



Australian Government

Commonwealth Grants Commission

**REVIEW OF THE FINANCIAL CAPACITY OF
NORFOLK ISLAND
2006**

ISSUES PAPER CGC 2006/1

MARCH 2006

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INTRODUCTION

- 1 On 20 February 2006, the Minister for Local Government, Territories and Roads announced that advice from the Commonwealth Grants Commission (the Commission) would be sought on State and local government funding arrangements for Norfolk Island. A draft of the terms of reference is provided in Box 1.

Box 1 Draft terms of reference for the Norfolk Island Inquiry 2006

Pursuant to Section 16C of the Commonwealth Grants Commission Act 1973, I ask the Commission to advise on the financial capacity of Norfolk Island (henceforth, the Island) to provide State and local government services comparable to the services available in comparable communities in the States and Territories (henceforth, the States), having regard to the circumstances of the Island and assuming that the Island makes the Australian average revenue raising effort from its State and local government equivalent revenue bases and that the Island operates at the average level of efficiency.

In particular, advice is sought on:

- (i) what it might cost to provide State and local government services, including depreciation, on the Island at the average range and levels provided in the States, recognising the size and circumstances of the island, assuming that the Island government operates at the same level of efficiency as State and local governments;
- (ii) the capacity of the Island to raise revenue from a comparable range of taxes and charges levied by State and local governments and at the average levels of these taxes and charges;
- (iii) the amount of financial assistance needed from the Australian Government to allow the Island to meet the cost of providing the services mentioned above (including the actual cost of servicing its existing loan agreements) having regard to the Island's capacity to raise revenue also mentioned above; and
- (iv) how much local government funding the Australian Government might provide to Norfolk Island on a basis consistent with local government funding arrangements applying in the rest of Australia.

The Commission is to provide a preliminary report by end June 2006 and a final by the end of September 2006.

- 2 As the Minister announced, advice is being sought by the Australian Government from a number of Commonwealth agencies on a range of matters. The Commission is one of those agencies. We will be providing advice on how much financial assistance the Australian Government would need to provide to Norfolk Island. The amount should enable State and local government services to be provided on the Island at comparable Australian average levels, if Australian average revenue raising efforts are made and if the Island operates at the average level of efficiency.
- 3 In particular, the draft terms of reference ask the Commission to provide advice on:
 - the estimated cost of providing the average range and level of State and local government services on the Island, taking into account the circumstances of the Island;
 - the capacity of the Norfolk Island community to raise revenue from an average range of State and local government taxes at Australian average tax rates, again taking into account the circumstances of the Island;
 - the gap between these two measures, including an additional allowance, if required, for the cost of servicing existing loan agreements; and

- how much local government funding the Australian Government might provide to Norfolk Island on a basis consistent with local government funding arrangements applying in the rest of Australia.
- 4 We are not asked to consider the cost of providing Australian Government services on Norfolk Island or its capacity to raise Australian Government taxes. Other Commonwealth agencies will be undertaking that work.
 - 5 The Commission is to provide a preliminary report by the end June 2006 and a final report by the end of September 2006.
 - 6 The purpose of this paper is to set out how the Commission proposes to respond to the draft terms of reference and to seek the views and assistance of interested parties. The paper provides:
 - some background to this inquiry;
 - a proposed approach to the inquiry;
 - the processes the Commission plans to follow to prepare its report;
 - an explanation of how the parties to the inquiry — the Australian and Norfolk Island Governments and the Norfolk Island community might assist; and
 - some background information on the Commission.

