

Table 5.1: Tax Expenditures Reference Table

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
A Personal income tax benchmark										
A1	General public services (A)	Exemption of official salaries and ex-Australian income of the Governor-General and Governor of any State	<2	<2	<2	<2	<2	<1	<1	<1
A2	General public services (A)	Deduction for Federal, State and Territory government candidates' election expenses	1	4	3	4	6	7	9	10
A3	General public services (A)	Deduction of up to \$1000 for local government candidates' election expenses				included in A2				
A4	General public services (C)	Exemption of official salary and emoluments of officials of prescribed international organisations	na	na	na	na	na	na	na	na
A5	General public services (C)	Exemption of income of visitors who are representatives of a foreign press organisation	na	na	na	na	na	na	na	na
A6	General public services (C)	Total or partial exemptions of income earned by Australians working overseas	210	240	250	280	290	310	340	370
A7	General public services (C)	Exemption from income tax for non-residents providing advice to government or as a member of a Royal Commission	na	na	na	na	na	na	na	na
A8	General public services (C)	Exemption of Australian-sourced income earned by Government representatives visiting Australia or by their official staff	na	na	na	na	na	na	na	na
A9	General public services (E)	Exemption of income of residents of Norfolk Island	5	5	8	7	7	7	8	8
A10	Defence	Exemption of pay and allowances for part-time members of Defence Force Reserves	35	40	35	30	30	30	30	30

Table 5.1: Tax Expenditures Reference Table (continued)

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
A11	Defence	Exemption of certain allowances and bounties payable to Defence Force personnel	2	2	3	2	2	3	3	3
A12	Defence	Exemption of the value of rations and quarters supplied without charge to Defence Force personnel	na	na	na	na	na	na	na	na
A13	Defence	Exemption of pay and allowances earned in Australia by foreign forces	<1	<1	<1	<1	<1	<1	<1	<1
A14	Defence	Exemption of compensation for loss of pay and allowances paid to Defence Force Reserve personnel	-	-	-	-	na	na	na	na
A15	Defence	Exemption of compensation for loss of deployment allowance paid to Defence Force members	-	-	-	-	na	na	na	na
A16	Defence	Exemption of pay and allowances earned by members of the Defence Force in an area prescribed by regulation	<1	<1	35	18	18	18	18	18
A17	Defence	Exemption of some payments to civilian personnel in service with an armed force of the United Nations	<1	<1	<1	<1	<1	<1	<1	<1
A18	Defence	Rebates for Defence Force personnel serving overseas								
A19	Defence	Exemption from the Medicare levy for Defence Force members	30	30	30	30	30	30	35	35
A20	Defence	Exemption of income earned by visitors assisting in the defence of Australia	<1	<1	<1	<1	<1	<1	<1	<1
A21	Defence	Exemption of Disturbance Allowance for Defence Force members	5	5	5	5	5	5	5	5
A22	Defence	Exemption of Scholarship Allowance payable to Defence Force members	na	na	na	na	na	na	na	na

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
A23	Education	Exemption of income from certain Commonwealth educational scholarships or forms of assistance	10	8	7	8	9	10	11	13
A24	Education	Exemption of income from other scholarships or forms of assistance in limited circumstances	na	na	na	na	na	na	na	na
A25	Education	Exemption of Australian income of visiting representatives of educational, scientific, religious or philanthropic societies and associations	<1	<1	<1	<1	<1	<1	<1	<1
A26	Education	Exemption for grants from the Australian-American Educational Foundation	<1	<1	<1	<1	<1	<1	<1	<1
A27	Health	Medical Expenses Rebate	125	130	150	160	170	185	200	220
A28	Health	Exemption from the Medicare levy for residents with a taxable income below a threshold	310	280	290	330	350	350	360	370
A29	Health	Medicare levy exemption for non-residents, repatriation beneficiaries, foreign government representatives and certain residents	40	45	65	70	70	75	80	85
A30	Health	Income-tested tax offset for private health insurance	-	160	60	-	-	-	-	-
A31	Health	30 per cent rebate for expenditure on private health insurance	-	-	120	195	270	270	290	310
		Exemption of private health insurance rebate/benefit, including expense equivalent	-	-	380	680	720	740	780	820
A32	Health	Medicare levy surcharge	-	-105	-140	-150	-75	-75	-75	-75
A33	Social security and welfare	Rebate for sole parents	230	250	260	50	-	-	-	-

