

NATIONAL PARKS AND WILDLIFE SERVICES USER CHARGES — ASSESSMENT RESULTS

- 1 This working paper describes the user charges 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 3 of the 2004 Review Working Papers.

DESCRIPTION OF THE CATEGORY

- 2 The National Parks and Wildlife Services user charges category comprised user charges collected from fees and charges associated with the administration, regulation, planning, support and management of national parks and wildlife services. More specifically, the category included fees and charges collected from visitor entry fees, camping fees, publication sales, use of recreation facilities, leases and licenses, and fauna permits and licences¹.
- 3 Table 1 shows average user charges for the last six financial years for National Parks and Wildlife Services. In 2006-07, average user charges of \$4.46 per capita represented 0.63 per cent of total average user charges and 13.68 per cent of the National Parks and Wildlife category average expenses.

Table 1 National Parks and Wildlife Services User Charges, 2001-02 to 2006-07

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
Average user charges (\$pc)	7.00	3.32	2.86	4.44	4.38	4.46
% of total user charges	1.21	0.54	0.46	0.69	0.64	0.63
% of category average expenses	23.56	10.63	9.53	14.78	14.33	13.68

¹ Revenue in this category is derived from data collated by the Australian Bureau of Statistics Government Purpose Classification for National Parks and Wildlife Services (GPC 0811). Over the assessment period the amounts in this GPC category have changed, suggesting that some States have classified the revenue to a different category during the period.

DEVELOPMENTS SINCE THE 2007 UPDATE

4 There were no new developments in the assessment since the last update.

ASSESSMENT METHOD

Description of the assessment

5 The National Parks and Wildlife Services user charges assessment for the 2008 Update was carried out using one component: user charges.

6 In the 2006 Update National Parks and Wildlife Services user charges were assessed using the proportion of the population visiting national parks, discounted by 50 per cent. For the 2007 Update, the Commission discounted the impact of visitor number data by a further 50 per cent and froze visitor number data for future Updates, because of ongoing concerns about data comparability. These discounts have been carried into the 2008 Update.

Assessment structure

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

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

Component	Component weight	Factors	Basis of calculation
	%		
Revenue raising capacity	100.00	User charges factor	Based on the proportion of the population visiting national parks, weighted by 50 per cent.

CALCULATING THE CATEGORY FACTOR

8 Table 3 summarises the components, component weights and disability 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 User Charges, derivation of category factor, 2008 Update, 2006-07

Factors	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
User charges (component weight = 100 %)								
User charges	0.9493	1.0266	0.9850	1.0901	0.9406	1.0871	1.1567	1.3890
Component factor	0.9493	1.0266	0.9850	1.0901	0.9406	1.0871	1.1567	1.3890
A Wgted comp factor	0.9493	1.0266	0.9850	1.0901	0.9406	1.0871	1.1567	1.3890
Category factor	0.9493	1.0266	0.9850	1.0901	0.9406	1.0871	1.1567	1.3890

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.

9 The category factor was calculated as follows:

$$\text{category factor} = 100.0 [\text{user charges factor}]$$

10 The contribution to the category factor was calculated as the component weight (the percentage in the table) multiplied by the component factor (the bracketed terms in the formula). The component's contribution to the category factor was scaled to ensure the sum of assessed user charges equalled average user charges.

RESULTS FOR 2006-07

11 Table 4 shows actual, average and assessed user charges per capita and the revenue raising capacity ratios for 2006-07. The revenue raising capacity ratios are equivalent to the category factor show in Table 3.

Table 4 National Parks and Wildlife Services User Charges, assessment results, 2006-07

