

## Appendix B: 2012-13 Budget

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### **1. Summary table of Budget impact from taxation reform**

Table 7 shows the 2012-13 budget adjustments from the ACT taxation reform package-5 year reform plan. It shows that the overall impact is budget neutral.

### **2. General Rates – summary results**

Tables 8-10 and charts 10-13 show summary results of the general rates model in the ACT taxation reform package. The analysis was based on the individual unimproved value of land (UV) data from Territory Revenue System (TRS).

- The proposed rates system comparing to the pre tax reform system
- Cut-off points of AUV Percentile
- Distribution of AUVs in the ACT
- Proportion of properties by changes of general rates
- Rates analysis by district

### **3. General Rates – suburb analysis**

Table 11 shows the general rates impact by suburb. It illustrates the difference between 2011-12 and 2012-13 general rates with and without rates reform based on average AUV's for each suburb.

### **4. Conveyance duty - five year reform plan**

Table 12 shows the conveyance duty rates, target conveyance revenue and financial impacts under the 5 year taxation reform package.

### **5. Conveyance duty – impact by property value**

Table 13 shows the conveyance duty impacts at each property value and chart 14 compares the effective duty rate under the previous scheme (current until 5 June 2012, the new scheme from 6 June 20102 and the new system from 1 July 2016.

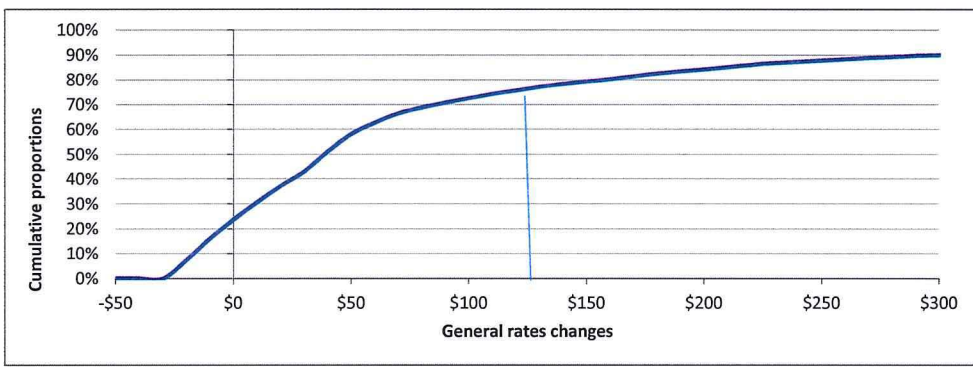
Table 7: 2012-13 budget impact from tax reform

Budgeted Revenue	2012-13 (\$'000)	2013-14 (\$'000)	2014-15 (\$'000)	2015-16 (\$'000)
<b>Payroll Tax</b>				
Adjustment	-6,812	-7,268	-7,754	-8,273
<b>Land Tax</b>				
Adjustment	-54,584	-56,659	-58,782	-60,954
<b>General Rates</b>				
Residential Adjustment	16,397	23,422	35,134	47,764
Commercial Adjustment	59,222	66,932	76,448	86,212
Adjustment	75,619	90,354	111,582	133,976
<b>Conveyance Duty</b>				
Residential Adjustment	-5,199	-6,535	-12,116	-18,146
Commercial Adjustment	-2,458	-2,984	-4,855	-6,487
<b>Total</b>	<b>-7,658</b>	<b>-9,519</b>	<b>-16,971</b>	<b>-24,633</b>
<b>Duty on General Insurance</b>				
Adjustment	-9,290	-19,329	-30,165	-41,843
<b>Duty on Life Insurance</b>				
Adjustment	-431	-898	-1,401	-1,943
<b>Utility Network Facilities Tax</b>				
Adjustment	3,155	3,318	3,490	3,670
<b>Total Impact</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 8: General Rates - Revenue under proposed scheme**

Proposed Rates (2012-13)		
Threshold	Fixed	rating factor
0 to \$150,000		0.2236%
\$150,001 to \$300,000	555	0.3136%
\$300,001 to \$450,000		0.3736%
Above \$450,000		0.4136%
Revenue (\$'000)	Current 183.6	Proposed 198.4

