，150 | 163，210，478 |
| Lease expenses | No． | 60，882 | 57，491 | 57，684 | 57，972 | 59，777 | 57，895 | 52，385 |
|  | \＄ | 662，977，748 | 706，948，687 | 732，104，668 | 775，152，030 | 846，119，149 | 817，764，081 | 805，635，014 |
| Rent expenses | No． | 153，358 | 146，658 | 140，936 | 134，977 | 129，623 | 124，809 | 116，569 |
|  | \＄ | 2，453，681，710 | 2，497，009，882 | 2，404，360，443 | 2，370，350，361 | 2，412，538，683 | 2，458，427，508 | 2，519，745，784 |
| Total interest expenses | No． | 286，041 | 274，433 | 269，213 | 257，827 | 249，205 | 242，685 | 232，031 |
|  | \＄ | 3，129，086，599 | 3，336，939，970 | 3，079，363，158 | 2，998，554，646 | 3，246，207，018 | 3，716，661，352 | 4，176，322，219 |
| Total royalty expenses | No． | 3，279 | 3，157 | 3，140 | 2，973 | 2，880 | 2，832 | 2，618 |
|  | \＄ | 88，877，952 | 90，776，063 | 89，407，362 | 222，125，303 | 157，284，486 | 397，391，864 | 174，882，945 |
| Depreciation expenses | No． | 463，516 | 443，696 | 435，423 | 422，243 | 412，276 | 403，963 | 378，348 |
|  | \＄ | 3，355，106，662 | 3，667，172，219 | 3，566，378，897 | 3，803，802，548 | 4，158，535，772 | 4，384，383，714 | 4，326，870，621 |
| Motor vehicle expenses | No． | 403，803 | 381，484 | 370，583 | 359，257 | 351，263 | 344，183 | 325，076 |
|  | \＄ | 2，426，228，920 | 2，374，630，118 | 2，306，920，768 | 2，269，473，998 | 2，254，266，178 | 2，371，790，263 | 2，266，204，643 |
| Repairs \＆maintenance | No． | 348，669 | 332，926 | 327，044 | 317，212 | 309，532 | 301，136 | 285，961 |
|  | \＄ | 1，846，534，731 | 1，917，717，616 | 1，919，283，627 | 1，905，507，236 | 2，019，821，897 | 2，092，913，526 | 2，096，865，556 |
| Other expenses | No． | 506，219 | 495，548 | 478，077 | 458，537 | 449，782 | 442，601 | 420，865 |
|  | \＄ | 27，295，155，509 | 30，311，037，766 | 31，972，418，148 | 43，527，827，289 | 45，165，653，784 | 49，360，757，351 | 51，976，019，804 |
| Total expenses | No． | 513，946 | 503，504 | 486，234 | 466，503 | 457，554 | 450，236 | 428，475 |
|  | \＄ | 77，917，987，050 | 81，026，745，200 | 81，059，867，963 | 93，110，870，839 | 97，524，450，790 | 106，293，877，311 | 108，603，634，938 |
| Drought investment allowance ${ }^{4}$ | No． | 5，621 | 2，705 | 2，581 | 2，443 | 1，599 | 924 | 198 |
|  | \＄ | 58，945，277 | 15，887，326 | 15，608，521 | 20，154，696 | 6，209，473 | 71，404，952 | 1，786，201 |


| Selected items |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{2}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Income reconciliation adjustments | No. | n.a. | n.a. | n.a. | n.a. | 22,171 | 19,592 | 17,931 | 22,936 | 26,294 | 26,085 |
|  | \$ | n.a. | n.a. | n. | n.a. | -203,863,303 | -257,538,392 | 306,086,242 | 375,226,154 | 536,810,020 | 161,785,662 |
| Expense reconciliation adjustments | No. | n.a. | n.a. | n.a | n.a. | 55,713 | 57,224 | 52,623 | 60,625 | 62,077 | 59,822 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | -739,153,986 | -809,000,195 | -899,501,523 | -1,369,538,664 | -203,342,623 | -1,378,370,083 |
| Net business income PP - profit | No. | 79,135 | 78,361 | 75,836 | 73,001 | 71,130 | 66,975 | 73,453 | 76,748 | 63,420 | 63,164 |
|  | \$ | 2,980,439,432 | 3,555,317,918 | 3,106,997,065 | 3,043,022,542 | 2,731,321,813 | 2,603,530,033 | 3,878,601,537 | 5,226,896,093 | 3,900,847,583 | 3,373,991,948 |
| Net business income -PP - loss | No. | 82,436 | 79,387 | 77,804 | 76,687 | 74,856 | 75,171 | 60,157 | 54,933 | 64,249 | 58,854 |
|  | \$ | - 1,459,058,556 | $-1,456,160,017$ | $-1,471,634,287$ | $-1,547,958,396$ | $-1,556,327,762$ | -1,962,026,389 | -1,517,773,469 | $-1,393,634,743$ | $-2,044,195,612$ | -1,895,098,788 |
| Net business income or loss- PP | No. | 161,571 | 158,900 | 153,640 | 149,688 | 145,986 | 142,146 | 133,610 | 131,681 | 127,669 | 122,018 |
|  | \$ | 1,521,380,875 | 2,099,157,900 | 1,635,362,777 | 1,495,064,145 | 1,174,994,051 | 641,503,644 | 2,360,828,068 | 3,833,261,350 | 1,856,651,971 | 1,478,893,160 |
| Net business income NPP - profit | No. | 302,860 | 295,218 | 287,800 | 276,892 | 272,888 | 269,753 | 256,497 | 254,728 | 243,492 | 229,709 |
|  | \$ | 13,409,245,637 | 13,233,044,918 | 13,716,072,610 | 15,291,305,055 | 15,256,466,786 | 16,980,701,580 | 15,808,416,329 | 18,742,299,016 | 19,561,441,642 | 15,922,732,097 |
| Net business income NPP - loss | No. | 83,661 | 82,454 | 75,330 | 69,197 | 66,839 | 66,078 | 63,521 | 61,046 | 59,762 | 56,237 |
|  | \$ | - 1,821,774,550 | $-2,351,525,725$ | -2,465,558,700 | -2,684,209,708 | -3,312,833,524 | -3,788,367,023 | -3,426,897,403 | -3,271,576,539 | -2,566,922,355 | -3,566,190,976 |
| Net business income or loss <br> - NPP | No. | 386,521 | 377,672 | 363,130 | 346,089 | 339,727 | 335,831 | 320,018 | 315,774 | 303,254 | 285,946 |
|  | \$ | 11,587,471,086 | 10,881,519,192 | 11,250,513,909 | 12,607,095,346 | 11,943,633,262 | 13,192,334,557 | 12,381,518,926 | 15,470,722,477 | 16,994,519,287 | 12,356,541,121 |
| Net business income or loss | No. | 513,444 | 491,090 | 484,596 | 464,894 | 455,962 | 448,978 | 425,925 | 420,435 | 405,227 | 383,686 |
|  | \$ | 13,105,985,687 | 12,980,677,092 | 12,885,876,686 | 14,102,159,491 | 13,118,613,947 | 13,833,434,063 | 14,741,989,606 | 19,303,983,827 | 18,851,926,966 | 13,835,585,551 |
| Distribution from partnerships - PP - profit | No. | n.a. | n.a. | 1,588 | 1,569 | 1,489 | 1,431 | 1,488 | 1,523 | 1,293 | 1,205 |
|  | \$ | n.a. | n.a. | 53,977,615 | 68,257,573 | 85,236,833 | 60,015,772 | 68,484,184 | 83,638,239 | 67,997,981 | 57,299,523 |
| Distribution from partnerships - PP - loss | No. | n.a. | n.a. | 899 | 895 | 812 | 782 | 631 | 510 | 613 | 511 |
|  | \$ | n.a. | n.a. | - 13,404,074 | - 14,013,804 | - 16,026,631 | -15,746,163 | -15,214,015 | -12,886,133 | -15,837,159 | -14,587,489 |
| Distribution from partnerships - PP | No. | n.a. | n.a. | 2,487 | 2,464 | 2,301 | 2,213 | 2,119 | 2,033 | 1,906 | 1,716 |
|  | \$ | n.a. | n.a. | 40,575,641 | 54,243,768 | 69,210,202 | 44,269,609 | 53,270,169 | 70,752,106 | 52,160,822 | 42,712,034 |
| Distribution from trusts -PP - profit | No. | n.a. | n.a. | 221 | 849 | 206 | 197 | 2,552 | 4,342 | 3,204 | 161 |
|  | \$ | n.a. | n.a. | 4,049,340 | 5,776,993 | 7,126,713 | 5,719,657 | 10,210,543 | 30,508,839 | 8,617,351 | 5,923,453 |
| Distribution from trusts PP - loss | No. | n.a. | n.a. | 17 | 8 | 8 | 10 | 5 | 6 | 5 | 5 |
|  | \$ | n.a. | n.a. | - 370,178 | -30,790 | -68,324 | -238,496 | -197,130 | -38,677 | -85,699 | -195,903 |
| Distribution from trusts - PP | No. | n.a. | n.a. | 238 | 857 | 214 | 207 | 2,555 | 4,348 | 3,209 | 166 |
|  | \$ | n.a. | n.a. | 3,679,162 | 5,746,202 | 7,058,389 | 5,481,161 | 10,013,413 | 30,470,162 | 8,531,652 | 5,727,550 |
| Distribution from partnerships - NPP - profit | No. | n.a. | n.a. | n.a. | 4,894 | 4,727 | 4,540 | 4,302 | 4,112 | 3,819 | 3,469 |
|  | \$ | n.a. | n.a. | n.a. | 188,836,751 | 238,377,249 | 295,980,573 | 268,874,188 | 351,026,669 | 416,915,004 | 307,089,369 |
| Distribution from partnerships - NPP - loss | No. | n.a. | n.a. | n.a. | 933 | 915 | 952 | 868 | 782 | 692 | 623 |
|  | \$ | n.a. | n.a. | n.a. | -40,225,213 | - 150,383,583 | -388,250,663 | -49,479,503 | -28,955,597 | -29,479,122 | -25,102,549 |

TABLE 5.5: Partnership returns. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04

| Selected items |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{2}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Distribution from partnerships - NPP | No. | n.a. | n.a. | n.a. | 5,827 | 5,642 | 5,492 | 5,170 | 4,894 | 4,511 | 4,092 |
|  | \$ | n.a. | n.a. | n.a. | 148,611,537 | 87,993,666 | -92,270,090 | 219,394,685 | 322,071,072 | 387,435,882 | 281,986,820 |
| Distribution from trusts NPP - profit | No. | n.a. | n.a. | 9,603 | 10,845 | 11,012 | 10,455 | 12,615 | 11,914 | 10,697 | 8,889 |
|  | \$ | n.a. | n.a. | 133,151,369 | 116,424,517 | 167,075,225 | 389,157,105 | 377,600,051 | 426,313,943 | 102,186,979 | 103,722,025 |
| Distribution from trusts NPP - loss | No. | n.a. | n.a. | 20 | 5 | 5 | 5 | 0 | 0 | 5 | 5 |
|  | \$ | n.a. | n.a. | - 171,060 | -17,309 | -1,583 | -2,512 | 0 | 0 | -17,778 | -22,404 |
| Distribution from trusts NPP | No. | n.a. | n.a. | 9,623 | 10,849 | 11,016 | 10,457 | 12,615 | 11,914 | 10,702 | 8,894 |
|  | \$ | n.a. | n.a. | 132,980,308 | 116,407,207 | 167,073,642 | 389,154,593 | 377,600,051 | 426,313,943 | 102,169,201 | 103,699,621 |
| P\&T deductions relating to distribution - PP | No. | 769 | 799 | 777 | 792 | 741 | 694 | 672 | 664 | 613 | 555 |
|  | \$ | 7,958,989 | 9,257,960 | 9,715,888 | 9,893,488 | 9,424,939 | 9,388,556 | 9,960,627 | 11,569,933 | 9,523,855 | 9,486,980 |
| P\&T deductions relating to distribution - NPP | No. | 2,358 | 2,565 | 2,612 | 2,860 | 3,028 | 3,025 | 3,127 | 3,025 | 2,787 | 2,547 |
|  | \$ | 28,049,312 | 25,646,780 | 30,369,031 | 34,438,090 | 31,847,955 | 32,132,088 | 32,635,945 | 40,024,112 | 34,682,829 | 33,308,046 |
| Total P\&T deductions relating to distribution | No. | 3,047 | 3,327 | 3,355 | 3,611 | 3,731 | 3,719 | 3,763 | 3,651 | 3,365 | 3,072 |
|  | \$ | 36,008,301 | 34,904,740 | 40,084,919 | 44,331,578 | 41,272,894 | 41,520,644 | 42,596,572 | 51,594,045 | 44,206,684 | 42,795,026 |
| Gross rent | No. | 111,775 | 108,343 | 107,977 | 103,209 | 99,817 | 98,250 | 82,431 | 82,071 | 79,294 | 75,678 |
|  | \$ | 3,252,754,349 | 3,271,671,465 | 3,372,016,039 | 3,356,128,917 | 3,344,949,385 | 3,525,752,461 | 3,438,092,927 | 3,676,911,215 | 3,848,610,982 | 3,967,199,915 |
| Net rent - profit | No. | 79,035 | 76,232 | 77,067 | 76,046 | 74,297 | 72,697 | 60,243 | 61,258 | 58,957 | 55,405 |
|  | \$ | 1,379,201,717 | 1,373,108,029 | 1,450,546,176 | 1,489,152,373 | 1,489,831,194 | 1,544,324,566 | 1,518,409,906 | 1,647,293,055 | 1,701,374,429 | 1,718,347,877 |
| Net rent - loss | No. | 33,165 | 33,883 | 31,027 | 27,427 | 25,932 | 26,185 | 22,505 | 21,433 | 21,051 | 21,004 |
|  | \$ | -314,212,459 | - 334,399,591 | -281,997,373 | -240,216,999 | -214,585,188 | -241,049,157 | -233,791,885 | -231,597,243 | -263,434,833 | -308,436,065 |
| Net rent | No. | 112,200 | 110,115 | 108,095 | 103,473 | 100,229 | 98,882 | 82,748 | 82,691 | 80,008 | 76,409 |
|  | \$ | 1,064,989,557 | 1,038,708,437 | 1,168,548,802 | 1,248,935,373 | 1,274,846,006 | 1,303,275,409 | 1,284,618,021 | 1,415,695,812 | 1,437,939,596 | 1,409,911,812 |
| Rental interest deductions | No. | 53,163 | 52,089 | 51,830 | 49,326 | 48,064 | 48,049 | 42,268 | 42,672 | 41,660 | 40,083 |
|  | \$ | 972,883,257 | 1,023,517,058 | 957,961,006 | 827,550,427 | 785,687,413 | 836,754,671 | 853,561,571 | 866,834,428 | 945,213,403 | 1,049,622,168 |
| Other rental deductions | No. | 100,592 | 98,460 | 98,256 | 94,191 | 91,539 | 90,490 | 79,301 | 79,096 | 76,522 | 73,028 |
|  | \$ | 1,214,910,668 | 1,208,255,087 | 1,245,185,843 | 1,182,417,848 | 1,168,730,423 | 1,255,302,490 | 1,171,647,555 | 1,248,256,229 | 1,312,797,779 | 1,343,596,387 |
| Dividends franked | No. | 20,557 | 21,104 | 22,813 | 32,159 | 31,994 | 35,442 | 44,911 | 44,714 | 44,893 | 41,354 |
|  | \$ | 90,919,893 | 103,664,322 | 119,824,307 | 132,714,531 | 130,068,986 | 111,738,557 | 185,705,276 | 189,728,449 | 204,169,556 | 193,477,844 |
| Dividends unfranked | No. | 21,633 | 21,730 | 21,870 | 21,464 | 22,745 | 30,754 | 27,584 | 22,869 | 26,632 | 18,205 |
|  | \$ | 26,168,582 | 26,415,319 | 24,726,279 | 27,390,714 | 31,979,384 | 36,202,820 | 40,328,210 | 39,246,366 | 30,730,413 | 18,486,165 |
| Total dividends | No. | 33,408 | 34,317 | 34,765 | 43,418 | 43,179 | 66,196 | 55,038 | 53,247 | 52,702 | 45,358 |
|  | \$ | 117,088,475 | 130,079,641 | 144,550,586 | 160,105,245 | 162,048,370 | 147,941,377 | 226,033,486 | 228,974,815 | 234,899,969 | 211,964,009 |
| Gross interest | No. | 211,107 | 209,760 | 204,527 | 183,403 | 171,433 | 164,630 | 164,435 | 152,434 | 141,732 | 137,129 |
|  | \$ | 547,146,367 | 706,108,475 | 679,195,389 | 562,462,901 | 554,887,543 | 618,756,079 | 820,759,757 | 742,850,863 | 670,407,611 | 659,497,091 |


| Selected items |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{\text {² }}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Imputation credit primary | No. | 20,416 | 20,983 | 22,727 | 32,057 | 31,907 | 35,374 | 44,891 | 44,688 | 44,784 | 41,288 |
|  | \$ | 41,918,193 | 56,655,042 | 66,721,954 | 73,294,862 | 72,679,299 | 62,145,637 | 95,111,039 | 81,158,252 | 87,183,760 | 82,650,513 |
| Imputation credit subsidiary | No. | 5,581 | 5,470 | 5,898 | 6,332 | 6,652 | 6,118 | 6,639 | 6,570 | 5,807 | 5,045 |
|  | \$ | 3,423,325 | 3,973,575 | 4,330,227 | 5,464,095 | 5,801,481 | 5,377,514 | 6,065,934 | 4,828,589 | 6,449,633 | 5,385,347 |
| TFN amounts withheld from gross interest | No. | 10,961 | 11,145 | 9,418 | 7,328 | 6,871 | 6,798 | 6,258 | 4,718 | 4,347 | 4,493 |
|  | \$ | 2,406,462 | 2,770,089 | 2,479,972 | 1,994,829 | 2,134,703 | 3,237,056 | 2,182,697 | 1,902,681 | 1,908,783 | 2,495,067 |
| TFN amounts withheld from dividends | No. | 1,072 | 901 | 1,067 | 933 | 1,233 | 1,833 | 1,461 | 1,245 | 1,600 | 1,466 |
|  | \$ | 101,051 | 112,023 | 102,472 | 119,107 | 181,191 | 280,334 | 235,288 | 169,221 | 253,712 | 235,484 |
| Credit for TFN amounts withheld from interest \& dividends | No. \$ | $\begin{array}{r} 706 \\ 137,569 \end{array}$ | 657 260,434 | 794 172,493 | 732 288,183 | 755 261,030 | 614 278,546 | 680 426,217 | 594 482,961 | 524 473,941 | 537 435,091 |
| Credit for tax withheld where ABN not quoted | No. | n.a. | n.a. | n.a. | n.a. | n.a. | п.a. | 72 | 40 | 23 | 23 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 319,362 | 129,696 | 59,445 | 14,029 |
| Other Australian income | No. | 9,411 | 8,687 | 8,358 | 7,225 | 6,582 | 6,581 | 7,310 | 7,193 | 5,792 | 5,178 |
|  | \$ | 280,530,364 | 113,321,703 | 114,314,869 | 93,837,503 | 99,136,529 | 155,585,891 | 127,835,443 | 127,793,522 | 134,910,673 | 132,613,279 |
| Investment income deductions - Australia | No. | 14,630 | 14,883 | 14,588 | 13,963 | 12,599 | 11,330 | 10,883 | 9,249 | 7,801 | 7,332 |
|  | \$ | 57,243,607 | 97,451,518 | 95,400,364 | 65,339,651 | 53,720,177 | 61, 192,870 | 70,048,655 | 61,213,846 | 64,912,642 | 76,705,983 |
| Other deductions | No. | 17,701 | 16,752 | 16,473 | 16,127 | 15,547 | 14,577 | 14,669 | 14,669 | 14,158 | 14,202 |
|  | \$ | 172,306,204 | 145,022,498 | 398,923,223 | 290,858,556 | 123,202,139 | 273,137,233 | 193,216,828 | 122,914,887 | 117,823,732 | 133,912,715 |
| Net Australian income or loss | No. | 576,916 | 563,568 | 544,654 | 522,514 | 511,816 | 505,024 | 479,248 | 474,119 | 458,090 | 435,185 |
|  | \$ | 15,121,200,985 | 15,019,556,603 | 14,892,502,881 | 16,165,274,304 | 15,395,236,211 | 16,090,905,048 | 17,650,799,284 | 22,514,330,985 | 21,740,650,591 | 16,512,934,556 |
| AFI - Listed country | No. | 35 | 21 | 31 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
|  | \$ | 36,384,062 | 42,038 | 114,907 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| AFI - Broad-exemption listed country | No. | n.a. | n.a. | n.a. | 24 | 18 | 27 | 25 | 25 | 38 | 5 |
|  | \$ | n.a. | n.a. | n.a. | 47,531 | 213,324 | 131,062 | 38,610 | 3,048 | 5,980 | 884 |
| AFI - Limited-exemption listed country | No. | n.a. | n.a. | n.a. | 0 | 5 | 6 | 5 | 5 | 5 | 5 |
|  | \$ | n.a. | n.a. | n.a. | 0 | 102 | 380,838 | 459,186 | 5,486,139 | 9,312 | 538 |
| AFI - Unisited country | No. | 7 | 10 | 5 | 5 | 6 | 5 | 5 | 5 | 5 | 5 |
|  | \$ | 464,746 | 3,169,022 | 6,749,338 | 9,081,425 | 15,131,241 | 18,204,640 | 30,906,079 | 23,207,225 | 22,443,296 | 13,430,561 |
| AFI - FIFFLP income | No. | 10 | 12 | 5 | 5 | 6 | 5 | 8 | 9 | 7 | 7 |
|  | \$ | 20,094 | 14,870 | 670,569 | 866,441 | 890,919 | 905,276 | 1,313,190 | 1,048,635 | 150,397 | 14,794 |
| Net other assessable foreign source income | No. | n.a. | 3,037 | 2,919 | 3,387 | 3,446 | 3,353 | 3,759 | 4,169 | 4,417 | 4,297 |
|  | \$ | n.a. | 61,433,852 | 50,413,225 | 53,234,548 | 44,169,593 | 31,578,630 | 231,028,106 | 342,102,659 | 194,008,553 | 176,804,374 |
| Foreign tax credits | No. | n.a. | n.a. | n.a. | 3,023 | 2,927 | 2,620 | 3,113 | 3,459 | 3,908 | 3,868 |
|  | \$ | n.a. | n.a. | n.a. | 6,529,588 | 2,979,669 | 2,586,286 | 38,408,001 | 79,409,211 | 58,333,437 | 50,879,869 |

TABLE 5．5：Partnership returns．${ }^{1}$ Selected items for income years 1994－95 to 2003－04
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| Selected items |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{2}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Gross RPS income - NPP | No. | n.a. | n.a. | n.a. | 2,738 | 2,690 | 2,410 | n.a. | n.a. | n.a. | п.a. |
|  | \$ | n.a. | n.a. | n.a. | 305,905,151 | 367,078,459 | 322,761,528 | n.a. | n.a. | n.a. | n.a. |
| Intangible depreciating assets 1st deducted | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 2,750 | 1,948 | 1,755 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 91,947,832 | 59,392,834 | 58,642,464 |
| Other depreciating assets 1st deducted | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 126,248 | 114,924 | 107,239 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 19,864,765,473 | 9,774,625,693 | 9,473,351,714 |
| Termination value intangible dep assets | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 2,083 | 1,574 | 1,412 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 87,082,156 | 65,722,141 | 58,108,996 |
| Termination value other dep assets | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 75,873 | 60,412 | 50,606 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 3,888,722,050 | 6,817,048,940 | 3,249,630,146 |
| Gross payments where ABN not quoted - PP | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 148 | 89 | 170 | 159 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 6,072,095 | 4,348,797 | 61,913,882 | 64,770,637 |
| Gross payments where ABN not quoted - NPP | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1,036 | 526 | 753 | 659 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 79,013,406 | 33,126,643 | 92,144,616 | 58,493,476 |
| Assessable government industry payments - PP ${ }^{5}$ | No. | n.a. | n.a. | n.a. | 26,124 | 27,416 | 30,503 | 34,506 | 34,869 | 36,674 | 37,369 |
|  | \$ | n.a. | n.a. | n.a. | 148,800,052 | 156,322,440 | 190,223,339 | 295,086,354 | 319,697,992 | 344,220,875 | 350,331,886 |
| Assessable government industry payments - NPP ${ }^{5}$ | No. | n.a. | n.a. | n.a. | 4,889 | 3,965 | 3,996 | 12,548 | 13,067 | 13,795 | 13,233 |
|  | \$ | n.a. | n.a. | n.a. | 84,185,505 | 81,772,213 | 114,706,950 | 431,632,387 | 400,491,037 | 636,005,728 | 603,048,207 |
| Interest expenses overseas | No. | 478 | 513 | 505 | 588 | 544 | 534 | 620 | 599 | 556 | 583 |
|  | \$ | 5,480,323 | 7,451,701 | 4,388,724 | 5,823,525 | 18,327,010 | 8,110,011 | 23,006,193 | 22,851,173 | 10,406,333 | 7,924,439 |
| Royalty expenses overseas | No. | 61 | 51 | 55 | 60 | 59 | 65 | 56 | 56 | 63 | 63 |
|  | \$ | 10,957,819 | 18,690,366 | 24,844,399 | 30,169,517 | 5,236,484 | 38,510,157 | 51,809,866 | 56,855,365 | 94,719,897 | 90,471,546 |
| Environmental protection expenses | No. | п.a. | n.a. | 731 | 832 | 722 | 545 | 409 | 440 | 444 | 314 |
|  | \$ | n.a. | n.a. | 3,212,160 | 5,007,317 | 5,055,481 | 2,476,736 | 1,830,445 | 1,479,331 | 3,107,165 | 1,759,964 |

TABLE 5.5: Partnership returns. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04

## Notes:

 It is also included on the Taxation Statistics 2003-04 CD-ROM.The symbol 'n.a.' used in this publication means not applicable or not available.
Totals may not equal the sum of components due to rounding.
In order to meet privacy regulations, the following measures have been applied.
The symbol 'n.a.' used in this publication means not applicable or not available.
Totals may not equal the sum of components due to rounding.
In order to meet privacy regulations, the following measures have been applied.
(a) Number indicators shown may have been rounded to the nearest multiple of 5
(b) Statistics for some items may not be included in some tables.
1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.

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 before 2000-01.

## (1) HIGHLIGHTS

- In 2003-04, 501,860 trusts lodged returns and reported total business income of $\$ 201.3$ billion.
- Investment income recipients accounted for the largest share (30\%) of trust returns.
- Trusts reported $\$ 185.4$ billion in expenses, with the main type of expense being cost of sales, which accounted for $\$ 96.0$ billion.

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

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

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

## SOURCE OF TRUST STATISTICS

The data for Taxation Statistics 2003-04 was compiled before all processing for the 2003-04 income year was completed. Statistics in this chapter are sourced from 2004 trust income tax returns processed by 31 October 2005. The statistics are not necessarily complete and will continue to change as data from 2004 tax returns processed after 31 October 2005 is included. The usual practice each year is to update the statistics for the two years before the current year in the trust return time series table (chapter table 6.5 and trust return detailed table 3).

The proportion of tax returns processed by 31 October each year can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2003-04 income year statistics and statistics from previous years will be possible when Taxation Statistics 2004-05 is published. In that edition, the 2003-04
income year statistics will include data from returns and amendments processed up to 31 October 2006.

Trust return forms were lodged either electronically or in paper form. A copy of the return form is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at www.ato.gov.au
Statistics for most items shown on the return form are included in the detailed tables on the attached CD-ROM and in the online version of this publication.
Some statistics in the detailed tables were also sourced from 2004 capital gains tax (CGT) schedules processed by 31 October 2005. They are not necessarily complete and will continue to change as data from 2004 schedules processed after 31 October 2005 is included. In addition, as not all trusts are required to complete this schedule, trust return statistics sourced from this schedule do not represent or refer to all trust returns.

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

Please note that the new company consolidation regime may also have some small impact on trust return information, as return items previously reported by a trust are now reported as part of a consolidated entity in the company tables. The impacts on the trust tables will mainly be apparent as a slight shrinking of the overall population for this entity. Please see box 6.1 for more information on consolidations.

## NEW FEATURES AND INFORMATION

A tax reform implemented during the 2003-04 income year affected the statistics for some trust items reported in this chapter and in the detailed tables.

- The Trans-Tasman imputation measure allows a New Zealand company to choose to enter the Australian imputation system. This allows the New Zealand company to maintain an Australian franking account from 1 April 2003 and to attach Australian franking credits to dividends it pays from 1 October 2003, or one month after the company makes an election, whichever is later.
- The label, 'Australian franking credits from a New Zealand company' (item 56, label N), was introduced on the 2004 trust return. A definition of this label is in the trust tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
- The label, 'Water facility tax offset claimed' (item 25, label F), was removed from the 2004 trust return but statistics from previous years for this item are still available in the trust return detailed tables. A definition of this label is in the trust tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.


## BOX 6.1: Consolidation

The company income tax consolidation regime, which operates from 1 July 2002, allows eligible wholly-owned groups to be treated as a single entity for income tax purposes.
A consolidated group usually consists of an Australian resident head company and its eligible wholly-owned Australian resident subsidiaries (including eligible companies, trusts and partnerships). The head company chooses whether to consolidate.

The head company in a consolidated group must:

- be an Australian resident (not a prescribed dual resident)
- have some or all of its income taxed at the general company rate
- not be specifically excluded from membership of a consolidated group under section 703-20 of the Income Tax Assessment Act 1997, and
- not be a wholly-owned subsidiary of another entity that meets the above requirements or, if it is, it must not be a subsidiary member of a consolidatable or consolidated group.
Subsidiary members of a consolidated group of companies are wholly owned (directly or indirectly) by the head company.
An entity is a subsidiary member of a consolidated group if it is:
- a wholly-owned subsidiary of the head company of the group
and:
- an Australian resident company (not a prescribed dual resident) that has all or some of its taxable income taxed at the general company tax rate
- a partnership, or
- a resident trust (including a non-fixed trust).

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

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

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

## TRUST RETURNS

In 2003-04 a total of 501,860 trusts lodged returns in Australia (table 6.1).

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 2003-04 (trust return detailed table 4).

TABLE 6.1: Number of trusts, by state/territory, 2003-04 income year

| State/territory |  | Trusts |
| :--- | ---: | ---: |
|  | No. | $\%^{1}$ |
| NSW | 118,356 | 23.6 |
| VIC | 162,876 | 32.5 |
| QLD | 88,437 | 17.6 |
| SA | 46,056 | 9.2 |
| WA | 67,405 | 13.4 |
| TAS | 10,792 | 2.2 |
| NT | 1,857 | 0.4 |
| ACT | 6,020 | 1.2 |
| Other | 61 | 0.0 |
| Total | $\mathbf{5 0 1 , 8 6 0}$ | $\mathbf{1 0 0 . 0}$ |

1 A share of $0.0 \%$ indicates a share of less than $0.05 \%$.

## TRUST RETURNS, BY INDUSTRY

In 2003-04 the largest proportion of trusts (whose industry was stated) was classified as 'Investment income recipients' (30\%) followed by those in the property and business services industry (20\%) (table 6.2).

TABLE 6.2: Number of trusts, by industry, 2003-04 income year

| Industry ${ }^{1}$ |  | Trusts |  |
| :--- | ---: | ---: | ---: |
|  | No. | $\%^{2}$ |  |
| Agriculture, forestry \& fishing ${ }^{3}$ | 26,797 | 7.1 |  |
| Mining | 616 | 0.2 |  |
| Manufacturing | 13,112 | 3.5 |  |
| Electricity, gas \& water supply | 169 | 0.0 |  |
| Construction | 23,211 | 6.2 |  |
| Wholesale trade | 9,038 | 2.4 |  |
| Retail trade | 26,204 | 7.0 |  |
| Accommodation, cafes \& restaurants | 9,057 | 2.4 |  |
| Transport \& storage | 8,397 | 2.2 |  |
| Communication | 1,364 | 0.4 |  |
| Finance \& insurance | 50,330 | 13.4 |  |
| Property \& business services ${ }^{4}$ | 1,914 | 19.7 |  |
| Education | 8,181 | 0.3 |  |
| Health \& community services | 3,264 | 2.2 |  |
| Cultural \& recreational services ${ }^{5}$ | 7,174 | 1.9 |  |
| Personal \& other services | 113,218 | 30.2 |  |
| Investment income recipients ${ }^{6}$ | 375,477 | 100.0 |  |
| Total industry stated | 126,383 |  |  |
| Other $^{7}$ | 501,860 |  |  |
| Total industries |  |  |  |
| I |  |  |  |

1 With the exception of the 'Investment income recipients' category, the industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system. Fine industries included under these broad industry groupings are listed in trust return detailed table 5. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication Business industry codes 2004 (NAT 1827).
2 A share of $0.0 \%$ indicates a share of less than $0.05 \%$.
3 Includes trusts that lodged a subsidiary return with income from primary production partnerships and trusts.
4 This industry group includes services such as property operators and developers, real estate, non-financial asset investors, machinery and equipment hiring and leasing, technical, computer, scientific research, legal and accounting, marketing and business management and other business services listed in Business industry codes 2004. This industry group should not be confused with the 'Property' or 'Property income recipients' category that appeared in the tables of past editions of Taxation Statistics.
5 Includes sports.
6 This category refers to trusts that reported direct income from investment (for example, rental income, interest and dividends) and did not report income or loss from a business or another trust or partnership on their returns. In past editions of Taxation Statistics this category was referred to as 'Property' or 'Property income recipients'.
7 Includes trusts that lodged a subsidiary return with income from non-primary production partnerships and trusts, those registered under the government administration and defence code and those that did not state their industry.

## TRUST INCOME

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

For the purposes of this chapter:

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

In 2003-04 more than half (58\% or 291,311 ) of the total number of trusts had a total business income equal to or less than \$0. Trusts classified as large trusts accounted for less than $1 \%$ of the total number of trusts, but they accounted for $12 \%$ of total business income (table 6.3).

Overall, trusts had a total business income of $\$ 201.3$ billion.

TABLE 6.3: Number of trusts and selected income items, by trust size, 2003-04 income year

| Items $^{1}$ |  | Trusts |  |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
|  |  | Loss/nil | Micro | Small | Medium | Large | Total |
| Trusts | No. | 291,311 | 193,910 | 13,989 | 2,545 | 105 | 501,860 |
| Net rent | $\$ m$ | 4,661 | 354 | 56 | 35 | 38 | 5,144 |
| Gross interest | $\$ m$ | 12,113 | 1,515 | 382 | 183 | 93 | 14,286 |
| Gross (or total) dividends | $\$ m$ | 9,002 | 806 | 106 | 66 | 8 | 9,988 |
| Net business income | $\$ m$ | -942 | 5,386 | 4,309 | 3,861 | 1,641 | 14,255 |
| Total business income | $\$ m$ | -40 | 61,724 | 56,443 | 59,143 | 24,079 | 201,349 |

[^3]
## TRUST EXPENSES

In 2003-04 total expenses for trusts equalled $\$ 185.4$ billion. Over half (52\%) of all trust expenses were related to cost of sales. This was followed by interest paid (4\%) and external labour (3\%) (table 6.4).

TABLE 6.4: Trust expenses, by type and trust size, 2003-04 income year

| Expense ${ }^{1}$ | Trusts |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Loss/nil | Micro | Small | Medium | Large | Total |
|  | \$m ${ }^{2}$ | \$m | \$m | \$m | \$m | \$m |
| Cost of sales | 14 | 17,092 | 27,216 | 36,778 | 14,909 | 96,010 |
| Interest | 450 | 2,941 | 1,212 | 1,961 | 569 | 7,133 |
| External labour ${ }^{3}$ | 19 | 2,026 | 1,923 | 1,477 | 262 | 5,708 |
| Rent | 8 | 2,146 | 1,325 | 943 | 413 | 4,835 |
| Depreciation | 28 | 2,285 | 955 | 576 | 275 | 4,119 |
| Superannuation | 15 | 2,017 | 968 | 497 | 122 | 3,619 |
| Repairs \& maintenance | 3 | 974 | 520 | 347 | 170 | 2,013 |
| Motor vehicle | 5 | 1,169 | 451 | 216 | 29 | 1,870 |
| Lease expenses | 2 | 368 | 208 | 168 | 79 | 826 |
| Royalty expenses | 0 | 67 | 84 | 102 | 51 | 305 |
| Bad debts | 4 | 62 | 59 | 47 | 7 | 179 |
| Other expenses | 250 | 24,993 | 16,899 | 11,674 | 4,979 | 58,794 |
| Total ${ }^{4}$ | 798 | 56,140 | 51,820 | 54,785 | 21,867 | 185,410 |

1 Definitions of items are in the trust return glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
2 An amount equal to \$0 may indicate an amount less than \$500,000.
3 Also referred to as 'Contractor/subcontractor and commission expenses'.
4 Total amount may differ slightly from the sum of components due to rounding.

## DETAILED TABLES

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

The items referred to in the detailed tables are items declared on the 2004 trust return. A copy of the return is in the appendix.

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

## Table 1: All items, by net Australian income, 2003-04 income year

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

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


## Table 2: All items, by broad industry, 2003-04 income year

This table shows the number of records and amounts for all items from the trust return. Trust returns (and the data) are classified into broad industry groupings (determined by the taxpayer's main source of business income) based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system.
$\square$ Part A: Business income, expense and reconciliation items - contains business income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the trust return.
$\square$ Part B: Other income and expense items - contains labels from items 6 to 12 on page 3 of the trust return.

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


## Table 3: Selected items for income years

 1994-95 to 2003-04This table shows selected items from the trust return for income years 1994-95 to 2003-04. Most items display number and amount indicators.

This table is also available at the back of this chapter (see table 6.5).
Table 4: Total business income, by broad industry and state/territory, 2003-04 income year
This table shows the number of trusts and number of records and amounts for trusts with total business income, by state and territory. Trust returns (and the data) are classified into broad industry groupings based on the ANZSIC system.

## Table 5:

## Selected items, by fine industry (amounts only), 2003-04 income year

This table shows the number of trust returns and amounts for most items from the trust return. Trust returns and the amounts are classified into fine industry groupings (determined by the taxpayer's main source of business income) based on the ANZSIC system
Part A: Business income, expense and reconciliation items - contains business income, expense and reconciliation labels from item 5 'Business income and expenses' on page 2 of the trust return.
Part B: Other income and expense items - contains labels from items 6 to 12 on page 3 of the trust return.
Part C: Other deductions, foreign income, capital gains, tax offsets and total net income - contains labels from items 14 to 25 relating to the 'Deductions', 'Capital gains' and 'Foreign income' sections on page 4 of the trust return.
Part D: Key financial information and business and professional items contains items 28 to 32 from the 'Key financial information' section and items 35 to 55 from the 'Business and professional items' section on page 5 of the trust return.
(1) In order to meet privacy regulations, statistics for some items may not be included in the tables.

