

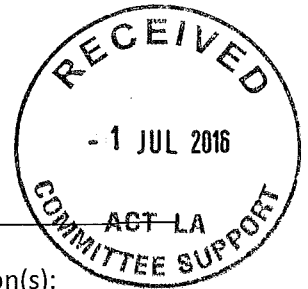


**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION TAKEN ON NOTICE  
DURING PUBLIC HEARINGS**



Asked by Mr SMYTH on 22 June 2016: Mr Dawes took on notice the following question(s):

[Ref: Hansard Transcript 22 June 2016 [PAGE 461 Proof]]

In relation to: Preparation of racing and gaming legislation

Confirmation no other area of government is preparing to draft legislation to allow for poker machines in the casino.

MICK GENTLEMAN: The answer to the Member's question is as follows:—

Legislation relating to gaming is the responsibility of the Chief Minister, Treasury and Economic Development Directorate. The Parliamentary Counsel has confirmed that the Parliamentary Counsel's Office (PCO) would not accept instructions to draft amendments of legislation governing gaming machines, including the *Casino Control Act 2006*, from any other area of government than the responsible agency. I can confirm that, as indicated to the Committee on Wednesday 22 June 2016, Chief Minister, Treasury and Economic Development Directorate have not instructed PCO to draft amendments to allow gaming machines in the casino.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature:

Date: 30/6/16

By the Minister for Racing and Gaming, Mick Gentleman MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION TAKEN ON NOTICE  
DURING PUBLIC HEARINGS**

Asked by MR SMYTH on 22 June 2016: Mr Gentlemen took on notice the following question(s):

[Ref: Proof Hansard Transcript [22 June 2016] [PAGE 468 - 469]

In relation to: Recommendations of PAC report No 18.

**THE CHAIR:** Perhaps you would take this on notice: can you give the committee an update on the government's implementation of the recommendations of the public accounts committee inquiry into the future of clubs in the ACT?

**Mr Gentleman:** Yes. I will take it on notice. A lot of the work has been done and is going forward. I will come back to you with detail on where it is.

**MICK GENTLEMAN:** The answer to the Member's question is as follows:—

Refer to Attachment A.



Approved for circulation to the Select Committee on Estimates 2016-17

Signature:

Date:

4/7/16

By the Minister for Racing and Gaming, Mick Gentleman MLA

**ACTION PLAN**  
**GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**INQUIRY INTO ELEMENTS IMPACTING ON THE FUTURE OF THE ACT CLUBS SECTOR**

E16-62

#	COMMITTEE RECOMMENDATION	AGREED / NOT AGREED	GOVERNMENT RESPONSE	CURRENT STATUS
1	The Committee recommends that the ACT Legislative Assembly formally acknowledge the role that ACT clubs play, and the contribution they make to the wellbeing of the people of the ACT.	Agreed	This is a matter for the ACT Legislative Assembly. The government acknowledges the contribution that community clubs make to the economic and social fabric of the ACT.	In progress
4	The Committee recommends that Government expand the remit of the Community Clubs Taskforce to address broader policy setting to enable clubs to diversify their business model.	Agreed	The terms of reference for the Community Clubs Taskforce (the Taskforce) allows for broader policy matters to be considered.  However, thus far, the Taskforce has focused on assisting individual clubs who have requested help to navigate government processes to realise their redevelopment plans.	Delivered
5	The Committee recommends that the Government invite representatives of the community sector and the sport and recreation sector and arts sector to join the community clubs taskforce.	Agreed in principle	The Taskforce will take the opportunity to invite community, sport and/or arts representatives to discuss key issues relating to their industry sector on relevant matters brought forward for Taskforce consideration.	In progress
9	The Committee recommends that the Government continue to advocate to the Federal Government to undertake urgent work to understand online gambling and develop a legislative and regulatory framework to minimise harm to the community from online gambling.	Agreed	The ACT Minister for Racing and Gaming has written to various Commonwealth Government Ministers (with the latest letter being to the Commonwealth Minister for Social Services on 7 October 2015), reaffirming support for a national approach to regulating interactive gambling, as well as enforcement of harm minimisation and consumer protection measures relating to this type of gambling activity. The Government will continue to advocate for a nationally consistent approach to regulation of interactive gambling.  The ACT Government broadly supports development and implementation of a national standard for harm minimisation and consumer protection covering all Australian-licensed online gambling activities.	In progress

**ACTION PLAN**  
**GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**INQUIRY INTO ELEMENTS IMPACTING ON THE FUTURE OF THE ACT CLUBS SECTOR**

#	COMMITTEE RECOMMENDATION	AGREED / NOT AGREED	GOVERNMENT RESPONSE	CURRENT STATUS
11	The Committee recommends that the Government closely monitor the achievements of the Gambling and Racing Commission since its integration into Access Canberra and report to the Assembly by March 2016 on progress to reduce red tape for the community club sector.	Agreed	At its meeting of 30 July 2015, the Gambling and Racing Commission Governing Board agreed arrangements for integration of the Commission into Access Canberra, with a formal agreement signed between the Access Canberra Deputy Director-General and the Governing Board's Chairperson in August 2015. The integration of the ACT Gambling and Racing Commission (the Commission) into Access Canberra, through operation of that agreement, is monitored closely with regular (quarterly) reviews.  The government continues to seek ways to reduce unnecessary red tape while maintaining an effective regulatory regime.	Delivered
12	The Committee recommends that the Government update regulations for entry to community clubs to enable contemporary access to ACT residents.	Agreed in principle	The government will continue its engagement with clubs to facilitate contemporary access, where possible, while still ensuring appropriate governance and integrity controls are in place. Any changes should take into account the mutuality principle consistent with clubs being community-based entities operated for their members.	In discussion with Industry
13	The Committee recommends the Government update regulations for entry for community clubs to enable contemporary access to non-ACT residents to more easily enter community clubs.	Agreed	While the government considers the current requirements are not onerous and are consistent with the mutuality principle, it notes the differing approach to interstate visitors in New South Wales clubs.  As per the government's response to Recommendation 12, the government will work with clubs to facilitate contemporary access, where possible, while still ensuring appropriate governance and integrity controls are in place. Primary consideration will be given to the status of residents in the local region such as Queanbeyan, Yass and Goulburn.	In progress <sup>1</sup>
14	The Committee recommends that the Government consider increasing the Community Contribution rate from 8% to 10%.	Agreed in principle	The government will continue its ongoing dialogue with clubs regarding the quantum and distribution of Community Contributions.	In progress

<sup>1</sup> The Gaming and Racing (Red Tape Reduction) Legislation Amendment Bill 2016 was introduced to the Legislative Assembly in June 2016 (subject to Assembly consideration) and includes a reform that will allow easier access to clubs for interstate visitors.

**ACTION PLAN**  
**GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**INQUIRY INTO ELEMENTS IMPACTING ON THE FUTURE OF THE ACT CLUBS SECTOR**