BACKGROUND TO THE INQUIRY

- 7 The Australian Government wishes to ensure that the people of Norfolk Island receive services of a comparable standard to services delivered to comparable communities elsewhere in Australia.
- 8 In 1997, the Commonwealth Grants Commission¹ concluded that the Norfolk Island Government had the capacity to meet all mainland service and infrastructure standards (Australian, State and local government) if it made revenue raising efforts at mainland levels. It found that Norfolk Island could do this without general revenue assistance from the Australian Government. It also found that, provided the Norfolk Island Government increased its revenue raising effort, it had the capacity to take over additional services.
- 9 The report noted, however, that the Norfolk Island economy was heavily reliant on the tourist industry and, as a consequence, was vulnerable to external influences. The main findings of the 1997 inquiry relevant to this inquiry are listed in Box 2.
- 10 Since then, there have been a range of parliamentary and independent reports that have expressed concerns about the level of services delivered on the Island and, more recently, about the financial sustainability of the Island's governance arrangements.

¹ Commonwealth Grants Commission (1997) Report on Norfolk Island 1997, Australian Government Publishing Service, Canberra.

Box 2 Selected main findings, Norfolk Island Inquiry 1997

Services and Infrastructure

1. Many services on Norfolk Island are at a standard comparable with those found on the mainland and two, Police and National Parks, are provided above the mainland standard. (Table 6-12)
2. Some services provided by the Norfolk Island Government are below mainland standards. (Table 6.12)
3. Vocational Education and Training is at a much lower level than on the mainland and this is a threat to the long term viability of the Island's economy. (Chapter 6, para 31)
4. Waste disposal on Norfolk is very much below the standard expected by the rest of Australia and the international community. (Chapter 6, para 258)
5. There are some areas, such as the harbour, the airport terminal and the electricity supply, where the condition of the infrastructure is below that found on the mainland or will become inadequate in the short term. (Chapter 6, para 397)

Taxes and Charges

6. Norfolk Island imposes a more limited range of taxes and charges than governments on the mainland. (Table 7-1)
7. The taxation system on Norfolk Island is regressive, generally does not tax wealth or income, and falls disproportionately on tourists. (Chapter 7, paras 24 and 26)
8. In the areas that Norfolk Island does tax, its tax rates are high and indicate a revenue raising effort more than twice that found on the mainland. (Chapter 7, para 37)
9. For those taxes not imposed, Norfolk Island has a very large untapped revenue capacity. (Chapter 7, para 46)
10. Overall, Norfolk Island is assessed to have a revenue raising capacity about 60 per cent higher than what is actually being raised. (Chapter 7, para 48)

Financial Capacity

11. For several reasons, including the ageing of the population and the deterioration of its infrastructure, the Norfolk Island Government is likely to face increased expenditures in the future. (Chapter 8, para 14)
12. For the Norfolk Island Government to bring all its recurrent services up to mainland standards would, on our estimates, require additional annual expenditures of around \$2.5 million. (Table 8-2)
13. To bring Norfolk's infrastructure up to mainland standards would require annual expenditures or provisions for the next ten years of perhaps \$5.5 million (including existing outlays). (Chapter 8, para 24 and Table 8-3)
14. All mainland service and infrastructure standards could be met by revenue raising efforts at mainland levels. (Table 8-4)
15. Taking over additional powers suggested during the inquiry should be within the financial capacity of the Norfolk Island Government, provided it increased its revenue raising effort. (Chapter 8, para 50)
16. There is some justification for the Commonwealth making a contribution to overcome safety problems or improve items of infrastructure that were known to be inadequate before self-government, such as the Cascade Cliff and the harbour. (Chapter 8, para 63)
17. The Norfolk Island Government has an ability to borrow and can afford to do so. Decisions on whether to finance infrastructure through loans should have regard to the costs and benefits. (Chapter 8, para 67 to 71)

- 11 In particular, reports of the Joint Standing Committee on the National Capital and External Territories have expressed concerns about the quality of key services, 'such as social welfare, health and immigration'² and the poor standard of the infrastructure used in service provision, 'notably the hospital and the school'³.
- 12 An independent assessment of the Island's current and future financial pressures carried out last year by Acumen Alliance⁴ found that Norfolk Island's current policies and financial strategies were unsustainable. The assessment revealed a high revenue dependency on tourism, which would have to increase by three fold for the Norfolk Island Government to generate sufficient

² Joint Standing Committee on the National Capital and External Territories (JSCNCET) (2003), *Quis custodiet ipsos cutodes? Inquiry into the Governance on Norfolk Island*, Canberra. See www.aph.gov.au.