## TIME SERIES TABLE

Table 6.5 shows selected items from trust returns for income years 1994-95 to 2003-04. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as trust return detailed table 3. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

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

| Selected items |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{\text {² }}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Number of trusts | No. | 396,656 | 425,136 | 450,403 | 464,557 | 489,973 | 494,161 | 482,251 | 496,681 | 504,268 | 501,860 |
| Total business income - PP | No. | 16,990 | 17,690 | 19,634 | 20,786 | 21,361 | 21,587 | 20,998 | 21,547 | 21,897 | 21,938 |
|  | \$ | 4,668,754,188 | 5,573,748,797 | 6,063,299,488 | 6,818,390,294 | 7,194,635,349 | 7,760,025,477 | 8,785,274,122 | 10,347,080,800 | 9,815,560,582 | 9,940,119,750 |
| Total business income NPP | No. | 153,974 | 156,534 | 175,119 | 181,238 | 193,008 | 195,128 | 189,264 | 193,575 | 196,960 | 194,652 |
|  | \$ | 111,098,788,318 | 122,514,729,446 | 131,449,217,655 | 140,653,720,628 | 156,310,170,487 | 170,468,950,864 | 163,930,942,638 | 176,938,713,603 | 186,780,785,520 | 191,409,848,077 |
| Total business income | No. | 166,347 | 169,028 | 189,472 | 196,297 | 208,662 | 210,854 | 204,452 | 209,351 | 213,118 | 210,932 |
|  | \$ | 115,767,542,506 | 128,086,755,423 | 137,512,517,143 | 147,472,110,922 | 163,504,805,836 | 178,228,976,341 | 172,716,216,760 | 187,285,794,403 | 196,596,346,102 | 201,349,967,827 |
| Contractor/subcontractor \& commission expenses | No. | 38,363 | 37,270 | 38,486 | 40,736 | 45,840 | 47,825 | 45,304 | 46,903 | 47,993 | 49,345 |
|  | \$ | 3,971,504,322 | 4,141,801,406 | 3,557,288,986 | 4,308,413,080 | 5,132,524,706 | 5,494,752,149 | 4,790,135,956 | 5,139,996,315 | 5,541,891,553 | 5,708,029,093 |
| Superannuation expenses | No. | 95,166 | 98,055 | 107,386 | 113,336 | 119,033 | 119,170 | 112,288 | 113,470 | 114,231 | 114,261 |
|  | \$ | 1,601,618,606 | 2,186,818,139 | 2,176,249,690 | 2,399,889,012 | 2,850,316,596 | 3,052,553,523 | 3,117,905,124 | 3,366,266,502 | 3,607,023,903 | 3,618,607,694 |
| Cost of sales | No. | 77,451 | 82,446 | 85,984 | 88,325 | 91,916 | 92,442 | 87,845 | 90,039 | 91,962 | 90,135 |
|  | \$ | 60,269,356,110 | 64,146,850,662 | 66,537,443,793 | 73,034,412,254 | 78,532,862,625 | 86,223,296,326 | 79,672,701,746 | 88,883,696,763 | 93,749,494,232 | 96,009,901,074 |
| Bad debts | No. | 9,664 | 9,847 | 11,063 | 11,973 | 12,841 | 13,485 | 13,596 | 13,948 | 13,336 | 12,850 |
|  | \$ | 176,490,929 | 175,551,033 | 206,156,744 | 177,958,572 | 193,230,068 | 218,570,978 | 266,672,772 | 278,544,154 | 234,260,811 | 178,643,254 |
| Lease expenses | No. | 33,622 | 33,112 | 36,888 | 39,117 | 41,833 | 40,677 | 36,769 | 35,138 | 32,750 | 29,328 |
|  | \$ | 814,721,332 | 805,632,915 | 900,180,930 | 954,591,273 | 1,111,687,886 | 1,136,530,694 | 1,081,760,546 | 1,018,774,723 | 967,995,965 | 825,533,644 |
| Rent expenses | No. | 68,180 | 69,699 | 77,281 | 79,963 | 83,489 | 83,053 | 78,000 | 79,473 | 80,785 | 79,796 |
|  | \$ | 2,766,091,101 | 3,102,884,642 | 3,274,079,793 | 3,597,028,977 | 3,974,486,091 | 4,151,238,426 | 4,276,896,662 | 4,573,314,290 | 4,667,300,146 | 4,835,120,501 |
| Total interest expenses | No. | 107,191 | 108,288 | 119,759 | 123,864 | 129,419 | 129,935 | 128,222 | 131,061 | 133,482 | 131,794 |
|  | \$ | 2,838,922,790 | 3,336,769,569 | 3,785,028,440 | 3,560,964,855 | 4,603,690,171 | 5,177,814,493 | 6,196,169,747 | 6,376,830,186 | 6,272,974,859 | 7,132,750,512 |
| Total royalty expenses | No. | 1,888 | 1,998 | 2,354 | 2,402 | 2,512 | 2,532 | 2,444 | 2,417 | 2,621 | 2,655 |
|  | \$ | 103,906,676 | 148,115,212 | 187,291,225 | 217,786,161 | 286,090,024 | 303,994,370 | 282,131,686 | 302,886,893 | 344,905,581 | 304,624,273 |
| Depreciation expenses | No. | 137,398 | 140,121 | 155,773 | 163,235 | 172,501 | 174,358 | 167,376 | 169,093 | 173,778 | 172,805 |
|  | \$ | 2,158,493,968 | 2,471,693,433 | 2,737,383,478 | 3,049,665,777 | 3,377,618,261 | 3,951,858,057 | 3,763,234,563 | 3,903,402,227 | 4,081,393,361 | 4,119,242,315 |
| Motor vehicle expenses | No. | 101,361 | 101,796 | 109,270 | 116,148 | 122,648 | 124,688 | 120,702 | 124,647 | 126,935 | 125,821 |
|  | \$ | 1,310,059,792 | 1,394,563,065 | 1,444,804,025 | 1,523,279,854 | 1,644,070,017 | 1,804,366,639 | 1,788,663,095 | 1,812,382,979 | 1,878,811,442 | 1,870,104,130 |
| Repair \& maintenance | No. | 108,311 | 110,176 | 121,432 | 126,520 | 132,709 | 132,571 | 128,104 | 130,770 | 132,186 | 129,639 |
|  | \$ | 1,199,401,849 | 1,309,447,495 | 1,413,321,609 | 1,522,508,774 | 1,727,071,844 | 1,796,035,842 | 1,797,378,434 | 1,980,109,178 | 2,016,661,639 | 2,013,440,669 |
| Other expenses | No. | 170,123 | 184,110 | 196,087 | 202,783 | 215,290 | 217,132 | 210,343 | 216,771 | 222,319 | 219,955 |
|  | \$ | 30,511,538,818 | 36,547,222,747 | 42,436,430,197 | 42,500,468,399 | 48,352,601,643 | 51,853,501,930 | 53,641,079,931 | 55,967,884,939 | 59,166,696,917 | 58,794,445,670 |
| Total expenses | No. | 173,219 | 187,532 | 199,793 | 206,530 | 219,355 | 221,335 | 214,821 | 221,409 | 227,187 | 224,507 |
|  | \$ | 107,722,106,293 | 119,767,350,318 | 128,655,658,910 | 136,846,966,988 | 151,786,249,932 | 165,164,512,070 | 160,674,730,333 | 173,613,813,103 | 182,529,410,409 | 185,410,442,829 |
| Drought investment allowance ${ }^{4}$ | No. | 2,582 | 735 | 847 | 797 | 602 | 320 | 69 | 35 | n.a. | n.a. |
|  | \$ | 75,370,380 | 21,971,214 | 23,166,494 | 20,762,283 | 16,266,007 | 4,865,877 | 2,305,445 | 8,882,634 | n.a. | n.a. |

## TABLE 6．5：Trust returns．${ }^{1}$ Selected items for income years 1994－95 to 2003－04



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| Selected items | 1994－95 |  |
| :--- | :--- | ---: |
| Income reconciliation | No． | n．a． |
| adjustments | $\$$ | n．a． |
| Expense reconciliation | No． | n．a． |
| adjustments | $\$$ | n．a． |
| Net business income－ | No． | 10,290 |
| PP－profit | $\$$ | $673,279,597$ |
| Net business income－ | No． | 7,640 |
| PP－loss | $\$$ | $-302,981,416$ |
| Net business income－PP | No． | 17,930 |
|  | $\$$ | $370,298,180$ |
| Net business income－ | No． | 112,166 |
| NPP－profit | $\$$ | $9,242,710,487$ |
| Net business income－ | No． | 49,539 |
| NPP－loss | $\$$ | $-1,990,781,565$ |
| Net business income－ | No． | 161,705 |
| NPP | $\$$ | $7,251,928,921$ |
| Net business income or loss | No． | 174,475 |
| Distribution from | $\$$ | $7,621,510,226$ |
| partnerships－PP－profit | No． | n．a． |
| Distribution from | No． | n．a． |
| partnerships－PP－loss | $\$$ | n．a． |
| Distribution from | No． | n．a． |
| partnerships－PP | $\$$ | n．a． |
| Distribution from trusts－ | No． | n．a． |
| PP－profit | $\$$ | n．a． |
| Distribution from trusts－ | No． | n．a． |
| PP－loss | $\$$ | n．a． |
| Distribution from trusts－PP | No． | n．a． |
| Distribution from | $\$$ | n．a． |
| partnerships－NPP－profit | $\$$ | no．a． |
| Distribution from | No． | n．a． |
| partnerships－NPP－loss | $\$$ | n．a． |
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## TABLE 6．5：Trust returns．${ }^{1}$ Selected items for income years 1994－95 to 2003－04

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$1,696,003,342$
115,857
$21,920,718,638$
607
$-28,809,256$
116,464
$21,891,909,382$
1,913
$45,992,259$
34,036
$721,941,794$
35,811
$767,934,053$








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NPP－profit Distribution from trusts－ Distribution from trusts－
NPP－loss Distribution from trusts－ $\frac{0}{2}$ P\＆T deductions relating to distribution－PP of Бu！̣｜erə suọ！ənpəp $\perp 8 \mathrm{~d}$ ddN－uo！nqu！ 4 ！！ Total P\＆T deductions relating to distribution Gross rent Hond－tuar fon
Net rent－loss
Net rent
Rental interest deductions
Other rental deductions

## TABLE 6．5：Trust returns．${ }^{1}$ Selected items for income years 1994－95 to 2003－04


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## TABLE 6．5：Trust returns．${ }^{1}$ Selected items for income years 1994－95 to 2003－04


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$25,547,795,005$
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 247,570
$346,857,543,739$
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 $1998-99$
459,519
$37,398,350,337$
69,529
$14,223,922,384$
70,648
$14,940,182,670$
75,545
$10,084,469,281$
246,650
$81,607,243,190$
256,076 256,076
$259,525,524,881$ ©






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 Total net income or loss Opening stock Closing stock s．ıоवаәр әрещ Current assets Total assets

Trade creditors
Current liabilities

Total liabilities

Proprietors＇funds
Total salary \＆wage expenses

Payments to related entities

Depreciable assets purchased

Intangible depreciating
assets 1st deducted
TABLE 6.5: Trust returns. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04

| Selected items |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{2}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Other depreciating assets 1st deducted | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 65,462 | 66,665 | 65,721 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 10,749,152,225 | 5,647,883,944 | 14,140,856,940 |
| Termination value intangible dep assets | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1,245 | 1,126 | 1,063 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 86,067,961 | 93,779,543 | 80,107,965 |
| Termination value other dep assets | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 40,752 | 36,140 | 31,063 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 4,730,786,275 | 4,382,091,836 | 3,992,615,722 |
| Gross payments where ABN not quoted - PP | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 21 | 8 | 11 | 18 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 3,297,598 | 436,167 | 800,494 | 5,559,654 |
| Gross payments where ABN not quoted - NPP | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 296 | 132 | 187 | 183 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 33,033,654 | 21,613,325 | 45,415,265 | 22,744,460 |
| Assessable government industry payments - PP5 | No. | n.a. | n.a. | n.a. | 4,416 | 5,048 | 5,612 | 6,512 | 6,788 | 7,240 | 7,687 |
|  | \$ | n.a. | n.a. | n.a. | 53,388,049 | 59,674,743 | 74,802,507 | 144,274,307 | 141,388,944 | 160,980,751 | 149,779,086 |
| Assessable government industry payments - NPP ${ }^{5}$ | No. | n.a. | n.a. | n.a. | 2,911 | 2,648 | 2,625 | 6,067 | 6,539 | 7,592 | 7,689 |
|  | \$ | n.a. | n.a. | n.a. | 143,633,987 | 199,792,340 | 236,056,415 | 944,369,312 | 1,056,265,833 | 1,180,994,184 | 897,394,158 |
| Interest expenses overseas | No. | 416 | 437 | 478 | 565 | 511 | 501 | 538 | 549 | 539 | 497 |
|  | \$ | 52,576,190 | 69,005,504 | 35,640,782 | 45,726,908 | 116,988,743 | 102,153,499 | 51,745,741 | 53,428,073 | 52,461,420 | 38,692,160 |
| Royalty expenses overseas | No. | 63 | 53 | 51 | 64 | 63 | 59 | 78 | 73 | 67 | 74 |
|  | \$ | 11,754,133 | 11,385,062 | 12,579,014 | 10,709,209 | 14,196,335 | 20,231,625 | 21,053,609 | 22,425,480 | 19,375,177 | 15,879,766 |
| Environment protection expenses | No. | n.a. | n.a. | 133 | 165 | 180 | 136 | 123 | 121 | 140 | 63 |
|  | \$ | n.a. | n.a. | 596,294 | 768,310 | 1,030,348 | 1,140,268 | 1,703,322 | 1,113,295 | 2,124,370 | 2,804,970 |
| Credit for interest on early payments | No. | n.a. | n.a. | 27 | 27 | 26 | 24 | 46 | 29 | 45 | 32 |
|  | \$ | n.a. | n.a. | 22,190 | 12,660 | 1,100 | 9,743 | 15,693 | 77,534 | 90,317 | 48,537 |
| Total prior year losses PP | No. | 4,937 | 6,110 | 6,555 | 6,904 | 6,882 | 6,911 | п.a. | n.a. | n.a. | n.a. |
|  | \$ | 574,817,278 | 739,715,869 | 798,604,765 | 793,369,240 | 682,267,991 | 582,711,601 | n.a. | n.a. | n.a. | n.a. |
| Total prior year losses NPP | No. | 44,328 | 54,065 | 63,556 | 64,172 | 60,020 | 57,838 | n.a. | n.a. | n.a. | n.a. |
|  | \$ | 6,032,053,685 | 7,984,765,976 | 7,698,066,087 | 6,314,119,880 | 4,386,605,369 | 3,384,918,371 | n.a. | n.a. | n.a. | n.a |
| Capital losses applied | No. | 8,030 | 11,035 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
|  | \$ | 279,442,184 | 316,179,677 | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net capital losses carried forward | No. | 8,620 | 15,424 | 21,515 | 25,966 | 32,014 | 30,977 | 35,452 | 43,694 | 52,034 | 51,491 |
|  | \$ | 1,105,647,725 | 2,107,846,524 | 3,425,591,804 | 3,954,083,376 | 5,368,887,848 | 5,569,861,467 | 6,327,865,175 | 13,622,676,288 | 35,525,437,388 | 38,945,728,229 |
| Net capital gains | No. | 23,507 | 31,591 | 41,411 | 50,807 | 53,009 | 62,074 | 64,661 | 62,987 | 52,522 | 64,046 |
|  | \$ | 1,222,528,652 | 2,646,872,194 | 3,408,579,841 | 6,757,953,617 | 5,463,290,302 | 11,005,468,065 | 7,281,925,937 | 5,572,518,147 | 5,130,594,006 | 9,092,834,829 |
| Tax losses deducted | No. | n.a. | п.a. | n.a. | n.a. | п.a. | n.a. | 41,926 | 49,957 | 48,220 | 47,028 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 1,865,028,978 | 2,208,450,586 | 2,143,941,696 | 2,141,863,182 |

## TABLE 6.5: Trust returns. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04

| Selected items |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{2}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Tax losses carried forward |  | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 69,894 | 82,934 | 86,401 | 83,596 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 10,720,753,951 | 12,019,025,191 | 13,939,303,278 | 11,031,805,264 |
| Land degradation expenses | No. | 447 | 470 | 555 | 1,194 | 1,106 | 832 | 763 | 755 | 723 | 674 |
|  | \$ | 4,739,087 | 7,027,655 | 5,177,952 | 20,531,827 | 24,090,369 | 18,207,468 | 21,040,950 | 16,439,426 | 17,814,895 | 15,795,095 |
| SCHEDULE ITEMS ${ }^{6}$ |  |  |  |  |  |  |  |  |  |  |  |
| Total capital gains | No. | n.a. | n.a. | 49,057 | 61,978 | 67,118 | 74,576 | 45,821 | 47,854 | 44,481 | 58,467 |
|  | \$ | n.a. | n.a. | 4,148,018,962 | 9,695,822,408 | 10,783,961,367 | 18,177,054,894 | 20,991,706,346 | 22,998,885,583 | 17,269,017,042 | 28,157,369,867 |
| Total capital losses of current year applied |  | n.a. | n.a. | 11,936 | 14,575 | 18,466 | 23,537 | 13,336 | 13,648 | 12,733 | 15,348 |
|  | \$ | n.a. | n.a. | 474,573,824 | 642,319,469 | 2,220,719,402 | 3,384,621,185 | 8,251,338,807 | 10,522,693,479 | 7,736,421,387 | 9,654,315,185 |
| Net capital losses of prior years applied |  | n.a. | n.a. | 7,289 | 7,659 | 8,529 | 11,160 | 4,736 | 6,076 | 5,735 | 9,667 |
|  | \$ | n.a. | n.a. | 254,498,030 | 224,420,265 | 267,067,756 | 661,437,713 | 371,402,592 | 473,829,626 | 432,560,384 | 3,313,609,684 |
| Notes: |  |  |  |  |  |  |  |  |  |  |  |
| * Please refer to the 'Trust returns' chapter and the Taxation Statistics 2003-04 glossary for descriptions of the items reported in the table. The glossary is included in the online version of Taxation Stat It is also included on the Taxation Statistics 2003-04 CD-ROM. <br> * The symbol 'n.a.' used in this publication means not applicable or not available. <br> * Totals may not equal the sum of components due to rounding. <br> In order to meet privacy regulations, the following measures have been applied. <br> (a) Number indicators shown may have been rounded to the nearest multiple of 5. <br> (b) Statistics for some items may not be included in some tables. |  |  |  |  |  |  |  |  |  |  |  |
| 1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website. |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |
| 3 The statistics for the 2003-04 income year were sourced from 2004 trust income tax returns and 2004 capital gains tax schedules processed by 31 October 2005. The statistics are not necessar ly exercised in making comparisons between the statistics for the 2003-04 and prior income years. For further information please refer to the 'Source of trust statistics' section in the 'Trust returns' c |  |  |  |  |  |  |  |  |  |  |  |
| 4 The drought investment allowance ended on 30 June 2001. However, this expense can be claimed restrospectively. That is, expenses relating to the drought investment allowance can be claimed in incurred in prior income years. |  |  |  |  |  |  |  |  |  |  |  |
| 5 In 2000-01 the diesel fuel rebate scheme (DFRS) was extended to provide the full rebate to rail transport and marine transport and to cover the use of other like fuels. The diesel and alternative fuel Under DAFGS (or on-road scheme) grants are provided for the on-road use of fuel by businesses and other entities. As both diesel fuel rebates and diesel and alternative fuels grants are declared payments labels on trust income tax returns from 2000-01 onwards, assessable government industry payments from 2000-01 are significantly higher compared to assessable government industry |  |  |  |  |  |  |  |  |  |  |  |
| 6 Statistics for the schedule items for income years before 2000-01 were sourced from past trust tax returns. From 2000-01 onwards, the statistics are sourced from the capital gains tax (CGT) sch submit this schedule along with their return. Hence the schedule item statistics for 2000-01 to 2003-04 refer to/represent only trusts that completed these schedules. |  |  |  |  |  |  |  |  |  |  |  |

## (1) HIGHLIGHTS

- In 2003-04, 248,149 funds lodged tax returns and reported total income of $\$ 66.4$ billion.
- Funds were liable for $\$ 4.5$ billion in net tax.
- Self managed superannuation funds accounted for $96 \%$ of the total number of funds.

The superannuation and life insurance industries play an important role in providing retirement income. Superannuation funds hold contributions in trust for members and invest these contributions to provide retirement benefits for their members.

Superannuation funds are run by trustees who act on behalf of fund members. Trustees are authorised to deposit accumulated member funds into a broad range of investments such as shares, property, government bonds and cash deposits. While trustees can use the services of professional fund managers, they remain fully responsible for a fund's operations and ensuring that it follows government rules.
The superannuation funds industry is regulated through numerous parliamentary acts. Supervision of funds is the responsibility of the Australian Prudential Regulation Authority (APRA), the Australian Securities \& Investments Commission and the Tax Office. Superannuation funds that comply with conditions specified in the Superannuation Industry (Supervision) Act 1993 are eligible for concessional tax treatment. Non-regulated or otherwise non-complying funds are not eligible for these tax concessions.
Funds self-assess their final tax liability for an income year and specify their taxable income and the amount of tax payable on the annual fund income tax return.

## BOX 7.1: PAYG instalments for superannuation funds

The pay as you go (PAYG) instalments system is a system for paying instalments towards the expected tax liability on a fund's received contributions and investment income for the current income year. The system became effective for most taxpayers from the 2000-01 income year. For funds, PAYG instalments replaced the superannuation fund tax instalment system.

Under the PAYG instalments system, funds are required to lodge a quarterly Business activity statement or Instalment activity statement. This requires funds to report PAYG instalment obligations and pay instalments of their total tax liability. The amount paid is based on either a rate or amount determined from the last return lodged. PAYG instalments for the year are credited against the calculated tax payable on a fund's annual income tax return to determine whether the fund owes more tax or is owed a refund. This is the final balance for the income year.
For the 2003-04 income year, 141,689 funds (57\% of total funds) paid $\$ 4.4$ billion in instalment payments (which included paid or payable PAYG instalments and other interim payments). Statistics on instalments paid by funds for the 2003-04 income year are reported in part A of funds detailed tables 2, 4 and 6.

## SOURCE OF FUND STATISTICS

The data for Taxation Statistics 2003-04 was compiled before all processing for the 2003-04 income year was completed. Statistics in this chapter are sourced from 2004 fund income tax returns processed by 31 October 2005. The statistics are not necessarily complete and will continue to change as data from 2004 tax returns processed after 31 October 2005 is included. The usual practice each year is to update the statistics for the two years before the current year in the fund tax time series table included at the end of the chapter.
The proportion of tax returns processed by 31 October each year can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2003-04 income year statistics and statistics from previous years will be possible when Taxation Statistics 2004-05 is published. In that edition, the 2003-04 income year statistics will include data from returns and amendments processed up to 31 October 2006.
Superannuation fund tax returns were lodged either electronically or in paper form. A copy of the return is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at www.ato.gov.au

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

## NEW FEATURES AND INFORMATION

No significant tax reforms or laws that affected the fund tax statistics reported in this chapter were implemented during the 2003-04 income year.

## TYPES OF FUNDS

Fund types are shown in box 7.2.

## BOX 7.2: Fund types/status ${ }^{1}$

Superannuation fund: generally, a trust fund established primarily to provide benefits to members or their dependants on retirement, resignation, death or disablement. A superannuation fund is usually governed by a trust deed and administered by trustees. A fund that complies with Superannuation Industry (Supervision) Act 1993 legislative requirements is said to be complying and is eligible for tax concessions. If it does not, tax concessions do not apply.
Approved deposit fund: created as a rollover vehicle into which a member can roll over superannuation benefits to retain them in the superannuation system. An approved deposit fund can accept:

- rollovers of eligible termination payments
- a shortfall component of the superannuation guarantee charge redistributed by the Tax Office, and
- rollovers of benefits (other than a pension) of 'lost’ superannuation fund members.

An approved deposit fund cannot accept employer or member superannuation contributions and is taxed basically in the same way as a complying superannuation fund.

Complying superannuation fund: for a fund to be considered a complying superannuation fund for the purposes of the Income Tax Assessment Act 1936 and receive concessional tax treatment, it must obtain a notice from either APRA or the Tax Office under the Superannuation Industry (Supervision) Act 1993 that it is a complying fund. To obtain a compliance notice under the Act, a fund must be a 'resident regulated superannuation fund' as defined during the income year it was in existence (or be a resident approved deposit fund for part of the year). It must also comply with the relevant regulatory provisions. To be a 'regulated superannuation fund', the fund trustee must elect for the Act to apply to the fund and provide the election in the approved form to the Tax Office. Further, the governing rules of the fund must require either an Australian corporate trustee or provide that the sole or primary purpose of the fund is to provide old age pensions.

A superannuation fund is taxed as a 'complying superannuation fund' if it has received a notice of compliance from APRA or the Tax Office. A complying fund's assessable income is determined as though the trustee were a taxpayer and a resident. Taxable income is divided into two components:

- standard component, and
- special component.

The standard component is taxed at the concessional rate of $15 \%$, while the special component is taxed at $47 \%$. The special component comprises the 'special income' of the fund (usually private company dividends, non-arm's length income and certain distributions from trusts).

Life insurance company: a company that is registered under the Life Insurance Act 1995. A life insurance company (except for a friendly society) cannot offer superannuation directly, but can issue life insurance policies to the trustee of a complying superannuation fund, the trustee of a complying approved deposit fund, or the trustee of a pooled superannuation trust.

Pooled superannuation trust: a resident unit trust that operates as an investment vehicle for superannuation funds, approved deposit funds or other pooled superannuation trusts. A pooled superannuation trust can accept deposits only from a regulated superannuation fund, approved deposit fund or another pooled superannuation trust. The investment income of this trust is taxed at concessional rates.

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

Fund tax rates applying for the 2003-04 income year are shown in box 7.3.

## BOX 7.3: Superannuation fund tax rates, 2003-04 income year

| Type of fund | Tax rate $\%$ |
| :--- | :--- |
| Complying superannuation fund |  |
| Assessed on income, including realised capital gains and taxable contributions | 15 |
| Assessed on non-arm's length income, private company dividends and certain trust distributions | 47 |
| Non-complying superannuation fund | 47 |
| Assessed on income, including realised capital gains and taxable contributions | 47 |
| Complying approved deposit fund | 47 |
| Assessed on income, including realised capital gains and taxable contributions | 47 |
| Assessed on non-arm's length income, private company dividends and certain trust distributions | 47 |
| Non-complying approved deposit fund | 15 |
| Assessed on income, including realised capital gains and taxable contributions | 47 |
| Pooled superannuation trust | 4 |
| Assessed on income, including realised capital gains and any taxable contributions transferred from investing funds |  |
| Assessed on non-arm's length income, private company dividends and certain trust distributions |  |

Assessed on non-arm's length income, private company dividends and certain trust distributions

## FUND TAXPAYERS

Broadly, the fund taxpayer population is divided into two categories: non-regulated funds and regulated funds. Only regulated funds (as defined under the Superannuation Industry (Supervision) Act 1993) qualify as complying superannuation funds for tax purposes and receive tax concessions. Regulated funds can be one of six types: self managed superannuation funds, small APRA funds, corporate or employer-sponsored funds, industry, retail or public sector funds.

Most funds with fewer than five members are self managed superannuation funds. Small APRA funds are small funds (with less than five members) regulated by APRA.

Corporate, industry, retail and public sector funds are superannuation funds with more than four members, and may be either public offer or non-public offer. They are generally established for the benefit of employees of a sponsoring employer. In this chapter they have been aggregated into a category called 'large fund types'.

There is little distinction between the different types of funds for tax purposes, although special tax rules may apply to public sector funds.

In 2003-04 a total of 248,149 funds lodged returns in Australia. Self managed superannuation funds were the most common type of fund, accounting for $96 \%$ of total funds at 31 October 2005 (table 7.1)

TABLE 7.1: Fund type, by total income, 2003-04 income year

| Fund type $^{1}$ |  | Funds | Income |  |
| :--- | ---: | ---: | ---: | ---: |
|  | No. | $\%$ | \$m | $\%$ |
| Self managed superannuation fund | 238,121 | 96.0 | 12,471 | 18.8 |
| Small APRA fund | 7,718 | 3.1 | 268 | 0.4 |
| Large fund types $^{2}$ | 1,536 | 0.6 | 50,465 | 76.0 |
| Non-regulated fund | 555 | 0.2 | 47 | 0.1 |
| Other | 219 | 0.1 | 3,178 | 4.8 |
| Total | $\mathbf{2 4 8 , 1 4 9}$ | $\mathbf{1 0 0 . 0}$ | $\mathbf{6 6 , 4 3 0}$ | $\mathbf{1 0 0 . 0}$ |

1 Includes superannuation funds, approved deposit funds and pooled superannuation trusts.
2 The term 'large fund types' refers to the aggregated category of funds which include corporate, industry, retail and public sector superannuation funds with more than four members, generally established for the benefit of employees of a sponsoring employer. This term should not be confused with 'large funds' (discussed in a later section), which refers to funds with income of more than $\$ 100$ million.

## FUNDS, BY INDUSTRY CLASSIFICATION

The industry in which most members of a fund are employed determines the industry classification of the fund. Funds self-classify their industry each year on the fund tax return.

In 2003-04, 60\% of funds classified themselves in the finance, insurance, real estate and business services industry, followed by $9 \%$ of funds in the wholesale and retail trade industry (table 7.2).

TABLE 7.2: Fund industry classification, by total income, 2003-04 income year

| Industry $^{1}$ |  | Funds $^{2}$ | Income |  |
| :--- | ---: | ---: | ---: | ---: |
|  | No. | $\%$ | \$m | $\%$ |
| Finance, insurance, real estate \& business services | 147,881 | 59.6 | 23,682 | 35.6 |
| Wholesale \& retail trade | 21,795 | 8.8 | 4,082 | 6.1 |
| Health \& education \& welfare \& community services | 18,285 | 7.4 | 6,694 | 10.1 |
| Building \& construction | 18,602 | 7.5 | 2,138 | 3.2 |
| Primary production | 13,810 | 5.6 | 827 | 1.2 |
| Manufacturing | 7,885 | 3.2 | 6,607 | 9.9 |
| Entertainment, recreation, hotels, personal services \& restaurants | 8,175 | 3.3 | 1,405 | 2.1 |
| Transport, storage \& communications | 6,716 | 2.7 | 5,949 | 9.0 |
| Mining | 1,550 | 0.6 | 907 | 1.4 |
| Electricity, gas \& water | 1,185 | 0.5 | 974 | 1.5 |
| Government | 707 | 0.3 | 9,635 | 14.5 |
| Other ${ }^{3}$ | 1,558 | 0.6 | 3,530 | 5.3 |
| Total | $\mathbf{2 4 8 , 1 4 9}$ | $\mathbf{1 0 0 . 0}$ | $\mathbf{6 4 , 4 3 0}$ | $\mathbf{1 0 0 . 0}$ |

1 Fund industry groupings are different from the Australian and New Zealand Standard Industrial Classification (ANZSIC) industry groupings used by other entities. Only superannuation funds need to specify their industry classification on the fund income tax return.
2 Includes superannuation funds, approved deposit funds and pooled superannuation trusts.
3 Includes funds that nominate 'Other' on their tax return, approved deposit funds and pooled superannuation trusts.

## FUND INCOME

## BOX 7.4: Fund size, by total income

For the purposes of this chapter:

- loss/nil funds have a total income equal to or less than \$0
micro funds have a total income equal to or more than $\$ 1$ but less than $\$ 2$ million
small funds have a total income equal to or more than $\$ 2$ million but less than $\$ 10$ million
medium funds have a total income between $\$ 10$ million and $\$ 100$ million (inclusive), and
large funds ${ }^{1}$ have a total income of more than $\$ 100$ million.

1 The term 'large funds' should not be confused with the term 'large fund types' used in other parts of this chapter. 'Large fund types' refers to an aggregated category of superannuation funds that include corporate, industry, retail and public sector superannuation funds with more than four members, generally established for the benefit of employees of a sponsoring employer. 'Large fund types' may be classified as 'loss/nil', 'micro', 'small', 'medium' or 'large' depending on their total income for the income year.

In 2003-04, 97\% of funds were micro funds (table 7.3). Small, medium and large funds accounted for less than $1 \%$ of the total number of funds, while less than 3\% of funds had total income equal to or less than $\$ 0$.

TABLE 7.3: Funds $^{1}$, by size, 2003-04 income year

| Fund size |  | Funds <br>  <br>  <br>  <br> No. |
| :--- | ---: | ---: |
| $\%^{2}$ |  |  |
| Loss/nil | 6,137 | 2.5 |
| Micro | 241,305 | 97.2 |
| Small | 349 | 0.1 |
| Medium | 261 | 0.1 |
| Large | 97 | 0.0 |
| Total | $\mathbf{2 4 8 , 1 4 9}$ | $\mathbf{1 0 0 . 0}$ |
| 1 Includes superannuation funds, approved deposit funds and pooled |  |  |
| superannuation trusts. |  |  |
| 2 A share of $0.0 \%$ indicates a share of less than $0.05 \%$. |  |  |

Funds reported total income of $\$ 66.4$ billion. Although medium and large funds accounted for less than $1 \%$ of funds, they accounted for $13 \%$ ( $\$ 8.7$ billion) and 65\% ( $\$ 43.2$ billion) of total fund income respectively (table 7.4). Micro funds, which accounted for the majority of funds, accounted for $19 \%$ of total fund income.

Contributions from employers were the main source of income for all funds, accounting for $57 \%$ of total fund income.
Distributions from trusts were the second main source of income for all funds, accounting for $12 \%$ of total fund income.

TABLE 7.4: Fund income, by source and fund size, 2003-04 income year

| Source of income ${ }^{1}$ | Funds |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\begin{array}{r} \text { Loss/Nil } \\ \$ m^{2} \end{array}$ | Micro \$m ${ }^{2}$ | Small \$m ${ }^{2}$ | Medium $\$ \mathrm{~m}^{2}$ | Large $\$ \mathrm{~m}^{2}$ | Total $\$ \mathrm{~m}^{2}$ |
| Employer contributions | 0 | 4,581 | 809 | 5,125 | 27,399 | 37,914 |
| Distribution from trusts | 0 | 1,438 | 255 | 1,721 | 4,625 | 8,039 |
| Dividends franked | 0 | 1,533 | 43 | 221 | 1,856 | 3,654 |
| Gross interest | 0 | 1,279 | 69 | 244 | 1,339 | 2,932 |
| Net foreign income | 0 | 181 | 59 | 467 | 2,009 | 2,715 |
| Employee contributions | 0 | 864 | 103 | 322 | 675 | 1,964 |
| Net capital gains | 0 | 1,161 | 104 | 253 | 358 | 1,876 |
| Franking credits | 0 | 655 | 19 | 97 | 788 | 1,559 |
| Gross rents | 0 | 842 | 10 | 25 | 291 | 1,168 |
| Dividends unfranked | 0 | 132 | 4 | 51 | 202 | 390 |
| Distribution from partnerships | -1 | 39 | 0 | 1 | 23 | 61 |
| Australian franking credits from a New Zealand company | 0 | 12 | 13 | 18 | 0 | 43 |
| Net non-arms length income | 0 | 2 | 0 | 23 | 0 | 24 |
| Gross payments where ABN not quoted | 0 | 0 | 0 | 0 | 0 | 0 |
| Net previous income | 0 | 0 | 0 | 0 | 0 | 0 |
| Other income | 0 | 221 | 59 | 166 | 3,644 | 4,090 |
| Total ${ }^{3}$ | -1 | 12,942 | 1,547 | 8,734 | 43,208 | 66,430 |
| 1 Definitions of items are in the fund tax return guide form on the attached CD <br> 2 Zero amounts may indicate an amount less than $\$ 500,000$. <br> 3 Total amount may differ slightly from the sum of components due to rounding | D-ROM. <br> g. |  |  |  |  |  |

## FUND DEDUCTIONS

In 2003-04 funds claimed total deductions of $\$ 20.0$ billion. Large funds accounted for $75 \%$ ( $\$ 15.0$ billion) of total deductions, followed by micro (13\%) and medium funds (10\%).

Table 7.5 shows that 37\% (\$7.3 billion) of deductions related to the transfer of taxable contributions. These amounts are included in the assessable income of life insurance companies. A further 22\% (\$4.5 billion) related to exempt current pension income.

TABLE 7.5: Fund deductions, by type and fund size, 2003-04 income year

| Deductions ${ }^{1}$ | Funds |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Loss/nil <br> $\$ m^{2}$ | Micro \$m ${ }^{2}$ | Small \$m ${ }^{2}$ | Medium \$m ${ }^{2}$ | Large \$m ${ }^{2}$ | Total \$m ${ }^{2}$ |
| Transfer of taxable contributions | 0 | 6 | 52 | 586 | 6,665 | 7,310 |
| Exempt current pension income | 0 | 1,420 | 92 | 404 | 2,566 | 4,482 |
| Group life \& disability premiums | 0 | 96 | 43 | 343 | 1,725 | 2,207 |
| Management/administration expenses | 1 | 490 | 82 | 357 | 914 | 1,844 |
| Investment expenses | 0 | 204 | 30 | 72 | 910 | 1,216 |
| Losses recouped ${ }^{3}$ | 0 | 40 | 16 | 27 | 0 | 83 |
| Depreciation deducted | 0 | 44 | 1 | 2 | 33 | 80 |
| Salary \& wage expenses | 0 | 3 | 1 | 9 | 46 | 59 |
| Capital works deduction | 0 | 19 | 0 | 2 | 11 | 32 |
| Interest expenses - Australia | 0 | 13 | 0 | 0 | 0 | 13 |
| Interest expenses - overseas | 0 | 0 | 0 | 0 | 0 | 0 |
| Other deductions | 1 | 299 | 62 | 216 | 2,114 | 2,692 |
| Total ${ }^{4}$ | 2 | 2,632 | 380 | 2,018 | 14,985 | 20,017 |
| 1 Definitions of items are in the fund tax return guide form on the attached CD-ROM. <br> 2 Zero amounts may indicate an amount of $\$ 0$ or an amount less than $\$ 500,000$. <br> 3 Also referred to as 'Tax losses deducted'. <br> 4 Total amount may differ slightly from the sum of components due to rounding. |  |  |  |  |  |  |

## FUND NET TAX

## BOX 7.5': Net tax, and calculating balance payable or refundable ${ }^{2}$

For funds, net tax is defined as gross tax less foreign tax credits, rebates or tax offsets and refundable franking credits.
Other credits (credit for interest on early payments amount of interest, and credit for tax withheld where ABN not quoted) and fund instalments paid are subtracted from the sum of net tax and section 102AAM interest to work out the balance payable or refundable.

1 This box presents only a general description of the above term. It does not provide the full technical or legal definition. In previous editions of Taxation Statistics net tax for funds has been defined as gross tax less foreign tax credits, and rebates or tax offsets. More information on items mentioned in this box is available in the tax return guide form or the Fund income tax and regulatory return instructions 2004 booklet on the attached CD-ROM.
2 Refers to the 'Total amount of tax payable or refundable' item (label S) on the 'Calculation statement' section on page 2 of the 2004 fund tax return form. There is more information on how the balance payable or refundable is calculated in the fund return (page 2) and the instruction booklet.

In 2003-04, 86\% $(213,558)$ of funds were liable for $\$ 4.5$ billion in net tax (table 7.6).

Large fund types (corporate, industry, retail and public sector funds) accounted for 76\% (\$3.4 billion) of net tax payable by funds with a tax liability, despite accounting for only $1 \%$ of such funds. Self managed funds accounted for $96 \%(224,505)$ of these funds but were liable for only $17 \%$ ( $\$ 0.7$ billion) of net tax.

TABLE 7.6: Net tax, by type of fund, 2003-04 income year

| Type of fund | Funds liable for net tax ${ }^{1}$ No. \% |  | Net tax |  |
| :---: | :---: | :---: | :---: | :---: |
| Large fund types ${ }^{2}$ | 1,341 | 1 | 3,404 | 76 |
| Self-managed superannuation fund | 224,505 | 96 | 748 | 17 |
| Small APRA fund | 7,444 | 3 | -2 | 0 |
| Non-regulated fund | 272 | 0 | 8 | 0 |
| Other | 179 | 0 | 305 | 7 |
| Total ${ }^{3}$ | 233,741 | 100 | 4,463 | 100 |
| 2 The term 'large fund types' in this table refers to the aggregated category that includes corporate, industry, retail and public sector funds. In this table it does not refer to funds with total income of more than $\$ 100$ million as referred to in tables $7.3,7.4$ and 7.5 in the previous two sections. |  |  |  |  |
| 3 Total amount may differ slig | the sum | mp | de to ro |  |

## DETAILED TABLES

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

The items referred to in the detailed tables are items declared on the 2004 fund tax return. A copy of the return is in the appendix.

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

## Table 1: $\quad$ Selected items, by net tax and fund status, 2003-04 income year

 This table shows the number, taxable income and net tax of different types of funds (superannuation fund, approved deposit fund and pooled superannuation trust) ranged by different grades of net tax. The number, taxable income and net tax of taxable and non-taxable funds are also reported.Table 2:
Selected items, by fund status and membership industry classification, 2003-04 income year
This table shows the number of records and amounts for items funds declare on their fund tax return. Funds (and the data) are classified by status (superannuation fund, approved deposit fund and pooled superannuation trust). Superannuation funds (and the data referring to superannuation funds) are further classified by membership industry classification.

- Part A: Calculation statement items contains labels from item 8 'Calculation statement' on page 2 of the fund tax return.
- Part B: Income items - contains income labels from item 9 on page 3 of the fund tax return.
- Part C: Expense items and losses information - contains expense labels from item 9 and labels from item 10 'Losses information' on page 4 of the fund tax return.
- Part D: Other information - contains labels from item 11 'Other information' on page 4 of the fund tax return.
(1) In order to meet privacy regulations, statistics for some items may not be included in the tables.

Table 3: Selected items for income years 1994-95 to 2003-04
This table shows selected items from the fund tax return for income years 1994-95 to 2003-04. The number of records and amounts for most items are shown.

This table is also available at the back of the chapter (see table 7.7).
Table 4: Selected items, by taxable income, 2003-04 income year
This table shows the number of records and amounts for items funds declare on their fund tax return. Funds (and the data) are ranged by different grades of taxable income.

- Part A: Calculation statement items contains labels from item 8 'Calculation statement' on page 2 of the fund tax return.
- Part B: Income items - contains income labels from item 9 on page 3 of the fund tax return.
Part C: Expense items and losses information - contains expense labels from item 9 and labels from item 10 'Losses information' on page 4 of the fund tax return.
Part D: Other information - contains labels from item 11 'Other information' on page 4 of the fund tax return.
(1) In order to meet privacy regulations, statistics for some items may not be included in the tables.


## Table 5: $\quad$ Number of funds and net tax, by

 balance date, 2003-04 income yearThis table shows the number of funds, the number of funds with net tax of more than \$0 and the amounts of respective net tax, by different balance dates.

Table 6: Selected items, by total income, 2003-04 income year
This table shows the number of records and amounts for items funds declare on their fund tax return. Funds (and the data) are ranged by different grades of total income.

- Part A: Calculation statement items contains labels from item 8 'Calculation statement' on page 2 of the fund tax return.
- Part B: Income items - contains income labels from item 9 on page 3 of the fund tax return.
- Part C: Expense items and losses information - contains expense labels from item 9 and labels from item 10 'Losses information' on page 4 of the fund tax return.
Part D: Other information - contains labels from item 11 'Other information' on page 4 of the fund tax return.
(1) In order to meet privacy regulations, statistics for some items may not be included in the tables.


## TIME SERIES TABLE

Table 7.7 shows selected items from fund returns for income years 1994-95 to 2003-04. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as fund tax detailed table 3. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.
TABLE 7．7：Fund tax．${ }^{1}$ Selected items for income years 1994－95 to 2003－04
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| Selected items |  | 1994－95 | 1995－96 | 1996－97 | 1997－98 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Number of funds | No． | 110，166 | 127，537 | 147，481 | 162，935 |
| Net capital gains | No． | 14，359 | 24，138 | 37，940 | 48，461 |
|  | \＄ | 1，335，975，161 | 2，266，293，593 | 4，131，185，851 | 8，711，033，830 |
| Gross rents and other leasing and hiring income | No． | 14，741 | 16，390 | 19，069 | 23，515 |
|  | \＄ | 696，610，559 | 770，734，226 | 855，500，595 | 829，439，906 |
| Gross interest | No． | 87，342 | 113，547 | 124，810 | 136，620 |
|  | \＄ | 2，638，267，023 | 3，262，590，716 | 3，295，416，794 | 2，805，888，085 |
| Dividends unfranked | No． | n．a． | п．a． | n．a． | n．a． |
|  | \＄ | n．a． | n．a． | n．a． | a． |
| Dividends franked | No． | n．a． | n．a． | n．a． | n．a． |
|  | \＄ | n．a． | n．a． | n．a． | n．a． |
| Gross dividends | No． | 42，136 | 71，152 | 68，731 | 89，839 |
|  | \＄ | 2，235，629，768 | 2，911，312，068 | 3，166，732，173 | 3，421，504，995 |
| Franking credit | No． | n．a． | n．a． | n．a． | n．a． |
|  | \＄ | n．a． | n．a． | n．a． | n．a． |
| Net foreign income | No． | 9，607 | 14，503 | 19，693 | 24，632 |
|  | \＄ | 505，185，420 | 737，783，117 | 957，638，601 | 1，973，904，009 |
| Australian franking credits from a NZ company | No． | n．a． | п．a． | n．a． | n．a． |
|  | \＄ | n．a． | n．a． | n．a． | n．a． |
| Gross taxable employer contributions | No． | 80，152 | 101，226 | 106，733 | 116，296 |
|  | \＄ | 11，480，951，606 | 15，156，537，391 | 16，412，194，771 | 17，197，950，497 |
| Gross taxable employee or depositor contributions | No． | 8，828 | 11，904 | 13，491 | 15，494 |
|  | \＄ | 970，024，824 | 1，209，024，050 | 1，214，466，692 | 1，449，130，230 |
| Section 288A \＆288B net previous income | No． | n．a． | 164 | 16 | 9 |
|  | \＄ | n．a． | 1，235，803 | 153，303 | 14，356 |
| Gross distribution from partnerships | No． | n．a． | п．a． | 1，337 | 1，229 |
|  | \＄ | n．a． | n．a． | 27，417，646 | 29，603，684 |
| Gross distribution from trusts | No． | n．a． | n．a． | 38，229 | 57，332 |
|  | \＄ | n．a． | n．a． | 1，281，455，846 | 2，030，223，175 |
| Other income | No． | 9，120 | 18，835 | 21，916 | 19，206 |
|  | \＄ | 793，017，500 | 1，923，540，655 | 1，747，027，667 | 1，462，286，270 |
| Total income | \＄ | 20，852，992，058 | 28，580，955，386 | 33，945，895，490 | 41，689，037，779 |

TABLE 7．7：Fund tax．${ }^{1}$ Selected items for income years 1994－95 to 2003－04


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TABLE 7.7: Fund tax. ${ }^{1}$ Selected items for income years 1994-95 to 2003-04

| Selected items |  | 1994-95 | 1995-96 | 1996-97 | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{2}$ | 2003-04 ${ }^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| AFI - FIF/FLP income | No. | n.a. | 56 | 34 | 48 | 73 | 65 | 93 | 162 | 316 | 34 |
|  | \$ | n.a. | 31,837,132 | 73,985,223 | 39,817,994 | 17,460,766 | 36,903,505 | 7,325,634 | 50,231,471 | 16,175,585 | 702,491 |
| Tax spared foreign tax credits | No. | n.a. | n.a. | 177 | 215 | 583 | 1,065 | 1,750 | 2,279 | 2,362 | 1,929 |
|  | \$ | n.a. | n.a. | 729,957 | 215 | 1,796,399 | 90,396 | 1,033,359 | 236,009 | 74,994 | 636,005 |
| Gross tax | \$ | 2,063,223,012 | 3,058,639,470 | 3,564,701,504 | 4,330,978,202 | 4,530,848,124 | 4,955,730,328 | 5,107,887,864 | 5,109,966,798 | 5,730,576,927 | 6,981,482,701 |
| Refundable imputation credits | No. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 136,226 | 152,631 | 166,213 | 171,695 |
|  | \$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 982,357,418 | 916,147,773 | 1,580,876,016 | 2,225,499,591 |
| Total rebates/tax offsets | No. | 33,967 | 51,263 | 64,568 | 83,050 | 101,013 | 120,492 | 69,779 | 73,070 | 73,410 | 78,844 |
|  | \$ | 594,755,190 | 839,775,291 | 1,006,643,020 | 1,089,782,920 | 1,221,285,296 | 1,256,715,900 | 941,918,101 | 642,355,291 | 261,761,097 | 293,064,329 |
| Net tax ${ }^{5,6}$ | \$ | 1,468,460,901 | 2,217,920,889 | 2,561,836,951 | 3,241,179,659 | 3,309,539,853 | 3,699,255,310 | 186,281,362 | 3,551,436,444 | 3,887,939,814 | 4,462,918,78 |

Notes:
Please refer to the 'Fund tax' chapter and the Taxation SROM.
It is also included on the Taxation Statistics 2003-04 CD-ROM.
The symbol 'n.a.' used in this publication means not applicable or not available.
Totals may not equal the sum of components due to rounding.
In order to meet privacy regulations, the following measures have been applied.
a) Number indicators shown may have been rounded to the nearest multiple of 5 .
b) Statistics for some items may not be included in some tables.
1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.


the statistics for the 2003-04 and prior income years. For further information please refer to the 'Source of fund statistics' section in the 'Fund tax' chapter of Taxation Statistics 2003-04.
$\$ 0$ is reported if the calculated taxable income is equal to or less than $\$ 0$.
5 Net tax is defined as gross tax less foreign tax credits, rebates or tax offsets and refundable imputation credits. Net tax may be less than $\$ 0$.
6 Imputation credits from franked dividends paid on or after 1 July 2000 are shown on the fund annual income tax return at item 8, label Q 'Refundable imputation credits', also known as 'Refundable franking credits' in 2003-04.