#	COMMITTEE RECOMMENDATION	AGREED / NOT AGREED	GOVERNMENT RESPONSE	CURRENT STATUS
16	The Committee recommends that the Government ensure that recognition of the rights of prior occupants are taken into account when considering Development Applications.	Agreed	To ensure the rights of prior occupants are taken into account when considering DAs, the Territory Plan and DA process requires that the newest development demonstrate appropriate noise attenuation measures through a noise management plan. This is a different process, albeit achieving a similar outcome, to other jurisdictions who have implemented an 'order of occupancy' principle.	Delivered
20	The Committee recommends that the ACT Gambling and Racing Commission work together with ClubsACT and the ANU Centre for Gambling Research to facilitate better access by researchers to gambling data and club venues.	Agreed	The Commission supports and facilitates access to venues and data by ANU. The integrity of research, and its independence, is critical in gambling research and must be maintained.	In progress
22	The Committee recommends that the ACT Gambling and Racing Commission investigate using Australian Research Council Project Linkage Grants to maximise the value of ACT Government research investment	Agreed in principle	The Commission maximises research investment through collaboration with Gambling Research Australia and in individual projects, for example with New South Wales. The ANU Centre is encouraged to seek funding from other sources.	In progress
23	The Committee recommends that the Government work with the community sector to establish a screen for problem gambling when assisting clients.	Agreed in principle	Asking a screening question for problem gambling to prompt disclosure and engagement with services is appropriate in many circumstances but not all. Such a question is not always appropriate, for example, when a person is seeking services because of sexual assault or domestic violence, or when services are for children and adolescents.  Relationships Australia has developed a screening question and is disseminating it through the community sector. Relationships Australia promote the use of the one question screen "have you or anyone in your family ever had an issue with gambling" which is considered an appropriate screen for prompting further exploration with a client at a non-gambling specific help service.  The Commission continues to engage with the sector to improve awareness of problem gambling, including training programs and linkages with services.	Delivered
27	The Committee recommends that the Government discuss, through the Community Clubs Task force, and with the Canberra Business Chamber, the potential benefit of a business diversification case manager for clubs as they diversify their business.	Agreed in principle	Through the Taskforce, the government is providing practical help to those clubs looking to diversify their businesses away from gaming revenue. To date, the Taskforce has met with several clubs to discuss their redevelopment proposals and to provide assistance in navigating their way through government processes.  It is not appropriate for the government to be providing business diversification advice to clubs.	Delivered

**ACTION PLAN**  
**GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**INQUIRY INTO ELEMENTS IMPACTING ON THE FUTURE OF THE ACT CLUBS SECTOR**

#	COMMITTEE RECOMMENDATION	AGREED / NOT AGREED	GOVERNMENT RESPONSE	CURRENT STATUS
28	The Committee recommends that the Government report to the Assembly annually on how the Government assists clubs to progress towards diversification of clubs activities and business model.	Agreed	Progress reports on the activities of the Taskforce will be included in future annual reports.	In progress
29	The committee recommends that the Government further investigate the liquor licensing system to ensure that it rewards low risk venues.	Agreed	The government's current liquor licence fee structure takes a risk-based approach that is reflected in the fees for different types of licensed premises. The government is currently consulting with community, industry and key stakeholders (including the clubs sector) on possible further reforms to the Liquor Act 2010 to support a safer community and more efficient hospitality sector. The government will maintain a risk-based approach to regulation and fees for licensed premises.	In progress
30	The Committee recommends that the Government establish a cash input limit for Electronic Gaming Machines of \$250.00.	Agreed	The government will move to establish a cash input limit for Electronic Gaming Machines (EGMs) as recommended by the PAC. The cash limit will be progressed simultaneously with Recommendation 31. Any costs associated with modifications to machines will be the responsibility of the licensee.	In discussion with Industry
31	The Committee recommends that if the cash input limit is agreed and implemented that the Government remove note denomination limits on Electronic Gaming Machines.	Agreed	In cognate with implementation of a cash input limit, as agreed under Recommendation 30, the government will repeal the current note denomination limit for EGMs.	In discussion with Industry

**ACTION PLAN**  
**GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**INQUIRY INTO ELEMENTS IMPACTING ON THE FUTURE OF THE ACT CLUBS SECTOR**

#	COMMITTEE RECOMMENDATION	AGREED / NOT AGREED	GOVERNMENT RESPONSE	CURRENT STATUS
32	The Committee recommends that the Government move to an electronic-based system for the reporting of Electronic Gaming Machine movements and any other activities rather than the current paper-based system.	Agreed in principle	In concert with the government's preliminary investigations into the feasibility of a Central Monitoring System (CMS) (see Recommendation 33), the Commission is already progressing a move to greater use of electronic-based systems for its regulation of electronic gaming machines through its Gaming and Racing System Upgrade Project (the database). The database assists the Commission to electronically track and notify gaming machine movements and authorisation changes; it does not, at this stage, accommodate electronic reporting by industry. The government will continue to investigate options for greater use of electronic-based systems for regulatory activities.	In progress
33	The Committee recommends that the Government investigate the feasibility of introducing a central, electronic, linked monitoring system for Electronic Gaming Machines.	Agreed in principle	The government has already commenced preliminary investigations into the feasibility of a CMS. Further investigations will be progressed in consultation with ClubsACT and the clubs.	In discussion with Industry
35a	The Committee recommends that the government refer to the ICRC the establishment of a community facility pricing point for water.	Agreed in principle	<p>The ICRC has commenced a review of the tariff structure for potable water services provided by Icon Water, and an issues paper has been released to inform discussions with community and industry.</p> <p>The ICRC has already received representations seeking consideration of community facility pricing points for water, and this matter will be considered further as part of the ICRC's review.</p> <p>It is also important to note that if the ICRC determine a community pricing point for potable water should be introduced, the revenue that is lost by this reduction in price for community group users will ultimately need to be recouped through higher potable water prices for households.</p>	In progress <sup>2</sup>

<sup>2</sup> The ICRC is already considering community facility pricing point for water as one of the identified discussion points in its current Tariff Review. The ICRC does not intend to release its final report until November 2016. Further consideration of the water subsidies for community clubs will not occur until after the review has been released and its findings considered by Government.

**ACTION PLAN**  
**GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**INQUIRY INTO ELEMENTS IMPACTING ON THE FUTURE OF THE ACT CLUBS SECTOR**

#	COMMITTEE RECOMMENDATION	AGREED / NOT AGREED	GOVERNMENT RESPONSE	CURRENT STATUS
36	The Committee recommends that the Government work with the clubs sector to assist with the provision of a variety of recreational activities to meet the needs of the community, such as billiard tables, table tennis tables, darts and carpet bowls.	Agreed	<p>The government's Community Sport and Recreation Development Program provides financial assistance to eligible sport and physical recreation organisations for outcome based projects, programs and initiatives to support participation in active lifestyles through the delivery of quality programs and services for the benefit of all the Canberra community.</p> <p>Not-for-profit organisations are welcome to apply for these grants, and all applications will be assessed on relative merit. Further information is available at <a href="http://www.sport.act.gov.au/grants/sport-and-recreation-grants-program">www.sport.act.gov.au/grants/sport-and-recreation-grants-program</a>.</p>	In progress
39	The Committee recommends that the ACT Government should consider introducing zoning to establish Entertainments precincts across Canberra, particularly around areas with clusters of multiple clubs to ensure that clubs are able to host events such as those with live music, as well as ensure that residents understand where they can expect to have slightly higher noise levels, and thus choose where to live accordingly	Agreed in principle	<p>The ACT already has clear noise zones with higher noise standards for city, town, group and local centres than residential areas. However, the government recognises there is merit in reviewing the boundaries of the noise precincts to include entertainment precincts in commercial areas such as certain parts of town centres and group centres. This could mean that these areas of high-density residential development would require new developments to have better noise attenuation measures as part of the DA process. There would be no need to amend the Territory Plan.</p> <p>The government is considering possible future actions to more clearly define mixed use/entertainment areas in the ACT and inform residents of noise and commercial activity rules in these areas, which do differ from residential zones. The clear benefit of this for the ACT is that it provides an effective communication strategy in relation to noisy activities in a mixed-use location.</p> <p>The government is also cognisant that any future reforms arising from amendments to the Liquor Act 2010 may have noise implications for commercial zones. The government will take these considerations into account when consulting community and stakeholders on possible zoning reform options.</p>	Delivered
40	The Committee recommends that the Government report to the Legislative Assembly on the implementation of recommendations made in the report from the Assembly Standing Committee on Planning, Public Works and Territory and Municipal Services Inquiry into Live Community Events by the last sitting day in November 2015.	Agreed	A report to the Assembly was included as an attachment to the Government Response which was tabled in the Legislative Assembly on 17 November 2015.	Delivered

## ACTION PLAN

### GOVERNMENT RESPONSE TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS INQUIRY INTO ELEMENTS IMPACTING ON THE FUTURE OF THE ACT CLUBS SECTOR

