

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 2008 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 The category also includes user charges, which are discussed in a separate paper.
- 5 Table 1 shows average expenses and user charges for the last six financial years. In 2006-07, average expenses of \$32.60 per capita represented 0.51 per cent of total average expenses. In 2006-07, user charges accounted for 13.68 per cent of category average expenses.

Table 1 National Parks and Wildlife Services, average expenses and user charges, 2001-02 to 2006-07

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Average expenses (\$pc)	29.71	31.23	30.02	30.03	30.54	32.60
% of total State average expenses	0.58	0.58	0.55	0.53	0.51	0.51
Average user charges (\$pc)	7.00	3.32	2.86	4.44	4.38	4.46
% of category average expenses	23.56	10.63	9.53	14.78	14.33	13.68

DEVELOPMENTS WHICH AFFECTED THE 2008 UPDATE

6 There were no new developments affecting the assessment since the last update.

ASSESSMENT METHOD

Description of the assessment

7 The National Parks and Wildlife Services assessment for the 2008 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.

8 The 2008 Update expenses assessment method is the same as the 2007 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. In the 2007 Update, the Commission decided to discount the effect of visitor numbers by 50 per cent and to freeze the discounted number in that and future updates;
- 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

9 Table 2 summarises the assessment structure for the 2008 Update.

10 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.

Table 2 National Parks and Wildlife Services, assessment structure for the 2008 Update, 2006-07

Component		
Component	weight	Factors Basis of calculation
	%	
Fixed costs	3.83	Administrative scale Input costs General method.
Indigenous involvement in parks	6.59	Socio-demographic composition Dispersion Input costs General method, with weights of 80% for wages, 2% for accommodation and 0.5% for electricity. 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	36.72	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	46.14	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	0.35	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	1.30	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	0.35	Isolation General method.

Calculating the category factor

- 11 Table 3 summarises the components, component weights and factors assessed for this category for the last year of the 2008 Update. It shows the calculation of the category factor for 2006-07.

Table 3 National Parks and Wildlife Services, derivation of category factor, 2008 Update, 2006-07

Factors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Fixed costs (component weight = 3.83 %)								
Administrative scale	0.38031	0.50456	0.63046	1.25230	1.65373	5.30328	7.74403	12.25245
Input costs	1.02528	0.99212	0.98387	0.99199	0.97579	0.95664	1.01939	1.01769
Component factor	0.38993	0.50059	0.62029	1.24227	1.61369	5.07334	7.89420	12.46916
A Wgted comp factor	0.01500	0.01926	0.02387	0.04780	0.06209	0.19520	0.30374	0.47977
Indigenous involvement in parks (component weight = 6.59 %)								
Socio-demographic composition	0.24874	0.00141	1.26840	2.52544	0.41756	0.06689	0.00000	37.36479
Dispersion	0.87723	0.87473	0.93041	1.53742	1.40284	0.91212	0.86908	1.51714
Input costs	1.01614	0.99357	0.99208	0.99623	0.98235	0.96903	1.01200	1.01006
Component factor	0.22221	0.00122	1.17009	3.87315	0.57840	0.05894	0.00000	57.06363
B Wgted comp factor	0.01110	0.00006	0.05846	0.19352	0.02890	0.00295	0.00000	2.85120
Visitor impact (component weight = 36.72 %)								
Economic environment	0.89864	1.05312	0.97005	1.18011	0.88115	1.17415	1.31335	1.77807
Dispersion	0.87723	0.87473	0.93041	1.53742	1.40284	0.91212	0.86908	1.51714
Input costs	1.01614	0.99357	0.99208	0.99623	0.98235	0.96903	1.01200	1.01006
Component factor	0.80281	0.91442	0.89486	1.80989	1.22057	1.03460	1.15718	2.71548
C Wgted comp factor	0.29147	0.33199	0.32489	0.65710	0.44314	0.37562	0.42012	0.98588
Conservation (component weight = 46.14 %)								
Physical environment	1.59319	0.66773	0.19829	0.83973	0.46217	2.13650	5.04516	2.06568
Dispersion	0.87723	0.87473	0.93041	1.53742	1.40284	0.91212	0.86908	1.51714
Input costs	1.01614	0.99357	0.99208	0.99623	0.98235	0.96903	1.01200	1.01006
Component factor	1.42330	0.57979	0.18292	1.28786	0.64019	1.88256	4.44522	3.15472
D Wgted comp factor	0.67497	0.27495	0.08674	0.61074	0.30360	0.89276	2.10804	1.49605
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	1.01641	1.01641	1.01641	1.01641	1.01641	1.01641	0.00000	1.01641
E Wgted comp factor	0.04785	0.04785	0.04785	0.04785	0.04785	0.04785	0.00000	0.04785
National capital (component weight = 0.02 %)								
National capital	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	61.95227	0.00000
Component factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	61.95227	0.00000
F Wgted comp factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.01014	0.00000
Land rights (component weight = 0.35 %)								
Land rights	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	98.01962
Component factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	98.01962
G Wgted comp factor	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.33902

