AUSTRALIAN CAPITAL TERRITORY

2015 Methodology Review

ACT Comments on the Impact of Volatile Revenue Bases on Horizontal Fiscal Equalisation

January 2015

Chief Minister, Treasury and Economic Development Directorate

HFE IMPACT OF VOLATILE REVENUE BASES

Introduction

On 23 December 2014 the Federal Treasurer wrote to the Chairperson of the Commonwealth Grants Commission (Commission) seeking advice on the treatment in assessments of revenue sources which are a large and volatile proportion of a State's revenue base. This advice was to include a set of GST relativities which would mitigate the negative effects of revenue volatility and ensure that States' GST shares in any given year would be appropriate to their fiscal circumstances in that year. The Treasurer's letter made particular reference to the challenges currently faced by Western Australia with regard to GST distribution.

As a result of this request, Commission staff have now sought State comments on the issues raised by the Treasurer's letter, in particular in relation to whether there should be greater contemporaneity between assessment and application years, and, if so, how this objective could be achieved.

The ACT has previously provided its view that this issue is worthy of examination, but given its substance and potential complexity could not reasonably be addressed within the remaining timeframe for the 2015 Review. We proposed that it be addressed after the 2015 Review, as part of the rolling program of review outlined in our Rejoinder and Final Submissions to the 2015 Review.

Given our views about timing, our previous submissions did not address the substantive issues involved in contemporaneity. While we continue to stand by our previously stated position, this short submission aims to satisfy your request for comments regarding this late development.

Background

The GST Distribution Review addressed the contemporaneity issue in its First Interim Report, issued in March 2012, which stated that problems with available data would probably make a fully contemporary model unattainable. The Report also canvassed the so-called "advances and completions" approach as being a means of achieving full contemporaneity, noting that it would, however, have negative effects on predictability and simplicity.

The Review noted that the advances and completions approach had been considered by the Commission in the 2010 Review but not adopted. The Review Panel agreed with the Commission on this point, but sought State views on how such an approach "could be implemented without a negative effect on either predictability or simplicity" (GST Distribution Review*, Interim Report*, Chapter 2). However, the Review did not return to this issue in its subsequent reports, and it appears that it was only addressed again indirectly, in the submission made by the larger States arguing for an equal per capita distribution of GST, which they characterised as being contemporaneous as it would respond only to population estimates for the application year.

We note that the contemporaneity proposal now put forward implies support for the prevailing objective of fiscal equalisation, which aims to give States an equal capacity to deliver an average level of services. An equal per capita approach to GST distribution manifestly cannot deliver such an objective.

Is Greater Contemporaneity Desirable?

In its Final Submission to the 2015 Review, Western Australia raised the proposal for replacing the current lagged approach to assessments with a fully contemporaneous approach. This was a reversal of WA's previous strongly held view that equalisation could only be achieved over time through a lagged approach. Indeed in its Rejoinder Submission to the 2004 Review Western Australia argued that "(i)t is not clear that equalisation is compromised by the time lags in application year relativities" and that "(i)t could equally be argued that application year relativities aim to address past equalisation requirements, and that present equalisation requirements will be addressed by future application year relativities" (*Western Australia's Rejoinder Submission to the Commonwealth Grants Commission 2004 Review*, March 2003).

<u>Scope</u>

While the primary motivation driving this reversal is the volatility of iron ore prices, the proposal has been put in quite general terms, clearly indicating that it should apply to all revenues (e.g. noting that it would spread the effect of volatility in conveyance duty bases), and carrying the implication that it could also be applied to expense assessments (e.g. in the section on Contemporaneity the WA submission refers to high costs in regional areas and provision of infrastructure to meet future demand). Thus, the issue of scope is a key one to be addressed.

