

5.1 REVENUE AND FORWARD ESTIMATES

The majority of General Government Sector (GGS) revenue in 2012-13 is from grants from the Commonwealth Government (40 per cent) and own source taxation (32 per cent).

The ACT has a number of revenue raising disabilities in comparison with other jurisdictions. A significant proportion of the Territory's economic activity is generated by Commonwealth Government expenditure within the Territory. Commonwealth employment, which drives much of this expenditure, is exempt from payroll tax.

The Territory has a moderate private employment base in the education and small scale manufacturing sectors and wholesale trade. Employment in agricultural and mining industries, important contributors to the diversity and growth in other jurisdictions' payroll tax bases, is small in the ACT.

While the ACT is compensated for these limitations through the Commonwealth Grants Commission's assessment, it nevertheless has comparatively less capacity and flexibility to raise own source revenue than the Australian average.

Following the release of the Commonwealth Government's *Australia's Future Taxation Review* report (AFTR), the ACT Government commissioned the *ACT Taxation Review* to assess the overall efficacy and equity of the ACT taxation system.

The *ACT Taxation Review* was released in May 2012 and found that there are risks to the long-term sustainability of State and Territory taxation systems – the GST base is eroding, the cost of health services is rising faster than the economic growth rate, and significant taxation lines, such as duty on conveyances, are volatile, unfair and unsustainable.

Based on these findings the Panel provided feasible and flexible reform options, factoring in the ACT's demographic, economic and geographic circumstances, as well as future expenditure needs and the systems in other jurisdictions.

The Government broadly agreed to the recommendations of the Review and is commencing long term taxation reform in this Budget. The Reform is aimed at building a fairer, simpler and more efficient taxation system.

These reforms are designed to have no impact on overall revenue. However they will reduce the share of inefficient taxes and progressively increase the share of efficient taxes as a proportion of own-source revenue.

The 2011-12 estimated outcome of aggregate revenue is broadly in line with the original budget. The Territory's taxation revenue and sales of goods and services were lower than originally forecast. However, this was largely offset by greater than anticipated Commonwealth Grants and interest received from banks and financial investments.

The decrease in taxation revenue in 2011-12 reflects lower than expected Conveyance Duty receipts due to softening growth in the housing market and commercial activities relating to land supply and development. The increase in Commonwealth Grants is largely attributable to an increase in Capital Grants as part of the National Partnership Payments (NPPs).

Aggregate revenue growth for the General Government Sector in 2012-13 is flat due to the softening of commercial activities relating to land development and support and decreases in returns from financial markets.

Across the forward estimates period, the underlying revenue, excluding Commonwealth funding for the National Arboretum Canberra grows at a compound annual average rate of around 4¾ per cent. This is around ½ per cent lower than the planning parameter in the Budget Plan.

Revenue Initiatives

Revenue initiatives introduced in the 2012-13 Budget are summarised in Table 5.1.1.

**Table 5.1.1
Revenue Initiatives**

	2012-13 Estimate \$'000	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
Justice and Community Safety Directorate				
Introduction of New Land Title Fees	16	16	17	18
Increase in Land Title Registration Fees	495	515	535	557
Total Revenue Initiatives	511	531	552	575

Introduction of New Land Title Fees	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue	16	16	17	18

This initiative introduces new land title registration fees to partially recover the cost of providing support to businesses and individuals to complete the production/consent of titles where a unit plan is reaching the end of the lease period.

Increase in Land Title Registration Fees	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000
Revenue	495	515	535	557

This initiative increases fees by \$2 and \$5 for land title search and registration dealings under the *Land Titles Act 1925*. These increases will be in addition to the annual wage price index adjustment that applies to these fees. The increase in fees will achieve cost parity and remain competitive with other states and jurisdictions.

Northbourne Avenue Redevelopment Incentives

Lease variation charge remission will be provided for developments achieving high environmental performance above the current practice and construction codes.

The Government will also provide waiver of conveyance duty to support high quality developments with improved environmental performance on the first transaction into the financial vehicle.

2012-13 Budget and Forward Estimates Revenues

Figure 5.1.1 highlights the relative magnitude of the components comprising general government revenue. It shows that 40 per cent of total general government revenue in 2012-13 will be derived from Commonwealth Government funding and 32 per cent from taxation. The remaining revenue sources include sales of goods and services, interest income, dividends and tax equivalents.

Figure 5.1.1
Components of 2012-13 General Government Revenue

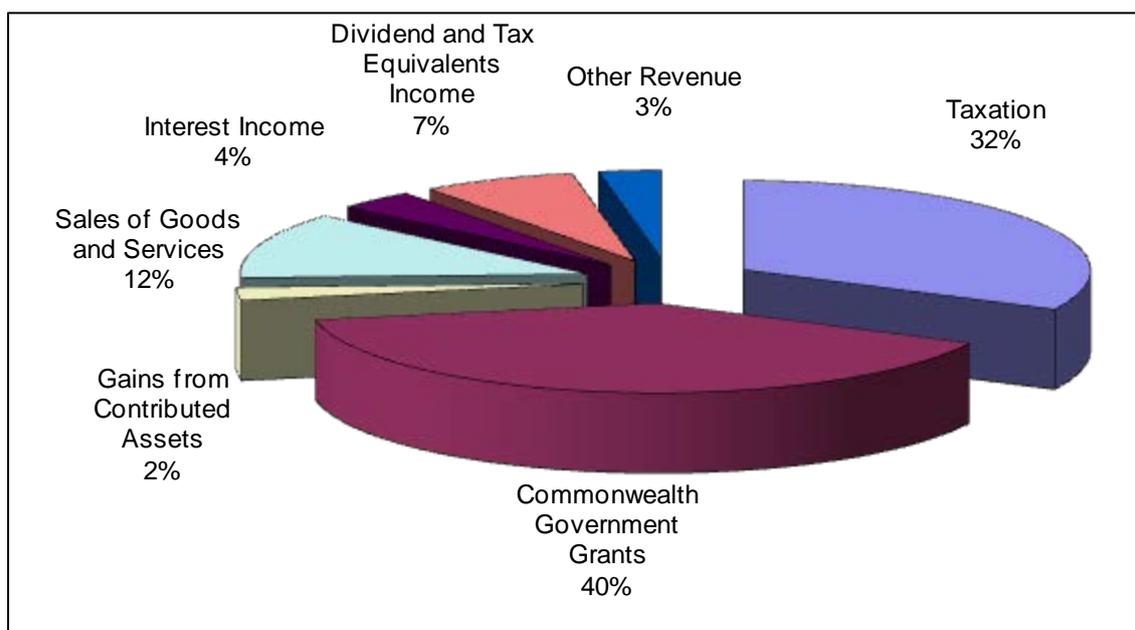


Table 5.1.2 provides a summary of 2011-12 estimated general government revenue, the 2012-13 Budget forecast and forward estimates by revenue source.