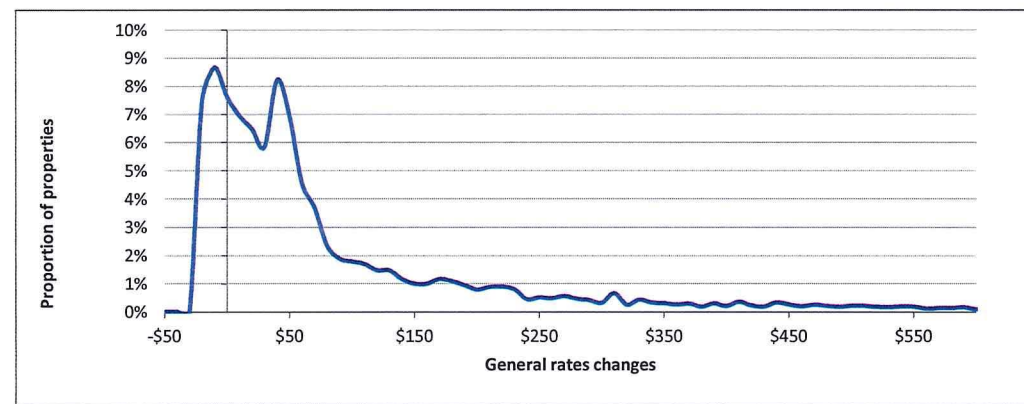
**Chart 10: Cumulative changes in General Rates (comparing 2012-13 Rates without reform to 2012-13 Rates with reform)**



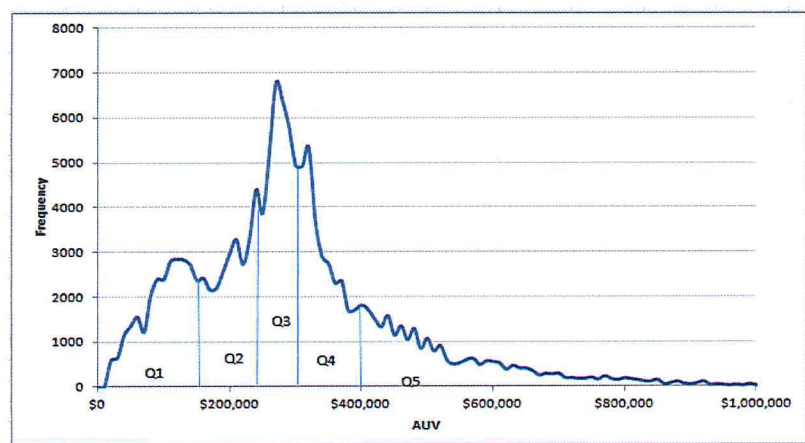
**Table 9: General Rates - cut-offs of each AUV percentile**

AUV Percentile	Value
0.1	103,536
0.15	128,762
0.2	156,338
0.25	187,000
0.3	210,460
0.35	233,000
0.4	250,000
0.45	263,333
0.5	272,666
0.55	283,666
0.6	298,333
0.65	311,666
0.7	328,000
0.75	353,333
0.8	390,000
0.85	435,000
0.9	498,666
0.95	610,666
1	5,455,666

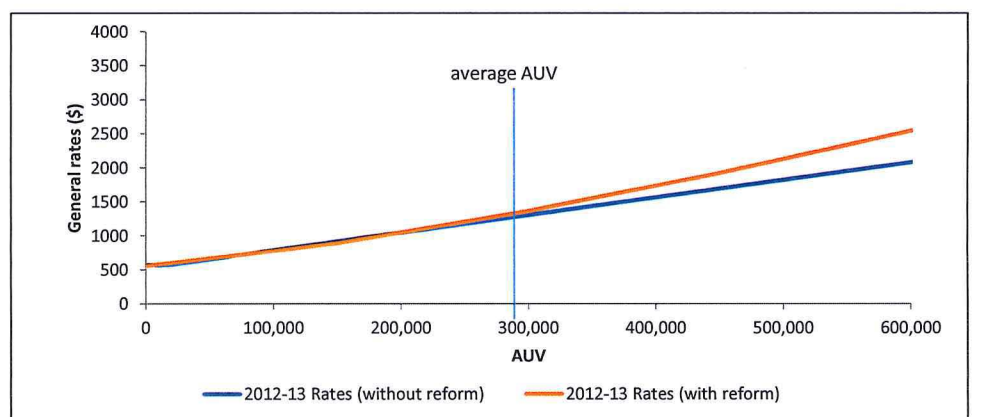
**Chart 11: changes in General Rates (comparing 2012-13 Rates without reform to 2012-13 Rates with reform)**