## THE SUPERANNUATION SYSTEM

## (1) HIGHLIGHTS

In June 2005 approximately 90\% of employees had some form of superannuation coverage in a superannuation system that included:

- 10.0 million employees ${ }^{1}$
- 1.3 million registered employers ${ }^{2}$
- 312,225 superannuation funds ${ }^{3}$
- 27.0 million member superannuation accounts ${ }^{4}$
- $\$ 20.3$ billion in member contributions per annum ${ }^{4}$
- $\$ 38.7$ billion in employer contributions per annum ${ }^{4}$
- $\$ 30.7$ billion in member benefit payments per annum ${ }^{4}$, and
$\square \$ 741.7$ billion assets under management. ${ }^{4}$
1 Australian Bureau of Statistics Labour figures, June 2005.
2 Tax Office internal data.
3 Australian Prudential Regulation Authority, Quarterly superannuation performance (issued October 2005).
4 Australian Prudential Regulation Authority, Annual superannuation bulletin June 2004 (issued May 2005).

Superannuation is a specifically designed long-term investment vehicle for individuals' retirement savings.
The retirement income system includes:

- a compulsory element of superannuation, the superannuation guarantee, that requires employers to contribute a minimum level to their employees' superannuation accounts to accumulate savings for a more comfortable retirement
- a voluntary level of superannuation encouraged by tax concessions and the government's co-contribution scheme, and
- the age pension and associated social security arrangements that provide an income safety net for retirees.

The Tax Office plays a major role in administering the compulsory and voluntary elements of the superannuation system. This includes:

- superannuation fund income tax (reported in chapter 7)
- the superannuation guarantee
- the superannuation holding accounts special account
- the Lost Members Register
- departing Australia superannuation payments
- the regulation of self managed superannuation funds
- the co-contributions system
- reasonable benefit limits
- the superannuation contributions surcharge, and
- the termination payments surcharge.


## SUPERANNUATION GUARANTEE SCHEME

The superannuation guarantee scheme was introduced on 1 July 1992 and is administered by the Tax Office. The quarterly superannuation guarantee was introduced on 1 July 2003. It requires employers to provide a prescribed minimum level of superannuation support for each employee to a complying superannuation fund or retirement savings account by the 28th day following the end of each quarter. Before the quarterly superannuation guarantee was introduced, employers had until 28 July following the end of the financial year to make the required superannuation payments. The limits for tax deductible superannuation guarantee contributions by employers for employees are based on an employee's age (table 8.1).

TABLE 8.1: Age-based limits for deductible superannuation guarantee contributions for employees, 2000-01 to 2004-05 financial years

| Age in years | Employee's deduction limit |  |  |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: |
|  | $2000-01$ | $2001-02$ | $2002-03$ | $2003-04$ | $\mathbf{2 0 0 4 - 0 5}$ |
| Under 35 | $\$$ | $\$$ | $\$$ | $\$$ | $\$$ |
| 35 to 49 | 11,388 | 11,912 | 12,651 | 13,233 | 13,934 |
| 50 and over | 31,631 | 33,087 | 35,138 | 36,754 | 38,702 |

The maximum contribution base acts as a ceiling on an employee's salary, effectively limiting the amount of superannuation support an employer is required to provide. For each quarter, employers are required to provide superannuation support on employee earnings only up to the maximum contribution base. The maximum contribution base for each quarterly contribution period was $\$ 26,300$ in 2000-01, $\$ 27,510$ in 2001-02, $\$ 29,220$ in 2002-03, \$30,560 in 2003-04 and $\$ 32,180$ in 2004-05.

In 2004-05 the minimum level of superannuation support was $9 \%$ of each employee's earnings base. Some employees are not eligible for superannuation guarantee contributions because of low salary or wages, age, hours of work or residency status.
In 1988, 41\% of employees had superannuation. After the introduction of compulsory award-based superannuation in 1991, $79 \%$ of employees had superannuation. Since 2002, $90 \%$ of employees have had some form of superannuation coverage (Australian Bureau of Statistics, Cat. No. 6310.0).

## SUPERANNUATION GUARANTEE CHARGE

Employers who fail to provide a minimum level of superannuation support are liable to pay the superannuation guarantee charge. This charge is equal to:

- the employer's total superannuation guarantee shortfalls - an interest component of:
- (pre-1 July 2003) 10\% per annum calculated from the beginning of the financial year ( 1 July ) relating to the shortfall to 14 August following the end of the financial year, or the date of lodgment of the superannuation guarantee statement (whichever is later), or
- (post-1 July 2003) 10\% per annum calculated from the beginning of the quarter relating to the shortfall to the 14th day of the second month following the end of the quarter, or the date of lodgment of the superannuation guarantee statement (whichever is later), and
- an administrative fee of $\$ 50$ plus $\$ 30$ for each employee not fully covered (before 1 July 2003), or \$20 for each employee not fully covered (from 1 July 2003).

Other penalties that may also be applied are:

- the general interest charge for late payment
- Part 7 penalty, where the employer fails to provide:
- a superannuation guarantee statement, and/or
- information relevant to assessing their liability to pay the superannuation guarantee charge for a quarter, or
- accurate and complete information, and
- certain tax administration penalties, such as penalties for providing false and misleading statements.
Superannuation guarantee charge collections totalled $\$ 181.1$ million in 2004-05, a decrease of $23 \%$ from the previous financial year (table 8.2). This decrease can be explained by the fact that the amount of money raised and collected in 2003-04 was boosted as this was the first year of the quarterly regime. This meant that both yearly and quarterly due dates fell within that financial year.

TABLE 8.2: Superannuation guarantee compliance results, 2000-01 to 2004-05 financial years

|  |  |  |  |  |  |  |  |
| :--- | :--- | :--- | ---: | ---: | ---: | ---: | ---: | ---: |
| Superannuation guarantee charge raised ${ }^{1}$ |  | \$m | 119.0 | 156.4 | 253.5 | 380.8 | 270.2 |
| Superannuation guarantee charge collected $^{1}$ | $\$ m$ | 69.8 | 100.7 | 163.6 | 234.6 | 181.1 |  |
| Collections as a percentage of amount raised | $\%$ | 59 | 64 | 69 | 62 | 67 |  |
| 1 Liabilities raised and amounts collected include voluntary disclosures. |  |  |  | $2001-02$ | $2002-03$ | $2003-04$ | 2004 |

## SUPERANNUATION GUARANTEE TRANSFERS

The Tax Office collects the superannuation guarantee charge from employers and facilitates the transfer of the shortfall component, plus interest, to their employees' superannuation accounts. Up until November 2003, the Tax Office issued employees with vouchers to the value of their collected entitlements. Vouchers could be deposited with their superannuation account holder and the value claimed from the Tax Office and paid into the employee's superannuation account.

Since November 2003, the Tax Office checks an employee's superannuation records to identify a current superannuation account that their contribution can be transferred to. If an active account cannot be located, the employee is sent a letter containing a contribution reference number and advising them to contact the Tax Office to arrange for their entitlements to be transferred to a qualifying superannuation account.

FIGURE 8.1: Superannuation guarantee revenue transferred to a qualifying superannuation account, 2000-01 to 2004-05 financial years ${ }^{1}$


1 The 2003-04 figures have been revised.

## SUPERANNUATION HOLDING ACCOUNTS SPECIAL ACCOUNT

The superannuation holding accounts special account (previously known as the superannuation holding accounts reserve) is administered by the Tax Office. A small number of employers use the special account to deposit superannuation guarantee contributions for their employees. The special account will be closed to new employer superannuation guarantee deposits after 30 June 2006.
The special account is not a trust fund or superannuation fund. It is a holding mechanism designed to protect employees' small superannuation amounts until they can be transferred to a complying superannuation fund or retirement savings account. Entitlements may be paid directly to an individual or, in limited circumstances, to their legal representative.

The special account is also intended to receive unclaimed superannuation guarantee charge and superannuation co-contributions amounts.

At the end of the 2004-05 financial year the balance of individual accounts in the superannuation holding accounts special account was $\$ 55$ million. Some 182,106 (43\%) individual accounts had balances of more than zero, with an average value of $\$ 302$ per account. There were also 240,441 accounts with a zero balance, representing account balances transferred to a superannuation fund or paid to an individual (tables 8.3 and 8.4).
Withdrawals from the special account in 2004-05 totalled $\$ 12.7$ million and the majority of this money was paid to superannuation funds and retirement savings accounts.

FIGURE 8.2: Superannuation holding accounts special account, 2000-01 to 2004-05 financial years ${ }^{1}$


TABLE 8.3: Individual account balances ${ }^{1}$ in the superannuation holding accounts special account, 2000-01 to 2004-05 financial years

| Financial <br> year | Account balance <br> more than zero <br> No. | Account <br> value <br> \$m | Average <br> value <br> \$ |
| :--- | ---: | ---: | ---: |
| $2000-01$ | 171,958 | 44 | 256 |
| $2001-02$ | 198,522 | 53 | 267 |
| $2002-03$ | 183,806 | 52 | 283 |
| $2003-04$ | 179,904 | 54 | 300 |
| $2004-05$ | 182,106 | 55 | 302 |

1 The total value of accounts in the superannuation holding accounts special account is generally more than the total value of individual accounts due to money awaiting distribution to individual accounts or transfer to superannuation funds. The total value at the end of 2004-05 was $\$ 59.3$ million.

TABLE 8.4: Individual account balances in the superannuation holding accounts special account at the end of the 2004-05 financial year, by value

| Value of individual account balance | Accounts | Value \$m | Average balance ${ }^{1}$ |
| :---: | :---: | :---: | :---: |
| Zero | 240,441 | 0 | 0 |
| \$1-\$100 | 74,884 | 4 | 55 |
| \$101-\$500 | 79,408 | 18 | 232 |
| \$501-\$1,000 | 17,502 | 12 | 694 |
| \$1,001 or more | 10,312 | 20 | 1,974 |
| Total of account balances more than zero | 182,106 | 54 | 302 |
| Total | 422,547 | 55 | 130 |

## LOST MEMBERS REGISTER

The Tax Office maintains a register of accounts that superannuation funds have classified as 'lost'. Superannuation funds report members as lost when they have received unclaimed mail for the member and/or when the account has not shown activity for some time. Superannuation funds are required to report the lost member information to the Tax Office twice a year and it is then added to the Lost Members Register. The assets of members reported through these accounts remain with the superannuation funds and are invested in accordance with the funds' rules. The Tax Office continues to collaborate with funds to ensure the data held in the register is as accurate and up to date as possible.
The Tax Office also help funds and individuals search the Lost Members Register and other Tax Office records to locate lost superannuation. Search facilities include SuperMatch, SuperSeeker Online and SuperSeeker.

At the end of the 2004-05 financial year there were 5.4 million accounts on the Lost Members Register, with a total value of $\$ 8.2$ billion. During 2004-05 close to 743,560 accounts were removed from the register. The majority of these were due to people being reunited with their superannuation. The remainder were a result of funds providing updated member records, thereby removing accounts with incorrect, duplicate or out-of-date data. Despite this, there was an increase in the number of accounts, as approximately 1.2 million new accounts were reported as 'lost'.

TABLE 8.5: Number and value of accounts on the Lost Members Register, 2000-01 to 2004-05 financial years ${ }^{1}$

| Financial <br> year | Accounts | Closing <br> value <br> $\$ \mathrm{~m}$ | Accounts <br> removed <br> No. |
| :--- | :---: | ---: | ---: |
| 2000-01 | $3,803,482$ | 5,487 | 275,348 |
| 2001-02 | $4,651,356$ | 6,780 | 208,302 |
| $2002-03$ | $4,646,287$ | 7,274 | 684,942 |
| $2003-04$ | $4,937,923$ | 7,300 | $1,032,206$ |
| $2004-05$ | $5,417,403$ | 8,200 | 743,560 |
| 1 Previous years' figures have been revised. |  |  |  |

## SELF MANAGED SUPERANNUATION FUNDS

The Tax Office assumed regulatory responsibility for self managed superannuation funds following amendments to the Superannuation Industry (Supervision) Act 1993 in October 1999. Previously these funds were regulated by the Australian Prudential Regulation Authority and were known as excluded funds.

Generally, the Superannuation Industry (Supervision) Act defines a self managed superannuation fund according to these criteria:

- it has four or fewer members
- no member of the fund is an employee of another member of the fund, unless they are related
- each member is a trustee, and
- no trustee of the fund receives any remuneration for their services as a trustee.
A self managed superannuation fund can have a company as a trustee (known as a corporate trustee) if:
- the fund has four or fewer members
- each director of the company is a member of the fund
- each member of the fund is a director of the company
- no member is an employee of another member, unless they are related, and
- the corporate trustee does not receive any remuneration for its services as a trustee.
As the regulator of self managed funds, the Tax Office undertakes a range of compliance activities and provides educational material to increase awareness of trustee obligations.
Approximately 187,000 funds made the switch to the self managed fund environment in 1999 when the Tax Office assumed regulatory responsibility.
While self managed funds make up $97 \%$ of all superannuation funds, they represent only $2 \%$ of total superannuation member accounts. Self managed funds manage $22 \%$ of all assets in the Australian superannuation system (table 8.6).

At the end of 2004-05 there were 303,604 self managed funds, with a total of 586,195 members. The majority ( $88 \%$ ) of self managed funds have one or two members (table 8.7). In 2004-05 around 24,500 new funds were established compared to around 34,500 in the previous financial year. Table 8.8 shows the asset allocation across self managed funds.

TABLE 8.6: Self managed superannuation funds compared to the entire Australian superannuation system, at 30 June 2005

|  | Self managed funds ${ }^{1}$ | Australian superannuation <br> system $^{2}$ | Proportion of Australian <br> superannuation system |
| :--- | ---: | ---: | ---: | ---: |
| Number of funds | 303,604 | 312,225 | $97.2 \%$ |
| Number of members | 586,195 | 27.0 million | $2.2 \%$ |
| Assets under management | $\$ 165.6$ billion | $\$ 741.7$ billion | $22.3 \%$ |
| 1 Estimate based on Tax Office data.  <br> 2 Australian Prudential Regulation Authority data.  |  |  |  |

FIGURE 8.3: Number of self managed superannuation funds, 1999-2000 to 2004-05 financial years ${ }^{1}$


1 Previous years' figures have been revised.

FIGURE 8.4: Number of self managed superannuation fund members, 1999-2000 to 2004-05 financial years ${ }^{1}$


[^4]TABLE 8.7: Number of members in self managed superannuation funds, 2003-04

| Number of members | Proportion of funds (\%) |
| :--- | :--- |
| 1 | 20 |
| 2 | 68 |
| 3 | 6 |
| 4 | 6 |

TABLE 8.8: Asset allocation across self managed superannuation funds, 2001-02 to 2003-04 financial years ${ }^{1}$

| Asset type | $2001-02$ | $2002-03$ | $2003-04$ |
| :--- | ---: | ---: | ---: |
|  | $\%^{2}$ | $\%^{2}$ |  |

1 2004-05 fund tax return information is not available.
2 Total amount may not add to $100 \%$ due to rounding.

TABLE 8.9: Number of self managed superannuation funds and members, and value of assets, by state, 2000-01 to 2004-05 financial years ${ }^{1}$

|  | State ${ }^{2}$ |  |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | NSW ${ }^{3}$ | VIC | QLD | WA | $S^{3}$ | TAS | Australia |
| Number of funds |  |  |  |  |  |  |  |
| 2000-01 | 71,908 | 62,914 | 37,152 | 21,510 | 14,110 | 2,978 | 210,598 |
| 2001-02 | 76,162 | 69,320 | 39,544 | 23,787 | 14,832 | 3,188 | 226,862 |
| 2002-03 | 84,843 | 77,963 | 43,893 | 26,997 | 16,239 | 3,668 | 253,654 |
| 2003-04 | 91,976 | 88,027 | 49,712 | 29,570 | 17,744 | 4,212 | 281,311 |
| 2004-05 | 99,265 | 95,002 | 53,651 | 31,913 | 19,150 | 4,546 | 303,604 |
| Number of members ${ }^{4}$ |  |  |  |  |  |  |  |
| 2000-01 | 133,961 | 116,081 | 70,205 | 40,058 | 26,503 | 5,530 | 392,386 |
| 2001-02 | 143,026 | 128,539 | 75,925 | 44,261 | 28,130 | 5,977 | 425,910 |
| 2002-03 | 162,439 | 146,921 | 85,907 | 51,246 | 31,066 | 6,973 | 484,639 |
| 2003-04 | 176,641 | 165,484 | 96,989 | 56,629 | 33,832 | 8,003 | 537,704 |
| 2004-05 | 192,571 | 180,407 | 105,736 | 61,735 | 36,883 | 8,725 | 586,195 |
| Assets (\$ million) ${ }^{4}$ |  |  |  |  |  |  |  |
| 2000-01 | 26,647 | 23,091 | 13,965 | 7,968 | 5,272 | 1,100 | 78,053 |
| 2001-02 | 30,404 | 27,324 | 16,140 | 9,409 | 5,980 | 1,271 | 90,538 |
| 2002-03 | 35,832 | 32,409 | 18,950 | 11,304 | 6,853 | 1,538 | 106,905 |
| 2003-04 | 44,446 | 41,639 | 24,404 | 14,249 | 8,513 | 2,014 | 135,297 |
| 2004-05 | 54,405 | 50,968 | 29,872 | 17,441 | 10,420 | 2,465 | 165,610 |

[^5]
## SUPERANNUATION CO-CONTRIBUTION

The superannuation co-contribution was introduced from 1 July 2003 and is an initiative to assist eligible individuals to save for their retirement. Where a person is eligible and makes personal superannuation contributions, the government will match their contributions with a co-contribution, subject to certain limits.

For the 2003-04 income year, in order to be eligible an individual must have:

- made a personal superannuation contribution (after-tax contribution) to a complying superannuation fund or a retirement savings account
- not claimed a deduction for the personal contributions in their income tax return
- had a total income (assessable income plus reportable fringe benefits) of less than \$40,000
- had more than $10 \%$ of their total income sourced from eligible employment (including contract income and personal services income)
- not held an eligible temporary resident visa at any time during the year
- lodged an income tax return for the income year, and - been less than 71 years of age at the end of the income year.

A co-contribution is paid to an eligible individual's superannuation account once their income tax return and a member contribution statement have been lodged. This is usually in the year after the personal superannuation contribution was made.

TABLE 8.10: Co-contributions assessed and paid during 2004-05

| Assessed entitlements | \$m | 328 |
| :--- | :--- | ---: | ---: |
| Paid entitlements | \$m | 309 |
| Individuals assessed as entitled | No. | 605,734 |
| Individuals actually paid | No. | 571,000 |
| Average co-contributions entitlement | \$ | 540 |
| Co-contributions assessed and paid in 2004-05 relate to personal <br> contributions made in the 2003-04 income year. |  |  |

A small proportion of payments can be delayed because a fund or retirement savings account may not accept co-contribution payments, or the member may have recently closed their account with that fund or provider. In these cases, the individual is requested to advise the Tax Office where to pay the co-contribution.

If the Tax Office cannot ultimately pay a co-contribution to a fund or retirement savings account, the entitlement is paid into an account for the individual in the superannuation holding accounts special account. There are mechanisms (see the section on the Lost Members Register) to allow members to move these amounts to another account.
For entitlements assessed during 2004-05, 63\% were for females and $37 \%$ were for males (table 8.11).

TABLE 8.11: Number of superannuation co-contribution assessments made in 2004-05, by age range and sex ${ }^{1}$

| Age range | Female | Male | Total |
| :--- | ---: | ---: | ---: |
| Under 21 | 9,044 | 13,245 | 22,289 |
| $21-25$ | 23,709 | 20,772 | 44,481 |
| $26-30$ | 24,999 | 16,283 | 41,282 |
| $31-35$ | 38,328 | 19,047 | 57,375 |
| $36-40$ | 45,551 | 21,496 | 67,047 |
| $41-45$ | 55,189 | 26,398 | 81,587 |
| $46-50$ | 56,514 | 27,643 | 84,157 |
| $51-55$ | 60,696 | 29,875 | 90,571 |
| $56-60$ | 46,112 | 28,985 | 75,097 |
| $61-65$ | 17,068 | 18,014 | 35,082 |
| $66-70$ | 2,991 | 3,775 | 6,766 |
| Total | 380,201 | 225,533 | 605,734 |

1 Co-contributions assessed and paid in 2004-05 are in relation to personal contributions made in the 2003-04 income year.

For the 2004-05 year and future years, the government introduced the following changes to the co-contribution scheme:

- the maximum income threshold for eligibility increased from $\$ 40,000$ a year to \$58,000 a year, and
- the government's co-contribution increased from a maximum of $\$ 1.00$ to a maximum of $\$ 1.50$ for every dollar contributed by the taxpayer.


## REASONABLE BENEFIT LIMITS

Reasonable benefit limits are the maximum amount of superannuation and similar benefits that a person can receive at concessional rates of tax. Benefits taken in excess of a person's reasonable benefit limit do not receive tax concessions.
There are two types of reasonable benefit limits: a lump sum limit and a pension limit. The limits are indexed annually according to movements in average weekly ordinary time earnings published by the Australian Bureau of Statistics. For 2004-05, the lump sum limit was \$619,223 and the pension limit was $\$ 1,238,440$. Higher (transitional) limits may apply in some circumstances.

TABLE 8.12: Eligible termination payments received ${ }^{1}$, 2000-01 to 2004-05 financial years

|  |  | 2000-01 ${ }^{2}$ | 2001-02 ${ }^{2}$ | 2002-03 ${ }^{2}$ | 2003-04 ${ }^{2}$ | 2004-05 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Individuals receiving eligible termination payments | No. | 477,518 | 484,196 | 512,218 | 498,387 | 476,542 |
| Payments reported | No. | 666,619 | 675,527 | 712,714 | 701,923 | 676,603 |
| Total value of payments ${ }^{3}$ | \$m | 12,226 | 13,638 | 14,938 | 14,011 | 14,612 |
| Value per person ${ }^{4}$ | \$ | 25,603 | 28,166 | 29,163 | 28,113 | 30,663 |

1 Based on eligible termination payments, including death benefit eligible termination payments, reported by superannuation funds and employers for reasonable benefit limit purposes as at 30 September 2005.
2 Previous years' figures have been revised.
3 Excludes eligible termination payments of less than $\$ 5,000$ made by employers.
4 Average values calculated from actual (not rounded) figures.

The reasonable benefit limits do not restrict the overall amount of benefits a taxpayer can receive. They ensure that superannuation pensions, annuities and eligible termination payments are taxed appropriately. If an eligible termination payment exceeds a person's reasonable benefit limit, tax is payable on the amount of excess (referred to as the excessive component), at the rate of either $38 \%$ or $47 \%$ plus Medicare levy. If all or part of a superannuation pension or annuity exceeds a person's reasonable benefit limit, the excessive part is not eligible for the superannuation pension tax offset. Payers of eligible termination payments, pensions or annuities (subject to some exceptions) report to the Tax Office only when benefits are paid or, in the case of pensions or annuities, when payments start. Where the benefits exceed the person's relevant reasonable benefit limit, the Tax Office sends a reasonable benefit limits determination notice to the recipient of the benefit to inform them that their superannuation entitlements have exceeded the limit and that the excess benefits will be taxed at the higher rates.

In 2004-05, 476,542 people received eligible termination payments totalling $\$ 14.6$ billion - an average of $\$ 30,663$ per person.

## SUPERANNUATION SURCHARGE

There are two types of superannuation surcharge:

- the superannuation contributions surcharge, which is levied on certain superannuation contributions (usually employer and personal deductible amounts), and
- the termination payments surcharge, which applies to certain components of an employer eligible termination payment, commonly known as a 'golden handshake'.

Both types of surcharge are a tax imposed on individuals whose adjusted taxable income is over a certain amount for the relevant financial year and apply to superannuation contributions made or employer eligible termination payments received between 20 August 1996 and 30 June 2005.

In May 2005 the superannuation surcharge was abolished as part of the 2005-06 Federal Budget. The Bill to give effect to this change received Royal Assent on 12 August 2005. As a result, the surcharge does not apply to any superannuation contributions made, or termination payments received, on or after 1 July 2005. However, the surcharge will still be applied and collected in respect of 2004-05 and previous years.

A surcharge rate up to a maximum of $12.5 \%$ applies to 2004-05 surchargeable contributions and employer eligible termination payments for members whose adjusted taxable income exceeds the lower income amount for the income year. The maximum surcharge rate was $14.5 \%$ for 2003-04 and $15 \%$ for previous years.

For most individuals, the adjusted taxable income is generally the sum of their taxable income, their total surchargeable contributions and reportable fringe benefits. Adjusted taxable income excludes:

- superannuation fund and rollover fund eligible termination payments
- lump sum payments for unused long service leave (relating to post-15 August 1978 service), and
- unused annual leave due to a bona fide redundancy, invalidity or approved early retirement scheme.
The Tax Office obtains an individual's taxable income (including any employer eligible termination payments) and reportable fringe benefits from their income tax return. Their superannuation provider reports their surchargeable contributions to the Tax Office each year through member contributions statements. In 2004-05 approximately 16 million member contributions statements were provided to the Tax Office.

The surcharge amount payable is determined by multiplying the applicable surcharge rate by a person's surchargeable contributions (for superannuation contributions surcharge) or by the surchargeable portion of an employer eligible termination payment (for termination payments surcharge).

The Tax Office calculates the surcharge rate using the formula:
Relevant adjusted taxable income - lower income amount A (denominator)

Where $A=\frac{\text { Higher income amount }- \text { lower income amount }}{\text { Maximum surcharge percentage } \times 100}$
The lower and higher income amounts are indexed each year (table 8.13).

TABLE 8.13: Relevant amounts used to calculate the rate of superannuation contributions surcharge or termination payments surcharge rate, 2000-01 to 2004-05 financial years

|  | Relevant amount |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 |
|  | \$ | \$ | \$ | \$ | \$ |
| Lower income amount | 81,493 | 85,242 | 90,527 | 94,691 | 99,710 |
| Higher income amount | 98,955 | 103,507 | 109,924 | 114,981 | 121,075 |
| Value of ' $A$ ' ${ }^{\text {' }}$ | 1,165 | 1,219 | 1,295 | 1,399.31034 | 1,709.20000 |

In 2004-05, \$1,233.0 million was collected in superannuation
surcharge revenue (table 8.14).

TABLE 8.14: Surcharge assessments issued and net collections, 2000-01 to 2004-05 financial years

|  |  | $2000-01$ | $2001-02$ | $2002-03$ | $2003-04$ | $2004-05$ |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: |
| Assessments issued | No. | 739,683 | 878,788 | 881,254 | 931,638 | $1,023,627$ |
| Revenue collected | $\$ m$ | 690 | 824 | 975 | 1,050 | 1,233 |

## (1) HIGHLIGHTS

In 2003-04 there were 813,755 taxable individuals, 15,928 taxable companies and 51,031 taxable funds with net capital gains totalling $\$ 15.8$ billion.

Capital gains tax payable on the net capital gains of taxable individuals, companies and funds was estimated to be $\$ 4.9$ billion.

In 2003-04, 382,451 taxable individuals, companies and funds declared $\$ 40.0$ billion in total current year capital gains on their capital gains tax schedules. Around 52\% ( $\$ 20.9$ billion) of these total capital gains were sourced from shares.

Capital gains tax (CGT) is the tax payable on any net capital gain included with other assessable income on an entity's (individual, company, trust or fund) tax return. Normal rates of tax apply to a net capital gain.

A net capital gain is the total capital gains made by a taxpayer for an income year, reduced by:

- the taxpayer's total capital losses for the income year and any net capital losses from previous years, and
- any CGT discount or small business CGT concessions the taxpayer is entitled to.
If total capital gains are less than total capital losses for an income year, the taxpayer has a net capital loss for that income year. This loss cannot be deducted from assessable income; it can be applied only to reduce capital gains in subsequent income years.

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

- land
- shares
- units in a unit trust or managed investment fund
- collectables with a value of $\$ 500$ or more, for example, jewellery, and
- personal use assets valued at \$10,000 or more.

Examples of other CGT events include when:

- a CGT asset is lost or destroyed
- shares are cancelled, surrendered or redeemed
- an agreement not to work in a particular industry for a set period of time is entered into
- a trust is created over a CGT asset
- a trustee of a unit trust makes a non-assessable distribution to a unit holder
- a company makes a payment (not a dividend) to a shareholder
- a lease is granted, renewed or extended
- a deposit is forfeited because a sale or other transaction does not proceed, or
- a taxpayer stops being an Australian resident.

A unit holder or beneficiary can also receive a capital gain in a distribution from a managed fund or other trust.

## SOURCE OF CGT STATISTICS

The data for Taxation Statistics 2003-04 was compiled before all processing for the 2003-04 income year was completed. Statistics in this chapter are sourced from the 2004 individual, company and fund income tax returns processed by 31 October 2005. The statistics are not necessarily complete and will continue to change as data from 2004 tax returns processed after 31 October 2005 is included. The usual practice each year is to update the statistics for the two years before the current year in the CGT time series table (chapter table 9.12 and CGT detailed table 1) included at the end of the chapter.
The proportion of tax returns processed by 31 October each year can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2003-04 income year statistics and statistics from previous years will be possible when Taxation Statistics 2004-05 is published. In that edition, the 2003-04 income year statistics will include data from returns and amendments processed up to 31 October 2006.

Statistics reported in the 'Total capital gains, by source and entity' section of this chapter were sourced from 2004 CGT schedules (completed by individual, company and fund taxpayers) processed by 31 October 2005. The statistics are not necessarily complete and will continue to change as data from 2004 schedules processed after 31 October 2005 is included. In addition, as not all personal, company and fund taxpayers have to complete these schedules, the statistics sourced from these schedules do not represent or refer to all personal, company and fund taxpayers.
Individual, company and fund income tax returns and CGT schedules were lodged either electronically or in paper form. Copies of the return forms and the schedule are in the appendix. They may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at www.ato.gov.au

## NEW FEATURES AND INFORMATION

Several tax reforms and laws implemented during the 2003-04 income year affected certain CGT statistics reported in this chapter and in the detailed tables. Some of these reforms and laws are listed below.

## Convertible notes

The tax treatment of convertible notes issued by a company after 14 May 2002 if the notes are traditional securities has been changed. Under the change:

- any gains made when these notes are converted or exchanged for ordinary shares in a company will not be ordinary income at the time of the conversion or exchange, and any losses made will not be deductible
- any gains or losses made on the later sale or disposal of the shares (incorporating any gain or loss that would have been made on the conversion or exchange of the notes) will be:
- subject to CGT if it is converted by an ordinary investor, or
- ordinary income (or deductible, in the case of a loss) if converted by a taxpayer who is in the business of trading in shares and other securities.


## Foreign exchange gains and losses

As from 1 July 2003, changes were made to the law dealing with foreign exchange (forex) gains and losses. Special rules apply to some short-term transactions where CGT assets are acquired or disposed of. These special rules are an exception to the operation of the general rules that apply when forex realisation events 1 to 5 occur. Generally, where these sorts of assets are acquired or disposed of, and the time between the acquisition or disposal and the due date for payment is not more than 12 months, any forex realisation gains and losses are integrated into the tax treatment of the underlying asset. Taxpayers could choose, generally by 16 January 2004, not to have this rule apply, so that forex gains and losses were instead assessable or deductible.

## GST input tax credits

For the purposes of working out the amount of a capital gain or capital loss, GST net input tax credits are excluded from the cost base, reduced cost base and other relevant amounts. This applies to CGT events occurring after 19 February 2004.

## Rollover for financial service providers

There is an automatic CGT rollover for financial service providers on transition to the financial services reform regime when, during the transitional period (11 March 2002 to 10 March 2004):

- an existing statutory licence, registration or authority is replaced with an Australian financial service licence
- a qualified Australian financial service licence is replaced with an Australian financial service licence, or
- an intangible CGT asset is replaced with another intangible CGT asset.

The CGT rollover ensures that the capital gain or capital loss that would otherwise be made when the original asset comes to an end is deferred until a CGT event happens to the replacement asset.

This applies to CGT events happening on or after 11 March 2002.

## Exemption for certain Second World War payments

Australian residents are exempt from income tax and CGT on Second World War compensation payments received on or after 1 July 2001 that relate to suffering from a wrong or injury and/or property loss through persecution (or flight from persecution).

## Sugar exit grants

Any capital gain or capital loss made from a CGT event relating directly to a sugar industry exit grant paid under the Sugar Industry Reform Program will be exempt.

## Foreign hybrids

From 1 July 2003 or optionally from 1 July 2002, certain foreign hybrids will be taxed in Australia as partnerships. This can include a limited partnership, a limited liability partnership and a United States limited liability company. Investors in these entities are now treated for Australian tax purposes as having a partnership interest. Previously, the investors were treated as shareholders and distributions they received were taxed as dividends.

## Shares in foreign companies

The law has been changed so that capital gains or capital losses Australian companies make from specified CGT events happening to shares (other than eligible finance shares or widely distributed finance shares) in foreign companies are reduced to the extent that the foreign company has an underlying active business. Also, attributable income arising from the same CGT events happening to shares owned by a controlled foreign company in a foreign company is reduced to the extent of the foreign company's active foreign business asset percentage.

The change applies only if:

- the company held a direct voting percentage in the foreign company of at least $10 \%$, and
- the shares were held by the company for a continuous period of at least 12 months in the two years before the CGT event.

The changes apply to CGT events happening on or after 1 April 2004.

## TAXPAYERS WITH NET CAPITAL GAINS

## BOX 9.1: Calculation of capital gains tax

Individuals must include net capital gains on their income tax returns. Gains are taxed, along with other forms of income, at marginal rates. Before September 1999, capital gains income was taxed as if it were the 'top slice' of an individual's income. That is, the gains were added on to other income. For Taxation Statistics, estimates of the net tax from capital gains have been provided on this basis, but as capital gains are not a separate source of revenue, these were only approximations of the tax revenue arising from capital gains.

Since changes to the capital gains tax system were announced in September 1999, capital gains included in taxable income are no longer treated differently to other forms of income. However, the net tax on capital gains for individuals continued to be shown as if it were still the 'top slice' of income. Because capital gains are legally no different to other income, the Tax Office is now showing the tax on these gains at the same rate as any other income - that is, at the average rate of tax for the taxpayer concerned. CGT for all income years since September 1999 has been recalculated on this basis so that direct comparisons across income years can be made.

While this gives the appearance that collection of tax from capital gains has fallen, this is not the case. The method of estimating tax from these gains has been modified to bring it into line with other sources of income. The dollar amount of capital gains will not have changed, nor the amount added to an individual taxpayer's taxable income. To continue with the older 'top slice' approach could be seen to be overestimating the revenue from capital gains compared to other income sources.

In 2003-04 there were 969,688 individual taxpayers, 23,130 companies and 73,530 funds with net capital gains (tables 9.1, 9.2 and 9.3). Some $84 \%(813,755)$ of individuals with net capital gains were classified as being taxable (that is, have net tax payable of more than \$0). For companies with net capital gains, $69 \%(15,928)$ were classified as being taxable, while $69 \%(51,031)$ of funds with net capital gains were classified as being taxable.
Overall, taxable individuals with net capital gains accounted for only a small proportion (9\%) of the total population of taxable individuals ( 8.9 million) (table 9.1). Similarly, taxable companies with net capital gains accounted for only a small proportion $(5 \%)$ of total taxable companies $(299,516)$ (table 9.2). Taxable funds with net capital gains, however, accounted for $31 \%$ of total taxable funds $(166,720)$ (table 9.3).

For both taxable individuals and taxable companies, the proportion of taxable taxpayers with net capital gains to the number of taxable taxpayers increases as taxable incomes increase. Table 9.1 shows that only $6 \%$ of taxable individuals with taxable income equal to or less than \$20,000 had net capital gains. Among taxable individuals with taxable income between \$100,001 and \$500,000, 24\% had net capital gains, while among taxable individuals with taxable income of $\$ 5,000,001$ or more, $62 \%$ had net capital gains.

TABLE 9.1: Number of individual taxpayers with net capital gains, by taxable income, 2003-04 income year

| Taxable income | Individuals |  |  |
| :---: | :---: | :---: | :---: |
|  | With net capital gains | All taxpayers | Proportion of individuals with net capital gains to individual taxpayers |
| Taxables ${ }^{1}$ | No. | No. | \% |
| Equal to or less than \$20,000² | 102,538 | 1,787,798 | 5.7 |
| \$20,001-\$50,000 | 362,503 | 4,757,314 | 7.6 |
| \$50,001-\$60,000 | 97,571 | 887,959 | 11 |
| \$60,001-\$100,000 | 161,868 | 1,085,349 | 14.9 |
| \$100,001-\$500,000 | 84,255 | 347,495 | 24.2 |
| \$500,001-\$1,000,000 | 3,596 | 9,853 | 36.5 |
| \$1,000,001-\$5,000,000 | 1,324 | 2,903 | 45.6 |
| \$5,000,001 or more | 100 | 162 | 61.7 |
| Total | 813,755 | 8,878,833 | 9.2 |
| Non-taxables ${ }^{3}$ | 155,933 | 2,149,756 | 7.3 |
| Total taxpayers | 969,688 | 11,028,589 | 8.8 |

1 Refers to individual (or personal) taxpayers with net tax payable of more than \$0.
2 Includes taxpayers with taxable income equal to or less than \$0.
3 Refers to individual taxpayers with net tax payable equal to \$0

TABLE 9.2: Number of company taxpayers with net capital gains, by taxable income, 2003-04 income year

| Taxable income ${ }^{1}$ | Companies <br> All taxpayers <br> capital gains | Proportion of companies <br> with net capital gains to <br> company taxpayers |  |
| :--- | ---: | ---: | ---: |
| Taxables ${ }^{2}$ | No. | No. | \% |

The proportion of taxable funds with net capital gains to the number of taxable funds showed a different trend to the other entities (table 9.3). Among taxable funds with taxable income equal to or less than \$20,000, 22\% had net capital gains.
Among taxable funds with taxable income between \$500,001
and \$1,000,000, 57\% had net capital gains. However, after this peak, the proportion of taxable funds with net capital gains decreases to $42 \%$ in the taxable income range between $\$ 1,000,001$ and $\$ 5,000,000$, before decreasing again to $30 \%$ for taxable funds with taxable income of $\$ 5,000,001$ or more.

TABLE 9.3: Number of fund taxpayers with net capital gains, by taxable income, 2003-04 income year

| Taxable income ${ }^{1}$ | Funds |  |  |
| :---: | :---: | :---: | :---: |
|  | With net capital gains | All taxpayers | Proportion of funds with net capital gains to fund taxpayers |
| Taxables ${ }^{2}$ | No. | No. | \% |
| Equal to or less than \$20,000 | 14,746 | 65,622 | 22.5 |
| \$20,001-\$50,000 | 14,439 | 43,110 | 33.5 |
| \$50,001-\$60,000 | 3,063 | 8,568 | 35.7 |
| \$60,001-\$100,000 | 8,210 | 23,862 | 34.4 |
| \$100,001-\$500,000 | 10,010 | 24,287 | 41.2 |
| \$500,001-\$1,000,000 | 295 | 520 | 56.7 |
| \$1,000,001-\$5,000,000 | 158 | 380 | 41.6 |
| \$5,000,001 or more | 110 | 371 | 29.6 |
| Total | 51,031 | 166,720 | 30.6 |
| Non-taxables ${ }^{3}$ | 22,499 | 81,429 | 27.6 |
| Total taxpayers | 73,530 | 248,149 | 29.6 |

1 Refers to the 'Taxable income' item (label A) in the 'Calculation statement' section on page 2 of the 2004 annual fund income tax return.
2 Refers to fund taxpayers with net tax of more than \$0.
3 Refers to fund taxpayers with net tax equal to or less than \$0.

## TAX PAYABLE ON NET CAPITAL GAINS

In 2003-04 an estimated $\$ 4.9$ billion in capital gains tax was payable by taxable individuals, companies and funds, on net capital gains totalling $\$ 15.8$ billion (table 9.4). Taxable individuals accounted for 68\% (\$3.3 billion) of tax on net capital gains, followed by taxable companies, which accounted for 27\% (\$1.3 billion).

Disposal or sale of an asset is still the most common CGT event. Asset disposal may be related to a range of economic and social factors, as well as to specific events. The pool of taxpayers who disposed of an asset in 2003-04 is not necessarily the same pool of taxpayers who disposed of assets in previous years. These economic, social and behavioural factors make it difficult to forecast tax payable on capital gains.

TABLE 9.4: Tax payable on capital gains, by taxable entity, 2003-04 income year

| Entity | Taxable <br> taxpayers <br>  <br> No. | Net capital <br> gains <br> $\$ m$ | Tax on net capital <br> gains $(C G T)^{2}$ <br> $\$ m$ | Average <br> CGT $^{3}$ |
| :--- | ---: | ---: | ---: | ---: |
| Individual | 813,755 | 9,827 | 3,347 | 4,113 |
| Company | 15,928 | 4,471 | 1,314 | 82,468 |
| Fund | 51,031 | 1,551 | 237 | 4,636 |
| Total $^{4}$ | 880,714 | $\mathbf{1 5 , 8 4 9}$ | $\mathbf{4 , 8 9 7}$ | $\mathbf{9 1 , 2 1 7}$ |

1 Taxable taxpayers are taxpayers with net tax of more than $\$ 0$.
2 Tax payable on net capital gains is estimated (based on entity type and tax rates).
3 Average tax on net capital gains is calculated on actual (not rounded) figures.
4 Total amount may differ slightly from the sum of components due to rounding.

Among taxable individuals with net capital gains, the largest proportion (45\%) had a taxable income between \$21,601 and $\$ 52,000$ (inclusive) (table 9.5). These individuals accounted for $18 \%$ ( $\$ 1.8$ billion) of the total net capital gains of taxable individuals and were liable for $11 \%$ ( $\$ 362.0$ million) of the total tax payable on net capital gains of taxable individuals. Taxable individuals with taxable income of $\$ 62,501$ or more accounted for $28 \%$ of the total number of taxable individuals with net capital gains. These individuals accounted for $70 \%$ ( $\$ 6.9$ billion) of the total net capital gains of taxable individuals and 83\% ( $\$ 2.8$ billion) of the total tax payable on net capital gains.
The majority (52\%) of taxable individuals with net capital gains were male. They accounted for $59 \%$ ( $\$ 5.8$ billion) of the total
net capital gains of taxable individuals and were liable for $62 \%$ ( $\$ 2.0$ billion) of the total tax payable on net capital gains (table 9.5).

Overall, male taxable taxpayers had higher average net capital gains $(\$ 13,828)$ than female taxable taxpayers $(\$ 10,200)$. However, female taxable taxpayers with taxable income of $\$ 62,500$ or more had higher average net capital gains $(\$ 32,554)$ than male taxable taxpayers in the same taxable income range $(\$ 28,577)$ (table 9.5).

Male taxable taxpayers also had a higher average tax payable on net capital gains $(\$ 4,948)$ than female taxable taxpayers $(\$ 3,218)$.

TABLE 9.5: Net capital gains and CGT of taxable individuals, by taxable income and sex, 2003-04 income year

| Taxable income | Taxable individuals ${ }^{1}$ with net capital gains No. | Net capital gains ${ }^{2}$ \$m | Average net capital gains ${ }^{3}$ | Tax on net capital gains (CGT) ${ }^{4}$ \$m | Average CGT ${ }^{3}$ \$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Male |  |  |  |  |  |
| Loss/nil | 122 | 1 | 4,789 | 0 | 0 |
| \$1-\$6,000 | 1,449 | 4 | 2,669 | 5 | 3,551 |
| \$6,001-\$21,600 | 44,793 | 187 | 4,167 | 19 | 416 |
| \$21,601-\$52,000 | 166,140 | 829 | 4,991 | 167 | 1,004 |
| \$52,001-\$62,500 | 53,002 | 359 | 6,773 | 91 | 1,726 |
| \$62,501 or more | 155,400 | 4,441 | 28,577 | 1,801 | 11,588 |
| Total | 420,906 | 5,820 | 13,828 | 2,083 | 4,948 |
| Female |  |  |  |  |  |
| Loss/nil | 63 | 0 | 4,871 | 0 | 0 |
| \$1-\$6,000 | 1,240 | 3 | 2,140 | 1 | 701 |
| \$6,001-\$21,600 | 75,923 | 241 | 3,172 | 22 | 291 |
| \$21,601-\$52,000 | 199,554 | 975 | 4,885 | 195 | 977 |
| \$52,001-\$62,500 | 40,895 | 341 | 8,346 | 87 | 2,137 |
| \$62,501 or more | 75,174 | 2,447 | 32,554 | 959 | 12,757 |
| Total | 392,849 | 4,007 | 10,200 | 1,264 | 3,218 |
| Total taxable individuals |  |  |  |  |  |
| Loss/nil | 185 | 1 | 4,817 | 0 | 0 |
| \$1-\$6,000 | 2,689 | 7 | 2,425 | 6 | 2,237 |
| \$6,001-\$21,600 | 120,716 | 427 | 3,541 | 41 | 337 |
| \$21,601-\$52,000 | 365,694 | 1,804 | 4,933 | 362 | 989 |
| \$52,001-\$62,500 | 93,897 | 700 | 7,458 | 179 | 1,905 |
| \$62,501 or more | 230,574 | 6,888 | 29,874 | 2,760 | 11,969 |
| Total | 813,755 | 9,827 | 12,076 | 3,347 | 4,113 |
| 1 Refers to individual taxpayers with net tax payable of more than $\$ 0$. <br> 2 An amount of $\$ 0$ may indicate an amount of less than $\$ 500,000$. <br> 3 Average amounts are calculated from actual (not rounded) figures. <br> 4 Tax payable on net capital gains is estimated (based on entity type and tax rates). |  |  |  |  |  |

Among taxable companies with net capital gains, $31 \%$ had a taxable income between \$100,001 and \$500,000 (inclusive) (table 9.6). However, these companies accounted for only $11 \%$ ( $\$ 502.0$ million) of the total net capital gains of taxable companies and were liable for 12\% (\$151.0 million) of the total tax payable on net capital gains by taxable companies.

