

4.3 REVENUE 2000-01 AND FORWARD ESTIMATES

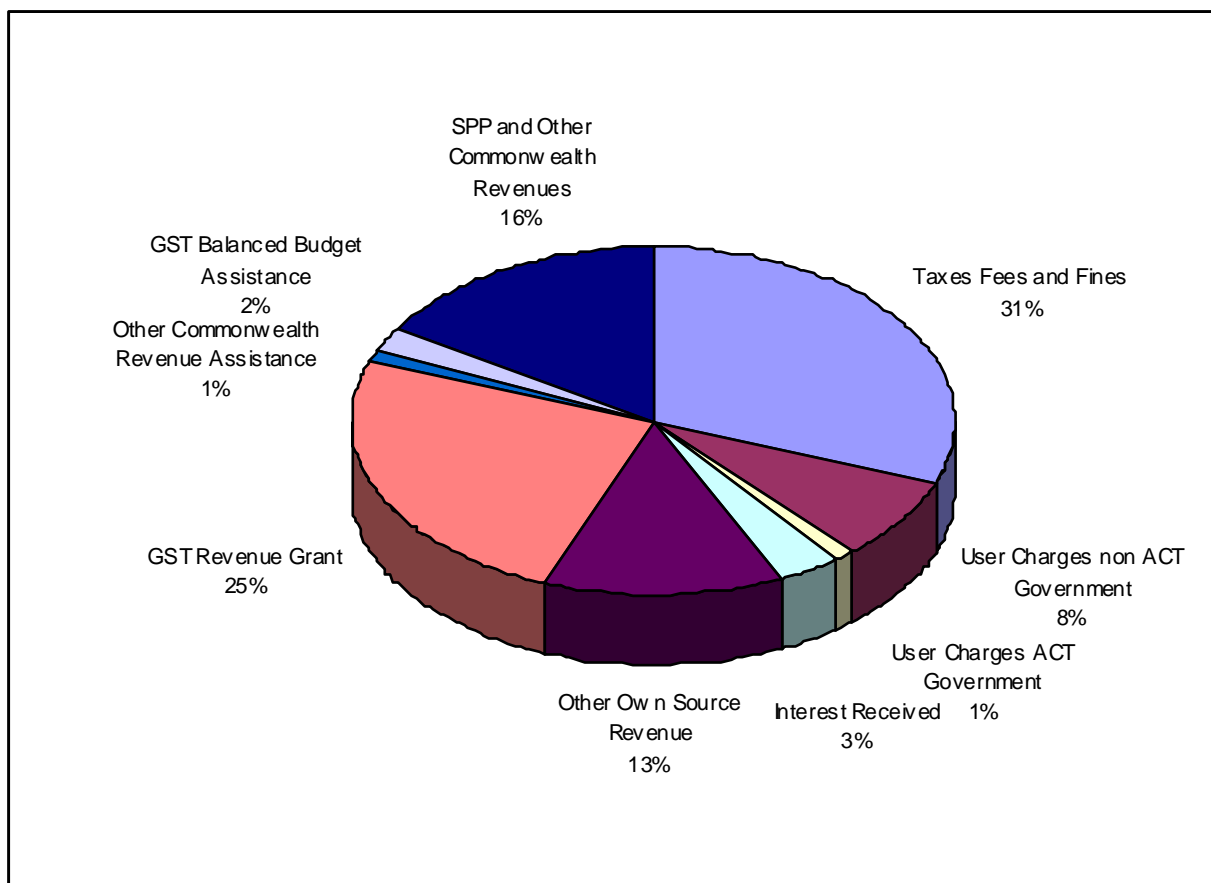
This section identifies the 1999-2000 estimated outcome and 2000-01 Budget and forward estimates for revenue items. A detailed discussion of taxation items is included.

General revenue payments from the Commonwealth are discussed in detail in Section 6.2 “Commonwealth/State Financial Relations”. Specific Purpose Payments and User Charges are identified in relevant Appropriation Unit chapters of Budget Paper No. 4.

Overview

As shown in figure 4.3.1, a significant component of general government revenue in the ACT is taxes, fees and fines, accounting for 31% of total revenue. The remainder is derived from GST revenue, grants from the Commonwealth, user charges, interest received and other own sources.

Figure 4.3.1
Components of General Government Revenue 2000-01



From 1 July 2000, revenue received from the Commonwealth under the Section 90 Safety Net Arrangements for petroleum, tobacco and liquor is identified within Commonwealth Grants Estimates. This is to recognise the fact that such payments are to be incorporated as part of the Guaranteed Minimum Amount (GMA) under the new tax reform arrangements.

Table 4.3.1 provides a summary of the estimated outcome for 1999-2000, and forecasts for the 2000-01 Budget and forward years for general government revenue.