**Chart 13: Distribution of property AUVs**



**Chart 12: general rates payable by AUV**



**Table 10: General Rates impact by district**

District	2011-12 Rates (a)	2012-13 Rates without reform (b)		%	2012-13 Rates with reform (c)		2011-12 to 2012-13 with reform		2012-13 without reform to 2012-13 with reform	
		(\$)	(\$)		(\$)	(\$)	(\$)	(\$)		
Inner North	1,345	1,364	19	1%	1,533	188	14%	169	12%	
Inner South	1,775	1,759	-16	-1%	2,132	357	20%	373	21%	
Belconnen	1,164	1,203	39	3%	1,256	92	8%	53	4%	
Woden	1,453	1,487	34	2%	1,672	219	15%	185	12%	
Weston	1,319	1,372	54	4%	1,471	152	12%	99	7%	
Gungahlin	1,064	1,097	33	3%	1,118	53	5%	21	2%	
Tuggeranong	1,158	1,198	40	3%	1,240	82	7%	42	3%	



Table 11: General Rates impact by suburb

Suburb	2012-13 Rates				2012-13 Rates with reform (c)	Difference 2012-13 with reform to 2012-13 (c-b)	Difference 2012-13 with reform to 2012-13 (c-b)/b (%)	Difference 2012-13 with reform to 2011-12 (c-a)	Difference 2012-13 with reform to 2011-12 (c-a)/a (%)	median 2012-13 without Reform	median with Reform	Difference	Average AUV
	2011-12 Rates (a)	without reform (b)	Difference (b-a)	Difference (b-a)/a									
	(\$)	(\$)	(\$)	(%)	(\$)	(\$)	(%)	(\$)	(%)				
<b>INNER NORTH</b>													
LYNEHAM	1,137	1,092	-46	-4%	1,155	63	6%	17	2%	897	871	-26	216,546
DICKSON	1,385	1,451	66	5%	1,607	156	11%	222	16%	1,604	1,789	185	355,216
O'CONNOR	1,706	1,732	26	2%	2,031	299	17%	325	19%	1,849	2,165	317	464,014
AINSLIE	1,800	1,856	56	3%	2,190	334	18%	390	22%	1,917	2,274	357	511,778
TURNER	1,104	1,123	19	2%	1,241	118	10%	137	12%	862	841	-21	228,682
BRADDON	933	956	23	2%	1,008	52	5%	75	8%	798	786	-13	164,151
CITY	662	681	19	3%	686	5	1%	23	4%	652	659	7	57,896
REID	1,686	1,706	20	1%	2,064	358	21%	378	22%	1,981	2,376	396	454,057
CAMPBELL	1,842	1,850	8	0%	2,222	372	20%	380	21%	2,001	2,409	408	509,510
DOWNER	1,464	1,506	41	3%	1,657	151	10%	192	13%	1,563	1,729	166	376,464
WATSON	1,192	1,225	33	3%	1,316	91	7%	124	10%	1,444	1,558	114	268,074
HACKETT	1,507	1,565	58	4%	1,757	191	12%	250	17%	1,654	1,861	207	399,580
<b>INNER SOUTH</b>													
YARRALUMLA	2,331	2,284	-47	-2%	2,879	595	26%	548	24%	2,419	3,077	658	677,198
BARTON	1,115	1,128	14	1%	1,216	88	8%	102	9%	946	922	-24	230,712
DEAKIN	2,218	2,202	-15	-1%	2,774	572	26%	557	25%	2,127	2,611	483	645,613