Taxable companies with taxable income of \$5,000,001 or more accounted for $2 \%$ of the total number of taxable companies with net capital gains, but they accounted for $57 \%$ ( $\$ 751.0$ million) of the total tax payable on net capital gains by taxable companies.

TABLE 9.6: Net capital gains and CGT of taxable companies, by taxable income, 2003-04 income year

| Taxable income ${ }^{1}$ | Taxable companies ${ }^{2}$ with net capital gains No. | Net capital gains \$m | Average net capital gains ${ }^{3}$ | Tax on net capital gains (CGT) ${ }^{4}$ \$m | Average CGT ${ }^{3}$ <br> \$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| \$1-\$20,000 | 3,317 | 112 | 33,652 | 33 | 10,096 |
| \$20,001-\$50,000 | 2,689 | 69 | 25,795 | 21 | 7,746 |
| \$50,001-\$60,000 | 637 | 21 | 32,266 | 6 | 9,680 |
| \$60,001-\$100,000 | 1,887 | 83 | 44,209 | 25 | 13,263 |
| \$100,001-\$500,000 | 4,970 | 502 | 100,968 | 151 | 30,284 |
| \$500,001-\$1,000,000 | 1,121 | 323 | 288,340 | 97 | 86,293 |
| \$1,000,001-\$5,000,000 | 977 | 765 | 782,993 | 229 | 234,898 |
| \$5,000,001 or more | 330 | 2,596 | 7,865,819 | 751 | 2,276,642 |
| Total | 15,928 | 4,471 | 280,682 | 1,314 | 82,468 |

1 Refers to the 'Taxable or net income' item (label A) in the 'Calculation statement' section on page 4 of the 2004 annual company income tax return.
2 Refers to companies with net tax payable of more than $\$ 0$.
3 Average amounts are calculated from actual (not rounded) figures.
4 Tax payable on net capital gains is estimated (based on entity type and tax rates).

Among taxable funds with net capital gains, the biggest group (29\%) had a taxable income between \$1 and \$20,000 (inclusive) (table 9.7). However, these funds accounted for only $3 \%$ ( $\$ 43.0$ million) of the total net capital gains of taxable funds and were liable for 3\% ( $\$ 7.0$ million) of the total tax
payable on net capital gains by taxable funds. Taxable funds with taxable income of $\$ 5,000,001$ or more accounted for less than $1 \%$ of the total number of taxable funds with net capital gains, but they accounted for $37 \%$ ( $\$ 88.0$ million) of the total tax payable on net capital gains by taxable funds.

TABLE 9.7: Net capital gains and CGT of taxable funds, by taxable income, 2003-04 income year

| Taxable income ${ }^{1}$ | Taxable funds ${ }^{2}$ with net capital gains No. | Net capital gains \$m | Average net capital gains ${ }^{3}$ | Tax on net capital gains (CGT) ${ }^{4}$ \$m | Average CGT $^{3}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| \$1-\$20,000 | 14,746 | 43 | 2,912 | 7 | 453 |
| \$20,001-\$50,000 | 14,439 | 100 | 6,937 | 15 | 1,051 |
| \$50,001-\$60,000 | 3,063 | 36 | 11,782 | 5 | 1,782 |
| \$60,001-\$100,000 | 8,210 | 122 | 14,823 | 18 | 2,244 |
| \$100,001-\$500,000 | 10,010 | 473 | 47,254 | 71 | 7,094 |
| \$500,001-\$1,000,000 | 295 | 98 | 330,524 | 15 | 49,590 |
| \$1,000,001-\$5,000,000 | 158 | 115 | 725,993 | 17 | 108,900 |
| \$5,000,001 or more | 110 | 565 | 5,134,257 | 88 | 800,053 |
| Total | 51,031 | 1,551 | 30,391 | 237 | 4,636 |

1 Refers to the 'Taxable income' item (label A) in the 'Calculation statement' section on page 2 of the 2004 annual fund income tax return.
2 Refers to funds with net tax of more than $\$ 0$.
3 Average amounts are calculated from actual (not rounded) figures.
4 Tax payable on net capital gains is estimated (based on entity type and tax rates).

TOTAL CAPITAL GAINS, BY SOURCE AND ENTITY
In 2003-04, 382,451 taxable entities (individuals, companies and funds) declared $\$ 40.0$ billion in total current year capital gains on their CGT schedules (table 9.8).

In the CGT schedule, entities had to report capital gains from the following sources (see the 2004 CGT schedule in the appendix):
$■$ shares and units (in unit trust)

- real estate
- other CGT assets and other CGT events, and
- collectables.

Around $52 \%$ ( $\$ 20.9$ billion) of the total amount of total current year capital gains were sourced from shares (table 9.8). Real estate accounted for 32\% ( $\$ 12.9$ billion) of total current year capital gains, while other assets (including collectables) accounted for $16 \%$ ( $\$ 6.2$ billion).

TABLE 9.8: Total current year capital gains, by source, 2003-04 income year

| Source of gains ${ }^{1}$ | Taxable entities ${ }^{2}$ with total current year capital gains |  | Total current year capital gains |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | \$m | \% |
| Shares | 216,156 | 56.5 | 20,899 | 52.2 |
| Real estate | 159,235 | 41.6 | 12,930 | 32.3 |
| Other assets ${ }^{3}$ | 68,194 | 17.8 | 6,190 | 15.5 |
| Total ${ }^{4}$ | 382,451 | n.a. ${ }^{5}$ | 40,020 | 100.0 |
| 1 Sources include both active and non-active assets. <br> 2 Refers to taxable individuals, companies and funds only. <br> 3 Includes other CGT assets, any other CGT events and non-active asset collectables. <br> 4 Components do not add to total number of taxable entities claiming total capital gains as entities may claim total capital gains from more than one source. Total amounts claimed may not equal the sum of components due to rounding. <br> 5 Percentage components do not add to $100 \%$ as entities may claim total capital gains from more than one source. |  |  |  |  |

Taxable individuals $(342,101)$ accounted for $87 \%$ of the total number of taxable entities with total capital gains. However, their total capital gains (\$20.0 billion) accounted for only 47\% of the total capital gains declared by taxable entities on their schedules (table 9.9).

About 54\% of taxable individuals declared a total of $\$ 5.8$ billion in current year capital gains from shares, representing 29\% of their total capital gains (table 9.9). Overall, taxable individuals' total capital gains from shares accounted for almost $25 \%$ of the total capital gains from shares declared by taxable entities (tables 9.8 and 9.9).

TABLE 9.9: Taxable individuals' total current year capital gains, by source, 2003-04 income year

| Source of gains ${ }^{1}$ | Taxable individuals ${ }^{2}$ with total current year capital gains |  | Total current year capital gains |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | \$m | \% |
| Shares | 184,865 | 54.0 | 5,841 | 29.3 |
| Real estate | 152,903 | 44.7 | 10,742 | 53.8 |
| Other assets ${ }^{3}$ | 59,369 | 17.4 | 3,371 | 16.9 |
| Total ${ }^{4}$ | 342,101 | n.a. ${ }^{5}$ | 19,954 | 100.0 |
| 1 Sources include both active and non-active assets. <br> 2 Refers to individual taxpayers with net tax payable of more than \$0. <br> 3 Includes other CGT assets, any other CGT events and non-active asset collectables. <br> 4 Components do not add to total number of taxable individuals claiming total capital gains as individuals may claim total capital gains from more than one source. Total amounts claimed may not equal the sum of components due to rounding. <br> 5 Percentage components do not add to $100 \%$ as individuals may claim total capital gains from more than one source. |  |  |  |  |

Taxable companies $(12,280)$ accounted for $3 \%$ of the total number of taxable entities with total capital gains, but their total capital gains ( $\$ 10.7$ billion) accounted for $25 \%$ of the total capital gains declared by taxable entities on their schedules (tables 9.8 and 9.10).

Some 52\% $(6,326)$ of these taxable companies declared a total of $\$ 6.9$ billion in current year capital gains from shares, representing $64 \%$ of the total capital gains of taxable companies (table 9.10). Overall, taxable companies' total capital gains from shares accounted for $29 \%$ of the total capital gains from shares declared by taxable entities (tables 9.8 and 9.10).

TABLE 9.10: Taxable companies' total current year capital gains, by source, 2003-04 income year

| Source of gains ${ }^{1}$ | Taxable companies ${ }^{2}$ with total <br> current year capital gains | Total current year capital gains |  |  |
| :--- | ---: | ---: | ---: | ---: |
|  | No. | $\%$ | $\mathbf{\$ m}$ | $\%$ |
| Shares | 6,326 | 51.5 | 6,856 | 63.9 |
| Real estate | 3,548 | 28.9 | 1,847 | 17.2 |
| Other assets ${ }^{3}$ | 3,734 | 30.4 | 2,028 | 18.9 |
| Total $^{4}$ | $\mathbf{1 2 , 2 8 0}$ | n.a. ${ }^{5}$ | $\mathbf{1 0 , 7 3 1}$ | $\mathbf{1 0 0 . 0}$ |

1 Sources include both active and non-active assets.
2 Refers to company taxpayers with net tax payable of more than $\$ 0$.
3 Includes other CGT assets, any other CGT events and non-active asset collectables.
4 Components do not add to total number of taxable companies claiming total capital gains as companies may claim total capital gains from more than one source. Total amounts claimed may not equal the sum of components due to rounding.
5 Percentage components do not add to $100 \%$ as companies may claim total capital gains from more than one source.

Taxable funds $(28,070)$ accounted for $7 \%$ of the total number of taxable entities with total capital gains, but their total capital gains ( $\$ 9.3$ billion) accounted for $23 \%$ of the total capital gains declared by taxable entities on their schedules (tables 9.8 and 9.11).

The majority (89\%) of these funds declared $\$ 8.2$ billion from shares, representing $88 \%$ of their total capital gains (table 9.11). Taxable funds' total capital gains from shares accounted for 39\% of the total capital gains from shares declared by taxable entities (tables 9.8 and 9.11).

TABLE 9.11: Taxable funds' total current year capital gains, by source, 2003-04 income year

| Source of gains ${ }^{1}$ | Taxable funds ${ }^{2}$ with total current year capital gains |  | Total current year capital gains |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | \$m | \% |
| Shares | 24,965 | 88.9 | 8,202 | 87.9 |
| Real estate | 2,784 | 9.9 | 341 | 3.7 |
| Other assets ${ }^{3}$ | 5,091 | 18.1 | 791 | 8.5 |
| Total ${ }^{4}$ | 28,070 | n.a. ${ }^{5}$ | 9,335 | 100.0 |

1 Sources include both active and non-active assets.
2 Refers to fund taxpayers with net tax of more than \$0.
3 Includes other CGT assets, any other CGT events and non-active asset collectables.
4 Components do not add to total number of taxable funds claiming total capital gains as funds may claim total capital gains from more than one source. Total amounts claimed may not equal the sum of components due to rounding.
5 Percentage components do not add to $100 \%$ as funds may claim total capital gains from more than one source.

## DETAILED TABLES

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

## Table 1: $\quad$ Net capital gains subject to tax,

 1994-95 to 2003-04 income yearsThis table shows the number of taxable entities with net capital gains, the amount of their net capital gains and the estimated tax payable on these net capital gains (CGT), for income years 1994-95 to 2003-04.

This table is also available at the back of this chapter (see table 9.12).
Table 2: Net capital gains subject to tax, by entity and taxable income, 2003-04 income year
This table shows the number of individual, company and fund taxpayers with capital gains, the total number of individual, company and fund taxpayers (or total number of returns lodged by these entities), the proportion of taxpayers with capital gains to the total number of taxpayers, the net capital gains of these entities and the estimated tax payable (CGT) on these net capital gains. These items are ranged by taxable income.

## TIME SERIES TABLE

Table 9.12 shows net capital gains subject to tax for income years 1994-95 to 2003-04. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website as CGT detailed table 1. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

| $2003-04^{3}$ |
| ---: |
| 813,755 |
| 9,827 |
| 3,347 |
| 15,928 |
| 4,471 |
| 1,314 |
| 51,031 |
| 1,551 |
| 237 |
| 880,714 |
| 15,849 |
| 4,897 |

Table 9.12: Capital gains tax. ${ }^{1}$ Net capital gains subject to tax, 1994-95 to 2003-04 income years

| $1998-99$ |
| ---: |
| 809,787 |
| 5,890 |
| 2,063 |
| 14,160 |
| 7,068 |
| 2,118 |
| 47,263 |
| 6,931 |
| 1,043 |
| 871,210 |
| 9,889 |
| 5,224 |


| $1997-98$ |
| ---: |
| 734,282 |
| 4,829 |
| 1,387 |
| 12,614 |
| 4,129 |
| 1,116 |
| 40,326 |
| 8,504 |
| 1,276 |
| 787,222 |
| 17,462 |
| 3,779 |


|  |  | $\stackrel{\underset{\sim}{\mathbf{N}}}{\stackrel{\rightharpoonup}{*}}$ | $\stackrel{\square}{\infty}$ | $\begin{aligned} & \infty \\ & \infty \\ & \infty \\ & 0 \end{aligned}$ | $\begin{aligned} & \underset{\sim}{N} \\ & \end{aligned}$ | $\underset{\infty}{\Delta}$ | $\frac{N}{N}$ | $\begin{aligned} & \stackrel{\mathrm{O}}{\mathbf{N}} \\ & \stackrel{y}{2} \end{aligned}$ | - | $\begin{aligned} & 0 \\ & \text { ó } \\ & \underset{y}{0} \\ & \hline \end{aligned}$ | $\begin{gathered} \text { I } \\ \underset{\sim}{n} \end{gathered}$ | $\stackrel{\otimes}{\sim}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| $\begin{aligned} & \text { ↔ } \\ & \stackrel{\rightharpoonup}{\omega} \\ & \stackrel{\circ}{\circ} \end{aligned}$ | $\begin{aligned} & \stackrel{0}{2} \\ & \stackrel{0}{2} \\ & \stackrel{0}{0} \end{aligned}$ | $\begin{gathered} \stackrel{\bullet}{0} \\ \underset{\sim}{N} \end{gathered}$ | \% | $\begin{aligned} & \underset{\sim}{\Delta} \\ & \underset{\sim}{\circ} \end{aligned}$ | $\begin{aligned} & \text { U } \\ & \text { in } \\ & \text { N } \end{aligned}$ | 융 | $\begin{aligned} & \text { N } \\ & \text { N } \\ & \text { N } \end{aligned}$ | $\begin{gathered} \underset{\sim}{\mathrm{N}} \\ \underset{\sim}{2} \end{gathered}$ | ¢ | $\begin{aligned} & \text { of } \\ & \mathbf{~} \\ & \stackrel{y}{0} \end{aligned}$ | - | $\stackrel{0}{10}$ |


| $1994-95$ |
| ---: |
| 270,531 |
| 1,541 |
| 476 |
| 6,830 |
| 1,544 |
| 402 |
| 11,398 |
| 780 |
| 117 |
| 288,759 |
| 3,865 |
| 995 |

Please refer to the 'Capital gains tax' chapter and the Faxation
It is also included on the Taxation Statistics $2003-04 \mathrm{CD}$-ROM.
The symbol 'n.a.' used in this publication means not applicable or not available.

* Totals may not equal the sum of components due to rounding.
In order to meet privacy regulations, the following measures have been applied.
(a) Number indicators shown may have been rounded to the nearest multiple of 5 .
b) Statistics for some items may not be included in some tables.
1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.
2 The 2001-02 and 2002-03 income year statistics reported in this table may not match the statistics reported in previous editions of Taxation Statistics because the statistics for these income years have been updated in this edition. in making comparisons between the statistics for the 2003-04 and prior income years. For further information please refer to the 'Source of CGT statistics' section in the 'Capital gains tax' chapter of Taxation Statistics $2003-04$.
4 Refers to individual taxpayers with net tax payable of more than $\$ 0$.
5 Tax payable on net capital gains is estimated (based on entity type and tax rates).
6 Refers to company taxpayers with net tax of more than $\$ 0$.
7 Refers to fund taxpayers with net tax of more than $\$ 0$.
9 Includes trustee assessments


## FRINGE BENEFITS TAX

## (1) HIGHLIGHTS

- For the 2004-05 FBT year, FBT payable (excluding FBT payable by Australian Government departments) was $\$ 3.4$ billion.
- FBT rebates claimed reached $\$ 97.0$ million.
- Employee contributions (excluding those made by employees of Australian Government departments) for motor vehicle, expense payments, housing, living away from home allowance, airline transport, board, property, car parking and other (including residual) benefits reached $\$ 290.0$ million for the 2004-05 FBT year.

Fringe benefits tax (FBT) is the tax paid by employers on non-salary benefits (fringe benefits) provided to employees or associates of employees. The benefit does not have to be provided directly by the employer for FBT to apply. FBT may still apply if the benefit is provided by an associate of the employer or by a third party under an arrangement with the employer.

Employees do not pay income tax on the fringe benefits they receive. FBT is paid by employers, irrespective of whether they are sole traders, partnerships, trusts, corporations, unincorporated associations or government bodies, and irrespective of whether they are liable to pay other taxes such as income tax. Employers, however, can generally claim an income tax deduction for the cost of providing fringe benefits. FBT paid by the employer may also be an allowable income tax deduction.

This chapter reports and discusses FBT statistics for the 2004-05 FBT year (1 April 2004 to 31 March 2005).

## BOX 10.1: Fringe benefits

In general, a benefit provided in respect of employment. It includes any right, privilege, service or facility. Fringe benefits are provided to employees (or associates of the employees) in place of or in addition to salary or wages, for example, the use of a car for private purposes.

FBT is payable on the following types of benefits:

- cars (owned or leased by the employer, or otherwise made available to the employer) made available for the private use of an employee
- waiver of a debt owed by an employee
- loans to an employee at low interest rates or free of interest
- expenses of an employee reimbursed or paid by an employer
- residential accommodation provided to an employee
- living away from home allowance
- free or discounted air travel on a stand-by basis provided to employees of airlines or travel agents
- board meals
- meal entertainment
- entertainment provided to an employee of a tax-exempt body, arising from non-deductible entertainment expenditure
- car parking facilities provided by an employer to an employee
- free or discounted property provided to an employee, and
- other residual benefits (benefits not falling under the types mentioned above).

1 This box presents only a general description of the above term. It does not provide the full technical or legal definition. For more information on the different types of taxable fringe benefits, see the Tax Office publication Fringe benefits tax (FBT) - a guide for employers (NAT 1054).

## NEW FEATURES AND INFORMATION

There have been two main changes to the 2005 FBT return:

- 'Total reportable fringe benefits amounts’ (previously item 11) has been removed from the FBT return. All subsequent items in the return have been re-numbered.
- Item 22, 'Details of fringe benefits provided', now requires additional information at label G, 'Employees receiving living-away-from-home allowance'.
The amount to be included at this label at 'Gross taxable value (a)' now includes the exempt accommodation and increased food components, as well as the statutory food amount.
The exempt accommodation and increased food component amount are shown as reductions at 'Value of reductions (c)'.

A time series table (table 10.4) is included at the back of the chapter. This table contains selected FBT statistics from the 1995-96 to 2004-05 FBT years. This time series table is the same as FBT detailed table 5 , which is on the attached CD-ROM and included in the online version of this publication on the Tax Office website at www.ato.gov.au It can be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

For this edition, selected FBT statistics for the 2002-03 to 2003-04 FBT years have been updated (see table 10.4, FBT detailed table 5 and figure 10.1). The statistics for these years do therefore not match statistics reported in previous editions of Taxation Statistics.

## SOURCE OF FBT STATISTICS

The data for Taxation Statistics 2003-04 was compiled before all processing for the 2004-05 FBT year was completed Statistics in this chapter are sourced from 2005 FBT annual returns processed by 31 October 2005. They are not necessarily complete and will continue to change as data from 2005 FBT returns processed after 31 October 2005 is included.

The proportion of tax returns processed by 31 October each year can vary. Caution should be exercised in comparing the statistics for the current year and previous years. Better comparisons between the 2004-05 FBT year and previous years will be possible when Taxation Statistics 2004-05 is published. In that edition, the 2004-05 FBT year statistics will include data from FBT returns and amendments processed up to 31 October 2006.

FBT returns were lodged electronically, in paper form, or through a tax agent. Returns lodged through a tax agent may have a different lodgment date. A copy of the 2005 FBT annual return is in the appendix. It may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website.

Because of changes to the annual FBT return introduced during the 2000-01 FBT year, some statistics reported in past editions of Taxation Statistics are no longer available. Statistics no longer reported in this chapter include:

- statistics on FBT payable, by type of benefit, and
- statistics on the number of employees who received certain types of benefits for some industries.


## REPORTING, CALCULATING AND PAYING FBT

FBT is treated as an annual tax and is collected through a self-assessment system. There is a general requirement that employers must keep sufficient records to enable their FBT liability to be assessed. A return covering the FBT year, which begins on 1 April and ends on 31 March of the following year, should be lodged by 21 May each year.

In the annual FBT return, employers declare the total taxable value of relevant fringe benefits provided to their employees and/or their employees' associates, in respect of their employment during each FBT year, and pay tax on that value.

An employer's FBT liability is calculated by applying the FBT rate of $\operatorname{tax}(48.5 \%)$ to the fringe benefits taxable amount. This is the sum of the taxable value of all fringe benefits provided to employees during an FBT year, increased by the applicable gross-up rate (box 10.2).

As an offset to the gross-up rules, employers are allowed an income tax deduction for the FBT they have paid. Some tax-exempt employers who cannot claim an income tax deduction for FBT payments can reduce their FBT liability with a concessional rebate. (Rebates are discussed later in this chapter.)

## BOX 10.2: Gross-up rules

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

The introduction of goods and services tax (GST) on 1 July 2000 affected the calculation of an employer's FBT liability. Fringe benefits are now grossed up at one or two different rates, according to the employer's entitlement to GST input tax credits.
Type 1 benefits are benefits for which the employer is entitled to an input tax credit for GST paid on goods or services acquired to provide fringe benefits. Most registered employers are entitled to input tax credits on their business-related purchases, including benefits purchased for an employee's private use. The type 1 GST-inclusive gross-up rate effectively ensures that the employer's net cost of providing the fringe benefit remains neutral under GST - that is, the higher gross-up rate removes the tax advantage of taking remuneration as benefits instead of salary. For type 1 benefits, the gross-up formula is:

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

The FBT and GST rates applicable for the year ending 31 March 2005 (2004-05 FBT year) are 48.5\% and 10\% respectively. This formula results in a current gross-up rate of 2.1292 .

Type 2 benefits are benefits for which the employer is not entitled to input tax credits. Type 2 fringe benefits amounts are all other fringe benefits not included in type 1. For type 2 benefits, the gross-up formula is:

$$
\frac{1}{1-\mathrm{FBT} \text { rate }}
$$

This formula results in a current gross-up rate of 1.9417.
An employer's fringe benefits taxable amount is the sum of type 1 and type 2 fringe benefits amounts, plus any aggregate non-exempt amount. The aggregate non-exempt amount applies only to benefits provided by public benevolent institutions, charities concerned with the prevention or control of human diseases, and some hospitals.

## BOX 10.3: Terminology

Aggregate non-exempt amount: an employer's total exempt amount under section 57A of the Fringe Benefits Tax Assessment Act 1986, less:

- \$17,000 for each employee of some hospitals and ambulance services, or
- \$30,000 for each employee of public benevolent institutions and charities concerned with the prevention or control of human diseases.

Input tax credit: an amount a registered entity is entitled to claim to offset the GST paid on inputs an entity acquires to use in its enterprise. (Input tax credits are also discussed in chapter 12.)
Public benevolent institution: an entity that:

- is established and carried on for the relief of poverty, sickness, suffering, distress, misfortune, destitution or helplessness
- makes its services available without discrimination to every member of the public the organisation aims to benefit
- is administered for the public good without purpose of private gain, and
- provides direct relief for the benefit of a disadvantaged section of the public (for example, provides food and/or shelter for homeless people).

Taxable value: generally, the value of a fringe benefit after deducting any employee contributions or other relevant reductions. The Fringe Benefits Tax Assessment Act 1986 contains a number of different valuation rules for calculating the taxable value of different categories of fringe benefit. Information on how to calculate different categories of fringe benefit are in the Tax Office publication Fringe benefits tax (FBT) - a guide for employers.
1 This box presents only general descriptions of the above terms. It does not provide the full technical or legal definitions.

If an employer is eligible to use the record keeping exemption arrangements, the amount of FBT payable may be determined using the employer's aggregate fringe benefits amount from an earlier year.

## BOX 10.4: Record keeping exemption arrangements

An employer must keep sufficient records to enable their FBT liability to be assessed. Since 9 April 1999 certain employers have been able to use an alternative way of calculating how much FBT to pay, rather than keep full records. These employers can calculate FBT on the aggregate fringe benefits amount of an earlier year (base year) when such records were kept. These changes were introduced to reduce the compliance costs of record keeping for small business.

An employer can elect to use the arrangements if they are not a government body or an income tax exempt organisation. FBT records must also have been kept in the base year, and the total taxable value of fringe benefits provided in the base year must not exceed the exemption threshold in a full year (box 10.5). There are a number of other requirements that must also be met before the record keeping exemption arrangements can be used.

## BOX 10.5: Exemption threshold

| FBT year | $\$$ |
| :--- | ---: |
| $1996-97$ | 5,000 |
| $1997-98$ | 5,130 |
| $1998-99$ | 5,145 |
| $1999-00$ | 5,191 |
| $2000-01$ | 5,268 |
| $2001-02$ | 5,505 |
| $2002-03$ | 5,747 |
| $2003-04$ | 5,919 |
| $2004-05$ | 6,084 |

The arrangements cannot be used when the total taxable value of fringe benefits provided in the current year is more than $20 \%$ greater than the most recent base year amount. However, this $20 \%$ rule does not apply when the difference between the current year and most recent base year amount is $\$ 100$ or less.

If an employer's FBT liability for the previous year was less than \$3,000, they lodge and pay their FBT annually. The annual payment is due by 21 May following the FBT year. If an employer's FBT liability for the previous year was \$3,000 or more, they pay quarterly FBT instalments as notified on their quarterly activity statement. Instalments are payable on 21 July, 21 October, 21 January and 21 April through the activity statement. For deferred payers, the instalments are due on 28 July, 28 October, 28 February and 28 April.

Any balancing payment is made when the annual return is lodged (usually by 21 May). This is the tax on benefits provided during the full year (as disclosed on the return), less the amount of instalments paid. If the tax is less than the amount paid as instalments and the employer has no other taxes outstanding, the Tax Office refunds the balance.

Apart from lodging and paying FBT, employers are required to keep track of fringe benefits provided to individual employees. If the total taxable value of fringe benefits provided to an employee in an FBT year exceeds \$1,000, the grossed-up taxable value must be reported on the employee's payment summary. This value is called the reportable fringe benefits amount. This amount also includes fringe benefits provided to an employee's associates, such as a spouse or child.

The amount reported on payment summaries is not included in employees' assessable (or taxable) income. However, it is used to determine liability for superannuation and Medicare levy surcharges, entitlement to various income-tested Australian Government benefits and concessions (such as family tax benefit and child care benefits) and child support obligations.

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

## FBT PAYABLE

In 2004-05 there were 58,057 FBT payers. These taxpayers were liable for $\$ 3.4$ billion in FBT (figure 10.1 and table 10.1).

Excluding the 1998-99 FBT year, the number of FBT payers declined yearly from 1995-96 to 2004-05 (see table 10.4).
This has been attributed partly to an increased trend for employers to seek employee contributions to reduce their FBT liability to nil so they are not required to lodge FBT returns.
The amount of FBT payable has increased since 1995-96 from $\$ 3.0$ billion to $\$ 3.4$ billion in 2004-05. The increase is mainly due to the introduction of the gross-up rules (figure 10.1).

FIGURE 10.1: FBT payable ${ }^{1}$, 1995-96 to 2004-05 FBT years


1 Refers to FBT payable calculated before rebates were deducted. Excludes FBT payable by Australian Government departments. For the FBT years 1994-95 to 1999-2000, an employer's aggregate fringe benefits amount (taxable value) for the FBT year was increased by 1/(1-FBT rate). On 1 July 2000 the government introduced a second FBT gross-up rate. Hence for the 2000-01 and later FBT years, two FBT gross-up rates are applied.

## FRINGE BENEFITS, BY TYPE AND INDUSTRY

The types of benefits provided vary across industries. In general, some industries are more likely to provide certain types of fringe benefits because businesses traditionally provide benefits related to their area of business. For example, employers in the finance, insurance, property and business services industries are more likely to provide benefits such as low-cost loans, debt waivers, the payment or reimbursement of employee expenses and the provision of property to their employees, while employers in the airline industry (classified under the transport and storage industry category) are more likely to provide airline transport as a fringe benefit to their employees. This is because this type of fringe benefit arises only when employees or associates of airlines or travel agents are provided with free or discounted air travel - subject to the stand-by restrictions that customarily apply to employees in the airline industry.

For the 2004-05 FBT year, the property and business services industry accounted for the largest number of total FBT payers providing property benefits, while the transport and storage industry accounted for the largest number of total FBT payers providing airline transport benefits (see FBT detailed table 3).
In terms of FBT payable, the manufacturing industry (19\%), property and business services industry (15\%), and the wholesale trade industry (12\%) accounted for the largest share of total FBT payable (table 10.1).

TABLE 10.1: FBT payable ${ }^{1}$, by industry, 2004-05 FBT year

| Industry ${ }^{2}$ | FBT payers |  | FBT payable ${ }^{1}$ |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | \$m | \% |
| Agriculture, forestry \& fishing | 1,288 | 2.2 | 24 | 0.7 |
| Mining | 773 | 1.3 | 146 | 4.3 |
| Manufacturing | 8,038 | 13.8 | 639 | 18.8 |
| Electricity, gas \& water supply | 184 | 0.3 | 34 | 1.0 |
| Construction | 3,615 | 6.2 | 110 | 3.2 |
| Wholesale trade | 7,805 | 13.4 | 417 | 12.2 |
| Retail trade | 5,015 | 8.6 | 208 | 6.1 |
| Accommodation, cafes \& restaurants | 1,531 | 2.6 | 43 | 1.3 |
| Transport \& storage | 1,848 | 3.2 | 140 | 4.1 |
| Communication | 374 | 0.6 | 98 | 2.9 |
| Finance \& insurance | 3,568 | 6.1 | 398 | 11.7 |
| Property \& business services | 14,130 | 24.3 | 520 | 15.3 |
| Government administration \& defence | 1,171 | 2.0 | 195 | 5.7 |
| Education | 1,789 | 3.1 | 143 | 4.2 |
| Health \& community services | 3,321 | 5.7 | 85 | 2.5 |
| Cultural \& recreational services | 1,258 | 2.2 | 72 | 2.1 |
| Personal \& other services | 1,739 | 3.0 | 87 | 2.6 |
| Other ${ }^{3}$ | 610 | 1.1 | 49 | 1.4 |
| Total ${ }^{4}$ | 58,057 | 100.0 | 3,408 | 100.0 |

1 Refers to FBT payable calculated before rebates were deducted. Excludes FBT payable by Australian Government departments.
2 The industry groups are classified based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in the Tax Office publication Business industry codes 2004 (NAT 1827).
3 Includes FBT payable by FBT payers who did not state their industry.
4 Total amount may differ slightly from the sum of components due to rounding

## FBT REBATES

FBT is payable on the grossed-up taxable value of benefits, and an offsetting income tax deduction is allowed for FBT paid. However, certain non-profit employers (such as religious institutions, trade unions, scientific, charitable or public educational institutions) cannot claim the offsetting income tax deductions for FBT. To ensure these employers are not disadvantaged, they are eligible for an FBT rebate of 48\%.
The amount of the rebate for the FBT years beginning on or after 1 April 2001 is calculated using the following formula:
0.48 x

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

'Gross tax' refers to the amount of FBT that would be payable if the rebate did not exist.

The aggregate non-rebatable amount is the portion of the taxable value of fringe benefits the employer cannot obtain a rebate for. 'Rebatable days' refers to the number of whole days in the year on which the employer qualified for the rebate. 'Total days' refers to the number of days in the year that the claimant was an employer.

For the 2004-05 FBT year, 3,595 entities claimed the rebate (table 10.2). The majority of these entities were in the education (38\%), personal and other services (23\%), and cultural and recreational services (10\%) industries.

The total value of rebates claimed by eligible organisations in the 2004-05 FBT year was approximately $\$ 97.0$ million. Rebates reduced the amount of FBT payable from $\$ 3,408.0$ million to $\$ 3,310.9$ million.

TABLE 10.2: FBT rebates claimed, by industry, 2004-05 FBT year

| Industry ${ }^{1}$ | Claims |  | Amount claimed |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | \$'000 | \% |
| Agriculture, forestry \& fishing | 48 | 1.3 | 374 | 0.4 |
| Manufacturing | 27 | 0.8 | 1,215 | 1.3 |
| Construction | 12 | 0.3 | 88 | 0.1 |
| Wholesale trade | 19 | 0.5 | 355 | 0.4 |
| Retail trade | 14 | 0.4 | 267 | 0.3 |
| Accommodation, cafes \& restaurants | 285 | 7.9 | 4,531 | 4.7 |
| Transport \& storage | 28 | 0.8 | 482 | 0.5 |
| Finance \& insurance | 24 | 0.7 | 790 | 0.8 |
| Property \& business services | 301 | 8.4 | 5,572 | 5.7 |
| Government administration \& defence | 45 | 1.3 | 790 | 0.8 |
| Education | 1,359 | 37.8 | 44,019 | 45.4 |
| Health \& community services | 169 | 4.7 | 1,968 | 2.0 |
| Cultural \& recreational services | 359 | 10.0 | 13,230 | 13.6 |
| Personal \& other services | 827 | 23.0 | 20,049 | 20.7 |
| Other ${ }^{2}$ | 78 | 2.2 | 3,288 | 3.4 |
| Total ${ }^{3}$ | 3,595 | 100.0 | 97,018 | 100.0 |

[^6]
## EMPLOYEE CONTRIBUTIONS

In some circumstances, an employee may make a payment to their employer as a contribution towards the cost of providing fringe benefits. These payments, referred to as 'employee contributions', are generally assessable income in the hands of the employer.

An employee contribution may be made only from an employee's after-tax income. Contributions related to a particular fringe benefit reduce the taxable value of that benefit, and therefore the amount of FBT payable. They may not be applied to reduce the taxable value of any other fringe benefit. Any operating expenses incurred by the employee in relation to a car supplied by the employer that are not reimbursed may also reduce the taxable value. Employers are not required to lodge FBT returns when the employee contributions reduce the total FBT liability to nil.

For the 2004-05 FBT year, employers had to report employee contributions for motor vehicle, expense payments, housing, living away from home allowance, airline transport, board,
property, car parking and other (residual) benefits (see the 2005 FBT annual return in the appendix). Total employee contributions for these benefits (excluding those made by employees of Australian Government departments) reached \$306.1 million for the 2004-05 FBT year.
A breakdown of employee contributions by broad industry and entity is shown in table 10.3. For companies, the greatest proportion of contributions was paid by employees in the manufacturing industry (26\%). For partnerships and individuals (or sole traders), employees in the property and business services industry accounted for the largest share of contributions ( $37 \%$ and $31 \%$ respectively). For trusts, employees in the retail trade industry (27\%) accounted for the largest share of contributions.
Overall, the government administration and defence industry accounted for the largest share of total employee contributions (22\%).

TABLE 10.3: Employee contributions ${ }^{1}$, by industry and entity, 2004-05 FBT year

| Industry ${ }^{2}$ | Company \$'000 | Partnership \$'000 | Trust \$'000 | Individual ${ }^{3}$ \$'000 | Other ${ }^{4}$ \$'000 | Total $\$, 000$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Agriculture, forestry \& fishing | 1,556 | 71 | 588 | 14 | 109 | 2,339 |
| Mining | 5,597 | 6 | 23 | 0 | 0 | 5,627 |
| Manufacturing | 49,465 | 363 | 3,206 | 5 | 0 | 53,039 |
| Electricity, gas \& water supply | 750 | 15 | 48 | 0 | 532 | 1,345 |
| Construction | 9,826 | 51 | 1,718 | 3 | 2 | 11,600 |
| Wholesale trade | 22,830 | 390 | 4,025 | 0 | 0 | 27,245 |
| Retail trade | 22,096 | 552 | 7,317 | 16 | 0 | 29,981 |
| Accommodation, cafes \& restaurants | 1,958 | 9 | 285 | 0 | 4 | 2,256 |
| Transport \& storage | 6,643 | 0 | 362 | 0 | 1,134 | 8,139 |
| Communication | 1,832 | 23 | 336 | 0 | 0 | 2,191 |
| Finance \& insurance | 15,542 | 33 | 1,527 | 0 | 735 | 17,836 |
| Property \& business services | 23,359 | 927 | 6,765 | 44 | 102 | 31,196 |
| Government administration \& defence | 514 | 0 | 35 | 0 | 65,963 | 66,512 |
| Education | 18,097 | 1 | 47 | 10 | 440 | 18,595 |
| Health \& community services | 4,510 | 27 | 517 | 22 | 6,144 | 11,220 |
| Cultural \& recreational services | 1,886 | 5 | 135 | 22 | 160 | 2,209 |
| Personal \& other services | 3,013 | 0 | 241 | 3 | 9,154 | 12,412 |
| Other ${ }^{5}$ | 1,498 | 12 | 153 | 2 | 657 | 2,321 |
| Total | 190,971 | 2,485 | 27,330 | 141 | 85,137 | 306,064 |

1 Excludes employee contributions made by employees of Australian Government departments. An employee contribution amount of \$0 may indicate an amount of less than \$500.
2 The industry groups are classified based on the ANZSIC system. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in Business industry codes 2004.
3 Sole traders.
4 Includes local government, state government, state government statutory authorities, Australian Government-state statutory authorities, non-profit, strata title and cooperative organisations.
5 Includes entities that did not state their industry.

BOX 10.6: Employee contributions, 2003-04 income year

Fringe benefit employee contributions that companies, partnerships and trusts (employers) receive from their employees are also reported on the annual income tax returns of these entities (employers). There are statistics on fringe benefit employee contributions for the 2003-04 income year in some company, partnership and trust tax detailed tables (for example, see company tax detailed table 2 part A, partnership tax detailed table 1 part D and trust tax detailed table 1 part D).

## DETAILED TABLES

Table 1: FBT payers, by FBT payable, 2004-05 FBT year
This table shows the number of FBT payers, ranged by FBT payable, for the 2004-05 FBT year.

Table 2: $\quad$ FBT payable and FBT rebate, by broad industry, 2004-05 FBT year This table shows FBT payable, FBT rebates claimed and net FBT payable, by broad industry groupings, for the 2004-05 FBT year.
Table 3: $\quad$ Number of FBT payers, by type of benefit and broad industry, 2004-05 FBT year
This table shows the number of FBT payers in different broad industries that provided different types of benefits for the 2004-05 FBT year.

Table 4: Employee contributions, by type of benefit and broad industry, 2004-05 FBT year
This table shows amounts of employee contributions that entities (companies, partnerships, trusts, individuals and others), classified by broad industry groupings, received from their employees for different types of benefits (motor vehicle, expense payments, housing, living away from home allowance, airline transport, board, property, car parking and other (residual) benefits for the 2004-05 FBT year.
Table 5: $\quad$ Selected items, 1995-96 to 2004-05 FBT years
This table shows the number of FBT payers, FBT payable, FBT rebates claimed and net FBT for the 1995-96 to 2004-05 FBT years. This table is also available at the back of the chapter (see table 10.4).

## TIME SERIES TABLE

Table 10.4 shows the number of FBT payers, FBT payable, FBT rebates claimed and net FBT for the 1995-96 to 2004-05 FBT years. This table is also available on the CD-ROM and in the online version of this publication on the Tax Office website as FBT detailed table 5. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.
TABLE 10.4: Fringe benefits tax. ${ }^{1}$ Selected FBT items ${ }^{2}$, 1995-96 to 2004-05 FBT years ${ }^{3}$

|  |  | 1995-96 | 996-97 | 1997-98 | 998-99 | $2000{ }^{5}$ | 2000-01 | 2001-02 | 2002-03 | 2003-04 | 2004-05 ${ }^{3,6}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Number payers | No. | 70,40 | 69,36 | 68,52 | 69,96 | 66,90 | 63,21 | 60,59 | 60,8 | 60,3 | 58,05 |
| FBT payable |  | 97,945,00 | 52,694,99 | 16,582,53 | 1,995,06 | 637 | 3,067,2 | ,410,82 | 2,442,5 | 2,022,3 | 953 |
| FBT rebates |  |  | 3,08 | 3,158 | 3,503 | 3,590 | 3,555 | 3,48 | 3,6 | 3,611 |  |
|  |  | 66,558,000 | 84,904,810 | 104,039,576 | 131,044,11 | 153,916,222 | 144,527,317 | 78,698,57 | 82,685,226 | 90,032,861 | 97,018,257 |
| Net FBT ${ }^{\text {P }}$ |  | 931,387,00 | 3,367,790,1 | 3,212,542,9 | ,400,950,94 | 3,277,720,92 | 3,308,539,90 | 3,106,712,2 | ,099,757, | 3,181,989,492 | 3,310,935,551 |
| Notes |  |  |  |  |  |  |  |  |  |  |  |
| * Please refer to the 'Fringe benefits tax' chapter and the Taxation Statistics 2003-04 glossary for descriptions of the items reported in the table. The glossary is included in the online version of Taxa It is also included on the Taxation Statistics 2003-04 CD-ROM. <br> * The symbol 'n.a.' used in this publication means not applicable or not available. <br> * Totals may not equal the sum of components due to rounding. <br> In order to meet privacy regulations, the following measures have been applied. <br> (a) Number indicators shown may have been rounded to the nearest multiple of 5 . <br> (b) Statistics for some items may not be included in some tables. <br> 1 This table is also available as a detailed table which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website. <br> 2 Statistics for all items exclude Australian Government department FBT statistics. <br> 3 The statistics for the 2004-05 FBT year were sourced from 2005 FBT returns processed by 31 October 2005. The statistics are not necessarily complete. Therefore, caution should be exercised in the 2004-05 and prior FBT years. For further information please refer to the 'Source of FBT statistics' section in the 'Fringe benefits tax' chapter of Taxation Statistics 2003-04. The statistics report not match the statistics reported in previous editions of Taxation Statistics because the statistics for these income years have been updated. <br> 4 Amounts (\$) reported for the 1995-96 FBT year are rounded to thousands. Actual amount figures are not available. <br> 5 The statistics for the 1996-97 to 1999-2000 FBT years only include FBT returns (or payers) with an aggregate taxable amount of more than $\$ 0$. <br> 6 The statistics for the 2000-01 to 2004-05 years only include FBT returns (or payers) with net FBT payable (referred to as the 'subtotal' label in the FBT return) of more than $\$ 0$. <br> 7 Net FBT = FBT payable - FBT rebates. |  |  |  |  |  |  |  |  |  |  |  |

## (1) HIGHLIGHTS

■ In 2004-05 the Tax Office collected $\$ 98.0$ billion of PAYG withholding revenue, accounting for $46 \%$ of total Tax Office revenue collections.

- Collections from PAYG withholders who sent \$1.0 million or more to the Tax Office reached $\$ 66.0$ billion, accounting for $67 \%$ of total PAYG withholding collections.

Pay as you go (PAYG) is a single, integrated system for reporting and paying amounts to meet expected tax liability. The PAYG system became effective from 1 July 2000 for most taxpayers. It generally means one set of rules, one set of payment dates and one form to fill in - a Business activity statement or an Instalment activity statement.
PAYG affects:

- entities (such as individuals or sole traders, companies, partnerships, trusts and superannuation funds) operating businesses, non-profit organisations and government organisations
- individuals with investment or business income, such as self-funded retirees, rental property owners, partners in a partnership, beneficiaries of a trust, and those with domestic employees, and
- some trustees.

PAYG has two components:
PAYG withholding, and
PAYG instalments.