Table 3 National Parks and Wildlife Services, derivation of category factor, 2008 Update, 2006-07 (continued)

Factors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Native title (component weight = 1.3 %)								
Native title	0.40994	0.00000	0.62878	5.55790	1.10151	0.00000	0.00000	10.05357
Component factor	0.40994	0.00000	0.62878	5.55790	1.10151	0.00000	0.00000	10.05357
H Wgtd comp factor	0.00532	0.00000	0.00816	0.07212	0.01429	0.00000	0.00000	0.13045
Isolation (component weight = 0.35 %)								
Isolation	0.04081	0.06917	0.11309	1.80761	1.09363	2.75060	1.22840	58.74083
Component factor	0.04081	0.06917	0.11309	1.80761	1.09363	2.75060	1.22840	58.74083
I Wgtd comp factor	0.00014	0.00024	0.00039	0.00627	0.00379	0.00954	0.00426	0.20370
Category factor	1.04586	0.67436	0.55037	1.63540	0.90366	1.52392	2.84631	6.53393

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.

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

12 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:

$$\text{Fixed costs} = 0.0383 * [\text{administrative scale} * \text{input costs}]$$

$$\text{Indigenous involvement in parks} = 0.0659 * [\text{socio-demographic composition} * (\text{input costs} + \text{dispersion} - 1)]$$

$$\text{Visitor impact} = 0.3672 * [\text{economic environment} * (\text{input costs} + \text{dispersion} - 1)]$$

$$\text{Conservation} = 0.4614 * [\text{contiguous population} * (\text{input costs} + \text{dispersion} - 1)]$$

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

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

$$\text{Land rights} = 0.0035 * [\text{land rights}]$$

$$\text{Native title} = 0.013 * [\text{native title}]$$

$$\text{Isolation} = 0.0035 * [\text{isolation}].$$

13 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 2006-07

14 Table 4 shows for 2006-07, 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, 2006-07

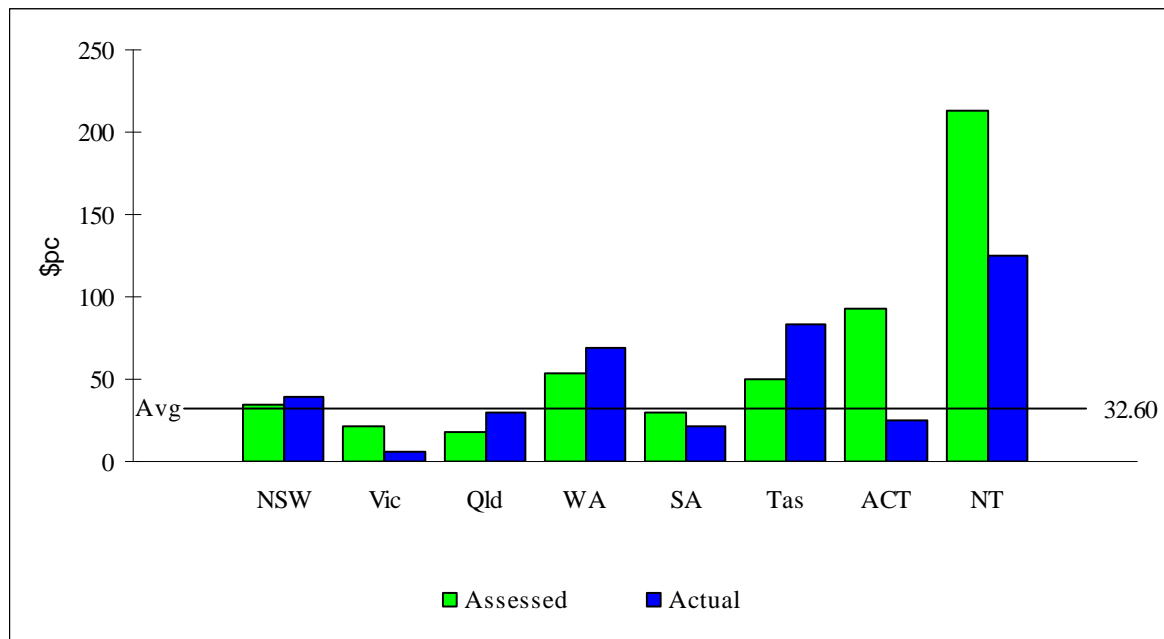
	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual expenses	39.38	6.51	29.70	69.33	21.12	83.39	24.69	124.70	32.60
Assessed expenses	34.09	21.98	17.94	53.31	29.46	49.68	92.79	213.00	32.60
	%	%	%	%	%	%	%	%	%
Assessed cost of providing services ratio ^(a)	104.59	67.44	55.04	163.54	90.37	152.39	284.63	653.39	100.00