FORREST	2,684	2,631	-54	-2%	3,530	899	34%	846	31%	1,924	2,286	362	811,226
KINGSTON	1,008	1,004	-4	0%	1,027	24	2%	20	2%	905	878	-27	182,554
NARRABUNDAH	1,607	1,637	29	2%	1,891	254	16%	283	18%	1,762	2,027	265	427,052
GRIFFITH	1,598	1,581	-17	-1%	1,897	315	20%	298	19%	967	949	-19	405,705
RED HILL	2,646	2,613	-33	-1%	3,408	795	30%	762	29%	2,320	2,918	598	804,418
PIALLIGO	1,999	1,971	-28	-1%	2,365	394	20%	366	18%	2,038	2,467	430	556,381
<b>WODEN</b>													
HUGHES	1,638	1,686	47	3%	1,952	266	16%	313	19%	1,739	1,991	251	446,133
CURTIN	1,603	1,651	47	3%	1,889	238	14%	286	18%	1,712	1,947	235	432,555
LYONS	1,346	1,380	34	3%	1,519	140	10%	174	13%	1,555	1,718	163	327,922
GARRAN	1,612	1,644	33	2%	1,934	290	18%	322	20%	1,807	2,099	292	430,038
PEARCE	1,449	1,472	23	2%	1,643	171	12%	194	13%	1,604	1,789	185	363,302
TORRENS	1,520	1,552	32	2%	1,729	177	11%	209	14%	1,566	1,734	168	394,409
MAWSON	1,241	1,255	14	1%	1,353	97	8%	111	9%	1,262	1,306	43	279,780
FARRER	1,600	1,632	33	2%	1,856	224	14%	257	16%	1,598	1,780	182	425,430
O'MALLEY	2,052	2,089	37	2%	2,566	477	23%	514	25%	2,100	2,568	467	601,936
ISAACS	1,432	1,489	58	4%	1,643	154	10%	212	15%	1,522	1,670	148	370,167
CHIFLEY	1,370	1,389	19	1%	1,518	129	9%	148	11%	1,497	1,635	137	331,482
PHILLIP	858	894	37	4%	890	-5	-1%	32	4%	906	879	-27	140,253
<b>WESTON</b>													
WESTON	1,307	1,354	48	4%	1,447	93	7%	140	11%	1,408	1,505	97	317,984
WARAMANGA	1,276	1,346	70	6%	1,430	84	6%	154	12%	1,377	1,460	84	314,844
FISHER	1,269	1,330	61	5%	1,417	87	7%	148	12%	1,366	1,445	79	308,568
CHAPMAN	1,650	1,676	26	2%	1,908	232	14%	258	16%	1,624	1,818	194	442,170
RIVETT	1,253	1,311	58	5%	1,375	64	5%	122	10%	1,335	1,401	65	301,168
DUFFY	1,310	1,370	61	5%	1,465	95	7%	156	12%	1,395	1,487	92	324,242
HOLDER	1,240	1,303	63	5%	1,375	72	5%	134	11%	1,365	1,443	78	298,130
STIRLING	1,296	1,328	32	2%	1,411	82	6%	115	9%	1,366	1,445	79	307,922
<b>BELCONNEN</b>													
GIRALANG	1,217	1,256	39	3%	1,302	46	4%	85	7%	1,264	1,307	44	280,055
KALEEN	1,294	1,332	38	3%	1,403	71	5%	109	8%	1,338	1,404	66	309,360
BRUCE	1,011	1,017	6	1%	1,066	49	5%	54	5%	898	872	-26	187,622
ARANDA	1,607	1,653	46	3%	1,871	219	13%	264	16%	1,648	1,853	204	433,317
COOK	1,278	1,346	68	5%	1,454	107	8%	176	14%	1,437	1,548	111	314,929