#	COMMITTEE RECOMMENDATION	AGREED / NOT AGREED	GOVERNMENT RESPONSE	CURRENT STATUS
43	The Committee recommends that the Government, when reviewing all legislation and fees and charges, take into account the particular burden that legislation and fees and charges may have on small and medium clubs.	Agreed	The government is committed to regulatory reform that minimises the burden of regulation on businesses including clubs, while still ensuring effective harm minimisation. The government already considers the effects that legislation, fees, and charges may have on small and medium clubs. Recent reforms introduced to assist small and medium clubs include:- redesigning payment requirements to the Problem Gambling Assistance Fund (PGAF). Smaller clubs are now able to pay their liability to the PGAF on an annual basis in place of making monthly payments. This enables licensees to 'opt-in' to the ability to pay in arrears and removes the burden for smaller clubs; and- changes to taxation rates through the Gaming Machine (Reform) Amendment Act 2015. The tax-free threshold on gaming machine revenue for clubs was raised from \$180,000 to \$300,000 per annum.	In progress
44	The Committee recommends that the Government consider ways to reduce red tape for clubs such as the need to mail out ballot papers.	Agreed	The government will continue to work proactively with all stakeholders to explore ways to reduce unnecessary red tape while maintaining the integrity of the regulatory regime and the existing problem gambling harm minimisation framework.	In progress <sup>3</sup>

<sup>3</sup> The *Gaming Machine (Ballots) Amendment Regulation 2016 (No 1)* commenced on 16 May 2016 and provides flexibility for clubs undertaking ballots of voting members. Membership ballots may now be conducted using electronic communication and clubs may engage a person or organisation to conduct ballots on their behalf.



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION TAKEN ON NOTICE  
DURING PUBLIC HEARINGS**

Asked by Mr Smyth MLA on 22 June 2016: The Minister for Racing and Gaming took on notice the following question(s):

[Ref: Hansard Transcript, 22 June 2016, p. 469]

In relation to: the number of inspections carried out across lotto agencies for 2015-16: (a) as an aggregate; and (b) broken down for different types of agencies - newsagents, tobacconists and service stations.

**THE CHAIR:** [...] Could you tell us how many inspections of existing lotto agents—for, for instance, the newsagents and the tobacconists—have occurred? How many outlets are there in each class—so newsagents and the tobacconists and the new service stations? How many inspections have been undertaken on both categories?

**MINSTER GENTLEMAN:** The answer to the Member's question is as follows:—

Five services stations in the ACT commenced the sale of lottery products in late 2015. Access Canberra inspected each of these service stations to ensure compliance with the law and offer compliance assistance. No inspections of tobacconists and newsagents were conducted in the 2015/2016 financial year, as previous inspections indicted high levels of compliance and thereby indicating the outlets as low risk.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature:

Date: 20/6/16

By the Minister for Racing and Gaming, Mick Gentleman MLA



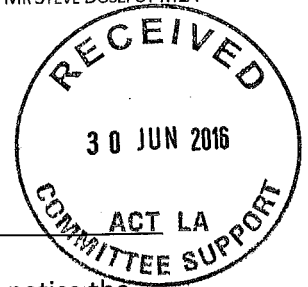


**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION TAKEN ON NOTICE  
DURING PUBLIC HEARINGS**



Asked by Mr Smyth MLA on 22 June 2016: The Minister for Racing and Gaming took on notice the following question(s):

[Ref: Hansard Transcript, 22 June 2016, pp. 469-470]

In relation to: the detail on training requirements for different types of lotto outlets being newsagents, tobacconists and service stations.

**THE CHAIR:** For a newsagent to become a lotto outlet, what training do they undertake?

[...]

**THE CHAIR:** I understand for a newsagent to become a lotto outlet you have to do a week's training with ACT-specific modules, and it also includes time in Sydney. What training do the—

[...]

**Mr Snowden:** I would have to take that on notice, Mr Smyth.

**THE CHAIR:** I understand that to have an outlet in a service station a staff member only has to do something like four hours' training.

**Mr Snowden:** I would have to get back to you on that. In terms of if you are suggesting—

**Mr Gentleman:** Four hours in regard to—

**THE CHAIR:** It is the disparity. Apparently one group has got to do a week's training that involves going to Sydney and another group has to do four hours' training and they do it here, so—

**Mr Gentleman:** And that is simply in regard to the operation of the lotteries side of it?

**Mr Snowden:** I would have to get back to you on in relation to if there is that disparity.

**MINSTER GENTLEMAN:** The answer to the Member's question is as follows:—

In the ACT all lottery agents must comply with the *Gambling and Racing Control (Code of Practice) Regulation 2002* (the Code), which requires all staff involved in gambling services to undertake the Responsible Conduct of Gambling (RCG) training. Schedule 1, Part 1.2, Division 1.2.1, Section 1.4 of the Code specifies that training in providing gambling services must be provided every three years to each staff member who is directly involved with providing gambling services and to each person

who supervises those staff. The Code of Practice does not differentiate between service station agents and newsagency agents in relation to training required. RCG training is available within the ACT and is usually a day course. Any training requirements above the regulated requirement is a commercial matter between the parties.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature:



Date: 22/6/16

By the Minister for Racing and Gaming, Mick Gentleman MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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**ANSWER TO QUESTION TAKEN ON NOTICE  
DURING PUBLIC HEARINGS**

Asked by Mr Smyth MLA on 22 June 2016: The Minister for Racing and Gaming took on notice the following question(s):

[Ref: Hansard Transcript, 22 June 2016, p. 470]

In relation to: maximum payouts outlets are able to make.

**THE CHAIR:** [...] What is the maximum payout a newsagent or a tobacconist can make as opposed to the maximum payout a service station has to make?

**MINSTER GENTLEMAN:** The answer to the Member's question is as follows:—

Pursuant to Schedule 1 Part 1.3 Section 1.23 of the *Gambling and Racing Control (Code of Practice) Regulation 2002* (the Code), the maximum amount that can be paid in cash for any lottery prize, where the lottery is subject to the Code, is \$5,000. These amounts are the same for the service stations outlets as they are for other lottery agents. An agent may decide to make an internal policy decision to further reduce the maximum pay out amount.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature:

Date:

20/6/16

By the Minister for Racing and Gaming, Mick Gentleman MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION ON NOTICE**

Brendan Smyth: To ask the Treasurer

Ref: 2016-17 BP3



In relation to all residential and commercial rate payers in 2016-17:

1. How many residential rate payers will have a reduction in rates in 2016-17?
2. What will be the total value of those reductions in 2016-17?
3. How many residential properties will have an increase in rates in 2016-17 per the following ranges and what is the total value of the increase for each range:
  - a. Zero – 1%;
  - b. 1% - 2%;
  - c. 2% - 3%;
  - d. 3% - 4%;
  - e. 4% - 5%;
  - f. 5% - 10%;
  - g. 10% - 15%; and
  - h. Greater than 20%?
4. For commercial rates, how many rate payers will have reduced in rates in 2016-17?
5. What will be the total value of those commercial rates reductions in 2016-17?
6. How many commercial properties will have an increase in rates in 2016-17 per the following ranges and what is the total value of the increase for each range:
  - a. Zero – 1%;
  - b. 1% - 2%;
  - c. 2% - 3%;
  - d. 3% - 4%;
  - e. 4% - 5%;
  - f. 5% - 10%;
  - g. 10% - 15%; and
  - h. Greater than 20%?

**Mr Barr:** The answer to the Member's question is as follows:–

1. 276 residential rate payers will have a reduction in rates in 2016-17.
2. The total value of the reduction in residential rates in 2016-17 is \$10,859.
3. The table below shows the number of properties and value of increase by range of increase in residential general rates.

