

OTHER REVENUE

- 1 This working paper describes the revenue base and the assessed revenues for the Other Revenue assessment. Issues to do with the assessment method are discussed in detail in Volume 3 of the 2004 Review Working Papers.

DESCRIPTION OF THE CATEGORY

- 2 This category comprised taxes, stamp duties, fees and levies not elsewhere classified, including:
- taxes collected to finance specific services, such as control of vermin and noxious weeds;
 - estate, inheritance and gift taxes;
 - agricultural production taxes;
 - broadcast station licences;
 - waste disposal levies, pollution control licences, environment fees and landfill levies;
 - parking space levies and long service levies; and
 - other taxes and stamp duties not elsewhere classified.
- 3 For the GST relativities, it also includes revenues not accounted for elsewhere, including the revenues actually collected in past assessment years which would not have been collected under backcast tax policies. For example:
- revenues collected from the Bank Accounts Debit tax prior to its abolition on 1 July 2005;
 - revenue collected from stamp duty on shares and marketable securities where the impending abolition was backcast in the 2007 Update; and
 - the difference between the actual collections from Financial transactions taxes in each assessment year and the amounts that would have been collected under the backcast tax policies.
- 4 Table 1 shows the average revenues for the last six financial years. In 2006-07, the average of \$63.83 per capita represented 2.33 per cent of total own-source revenues.

Table 1 Other revenue, actual revenues, 2001-02 to 2006-07

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Average revenues (\$pc)	78.94	88.46	92.64	69.30	75.49	63.83
% of total own-source revenues	4.10	4.29	4.15	3.01	2.99	2.33

ASSESSING OTHER REVENUES

The revenue base

- 5 In the 2004 Review, the Commission decided to assess capacity for this category by the equal per capita (EPC) method, because State policies had a large influence on capacities to raise revenues. It was assumed that States had no differential needs.
- 6 The revenue base was mean resident population of the States. Table 2 shows the revenue base.

Table 2 Revenue base for other revenues, 2008 Update

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
	`000	`000	`000	`000	`000	`000	`000	`000	`000
2001-02	6 605.9	4 835.4	3 672.2	1 914.4	1 516.5	472.3	320.9	198.5	19 536.1
2002-03	6 652.9	4 895.4	3 767.4	1 938.5	1 526.3	475.0	324.1	199.4	19 779.2
2003-04	6 692.5	4 956.1	3 862.7	1 968.2	1 536.3	480.7	326.2	200.9	20 023.6
2004-05	6 732.7	5 019.4	3 956.4	2 000.0	1 546.6	484.8	328.5	204.3	20 272.7
2005-06	6 789.0	5 091.0	4 048.9	2 038.6	1 560.5	488.5	332.2	208.7	20 557.3
2006-07	6 855.8	5 167.5	4 135.6	2 082.0	1 576.6	491.6	336.7	212.8	20 858.8

Calculating assessed revenues per person

- 7 Table 7 shows the average, actual and assessed revenues for all years of the 2008 Update.
- 8 Because the assessed capacity for this category was calculated by the equal per capita (EPC) method, assessed revenues per person were equal for all States.
- 9 Table 3 shows, for 2006-07, actual and assessed revenues per capita and revenue capacity and effort ratios.