Table 5.1.2
General Government Revenue

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
	Revenue						
1,248,616	Taxation	1,217,879	1,277,992	5	1,346,774	1,419,656	1,492,514
1,550,379	Commonwealth Grants	1,581,707	1,568,718	-1	1,712,038	1,843,779	1,908,801
78,112	Gains from Contributed Assets	78,272	91,681	17	119,004	113,632	82,604
457,395	Sales of Goods and Services	438,798	472,932	8	489,878	504,470	519,062
153,273	Interest Income	172,199	142,775	-17	144,516	153,691	163,494
380,603	Dividend and Tax Equivalents Income	382,589	282,858	-26	330,145	375,281	457,120
113,868	Other Revenue	122,535	114,765	-6	117,796	120,128	123,191
3,982,246	Total Revenue	3,993,979	3,951,721	-1	4,260,151	4,530,637	4,746,786

Taxation

The estimated outcome for taxation revenue in 2011-12 is \$1.218 billion, which is 2.5 per cent lower than the original budget. A significant portion of the decrease is due to a softening in the property market resulting in weaker than expected conveyance duty in the first 10 months of 2011-12.

For 2012-13, taxation revenue is forecast to increase by 5 per cent over the 2011-12 estimated outcome. This is due to growth in payroll tax, conveyances, general rates, motor vehicle registration, and utilities (network facilities) tax.

Beyond 2012-13, moderate increases are forecast for most revenue lines. The forecast for payroll tax growth reflects expectations of growth in employment and wages in relevant sectors of the ACT economy. General rates are forecast to increase in line with rises in the Wage Price Index (WPI) plus new property growth. The increase in rates is also due to changes made in the ACT Government's Taxation Reforms (for more information regarding the Taxation Reforms see Chapter 3).

**Table 5.1.3
Taxation**

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
	General Tax						
311,458	Payroll Tax	311,348	324,524	4	345,348	367,517	391,135
1,798	Tax Waivers	308	315	2	323	331	339
210,641	General Rates	209,298	297,051	42	325,753	361,344	398,818
115,046	Land Tax	114,996	66,488	-42	70,045	73,696	77,441
638,943	Total General Tax	635,950	688,378	8	741,469	802,888	867,733
	Duties						
294,003	Conveyances	267,878	272,609	2	284,228	291,250	296,259
44,288	General Insurance	44,921	37,158	-17	28,994	20,110	10,461
2,323	Life Insurance	2,086	1,726	-17	1,346	934	486
31,360	Motor Vehicle Registrations and Transfers	29,926	31,152	4	33,146	35,268	37,525
371,974	Total Duties	344,811	342,645	-1	347,714	347,562	344,731
	Gambling Taxes						
1,556	ACTTAB Licence Fee	1,545	1,548	..	1,586	1,626	1,667
34,159	Gaming Tax	35,000	34,925	..	35,799	36,694	37,611
2,118	Casino Tax	2,118	2,166	2	2,220	2,275	2,332
15,243	Interstate Lotteries	13,210	12,761	-3	13,080	13,407	13,742
53,076	Total Gambling Taxes	51,873	51,400	-1	52,685	54,002	55,352
	Other Taxes						
95,636	Motor Vehicle Registration	94,186	98,659	5	103,825	109,263	113,613
14,644	Ambulance Levy	15,600	16,380	5	17,199	18,059	18,962
22,382	Lease Variation Charge	22,382	23,484	5	24,641	26,365	28,211
19,494	Utilities (Network Facilities) Tax	19,494	23,429	20	24,402	25,418	26,475
28,354	Fire and Emergency Service Levy	28,354	29,526	4	30,817	32,144	33,509
1,993	City Centre Marketing and Improvements Levy	1,993	1,971	-1	1,902	1,835	1,808
2,120	Energy Industry Levy	3,236	2,120	-34	2,120	2,120	2,120
184,623	Total Other Taxes	185,245	195,569	6	204,906	215,204	224,698
1,248,616	Total Taxation	1,217,879	1,277,992	5	1,346,774	1,419,656	1,492,514

Payroll Tax

The payroll tax rate in the ACT remains unchanged at 6.85 per cent on wages and other taxable payments made by employers, where the Australia wide wages exceed the ACT threshold of \$1.5 million per annum. From 1 July 2012, the threshold will be increased to \$1.75 million per annum as a result of the ACT Government's Taxation Reforms (for more information regarding the Taxation Reforms see Chapter 3).

The 2011-12 estimated outcome is \$311.3 million and the forecast for 2012-13 is estimated at \$324.5 million. The expected increase in 2012-13 and beyond reflects forecast growth in employment and wages in relevant sectors of the ACT economy.

Tax Waivers

Tax waivers represent the amount of revenue that has been legally waived. The revenue forgone generally relates to payroll tax, general rates and duties. The estimated value of waivers is also reflected in expenses. The grossing up of revenue and expenses enables tax treatments to be transparent.

The estimated outcome for 2011-12 and the forecast for 2012-13 is \$0.3 million.

General Rates

General rates are levied on property owners to provide funding for a wide range of municipal and other services for the ACT community.

The 2011-12 estimated outcome for rates revenue is \$209.3 million. This is expected to increase to \$297.1 million in 2012-13. General rates revenue from existing properties will increase in 2012-13 from 2011-12 levels by 2.9 per cent consistent with WPI growth (over the year to the December quarter 2011). This will result in an average annual increase of \$37 for residential properties, \$16 for rural properties and \$181 for commercial properties.

The WPI increase in rates revenue from existing properties in 2012-13 will be applied equally between the fixed charge and Average Unimproved Value (AUV) charge element of the rating formula.