Range of increase	Number of properties	Total value of increase (\$)
Zero - 1%	403	5,260
1% - 2%	2,415	70,141
2% - 3%	22,216	1,022,497
3% - 4%	55,700	2,930,690
4% - 5%	39,624	3,036,008
5% - 10%	34,103	5,315,653
10% - 15%	468	134,681
Greater than 20%	37	15,367

4. 5 commercial rate payers will have a reduction in rates in 2016-17.
5. The total value of the reduction in commercial rates in 2016-17 is \$16,142
6. The table below shows the number of properties and value of increase by range of increase in commercial general rates.

Range of increase*	Number of properties	Total value of increase (\$)
Zero - 1%	n.a.	n.a.
1% - 2%	n.a.	n.a.
2% - 3%	n.a.	n.a.
3% - 4%	20	11,082
4% - 5%	9	78,887
5% - 10%	5,933	10,199,609
10% - 15%	9	39,762
Greater than 20%	27	252,869

\* Values of less than five are not shown.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature: 

Date: 4.7.16

By the Treasurer, Mr Andrew Barr MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

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MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION ON NOTICE**

Brendan Smyth: To ask the Treasurer

Ref: 2016-17 BP3, p20 and elsewhere

In relation to the Wage Price Index quoted in BP3:

1. Which index (or indices) in the tables for ABS 6345 is BP3 referring to?

**Mr Corbell:** The answer to the Member's question is as follows:—

The index referred to in Budget Paper 3 is 'Total Hourly Rates of Pay, Excluding Bonuses: All Sectors', for the ACT, found in Table 2b of the ABS' Wage Price Index data series (Catalogue Number 6345.0).



Approved for circulation to the Select Committee on Estimates 2016-17

Signature:

Date:

By the Acting Treasurer, Mr Simon Corbell MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION ON NOTICE**

Brendan Smyth: To ask the Treasurer

Ref: 2016-17 BP3, p309, Table 9.1.

In relation to the Grants and Purchased Services expenses in Table 9.1, for the 2015-16 (Est Outcome), the 2016-17 Budget and for 2017-18 through to 2019-20:

1. What is the split for each year between grants and purchased services?
2. What procurements or payments are covered by each category?
3. For the grants expenditure component, for each year from 2015-16 through to 2019-20, what amounts were spent (in 2015-16), or are planned to be spent on grants for:
  - a. Welfare and charitable bodies;
  - b. Other community bodies eg Men's Sheds;
  - c. Educational bodies;
  - d. Multicultural bodies;
  - e. Arts and other cultural bodies;
  - f. Employment, business and economic development bodies; and
  - g. First Home Owner's Grant?
4. Could the Treasurer provide an itemised list for 3.a. to 3.f. above in relation to amounts paid in 2015-16 (ie excluding First Home Owners Grant)?



**Mr Corbell:** The answer to the Member's question is as follows:–

1. The split for each year between grants and purchased services is as follows:

	<b>2015-16 Estimated Outcome \$'000</b>	<b>2016-17 Budget \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>
<b>Total Grants</b>	626,357	657,217	605,858	619,261	600,857
<b>Total Purchased Services</b>	337,424	341,771	360,755	374,293	389,295

2. The category breakdowns are as follows.

a. 'Grants' comprises:

- grants (including capital grants) to non-ACT Government entities;
- grants to income support programs;
- grants to community activity programs;
- payments to Calvary Hospital;
- service purchase payments to PTE agencies; and
- appropriation output payments to PTE agencies.

b. 'Purchased services' comprises monies expended under service purchase payments by ACT Government entities – for example, where services are purchased from an alternate provider, such as those from non-government schools in the instance of the Education Directorate. The following ACT Government bodies have service purchasing arrangements in place: ACT Local Hospital Network; Chief Minister, Treasury and Economic Development Directorate; Community Services Directorate; Education Directorate (both controlled and territorial); and the Justice and Community Safety Directorate.

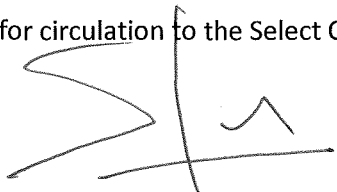
3. Treasury's financial system does not record nor monitor expenditure at the level of detail requested for the components 3a through f. Expenditure details in relation to the First Home Owner's Grant is as per the following table.

	<b>2015-16 Estimated Outcome \$'000</b>	<b>2016-17 Budget \$'000</b>	<b>2017-18 Estimate \$'000</b>	<b>2018-19 Estimate \$'000</b>	<b>2019-20 Estimate \$'000</b>
<b>First Home Owner's Grant</b>	13,268	11,352	8,790	8,776	8,902

4. As per the response to Question 3, Treasury's financial system does not record nor monitor expenditure at the level of detail requested.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature:



20.6.16

Date:

By the Acting Treasurer, Mr Simon Corbell MLA



# LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

## SELECT COMMITTEE ON ESTIMATES 2016-17

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

### QUESTION ON NOTICE

Brendan Smyth: To ask the Treasurer

Ref: 2016-17 Budget Paper B, p51.

In relation to the First Home Owners Grant



1. What:
  - a. Have been the total payments for the financial years 2011-12 to 2015-16;
  - b. Total payments expected in the 2016-17 budget and forward estimates;
  - c. Total number of grants issued in the financial years 2011-12 to 2015-16; and
  - d. Total number of grants planned for the 2016-17 budget and each year of the forward estimates?
2. For 2015-16, what has been the total number of first home purchases comprising;
  - a. The number of first homes purchased not in receipt of the First Home Owners Grant; and
  - b. The number of first homes purchased that attracted the grant?

**Mr Barr** – The answer to the Member's question is as follows:

1. (a) and (c). The total payments of First Home Owner Grants (FHOG) and the number of grants issued since 2011-12 are set out in the table below.

Financial Year	Number of grants issued	FHOG payments (\$m)
2011-12	2,775	18.3
2012-13	3,037	20.6
2013-14	1,860	14.5
2014-15	1,706	17.3
YTD May 2016	1,307	14.3

1. (b) and (d). The Total FHOG payments expected planned for the period 2016-17 to 2019-20 are set out in the table below.

Budget and forward years	2016-17	2017-18	2018-19	2019-20
FHOG payments expected (\$m)	11.4	8.8	8.8	8.9
Number of grants planned	1,352	1,372	1,393	1,413

2.

- (a) For the financial year 2015-16 (to May 2016), the ACT Revenue Office assessed a total of 3,625 new residential properties for duty. The ACT Revenue Office does not collect information on whether these properties were purchased by first home buyers, second or subsequent home buyers or investors.
- (b) For the financial year 2015-16 (to May 2016), the number of purchasers that received first home buyer grant was 1,307.

Approved for circulation to the Member and incorporation into Hansard.

Signature: 

Date: 11. 7. 16

By the Treasurer, Mr Andrew Barr MLA



## LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

### SELECT COMMITTEE ON ESTIMATES 2016-17

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

#### ANSWER TO QUESTION ON NOTICE



Brendan Smyth: To ask the Treasurer

Ref: 2016-17 BP3, p233 (Table 6.2.6) and BP3 pp 227 – 228 (Table 6.2.1)

In relation to: The Fire and Emergency Services Levy (FESL)

1. For rural and residential properties, for each year from 2015-16 (est outcome) through to 2019-20:
  - a. How many properties are included each year in the levy revenue calculation; and
  - b. In regard to the FESL revenue figures in BP3 p228 (Table 6.2.1), what is the amount of levy revenue for residential and rural properties?
2. In BP3 p233, Table 6.2.6:
  - a. What is the number of commercial properties in each threshold for each of the years 2016-17 through to 2019-20; and
  - b. With reference to the FESL revenue figures in BP3 p228 (Table 6.2.1), what is the amount of revenue to be collected for each threshold in each year from 2016-17 through to 2019-20?

**Mr Barr:** The answer to the Member's question is as follows:–

1. The answers below are provided for the 2015-16 and 2016-17 years. Numbers for future years are not provided because the Government does not explicitly forecast the number of rateable properties (which will be subject to the FESL).
  - a. The number of residential and rural properties included in the FESL revenue calculation are:

Number of properties*	2015-16	2016-17
Residential	152,551	155,355
Rural	168	173

\* The FESL revenue estimate also includes an allowance (as a dollar amount) for new rateable properties which are added during the year. This means there will be more rateable properties at the end of each financial year than included in the table above.