If the fully contemporary approach is to be adopted for revenue assessments, then logically it should also be applied to expense assessments. If that is not done then the two sides of the overall assessment do not represent capacity and needs for the same time period, and moreover will have been constructed using a different methodology. This would clearly diminish equalisation. Although Commonwealth payments are less of a concern, given the Commission's existing approach to backcasting, logic would suggest that **all** Commonwealth payments to States, not just those involving major changes to Commonwealth-State financial relations, should be treated on a contemporary basis.

<u>Impact on State Budgets</u>

The WA proposal is obviously designed to reduce uncertainty and risk in constructing the WA State Budget, as the GST payments would act as a kind of automatic stabiliser, offsetting fluctuations in other revenue sources. However, it would also **increase** uncertainty and risk for virtually all other States. This is acknowledged by WA in their Final Submission: "HFE without lags is also more equitable, ensuring that other States share in the volatility costs as well as revenue benefits from Western Australia's royalties" (*Western Australia's Submission to the CGC's 2015 Methodology Review*, September 2014, p.21).

The negative impact on other States' budgeting increases with lower shares of Australia's mineral endowments. Thus the ACT, with 0% of own-source revenue coming from mining royalties and Victoria, with 0.2% of own-source revenue from mining, will experience the greatest budget fluctuations from changes in royalty revenue in the large mining States – the ACT currently gaining $473 per capita and Victoria $454 per capita from the mining revenue assessment (see Attachment A). This position is driven by other States' circumstances, not by their own circumstances in relation to their own revenue sources – hence, the GST payments are as likely to operate in a destabilising as a stabilising fashion for these States. On the other hand, while WA experiences by far the largest movement of GST as a result of the mining assessment (minus $1,825 per capita), that is driven largely by its own circumstances, and a fully current assessment approach would act as a substantial stabiliser for that State.

Significance of Volatility

Volatility itself is not a problem for the GST distribution if it reflects national (or international) economic conditions which apply broadly to all States. In that scenario, it will have little impact on relative differences between States. However, a problem arises where volatility has a significantly different impact between States. The fundamental driver of these differences is the variation between States in the weighting of different revenue types within their own-source revenue bases. This is illustrated in the attached tables (Attachment B), drawn from the 2014 Update Adjusted Budget:

- the yellow shaded boxes highlight the volatility over time for each State and nationally for each tax type; and
- the green shaded boxes highlight the variation between States in the significance of each tax in their own-source revenue base.

These tables show that mining revenue is by far the most volatile type of own-source revenue, being a bit more than twice as volatile as the average for all revenue. Conveyance duty is the second most volatile revenue source, but only about half as volatile as mining revenue.

This would not be a problem if mining royalty revenue was distributed fairly equally between the States. However, as the green shaded boxes show, the significance of different types of revenue across State tax bases varies much more than revenue from particular taxes/royalties over time. In particular, mining revenue ranges from 0% of the ACT's own-source revenue and 0.22% of Victoria's own source revenue to 31% of WA's own-source revenue. WA's mining royalties constitute a massive revenue source, at $5.5 billion in 2012-13, compared with $2.1 billion for Queensland, with nearly double the population, and only $1.3 billion for NSW, which has three times the population. Even though WA has taken royalty write-downs of $7.1 billion over four years in its recent Mid-Year Update, it still expects to earn an average of $5.3 billion a year from mineral and energy royalties over this period.

Our conclusion is that the fundamental problem is not the volatility of particular revenue sources, but the very uneven distribution of mineral resources between States in Australia. Given that royalties are a State tax and that the Federal government has, so far, been unable to impose an effective tax on on-shore mineral resource production, the problem is not one within the power of the Commission to resolve. However, it is also not in any way fair or reasonable for the Commission to exclude this form of revenue from its equalisation considerations. Hence, it must, as it always does, balance the interests of different States to achieve the most equitable outcome within these unavoidable constraints.

