

## 5.2 2004-05 REVENUE AND FORWARD ESTIMATES

This chapter provides the 2003-04 estimated outcome and the 2004-05 Budget and forward estimates for revenue items. It also contains a detailed discussion of all revenue items and a list of Commonwealth grants estimates.

More detail has been provided on general revenue payments from the Commonwealth in Section 4.2, Developments in Commonwealth-State Financial Relations. Specific Purpose Payments from the Commonwealth and User Charges are also included in the relevant agency chapters of Budget Paper No 4.

### Overview

Figure 5.2.1 highlights the relative magnitude of components of general government revenue. It shows that 32% of total general government revenue in 2004-05 will be derived from taxes, fees and fines, with the remainder from grants, other own source revenue, user charges, dividends, interest received and associates and joint ventures.

**Figure 5.2.1**  
**Components of General Government Revenue 2004-05**

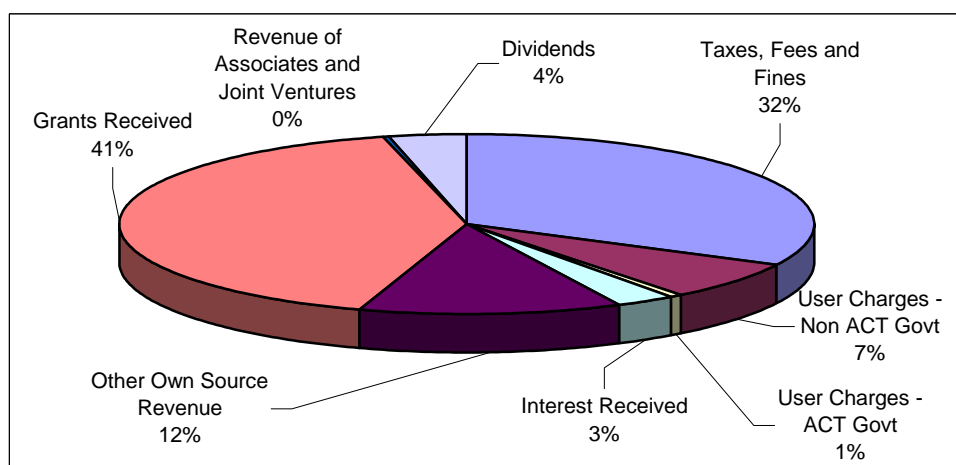


Table 5.2.1 provides a summary of 2003-04 estimated general government revenue, 2004-05 budget forecasts and forward estimates by revenue source.

**Table 5.2.1  
Government Revenue**

	<b>2003-04</b>	<b>2004-05</b>		<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>
	<b>Est.Outcome</b>	<b>Budget</b>	<b>Var</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue and Grants Received</b>						
Taxes, Fees and Fines	838 291	840 174	..	873 433	917 615	966 615
User Charges - Non ACT Govt	181 784	180 184	-1	183 307	185 873	188 597
User Charges - ACT Govt	13 598	17 002	25	17 327	17 720	17 993
Interest Received	81 663	74 359	-9	65 817	59 740	60 093
Other Own Source Revenue	481 084	314 729	-35	327 072	346 899	382 295
Grants Received	1 046 808	1 067 193	2	1 118 218	1 166 113	1 221 194
Revenue of Associates and Joint Ventures	3 257	1 600	-51	11 000	10 500	7 000
Dividends	773	96 721	#	62 931	61 238	65 316
<b>Total Revenue</b>	<b>2 647 258</b>	<b>2 591 962</b>	<b>-2</b>	<b>2 659 105</b>	<b>2 765 698</b>	<b>2 909 103</b>

## Taxes, Fees and Fines

Revenue from taxes, fees and fines is expected to increase from \$838.291m in 2003-04 to \$840.174m in 2004-05.

### Taxes

Table 5.2.4 shows that the less than 1% decrease in taxation revenue expected for 2004-05 is primarily due to reduction of conveyance revenue (assuming a slowdown in the property market) and the inclusion of abnormally large unlisted share transfer and conveyance duty in 2003-04, which in turn is partially offset by growth of payroll tax, general rates and land tax. It is anticipated that revenue in 2005-06 will exceed that of previous years and continue to grow at a steady rate in the forward years.

The growth of economic activity and wages will fuel the growth of payroll tax, while the land tax increase is generated from the rise of Average Unimproved Value (AUV) of rental and commercial properties.

The volume of residential conveyance transactions in 2003-04 has decreased in comparison to the 2002-03 level and is expected to reduce further in 2004-05 before expanding again in 2005-06. Property prices are above previous years' levels and this is expected to remain stable. Commercial conveyance in 2003-04 are abnormally high and are not expected to reach the same level in the future years. Conveyance revenue should grow from 2005-06 onwards but at a slower rate than experienced in the past few years.

**Figure 5.2.2  
Components of Taxes 2004-05**

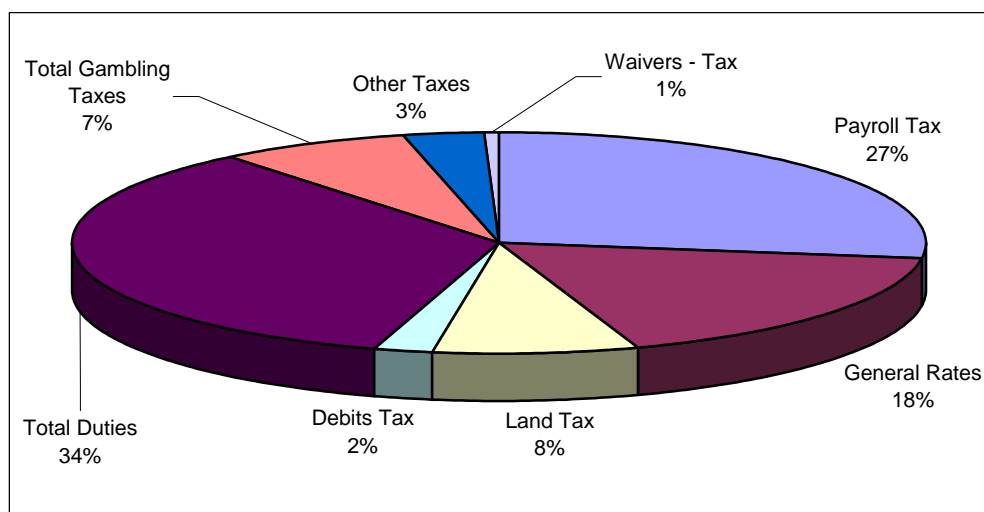


Figure 5.2.2 shows the relative significance of tax components as forecast for 2004-05, with duties and payroll tax the two largest contributors to the Territory's tax base. The next largest revenue source is general rates. Together, these account for 79% of taxation revenue.