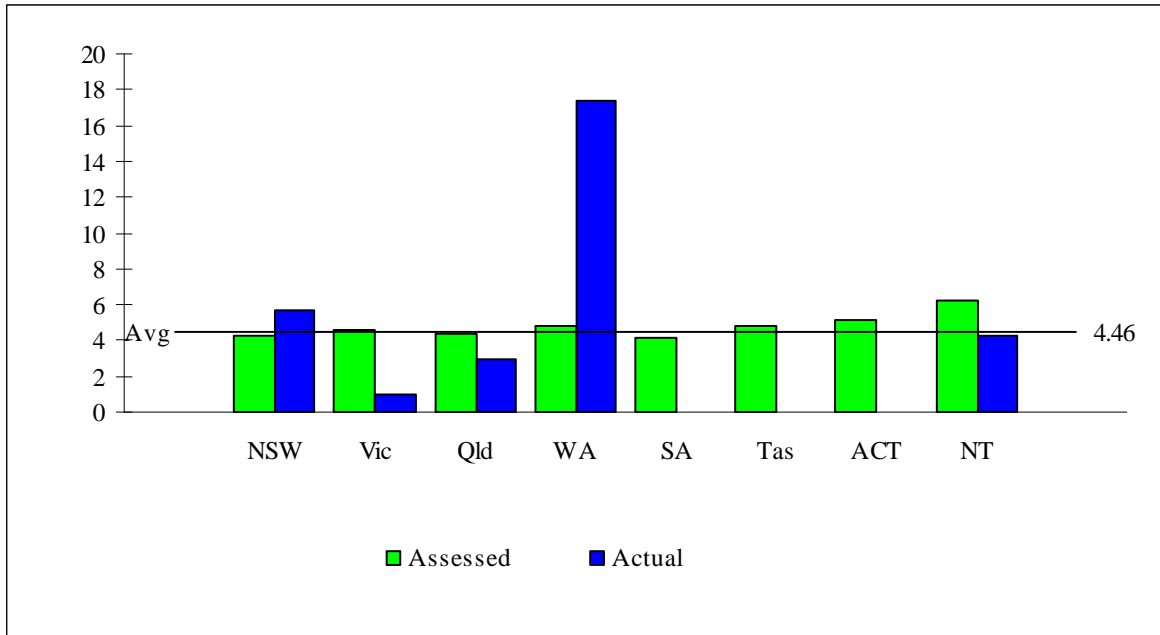
	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Actual user charges	5.69	0.97	2.90	17.34	0.00	0.00	0.00	4.21	4.46
Assessed user charges	4.23	4.58	4.39	4.86	4.19	4.85	5.16	6.19	4.46
	%	%	%	%	%	%	%	%	%
Assessed revenue raising capacity ratio(a)	94.93	102.66	98.50	109.01	94.06	108.71	115.67	138.90	100.00

(a) The revenue raising capacity ratio is the ratio of assessed user charges per capita to average user charges per capita.

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

13 Figure 1 illustrates the actual, average and assessed user charges for National Parks and Wildlife Services for 2006-07.

Figure 1 National Parks and Wildlife Services user charges, revenue per capita – assessed, actual and average, 2008 Update, 2006-07



CONTRIBUTION TO GST REVENUE DISTRIBUTION

14 Table 5 shows the category’s contribution to the distribution of GST revenues and health care grants (hereafter GST revenue) implied by the 2008 Update.

Table 5 National Parks and Wildlife Services User Charges – 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
NPWS user charges									
User charges	1.9	-0.5	0.1	-0.9	0.4	-0.2	-0.3	-0.4	2.4
Cont. to category factor	1.9	-0.5	0.1	-0.9	0.4	-0.2	-0.3	-0.4	2.4
Redistribution from EPC resulting from the 2008 Update assessment									
Update assessment	1.9	-0.5	0.1	-0.9	0.4	-0.2	-0.3	-0.4	2.4

Differences from equal per capita

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

- *New South Wales* — New South Wales had the largest positive GST revenue redistribution, due to the below-average per capita visitors to national parks.

- *Victoria* — GST revenue redistribution was negative for Victoria because the per capita visitation of national parks was slightly above average, giving it greater revenue raising capacity.
- *Queensland* — Queensland had a very small GST revenue redistribution because it had an average per capita visitation of national parks.
- *Western Australia* — The negative GST revenue redistribution for Western Australia was due to the above-average per capita visitation of national parks.
- *South Australia* — South Australia had a below-average per capita visitation of national parks and, therefore, a positive GST revenue redistribution.
- *Tasmania* — Tasmania had a negative GST revenue redistribution because it had above-average per capita visitors to national parks.
- *The Australian Capital Territory* — The negative GST revenue redistribution for the ACT was due to the above-average visitation of national parks.
- *The Northern Territory* — The Northern Territory had a negative GST revenue redistribution due to the above-average per capita visitation national parks.

CHANGES SINCE THE 2007 UPDATE

Major changes in this update

Main reason for change

- 16 This category saw very little change from the 2007 Update. Over the assessment period the category has reduced in importance, because user charges declined (-32%). As previously noted, this may be partly caused by a change in the way that some States are reporting national parks revenue.