<u>What is to be Gained from Change?</u>

It is clear that WA would gain significant short-term benefits from the proposed change, as its GST share would rise more quickly to adjust to the fall in the iron ore price. This would add to the benefit WA has already gained from the lagged system, when its GST share was falling more slowly in response to the rising iron ore price of earlier years than it would have been under a contemporaneous system. WA is also likely to gain a longer term benefit from the automatic stabilisation effect of a contemporaneous system.

The only other State which may gain from a more contemporaneous system is Queensland, which currently earns about $2.5 billion a year from mineral royalties. However, this would depend on whether international coal prices move in concert with iron ore prices or diverge from them. In the scenario of the immediate past, both iron ore and coal prices have been falling, meaning under the contemporaneous system a double hit for Queensland through reduced own royalties from coal and reduced GST share due to the fall in WA's iron ore royalties (though partly offset by some GST gain through the reduced coal royalty take).

Although the Northern Territory receives 16% of its own source revenue in the form of mining royalties, a contemporaneous system would have little benefit for it because this revenue is dwarfed by the huge per capita amounts it receives in GST through the expense assessments, particularly driven by Indigeneity and population dispersion. Putting aside other possible methodology changes, these factors are not likely to be subject to significant short-term volatility, assuming that expenses are to be included in the contemporaneous approach.

For all other States the more contemporaneous system is likely to be disadvantageous. In the immediate term, all States other than WA will lose GST, given the current reduction in that State's mining royalties. Beyond that, as argued above, the contemporaneous approach is likely to increase other States' budget instability, particularly for States with little mining activity. It would also cause greater problems for larger mining States if mineral prices move in concert, given the widely varying geographic distribution of different minerals between States. The volatility of other revenue sources is much lower, and these tax bases are much more evenly distributed across States, meaning much lower stabilisation benefits for these States.

The radical nature of the change to a system of estimates and adjustments should not be underestimated. It fundamentally alters implementation of the principle of "what States do", in basing assessments on estimates rather than actual data, and then in a later application year adjusting for what actually happened. The greater the divergence between estimates and actuals, the less contemporaneous is the equalisation process – if that divergence is too great, any benefit of the estimates-based system is completely nullified.

The irony is that the very volatility which the contemporaneous system is designed to address also makes estimation much more difficult and likely to be subject to larger errors than for less volatile factors – so one could expect that the subsequent adjustments required for mining revenue will be much larger than those for the less volatile revenue sources. We note that the Queensland Budget papers for 2014-15 state that: "Royalties are a very difficult revenue source to forecast because commodity prices are extremely volatile and prevailing market conditions can change quickly" (Queensland Government, *Budget Strategy and Outlook 2014-15*, p.49). Forecasting of mineral royalties is further complicated by the need to take account of exchange rates and changes in the volume of production, though at some stages these may moderate the impact of commodity price changes.

Finally, the system of horizontal fiscal equalisation is explicitly addressed in the Terms of Reference for the White Paper on Reform of the Federation. This is the focus of a yet to be released Issues Paper titled *COAG and Federal Financial Relations,* which is subject to final comments by States and Territories. In light of this reference, the ACT's view is that no radical changes to the current equalisation system should be considered prior to completion of the White Paper process. The proposed move to a fully contemporaneous system is, in our view, a radical change, and thus should not be implemented in advance of the White Paper. Following this, it can be addressed through the rolling review program we have proposed, in a known context for equalisation going forward.

How can Greater Contemporaneity be Achieved?

Options for Implementation

The most obvious method for achieving full contemporaneity is the use of estimates and adjustments (or "advances and completions"), the features of which have been well canvassed already by the Commission and some States. We do not propose to restate the arguments so far put forward. Suffice it to say that any estimates used must be independent of State governments, to avoid the possibility of gaming of the system, and that to the extent that estimates differ from actual outcomes contemporaneity will be diminished. Therefore, even this approach has significant weaknesses.

An alternative approach is to further reduce the number of assessment years, to one or two rather than three, while retaining the use of actual data rather than estimates. However, this would simply reduce the degree of lagging while not achieving full contemporaneity. The ACT does not support this option.