### *Fees and Fines*

For the most part, fees and fines forecast for 2004-05 reflect the 2003-04 estimate. The largest contributor to fees and fines is motor vehicle registration, forecast to generate 42% of total fees and fines revenue in 2004-05, followed by fees for regulatory services 28% while the water abstraction and traffic infringement fines both are estimated to recover 16% of total fees and fines. This is consistent with the 2003-04 estimate where motor vehicle registration and fees for regulatory services were 41% and 36% of the total fees and fines revenue respectively.

### **Other Sources of Government Revenue**

Table 5.2.1 shows total revenue from other government revenue sources is expected to decrease from \$1.8 billion in 2003-04 to \$1.75 billion in 2004-05.

For 2004-05, increases in revenue include: ACT Government user charges, dividend revenue from the PTE sector and grants received. This is offset by decreases in revenue relating to interest, revenue from associates and joint ventures and other source revenue, including land revenue.

The largest item in other government revenue sources is grants received from the Commonwealth, forecast to generate \$1,067.193m or 61% of total other government revenue in 2004-05, followed by other own source revenue with 18%. This has changed from the 2003-04 estimate where other own source revenue was 16% of other government revenue.

## Revenue Initiatives

Revenue measures, including an increased concession for conveyance duty, to take effect during 2004-05 include:

- increasing the rates rebate cap for post 1 July 1997 pensioners from \$250 to \$305;
- updating the Home Buyer Concession Scheme to reflect current property prices and income levels; and
- reducing the residential land tax rates and increasing AUV threshold to reflect the rise of property values in recent years.

In addition, a new initiative for tax exemption will take effect from 1 July 2005:

- making a payroll tax exemption to employers for the amount paid for maternity, adoption and/or primary care giver leave to ACT employees.

### *Rates Pensioner Rebate*

This initiative increases the rebate cap for assistance provided for post 1 July 1997 pensioners. Eligible recipients are ratepayers who hold a Centrelink Pensioner Concession Card, or a Department of Veterans' Affairs Pensioner Concession Card or Gold Card. The rebate cap will increase from \$250 to \$305 per annum. This is in line with the average increase in rate bills over recent years.

This is included as part of the Department of Disability, Housing and Community Services Budget Initiatives.

### *Home Buyer Concession Scheme*

The initiative is part of a package of measures to improve housing affordability in the Territory. This initiative is specifically targeted at first homebuyers and those re-entering the housing market under special circumstances. This initiative also adjusts the eligibility criteria for the First Home Buyer Concession Scheme.

Income threshold for eligibility is being increased to \$100,000. This would be adjustable for children with the allowance being linked to the Family Tax Benefits arrangements. Property value thresholds will be linked to market prices and adjusted every six months, to ensure that a proportion of the market is always open to concessions, should the first homebuyers satisfy the income eligibility.

Table 5.2.3 compares the current and the new proposed criteria for eligibility for either a full or part concession from conveyance duty.

**Table 5.2.3  
Home Buyers Concession Scheme**

<b>Factor Type</b>	<b>Factor</b>	<b>Current Amounts</b>	<b>Proposed Amounts</b>
House and Land	Full Concession Dutiable Value Limit (\$20 duty)	\$180,000	Bottom 25% of all sales <sup>1</sup>
	Part Concession Dutiable Value Limit	\$249,000	65% of all sales <sup>2</sup>
	Concessional Rate per \$100 or part thereof above the lower limit (\$20 minimum duty)	\$10.81	\$13.36
Land only	Full Concession Dutiable Value Limit (\$20 duty)	\$80,000	Bottom 25% of all sales <sup>3</sup>
	Part Concession Dutiable Value Limit	\$93,000	65% of all sales <sup>4</sup>
	Concessional Rate per \$100 or part thereof above the lower limit (\$20 minimum duty)	\$14.30	\$7.90
Income	Lower Limit	\$50,000	\$100,000
	Income allowance per dependent child	\$3,303	\$3,330
	Upper Limit (5 or more dependent children)	\$66,515	\$116,650

Based on the end March 2004 data

1. the lower threshold is \$273,000
2. the upper threshold is \$375,000
3. the lower threshold is \$107,000
4. the upper threshold is \$158,000

For eligible applicants, the new scheme will provide up to an \$8,400 reduction in conveyance duty.

### *Reducing the residential land tax rates and increasing AUV threshold*

The initiative is part of a package of measures to improve housing affordability in the Territory. This initiative reduces the taxation burden on rental properties. A new land tax bracket of Average Unimproved Value (AUV) has been introduced for residential properties below \$50,000. A lower land tax rate of 0.65% will apply to this new bracket, resulting in a reduction of land tax payable for residential properties across all brackets. In addition to the new bracket and lower rate, the AUV thresholds in the higher tax brackets are raised to reduce the impact of bracket creep for residential and commercial properties.

This initiative will reduce the land tax revenue by approximately \$5.160m in 2004-05.

### *Future initiatives*

A future tax initiative introduces a payroll tax exemption to employers for the amount of wages paid to employees for maternity, adoption and/or primary care giver leave, with effect from 1 July 2005. Currently 36% of private sector employers Australia-wide provide paid maternity leave (based on the 'Work Life Flexibility Survey 2003' by the Equal Opportunity for Women in the Workplace Agency). This proposal is designed to encourage employers to provide their employees with access to these types of leave.

It is estimated that a total of \$150,000 in revenue will be forgone in 2005-06.

The parking space levy, which was announced in 2003-04 Budget and was scheduled to be implemented in 2004-05, has been postponed to 2005-06. Details of the charge will be finalised as part of the development of the Sustainable Transport Plan.

This initiative is expected to raise \$2.5m annually from 2005-06 onwards.

As part of the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (IGA), the Ministerial Council for Commonwealth-State Financial Relations (MinCo) will review by 2005 the retention of the stamp duties on the following transactions:

- non-residential conveyance;
- non-quotable marketable securities;
- leases;
- mortgages, bonds, debentures and other loan securities (currently not applied in the ACT);
- credit arrangements, instalment purchase arrangements and rental agreements; and
- cheques, bills of exchange and promissory notes (currently not applied in the ACT).