Table 5.1: Tax Expenditures Reference Table (continued)

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
A34	Social security and welfare	Rebate for taxpayers supporting a dependent relative, parent-in-law, or invalid relative	10	12	13	13	14	15	16	16
A35	Social security and welfare	Rebate for recipients of taxable repatriation or social security pensions; or unemployment, sickness or special benefits	1930	1980	2040	610	630	650	670	700
A36	Social security and welfare	Rebate for housekeeper who cares for a prescribed dependant of the taxpayer	400	420	430	330	310	320	320	330
A37	Social security and welfare	Rebate for dependent spouse				included in A36				
A38	Social security and welfare	Rebate for child-housekeeper				included in A36				
A39	Social security and welfare	Rebate for low income earners	520	490	440	460	390	370	360	340
A40	Social security and welfare	Exemption of certain social security and repatriation payments	1270	1330	1410	480	500	530	550	580
A41	Social security and welfare	Exemption of rent subsidy payments under the Commonwealth/State mortgage and rent relief schemes	13	13	14	15	13	12	14	14
A42	Social security and welfare	Senior Australians Tax Offset	20	25	30	1340	1390	1440	1500	1600
A43	Social security and welfare	Family Tax Assistance, Parts A and B	250	400	380	0	-	-	-	-
A44	Social security and welfare	Rebate for CDEP participants	-	7	8	7	7	8	9	10
A45	Social security and welfare	Family Tax Benefit, Parts A and B (rebate)	-	-	-	11	350	370	390	410
		Exemption of Family Tax Benefit, Parts A and B, including expense equivalent	-	-	-	1980	2210	2290	2330	2390
A46	Social security and welfare	Exemption of Child Care Benefit	-	-	-	330	410	440	480	490
A47	Social security and welfare	Exemption of one-off savings bonus payments to senior Australians	-	-	-	430	-	-	-	-
A48	Social security and welfare	Exemption of certain war-related payments and pensions	310	330	330	370	330	350	360	380

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Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
A49	Social security and welfare	Exemption of compensation paid by Federal Republic of Germany for Nazi persecution	<5	<5	<5	<5	<5	<5	<5	<5
A50	Social security and welfare	Exemption of pensions, annuities or allowances paid by certain foreign governments for persecution								
A51	Social security and welfare	Income tax exemption for certain pensions received by PNG residents	na	na	na	na	na	na	na	na
A52	Social security and welfare	Exemption of one-off payment to older Australians	-	-	-	115	2	-	-	-
A53	Housing & community amenities	Zone rebates	180	180	175	175	175	180	185	190
A54	Recreation and culture	Concessional rates of tax for abnormal receipts	5	5	5	5	5	5	5	5
A55	Other economic affairs (B)	Deductibility of union dues and subscriptions to business associations	na	na	na	na	na	na	na	na
A56	Other economic affairs (B)	Deferral of tax on share discounts and exemption of share discounts received by an employee under an approved employee share acquisition scheme	na	na	na	na	na	na	na	na
A57	Other economic affairs (B)	Tax deferral advantage of subtracting undeducted purchase price component of pension or annuity from assessable income	na	na	na	na	na	na	na	na
A58-61	Not allocated to function	Concessions under the substantiation provisions for employment-related expenses.	na	na	na	na	na	na	na	na
A62	Not allocated to function	Rebate on certain payments of income received in arrears	<1	<1	<1	<1	<1	<1	<1	<1
A63	Not allocated to function	Deduction for gifts other than trading stock to approved donees	210	230	250	300	300	320	350	370
A64	Not allocated to function	Deduction for gifts of trading stock to approved donees								

included in A63

Table 5.1: Tax Expenditures Reference Table (continued)