## SOURCE OF PAYG WITHHOLDING STATISTICS

This chapter describes the PAYG withholding system and PAYG withholding revenue collections for the 2004-05 financial year. The collections may include amounts reported or paid for in relation to years other than the year in which they are actually received or collected by the Tax Office. For example, PAYG withheld amounts reported on June 2004 activity statements relate to the period ending 30 June 2004 (end of the 2003-04 financial year), but the Tax Office may have received or collected a PAYG withheld amount in July or August 2004 (part of the 2004-05 financial year).
Statistics in this chapter are mainly sourced from activity statements, payment summaries and annual payment summary statements (lodged electronically or in paper form) processed at 30 June 2005.

Copies of the Business activity statement and Instalment activity statement are in the appendix. Alternatively, they may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at www.ato.gov.au

## NEW FEATURES AND INFORMATION

The following change during the 2004-05 financial year may have affected some PAYG statistics reported in this chapter and in the detailed tables.

- New withholding rules apply from 1 July 2004 to certain payments made to foreign residents in relation to casino tours, entertainment, sports, building and construction.


## THE PAYG WITHHOLDING SYSTEM

Withholding is the process by which entities withhold amounts from payments to others and send these amounts to the Tax Office. Before the introduction of the PAYG withholding system, many entities already sent withholding amounts in the form of pay as you earn (PAYE) tax instalment deductions withheld from their employees' salary or wages.

PAYG withholding applies generally to payments made, or non-cash benefits provided, on or after 1 July 2000. Payments and transactions subject to PAYG withholding are referred to as 'withholding payments'. Under the PAYG withholding system, entities are required to withhold amounts from the following payments they make to others:

- salaries, wages, allowances, bonuses or commissions paid to an employee
- payments to company directors
- payments to office holders (for example, members of Parliament)
- payments to religious practitioners
- payments to members of the defence forces or police forces
- return to work payments
- payments covered by a voluntary agreement, for example, a business and a contract worker who has an Australian business number (ABN) can make a voluntary agreement to bring the worker's payments into the PAYG withholding system if the work payments are not subject to any other PAYG withholding
- payments under a labour hire arrangement or payments specified by regulations
- pension or annuity payments
- eligible termination payments
- payments for unused leave on an individual's retirement or on termination of employment
- social security or similar payments
- Commonwealth education or training payments
- compensation, sickness or accident payments
- payments arising from an investment where the payee does not quote their tax file number (TFN) or, in some cases, their ABN
- situations where an investor becomes presently entitled to the income of a unit trust but does not quote their TFN or, in some cases, their ABN
- payments for a supply where the payee does not quote their ABN
- dividends, interest or royalties paid to, or received on behalf of, a non-resident
- interest payments derived by a lender in carrying on business through an overseas permanent establishment
- mining payments
- natural resource payments
- alienated personal services payments or attributed personal services income
- non-cash benefits, excluding fringe benefits, any exempt benefit under the Fringe Benefits Tax Assessment Act 1986 or a benefit comprising the acquisition of a share or right under an employee share scheme within the meaning of Division 13A of Part III of the Income Tax Assessment Act 1936
- superannuation payments to temporary residents departing Australia permanently, and
- certain payments to foreign residents or received from foreign residents in relation to casino tours, entertainment, sports, building and construction.


## BOX 11.1: 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 Division 86 of the Income Tax Assessment Act 1997. Income is personal services income if it is mainly a reward for an individual's personal efforts or skills. This applies regardless of whether the income is received directly by the individual or by a company, trust or partnership (personal services entity).
Statistics on personal services income for the 2003-04 income year are in the personal tax chapter and in some of the personal tax detailed tables.

Non-cash benefit: property or services in any form except money, for example, a barter transaction. A benefit is taken to have been provided to an entity if it is dealt with on the entity's behalf or as the entity directs.
1 This box presents only general descriptions of the above terms. It does not provide the full technical or legal definitions.

In general, the amount required to be withheld from a withholding payment is worked out using the PAYG withholding tax tables. However, other specific rules and regulations prescribing how much to withhold may apply to certain types of withholding payments (see box 11.2). The Commissioner of Taxation may also vary the amount to be withheld due to the special circumstances of a payee or class of payees.

## BOX 11.2: PAYG withholding rates and regulations

## Withholding payments

Salaries, wages, allowances, bonuses or commissions paid to an employee
Payments to company directors
Payments to religious practitioners
Return to work payments
Payments covered by a voluntary agreement
Payments under a labour hire arrangement or specified by regulations
Pension or annuity payments
Eligible termination payments
Payments for unused leave on an individual's retirement or on termination of employment
Social security or similar payments
Commonwealth education or training payments Compensation, sickness or accident payments Attributed personal services income

Payments arising from an investment where the payee does not quote their TFN or, in some cases, their ABN

Payments for a supply where the payee does not quote their ABN
Dividends paid to an overseas person; dividends received for a foreign resident
Royalties paid to an overseas person; royalties received for a foreign resident
Interest paid to an overseas person; interest received for a foreign resident
Interest derived through an overseas permanent establishment
Departing Australia superannuation payments

## Amount withheld

Calculated according to the Commissioner of Taxation's PAYG withholding tables. If the payee has not provided a Tax file number declaration, 48.5\% of the payment will be withheld.

Under administrative arrangements, a personal services entity with a PAYG obligation may calculate the amount to withhold based on either:

- $70 \%$ of the gross personal services income, or
- a percentage based on the entity's net personal services income for the previous year.
Otherwise, the amount withheld must equal the amount the withholder would have withheld had the attributed personal services income been paid in full as salary or wages to the individual performing the personal services.
$48.5 \%$ of the payment, unless it is a partly franked dividend, in which case the $48.5 \%$ rate applies only to the unfranked portion.
$48.5 \%$ of the payment

Either at the 30\% rate or as provided in a double taxation agreement with other countries
$10 \%$ of interest payments

For undeducted contributions or the post-June 1994 invalidity component - nil
For the untaxed post-June 1983 component - 40\%
Remainder - 30\%

| Mining payments | 4\% of payments |
| :--- | :--- |
| Natural resource payments | Rate set by the Commissioner |
| Non-cash benefits | The amount the PAYG withholder would have been required to withhold if <br> the benefit had been money. The amount is calculated according to the <br> market value of the non-cash benefit when the benefit is provided. |

## BOX 11.3: Terminology ${ }^{1}$

Pay as you earn (PAYE) system: introduced in 1941. Before the introduction of the PAYG system, it was the main tax collection system affecting individuals. Under PAYE, most salary and wage earners had instalments deducted from their pay to pay their tax, Medicare levy and Higher Education Contribution Scheme repayments. Employers were required to make tax instalment deductions at prescribed rates to cover their employees' anticipated tax liability at the end of the year, and pay them directly to the Tax Office.
Prescribed payments system: introduced in 1983. This was an income reporting and tax collection system designed to ensure that people in certain prescribed industries (construction, joinery and cabinet making, architectural services, cleaning, engineering services, motor vehicle repair, surveying services and road transport) paid their tax as they earned income. It also applied to certain payments (including payments under the introduced voluntary agreements) made from outside prescribed industries.

Reportable payments system: introduced in 1994. It was linked to the TFN and was designed to ensure people paid the correct amount of tax. Because it was an income reporting system based on the TFN, payers were required to deduct tax only when a payee did not quote a TFN. Accordingly, remittances for reportable payments system deductions represented only a very small proportion of total tax revenue. It was initially introduced into the fishing and clothing industries, and subsequently into the smash repairs, and fruit and vegetable industries.

Tax file number (TFN) withholding: amounts of tax withheld by investment bodies from interest, dividends and unit trust distributions paid to a resident taxpayer where:

- no TFN has been quoted, or
- an exemption from quoting a TFN has not been claimed.

TFN withholding generally applies when the interest is paid, and is calculated at the highest marginal tax rate (47\%) plus Medicare levy (1.5\%), giving a rate of 48.5\%.
Any TFN withholding by an investment body is shown on the statement or in the passbook, and the withheld amount is forwarded to the Tax Office.
Before 2 July 2000 an investor could quote a TFN to an investment body in relation to certain investments to avoid having $48.5 \%$ withheld from income on the investment. The requirement to withhold in the absence of a TFN generally continues under the PAYG withholding system but, as investments can be held in a business capacity, a business may quote either an ABN or a TFN to avoid withholding at the top rate. Non-resident investors are exempt from quoting a TFN but are subject to non-resident withholding tax rules (box 11.2).

Australian business number (ABN) withholding: introduced by the PAYG withholding system for enterprise-to-enterprise transactions. From 1 July 2000 anyone carrying on a business is required to quote their ABN in relation to goods or services they supply to another business. Businesses must withhold $48.5 \%$ of the total payment if a supplier does not quote their $A B N$, or if the business is not satisfied that the supply is excluded from the $A B N$ rule.
Mining withholding tax: mining payments made to Aboriginal people and Aboriginal distributing groups relating to the use of Aboriginal land for mining and exploration are subject to mining withholding tax. The rate of this withholding tax is $4 \%$. The responsibility for paying the tax rests with the mining company, government or other person who makes the payment, and these bodies are therefore required to withhold an amount from a mining payment in accordance with the PAYG withholding rules. The mining payments the withholding system applies to include:

- royalties received by the Commonwealth for the mining of Aboriginal land
- certain payments made to Aboriginal land councils, and
- payments made in relation to Aboriginal land for the issue of a miners right or mining interest, for permission to enter or remain on the land to mine or explore, and payments of mining royalties in relation to Aboriginal land.

Non-resident withholding tax on interest, dividends and royalties: A final withholding tax that applies to non-residents (may be individuals, companies, funds, partners or trustees) who are liable for Australian tax on certain income earned in Australia. Amounts are generally withheld by the payers of interest, unfranked dividends or royalties to non-residents and sent to the Tax Office. The amount of tax payable depends on whether the recipient is a resident of a country covered by a tax agreement that has been given the force of law in Australia. Payers of interest, dividends or royalties to non-residents are required to withhold an amount from payments (when applicable) at the following rates:

- 10\% for interest in all cases
- 30\% for dividends unless an international agreement applies, and
- 30\% for royalties unless an international agreement applies.


## BOX 11.3: Terminology ${ }^{1}$ (continued)

Non-resident individual: generally a person who maintains a home outside Australia and does not intend to live here permanently will be a non-resident for Australian income tax purposes.
Non-resident company: generally a company incorporated outside Australia is a non-resident for Australian tax purposes.
Non-resident partnership, trust or superannuation fund: a partnership, trust or superannuation fund that is based overseas and receives Australian-sourced interest or dividend income.

Double taxation agreement: an agreement between Australia and another country concerning the taxing of entities that could potentially be taxed on the same income in both countries.

Interest: generally regarded as an amount paid as compensation to a lender for not having the use of its capital.
Dividend: generally regarded as an amount paid by a company to its shareholders.
Royalty: a payment made by one person for the use of rights owned by another person. The payment may be periodic, irregular or one-off. Australian income tax legislation extends the normal definition of royalties to include payments or credits of any kind in return for items listed in the definition of royalty in subsection 6(1) of the Income Tax Assessment Act 1936.

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

## PAYG WITHHOLDERS

The entity making the withholding payment is responsible for withholding amounts from payments to others and sending the amounts to the Tax Office.

The entity can be any of the following:

- an individual
- a body corporate
- a body politic
- a partnership
- any unincorporated association or body of persons
- a trustee of a trust, or
- a trustee of a superannuation fund.

PAYG withholding entities may be classified into three types:

- small withholders generally have total annual withholdings of up to $\$ 25,000$ and are required to report and send the amount withheld quarterly through their activity statements
- medium withholders generally have total annual withholdings of $\$ 25,001$ to $\$ 1$ million and are required to report and send the amount withheld monthly through their activity statements, and
- large withholders generally have total annual withholdings exceeding \$1 million. For these withholders, an amount withheld in any period commencing Saturday and ending Tuesday is payable on the Monday following the period, and an amount withheld in any period commencing Wednesday and ending Friday is payable on the Thursday following the period. Large withholders do not report or send the amounts withheld through their activity statements. Instead, the Tax Office provides them with separate arrangements for notifying and sending amounts withheld.

Entities are required to register for PAYG withholding before they can withhold from any payments.

Entities can register for PAYG withholding by either completing a form (which can be sent to the Tax Office in paper or electronic form) or contacting the Tax Office. Entities applying for an ABN can use the same form to register for PAYG withholding. The ABN is used as the registration number for PAYG withholding. Entities that do not wish to obtain an ABN or are not entitled to an ABN are issued with a withholding payer number.

## PAYG WITHHOLDING REVENUE COLLECTIONS

Before the introduction of the PAYG withholding system in 2000-01, tax collected through the PAYE system, prescribed payments system, reportable payments system, and nonresident interest withholding tax, non-resident dividend withholding tax, non-resident royalty withholding tax, mining withholding tax and TFN withholding tax collection systems accounted for more than half of the total Tax Office revenue collected in each financial year.

As shown in table 11.1, from 1995-96 to 1999-2000, estimated withholding collections increased annually due to significant yearly increases in PAYE, prescribed payments system and non-resident withholding tax collections. The upward trend in PAYE and prescribed payments system collections reflected generally steady increases in employment and average weekly earnings, as well as a range of initiatives undertaken by the Tax Office aimed at identifying, establishing and collecting PAYE from non-compliant taxpayers.

TABLE 11.1: PAYG withholding revenue collected ${ }^{1}$ and total revenue collected ${ }^{2}$, 1995-96 to 2004-05 financial years ${ }^{3}$

| Year | Estimated <br> PAYG <br> $\$ \mathbf{m}$ | Total <br> revenue <br> $\$ m$ | $\%$ of total <br> revenue <br> $\%$ |
| :--- | ---: | ---: | ---: |
| $1995-96$ | $\$ 60,155$ | $\$ 98,620$ | 61.0 |
| $1996-97$ | $\$ 64,843$ | $\$ 107,420$ | 60.4 |
| $1997-98$ | $\$ 69,816$ | $\$ 113,850$ | 61.3 |
| $1998-99$ | $\$ 75,768$ | $\$ 141,731$ | 53.5 |
| $1999-00$ | $\$ 81,711$ | $\$ 153,228$ | 53.3 |
| $2000-01$ | $\$ 75,693$ | $\$ 165,426$ | 45.8 |
| $2001-02$ | $\$ 79,599$ | $\$ 168,660$ | 47.2 |
| $2002-03$ | $\$ 84,922$ | $\$ 185,044$ | 45.9 |
| $2003-04$ | $\$ 90,285$ | $\$ 198,732$ | 45.4 |
| $2004-05$ | $\$ 98,013$ | $\$ 214,850$ | 45.6 |

1 The PAYG withholding system was introduced on 1 July 2000 as part of government tax reforms. PAYG withholding revenue collected before 2000-01 is calculated to be the sum of PAYE withholding, prescribed payments system, reportable payments system, non-resident interest withholding tax, non-resident dividend withholding tax, non-resident royalty withholding tax, mining withholding tax and TFN withholding tax collections. For 2000-01, PAYG withholding revenue is the sum of PAYG withholding collections (including TFN and $A B N$ withholding tax collections), mining withholding and non-resident withholding tax collections (which were reported and paid separately from PAYG withholding). From 2001-02 onwards, mining withholding tax and non-resident withholding tax collections are included in PAYG withholding collections. All years include Higher Education Contribution Scheme collections.
2 Includes collections of PAYG withholding, income tax and contributions from superannuation funds, companies, individuals (which includes PAYG instalments and other payments), fringe benefits tax, excise, superannuation surcharge, goods and services tax, wine equalisation tax, luxury car tax, sales tax, petroleum resource rent tax and other minor taxes or collections from other systems.
3 Annual collections are from 1 July to 30 June of the following year (for example, 2002-03 collections include all collections from 1 July 2002 to 30 June 2003.

TABLE 11.2 : PAYG withholding collections, by amount sent to the Tax Office, 2004-05 financial year

| Amount sent | Amount collected |  |
| :---: | :---: | :---: |
|  | \$m | \% ${ }^{1}$ |
| \$1-\$999 | 38 | 0.0 |
| \$1,000-\$4,999 | 475 | 0.5 |
| \$5,000-\$9,999 | 888 | 0.9 |
| \$10,000-\$24,999 | 2,789 | 2.8 |
| \$25,000-\$49,999 | 3,623 | 3.7 |
| \$50,000-\$99,999 | 5,026 | 5.1 |
| \$100,000-\$499,999 | 13,380 | 13.7 |
| \$500,000-\$999,999 | 5,760 | 5.9 |
| \$1,000,000-\$1,999,999 | 6,150 | 6.3 |
| \$2,000,000-\$2,999,999 | 3,879 | 4.0 |
| \$3,000,000-\$3,999,999 | 2,974 | 3.0 |
| \$4,000,000-\$4,999,999 | 2,261 | 2.3 |
| \$5,000,000-\$9,999,999 | 6,829 | 7.0 |
| \$10,000,000-\$19,999,999 | 7,921 | 8.1 |
| \$20,000,000-\$49,999,999 | 10,326 | 10.5 |
| \$50,000,000 or more | 25,694 | 26.2 |
| Total ${ }^{2}$ | 98,013 | 100.0 |

1 A share of $0.0 \%$ indicates a share of less than $0.05 \%$.
2 Total amount may differ slightly from the sum of components due to rounding.

The amount of PAYG withholding revenue collected varied considerably according to the type of industry. The amount collected can depend on factors such as the number of employees in each industry and income levels.

TABLE 11.3: PAYG withholding collections, by industry, 2004-05 financial year

| Industry | Amount collected |  |
| :--- | ---: | ---: |
| \$m | $\%$ |  |
| Agriculture | 1,189 | 1.2 |
| Forestry | 158 | 0.2 |
| Fishing | 109 | 0.1 |
| Mining | 3,094 | 3.2 |
| Manufacturing | 10,832 | 11.1 |
| Electricity, gas \& water supply | 1,295 | 1.3 |
| Construction | 6,112 | 6.2 |
| Wholesale trade | 5,438 | 5.5 |
| Retail trade | 7,179 | 7.3 |
| Accommodation, cafes \& restaurants | 1,719 | 1.8 |
| Transport and storage | 4,351 | 4.4 |
| Communication | 3,359 | 3.4 |
| Finance \& insurance | 8,347 | 8.5 |
| Property \& business services | 12,102 | 12.3 |
| Government administration \& defence | 11,841 | 12.1 |
| Education | 5,951 | 6.1 |
| Health \& community services | 8,215 | 8.4 |
| Cultural \& recreational services | 1,707 | 1.7 |
| Personal \& other services | 4,899 | 5.0 |
| Other \& not stated ${ }^{1}$ | 117 | 0.1 |
| Total |  | $\mathbf{9 8 , 0 1 3}$ |
| 100.0 | $\mathbf{1 0 3}$ |  |

1 Includes withholders who did not state their industry and/or stated multiple industries.
2 Total amount may differ slightly from the sum of components due to rounding.

## DETAILED TABLES

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

## Table 1: PAYG withholding collections, by amount sent to the Tax Office, 2000-01 to 2004-05 financial years

This table reports PAYG withholding amounts collected by the Tax Office (or amount sent by PAYG withholders to the Tax Office), ranged by amount sent, during the 2000-01 to 2004-05 financial years.
This table is also available at the back of the chapter (see table 11.4).
Table 2: PAYG withholding collections, by industry, 2000-01 to 2004-05 financial years
This table reports PAYG withholding amounts collected by the Tax Office from different industry groups (or amounts sent by different industries to the Tax Office) during the 2000-01 to 2004-05 financial years.
This table is also available at the back of the chapter (see table 11.5).

## TIME SERIES TABLES

The following tables show PAYG withholding collections from 2000-01 to 2004-05. These tables are also available on the attached CD-ROM and in the online version of this publication on the Tax Office website. They may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

## TABLE 11.4: PAYG withholding collections, ${ }^{1}$ by amount sent to the Tax Office, 2000-01 to 2004-05 financial years

| Amount sent | $\begin{array}{r} 2000-01^{2} \\ \text { Amount collected } \end{array}$ |  | $\begin{array}{r} \text { 2001-02 } \\ \text { Amount collected } \end{array}$ |  | $\begin{array}{r} \text { 2002-03 } \\ \text { Amount collected } \end{array}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | \$m | \% | \$m | \% ${ }^{3}$ | \$m | \% ${ }^{3}$ |
| \$1-\$999 | 48 | 0.1 | 36 | 0.0 | 37 | 0.0 |
| \$1,000-\$4,999 | 591 | 0.8 | 460 | 0.6 | 465 | 0.5 |
| \$5,000-\$9,999 | 972 | 1.3 | 846 | 1.1 | 867 | 1.0 |
| \$10,000-\$24,999 | 2,322 | 3.1 | 2,526 | 3.2 | 2,639 | 3.1 |
| \$25,000-\$49,999 | 2,756 | 3.7 | 3,223 | 4.0 | 3,377 | 4.0 |
| \$50,000-\$99,999 | 3,549 | 4.8 | 4,190 | 5.3 | 4,476 | 5.3 |
| \$100,000-\$499,999 | 8,768 | 11.8 | 10,497 | 13.2 | 11,603 | 13.7 |
| \$500,000-\$999,999 | 4,028 | 5.4 | 4,618 | 5.8 | 4,999 | 5.9 |
| \$1,000,000-\$1,999,999 | 4,667 | 6.3 | 5,103 | 6.4 | 5,428 | 6.4 |
| \$2,000,000-\$2,999,999 | 3,017 | 4.1 | 3,244 | 4.1 | 3,539 | 4.2 |
| \$3,000,000-\$3,999,999 | 2,476 | 3.3 | 2,311 | 2.9 | 2,499 | 2.9 |
| \$4,000,000-\$4,999,999 | 1,871 | 2.5 | 1,834 | 2.3 | 2,021 | 2.4 |
| \$5,000,000 or more | 39,409 | 52.9 | 40,710 | 51.1 | 42,972 | 50.6 |
| Total ${ }^{4}$ | 74,474 | 100.0 | 79,599 | 100.0 | 84,922 | 100.0 |

Total
2 PAYG withholding amounts reported for 2000-01 exclude mining withholding tax collections and non-resident interest, dividends and royalty withholding tax collections.
3 A share of $0.0 \%$ indicates a share of less than $0.05 \%$.
TABLE 11.5: PAYG withholding collections, ${ }^{1}$ by industry, 2000-01 to 2004-05 financial years


|  | $2003-04$ <br> Amount collected <br> \$m |
| ---: | ---: |
| $\mathbf{1 , 0 9 5}$ | 1.2 |
| 146 | 0.2 |
| 110 | 0.1 |
| 2,570 | 2.8 |
| 10,295 | 11.4 |
| 1,180 | 1.3 |
| 5,379 | 6.0 |
| 4,698 | 5.2 |
| 6,547 | 7.3 |
|  |  |
| 1,580 | 1.7 |
| 4,038 | 4.5 |
| 3,363 | 3.7 |
| 7,539 | 8.4 |
| 10,956 | 12.1 |
| 11,015 | 12.2 |
| 5,500 | 6.1 |
| 7,644 | 8.5 |
| 1,590 | 1.8 |
| 4,900 | 5.4 |
| 140 | 0.2 |
| 90,285 | 100.0 |

[^7]
## (1) HIGHLIGHTS

- In 2004-05 total net GST liabilities (including Customs collections, penalties and interest on overpayments) increased by $4 \%$ from the previous year to $\$ 35.4$ billion.
- Wine equalisation tax collections (including Customs collections) decreased by 3\% from the previous year to $\$ 681.7$ million.
- Luxury car tax collections (including Customs collections) decreased by 11\% from the previous year to $\$ 297.9$ million.
- As of 30 June 2005 the Tax Office had registered 4,924,864 entities for an ABN.

Goods and services tax (GST) is a tax of $10 \%$ on the supply of most goods and services and other taxable supplies (for example, real property and rights) in Australia, including things that are imported. In most cases, GST does not apply to exports of goods or services, and other things consumed outside Australia.

GST is administered by the Tax Office on behalf of the Australian Government, and is appropriated to the states and territories. The Australian Government funds the Tax Office to administer GST, and is reimbursed by the states and territories. The Australian Customs Service (Customs) collects GST on taxable importations that are not subject to the deferred GST scheme.

This chapter provides a general description of GST, wine equalisation tax and luxury car tax and reports the amounts collected for these taxes for the 2004-05 financial year. GST collection data is based on liabilities incurred during the financial year. For wine equalisation tax and luxury car tax, collections are based on a cash method and may include amounts reported in years other than those in which they are actually received by the Tax Office. For example, wine equalisation tax amounts reported on June 2004 activity statements relate to the period ending 30 June 2004 (end of the 2003-04 financial year), but the Tax Office may not receive amounts due until after 30 June 2004 (part of the 2004-05 financial year). These collections would be recorded in the first quarter of 2004-05

## SOURCE OF GST STATISTICS

The GST, wine equalisation tax and luxury car tax collections reported in this chapter are sourced from business activity statements, and GST annual returns and information reports as at 30 June 2005. Samples of these forms are in the appendix. They may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at www.ato.gov.au

## NEW FEATURES AND INFORMATION

Small businesses and non-profit organisations that are voluntarily registered for GST now have the option of reporting and paying GST annually. Previously they were required to report and pay quarterly.

GST statistics for this edition are now provided on a full accrual basis. Accrual-based statistics give a more comprehensive coverage of GST transactions than collection-based statistics. Previously, values were based on cash collections for a particular financial year. These collections may or may not relate to transactions and liabilities incurred during the year for which Taxation Statistics provides tax information.

## GOODS AND SERVICES TAX

GST is similar to value-added taxes applying in other countries. It is a multi-stage tax, paid at each stage of the supply chain. Liability for GST rests with the supplier, who usually adjusts the price of a taxable supply to reflect the GST payable. If the supplier does not adjust the price to include GST, they are still liable to pay the GST to the Tax Office.
Most registered entities (or businesses) are entitled to claim an input tax credit for the GST payable on goods, services and imports they acquire and use in their enterprise or business (such as raw materials and machinery). The entity must hold a tax invoice for the goods and/or services (for acquisitions of more than $\$ 50$, excluding GST) at the time they claim the input tax credit. When calculating the amount they have to pay to the Tax Office, an entity offsets their input tax credits against the total GST payable. In this way, GST is collected only on the value added by each business in the production and distribution chain, with the tax being ultimately borne by the final consumer.

## BOX 12.1: Terminology ${ }^{1}$

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
a in the form of an adventure or concern in the nature of trade
- on a regular or continuous basis, in the form of a lease, licence or other grant of an interest in property
- by a trustee of a fund or by an authority or institution to which deductible gifts can be made
- by a trustee or, if there is no trustee, the manager of a complying superannuation fund
- by a charitable institution or a trustee of a charitable fund
- by a religious institution, or
- by the Commonwealth, a state or a territory, or by a body corporate or corporation sole established for a public purpose by or under a law of the Commonwealth, a state or a territory.

However, an enterprise does not include activities done:

- as an employee, or in connection with earning payment as a company director, office holder or under a labour hire arrangement
- as a private recreational pursuit or hobby

■ by an individual or partnership (where all or most members 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 of a state board or authority.

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

## REGISTRATION FOR GST

Any entity carrying on an enterprise with an annual turnover at or above the registration turnover threshold of \$50,000 ( $\$ 100,000$ if the entity is a non-profit organisation) has to register for GST. Entities supplying taxi travel services in carrying on their enterprise have to register for GST, regardless of their annual turnover.

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

Entities registering for GST use the same application form they use to apply for an Australian business number (ABN).

## BOX 12.2: Australian business number

The Australian business number ( ABN ) is a unique identifier that allows businesses to deal with the Tax Office and other government departments and agencies. It is available to other Australian Government, state, territory and local government regulatory bodies to streamline registration and reporting requirements. It is used by businesses and other entities for business-to-business and business-to-government transactions.

For tax purposes, entities register for an ABN to enable them to:

- register for GST and claim input tax credits
- register for pay as you go (PAYG) withholding
- deal with investment bodies
- apply to the Tax Office for endorsement as a deductible gift recipient or income tax exempt charity
- interact with the Tax Office on other taxes and the energy grants credits scheme, and
- have a unique identifying number which they will eventually use for their business dealings with government at all levels.

In addition, where a business entity supplies goods or services to the value of $\$ 50$ or more to another business entity, it is required to quote its $A B N$ on an invoice. If the $A B N$ is not quoted, the entity making the payment must withhold tax at the top marginal rate of tax plus Medicare levy (at present 48.5\%) from their payment to the supplier.

At 30 June 2005 there were 4,924,864 active ABNs, $2,833,354$ of which were registered for GST and/or PAYG.

## REPORTING AND PAYING GST

Registered businesses and other entities report and pay their GST (or claim input tax credits and/or refundable amounts) through their Business activity statement (activity statement).

If a registered entity has an annual turnover of more than $\$ 20$ million or intends to participate in the deferred GST scheme, it must report and pay its GST obligations electronically every month.
If the entity has an annual turnover of less than \$20 million and does not intend to participate in the deferred GST scheme, it can report and pay its GST obligations quarterly or monthly.

Small businesses and non-profit organisations that are voluntarily registered for GST can choose to report and pay annually.

Entities that report and pay quarterly have three reporting options:

- Option 1: Report and pay/claim actual GST amounts quarterly through their activity statement.
- Option 2: Report and pay/claim actual GST amounts quarterly, but report less information/items on their activity statement and lodge a GST annual information report.
- Option 3: Report and pay a quarterly GST instalment amount and lodge a GST annual return. This option involves:
- paying a quarterly GST instalment amount worked out by the Tax Office (or varied by the entity), and
- accounting for any difference between the entity's actual GST liability and its total GST instalments for the year on a GST annual return.

If an entity has income from a primary production business or special professional income (for example, the entity is an author or an artist), it pays only two instalments for the year, rather than four.
If an entity uses option 3 , net refunds are paid only after it lodges its GST annual return, not each quarter. However, the GST instalment amount worked out by the Tax Office takes into account input tax credits.

Businesses and other entities are advised on their activity statement when they are eligible to use option 3 . The activity statement will also have the GST instalment amount printed on it.
In general, businesses and other entities are eligible to pay quarterly GST instalments if they:

- have an annual turnover of $\$ 2$ million or less
- pay GST quarterly
- have lodged an activity statement for at least two quarters (or four months if they previously lodged their activity statement monthly)
- have lodged all their previous activity statements, and
- were not in an overall GST net refund position in the previous year, disregarding the first activity statement they lodged.


## SUPPLIES SUBJECT AND NOT SUBJECT TO GST

Goods, services or anything else supplied by an entity that are subject to GST are referred to as taxable supplies. An entity makes a taxable supply if it:

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

There are other types of supplies that are not subject to GST and are not taxable supplies - GST-free supplies and input taxed supplies.

If a supply is GST-free, a GST-registered entity is not liable to pay GST on that supply, but is entitled to claim input tax credits for anything acquired or imported for use in its business or enterprise to make the GST-free supply. GST-free supplies include most food, exports, sewerage and water, eligible childcare, non-commercial activities of charitable institutions, and most education and health services (some government and administration services are exempt under the Treasurer's Determination - refer to Division 81 of the Goods and Services Tax Imposition - General 1999).
If a supply is input taxed, the GST-registered entity is not liable for GST on the supply, but neither is it entitled to claim input tax credits for anything acquired or imported to make that supply. Input taxed supplies include some financial services, supplies of residential rents, supplies of residential premises (except for the sale of new residential premises which is considered a taxable supply), most supplies of precious metals, and supplies of food by school tuckshops and canteens (if they choose to treat the supplies of food as input taxed and supply only food).

## BOX 12.3: Terminology ${ }^{1}$

Consideration: for GST purposes includes any payment, or doing something or refraining from doing something in connection with a supply, in response to a supply, or to get someone to make a supply. This means that consideration need not be a monetary payment. Goods could be received as consideration, for example, in a barter transaction.

Deferred GST scheme: provides for the deferral of GST payments on imported goods. Generally, GST on taxable importations is payable when imported goods 'are entered for home consumption'. The scheme allows for GST payments on taxable importations to be deferred to coincide with payments of net amounts of GST on the activity statement. Only eligible businesses or other entities can defer payments of GST on imported goods.

A supply includes:

- a supply of goods
- a supply of services
- provision of advice or information
- a creation, grant, transfer, assignment or surrender of any right
- a grant, assignment or surrender of real property
- a financial supply
- an entry into or release from an obligation
- to do anything
- to refrain from an act, or
- to tolerate an act or situation, or
- a combination of any two or more of the above.

A supply of goods is connected with Australia if:

- the goods are delivered or made available in Australia to the recipient of the supply
- the supply involves the goods being removed from Australia
- the goods are brought to Australia and the supplier imports the goods, or
- the goods are brought to Australia and the supplier installs or assembles the goods in Australia.
A supply of real property is connected with Australia if the real property, or the land the real property relates to, is in Australia.
A supply of anything other than goods or real property (such as services) is connected with Australia if either:
- the supply is done in Australia, such as services being performed in Australia, or
- the supplier makes the supply through an enterprise they carry on in Australia.
An enterprise is carried on in Australia if it is carried on through a permanent establishment (which is defined differently for GST purposes than income tax purposes).

Sales tax credit: credit for the wholesale sales tax (or sales tax) registered entities paid on the stock of trading goods held for sale or exchange at the start of 1 July 2000.

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

## GST LIABILITIES

## Box 12.4: Calculating net GST liabilities

For the 2000-01 financial year net GST liabilities were calculated using the formula:
Net GST = (gross GST payable + deferred GST payments on imports) - input tax credits - sales tax credits

For the 2001-02 financial year and future years, net GST liabilities are calculated using the formula:

Net GST = (gross GST payable + deferred GST payments on imports) - input tax credits
Sales tax credits could not be claimed from 7 January 2001.
If the sum of gross GST payable and deferred GST payments on imports is more than input tax credits (and sales tax credits in 2000-01), that is, net GST is positive, the net difference is payable to the Tax Office.
If the sum of gross GST payable and deferred GST payments on imports is less than input tax credits (and sales tax credits in 2000-01), that is, net GST is negative, the net difference can be claimed as a refund.

TABLE 12.1: Net GST liabilities ${ }^{1}$, by industry, 2002-03 to 2004-05 financial years

| Industry ${ }^{2}$ | 2002-03 ${ }^{3}$ |  | 2003-04 ${ }^{4}$ |  | 2004-05 ${ }^{5}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | \$m | \% | \$m | \% | \$m | \% |
| Agriculture | -52 | -0.2 | -128 | -0.4 | -206 | -0.6 |
| Forestry | 58 | 0.2 | 57 | 0.2 | 67 | 0.2 |
| Fishing | -92 | -0.3 | -81 | -0.3 | -82 | -0.2 |
| Mining | -494 | -1.7 | -1,058 | -3.3 | -1,486 | -4.5 |
| Manufacturing | 6,136 | 21.1 | 6,864 | 21.5 | 7,368 | 22.2 |
| Electricity, gas \& water supply | 395 | 1.4 | 436 | 1.4 | 393 | 1.2 |
| Construction | 2,800 | 9.6 | 3,134 | 9.8 | 3,423 | 10.3 |
| Wholesale trade | 5,803 | 19.9 | 6,696 | 21.0 | 6,984 | 21.1 |
| Retail trade | 2,954 | 10.2 | 3,113 | 9.8 | 3,277 | 9.9 |
| Accommodation, cafes \& restaurants | 1,701 | 5.8 | 1,832 | 5.7 | 1,926 | 5.8 |
| Transport \& storage | 1,238 | 4.3 | 1,421 | 4.5 | 1,456 | 4.4 |
| Communication | 1,659 | 5.7 | 1,793 | 5.6 | 1,784 | 5.4 |
| Finance \& insurance | 3,857 | 13.3 | 3,984 | 12.5 | 4,328 | 13.1 |
| Property \& business services | 7,631 | 26.2 | 8,684 | 27.2 | 9,336 | 28.2 |
| Government administration \& defence | -5,317 | -18.3 | -5,846 | -18.3 | -6,467 | -19.5 |
| Education | -262 | -0.9 | -267 | -0.8 | -218 | -0.7 |
| Health \& community services | -356 | -1.2 | -356 | -1.1 | -456 | -1.4 |
| Cultural \& recreational services | 891 | 3.1 | 991 | 3.1 | 1,036 | 3.1 |
| Personal \& other services | 441 | 1.5 | 489 | 1.5 | 496 | 1.5 |
| Other ${ }^{6}$ | 98 | 0.3 | 148 | 0.5 | 161 | 0.5 |
| Tax Office net GST liabilities | 29,091 | 100.0 | 31,905 | 100.0 | 33,120 | 100.0 |
| Customs collections ${ }^{7}$ | 1,942 |  | 2,010 |  | 2,312 |  |
| Total net GST liabilities ${ }^{1}$ | 31,033 |  | 33,915 |  | 35,432 |  |

1 Includes penalties and interest on overpayments.
2 Industry classifications are those provided by taxpayers on their ABN application. Some taxpayers operate in multiple industries, but they are included in only the one broad industry group they chose on their ABN application.
3 Estimated liabilities at 30 June 2003. For the 2002-03 financial year, sales tax credits could no longer be deducted from gross GST payable to calculate net GST liabilities.
4 Estimated liabilities at 30 June 2004. For the 2003-04 financial year, sales tax credits could no longer be deducted from gross GST payable to calculate net GST liabilities.
5 Estimated liabilities at 30 June 2005. For the 2004-05 financial year, sales tax credits could no longer be deducted from gross GST payable to calculate net GST liabilities.
6 Includes entities that stated other industries and entities that did not state their industry.
7 Customs collects GST on taxable importations that are not subject to the deferred GST scheme.

## INPUT TAX CREDITS

An input tax credit (or GST credit) is an amount a registered entity is entitled to claim to offset the GST paid on inputs the entity acquires to use in its enterprise. However, if a registered entity acquires a supply for private use and/or to make input taxed supplies, it cannot claim an input tax credit.

TABLE 12.2: GST, input tax credits and deferred GST liabilities ${ }^{1}$ on imports, by industry, 2004-05 financial year

| Industry ${ }^{2}$ | Gross GST payable | Input tax credits | Deferred GST payments on imports | Net GST ${ }^{1}$ |
| :---: | :---: | :---: | :---: | :---: |
|  | \$m | \$m | \$m | \$m |
| Agriculture | 4,420 | 4,696 | 70 | -206 |
| Forestry | 320 | 254 | 1 | 67 |
| Fishing | 92 | 181 | 6 | -82 |
| Mining | 4,020 | 6,068 | 562 | -1,486 |
| Manufacturing | 24,925 | 21,548 | 3,991 | 7,368 |
| Electricity, gas \& water supply | 3,194 | 2,833 | 31 | 393 |
| Construction | 14,830 | 11,559 | 152 | 3,423 |
| Wholesale trade | 22,369 | 21,060 | 5,675 | 6,984 |
| Retail trade | 25,006 | 22,489 | 761 | 3,277 |
| Accommodation, cafes \& restaurants | 4,201 | 2,277 | 2 | 1,926 |
| Transport \& storage | 7,459 | 6,474 | 471 | 1,456 |
| Communication | 4,262 | 2,530 | 53 | 1,784 |
| Finance \& insurance | 17,479 | 13,951 | 800 | 4,328 |
| Property \& business services | 25,086 | 16,682 | 931 | 9,336 |
| Government administration \& defence | 4,574 | 11,133 | 92 | -6,467 |
| Education | 1,131 | 1,352 | 4 | -218 |
| Health \& community services | 2,483 | 2,953 | 14 | -456 |
| Cultural \& recreational services | 2,960 | 1,947 | 23 | 1,036 |
| Personal \& other services | 2,420 | 1,972 | 48 | 496 |
| Other | 2,008 | 1,905 | 58 | 161 |
| Tax Office net GST liabilities | 173,238 | 153,865 | 13,747 | 33,120 |
| Customs collections ${ }^{3}$ |  |  |  | 2,312 |
| Total net GST liabilities ${ }^{1}$ |  |  |  | 35,432 |
| 1 Includes penalties and interest on overpaymen 2 Industry classifications are those provided by tax broad industry group they chose on their ABN <br> 3 Customs collects GST on taxable importations | application. Some the deferred GST | perate in multip | dustries, but they are | oly the one |

In general, if the calculated ratio of input tax credits to the sum of gross GST payable and deferred GST payments on imports for an industry is less than one, the industry is more likely to pay net GST to the Tax Office (table 12.3).

If the calculated ratio for an industry is more than one, the industry is more likely to collect net GST refunds and mainly supply GST-free supplies (table 12.3).

TABLE 12.3: Ratio of input tax credits to gross GST ${ }^{1}$, 2002-03 to 2004-05 financial years

| Industry ${ }^{2}$ | 2002-03 | 2003-04 | 2004-05 |
| :---: | :---: | :---: | :---: |
| Agriculture | 1.01 | 1.03 | 1.05 |
| Forestry | 0.77 | 0.80 | 0.79 |
| Fishing | 1.91 | 1.78 | 1.84 |
| Mining | 1.12 | 1.29 | 1.32 |
| Manufacturing | 0.77 | 0.74 | 0.75 |
| Electricity, gas \& water supply | 0.87 | 0.86 | 0.88 |
| Construction | 0.77 | 0.77 | 0.77 |
| Wholesale trade | 0.76 | 0.74 | 0.75 |
| Retail trade | 0.87 | 0.87 | 0.87 |
| Accommodation, cafes \& restaurants | 0.54 | 0.54 | 0.54 |
| Transport \& storage | 0.82 | 0.81 | 0.82 |
| Communication | 0.59 | 0.57 | 0.59 |
| Finance \& insurance | 0.76 | 0.77 | 0.76 |
| Property \& business services | 0.64 | 0.63 | 0.64 |
| Government administration \& defence | 2.40 | 2.47 | 2.39 |
| Education | 1.29 | 1.27 | 1.19 |
| Health \& community services | 1.17 | 1.16 | 1.18 |
| Cultural \& recreational services | 0.65 | 0.64 | 0.65 |
| Personal \& other services | 0.78 | 0.78 | 0.80 |
| Other | 0.94 | 0.91 | 0.92 |

1 Includes deferred GST payments on imports.
2 Industry classifications are those provided by taxpayers on their ABN application. Some taxpayers operate in multiple industries, but they are included in only the one broad industry group they chose on their ABN application.

## WINE EQUALISATION TAX

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

The wine equalisation tax rate is $29 \%$ and applies to the following provided they contain more than $1.15 \%$ by volume of ethyl alcohol:

- grape wine, including sparkling wine and fortified wine
- grape wine products such as marsala, vermouth, wine cocktails and creams
- other fruit wines and vegetable wines, including fortified fruit wines and vegetable wines
- cider or perry, and
- mead and sake, including fortified mead.

Exports of wine where certain conditions are satisfied are not subject to wine equalisation tax.

Wine manufacturers, wine wholesalers and wine importers usually have the liability for wine equalisation tax and are required to collect and remit the tax to the Tax Office or Customs.

In general, wine equalisation tax is included in the price retailers (including bottle shops, hotels, restaurants and cafes) pay for the wine. A retailer is not entitled to a GST credit for wine equalisation tax. Instead, the tax forms part of their cost base and is passed on in the retail price of the wine to the final consumer. However, retailers may have a wine equalisation tax liability if they sell wine wholesale (that is, to a reseller).

## REBATES AND CREDITS

The Australian Government and state governments operate separate rebate and subsidy schemes for winemakers. The states provide a $15 \%$ subsidy of the wholesale value of cellar door and mail order sales to unlicensed people.

From 1 October 2004, producers are entitled to a rebate of $29 \%$ of the wholesale value of domestic wine sales, including retail sales, wholesale sales and sales under quote. The rebate is claimed on the activity statement.
To qualify for the rebate, a business must be operating as a wine producer. A producer is defined as an entity that manufactures the wine, or supplies another entity with the grapes, other fruit, vegetables or honey used to manufacture the wine. All products subject to wine equalisation tax are eligible for the rebate, including cider, perry and sake.
The maximum rebate in a full year is $\$ 290,000$. If a business operates as an associated producer of one or more other producers for an entire financial year, the maximum rebate the business is entitled to as a group is $\$ 290,000$. As the new rebate started on 1 October 2004, the maximum amount able to be claimed for the 2004-05 financial year is $\$ 217,500$.

Apart from rebates, entities liable for wine equalisation tax may be able to claim credits if they:

- overpaid wine equalisation tax
- paid wine equalisation tax twice
- did not quote their ABN when they purchased wine
- sold wine that was subject to wine equalisation tax, for a price that excluded the tax, to persons who quoted an ABN for the dealing
- exported wine that was subject to wine equalisation tax
- sold wine that was subject to wine equalisation tax, for a price that excluded the tax, to an eligible traveller in accordance with the prescribed rules for export sales, or
- wrote off bad debts that included wine equalisation tax they had paid.
There are other specialised wine equalisation tax credit grounds relating to imported wine, replacement of defective wine and ensuring there is no double taxation of containers.


