

NATIONAL PARKS AND WILDLIFE SERVICES — ASSESSMENT RESULTS

- 1 This working paper describes the expenses assessment for National Parks and Wildlife Services and provides information on its impact on GST revenue distribution for the 2007 Update. The development of the assessment method is discussed in Volume 6 of the 2004 Review Working Papers.

DESCRIPTION OF THE CATEGORY

- 2 The National Parks and Wildlife Services category comprised expenses on administration, regulation, support, provision and operation of national parks and wildlife services. The category also included expenses on national estate matters such as historic houses and sites that were part of national parks and wildlife services as well as research into protecting flora and fauna.
- 3 No specific purpose payments were associated with National Parks and Wildlife Services category.
- 4 Table 1 shows average expenses and user charges for the last six financial years. In 2005-06, average expenses of \$30.75 per capita represented 0.51 per cent of total average expenses. In 2005-06, user charges accounted for about 15.2 per cent of category average expenses.

Table 1 National Parks and Wildlife Services, average expenses and user charges, 2000-01 to 2005-06

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Average expenses (\$pc)	26.49	29.72	31.22	30.08	29.78	30.75
% of total State average expenses	0.54	0.58	0.58	0.55	0.52	0.51
Average user charges (\$pc)	7.86	6.98	3.32	2.85	4.45	4.68
% of category average expenses	29.68	23.50	10.63	9.48	14.95	15.20

ASSESSMENT METHOD

Description of the assessment

- 5 The National Parks and Wildlife Services assessment for the 2007 Update was undertaken using nine components: fixed costs, Indigenous involvement in parks, visitor impact, conservation, marine parks, national capital, land rights, native title and isolation.
- 6 The 2007 Update expenses assessment method is the same as the 2006 Update:
- the expenses for fixed costs, national capital, land rights, native title and isolation were assessed using general methods;
 - the expenses for Indigenous involvement in parks were assessed using the proportion of the population who were Indigenous and living in remote areas;
 - the expenses for visitor impact were assessed using the proportion of the population visiting national parks. For the 2007 Update, the Commission decided to discount the impact of visitor numbers by 50 per cent;
 - the expenses for conservation were assessed using the proportion of the population living near national parks weighted by the area of the park and cost per park type; and
 - the expenses for marine parks were assessed using equal per capita (EPC) except for the ACT, which was set to zero.

Assessment structure

- 7 Table 2 summarises the assessment structure for the 2007 Update.
- 8 The proportion of expenses affecting fixed costs, national capital, land rights, native title and isolation were assessed using general methods. Component weights for the Indigenous involvement in parks, visitor impact, conservation and marine parks components reflected the Commission's judgment about their contribution to category average expenses.

Calculating the category factor

- 9 Table 3 summarises the components, component weights and factors assessed for this category for the last year of the 2007 Update. It shows the calculation of the category factor for 2005-06.

Table 2 National Parks and Wildlife Services, assessment structure for the 2007 Update, 2005-06

Component	Component		Basis of calculation
	weight	Factors	
	%		
Fixed costs	3.98	Administrative scale Input costs	General method. General method, with weights of 80% for wages, 2% for accommodation and 0.5% for electricity.
Indigenous involvement in parks	6.60	Socio-demographic composition Dispersion Input costs	Based on the proportion of the population who were Indigenous and living in remote areas. General method, based on the location of national parks. General method, with weights of 50% for wages, 2% for accommodation and 0.5% for electricity.
Visitor impact	36.76	Economic environment Dispersion Input costs	Based on the proportion of the population visiting national parks, discounted by 50% General method, based on the location of national parks. General method, with weights of 50% for wages, 2% for accommodation and 0.5% for electricity.
Conservation	46.18	Physical environment Dispersion Input costs	Based on proportion of the population living near national parks weighted by the area of the park and costs per park type. General method, based on the location of national parks. General method, with weights of 50% for wages, 2% for accommodation and 0.5% for electricity.
Marine parks	4.71	Marine parks	EPC except for the ACT, which is set to 0.
National capital	0.02	National capital	The additional costs incurred by the ACT in the planning and consultation tasks involved in the implementation of the National Capital Plan.
Land rights	0.31	Land rights	The additional costs in the Northern Territory arising from the Australian Government <i>Aboriginal Land Rights (Northern Territory) Act 1976</i> .
Native title	1.07	Native title	Based on the additional costs incurred by States in the administration of, and compensation claims arising from, the <i>Australian Government Native Title Act 1993</i> (as amended).
Isolation	0.38	Isolation	General method.

