



**NORTHERN TERRITORY VIEWS ON
CGC POSITION PAPER 2008/08**

INSURANCE TAX

FEBRUARY 2009

**COMMONWEALTH GRANTS COMMISSION
GENERAL REVENUE GRANT RELATIVITIES
2010 REVIEW**

Key Points

- The Territory broadly supports the Commission's proposal to assess CTP and general and life insurance together.
- The Territory supports the exclusion of employer's liability, re-insurance premiums and fire services levies.

This submission details the Territory's views on issues raised in the Commonwealth Grants Commission's (the Commission's) Position Paper, *Insurance Tax 2008/08*.

The Commission proposes:

- assessing compulsory third party (CTP) insurance and general and life insurance together;
- assessing capacity using total insurance premiums less premium revenue from:
 - employer's liability insurance;
 - reinsurance; and
 - fire services levies

CTP Insurance

The Territory broadly supports the Commission's proposal to assess CTP and general and life insurance together as a differential assessment fails the \$10 per capita materiality threshold.

Assessment of Capacity

The Territory supports the Commission's proposal to exclude employer's liability, re-insurance premiums and fire services levies as this reflects average state policy.