

# Public Revenue for Essential Services

This note provides ACT-specific commentary and information on this action area from ACOSS 2019 federal election commitment priorities.

**Question:** The ACT is reliant on a sound revenue stream to generate both local economic activity and appropriate streams of revenue for essential services to support the 420,000 people who live here. What is your position on maintaining a sustainable revenue stream for the ACT?

## The facts

- The ACT is dually dependent on sustainable streams of Federal revenue to maintain essential services and economic sustainability.
- According to the 2018-19 ACT Budget papers, the ACT is expected to receive approximately 40.6% of our total revenue – \$2.3 billion – from the Commonwealth in 2018-19. This is a decrease of 0.8% over the previous year's funding and makes the ACT the second least reliant on Commonwealth revenue among all jurisdictions.<sup>1</sup>
- GST funding represents a relatively large share of the ACT's revenue due to the ACT's inability to apply taxes to the Commonwealth, as well as a lack of mineral resources.
- The ACT's lower share of national partnership payments is largely driven by a small share of infrastructure funding, which is typically lower in per capital terms for smaller states.
- In the last Federal Budget, the ACT received some infrastructure funding for Piallago Road but no support for other transport projects. There is also

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<sup>1</sup> ACT Government, *Australian Capital Territory Budget 2018-19: Budget Paper 3: Budget Outlook*, ACT Government, p. 266, <<https://apps.treasury.act.gov.au/budget/budget-2018-2019/budget-papers>>.

a continued 2.5% efficiency dividend and continued decentralisation of the public service out of Canberra.

- Significant changes to Commonwealth public and community services expenditure leave the ACT vulnerable to economic shocks on two fronts – job losses and services losses.

## Further reading

- [ACOSS Tax Reform election policy](#), April 2019

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ACTCOSS is committed to reconciliation, acknowledges the traditional custodians of the land and pays respect to elders past and present.

ACTCOSS represents not-for-profit community organisations and advocates for social justice in the ACT.