Table 3 National Parks and Wildlife Services, derivation of category factor, 2007 Update, 2005-06

Factors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Fixed costs (component weight = 3.98 %)								
Administrative scale	0.37633	0.50595	0.63736	1.25990	1.65290	5.24912	7.81806	12.47610
Input costs	1.02885	0.99514	0.97511	0.98495	0.97832	0.96027	1.02142	1.02379
Component factor	0.38718	0.50349	0.62150	1.24094	1.61707	5.04058	7.98555	12.77287
A Wgted comp factor	0.01545	0.02009	0.02480	0.04953	0.06454	0.20118	0.31871	0.50978
Indigenous involvement in parks (component weight = 6.6 %)								
Socio-demographic composition	0.25332	0.00170	1.34732	2.57130	0.56904	0.06760	0.00000	35.07755
Dispersion	0.87786	0.87536	0.93103	1.53787	1.40332	0.91274	0.86972	1.51759
Input costs	1.01939	0.99628	0.98412	0.99033	0.98458	0.97236	1.01372	1.01584
Component factor	0.22729	0.00148	1.23300	3.92944	0.78978	0.05983	0.00000	53.78919
B Wgted comp factor	0.01147	0.00007	0.06221	0.19825	0.03985	0.00302	0.00000	2.71382
Visitor impact (component weight = 36.76 %)								
Economic environment	0.89446	1.05463	0.97519	1.18424	0.88096	1.16727	1.32113	1.80140
Dispersion	0.87786	0.87536	0.93103	1.53787	1.40332	0.91274	0.86972	1.51759
Input costs	1.01939	0.99628	0.98412	0.99033	0.98458	0.97236	1.01372	1.01584
Component factor	0.80255	0.91926	0.89245	1.80975	1.22269	1.03314	1.16713	2.76233
C Wgted comp factor	0.29158	0.33399	0.32424	0.65752	0.44423	0.37536	0.42404	1.00361
Conservation (component weight = 46.18 %)								
Physical environment	1.58755	0.66536	0.19758	0.83676	0.46053	2.12894	5.02731	2.05837
Dispersion	0.87786	0.87536	0.93103	1.53787	1.40332	0.91274	0.86972	1.51759
Input costs	1.01939	0.99628	0.98412	0.99033	0.98458	0.97236	1.01372	1.01584
Component factor	1.42442	0.57996	0.18082	1.27873	0.63918	1.88432	4.44130	3.15638
D Wgted comp factor	0.67496	0.27481	0.08568	0.60592	0.30287	0.89288	2.10450	1.49564
Marine parks (component weight = 4.71 %)								
Marine parks	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	0.00000	1.00000
Component factor	1.01625	1.01625	1.01625	1.01625	1.01625	1.01625	0.00000	1.01625
E Wgted comp factor	0.04789	0.04789	0.04789	0.04789	0.04789	0.04789	0.00000	0.04789
National capital (component weight = 0.02 %)								
National capital	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	62.54449	0.00000
Component factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	62.54449	0.00000
F Wgted comp factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01075	0.00000
Land rights (component weight = 0.31 %)								
Land rights	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	99.80879
Component factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	99.80879
G Wgted comp factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.30992

Table 3 National Parks and Wildlife Services, derivation of category factor, 2007 Update, 2005-06 (continued)