## WINE EQUALISATION TAX COLLECTIONS

TABLE 12.4: Wine equalisation tax net collections, by entity, 2003-04 and 2004-05 financial years

| Entity | Amount collected 2003-04 ${ }^{1}$ |  | Amount collected 2004-05 |  |
| :---: | :---: | :---: | :---: | :---: |
|  | \$'000 | \% | \$'000 | \% |
| Company | 657,798 | 94.0 | 629,750 | 93.1 |
| Trust | 30,805 | 4.4 | 31,088 | 4.6 |
| Partnership | 12,000 | 1.7 | 14,287 | 2.1 |
| Individual | 2,713 | 0.4 | 1,426 | 0.2 |
| Government | -3,544 | -0.5 | -212 | 0.0 |
| Tax Office collections | 699,772 | 100.0 | 676,339 | 100.0 |
| Customs collections ${ }^{3}$ | 4,395 |  | 5,399 |  |
| Total ${ }^{4}$ | 704,167 |  | 681,737 |  |
| 1 Estimated collections at 30 June 2004. <br> 2 Estimated collections at 30 June 2005. <br> 3 Customs collects wine equalisation tax on taxable importations. <br> 4 Total amount may differ slightly from the sum of components due to rounding. |  |  |  |  |

TABLE 12.5: Wine equalisation tax net collections, by amount sent to the Tax Office, 2003-04 and 2004-05 financial years

| Amount <br> paid | Amount collected <br> 2003-04 | Amount collected |
| :--- | ---: | ---: | ---: | ---: | ---: |
| 2004-05 |  |  |

## LUXURY CAR TAX

From 1 July 2000, sales tax on luxury cars was replaced by GST and luxury car tax. Like wine equalisation tax, luxury car tax was designed to maintain price relativities. It ensured that the price of luxury cars fell by about the same amount as the price of cars just under the luxury car tax threshold following the removal of sales tax and the introduction of GST. In effect, luxury car tax ensures that buyers of luxury cars continue to pay more tax than buyers of cars priced under the luxury car tax threshold.

Cars with a GST-inclusive value exceeding the luxury car tax threshold are subject to luxury car tax. The tax is payable only on the GST-exclusive value that exceeds the threshold. The following formula is used to calculate luxury car tax (LCT) payable:
LCT $=\frac{25}{100} \times \frac{10}{11} \times($ LCT tax value - LCT threshold $)$
The luxury car tax threshold for the 2004-05 financial year was $\$ 57,009$ and the luxury car tax rate was $25 \%$.
Entities registered (or required to register) for GST, including retailers, wholesalers and manufacturers that make a taxable supply of a luxury car are liable to pay luxury car tax. Importers (including private buyers) that make a taxable importation of a luxury car are also liable to pay the tax. Entities that make a taxable supply of a luxury car must report the amount of luxury car tax payable on their activity statement and remit the amount, together with the GST payable, to the Tax Office.

## LUXURY CAR TAX ADJUSTMENTS

Unlike GST, no input tax credit is available for luxury car tax, regardless of whether the luxury car is used within a business or for private purposes.

However, circumstances may occur after a luxury car is supplied or imported that alter the amount of luxury car tax previously paid. As a result, luxury car tax may become refundable or an amount may become payable in a later tax period. The registered entity then needs to make a decreasing or increasing adjustment on its activity statement.

An entity has a decreasing luxury car tax adjustment if any of the following circumstances occur after the taxable supply or importation.

- There is a decrease in the price of the car. This may happen if luxury car tax was calculated on the price in a past tax period and the amount was included on the activity statement for that tax period. During a later tax period the supplier and the purchaser agreed that the price paid should decrease. The supplier needs to calculate the luxury car tax on the new price and then work out the difference between the luxury car tax previously paid and what would be payable using the new value.
- The supplier has written off a bad debt related to the supply of a luxury car or a debt has been overdue for 12 months.
$\square$ An entity did not quote its ABN at the time of purchasing or importing the car but the car is now used for a quotable purpose. For example, a dealership did not quote its ABN when purchasing a luxury car because the car was to be used by an executive of the dealership. However, when the car was delivered it was held as trading stock.
- The sale is cancelled.

An entity has an increasing luxury car tax adjustment if:

- There is an increase in the price of the car.
- An entity quoted its ABN at the time of purchasing or importing the car but now uses the car for a purpose other than a quotable purpose. For example, a dealership quoted its $A B N$ when purchasing a luxury car because the car was to be held as trading stock. However, when the car was delivered, it was used by an executive of the dealership.
- The supplier previously claimed a decreasing adjustment related to a bad debt or a debt overdue for 12 months or more and has now recovered all or part of the debt.
- An entity had a decreasing adjustment and now uses the car for a purpose other than a quotable purpose.


## LUXURY CAR TAX COLLECTIONS

TABLE 12.6: Luxury car tax collections, by entity, 2003-04 to 2004-05 financial years

| Entity | Amount collected |
| :--- | ---: | ---: | ---: | ---: |
| 2003-04 |  |$\quad$| Amount collected |
| ---: | ---: | ---: | ---: |
| 2004-05 |

TABLE 12.7: Luxury car tax collections, by amount sent to the Tax Office, 2003-04 and 2004-05 financial years

| Amount paid | Amount collected 2003-04 ${ }^{1}$ |  | Amount collected$2004-05^{2}$ |  |
| :---: | :---: | :---: | :---: | :---: |
|  | \$'000 | \% | \$'000 | \% |
| Less than \$99,999 | 14,335 | 4.3 | 12,787 | 4.3 |
| $\begin{aligned} & \$ 100,000- \\ & \$ 499,999 \end{aligned}$ | 37,238 | 11.2 | 33,667 | 11.3 |
| $\begin{aligned} & \text { \$500,000- } \\ & \$ 999,999 \end{aligned}$ | 23,259 | 7.0 | 21,638 | 7.3 |
| $\begin{aligned} & \$ 1,000,000- \\ & \$ 4,999,999 \end{aligned}$ | 134,103 | 40.2 | 136,543 | 46.0 |
| $\begin{aligned} & \$ 5,000,000 \\ & \text { or more } \end{aligned}$ | 124,782 | 37.3 | 92,075 | 31.0 |
| Tax Office collections | 333,717 | 100.0 | 296,711 | 100.0 |
| Customs collections ${ }^{3}$ | 1,255 |  | 1,213 |  |
| Total ${ }^{4}$ | 334,971 |  | 297,924 |  |
| 1 Estimated collections at 30 June 2004. <br> 2 Estimated collections at 30 June 2005. |  |  |  |  |

## DETAILED TABLE

The following detailed table on selected GST, wine equalisation tax and luxury car tax items for the 2000-01 to 2004-05 financial years is on the attached CD-ROM and included in the online version of this publication on the Tax Office website. The table may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

## Table 1: $\quad$ Selected GST, wine equalisation

 tax and luxury car tax items, 2000-01 to 2004-05 financial yearsThis table shows selected GST, wine equalisation tax and luxury car tax items for the 2000-01 to 2004-05 financial years.

The table is also available at the back of this chapter (see table 12.8).

GST statistics for this edition are now provided on a full accrual basis. Accrual-based statistics give a more comprehensive coverage of GST transactions than collection-based statistics. Previously, values were based on cash collections for a particular financial year. These collections may or may not relate to transactions and liabilities incurred during the year for which Taxation Statistics provides tax information. This will cause a break in the time series data.

## TIME SERIES TABLE

Table 12.8 shows selected GST, wine equalisation tax and luxury car tax items for the 2000-01 to 2004-05 financial years. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.

GST statistics for this edition are now provided on a full accrual basis. Accrual-based statistics give a more comprehensive coverage of GST transactions than collectionbased statistics. Previously, values were based on cash collections for a particular financial year. These collections may or may not relate to transactions and liabilities incurred during the year for which Taxation Statistics provides tax information. This will cause a break in the time series data.

TABLE 12.8: Selected GST, wine equalisation tax and luxury car tax items, 2000-01 to 2004-05 financial years ${ }^{1}$

| Item |  | 2000-01 ${ }^{2}$ | 2001-02 ${ }^{3}$ | 2002-03 ${ }^{4}$ | 2003-04 ${ }^{5}$ | 2004-05 ${ }^{6}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Gross GST payable (Tax Office liabilities) ${ }^{7}$ | \$m | 123,112 | 132,145 | 149,068 | 156,430 | 173,328 |
| Input tax credits | \$m | 98,936 | 118,183 | 132,977 | 137,144 | 153,865 |
| Sales tax credits ${ }^{8}$ | \$m | 2,089 | n.a. | n.a. | n.a. | n.a. |
| Deferred GST payments on imports ${ }^{7}$ | \$m | n.a. | 11,190 | 12,666 | 11,899 | 13,747 |
| Net GST liabilities (Tax Office liabilities) ${ }^{9}$ | \$m | 22,086 | 25,153 | 28,757 | 31,185 | 33,120 |
| Customs GST collections | \$m | 1,702 | 1,745 | 1,942 | 2,010 | 2,312 |
| Total net GST liabilities (Tax Office and Customs) | \$m | 23,788 | 26,898 | 30,699 | 33,195 | 35,432 |
| Share of total GST liabilities to total Tax Office revenue | \% | 14.4 | 15.9 | 16.6 | 16.7 | 16.3 |
| Wine equalisation tax |  |  |  |  |  |  |
| - Tax Office collections | \$m | 520 | 638 | 666 | 700 | 676 |
| - Customs collections | \$m | 3 | 3 | 3 | 4 | 5 |
| - Total | \$m | 523 | 640 | 669 | 704 | 681 |
| Share of total wine equalisation tax collections to total Tax Office revenue ${ }^{10}$ | \% | 0.3 | 0.4 | 0.4 | 0.4 | 0.3 |
| Luxury car tax |  |  |  |  |  |  |
| - Tax Office collections | \$m | 170 | 219 | 260 | 334 | 297 |
| - Customs collections | \$m | 1 | 1 | 1 | 1 | 1 |
| - Total | \$m | 171 | 220 | 261 | 335 | 298 |
| Share of total luxury car tax collections to total Tax Office revenue ${ }^{10}$ | \% | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Total Tax Office revenue | \$m | 165,426 | 168,660 | 185,044 | 198,732 | 214,850 |

1 This table is the same as GST and other taxes detailed table 1 which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.
2 Statistics refer to estimated liabilities at 30 June 2001.
3 Statistics refer to estimated liabilities at 30 June 2002.
4 Statistics refer to estimated liabilities at 30 June 2003.
5 Statistics refer to estimated liabilities at 30 June 2004
6 Statistics refer to liabilities at 30 June 2005.
7 For the 2000-01 financial year, deferred GST payments on imports amounts were included in gross GST payable amounts.
8 From 2001-02 onwards, sales tax credits could no longer be claimed.
9 For the 2000-01 financial year, Tax Office net GST liabilities were equal to gross GST payable (including deferred GST payments on imports) minus input tax credits and sales tax credits. From 2001-02 onwards, Tax Office net GST liabilities were equal to the sum of gross GST payable and deferred GST payments on imports minus input tax credits.
10 Percentage shares are calculated from unrounded amounts.

## EXCISE

## (1) HIGHLIGHTS

- Total excise collections increased from $\$ 21.1$ billion in 2003-04 to $\$ 21.9$ billion in 2004-05.
- Excise collected from crude oil increased by $116 \%$ from the previous year to $\$ 668.0$ million due to stronger production and a higher volume weighted average (VOLWARE) price of crude oil.

Excise duty is levied on certain commodities manufactured or produced in Australia. These commodities are refined petroleum products, tobacco, alcohol (spirits and beer, but not wine) and crude oil.

The Tax Office assumed responsibility for collecting excise duty in February 1999. The Australian Customs Service (Customs) collects customs duty on equivalent imported goods.

Taxpayers self-assess their excise duty liability. The Tax Office helps manufacturers and dealers in excisable goods to meet their obligations.

Under the indexation provisions of the Excise Tariff Act 1921, the rates of excise duty on beer (except home brew), spirits and tobacco products are increased in February and August each year, in line with movements in the consumer price index.

Statistics on excise collections for the 2004-05 financial year are discussed in the following sections of this chapter.

## EXCISE COLLECTIONS

From August 1997 until the implementation of tax changes on 1 July 2000 there was an excise surcharge on petroleum and tobacco products. Revenue collected from these arrangements was reimbursed to the states and territories under agreed repayment schemes.

These funding arrangements were no longer required with the introduction of a goods and services tax (GST) on 1 July 2000. Some surcharge amounts were collected in 2000-01, but they related to clearances made before July 2000.

Figure 13.1 highlights how these legislative changes (and other factors) affected excise collections. For example, a large increase of $\$ 4.5$ billion occurred in 1997-98, mainly due to the introduction of the excise surcharge.

FIGURE 13.1: Total excise collected ${ }^{1}$, 1995-96 to 2004-05 financial years


1 An excise surcharge on tobacco and petroleum was introduced in 1997 to replace the various state business franchise fees previously levied on these products. Surcharges were no longer payable following the introduction of GST on 1 July 2000. Although excise collections for 2000-01 still include some surcharge payments, they relate to clearances made in June 2000.

Excise collections for 2004-05 totalled $\$ 21.9$ billion, up $\$ 809.0$ million or 4\% from 2003-04. For breakdown by type of commodity, see table 13.1.

TABLE 13.1: Excise collected, by commodity, 2004-05 financial year

| Commodity |  | Amount collected |
| :--- | ---: | ---: |
|  | $\mathbf{\$ m}$ | $\%$ |
| Petroleum | 13,608 | 62.2 |
| Tobacco | 5,220 | 23.8 |
| Beer | 1,653 | 7.6 |
| Spirits | 739 | 3.4 |
| Crude oil | 668 | 3.1 |
| Total ${ }^{1}$ | $\mathbf{2 1 , 8 8 8}$ | $\mathbf{1 0 0 . 0}$ |
| Total amount may differ slightly from the sum of components due to rounding. |  |  |

The total quantity of products are shown in table 13.2.

TABLE 13.2: Quantities of products subject to excise, 2004-05 financial year

| Product | Unit ${ }^{1}$ | 2004-05 |
| :---: | :---: | :---: |
| Petroleum |  |  |
| - Petrol - unleaded, leaded \& lead replacement petroleum | Megalitres | 19,303.8 |
| - Diesel | Megalitres | 15,577.8 |
| - Other petroleum products |  |  |
| - Fuel oil | Megalitres | 306.5 |
| - Heating oil | Megalitres | 46.4 |
| - Aviation gasoline | Megalitres | 96.7 |
| - Aviation kerosene | Megalitres | 2,163.8 |
| - Kerosene | Megalitres | 32.4 |
| - Oils and greases | Megalitres | 386.9 |
| - Other refined petroleum products | Megalitres | 100.1 |
| - Total petroleum | Megalitres | 38,014.4 |
| Non-petroleum-based fuels ${ }^{2}$ | Megalitres | 26.4 |
| Alcohol |  |  |
| - Beer | Megalitres of alcohol | 51.4 |
| - Spirits |  |  |
| - Other spirits | Megalitres of alcohol | 2.9 |
| - Brandy | Megalitres of alcohol | 0.6 |
| - Ready-to-drink beverages | Megalitres of alcohol | 15.1 |
| - Total alcohol | Megalitres of alcohol | 70.0 |
| Tobacco |  |  |
| - Cigarettes | Million sticks | 22,819.4 |
| - Tobacco | Kilograms | 550,000 |
| 1 Units do not include excise-free products. <br> 2 Includes ethanol and biodiesel. |  |  |

## REFINED PETROLEUM PRODUCTS

Petroleum excise is levied on a variety of petroleum products. These include gasoline (petrol), diesel, kerosene, heating oil, fuel oil, condensate and stabilised crude (if used as a fuel), topped crude oil, other refined or partly refined products and petroleum-based oils. Petroleum excise also applies to certain non-petroleum-based fuels, including ethanol and biodiesel.

The excise rate depends on the type of product and its end use. For instance, fuel used in an internal combustion engine (in a car or truck) attracts a different rate to fuel used in a burner application.

In March 2001 the government decided, with effect from 1 August 2001, to remove petroleum products, other than petroleum-based oils and greases, from the indexation provisions that increased excise rates biannually in line with upward movements in the consumer price index. The changes took effect from 1 August 2001 and the removal of indexation on petroleum-based oils and greases followed on 1 August 2002.

Excise rates applying to certain petroleum products during the 2004-05 financial year are shown in table 13.3.

TABLE 13.3: Excise rates on selected ${ }^{1}$ petroleum products, 2004-05 financial year

| Product | Rates <br> $\$ / l i t r e$ |
| :--- | ---: |
| Leaded petrol | 0.40516 |
| Unleaded petrol | 0.38143 |
| Diesel (<50ppm sulphur content) | 0.38143 |
| Diesel ( $\geq 50$ ppm sulphur content) | 0.40143 |
| Fuel oil | 0.07557 |
| Aviation kerosene | 0.03151 |
| Aviation gasoline | 0.03114 |
| Petroleum-based oils \& greases | 0.05449 |

1 Excise duty rates on these and other petroleum products are reported and updated on the Tax Office website (see the online document Excise duty rates).

In 2004-05, $\$ 13.6$ billion in excise was collected from refined petroleum products, an increase of $3 \%$ from the previous year (figure 13.2).

FIGURE 13.2: Excise collected from petroleum products ${ }^{1}$, 1995-96 to 2004-05 financial years


1 An excise surcharge on tobacco and petroleum was introduced in 1997 to replace the various state business franchise fees previously levied on these products. Surcharges were no longer payable following the introduction of GST on 1 July 2000. Although excise collections for 2000-01 still include some surcharge payments, they relate to clearances made in June 2000.

## TOBACCO

Tobacco manufacturers in Australia pay excise duty on locally manufactured cigarettes and tobacco products. Customs duty applies to imported tobacco products. Excise rates are increased in February and August each year, in line with upward movements in the consumer price index.

TABLE 13.4: Excise rates on tobacco products, 2004-05 financial year

| Item | 1 Jul 04 to 1 Aug 04 | 2 Aug 04 to 31 Jan 05 | 1 Feb 05 to 30 Jun 05 |
| :---: | :---: | :---: | :---: |
|  | \$ | \$ | \$ |
| Cigarettes, cigars \& tobacco in stick form not exceeding 0.8 grams per stick of tobacco | 0.22044 per stick | 0.22353 per stick | 0.22621 per stick |
| Snuff | 2.24 per kg | 2.27 per kg | 2.30 per kg |
| Other tobacco products | 275.55 per kg | 279.41 per kg | 282.76 per kg |
| Cigarettes - indicative excise |  |  |  |
| - pack of 20 | 4.41 per pack | 4.47 per pack | 4.52 per pack |
| - pack of 25 | 5.51 per pack | 5.59 per pack | 5.66 per pack |
| - pack of 30 | 6.61 per pack | 6.71 per pack | 6.79 per pack |
| - pack of 40 | 8.82 per pack | 8.94 per pack | 9.05 per pack |
| - pack of 50 | 11.02 per pack | 11.18 per pack | 11.31 per pack |
| Tobacco |  |  |  |
| - 50-gram pack | 13.78 per pack | 13.97 per pack | 14.14 per pack |

## TABLE 13.5: Excise rates on tobacco products

| Date of effect | Excise rate |  |
| :--- | ---: | ---: |
|  | Per stick <br> rate <br> $(\$)^{1}$ | n.a. <br> (obacco |
| From 1 August 1999 | $\left.0 . \mathbf{k g}^{2}\right)^{2}$ |  |
| nom 1 November 1999 | 0.18872 | 235.90 |
| From 1 February 2000 | 0.19155 | 239.44 |
| From 1 August 2000 | 0.19481 | 243.51 |
| From 1 February 2001 | 0.20260 | 253.25 |
| From 1 August 2001 | 0.20645 | 258.06 |
| From 1 February 2002 | 0.20893 | 261.16 |
| From 1 August 2002 | 0.21227 | 265.34 |
| From 1 February 2003 | 0.21524 | 269.05 |
| From 1 August 2003 | 0.21804 | 272.55 |
| From 2 February 2004 | 0.22044 | 275.55 |
| From 2 August 2004 | 0.22353 | 279.41 |
| From 1 February 2005 | 0.22621 | 282.76 |
| From 1 August 2005 | 0.22915 | 286.44 |

1 Applies to tobacco, cigars and cigarettes that are in stick form and do not exceed 0.8 grams in weight per stick of actual tobacco content.
2 Applies to other tobacco and cigars or cigarettes that exceed 0.8 grams in weight per stick of actual tobacco content

Excise collected on cigarette sticks and other tobacco products remained steady from the previous year at $\$ 5.2$ billion (figure 13.3). The quantities of cigarettes subject to excise duty in 2004-05 fell 3\% from the previous year to 22.82 billion sticks.

From 1995-96 to 2004-05 excise collected from tobacco products have more than tripled (figure 13.3). Much of the increase occurred in 1997-98 and was due to the introduction of the excise surcharge in 1997 to replace various state franchise fees previously levied on these products.

FIGURE 13.3: Excise collected from tobacco products ${ }^{1}$, 1995-96 to 2004-05 financial years


1 An excise surcharge on tobacco and petroleum was introduced in 1997 to replace the various state business franchise fees previously levied on these products. Surcharges were no longer payable following the introduction of GST on 1 July 2000. Although excise collections for 2000-01 still include some surcharge payments, they relate to clearances made in June 2000.

## ALCOHOL

Australian manufacturers, distillers, brewers and distributors of alcoholic beverages not subject to wine equalisation tax have a responsibility under the Excise Act 1901 and Excise Tariff Act 1921 to pay excise duty.
Excise duty applies to:

- beer (except home brew, which is not subject to excise)
- spirits such as brandy, rum and vodka (unless the spirit is purchased for an approved purpose under the concessional spirits scheme - see box 13.1)
- liqueurs, and
- other alcoholic beverages not subject to wine equalisation tax.

Customs duty applies to imported alcoholic beverages, unless such alcohol is entered using Tariff Treatment Code 444, in which case liability is shifted from Customs to the Tax Office.

In 2004-05 excise collected from alcohol products (beer and spirits) increased by $4 \%$ from the previous year to $\$ 2.39$ billion (figure 13.4), driven mainly by continuing high levels collected from spirits (see 'Spirits' section on the next page and table 13.7).

From 1995-96 to 2004-05 the amount of excise collected from alcohol products has more than doubled (figure 13.4). Most of the increase occurred in 2000-01 when excise rates were increased to offset the abolition of wholesale sales tax on beer.

FIGURE 13.4: Excise collected from alcohol products ${ }^{1}$, 1995-96 to 2004-05 financial years


1 Excise rates on beer, spirits, liqueurs and other alcoholic drinks not subject to wine equalisation tax were increased on 1 July 2000 to offset the removal of wholesale sales tax.

## Beer

Excise duty rates applying to beer vary according to alcohol content and container size. The duty-free threshold for beer is $1.15 \%$ alcohol content.

TABLE 13.6: Excise rates on beer and other excisable beverages (of an alcoholic strength not exceeding 10\%), 2004-05 financial year

| Item | 1 Jul 04 to 1 Aug 04 \$/litre of alcohol | 2 Aug 04 to 31 Jan 05 \$/litre of alcohol | 1 Feb 05 to 30 Jun 05 \$/litre of alcohol |
| :---: | :---: | :---: | :---: |
| Beer, in individual containers not exceeding 48 litres |  |  |  |
| - not exceeding 3\% by volume of alcohol | 30.07 | 30.49 | 30.86 |
| - exceeding 3\% but not exceeding $3.5 \%$ by volume of alcohol | 35.04 | 35.53 | 35.96 |
| - exceeding 3.5\% by volume of alcohol | 35.04 | 35.53 | 35.96 |
| Beer, in individual containers exceeding 48 litres |  |  |  |
| - not exceeding 3\% by volume of alcohol | 6.01 | 6.09 | 6.16 |
| - exceeding $3 \%$ but not exceeding $3.5 \%$ by volume of alcohol | 18.86 | 19.12 | 19.35 |
| - exceeding 3.5\% by volume of alcohol | 24.67 | 25.02 | 25.32 |
| Other excisable beverages, of an alcoholic strength not exceeding 10\% | 35.04 | 35.53 | 35.96 |

## Spirits

Spirit manufactured in Australia is generally subject to excise duty (see box 13.1 for circumstances where the duty may be waived).

From 1 February 2002, imported spirits used to make ready-todrink beverages by mixing with Australian-manufactured soft drinks and other ingredients have also been subject to excise duty, rather than customs duty. Consequently, the total quantity of excise collected from spirits has increased from that date. Excise collections from spirits was $\$ 739.0$ million in 2004-05 (figure 13.5), an increase of $10 \%$ over the previous year.

TABLE 13.7: Excise duty rates applying to spirits and other excisable beverages, of an alcoholic strength exceeding 10\%, 2004-05 financial year

| Item | 1 Jul 04 to 1 Aug 04 <br> \$/litre of alcohol | 2 Aug 04 to 31 Jan 05 <br> \$/litre of alcohol | 1 Feb 05 to 30 Jun 05 <br> \$/litre of alcohol |
| :--- | ---: | ---: | ---: | ---: |
| Brandy | 55.43 | 56.21 | 56.88 |
| Fruit brandy, whisky, rum, liqueurs, <br> spirits not elsewhere included; and <br> other excisable beverages of an <br> alcohol strength exceeding 10\% |  |  |  |

FIGURE 13.5: Excise collected from spirits ${ }^{1}$, 1995-96 to 2004-05 financial years


1 Excise rates on beer, spirits, liqueurs and other alcoholic drinks not subject to wine equalisation tax were increased on 1 July 2000 to offset the removal of wholesale sales tax. In addition, from 1 February 2002, imported spirits used to make ready-to-drink beverages by mixing with Australian-manufactured soft drinks and other ingredients have also been subject to excise duty (rather than customs duty).

## BOX 13.1: Concessional spirits scheme

While spirit of any kind manufactured in Australia is generally subject to excise duty, under specific circumstances that duty may be waived on spirit purchased for an approved purpose. In most cases, entities wanting to purchase spirit duty-free must obtain a permit and meet certain requirements.

Three types of spirit may be purchased at the duty-free rate (some require permits, while others do not):

- undenatured spirit, or ethyl alcohol (ethanol) - requires a permit.
partially denatured spirit, or specially methylated spirit - requires a permit, and
fully denatured spirit, or industrial methylated spirit does not require a permit.

Similarly, isopropyl, or isopropynol alcohol, does not require a permit.

For undenatured spirits to qualify for the concessional rate, the following uses are approved:

- essences
- medicines
products labelled as mouth washes or gargles (even if other uses are indicated)
- vinegar and articles of food and drink (excluding spirituous beverages)
- fortification of non-grape wine
- for use in chemical or biological laboratories
- for use in hospitals, educational or similar institutions, or
- other manufacturing purposes approved by the Tax Office.

For partially denatured spirit to qualify for the concessional rate, the denatured spirit should be used for industrial, scientific, educational or therapeutic purposes where it can be demonstrated that industrial spirit cannot be used as a suitable medium or material.

Anyone who intends to use spirit for an approved purpose as outlined above may apply to the Tax Office for a permit. However, some groups do not need a permit to purchase concessional spirits. These include:

- traditional health care practitioners such as doctors, chiropractors, dentists, osteopaths, physiotherapists, registered nurses and veterinary surgeons (up to 60 litres each year)
- alternative health care practitioners such as acupuncturists, herbalists, homeopaths and naturopaths with a current Therapeutic Goods Act certificate (up to 60 litres each year)
pharmacists with a current practitioners certificate number (up to 120 litres each year), and
educational institutions such as universities, schools and colleges, agricultural institutes and technical colleges (up to 5 litres each year).


## CRUDE OIL

Crude oil excise applies to all onshore stabilised crude petroleum oil (a free rate applies for the first 30 million barrels) and crude produced from fields within certain permit areas in the North-West Shelf, where that field has reached total accumulated production of 30 million barrels. Crude oil from offshore areas located outside the North-West Shelf permit zones is subject to petroleum resource rent tax.
Calculation of crude oil excise liability is essentially a two-step process. Firstly, marginal rates are applied to production. The marginal rates and thresholds used depend on whether the oil field in question is classified as 'old', 'new' or 'intermediate'. Once marginal rates have been applied to production the volume weighted average realised (VOLWARE) price is used to determine the crude oil excise liability for the month. This price is determined each month by the Tax Office.

Crude oil excise collections increased by $116 \%$ to $\$ 668.0$ million in 2004-05 (figure 13.6). The increase was driven by strong production and a higher VOLWARE price.

FIGURE 13.6: Excise collected from crude oil, 1995-96 to 2004-05 financial years


## DETAILED TABLE

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

## Table 1: Excise collections, 1995-96 to 2004-05 financial years

This table shows excise collected from beer, spirits, tobacco, petroleum and crude oil for the 1995-96 to 2004-05 financial years.

It is also at the end of this chapter (see table 13.8).

## TIME SERIES TABLE

Table 13.8 shows excise collected from beer, spirits, tobacco, petroleum and crude oil for the 1995-96 to 2004-05 financial years. This table is also available on the attached CD-ROM and in the online version of this publication on the Tax Office website. It may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.
TABLE 13.8: Excise collections ${ }^{1}$, 1995-96 to 2004-05 financial years

| Product | $\begin{array}{r} 1995-96^{3} \\ \$ \end{array}$ | $\begin{array}{r} 1996-97^{4} \\ \$ \end{array}$ | $\begin{array}{r} 1997-98^{4} \\ \$ \end{array}$ | $\begin{array}{r} 1998-99^{5} \\ \$ \end{array}$ | $\begin{array}{r} 1999-2000^{6} \\ \$ \end{array}$ | $\begin{array}{r} 2000-01^{6} \\ \$ \end{array}$ | $\begin{array}{r} 2001-02^{6} \\ \$ \end{array}$ | $\begin{array}{r} 2002-03^{6} \\ \$ \end{array}$ | $\begin{array}{r} 2003-04^{6} \\ \$ \end{array}$ | $\begin{array}{r} 2004-05^{6} \\ \$ \end{array}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Beer | 844,788,300 | 875,421,681 | 876,420,742 | 873,858,570 | 883,345,228 | 1,696,852,167 | 1,656,952,110 | 1,679,000,687 | 1,638,000,000 | 1,653,000,000 |
| Spirits | 200,608,116 | 164,283,255 | 141,510,329 | 144,469,858 | 155,240,920 | 237,571,457 | 339,139,895 | 560,442,695 | 662,000,000 | 739,000,000 |
| Tobacco - base | 1,614,386,251 | 1,713,085,043 | 1,648,740,024 | 1,633,735,774 | 1,658,905,895 | 4,637,484,401 | 4,840,582,580 | 5,212,262,281 | 5,240,000,000 | 5,220,000,000 |
| Tobacco - surcharge ${ }^{1}$ | n.a. | n.a. | 2,384,086,448 | 3,060,739,346 | 3,139,369,801 | 61,236,050 | n.a. | n.a. | n.a. | n.a. |
| Petroleum - base $^{2}$ | 10,426,684,522 | 10,638,989,612 | 10,893,067,416 | 10,939,585,831 | 11,192,156,172 | 11,916,088,279 | 12,385,674,832 | 12,865,062,253 | 13,230,000,000 | 13,608,000,000 |
| Petroleum - surcharge ${ }^{1}$ | n.a. | n.a. | 1,948,454,014 | 2,545,207,153 | 2,561,010,591 | 254,205,349 | n.a. | n.a. | n.a. | n.a. |
| Crude | 7,342,309 | 9,397,535 | 15,361,411 | 20,596,390 | 218,669,876 | 526,439,080 | 393,113,491 | 417,476,469 | 309,000,000 | 668,000,000 |
| Total excise (includes surcharge) ${ }^{1}$ | n.a. | n.a. | 17,907,640,384 | 19,218,192,922 | 19,808,698,483 | 19,329,876,783 | n.a. | n.a. | n.a. | n.a. |
| Total excise (excludes surcharge) | 13,093,809,497 | 13,401,177,127 | 13,575,099,922 | 13,612,246,423 | 14,108,318,091 | 19,014,435,384 | 19,615,462,908 | 20,734,244,385 | 21,079,000,000 | 21,888,000,000 |
| Notes: <br> * The symbol 'n.a.' used <br> 1 Surcharge excise on to of GST on 1 July 2000 <br> 2 For 2000-01, excise co <br> 3 Data for 1995-96 is ext <br> 4 Data for 1996-97 and <br> 5 Data for 1998-99 is fro <br> 6 Data is based on inform | ublication means no and petroleum was excise collection from petroleum incl from the Customs is from the Custom ustoms QSP financia om the Customs Q | applicable or not ava oduced in 1997 follo for 2000-01 still inclu es a total of \$33.1 m mmercial Database QSP financial syste system. Data includ financial system and | able. <br> wing a High Court cas e surcharge amount ion GST special petr CDB). <br> data but does not in refunds. from the Tax Office | e involving state bus they relate to cleara leum credit. <br> lude refunds. <br> AP system and inclu | ess franchise fees. ces made in June 2000 <br> s refunds. | urcharge data does 0. | include administra | costs. Surcharges | were ceased with | oduction |

## (1) HIGHLIGHTS

- On 1 July 2003 the energy grants credits scheme replaced the diesel fuel rebate scheme and the diesel and alternative fuels grants scheme. The benefits and legislative requirements of these two schemes are preserved in the energy grants credits scheme. Benefits previously provided by the diesel fuel rebate scheme are now referred to as 'off-road grants' and benefits previously provided by the diesel and alternative fuels grants scheme as 'on-road grants'.
- Total off-road grants paid under the energy grants credits scheme increased by $13 \%$ to around $\$ 2.6$ billion in 2004-05, from $\$ 2.3$ billion in 2003-04.
- Total on-road grants paid under the energy grants credits scheme increased by $6 \%$ to around $\$ 902.4$ million in 2004-05, from $\$ 855.4$ million in 2003-04.
- Grants paid under the fuel sales grants scheme increased by $11 \%$ to $\$ 257.5$ million in 2004-05, from $\$ 232.6$ million in 2003-04.
- Approximately $\$ 15.8$ million was paid under the product stewardship for oil program, an increase of around $22 \%$, from $\$ 13.0$ million in 2003-04.
- Grants totalling around $\$ 1.7$ million were paid under the cleaner fuels grants scheme.

Excise duty is levied on fuel produced in Australia and an equivalent rate of customs duty is levied on petroleum products imported into Australia. A grant to businesses and other enterprises is provided for certain off-road and on-road uses of diesel and alternative fuels through the energy grants credits scheme.

From 1 July 2003 the energy grants credits scheme replaced the diesel fuel rebate scheme and the diesel and alternative fuels grants scheme. Those claiming under the off-road or on-road schemes were automatically registered for the new scheme. In addition, the energy grants credits scheme contains concessions for a number of new activities or uses of diesel fuel that were previously dealt with through excise remissions or refunds.

There are three other schemes.
The fuel sales grants scheme, implemented in July 2000, provides a grant to fuel retailers for the sale of petrol and diesel in regional and remote areas where fuel prices are generally higher.
The product stewardship for oil program was implemented from 1 January 2001 to encourage environmentally and economically sustainable re-use of waste oils.

The cleaner fuels grants scheme, which came into effect on 18 September 2003, provides for the payment of a grant to licensed excise manufacturers (including holders of storage licences) and to importers of eligible fuels, where the fuel meets cleaner fuel standards.

This chapter contains statistics on grants or benefits paid under these four energy grants credits schemes for the 2004-05 financial year.

## SOURCE OF THE GRANT STATISTICS

Statistics for this chapter are sourced from various registration and claim forms (the energy grants credits scheme, fuel sales grants scheme, product stewardship for oil program and cleaner fuels grants scheme claim forms). Most claims are lodged using paper forms, but some are lodged electronically through the Tax Office's electronic commerce interface or through the electronic lodgment service.
In July 2002 the Tax Office introduced a new claim process, eGrant, to eliminate the need for some clients to lodge paper forms to claim under the diesel and alternative fuels grants scheme. This has been extended to the energy grants credits scheme. Under eGrant, the information on fuel transactions is captured at the point of sale by a fuel card and forwarded to the Tax Office to authorise payment of the claim.

## ENERGY GRANTS CREDITS SCHEME -OFF-ROAD ACTIVITY

Under the energy grants credits scheme (off-road), a grant is issued equivalent to the excise and customs duty paid on diesel and like fuels purchased for specific off-road uses. The primary purpose of the scheme is to maintain competitiveness in key export industries, such as mining and agriculture.
The off-road grant is generally payable on diesel fuel and like fuels used in the following activities:

- mining operations (use of any vehicle on a public road is not eligible)
- primary production - forestry, agriculture and fishing (use of a road vehicle on a public road is not eligible)
- electricity generation at certain residential, retail and hospitality premises
- hospitals, nursing homes, homes for the aged and any other institution providing medical or nursing care
- rail transport (use of a road vehicle on a public road is not eligible), and
- marine transport (but only in the course of carrying on a business or other enterprise).

During 2003-04 the scheme was broadened to include grants for:

- use of 'specified diesel' as a burner fuel. Clients with remission certificates for this product that was administered under the Excise Regulations were transitioned to the energy grants credits scheme from September 2003, and
- use of diesel in certain industrial processes. Clients previously claiming refunds or remissions administered under the Excise Regulations were transitioned to the energy grants credits scheme from July 2003 and registered under the 'specified industrial' activity.

The off-road grant for most off-road activities for 2004-05 was 38.143 cents per litre. The rate payable for like fuels, which attract a lower rate of excise duty, was 7.557 cents per litre. The grant rates have not been adjusted in line with consumer price index changes since biannual indexation of petroleum excise rates was abolished from 1 March 2001.

The two exceptions to the rates outlined in the previous paragraph are grants paid:

- to agricultural clients, who were paid a marginally higher rate in recognition of the effect of the recent severe drought on their businesses. The agriculture grant rate was 39.000 cents per litre for claims lodged from 1 July 2004 to 31 December 2004, and 38.714 cents per litre for claims lodged from 1 January 2005 to 30 June 2005 inclusive, and
- for the use of 'specified diesel' as a burner fuel, which attracts a grant of 30.586 cents per litre.


## TOTAL GRANTS PAID - OFF-ROAD ACTIVITY

FIGURE 14.1: Total energy grants credits scheme off-road grants paid ${ }^{1,2}$, 1995-96 to 2004-05 financial years

| $\$ \mathrm{~m}$ | $\square$ Prior to 2000 reforms $\quad$ DFRS extended $\quad$ EGCS |
| :--- | :--- |
| 3,000 |  |



1 From 2000-01 total rebates or grants paid include amounts payable for diesel fuel and like fuels used for marine and rail transport, and like fuels used for other specific off-road uses.
2 From July 2003 grants paid include diesel fuel claimed under the 'specified industrial' activity, and from September 2003 for 'specified diesel for use as a burner fuel' activity.

TABLE 14.1: Energy grants credits scheme off-road fuel grants paid, by entity, 2004-05 financial year

| Entity | Amount paid |  |
| :--- | ---: | ---: |
|  | $\$ \mathbf{\$ 0 0 0}$ | $\%$ |
| Company | $1,872,259$ | 72.9 |
| Partnership | 323,618 | 12.6 |
| Government | 151,283 | 5.9 |
| Individual | 54,809 | 2.1 |
| Other | 166,808 | 6.5 |
| Total ${ }^{1}$ | $\mathbf{2 , 5 6 8 , 7 7 8}$ | $\mathbf{1 0 0 . 0}$ |
| 1 Total amount may differ slightly from the sum of components due to rounding. |  |  |

## ENERGY GRANTS CREDITS SCHEME OFF-ROAD GRANTS PAID TO INDUSTRY SECTORS AND OPERATIONS

TABLE 14.2: Energy grants credits scheme off-road grants paid, by industry/operation, 2004-05 financial year

| Industry/ operation | Number of claims paid |  | Total amount paid |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | \$'000 | \% |
| Agriculture | 177,627 | 83.9 | 583,007 | 22.7 |
| Forestry | 6,938 | 3.3 | 53,848 | 2.1 |
| Fishing | 6,959 | 3.3 | 92,313 | 3.6 |
| Mining | 9,620 | 4.5 | 1,254,105 | 48.7 |
| Specified industrial | 473 | 0.2 | 56,520 | 2.2 |
| Electricity generation ${ }^{2}$ | 3,042 | 1.4 | 17,219 | 0.7 |
| Rail | 526 | 0.2 | 290,816 | 11.3 |
| Marine | 5,859 | 2.8 | 173,406 | 6.8 |
| Nursing \& medical | 227 | 0.1 | 1,750 | 0.13 |
| Burner | 578 | 0.3 | 45,795 | 1.8 |
| Total ${ }^{3}$ | 211,849 | 100.0 | 2,568,779 | 100.0 |

1 Claims processed during the period may not necessarily relate to fuel purchased during the same period.
2 From 1 July 2002 diesel fuel rebate scheme rebates categorised in this table as 'Electricity generation' include those paid for diesel fuel purchased to generate electricity at retail and hospitality businesses where there is no ready access to a commercial supply of electricity. This category was referred to as 'Residential' in past editions of Taxation Statistics.
3 Total amount may differ slightly from the sum of components due to rounding.

## ENERGY GRANTS CREDITS SCHEME OFF-ROAD GRANTS PAID TO STATE/TERRITORY CLAIMANTS

TABLE 14.3: Energy grants credits scheme off-road grants paid, by state/territory ${ }^{1}$, 2004-05 financial year

| State/ territory | Number of claims ${ }^{2}$ |  | Total amount paid |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | \$'000 | \% |
| NSW (includes ACT) | 61,995 | 29.3 | 609,572 | 23.8 |
| VIC | 41,991 | 19.8 | 289,705 | 11.3 |
| QLD | 51,760 | 24.4 | 723,052 | 28.1 |
| WA | 22,340 | 10.5 | 684,394 | 26.7 |
| SA | 23,355 | 11.0 | 146,501 | 5.7 |
| TAS | 7,108 | 3.4 | 55,000 | 2.1 |
| NT | 1,615 | 0.8 | 52,155 | 2.0 |
| State/territory not stated | 1,685 | 0.8 | 8,397 | 0.3 |
| Total ${ }^{3}$ | 211,849 | 100.0 | 2,568,778 | 100.0 |

1 State/territory is based on a client's business address used to prepare claims and may not reflect where the fuel was actually used.
2 Claims processed during the period may not necessarily relate to fuel purchased during the same period.
3 Total amount may differ slightly from the sum of components due to rounding.

## ENERGY GRANTS CREDITS SCHEME -ON-ROAD ACTIVITY

Under the energy grants credits scheme (on-road), grants are provided for the on-road use of fuel by businesses and other entities. The scheme is designed to help regional and rural Australia, in particular, but the benefits of lower transport and production costs are expected to flow on to all Australians.

The on-road grant is available for the use of diesel (including diesel blended with recycled waste oil) and specified alternative fuels (liquefied petroleum gas, ethanol, compressed natural gas, liquefied natural gas and biodiesel) based on a flat rate per litre of fuel. The exception is compressed natural gas, which is calculated on a per cubic metre basis. Following the abolition of indexation of the excise duty rates on petroleum and other types of fuel from 1 March 2001, on-road grant rates for the energy grants credits scheme are no longer automatically indexed in line with movements in the consumer price index.
The rates for on-road grants are listed in table 14.4.

TABLE 14.4: Energy grants credits scheme on-road rates for 2004-05

| Fuel | Rate (cents <br> per litre or <br> cubic metre) |
| :--- | ---: |
| On-road diesel fuel (including diesel blended <br> with recycled waste oil) | 18.510 |
| On-road alternative fuels | 11.925 |
| - Liquefied petroleum gas | 20.809 |
| - Ethanol | 12.617 |
| - Compressed natural gas | 8.130 |
| - Liquefied natural gas |  |
| - Biodiesel (effective from 18 September 2003) |  |
| that is the subject of a fuel standard under |  |
| the Fuel Quality Standards Act 2000 and |  |
| complies with that standard |  |$\quad 18.510$

Generally, the on-road grant is available to businesses and other enterprises for the on-road use of diesel and alternative fuels in vehicles with a gross vehicle mass of 4.5 tonnes or more that are registered for use on public roads.