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
A65	Not allocated to function	Concession for post-judgement interest awards in personal injury compensation cases	-	-	14	2	2	2	2	2
A66	Not allocated to function	Rebate of interest on certain government securities	<1	<1	<1	<1	<1	<1	<1	<1
A67	Not allocated to function	Exemption from income tax of one-off payments to former civilian internees and detainees of the Japanese	-	-	-	4	-	-	-	-
A68	Not allocated to function	Exemption for structured settlement annuities	-	-	-	-	-	1.4	2.5	3.6
B Retirement benefits benchmark										
B1	Social security and welfare	Concessional treatment of superannuation	9920	9510	10210	9065	9485	10305	11225	11875
B2	Social security and welfare	Concessional treatment of non-superannuation termination benefits	1370	1450	1530	1490	1580	1680	1780	1890
B3	Social security and welfare	Capped taxation rate applying to unused recreation and long service leave	280	260	250	210	195	185	175	170
B4	Social security and welfare	Taxation of 5 per cent of unused long service leave accumulated by 15 August 1978	190	160	160	160	155	155	155	150
B5	Social security and welfare	CGT exemption on the sale of a small business at retirement	-	25	25	25	25	25	25	25
B6	Social security and welfare	CGT discount for superannuation funds				included in B1				
B7	Other economic affairs (C)	Small business 15 year retirement CGT exemption	-	-	-	na	na	na	na	na
B8	Other economic affairs (C)	CGT rollover relief for ADF and superannuation funds	na	na	na	na	na	na	na	na
B9	Not allocated to function	Savings rebate	-	350	520	-	-	-	-	-

Table 5.1: Tax Expenditures Reference Table (continued)

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
C Fringe benefits tax benchmark										
C1	General public services (B)	Benefits provided by certain international organisations	na	na	na	na	na	na	na	na
C2	Defence	Loan benefits on war service home loans	na	na	na	na	na	na	na	na
C3	Defence	Exclusion from reporting requirement for certain benefits provided to Australian Defence Force personnel	-	-	-	10	10	10	10	10
C4	Defence	Exclusion from reporting for certain elements of the Overseas Living Allowance				included in C3				
C5	Defence	Exclusion from reporting of benefits associated with Australian Defence Force removals	na	na	na	na	na	na	na	na
C6	Education	Education costs for children of employees posted overseas	na	na	na	na	na	na	na	na
C7	Education	Disregard of possible application of the \$250 threshold for deductibility for some self-education expenses	<5	<5	<5	<5	<5	<5	<5	<5
C8	Health	Benefits provided by public hospitals to their employees	130	145	155	115	120	125	125	130
C9	Health	Employee/family travel costs associated with overseas medical treatment	<5	<5	<5	<5	<5	<5	<5	<5
C10	Social security and welfare	Safety award benefits up to \$200 per year per employee	na	na	na	na	na	na	na	na
C11	Social security and welfare	Recreation/child care facilities on an employer's premises	na	na	na	na	na	na	na	na
C12	Social security and welfare	Employer contributions to secure child-care places in certain centres	na	na	na	na	na	na	na	na
C13	Social security and welfare	Benefits provided by PBIs (excluding public hospitals) to employees	180	190	210	240	240	250	260	270