**Table 4.3.1
Government Revenue**

	1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Revenue And Grants Received						
Taxes, Fees and Fines	712 309	584 893	-18	550 448	565 315	584 875
User Charges Non ACT Govt	139 986	147 196	5	151 257	156 078	158 553
User Charges - ACT Govt	24 818	25 329	2	25 702	26 188	26 433
Interest Received	49 889	61 328	23	71 271	73 446	73 574
Other Own Source Revenue	252 825	241 880	-4	208 756	218 733	227 503
GST Revenue Grant	0	473 500	#	565 400	590 200	628 500
Other C' wth Revenue	364 200	21 000	-94	25 100	25 400	25 700
GST Balanced Budget	0	39 000	#	14 200	20 200	1 400
Spp and Other C' wth Grants	312 444	307 287	-2	316 586	335 742	326 619
Total Revenue	1 856 471	1 901 413	2	1 928 720	2 011 302	2 053 157

Note: Totals may not add due to rounding

Taxes, Fees and Fines

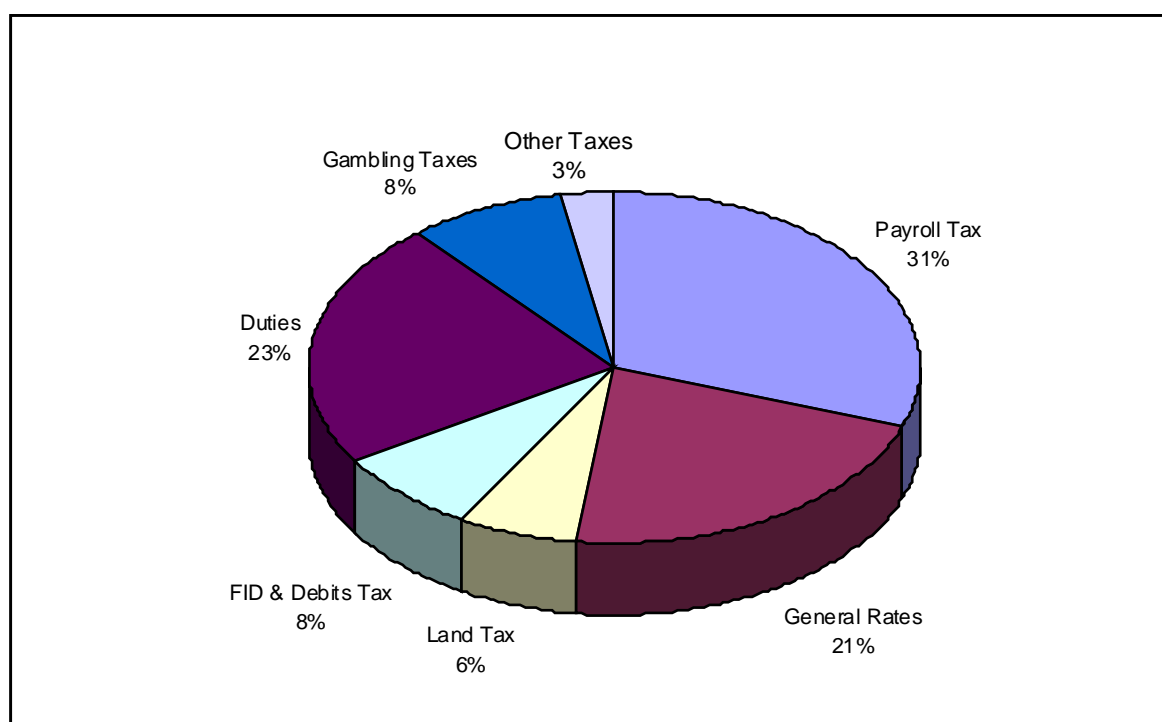
Total revenue from taxes, fees and fines in 2000-01 is expected to decrease from 1999-2000 by \$127.416m or 18%, to \$584.893m.

This variation primarily reflects the cessation of payment of revenue relating to Section 90 payments (petroleum, liquor and tobacco) under Taxes, Fees and Fines to Grants Received, as a consequence of new GST arrangements from 1 July 2000. In addition there will be a reduction in gaming tax revenue to take account of GST and the removal of a one-off increase in conveyancing stamp duty experienced in 1999-2000.

Notwithstanding significant increases in the threshold during coming years, payroll tax revenue is expected to increase steadily during 2000-01 and in the forward years, reflecting strong employment and wage growth in the private sector. Total employment growth in the ACT is forecast at 1.7 % in 2000-01 and an average of 1.1% growth for the following three years, mostly in the private sector. In addition, average weekly earnings growth in the ACT continues to remain above the national average.

Figure 4.3.2 identifies payroll tax as the largest taxation item, generating 31% of total taxation revenue. Significant revenue contributions are also made by stamp duties, general rates and financial transaction taxes.

Figure 4.3.2
Components of Taxes 2000-01



Revenue Initiatives for 2000-01 and forward years

Taxation measures to take effect during 2000-01 and the forward years include:

- a progressive increase in the payroll tax-free threshold effective from 1 January 2001;
- an extension of stamp duty waivers for residential properties up to \$350,000 in value purchased under the Civic Revitalisation Program effective from 20 December 1999 for eligible projects, up to 30 June 2003;
- the introduction of the First Home Owners Scheme;
- the abolition of the Diesel and Liquor Subsidies Scheme; and
- the abolition of the Insurance Levy from 1 July 2001.

In addition, relevant changes to ACT revenue legislation will take account of the GST and implement the national tax reform agenda which includes:

- Financial Institutions Duty (FID) to cease from 1 July 2001;
- Stamp duty on quoted marketable securities to cease from 1 July 2001;
- GST to be excluded from the duties base for the purpose of calculating hiring duty;
- GST to be excluded from the payroll tax base for service contracts; and

- Various amendments to gambling tax regimes to offset the additional tax liability arising from the imposition of the GST from 1 July 2000 on gambling operators.

Payroll Tax

The ACT has a current tax rate of 6.85% and a tax-free threshold of \$800,000. In line with the Government's policy to improve the competitiveness of ACT businesses, the tax-free threshold will increase from \$800,000 to \$900,000 from 1 January 2001, increase to \$1.250m from 1 July 2001 and then to \$1.5m from 1 July 2002. This will provide direct assistance to small and medium sized businesses, which dominate the ACT private sector. It is forecast that the impact of the first change in the threshold from 1 January 2001 will provide a benefit of \$1.088m to existing taxpayers in the 2000-01 financial year. This reduction in revenue will be more than offset by continued economic growth in the ACT.

