

3.1 REVENUE AND FORWARD ESTIMATES

In 2008-09 the majority of the General Government Sector (GGS) revenue is from own source taxation (30 per cent) and grants from the Commonwealth Government (44 per cent).

The Territory faces revenue raising disadvantages due to its limited capacity to raise revenues from sources normally relied upon by the States, that is, payroll, land tax and mining revenue.

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

The majority of the Territory's own source tax revenue comes from three major areas: payroll tax, conveyancing and general rates. The level and quality of services expected by the community, and their commensurate costs, are the main determinants of the own source revenue raising effort by the Territory.

In recognition of its geographic position, however, the ACT generally endeavours to maintain competitive taxation rates consistent with NSW where possible, while structuring the taxation mix and rates to maximise the potential of the domestic economy.

Over the Budget and forward estimates period, aggregate revenue grows at an annual average rate of 3.9 per cent. The estimates of revenue aggregates in the Budget cumulatively exhibit the effects of a number of counteracting factors emerging through 2008-09, as summarised below.

The flow-on effects of the global economic slowdown have significantly impacted on a number of revenue sources:

- GST revenue has decreased due to a contraction in the size of the national pool;
- returns on financial assets, mainly superannuation investments, have reduced due to declines in the financial markets;
- interest earnings on cash and investment balances have reduced due to the monetary policy response by the Reserve Bank of Australia; and
- conveyancing revenue has reduced due to a softening in the property market.

Together, these revenue sources constitute around 44 per cent of the total revenue forecast in 2008-09. These factors contribute to a revenue drop of \$167 million in 2008-09, \$224 million in 2009-10, and similar amounts across the forward estimates.

These revenue shortfalls are in part replaced by payments relating to the *Nation Building and Jobs Plan* stimulus initiatives of the Commonwealth Government, over the next two years. These payments are estimated at \$220 million in 2009-10 and \$122.5 million in 2010-11. The funding is targeted for capital investments in education and public housing, and not available for general budget purposes.

In 2008-09, total revenues are forecast to be 1 per cent below the original budget forecast. Total revenue is forecast to grow by 5 per cent in 2009-10, with the growth largely reflecting revenue relating to the *Nation Building and Jobs Plan*. Excluding these payments, aggregate revenue in 2009-10 is approximately at the same level as the 2008-09 estimated outcome.

Beyond 2009-10, growth in aggregate revenue recovers to the trend level by 2012-13.

Revenue Initiatives

Four revenue measures have been introduced in the 2009-10 Budget. Table 3.1.1 provides a summary of these initiatives.

**Table 3.1.1
Revenue Measures**

Revenue Measures	2009-10 Estimate \$'000	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
Department of Territory and Municipal Services				
Increase in Penalty Unit Dollar Value	1,166	2,020	2,040	2,061
ACTION Fares Increase	880	1,379	1,906	1,970
Department of Justice and Community Safety				
Increase in Penalty Unit Dollar Value	488	837	837	837
Parking Fees Increase	1,798	2,269	2,269	2,269
ACT Planning and Land Authority				
Codification of Change of Use Charge (Revenue Forgone)	-1,700	0	0	0
Waiver of Change of Use Charge to Stimulate the Redevelopment of Closed Service Station Sites (Revenue Foregone)	-950	0	0	0
Total Revenue Measures	1,682	6,505	7,052	7,137
Expenditure Associated with Revenue Initiatives	-30	-10	-10	-10
Net Revenue Measures	1,652	6,495	7,042	7,127

Increase in Penalty Unit Dollar Value	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Revenue TAMS	1,166	2,020	2,040	2,061
Revenue JACS	488	837	837	837
Total Revenue	1,654	2,857	2,877	2,898

This initiative will increase the value of penalty units, on which penalties for Territory offences are based, from \$100 to \$110 per penalty unit for individuals and from \$500 to \$550 for corporations. Examples of penalties that fall under these categories include: court imposed fines, parking fines and road transport infringement notices. The revenue increases are largely implemented by the Department of Territory and Municipal Services, and the Department of Justice and Community Safety.

ACTION Fares Increase (Reduction in GPO)	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000

Revenue	880	1,379	1,906	1,970
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ACTION bus fares have remained unchanged since July 2006. This initiative increases bus fares by an average of around 11 per cent from 1 July 2009. Cyclists using bicycle racks on buses will now be required to pay the appropriate fare.

Parking Fees Increase	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expenses	30	10	10	10
Expenses (Depreciation)	5	5	5	5
Capital	50			
Revenue	1,798	2,269	2,269	2,269

As part of the ACT Parking Strategy, this initiative proposes to increase ticket machine parking fees by an average of 20 per cent and metered parking fees by approximately 50 per cent in ACT Government pay parking areas; with implementation of ticket machine parking fee increases from 1 July 2009 and parking meter increases from 2010-11.

Codification of Change of Use Charge	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expenses (Revenue Foregone)	1,700	0	0	0

This initiative responds to industry's concerns around the uncertainty in the Change of Use Charge determinations, and the delays in development approvals from complexities associated with such determinations. The initiative also provides for industry assistance to support investment during the current global financial crisis.

The Government will codify the Change of Use Charge, with the codification to be completed during 2009-10 and implemented in 2010-11. The codification model will depend on the outcome of consultation on the developed codes or schedules.

The Government is also reducing the Change of Use Charge from 75 per cent to 50 per cent for a period of one year pending codification. This initiative is a short-term measure to support investment.