MACQUARIE	1,266	1,327	61	5%	1,418	91	7%	151	12%	1,430	1,538	107	307,450
BELCONNEN	800	837	37	5%	842	5	1%	42	5%	801	788	-13	118,029
FLOREY	1,184	1,246	62	5%	1,299	52	4%	114	10%	1,301	1,352	52	276,252
PAGE	1,165	1,218	52	4%	1,267	50	4%	102	9%	1,340	1,408	68	265,164
WEETANGERA	1,517	1,584	66	4%	1,772	189	12%	255	17%	1,594	1,774	180	406,574
HAWKER	1,377	1,432	55	4%	1,593	160	11%	215	16%	1,504	1,645	140	348,209
SCULLIN	1,149	1,200	51	4%	1,237	37	3%	88	8%	1,232	1,269	37	258,342
LATHAM	1,142	1,187	45	4%	1,216	29	2%	74	7%	1,214	1,247	33	253,300
HIGGINS	1,213	1,271	57	5%	1,319	48	4%	105	9%	1,258	1,300	43	285,696
HOLT	1,016	1,059	43	4%	1,075	16	2%	59	6%	1,147	1,166	19	203,955
MACGREGOR	1,059	1,072	13	1%	1,078	6	1%	19	2%	1,088	1,094	7	208,812
CHARNWOOD	1,051	1,095	44	4%	1,107	12	1%	56	5%	1,140	1,158	18	217,688
FLYNN	1,234	1,274	39	3%	1,325	52	4%	91	7%	1,256	1,298	42	286,903
MELBA	1,210	1,256	46	4%	1,314	59	5%	105	9%	1,237	1,275	38	279,870
EVATT	1,225	1,254	28	2%	1,304	50	4%	79	6%	1,256	1,298	42	279,096
MCKELLAR	1,233	1,295	62	5%	1,356	61	5%	124	10%	1,291	1,341	50	295,087
SPENCE	1,195	1,238	43	4%	1,282	44	4%	87	7%	1,252	1,294	41	273,084
FRASER	1,205	1,246	41	3%	1,291	45	4%	86	7%	1,233	1,270	37	276,022
DUNLOP	1,068	1,082	15	1%	1,091	8	1%	23	2%	1,084	1,090	6	212,887
<b>TUGGERANONG</b>													
KAMBAH	1,190	1,234	45	4%	1,284	50	4%	94	8%	1,232	1,269	37	271,686
WANNIASSA	1,268	1,310	42	3%	1,379	68	5%	111	9%	1,309	1,363	54	301,073
MONASH	1,157	1,196	38	3%	1,240	44	4%	82	7%	1,277	1,323	47	256,692
GOWRIE	1,156	1,201	45	4%	1,234	32	3%	77	7%	1,217	1,251	34	258,934
FADDEN	1,344	1,397	52	4%	1,497	100	7%	152	11%	1,382	1,468	86	334,482
MACARTHUR	1,263	1,310	47	4%	1,377	67	5%	114	9%	1,302	1,353	52	301,014
RICHARDSON	1,136	1,179	44	4%	1,207	28	2%	71	6%	1,208	1,241	32	250,412
GILMORE	1,185	1,222	37	3%	1,261	38	3%	76	6%	1,244	1,283	40	266,986
CHISHOLM	1,238	1,283	46	4%	1,339	55	4%	101	8%	1,290	1,339	49	290,641
THEODORE	1,106	1,150	44	4%	1,177	27	2%	71	6%	1,189	1,217	28	239,049
CALWELL	1,144	1,183	38	3%	1,222	39	3%	78	7%	1,196	1,225	29	251,670
ISABELLA PLAINS	1,050	1,094	43	4%	1,113	19	2%	62	6%	1,171	1,196	24	217,320
CONDER	1,144	1,173	30	3%	1,207	34	3%	64	6%	1,201	1,231	30	248,072
BANKS	1,132	1,168	36	3%	1,199	31	3%	67	6%	1,184	1,211	27	245,979
GREENWAY	873	912	39	4%	907	-5	-1%	34	4%	908	881	-28	147,027
GORDON	1,084	1,114	30	3%	1,140	26	2%	56	5%	1,179	1,205	26	225,154
BONYTHON	1,049	1,077	28	3%	1,095	18	2%	46	4%	1,134	1,151	16	210,881
OXLEY	1,197	1,245	48	4%	1,298	52	4%	101	8%	1,291	1,341	50	275,934
THARWA	1,073	1,081	8	1%	1,086	5	0%	13	1%	1,039	1,035	-4	212,500
<b>GUNGAHLIN</b>													
CASEY	1,017	1,028	11	1%	1,026	-2	0%	9	1%	1,043	1,040	-3	192,076
NGUNNAWAL	976	1,013	37	4%	1,015	2	0%	39	4%	999	987	-12	186,230
AMAROO	1,116	1,165	49	4%	1,195	30	3%	79	7%	1,147	1,166	19	244,782
NICHOLLS	1,234	1,280	45	4%	1,349	70	5%	115	9%	1,306	1,359	53	289,158
PALMERSTON	1,064	1,113	49	5%	1,128	15	1%	64	6%	1,116	1,129	13	224,802
GUNGAHLIN	997	1,045	48	5%	1,060	15	1%	63	6%	1,114	1,127	12	198,514
HARRISON	1,092	1,130	38	4%	1,149	18	2%	57	5%	1,146	1,165	19	231,487
CRACE	1,006	1,027	21	2%	1,038	10	1%	31	3%	1,020	1,013	-8	191,716
FRANKLIN	1,014	1,034	21	2%	1,049	14	1%	35	3%	1,072	1,075	3	194,433
FORDE	1,118	1,124	6	1%	1,146	21	2%	28	2%	1,128	1,143	15	229,210
BONNER	1,015	1,014	-1	0%	1,013	-1	0%	-2	0%	1,033	1,027	-5	186,357
HALL	1,832	1,852	20	1%	2,207	355	19%	375	20%	2,125	2,606	482	510,310