Civic Revitalisation Program

The Civic Revitalisation Program (CRP) was introduced to encourage conversion of the over-supply of office space in the Civic Precinct to other purposes. Incentives offered include waivers of stamp duty on the sale or lease of the former office space converted for an alternative purpose (such as residential, retail or hospitality). For purchases of newly developed residential accommodation up to \$250,000 in value, the existing full waiver of stamp duty for eligible projects has now been extended up to 30 June 2003. Additionally, where the value of the purchase is between \$250,000 and \$350,000, a partial waiver of stamp duty is provided.

First Home Owners Scheme

The Inter-Governmental Agreement on the reform of Commonwealth-State financial relations (IGA) provides that, to offset the impact of the GST on the purchase of a new home, the States and Territories will provide \$7,000 assistance to first home buyers through the funding and administration of a new uniform First Home Owners Scheme (FHOS). FHOS is a new assistance scheme and will be separate from and additional to, the ACT Homebuyers Scheme provided under the *Duties Act 1999*. The value of grants in 2000-01 is estimated at \$16.4m and will be accounted for in the Commonwealth's Guaranteed Minimum Amount.

Abolition of the Diesel Subsidy Scheme

As a result of the Inter-governmental Agreement on the Reform of Commonwealth-State Financial Relations, the ACT Government will stop paying diesel subsidies from 1 July 2000. Many ACT primary producers currently receiving a rebate for prescribed off-road diesel usage under the Commonwealth's Diesel Fuel Rebate Scheme will continue to be eligible for the Commonwealth rebate after 1 July 2000.

ACT pensioners who currently use diesel for home heating will not be covered under the Commonwealth rebate scheme. The ACT Government will therefore provide a \$300 one-off act of grace payment to eligible ACT pensioners who currently hold an ACT diesel

exemption certificate, an assistance payment which is 10 times the average annual benefit gained by those pensioners from the current ACT scheme.

Abolition of the Liquor Subsidy Scheme

Given the abolition of wholesales sales tax (WST), the ACT Government will stop paying subsidies (currently 15% of WST) to suppliers of low-alcohol liquor from 1 July 2000. In its recently announced budget, the Commonwealth will introduce a three-tier beer excise structure which will maintain a price differential between low and full strength beer. The amount of the relative price differential is expected to be less than under current arrangements.

This initiative will result in a saving of \$1m to the ACT.

Abolition of the Insurance Levy

The ACT presently collects \$10m annually from the Insurance Levy to assist in the funding of emergency services. The levy is legislatively set and imposed on insurance companies based on their assessable premiums. Some insurance companies pass the cost of the levy directly to policy holders. The Government, in removing this levy, takes into account the costs to insure properties for householders and businesses in the ACT. From 1 July 2001, householders and businesses who insure in the ACT will benefit from the abolition of this levy. This benefit should be passed on to policy holders in the form of lower policy costs, and action will be taken to ensure this happens.

The abolition of this levy is consistent with the Government's reason for its introduction – the operating loss. As the Budget moves into surplus for the first time, the need to collect this levy is lessened, and its abolition will be a significant incentive to business.

Taxes

Table 4.3.2 provides details on ACT taxes.

**Table 4.3.2
Taxes**

	1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
General Tax						
Payroll Tax	135 960	145 074	7	147 815	153 340	163 886
General Rates	99 183	101 570	2	103 944	106 352	108 863
Land Tax	30 785	29 496	-4	28 511	28 517	28 523
Financial Institution Duty	20 470	19 870	-3	0	0	0
Debit Tax	16 270	17 170	6	17 090	17 520	17 950
Total General Tax	302 668	313 180	3	297 360	305 729	319 222
Stamp Duties						
Conveyances	78 563	43 410	-45	45 710	46 640	47 580
General Insurance	16 010	16 720	4	17 440	18 190	18 970
Hiring Duty	1 830	1 890	3	1 950	2 010	2 080
Leases	3 940	4 040	3	4 140	4 240	4 350
Life Insurance	560	590	5	610	640	660
Motor Vehicle Rego	18 700	19 170	3	19 600	20 140	20 640
Shares & Marketable Securities	20 370	20 880	3	5 000	5 125	5 253
Other Duties	2 099	2 080	-1	2 130	2 190	2 240
Total Stamp Duties	142 072	108 780	-23	96 580	99 175	101 773
S 90 Revenue						
Petroleum Franchise Fees	32 590	0	-100	0	0	0
Tobacco Franchise Fees	48 110	0	-100	0	0	0
Liquor Franchise Fees	15 850	0	-100	0	0	0
Total S 90 Revenue	96 550	0	-100	0	0	0
Gambling Taxes						
ACTTAB License Fee	3 709	3 754	1	3 754	3 754	3 754
Bookmakers Turnover Tax	160	81	-49	73	65	57
Gaming Tax	34 653	21 137	-39	21 641	22 157	22 685
Casino Tax	2 952	1 766	-40	1 766	1 766	1 766
Interstate Lotteries	11 706	12 310	5	12 618	12 933	13 257
Total Gambling Taxes	53 180	39 048	-27	39 852	40 675	41 519
Other Taxes						
Ambulance Levy	3 070	3 070	-	3 070	3 070	3 070
TOCTAX	2 712	80	-97	150	214	291
General Insurance Levy	9 044	10 000	11	0	0	0
Total Other	14 826	13 150	-11	3 220	3 284	3 361
Total Taxes	609 296	474 158	-29	437 012	448 863	465 875

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

ACT taxes compared to NSW

The ACT is a city-state, with the ACT Government in the unique position of having both state and municipal responsibilities. In recognition of the inland island nature of the ACT, successive ACT governments have endeavoured to maintain competitive taxation rates in line with NSW wherever appropriate. Table 4.3.3 shows the comparative tax rates between the ACT and NSW in 1999-2000 for major taxation items.