Factors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Native title (component weight = 1.07 %)								
Native title	0.50979	0.00000	0.79251	4.51652	1.23772	0.00000	0.00000	13.32808
Component factor	0.50979	0.00000	0.79251	4.51652	1.23772	0.00000	0.00000	13.32808
H Wgted comp factor	0.00547	0.00000	0.00851	0.04850	0.01329	0.00000	0.00000	0.14313
Isolation (component weight = 0.38 %)								
Isolation	0.04030	0.07374	0.11575	1.86107	1.08664	2.90754	1.21355	58.91048
Component factor	0.04030	0.07374	0.11575	1.86107	1.08664	2.90754	1.21355	58.91048
I Wgted comp factor	0.00015	0.00028	0.00044	0.00701	0.00409	0.01095	0.00457	0.22190
Category factor	1.04698	0.67713	0.55377	1.61463	0.91676	1.53128	2.86257	6.44570

Note: For each component, the component factor is calculated using the formula in the following paragraph. The weighted component factor is the component factor multiplied by the component weight. This is then population weighted to ensure that the sum of assessed expenses equals average expenses.

Note: Category factor is the sum of the weighted component factors. It equals A + B+ C+ D+ E+ F+ G + H + I.

10 The category factor was calculated as follows:

$$\text{Category factor} = \text{fixed costs} + \text{Indigenous involvement in parks} + \text{visitor impact} + \text{conservation} + \text{marine parks} + \text{national capital} + \text{land rights} + \text{native title} + \text{isolation}.$$

Where:

$$\text{Fixed costs} = 0.0398 * [\text{administrative scale} * \text{input costs}]$$

$$\text{Indigenous involvement in parks} = 0.0656 * [\text{socio-demographic composition} * (\text{input costs} + \text{dispersion} - 1)]$$

$$\text{Visitor impact} = 0.3676 * [\text{economic environment} * (\text{input costs} + \text{dispersion} - 1)]$$

$$\text{Conservation} = 0.4618 * [\text{contiguous population} * (\text{input costs} + \text{dispersion} - 1)]$$

$$\text{Marine parks} = 0.0471 * [\text{marine parks}]$$

$$\text{National Capital} = 0.0002 * [\text{national capital}]$$

$$\text{Land rights} = 0.0031 * [\text{land rights}]$$

$$\text{Native title} = 0.0107 * [\text{native title}]$$

$$\text{Isolation} = 0.0038 * [\text{isolation}].$$

11 In each case, the contribution to the category factor was calculated as the component weight (the percentages in the table) multiplied by the component factor (the bracketed terms in the

formulas). Each component’s contribution to the category factor was scaled to ensure the sum of assessed expenses equalled average expenses.

RESULTS FOR 2005-06

12 Table 4 shows for 2005-06, actual, average and assessed expenses per capita and the assessed cost of providing services ratios. The assessed cost of providing services ratios are equivalent to the category factor shown in Table 3.

Table 4 National Parks and Wildlife Services, assessment results, 2005-06

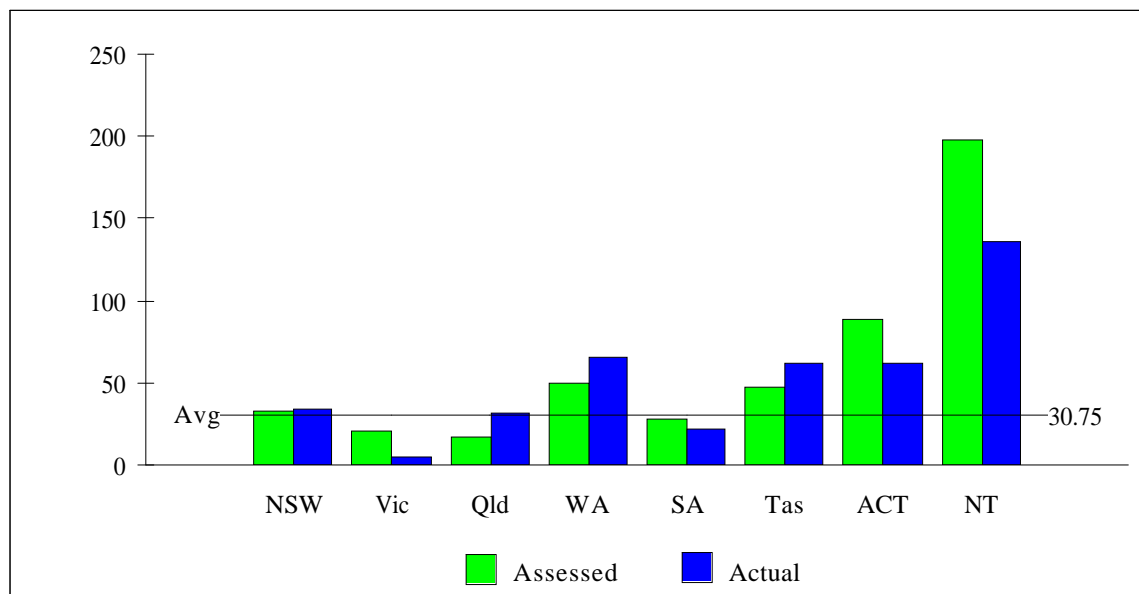
	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual expenses	34.43	4.87	30.98	65.93	22.01	62.10	62.20	135.71	30.75
Assessed expenses	32.20	20.82	17.03	49.65	28.19	47.09	88.03	198.22	30.75
	%	%	%	%	%	%	%	%	%
Assessed cost of providing services ratio (a)	104.70	67.71	55.38	161.46	91.68	153.13	286.26	644.57	100.00