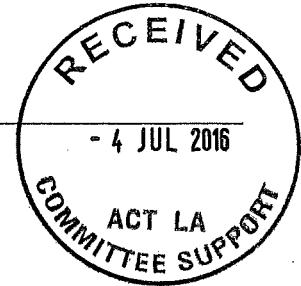


**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION ON NOTICE**



Brendan Smyth: To ask the Treasurer

Ref: 2016-17 BP3, p233

In relation to: Utilities (Network Facilities) Tax

1. What is the rationale behind the increase of this tax by 5 per cent during 2015-16?
2. Is there any reason why this increase is well above prevailing inflation?

**Mr Barr:** The answer to the Member's question is as follows:-

1 and 2. This initiative was announced in the 2015-16 Budget Review. The increase is to support the Government's fiscal strategy: the responsible management of the Territory's public finances, balancing sustainable taxation revenues with service delivery levels that are consistent with community expectations.

In the 2016-17 Budget, the Government continues to invest in the provision of necessary services, including public transport, education and healthcare to ensure that appropriate service quality is retained while being delivered in an efficient manner.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature: *Andrew Barr*

Date: 4.7.16

By the Treasurer, Mr Andrew Barr MLA



# LEGISLATIVE ASSEMBLY

## FOR THE AUSTRALIAN CAPITAL TERRITORY

### SELECT COMMITTEE ON ESTIMATES 2016-17

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

#### ANSWER TO QUESTION ON NOTICE



Brendan Smyth: To ask the Treasurer

Ref: 2016-17 BP3 p227 (Table 6.2.1) and BP3, p230, (Table 6.2.4).

In relation to the Land Tax marginal rates in Table 6.2.4, for the period 2015-16 (Est Outcome) through to 2019-20:

1. What:
  - a. Are the number of properties within, or forecast for each marginal rate threshold;
  - b. Is the amount of revenue expected or forecast for each threshold; and
  - c. Is the total amount of fixed charges to be collected each year (all summing to the figures in Table 6.2.1)?

**Mr Barr:** The answer to the Member's question is as follows:-

The answers below are estimates for 2015-16 and 2016-17 based on assumptions regarding growth in both the number of land tax properties and land values. Marginal rates and thresholds have not been set for 2017-18 and beyond.

The table below shows the estimated number of properties and the amount of revenue from the fixed charge and each marginal rates threshold in 2015-16.

Land Tax Marginal Rating Category (by AUV)	Marginal Rates 2015-16	Est. Number of Properties within each Category 2015-16 (No.)	Est. Share of Properties within each Category 2015-16 (%)	Est. Land Tax Revenue 2015-16 (\$'000)	Est. Land Tax Revenue 2015-16 (%)
Fixed Charge	\$945	38,300	100	40,611	41
\$0 to \$75,000	0.41%	7,200	19	1,451	1
\$75,001 to \$150,000	0.48%	10,100	26	5,542	6
\$150,001 to \$275,000	0.61%	9,900	26	11,176	11
\$275,001 and over	1.23%	11,100	29	40,290	41

The table below shows the estimated number of properties and the amount of revenue from the fixed charge and each marginal rates threshold in 2016-17.

Land Tax Marginal Rating Category (by AUV)	2016-17	Est. Number of Properties within each Category 2016-17 (No.)	Est. Share of Properties within each Category 2016-17 (%)	Est. Land Tax Revenue 2016-17 (\$'000)	Est. Land Tax Revenue 2016-17 (%)
Fixed Charge	\$1,090	40,200	100	48,292	44
\$0 to \$75,000	0.41%	7,400	18	1,527	1
\$75,001 to \$150,000	0.48%	10,400	26	5,864	5
\$150,001 to \$275,000	0.61%	10,200	25	12,160	11
\$275,001 and over	1.23%	12,200	30	42,502	39

Approved for circulation to the Select Committee on Estimates 2016-17

Signature: *Andrew Barr*

Date: 5.7.16

By the Treasurer, Mr Andrew Barr MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION ON NOTICE**



Brendan Smyth: To ask the Treasurer

Ref: 2016-17 Budget Paper B, p 305, Table 7.

In relation to: Territory Banking Account: Cash Flow Statement on Behalf of the Territory

In Table 7:

1. What is the explanation for the large variations in repayment of investments to agencies? From the budgeted \$330 million to the actual \$117 million in 2015-16 and increasing to nearly \$500 million in 2016-17?
2. Why are there large variations' in the repayments of borrowings, especially between 2018-19 and 2019-20?

**Mr Barr:** The answer to the Member's question is as follows:—

1. Changes in agency investment deposit balances, as reflected in the Cash Flow Statement on behalf of the Territory ('Investments from Agencies' and 'Repayment of Investments to Agencies') are as a result of agency specific cash flow activities. These numbers are annual changes reflecting estimated agency investment activity at a point in time.

The 2015-16 Budget estimate of \$330.536 million represents an estimated net reduction in investment deposits for the ACT Insurance Authority and the Superannuation Provision Account. The majority of the estimated return of investments relates to the Superannuation Provision Account (\$305 million) reflecting the expected strategy at the time to reallocate some investments from cash investment exposures to other asset classes. This did not occur due to prevailing financial market conditions. Investment exposures other than cash type investments are made directly from the Superannuation Provision Account.

The 2015-16 Estimated Outcome of \$117.591 million is mainly due to an estimated reduction in investment deposits by ACT Housing (\$42 million) and Land Development Agency (\$70 million).

The 2016-17 Budget estimate of \$498.635 million is mainly due to an estimated reduction in investment deposits by the ACT Insurance Authority (\$35 million) and the Superannuation Provision Account (\$476 million). The Superannuation Provision Account decrease reflects an anticipated reallocation of cash investments to other asset classes, subject to prevailing financial market conditions.

2. Changes in total net borrowings outstanding are reflected in the Cash Flow Statement on behalf of the Territory under Cash Flows from Financing Activities ('Borrowings Received' and 'Repayment of Borrowings').

A reconciliation of the Repayment of Borrowings estimates for 2016-17 to 2019-20 is provided in Table 1 below:

**Table 1: Components of Repayment of Borrowings, 2016-17 Budget Paper B, p 305, Table 7**

	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
Historic Commonwealth Loan - Housing	3,299	3,448	3,603	3,765
Historic Commonwealth Loan – Land & Buildings	554	554	554	554
Commonwealth Loan – Asbestos Eradication Scheme	-	50,000	50,000	50,000
Net Reduction in Market Borrowings	-	-	-	164,976
<b>Current Investments</b>	<b>3,853</b>	<b>54,002</b>	<b>54,157</b>	<b>219,295</b>

Approved for circulation to the Select Committee on Estimates 2016-17

Signature: *Andrew Barr*

Date: 5.7.16

By the Treasurer, Mr Andrew Barr MLA



# LEGISLATIVE ASSEMBLY

## FOR THE AUSTRALIAN CAPITAL TERRITORY

### SELECT COMMITTEE ON ESTIMATES 2016-17

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

#### ANSWER TO QUESTION ON NOTICE



Brendan Smyth: To ask the Treasurer

Ref: 2016-217 Budget Paper B, p 302, Table 5.

In relation to: Territory Banking Account, Statement of Assets and Liabilities on Behalf of the Territory:

1. Why did current investments increase from \$672 million to \$1.2 billion during 2015-16?
2. What is the reason for the significant disparity between the 2015-16 estimated outcome and the 2016-17 budget?
3. What is the reason for the quite high variability in interest-bearing liabilities through all years?