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

15 Table 10 at the end of this working paper shows the actual, average and assessed expenses for each State for all years of the 2008 Update.

16 Figure 1 illustrates the per capita actual, average and assessed expenses per capita for National Parks and Wildlife Services for 2006-07.

Figure 1 National Parks and Wildlife Services, expenses per capita — assessed, actual and average, 2006-07



CONTRIBUTION TO GST REVENUE DISTRIBUTION

17 Table 5 shows the category's contribution to the distribution of GST revenue and health care grants (hereafter GST revenue) for the 2008 Update. It also shows the contribution of each factor and component.

Differences from an equal per capita assessment

18 Table 5 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 managing national parks. It was measured using the proportion of the State population located near national parks and the unit cost of different park types;
- 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%;
- 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;
- dispersion – which recognised differences in the per capita costs of service provision associated with the spread of a State's population; and
- administrative scale — which recognised the differences in the costs of operating the minimum administrative structures required to provide States services.

19 The category factor reflected the following on a State by State basis.

- *New South Wales* — The GST revenue redistribution for New South Wales was positive, primarily because its above-average proportion of its population living near national parks outweighed the 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 a 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 5 National Parks and Wildlife Services, contribution of assessment to GST revenue distribution, 2008 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	-3.5	-2.0	0.8	1.4	2.8	3.1	3.3	11.4
Input costs	0.3	0.0	-0.2	0.0	-0.1	0.0	0.0	0.0	0.3
Component factor	-5.7	-3.5	-2.1	0.7	1.3	2.7	3.2	3.4	11.3
Indigenous involvement in parks									
Socio-demographic									
composition	-12.3	-12.4	2.9	7.7	-2.0	-1.1	-0.8	18.0	28.6
Dispersion	-2.0	-1.5	-0.7	2.7	1.5	-0.1	-0.1	0.3	4.4
Input costs	0.3	0.0	-0.2	-0.1	-0.1	0.0	0.0	0.0	0.3
Component factor	-13.6	-12.4	-1.0	9.7	-1.9	-1.1	-0.8	21.0	30.8
Visitor impact									
Economic environment	-11.1	2.6	-0.6	5.7	-2.3	1.4	1.6	2.7	13.9
Dispersion	-11.0	-8.5	-3.8	14.8	8.3	-0.6	-0.6	1.4	24.5
Input costs	1.8	-0.2	-0.9	-0.3	-0.4	-0.2	0.1	0.0	1.9
Component factor	-20.3	-7.4	-6.0	22.5	4.5	0.4	0.8	5.5	33.6
Conservation									
Physical environment	67.1	-28.2	-54.9	-5.5	-13.9	9.2	22.4	3.8	102.4
Dispersion	-13.9	-10.7	-4.8	18.6	10.4	-0.7	-0.7	1.8	30.8
Input costs	2.3	-0.2	-1.2	-0.4	-0.5	-0.2	0.1	0.1	2.4
Component factor	52.8	-34.2	-55.8	10.9	-8.9	7.6	19.8	7.9	99.0
Marine parks									
Marine parks	0.2	0.1	0.1	0.1	0.0	0.0	-0.6	0.0	0.6
Component factor	0.2	0.1	0.1	0.1	0.0	0.0	-0.6	0.0	0.6
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	-0.2	-0.1	0.0	2.2	2.2
Component factor	-0.7	-0.5	-0.4	-0.2	-0.2	-0.1	0.0	2.2	2.2
Native title									
Native title	-1.2	-1.7	-0.5	2.7	0.0	-0.2	-0.1	1.0	3.7
Component factor	-1.2	-1.7	-0.5	2.7	0.0	-0.2	-0.1	1.0	3.7
Isolation									
Isolation	-0.8	-0.6	-0.5	0.2	0.0	0.1	0.0	1.6	1.9
Component factor	-0.8	-0.6	-0.5	0.2	0.0	0.1	0.0	1.6	1.9
Redistribution from EPC resulting from the 2008 Update assessment									
	10.7	-60.2	-66.2	46.5	-5.1	9.4	22.4	42.5	131.6