## ENERGY GRANTS CREDITS SCHEME ON-ROAD GRANTS PAID TO INDUSTRY SECTORS

TABLE 14.5: Energy grants credits scheme on-road grants paid, by industry, 2004-05 financial year

| Industry | Number of claims paid ${ }^{1}$ |  | Total amount paid |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | $\%^{2}$ | \$'000 | \% ${ }^{2}$ |
| Agriculture | 25,533 | 10.7 | 32,799 | 3.6 |
| Forestry | 2,016 | 0.8 | 7,295 | 0.8 |
| Fishing | 421 | 0.2 | 418 | 0.0 |
| Mining | 1,638 | 0.7 | 10,332 | 1.1 |
| Manufacturing | 8,123 | 3.4 | 32,835 | 3.6 |
| Electricity, gas \& water supply | 410 | 0.2 | 2,285 | 0.3 |
| Construction | 20,477 | 8.6 | 45,924 | 5.2 |
| Wholesale trade | 10,886 | 4.6 | 30,712 | 3.4 |
| Retail trade | 10,194 | 4.3 | 19,219 | 2.1 |
| Accommodation, cafes \& restaurants | 557 | 0.2 | 1,407 | 0.2 |
| Transport \& storage | 139,498 | 58.2 | 646,185 | 71.7 |
| Communication | 3,395 | 1.4 | 11,029 | 1.2 |
| Finance \& insurance | 945 | 0.4 | 6,493 | 0.7 |
| Property \& business services | 5,166 | 2.2 | 17,110 | 1.9 |
| Government, administration \& defence | 2,657 | 1.1 | 17,051 | 1.9 |
| Education | 705 | 0.3 | 644 | 0.1 |


|  <br> community <br> services | 342 | 0.1 | 368 | 0.0 |
| :--- | ---: | ---: | ---: | ---: |
|  <br> recreational <br> services | 1,031 | 0.4 | 1,036 | 0.1 |
|  <br> other services | 5,191 | 2.2 | 19,174 | 2.1 |
| Other $^{3}$ | 50 | 0.0 | 84 | 0.0 |
| Total $^{4}$ | $\mathbf{2 3 9 , 2 3 5}$ | $\mathbf{1 0 0 . 0}$ | $\mathbf{9 0 2 , 4 0 2}$ | $\mathbf{1 0 0 . 0}$ |

[^8]
## ENERGY GRANTS CREDITS SCHEME ON-ROAD GRANTS PAID TO STATE/TERRITORY CLAIMANTS

TABLE 14.6: Energy grants credits scheme on-road grants paid, by state/territory ${ }^{1}$, 2004-05 financial year

| State/ territory | Number of claims ${ }^{2}$ |  | Total amount paid |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | $\%^{3}$ | \$'000 | $\%^{3}$ |
| NSW <br> (includes ACT) | 71,842 | 30.0 | 258,116 | 28.6 |
| VIC | 57,080 | 23.9 | 237,021 | 26.3 |
| QLD | 56,923 | 23.8 | 201,956 | 22.4 |
| WA | 25,606 | 10.7 | 92,322 | 10.2 |
| SA | 19,618 | 8.2 | 85,104 | 9.4 |
| TAS | 6,485 | 2.7 | 19,874 | 2.2 |
| NT | 1,649 | 0.7 | 7,850 | 0.9 |
| State/territory not stated | 32 | 0.0 | 160 | 0.0 |
| Total ${ }^{4}$ | 239,235 | 100.0 | 902,402 | 100.0 |

1 State/territory is based on a client's business address used to prepare claims and may not reflect where the fuel was actually used.
2 Claims processed during the period may not necessarily relate to fuel purchased during the same period.
3 A value of $0.0 \%$ indicates a share of less than $0.05 \%$.
4 Total amount may differ slightly from the sum of components due to rounding.

## FUEL SALES GRANTS SCHEME

The fuel sales grants scheme was introduced on 1 July 2000 to provide a grant to fuel retailers for the sale of petrol and diesel in regional and remote areas where fuel prices are generally higher. The scheme was designed so that, combined with the cut in excise rates on petrol and diesel (implemented under tax reforms to offset the effects of the goods and services tax), the price of fuel in non-metropolitan areas did need to change relative to metropolitan areas. It is scheduled to cease on 1 July 2006.

The grant is paid to fuel retailers on sales of fuel, after 30 June 2000, to final consumers in defined non-metropolitan zones. This includes sales by distributors of bulk fuel to end users such as farms and mines where the sale occurs in a defined non-metropolitan zone.
The grant is paid at 1 cent per litre for non-metropolitan zones and 2 cents per litre for remote zones. If fuel has been sold consistently in a remote zone at more than $\$ 1.20$ per litre, fuel retailers are eligible for an additional grant of 1 cent per litre.

Eligible fuels for the grant include leaded and unleaded petrol, diesel, light fuel oil and two-stroke.

TABLE 14.7: Fuel sales grants scheme grants paid, by entity, 2004-05 financial year

| Entity | Number of claims paid |  | Total amount |  |
| :---: | :---: | :---: | :---: | :---: |
|  | No. | \% ${ }^{2}$ | \$'000 | \% ${ }^{2}$ |
| Company | 9,540 | 38.5 | 204,635 | 80.0 |
| Trust | 5,300 | 21.4 | 37,347 | 14.5 |
| Partnership | 7,831 | 31.6 | 12,793 | 5.0 |
| Individual | 2,068 | 8.3 | 2,705 | 1.1 |
| Government organisation | 60 | 0.2 | 43 | 0.0 |
| Superannuation fund | 5 | 0.0 | 22 | 0.0 |
| Total ${ }^{3}$ | 24,804 | 100.0 | 257,544 | 100.0 |
| 1 Claims processed during the period may not necessarily relate to fuel purchased during the same period. |  |  |  |  |

TABLE 14.8: Fuel sales grants scheme grants paid, by state/territory ${ }^{1}$, 2004-05 financial year

| State/ territory | Number of claims paid ${ }^{2}$ |  | Total amount paid |  | Litres claimed |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | No. | \% | \$'000 | \% |  |
| NSW (includes ACT) | 6,690 | 27.0 | 68,984 | 26.8 | 6,695 |
| VIC | 3,218 | 13.0 | 111,337 | 43.2 | 9,102 |
| QLD | 7,651 | 30.8 | 38,165 | 14.8 | 3,448 |
| WA | 2,661 | 10.7 | 19,108 | 7.4 | 1,463 |
| SA | 2,206 | 8.9 | 11,461 | 4.5 | 989 |
| TAS | 1,774 | 7.2 | 5,050 | 2.0 | 494 |
| NT | 604 | 2.4 | 3,436 | 1.3 | 221 |
| Total ${ }^{3}$ | 24,804 | 100.0 | 257,544 | 100.0 | 22,414 |

1 State/territory is based on a client's business address used to prepare claims and may not reflect where the fuel was actually sold to the motorist or end user.
2 Claims processed during the period may not necessarily relate to fuel purchased during the same period.
3 Total amount may differ slightly from the sum of components due to rounding.

## PRODUCT STEWARDSHIP FOR OIL PROGRAM

The product stewardship for oil program began on 1 January 2001, fulfilling the government's May 1999 commitment outlined in the Measures for a better environment package.
Under the program, the government collects an excise levy on all petroleum-based oils or synthetic equivalents. The levy applies to both domestic and imported oils and is paid by oil producers and importers. Benefits are paid to recyclers as a volume-based incentive to encourage and increase the environmentally sustainable management and recycling of waste oil and to support economic recycling options.

While the Department of the Environment and Heritage has primary responsibility for the product stewardship for oil program, the Tax Office administers the program by collecting the oil levy and paying the benefit.
At 30 June 2005 an excise levy of 5.449 cents per litre was levied on the following oils and lubricants:

- petroleum-based oils - including lubricant base oils, prepared lubricant additives containing carrier oils, lubricants, hydraulic fluids, brake fluids, transmission oils, and transformer and heat transfer oils
$\square$ petroleum-based greases, and
- synthetic equivalents of the above products.

For the 2004-05 financial year, a total of $\$ 21.1$ million in excise was collected under the product stewardship for oil program.
The program has a small client base, with 65 recyclers currently registered and claiming benefits.
Eight categories of products attract a benefit under the scheme, with different categories of recycled products attracting different benefits (table 14.9). The amount of benefit paid for each of these categories depends on the level of processing and the end product of the recycling activities. If the recycled oil for which a benefit is claimed attracts an excise liability once it has been recycled, the duty for this product must be paid to the Tax Office.

| Category number | Category description | Rate (cents/litre) |
| :---: | :---: | :---: |
| 1 | Re-refined base oil (for use as a lubricant or a hydraulic or transformer oil) | 50 |
| 2 | Other re-refined base oils (for example, chain bar oil) | 10 |
| 3 | Diesel fuels subject to the Excise Tariff Act 1921 | 7 |
| 4 | Diesel extenders (filtered, de-watered, de-mineralised) | 5 |
| 5 | High-grade industrial burner oils (filtered, de-watered and de-mineralised) | 5 |
| 6 | Low-grade industrial burner oils (filtered and de-watered) | 3 |
| $7^{2}$ | Industrial process oils and lubricants, including hydraulic and transformer oils (re-processed or filtered but not re-refined) | 0 |
| 8 | Specific uses of eligible oils as gazetted by the Minister for the Environment and Heritage. The minister may declare additional uses of oil as eligible under this category. | 5.449 |
| 9 | Recycled oil, eligible for categories 5 or 6 , blended with a petroleum product that meets the criteria specified in the amended Product Stewardship (Oil) Regulations 2000. | 9.557 |

TABLE 14.10: Product stewardship for oil benefit payments, 2004-05 financial year

| Number of <br> claims paid ${ }^{1,2}$ | Total amount <br> paid (\$’000) | Litres claimed <br> ('000) |
| :--- | ---: | ---: |
| 526 | 15,765 | 253,054 |

1 No further breakdown of claims paid, total amount or litres claimed can be provided because of secrecy and privacy regulations.
2 Recyclers may lodge more than one claim a year.

## CLEANER FUELS GRANTS SCHEME

The cleaner fuels grants scheme provides for payment of a cleaner fuels grant to importers and manufacturers of cleaner fuels. It provides a financial incentive for investment and encourages conversion to the most appropriate cleaner fuels.
The first fuel to be subject to the scheme was biodiesel, which became excisable at 38.143 cents per litre from 18 September 2003.
The cleaner fuels grant offsets the customs/excise duty payable on biodiesel, enabling an effective excise rate of zero for pure biodiesel and biodiesel components of blends, until 30 June 2011. On 1 July 2011, and then on 1 July each subsequent year until 30 June 2015, the grant will be reduced in five equal instalments, raising the effective excise rate from zero.

From 1 July 2011 fuels such as compressed natural gas, liquefied natural gas, liquefied petroleum gas, ethanol and methanol will be eligible for the cleaner fuels grant. The grant for these products will be phased out over the same five-year period as for biodiesel.

Currently the scheme has a very small client base, with six clients claiming benefits in 2004-05.

TABLE 14.11: Cleaner fuels grants scheme payments, 2004-05 financial year

| Number of <br> claims paid |  |  |
| :--- | ---: | ---: |
| 59 | Total amount <br> paid (\$'000) | Litres claimed <br> ('000) |
| 1,685 | 4,418 |  |

1 No further breakdown of claims paid, total amount or litres claimed can be provided because of secrecy and privacy regulations.

## DETAILED TABLES

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

Table 1: $\quad$ Energy grants credits scheme (off-road) - quantity and value of claims paid, by industry/operation, 1995-96 to 2004-05 financial years
This table reports the number of claims, quantity of fuel and the value of off-road grants claimed by the mining, agriculture, forestry, fishing, marine transport and rail transport industry sectors, as well as those claimed by residential, nursing homes, aged homes, hospitals and other medical operations. The statistics are for the 1995-96 to 2004-05 financial years.

This table is also available at the back of the chapter (see table 14.12).

Table 2: $\quad$ Energy grants credits scheme (on-road) - quantity and value of claims paid, by industry, 2000-01 to 2004-05 financial years
This table reports the number of claims, quantity of fuel and the value of on-road grants claimed by different broad industry groups. The statistics are for the 2000-01 to 2004-05 financial years.

This table is also available at the back of the chapter (see table 14.13).

Table 3: $\quad$ Fuel sales grants scheme - quantity and value of claims paid, by state/ territory, 2000-01 to 2004-05 financial years
This table reports the number of claims, quantity of fuel and the value of fuel sales grants claimed by clients/entities in different states/territories. The state/territory is based on a client's business address and does not reflect where the fuel was actually sold to the motorist or end user. The statistics are for the 2000-01 to 2004-05 financial years.

This table is also available at the back of the chapter (see table 14.14).

Table 4:

## Product stewardship for oil program - quantity and value of benefits paid, by state/territory, 2001-02 to 2004-05 financial years

This table reports the number of claims quantity of fuel and the value of benefits claimed by clients/entities in different states/ territories under the product stewardship for oil program. The state/territory is based on a client's business address and does not reflect where the fuel was actually recycled or processed. The statistics are for the 2001-02 to 2004-05 financial years.

This table is also available at the back of the chapter (see table 14.15).

## TIME SERIES TABLES

The following tables show grants claimed under the energy grants credits scheme (off-road) for the 1995-96 to 2004-05 financial years, grants claimed under the energy grants credits scheme (on-road) and fuel sales grants scheme for the 2000-01 to 2004-05 financial years and product stewardship for oil program for the 2001-02 to 2004-05 financial years. These tables are also available on the Tax Office website. They may be viewed or downloaded in Adobe Acrobat (PDF), Microsoft Excel (XLS) or Comma Separated Values (CSV) file format.
TABLE 14.12: Energy grants credits scheme ${ }^{1}$ (off-road) - quantity and value of claims paid, by industry/operation, 1995-96 to 2004-05 financial years

| Industry/operation ${ }^{2}$ | 1995-96 |  |  | 1996-97 |  |  | 1997-98 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Claims paid | Litres paid | Total amount | Claims paid | Litres paid | Total amount | Claims paid | Litres paid |
|  | No. | Litres | \$ | No. | Litres | \$ | No. | Litres |
| Agriculture | 190,861 | 1,264,846,318 | 420,946,819 | 217,115 | 1,563,433,122 | 539,406,245 | 185,746 | 1,430,564,766 |
| Forestry | 5,551 | 109,746,522 | 36,415,469 | 6,125 | 110,187,475 | 37,977,282 | 5,169 | 95,134,260 |
| Fishing | 9,512 | 273,395,725 | 91,671,278 | 10,539 | 310,791,670 | 107,042,911 | 8,748 | 274,923,062 |
| Mining | 7,781 | 2,441,960,745 | 754,459,564 | 8,524 | 2,763,256,852 | 892,349,990 | 7,189 | 2,386,000,205 |
| Rail transport ${ }^{3}$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Marine transport ${ }^{3}$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Aged homes ${ }^{4}$ | 116 | 1,087,978 | 273,630 | 86 | 670,009 | 175,407 | 74 | 474,805 |
| Nursing homes ${ }^{4}$ | 98 | 729,623 | 183,227 | 87 | 521,801 | 136,593 | 58 | 335,493 |
| Hospitals ${ }^{4}$ | 401 | 7,999,808 | 2,029,047 | 406 | 7,004,780 | 1,851,535 | 288 | 6,393,987 |
| Other medical ${ }^{4}$ | 38 | 472,450 | 119,249 | 25 | 169,293 | 44,320 | 22 | 257,446 |
| Residential | 5,884 | 34,814,565 | 8,778,957 | 2,429 | 33,074,030 | 8,655,543 | 1,935 | 29,999,111 |
| Burner | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Like fuels ${ }^{5}$ | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Total | 220,242 | 4,135,053,734 | 1,314,877,239 | 245,336 | 4,789,109,032 | 1,587,639,827 | 209,229 | 4,224,083,135 |

TABLE 14．12：Energy grants credits scheme ${ }^{1}$（off－road）－quantity and value of claims paid，by industry／operation，1995－96 to 2004－05 financial years
2000－01
Litres paid Litres paid

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TABLE 14.12: Energy grants credits scheme ${ }^{1}$ (off-road) - quantity and value of claims paid, by industry/operation, 1995-96 to 2004-05 financial years

| Industry/operation ${ }^{2}$ | 2001-02 |  |  | 2002-03 |  |  | 2003-04 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Claims paid | Litres paid | Total amount | Claims paid | Litres paid | Total amount | Claims paid | Litres paid |
|  | No. | Litres | \$ | No. | Litres | \$ | No. | Litres |
| Agriculture | 175,956 | 1,529,873,461 | 550,721,376 | 176,084 | 1,512,174,341 | 576,794,332 | 172,441 | 1,511,767,532 |
| Forestry | 6,285 | 120,392,176 | 45,326,007 | 6,071 | 120,302,990 | 45,887,170 | 5,485 | 130,065,173 |
| Fishing | 8,638 | 267,735,979 | 101,481,043 | 7,613 | 255,666,175 | 97,518,749 | 6,005 | 257,735,707 |
| Mining | 7,256 | 2,577,258,486 | 979,992,265 | 7,362 | 2,905,670,618 | 1,108,271,332 | 5,997 | 3,251,090,741 |
| Rail transport ${ }^{3}$ | 453 | 580,291,651 | 221,522,966 | 444 | 687,997,687 | 262,422,958 | 448 | 656,940,504 |
| Marine transport ${ }^{3}$ | 4,664 | 350,862,096 | 133,692,597 | 4,793 | 322,706,649 | 123,089,997 | 4,534 | 718,195,723 |
| Aged homes ${ }^{4}$ | 86 | 512,389 | 196,076 | 91 | 773,214 | 294,927 | 221 | 4,716,792 |
| Nursing homes ${ }^{4}$ | 61 | 343,261 | 130,493 | 40 | 200,661 | 76,538 | n.a. | n.a. |
| Hospitals ${ }^{4}$ | 154 | 4,440,350 | 1,691,158 | 130 | 3,825,824 | 1,459,284 | n.a. | n. 2 |
| Other medical ${ }^{4}$ | 19 | 88,351 | 33,854 | 29 | 98,980 | 37,754 | n.a. | n.a. |
| Residential | 2,115 | 29,426,857 | 10,806,312 | 2,407 | 36,908,956 | 14,078,183 | 2,424 | 41,994,644 |
| Burner | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 149 | 11,235,916 |
| Like fuels ${ }^{5}$ | 194 | 654,859,038 | 49,609,316 | 230 | 682,347,720 | 51,565,018 | 213 | 141,489,964 |
| Total | 205,881 | 6,116,084,095 | 2,095,203,463 | 205,064 | 5,846,326,095 | 2,229,931,224 | 197,917 | 6,725,232,696 |

TABLE 14．12：Energy grants credits scheme ${ }^{1}$（off－road）－quantity and value of claims paid，by industry／operation，1995－96 to 2004－05 financial years
2004－05
Litres paid
Litres
$1,500,263,073$ 141，559，781 242，563，633 3，762，819，099 762，435，725
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45， $\begin{array}{r}\text { n．a．} \\ \text { 4．}\end{array}$ 149，724，707 296，564，395 7，311，907，394
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$56,519,678$
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Notes：
The symbol＇n．a．＇used in this publication means not applicable or not available．
1 This table is also available as a detailed table，which can be viewed or downloaded from the CD－ROM or from the online version of this publication on the Tax Office website．
Rebates paid to the different industries and operations show rebates paid for diesel fuel use only．
The diesel fuel rebate scheme was amended on 1 uly
4 From 1 July 2003 these activities have been combined．
5 As part of the diesel fuel rebate scheme extension，all bu
5 As part of the diesel fuel rebate scheme extension，all businesses
all rebates paid to all industries／operations that used like fuels．
Total amount





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## TABLE 14．13：Energy grants credits scheme ${ }^{1}$（on－road）－quantity and value of claims paid，by industry，2000－01 to 2004－05 financial years

| 2004－05 |  |
| :---: | :---: |
| Litres paid | Total amount |
| Litres | \＄ |
| 177，555，654 | 32，799，265 |
| 39，433，788 | 7，295，254 |
| 2，269，846 | 418，067 |
| 55，860，684 | 10，332，243 |
| 177，715，219 | 32，835，107 |
| 12，348，654 | 2，285，368 |
| 248，337，021 | 45，924，146 |
| 166，014，195 | 30，712，124 |
| 103，921，837 | 19，219，102 |
| 7，606，498 | 1，407，865 |
| 3，494，143，056 | 646，185，455 |
| 59，587，949 | 11，028，909 |
| 35，088，598 | 6，492，874 |
| 93，726，335 | 17，110，031 |
| 100，494，058 | 17，050，601 |
| 3，481，172 | 644，357 |
| 1，988，766 | 368，121 |
| 5，610，486 | 1，035，594 |
| 103，659，169 | 19，173，981 |
| n．a． | n．a． |
| 458，872 | 83，998 |
| 4，889，337，857 | 902，402，462 |

Claims paid

Total amount
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$29,843,504$
$8,152,383$
319，117
10，842，747
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44，049，146
$1,727,677$
$58,606,569$
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Notes：
This table is also available as a detailed table，which can be viewed or downloaded from the CD－ROM or from the onlin

| State/Territory ${ }^{2}$ | 2000-01 |  |  | 2001-02 |  |  | 2002-03 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Claims paid | Litres paid | Total amount ${ }^{4}$ | Claims paid | Litres paid | Total amount ${ }^{4}$ | Claims paid | Litres paid | Total amount ${ }^{4}$ |
|  | No. | Litres | \$,000 | No. | Litres | \$'000 | No. | Litres | \$'000 |
| NSW (includes ACT) | n.a. | n.a. | n.a. | 7,472 | 4,725,814,165 | 54,165 | 7,933 | 5,929,218,636 | 62,805 |
| VIC | n.a. | n.a. | n.a. | 3,730 | 6,334,672,283 | 89,452 | 3,901 | 6,487,555,832 | 85,111 |
| QLD | n.a. | n.a. | n.a. | 8,017 | 2,457,847,860 | 30,774 | 9,120 | 3,013,601,767 | 37,485 |
| WA | n.a. | n.a. | n.a. | 2,903 | 1,032,145,175 | 14,315 | 2,963 | 1,154,167,312 | 15,717 |
| SA | n.a. | n.a. | n.a. | 2,612 | 818,289,469 | 11,809 | 2,624 | 1,147,878,252 | 13,985 |
| TAS | n.a. | n.a. | n.a. | 1,749 | 424,316,729 | 4,532 | 2,014 | 463,826,328 | 4,612 |
| NT | n.a. | n.a. | n.a. | 815 | 204,941,388 | 3,426 | 711 | 230,101,377 | 3,391 |
| Not stated | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 6 | 178,304 | 3 |
| Total ${ }^{3}$ | n.a. | n.a. | 221,000 | 27,298 | 15,998,027,069 | 208,473 | 29,272 | 18,426,527,808 | 223,109 |



| State/Territory ${ }^{2}$ | 2003-04 |  |  | 2004-05 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | Claims paid | Litres paid | Total amount ${ }^{4}$ | Claims paid | Litres paid |
|  | No. | Litres | \$'000 | No. | Litres |
| NSW (includes ACT) | 6,929 | 5,217,479,860 | 56,522 | 6,690 | 6,695,015,423 |
| VIC | 3,317 | 7,283,351,792 | 103,790 | 3,218 | 9,102,307,926 |
| QLD | 8,158 | 2,684,159,211 | 32,190 | 7,651 | 3,448,590,446 |
| WA | 2,622 | 1,255,935,566 | 18,721 | 2,661 | 1,463,236,523 |
| SA | 2,336 | 1,048,109,953 | 13,470 | 2,206 | 989,229,304 |
| TAS | 1,766 | 434,739,707 | 4,485 | 1,774 | 494,265,948 |
| NT | 651 | 221,303,630 | 3,405 | 604 | 221,303,989 |
| Not stated | n.a. | n.a. | n.a. | n.a. | n.a. |
| Total ${ }^{3}$ | 25,779 | 18,145,079,719 | 232,583 | 24,804 | 22,413,949,559 |


1 This table is also available as a detailed table, which can be viewed or downloaded from the CD-ROM or from the online version of this publication on the Tax Office website.
2 State/territory is based on the claimant's business address and does not necessarily reflect where the fuel was actually sold to the motorist or end user.
3 Total amount may differ slightly from the sum of components due to rounding.
4 Amount reported for the 2000-01 financial year is rounded to millions. An unrou
TABLE 14.15: Energy grant schemes'. Product stewardship for oil program - quantity and value of benefits paid, by state/territory, 2001-02 to 2004-05 financial years

|  | $\begin{aligned} & \stackrel{\text { O}}{N} \\ & \underset{N}{N} \\ & \\ & N \end{aligned}$ | $$ |  | $\begin{aligned} & \infty \\ & \underset{N}{N} \\ & \tilde{j} \\ & \underset{\sim}{n} \end{aligned}$ | $\begin{aligned} & \text { L } \\ & \text { N } \\ & \text { N} \\ & \text { Hon } \end{aligned}$ | $\begin{aligned} & \text { n } \\ & \\ & \text { on } \\ & \end{aligned}$ | O-0 |
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|  | $\begin{aligned} & \tilde{N} \\ & \tilde{N} \\ & \tilde{N} \\ & \underset{\sim}{\prime} \end{aligned}$ | $\begin{aligned} & \infty \\ & \infty \\ & \infty \\ & \infty \\ & \underset{N}{N} \\ & \underset{\sim}{\circ} \end{aligned}$ | $\begin{aligned} & \text { O} \\ & 0 \\ & 0 \\ & \stackrel{0}{N} \\ & \underset{\sim}{5} \end{aligned}$ |  |  | $\begin{aligned} & \infty \\ & \infty \\ & 0 \\ & 0 \\ & 0 \\ & 0 \\ & 0 \\ & i \end{aligned}$ | N |
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|  | $\begin{aligned} & \infty \\ & \stackrel{\infty}{O} \\ & \stackrel{\rightharpoonup}{\Gamma} \\ & \stackrel{\rightharpoonup}{\circ} \end{aligned}$ | $\begin{aligned} & \otimes \\ & \underset{\sim}{N} \\ & \underset{\sim}{\sim} \\ & \underset{\sim}{2} \end{aligned}$ | N <br> N <br> 0 <br>  | $\begin{aligned} & \hat{N} \\ & \underset{\sim}{6} \\ & \stackrel{0}{\lambda} \end{aligned}$ | $\begin{aligned} & \text { N } \\ & \text { N } \\ & \text { on } \\ & \text { O} \end{aligned}$ | $\begin{aligned} & \underset{N}{N} \\ & \underset{\sim}{\underset{\sim}{\sim}} \end{aligned}$ |  |
|  | $\begin{aligned} & \hat{} \\ & \hat{N} \\ & \hat{N} \\ & \underset{J}{0} \end{aligned}$ |  |  |  |  | $\begin{aligned} & \text { o } \\ & \\ & \stackrel{N}{N} \\ & \underset{\sim}{6} \end{aligned}$ |  |
|  | $\underset{\sim}{N}$ | 8 | § | 〒 | $\stackrel{\sim}{\sim}$ | ल | 5 |
|  | $\begin{aligned} & \text { N } \\ & \stackrel{1}{6} \\ & \infty \\ & \stackrel{\circ}{\infty} \\ & \hline \end{aligned}$ | $\begin{aligned} & \underset{\sim}{N} \\ & \text { N } \\ & \underset{\sim}{N} \end{aligned}$ |  | $\begin{aligned} & \infty \\ & \text { o } \\ & \text { on } \\ & \text { ju } \end{aligned}$ | $\begin{aligned} & \stackrel{\otimes}{0} \\ & \stackrel{1}{S} \\ & \underset{\sim}{0} \end{aligned}$ | $\begin{aligned} & \stackrel{0}{\lambda} \\ & \stackrel{N}{N} \end{aligned}$ | 0 0 0 0 0 0 0 0 0 |
|  |  |  | $\begin{aligned} & \text { ó } \\ & \infty \\ & \infty \\ & \infty \\ & \infty \\ & \infty \end{aligned}$ |  | $\begin{aligned} & \text { o } \\ & \text { on } \\ & \text { N } \\ & \text { J } \end{aligned}$ | $\begin{aligned} & \underset{\sim}{N} \\ & \text { N } \\ & \text { N} \\ & \text { on } \end{aligned}$ |  |
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In recent years the Tax Office has worked in conjunction with community groups, industry representatives and tax practitioners on a range of activities. These activities are aimed at maintaining the integrity of the tax system, encouraging and improving record keeping practices among businesses, and reducing (as much as possible) compliance costs for business, particularly small business. Providing financial ratios or 'benchmarks' is one such activity.

## INDUSTRY FINANCIAL RATIOS

Financial ratio data related to gross profit, net profit and wages to turnover provides useful indicators of business activity and performance for tax practitioners, the business community and the Tax Office. The data is widely used in external publications and can be calculated from income tax return data.

The industry benchmark detailed tables contain financial ratio benchmark data for each entity type and most business activities (see box 15.3). The ratios calculated for each business activity have been used to produce two sets of mean average ratio values. The first set includes both profit making and loss making entities. It provides a benchmark figure for an entire business activity/industry division or group (box 15.3). The second set of ratios excludes businesses that return a loss, providing an industry average for 'profitable' businesses only.

## BOX 15.1: Financial ratios calculated ${ }^{1}$

Gross profit ratio: total business income minus cost of sales, divided by total business income.

Net profit ratio: total business income minus total expenses, divided by total business income.

Wages to turnover ratio: salary and wages paid, divided by total business income.

[^9]
## ACTIVITY STATEMENT INDUSTRY RATIOS

Tax reforms have introduced a range of measures aimed at improving compliance. Activity statements, for example, provide a source of up-to-date trading information.
Activity statement data helps the Tax Office identify and address issues likely to have a negative impact on revenue as they emerge, rather than after they become ingrained business practice.

As a result, the Tax Office has now released activity statement industry ratios.
The industry benchmark detailed tables contain activity statement ratio benchmark data for each entity type and most business activities (see box 15.3). As with the financial ratios, activity statement ratios calculated for each business activity have been used to produce two sets of mean average ratio values. The first set includes both profit making and loss making entities. It provides a benchmark figure for an entire business activity/industry division or group (box 15.3). The second set of ratios excludes businesses that return a loss, providing an industry average for 'profitable' businesses only.

## BOX 15.2: Activity statement ratios calculated

Wages to sales ratio: total salary, wages and other payments (W1) ${ }^{2}$, divided by total sales (G1).
Expenses to sales ratio: non-capital purchases (G11) plus total salary, wages and other payments (W1), divided by total sales (G1).
Net GST to sales ratio: GST on sales or GST instalment (1A) minus GST on purchases (1B), divided by total sales (G1).
1 Calculated from Business activity statement labels.
2 Activity statement labels.

## SOURCE OF INDUSTRY BENCHMARKS/ INDUSTRY FINANCIAL RATIOS

The data for Taxation Statistics 2003-04 was compiled before all processing for the 2003-04 income year was completed. The data used to calculate the financial ratios for the business activities and entities was sourced from statistics collected from 2004 individual, company, partnership and trust income tax returns processed by 31 October 2005.
The names of the business activity groups used in the tables are based on the Australian and New Zealand Standard Industrial Classification (ANZSIC) system. The numerical codes corresponding to these business activity names are referred to as business activity codes. For this edition of Taxation Statistics, the industry benchmark tables show financial ratios for business activities at the ANZSIC division and group (three-digit) levels (see box 15.3).

## SOURCE OF INDUSTRY BENCHMARKS/ACTIVITY STATEMENT INDUSTRY RATIOS

The goods and services tax (GST) and pay as you go (PAYG) withholding collections for the 2003-04 financial year reported in this chapter are sourced from activity statements, annual GST returns and annual GST information reports. Samples of these forms are in the appendix. They may be viewed or downloaded in PDF file format from the attached CD-ROM or from the online version of this publication on the Tax Office website at www.ato.gov.au

Generally, new data used in activity statement industry ratios is compiled two months after the end of the quarterly reporting period. For example, data for the quarter ending 30 September 2005 is compiled on 1 December 2005. Companies that use a substituted accounting period (that is, their financial year is not 1 July to 30 June) are not included in the calculation of activity statement industry ratios for this publication.

The names of the business activities used in the tables are based on the ANZSIC system (see box 15.3). The numerical codes corresponding to these business activity names are referred to as business activity codes. For this edition of Taxation Statistics, the industry benchmark tables show activity statement ratios for business activities at the ANZSIC business activity (five-digit) level (see box 15.3).

## BOX 15.3: Business activity codes

A complete list of the activities and the corresponding codes for the 2003-04 income year are in the Tax Office publication Business industry codes 2004 (NAT 1827). There is a copy of this publication on the attached CD-ROM and on the Tax Office website.

The publication lists industries under ANZSIC¹ divisions and groups. For example, under the ANZSIC division 'Agriculture, forestry and fishing', the following groups of business activities are listed:

- horticulture, forestry and fishing
- grain, sheep and beef cattle farming
- dairy cattle farming
- poultry farming
- other livestock farming
- other crop growing
- services to agriculture
- hunting and trapping
- forestry and logging
- marine fishing, and
- aquaculture

Under these groups, more specific business activities are listed with their corresponding Tax Office-ANZSIC five-digit code. The first three digits of this code are the ANZSIC group code. For example, under poultry farming, 10 activities are listed with the corresponding codes:

- chicken farming - for meat (01410)
- duck farming (01410)
- game bird farming (01410)
- goose farming (01410)
- poultry farming - for meat (01410)
- poultry hatchery operation - meat breeds (01410)
- turkey farming (01410)
- egg farm operation (01420)
- poultry farming - for eggs (01420), and
poultry hatchery operation - egg breeds (01420).
All 10 activities have '014’ as the first three digits of their business activity/industry code. This is their ANZSIC group code.
In this edition of Taxation Statistics, the industry benchmark financial ratio tables show ratios for business activities at the ANZSIC division and group (three-digit) levels. That is, a mean ratio is calculated for each ANZSIC division and for each ANZSIC group within a division. For example, a mean ratio will be calculated and presented for all business activities classified under 'poultry farming' (that is, all businesses with '014' as the first three digits of their business activity code). Ratios are not calculated/presented separately for the five-digit Tax Office-ANZSIC business activities: 'duck farming', 'goose farming', 'egg farm operation' and other activities listed under 'poultry farming'.

However, the industry benchmark activity statement ratio tables show ratios at the five-digit ANZSIC level.
Ratios may not be available for some ANZSIC groups (three-digit level), business activities (five-digit level) and/or entities because:

- there is insufficient data to calculate the ratios
- there are data quality problems, and/or
- the data cannot be shown for confidentiality reasons.

1 For more information on the ANZSIC system, division and group levels, see the Australian Bureau of Statistics (ABS) publication Australian and New Zealand Standard Industrial Classification (ANZSIC), Cat. No. 1292.0. This publication can be viewed on the ABS website at www.abs.gov.au

## THE PURPOSE OF BENCHMARKS

Benchmarks help tax advisers identify averages for groups of activities and, therefore, businesses that vary significantly from those averages. Tax advisers can use this information to determine reasons for any variation and identify action that should be taken to correct problems and improve business practices - in particular those related to record keeping.
The business community and business owners generally may use benchmarks to compare the performance of their business with industry averages.

For example, for financial ratios, a low gross profit ratio may indicate to a business owner that:

- their job quotes or prices are lower than those of their competitors
- they are paying too much for their stock purchases
- they are wasting materials due to overestimating job requirements
- they do not have enough sales in higher profit margin lines (poor sales mix)
- they need to improve merchandising or product displays, or
- their stock level is too high and it may be better to buy stock as needed to improve their cash flow.

A low net profit ratio may indicate that some operating expenses are high compared to industry averages.
A business owner might need to look at the:

- location of their business and rent expenses
- level of contractor and subcontractor expenses
- number of employees and their effectiveness
- cost of business motor vehicles, or
- cost of other major overheads.

A high wages to turnover ratio for a business owner might suggest that quotes for jobs are too low. This ratio could also be an indicator of the efficiency of labour used in a business. In particular, an owner may consider the:
$\square$ rate at which employees produce income

- time taken to complete jobs, and
- pay rates of employees.

For activity statement ratios:

- a high wages to sales ratio may indicate to a business owner that quotes for jobs are too low. This ratio could also be an indicator of the efficiency of labour used in a business
- a high expenses to sales ratio may indicate that operating expenses are high compared to industry averages
- a high or low net GST to sales ratio may indicate that a business is incorrectly calculating GST payable and input tax credits.

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 taken into account in deciding whether a particular tender is successful.
For the Tax Office, providing access to benchmark information is part of a commitment to being more open and up to date in conducting operations and forms part of an industry-based project approach to compliance. In providing benchmarks for businesses, the Tax Office aims to have a more direct impact on taxpayer behaviour before tax returns are prepared and lodged. Feedback from tax professionals indicates that benchmarks are increasingly being used in preparing tax returns.
Once tax returns or activity statements are lodged, the Tax Office uses benchmarks (together with a range of other information) to identify any compliance issues and any taxpayers who may require further assistance or monitoring. The wages to turnover ratio and wages to sales ratio, in particular, provide relevant measures in those industries where cash wages are common. The Tax Office may also use benchmarks to compare taxpayers and may seek further information from those whose ratios vary substantially from their industry averages.

## BOX 15.4: Terminology ${ }^{1}$

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 a business. In some cases, other expenses such as salary and wages and rent are included in the cost of sales figure, which overstates the cost of sales amount.

Industry: income tax returns allow for only one business industry code to be shown. For entities involved in more than one business, it is not possible to separately identify the amount of income and expenses attributed to the major business activity.

Salary and wage expenses: this return label is not used in calculating taxable income. It is a non-compulsory information label and is therefore more likely to contain errors.

Total sales (G1): contains details of all taxable supplies (including GST), GST-free and input taxed supplies.

Non-capital purchases (G11): includes the total amount of acquisitions and importations for use in a business other than capital items. It includes those items that, at the time of acquisition, are to be used partly for private or domestic purposes. G11 does not include superannuation, wages, bad debts, or capital and depreciation expenses.
GST on sales or GST instalment (1A): the amount of GST remitted to the Tax Office, calculated from the total of taxable supplies.
GST on purchases (1B): an amount of GST claimed as input tax credits which has been paid on all creditable acquisitions and importations (including capital items).
Total salary, wages and other payments (W1):
comprises total amounts paid (before withholding any amounts) covering a range of payments This includes all payments paid to employees such as:

- salary
- wages
- commissions
- retainers
- performance incentives
- bonus payments
- holiday leave loading
- severance payments
- termination and redundancy payments, and
- payments made to an individual payee for work or services where the parties (payer and payee) enter into a voluntary agreement to withhold an amount from these payments.

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

## RATIOS

For industry financial ratios, the data shows that the net profit ratios of companies and trusts are generally lower than those of partnerships and individuals. This is because the salary and wages income returned is generally a business expense for the owners of a company or working beneficiaries of a trust. However, the income returned to the partners in a partnership is in the form of a distribution of net income after business expenses are deducted. A similar situation occurs for individuals.

For the same reason, the wages to turnover ratios for individuals and partnerships are lower than those of companies and trusts.

## EXCLUSIONS AND CONSIDERATIONS

Including some cases when analysing a large population can produce misleading results. For example, income tax return labels used in the calculations may not have been completed or not completed correctly, or the ratios for an individual entity are exceptional and would distort the calculation of a true industry average.

In an attempt to improve the quality of the end product, the Tax Office has developed and applied certain exclusion criteria. (A list and explanation of these exclusion criteria are in all the industry benchmark tables.)

Despite applying these exclusion criteria, it is still important to recognise that the benchmarks developed are not definitive and should not be used in isolation. For example, there are a range of legitimate reasons why businesses vary from industry averages and, conversely, why businesses with ratios close to the industry average may have compliance problems or other financial difficulties. Also, an average ratio calculated using a large population is generally more reliable than one calculated from a small population.
Benchmarks are most useful as a guide when considered over a period of time or in conjunction with other information. For example, the age of the business and its performance over a number of years should also be taken into account when considering the viability of a business.

## DETAILED TABLES

BOX 15.5: Using and finding industries/business activities in the detailed tables

Before viewing/downloading the industry benchmark tables from the CD-ROM or from the online version of this publication on the Tax Office website, users should first read the other parts of this chapter (particularly box 15.3) and the exclusion criteria explanatory notes included in all the industry benchmark tables. These explain what the ratios are, what items were used to calculate them, how the ratios were calculated and how to properly interpret the ratios.

In most cases, people who use the industry benchmark tables are looking for ratios for a specific industry/ business activity. To find ratios for a particular industry, users should download the Tax Office publication Business industry codes 2004 (NAT 1827) before downloading the tables. By going through this document, they will have a better idea of which industry a business, service or activity will be classified under, and the industry code assigned to the business, service or activity.

After downloading this booklet, users may download the detailed tables in their preferred format (Excel, PDF or Comma Separated Values) and then follow the instructions included with the tables.

## INDUSTRY FINANCIAL RATIO DETAILED TABLES

There are three main types of industry benchmark detailed tables. They all contain gross profit ratios, net profit ratios and wages to turnover ratios for business activity/industry (ANZSIC) divisions and groups listed in the Tax Office publication Business industry codes 2004.
Industry financial ratio tables 1 to 3 contain the benchmark data and are outlined here.
(1) For financial ratio detailed tables 1 to 3, ratios may not be available for some business (ANZSIC) group codes and/or entities because there is insufficient data to calculate the ratios, or the data cannot be shown for confidentiality reasons.

Table 1 Industry benchmarks, financial Parts A to I ratios, by business status, 2003-04 income year
This table calculates gross profit, net profit and wages to turnover ratios for profitable and all entities falling under different business activity/industry (ANZSIC) divisions or groups. Each ANZSIC division or group is classified by business status - 'commenced business' (businesses that just started) and 'established business'. Industry ratios are therefore calculated for 'commenced' and 'established' business entities.

## Table 2 Industry benchmarks, financial Parts A to I ratios, by state/territory, 2003-04 income year

This table calculates gross profit, net profit and wages to turnover ratios for profitable and all entities falling under different business activity/industry (ANZSIC) divisions or groups. Each ANZSIC division or group is classified by state/territory. Industry ratios are therefore calculated for business entities in different states/territories.

## Table 3 Industry benchmarks, financial Parts A to I ratios, by total business income/total income, 2003-04 income year

This table calculates gross profit, net profit and wages to turnover ratios for profitable and all entities falling under different business activity/industry (ANZSIC) divisions or groups. Each ANZSIC division or group is ranged by total business income for individual, partnership and trust benchmark tables and ranged by total income for company benchmark tables. Industry ratios are therefore calculated for business entities falling under different ranges of total business income or total income, depending on the entity.

Each of the financial ratio tables 1 to 3 is divided into a number of smaller sections to help locate specific information. Part A contains benchmark ratios calculated for broad industries (or ANZSIC division). The ratios for fine industries (or ANZSIC groups) are presented in Parts B to I, according to broad industry headings, as follows.

Part B: Agriculture, forestry and fishing
This part contains ratios for business activities with codes beginning with the digits: 011, 012, 013, 014, 015, 016, 021, 022, 030, 041 and 042.

| Part C: $\quad$ | Manufacturing <br> This part contains ratios for business activities <br>  <br> with codes beginning with the digits: 211,212, <br> $213,214,215,216,217,218,219,221,222$, <br> $223,224,225,226,231,232,233,241,242$, <br> $243,251,252,253,254,255,256,261,262$, <br> $263,264,271,272,273,274,275,276,281$, <br> $282,283,284,285,286,291, ~ 292 ~ a n d ~ 294 . ~$, |
| :--- | :--- |

Part D: Wholesale trade
This part contains ratios for business activities with codes beginning with the digits: 451, $452,453,461,462,471,472,473$ and 479.
Part E: $\quad$ Mining; electricity, gas and water supply
This part contains ratios for business activities with codes beginning with the digits: 110 , 120, 131, 141, 142, 151, 361, 362 and 370.
Part F: $\quad$ Construction; transport and storage; communication
This part contains ratios for business activities with codes beginning with the digits: 411 , 412, 421, 422, 423, 424, 425, 611, 612, 620, 630, 640, 650, 661, 662, 663, 664, 670, 711 and 712 .

Part G: Finance and insurance; property and business services
This part contains ratios for business activities with codes beginning with the digits: 731,
732, 733, 734, 741, 742, 751, 752, 771, 772, $773,774,781,782,783,784,785$ and 786.
Part H: Education; cultural and recreational services; personal and other services; health and community services
This part contains ratios for business activities with codes beginning with the digits: 841 , 842, 843, 844, 911, 912, 921, 922, 923, 924, 925, 931, 932, 933, 951, 952, 961, 962, 963, 861, 862, 863, 864, 871 and 872.
Part I: $\quad$ Retail trade; accommodation, cafes and restaurants
This part contains ratios for business activities with codes beginning with the digits: 511, $512,521,522,523,524,525,526,531,532$, $571,572,573$ and 574.

Financial ratio tables 1 to 3 also contain instructions on how to find industries and ratios in the tables and information on how the ratios were calculated, particularly the exclusion criteria used to calculate the ratios.

Each entity - individuals (or personal taxpayers), companies, partnerships and trusts - has its own respective tables 1 to 3 , with each table having nine parts (A to I).
A complete list of industry benchmark tables for all the entities follows. Overall, there are 108 industry benchmark financial ratio tables (counting each part as a table).