Transitional Arrangements

WA have claimed, in their submission on issues arising from their October 2014 meeting with the Commissioners, that the Commission has "in effect...already been making forecasts of the circumstances in the application year – by (with some exceptions) assuming that those circumstances will be the same as the historical data years". On this basis they claim that the Commission has already been following an approach of contemporaneous equalisation, and that consequently transitional arrangements are not appropriate.

The ACT does not accept this proposition. Our view is that, other than for significant changes in Commonwealth-State financial relations, the Commission makes no assumptions about circumstances in the application year, rather intending to achieve equalisation over time through the lagged approach.

In any case, we consider that whether or not transitional arrangements should be employed is not a question of principle but a practical issue, which should take into account impacts on individual States and Territories of any large changes in GST entitlement occurring in a single year. The Commission has in the past (2004 Review, *Final Report*, Chapter 7) acknowledged that "States face practical budget management difficulties if confronted with large changes against the assumptions they have made about revenue" and expressed the view that a way to deal with this would be to phase in the recommended relativities over a period. The ACT agrees with that view.

ACT Reaction to Additional Terms of Reference

The ACT Chief Minister/Treasurer is in the process of writing to the Federal Treasurer expressing his concern about the request to the Grants Commission for provision of an alternative set of relativities which would reflect a better method of dealing with revenue volatility.

The ACT's very strong view is that these alternative relativities should not override the Commission's recommendations in its Final Report for the 2015 Review. If the intention is to smooth the way for consideration of reforms through the Tax and Federation White Paper processes, then the alternative relativities could best be used simply as an illustration of alternative approaches and their indicative outcomes, which parties could address in their opening submissions to the White Papers.

If the Commission, through its Final Report, decided to recommend a more contemporaneous approach to the treatment of mining revenues, the ACT as a supporter of the process would accept in principle the recommendations. However, in doing so, we would note the critical importance of an implementation approach that manages any significant adverse impact on States and Territories – including a transitional phase-in, as discussed above.

Attachments

A. Drivers of Illustrative Difference from EPC Distribution of GST, 2014-15 (based on 2014 Update Report).

B. Own Source Revenue by State (from 2014 Update Adjusted Budget).

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Drivers of illustrative difference from EPC distribution of GST, 2014-15 **Attachment A**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Redist
	$pc	$pc	$pc	$pc	$pc	$pc	$pc	$pc	$pc
Effects on revenue raising capacity									
Mining production	261.66	454.50	-138.78	-1,824.80	280.24	353.40	473.42	-49.18	231.56
Payrolls paid	-20.55	39.80	45.43	-332.57	217.11	335.92	27.85	118.85	43.53
Property sales	-57.93	-19.56	51.47	-87.98	215.34	283.50	-17.72	135.25	33.36
Motor taxes	47.32	-9.19	-18.13	-92.91	2.36	-9.71	58.23	28.69	16.49
Land values	4.51	-16.33	-2.92	-96.70	107.37	155.34	121.52	90.16	15.39
Insurance taxes	-14.45	7.48	6.04	6.83	-6.49	36.89	10.13	24.59	5.06
Total revenue raising capacity	220.44	456.54	-57.10	-2,427.76	815.93	1,153.40	673.42	348.36	281.58
Effects on expense requirements									
Indigeneity	-50.11	-288.99	139.61	204.40	-120.35	71.84	-159.49	4,500.00	98.82
Population dispersion	-73.97	-152.58	76.27	289.72	68.44	-201.94	-478.48	2,057.38	73.73
Interstate wage levels	55.81	-112.77	-101.06	315.51	-110.32	-219.42	243.04	401.64	61.07
Non-State service provision	-102.07	-62.09	53.14	214.64	-66.67	211.65	53.16	1,213.11	52.60
Population growth (a)	-80.59	-0.85	49.39	273.80	-136.87	-248.54	78.48	-69.67	41.76
Socio-economic status	32.87	-4.25	-10.63	-215.40	244.84	390.29	-546.84	-12.30	36.44
Diseconomies of scale	-55.41	-44.91	-33.97	16.31	64.90	411.65	572.15	1,040.98	35.64
Other effects on expenses	-46.66	-97.13	87.93	-28.82	35.99	209.71	-60.76	1,774.59	43.15
Total expense requirements (b)	-320.25	-763.57	260.26	1,070.53	-20.65	625.24	-296.20	10,909.84	297.61
Effects on Commonwealth payments (c)	53.15	54.60	-18.34	-25.79	-143.36	-351.46	159.49	-836.07	33.07
Total	-46.66	-252.42	185.04	-1,383.01	651.92	1,427.18	536.71	10,422.13	231.26