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
C14	Social security and welfare	Accommodation, fuel and meals for live-in employees caring for the elderly or disadvantaged	na	na	na	na	na	na	na	na
C15	Social security and welfare	Employer provided property/facilities for immediate relief of employees/families in times of emergency	na	na	na	na	na	na	na	na
C16	Housing & community amenities	Housing benefits and residential fuels in remote areas	40	35	35	80	70	80	80	85
C17	Housing & community amenities	Exemption for housing provided by certain employers in regional areas	-	-	-	na	na	na	na	na
C18	Housing & community amenities	Exclusion from reporting for regional housing benefits provided by certain employers in regional areas	-	-	-	na	na	na	na	na
C19	Housing & community amenities	Discount on interest or purchase price for remote area housing purchase assistance and associated fuel benefits	na	na	na	na	na	na	na	na
C20	Transport and communications	Free or discounted commuter travel to employees where the employer carries on a business of providing public transport	30	30	35	35	45	45	45	45
C21	Transport and communications	Employee taxi travel arriving at or leaving from place of work	na	na	na	na	na	na	na	na
C22	Transport and communications	Exemption for free travel to and from duty by police officers on public transport	-	-	-	5	5	5	5	5
C23	Other economic affairs (A)	Discounted valuation of employee stand-by travel for airline employees and travel agents	85	85	85	95	100	100	105	110
C24	Other economic affairs (B)	Long service awards of more than 15 years to \$500 per employee	<5	<5	<5	<5	<5	<5	<5	<5
C25	Other economic affairs (B)	Food and accommodation provided to employees training under the Australian Traineeship Scheme	<5	<5	<5	<5	<5	<5	<5	<5

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
C26	Other economic affairs (B)	Compensation-related benefits, certain relocation and recruitment expenses	na	na	na	na	na	na	na	na
C27	Other economic affairs (B)	Occupational health and counselling services and some training courses	na	na	na	na	na	na	na	na
C28	Other economic affairs (B)	Discounted valuation of certain relocation and recruitment expenses	na	na	na	na	na	na	na	na
C29	Other economic affairs (B)	Reimbursement of car expenses incurred with occupational health and counselling services and some training courses	na	na	na	na	na	na	na	na
C30	Other economic affairs (C)	Exemption for certain loan benefits	na	na	na	na	na	na	na	na
C31	Other economic affairs (C)	Discounted valuation of certain loan benefits	na	na	na	na	na	na	na	na
C32	Other economic affairs (C)	Application of statutory formula to value car benefits	870	910	940	880	910	940	960	980
C33	Other economic affairs (C)	Record keeping for employers submitting a return with \$5,000 or less in taxable benefits	-	-	6	6	6	6	6	6
C34	Other economic affairs (C)	Car parking on small business premises	na	na	na	na	na	na	na	na
C35	Not allocated to function	Rebate of FBT for some non-government, non-profit organisations	55	60	70	55	40	40	45	45
C36	Not allocated to function	Benefits in relation to certain compassionate travel of employees	<5	<5	<5	<5	<5	<5	<5	<5
C37	Not allocated to function	Fringe benefits provided by religious institutions	170	175	180	180	180	180	185	185
C38	Not allocated to function	Staff accommodation at religious institutions and meals provided in religious houses	<5	<5	<5	<5	<5	<5	<5	<5
C39	Not allocated to function	Provision of food and drink in certain circumstances	na	na	na	na	na	na	na	na
C40	Not allocated to function	Discounted valuation of arm's length transaction price for in-house property and residual fringe benefits	na	na	na	na	na	na	na	na

Table 5.1: Tax Expenditures Reference Table (continued)

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
C41	Not allocated to function	Airline transport fringe benefits and free discounted goods and services up to a threshold	na	na	na	na	na	na	na	na
C42	Not allocated to function	Board fringe benefits	20	25	25	30	30	30	30	30
C43	Not allocated to function	Certain car parking fringe benefits	na	na	na	na	na	na	na	na
C44	Not allocated to function	Benefits resulting from valuation arrangements for car parking	na	na	na	na	na	na	na	na
C45	Not allocated to function	Discounted valuation for holiday travel for employees posted overseas	na	na	na	na	na	na	na	na
C46	Not allocated to function	Transport for oil rig and remote area employees in certain circumstances	na	na	na	na	na	na	na	na
C47	Not allocated to function	Discounted valuation of remote area holiday benefits	na	na	na	na	na	na	na	na
C48	Not allocated to function	Minor benefits	na	na	na	na	na	na	na	na
C49	Not allocated to function	Private use of business property consumed on business premises	na	na	na	na	na	na	na	na
C50	Not allocated to function	Allowances and accommodation benefits	na	na	na	na	na	na	na	na
C51	Not allocated to function	Private use of company car that is minor and infrequent	na	na	na	na	na	na	na	na
C52	Not allocated to function	Loans to employees to meet employment-related and accommodation-related expenses	na	na	na	na	na	na	na	na
C53	Not allocated to function	Exclusion from reporting for certain travel in marked emergency vehicles	-	-	-	na	na	na	na	na
C54	Not allocated to function	Exemption for organisations promoting the prevention or control of disease in people	-	-	-	na	na	na	na	na
C55	Not allocated to function	Exclusion from reporting of benefits associated with police force removals	-	-	-	-	na	na	na	na
C56	Not allocated to function	Exclusion from reporting of benefits associated with home-to-work travel in unmarked police vehicles	-	-	-	-	na	na	na	na