## Taxes

Table 5.2.4 provides details on ACT taxes.

**Table 5.2.4  
Taxes**

	<b>2003-04 Est.Outcome \$'000</b>	<b>2004-05 Budget \$'000</b>	<b>Var %</b>	<b>2005-06 Estimate \$'000</b>	<b>2006-07 Estimate \$'000</b>	<b>2007-08 Estimate \$'000</b>
<b>General Tax</b>						
Payroll Tax	177 406	189 914	7	205 721	222 753	241 182
General Rates	117 752	122 529	4	127 752	133 137	138 657
Land Tax	48 664	54 828	13	57 463	60 212	63 079
Debits Tax	14 400	14 832	3	0	0	0
<b>Total General Tax</b>	<b>358 222</b>	<b>382 103</b>	<b>7</b>	<b>390 936</b>	<b>416 102</b>	<b>442 918</b>
<b>Duties</b>						
Conveyances	186 767	166 056	-11	176 635	188 811	201 748
General Insurance	32 283	33 423	4	34 772	36 158	37 599
Hiring Duty	2 860	2 943	3	3 044	3 148	3 256
Leases	5 692	5 806	2	5 951	6 100	6 252
Life Insurance	715	740	3	770	801	832
Motor Vehicle Rego & Transfers	23 674	24 858	5	26 101	27 406	28 776
Shares & Marketable Securities	12 922	4 631	-64	4 631	4 631	4 631
Other Duties	897	915	2	938	962	986
<b>Total Duties</b>	<b>265 810</b>	<b>239 372</b>	<b>-10</b>	<b>252 842</b>	<b>268 017</b>	<b>284 080</b>
ACTTAB Licence Fee	1 560	1 560	-	1 560	1 560	1 560
Gaming Tax	32 800	33 456	2	34 292	35 150	36 028
Casino Tax	2 101	2 154	3	2 208	2 263	2 320
Interstate Lotteries	13 600	13 940	3	14 288	14 646	15 012
<b>Total Gambling Taxes</b>	<b>50 061</b>	<b>51 110</b>	<b>2</b>	<b>52 348</b>	<b>53 619</b>	<b>54 920</b>
<b>Other Taxes</b>						
Ambulance Levy	6 645	6 834	3	6 834	6 834	6 834
TOCTAX	13 386	13 788	3	14 199	13 410	14 526
Other Taxes	0	0	-	2 500	2 500	2 500
<b>Total Taxes (before waivers)</b>	<b>694 124</b>	<b>693 207</b>	<b>..</b>	<b>719 659</b>	<b>760 482</b>	<b>805 778</b>
Waivers - Tax	5 137	4 586	-11	4 574	4 589	4 605
<b>Total Taxes</b>	<b>699 261</b>	<b>697 793</b>	<b>..</b>	<b>724 233</b>	<b>765 071</b>	<b>810 383</b>

Note: the above figures exclude regulatory service fees and internal trading revenue (General Government Sector).

## *Payroll Tax*

The payroll tax rate in the ACT is 6.85% on wages and other taxable payments made by the employer or the employer's group where Australia-wide wages exceed \$1.250m per annum.

The estimated outcome for 2003-04 is \$177.406m, and the forecast for 2004-05 is \$189.914m. This anticipated increase primarily reflects the growth in the ACT economy and hence employment and wages.

## *General Rates*

Rates are levied on property owners to provide funding for a wide range of municipal and other essential services to the ACT community. Rates revenue in 2004-05 from existing properties will be increased by 2.7%, which represents the actual movement in the CPI in the ACT to the December Quarter 2003.

Rates revenue estimates 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 rates revenue in 2003-04 is \$117.752m and in 2004-05 is estimated to increase to \$122.529m.

A review of the ACT rating system is currently being undertaken to establish a fairer method of assessing rates. In the interim, the existing rating system will be applied in 2004-05 and will have the following features:

- a fixed charge of \$330 applied to all rateable properties except rural rateable properties;
- a valuation based charge on the Average Unimproved Value (AUV of 2002, 2003 and 2004 land values);
- the rate free threshold, applied to the AUV of each rateable property, has been increased from \$19,000 to \$21,500;
- rating factors of:
  - 0.3870% for rateable residential properties;
  - 0.1935% for rateable rural properties;
  - 1.2182% for rateable commercial properties; and
- The pensioner rebate cap, for post 1 July 1997 pensioners, has been increased from \$250 to \$305.

## *Land Tax*

Land tax applies to all commercial properties and any residential properties that are rented or owned by a corporation or a trustee. Land tax assessments in 2004-05 will be based on the most recent Average Unimproved Value (AUV) that incorporates the 2004 unimproved land value.

New land tax initiatives that commence on 1 July 2004 include the reduction of the land tax marginal rate that applies to AUV up to \$50,000 for residential properties from 1.00% down

to 0.65% and an increase of the existing AUV margins for both residential and commercial properties by \$25,000.

The land tax marginal rates that will apply from 1 July 2004 are as shown in Table 5.2.5.

**Table 5.2.5  
Land Tax Rates**

<b>AUV</b>	<b>Residential</b>	<b>Commercial</b>
Up to \$50 000	0.65%	1.00%
\$50 001 up to \$125 000	1.00%	1.00%
\$125 001 up to \$225 000	1.25%	1.40%
\$225 001 and above	1.50%	1.70%

The estimated outcome from land tax revenue in 2003-04 is \$48.664m and in 2004-05 is estimated to increase to \$54.828m.

### *Debits Tax*

Debits Tax is imposed on a monthly basis on the withdrawal of money from accounts that have a cheque facility. Debits tax is based on a flat charge ranging from \$0.30 - \$4.00, depending on the amount withdrawn from the account.

The level of revenue does not vary significantly from year to year as it is based on a flat charge with stable transaction volume. Debits tax will be abolished in 2005-06 as part of the Inter Governmental Agreement on the Reform of Commonwealth-State Financial Relations.

The estimated outcome for 2003-04 is \$14.400m, with the forecast for 2004-05 remaining at \$14.832m.

### *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 current rates payable (with effect from 30 June 2002) range from \$2.00 - \$6.75 per \$100 or part thereof and are generally applied to the transfer value of the property. A concessional rate applies for persons qualifying under the ACT Home Buyer Concession Scheme as outlined in the Revenue Initiative section.