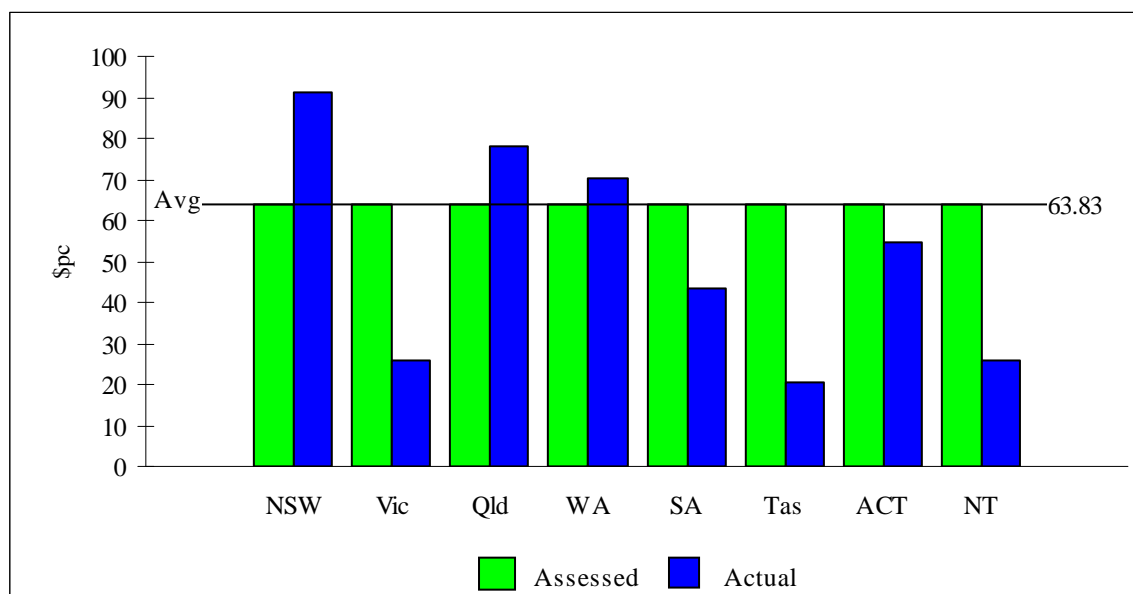
Table 3 Other revenues, Assessment results, 2006-07

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual revenues	91.37	25.71	78.27	70.13	43.47	20.60	54.51	25.90	63.83
Assessed revenues	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83
	%	%	%	%	%	%	%	%	%
Assessed revenue raising capacity ratio	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Revenue effort ratio (a)	143.13	40.28	122.62	109.86	68.09	32.27	85.39	40.57	100.00

(a) Calculated by dividing Actual revenues by Assessed revenues and expressed as percentages.

- 10 Figure 1 shows graphically the per capita average, actual and assessed revenues for Other Revenue.

Figure 1 Other revenues per capita — average, actual and assessed, 2006–07, GST relativities



Revenue capacities

- 11 A State's revenue capacity compares its assessed revenue, which reflects its revenue raising advantages or disadvantages, with the average revenue. The EPC method assumed States' revenue raising capacities were equal.

Revenue efforts

- 12 A State's revenue effort compares its actual revenue, which reflects both its revenue raising advantages and/or disadvantages and its policy choices, with its assessed revenues. The EPC method attributed all differences in actual revenue to effort.

EFFECT ON THE DISTRIBUTION OF THE POOL: 2008 UPDATE

- 13 Table 4 shows that the Other Revenue assessment had no redistributive effect on GST revenue and health care grants (hereafter described as GST revenue) because capacities were assessed to be equal.

Table 4 Other revenues, effect of assessment on GST revenue distribution, 2008 update

NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redistributed
\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CHANGES IN GST REVENUE DISTRIBUTION: 2008 UPDATE COMPARED WITH THE 2007 UPDATE

- 14 Because per capita capacities were equal, this category had no effect on GST revenue distributions.
- 15 Table 5 shows the category standard and implied capacity for the years common to the 2007 and 2008 Updates — 2001-02 to 2005-06. There was a sharp increase in actual revenues between the 2007 and 2008 Updates. This reflects the Commission's decision to backcast the second step in the phased abolition of the Financial Transaction Taxes.
- In this category, the revenues used in the assessments reflect the revenues that would have been collected had the tax policies that are to apply in the application year, 2008-09, applied to all of the 2008 Update assessment years.
 - The differences between what the States actually collected and the backcast revenues were included as revenue in the Other Revenue category.