In addition to the WPI increase, rates for existing residential and commercial properties will increase in 2012-13 due to the revenue replacement measures flowing from the ACT Government's Taxation Reforms (for more information regarding the Taxation Reforms see Chapter 3.1). This will result in an average annual increase of \$123 for residential properties, \$16 for rural properties and \$1,211 for commercial properties.

General rates revenue estimates include expected revenue from both existing and new properties, less amounts for pensioner rebates and discounts for early payment. The rating system in 2012-13 will have the following elements:

- a fixed charge of:
 - \$555 for residential properties;
 - \$126 for rural properties;
 - \$1,213 for commercial properties;
- a valuation based charge on the AUV for 2010, 2011 and 2012 land values;
- marginal rating factors applied to the AUV of residential properties are shown in Table 5.1.4.

**Table 5.1.4
General Rates Marginal Rates**

AUV	Residential
\$1 to \$150,000	0.2236%
\$150,001 up to \$300,000	0.3136%
\$300,001 up to \$450,000	0.3736%
\$450,001 and above	0.4136%

- marginal rating factors applied to the AUV of commercial properties are shown in Table 5.1.5:

**Table 5.1.5
General Rates Marginal Rates**

AUV	Commercial
\$1 to \$150,000	1.9070%
\$150,001 up to \$275,000	2.2670%
\$275,001 and above	2.6070%

- a rating factor of 0.1489 per cent applied to the AUV of rural properties; and
- a pensioner rebate cap for post 1 July 1997 applicants of \$565.

Land Tax

Land tax applies to any residential property that is rented, or any residential property owned by a corporation or a trustee, even if the property is not rented. Land tax assessments in 2012-13 will be based on the most recent Average Unimproved Land Values that incorporates the 2012 unimproved land value.

The land tax marginal rates that will apply to residential properties in 2012-13 are shown in Table 5.1.6.

**Table 5.1.6
Land Tax Marginal Rates**

AUV	Residential
up to \$75,000	0.60%
\$75,001 up to \$150,000	0.70%
\$150,001 up to \$275,000	0.89%
\$275,001 and above	1.80%

Commercial properties will not be subject to land tax from 1 July 2012 due to the ACT Government's Taxation Reforms (for more information regarding the Taxation Reforms see Chapter 3).

The estimated outcome from land tax revenue is \$115 million in 2011-12 and is estimated to decrease to \$66.5 million in 2012-13 due to a combination of the removal of land tax on commercial properties and an increase in property AUV as well as new property growth for residential properties.

Duty on Conveyances

Duty is levied on the agreement for sale or transfer of land, a Crown lease or a land use entitlement located in the ACT. The conveyance rates up until 6 June 2012 range from \$2 to \$6.75 per \$100, or part thereof. From 6 June 2012, the conveyance duty thresholds and rates will change as a result of the ACT Government's Taxation Reforms (for more information regarding the Taxation Reforms see Chapter 3). The new duty thresholds and rates are outlined in Table 5.1.7.

**Table 5.1.7
Conveyance Duty Thresholds and Rates**

Thresholds	2012-13	2013-14	2014-15	2015-16	2016-17
Up to \$200,000	2.40%	2.20%	2.00%	1.80%	1.48%
\$200,000 to \$300,000	3.75%	3.70%	3.50%	3.00%	2.50%
\$300,000 to \$500,000	4.75%	4.50%	4.15%	4.00%	4.00%
\$500,000 to \$750,000	5.50%	5.00%	5.00%	5.00%	5.00%
\$750,000 to \$1,000,000	6.50%	6.50%	6.50%	6.50%	6.50%
\$1,000,000+	7.25%	7.00%	7.00%	7.00%	7.00%

The rates are generally applied to the transfer value of the property. A concessional rate applies for persons qualifying under the ACT Home Buyer Concession Scheme and for pensioners qualifying under the ACT Pensioner Duty Concession Scheme. For changes to the Home Buyer Concession Scheme and Pensioner Duty Concession Scheme resulting from the ACT Government's Taxation Reforms see Chapter 3.

The estimated outcome for 2011-12 is \$267.9 million. This represents a decrease of \$26.1 million from the original budget of \$294 million and reflects a softening in the property market resulting in weaker than expected returns in the first 10 months of 2011-12.

The increase in conveyance revenue between the 2011-12 estimated outcome (\$267.9 million) and the 2012-13 Budget (\$272.6 million) is \$4.7 million.

Across the budget and forward estimates period, conveyance duty revenue is forecast to remain stable in real terms (a marginal increase in nominal terms) to reflect moderating housing market and revenue foregone for reductions in tax rates.

Duty on General Insurance

General insurance premiums will incur duty at the rate of 10 per cent of the net premiums received until 30 September 2012. As a result of the ACT Government's Taxation Reforms (for more information regarding the Taxation Reforms see Chapter 3), the duty rate will reduce to 8 per cent from 1 October 2012. The estimated outcome for 2011-12 is \$44.9 million and the forecast for 2012-13 is \$37.2 million.

Duty on Life Insurance

Duty on life insurance contracts (including term, temporary or insurance rider policies) will be calculated until 30 September 2012 at the rate of 5 per cent of the first year's premium. As a result of the ACT Government's Taxation Reforms the duty rate will reduce to 4 per cent from 1 October 2012 (for more information regarding the Taxation Reforms see Chapter 3).

Duty on all other life insurance contracts will be calculated until 30 September 2012 at the rate of 0.1 per cent of the total sum insured where the sum insured is greater than \$2,000, and \$1 for each contract where the sum insured is \$2,000 or less. As a result of the ACT Government's Taxation Reforms, from 1 October 2012 duty on all other life insurance contracts will reduce to 0.08 per cent of the total sum insured where the sum insured is greater than \$2,000, and \$0.80 for each contract where the sum insured is \$2,000 or less. Life insurance annuities are exempt from duty.

The estimated outcome for 2011-12 is \$2.1 million with \$1.7 million forecast for 2012-13.

Duty on Motor Vehicle Registrations and Transfers

Duty is payable on an application to register a motor vehicle or to transfer its registration.

The 2011-12 estimated outcome is \$29.9 million and the forecast for 2012-13 is \$31.2 million, which reflects expectations of modest growth in vehicle sales.

