



Policy costing

Revenue implications of changes to vehicle taxation measures	
Person/party requesting the costing:	Senator Tim Storer, Senator for South Australia
Date costing completed:	4 December 2018
Expiry date of the costing:	Release of the next economic and fiscal outlook report.
Status at time of request:	Submitted outside the caretaker period <input checked="" type="checkbox"/> Confidential <input type="checkbox"/> Not confidential
<p>Summary of proposal:</p> <p>This proposal contains 16 options to alter motor vehicle taxation in Australia.</p> <p>Options 1 to 4 would reduce the standard luxury car tax (LCT) threshold to \$57,180, and subsequently index the standard LCT threshold in line with the motor vehicle component of the consumer price index (CPI), with the following definitions of fuel-efficiency for LCT purposes.</p> <ul style="list-style-type: none"> • Option 1: The definition of fuel-efficiency would remain unchanged at seven litres per 100 kilometres. • Option 2: The definition of fuel-efficiency would be narrowed to four litres per 100 kilometres. • Option 3: The definition of fuel-efficiency would be narrowed to two litres per 100 kilometres. • Option 4: The definition of fuel-efficiency would be narrowed to zero litres per 100 kilometres. <p>Options 5 to 8 would reduce the standard LCT threshold to \$59,133, and subsequently index the standard LCT threshold in line with the motor vehicle component of CPI, with the following definitions of fuel-efficiency for LCT purposes:</p> <ul style="list-style-type: none"> • Option 5: The definition of fuel-efficiency would remain unchanged at seven litres per 100 kilometres. • Option 6: The definition of fuel-efficiency would be narrowed to four litres per 100 kilometres. • Option 7: The definition of fuel-efficiency would be narrowed to two litres per 100 kilometres. • Option 8: The definition of fuel-efficiency would be narrowed to zero litres per 100 kilometres. <p>Options 9 to 12 would reduce the standard LCT threshold to \$63,184, and subsequently index the standard LCT threshold in line with the motor vehicle component of CPI, with the following definitions of fuel-efficiency for LCT purposes:</p> <ul style="list-style-type: none"> • Option 9: The definition of fuel-efficiency would remain unchanged at seven litres per 100 kilometres. • Option 10: The definition of fuel-efficiency would be narrowed to four litres per 100 kilometres. • Option 11: The definition of fuel-efficiency would be narrowed to two litres per 100 kilometres. • Option 12: The definition of fuel-efficiency would be narrowed to zero litres per 100 kilometres. 	

Option 13 would remove import tariffs on all battery electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell electric vehicles imported into Australia.

Option 14 would remove the goods and services tax (GST) on all battery electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell electric vehicles sold in Australia.

Option 15 would remove stamp duty on all battery electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell electric vehicles sold in Australia.

Option 16 would remove vehicle registration charges on all battery electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell electric vehicles sold in Australia.

Additional information on the number of vehicles currently liable to pay the LCT, split between standard vehicles and fuel-efficient vehicles, was also requested.

All options in the proposal would have effect from 1 July 2019.

Costing overview

Options 1 to 12 would be expected to increase the fiscal and underlying cash balances by between \$350 million and \$1,560 million over the 2018-19 Budget forward estimates period, as summarised in Table 1. These impacts entirely reflect an increase in LCT revenue.

Option 13 would be expected to decrease the fiscal and underlying cash balances by \$300 million over the 2018-19 Budget forward estimates period. This impact entirely reflects a decrease in tariffs revenue.

Option 14 would be expected to decrease the fiscal balance by \$190 million and decrease the underlying cash balance by \$130 million over the 2018-19 Budget forward estimates period. This impact reflects a decrease in GST revenue offset by a decrease in GST payments to the states and territories, and a decrease in LCT revenue due to lower prices of luxury cars.

Options 15 and 16 would have no effect on the Australian Government's budget as stamp duty and registration charges are administered and collected by state and territory governments.

All options would be expected to have ongoing impacts that extend beyond the 2018-19 Budget forward estimates period. A breakdown of the financial implications of each option of the proposal over the period to 2028-29 is provided at [Attachment A](#).