(a) The assessed cost of providing services ratio is the ratio of assessed to average expenses per capita.

13 Table 12 at the end of this working paper shows the actual, average and assessed expenses for each State for all years of the 2007 Update.

14 Figure 1 illustrates the per capita actual, average and assessed expenses per capita for National Parks and Wildlife Services for 2005-06.

Figure 1 National Parks and Wildlife Services, expenses per capita — assessed, actual and average, 2005-06



CONTRIBUTION TO GST REVENUE DISTRIBUTION

- 15 Table 5 shows the category's contribution to the distribution of GST revenue and health care grants (hereafter GST revenue) for the 2007 Update. It also shows the contribution of each factor and component.

Differences from an equal per capita assessment

- 16 Table 6 indicates that the disabilities which had the biggest impact on the assessment were:
- physical environment — which recognised the impact of the surrounding population on the costs of providing national parks. It was measured using the proportion of the State population located near national parks and the unit cost of different park types;
 - dispersion – which recognised differences in the per capita costs of service provision associated with the spread of a State's population.
 - socio-demographic composition — which recognised additional costs associated with involving Indigenous people in the administration and operation of national parks. It was measured using the proportion of the State population who were Indigenous and living in remote areas of the State;
 - economic environment — which recognised the impact of visitors on the costs of operating national parks. It was measured using the proportion of the State population visiting national parks, discounted by 50%; and
 - administrative scale — which recognised the differences in the costs of operating the minimum administrative structures required to provide States services;
- 17 The category factor reflected the following on a State by State basis.
- *New South Wales* — GST revenue redistribution for New South Wales was marginally positive, reflecting how close New South Wales' assessed costs are to the national average. The above-average proportion of its population living near national parks had a positive influence on its GST revenue redistribution. This was offset by its negative influences — greater economies of scale, less dispersed population, a below-average proportion of its population visiting national parks and a below-average proportion of Indigenous people living in remote areas.
 - *Victoria* — Victoria's negative GST revenue redistribution was due to its greater economies of scale, less dispersed population, a below-average proportion of its population living near national parks and a below-average proportion of Indigenous people living in remote areas.
 - *Queensland* — Queensland had the largest negative GST revenue redistribution. This was primarily due to the below-average proportion of its population living near national parks. Its greater economies of scale and less dispersed population also contributed to its negative redistribution.