ACTTAB Licence Fee

ACTTAB pays a licence fee for its totalisator and sports betting licences. Revenue from the licence fees for 2011-12 is estimated at \$1.5 million and the forecast for 2012-13 is also \$1.5 million.

Gaming Tax

Gaming tax revenue incorporates gaming machine taxes and interactive gaming taxes. Gaming machines are taxed on the basis of monthly gross revenue, which is defined as monthly gaming machine revenue less amounts paid out in prize money. Estimated total gaming tax revenue for 2011-12 is \$35 million and the forecast for 2012-13 is \$34.9 million. There is no expected change in tax revenue from interactive gaming.

Casino Tax

The tax applying to the Casino Canberra is 10.9 per cent of gross profit from general gaming operations. Estimated revenue for 2011-12 is \$2.1 million and for 2012-13 is \$2.2 million.

Interstate Lotteries

The ACT receives revenue based on the value of NSW, Victorian and Queensland Lotteries tickets purchased in the ACT. Estimated revenue for 2011-12 is \$13.2 million and the forecast for 2012-13 is \$12.8 million.

Motor Vehicle Registration Fees

The estimated revenue from motor vehicle registrations in 2011-12 is \$94.2 million and the forecast for 2012-13 is \$98.6 million. The increase is mainly due to forecast growth in sales activity.

Ambulance Levy

The Ambulance Levy is payable each month by private health insurance companies to offset the cost of providing ambulance services in the Territory. The levy is calculated on the number and type of private health insurance contributions.

The funding for ambulance services is appropriated through the normal Budget process.

The estimated revenue is \$15.6 million for 2011-12. The forecast is \$16.4 million in 2012-13. Moderate growth is expected in the forward years.

Lease Variation Charge

The 2011-12 outcome is estimated at \$22.4 million. In 2012-13, this is forecast to increase to \$23.5 million reflecting expected activity levels in the residential and commercial redevelopment sectors.

Utilities (Network Facilities) Tax

The Utilities (Network Facilities) Tax applies to the owner of a utility network facility that is installed on or under land in the ACT. The tax rate for 2011-12 is \$771 per kilometre of network route length, increasing to \$921 in 2012-13. The 2011-12 estimated outcome is \$19.5 million, with \$23.4 million forecast in 2012-13 rising slightly across the forward estimates.

Fire and Emergency Services Levy

A Fire and Emergency Services Levy (FESL) is charged on all rateable properties in the ACT. Revenue from the levy provides funding to offset the cost of providing fire and emergency services in the Territory. FESL revenue from existing properties will increase in 2012-13 from 2011-12 levels by the WPI growth of 2.9 per cent (over the year to the December quarter 2011). This will result in an annual increase of \$3.00 in the fixed charge for residential and rural properties and an average increase of \$72.80 for commercial properties.

The estimates for FESL revenue include expected revenue from both existing and new properties, and represent the net amount after allowing for pensioner rebates and discounts for early payment. The estimated outcome from FESL revenue is \$28.4 million in 2011-12, which is expected to increase to \$29.5 million in 2012-13.

The FESL in 2012-13 will have the following elements:

- a fixed charge of \$104.80 for residential and rural properties;
- a pensioner rebate of 50 per cent; and
- a valuation-based charge for commercial properties with a rating factor of 0.4093 per cent applied to the average of the 2010, 2011 and 2012 unimproved land values.

City Centre Marketing and Improvements Levy (CCMIL)

The revenue collected from the City Centre Marketing and Improvements Levy (CCMIL) is used to promote, maintain and improve the amenities of the City Centre area. The estimated outcome for 2011-12 and the forecast for 2012-13 is \$2 million.

The CCMIL applies to all rateable commercial properties in the City and selected areas in Braddon and Turner, adjacent to the City Centre. The collection area is divided into two zones and the levy is applied on the AUV of each property at the rate of 0.2992 per cent for the retail core and the rate of 0.2161 per cent for the non-retail core.

Energy Industry Levy

An Energy Industry Levy was introduced in 2007-08 via amendments to the *Utilities Act 2000* to fund:

- the Territory's national regulatory obligations and costs for the Australian Energy Market Commission and the Ministerial Council on Energy's responsibilities under the Australian Energy Market Agreement; and
- local regulatory costs incurred by the Territory in relation to energy utility services.

Introduction of the levy anticipated the transfer, over time, of agreed regulatory responsibilities for energy sector distribution and retail utilities to the Australian Energy Regulator commencing in 2007-08. From that year, agencies providing local regulatory services (the Independent Competition and Regulatory Commission (ICRC), the ACT Planning and Land Authority, and the ACT Civil and Administrative Tribunal) have received budget funding for regulatory costs. The levy was first determined for national regulatory obligations and costs in 2007-08 and for local regulatory costs in 2008-09. Until 2008-09, these activities were funded through the collection of annual utility licence fees by the ICRC. The estimated outcome is \$3.2 million for 2011-12, with the forecast for 2012-13 of \$2.1 million.

ACT Taxes Compared to NSW

Table 5.1.8 shows the comparative rates of tax between the ACT and NSW for major taxation items.