Source: 2014 Update Report, Table 5-5, p.72 - recast on per capita basis.

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Own Source Revenue by State

Attachment B

Table 1 PAYROLL TAX

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	$	$	$	$	$	$	$	$	$
2007-08	6,209,000,000	3,845,000,000	2,493,000,000	1,936,000,000	904,000,000	250,000,000	248,000,000	141,000,000	16,026,000,000
2008-09	6,359,000,000	3,980,000,000	2,754,000,000	2,240,000,000	914,000,000	259,000,000	270,000,000	151,000,000	16,927,000,000
2009-10	6,158,000,000	4,056,000,000	2,687,000,000	2,298,000,000	900,000,000	271,000,000	273,000,000	152,000,000	16,795,000,000
2010-11	6,399,000,000	4,354,000,000	3,023,000,000	2,523,000,000	951,000,000	286,000,000	286,000,000	164,000,000	17,986,000,000
2011-12	6,728,000,000	4,696,000,000	3,462,000,000	3,092,000,000	1,010,000,000	304,000,000	316,000,000	171,000,000	19,779,000,000
2012-13	6,945,881,000	4,750,900,000	3,751,000,000	3,415,000,000	1,076,700,000	304,092,000	319,170,000	205,460,000	20,768,203,000
Mean	6,466,480,167	4,280,316,667	3,028,333,333	2,584,000,000	959,283,333	279,015,333	285,361,667	164,076,667	18,046,867,167
Standard Deviation	308,473,464	382,015,499	487,584,112	560,781,954	70,779,670	22,841,222	27,809,366	22,846,866	1,860,904,923
Std Dev/Mean (%)	4.77%	8.92%	16.10%	21.70%	7.38%	8.19%	9.75%	13.92%	10.31%
% of Own Source Revenue	21.00%	18.56%	14.42%	19.42%	13.88%	17.28%	12.87%	17.40%	18.08%
Mean (Own Source)									16.85%
Std Dev (Own Source)									2.87%
Std Dev/Mean (Own Source)									17.05%

Table 2 LAND TAX

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	$	$	$	$	$	$	$	$	$
2007-08	1,937,000,000	968,000,000	610,000,000	491,000,000	245,072,759	71,000,000	73,000,000	0	4,395,072,759
2008-09	2,252,000,000	1,345,000,000	838,000,000	644,000,000	360,837,987	80,000,000	86,000,000	0	5,605,837,987
2009-10	2,296,000,000	1,300,000,000	1,033,000,000	597,000,000	389,120,000	91,000,000	98,000,000	0	5,804,120,000
2010-11	2,289,000,000	1,594,000,000	1,042,000,000	594,000,000	390,960,000	75,000,000	110,000,000	0	6,094,960,000
2011-12	2,350,000,000	1,605,518,000	1,013,000,000	632,000,000	395,130,000	88,000,000	115,000,000	0	6,198,648,000
2012-13	2,332,581,000	1,782,400,000	990,000,000	644,000,000	380,870,000	88,524,000	70,773,000	0	6,289,148,000
Mean	2,242,763,500	1,432,486,333	921,000,000	600,333,333	360,331,791	82,254,000	92,128,833	0	5,731,297,791
Standard Deviation	153,698,029	289,627,429	169,717,412	58,002,299	57,765,876	8,163,032	18,635,911	0	702,624,202
Std Dev/Mean (%)	6.85%	20.22%	18.43%	9.66%	16.03%	9.92%	20.23%	#DIV/0!	12.26%
% of Own Source Revenue	7.28%	6.21%	4.39%	4.51%	5.21%	5.09%	4.15%	0.00%	5.74%
Mean (Own Source)*									5.27%
Std Dev (Own Source)*									1.12%
Std Dev/Mean (Own Source)*									21.34%

