



**AUSTRALIAN CAPITAL TERRITORY**

**SUBMISSION TO THE  
COMMONWEALTH GRANTS COMMISSION'S  
COMMISSION POSITION PAPER 2008/08:**

*Insurance Tax*

**January 2009**



## Introduction

The 2010 Review has been run as an iterative process between the Commonwealth Grants Commission (the Commission) and the States and Territories (the States) over the course of the past four years. As part of this process the ACT has provided a number of submissions in response to the Staff and Commission Discussion Papers, incorporating subsequent multilateral and bilateral discussions with Commission staff and other States. These submissions outlined the ACT's position as to the validity of the conceptual case behind a number of assessments and the proposed assessment methodologies.

It is noted that in some instances the position adopted by the Commissioners, as detailed in the latest Commission Position Papers, is at odds to those of the ACT. In the interests of brevity the ACT has not sought to reiterate the entirety of its previously stated position unless new data or new thinking has been applied. In this light, a lack of objection does not imply support where such support has not been previously stated.

## Component Structure

At a conceptual level the ACT does not support the Commission's decision to combine Motor CTP insurance, and general and life insurance taxes together. All revenue assessments should reflect the average State policy, in this case the different rates of taxation levied on different insurance products.

However, at a practical level it is recognised that work undertaken by the Commission indicates that assessing CTP and general and life insurance in separate components is not material at the \$10 per capita level.