Table 12: Conveyance duty 5 year reform summary results

2010-11			2012-13 Year1			2013-14 Year2		
Thresholds	Fixed	Variable	Thresholds	Fixed	Variable	Thresholds	Fixed	Variable
0	0	0.0200	0	0	0.0240	0	0	0.0220
100,000	2,000	0.0350	100,000	2,400	0.0240	100,000	2,200	0.0220
200,000	5,500	0.0400	200,000	4,800	0.0375	200,000	4,400	0.0370
300,000	9,500	0.0550	300,000	8,550	0.0475	300,000	8,100	0.0450
500,000	20,500	0.0575	500,000	18,050	0.0550	500,000	17,100	0.0500
750,000	34,875	0.0575	750,000	31,800	0.0650	750,000	29,600	0.0650
1,000,000	49,250	0.0675	1,000,000	48,050	0.0725	1,000,000	45,850	0.0700

<b>Revenue (adjusted)</b>	<b>230,000,000</b>	<b>220,421,125</b>	<b>220,727,286</b>
Base case	233,296,000	230,246,000	231,774,000
impact	- 3,296,000	- 9,824,875	- 11,046,714
impact (round to \$0.1m)	- 3,300,000	- 9,800,000	- 11,000,000

Budget	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000	2014-15 \$'000	2015-16 \$'000	2016-17
	\$233,296	\$ 216,466	\$ 230,246	\$ 231,774	\$ 237,368	\$ 243,334	\$ 249,450
% change			-1.3%	0.7%	2.4%	2.5%	2.5%
Assume no turnover change, house price change:			-0.834%	0.421%	1.536%	1.610%	1.617%

Sensitivity analysis

2010-11			2012-13 Year1			2013-14 Year2		
Thresholds	Fixed	Variable	Thresholds	Fixed	Variable	Thresholds	Fixed	Variable
0	0	0.0200	0	0	0.0200	0	0	0.0200
100,000	2,000	0.0350	100,000	2,000	0.0350	100,000	2,000	0.0350
200,000	5,500	0.0400	200,000	5,500	0.0400	200,000	5,500	0.0400
300,000	9,500	0.0550	300,000	9,500	0.0550	300,000	9,500	0.0550
500,000	20,500	0.0575	500,000	20,500	0.0575	500,000	20,500	0.0575
750,000	34,875	0.0575	750,000	34,875	0.0575	750,000	34,875	0.0575
1,000,000	49,250	0.0675	1,000,000	49,250	0.0675	1,000,000	49,250	0.0675

<b>Revenue (adjusted)</b>	<b>233,296,000</b>	<b>230,246,000</b>	<b>231,774,000</b>
Base case	233,296,000	230,246,000	231,774,000
impact	-	0	0
impact (round to \$0.1m)	-	-	-