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
D Business tax benchmark										
Income tax benchmark										
D1	Health	Income tax exemption for registered health benefit organisations	25	50	50	45	50	50	55	55
D2	Health	Income tax exemption for public and non-profit hospitals	<1	<1	<1	<1	<1	<1	<1	<1
D3	Social security and welfare	Income tax exemption for religious, scientific, charitable or public educational institutions	na	na	na	na	na	na	na	na
D4	Social security and welfare	Concessional taxation treatment of mining payments made in connection with the use of Aboriginal land	<1	<1	<1	<1	<1	<1	<1	<1
D5	Social security and welfare	Taxation of life insurance investment income	na	na	na	na	na	na	na	na
D6	Recreation and culture	Income tax exemption for certain non-profit societies	25	30	30	30	25	25	30	30
D7	Recreation and culture	Income tax exemption for the Australian Film Finance Corporation	<1	<1	<1	<1	<1	<1	<1	<1
D8	Recreation and culture	Income tax exemption for Australian film receipts								
D9	Recreation and culture	Income tax exemption for certain promotion and development non-profit societies	30	30	30	30	30	25	25	25
D10	Agriculture, forestry and fishing	Income tax averaging for primary producers	100	75	70	75	80	95	100	110
D11	Agriculture, forestry and fishing	Deferment of income from a double wool clip	na	na	na	na	na	na	na	na
D12	Agriculture, forestry and fishing	Spreading insurance recoveries for loss of timber or livestock	na	na	na	na	na	na	na	na
D13	Agriculture, forestry and fishing	Valuation of livestock from natural increase	60	60	70	70	75	85	90	100

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
D14	Agriculture, forestry and fishing	Introduction of new trading stock rules for oyster farmers	-	-	-	-
D15	Agriculture, forestry and fishing	Income tax exemption for Dairy Exit Program payments	-	-	-	-	1	1	1	-
D16	Mining, mineral, manufacturing	Infrastructure Bonds Scheme	115	105	85	60	25	20	10	0
D17	Mining, mineral, manufacturing	Infrastructure Borrowings Tax Offset Scheme	<10	<75	<75	<75	<75	<75	<75	<75
D18	Mining, mineral, manufacturing	Income tax exemption for sale, transfer or assignment of mining rights	40	18	5	-	-	-	-	-
D19	Mining, mineral, manufacturing	Income tax exemption for funds established for scientific research	<1	<1	<1	<1	<1	<1	<1	<1
D20	Other economic affairs (B)	Income tax exemption for trade unions and registered organisations	10	10	10	10	10	9	9	9
D21	Other economic affairs (B)	Income tax exemption for CRAFT apprenticeship rebates	12	13	7	12	11	5	-	-
D22	Other economic affairs (C)	Concessional tax rate for the life insurance business of friendly societies	20	10	10	5	..	-	-	-
D23	Other economic affairs (C)	Income tax exemption for current pension liabilities	na	na	na	na	na	na	na	na
D24	Other economic affairs (C)	Income tax exemptions for foreign superannuation funds	na	na	na	na	na	na	na	na
D25	Other economic affairs (C)	Pooled Development Funds	<1	<1	3	5	8	11	16	20
D26	Other economic affairs (C)	Concessional treatment of some credit unions	30	<1	<1	<1	<1	<1	<1	<1
D27	Other purposes (D)	Income tax exemption for Katherine Business Re-establishment trust fund	-	2	-	-	-	-	-	-
D28	Other purposes (D)	Income tax exemption for Cyclones Elaine and Vance trust fund	-	-	1	-	-	-	-	-
D29	Not allocated to function	Transitional taxation of life insurance management fees	-	-	-	120	150	135	135	135
D30	Not allocated to function	Income tax exemption for State/Territory bodies	na	na	na	na	na	na	na	na