**Table 5.1.8
Major ACT Taxes compared with NSW**

Tax Type	ACT	NSW
Payroll Tax	6.85% To 30 June 2012, first \$1,500,000 exempt. From 1 July 2012, first \$1,750,000 exempt.	5.45% from 1 July 2011. First \$678,000 exempt from 1 July 2011 to 30 June 2012.
Land Tax	<p>Applied quarterly on three year Average Unimproved Value (AUV).</p> <p>Residential - applied on rateable properties that are rented, or owned by a trust or a corporation even if they are not rented (excluding land owned by a building or development company). Until 30 June 2012, the marginal rates are as follows:</p> <ul style="list-style-type: none"> • AUV up to \$75,000 – 0.60% • AUV \$75,001 – \$150,000 – 0.89% • AUV \$150,001 – \$275,000 – 1.15% • AUV \$275,001 and above – 1.40% <p>From 1 July 2012, the marginal rates are as follows:</p> <ul style="list-style-type: none"> • AUV up to \$75,000 – 0.60% • AUV \$75,001 – \$150,000 – 0.70% • AUV \$150,001 – \$275,000 – 0.89% • AUV \$275,001 and above – 1.80% <p>Commercial – payable on all rateable properties until 30 June 2012 as follows:</p> <ul style="list-style-type: none"> • AUV up to \$150,000 – 0.89% • AUV \$150,001 - \$275,000 – 1.25% • AUV \$275,001 and above – 1.59% <p>Commercial properties will not be subject to land tax from 1 July 2012 due to the ACT Government’s Taxation Reforms (for more information regarding the Taxation Reforms see Chapter 3.1).</p> <p>Land used for primary production is exempt from land tax.</p>	<p>Applied annually on aggregated unimproved land value of all property except the principal place of residence or land used for primary production.</p> <p>Rate is \$100 plus 1.6% of the land value between the threshold \$396,000 (three year average) and the premium rate threshold \$2,421,000. The premium rate of 2% applies if the land value is above \$2,366,000.</p> <p>For land owned by a trustee of a special trust, flat rate of 1.6% without any land value threshold applies; then 2% after the premium threshold.</p> <p>For land owned by a company, 1.6% of the land value between the threshold \$396,000 and the premium rate threshold \$2,421,000; then 2% in excess of the premium threshold.</p>
Duty on Conveyances	<p>The greater of \$20 or the amount resulting from applying the rates of \$2.00 - \$6.75 per \$100 or part thereof for transactions dated before 6 June 2012.</p> <p>The greater of \$20 or the amount resulting from applying the rates of \$2.40 - \$7.25 per \$100 or part thereof for transactions dated from 6 June 2012.</p>	<p>The greater of \$10 or the amount resulting from applying the rates of \$1.25 - \$5.50 per \$100 or part thereof.</p> <p>For residential properties above \$3,000,000, the duty payable is \$150,490 plus the rate of \$7.00 per \$100 or part thereof that exceeds \$3,000,000.</p>

Tax Type	ACT	NSW
<p>Duty on Conveyances cont.</p>	<p>Home Buyers Concession Scheme Existing properties The Home Buyers Concession Scheme will continue to apply to existing properties for transactions dated on or before 31 August 2012.</p> <ul style="list-style-type: none"> • income threshold of \$120,000 (plus further allowance for children); • concession for house and land value up to \$450,000; and • concession for vacant land value of up to \$263,000. <p>New or substantially renovated properties The Home Buyers Concession Scheme will only apply to new or substantially renovated properties and vacant blocks for transactions dated on or after 6 June 2012.</p> <ul style="list-style-type: none"> • income threshold of \$150,000 (plus further allowance for children); • concession for house and land value up to \$450,000; and • concession for vacant land value of up to \$263,000. <p>The property value thresholds are determined biannually of each year, taking into account movements in the market.</p> <p>Pensioner Duty Concession Scheme: For transactions dated from 6 June 2012:</p> <ul style="list-style-type: none"> • concession for house and land value up to \$715,000. • concession for vacant land value up to \$403,000. <p>The property value thresholds are determined biannually of each year, taking into account movements in the market.</p>	<p>First Home Plus Buyers exempt from duty for house and land properties up to \$500,000 with phase out concession up to property value of \$600,000. With respect to vacant land, no duty for value up to \$300,000 and phasing out at \$450,000.</p> <p>Home Builders Bonus: New Housing Concession from 1 July 2010:</p> <ul style="list-style-type: none"> • full exemption for vacant land and off the plan where building has not commenced; and • 25% of duty payable on completed new home or off the plan where construction has commenced. <p>Eligible caps – vacant land \$400,000 new home \$600,000.</p> <p>Seniors principal place of residence exemption from 1 July 2010:</p> <ul style="list-style-type: none"> • full exemption for a new home or off the plan where construction has commenced and existing residence is sold. <p>Eligibility caps – Vacant land \$400,000 new home \$600,000.</p> <p>For an off the plan where construction has not commenced seniors apply under New Housing Concession.</p>
<p>Mortgages and Loan Security Duty</p>	<p>Not applied in the ACT.</p>	<p>\$0 - \$16,000: \$5.00 above \$16,000: \$5.00 plus \$4.00 per \$1,000 or part thereof in excess of \$16,000 Not chargeable on advances made to natural persons for owner occupied housing or investment housing. Abolished on advances made on or after 1 July 2012.</p>

Tax Type	ACT	NSW
Duty on Motor Vehicle Registrations	<p>No green vehicle rating Valued at \$45,000 or less \$3 per \$100</p> <p>Valued at more than \$45,000 \$1,350+\$5 per \$100 or part thereof over \$45,000</p> <p>Green vehicle rating Applies to new motor vehicles not previously registered. Rates depend on green vehicle rating (environmental performance score) and value.</p> <p>Valued at \$45,000 or less A rated (16 or more) = nil B rated (14 or more but < 16) = \$2 per \$100 C rated (9.5 or more but < 14) = \$3 per \$100 D rated (less than 9.5) = \$4 per \$100</p> <p>Valued at more than \$45,000 A rated (16 or more) = nil B rated (14 or more but < 16) = \$900 plus \$4 per \$100 above \$45,000 C rated (9.5 or more but < 14) = \$1,350 plus \$5 per \$100 above \$45,000 D rated (less than 9.5) = \$1,800 plus \$6 per \$100 above \$45,000</p>	<p>Under \$45,000 = \$3 per \$100 Over \$45,000 = \$1,350+\$5 per \$100 or part thereof over \$45,000</p>
Duty on General Insurance	<p>10% of value of premium until 30 September 2012.</p> <p>8% of value of premium from 1 October 2012.</p>	<p>2.5% to 9% of the premium, depending on the type of insurance.</p>
Duty on Life Insurance	<p>Term, temporary or insurance rider policies 5% of the first year's premium until 30 September 2012.</p> <p>4% of the first year's premium from 1 October 2012.</p> <p>All other Until 30 September 2012: Sum insured \$0 to \$2,000 - \$1 Sum insured Over \$2,000 - \$1 plus \$0.20 per \$200 or part thereof in excess of \$2,000</p> <p>From 1 October 2012: Sum insured \$0 to \$2,000 - \$0.80 Sum insured Over \$2,000 - \$0.80 plus \$0.16 per \$200 or part thereof in excess of \$2,000</p>	<p>Term, temporary or insurance rider policies 5% of the first year's premium</p> <p>Trauma or disability policies 5% of the premium paid</p> <p>All other Sum insured \$0 to \$2,000 - \$1 Sum insured Over \$2,000 - \$1 plus \$0.20 per \$200 or part thereof in excess of \$2,000</p>

Commonwealth Government Grants

Total revenue received from Commonwealth Government grants is forecast to decrease by \$13 million from the 2011-12 estimated outcome of \$1.582 billion to the 2012-13 Budget estimate of \$1.569 billion. This is largely attributable to the Commonwealth Government bringing forward payments for Financial Assistance Grants, Constitution Avenue and the the Arboretum. Further information on funding from the Commonwealth Government can be found in Chapter 9.2, Federal Financial Relations.