Table 7 National Parks and Wildlife Services, contribution of assessment to GST revenue distribution, 2007 Update

Factor	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redist'd
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Fixed costs									
Administrative scale	-5.8	-3.4	-1.9	0.8	1.3	2.8	3.0	3.2	11.1
Input costs	0.3	0.0	-0.2	0.0	-0.1	0.0	0.0	0.0	0.3
Component factor	-5.6	-3.4	-2.0	0.7	1.3	2.7	3.1	3.3	11.0
Indigenous involvement in parks									
Socio-demographic									
composition	-12.1	-12.0	3.3	7.6	-1.6	-1.1	-0.8	16.6	27.5
Dispersion	-1.9	-1.5	-0.7	2.6	1.5	-0.1	-0.1	0.2	4.3
Input costs	0.4	0.0	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.4
Component factor	-13.3	-12.0	-0.6	9.6	-1.5	-1.1	-0.8	19.6	29.2
Visitor impact									
Economic environment	-11.7	2.6	0.1	5.2	-2.1	1.3	1.6	2.9	13.7
Dispersion	-10.8	-8.2	-3.6	14.3	8.1	-0.6	-0.6	1.4	23.8
Input costs	2.0	-0.1	-1.1	-0.3	-0.4	-0.2	0.1	0.0	2.1
Component factor	-20.4	-6.9	-5.4	21.2	4.5	0.3	0.9	5.8	32.7
Conservation									
Physical environment	65.5	-27.6	-53.0	-5.4	-13.5	9.0	21.5	3.6	99.5
Dispersion	-13.6	-10.3	-4.6	18.0	10.2	-0.7	-0.7	1.7	29.9
Input costs	2.5	-0.2	-1.3	-0.4	-0.5	-0.2	0.1	0.1	2.6
Component factor	51.8	-33.4	-53.9	10.3	-8.7	7.4	19.0	7.5	96.0
Marine parks									
Marine parks	0.2	0.1	0.1	0.1	0.0	0.0	-0.5	0.0	0.5
Component factor	0.2	0.1	0.1	0.1	0.0	0.0	-0.5	0.0	0.5
National capital									
National capital	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Component factor	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Land rights									
Land rights	-0.7	-0.5	-0.4	-0.2	-0.1	0.0	0.0	2.0	2.0
Component factor	-0.7	-0.5	-0.4	-0.2	-0.1	0.0	0.0	2.0	2.0
Native title									
Native title	-1.2	-1.4	0.1	1.9	-0.1	-0.1	-0.1	0.9	2.9
Component factor	-1.2	-1.4	0.1	1.9	-0.1	-0.1	-0.1	0.9	2.9
Isolation									
Isolation	-0.8	-0.6	-0.5	0.2	0.0	0.1	0.0	1.5	1.9
Component factor	-0.8	-0.6	-0.5	0.2	0.0	0.1	0.0	1.5	1.9
Redistribution from EPC resulting from the 2007 Update assessment									
	9.9	-58.1	-62.5	43.8	-4.6	9.2	21.6	40.6	125.2

Note: The redistribution due to the component factors includes the effect of interactions between factors. Therefore the component factor figure may not equal the sum of its factors' redistribution.

- *Western Australia* — Western Australia had the highest positive GST revenue redistribution. It had an above-average proportion of visitors to national parks, an above-average proportion of Indigenous people living in remote areas and a highly dispersed population. These positive influences were partially offset by the below-average population living near national parks in Western Australia.
- *South Australia* — South Australia's negative GST revenue redistribution was primarily due to the below-average proportion of its population living near national parks, a below-average proportion of its population visiting national parks and a below-average proportion of Indigenous people living in remote areas. These negative influences were offset by lower economies of scale and a highly dispersed population.
- *Tasmania* — Tasmania's positive GST revenue redistribution was due to an above-average proportion of its population living near national parks, an above average proportion visiting national parks and diseconomies of scale. These positive influences were partially offset by the below average proportion of its population who were Indigenous and living in remote areas.
- *ACT* — the positive GST revenue redistribution for the ACT was due to an above-average proportion of the population living near national parks, an above-average proportion of the population visiting national parks and diseconomies of scale.
- *Northern Territory* — the positive GST revenue redistribution for the Northern Territory was due to an above-average proportion of its population living near national parks, an above-average proportion visiting national parks, an above-average proportion of its population being Indigenous and living in remote areas, a highly dispersed population and diseconomies of scale.