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
D31	Not allocated to function	Income tax exemption for municipal authorities and other local governing bodies	95	95	90	95	95	85	90	95
Capital gains tax (CGT) benchmark										
D32	Defence	CGT exemption for valour or brave conduct decorations	<1	<1	<1	<1	<1	<1	<1	<1
D33	Health	CGT exemption for disposal of assets under the Rural and Remote General Practice program	<1	<1	<1	<1	<1	<1	<1	<1
D34	Housing & community amenities	CGT treatment of perpetual conservation covenants	-	-	-	-	<1	<1	<1	<1
D35	Housing & community amenities	CGT main residence exemption	na	na	na	na	na	na	na	na
D36	Recreation and culture	CGT exemption for the disposal of assets under the Cultural Bequests and Cultural Gifts programs	na	na	na	na	na	na	na	na
D37	Transport and communications	CGT exemption for payments under the Sydney Aircraft Noise Insulation project	11	15	11	6	9	9	9	9
D38	Transport and communications	CGT exemption for payments under the M4/M5 Cashback Scheme	na	9	12	14	16	16	17	17
D39	Other economic affairs (C)	Venture capital concessions	-	-	-	-	-	na	na	na
D40	Other economic affairs (C)	Small business 50 per cent CGT exemption for the sale of active business assets	-	-	-	-	na	na	na	na
D41	Other economic affairs (C)	Small business CGT rollover	-	60	55	40	40	45	45	45
D42	Other economic affairs (C)	Small business CGT partial exemption for goodwill	na	na	na	na	-	-	-	-
D43	Other economic affairs (C)	Exemption from reducing the cost base of trusts for CGT purposes	na	na	na	na	na	na	na	na
D44	Other economic affairs (C)	CGT discount for individuals	-	-	-	860	1180	1290	1420	1480
D45	Other economic affairs (C)	CGT scrip-for-scrip rollover relief	-	-	-	na	na	na	na	na
D46	Other economic affairs (C)	CGT rollover relief for involuntary disposals	-	-	-	na	na	na	na	na

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			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
D47	Other economic affairs (C)	CGT discount for investors in LICs	-	-	-	-	5	20	20	20
D48	Other economic affairs (C)	Non-imposition of CGT on capital gains that accrue before an asset becomes a segregated pension asset but are realised after the asset becomes a segregated pension asset	na	na	na	na	na	na	na	na
Deductions benchmark										
<i>Effective life</i>										
D49	Recreation and culture	Tax incentives for film investment	20	20	20	17	16	16	16	16
D50	Recreation and culture	Film Licensed Investment Companies	-	-	na	na	na	na	na	na
D51	Recreation and culture	Refundable tax offset for large scale film production	-	-	-	-	-	5	35	32
D52	Agriculture, forestry and fishing	Accelerated depreciation for water management costs	25	20	20	20	20	20	20	25
D53	Agriculture, forestry and fishing	Landcare deduction				included in D52				
D54	Agriculture, forestry and fishing	Landcare offset	-	1	1	<1	<1	<1	<1	<1
D55	Agriculture, forestry and fishing	Deduction for horse breeding stock	na	na	na	na	na	na	na	na
D56	Agriculture, forestry and fishing	Depreciation of the capital cost of telephone lines for primary producers	1	1	1	1	1	1	1	1
D57	Agriculture, forestry and fishing	Tax write-off for horticultural plants	1	3	4	5	5	6	7	8
D58	Agriculture, forestry and fishing	Accelerated depreciation for grapevine plantings	4	4	4	4	4	4	4	5
D59	Agriculture, forestry and fishing	Drought investment allowance	14	12	10	5	-	-	-	-
D60	Mining, mineral, manufacturing	Development allowance	260	260	250	220	200	170	-	-
D61	Mining, mineral, manufacturing	Capital expenditure deduction for mining, quarrying and petroleum operations	na	na	na	na	na	na	na	na
D62	Mining, mineral, manufacturing	Deduction for patents, designs and copyright	25	30	30	35	35	35	40	40
D63	Mining, mineral, manufacturing	Exploration and prospecting deduction	na	na	na	na	na	na	na	na
D64	Mining, mineral, manufacturing	Deduction for expenditure on environmental impact studies								included in D65