**Table 5.1.9
Commonwealth Government Grants**

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
	Current Grants						
879,900	GST Revenue Grant	836,590	938,130	12	993,660	1,047,480	1,101,040
36,216	ACT Municipal Services	36,110	36,832	2	37,495	38,208	38,934
446,415	National Specific Purpose Payments (SPPs)	446,223	485,183	9	533,702	587,428	647,583
44,977	Financial Assistance Grants to Local Government	57,209	23,597	-59	49,017	51,038	53,099
51,708	National Partnership Payments (NPP) – Current	63,628	46,023	-28	30,237	19,979	21,061
33,358	Other Commonwealth Government Payments – Current	38,322	10,592	-72	13,005	13,153	13,143
1,492,574	Total Current Grants	1,478,082	1,540,357	4	1,657,116	1,757,286	1,874,860
	Capital Grants						
57,805	National Partnership Payments (NPPs) – Capital	103,625	28,361	-73	54,922	86,493	33,941
57,805	Total Capital Grants	103,625	28,361	-73	54,922	86,493	33,941
1,550,379	Total Commonwealth Government Funding	1,581,707	1,568,718	-1	1,712,038	1,843,779	1,908,801

Contributed Assets

Table 5.1.10 provides a summary of contributed assets. Contributed assets largely relate to land development infrastructure assets transferred to the GGS from the Land Development Agency (LDA).

The variations between the 2011-12 estimated outcome, the 2012-13 Budget and across the forward estimates are mainly attributable to revisions in the timing of asset transfers from LDA to the GGS as a result of changes to the Indicative Land Release Program, revisions in the asset completion and subsequent transfer dates and changes to the composition of assets transferred to the GGS from Public Trading Enterprise (PTE) sectors.

**Table 5.1.10
Contributed Assets**

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
	Contributed Assets						
77,791	Gains from Contributed Assets	77,660	91,062	17	118,376	113,003	81,965
321	Resources Received Free of Charge	612	619	1	628	629	639
78,112	Total Contributed Assets	78,272	91,681	17	119,004	113,632	82,604

Sale of Goods and Services

The 2012-13 forecast for sales of goods and services is 8 per cent higher than the 2011-12 estimated outcome. The largest contributors to sale of goods and services are service receipts, cross border health receipts and fees for regulatory services. Details of sale of goods and services are provided in Table 5.1.11.

**Table 5.1.11
Sale of Goods and Services**

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
	Regulatory Fees						
827	Casino Licence Fees	827	846	2	867	889	910
9,491	Drivers Licences	9,491	9,941	5	10,462	11,012	11,453
2,844	Taxi Licences	2,844	2,932	3	3,035	3,144	3,269
70,037	Fees for Regulatory Services	68,438	67,896	-1	71,903	75,286	78,047
28,010	Water Abstraction Charge	21,755	26,344	21	26,802	27,218	27,607
111,209	Total Regulatory Fees	103,355	107,959	4	113,069	117,549	121,286
	Other						
18,222	Parking Fees	15,156	18,564	22	21,759	22,831	23,842
30,468	Patient Fees	30,468	31,138	2	31,838	32,628	33,438
4,779	Non-patient Fees	4,571	4,939	8	5,130	5,230	5,430
3,623	Meals and Accommodation	3,623	3,703	2	3,783	3,873	3,973
99,277	Cross Border Health Receipts	99,277	120,000	21	123,771	127,708	130,992
15,527	Sales	17,050	17,935	5	18,393	18,836	19,301
123,261	Service Receipts (Non ACT Government)	118,804	121,085	2	123,761	126,456	130,049
6,942	Rent from Tenants	6,942	7,099	2	7,099	7,099	7,276
24,377	Miscellaneous	19,961	20,114	1	20,304	20,671	21,169
19,710	User Charges - ACT Government	19,591	20,396	4	20,971	21,589	22,306
346,186	Total Other	335,443	364,973	9	376,809	386,921	397,776
457,395	Total Sale of Goods and Services	438,798	472,932	8	489,878	504,470	519,062

Casino Licence Fees

The casino licensee pays the casino licence fee to the ACT Gambling and Racing Commission. The Commission also collects casino employees licence fees for licensing staff employed by the casino. The 2011-12 estimated outcome and the forecast for 2012-13 for the combined total of all casino licence fees is \$0.8 million

Drivers Licences

The revenue from drivers licences in 2011-12 is estimated at \$9.5 million and the forecast for 2012-13 is \$9.9 million. This is in line with forecast growth in activity along with the application of WPI and population increase.

Taxi Licences

The revenue from taxi licences in 2011-12 is estimated at \$2.8 million and the forecast for 2012-13 is \$2.9 million.

Fees for Regulatory Services

The 2011-12 estimated outcome for fees for regulatory services is \$68.4 million and is expected to decrease to \$67.9 million in 2012-13.

Water Abstraction Charge

The 2012-13 Budget of \$26.3 million is \$4.6 million higher than the 2011-12 estimated outcome. This increase is a result of a forecast return to normal weather conditions as compared to the wet and cooler weather experienced in the 2011-12 financial year which resulted in lower than expected water consumption.

Parking Fees

The estimated revenue from parking fees in 2011-12 is \$15.2 million and the forecast for 2012-13 is \$18.6 million. This mainly reflects increases of car parking fees announced in the 2010-11 Budget as part of the Government's integrated approach to achieving a more sustainable transport system for Canberra and the region.