**Mr Corbell:** The answer to the Member's question is as follows:-

1. Please refer to response to QTON E16-13.
2. Please refer to response to QTON E16-13.
3. Interest-bearing liabilities comprise total Territory borrowings excluding PTE Historic Commonwealth Loans (refer 2016-17 Budget Paper 3, p 304, Table 8.3.2) and investment deposits held on behalf of Directorates and Territory Authorities that have monies invested via the Territory Banking Account's investment platform. A reconciliation is provided below.

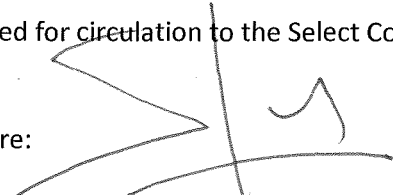
**Table 5 Territory Banking Account Statement of Assets and Liabilities on Behalf of the Territory (from Budget Statements B, Page 302)**

2015-16 Budget \$'000		2015-16 Est. Outcome \$'000	2016-17 Budget \$'000	2017-18 Estimate \$'000	2018-19 Estimate \$'000	2019-20 Estimate \$'000
802,230	Current Interest-Bearing Liabilities	887,728	983,246	462,894	1,065,709	551,697
4,767,610	Non Current Interest-Bearing Liabilities	4,716,455	4,229,459	4,814,483	4,737,685	5,081,060
<b>5,569,840</b>	<b>Total Interest-Bearing Liabilities</b>	<b>5,604,183</b>	<b>5,212,705</b>	<b>5,277,377</b>	<b>5,803,394</b>	<b>5,632,757</b>
<i>Interest-Bearing Liabilities comprise</i>						
4,903,849	Total Borrowings	4,558,457	4,664,613	4,688,511	5,171,176	4,951,882
665,991	Total Agency Investments	1,045,726	548,092	588,866	632,218	680,875
<b>5,569,840</b>	<b>Total Interest-Bearing Liabilities</b>	<b>5,604,183</b>	<b>5,212,705</b>	<b>5,277,377</b>	<b>5,803,394</b>	<b>5,632,757</b>

The variability in interest-bearing liabilities between years is a combination of the change in net borrowing requirements and the net aggregate change in agency investment deposits based on agency specific cash flow activities.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature:

A handwritten signature in black ink, consisting of a large, stylized 'S' followed by a smaller 'C' and a horizontal line underneath.

Date: 30.6.16

By the Acting Treasurer, Mr Simon Corbell MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION ON NOTICE**



Brendan Smyth: To ask the Treasurer

Ref: 2016-17 Budget Paper B, p 301, Table 4.

In relation to: Territory Banking Account operating result at Table 4:

1. Why are the amounts for operating results/comprehensive income negative for the current and out years until 2019-20?
2. Are these amounts cumulative year on year?
3. What are the implications of the operating results/ comprehensive income being negative for the current and out years until 2019-20?

**Mr Barr:** The answer to the Member's question is as follows:-

1. The two main reasons for the negative operating result are general government borrowing interest expenses and the net impact from internal trading activities with agencies.

The Territory Banking Account reporting entity is established to separately recognise and account for all Territory borrowings (excluding PTE Historic Commonwealth Loans (refer 2016-17 Budget Paper 3, p 304, Table 8.3.2)).

The Territory Banking Account is also the 'public account' of the Territory, established to separately recognise and account for the receipt of revenues collected on behalf of the Territory by agencies (not including agency own-source revenue) and transferred to the Territory Banking Account (for example, taxes, fees, fines, Commonwealth grants and GST funding) and the transfer of budget appropriation to agencies (Government Payments for Outputs, Payments for Expenses on Behalf of the Territory, and Capital Injections).

- The estimated operating deficits are also due to the appropriation payments to agencies being higher than transfer revenues.
2. The annual operating result is not cumulative year on year in the Statement of Income and Expenses on Behalf of the Territory. The annual operating result does, however, form part of the accumulated funds balance of the Territory Banking Account as reflected in the Statement of Changes in Equity on Behalf of the Territory (2016-17 Budget Paper B, p 303, Table 6).
  3. The estimated Territory Banking Account operating results are representative of the general government sector cash flow activity and the estimated levels of cash, financial investment assets and borrowing liabilities as set out in the 2016-17 Budget. As such, these forecasts are consistent with the Government's fiscal strategy, its capital investment program and the return to a broadly balanced budget for 2017-18.

In the 2016-17 Budget, the Government has forecast an improvement in the Headline Net Operating Balance in all years from the forecasts in the 2015-16 Budget Review. An improvement in the Territory Banking Account operating result is reflective of a stronger Headline Net Operating Balance and Net Debt position.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature: *Andrew Barr*

Date: **11.7.16**

By the Treasurer, Mr Andrew Barr MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION ON NOTICE**



Brendan Smyth: To ask the Treasurer

Ref: 2016-17 BP3 p 297 – 298 and Table 8.2.3.

1. In relation to the Superannuation Provision Account appropriations reduction of \$75 million per annum:
  - a. Where is the \$75 million dollar reduction reflected in Table 8.2.3 at p 298?
  - b. How does this reduction reconcile with the estimated appropriation of \$288 million in 2019-20?

**Mr Corbell:** The answer to the Member's question is as follows:—

- a. The \$75 million reduction in annual appropriation for the 2016-17, 2017-18 and 2018-19 financial years is incorporated in the Appropriation row of Table 8.2.3. The difference between the amounts in the Appropriation row and the Benefit Payments row in each year (2016-17, 2017-18 and 2018-19) is \$75 million.
- b. There is no reduction in appropriation for the 2019-20 financial year as reflected by the Appropriation amount in that year matching the estimated Benefit Payment to be made in that year.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature:

30.6.16

Date:

By the Acting Treasurer, Mr Simon Corbell MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**QUESTION ON NOTICE**



Brendan Smyth: To ask the Treasurer

Ref: Conveyance Duty revenue actuals 2011-12 to 2014-15.

In relation to conveyance duty:

1. For residential conveyance duty revenue, for each year from 2011-12 through to 2014-15, could the Treasurer provide a summary showing the:
  - a. Thresholds and duty rates that applied for each year;
  - b. Number of property transactions that occurred within each threshold; and
  - c. Amount of conveyance duty revenue received for each threshold summing to the total actual revenues as shown in previous budget documents (eg for the 2012-13 actual shown at p45 of the 2013-14 Budget Review)?
2. For commercial conveyance duty revenue, for each year from 2011-12 through to 2014-15, could the Treasurer provide a summary showing the:
  - a. The thresholds and duty rates that applied for each year;
  - b. The number of property transactions that occurred within each threshold; and
  - c. Amount of conveyance duty revenue received for each threshold summing to the total actual revenues as shown in previous budget documents?

**Mr Barr** - The answer to the Member's question is as follows:

1. For residential conveyance duty revenue:
  - a. Thresholds and duty rates

Value of Property	Duty rates (transactions dates from 1 July 2011 to 5 June 2012 ( <b>2011-12</b> ))
Up to \$100,000	\$20 or \$2.00 per \$100 or part thereof
\$100,001 to \$200,000	\$2,000 plus \$3.50 per \$100 or part thereof

\$200,001 to \$300,000	\$5,500 plus \$4.00 per \$100 or part thereof
\$300,001 to \$500,000	\$9,500 plus \$5.50 per \$100 or part thereof
\$500,001 to \$1,000,000	\$20,500 plus \$5.75 per \$100 or part thereof
\$1,000,001 and over	\$49,250 plus \$6.75 per \$100 or part thereof

Value of Property	Duty rates (transactions dates from 6 June 2012 to 4 June 2013 <b>(2012-13)</b> )
Up to \$200,000	\$20 or \$2.40 per \$100 or part thereof
\$200,001 to \$300,000	\$4,800 plus \$3.75 per \$100 or part thereof
\$300,001 to \$500,000	\$8,550 plus \$4.75 per \$100 or part thereof
\$500,001 to \$750,000	\$18,050 plus \$5.50 per \$100 or part thereof
\$750,001 to \$1,000,000	\$31,800 plus \$6.50 per \$100 or part thereof
\$1,000,001 and over	\$48,050 plus \$7.25 per \$100 or part thereof