There are estimated to be approximately 87,000 vehicles that were subject to LCT in the 2017-18 financial year, with approximately 61,000 vehicles subject to the standard threshold and approximately 25,000 vehicles subject to the fuel-efficient threshold.

Departmental expenses would not be expected to be significant under any option of this proposal because none of the options would materially change the complexity of the tax system.

For Options 1 to 12, the fiscal and underlying cash balances are different due to a timing difference between when LCT liabilities are raised and when they are collected. There is no material difference between the fiscal and underlying cash balances in Option 13. Option 14 has a difference between the fiscal and underlying cash balances due to a timing difference between when GST revenue is recognised and when the payment is made to state and territory governments. The GST payment to state and territory governments is recognised as an expense when it is actually paid by the Australian Government.

Sensitive

This costing is subject to uncertainties, including consumer responses to changes in vehicle prices, future demand for, and prices of, electric and non-electric vehicles, developments in vehicle efficiency, and the extent to which the timing of purchases of luxury vehicles would be affected if there was a gap between the announcement and implementation dates of the proposal. A gap between the announcement and implementation dates in Options 1 to 12 would provide scope for consumers to bring forward some vehicle purchases where the tax on vehicles was expected to increase, or to defer their purchases where the tax was expected to decrease. The estimates in this costing are sensitive to the assumptions made regarding these factors, particularly to the assumed rate of progress in fleet-wide vehicle fuel efficiency.

Table 1: Revenue implications of changes to vehicle taxation measures – Financial implications (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	Total to 2021–22
Option 1: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and leave the fuel efficiency definition unchanged at fuel consumption not exceeding seven litres per 100 kilometres					
Fiscal balance	-	260	290	290	850
Underlying cash balance	-	240	290	290	820
Option 2: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding four litres per 100 kilometres					
Fiscal balance	-	480	520	530	1,540
Underlying cash balance	-	440	520	530	1,490
Option 3: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding two litres per 100 kilometres					
Fiscal balance	-	490	530	540	1,560
Underlying cash balance	-	450	530	540	1,510
Option 4: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding zero litres per 100 kilometres					
Fiscal balance	-	490	530	540	1,560
Underlying cash balance	-	450	530	540	1,520
Option 5: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and leave the fuel efficiency definition unchanged at fuel consumption not exceeding seven litres per 100 kilometres					
Fiscal balance	-	200	230	230	670
Underlying cash balance	-	180	230	230	650

Sensitive

	2018–19	2019–20	2020–21	2021–22	Total to 2021–22
Option 6: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding four litres per 100 kilometres					
Fiscal balance	-	390	430	430	1,250
Underlying cash balance	-	360	430	430	1,220
Option 7: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding two litres per 100 kilometres					
Fiscal balance	-	400	440	440	1,270
Underlying cash balance	-	360	430	440	1,230
Option 8: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding zero litres per 100 kilometres					
Fiscal balance	-	400	440	440	1,280
Underlying cash balance	-	360	430	440	1,240
Option 9: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and leave the fuel efficiency definition unchanged at fuel consumption not exceeding seven litres per 100 kilometres					
Fiscal balance	-	100	130	130	360
Underlying cash balance	-	90	130	130	350
Option 10: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding four litres per 100 kilometres					
Fiscal balance	-	230	260	260	760
Underlying cash balance	-	210	260	260	730
Option 11: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding two litres per 100 kilometres					
Fiscal balance	-	230	270	270	770
Underlying cash balance	-	210	270	270	750
Option 12: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding zero litres per 100 kilometres					
Fiscal balance	-	230	270	270	770
Underlying cash balance	-	210	270	270	750
Option 13: Remove import tariffs on all battery electric vehicles, plug-in hybrid electric vehicles and fuel cell electric vehicles					
Fiscal balance	-	-50	-100	-150	-300
Underlying cash balance	-	-50	-100	-150	-300