**Table 4.3.3
ACT Taxes compared with NSW (1999-2000)**

Tax type	ACT	NSW
Payroll tax	6.85% - 1st \$800,000 exempt	6.4% - 1st \$600,000 exempt
Land tax	<i>Imposed quarterly on the unimproved property value of income producing properties Up to \$100,000 – 1% \$100,001- \$200,000 – 1.25% Above \$200,001 – 1.5%</i>	<i>Imposed annually on the unimproved property value of income producing properties Less than \$192,000 - \$nil Above \$192,000 - \$100 plus 1.7% Premium property tax of \$100 plus 1.7% applies on the principal place of residence where property value is above \$1.234m</i>
Conveyance stamp duty	1.25% - 5.5%	1.25% - 5.5%
Motor vehicle registration stamp duty	<i>Under \$45,000 = \$3/\$100 Over \$45,000 = \$1350+\$5/\$100</i>	<i>Under \$45,000 = \$3/\$100 Over \$45,000 = \$1350+\$5/\$100</i>
Financial Institutions Duty	0.06%	0.06%
Debits Tax	<i>Sliding scale from 30c to \$4</i>	<i>Sliding scale from 30c to \$4</i>
Life Insurance duty	<i>Over 100 to \$2,000 - \$1 plus 20c per \$200 or part thereof in excess of \$2,000</i>	<i>Upto \$2,000 - \$1 plus 20c per \$200 or part thereof in excess of \$2,000</i>
General Insurance duty	10%	11.5%
Gambling tax – Casino	<i>20% of gross revenue and 10% of gross revenue on junket operations</i>	<i>20% - 22.5% of gross revenue plus super tax on table revenue above \$225.6m/annum. 10% on junket operations.</i>
Gambling tax – clubs	<i>Where monthly gross profit exceeds \$8,000, a sliding scale between 1% and 25% applies</i>	<i>Where annual profit exceeds \$100,000, a sliding scale between 1% and 26.25% applies</i>
Gambling tax - hotels	<i>35% of gross monthly gaming machine revenue</i>	<i>Sliding scale (15% - 40%) on annual profit</i>

(This table does not include new tax initiatives announced in the 2000-01 NSW budget.)

Statistical data from the Australian Bureau of Statistics show that in 1998-99 ACT residents paid, on average, \$1,987 per capita in combined state and local government taxes compared to \$2,583 for NSW residents. This represents a difference of \$596 per capita.

Payroll Tax

During 1999-2000, payroll tax was payable by liable ACT employers and contractors at 6.85 per cent of the wages and other taxable payments of the employer, or the employer's group, where the Australia-wide wages exceeded the tax free threshold of \$800,000 per annum.

The 1999-2000 collections are estimated at \$135.960m, and the forecast for 2000-01 is \$145.074m, reflecting both the impact of the increase in the tax-free threshold and the expectation of continued employment growth in the private sector.

General Rates

General rates are levied on rateable land in the ACT. The various rating factors are set annually to achieve an overall projected underlying CPI increase on total rates revenue. The 1999-2000 estimated outcome is \$99.183m. The rating system for 2000-01 will have the following features:

- a fixed charge of \$280 applied to all properties except rural properties;
- an ad valorem charge based on the rolling three year average unimproved land valuation;
- a threshold of \$19,000 applied to all property values; and
- separate revenue targets of 85%:15% applied to the residential and non-residential sectors respectively.

Rating factors for 2000-01 are:

- 0.9136% for residential properties in the City Area;
- 0.4568% for properties outside the City Area (rural); and
- 1.3397% for non-residential properties in the City Area.

The 2000-01 estimate of rates revenue is \$101.570m. This figure includes expected revenue of \$0.629m for 2000-01 from new properties.

Rates revenue estimates for 2000-01 and forward years include expected revenue from new properties and represent the net amount after allowing for pensioner and other concessions.

Land Tax

In 1999-2000 land tax was charged at rates between 1% to 1.5% of the unimproved value of land and is payable on all rateable commercial properties and residential properties that

produce rental income. The rolling three-year average of property values used for general rates is also incorporated in the land tax base.

The estimated outcome in 1999-2000 is \$30.785m. Forecast revenue for 2000-01 is \$29.496m, reflecting the recent reduction in the land valuation of commercial properties incorporated into the rolling three-year average base.

Financial Institutions Duty

Financial Institutions Duty is levied on deposits to accounts held by financial institutions, and collected from account holders/depositors. The rate is 0.06% of the deposits and the maximum payment on a single transaction is \$1200.

The estimated outcome for 1999-2000 of \$20.470m includes a large one off compliance assessment. The 2000-01 forecast of \$19.870m reflects normal growth in economic activity. As part of the National Tax Reform package, states and territories have agreed to cease FID from 1 July 2001. The revenue estimates for future years are included in the Guaranteed Minimum Amount (GMA), which is to be paid by the Commonwealth under the Inter-Governmental Agreement.