## INDIVIDUALS

Table IN1: Individual industry benchmarks, financial ratios, by business status, 2003-04 income year (Parts A to I)
Table IN2: Individual industry benchmarks, financial ratios, by state/territory, 2003-04 income year (Parts A to I)
Table IN3: Individual industry benchmarks, financial ratios, by total business income, 2003-04 income year (Parts A to l)

## COMPANIES

Table C01: Company industry benchmarks, financial ratios, by business status, 2003-04 income year (Parts A to I)

Table CO2: Company industry benchmarks, financial ratios, by state/territory, 2003-04 income year (Parts A to I)

Table CO3: Company industry benchmarks, financial ratios, by total business income, 2003-04 income year (Parts A to I)

## PARTNERSHIPS

Table PA1: Partnership industry benchmarks, financial ratios, by business status, 2003-04 income year (Parts A to I)

Table PA2: Partnership industry benchmarks, financial ratios, by state/territory, 2003-04 income year (Parts A to I)
Table PA3: Partnership industry benchmarks, financial ratios, by total business income, 2003-04 income year (Parts A to I)

## TRUSTS

$\begin{array}{ll}\text { Table TR1: } & \begin{array}{l}\text { Trust industry benchmarks, financial } \\ \text { ratios, by business status, 2003-04 } \\ \text { income year (Parts A to I) }\end{array}\end{array}$
Table TR2: Trust industry benchmarks, financial ratios, by state/territory, 2003-04 income year (Parts A to I)
Table TR3: Trust industry benchmarks, financial ratios, by total business income, 2003-04 income year (Parts A to I)

## ACTIVITY STATEMENT INDUSTRY RATIO DETAILED TABLES

There are three main types of industry benchmark activity statement ratio detailed tables. They all contain expenses to sales ratios, wages to sales ratios, and net GST paid to sales ratios for business activity/industry (ANZSIC) divisions listed in Business industry codes 2004.
Activity statement industry ratio tables 1 to 3 contain the benchmark data and are outlined here.

Ratios may not be available for some business (ANZSIC) group codes and/or entities in certain states/ territories because there is insufficient data to calculate the ratios, there are data quality problems or the data cannot be shown for confidentiality reasons.

Table 1 Industry benchmarks, activity Parts A statement ratios, by entity type, to $\mathrm{H} \quad$ business status and profitability, 2003-04 income year
In this table expenses to sales, wages to sales and net GST paid to sales ratios are calculated for 'profitable' and 'all' taxpayers falling under different industry (ANZSIC code) groups for the income year indicated. Each ANZSIC group is classified by business status - 'commenced business' (businesses that just started) and 'established business'. Industry ratios are therefore calculated for 'commenced' and 'established' businesses of all entity types.
Table 2 Industry benchmarks, activity Parts A statement ratios, by entity type and by to H

## Table 3 Industry benchmarks, activity Parts A statement ratios, by entity, level to H of sales and profitability, 2003-04 income year

In this table expenses to sales, wages to sales and net GST paid to sales ratios are calculated for 'profitable' and 'all' entity types falling under different industry (ANZSIC code) groups for the income year indicated. Each ANZSIC group is ranged by total sales (Label G1) income.

Each of activity statement industry ratio tables 1 to 3 is divided into a number of smaller sections to help locate specific information. Parts A to H present benchmark ratios calculated for fine industries (or ANZSIC codes) and are presented according to broad industry headings, as follows.

The activity statement industry ratio tables use full five-digit ANZSIC codes.

Part A: Agriculture, forestry and fishing
This part contains ratios for business activities with codes beginning with the digits: 011,012 , 013, 014, 015, 016, 021, 022, 030, 041 and 042.

## Part B: Manufacturing

This part contains ratios for business activities with codes beginning with the digits: 211,212 , 213, 214, 215, 216, 217, 218, 219, 221, 222, 223, 224, 225, 226, 231, 232, 233, 241, 242, 243, 251, 252, 253, 254, 255, 256, 261, 262, 263, 264, 271, 272, 273, 274, 275, 276, 281, 282, 283, 284, 285, 286, 291, 292 and 294.
Part C: Wholesale trade
This part contains ratios for business activities with codes beginning with the digits: 451, 452, 453, 461, 462, 471, 472, 473 and 479.
Part D: Mining; electricity, gas and water supply
This part contains ratios for business activities with codes beginning with the digits: 110, 120, 131, 141, 142, 151, 361, 362 and 370.
Part E: Construction; transport and storage; communication
This part contains ratios for business activities with codes beginning with the digits: 411,412 , 421, 422, 423, 424, 425, 611, 612, 620, 630, 640, 650, 661, 662, 663, 664, 670, 711 and 712.

Part F: Finance and insurance; property and business services
This part contains ratios for business activities with codes beginning with the digits: 731, 732, 733, 734, 741, 742, 751, 752, 771, 772, 773, $774,781,782,783,784,785$ and 786.

Part G: Education; cultural and recreational services; personal and other services; health and community services
This part contains ratios for business activities with codes beginning with the digits: 841,842 , 843, 844, 911, 912, 921, 922, 923, 924, 925, 931, 932, 933, 951, 952, 961, 962, 963, 861, 862, 863, 864, 871 and 872.
Part H: Retail trade; accommodation, cafes and restaurants
This part contains ratios for business activities with codes beginning with the digits: 511,512 , $521,522,523,524,525,526,531,532,571$, 572, 573 and 574.

Activity statement industry ratio tables 1 to 3 also contain instructions on how to find industries and ratios in the tables and information on how the ratios were calculated, particularly the exclusion criteria used to calculate the ratios.

Each entity - individuals (or personal taxpayers), companies, partnerships and trusts - has its own respective tables 1 to 3, with each table having eight parts ( A to H ).

A complete list of industry benchmark tables for all the entities is listed below. Overall, there are 96 industry benchmark activity statement ratio tables (counting each part as a table).

## INDIVIDUALS

Table BASIN1: Individual industry benchmarks, activity statement ratios, by business status, 2003-04 income year (Parts A to H)
Table BASIN2: Individual industry benchmarks, activity statement ratios, by state/ territory, 2003-04 income year (Parts A to H)
Table BASIN3: Individual industry benchmarks, activity statement ratios, by level of sales and profitability, 2003-04 income year (Parts A to H)

## COMPANIES

Table BASCO1: Company industry benchmarks, activity statement ratios, by business status, 2003-04 income year (Parts A to H)
Table BASCO2: Company industry benchmarks, activity statement ratios, by state/ territory, 2003-04 income year (Parts A to H)
Table BASCO3: Company industry benchmarks, activity statement ratios, by level of sales and profitability, 2003-04 income year (Parts A to H)

## PARTNERSHIPS

Table BASPA1: Partnership industry benchmarks, activity statement ratios, by business status, 2003-04 income year (Parts A to H)
Table BASPA2: Partnership industry benchmarks, activity statement ratios, by state/ territory, 2003-04 income year (Parts A to H)
Table BASPA3: Partnership industry benchmarks, activity statement ratios, by level of sales and profitability, 2003-04 income year (Parts A to H)

## TRUSTS

Table BASTR1: Trust industry benchmarks, activity statement ratios, by business status, 2003-04 income year (Parts A to H)
Table BASTR2: Trust industry benchmarks, activity statement ratios, by state/ territory, 2003-04 income year (Parts A to H)
Table BASTR3: Trust industry benchmarks, activity statement ratios, by level of sales and profitability, 2003-04 income year (Parts A to H)

# APPENDIX: <br> ANNUAL TAX RETURN FORMS 

INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR


INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR


## INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR



## INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR

## Private health insurance policy details

You must provide the details for each policy if item T5 or item M2 asked you to complete this section.


## Medicare levy related items

## M1 Medicare levy reduction or exemption

 If you complete this item and you had a spouse during 2003-04 you must complete Spouse details-married or de facto on page 5 .

M2 Medicare levy surcharge (MLS) THIS ITEM IS COMPULSORY

If you do not complete this question you may be charged the full Medicare levy surcharge.
For the whole period 1 July 2003 to 30 June 2004, were you and all your dependants (including your spouse)-if you had any - covered by private patient HOSPITAL cover?
If you printed $\mathbf{Y}$, you must complete Private health insurance policy details above If you printed $\mathbf{N}$, read below.

If you are liable for the surcharge for the whole period 1 July 2003 to 30 June 2004 you must write ' 0 ' at label A.
If you are liable for the surcharge for part of the period 1 July 2003 to 30 June 2004 you must write the number of days you were NOT liable at label A.

If you are NOT liable for the surcharge for the whole period 1 July 2003 to 30 June 2004 you must write ' 366 ' at label A.

Number of days NOT liable for surcharge Number of dependent children

If you had a spouse during 2003-04 (and you printed $\mathbf{N}$ at label $\mathbf{E}$
complete Spouse details-married or de facto on page 5. If you were covered by private patient hospital cover at any time during 2003-04 you must complete Private health insurance policy details above.

## Adjustments

## A1 Under 18 excepted net income

If you were under 18 years of age on 30 June 2004 you must complete this item or you may be
taxed at a higher rate. Read the information on A1 in TaxPack 2004 for more information.
J
.8

A2 Part-year tax-free threshold Read the information on A2 in TaxPack 2004 before completing this item.

## INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR

## Spouse details-married or de facto

Only provide these details if you had a spouse-married or de facto-during 2003-04 and you completed any of the following items: T1, T2, T3, M1, M2 (and at label E you printed N), T7 (supplementary section).


Spouse's 2003-04 taxable income
Your spouse's share of trust income on which the trustee is assessed under
section 98 and which has not been included in spouse's taxable income

INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR

## Supplementary section



## INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR

| 15 Deferred non-commercial business losses |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Item P9 on page 11 must be completed before you complete this item. | Your share of deferred losses from partnership activities $\square$ Deferred losses from sole trader activities $\square$ | .00 |  |  |
|  |  |  |  |  |
|  |  |  |  | . 8 |
| 16 Net farm management deposits or withdrawals |  |  | E |  |
| 17 Capital gains |  |  |  |  |
| Did you have a capital gains tax Print $\mathbf{Y}$ for yes event during the year? $\square$ or $\mathbf{N}$ for no. |  |  | Net capital gain A | . 80 |
| You must also print $\mathbf{Y}$ at label $\mathbf{G}$ if you received a distribution of a capital gain from a trust. |  |  |  |  |
| Total current year capital gains H .OQ |  |  |  |  |
| Net capital losses carried forward v $\square$ |  |  |  |  |
| 18 Foreign entities |  |  |  |  |
| Did you have either a direct or indirect interest in a controlled foreign company (CFC)? $\square$ Print $\mathbf{Y}$ for yes or $\mathbf{N}$ for no. |  |  |  | CFC income $\mathbf{K}$ | . 0 |
| Have you ever, either directly or indirectly, caused the transfer of property-including money-or services to a non-resident trust estate? |  | Print $\mathbf{Y}$ for yes or $\mathbf{N}$ for no. | Tranferor trust income | . 0 |
| Did you have an interest in a foreign investment fund (FIF) or a foreign life assurance policy (FLP)? |  | Print $\mathbf{Y}$ for yes or $\mathbf{N}$ for no. | ${ }_{\text {FLP income }} \mathrm{FIF}$ and | . 8 |
| 19 Foreign source income and foreign assets or property |  |  |  |  |
| Assessable foreign source income E |  | . 8 |  |  |
| Net foreign employment and net foreign pension or annuity income WITHOUT an undeducted purchase price |  |  |  | . ${ }^{\text {TMPE }}$ |
| Net foreign pension or annuity income WITH an undeducted purchase price $\square$ |  |  |  | . 8 |
| Also include at label $\mathbf{F}$ Austraian franking credits from a New Zealand company that you have received indirectly through a partnership or trust distribution. |  | Other net foreign source income <br> Australian franking credits from a New Zealand company |  | . 8 |
|  |  | . 8 |  |
| Exempt foreign employment income $\mathbf{N}$ |  |  |  | . 8 |  |  |
| Foreign tax credits |  |  |  |  |
| During the year did you own, or have an interest in assets located outside Australia which had Print $\mathbf{Y}$ for yes a total value of $A \cup D \$ 50,000$ or more? or $\mathbf{N}$ for no. |  |  |  | F |
| 20 Rent | Gross rent $\mathbf{P}$ | . 8 | Net rent |  |
|  | Interest deductions $\mathbf{Q}$ | . 8 |  |  |
|  | Capital works deductions $\mathbf{F}$ | . 0 |  |  |
|  | Other rental deductions $\mathbf{U}$ | - P |  | . $\cdot$ / $/ \square$ |
| 21 Bonuses from life insurance companies and friendly |  | cieties | W | . 8 |
|  |  | v.ato.gov.au |  | Page 7 |

INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR


## INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR



INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR

| P8 | Business income and expenses Income | Primary production | Non-primary production |  | Totals |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Gross payments where Australian business number not quoted C | . 80 | D | . 0 |  | . 80 |  |
|  | Gross payments $\square$ | . 80 | F | . 8 |  | . 8 |  |
|  | Gross payments-labour hire or other specified payments $\square$ | . 80 | 0 | . 0 |  | . 80 |  |
|  | Assessable government G | . 8 | H | . 8 |  | . 8 |  |
|  | Other business income 1 | . 80 | J | . 8 |  | . 80 |  |
|  | Total business income | . 8 |  | . 8 |  | . 8 |  |
|  | Expenses Opening stock | . 8 |  | . 0 | K | . 8 |  |
|  | Purchases and other costs | . 8 |  | . 8 | L | . 8 |  |
|  | Closing stock | . 8 |  | . 8 | M | . 8 |  |
|  | (label $\mathbf{K}+\mathbf{L}-\mathbf{M}$ ) | . 8 |  | . 8 |  | . 8 | F |
|  | Contractor, sub-contractor and commission expenses | - 8 |  | . 8 | F | . 80 |  |
|  | Superannuation expenses | . 80 |  | . 8 | G | . 80 |  |
|  | Bad debts | . 8 |  | . 0 | 1 | . 8 |  |
|  | Lease expenses | - 8 |  | - 0 | J | . 8 |  |
|  | Rent expenses | -80 |  | . 0 | K | . 0 |  |
|  | Interest expenses within Australia | . 80 |  | . 8 | Q | . 8 |  |
|  | Interest expenses overseas | . 8 |  | . 8 | R | . 80 |  |
|  | Depreciation expenses | - 8 |  | . 80 | M | . 80 |  |
|  | Motor venicle expenses | . 80 |  | . 8 | N | . 80 |  |
|  | Repairs and maintenance | - 8 |  | . 0 | 0 | . 8 |  |
|  | All other expenses | . 80 |  | . 8 | P | . 80 |  |
|  | Total expenses Add up the boxes for each column $\mathbf{S}$ | . 8 | T | . 8 |  | . 8 |  |
| Reconciliation items |  |  |  |  |  |  |  |
| Deduction for environmental protection expenses |  | - 8 |  | . 0 | V | . 00 |  |
| Section 40-880 deduction |  | - 8 |  | . 0 | A | . 8 |  |
| Business deduction for project pool |  | - 8 |  | . 0 | L | . 8 |  |
| Landcare operations and business deduction for decline in value of water facility |  | . 8 |  | . 8 | W | . 8 |  |
| Income reconciliation adjustments |  | . 80 |  | . 0 | X | . 08 |  |
| Expense reconciliation adjustments |  | . 8 |  | . 8 | H | . 80 |  |
| Net income or loss from business this year |  | . 8 | C | . 8 |  | . 80 |  |
| Deferred non-commercial business losses from a prior year $\square$ |  | . 80 | E | . 8 |  | . 80 |  |
| Net income or loss from business |  | . 120 | Z | $.00$ |  | - 8 | F |

## INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR



## INDIVIDUAL (OR PERSONAL TAXPAYERS) TAX RETURN, 2003-04 INCOME YEAR

## Consent to use part or all of your 2004 tax refund to repay your spouse's family tax benefit (FTB) overpayment

You must read the information on family tax benefit in TaxPack 2004 before completing FTB claimant's details.
Only complete the details below if:

- you were the spouse of an FTB claimant on 30 June 2004 and your income was taken into account in their claim-check with your spouse-AND
- your spouse has given you authority to quote on your tax return their customer reference number (CRN). If your spouse does not know their CRN they can contact the Family Assistance Office AND
- your spouse expects to have an FTB overpayment for 2004 AND
- you expect to receive a tax refund for 2004 AND
- you consent to use part or all of your tax refund to repay your spouse's FTB overpayment.

Note: An FTB overpayment can only be raised after reconciliation has been completed. If an FTB overpayment is raised after your refund has been sent to you the Tax Office will not be able to use your refund to repay the FTB overpayment.


Spouse's date of birth

| Day | Month | Year |  |
| :---: | :---: | :---: | :---: |
|  | 1 | 1 | 1 |
|  | 1 | 1 | 1 |

I consent to the Tax Office using part or all of my 2003-04 tax refund to repay the 2004 FTB overpayment of my spouse, whose details I have provided above. I have obtained my spouse's permission to quote their CRN.


## Taxpayer's declaration

Read and sign the declaration after completing your tax return, including the Supplementary section, Business and professional items section and other schedules if applicable.
I declare that:

- the information provided to my registered tax agent for the preparation of this tax return is true and correct and
- I understand the Australian Taxation Office (ATO) has the right to review my tax return and, for a period of up to six years, to issue me with a revised assessment if a review shows any inaccuracies in income or entitlements that change my assessment, and
- I authorise my registered tax agent to lodge this tax return.



#### Abstract

Privacy: It is not an offence not to quote your tax file number (TFN). However, your assessment will be delayed if you do not quote your TFN. The ATO is authorised by the Income Tax Assessment Act 1936 and the Income Tax Assessment Act 1997 and the A New Tax System (Family Assistance) (Administration) Act 1999 to ask for information on this tax return. We need this information to help us to administer the taxation laws. We may give this information to other government agencies authorised by law to receive it-for example, benefit payment agencies such as Centrelink, the Department of Education, Science and Training and the Department of Family and Community Services; law enforcement agencies such as the National Crime Authority; and other agencies such as the Child Support Agency, the Australian Bureau of Statistics and the Reserve Bank of Australia.


## Tax agent's declaration

## I,

declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.


COMPANY TAX RETURN, 2003-04 INCOME YEAR


## COMPANY TAX RETURN, 2003-04 INCOME YEAR



COMPANY TAX RETURN, 2003-04 INCOME YEAR


COMPANY TAX RETURN, 2003-04 INCOME YEAR

15 Retirement savings accounts (RSAs) providers only
Gross income of RSAs $\mathbf{R}$
Gross taxable
contributions of RSAs $\mathbf{W}$

16 Landcare and water facility tax offset



Overseas transactions or interests/thin capitalisation/foreign source income-the following questions must be answered. If you printed $\mathbf{Y}$ at item 19 or 20, complete and attach a Schedule 25A 2004.
International related party dealings/transfer pricing
18 Did you have any transactions or dealings with international related parties (irrespective of whether they were on revenue or capital account)? Such transactions or dealings include the transfer of tangible or intangible property and any new or existing financial arrangements.
19 Was the aggregate amount of the transactions or dealings with international related parties (including the value of property transferred or the balance outstanding on any loans) greater than $\$ 1$ million?


Overseas interests
20 Did you have an overseas branch or a direct or indirect interest in a foreign trust, controlled foreign entity, transferor trust, foreign investment fund or foreign life policy?
Thin capitalisation
21 Did the thin capitalisation provisions apply as outlined in the instructions and the Guide to thin capitalisation? If yes, complete the Thin capitalisation schedule 2004.

## Foreign source income

22 Was the amount of foreign tax credits paid or carried forward greater than $\$ 100,000$, OR was the amount of assessable foreign income greater than $\$ 500,000$ ?

## Transactions with specified countries

23 Did you directly or indirectly send to, or receive from, one of the countries specified in the instructions, any funds or property OR Do you have the ability or expectation, to control, whether directly or indirectly, the disposition of any funds, property, assets or investments located in, or located elsewhere but controlled or

Print $\mathbf{Y}$ for yes Print $\mathbf{Y}$ for yes
or $\mathbf{N}$ for no.

F managed from one of those countries?


| Tax agent's |
| :--- | :--- |
| declaration |$\quad \mathbf{l}$,

declare that this tax return has been prepared in accordance with information supplied by the taxpayer, that the taxpayer has given me a declaration stating that the information provided to me is true and correct and that the taxpayer has authorised me to lodge the tax return.


Daytime contact number


## PARTNERSHIP TAX RETURN, 2003-04 INCOME YEAR



## PARTNERSHIP TAX RETURN, 2003-04 INCOME YEAR



PARTNERSHIP TAX RETURN, 2003-04 INCOME YEAR


## PARTNERSHIP TAX RETURN, 2003-04 INCOME YEAR



## PARTNERSHIP TAX RETURN, 2003-04 INCOME YEAR

| If you printed $\mathbf{Y}$ at label $\mathbf{N}$, complete and attach a Personal services income schedule 2004. |
| :---: |

[^10]Key financial information

| 28 All current assets | F | .00 | 31 Total liabilities | J | .00 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 29 Total assets | G | . 8 | 32 Proprietors' funds | K | . 80 |
| 30 All current liabilities | I | .80 |  |  |  |

## Business and professional items

The following information must be filled in for all partnerships carrying on a business.
33 Business name of main business
34 Business address of

| ain business | Suburb or town |  | State | Postoode $\mathbf{A}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 35 Opening stock | C | . 80 | 45 Termination value of other depreciating assets | W | . 00 |
| 36 Purchases and other costs | B | . 80 | 46 Deduction for project pool | P | . 00 |
| 37 Closing stock | D | . 80 | 47 Section 40-880 deduction | X | . 00 |
| 38 Trade debtors | E | . 80 | 48 Fringe benefit employee | T | . 00 |
| 39 Trade creditors | H | . 00 |  |  |  |
| 40 Total salary and wage expenses | L | . 80 | 49 Interest expenses overseas 50 Royalty expenses overseas | Q $\mathbf{R}$ | .00 .00 |
| 41 Payments to associated persons | M | . 00 | 52 Deduction for environmental protection expenses | V | .00 |
| 42 Intangible depreciating assets first deducted | N | . 00 | 53 Trading stock election |  | Print $\mathbf{Y}$ for yes or leave blank. |
| 43 Other depreciating assets first deducted | U | .00 |  |  |  |
| 44 Termination value of intangible depreciating assets | 0 | .00 |  |  |  |

For completion by STS taxpayers only. STS taxpayers are not required to complete a Capital allowances schedule 2004.

54 STS depreciating assets | Deduction for low cost assets |
| :---: |
| (ess than $\$ 1,000$ ) |

PARTNERSHIP TAX RETURN, 2003-04 INCOME YEAR



## TRUST TAX RETURN, 2003-04 INCOME YEAR



TRUST TAX RETURN, 2003-04 INCOME YEAR


TRUST TAX RETURN, 2003-04 INCOME YEAR


## TRUST TAX RETURN, 2003-04 INCOME YEAR

27 Personal services income

| If you printed $\mathbf{Y}$ at label $\mathbf{N}$, complete and attach |
| :--- |
| a Personal services income schedule 2004 . |

Does your income include an individual's personal services income?

Print $\mathbf{Y}$ for yes or $\mathbf{N}$ for no.

F

Key financial information

| 28 All current assets | F | . 00 | 31 Total liabilities | J | . 08 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 29 Total assets | G | . 80 | 32 Proprietors' funds | K | . 80 |
| 30 All current liabilities | I | . 8 |  |  |  |

## Business and professional items

The following information must be filled in for all trusts carrying on a business.
33 Business name of main business

## 34 Business address of main business



| 35 Opening stock | C | . 80 | 45 Termination value of other depreciating assets | W | . 8 |
| :---: | :---: | :---: | :---: | :---: | :---: |
| 36 Purchases and other costs | B | . 8 | 46 Deduction for project pool | P | 0 |
| 37 Closing stock | D | . 8 | 47 Section 40-880 deduction | X | . 8 |
| 38 Trade debtors | E | . 8 | 48 Fringe benefit employee | T | . 08 |
| 39 Trade creditors | H | - 8 |  |  |  |
| 40 Total salary and wage expenses | L | . 80 | 49 Interest expenses overseas | Q | 00 |
| 41 Payments to associated persons | M | - 8 | 51 Landcare operations and deduction for decline in | S | . 80 |
| 42 Intangible depreciating assets first deducted | N | . 8 | value of water facility |  |  |
| 43 Other depreciating assets first deducted | U | . 8 | 52 Deduction for environmental protection expenses | V | . 8 |
| 44 Termination value of intangible depreciating assets | 0 | . 0 | 53 Trading stock election |  |  |

For completion by STS taxpayers only. STS taxpayers are not required to complete a Capital allowances schedule 2004.

54 STS depreciating assets


Deduction for general pool

A
. 0
B .
Deduction for long life pool
assets (25 years or more)
C .DQ
F

55 Medicare levy reduction or exemption


[^11]

F



FUND TAX RETURN, 2003-04 INCOME YEAR


FUND TAX RETURN, 2003-04 INCOME YEAR


FUND TAX RETURN, 2003-04 INCOME YEAR

## Fund income tax and regulatory return 2004

Tax file number
Notes: 1 Ensure that pages 3 to 6 are completed and inserted.
2 To help the ATO to collate and maintain your information, please complete the Tax file number blocks on page 1 and above.


Information statement-to be completed by all entities



FUND TAX RETURN, 2003-04 INCOME YEAR


## FUND TAX RETURN, 2003-04 INCOME YEAR

## 13 Internet transactions

Did the fund have dealings-including purchases and sales of assets or borrowings-on the internet?

## Overseas transactions or interest/Thin capitalisation/Foreign source income

The following questions must be answered-print $\mathbf{Y}$ for yes or $\mathbf{N}$ for no at questions $\mathbf{1 4}$ to $\mathbf{2 3}$.
If you print $\mathbf{Y}$ at item 15 or 16, complete and attach a Schedule 25A 2004.

## International related party dealings/Transfer pricing

14 Did you have any transactions or dealings with international related parties (irrespective of whether they were on revenue or capital account)? Such transactions or dealings include the transfer of tangible or intangible property and any new or existing financial arrangements.

15 Was the aggregate amount of the transactions or dealings with international related parties (including the value of property transferred or the balance outstanding on any loans) greater than $\$ 1$ million?
16 Overseas interests
Did you have an overseas branch or a direct or indirect interest in a foreign trust, controlled foreign entity, transferor trust, foreign investment fund or foreign life policy?
17 Thin capitalisation
Did the thin capitalisation provisions apply as outlined in the instructions?
If yes, complete the Thin capitalisation schedule 2004.
18 Foreign source income
Was the amount of foreign tax credits paid or carried forward greater than $\$ 100,000$ OR
was the amount of assessable foreign income greater than $\$ 500,000$ ?
19 Transactions with specified countries
Did you directly or indirectly send to, or receive from, one of the countries specified in the instructions, any funds or property; OR
do you have the ability or expectation to control, whether directly or indirectly, the disposition of any funds, property, assets or investments located in, or located elsewhere but controlled or managed from one of those countries?

20 Exempt current pension income
If there is an amount of exempt current pension income, has the trustee of the fund obtained the relevant actuary's certificate or certificates required by section 273A, 273B or 283 as a condition of exemption?
Answer this question ONLY if there is an amount of exempt current pension income.
21 Death or disability deduction
Is the fund or trust claiming a deduction for premiums for death or disability cover under section 279 that requires an actuary's certificate to be obtained?

If so, has the fund or trust obtained the relevant certificate?
22 Transfer of taxable contributions
Has the fund or trust, with the consent of the transferee, transferred taxable contributions under section 275 to a life assurance company or pooled superannuation trust?
If so, show the names of the transferee or transferees, the ABN of each transferee and the amount of contributions transferred to each.


23 Payments to contributing employers and associates
Has the fund or trust made a payment or transferred a benefit that is included in the assessable income of the recipient under section 82AAQ?

FUND TAX RETURN, 2003-04 INCOME YEAR

## Regulatory information for self-managed superannuation funds

Only self-managed superannuation funds are to complete the remaining questions.
All other funds go to page 8 and complete the trustee declaration and the tax agent's certificate (if applicable).

24 Fund's auditor details
Auditor's name and professional body membership number


25 Which professional body does the auditor belong to?

26 Is the auditor's report qualified?


27 Did the fund comply with all relevant SIS requirements?
Print $\mathbf{Y}$ for yes or $\mathbf{N}$ for no.

28 Provide details of any audit qualification and/or other breaches of the relevant SIS requirements that occurred during the year.

|  |
| :--- |
|  |
|  |

FUND TAX RETURN, 2003-04 INCOME YEAR


FUND TAX RETURN, 2003-04 INCOME YEAR


Trustee declaration: I declare that the information in this tax return is true and correct.


This declaration and all attached documents must be signed by a trustee.


Tax agent's declaration
I,
declare that this tax return has been prepared in accordance with information supplied by the trustee, that the trustee has given me a declaration stating that the information provided to me is true and correct and that the trustee has authorised me to lodge the tax return.


FRINGE BENEFITS TAX RETURN, 2004-05 FBT YEAR


FRINGE BENEFITS TAX RETURN, 2004-05 FBT YEAR

7 Current business/trading name and/or address
If your business/trading name and/or address has changed since last year, or this is your first FBT return, print the details here.


8 Previous name of trustee or senior partner
If your organisation is a trust or partnership, and your details have changed, show the name of the trustee or the senior partner of your organisation as shown on the last FBT return lodged.

Individual


9 Name of the person to contact
Provide the name, daytime contact phone number and email address (if applicable) of the person we can contact, if needed, regarding the information in this return.


10 Number of employees receiving fringe benefits during the period 1 April 2004 to 31 March 2005

$\square$

FRINGE BENEFITS TAX RETURN, 2004-05 FBT YEAR

13 Calculated fringe benefits taxable amounts Refer to the 2005 FBT return guide for more information.

| A | Type 1 aggregate amount |
| :--- | :--- | :--- | :--- |
| B | Type 2 aggregate amount |
| C | Aggregate non-exempt amount |
| (hospitals and public benevolent institutions only) |  |


| 14 Fringe benefits taxable amount ( $A+B$ ) or $C$ | .DQ |
| :---: | :---: |
| 15 Amount of tax payable (48.5\% of item 14 amount) |  |
| 16 Aggregate non-rebatable amount Refer to the 2005 FBT return guide for more information. |  |
| 17 Amount of rebate: $48 \%$ of (item 15 amount less item 16 amount) |  |
| 18 Sub-total (item 15 amount less item 17 amount) |  |
| 19 Less instalment amounts reported on activity statements Refer to the 2005 FBT return guide for more information. | .D8 |
| 20 Payment due - SEND THIS AMOUNT WITH YOUR PAYMENT ADVICE or <br> 21 Credit due to you |  |

22 Details of fringe benefits provided

| Type of benefits provided (1 April 2004 to 31 March 2005) |  | Number | WHOLE DOLLARS ONLY |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  |  | Gross taxable value (a) <br> (a) | Employee contribution <br> (b) | Value of reductions (c) | Taxable value of benefits (a) - (b) - (c) |
| Cars using the statutory formula | A |  |  |  |  | . 00 |
| Cars using the operating cost method | B |  |  |  |  | .0Q |
| Loans granted | C |  |  |  |  | . 00 |
| Debt waiver | D |  |  |  |  | . 02 |
| Expense payments | E |  |  |  |  | . D0 |
| Housing - units of accommodation provided | F |  |  |  |  | . 02 |
| Employees receiving living-away-from-home allowance (show total paid including exempt components) | G |  |  |  |  | . 00 |
| Airline transport (airlines and travel agents only) | H |  |  |  |  | . 00 |
| Board | J |  |  |  |  | .09 |
| Property | K |  |  |  |  | . 00 |
| Income tax exempt body - entertainment | L |  |  |  |  | . 00 |
| Other benefits (residual) | M |  |  |  |  | . 00 |
| Car parking | N |  |  |  |  | .0Q |
| Meal entertainment | P |  |  |  |  | . 08 |
| 23 Tax agent's declaration |  |  |  |  |  |  |
| I, |  |  | declare that this return has been prepared in accordance with information supplied by my client, that my client has given me a declaration stating that the information provided to me is true and correct and that my client has authorised me to lodge the return. |  |  |  |
| Signature of agent* |  |  | Day Month Year |  | Registered no. of agent |  |

* Where the agent is a partnership or a company, this declaration must be signed in the name of the partnership or company by a person who is registered as a nominee of that partnership or company.
24 Employer's declaration - where the employer lodges the return
$\mathrm{I}, \mathrm{L}$

Signature of employer*
proprietor, partner, public officer, trustee or, for government departments and authorities, the delegated officer

## GST ANNUAL RETURN, 2004-05 FINANCIAL YEAR

| P |  |
| :--- | :--- |

GST ANNUAL RETURN, 2004-05 FINANCIAL YEAR

## $\Gamma$

## How to complete this section

- Calculate your GST on sales (1A) and GST on purchases (1B) for the period shown on the front of this form using information from your accounts or by using the GST calculation sheet. Complete 1A \& 1B
- If you have a wine equalisation tax obligation, complete $1 \mathrm{C} \& 1 \mathrm{D}$ (if appropriate)
- If you have a luxury car tax obligation, complete 1E \& 1 F (if appropriate)
- If you are a GST instalment payer, add up the amounts at G21 (or G23 if you varied your instalment amount) on your activity statement(s) for the period shown on the front of this form. Write the amount at 1 H
- Calculate and complete 2 A \& 2 B
- Complete the 'Payment or refund' section


## Summary

Amounts you owe the Tax Office


Amounts the Tax Office owes you


## Payment or refund?

Is 2 A more than $\mathbf{2 B}$ ? (indicate with X )

$\square$ Yes, | then write the result of $2 A$ minus 2 at 9 . This amount is |
| :--- |
| payable to the Tax Office. |


$\square$ No, | then write the result of 28 minus $2 A$ at 9 . This amount is |
| :--- |
| refundable to you (or offset against any other tax debt you have). |

Your payment or refund amount
$9 \quad \$ \square \square \square \square \square \square \square \square \square$
(1) Do not use symbols such as,,$+- /, \$$

Declaration I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.

Please return this completed form to


Activity statement instructions are available from www.ato.gov.au or can be ordered by phoning 1328 66. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from www.ato.gov.au


## GST INFORMATION REPORT, 2004-05 FINANCIAL YEAR

## 0



## Annual GST information report

When completing this form, please

- use a BLACK pen only (to help with processing)
- leave boxes blank if not applicable (do not use N/A, NIL)
- show whole dollars only (do not show cents)
- do not use symbols such as +,-, /, \$


## Why have you received this annual GST information report?

You chose to calculate GST quarterly and report annually (Option 2) in at least one quarter during the year.
You now need to complete this form to report the following GST information for the period shown at the top of this form.

When is this form due?
You must return this form by

GST accounting method

| Export sales | G2 | \$ |  |  |  |  |  |  |  |  | Q |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Other GST-free sales | G3 | \$ |  |  |  |  |  |  |  |  | OQ |
| Capital purchases | G10 | \$ |  |  |  |  |  |  |  |  | OQ |
| Non-capital purchases | G11 | \$ |  |  |  |  |  |  |  |  | . 00 |

Declaration I declare that the information given on this form is true and correct, and that
I am authorised to make this declaration. The tax invoice requirements have been met.
Signature


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# APPENDIX: <br> SCHEDULES 

CAPITAL GAINS TAX SCHEDULE, 2003-04 INCOME YEAR


CAPITAL GAINS TAX SCHEDULE, 2003-04 INCOME YEAR


CAPITAL GAINS TAX SCHEDULE, 2003-04 INCOME YEAR


Part L Scrip-for-scrip roll-over for acquiring entity-to be completed by companies and trusts only
$\Gamma$

Part M Did you have an employee share scheme in place at any time during the year?- to be completed by companies only
(N yes $\square$ no $\square{ }_{\text {no }}^{\text {Print }}$ an in the
apropriate box





## LOSSES SCHEDULE, 2003-04 INCOME YEAR



## Losses schedule 2004 <br> Companies and trusts that do not join consolidated groups are to complete and attach this schedule to their 2004 tax return. Superannuation funds are to complete and attach this schedule to their 2004 tax return. <br> Print neatly in BLOCK LETTERS with a black or blue ballpoint pen only. Print one letter or number in each box. Do not use correction fluid or tape.



Part A Losses carried forward to the 2004-2005 income year-excludes foreign source losses and film losses
1 Tax losses carried forward to later income years
Year of loss


Transfer the amount at label $\mathbf{U}$ to the corresponding label on your tax return.

2 Net capital losses carried forward to later income years


Transfer the amount at label $\mathbf{V}$ to the corresponding label on your tax return.

## LOSSES SCHEDULE, 2003-04 INCOME YEAR

## $\Gamma$

## Part B Ownership and same business test-company and listed widely held trust only

Complete item 3 of Part B if a loss is being carried forward to later income years and the same business test has to be satisfied in relation to that loss.
Do not complete item 1, 2 or 4 of Part B if, in the 2003-2004 income year, no loss has been claimed as a deduction or, in the case of companies, losses have not been transferred in or out.

1 Whether continuity of majority ownership test passed
Note: If the entity has deducted, transferred in or transferred out (as applicable) in the 2003-2004 income year a loss incurred in any of the listed years, print $\mathbf{X}$ in the yes box or the no box to indicate whether the entity has satisfied the continuity of majority ownership test in respect of that loss.


2 Amount of losses deducted, transferred in or transferred out, for which the continuity of majority ownership test is not passed but the same business test is satisfied-excludes foreign source losses and film losses


3 Losses carried forward for which the same business test must be satisfied before they can be deducted in later years - excludes foreign source losses and film losses


4 Do 'current year loss' provisions apply?
Is the company required to calculate its taxable income or tax loss for the year under Subdivision 165-B or its net capital gain or net capital loss for the year under Subdivision 165-CB of the Income Tax Assessment Act 1997 (ITAA 1997)?

## Part C Unrealised losses-company only

Note: These questions relate to the operation of Subdivision 165-CC of ITAA 1997.
Has a changeover time occurred in relation to the company after 1.00 pm by legal time in the Australian Capital Territory on L $\square$ no $\square$ Print $\mathbf{X}$ in the 11 November 1999?
If you printed $\mathbf{X}$ in the no box at label $\mathbf{L}$, do not complete labels $\mathbf{M}, \mathbf{N}$ or $\mathbf{0}$
At the changeover time did the company satisfy the maximum net asset value test under section 152-15 of ITAA 1997?

If you printed $\mathbf{X}$ in the no box at label $\mathbf{M}$, has the company determined it had an unrealised net loss at the changeover time?

If you printed $\mathbf{X}$ in the yes box at label $\mathbf{N}$, what was the amount of unrealised net loss calculated under section 165-115E of ITAA $1997 ?$
K
s $\square$ no Print $\mathbf{X}$ in the appropriate box.
$\square$

## Part D Life insurance companies



## LOSSES SCHEDULE, 2003-04 INCOME YEAR

## $\Gamma$

Part E Loss transfer details-company only

1 Tax losses transferred in


2 Net capital losses transferred in
 The amount at label $\mathbf{P}$ must equal the corresponding label on your Capital gains tax (CGT) schedule 2004, if one is required.


5 Consideration for transfer of loss
Has any consideration been paid, credited or otherwise provided in respect of any loss transferred?
 Print $\mathbf{X}$ in the appropriate box

LOSSES SCHEDULE, 2003-04 INCOME YEAR


## APPENDIX:

## ACTIVITY STATEMENTS

## BUSINESS ACTIVITY STATEMENT - SAMPLE A



Payments cannot be made by credit card or in person at any Tax Office branch or shopfront.

BUSINESS ACTIVITY STATEMENT - SAMPLE A


Summary
If you are using GST Option 3 leave 1B, 1C, 1D, 1E, 1F blank Amounts you owe the Tax Office

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Amounts the Tax Office owes you

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| ${ }^{18+10+1 F+58+68}$ | 8в $\square_{\square \square \square \square \square}$ | ] |

## Payment or refund?

Is 8 A more than $\mathbf{8 B}$ ? (indicate with X )

| $\square$ Yes, | then write the result of 8 A minus $8 B$ at 9 . This amount is <br> payable to the Tax Office. |
| :--- | :--- |
| $\square$ No,then write the result of $8 B$ minus 8 A at 9 . This amount is <br> refundable to you (or offset against any other tax debt you have). |  |

## Your payment or refund amount

9

(1) Do not use symbols such as,,$+- /, \$$

Reason code for variation F4 $\quad \square$
Declaration I declare that the information given on this form is true and correct, and that Declaration I declare that the information given on this form is true and correct, and that
I am authorised to make this declaration. The tax invoice requirements have been met. Signature Date

Please return this completed form to


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## BUSINESS ACTIVITY STATEMENT - SAMPLE B



BUSINESS ACTIVITY STATEMENT - SAMPLE B


Amounts the Tax Office owes you


## Payment or refund?

Is 8 A more than 8 B ?
(indicate with $\mathbf{X}$ )
Yes, then write the result of $8 A$ minus $8 B$ at 9 . This amount is

No, then write the result of 8 B minus 8 A at 9 . This amount is
then write the result of 8B minus 8 A at 9 . This amount is
refundable to you (or offset against any other tax debt you have).

Your payment or refund amount
9


Declaration I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.

Signature
Date
Please return this completed form to
Do not use symbols such as,,$+- /, \$$

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## INSTALMENT ACTIVITY STATEMENT



## How to pay



Bpar: contact your bank, credit union or building society to make this payment from your cheque or savings account. Quote biller code 75556 and your EFT code (shown on the other side of this payment slip) as the customer reference number.
Direct credit: transfer funds directly to the Tax Office using computer based banking software.

Direct debit: have your payment deducted from your nominated bank account (excluding credit cards).


Mail payments: mail this payment slip together with your cheque / money order using the envelope provided. Please do not use pins or staples. Do NOT send cash.

0 POST Post Office: payments can be made at any Post office by cash, cheque or EFTPOS (subject to daily limits). A $\$ 3,000$ cash limit applies. Your payment slip must be presented with your payment.

- Cheques/money orders should be made payable to the 'Deputy Commissioner of Taxation' and crossed 'Not Negotiable'.
- All cheques must be tendered in Australian currency.
(1) Payments cannot be made by credit card or in person at any Tax Office branch or shopfront.


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[^0]:    1 Definitions for the different types of deductions are in the personal tax return form guide on the attached CD-ROM.
    2 A share of $0.0 \%$ indicates a share of less than $0.05 \%$.
    3 This is the sum of primary and non-primary production tax losses applied from earlier income years.
    4 Components do not add to total number of taxpayers claiming deductions as taxpayers may claim more than one type of deduction.

[^1]:    1 For statistics on other postcodes in Western Australia see personal tax detailed table 3, part E: Western Australia
    2 Refers to personal taxpayers with net tax payable of more than \$0.
    3 Mean (or average) taxable income in this table refers only to taxable individuals.
    4 Mean net tax in this table is calculated by dividing net tax by the number of taxable individuals.
    5 Net tax ratio is calculated using the formula: net tax/taxable income.

[^2]:    1 Definitions of items are in the company tax glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.
    2 An amount of $\$ 0$ may indicate an amount less than $\$ 500,000$.
    3 Also referred to as 'Contractor, subcontractor and commission expenses'.
    4 Total amount may differ slightly from the sum of components due to rounding. The total expenses amount is the sum of components as shown by the taxpayer on their annual income tax return. It is not necessarily the total calculated by the Tax Office during assessment.

[^3]:    1 Definitions of items are in the trust return glossary on the attached CD-ROM and in the online version of this publication on the Tax Office website.

[^4]:    1 Previous years' figures have been revised

[^5]:    1 Data extracted 10 October 2005. Previous years' figures have been revised.
    2 State refers to the state in which the fund is administered, not necessarily the state members reside in.
    3 ACT is included in NSW statistics and the Northern Territory in SA statistics.
    4 Estimate based on Tax Office data.

[^6]:    1 The industry groups are classified based on the ANZSIC system. There is a complete listing of all fine industries listed under each broad industry group and the corresponding code in Business industry codes 2004.
    2 Includes mining, communication, electricity, gas and water supply industries and entities that did not state their industry.
    3 Total amount may differ slightly from the sum of components due to rounding.

[^7]:    This table is the same as PAYG withholding detailed table 2 , which can be viewed or downloaded from the attached CD-ROM or from the online version of this publication on the Tax Office website. The table details cash collections. 2 PAYG withholding amounts reported for 2000-01 exclude mining withholding tax collections and non-resident interest, dividends and royalty withholding tax collections.

    3 Includes withholders who did not state their industry and/or stated multiple industries.

[^8]:    1 Claims processed during the period may not necessarily relate to fuel purchased during the same period.
    2 A value of $0.0 \%$ indicates a share of less than $0.05 \%$.
    3 Includes entities that did not state their industry.
    4 Total amount may differ slightly from the sum of components due to rounding.

[^9]:    1 Calculated from income tax return labels.

[^10]:    Does your income include an individual's personal services income?

    Print $\mathbf{Y}$ for yes or $\mathbf{N}$ for no.

    F

[^11]:    Medicare levy surcharge and 30\% private health insurance tax offset
    If the trust is liable for the Medicare levy surcharge or entitled to the
    $30 \%$ private health insurance tax offset, refer to the instructions.