³ JSCNCET (November 2005), *Norfolk Island Financial Sustainability: The Challenge — Sink or Swim*, Canberra. See www.aph.gov.au.

⁴ Acumen Alliance (November 2005), *Norfolk Island Government Financial Advisory Report*. See www.dotars.gov.au/localgovt/publications.

revenue to sustain its capital requirements and maintain services. It suggested that the Norfolk Island Government's revenue raising capacity seemed to have reached its limit and that it could become insolvent within the next two years.

- 13 The Commission has been asked to review the Island's State and local government service provision and revenue raising capacity. It will then use that information to estimate the amount of funding that would be required from the Australian Government to allow the Island to meet the cost of providing Australian standards of State and local services, if the Island were to pay State and local government taxes at Australian average tax rates and operate at an average level of efficiency.

PROPOSED APPROACH TO THE INQUIRY

- 14 The terms of reference for this inquiry are narrower than for the inquiry undertaken by the Commission in 1997. We are not required, as we were in 1997:
- to estimate the capacity of Norfolk Island to pay Australian Government taxes or the cost of providing Australian Government services on Norfolk Island;
 - to estimate the capital expenditure required to bring Norfolk Island infrastructure up to Australian average levels; or
 - to comment on the Island's administrative capacity.

Nor are we asked to estimate what would be the minimum cost of providing State-type services if they were provided under contract.

- 15 We are being asked to update our estimates of Norfolk Island's capacity to raise revenue from State and local government revenue bases and of what it would cost to deliver Australian average State and local government services for a comparable community on the Island. In this inquiry, the cost of providing services will include depreciation expenses of an average amount of infrastructure used in service provision by a community like Norfolk Island.
- 16 We are proposing to use an approach similar to that used by the Commission in 1997. At this stage, we are considering whether we can update our previous estimates by scaling them up using available data on changes in the States and on the Island, or whether we need to start from scratch. A decision on how to proceed will not be made until we have a better knowledge of the data available and of the changes that have taken place on the Island.
- 17 For this inquiry, we propose to respond to the terms of reference along the lines set out below.

Norfolk Island's required expenses

- 18 The terms of reference ask us to estimate what it might cost on Norfolk Island to deliver Australian average State services, such as schools education, hospital and law and order services, and local government services, such as roads, waste disposal and recreation facilities, at Australian average levels – the Island's required expenses. Services usually provided by the Australian Government such as health insurance, social security benefits and immigration services are not within the scope of this inquiry. A list of relevant services is provided in Attachment A.