Table 5.1: Tax Expenditures Reference Table (continued)

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
D65	Mining, mineral, manufacturing	Deduction for expenditure on pollution control	14	18	14	13	11	11	11	12
D66	Mining, mineral, manufacturing	Depreciation to nil value rather than estimated scrap value	<10	<10	<10	<10	<10	<10	<10	<10
D67	Mining, mineral, manufacturing	Depreciation balancing charge rollover relief	na	na	na	na	na	na	na	na
D68	Mining, mineral, manufacturing	Balancing charge rollover relief for exploration, mining and quarrying activities	na	na	na	na	na	na	na	na
D69	Mining, mineral, manufacturing	Absence of cost base recapture for certain assets	na	na	na	na	na	na	na	na
D70	Mining, mineral, manufacturing	Accelerated depreciation allowance for plant and equipment	1930	2050	2110	1530	280	-460	-870	-1040
D71	Mining, mineral, manufacturing	Accelerated depreciation for employees' amenities				included in D70				
D72	Mining, mineral, manufacturing	Accelerated depreciation for mining buildings	310	310	310	310	290	260	260	260
D73	Mining, mineral, manufacturing	Depreciation pooling for low-value assets	-	-	-	165	550	650	720	750
D74	Mining, mineral, manufacturing	Accelerated depreciation for Australian trading ships	-7	-8	-20	-25	-25	-17	-14	-11
D75	Other economic affairs (C)	Depreciation for upgrading mains electricity to a business property	7	7	7	7	7	7	7	7
D76	Other economic affairs (C)	The Simplified Tax System	-	-	-	-	280	550	240	340
D77	Other economic affairs (C)	Transitional exemption of small business from abolition of accelerated depreciation, balancing charge offset and low-value pooling	-	-	-	220	470	-260	-90	-60
D78	Other economic affairs (C)	R&D refundable tax offset for small companies	-	-	-	-	-	11	8	6
D79	Other economic affairs (C)	R&D tax concession	500	400	430	450	420	310	330	370
D80	Other economic affairs (C)	Premium tax concession for additional R&D expenditure	-	-	-	-	40	105	120	135
D81	Other economic affairs (C)	De minimis exemption for thin capitalisation	-	-	-	-

Table 5.1: Tax Expenditures Reference Table (continued)

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
D82	Not allocated to function	Accelerated depreciation for software	-	15	65	165	250	270	240	175
D83	Not allocated to function	Immediate deduction relating to Y2K upgrades	-	5	105	130	-70	-70	-65	-40
D84	Not allocated to function	Immediate deductibility for GST-related plant and software	-	-	-	185	-50	-50	-40	-35
<i>Apportionment</i>										
D85	Other economic affairs (C)	Prepayment rule for STS taxpayers and non-business expenditure by individuals	na	na	na	na	na	na	na	na
D86	Other economic affairs (C)	Transitional arrangements for prepayments	-	-	45	750	-210	-30	-220	-185
D87	Other economic affairs (C)	The 10-year rule for prepayments	na	na	na	na	na	na	na	na
D88	Other economic affairs (C)	Exemption from the tax shelter prepayments measure for passive investments	-	-	-	na	na	na	na	na
D89	Other economic affairs (C)	Prepayment rule for forestry managed investments	-	-	-	-	-	-25	-5	-
<i>Private use</i>										
D90	Other economic affairs (C)	Capitalisation of ownership costs of assets held partly for private use	na	na	na	na	na	na	na	na
D91	Not allocated to function	Exemption from non-commercial losses provisions (primary producers and artists)	-	-	-	20	90	80	65	55
<i>Other</i>										
D92	Social security and welfare	Deductability of expenses incurred for entertaining disadvantaged members of the public	na	na	na	na	na	na	na	na
D93	Agriculture, forestry and fishing	Income Equalisation Deposits scheme	25	25	9	-	-	-	-	-
D94	Agriculture, forestry and fishing	Farm Management Deposit scheme	-	-	25	30	25	30	30	30
D95	Other economic affairs (C)	Deduction to co-operative companies	na	na	na	na	na	na	na	na