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 a 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 partly 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 who were living in remote areas and diseconomies of scale.

CHANGES SINCE THE 2007 UPDATE

Major changes in this update

Main reason for change

- 20 This category saw very little change from the 2007 Update. The category also reduced in importance, because its expenses grew at a slower rate than the GST pool.

Effect of assessment on the distribution of GST revenue

- 21 Table 6 shows the distribution of GST revenue resulting from the assessments in the 2007 Update and the 2008 Update. It also shows the sources of the changes.
- 22 Changes in the distribution of GST revenue between the 2007 Update and the 2008 Update were brought about because the Commission:
- used revised financial data in the average expenses and other revised data in factor calculations for the years 2001-02 to 2005-06;

- replaced 2001-02 average expenses and factors with those of 2006-07 to move forward the five-year period on which GST revenue distribution was 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 on the relative costs of those services; and
- replaced 2001 Census population data with 2006 Census data from 2004-05 for measurement of remote Indigenous populations.

Table 6 National Parks and Wildlife Services, effect of assessment on GST revenue distribution, 2007 Update to 2008 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 2007 Update assessment (a)	10.5	-62.4	-67.7	47.2	-4.9	9.8	23.4	44.2	135.1
Effect of revising category averages and factors for 2001-02 to 2005-06									
Category average	0.0	-0.1	-0.1	0.1	0.0	0.0	0.0	0.1	0.3
Category factors	0.3	0.0	-0.2	-0.1	-0.2	0.0	0.0	0.3	0.6
Interactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.3	-0.1	-0.4	0.0	-0.3	0.0	0.0	0.4	0.7
Effect of replacing 2001-02 category averages and factors with those for 2006-07									
Category average	-0.4	2.6	2.7	-1.8	0.2	-0.4	-1.0	-1.9	5.5
Category factors	0.4	-0.4	-1.1	1.4	-0.2	0.1	-0.1	-0.2	1.9
Interactions	-0.1	0.1	0.2	-0.3	0.0	0.0	0.0	0.0	0.3
Total	-0.1	2.3	1.9	-0.7	0.1	-0.3	-1.0	-2.0	4.2
Redistribution from EPC resulting from the 2008 Update assessment (a)	10.7	-60.2	-66.2	46.5	-5.1	9.4	22.4	42.5	131.6
Total effect of revisions and updating (b)	0.2	2.2	1.5	-0.7	-0.2	-0.3	-1.0	-1.6	3.9

(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 2007 Update and the 2008 Update. It does not necessarily equal the difference in the total redistribution from EPC between the two inquiries.

- 23 Compared with an equal per capita (EPC) assessment, the 2008 Update redistributed \$131.6 million away from Victoria, Queensland and South Australia to the other States. Compared with the 2007 Update, the biggest changes were to Victoria (\$2.2 million), Queensland (\$1.5 million) and the Northern Territory (-\$1.6 million).

- 24 Table 7 shows the changes in GST revenue attributable to changes in each factor arising from both revisions over the period 2001-02 to 2005-06 and replacing 2001-02 data with 2006-07 data.