Waiver of Change of Use Charge to Stimulate the Redevelopment of Closed Service Station Sites	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000
Expenses (Revenue Foregone)	950	0	0	0

An incentive is to be provided to encourage lessees to proceed with the development of closed service station sites across Canberra, with the applicable Change of Use Charge waived in 2009-10 for those service stations that are not operating as such, and where a Change of Use Charge has not already been paid.

2009-10 Budget and Forward Estimates Revenues

Figure 3.1.1 highlights the relative magnitude of the components comprising general government revenue. It shows that 47 per cent of total general government revenue in 2009-10 will be derived from Commonwealth Government funding and 30 per cent from taxation. The remaining revenue sources include sales of goods and services, interest income, dividends, and tax equivalents.

**Figure 3.1.1
Components of 2009-10 General Government Revenue**

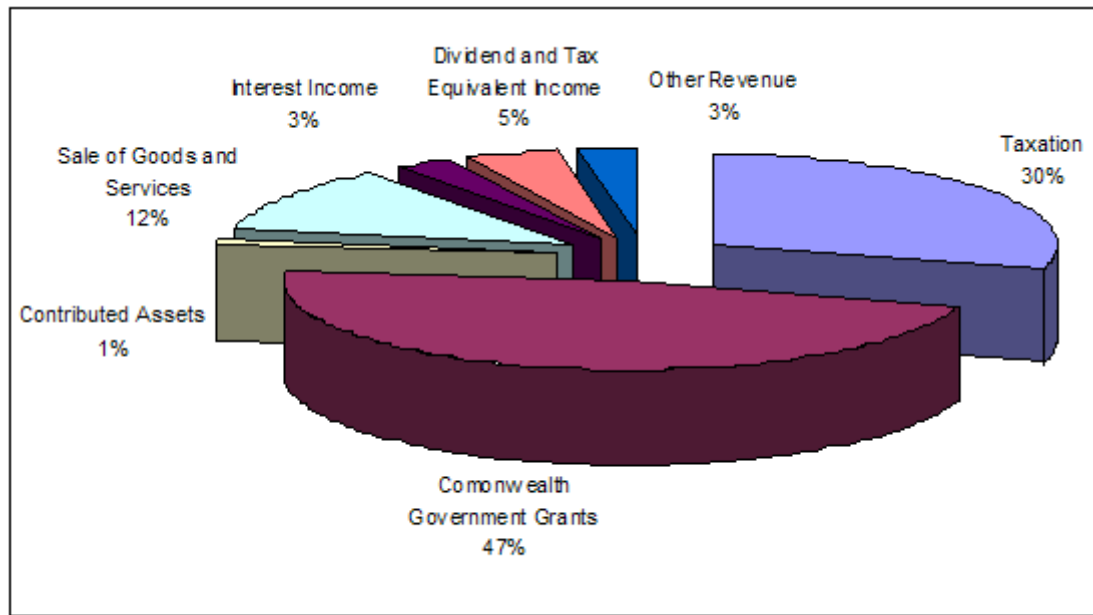


Table 3.1.2 provides a summary of 2008-09 estimated general government revenue, 2009-10 Budget forecasts and forward estimates by revenue source.

**Table 3.1.2
General Government Revenue**

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
Revenue							
1,048,752	Taxation	972,834	1,018,722	5	1,080,200	1,151,120	1,225,823
1,393,894	Commonwealth Government Grants	1,435,092	1,629,741	14	1,618,737	1,596,374	1,670,568
46,608	Contributed Assets	44,762	45,277	1	49,424	49,379	49,382
359,693	Sale of Goods and Services	385,976	413,586	7	417,528	433,163	445,597
164,671	Interest Income	147,617	92,512	-37	90,805	92,221	96,437
161,124	Dividend and Tax Equivalent Income	191,869	155,461	-19	160,775	234,759	239,367
143,402	Other Revenue	108,326	96,464	-11	100,753	102,060	103,674
3,318,144	Total Revenue	3,286,476	3,451,763	5	3,518,222	3,659,076	3,830,848

Taxation

The 2008-09 estimated outcome for taxation is \$972.834 million, which is 7.2 per cent below the original budget of \$1,048.8 million. The lower forecast reflects the continued downward trend in the volume and value of residential and commercial property transactions, offset by a number of large one-off transactions relating to shares and marketable securities, and leases. Excluding conveyancing duty revenue, the estimated outcome for taxation revenue is within 1.5 per cent of the original budget forecast.

In 2009-10, taxation revenue is forecast to increase by 4.7 per cent, albeit from a lower base, but remaining below the 2008-09 original budget forecast.

Beyond 2009-10, general growth in economic activity and wages is expected to flow through to growth in payroll tax. General rates are forecast to increase in line with the Wage Price Index (WPI). Forward estimates for land tax are based on nominal growth in land values.

Activity in the residential and commercial property market is forecast to increase with modest growth in 2009-10 and the forward estimates. House prices are likely to remain flat in real terms as increasing supply is able to meet the underlying demand (further details on the outlook for the housing market is provided in Chapter 6.1).

Lease duty will be abolished on 1 July 2009, and duty on the transfer of unlisted shares and marketable securities is due to be abolished on 1 July 2010, consistent with commitments made under the Inter-Governmental Agreement (IGA).