Table 5.1: Tax Expenditures Reference Table (continued)

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
International benchmark										
D96	General public services (C)	Income tax exemption for prescribed international organisations	na	na	na	na	na	na	na	na
D97	General public services (C)	IWT exemption for certain overseas organisations				included in D110				
D98	General public services (C)	DWT exemption for certain overseas organisations	na	na	na	na	na	na	na	na
D99	General public services (C)	IWT and DWT exemption for prescribed international organisations	na	na	na	na	na	na	na	na
D100	General public services (C)	Tax sparing provisions in Australia's DTAs	35	10	25	15	5	5	-	-
D101	General public services (C)	Exemption for branch profits from foreign tax credit system	na	na	na	na	na	na	na	na
D102	Defence	Income tax exemption for certain US projects in Australia	na	na	na	na	na	na	na	na
D103	Other economic affairs (C)	Half IWT on foreign bank branch interest payments to the foreign bank				included in D110				
D104	Other economic affairs (C)	Deductibility of costs of setting up a regional headquarters	2	2	2	2	<1	<1	<1	<1
D105	Other economic affairs (C)	Concessional tax treatment of income of offshore banking units	20	30	45	45	40	35	35	35
D106	Other economic affairs (C)	DWT exemption for Pooled Development Funds	na	na	na	na	na	na	na	na
D107	Not allocated to function	Exemption of non-portfolio dividends from the foreign tax credit system	na	na	na	na	na	na	na	na
D108	Not allocated to function	Exemption from accrual taxation for controlled foreign companies	na	na	na	na	na	na	na	na
D109	Not allocated to function	Exemption from accrual taxation for transferor trusts	na	na	na	na	na	na	na	na
D110	Not allocated to function	Exemption from IWT on widely held debentures	740	560	580	570	590	590	590	590

Table 5.1: Tax Expenditures Reference Table (continued)

Index	Functional Group	Description	Estimates (\$m)				Projections (\$m)			
			1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05
E Excise duty benchmark										
E1	Health	Penalty rate of excise levied on leaded petrol	-120	-105	-80	-25	-	-	-	-
E2	Health	Penalty rate of excise levied on cigarettes with less than 0.8 grams of tobacco	-	-	na	na	na	na	na	na
E3	Fuels and energy	Exemption from excise for 'alternative fuels'	610	660	730	840	900	1020	1170	1200
E4	Fuels and energy	Concessional rate of excise levied on fuel oil, heating oil and kerosene	320	160	120	135	130	120	115	115
E5	Fuels and energy	Concessional rate of excise levied on aviation gasoline and aviation turbine fuel	710	750	840	850	860	880	900	910
E6	Agriculture, forestry and fishing	Concessional rate of excise levied on brandy	5	5	5	3	3	3	3	3
E7	Not allocated to function	No excise-free threshold for alcoholic beverages (other than beer) not exceeding 10 per cent alcohol	-	-	-	-11	-11	-12	-12	-13
E8	Not allocated to function	WET rebate scheme	-	-	-	20	20	20	25	25
E9	Not allocated to function	Concessional rate of excise levied on beer sold in containers greater than 48 litres	-	-	-	30	150	160	160	160
E10	Not allocated to function	Concessional rate of excise levied on beer produced for non-commercial purposes using commercial facilities or equipment	na	na	na	na	na	na	na	na
E11	Not allocated to function	Excise concession for microbreweries	-	-	-	<1	<1	<1	<1	<1