- 19 As in the last inquiry, we will be using a ‘comparable community’ Australian average. This means that, while we recognise that Norfolk Island is unique, it will be necessary for us to determine the standard of services that should be delivered on Norfolk Island by reference to services delivered in similar Australian communities. Such communities will be similar to Norfolk Island in relevant ways. For example, they may have a school-aged population of a comparable size or composition. It would be appropriate for the Norfolk Island school to be resourced in the same way. Where the communities differ, such as in terms of the extra isolation of Norfolk Island, appropriate cost adjustments would also be made.
- 20 The two ways of estimating the Island’s required expenses are explained below.
- 21 ***Starting from scratch.*** As in 1997, we could start by determining the resources used in service delivery on the Island — cataloguing what and how services are provided and what they are costing. We would then compare these resourcing levels with Australian average resourcing levels in comparable communities. We would need to know whether any special circumstances existed on Norfolk Island that required different services or higher or lower resourcing levels. We would then decide whether more or less than is currently spent is needed on Norfolk.
- 22 For example, in the 1997 Inquiry, we found that Norfolk Island had a very limited provision of employment and vocational education and training (VET) services. It had a much smaller requirement for them than the Australian average because it had a much smaller proportion of its population in the relevant age group. However, the economy required appropriately skilled workers (tradesmen and hospitality workers in the case of Norfolk Island), as did other comparable remote communities where basic VET services were provided. We found that the Island’s isolation and small scale of service delivery meant it would cost 30 per cent more than the Australian average per capita spend to deliver such services. We therefore estimated that Norfolk Island needed to spend an additional \$300 000 on providing employment and VET services — the average expenses of the States on providing VET for each person aged 15 and over, increased by 30 per cent, multiplied by the number of people aged 15 years and over on the Island.
- 23 ***Building on previous estimates.*** We could estimate what would need to be spent on Norfolk Island to deliver the Australian average range and level of State and local government services by scaling up the relevant estimates of what it would have cost to do so in 1997 by the change in Australian average expenses since then. The assumption behind such an estimate would be that only the standard of services being delivered on the mainland had changed. For example, the States are now spending more per capita on health services than they were 5 years ago and that change in the average would need to be reflected in Norfolk Island’s required expenses.
- 24 If the service delivery requirements on Norfolk Island had also changed relative to the Australian average, then the estimate would not be very good. We would need to consider other adjustments. For example, if freight costs have increased faster than the Australian average, or if the proportion of school aged children or elderly on the Island has changed relative to the Australian average, we would need to adjust the estimates to reflect those changes as well.

- 25 We would also need to make some adjustments for depreciation expenses that relate to an Australian average amount and standard of infrastructure normally used in service provision in a community comparable with Norfolk. These expenses were not included in the 1997 inquiry.
- 26 The two approaches outlined could be complementary, with the first being used in areas where there has been a lot of change. The other would be appropriate where there has been little.

Norfolk Island's revenue raising capacity

- 27 The terms of reference ask us to estimate what could be raised on Norfolk Island from State taxes, such as payroll tax, land tax or taxes on gambling, and from local government taxes and charges, such as rates and waste disposal levies (see Attachment A), if the average tax rates applied in the States and Territories were adopted. Taxes imposed by the Australian Government, such as income tax and customs duty, or a goods and services tax collected by the Australian Government, are not within the scope of this inquiry.
- 28 We would estimate Norfolk Island's taxable capacity by constructing measures of Norfolk Island's tax bases, taking into account any special circumstances that mean Australian average tax rates cannot be applied to them. We would also consider whether it is practical to impose particular taxes and charges. For example, the tax base may be so small, it may not be worthwhile utilising it.
- 29 We will look at all State and local government taxes and charges, whether they are currently raised on the Island or not. We will examine major sources of revenue, or major tax bases, separately. We would then calculate what Norfolk Island could raise from each tax base at Australian average rates of tax. We would have regard to any special circumstances of the Island that would make raising particular taxes or changes impractical.
- 30 For example, in the 1997 inquiry, the value of land on Norfolk Island was estimated to be \$11 128 per capita, compared with the Australian average base of \$31 201 per capita. The Australian average tax rate for conveyances was 0.50 per cent and for land tax was 0.26 per cent. The Norfolk Island taxable capacity was estimated as \$84 per capita (0.76 times \$11 128).

Financial assistance from the Australian Government

- 31 We would estimate the amount of financial assistance needed from the Australian Government by subtracting Norfolk Island's revenue raising capacity from what it needs to spend to deliver services at Australian average levels (plus an adjustment for any differences between Australian average debt charges and the actual cost of servicing its existing loan agreements). We will estimate the gap for both State and local government activities on Norfolk Island.
- 32 We understand that the Australian Government wishes to ensure that Norfolk Island continues to have the capacity to repay its loans to the Australian Government, regardless of whether this is more or less than the Australian average cost of servicing loans. We will need to obtain information from the Australian Government Department of Finance and Administration to understand what these commitments are so that we can build them into what Norfolk Island needs to spend.