**Table 3.1.3
Taxation**

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
General Tax							
251,364	Payroll Tax	251,317	267,420	6	284,678	302,912	322,861
5,034	Tax Waivers	5,034	5,051	..	5,069	5,087	5,087
176,239	General Rates	175,690	185,980	6	196,890	208,243	220,175
83,414	Land Tax	83,414	93,379	12	95,622	98,941	102,344
516,051	Total General Tax	515,455	551,830	7	582,259	615,183	650,467
Duties							
270,171	Conveyances	183,255	207,661	13	229,870	257,741	286,476
36,356	General Insurance	33,805	34,655	3	36,055	37,511	39,024
4,760	Leases	7,829	-	-100	-	-	-
1,064	Life Insurance	1,371	1,405	2	1,463	1,522	1,583
27,492	Motor Vehicle Registrations and Transfers	26,650	27,796	4	28,991	30,237	31,537
4,000	Shares & Marketable Securities	15,000	4,000	-73	-	-	-
343,843	Total Duties	267,910	275,517	3	296,379	327,011	358,620
Gambling Taxes							
1,041	ACTTAB Licence Fee	1,041	1,020	-2	999	980	960
36,700	Gaming Tax	35,000	36,400	4	37,856	39,370	40,945
2,017	Casino Tax	1,917	1,994	4	2,073	2,156	2,243
13,700	Interstate Lotteries	13,700	13,940	2	14,289	14,646	15,012
53,458	Total Gambling Taxes	51,658	53,354	3	55,217	57,152	59,160

Other Taxes							
74,915	Motor Vehicle Registration	75,915	76,928	1	80,054	83,134	86,459
11,450	Ambulance Levy	11,894	12,327	4	12,773	13,238	13,719
4,697	Change of Use Charge	5,627	2,221	-61	5,056	5,056	5,056
17,227	Utilities (Network Facilities) Tax	17,227	17,916	4	18,633	19,378	20,153
23,214	Fire & Emergency Service Levy	23,214	24,566	6	25,619	26,703	27,817
1,803	City Centre Marketing and Improvements Levy	1,840	1,945	6	2,042	2,145	2,252
2,094	Other Taxes - Revenue	2,094	2,118	1	2,168	2,120	2,120
135,400	Total Other Taxes	137,811	138,021	..	146,345	151,774	157,576
1,048,752	Total Taxation	972,834	1,018,722	5	1,080,200	1,151,120	1,225,823

Payroll Tax

The payroll tax rate in the ACT remains unchanged at 6.85 per cent on wages and other taxable payments made by the employer, where the Australia-wide wages exceed \$1.5 million per annum.

The estimated outcome for 2008-09 is \$251.317 million. The forecast for 2009-10 is \$267.420 million. The expected increase in 2009-10 and beyond reflects forecast growth in economic activity.

Tax Waivers

Tax waivers represent revenue that has been legally waived. The revenue forgone generally relates to payroll tax, general rates and duties. The estimated value of waivers is also reflected in expenses. This treatment enables legally-accrued taxes to be transparent.

The estimated waiver of revenue for 2008-09 is \$5.034 million. The forecast for 2009-10 is \$5.051 million, with slight increases across the forward estimates.

General Rates

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

The estimated outcome from rates revenue is \$175.690 million in 2008-09 and is expected to increase to \$185.980 million in 2009-10. General rates revenue from existing properties will increase in 2009-10 from 2008-09 levels by the WPI of 3.7 per cent (the WPI for December 2008). This will result in an average increase of \$43 for residential properties, \$19 for rural properties and \$202 for commercial properties.

The increase in rates in 2009-10 will be applied on a 50/50 basis of fixed charge and Average Unimproved Value (AUV) charge.

General 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 rating system in 2009-10 will have the following elements:

- a fixed charge of \$509 for residential properties;
- a fixed charge of \$106 for rural properties;
- a fixed charge of \$1,040 for commercial properties;
- a valuation based charge on the AUV for 2007, 2008 and 2009 land values;
- a rate-free threshold of \$16,500 applied to the AUV of each property;
- rating factors applied to the AUV of:
 - 0.3129 per cent for residential properties;
 - 0.1804 per cent for rural properties;
 - 0.7434 per cent for commercial properties; and
- a pensioner rebate cap for post 1 July 1997 pensioners of \$447.

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 2009-10 will be based on the most recent AUV that incorporates the 2009 unimproved land value.

The land tax marginal rates that have applied since 2006-07 will remain unchanged in 2009-10. These rates are shown in table 3.1.4.

**Table 3.1.4
Land Tax Marginal Rates**

AUV	Residential	Commercial
up to \$75,000	0.60%	0.89%
\$75,001 up to \$150,000	0.89%	0.89%
\$150,001 up to \$275,000	1.15%	1.25%
\$275,001 and above	1.40%	1.59%

The estimated outcome from land tax revenue is \$83.414 million in 2008-09 and is estimated to increase to \$93.379 million in 2009-10 due to the increase in property Average Unimproved Land Values (AUV).

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 took effect from 30 June 2002 and range from \$2 to \$6.75 per \$100, or part thereof. They are generally applied to the transfer value of the property. A concessional rate applies for persons qualifying under the ACT Home Buyer Concession Scheme and for pensioners qualifying under the ACT Pensioner Duty Concession Scheme.

The estimated outcome for 2008-09 is \$183.255 million. This decrease of \$86.9 million from the original budget reflects the continued downward trend in the volume and value of commercial and residential property transactions. The budgeted forecast for 2009-10 is \$207.661 million. Residential and commercial conveyances are expected to increase in terms of both value and volume across the forward estimates.

The thresholds for the Home Buyer Concession Scheme will be updated from 1 July 2009 in line with the ongoing review of these levels every six months.