The estimated outcome for 2003-04 is \$186.767m, reflecting current high levels of prices in the residential property market and an abnormally high collection of commercial conveyance revenue. A revenue decrease to \$166.057m is forecast for 2004-05 due to an anticipated stabilisation of house prices, decline in the volume of residential property sales and commercial transactions in the ACT.

In the long term, volume of residential conveyance is expected to stabilise, increasing again in 2005-06 but at a slower rate compared to previous years.

### *Duty on General Insurance*

General insurance premiums are liable for duty at the rate of 10% of the value of the premium.

The estimated outcome for 2003-04 is \$32.283m and the forecast for 2004-05 is \$33.423m. There has been an overall growth in general insurance premiums following the January 2003 bushfire and the premiums are likely to remain high in the future years.

### *Duty on Hiring Arrangements*

The ACT tax rates are 0.75% for equipment leasing and 1.5% on receipts over \$6,000 per month for other leasing arrangements.

The estimated outcome for 2003-04 is \$2.860m and the forecast for 2004-05 is \$2.943m, representing an increase in line with CPI.

### *Duty on Leases*

Duty is payable on commercial lease documents at the rate of \$0.50 for every \$100 or part thereof of the cost of the lease, with the exception of leases in excess of 30 years (including any renewal options) which are liable to duty at conveyance rates. This duty is payable by the lessor.

The estimated outcome for 2003-04 is \$5.692m and the forecast for 2004-05 is \$5.806m based on an increase in line with CPI.

### *Duty on Life Insurance*

For life insurance, duty is payable on:

- the sum insured, \$1 on first \$2,000 + \$0.20/\$200 or part thereof in excess of \$2,000;
- temporary or term insurance policy at 5% of the first year's premium;
- life insurance rider at 5% of the first year's premium; and
- insurance in the event of the disablement of the insured by accident or sickness at 10% of the premium paid.

Life insurance annuities are exempt from duty.

The estimated outcome for 2003-04 is \$0.715m and the forecast for 2004-05 is \$0.740m. As with general insurance, this increase is based on the expected increase in CPI and general economic activities.

### *Duty on Motor Vehicle Registrations*

Duty is payable on the initial registration and on subsequent transfers of a motor vehicle.

The estimated outcome for 2003-04 is \$23.674m and the forecast for 2004-05 is \$24.858m.

### *Duty on Shares & Marketable Securities*

Duty is imposed on the transfer of unquoted marketable securities, payable at a rate of 60 cents per \$100 or part thereof of the total value of the shares or \$20, whichever is greater.

The estimated outcome in 2003-04 is \$12.922m and the forecast for 2004-05 is \$4.631m. Revenue in 2003-04 was significantly greater than the published budget for 2003-04 due to several large one-off transactions. The number and size of transactions are expected to return to previous levels in 2004-05 and beyond.

### *Other Duties*

Duty is payable on the acquisition of businesses conducted in the ACT and on the ACT portion of businesses conducted across jurisdictions.

The estimated outcome for 2003-04 is \$0.897m. The forecast for 2004-05 is \$0.915m.

### *ACTTAB Licence Fee*

ACTTAB pays a fixed licence fee. In addition, a dividend and a tax equivalent payment are identified separately.

Revenue from the licence fee for 2003-04 and 2004-05 is estimated at \$1.560m.

### *Bookmakers' Turnover Tax*

This tax was abolished in July 2003.

### *Gaming Tax*

Gaming tax revenue incorporates gaming machine taxes and interactive gaming tax. Gaming machines are taxed on the basis of monthly gross revenue, which is defined as gaming machine revenue less amounts paid out in prize money.

Estimated total gaming tax revenue for 2003-04 is \$32.800m and the forecast for 2004-05 is \$33.456m. The increase in revenue is due to CPI increases.

### *Casino Tax*

The tax applying to Canberra Casino is 20% of gross profit from general gaming operations. Estimated revenue for 2003-04 is \$2.101m and in 2004-05 is \$2.154m.

### *Interstate Lotteries*

The ACT receives revenue on the value of tickets in NSW and Victorian lotteries purchased in the ACT.

Revenue from this source is estimated at \$13.600m for 2003-04 and the forecast for 2004-05 is \$13.940m.

### *Ambulance Levy*

The ambulance levy is imposed under the *Emergency Management Act 1999* on health benefits organisations to pay a monthly levy in respect of each person or family insured by that organisation. The levy assists in raising funds to maintain and continue emergency services. The full amounts to operate the emergency services are appropriated through the normal budget process.

The estimated revenue outcome for 2003-04 is \$6.645m, while 2004-05 and beyond are projected as \$6.834m per annum.

### *Income Tax Equivalent Payments*

These represent tax equivalent payments made by ACT Public Trading Enterprises. The estimate of total revenue for 2003-04 is \$13.386m and the forecast for 2004-05 is \$13.788m.

### *Other Taxes*

A parking space levy was announced for development in 2003-04 but its anticipated implementation in 2004-05 has been postponed to 2005-06 for consideration as part of the *Sustainable Transport Plan*. The parking space levy is estimated to bring \$2.500m per annum in tax revenue for the Government if implemented from 2005-06 onwards.

### *Tax Waivers*

Tax waivers represent the amount of revenue that has been legally waived. This foregone revenue generally relates to payroll tax and duties. The estimated value of waivers is also reflected in expenses, indicating that there is no net impact on revenue.

The estimated waiver revenue for 2003-04 is \$5.137m, which includes bushfire relief. The forecast for 2004-05 is \$4.586m.

### *ACT Taxes Compared to NSW*

As a result of the ACT's unique location, the Government tries to maintain taxation rates in line with NSW wherever appropriate. Table 5.2.6 shows the comparative tax rates between the ACT and NSW for major taxation items as at April 2004. The initiatives to be introduced in ACT Budget 2004-05 have been included in the ACT Taxes, and, where possible, recent changes announced in the NSW Mini-budget has been incorporated for comparison.