CHANGES SINCE 2006 UPDATE

Effect of assessment on the distribution of GST revenue

- 18 Table 8 shows the redistribution of GST revenue resulting from the assessments in the 2006 Update and the 2007 Update. It also shows the sources of change.
- 19 Changes in the distribution of GST revenue between the 2006 Update and the 2007 Update were brought about because the Commission:
- used revised average expenses data and other revised data in updating factor calculations for the years 2000-01 to 2004-05; and
 - replaced 2000-01 average expenses and factors with those of 2005-06 to move forward the five year period on which GST revenue distribution were based. Moving the five year period forward in this way ensures the assessments reflect recent trends in State priorities on the services provided and recent trends in State demographic and economic circumstances which affect the relative costs of those services.

Table 8 National Parks and Wildlife Services, effect of assessment on GST revenue distribution, 2006 Update to 2007 Update

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redist'd
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Redistribution from EPC resulting from the 2006 Update assessment (a)	1.5	-67.6	-70.0	56.8	-8.1	11.6	24.2	51.5	145.7
Effect of revising category averages and factors for 2000- 01 to 2004-05									
Category average	0.0	5.7	6.6	-5.7	0.8	-1.0	-2.1	-4.3	13.1
Category factors	10.3	0.4	1.2	-9.4	3.4	-1.1	0.2	-5.0	15.5
Interactions	-0.9	0.1	-0.4	1.3	-0.4	0.1	-0.1	0.3	1.8
Total	9.3	6.1	7.5	-13.8	3.9	-2.0	-1.9	-9.0	26.8
Effect of replacing 2000-01 category averages and factors with those for 2005-06									
Category average	-0.4	1.9	1.6	-1.0	0.1	-0.3	-0.6	-1.3	3.6
Category factors	-0.6	1.7	-1.9	2.2	-0.5	-0.1	0.0	-0.7	3.9
Interactions	0.1	-0.2	0.3	-0.3	0.1	0.0	0.0	0.1	0.5
Total	-0.9	3.4	0.0	0.9	-0.4	-0.4	-0.7	-1.9	4.3
Redistribution from EPC resulting from the 2007 Update assessment (a)	9.9	-58.1	-62.5	43.8	-4.6	9.2	21.6	40.6	125.2
Total effect of revisions and updating (b)	8.4	9.5	7.4	-12.9	3.5	-2.4	-2.6	-10.9	28.8

(a) Using the same pool and populations that were used to calculate the 2007 Update redistribution.

(b) This figure shows the change in the amount redistributed among the States between the 2006 Update and the 2007 Update. It does not necessarily equal the difference in the total redistribution from EPC between the two inquiries.

20 Compared with an equal per capita assessment, the 2007 Update redistributed \$125.2 million from Victoria, Queensland and South Australia. This amount is \$20.5 million less than in the 2006 Update, reflecting the decreased importance of the category in State budgets.

21 Table 9 shows the changes in GST revenue distribution attributable to changes in each factor, arising from both revising data for 2000-01 to 2004-05 and replacing 2000-01 data with 2005-06 data.

Table 9 National Parks and Wildlife Service, effect of assessment on GST revenue distribution by factor, 2006 Update to 2007 Update

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total redist'd
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Fixed costs									
Administrative scale	0.3	0.2	0.0	-0.1	0.0	-0.1	-0.1	-0.1	0.5
Input costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Conservation									
Physical environment	-8.3	3.3	5.8	1.1	2.5	-1.1	-2.6	-0.7	12.7
Dispersion	2.0	0.6	0.0	-2.0	-0.7	0.1	0.3	-0.4	3.1
Input costs	-0.5	0.1	0.1	0.2	0.1	0.1	0.0	0.0	0.6
Visitor impact									
Economic environment	12.5	2.5	-0.3	-9.2	2.7	-1.5	-0.2	-6.5	17.7
Dispersion	1.2	2.3	1.7	-4.0	0.1	0.5	0.2	-2.0	6.0
Input costs	-0.2	-0.1	0.2	0.1	0.1	0.1	0.0	-0.1	0.4
Indigenous involvement in parks									
Socio-demographic composition									
	1.5	1.4	-0.1	-1.0	0.4	0.1	0.1	-2.4	3.5
Dispersion	0.2	0.0	0.4	-0.3	0.0	0.0	0.0	-0.3	0.6
Input costs	0.0	0.0	0.1	0.0	0.0	0.0	0.0	-0.1	0.1
Marine parks									
Marine parks	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
National capital									
National capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land rights									
Land rights	0.1	0.1	0.0	0.0	0.0	0.0	0.0	-0.2	0.2
Native title									
Native title	-0.1	-0.2	-0.4	0.5	0.2	0.0	0.0	0.0	0.8
Isolation									
Isolation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