Debits Tax

Debits tax is levied on withdrawals from bank accounts upon which cheque drawing facilities are provided. Debits tax was introduced from 1 July 1997 and the rates remain in line with NSW, Victoria, South Australia, Western Australia and Queensland.

The estimated outcome for 1999-2000 is \$16.270m and the forecast for 2000-01 is \$17.170m, mainly reflecting increased economic activity offset by changes in banking practices by taxpayers.

Duty on Conveyances

Stamp duty on conveyances is levied on the transfer of real property. The rate payable increases progressively from 1.25% to 5.5% and applies to the value of the property. A concession rate applies for persons qualifying under the ACT Homebuyers Scheme.

Estimated outcome in 1999-2000 is \$78.563m, primarily reflecting the bringing forward of sales activity prior to the implementation of the GST on 1 July 2000, an increase in the average sale price of properties and a large Commonwealth asset sale.

The 2000-01 forecast is \$43.410m, reflecting an anticipated drop in sales activity after the implementation of the GST.

Duty on Hiring Arrangements

The ACT tax rates are the same as those in NSW, 0.75% for equipment leasing and 1.5% on receipts over \$6,000 per month for other leasing arrangements. Revenue in 1999-2000 is estimated at \$1.830m and the forecast for 2000-01 is \$1.890m.

Duty on General and Life Insurance

General insurance premiums and life insurance premiums are liable for stamp duty. The rate payable on general insurance premiums is 10%, and temporary and term life insurance policies are liable at the rate of 5% of the first year's premium.

Estimates for 2000-01 reflect the forecast for similar levels of insurance coverage as previous years. General insurance revenue in 1999-2000 is estimated at \$16.010m and for 2000-01, \$16.720m. Life insurance revenue in 1999-2000 is estimated at \$0.560m and the forecast for 2000-01 is \$0.590m.

Duty on Leases

Stamp duty is payable on commercial tenancy leases at the rate of 50 cents for every \$100 with the exception of leases in excess of 30 years which are subject to duty at conveyance rates. Since 1 March 1999, lease duty also includes licences to use land and franchise arrangements. The revenue estimate for 1999-2000 is \$3.940m and the forecast for 2000-01 is \$4.040m.

Duty on Motor Vehicle Registrations

Stamp duty is payable at the rate of \$3.00 per \$100 or part thereof, on whichever is the higher of the purchase price or market value, at initial registration and on subsequent transfers of a motor vehicle. The stamp duty rate on passenger vehicles with a market value over \$45,000, and that can carry up to 9 people, is \$1,350 plus \$5 per \$100, or part thereof, of the value in excess of \$45,000.

Revenue in 1999-2000 is estimated at \$18.7m and the forecast for 2000-01 is \$19.170m.

Duty on Marketable Securities

Stamp duty is imposed on the transfer of dutiable marketable securities, including trust units. The 1999-2000 estimate is \$20.370m and the forecast for 2000-01 is \$20.880m. Stamp duty on transfers of marketable securities quoted on the Australian Stock Exchange or other recognised stock exchange will cease for transactions entered into as of 1 July 2001. Stamp duty at the current rate will continue to apply to transfers of shares in unlisted companies after the introduction of GST.

Other Duties

Total revenue from other duties is estimated at \$2.099m in 1999-2000 and the forecast for 2000-01 is \$2.080m. Stamp duty is payable on the acquisitions of businesses conducted in the ACT and on the ACT portion of businesses conducted across jurisdictions. The rate of duty payable is 60 cents per \$100 on specific business assets (goodwill, intellectual property or a statutory licence). Revenue in 1999-2000 is estimated at \$1.999m and the 2000-01 forecast is \$1.980m. The remaining duty relates to Deeds of Trust, counterparts, replicas and duplicates for dutiable transactions

Section 90 Revenue

The estimates of revenue from this source include payments collected by the Commonwealth Government on behalf of the Territory in respect of petroleum, liquor and tobacco taxes.

- The estimated outcome of revenue for tobacco in 1999-2000 is \$48.110m.
- The estimated outcome of net revenue for petroleum in 1999-2000 is \$32.590m.
- The estimated outcome of net revenue for liquor in 1999-2000 is \$15.850m.

From Section 90 revenues the ACT Government provided subsidies for ACT primary producers for off-road diesel use, for ACT pensioners using diesel for home heating, and for ACT suppliers of low alcohol products.

From 1 July 2000, revenue received from the Commonwealth under the Section 90 Safety Net Arrangements for petroleum, tobacco and liquor will no longer be paid to the ACT. However what would have been paid will be included in the Guaranteed Minimum Amount (GMA) under the new GST arrangements.

Consequently, subsidies will no longer be provided by the ACT Government from 1 July 2000.

ACTTAB Licence Fee

ACTTAB pay a licence fee, in addition to a dividend and a tax equivalent payment that are identified separately. The licence fees for 1999-2000 and 2000-01 are estimated at \$3.709m and \$3.754m respectively.

Bookmakers Turnover Tax

The level of turnover tax applying to standing bookmakers is 1% in line with the rate applying in NSW. Estimated revenue for 1999-2000 is \$0.160m, and for 2000-01 the forecast

is \$0.081m. The fall in revenue reflects the expected reduction in the level of wagering conducted through bookmakers and an adjustment for the impact of the GST.

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 1999-2000 is \$34.653m, and the forecast for 2000-01 is \$21.137m. The reduction in revenue for 2000-01 reflects an adjustment for the impact of the GST.

Casino Tax

The tax applying to Canberra Casino is 20% of gross profit from general gaming operations. Estimated revenue in 1999-2000 is \$2.952m and for 2000-01 is \$1.766m per annum. The reduction in revenue for 2000-01 reflects an adjustment for the impact of the GST.