Patient Fees

Patient fees and non-patient fees are payments for the provision of hospital and related services, which are collected at the Canberra Hospital. Patient fees relate to admitted patients, while non-patient fees are for accident and emergency services, specifically the ambulance service.

The 2011-12 estimated outcome for patient fees is \$30.5 million, and \$4.6 million for non-patient fees. The 2012-13 Budget estimates are, respectively, \$31.1 million and \$4.9 million for patient and non-patient fees.

Cross Border Health Receipts

Cross Border Health Receipts are payments from other State and Territory Governments (predominantly NSW) for the provision of medical services provided to non-ACT residents at ACT public hospitals. The estimated revenue for 2011-12 is \$99.3 million. The forecast for 2012-13 is \$120 million. This increase reflects the grossing up of payments as part of National Health Reform arrangements.

Sales

Revenues from sales include those generated from entry fees to sporting and cultural facilities, such as the Canberra Theatre and hire of those venues. Sales of merchandise, programs and giftware in these venues or the rights to sell these, are also included. The estimated outcome for 2011-12 is \$17.1 million and the 2012-13 Budget is \$17.9 million.

Service Receipts (non-ACT Government)

This item includes payments from clients for the provision of services, such as facility fees to physicians at hospitals, medical supplies, sterilising services, capital linen, park facilities and other planning related revenue. The 2012-13 Budget of \$121.1 million is \$2.3 million higher than the 2011-12 estimated outcome of \$118.8 million. This is due to anticipated higher activity levels.

Miscellaneous

Miscellaneous revenue is estimated at \$20 million for 2011-12 and the 2012-13 Budget forecast is \$20.1 million.

User Charges – ACT Government

This item includes revenue for rent, property management, shared services and insurance that is collected from ACT agencies in the PTE sector. The 2011-12 estimated outcome is \$19.6 million while the 2012-13 Budget is \$20.4 million.

Interest Income

Table 5.1.12 provides a summary of interest received.

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
	Interest Received						
43,123	Interest Received from Banks	62,107	31,922	-49	27,465	31,167	34,408
74,498	Interest Received on Advances and Loans to Agencies	68,766	72,400	5	75,506	78,016	79,717
10,445	Interest Received – Other	10,111	9,935	-2	6,461	7,320	10,117
1,290	Interest Received from ACT Law Society	-	-	-	-	-	-
23,917	Interest from Financial Investments	31,215	28,518	-9	35,084	37,188	39,252
153,273	Total Interest Received	172,199	142,775	-17	144,516	153,691	163,494

Interest Received from Banks

This item represents the interest income recognised by the Territory Banking Account for general government investments. Interest income from banks is interest earnings on cash, short term securities and fixed interest assets. General government investments comprise the surplus balances of the Territory Banking Account and investments made on behalf of government directorates and some Territory Authorities.

The increase of \$18.9 million in the 2011-12 estimated outcome from the original budget is due mainly to higher levels of investment balances held during the year.

The decrease of \$30.2 million in the 2012-13 Budget from the 2011-12 estimated outcome reflects a decrease in investment earnings due to a lower level of funds to be held on investments during the year and lower investment returns.

Interest Received on Advances and Loans to Agencies

This item represents the interest payments to the Territory Banking Account from PTE sector agencies for loans provided to them from the Territory Banking Account. The majority of interest received is from ACTEW Corporation. The decrease of \$5.7 million in the 2011-12 estimated outcome from the original budget is mainly due to lower loan interest received from ACTEW Corporation due to the timing of the 2011-12 borrowings.

The increase of \$3.6 million in the 2012-13 Budget from the 2011-12 estimated outcome is mainly due to an increase in loan interest from ACTEW Corporation from the new 2011-12 borrowings.

Other Interest Income

Other interest income includes income recognised by the Home Loan Portfolio, the Treasury Directorate, the Territory and Municipal Services Directorate and the Environment and Sustainable Development Directorate. Other interest income will decrease from \$10.1 million in the 2011-12 estimated outcome to \$9.9 million in the 2012-13 Budget.

Dividends and Tax Equivalents

The estimated outcome for total dividends and tax equivalents is expected to increase by \$2 million above the original 2011-12 Budget. This is followed by an estimated decrease of \$99.7 million in 2012-13. Table 5.1.13 provides a summary of dividends and tax equivalents in 2011-12, the 2012-13 Budget and the forward estimates.

Table 5.1.13
Dividends and Tax Equivalents

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
	Dividends						
88,761	Dividends – ACTEW	69,426	85,169	23	106,156	117,538	125,282
2,338	Dividends – ACTTAB	5,538	2,866	-48	2,956	3,048	3,124
1,300	Dividends – CIT Solutions	500	800	60	800	800	800
115,265	Dividends – Land Development Agency	124,511	60,084	-52	70,074	90,626	135,708
66,999	Dividends from Financial Investments	120,050	66,393	-45	64,148	68,017	71,812
274,663	Total Dividends	320,025	215,312	-33	244,134	280,029	336,726
	Tax Equivalents						
105,940	Income Tax Equivalent	62,564	67,546	8	86,011	95,252	120,394
105,940	Total Tax Equivalents	62,564	67,546	8	86,011	95,252	120,394
380,603	Total Dividend and Tax Equivalents	382,589	282,858	-26	330,145	375,281	457,120

ACTEW

ACTEW's estimated 2011-12 dividend of \$69.4 million is \$19.3 million below the original 2011-12 Budget. This is primarily due to lower than expected water revenue due to the unexpected cooler and wetter weather experienced during the year.

The increase of \$15.7 million in the 2012-13 Budget from the estimated outcome reflects an expected return to more normal water consumption as a result of drier weather conditions as compared to 2011-12.

ACTTAB

ACTTAB's estimated 2011-12 dividend of \$5.5 million is \$3.2 million above the original 2011-12 Budget. This is primarily due to a special one-off dividend payment of \$3 million and a change in ACTTAB's dividend policy from 75 per cent of net profits after tax to 100 per cent. This is partially offset by a decline in turnover due to the cancellation of race meetings affected by wet weather and reduced premium customer wagering.

The decrease of \$2.7 million in the 2012-13 Budget from the estimated outcome is due to the one-off special dividend of \$3 million in the 2011-12 financial year, partially offset by an expected increase in operating profit.