Effect of assessment on the distribution of GST revenue

- 17 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.
- 18 Changes in the distribution of GST revenue between the 2007 Update and the 2008 Update were brought about because the Commission:
- used revised user charges data and other revised data in updating factor calculations for the years 2001-02 to 2005-06; and
 - replaced 2001-02 user charges 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.

Table 6 National Parks and Wildlife Services User charges, 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)	2.5	-0.6	0.0	-1.0	0.5	-0.3	-0.4	-0.7	3.0
Effect of revising category averages and factors for 2001-02 to 2005-06									
Category average	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Category factors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interactions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effect of replacing 2001-02 category averages and factors with those for 2006-07									
Category average	-0.5	0.1	0.0	0.1	-0.1	0.0	0.1	0.1	0.6
Category factors	-0.2	0.0	0.2	-0.1	0.0	0.0	0.0	0.1	0.4
Interactions	0.1	0.0	-0.1	0.1	0.0	0.0	0.0	-0.1	0.2
Total	-0.6	0.1	0.1	0.1	-0.1	0.0	0.1	0.2	0.7
Redistribution from EPC resulting from the 2008 Update assessment (a)	1.9	-0.5	0.1	-0.9	0.4	-0.2	-0.3	-0.4	2.4
Total effect of revisions and updating (b)	-0.6	0.2	0.1	0.1	-0.1	0.0	0.1	0.2	0.7

(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.

19 Compared with an equal per capita (EPC) assessment, the 2008 Update redistributed \$2.4 million away from Victoria, Western Australia, Tasmania, the Australian Capital Territory and the Northern Territory to New South Wales, Queensland and South Australia. The amount redistributed was less than in the 2007 Update, reflecting the decreased importance of the category in State budgets.

20 Table 7 shows the changes in GST revenue attributable to changes in the user charges 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 Services User charges, 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
User Charges									
User Charges	1.9	-0.5	0.1	-0.9	0.4	-0.2	-0.3	-0.4	2.4

21 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 revenues and factors for years 2001-02 to 2005-06

Revising average user charges.

- 22 Table 8 shows the average user charges for the six financial years of this update and those of the previous update.
- 23 Minor downward revisions were made to average user charges, which had no discernible effect on the redistribution of GST revenue between the States.

Table 8 National Parks and Wildlife Services, Average user charges 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		7.00	3.32	2.86	4.44	4.38	4.46
2007 Update	7.86	6.98	3.32	2.85	4.45	4.68	
Difference	-	0.02	0.00	0.01	-0.01	-0.30	-

Revising category factors.

- 24 As Table 6 shows, the 2008 Update saw no effect on GST redistribution arising from a revision of revenue raising capacities.

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

- 25 Table 9 shows the actual user charges and implied revenue raising capacity ratios 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 user charges.

- 26 Between 2001-02 and 2006-07, per capita average user charges declined by 32 per cent, compared with an increase in the per capita GST pool of 43.9 per cent. This made the category less important to the calculation of relativities and reduced its overall redistribution. There was a \$0.6 million decrease in the GST revenue shares of the States assessed to have a below average capacity to raise revenue — New South Wales and South Australia. States with above average revenue raising capacity received slightly more GST distribution than the

National Parks and Wildlife Services User Charges

last update, although the effect was too small to have a noticeable effect for Queensland and Tasmania.

Table 9 National Parks and Wildlife Services User charges, actual and assessed user charges, and capacity to raise user charges, 2001-02 and 2006-07

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Avg
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
<i>Actual user charges</i>									
2001-02	5.45	0.98	3.54	23.51	2.64	67.76	3.12	5.02	7.00
2006-07	5.69	0.97	2.90	17.34	0.00	0.00	0.00	4.21	4.46
	%	%	%	%	%	%	%	%	%
Change between 2001-02 and 2006-07	4.46	-1.15	-18.15	-26.23	-100.00	-100.00	-100.00	-16.04	-36.29
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
<i>Assessed user charges</i>									
2001-02	6.53	7.19	7.06	7.46	6.67	7.47	8.44	11.59	7.00
2006-07	4.23	4.58	4.39	4.86	4.19	4.85	5.16	6.19	4.46
	%	%	%	%	%	%	%	%	%
<i>Assessed revenue raising capacity ratios</i>									
2001-02	93.25	102.69	100.87	106.66	95.25	106.68	120.55	165.65	100.00
2006-07	94.93	102.66	98.50	109.01	94.06	108.71	115.67	138.90	100.00

Replacing category factors.