Note: * Excludes NT

Table 3	STAMP DUTY ON CONVEYANCES								
	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	$	$	$	$	$	$	$	$	$
2007-08	3,938,000,000	3,594,581,000	2,912,000,000	2,243,000,000	908,968,000	204,066,000	272,000,000	112,000,000	14,184,615,000
2008-09	2,725,947,000	2,663,982,000	1,806,000,000	1,008,000,000	678,590,000	151,000,000	196,000,000	108,000,000	9,337,519,000
2009-10	3,714,910,000	3,368,100,000	1,978,000,000	1,615,000,000	745,294,000	163,000,000	283,000,000	126,000,000	11,993,304,000
2010-11	4,036,669,000	3,763,000,000	1,933,000,000	1,240,000,000	771,500,232	145,000,000	272,000,000	102,000,000	12,263,169,232
2011-12	3,761,807,000	3,158,153,500	2,023,000,000	1,340,000,000	674,580,000	136,000,000	239,000,000	93,000,000	11,425,540,500
2012-13	4,567,444,000	3,158,871,000	1,887,000,000	1,785,000,000	766,320,000	139,087,000	228,647,000	125,980,000	12,658,349,000
Mean	3,790,796,167	3,284,447,917	2,089,833,333	1,538,500,000	757,542,039	156,358,833	248,441,167	111,163,333	11,977,082,789
Standard Deviation	604,285,877	387,011,652	409,690,330	441,105,316	85,402,394	25,261,106	33,272,724	13,147,170	1,593,168,327
Std Dev/Mean (%)	15.94%	11.78%	19.60%	28.67%	11.27%	16.16%	13.39%	11.83%	13.30%
% of Own Source Revenue	12.31%	14.24%	9.95%	11.56%	10.96%	9.68%	11.20%	11.79%	12.00%
Mean (Own Source)									11.46%
Std Dev (Own Source)									1.43%
Std Dev/Mean (Own Source)									12.48%

Table 4	INSURANCE TAX								
	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	$	$	$	$	$	$	$	$	$
2007-08	794,049,000	754,000,000	449,000,000	372,000,000	302,000,000	41,000,000	33,106,000	25,000,000	2,770,155,000
2008-09	841,116,000	799,000,000	491,000,000	397,000,000	327,000,000	43,000,000	37,078,000	27,000,000	2,962,194,000
2009-10	879,156,000	865,000,000	508,000,000	428,000,000	347,000,000	47,000,000	43,364,000	29,000,000	3,146,520,000
2010-11	918,449,000	912,000,000	546,000,000	468,000,000	371,000,000	49,000,000	45,000,000	33,000,000	3,342,449,000
2011-12	930,877,000	985,000,000	610,000,000	508,000,000	399,000,000	53,000,000	50,000,000	35,000,000	3,570,877,000
2012-13	1,009,367,000	1,055,800,000	670,000,000	576,000,000	429,390,000	69,658,000	47,826,000	42,162,000	3,900,203,000
Mean	895,502,333	895,133,333	545,666,667	458,166,667	362,565,000	50,443,000	42,729,000	31,860,333	3,282,066,333
Standard Deviation	75,181,026	113,351,253	81,669,252	75,552,410	46,988,289	10,336,919	6,464,417	6,263,373	412,769,897
Std Dev/Mean (%)	8.40%	12.66%	14.97%	16.49%	12.96%	20.49%	15.13%	19.66%	12.58%
% of Own Source Revenue	2.91%	3.88%	2.60%	3.44%	5.25%	3.12%	1.93%	3.38%	3.29%
Mean (Own Source)									3.31%
Std Dev (Own Source)									0.98%
Std Dev/Mean (Own Source)									29.55%