Table 5 Other revenue, assessment data, average of 2001-02 to 2005-06

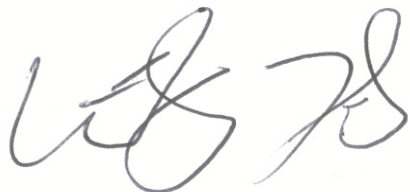
	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual revenues									
2007 Update	88.01	52.73	61.32	49.33	36.16	33.02	45.02	56.23	64.11
2008 Update	123.92	52.58	66.84	80.65	48.27	32.99	44.40	42.82	80.96
	%	%	%	%	%	%	%	%	%
Assessed revenue raising capacity ratios									
2007 Update	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2008 Update	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

- 16 Table 6 provides the category revenues and implied capacity for 2001-02 and 2006-07 for the 2008 Update.

Table 6 Other revenues, assessment data, 2000-01 and 2006-07

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual revenues									
2001-02	122.05	73.02	43.37	65.05	36.00	51.12	33.70	47.75	78.94
2006-07	91.37	25.71	78.27	70.13	43.47	20.60	54.51	25.90	63.83
Assessed revenues									
2001-02	78.94	78.94	78.94	78.94	78.94	78.94	78.94	78.94	78.94
2006-07	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83
	%	%	%	%	%	%	%	%	%
Assessed revenue raising capacity ratios									
2001-02	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
2006-07	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

This chapter was prepared by the Revenue section of the Commonwealth Grants Commission. If you have any questions about its content please contact Lintong Feng on (02) 6229 8833 or lintong.feng@cgc.gov.au.

A handwritten signature in black ink, appearing to be 'LF' followed by a stylized flourish.

Date: 29 February 2008

Table 7 Assessment of revenue, Other revenue

	2002-03		2003-04		2004-05		2005-06		2006-07	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
	\$m	\$	\$m	\$	\$m	\$	\$m	\$	\$m	\$
Average Revenue		88.46		92.64		69.30		75.49		63.83
New South Wales										
Assessed difference	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Revenue - Assessed	588.486	88.46	619.985	92.64	466.564	69.30	512.529	75.49	437.631	63.83
Actual	953.843	143.37	906.502	135.45	679.637	100.95	799.690	117.79	626.394	91.37
Victoria										
Assessed difference	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Revenue - Assessed	433.021	88.46	459.123	92.64	347.836	69.30	384.340	75.49	329.861	63.83
Actual	319.629	65.29	351.506	70.92	143.023	28.49	128.098	25.16	132.860	25.71
Queensland										
Assessed difference	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Revenue - Assessed	333.250	88.46	357.833	92.64	274.172	69.30	305.665	75.49	263.992	63.83
Actual	238.314	63.26	295.225	76.43	285.283	72.11	320.121	79.06	323.706	78.27
Western Australia										
Assessed difference	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Revenue - Assessed	171.471	88.46	182.332	92.64	138.596	69.30	153.903	75.49	132.904	63.83
Actual	131.827	68.00	157.819	80.18	175.931	87.97	207.996	102.03	146.012	70.13
South Australia										
Assessed difference	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Revenue - Assessed	135.013	88.46	142.318	92.64	107.179	69.30	117.807	75.49	100.643	63.83
Actual	72.911	47.77	97.655	63.57	85.434	55.24	60.514	38.78	68.532	43.47
Tasmania										
Assessed difference	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Revenue - Assessed	42.020	88.46	44.530	92.64	33.596	69.30	36.877	75.49	31.384	63.83
Actual	10.555	22.22	13.277	27.62	14.938	30.81	16.211	33.19	10.126	20.60
Australian Capital Territory										
Assessed difference	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Revenue - Assessed	28.673	88.46	30.219	92.64	22.767	69.30	25.082	75.49	21.492	63.83
Actual	14.195	43.79	23.407	71.76	11.985	36.48	12.057	36.29	18.352	54.51
Northern Territory										
Assessed difference	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Revenue - Assessed	17.641	88.46	18.612	92.64	14.156	69.30	15.757	75.49	13.584	63.83
Actual	8.303	41.63	9.560	47.58	8.635	42.27	7.274	34.85	5.511	25.90