Interstate Lotteries

The ACT receives revenue on the value of tickets in interstate lotteries purchased in the ACT, including NSW lotteries (including Lotto), Tattslotto and other Victorian lotteries. Revenue from this source is estimated at \$11.706m in 1999-2000, and the forecast for 2000-01 is \$12.310m.

Insurance Levy

Estimated revenue from the insurance levy in 1999-2000 and 2000-01 is \$9.044m and \$10m per annum respectively. The ACT Government will cease to collect the insurance levy from 1 July 2001.

Ambulance Levy

The ambulance levy is imposed on health funds in the ACT to provide ambulance cover for fund members. The revenue outcome for 1999-2000 is estimated at \$3.070m and the forecast revenue for 2000-01 is also \$3.070m.

Wholesale sales tax and Income tax equivalent payments

These represent tax equivalent payments made by ACT Public Trading Enterprises. The estimate of total revenue for 1999-2000 is \$2.712m and the forecast for 2000-01 is \$0.080m. Under the Commonwealth Government's National Tax Reform package, wholesale sales tax is to be abolished from 1 July 2000. The estimated revenue loss of wholesale sales tax equivalent payments is included in the calculation of the Guaranteed Minimum Amount.

Fees and Fines

Details of fees and fines are provided in table 4.3.4.

**Table 4.3.4
Fees and Fines**

	1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Fees						
Motor Vehicle Registration	48 828	49 893	2	51 021	52 286	53 429
Casino License Fees	594	602	1	609	617	632
Drivers Licenses	5 412	5 456	1	5 594	5 735	5 885
Change of Use Charge	3 825	3 830	..	3 840	3 932	4 030
Fees for Regulatory Services	31 630	35 773	13	36 923	38 082	38 934
Total Fees	90 289	95 554	6	97 987	100 652	102 910
Fines						
Traffic Infringement Fines	5 010	7 258	45	7 343	7 493	7 584
Court Fines	380	380	-	380	390	390
Parking Fines	6 884	7 069	3	7 258	7 444	7 643
Other Fines	450	474	5	468	473	473
Total Fines	12 724	15 181	19	15 449	15 800	16 090

Fees

Motor Vehicle Registration Fees

The estimated revenue from motor vehicle registration charges in 1999-2000 is \$48.828m and the forecast for 2000-01 is \$49.893m.

Casino Licence Fees

The Casino licence holder pays the Casino licence fee to the Gaming & Racing Commission. The Gaming & Racing Commission also collects Casino employees' licence fees for licensing staff employed by the Casino. The 1999-2000 total estimate for casino licence fees of \$0.594m is expected to increase to \$0.602m in 2000-01.

Drivers' Licences

The revenue from drivers' licences in 1999-2000 is estimated at \$5.412m, and forecast to marginally increase to \$5.456m in 2000-01.

Change of Use Charge

A Change of Use Charge (CUC) is a charge that is payable on the increased value of a block of land arising from a development application and is calculated as 75% of the added value of the lease (until September 2000).

Factors affecting collection of a CUC include recent legislative amendments to the Land Act which now provide that the value of associated works is offset against the CUC, and the Government's policies of remitting CUC in non-viable local centres or as part of its Civic revitalisation initiatives.

The 1999-2000 outcome is estimated at \$3.825m and the forecast for 2000-01 is \$3.830m.

Fees for Regulatory Services

Fees for regulatory services are received by numerous agencies other than the Revenue Office and include items such as waste management fees, motor transport regulation and building control fees. Revenue from this source is estimated at \$31.630m in 1999-2000, and the forecast for 2000-2001 is \$35.773m. The increase in 2000-01, is primarily due to estimated revenue from the Water Abstraction charge of \$5.210m and \$0.450m from the Environment Pollutant loading fee.

Fines

Total revenue from fines is expected to increase in 2000-01, as a result of the introduction of new penalty levels for parking and traffic infringements which will more closely align the ACT fee structure with that of NSW, and target safety issues. Revenue from parking fines is expected to increase from an estimate of \$6.884m in 1999-2000 to \$7.069m in 2000-01. Revenue from traffic infringement fines is expected to increase from \$5.010m in 1999-2000 to \$7.258m in 2000-01, reflecting the introduction of speed and red light cameras.

User Charges

Details of user charges for non-ACT Government and ACT Government are provided in table 4.3.5.

**Table 4.3.5
User Charges - Non ACT Government & ACT Government**

	1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
User Charges - Non ACT Govt						
Parking Fees	10 590	10 821	2	11 156	11 397	11 654
Inpatient Fees	7 663	9 780	28	9 780	9 780	9 780
Non-Inpatient Fees	2 266	2 264	..	2 282	2 300	2 320
Cross Border Health Receipts	32 600	28 600	-12	28 100	28 100	28 100
Sales	11 155	11 819	6	12 150	12 591	12 912
Service Receipts	68 422	76 183	11	80 058	84 111	85 804
Miscellaneous	7 290	7 729	6	7 731	7 799	7 983
Total Non ACT Govt	139 986	147 196	5	151 257	156 078	158 553
User Charges - ACT Govt						

User Charges - ACT Govt	24 818	25 329	2	25 702	26 188	26 433
Total User Charges – ACT Govt	24 818	25 329	2	25 702	26 188	26 433

Parking Fees

Receipts for this item in 1999-2000 are estimated at \$10.590m and the 2000-01 forecast is \$10.821m.