Table 5 MOTOR TAXES

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	$	$	$	$	$	$	$	$	$
2007-08	2,210,834,000	1,391,036,000	1,374,168,000	868,160,000	412,161,500	123,272,000	102,469,600	44,272,000	6,526,373,100
2008-09	2,200,340,000	1,372,609,000	1,478,748,000	849,984,000	426,766,000	119,250,000	106,458,000	43,250,000	6,597,405,000
2009-10	2,369,809,000	1,499,271,000	1,657,824,000	897,852,000	443,421,000	130,359,000	114,359,000	46,359,000	7,159,254,000
2010-11	2,565,842,000	1,568,391,000	1,775,256,000	949,032,000	473,307,000	139,382,000	119,382,000	47,382,000	7,637,974,000
2011-12	2,690,393,000	1,656,073,000	1,904,957,000	1,022,325,000	487,965,000	139,419,000	122,419,000	50,419,000	8,073,970,000
2012-13	2,868,277,000	1,897,745,000	2,002,204,000	1,112,010,000	523,008,000	144,398,000	131,040,000	60,663,000	8,739,345,000
Mean	2,484,249,167	1,564,187,500	1,698,859,500	949,893,833	461,104,750	132,680,000	116,021,267	48,724,167	7,455,720,183
Standard Deviation	270,217,271	195,253,239	243,264,484	100,895,406	41,448,008	10,019,030	10,541,866	6,365,405	866,189,946
Std Dev/Mean (%)	10.88%	12.48%	14.32%	10.62%	8.99%	7.55%	9.09%	13.06%	11.62%
% of Own Source Revenue	8.07%	6.78%	8.09%	7.14%	6.67%	8.22%	5.23%	5.17%	7.47%
Mean (Own Source)									6.92%
Std Dev (Own Source)									1.22%
Std Dev/Mean (Own Source)									17.62%

Table 6 MINING REVENUE

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	$	$	$	$	$	$	$	$	$
2007-08	574,000,000	38,100,000	1,345,598,000	2,524,488,000	143,000,000	37,000,000	0	98,155,000	4,760,341,000
2008-09	1,279,000,000	46,400,000	3,341,923,000	3,219,028,000	153,000,000	30,000,000	0	228,360,000	8,297,711,000
2009-10	985,000,000	47,000,000	2,015,402,000	3,176,569,000	126,000,000	39,000,000	0	160,602,000	6,549,573,000
2010-11	1,240,000,000	58,000,000	2,698,464,000	5,203,797,000	157,000,000	49,000,000	0	159,000,000	9,565,261,000
2011-12	1,464,000,000	66,000,000	2,766,447,000	5,334,957,000	177,000,000	54,000,000	0	147,695,000	10,010,099,000
2012-13	1,318,332,000	44,600,000	2,108,000,000	5,524,993,000	188,740,000	29,475,000	0	117,347,000	9,331,487,000
Mean	1,143,388,667	50,016,667	2,379,305,667	4,163,972,000	157,456,667	39,745,833	0	151,859,833	8,085,745,333
Standard Deviation	319,503,178	10,126,483	700,422,268	1,331,210,855	22,712,007	9,973,846	0	44,882,900	2,044,849,374
Std Dev/Mean (%)	27.94%	20.25%	29.44%	31.97%	14.42%	25.09%	N/A	29.56%	25.29%
% of Own Source Revenue	3.71%	0.22%	11.33%	31.30%	2.28%	2.46%	0.00%	16.11%	8.10%
Mean (Own Source)									8.43%
Std Dev (Own Source)									10.85%
Std Dev/Mean (Own Source)									128.81%