The Commonwealth Government introduced the First Home Owner Boost on 14 October 2008 (an additional \$7,000 for an established home or \$14,000 for a newly-constructed home) to increase assistance provided to first home buyers, together with the current \$7,000 First Home Owner Grant. This recognises the difficulties first home buyers face in entering the housing market. This boost is due to cease on 30 June 2009.

Duty on General Insurance

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

The estimated outcome is \$33.805 million for 2008-09 and the forecast is \$34.655 million for 2009-10. Slight growth has been predicted in the forward estimates.

Duty on Leases

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

The estimated outcome is \$7.829 million for 2008-09, reflecting an increase over original budget which is due to a number of large one-off transactions. This duty will be abolished on 1 July 2009.

Duty on Life Insurance

For life insurance, duty is payable on:

- the sum insured at \$1 on the first \$2,000, and \$0.20 for every \$200, or part thereof, in excess of \$2,000;
- temporary or term insurance policies at 5 per cent of the first year's premium;
- life insurance riders at 5 per cent of the first year's premium; and
- insurance in the event of the disablement of the insured by accident or sickness at 10 per cent of the premium paid.

Life insurance annuities are exempt from duty.

The estimated outcome is \$1.371 million for 2008-09 with \$1.405 million forecast for 2009-10. Slight growth has been predicted in the forward estimates.

Duty on Motor Vehicle Registrations and Transfers

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

The estimated outcome for 2008-09 is \$26.650 million, reflecting a slight decrease from original budget which is due to the fall in sales in the ACT vehicle market. The forecast for 2009-10 is \$27.796 million. Slight growth has been predicted in the forward estimates reflecting a return to normal activity levels.

Duty on Shares and Marketable Securities

Duty is payable on the transfer of unquoted marketable securities, at a rate of \$0.60 per \$100, or part thereof, of the total value of the shares, or \$20, whichever is greater.

The estimated outcome in 2008-09 is \$15 million as a result of a number of large one-off transactions. The forecast in 2009-10 is expected to reduce to \$4 million due to a return to more normal lower levels. This duty will be abolished in 2010-11.

ACTTAB Licence Fee

ACTTAB pays a licence fee based on a percentage of the capital value of the licence less GST. In addition, a dividend and a tax equivalent payment are made to the General Government Sector by ACTTAB.

Revenue from the licence fee for 2008-09 is estimated at \$1.041 million, and in 2009-10 is estimated at \$1.020 million due to a slight increase in GST liability.

Gaming Tax

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

Estimated total gaming tax revenue for 2008-09 is \$35 million and the forecast for 2009-10 is \$36.4 million. There is no expected change in tax revenue from interactive gaming.

Casino Tax

The tax applying to Casino Canberra is 10.9 per cent of gross profit from general gaming operations. Estimated revenue for 2008-09 is \$1.917 million and in 2009-10 is forecast at \$1.994 million.

Interstate Lotteries

The ACT receives revenue based on the value of NSW and Victorian Lotteries tickets purchased in the ACT. Estimated revenue for 2008-09 is \$13.7 million and in 2009-10 is forecast at \$13.940 million.

Motor Vehicle Registration Fees

The estimated revenue from motor vehicle registrations in 2008-09 is \$75.915 million and the forecast for 2009-10 is \$76.928 million in line with forecast growth.

Ambulance Levy

The ambulance levy applies to health benefit organisations under the *Emergency Management Act 1999* that 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 ambulance services. The funding for ambulance services is appropriated through the normal Budget process.

The estimated revenue is \$11.894 million for 2008-09. The forecast is \$12.327 million in 2009-10. Slight growth has been predicted in the forward estimates.

Change of Use Charge

A change of use charge is payable on the increased value of the lease for a block of land arising from a development application and is calculated at 75 per cent of the added lease value. Some qualifying lease variations will receive a remission of the change of use charge of 25 per cent or an increase to 100 per cent.

The 2008-09 outcome is estimated at \$5.627 million. The forecast for 2009-10 is expected to be \$2.221 million, the decrease in revenue relates to revenue foregone from new Government initiatives including 'Codification of Change of Use Charge' and 'Waiver of Change of Use Charge to Stimulate Redevelopment of Closed Service Station Sites'.

Utilities (Network Facilities) Tax

The Utilities (Network Facilities) Tax applies to the owner of a utility network facility that is installed on or under land in the ACT. The tax rate for 2008-09 is \$697 per kilometre of network route length.

The estimated revenue outcome is \$17.227 million for 2008-09, with \$17.916 million forecast in 2009-10.

Fire and Emergency Services Levy

A Fire and Emergency Services Levy (FESL) was introduced in 2006-07 and is charged on all rateable properties in the ACT. Revenue from the levy partially offsets the cost of fire and emergency services.

FESL revenue from existing properties will increase in 2009-10 from 2008-09 levels by the WPI of 3.7 per cent (WPI at December 2008). This will result in an increase of \$3.40 in the fixed charge for residential and rural properties, and an average increase of \$81.00 for commercial properties.

The estimates for FESL revenue include expected revenue from both existing and new properties, and represent the net amount after allowing for pensioner rebates and discounts for early payment. The estimated outcome from FESL revenue is \$23.214 million in 2008-09, which is expected to increase to \$24.566 million in 2009-10.

The FESL in 2009-10 will have the following elements:

- a fixed charge of \$94.60 for residential and rural properties;
- a pensioner rebate of 50 per cent; and
- a valuation-based charge for commercial properties with a rating factor of 0.3663 per cent applied to the AUV for 2007, 2008 and 2009 land values in excess of the rate-free threshold of \$16,500.