Patient Fees

Inpatient fees and non-inpatient fees are payments for the provision of hospital and related services. The 2000-01 revenue estimates for inpatient and non-patient fees are \$9.780m and \$2.264m respectively.

Cross Border Health Receipts

The NSW Government pays the ACT Government for ACT medical services provided to NSW citizens. The revenue estimates for 1999-2000 and 2000-01 are \$32.6m and \$28.6m respectively.

Sales

Sales includes revenue from activities such as swimming pools, and cultural facilities including the Canberra Theatre and the Australian International Hotel School. The 1999-2000 estimate is \$11.155m and the 2000-01 estimate is \$11.819m.

Service Receipts

This item includes payments from government agencies and external clients for provision of services. The 1999-2000 estimate is \$68.422m and the 2000-01 forecast is \$76.183m. The increase in forecast revenues in 2000-01 relates to additional linen charges (\$3.872m), increased receipts for The Canberra Hospital due to a change in funding arrangements (\$2.442m) and revenues from the GMC 400 V8 Supercars (\$0.6) and management of the national multicultural festival (\$0.890m).

Miscellaneous

Miscellaneous revenue is estimated at \$7.290m for 1999-2000 and the 2000-01 forecast is \$7.729m.

Interest Received

Table 4.3.6 provides a summary of interest received.

**Table 4.3.6
Interest Received**

	1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Interest Received						
Interest Received - Banks	27 944	24 151	-14	35 035	41 066	41 741
Interest – Advances/Loans	11 974	28 387	137	28 467	24 601	24 054
Other Interest Received	9 540	8 390	-12	7 360	7 360	7 360
Interest from ACT Law Soc.	431	400	-7	409	419	419
Total Interest Received	49 889	61 328	23	71 271	73 446	73 574

Interest Received from Banks

This item represents the interest received by the Central Financing Unit (CFU) departmental account and the ACT Superannuation Provision Unit (SPU) territorial account from banks and other financial institutions in respect of investment transactions. Interest earned by the CFU is on-passed to agencies in respect of their investments with CFU and it is also used for the payment of interest on maturing arbitrage investments. Interest earned by the SPU on investments is compounded within the existing investment funds managed by the SPU external fund managers. The 2000-01 forecast of \$24.151m is lower than the 1999-2000 estimate of \$27.944m reflecting a lower level of funds on investment.

Interest from Advances/Loans

This item represents the interest payments to CFU from the Public Trading Enterprise sector agencies for market related loans. The 1999-2000 estimate is \$11.974m and the 2000-01 forecast is \$28.387m. The increase is a result of new borrowings undertaken on behalf of ACTEW by the Central Financing Unit.

Interest Received - Other

This item represents the natural movement in interest repaid under the Home Loan scheme. The 1999-2000 estimate is \$9.540m and the 2000-01 forecast is \$8.390m.

Other Own Source Revenue

Total other own source revenue (including Dividends from Public Trading Enterprises) is expected to decrease by \$10.945m or 4% in 2000-01. Table 4.3.7 provides a summary of other own source revenue in 1999-2000 and the out years.

**Table 4.3.7
Other Own Source Revenue**

	1999-00 Est.Outcome	2000-01 Budget	Var	2001-02 Estimate	2002-03 Estimate	2003-04 Estimate
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	\$'000	\$'000	%	\$'000	\$'000	\$'000
Dividends						
ACTEW	59 041	42 217	-28	46 259	52 695	56 290
ACTTAB	252	78	-69	158	250	340
CIT Solutions	400	203	-49	208	213	218
Total Dividends	59 693	42 498	-29	46 625	53 158	56 848
Other						
Superannuation Contributions	11 233	11 355	1	11 435	11 596	11 822
MLA Members	30	30	-	30	30	30
Gain on Disposal of Assets	1 917	0	-100	0	0	0
Other	46 675	63 309	36	59 981	61 009	62 850
Lease Sales	112 564	105 210	-14	71 387	73 642	77 483
Rents and Commutations	5 000	5 000	-	5 000	5 000	5 000
Contributions	15 713	14 478	-8	14 298	14 298	13 470
Total Other	193 132	199 382	-2	162 131	165 575	170 655

Dividends

ACTEW

The estimate for 1999-2000 is \$59.041m and the forecast for 2000-01 is \$42.217m. This is a result of a one-off adjustment to the tax provision, arising from the changes in the corporate tax rate from 36% down to 34% in 2000-01 and 30% thereafter.

ACTTAB

The forecast dividend for 2000-01 is \$0.078m compared to the 1999-2000 amount of \$0.252m.

Other

Superannuation Contributions

The 1999-2000 estimate is \$11.233m and the 2000-01 forecast is \$11.355m reflecting a revision of employer superannuation costs.

Other

This item includes market gains on investments made by the Superannuation and Insurance Provision Unit. The increase in the 2000-01 revenue forecast reflects the increase in the funds invested.

Lease Sales

Land revenue from lease sales is expected to decrease from \$112.564m in 1999-2000 to \$105.210m in 2000-01. This decrease is primarily due to a fall in forecast lease sales revenue by the Gungahlin Development Authority.

Commonwealth Grants Estimates

Total revenue from grants received in 2000-01 is expected to increase by \$164.143m, or 24%, from the 1999-2000 estimate of \$676.644m, to \$840.787m in 2000-01.

Table 4.3.8 provides a summary of Commonwealth grants estimates.