Local government funding

- 33 We have also been asked for advice on how much funding the Australian Government might provide for local government services on Norfolk Island on a basis consistent with local government funding arrangements applying in the rest of Australia. Two models of providing such assistance presently exist.
- Under the Australian Government's *Local Government (Financial Assistance) Act 1995*, each State is provided with an equal per capita amount of general purpose financial assistance, plus specific funds for local roads. Some other additional specific purpose payments (SPPs) for local government purposes are also provided⁵.
 - In the case of the Indian Ocean Territories (IOTs), the Australian Government funds local government services on the basis of an assessment of their requirement for general purpose assistance and roads funding undertaken by the Western Australian Local Government Grants Commission (WALGGC). This assessment is intended to allow the IOTs to provide local government services that align with those provided in similar communities on the mainland, provided they make the same effort to raise revenue. The IOTs can also access Australian Government specific purpose programs for local government purposes.
- 34 ***Local Government (Financial Assistance) Act model.*** The calculation of the general purpose funding under this model would be the per capita amount paid to States multiplied by Norfolk Island's population. This amount would not recognise any differences between Norfolk Island and other States in the cost of providing services or in revenue raising capacity. In 2004-05, the per capita amount paid to the States was about \$53.
- 35 The distribution of local roads funding among the States is presently being investigated by the Commission under a separate inquiry. The outcome of the Commission's local roads inquiry will need to be known before we will be able to estimate the amount to which Norfolk Island might be entitled. However, in 2004-05, the States received \$473 million in local road funding (\$23 per capita or \$729 per kilometre of local roads).
- 36 To obtain an estimate of any SPP funding for local government purposes to which Norfolk Island might be entitled, we would need to seek the advice of Australian Government agencies administering the relevant programs. If the major programs (Roads to Recovery, and Children's Services and Disability Services) were distributed on a per capita basis, Norfolk Island may have been entitled to about \$16 per capita in 2004-05. Estimates of an entitlement to discretionary, once-off grants would be more difficult to make. As an alternative, Norfolk Island could be given access to such funding by extending the relevant Australian Government legislation to the Island.
- 37 ***IOTs model.*** Under this model, an estimate of the funding that might be provided may be given by the local government 'gap' we will calculate in responding to clause (iii) of the terms of reference. This should be equivalent to general purpose and local roads funding provided by the

⁵ States also provide specific purpose funding to their local governments. Funding for these for Norfolk Island would be included in our calculations of State funding estimated for clause (i) of the terms of reference.

Australian Government and SPP funding for local government purposes provided by the Australian and State governments⁶.

- 38 As an illustration of how the second model works, the WALGGC recommended that Christmas Island receive \$1153 per capita in general purpose assistance and \$158 per capita in local roads funding in 2004-05. Cocos Islands was assessed to require \$1193 per capita and \$119 per capita in the same year. They also received a small amount in SPPs from the Australian Government for particular purposes. These funds are intended to allow the IOTs to align their services with those of similar communities on the mainland.

PROPOSED PROCESS

- 39 To do this work, we will:

- compile a State and local government budget for Norfolk Island using the accounts of the Norfolk Island Government and trading enterprises and the Acumen Alliance database on Norfolk Island Government finances;
- estimate the main economic aggregates of Norfolk Island using information from Norfolk Island Government accounts and a survey of private businesses;
- understand the demography (Norfolk Island Government Census) and other characteristics of the Island, including changes since 1997 (data to be collected from the Norfolk Island Government and community);
- compile a picture of the range and level of the taxes and charges raised by State and local governments and of what could be raised on Norfolk Island if these were applied;
- undertake a comparison of how Australian average and Norfolk Island expenses have changed since 1997, or compile a picture of Australian average resourcing levels for State and local services for a community such as Norfolk Island and estimate what would need to be spent if they were provided at this level; and
- formulate responses to each clause of the terms of reference.