City Centre Marketing and Improvements Levy (CCMIL)

The revenue collected from the CCMIL is used to promote, maintain and improve the amenities of the City Centre area. CCMIL has been collected since 1 July 2007. The estimated revenue outcome is \$1.840 million in 2008-09, with \$1.945 million forecast in 2009-10.

The CCMIL applies to all commercial properties in the City and selected areas in Braddon and Turner, adjacent to the City Centre. The collection area is divided into two zones, and in 2009-10 will be applied on the AUV of each property at the rate of 0.2992 per cent for the retail core and the rate of 0.2161 per cent for the non-retail core (unchanged from 2007-08 and 2008-09).

Other Taxation Revenue - Energy Industry Levy

The Energy Industry Levy was introduced to fund the Territory's contribution to the Australian Energy Market Commission (AEMC). In accordance with the timetable agreed by the Commonwealth and State and Territory Governments involving a staged process, the AEMC assumed the energy regulatory functions previously undertaken by the Independent Competition and Regulatory Commission (ICRC).

The estimated outcome is \$2.094 million for 2008-09, with the forecast for 2009-10 of \$2.118 million.

ACT Taxes Compared to NSW

Table 3.1.5 shows the comparative rates of tax between the ACT and NSW for major taxation items as at March 2009.

Table 3.1.5
Major ACT Taxes compared with NSW as at March 2009

Tax type	ACT	NSW
Payroll Tax	6.85% First \$1,500,000 exempt.	5.75% First \$623,000 exempt.

<p>Land Tax</p>	<p>Applied quarterly on rolling three-year AUV.</p> <p>Residential - applied 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"> • AUV up to \$75,000 – 0.60% • AUV \$75,001 – \$150,000 – 0.89% • AUV \$150,001 – \$275,000 – 1.15% • AUV \$275,001 and above – 1.40% <p>Commercial - payable on all properties as follows:</p> <ul style="list-style-type: none"> • AUV up to \$150,000 – 0.89% • AUV \$150,001 - \$275,000 – 1.25% • AUV \$275,001 and above – 1.59% <p>Land used for primary production is exempt from land tax.</p>	<p>Applied annually on aggregated unimproved land value of all property except the principal place of residence or land used for primary production.</p> <p>Rate is \$100 plus 1.6% of the land value between the threshold \$368,000 (three year average) and the premium rate threshold \$2,250,000. From 2009 premium rate of 2% applies if land value is above \$2,250,000.</p> <p>For land owned by a company or trustee flat rate of 1.6% without any land value threshold.</p>
<p>Duty on Conveyances</p>	<p>The greater of \$20 or the amount resulting from applying the rates of \$2.00 - \$6.75 per \$100 or part thereof.</p> <p>Home Buyers Concession Scheme:</p> <ul style="list-style-type: none"> • income threshold of \$120,000 (plus further allowance for children); • concession for house and land value up to \$422,000; and • concession for vacant land value of up to \$233,200. <p>The property value thresholds are determined in July and January of each year, taking into account movements in the market.</p> <p>Pensioner Duty Concession Scheme:</p> <ul style="list-style-type: none"> • own an Australian residence; • eligible pension - age, disability or Veterans' Affairs Gold Card; • concession for house and land value up to \$530,000; and • concession for vacant land value up to \$233,200. <p>The property value thresholds are determined in July and January of each year, taking into account movements in the market.</p>	<p>The greater of \$2 or the amount resulting from applying the rates of \$1.25 - \$5.50 per \$100 or part thereof.</p> <p>For residential properties above \$3 million, the duty payable is \$150,490 plus the rate of \$7.00 per \$100 or part thereof that exceeds \$3 million.</p> <p>First Home Plus - Buyers will not pay duty for house and land properties up to \$500,000 with phase-out concession up to property value of \$600,000. With respect to vacant land, no duty is payable for land with a value up to \$300,000 and phasing out at \$450,000.</p> <p>Not available in NSW.</p>
<p>Mortgages and Loan Security Duty</p>	<p>Not applied in ACT.</p>	<p>\$0 - \$16,000 - \$5.00 above \$16,000 - \$5.00 plus \$4.00 per \$1,000 or part thereof in excess of \$16,000</p> <p>Not chargeable on advances made to natural persons for owner occupied housing.</p>

Duty on Motor Vehicle Registrations	<p>No green vehicle rating</p> <p>Valued at \$45,000 or less \$3 per \$100</p> <p>Valued at more than \$45,000 \$1,350+\$5 per \$100 or part thereof over \$45,000</p> <p>Green vehicle rating</p> <p>Applies to new motor vehicles not previously registered. Rates depend on green vehicle rating (environmental performance score) and value.</p> <p>Valued at \$45,000 or less</p> <p>A rated (16 or more) = nil B rated (14 or more but < 16) = \$2 per \$100 C rated (9.5 or more but < 14) = \$3 per \$100 D rated (less than 9.5) = \$4 per \$100</p> <p>Valued at more than \$45,000</p> <p>A rated (16 or more) = nil B rated (14 or more but < 16) = \$900 plus \$4 per \$100 above \$45,000 C rated (9.5 or more but < 14) = \$1,350 plus \$5 per \$100 above \$45,000 D rated (less than 9.5) = \$1,800 plus \$6 per \$100 above \$45,000</p>	<p>Under \$45,000 = \$3 per \$100 Over \$45,000 = \$1,350+\$5 per \$100 or part thereof over \$45,000</p>
Duty on General Insurance	<p>10% of value of premium</p>	<p>2.5% to 9% from 1 September 2005</p>
Duty on Life Insurance	<p>\$0 to \$2,000 - \$1 Over \$2,000 - \$1 plus \$0.20 per \$200 or part thereof in excess of \$2,000</p>	<p>\$0 to \$2,000 - \$1 Over \$2,000 - \$1 plus \$0.20 per \$200 or part thereof in excess of \$2,000</p>

Commonwealth Government Grants

Total revenue received from Commonwealth Government grants is forecast to increase by \$195 million from the 2008-09 estimated outcome of \$1.435 billion to the 2009-10 Budget estimate of \$1.630 billion. Further information on funding from the Commonwealth Government can be found in Chapter 6.2 Federal Financial Relations and at Appendix G.