27 Table 9 shows that revenue raising capacity in 2006-07 was higher than the 2001-02 capacity for New South Wales, Western Australia and Tasmania. This was because per capita visitor numbers for these States grew more quickly than average. Per capita visitor numbers declined in relative terms for Queensland, South Australia, the Australian Capital Territory and the Northern Territory, while those in Victoria grew at close to the average rate of growth. The total effect of replacing the category factors was to redistribute \$0.4 million, by reducing the shares for New South Wales and Western Australia and increasing the shares for Queensland and the Northern Territory. The effect for South Australia, the Australian Capital Territory and Northern Territory was small and has rounded to zero in the table.

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



Date: 29 February 2008

Table 10 Assessment of user charges, National Parks and Wildlife Services User Charges

	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		3.32		2.86		4.44		4.38		4.46
New South Wales										
Assessed difference	1.452	0.22	1.246	0.19	2.137	0.32	1.534	0.23	1.549	0.23
Revenue - Assessed	20.639	3.10	17.906	2.68	27.747	4.12	28.179	4.15	29.021	4.23
Actual	35.000	5.26	34.000	5.08	37.000	5.50	38.000	5.60	39.027	5.69
Victoria										
Assessed difference	- 0.082	- 0.02	- 0.048	- 0.01	- 0.872	- 0.17	- 0.594	- 0.12	- 0.612	- 0.12
Revenue - Assessed	16.337	3.34	14.231	2.87	23.151	4.61	22.875	4.49	23.654	4.58
Actual	3.733	0.76	5.333	1.08	5.000	1.00	5.000	0.98	5.000	0.97
Queensland										
Assessed difference	- 0.054	- 0.01	- 0.051	- 0.01	0.095	0.02	0.238	0.06	0.276	0.07
Revenue - Assessed	12.564	3.33	11.105	2.87	17.465	4.41	17.483	4.32	18.165	4.39
Actual	8.961	2.38	12.991	3.36	11.997	3.03	11.990	2.96	11.983	2.90
Western Australia										
Assessed difference	- 0.808	- 0.42	- 0.649	- 0.33	- 0.797	- 0.40	- 0.823	- 0.40	- 0.836	- 0.40
Revenue - Assessed	7.245	3.74	6.281	3.19	9.674	4.84	9.746	4.78	10.120	4.86
Actual	2.000	1.03	2.000	1.02	31.992	16.00	33.986	16.67	36.104	17.34
South Australia										
Assessed difference	0.255	0.17	0.203	0.13	0.373	0.24	0.411	0.26	0.418	0.26
Revenue - Assessed	4.813	3.15	4.193	2.73	6.492	4.20	6.418	4.11	6.613	4.19
Actual	4.000	2.62	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Tasmania										
Assessed difference	- 0.173	- 0.36	- 0.189	- 0.39	- 0.259	- 0.53	- 0.180	- 0.37	- 0.191	- 0.39
Revenue - Assessed	1.750	3.68	1.565	3.26	2.411	4.97	2.318	4.75	2.383	4.85
Actual	9.000	18.95	0.983	2.04	2.000	4.13	0.000	0.00	0.000	0.00
Australian Capital Territory										
Assessed difference	- 0.218	- 0.67	- 0.197	- 0.60	- 0.230	- 0.70	- 0.227	- 0.68	- 0.235	- 0.70
Revenue - Assessed	1.294	3.99	1.131	3.47	1.688	5.14	1.681	5.06	1.737	5.16
Actual	1.000	3.09	0.000	0.00	0.000	0.00	0.000	0.00	0.000	0.00
Northern Territory										
Assessed difference	- 0.372	- 1.87	- 0.316	- 1.57	- 0.448	- 2.19	- 0.358	- 1.72	- 0.369	- 1.73
Revenue - Assessed	1.035	5.19	0.891	4.43	1.354	6.63	1.272	6.09	1.318	6.19
Actual	1.982	9.94	1.995	9.93	1.993	9.76	0.996	4.77	0.896	4.21

Note: Refer to Attachment A of the 2008 Update, Relative Fiscal Capacity of States for how these figures are compile.