Table 7 National Parks and Wildlife Service, effect of assessment on GST revenue distribution by factor, 2007 Update to 2008 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	0.4	0.1	0.0	0.0	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	0.0
Conservation									
Physical environment	-3.0	1.2	1.5	0.5	0.8	-0.4	-0.5	-0.1	4.0
Dispersion	0.7	0.1	0.0	-0.5	-0.2	0.0	0.1	-0.1	0.9
Input costs	-0.3	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.3
Visitor impact									
Economic environment	1.3	-0.2	-0.5	0.2	0.0	0.0	-0.1	-0.7	1.5
Dispersion	0.5	0.4	0.2	-0.4	-0.3	0.0	0.0	-0.3	1.0
Input costs	-0.2	-0.1	0.2	0.1	0.0	0.0	0.0	0.0	0.3
Indigenous involvement in parks									
Socio-demographic composition	0.6	0.4	-0.4	-0.5	-0.2	0.0	0.0	0.1	1.2
Dispersion	0.1	0.0	0.2	-0.2	0.0	0.0	0.0	0.0	0.3
Input costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Marine parks									
Marine parks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Native title									
Native title	0.1	-0.1	-0.5	0.6	0.0	0.0	0.0	0.0	0.7
Isolation									
Isolation	0.1	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.1

- 25 The main reasons for the changes in GST revenue distribution between the two updates are explained in more detail in the following sections.

Changes due to revising average expenses and factors for years 2001-02 to 2005-06*Revising average expenses.*

- 26 Table 8 shows the average expenses for the six financial years of this update and those of the previous update.
- 27 For this category, net minor upward revisions were made to average expenses for 2001-02 to 2005-06. This marginally increased the amount of GST revenue redistributed for that period (\$0.3 million), but because the amount was small, it had little effect on the GST revenue shares of the States. Victoria and Queensland both had the lowest assessed costs of providing services and so both received a smaller redistribution (\$0.1 million less each).

Table 8 National Parks and Wildlife Services, Average expenses used in the 2007 and 2008 Updates

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
2008 Update		29.71	31.23	30.02	30.03	30.54	32.60
2007 Update	26.49	29.71	31.18	30.02	29.70	30.63	
Difference	-	0.00	0.05	0.00	0.34	-0.09	-

Revising category factors.

- 28 An amount of \$0.6 million was redistributed as a result of revising category factors — New South Wales and the Northern Territory received slightly more in their distributions, while Queensland, Western Australia and South Australia received less. The most significant change was the redistribution of \$0.3 million to the Northern Territory due to changes in the disability relating to Indigenous involvement in parks arising from revised Census data. Changes in the other States were due to the combined effect of smaller changes in this and other factors, with no particular factor showing a dominant influence.

Changes in State circumstances — replacing 2001-02 with 2006-07 data

- 29 Table 9 shows the actual expenses and implied costs of service provision for 2001-02, the year that drops out of the assessment period, and 2006-07, the year that comes in, for the 2008 Update assessment.

Replacing average expenses.

- 30 Although State spending on national parks has increased since 2001-02, (17.2 per cent), it has not kept pace with the growth in the GST pool (43.9 per cent). So, replacing the 2001-02 average expenses with 2006-07 average expenses has reduced the effect of the category on GST distribution and reduced the distribution to States assessed to have above average cost of providing services (New South Wales, Western Australia, Tasmania, the Australian Capital Territory and the Northern Territory). It has increased the GST distribution to the other States. The total amount redistributed was \$5.5 million.

Table 9 National Parks and Wildlife Services, actual expenses and assessed cost of providing services, 2001-02 and 2006-07

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual expenses									
2001-02	36.86	9.30	22.51	64.21	11.61	65.45	49.77	109.73	29.71
2006-07	39.38	6.51	29.70	69.33	21.12	83.39	24.69	124.70	32.60
	%	%	%	%	%	%	%	%	%
Change between 2001-02 and 2006-07	6.83	-30.01	31.96	7.98	81.94	27.40	-50.38	13.63	9.74
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Assessed expenses									
2001-02	30.74	20.15	17.13	46.13	27.08	44.68	85.20	197.22	29.71
2006-07	34.09	21.98	17.94	53.31	29.46	49.68	92.79	213.00	32.60
	%	%	%	%	%	%	%	%	%
Assessed cost of providing services ratio									
2001-02	103.48	67.83	57.65	155.29	91.16	150.39	286.81	663.86	100.00
2006-07	104.59	67.44	55.04	163.54	90.37	152.39	284.63	653.39	100.00

Replacing category factors.