23 The main reasons for the changes in GST revenue distribution were as follows.

Changes due to revising average expenses and factors for years 2000-01 to 2004-05

24 **Revising average expenses.** Downward revisions were made to average expenses in the common years. This decreased the importance of the category, and meant that redistributions increased for States with below-average cost of service provision ratios (Victoria, Queensland and South Australia). The downward revision to average expenses was largely caused by revisions to Victorian expense data for 2002-04. These downward revisions totalled \$316 million, causing category total and per capita expenditures to fall.

25 **Revising category factors.** For the 2007 Update, the Commission decided that, due to incomparability of visitor numbers to national parks across States, the effect of visitor number factors would be discounted by 50 per cent. This increased GST distributions for those States with below-average proportions of the population visiting national parks (New South Wales and South Australia). The decrease in distributions to Queensland, Western Australia and the ACT were partly offset by upward revisions to their visitor numbers.

Changes in State circumstances – replacing 2000-01 with 2005-06

26 **Replacing average expenses.** Between 2000-01 and 2005-06, per capita average expenses increased by 16.1 per cent, compared with the increase in the per capita GST pool of 43.3 per cent). This meant the category became less important to the calculation of the relativities. This change increased the GST revenue shares of States assessed to have a category factor below one in 2000-01 (Victoria, Queensland and South Australia).

27 **Replacing category factors.** Table 10 shows the actual expenses, assessed expenses and implied assessed cost of providing services ratio for 2000-01, the year that drops out of the assessment period, and 2005-06, the year that comes into the assessment period. It shows that, for Victoria and Western Australia, the 2005-06 cost per capita of providing services were larger than the 2000-01 costs. Replacing the category factors increased their shares of GST revenue by \$3.9 million. The shares of New South Wales, Queensland and South Australia, Tasmania, ACT and the Northern Territory fell when their factors were replaced because there per capita cost of providing services was lower in 2005-06 than 2000-01.

Table 10 National Parks and Wildlife Services, actual expenses and assessed cost of providing services, 2000-01 and 2005-06

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual expenses									
2000-01	30.75	7.47	18.70	52.73	19.33	75.35	50.08	137.34	26.49
2005-06	34.43	4.87	30.98	65.93	22.01	62.10	62.20	135.71	30.75
	%	%	%	%	%	%	%	%	%
Change between 2000-01 and 2005-06	11.98	-34.81	65.62	25.05	13.85	-17.58	24.20	-1.19	16.08
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Assessed expenses									
2000-01	27.90	16.60	16.22	38.80	25.36	41.31	76.10	182.78	26.49
2005-06	32.20	20.82	17.03	49.65	28.19	47.09	88.03	198.22	30.75
	%	%	%	%	%	%	%	%	%
Assessed cost of providing services ratio									
2000-01	105.33	62.64	61.22	146.46	95.74	155.92	287.24	689.93	100.00
2005-06	104.70	67.71	55.38	161.46	91.68	153.13	286.26	644.57	100.00

28 The observed changes were largely driven by changes in the economic environment factor. The economic environment factor measures differences in the proportion of a State’s population visiting national parks. Table 11 shows that between 2000-01 and 2005-06, the proportion increased significantly faster than the Australian average for two States — Victoria and Western Australia. The ACT’s proportion of visitors also grew faster than the national average, but so slightly that it only had a marginal effect of redistribution. The GST distributions increased for these States and decreased for the other States.