Table 3.1.6
Commonwealth Government Grants

2008-09 Budget		2008-09 Est.Outcome	2009-10 Budget	Var	2010-11 Estimate	2011-12 Estimate	2012-13 Estimate
\$'000		\$'000	\$'000	%	\$'000	\$'000	\$'000
907,400	GST Revenue Grant	851,800	888,400	4	942,100	991,700	1,043,900
34,228	ACT Municipal Services	34,263	35,154	3	35,856	36,574	37,305
-	National Specific Purpose Payments (SPPs)	50,490	390,365	673	423,866	460,892	488,796
38,388	Financial Assistance Grants to Local Government	39,308	40,990	4	42,702	44,475	46,343
-	National Partnership Payments (NPP) - Current	51,806	70,786	37	41,055	23,257	18,401
375,827	Other Commonwealth Government Payments - Current	340,232	22,680	-93	23,130	24,446	25,790
1,355,843	Total Current Grants	1,367,899	1,448,375	6	1,508,709	1,581,344	1,660,535
-	National Partnership Payments (NPPs) - Capital	38,732	181,366	368	110,028	15,030	10,033
38,051	Total Other Commonwealth Payments - Capital	28,461	-	-100	-	-	-
38,051	Total Capital Grants	67,193	181,366	170	110,028	15,030	10,033
1,393,894	Total Commonwealth Government Funding	1,435,092	1,629,741	14	1,618,737	1,596,374	1,670,568

Contributed Assets

Table 3.1.7 provides a summary of contributed assets. This revenue item largely relates to land development infrastructure assets transferred to the GGS from the Land Development Agency.

Table 3.1.7
Contributed Assets

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
46,300	Gains from Contributed Assets	44,454	44,966	1	49,113	49,066	49,066
308	Resources Received Free of Charge	308	311	1	311	313	316
46,608	Total Contributed Assets	44,762	45,277	1	49,424	49,379	49,382

Sale of Goods and Services

This category consists mainly of revenue items that were previously identified as fees and user charges. The 2009-10 forecast is 7.2 per cent higher than the 2008-09 estimated outcome. The largest contributors to sale of goods and services are service receipts, cross border health receipts and fees for regulatory services. Details of sale of goods and services are provided in Table 3.1.8.

Table 3.1.8
Sale of Goods and Services

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
766	Casino Licence Fees	766	779	2	799	818	839
8,311	Drivers Licences	8,311	8,905	7	9,213	9,532	9,913
51,375	Fees for Regulatory Services	50,326	54,554	8	56,128	57,931	59,821
27,528	Water Abstraction Charge	25,742	27,012	5	26,847	28,545	29,649
87,980	Total Regulatory Fees	85,145	91,250	7	92,987	96,826	100,222
15,637	Parking Fees	12,894	15,254	18	16,469	16,998	17,549
24,945	Inpatient Fees	27,545	28,287	3	28,800	29,468	30,138
4,516	Non-Inpatient Fees	3,665	4,314	18	4,477	4,647	4,822
3,324	Meals and Accommodation	3,324	3,447	4	3,523	3,623	3,703
77,245	Cross Border Health Receipts	84,385	91,133	8	96,271	101,673	104,373
15,217	Sales	14,166	14,073	-1	14,610	15,030	15,404
98,181	Service Receipts (Non ACT Government)	116,961	105,462	-10	104,359	107,192	110,174
5,708	Rent from Tenants	5,708	5,753	1	5,836	5,982	6,131
8,292	Miscellaneous	13,471	35,760	165	30,828	31,540	32,257
18,648	User Charges - ACT Government	18,712	18,853	1	19,368	20,184	20,824
271,713	Total Other	300,831	322,336	7	324,541	336,337	345,375
359,693	Total Sale of Goods and Services	385,976	413,586	7	417,528	433,163	445,597

Casino Licence Fees

The casino licensee pays the casino licence fee to the ACT Gambling and Racing Commission. The Commission also collects casino employees licence fees for licensing staff employed by the casino. The 2008-09 estimated outcome for the combined total of all casino licence fees is \$0.766 million and in 2009-10 is forecast at \$0.779 million.

Drivers' Licences

The revenue from drivers' licences in 2008-09 is estimated at \$8.311 million and the forecast for 2009-10 is \$8.905 million.

Fees for Regulatory Services

The 2008-09 estimated outcome for fees for regulatory services of \$50.326 million is expected to increase to \$54.554 million in 2009-10; this increase represents revenue from new initiatives for increased regulatory activity.

Water Abstraction

Revenue from the Water Abstraction Charge in 2008-09 is estimated at \$25.742 million due to continuing water restrictions, and is forecast to remain at a similar level in 2009-10, at \$27.012 million, based on anticipated climatic conditions, and the community's adherence to these restrictions.