We will use information from the Commission's State finances and local roads work and from Local Government Grants Commissions to assist in these tasks.

- 40 We will then prepare interim conclusions and discuss them with the Australian Government, the Norfolk Island Government and the Norfolk Island community on the Island. Following this, we will report to the Australian Government on our findings.
- 41 To successfully complete this work, consultations with the Norfolk Island Government and people will be important. We propose to seek views on how we are proposing to proceed and to seek assistance in painting as accurate a picture as possible of Norfolk Island circumstances and requirements. We will do this through visits to the Island, by giving careful consideration to submissions and discussing our interim conclusions with relevant parties.

⁶ If this model is chosen, care will need to be taken to ensure that amounts for State SPP funding for local government purposes are included only once — either in the State or local government equivalent funding.

42 The Commission's past experience with Norfolk Island suggests that not all data we will require will be readily available. As in 1997, the Commission will be required to use judgment. We will do that to ensure that the large differences between Norfolk Island and Australian averages are recognised adequately.

43 The proposed timetable for the inquiry is as follows:

Terms of reference received	End February 2006
Chairman's visit to NI and issues paper released	8-11 March 2006
Submissions received	7 April 2006
Interim conclusions issued	End June 2006
Conference on Island to discuss draft report	20-23 August 2006
Final report	End September 2006

HOW YOU CAN HELP US

44 Although we developed a good understanding of the unique circumstances of Norfolk Island in 1997, we have been told that things have changed. So we will again need the assistance of parties interested in the outcome of this inquiry. We will need the Norfolk Island Government and DOTARS to provide information on the services provided on Norfolk and on the revenue raised. In particular, we will need financial information and information on tax bases and on how each service is provided. We will also need information on the unique problems facing the Island in delivering services and in raising revenue, or on how these have changed since 1997.

45 The Commission would welcome comments from interested parties on the following.

- Is the approach the Commission intends to take to the inquiry reasonable? What else should we have regard to?
- What special circumstances affect the need for government services and the cost of providing them (and how have these changed since 1997)?
- What are the special circumstances of Norfolk Island that affect what taxes and charges can be imposed on the Island and the rates at which they can be imposed?

46 A list of State and local government services and revenues is provided in Attachment A.

SUBMISSIONS AND COMMISSION CONTACTS

47 The Commission would welcome submissions by 7 April 2006. The submissions should address the issues outlined in this paper, as well as any other issues pertinent to the inquiry.

48 Consistent with the Commission's aim to ensure the inquiry is as open and transparent as possible, all submissions will be posted on its web site, unless the provider explicitly requests otherwise.

49 Wherever possible, submissions should be provided by email to:

Secretary@cgc.gov.au.

50 Alternatively, submissions can be sent to:

The Secretary
Commonwealth Grants Commission
5 Torrens Street
BRADDON ACT 2612

51 Please direct any questions on the review to Catherine Hull (telephone 61 2 6229 8813,
email Catherine.hull@cgc.gov.au).

Box 3 — About the Commission

The Commonwealth Grants Commission was established in 1933 to give the Australian Government independent advice on financial aspects of Commonwealth relations with the States (and more recently, the Territories). Its reports are presented to the Commonwealth Parliament through the Minister for Finance and Administration.

The Commission's main role is to advise the Australian Government on the appropriate distribution of the Goods and Services Tax revenue and Health Care Grants among the States. The distribution is designed to provide all States with the same fiscal capacity to provide services to their populations. It is based on an assessment of differences among the States in their revenue raising capacity and costs of providing services at average Australian standards. The funds distributed are important for State budgets. In 2004–05, the GST pool was \$43 billion, and provided 42 per cent of State budget revenues, with the actual percentages for individual States varying from 37 per cent for New South Wales to 75 per cent for the Northern Territory.