31 As Table 9 shows, the cost of providing services increased in New South Wales, Western Australia and Tasmania. This was due to higher than average growth in visitor numbers for these states (compared with 2001-02, the year which dropped out of the assessment period). Western Australia's Native title and input costs also increased, contributing to the effect for it. As a result, replacing the 2001-02 factors with 2006-07 factors increased the GST shares of those States (\$1.9 million), because they needed a higher proportion of revenue to deliver the services. The shares of the other States were reduced because they had lower than average growth in their visitor numbers. Queensland and South Australia also had a decline in their Indigenous involvement disabilities. Northern Territory's decline in visitor numbers was offset by an increase in its assessed disabilities for Indigenous involvement and Land rights.

This working paper was prepared by the Transport and Other Services section of the Commonwealth Grants Commission. If you have any questions about its content please contact Glenn Pure on (02) 6229 8816 or glenn.pure@cgc.gov.au



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Table 10 Assessment of expenses, National Parks and Wildlife Services

	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 Expenses		31.23		30.02		30.03		30.54		32.60
New South Wales										
Assessed difference	8.348	1.25	8.421	1.26	7.341	1.09	10.012	1.47	10.249	1.49
Expenses - Assessed	216.128	32.49	209.312	31.28	209.526	31.12	217.334	32.01	233.747	34.09
Actual	274.719	41.29	248.002	37.06	246.150	36.56	232.000	34.17	270.000	39.38
Victoria										
Assessed difference	- 51.057	- 10.43	- 50.131	- 10.11	- 47.204	- 9.40	- 50.231	- 9.87	- 54.858	- 10.62
Expenses - Assessed	101.832	20.80	98.637	19.90	103.530	20.63	105.237	20.67	113.602	21.98
Actual	53.000	10.83	22.000	4.44	20.000	3.98	39.000	7.66	33.653	6.51
Queensland										
Assessed difference	- 51.564	- 13.69	- 51.170	- 13.25	- 53.607	- 13.55	- 55.736	- 13.77	- 60.619	- 14.66
Expenses - Assessed	66.098	17.54	64.777	16.77	65.204	16.48	67.908	16.77	74.201	17.94
Actual	93.961	24.94	107.991	27.96	106.997	27.04	100.990	24.94	122.831	29.70
Western Australia										
Assessed difference	37.596	19.39	36.993	18.80	36.401	18.20	38.048	18.66	43.127	20.71
Expenses - Assessed	98.138	50.63	96.073	48.81	96.462	48.23	100.303	49.20	111.001	53.31
Actual	109.000	56.23	111.000	56.40	128.992	64.50	132.986	65.23	144.356	69.33
South Australia										
Assessed difference	- 4.309	- 2.82	- 3.864	- 2.52	- 4.531	- 2.93	- 4.508	- 2.89	- 4.952	- 3.14
Expenses - Assessed	43.360	28.41	42.251	27.50	41.915	27.10	43.146	27.65	46.447	29.46
Actual	22.069	14.46	26.082	16.98	26.072	16.86	40.000	25.63	33.304	21.12
Tasmania										
Assessed difference	7.855	16.54	8.014	16.67	8.039	16.58	7.944	16.26	8.397	17.08
Expenses - Assessed	22.692	47.77	22.443	46.69	22.597	46.61	22.861	46.80	24.425	49.68
Actual	36.000	75.78	45.983	95.66	42.592	87.85	35.808	73.31	40.997	83.39
Australian Capital Territory										
Assessed difference	18.894	58.29	18.421	56.47	18.327	55.78	18.864	56.78	20.265	60.19
Expenses - Assessed	29.018	89.52	28.213	86.49	28.193	85.81	29.010	87.32	31.241	92.79
Actual	13.000	40.11	21.000	64.38	18.000	54.79	19.000	57.19	8.314	24.69
Northern Territory										
Assessed difference	34.237	171.66	33.316	165.83	35.235	172.49	35.606	170.59	38.390	180.40
Expenses - Assessed	40.465	202.90	39.347	195.85	41.369	202.52	41.980	201.13	45.328	213.00
Actual	15.982	80.13	18.995	94.55	19.993	97.87	27.996	134.13	26.536	124.70

Note: ACT expenses may include municipal expenses. Attachment A, 2008 Update, *RFCS* for how State actual figures are compiled.