	2018–19	2019–20	2020–21	2021–22	Total to 2021–22
Option 14: Remove GST from all sales of battery electric vehicles, plug-in hybrid electric vehicles and hydrogen fuel cell electric vehicles					
Fiscal balance	-	-30	-60	-90	-190
Underlying cash balance	-	-20	-40	-70	-130

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

Options 1 to 12 – relating to LCT

- The proposal would be announced on the same day that it would come into effect, ie 1 July 2019.
- Total vehicle purchases would grow over the period to 2028-29 in line with the current projected growth in total LCT revenue attributable to increases in the number of vehicles purchased.
- Purchases of hybrid and electric vehicles would form 15 per cent of total vehicle purchases by 2028-29. This would reduce the revenue that would otherwise be expected as a result of the proposal, as an increasing proportion of vehicles purchased would be exempt from LCT due to meeting the fuel-efficiency definition.
 - The impact of this assumption varies across the options of the proposal. The magnitude of the impact would decrease as the fuel-efficiency definition is narrowed.
- The proposal would not affect consumer demand for fuel-efficient vehicles or the types of vehicles offered by suppliers.
 - These impacts are possible but have not been included in the costing because their magnitude is highly uncertain and the PBO has not been able to quantify them.

Option 13 – relating to tariffs

- The country of origin of imported electric vehicles would not materially change over the life of the proposal.
- The reduction in tariffs would not have a material effect on the sale price or related GST payable on electric vehicles because the tariff amount per vehicle is relatively small compared to the overall price. Therefore it is assumed that the prices of electric vehicles will not change.

Option 14 – relating to GST

- There would be no change to *the Intergovernmental Agreement on Federal Financial Relations* and all reductions in GST receipts (net of administrative expenses) would result in a corresponding reduction in GST payments to state and territory governments.
- The reduction in GST would be fully passed on to consumers and would reduce LCT revenue as LCT is applied on the GST-inclusive price of vehicles.

Methodology

Options 1 to 12 – relating to LCT

The additional LCT revenue that would be collected on standard vehicles as a result of the proposed changes was calculated as the difference in the thresholds before and after the change, multiplied by the number of standard LCT vehicle purchases and the LCT rate of 33 per cent.

For each option, the increase in LCT revenue that would result from decreasing the fuel-efficient threshold was calculated by estimating the number of vehicle purchases above the new threshold. The increase in LCT on these vehicles was calculated as the total number of these vehicles, multiplied by the difference between the old and new thresholds and the LCT rate of 33 per cent.

For Options 2, 3, 4, 6, 7, 8, 10, 11 and 12, the additional revenue that would be collected on vehicles that would be reclassified from fuel-efficient vehicles to standard vehicles was calculated as the difference between the standard LCT threshold and the fuel-efficient threshold, multiplied by the number of vehicles affected and the LCT rate of 33 per cent.

The total estimated change in LCT was grown over the period to 2028-29 in line with the expected growth in the volume of vehicle purchases over the period. The growth in the estimated change in LCT was adjusted for the projected increase in the number of hybrid and electric vehicles as a proportion of total vehicle purchases in each year (see *Key assumptions* above).

Option 13 – relating to tariffs

Data on the number and value of electric vehicles imported from various countries was provided by the Australian Taxation Office (ATO) and grown over the period to 2028-29 in line with the growth rate in total vehicle purchases. The relevant tariff rate for each country of origin was then applied to these estimates to derive the revenue forgone under the proposal.

Option 14 – relating to GST

The amount of GST collected on vehicles affected by the proposal was estimated for each year using the number of electric vehicle purchases and the average value of electric vehicles. These estimates were then used to calculate the estimated value of forgone revenue and the associated reduction in GST payments to the states and territories, as well as the amount of compensation to the states and territories that would be required.

The LCT component was calculated by estimating the amount of GST that would be removed from vehicles subject to LCT and then calculating the estimated LCT on those vehicles before and after the GST was removed. The difference was the LCT component of the costing.

All financial estimates have been rounded to the nearest \$10 million. Estimates of the total number of LCT vehicles have been rounded to the nearest 1,000.