Value of Property	Duty rates (transactions dates from 5 June 2013 to 3 June 2014 <b>(2013-14)</b> )
Up to \$200,000	\$20 or \$2.20 per \$100 or part thereof
\$200,001 to \$300,000	\$4,400 plus \$3.70 per \$100 or part thereof
\$300,001 to \$500,000	\$8,100 plus \$4.50 per \$100 or part thereof
\$500,001 to \$750,000	\$17,100 plus \$5.00 per \$100 or part thereof
\$750,001 to \$1,000,000	\$29,600 plus \$6.50 per \$100 or part thereof
\$1,000,001 to \$1,650,000	\$45,850 plus \$7.00 per \$100 or part thereof
\$1,650,001 and over	A flat rate of \$5.50 per \$100 applied to the total transaction value

Value of Property	Duty rates (transactions dates from 4 June 2014 to 2 June 2015 (2014-15))
Up to \$200,000	\$20 or \$2.00 per \$100 or part thereof
\$200,001 to \$300,000	\$4,000 plus \$3.50 per \$100 or part thereof
\$300,001 to \$500,000	\$7,500 plus \$4.15 per \$100 or part thereof
\$500,001 to \$750,000	\$15,800 plus \$5.00 per \$100 or part thereof
\$750,001 to \$1,000,000	\$28,300 plus \$6.50 per \$100 or part thereof
\$1,000,001 to \$1,454,999	\$44,550 plus \$7.00 per \$100 or part thereof
\$1,455,000 and over	A flat rate of \$5.25 per \$100 applied to the total transaction value

b. Number of property transactions

c. Revenue received

**2011-12**

Range	Number of property transactions	Revenue received
Up to \$100,000	162	\$31,573
\$100,001 to \$200,000	441	\$1,111,144
\$200,001 to \$300,000	1,489	\$8,852,099
\$300,001 to \$500,000	6,184	\$67,940,786
\$500,001 to \$1,000,000	4,175	\$98,866,182
\$1,000,001 and over	311	\$21,324,215
	<b>12,762</b>	<b>\$198,126,000</b>

**2012-13**

Range	Number of property transactions	Revenue received
Up to \$200,000	413	\$946,189
\$200,001 to \$300,000	1,246	\$6,180,291
\$300,001 to \$500,000	5,870	\$58,137,501
\$500,001 to \$750,000	3,174	\$61,249,965
\$750,001 to \$1,000,000	627	\$19,751,403
\$1,000,001 and over	312	\$20,069,652
	<b>11,642</b>	<b>\$166,335,000</b>

**2013-14**

Range	Number of property transactions	Revenue received
Up to \$200,000	599	\$1,128,967
\$200,001 to \$300,000	1,095	\$4,673,871
\$300,001 to \$500,000	5,870	\$54,316,160
\$500,001 to \$750,000	3,278	\$59,624,441
\$750,001 to \$1,000,000	735	\$22,111,445
\$1,000,001 to \$1,650,000	251	\$12,892,865
\$1,650,001 and over	63	\$7,254,250
	<b>11,891</b>	<b>\$162,002,000</b>

**2014-15**

Range	Number of property transactions	Revenue received
Up to \$200,000	326	\$585,758
\$200,001 to \$300,000	1,121	\$4,065,489
\$300,001 to \$500,000	6,010	\$48,000,663
\$500,001 to \$750,000	3,624	\$61,492,250
\$750,001 to \$1,000,000	862	\$25,282,517
\$1,000,001 to \$1,454,999	316	\$15,135,625
\$1,455,000 and over	109	\$10,224,344
	<b>12,368</b>	<b>\$164,786,645</b>

## 2. For commercial conveyance duty revenue

- a. Thresholds and duty rates are the same as residential conveyance duty - refer to answer 1.a
- b. Number of property transactions
- c. Revenue received

**2011-12**

Range	Number of property transactions	Revenue received
Up to \$100,000	29	\$14,785
\$100,001 to \$200,000	31	\$102,882
\$200,001 to \$300,000	27	\$166,649
\$300,001 to \$500,000	73	\$934,409
\$500,001 to \$1,000,000	78	\$2,244,272
\$1,000,001 and over	130	\$37,186,003
	<b>368</b>	<b>\$40,649,000</b>

**2012-13**

Range	Number of property transactions	Revenue received
Up to \$200,000	112	\$340,109
\$200,001 to \$300,000	72	\$396,941
\$300,001 to \$500,000	88	\$1,118,787
\$500,001 to \$750,000	55	\$1,207,518
\$750,001 to \$1,000,000	24	\$826,813
\$1,000,001 and over	103	\$60,333,832
	<b>454</b>	<b>\$64,224,000</b>

**2013-14**

Range	Number of property transactions	Revenue received
Up to \$200,000	148	\$329,142
\$200,001 to \$300,000	52	\$263,428
\$300,001 to \$500,000	90	\$928,965
\$500,001 to \$750,000	68	\$1,237,983
\$750,001 to \$1,000,000	31	\$980,506
\$1,000,001 to \$1,650,000	50	\$2,857,939
\$1,650,001 and over	132	\$57,920,037
	<b>571</b>	<b>\$64,518,000</b>

**2014-15**

Range	Number of property transactions	Revenue received
Up to \$200,000	75	\$168,927
\$200,001 to \$300,000	49	\$238,526
\$300,001 to \$500,000	65	\$596,079
\$500,001 to \$750,000	53	\$929,923
\$750,001 to \$1,000,000	36	\$1,065,774
\$1,000,001 to \$1,454,999	34	\$1,695,297
\$1,455,000 and over	139	\$46,241,137
	<b>451</b>	<b>\$50,935,663</b>

Approved for circulation to the Member and incorporation into Hansard.



Mr Andrew Barr MLA

Treasurer

Date: 11.7.16



# LEGISLATIVE ASSEMBLY

FOR THE AUSTRALIAN CAPITAL TERRITORY

## SELECT COMMITTEE ON ESTIMATES 2016-17

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

### ANSWER TO QUESTION ON NOTICE



Brendan Smyth: To ask the Treasurer

Ref: BP3, p231 (Table 6.2.5) and p255 (Table 6.3.4)

In relation to conveyance duty:

1. For the residential conveyance thresholds and duty rates at p231, for each year from 2015-16 (Est Outcome) through to 2019-20, what is:
  - a. The number of property transactions included in each threshold; and
  - b. The amount of revenue to be collected for each threshold, summing to the total residential conveyance revenue figures at p227 (Table 6.2.1)?
2. For commercial conveyance thresholds and duty rates at p255, for each year from 2015-16 (Est Outcome) through to 2019-20, what is:
  - a. The number of property transactions included in each threshold; and
  - b. The amount of revenue to be collected for each threshold, summing to the total commercial conveyance revenue figures at p227 (Table 6.2.1)?

**Mr Barr:** The answer to the Member's question is as follows:—

1. **Table 1** and **Table 2** below show the number of residential property transactions and amount of duty revenue collected in 2014-15 and 2015-16 (unaudited). Duty rates in 2015-16 are those shown at p231 of BP3.

**a. Table 1: Number of residential property transactions by threshold**

Thresholds	2014-15	2015-16
\$0 - \$200,000	326	402
\$200,001 - \$300,000	1,121	1,905
\$300,001 - \$500,000	6,010	5,601
\$500,001 - \$750,000	3,624	3,718
\$750,001 - \$1,000,000	862	1,150
\$1,000,001 - \$1,454,999	316	442
\$1,455,000 and above	109	220
<b>Total</b>	<b>12,368</b>	<b>13,438</b>

**b. Table 2: Residential conveyance duty by threshold**

<b>Thresholds</b>	<b>2014-15 (\$'000)</b>	<b>2015-16 (\$'000)</b>
\$0 - \$200,000	586	504
\$200,001 - \$300,000	4,065	5,000
\$300,001 - \$500,000	48,001	45,736
\$500,001 - \$750,000	61,492	65,485
\$750,001 - \$1,000,000	25,283	35,152
\$1,000,001 - \$1,454,999	15,136	22,161
\$1,455,000 and above	10,224	19,096
<b>Total</b>	<b>164,787</b>	<b>193,134</b>

**Note:** Numbers may not add due to rounding.

The 2016-17 Budget and forward estimates of residential conveyance duty take a number of factors into consideration including annual growth in the Wage Price Index and the population, the turnover to stock ratio and house price growth.