Parking Fees

The estimated revenue from parking fees in 2008-09 is \$12.894 million and the forecast for 2009-10 is \$15.254 million. As part of the 2009-10 Budget ACT Parking Strategy initiative, ticket machine parking fees will increase by an average of 20 per cent from 1 July 2009, and metered parking fees will increase by approximately 50 per cent in ACT Government pay parking areas from 2010-11.

Inpatient Fees

Inpatient fees and non-inpatient fees are payments for the provision of hospital and related services, which are collected at The Canberra Hospital. Inpatient fees relate to admitted patients, while non-inpatient fees relate to Emergency Department charges.

The 2008-09 estimated outcome for inpatient fees is \$27.545 million, and \$3.665 million for non-inpatient fees. The 2009-10 Budget estimates are, respectively, \$28.287 million and \$4.314 million for inpatient and non-inpatient fees.

Cross Border Health Receipts

Cross Border Health Receipts are payments from other State and Territory Governments (predominantly NSW) for the provision of medical services provided to non-ACT residents at

ACT public hospitals. The estimated revenue for 2008-09 of \$84.385 million includes back-adjustments for prior financial years. The forecast for 2009-10 is \$91.133 million.

Sales

Revenues from sales include those generated from entry fees to sporting and cultural facilities, such as the Canberra Theatre, and hire of those venues. Sales of merchandise, programs and giftware in these venues or the rights to sell these, are also included. The 2008-09 estimated outcome is \$14.166 million and the 2009-10 Budget is \$14.073 million.

Service Receipts (Non ACT Government)

This item includes payments from clients for the provision of services, such as fees to physicians at hospitals, medical supplies and sterilising services. The 2008-09 estimate is \$116.961 million and the 2009-10 estimate is \$105.462 million. This reduction largely reflects the removal of transactions relating to Rhodium Asset Solutions in anticipation of its wind down during 2009-10.

Miscellaneous

Miscellaneous revenue is estimated at \$13.471 million for 2008-09 and the 2009-10 forecast is \$35.760 million, relating mainly to the reclassification of several payments from the Commonwealth from Grants to Sales of Goods and Services, including the reclassification of the reimbursement by the Commonwealth for Highly Specialised Drugs.

User Charges

This item includes revenue for rent, property management, shared services and insurance that is collected from agencies in the Public Trading Enterprise (PTE) sector. The 2008-09 estimated outcome is \$18.712 million and the 2009-10 Budget forecast is \$18.853 million.

Interest Income

Table 3.1.9 provides a summary of interest income.

Table 3.1.9
Interest Income

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
119,989	Interest Received from Banks	87,711	40,733	-54	23,709	27,055	28,470
39,625	Interest Received on Advances & Loans to Agencies	35,018	34,514	-1	51,350	48,406	50,524
1,069	Interest Received on Advances from Private Sector - Non-Banks	-	-	-	-	-	-
2,692	Interest Received - Other	1,618	1,723	6	1,964	2,197	1,913
1,296	Interest Received from ACT Law Society	1,649	1,500	-9	1,000	750	750
-	Interest from Financial Investments	21,621	14,042	-35	12,782	13,813	14,780
164,671	Total Interest Received	147,617	92,512	-37	90,805	92,221	96,437

Note: Reclassification from Interest Received from Banks to more appropriately account for Interest Financial from Superannuation Investments.

Interest Income from Banks

This item largely represents the interest income recognised by the Territory Banking Account (TBA) for general government investments and by the Superannuation Provision Account (SPA) for its investments. Interest income from banks is interest earnings on cash, short-term securities and fixed interest assets.

General government investments comprise the surplus balances of the TBA, and investments made on behalf of government departments and some Territory Authorities. Interest earned on the SPA is retained within the existing investment facilities managed by the Territory's external fund managers.

Interest income from banks will decrease from \$87.711 million in the 2008-09 estimated outcome to \$40.733 million in the 2009-10 Budget, due to the reduction in interest rates and lower investment balances (the Reserve Bank has lowered the official cash rate by 4.25 percentage points since September 2008).

Interest Income on Advances and Loans

This item represents the interest payment to the TBA from PTE sector agencies for loans provided to them from the TBA. The majority of interest received is from ACTEW Corporation.

Interest income on Advances and Loans in the 2009-10 Budget is consistent with the 2008-09 estimated outcome.

Other Interest Income

This includes interest income recognised by the Department of Justice and Community Safety, the Home Loan Portfolio, ACT Public Cemeteries Authority and the Shared Services Centre. Many of these agencies have various statutory schemes under their administration on which interest is received.

Dividends and Tax Equivalentts

The estimated outcome for total dividends and tax equivalentts from Public Trading Enterprises (PTEs) is expected to increase by \$30.745 million or 19 per cent above the original 2008-09 estimate. This is followed by an expected decrease of \$36.408 million revenue in 2009-10. Table 3.1.10 provides a summary of dividends and tax equivalentts in 2008-09, the 2009-10 Budget and the forward estimates.

Table 3.1.10
Dividends and Tax Equivalentts

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
76,588	Dividends - ACTEW	69,556	55,250	-21	56,182	74,687	88,575
933	Dividends - ACTTAB	356	69	-81	43	59	91
900	Dividends - CIT Solutions	900	900	-	900	900	900
35,606	Dividends - Land Development Agency	17,774	25,306	42	15,001	49,033	34,392
-	Dividends from Financial Investments ¹	69,395	35,782	-48	44,101	47,662	50,996
114,027	Total Dividends	157,981	117,307	-26	116,227	172,341	174,954
47,097	Income Tax Equivalent	33,888	38,154	13	44,548	62,418	64,413
47,097	Total Tax Equivalent	33,888	38,154	13	44,548	62,418	64,413
161,124	Total Dividend and Tax Equivalent	191,869	155,461	-19	160,775	234,759	239,367

Note: Reclassification from Other Revenue to more appropriately account for Dividend returns on Financial Superannuation Investments.