Data sources

The ATO provided data on purchases of vehicles subject to LCT in 2017-18, disaggregated by fuel efficiency.

The Treasury provided forecasts of LCT revenue and the motor vehicle price indicator as at the 2018-19 Budget.

Sensitive

ClimateWorks Australia, 2018. *The state of electric vehicles in Australia*, Electric Vehicle Council: Sydney.

Energieia, 2018. *Australian Electric Vehicle Market Study*, Energieia: Sydney.

Schmidt, B, 2018. 'Tesla sold 1410 electric vehicles in Australia in 2017, new data shows', *Renew Economy*, [online] available at <https://reneweconomy.com.au/tesla-sold-1410-electric-vehicles-in-australia-in-2017-new-data-shows-98222/> [accessed 20.11.2018].

Attachment A – Revenue implications of changes to vehicle taxation measures – financial implications

Table A1: Revenue implications of changes to vehicle taxation measures – Option 1: Reduce the standard luxury car tax (LCT) threshold to \$57,180, index the standard LCT threshold by a new rate, and leave the fuel efficiency definition unchanged at fuel consumption not exceeding seven litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	260	290	290	300	310	330	340	350	360	370	850	3,210

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A2: Revenue implications of changes to vehicle taxation measures – Option 1: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and leave the fuel efficiency definition unchanged at fuel consumption not exceeding seven litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	240	290	290	300	310	330	340	350	360	370	820	3,170

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A3: Revenue implications of changes to vehicle taxation measures – Option 2: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding four litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	480	520	530	540	560	580	600	620	640	670	1,540	5,770

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.

Table A4: Revenue implications of changes to vehicle taxation measures – Option 2: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding four litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	440	520	530	540	560	580	600	620	640	670	1,490	5,710

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A5: Revenue implications of changes to vehicle taxation measures – Option 3: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding two litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	490	530	540	550	570	600	620	640	660	690	1,560	5,880

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A6: Revenue implications of changes to vehicle taxation measures – Option 3: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding two litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	450	530	540	550	570	590	610	630	660	690	1,510	5,820

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A7: Revenue implications of changes to vehicle taxation measures – Option 4: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding zero litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	490	530	540	560	580	600	620	650	670	700	1,560	5,950

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A8: Revenue implications of changes to vehicle taxation measures – Option 4: Reduce the standard LCT threshold to \$57,180, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding zero litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	450	530	540	560	580	600	620	640	670	700	1,520	5,890

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A9: Revenue implications of changes to vehicle taxation measures – Option 5: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and leave the fuel efficiency definition unchanged at fuel consumption not exceeding seven litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	200	230	230	240	250	260	270	280	290	300	670	2,540

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A10: Revenue implications of changes to vehicle taxation measures – Option 5: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and leave the fuel efficiency definition unchanged at fuel consumption not exceeding seven litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	180	230	230	240	250	260	270	280	290	300	650	2,520

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A11: Revenue implications of changes to vehicle taxation measures – Option 6: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding four litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	390	430	430	450	460	480	500	510	530	550	1,250	4,730

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A12: Revenue implications of changes to vehicle taxation measures – Option 6: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding four litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	360	430	430	440	460	480	490	510	530	550	1,220	4,680

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A13: Revenue implications of changes to vehicle taxation measures – Option 7: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding two litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	400	440	440	450	470	490	510	520	540	570	1,270	4,830

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A14: Revenue implications of changes to vehicle taxation measures – Option 7: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding two litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	360	430	440	450	470	490	510	520	540	570	1,230	4,780

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A15: Revenue implications of changes to vehicle taxation measures – Option 8: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding zero litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	400	440	440	460	480	500	510	530	550	580	1,280	4,890

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A16: Revenue implications of changes to vehicle taxation measures – Option 8: Reduce the standard LCT threshold to \$59,133, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding zero litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	360	430	440	460	480	490	510	530	550	580	1,240	4,840