As these factors are applied at an aggregate level it is not possible to provide a breakdown of forecast residential conveyance duty by property value.

- Table 3 and Table 4** below show the number of commercial property transactions and amount of duty revenue that was collected in 2014-15 and 2015-16 (unaudited). Duty rates in 2015-16 are those shown at p231 of BP3.

**a. Table 3: Number of commercial property transactions by threshold**


<b>Thresholds</b>	<b>2014-15</b>	<b>2015-16</b>
\$0 - \$200,000	75	80
\$200,001 - \$300,000	49	78
\$300,001 - \$500,000	65	102
\$500,001 - \$750,000	53	70
\$750,001 - \$1,000,000	36	50
\$1,000,001 - \$1,454,999	34	46
\$1,455,000 and above	139	160
<b>Total</b>	<b>451</b>	<b>586</b>

b. Table 4: Commercial conveyance duty by threshold

Thresholds	2014-15 (\$'000)	2015-16 (\$'000)
\$0 - \$200,000	169	110
\$200,001 - \$300,000	239	418
\$300,001 - \$500,000	596	947
\$500,001 - \$750,000	930	1,468
\$750,001 - \$1,000,000	1,066	1,385
\$1,000,001 - \$1,454,999	1,695	2,528
\$1,455,000 and above	46,241	86,296
<b>Total</b>	<b>50,936</b>	<b>93,152</b>

As for residential conveyance duty, it is not possible to provide a breakdown of forecast commercial conveyance duty by property value.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature: 

Date: 12.7.16

By the Treasurer, Mr Andrew Barr MLA



**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION ON NOTICE**



Brendan Smyth: To ask the Treasurer

Ref: BP3 p227, Table 6.2.1 and p257 Table 6.3.6.

In relation to: Residential General Rates.

1. For residential rates in Table 6.2.1, for each of the years from 2015-16 (Est Outcome) through to 2019-20, how much revenue is;
  - a. For rates to be collected from owners of multi-unit dwellings;
  - b. For fixed charges for multi-unit dwellings;
  - c. Attributable to rates to be collected from other residential properties; and
  - d. For fixed charges for other residential properties?
  
2. In 1. above, what is the number of:
  - a. Multi-unit dwellings for each year; and
  - b. Other residential properties for each year?
  
3. For residential rates revenue in BP3 p227 Table 6.2.1, for each of the years from 2016-17 to 2019-20, what is the total amount of revenue associated with the:
  - a. Rate increases outlined in BP3 p 257;
  - b. Fixed charge increase (Table 6.3.6);
  - c. Extra threshold (ie \$600,001 and above);
  - d. Previous rate threshold levels (ie those applying in 2015-16)?

**Mr Barr:** The answer to the Member's question is as follows:–

- 1 & 2. The answers below are provided for the 2015-16 and 2016-17 years. Numbers for future years are not provided because the Government does not explicitly forecast the number of rateable properties. General rates revenue is set in aggregate which takes into account the expected growth in properties.

The answers to 1. and 2. are shown in the table below:

	<b>2015-16</b>	<b>2016-17</b>
<b>Rates revenue (total)</b>		
Multi-unit dwellings (\$'000)	40,697	49,476
Other residential dwellings (\$'000)	233,949	238,982
Rural dwellings	118	120
<b>Rates revenue (fixed charge)</b>		
Multi-unit dwellings (\$'000)	30,050	33,687
Other residential dwellings (\$'000)	81,312	85,160
<b>Number of properties (as at 1 January)</b>	152,551	155,355
Multi-unit dwellings	41,164	44,035
Other residential dwellings	111,387	111,320

3. The increases in residential general rates shown in the 2016-17 Budget are due to the announced increases of an average of 4.5 per cent in 2016-17 and an average of seven per cent per year from 2017-18, plus an allowance for new properties. General rates for units will have an additional increase due to the change in calculation methodology from 2017-18. The fixed charge, the number and values of thresholds and the marginal rates applying to each threshold distributes total residential general rates revenue between properties. As such, it is not possible to separate increases in total general rates revenue into various components, such as fixed charges and specific thresholds.

The amount of residential general rates revenue in each threshold in future years will be based on the land values (Average Unimproved Values) and marginal rates and thresholds in those years. Land values are not yet available and, as such, marginal rates and thresholds for future years have not been determined.

For illustrative purposes, the amount of residential general rates revenue within each threshold in 2015-16 and 2016-17 is shown in the table below.

2015-16			2016-17		
Threshold	Marginal rates	Revenue (\$'000) (includes fixed charge)	Threshold	Marginal rates	Revenue (\$'000) (includes fixed charge)
\$0-\$150,000	0.2746%	28,687	\$0-\$150,000	0.2746%	31,843
\$150,001-\$300,000	0.3857%	84,423	\$150,001-\$300,000	0.3900%	82,837
\$300,001-\$450,000	0.4629%	83,321	\$300,001-\$450,000	0.4800%	87,466
\$450,001+	0.5339%	78,215	\$450,001-\$600,000	0.5400%	40,076
Rural properties		118	\$600,001+	0.5750%	46,235
			Rural properties		120
<b>Total</b>		<b>274,764</b>			<b>288,578</b>

Approved for circulation to the Select Committee on Estimates 2016-17

Signature: 

Date: 12.7.16

By the Treasurer, Mr Andrew Barr MLA

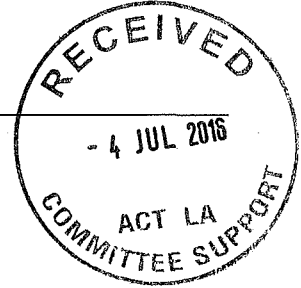


**LEGISLATIVE ASSEMBLY**  
FOR THE AUSTRALIAN CAPITAL TERRITORY

**SELECT COMMITTEE ON ESTIMATES 2016-17**

MR BRENDAN SMYTH MLA (CHAIR), MR JAYSON HINDER MLA (DEPUTY CHAIR), MS JOY BURCH MLA, MR STEVE DOSZPOT MLA

**ANSWER TO QUESTION ON NOTICE**



Brendan Smyth: To ask the Treasurer

Ref: 2016-17 BP3 p227 and p257.

In relation to Commercial Rates revenue increases:

1. For the commercial rates revenue shown at BP3 p227 (Table 6.2.1), for each of the years from 2016-17 to 2019-20;
  - a. Other than for the extra threshold, what is the amount of revenue related to the increases in commercial rates summarised in BP3 p257, Table 6.3.7;
  - b. How much of each year's revenue is attributable to the extra threshold (ie the \$600,001 and above); and
  - c. What is the amount of each year's revenue related to charges that applied to the previous rating structure?

**Mr Barr:** The answer to the Member's question is as follows:—

The increases in commercial general rates shown in the 2016-17 Budget are due to the announced increases of seven per cent in 2016-17 then six per cent per year from 2017-18, plus an allowance for new properties. The fixed charge, the number and values of thresholds and the marginal rates applying to each threshold distributes this revenue between commercial properties. As such, the introduction of an additional threshold in 2016-17 did not increase revenue in itself.

The amount of commercial rates revenue in each threshold in future years will be based on the land values (Average Unimproved Values) and marginal rates and thresholds in those years. Land values are not yet available and, as such, marginal rates and thresholds for future years have not been determined.

Approved for circulation to the Select Committee on Estimates 2016-17

Signature: *Andrew Barr*

Date: *4.7.16*

By the Treasurer, Mr Andrew Barr MLA