**Table 5.2.6  
ACT Taxes (with proposed new initiatives) compared with NSW as at April 2004**

<i>Tax type</i>	<b>ACT</b>	<b>NSW</b>
<i>Payroll Tax</i>	6.85% 1st \$1,250,000 exempt	6.0% from 1 July 2002 1st \$600,000 exempt
<i>Land Tax</i>	<p>Imposed quarterly on rolling three-year average unimproved land value (AUV).</p> <p>With effect from 2004-05 period, residential - imposed only on rateable properties that are rented or owned by a trust or a company (excluding land owned by a building or development company) as follows:</p> <ul style="list-style-type: none"> <li>• AUV up to \$50,000 – 0.65%</li> <li>• AUV \$50,001 - \$125,000 – 1.00%</li> <li>• AUV \$125,001- \$225,000 – 1.25%</li> <li>• AUV \$225,001 and above – 1.50%</li> </ul> <p>Commercial - imposed on all properties at the following rates from 1 July 2004:</p> <ul style="list-style-type: none"> <li>• AUV up to \$125,000 – 1.00%</li> <li>• AUV \$125,001- \$225,000 – 1.40%</li> <li>• AUV \$225,001 and above – 1.70%</li> </ul>	<p>Imposed annually on aggregated unimproved land value of property that is not the principal place of residence.</p> <p>Effective from the 2005 land tax year, the current single marginal rate of 1.7% will be replaced with the following marginal rate scale:</p> <ul style="list-style-type: none"> <li>• A land value of less than \$400,000 will pay a land tax rate of 0.4%</li> <li>• A land value of between \$400,001 and \$500,000 will pay a land tax rate of \$1,600 plus 0.6% on the value of land above \$400,000.</li> <li>• A land value above \$500,000 will pay a land tax rate of \$2,200 plus 1.4% on the value of land above \$500,000</li> </ul> <p>Furthermore, there will be:</p> <ul style="list-style-type: none"> <li>• Provision of relief from land tax where the amount of tax owed is less than \$100.</li> <li>• Introduction of a deferral mechanism for low income earners with taxable properties below \$300,000 in value that do not generate income</li> </ul>
<i>Debts Tax</i>	Sliding scale from 30c to \$4. To be abolished by 1 July 2005.	Abolished from 1 January 2002.
<i>Duty on Conveyances</i>	<p>\$2.00 - \$6.75 per \$100 or part thereof</p> <p>Home Buyers Concession Scheme, with effect from 1 July 2004, will have:</p> <ul style="list-style-type: none"> <li>• Income threshold of \$100,000 (plus further allowance for children)</li> <li>• Concession for house and land value of up to \$375,000</li> <li>• Concession for vacant land value of up to \$158,000</li> </ul>	<p>\$1.25 - \$7.00 per \$100 or part thereof.</p> <p>From 1 June 2004, apply 2.25% upon value of property when sold, except for principal place of residence</p> <p>First Home Buyers will not pay stamp duty for properties up to \$500,000 with phase out concession up to property value of \$600,000.</p>
<i>Mortgages and Loan Security Duty</i>	Not imposed	\$0-\$16,000 - \$5.00 above \$16,000 - \$4.00 per \$1,000 or part thereof of excess
<i>Duty on Motor Vehicle Registrations</i>	Under \$45,000 = \$3/\$100 Over \$45,000 = \$1,350+\$5 per \$100 or part thereof over \$45,000	Under \$45,000 = \$3/\$100 Over \$45,000 = \$1,350+\$5 per \$100 or part thereof over \$45,000
<i>Duty on General Insurance</i>	10%	5%
<i>Duty on Life Insurance</i>	\$0 to \$2,000 - \$1 Over \$2,000 \$1 plus 20c per \$200 or part thereof in excess of \$2,000	\$0 to \$2,000 - \$1 Over \$2,000 \$1 plus 20c per \$200 or part thereof in excess of \$2,000
<i>Gambling Tax – Casino</i>	20% of gross revenue for general gaming 10% of gross revenue on Commission-based gaming	10.91% of gross revenue from table gaming plus super tax on table revenue above \$257.8m p.a. at 1% per each \$6.4m to a maximum of 35.91% 13.41% of gross revenue from slot machines

<i>Gambling Tax – Clubs</i>	Where monthly gross profit exceeds \$8,000: \$1-\$8,000: 1.0% \$8,001-\$25,000: 23.5% \$25,001-\$50,000: 24.5% >\$50,000: 25.0% (this figure will increase to 26.5% from 1 July 2003)	Where annual profit exceeds \$200,000: Up to \$1m: 10.91% Above \$1m: 17.16%
<i>Gambling Tax – Hotels</i>	25.9% of gross monthly gaming machine revenue	Where annual profit: Up to \$25,000: 5.91% \$25,001-\$400,000: 15.91% \$400,001-\$1m: 25.91% >\$1m: 30.91%

## Fees and Fines

Details of fees and fines are provided in Table 5.2.7.

**Table 5.2.7  
Fees and Fines**

	2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
<b>Fees</b>						
Motor Vehicle Registration	58 421	60 486	4	61 977	63 517	65 104
Casino Licence Fees	681	698	2	716	734	752
Drivers Licences	5 929	6 108	3	6 260	6 417	6 577
Change of Use Charge	8 666	4 111	-53	4 212	4 318	4 425
Fees for Regulatory Services	39 267	39 286	..	39 763	40 631	41 549
Water Abstraction Charge	7 337	10 970	50	15 030	15 181	15 560
<b>Total Fees</b>	<b>120 301</b>	<b>121 659</b>	<b>1</b>	<b>127 958</b>	<b>130 798</b>	<b>133 967</b>
<b>Fines</b>						
Traffic Infringement Fines	10 561	11 981	13	12 269	12 558	12 856
Court Fines	250	250	-	250	250	250
Parking Fines	7 541	8 107	8	8 332	8 540	8 754
Other Fines	377	384	2	391	398	405
<b>Total Fines</b>	<b>18 729</b>	<b>20 722</b>	<b>11</b>	<b>21 242</b>	<b>21 746</b>	<b>22 265</b>

### Fees

#### *Motor Vehicle Registration Fees*

The estimated revenue from motor vehicle registrations in 2003-04 is \$58.421m and the forecast for 2004-05 is \$60.486m. The rise reflects the alignment of registration charges with those in NSW. In addition, the increase also includes the impact of an increase in the number of registered vehicles and an associated increase in short-term registrations.

### *Casino Licence Fees*

The casino licence holder pays the casino licence fee to the Gambling and Racing Commission. The Gambling and Racing Commission also collects casino employees' licence fees for licensing staff employed by the casino. The 2003-04 total estimate for casino licence fees of \$0.655m is expected to increase to \$0.671m in 2004-05.