The Commission also advised on the financial assistance the Northern Territory and the ACT required to deliver Australian average services as they were transitioning to self-government and, since 1986, has been advising on what has been necessary to raise the standard of living and the level of services on the Cocos (Keeling) Islands to mainland standards. In late 1995, it reported on the finances of Christmas Island and what had to be done to bring services in that Territory up to mainland standards. It reported again on the requirements of these Indian Ocean Territories in 1999.

In 1997, it reported on the financial and administrative capacity of the Norfolk Island Government to provide services and to meet its current and future obligations. In this present inquiry, the Commission is being asked to conduct an exercise more like its traditional inquiries — advising on revenue raising capacity and costs of providing average services.

The Members of the Commission are part-time and are appointed for their expertise and impartiality. They do not represent Australian Government interests or the interests of the State or Territory in which they live. There are three members of the Commission.

Alan Morris

Chairman of the Commission since 1999 and a member from 1997, Alan was appointed after three years as an Executive Director of the European Bank in London. He has been Secretary of the Chief Minister's Department in the Northern Territory, Secretary of the Premier's Department in Tasmania and has worked in three Commonwealth Departments. Alan was a member of the Commission, which undertook the 1997 Norfolk Island Inquiry.

Ross Williams

Professor Ross Williams has been a member of the Commission since 2002. He is currently a Professorial Fellow at the Melbourne Institute and was Dean of the Faculty of Economics and Commerce at the University of Melbourne from 1994 to 2002. Ross has a Masters degree and PhD from the London School of Economics. He has held appointments at Monash University, ANU and the World Bank.

Glenn Appleyard

Glenn was appointed to the Commission in June 2004. Prior to commencing work as an economic consultant in 2001, Glenn held several senior positions within the public service. These included the roles of Deputy Secretary in the Tasmanian and Victorian Departments of Treasury and Finance, Regional Director for the Australian Bureau of Statistics in Tasmania, and General Manager of the Food, Agriculture and Fisheries Division of the Tasmanian Department of Primary Industries, Water and Environment.

Glenn has an active interest in public finance issues, particularly Commonwealth-State financial relations, and is also a member of the Australian Accounting Standards Board and the Tasmanian State Grants Commission.

State and local government activities

State services

<i>Education</i>	<i>Law, order and public safety</i>	<i>Economic activities</i>
Pre-school	Police	Subsidies for electricity and gas, water and sewerage
Primary and secondary education	Administration of justice	Transport subsidies (road, rail, air, water)
Post-secondary education	Corrective services	Roads
	Public safety	Services to Industry – primary, mining, fuel and energy, manufacturing, tourism and other
		Subsidies – petroleum and alcohol products
<i>Health and community services</i>	<i>Culture and recreation</i>	<i>General public services</i>
Hospital services	Culture and recreation services	Superannuation
Community and public health services	National parks and wildlife services	General public services
Welfare services - family and child, aged and disabled, homeless and other		Debt charges
Housing		Depreciation

Local government services

General public services: council, accounting	Garbage and trade waste	Cultural/educational, such as library services, museum, public hall
Administration of facilities: airport, cemeteries, public pound	Street lighting	Recreation: maintenance of existing infrastructure, including sporting and public reserve facilities
Public works, including road, bridge and footpath maintenance; cleaning services	Health: including community health services, foodstuffs, beverages (including alcohol), water quality	Rural management: bees and apiaries, non-domestic animals, fences, noxious weeds
Building permits and controls	Community services, such as childcare	Domestic animal control
Planning and development approval, zonings		Water and sewerage

Revenues – State and local

<i>State</i>		<i>Local</i>
Payroll tax	Vehicle registration fees and taxes	Rates
Land revenue	Other revenue	Waste disposal fees
Stamp duty on conveyances, shares, vehicle transfers	Mining revenue	Water/electricity charges
Financial transaction taxes	Contributions by Trading Enterprises	Other admin fees and charges (airport fees, dog registration, building permits, inspections, licences)
Gambling taxation	User charges	
Insurance taxation		