**Table 4.3.8
Commonwealth Grants Estimates**

	1999-00 Est.Outcome \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
General Revenue Assistance						
General Purpose Payments						
Other C'wth Revenue Assistance						
Financial Assistance	343 800	0	-100	0	0	0
Special Revenue Assistance	13 200	13 500	-100	13 500	13 500	13 500
Competition Payments	7 200	7 500	4	11 600	11 900	12 200
Total	364 200	21 000	-94	25 100	25 400	25 700
GST Revenue Grants						
GST Revenue Grant	0	473 500	#	565 400	590 200	628 500
Total	0	473 500	#	565 400	590 200	628 500
GST Balanced Budget Assistance						
Bal. Budget Assist. - Grant	0	16 600	#	36 600	20 200	1 400
Bal. Budget assist. - Loan	0	22 400	#	0	0	0
Total	0	39 000	#	36 600	20 200	1 400
Total Gen. Revenue Assistance	364 200	533 500	32	627 100	635 800	655 600
Specific Purpose Payments						
Health (includes HCGs)						
Blood Transfusion Service	941	905	-4	905	905	905
Blood Transfusion Services – capital	28	28	-	28	28	28
Health Program Grants	3 140	0	-100	0	0	0
Hospital Funding Grant	73 709	78 060	6	82 998	88 377	94 103
Youth Health Services	49	49	-	49	49	49

	1999-00 Est.Outcome e \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
High Cost Drugs	4 100	4 154	1	4 154	4 154	4 258
Nat. Public Health Agreements	3 810	3 837	1	3 863	3 895	3 921
Hep. C Financial Assistance Prog.	0	1 800	#	520	0	0
Total	85 777	88 833	4	92 517	97 406	103 264
Social Security and Welfare						
Aged Care Assessment Team	321	321	-	321	321	321
Home and Community Care	5 750	6 443	12	7 218	8 085	8 085
Accommodation Prog.	3 798	3 855	2	3 913	3 972	4 032
Children's Services	55	60	9	65	65	65
C'wth States Disability Agree.	4 694	5 580	19	6 527	6 527	6 527
Total	14 618	16 259	11	18 044	18 970	19 030
Education						
Government Schools – General	19 373	20 683	7	21 634	22 629	22 629
Non Government Schools	54 427	56 524	4	58 721	61 006	61 006
Government Schools – Other Cwth	4 069	3 952	-3	4 042	4 219	4 219
Other Schools Payments – Other Organisation	300	320	7	341	362	362
Other Schools Payments Non Gov't.	1 700	1 760	4	1 822	1 887	1 887
Aboriginal Education (IESIP)	335	343	2	351	367	367
Govt. Schools – capital	3 824	3 824	-	3 824	3 824	3 824
Non Govt. Schools – capital	2 040	2 040	-	2 040	2 040	2 040
Total	86 068	89 446	4	92 775	96 334	96 334
Public Order and Safety						
Legal Aid	3 006	3 039	1	3 071	3 104	3 137
Total	3 006	3 039	1	3 071	3 104	3 137
Housing						
CSHA Block Assistance for Housing - capital	19 225	24 968	30	24 813	24 660	18 760
Total	19 225	24 968	30	24 813	24 660	18 760
Local Government						
Finance Assis. – Local Government Functions	26 700	27 700	4	28 600	29 500	30 400
National Cap. Influences	20 188	20 511	2	20 859	21 235	21 235
Total	46 888	48 211	3	49 459	50 735	51 635
Other						

	1999-00 Est.Outcom e \$'000	2000-01 Budget \$'000	Var %	2001-02 Estimate \$'000	2002-03 Estimate \$'000	2003-04 Estimate \$'000
Assistance for Water and Sewerage	8 117	8 246	2	8 387	8 538	8 538
Interstate Road Transport	120	120	-	120	120	120
Nat. Highway System	1 500	1 500	-	1 500	1 500	1 500
National Safety Black Spots Capital	460	497	8	497	497	497
National Highway System Capital	23 200	2 600	-89	2 000	10 000	200
Total	33 397	12 963	-61	12 504	20 655	10 855
Total Specific Purpose Payments	288 979	283 719	-2	293 183	311 864	303 015
Other C'wlth Payments						
Vocational Education and Training						
ANTA Funding	14 550	14 914	3	15 287	15 669	15 669
ANTA TAFE Capital Infrast.	2 880	2 720	-6	2 720	2 720	2 720
Total	17 430	17 634	1	18 007	18 389	18 389
Other						
Concession Funding	1 096	1 120	2	1 140	1 160	1 180
RALA Veterans	72	72	-	72	72	72
State Coaching Coordinator	20	0	-100	0	0	0
Sport Participation Development	183	183	-	183	183	183
DEETYA Contracts	400	410	3	420	431	431
Immunisation Data Collection	132	132	-	132	132	132
ANTA Contracts	1 100	1 127	2	1 156	1 185	1 185
Miscellaneous	3 032	2 890	-5	2 293	2 324	2 032
Total	6 035	5 934	-2	5 396	5 487	5 215
Total Other C'wlth Payments	23 465	23 568	..	23 403	23 876	23 604
Total SPP and Other C'wlth Revenues	312 444	262 287	-16	316 586	335 740	326 619
Total C'wlth Funding	676 644	840 787	24	943 686	971 542	982 219
Less C'wlth GST Loan Repayment				22 400		
Total C'wlth Grant (per Fin Stmt)	676 644	840 787	24	921 286	971 542	982 219

The 2000-01 Balancing Budget Assistance loan of \$22.4m due for repayment to the Commonwealth in 2001-02 has been taken into account when calculating the ACT's State Budget Impact of the new tax reform arrangements. See chapter 6.2 for further discussion.