### *Drivers' Licences*

The revenue from drivers' licences in 2003-04 is estimated at \$5.929m and the forecast for 2004-05 is \$6.108m. This rise reflects the alignment of driver licence fees with licence fees charged in NSW.

### *Change of Use Charge*

A Change of Use Charge is a charge that is payable on the increased value of a block of land arising from a development application and is calculated at 75% of the added property value. Some qualifying lease variations will receive a remission of the Change of Use Charge of either 25% or 100%.

The 2003-04 outcome is estimated at \$8.666m due to a couple of large transfers. The projection for 2004-05 is \$4.111m.

### *Fees for Regulatory Services*

Taxi and Hire Car Reform – The revenue from the Taxi and Hire Car Reform, estimated to be \$1.618m in 2003-04, has been deferred to 2004-05. This is due to the sale of taxi plates being dependent on the enactment of the *Road Transport (Public Passenger Services) Amendment Bill 2003*. The Bill has been referred to the Assembly Committee on Planning and Environment and the Government is currently considering its response to the Committee's report.

### *Water Abstraction*

The revenue from the Water Abstraction Charge in 2003-04 is estimated at \$7.300m and the forecast for 2004-05 is \$10.900m. The estimated revenue for 2004-05 will be depended on the amount of rainfall and the likely imposition of water restrictions, which will lower the amount of water being consumed.

### *Fines*

Taking into account a one-off adjustment for a write down of corporate related fines in 2003-04, traffic infringement fines are expected to increase from \$9.911m to \$11.331m in 2004-05, reflecting alignment with NSW.

## User Charges

Details of non-ACT Government and ACT Government user charges are provided in Table 5.2.8.

**Table 5.2.8**  
**User Charges - Non ACT Government and ACT Government**

	2003-04	2004-05		2005-06	2006-07	2007-08
	Est.Outcome	Budget	Var	Estimate	Estimate	Estimate
	\$'000	\$'000	%	\$'000	\$'000	\$'000
<b>User Charges - Non ACT Government</b>						
Parking Fees	10 770	13 121	22	13 575	13 914	14 270
Inpatient Fees	12 910	14 332	11	14 690	15 057	15 433
Non-Inpatient fees	2 307	1 264	-45	1 296	1 328	1 362
Cross Border Health Receipts	46 497	44 914	-3	45 500	46 550	47 450
Sales	12 057	12 391	3	12 413	11 224	9 795
Service Receipts	83 725	80 204	-4	81 653	83 370	85 596
Miscellaneous	13 518	13 958	3	14 180	14 430	14 691
<b>Total User Charges</b>	<b>181 784</b>	<b>180 184</b>	<b>-1</b>	<b>183 307</b>	<b>185 873</b>	<b>188 597</b>
<b>User Charges - ACT Government</b>						
User Charges -ACT Government -	13 598	17 002	25	17 327	17 720	17 993
<b>Total User Charges - ACT Government</b>	<b>13 598</b>	<b>17 002</b>	<b>25</b>	<b>17 327</b>	<b>17 720</b>	<b>17 993</b>

### *Parking Fees*

The estimated revenue from parking fees in 2003-04 is \$10.805m and the forecast for 2004-05 is \$13.156m. The rise reflects the full year impact of the additional revenue from the introduction of pay parking in Territory car parks in the Belconnen and Tuggeranong Town Centres. The Government has decided not to proceed with Territory pay parking in Barton, pending resolution of issues relating to the National Capital Authority's proposals to introduce pay parking in the Parliamentary zone.

### *Patient Fees*

Inpatient fees and non-inpatient fees are payments for the provision of hospital and related services, collected by The Canberra Hospital. Inpatient fees relate to admitted patients, while non-inpatient fees are for same day services.

The 2003-04 estimated outcome for inpatient fees is \$12.910m and \$1.503m for non-inpatient fees. The 2004-05 Budget estimates are \$14.332m and \$0.440m for inpatient and non-inpatient fees respectively.

### *Cross Border Health Receipts*

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 2003-04 is \$46.5m, while the 2004-05 budget anticipates revenue of \$44.9m. The 2003-04 estimated outcome includes a back-adjustment for prior years from NSW and, as a result, the budgeted amounts for 2004-05 and beyond are lower.

### *Sales*

Revenues from sales include those generated from entry fees to sporting and cultural facilities such as Canberra Stadium and the Canberra Theatre, as well as hire of those venues. Sales of merchandise, programs and giftware in these venues or the rights to sell these are also included.

The 2003-04 estimated outcome is \$12.057m and the 2004-05 estimate is \$12.391m.

### *Service Receipts*

This item includes payments from government agencies and external clients for provision of services.

The 2003-04 estimate is \$83.725m and 2004-05 estimate is \$80.204m.

### *Miscellaneous*

Miscellaneous revenue is estimated at \$13.518m for 2003-04 and the 2004-05 forecast is \$13.958m.

## Interest Received

Table 5.2.9 provides a summary of interest received.

**Table 5.2.9**  
**Interest Received**

	2003-04 Est.Outcome \$'000	2004-05 Budget Var \$'000 %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
<b>Interest Received</b>					
Interest Received from Banks	57 461	48 935 -15	40 080	35 028	35 802
Interest Received on Agency Advances and Loans	19 401	20 556 6	21 361	20 719	20 615
Interest Received on Private Advances	0	0 -	0	0	0
Interest Received - Other	4 041	4 368 8	3 876	3 493	3 176
Interest Received - ACT Law Society	760	500 -34	500	500	500
<b>Total Interest Received</b>	<b>81 663</b>	<b>74 359 -9</b>	<b>65 817</b>	<b>59 740</b>	<b>60 093</b>

### *Interest Received from Banks*

This item represents the interest received by the Central Financing Unit for general government investments and by the Superannuation Unit for investments made in respect of the Superannuation Provision Account. Interest received from banks is interest earnings on cash, short-term securities and fixed interest assets. The decrease in 2004-05 from the 2003-04 estimated outcome is due to a lower allocation of the Superannuation investments to short-term securities and fixed interest securities. During 2003-04 a higher proportion of the Superannuation investments have been allocated to equities in accordance with the long-term strategic asset allocation.