Dividends

ACTEW

ACTEW's estimated dividend amount of \$69.556 million in 2008-09 is \$7.032 million below the 2008-09 Budget. This is mainly due to the budget being based on the ICRC draft decision while the estimated outcome is based on the ICRC final decision adjusted for water restriction levels.

The decrease of \$14.306 million in the 2009-10 Budget compared to the 2008-09 estimated outcome is due primarily to lower interest income and lower forecast joint venture profit.

ACTTAB

ACTTAB pays a dividend equal to 50 per cent of its after tax profits, thus any dividend increases or decreases, are a result of profit movements. ACTTAB's dividend for 2008-09 is estimated to be \$0.356 million.

In 2009-10, ACTTAB has forecast a dividend of \$0.069 million in anticipation of a decreased operating profit due to the introduction of Racefields legislation in all jurisdictions except the ACT, Northern Territory and Tasmania.

CIT Solutions

The 2008-09 estimated outcome remains the same as the original 2008-09 Budget. The 2009-10 Budget and forward estimates also remain the same at \$0.9 million.

Land Development Agency

LDA's 'nominal' surplus is not fully recognised as revenue in the General Government Net Operating Balance, consistent with the GFS accounting principles. In general, LDA's nominal surplus comprises sale of assets (for example, undeveloped commercial land), and profit from development and marketing activities.

Proceeds from asset sales (including gains from land re-zoning) are treated as capital distributions, and only profits from development and marketing activities are recognised as dividend revenue.

The decrease in dividend in the 2008-09 estimated outcome compared to the original budget of \$17.832 million mainly relates to a decrease in the price and quantum of a number of key residential and commercial land sales due to changes in the timing of releases for certain blocks, as well as market conditions.

In 2009-10, the forecast dividend is \$39.585 million, which is \$5.081 million less than the 2008-09 estimated outcome mainly due to forecast market conditions and lower interest returns.

Income Tax Equivalent

This represents income tax equivalent payments made by Public Trading Enterprises. The estimated total revenue for 2008-09 is \$33.888 million reflecting the performance forecast from the ACT agencies that are subject to the National Tax Equivalent Regime. The forecast for 2009-10 is \$38.154 million.

Other Revenue

Table 3.1.11 provides the 2008-09 estimated outcome, the 2009-10 Budget and the forward estimates for other revenue.

**Table 3.1.11
Other Revenue**

2008-09 Budget \$'000		2008-09 Est.Outcome \$'000	2009-10 Budget \$'000	Var %	2010-11 Estimate \$'000	2011-12 Estimate \$'000	2012-13 Estimate \$'000
21,042	Traffic Infringement Fines	22,067	20,070	-9	21,347	21,749	22,166
251	Court Fines	251	550	119	750	760	770
7,280	Parking Fines	6,764	8,501	26	10,101	10,443	10,795
511	Other Fines	324	332	2	336	351	372
29,084	Total Fines	29,406	29,453	..	32,534	33,303	34,103
12,882	Superannuation Employer Contribution	13,202	13,804	5	13,776	13,777	13,834
30	MLA Members Superannuation Contribution	30	30	-	30	30	30
3,899	Rents and Commutation	10,399	4,440	-57	4,931	5,549	5,642
17,259	Contributions	18,159	17,559	-3	17,559	17,559	17,559
80,248	Other Miscellaneous Revenue	37,130	31,178	-16	31,923	31,842	32,506
114,318	Total Other	78,920	67,011	-15	68,219	68,757	69,571
143,402	Total Other Revenue	108,326	96,464	-11	100,753	102,060	103,674

Traffic Infringement Fines

The estimated revenue from traffic infringement fines in 2008-09 is \$22.067 million and the forecast for 2009-10 is \$20.070 million. This reduction reflects decreased fine related activity and volume.

Court Fines

Court fines are expected to increase from \$0.251 million in 2008-09 to \$0.550 million in 2009-10 due to enhanced fine enforcement initiatives included in the Budget.

Parking Fines

Parking fines are expected to increase from \$6.764 million in 2008-09 to \$8.501 million in 2009-10. This increase is directly attributable to the new enhanced parking operation initiative which will enable ACT Parking Operations to increase its full time staff levels by five inspectors, thus increasing revenue returns to the Territory of approximately \$1.7 million per annum.

Superannuation Contributions

This item represents the payment of employer superannuation contributions to the TBA by the PTE sector and external sector (ActewAGL). The contribution calculations are based on annual actuarially determined employer contribution rates for either the CSS or PSS membership.

Rents and Commutation

Land rental income is expected to decrease from \$10.399 million in 2008-09 to \$4.440 million in 2009-10 reflecting a large one-off payment received in July 2008.

Contributions

This item includes voluntary contributions, fundraising and excursion funds, and revenue from hire of school buildings, which are collected by Schools and the Department of Education and Training. Budget estimates are consistent with the projected outcome for 2008-09.

Other Miscellaneous Revenue

Other miscellaneous revenue will decrease slightly from \$37.130 million in the 2008-09 estimated outcome to \$31.178 million in the 2009-10 Budget.