2014-15  
Year3

Thresholds	Fixed	Variable
0	0	0.0200
100,000	2,000	0.0200
200,000	4,000	0.0350
300,000	7,500	0.0415
500,000	15,800	0.0500
750,000	28,300	0.0650
1,000,000	44,550	0.0700

220,924,059  
237,368,000  
- 16,443,941  
- 16,400,000

2015-16  
Year4

Thresholds	Fixed	Variable
0	0	0.0180
100,000	1,800	0.0180
200,000	3,600	0.0300
300,000	6,600	0.0400
500,000	14,600	0.0500
750,000	27,100	0.0650
1,000,000	43,350	0.0700

221,034,146  
243,334,000  
- 22,299,854  
- 22,300,000

2016-17  
Year5

Thresholds	Fixed	Variable
0	0	0.0148
100,000	1,480	0.0148
200,000	2,960	0.0250
300,000	5,460	0.0400
500,000	13,460	0.0500
750,000	25,960	0.0650
1,000,000	42,210	0.0700

221,048,006  
249,449,949  
- 28,401,944  
- 28,400,000

2014-15  
Year3

Thresholds	Fixed	Variable
0	0	0.0200
100,000	2,000	0.0350
200,000	5,500	0.0400
300,000	9,500	0.0550
500,000	20,500	0.0575
750,000	34,875	0.0575
1,000,000	49,250	0.0675

237,368,000  
237,368,000  
- 0  
-

2015-16  
Year4

Thresholds	Fixed	Variable
0	0	0.0200
100,000	2,000	0.0350
200,000	5,500	0.0400
300,000	9,500	0.0550
500,000	20,500	0.0575
750,000	34,875	0.0575
1,000,000	49,250	0.0675

243,334,000  
243,334,000  
- 0  
-

2016-17  
Year5

Thresholds	Fixed	Variable
0	0	0.0200
100,000	2,000	0.0350
200,000	5,500	0.0400
300,000	9,500	0.0550
500,000	20,500	0.0575
750,000	34,875	0.0575
1,000,000	49,250	0.0675

249,449,949  
249,449,949  
- 0  
-

**Table 13: Conveyance duty impacts by property transaction value**

Property value	Current	Year 1	Difference	\$ savings	Year 5	Difference	\$ savings
\$200,000	\$5,500	\$4,800	-13%	\$700	\$2,960	-46%	-\$2,540
\$250,000	\$7,500	\$6,675	-11%	\$825	\$4,210	-44%	-\$3,290
\$300,000	\$9,500	\$8,550	-10%	\$950	\$5,460	-43%	-\$4,040
\$350,000	\$12,250	\$10,925	-11%	\$1,325	\$7,460	-39%	-\$4,790
\$400,000	\$15,000	\$13,300	-11%	\$1,700	\$9,460	-37%	-\$5,540
\$450,000	\$17,750	\$15,675	-12%	\$2,075	\$11,460	-35%	-\$6,290
\$500,000	\$20,500	\$18,050	-12%	\$2,450	\$13,460	-34%	-\$7,040
\$550,000	\$23,375	\$20,800	-11%	\$2,575	\$15,960	-32%	-\$7,415
\$600,000	\$26,250	\$23,550	-10%	\$2,700	\$18,460	-30%	-\$7,790
\$650,000	\$29,125	\$26,300	-10%	\$2,825	\$20,960	-28%	-\$8,165
\$700,000	\$32,000	\$29,050	-9%	\$2,950	\$23,460	-27%	-\$8,540
\$750,000	\$34,875	\$31,800	-9%	\$3,075	\$25,960	-26%	-\$8,915
\$800,000	\$37,750	\$35,050	-7%	\$2,700	\$29,210	-23%	-\$8,540
\$850,000	\$40,625	\$38,300	-6%	\$2,325	\$32,460	-20%	-\$8,165
\$900,000	\$43,500	\$41,550	-4%	\$1,950	\$35,710	-18%	-\$7,790
\$950,000	\$46,375	\$44,800	-3%	\$1,575	\$38,960	-16%	-\$7,415
\$1,000,000	\$49,250	\$48,050	-2%	\$1,200	\$42,210	-14%	-\$7,040

**Chart 14: effective conveyance duty rates**