Table 7	OTHER REVENUE								
	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	$	$	$	$	$	$	$	$	$
2007-08	11,220,113,000	9,649,091,000	7,206,691,000	2,543,462,000	3,485,408,741	846,479,000	1,343,789,400	471,489,000	36,766,523,141
2008-09	12,216,450,000	10,364,274,000	9,306,898,000	2,342,196,000	3,577,504,013	900,316,000	1,194,219,000	394,999,000	40,296,856,013
2009-10	13,234,600,000	10,855,370,000	10,165,387,000	2,693,287,000	3,894,228,000	752,468,000	1,307,406,000	420,164,000	43,322,910,000
2010-11	14,385,065,000	11,485,494,000	11,200,750,000	3,352,421,000	3,864,779,768	842,745,000	1,469,062,000	429,810,000	47,030,126,768
2011-12	14,920,766,000	12,859,842,500	11,780,399,000	3,404,496,000	3,862,638,000	903,994,000	1,675,886,000	436,648,000	49,844,669,500
2012-13	16,623,118,000	14,138,284,000	12,351,796,000	3,722,997,000	4,429,972,000	1,000,766,000	1,605,544,000	458,222,000	54,330,699,000
Mean	13,766,685,333	11,558,725,917	10,335,320,167	3,009,809,833	3,852,421,754	874,461,333	1,432,651,067	435,222,000	45,265,297,404
Standard Deviation	1,951,659,715	1,668,563,312	1,885,642,931	555,908,401	330,408,068	82,661,746	184,831,560	27,277,286	6,433,571,640
Std Dev/Mean (%)	14.18%	14.44%	18.24%	18.47%	8.58%	9.45%	N/A	6.27%	14.21%
% of Own Source Revenue	44.71%	50.11%	49.22%	22.62%	55.75%	54.15%	64.61%	46.16%	45.34%
Mean (Own Source)									48.42%
Std Dev (Own Source)									12.17%
Std Dev/Mean (Own Source)									25.13%

Table 8 TOTAL ASSESSED REVENUE

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	$	$	$	$	$	$	$	$	$
2007-08	26 882 996 000	20 239 808 000	16 390 457 000	10 978 110 000	6 400 611 000	1 572 817 000	2 072 365 000	891 916 000	85 429 080 000
2008-09	27 873 853 000	20 571 265 000	20 016 569 000	10 700 208 000	6 437 698 000	1 582 566 000	1 889 755 000	952 609 000	90 024 523 000
2009-10	29 637 475 000	21 990 741 000	20 044 613 000	11 705 708 000	6 845 063 000	1 493 827 000	2 119 129 000	934 125 000	94 770 681 000
2010-11	31 834 025 000	23 734 885 000	22 218 470 000	14 330 250 000	6 979 547 000	1 586 127 000	2 301 444 000	935 192 000	103 919 940 000
2011-12	32 845 843 000	25 026 587 000	23 559 803 000	15 333 778 000	7 006 313 000	1 678 413 000	2 518 305 000	933 762 000	108 902 804 000
2012-13	35 665 000 000	26 828 600 000	23 760 000 000	16 780 000 000	7 795 000 000	1 776 000 000	2 403 000 000	1 009 834 000	116 017 434 000
Mean	30,789,865,333	23,065,314,333	20,998,318,667	13,304,675,667	6,910,705,333	1,614,958,333	2,217,333,000	942,906,333	99,844,077,000
Standard Deviation	3,291,777,969	2,600,604,173	2,785,054,078	2,529,814,042	506,773,745	98,275,240	232,421,227	38,454,415	11,749,091,854
Std Dev/Mean (%)	10.69%	11.27%	13.26%	19.01%	7.33%	6.09%	N/A	4.08%	11.77%

Source: 2014 Update, Adjusted Budget