General government investments comprise the surplus balances of the Territory Banking Account and investments made on behalf of government departments and some Territory Authorities. The interest received for government departments and authorities is passed on to them on a monthly basis. Interest earned on the superannuation provision account is retained within the existing investment facilities managed by the Territory's external fund managers.

### *Interest from Advances/Loans*

This item represents the interest payment to the Central Financing Unit from Public Trading Enterprise sector agencies for loans provided to them from the Territory Banking Account. The majority of interest received is from ACTEW.

### *Other Interest Received*

This includes interest revenue from the Department of Justice and Community Safety, Home Loan Portfolio, Canberra Cemeteries Trust and Workers Compensation Supplementation Fund.

## Other Own Source Revenue

Total other own source revenue (including Dividends from Public Trading Enterprises and Revenue of Associates and Joint Ventures) is expected to decrease by \$166.512m or 34% in 2004-05. Table 5.2.10 provides a summary of other own source revenue in 2003-04 and the forward estimates.

**Table 5.2.10**  
**Other Own Source Revenue**

	2003-04	2004-05		2005-06	2006-07	200708
	Est.Outcome	Budget	Var	Estimate	Estimate	Estimate
	\$'000	\$'000	%	\$'000	\$'000	\$'000
<b>Dividends</b>						
ACTEW	0	95 371	#	61 836	60 327	64 361
ACTTAB	573	1 132	98	877	693	737
CIT Solutions	200	218	9	218	218	218
<b>Total Dividends</b>	<b>773</b>	<b>96 721</b>	<b>#</b>	<b>62 931</b>	<b>61 238</b>	<b>65 316</b>
<b>Other</b>						
Superannuation contribution	9 771	12 199	25	12 459	12 732	12 883
MLA members	436	436	-	436	436	436
Gain on disposal of assets	463	100	-78	100	100	100
Increments arising from revaluation of assets	116 254	61 446	-47	76 409	85 944	113 877
Other	56 994	37 004	-35	39 059	41 938	45 100
Lease Sales	201 992	82 005	-59	40 000	11 000	30 160
Government Land Development Sales	72 415	101 330	40	138 400	174 540	159 530
Rents and Commutation	6 000	3 450	-43	3 450	3 450	3 450
Contributions	16 759	16 759	-	16 759	16 759	16 759
<b>Total Other</b>	<b>481 084</b>	<b>314 729</b>	<b>-35</b>	<b>327 072</b>	<b>346 899</b>	<b>382 295</b>
<b>Revenue of Associates and Joint Ventures</b>	<b>3 257</b>	<b>1 600</b>	<b>-51</b>	<b>11 000</b>	<b>10 500</b>	<b>7 000</b>

## Dividends

### ACTEW

ACTEW's 2003-04 dividend will be deferred until 2004-05 to assist in the financing of new water treatment plants at Stromlo and Googong. The dividend amount of \$95.371m in 2004-05 comprises ACTEW's 2004-05 operating result of \$64.377m, \$11.372m representing the deferred 2003-04 dividend and an amount of \$19.622m, which will be transferred from ACTEW's retained profits.

### ACTTAB

The increase of \$0.559m in the 2004-05 Budget from the 2003-04 estimated outcome reflects an increase in profitability between 2002-03 and 2003-04. This is mainly due to an increase in sales revenue, offset by a corresponding increase in fees and distributions associated with turnover. As ACTTAB will pay its 2002-03 dividend in 2003-04, it has made a provision for

this dividend in this period. Similarly, ACTTAB has included a provision for its 2003-04 dividend in 2004-05.

### *CIT Solutions*

The decrease of \$0.018m in the 2003-04 estimated outcome from the original budget is due to a lower than expected result for the calendar year to 31 December 2003.

### *Other*

#### *Superannuation Contributions*

This item represents the payment of employer superannuation contributions to the Superannuation Unit by the PTE sector and external sector (Actew/AGL). The contribution calculations are based upon annual actuarially determined employer contribution rates for either the CSS or PSS scheme membership.

#### *Increments arising from revaluation of assets*

Superannuation investment earnings comprise interest from banks, dividends and increments arising from revaluation of assets. The increments arising from the revaluation of assets represents the net unrealised/realised change in the market value of the financial investment assets. On account of the significant allocation to equity investments, large annual changes in market values are expected.

A review of stormwater assets was conducted in 2003-04. The review resulted in an increase of \$143m in value to \$2.080 billion. Of this \$58.5m will be booked as revenue as it relates to previously unrecognised stormwater assets.

### *Other*

This item includes dividends earned on equity, property investments and market gains made by the Superannuation Provision Account, ACT Health, Urban Services and CIT Solutions.

#### *Lease Sales and Government Land Development Sales*

Land revenue from lease sales is budgeted to decrease by \$91.1m from \$274.4m in 2003-04 to \$183.3m in 2004-05. The decrease reflects the more conservative budget parameters used by the Land Development Agency, when compared to the record land prices experienced in 2003-04 at the height of the property cycle. In addition the methods of delivery of land to the market will differ in 2004-05 compared with 2003-04, affecting the timing of recognition of revenue. These figures include both cash and infrastructure related transactions.

### *Contributions*

This item includes voluntary contributions, fundraising and excursion funds, and revenue from hire of school buildings, collected by the Department of Education Youth and Family Services. Budget estimates are consistent with the projected outcome for 2003-04.

### *Revenue of Associates and Joint Ventures*

The decrease of \$1.657m in the 2004-05 Budget from the 2003-04 estimated outcome for revenue from associates and joint ventures reflects the completion in 2004-05 of 'The Gateway' development at Kingston Foreshore undertaken in joint venture with St Hillers.

### **Commonwealth Grants Estimates**

Total revenue from grants received is expected to increase by \$20.385m from the 2003-04 estimates of \$1,046.8m to \$1067.2m in 2004-05. The marginal increase is due to Non-Government School increase and a major increase in GST Revenue, offset by the non-continuation of funding for the Natural Disaster Relief.

Table 5.2.12 provides a summary of Commonwealth Grants Estimates.