Land Development Agency

The LDA's 'nominal' surplus is not fully recognised as revenue in the General Government Sector Net Operating Balance, consistent with the GFS accounting principles. In general, LDA's nominal surplus comprises sale of assets (for example, undeveloped commercial land) and profit from development and marketing activities. Proceeds from asset sales (including gains from land re-zoning) are treated as capital distributions and only profits from development and marketing activities are recognised as dividend revenue.

The increase in the dividend of \$9.2 million in the 2011-12 estimated outcome compared to the original budget is mainly due to improved returns on land releases.

In 2012-13, the forecast dividend is \$60.1 million, which is \$64.4 million lower than the 2011-12 estimated outcome. This is largely due to decreased land sales revenue from residential lease settlements in 2012-13 reflecting delayed releases in 2010-11 and 2011-12, partially offset by increased revenue from commercial and industrial land sales.

Dividends from Financial Investments

Estimated dividends of \$120.1 million in the 2011-12 estimated outcome are \$53.1 million higher than the original budget. This is mainly due to the higher receipt of property and private equity asset sale distributions and the receipt of a significant one-off income distribution from the currency-hedged international equity investments as a result of the appreciation of the Australian dollar.

This is followed by a decrease of \$53.7 million in the 2012-13 Budget compared to the 2011-12 estimated outcome. This is mainly due to the removal of the current financial year impacts from the above variance and forecasting a return to expected dividend and distribution yields.

Income Tax Equivalent

This represents income tax equivalent payments made by Public Trading Enterprises. The estimated outcome for 2011-12 of \$62.6 million reflects the performance forecast from the ACT agencies that are subject to the National Tax Equivalent Regime.

The decrease of \$43.4 million in the 2011-12 estimated outcome from the original budget reflects LDA's lower than anticipated land settlements combined with ACTEW's lower than expected water revenue following increased rainfall and cooler weather.

The forecast for 2012-13 is \$67.5 million. The increase is primarily due to ACTEW's expected return to more normal water consumption levels.

Other Revenue

Table 5.1.14 provides the 2011-12 estimated outcome, the 2012-13 Budget and the forward estimates for other revenue.

**Table 5.1.14
Other Revenue**

2011-12 Budget \$'000		2011-12 Est. Outcome \$'000	2012-13 Budget \$'000	Var %	2013-14 Estimate \$'000	2014-15 Estimate \$'000	2015-16 Estimate \$'000
	Fines						
21,003	Traffic Infringement Fines	17,299	18,484	7	19,256	20,036	20,849
752	Court Fines	302	308	2	355	388	422
9,474	Parking Fines	8,377	9,175	10	9,557	9,954	10,367
391	Other Fines	386	399	3	410	417	428
31,620	Total Fines	26,364	28,366	8	29,578	30,795	32,066
	Other						
13,224	Superannuation Contribution	12,844	16,832	31	16,570	16,172	15,823
4,946	Rents and Commutation	6,222	10,043	61	11,505	12,613	13,928
16,616	Contributions	18,716	18,693	..	18,670	18,647	18,647
47,462	Other Miscellaneous Revenue	58,389	40,831	-30	41,473	41,901	42,727
82,248	Total Other	96,171	86,399	-10	88,218	89,333	91,125
113,868	Total Other Revenue	122,535	114,765	-6	117,796	120,128	123,191

Traffic Infringement Fines

The estimated revenue from traffic infringement fines in 2011-12 is \$17.3 million and the forecast for 2012-13 is \$18.5 million. The increase of \$1.2 million is in line with forecast activity and WPI indexation.

Parking Fines

Parking fine revenue is expected to increase from \$8.4 million in 2011-12 to \$9.2 million in 2012-13.

Superannuation Contributions

This item represents the payment of employer superannuation contributions to the Territory Banking Account (TBA) by the PTE sector and external sector (ActewAGL). The contribution calculations are based on annual actuarially determined employer contribution rates for either the CSS or PSS membership. This item also includes the employee contributions to the TBA by those Members of the Legislative Assembly that are members of the defined benefit superannuation arrangement.

Rents and Commutation

Rents and commutation income is expected to increase from \$6.2 million in 2011-12 to \$10 million in 2012-13. The \$3.8 million increase is due to increased land purchases for the Land Rental Scheme and the resulting increase in the rental revenue received by the Treasury Directorate.

Contributions

This item includes voluntary contributions, fundraising and excursion funds, and revenue from hire of school buildings, which are collected by Schools and the Education and Training Directorate. The 2012-13 Budget estimate of \$18.7 million is consistent with the 2011-12 estimated outcome.

Other Miscellaneous Revenue

Other miscellaneous revenue will decrease from \$58.4 million in the 2011-12 estimated outcome to \$40.8 million in the 2012-13 Budget. The decrease is mainly due to one-off loan monies repaid in 2011-12 from the Default Insurance Fund in relation to the collapse of HIH Insurance in 2001.

Table 5.1.15
Breakdown - Other Miscellaneous Revenue

	2011-12	2012-13	2013-14	2014-15	2015-16
	Est. Outcome	Budget	Estimate	Estimate	Estimate
	\$'000	\$'000	\$'000	\$'000	\$'000
Recovery from HIH Insurance	13,700	-	-	-	-
Revenue from Financial Investments	3,119	2,872	3,056	3,240	3,421
Donations	1,113	1,064	1,064	1,084	1,104
Sponsorships	188	193	198	203	203
Grants (Health, CIT and Legal Aid)	21,283	21,733	22,267	22,810	23,323
Recoveries	9,050	3,903	4,895	4,989	5,167
Salary Packaging	999	1,476	1,499	1,523	1,547
Contributions	332	1,226	1,049	806	899
Perpetual Care Trust	1,585	1,858	1,904	1,952	2,001
Problem Gambling Assistance Fund and Racefield Payments	1,139	1,162	1,189	1,217	1,246
Other Fees	1,594	1,564	1,645	1,710	1,778
ACT Healthier Work Initiative	220	1,125	622	324	-
Unclaimed Monies	147	150	154	158	162
Miscellaneous	3,920	2,505	1,931	1,885	1,876
Total Other Miscellaneous Revenue	58,389	40,831	41,473	41,901	42,727