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A17: Revenue implications of changes to vehicle taxation measures – Option 9: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and leave the fuel efficiency definition unchanged at fuel consumption not exceeding seven litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	100	130	130	130	140	140	150	150	160	170	360	1,410

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A18: Revenue implications of changes to vehicle taxation measures – Option 9: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and leave the fuel efficiency definition unchanged at fuel consumption not exceeding seven litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	90	130	130	130	140	140	150	150	160	170	350	1,400

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A19: Revenue implications of changes to vehicle taxation measures – Option 10: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding four litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	230	260	260	270	280	290	300	310	330	340	760	2,890

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A20: Revenue implications of changes to vehicle taxation measures – Option 10: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding four litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	210	260	260	270	280	290	300	310	330	340	730	2,860

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A21: Revenue implications of changes to vehicle taxation measures – Option 11: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding two litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	230	270	270	280	290	300	310	320	340	350	770	2,960

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A22: Revenue implications of changes to vehicle taxation measures – Option 11: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding two litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	210	270	270	280	290	300	310	320	340	350	750	2,930

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A23: Revenue implications of changes to vehicle taxation measures – Option 12: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding zero litres per 100 kilometres – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	230	270	270	280	290	310	320	330	340	360	770	3,000

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

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Table A24: Revenue implications of changes to vehicle taxation measures – Option 12: Reduce the standard LCT threshold to \$63,184, index the standard LCT threshold by a new rate, and narrow the fuel efficiency definition to fuel consumption not exceeding zero litres per 100 kilometres – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	210	270	270	280	290	300	320	330	340	360	750	2,970

- (a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A25: Revenue implications of changes to vehicle taxation measures – Option 13: Remove import tariffs from all battery electric vehicles, plug-in hybrid electric vehicles and fuel cell electric vehicles – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Total revenue	-	-50	-100	-150	-210	-280	-350	-430	-520	-620	-720	-300	-3,430

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A26: Revenue implications of changes to vehicle taxation measures – Option 14: Remove the goods and services tax (GST) from all sales of battery electric vehicles, plug-in hybrid electric vehicles and fuel cell electric vehicles – Fiscal balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Revenue													
<i>GST revenue</i>	-	-130	-280	-440	-620	-820	-1,030	-1,260	-1,510	-1,790	-2,090	-860	-9,980
<i>LCT revenue</i>	-	-20	-40	-70	-100	-130	-160	-200	-240	-280	-320	-130	-1,550
Total – revenue	-	-150	-320	-510	-720	-950	-1,190	-1,460	-1,750	-2,070	-2,410	-990	-11,530
Expenses													
<i>GST payments to the states and territories</i>	-	120	260	420	600	790	1,000	1,230	1,480	1,750	2,050	800	9,700
Total	-	-30	-60	-90	-120	-160	-190	-230	-270	-320	-360	-190	-1,830

- (a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.
- (b) Figures may not sum to totals due to rounding.
- Indicates nil.

Table A27: Revenue implications of changes to vehicle taxation measures – Option 14: Remove GST from all sales of battery electric vehicles, plug-in hybrid electric vehicles and fuel cell electric vehicles – Underlying cash balance (\$m)^{(a)(b)}

	2018–19	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	Total to 2021–22	Total to 2028–29
Revenue													
<i>GST revenue</i>	-	-120	-260	-420	-600	-790	-1,000	-1,230	-1,480	-1,750	-2,050	-800	-9,700
<i>LCT revenue</i>	-	-20	-40	-70	-90	-120	-160	-190	-230	-270	-320	-130	-1,520
Total – revenue	-	-140	-300	-490	-690	-910	-1,160	-1,420	-1,710	-2,020	-2,370	-930	-11,220
Expenses													
<i>GST payments to the states and territories</i>	-	120	260	420	600	790	1,000	1,230	1,480	1,750	2,050	800	9,700
Total	-	-20	-40	-70	-90	-120	-160	-190	-230	-270	-320	-130	-1,520

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) Figures may not sum to totals due to rounding.

- Indicates nil.