**Table 5.2.12  
Commonwealth Grants Estimates**

	2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
<b>Gen. Purpose Funding</b>						
Special Revenue Assistance	15 000	14 200	-5	14 500	14 900	15 300
Competition Payments	11 000	12 400	13	12 800	13 000	13 400
<b>Total Gen. Purpose Fund.</b>	<b>26 000</b>	<b>26 600</b>	<b>2</b>	<b>27 300</b>	<b>27 900</b>	<b>28 700</b>
<b>GST Revenue Grants</b>						
GST Revenue Grant	645 100	657 600	2	689 600	724 300	760 300
<b>Total</b>	<b>645 100</b>	<b>657 600</b>	<b>2</b>	<b>689 600</b>	<b>724 300</b>	<b>760 300</b>
<b>GST Balanced Budget Assist.</b>						
<b>Total</b>	-	-	-	-	-	-
<b>Total General Revenue Assistance</b>	<b>671 100</b>	<b>684 200</b>	<b>2</b>	<b>716 900</b>	<b>752 200</b>	<b>789 000</b>
<b>Specific Purpose Payments</b>	-	-	-	-	-	-
<b>Health (Includes HCG's)</b>						
Hospital Funding Grant	97 860	102 821	5	108 075	113 767	119 736
Youth Health Services	54	54	-	54	54	54
High Cost Drugs	5 676	5 676	-	5 818	5 963	6 112
National Public Health Agreement	6 034	6 034	-	5 200	5 200	5 200
OAG Illicit Drug Diversion Package	106	0	-100	0	0	0
<b>Total</b>	<b>109 730</b>	<b>114 585</b>	<b>4</b>	<b>119 147</b>	<b>124 984</b>	<b>131 102</b>
<b>Social Security and Welfare</b>						
Aged Care Assessment Team	473	446	-6	446	446	446
Home and Community Care	8 516	9 329	10	10 215	11 186	12 249
Supported Accommodation Program - Current	5 770	5 891	2	6 015	6 015	6 015
Children's Services - Current	56	57	2	58	60	61
C'wlth States Disability Agreement	8 092	7 868	-3	8 117	8 372	8 372
<b>Total</b>	<b>22 907</b>	<b>23 591</b>	<b>3</b>	<b>24 851</b>	<b>26 079</b>	<b>27 143</b>
<b>Public Order and Safety</b>						
Legal Aid	3 807	3 170	-17	3 170	3 170	3 170
Weapons Compensation	850	0	-100	0	0	0
<b>Total</b>	<b>4 657</b>	<b>3 170</b>	<b>-32</b>	<b>3 170</b>	<b>3 170</b>	<b>3 170</b>
<b>Education</b>						
Government Schools - General	24 527	25 864	5	27 274	28 761	30 329
Non- Government Schools	80 572	86 138	7	92 093	98 444	105 335
Government Schools - Other Commonwealth	4 121	3 974	-4	4 073	4 175	4 280
Other Schools Payments - Other Organisations	0	0	-	0	0	0
Other Schools Payments - Non- Gov't	1 975	2 073	5	2 177	2 286	2 400
Aboriginal Education (IESIP)	367	374	2	381	391	401
Government Schools - Capital Grant	4 070	3 978	-2	3 978	3 978	3 978
Non-Government Schools - Capital Grant	2 040	2 040	-	2 040	2 040	2 040
<b>Total</b>	<b>117 672</b>	<b>124 441</b>	<b>6</b>	<b>132 016</b>	<b>140 075</b>	<b>148 763</b>

	2003-04 Est.Outcome \$'000	2004-05 Budget \$'000	Var %	2005-06 Estimate \$'000	2006-07 Estimate \$'000	2007-08 Estimate \$'000
<b>Housing</b>						
CSHA Block Assistance for Housing	18 561	18 733	1	18 908	19 085	19 265
<b>Total</b>	<b>18 561</b>	<b>18 733</b>	<b>1</b>	<b>18 908</b>	<b>19 085</b>	<b>19 265</b>
<b>Local Government</b>						
Finance Assist - Local Government Functions	31 900	32 600	2	33 300	34 200	35 200
National Cap Influences - Local Government Functions	22 067	22 508	2	22 936	23 394	23 874
<b>Total</b>	<b>53 967</b>	<b>55 108</b>	<b>2</b>	<b>56 236</b>	<b>57 594</b>	<b>59 074</b>
<b>Other</b>						
Assistance for Water and Sewerage	8 873	9 051	2	9 223	9 407	9 600
Interstate Road Transport	200	200	-	200	200	200
National Highway System.	600	600	-	600	600	600
National Safety Black Spots Program	600	600	-	600	600	600
National Highway System	5 000	4 120	-18	7 082	5 000	5 000
<b>Total</b>	<b>15 273</b>	<b>14 571</b>	<b>-5</b>	<b>17 705</b>	<b>15 807</b>	<b>16 000</b>
<b>Total Specific Purpose Payments</b>	<b>342 767</b>	<b>354 199</b>	<b>3</b>	<b>372 033</b>	<b>386 794</b>	<b>404 517</b>
<b>Other C'wlth Payments</b>	-	-	-	-	-	-
<b>Vocational Education and Training</b>						
Payment for ANTA C'wlth Funding	17 644	18 085	2	18 537	19 001	19 476
ANTA TAFE Capital Infrastructure	2 960	2 960	-	2 960	2 960	2 960
<b>Total</b>	<b>20 604</b>	<b>21 045</b>	<b>2</b>	<b>21 497</b>	<b>21 961</b>	<b>22 436</b>
<b>Other</b>						
Concession Funding	1 302	1 346	3	1 393	1 393	1 393
RALA Veterans	0	0	-	0	0	0
Sport Participation Development	158	158	-	158	158	158
ANTA Contracts	420	428	2	437	446	455
Other Miscellaneous Commonwealth Payments	4 457	5 817	31	5 800	3 161	3 235
Natural Disaster Relief Arrangements (NDRA)	6 000	0	-100	0	0	0
<b>Total</b>	<b>12 337</b>	<b>7 749</b>	<b>-37</b>	<b>7 788</b>	<b>5 158</b>	<b>5 241</b>
<b>Total Other C'wlth Payments</b>	<b>32 941</b>	<b>28 794</b>	<b>-13</b>	<b>29 285</b>	<b>27 119</b>	<b>27 677</b>
<b>Total SPP and Other C'wlth Payments</b>	<b>375 708</b>	<b>382 993</b>	<b>2</b>	<b>401 318</b>	<b>413 913</b>	<b>432 194</b>
<b>Total Commonwealth Grants Received</b>	<b>1 046 808</b>	<b>1 067 193</b>	<b>21</b>	<b>1 118 218</b>	<b>1 166 113</b>	<b>1 221 194</b>