Table 11 Visitor numbers as a proportion of State population, 2000-01 and 2005-06

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
	%	%	%	%	%	%	%	%	%
2000-01	3.62	3.18	5.20	4.17	3.97	6.08	6.74	16.56	4.13
2005-06	4.20	5.90	5.06	7.28	4.05	7.10	8.74	13.85	5.32
% Increase	15.93	85.43	-2.70	74.74	2.02	16.68	29.52	-16.40	28.80

This working paper was prepared by the Expense — Transport section of the Commonwealth Grants Commission. If you have any questions about its content please contact Stephen Tregear-Collett on (02) 6229 8838 or stephen.tregear-collett@cgc.gov.au.



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Table 12 Assessment of expenses, National Parks and Wildlife Services

	2001-02		2002-03		2003-04		2004-05		2005-06	
	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita	Amount	Per Capita
	\$m	\$	\$m	\$	\$m	\$	\$m	\$	\$m	\$
Average Expenses		29.72		31.22		30.08		29.78		30.75
New South Wales										
Assessed difference	6.821	1.03	8.264	1.24	8.256	1.23	6.970	1.03	9.825	1.44
Expenses - Assessed	203.204	30.75	216.146	32.46	209.849	31.31	207.852	30.82	218.965	32.20
Actual	243.523	36.85	274.717	41.25	248.002	37.00	246.150	36.49	234.150	34.43
Victoria										
Assessed difference	- 46.176	- 9.56	- 50.896	- 10.42	- 50.045	- 10.13	- 46.601	- 9.33	- 50.225	- 9.93
Expenses - Assessed	97.424	20.16	101.599	20.80	98.494	19.94	102.150	20.45	105.335	20.82
Actual	44.992	9.31	53.000	10.85	22.000	4.45	20.000	4.00	24.627	4.87
Queensland										
Assessed difference	- 46.178	- 12.59	- 51.376	- 13.67	- 50.976	- 13.25	- 52.332	- 13.31	- 55.102	- 13.72
Expenses - Assessed	62.858	17.13	65.925	17.54	64.693	16.82	64.763	16.47	68.383	17.03
Actual	82.648	22.53	92.961	24.74	107.991	28.08	106.997	27.21	124.383	30.98
Western Australia										
Assessed difference	31.425	16.42	37.529	19.38	37.028	18.85	36.251	18.18	38.395	18.90
Expenses - Assessed	88.297	46.14	97.977	50.60	96.114	48.92	95.652	47.96	100.864	49.65
Actual	122.925	64.23	109.000	56.29	111.000	56.50	128.992	64.67	133.930	65.93
South Australia										
Assessed difference	- 3.989	- 2.63	- 4.292	- 2.82	- 3.825	- 2.50	- 3.925	- 2.55	- 3.964	- 2.56
Expenses - Assessed	41.041	27.09	43.235	28.40	42.186	27.58	41.861	27.23	43.653	28.19
Actual	17.607	11.62	22.069	14.49	26.082	17.05	26.072	16.96	34.072	22.01
Tasmania										
Assessed difference	7.064	14.96	7.835	16.50	8.019	16.70	7.977	16.48	7.966	16.34
Expenses - Assessed	21.096	44.68	22.655	47.72	22.461	46.78	22.395	46.26	22.960	47.09
Actual	30.912	65.47	36.000	75.83	45.983	95.76	35.800	73.95	30.280	62.10
Australian Capital Territory										
Assessed difference	17.783	55.51	18.801	58.29	18.328	56.65	18.014	55.47	18.751	57.28
Expenses - Assessed	27.304	85.22	28.870	89.50	28.059	86.73	27.685	85.25	28.818	88.03
Actual	15.971	49.85	13.000	40.30	21.000	64.91	18.000	55.43	20.360	62.20
Northern Territory										
Assessed difference	33.250	167.81	34.134	172.17	33.215	166.98	33.645	166.98	34.354	167.47
Expenses - Assessed	39.138	197.53	40.323	203.39	39.198	197.05	39.646	196.76	40.662	198.22
Actual	21.785	109.95	15.982	80.61	18.995	95.49	19.993	99.22	27.838	135.71

Note: ACT expenses may include municipal expenses. Attachment A, 2007 Update, *RFCS* for how State actual figures are compiled.