



## Budget 2006-2007

### FACT SHEET #F2: REVENUE

#### What's in the Budget on revenue?

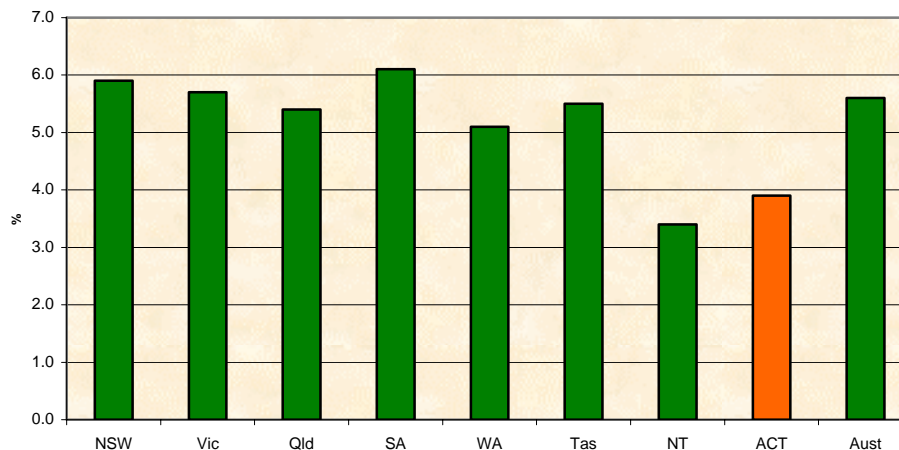
The ACT Government will:

- increase general rates base by 6% in 2006-07 and index rates at the Wage Price Index;
- introduce a fire and emergency levy to help cover the cost of providing services. Such levies constitute the main source of funding for these services in all jurisdictions except the ACT and NT. The levy will be set at \$84 per year. People receiving rebates on their rates will receive a 50% rebate on the levy;
- adjust the eligibility criteria for the Home Buyer Concession Scheme to better target those in need;
- introduce a false alarm call-out fee of \$200 for residential and community properties and \$500 for commercial buildings for third and subsequent calls to the ACT Fire Brigade, to cover the cost of response;
- increase the ambulance levy, which is currently the second lowest of all jurisdictions. People on a pension will not be charged;
- introduce full cost recovery for services to the community by ACT WorkCover and for investigations that lead to successful prosecution;
- incorporate a Water Fee of 30 cents per kilolitre into the Water Abstraction Charge;
- introduce a utility land use permit for water, sewerage, electricity, gas and telecommunication utilities.

#### How does the ACT compare to other States and Territories?

The ACT's taxation revenue as a proportion of Gross State Product is 3.9% — well below the national average of 5.6%. Taxation per capita (state and local) is \$2,193, 11% below the national average of \$2,462.

Taxation Revenue as a Proportion of Gross State Product 2004-05



State/Territory	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Aust
Per cent	5.9	5.7	5.4	6.1	5.1	5.5	3.4	3.9	5.6

Source: ABS Taxation Revenue 2004-05 Cat No 5506.0 and ABS Australian National Accounts State Accounts 2004-05 Cat No 5220.0



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Rating factors applied to ACT properties have been relatively lower than in bordering NSW. For example, an unimproved land value of \$198,835 in the ACT would result in a rates notice of \$1,031. In Queanbeyan, the same unimproved land value would result in general rates of \$1,361 — 32% higher.

With the exception of the Northern Territory, all other jurisdictions impose a fire levy as the primary source of funding for fire services.

The ACT has the second lowest charge for emergency ambulance transport of all jurisdictions, at an average of \$317 per trip for emergency transport, compared to an Australian average of about \$770.

### **Why is the ACT Government making these changes?**

The announced revenue measures will better reflect the real costs to government of service provision and bring charges more into line with other jurisdictions.

### **What effect will this have on the ACT's bottom line?**

The increase in revenues is designed to make the Territory less vulnerable to the cyclical changes in the property market. It provides for a stronger economy, and will secure the city's and our community's future.