



Government of **Western Australia**
Department of Treasury

Overview of State Taxes and Royalties 2020-21

January 2021





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Acknowledgement of Country

The Government of Western Australia acknowledges the traditional custodians throughout Western Australia and their continuing connection to the land, waters and community. We pay our respects to all members of Aboriginal communities and their cultures; and to Elders past, present and emerging.

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Introduction

Overview of State Taxes and Royalties, Western Australia is prepared annually, both as an internal reference document for Treasury officers and as a ready reckoner for other agencies and individuals seeking information on State taxes and mineral and petroleum royalties.

The main body of the document provides the following information on major taxation and royalty categories:

- current rates;
- key exemptions and concessions;
- interstate comparisons; and
- revenue collections.

The **Summary Tables** indicate the contribution of each tax to total tax revenue and each royalty to total royalty collections.

Appendix 1 provides a summary of changes announced by the States and Territories between 1 November 2019 and 3 January 2021, a period which included Australian Governments' revenue responses to bushfires and COVID-19, and 2020-21 State Budgets.

Appendix 2 provides a summary of State taxes abolished in Western Australia under the GST agreement with the Commonwealth Government.

Appendix 3 provides some charts illustrating changes in the relative contributions of different taxes and royalties in recent years.

Appendix 4 provides a summary of historical changes to tax and royalty rates and concessions and exemptions in Western Australia.

More detail for each State tax should be sourced from relevant Acts of Parliament or regulations, or by contacting the relevant State Revenue Office.

While all care has been exercised in the preparation of this document, the Department of Treasury cannot guarantee that it is free of errors.

This publication can be downloaded from the following internet site:
<https://www.wa.gov.au/government/document-collections/state-taxes>.

Summary Tables

STATE TAXES IN WESTERN AUSTRALIA

	2018-19	2019-20	2020-21	
	Actuals	Actuals	Estimates ^(a)	As a % of
	\$ million	\$ million	\$ million	Total
Payroll Tax	3,565.3	3,642.2	3,673.6	39.4%
Transfer Duty	1,067.4	1,190.0	1,422.6	15.2%
Foreign Buyers Surcharge	5.5	19.0	18.6	0.2%
Landholder Duty	32.0	120.5	119.4	1.3%
Land Tax	806.5	791.7	756.4	8.1%
Metropolitan Region Improvement Tax	89.3	87.5	80.4	0.9%
Insurance Duty	644.6	694.5	718.9	7.7%
Vehicle Licence Duty	363.5	375.1	426.5	4.6%
Motor Vehicle Registrations	995.5	1,044.9	1,060.1	11.4%
Gambling Taxes				
Lotteries Commission	179.6	174.1	160.1	1.7%
Casino Tax	59.4	39.7	41.0	0.4%
Betting Taxes	24.7	-	-	-
Point of Consumption Betting Tax	30.1	76.9	101.9	1.1%
Other Fees and Levies				
Perth Parking Levy	58.7	55.7	51.2	0.5%
Landfill Levy	79.0	79.6	83.0	0.9%
Emergency Services Levy	374.4	387.0	353.1	3.8%
Loan Guarantee Fees	152.2	157.5	134.3	1.4%
Building and Construction Training Fund Levy	27.2	38.8	37.0	0.4%
Other ^(b)	61.4	102.3	91.7	1.0%
TOTAL STATE TAXATION	8,616.5	9,077.0	9,329.2	100.0%

(a) Estimates based on the 2020-21 Mid-year Review.

(b) Includes the Mining Rehabilitation Levy and the On-demand Transport Levy.

Note: Columns may not add due to rounding.

The Australian Bureau of Statistics' definition of taxes has been used for the basis of classifying revenue lines as taxes.

ROYALTY COLLECTIONS IN WESTERN AUSTRALIA

	2018-19	2019-20	2020-21	
	Actuals	Actuals	Estimates ^(a)	As a % of
	\$ million	\$ million	\$ million	Total
ROYALTIES^(b)				
Iron Ore	5,945.6	7,632.4	7,812.8	90.2%
Gold	294.2	388.5	434.8	5.0%
Alumina	135.7	104.7	92.2	1.1%
Lithium	86.3	58.9	41.5	0.5%
Nickel	66.6	77.6	94.9	1.1%
Mineral Sands	20.1	27.5	27.6	0.3%
Diamonds	10.7	10.7	4.6	0.1%
Petroleum	8.0	6.6	2.9	0.0%
Other ^(c)	146.2	142.9	148.7	1.7%
TOTAL ROYALTIES	6,713.3	8,449.8	8,659.9	100.0%

(a) Estimates based on the 2020-21 Mid-year Review.

(b) Excludes North West Shelf grants which were \$649.4 million in 2019-20 (inclusive of the Commonwealth's crude oil compensation).

(c) Includes copper, zinc, lead and other minerals.

Note: Columns may not add due to rounding.

Payroll Tax

Payroll tax was originally introduced by the Commonwealth Government on 2 May 1941. In 1971, responsibility for this tax was passed to the States, at which time the Commonwealth payroll tax rate was 2.5% and the exemption threshold \$20,800.

An employer (or a group of employers) is currently liable for payroll tax on wages paid or payable in Western Australia when its total Australia-wide wages exceed \$1,000,000 per year (\$83,333 per month).

A diminishing exemption threshold applies for employers with taxable wages between \$1,000,000 and \$7,500,000. As taxable wages increase from \$1,000,000, the exemption threshold is reduced until there is no exemption threshold by \$7,500,000. Employers with annual Australia-wide taxable wages of \$7,500,000 or more are liable for payroll tax on their entire taxable wages.

From 1 July 2018 until 30 June 2023, employers in Western Australia with an Australia-wide, annual taxable payroll exceeding \$100 million will pay a marginal tax rate of 6% (up from the current 5.5%) on the part of their payroll above \$100 million but not exceeding \$1.5 billion, and a marginal tax rate of 6.5% on the part of their payroll exceeding \$1.5 billion.

Payroll tax is generally paid monthly¹ by employers on the basis of total wages (including employer funded superannuation benefits, fringe benefits, and eligible termination payments) paid to employees in the preceding month. It is collected under the *Pay-roll Tax Assessment Act 2002* and *Pay-roll Tax Act 2002*, which are administered by the Commissioner of State Revenue.

¹ Employers with an annual tax liability below \$20,000 can elect to pay their payroll tax on an annual basis. Additionally, employers with an annual tax liability between \$20,000 and \$100,000 can elect to pay their payroll tax on a quarterly basis. Eligible employers must make an application to the Commissioner of State Revenue to change the lodgement frequency for their returns from a monthly to an annual or quarterly basis.

Rate of Tax

Annual Payroll \$	Annual Tax Payable
0 – 1,000,000	Nil
1,000,001 – 7,499,999	5.5% x [WA Wages - Adjusted Threshold] ²
7,500,000 – 100,000,000	5.5% x WA Wages
\$100,000,001 - \$1,500,000,000	\$5.5 million + (6% x (WA Wages - \$100,000,000))
\$1,500,000,001+	\$89.5 million + (6.5% x (WA Wages - \$1,500,000,000))

Exemptions and Concessions

Payroll tax exemptions are available primarily to charitable institutions, religious institutions, government departments, public hospitals and schools.

The wages of all apprentices who are undertaking training under an approved training contract are exempt. The payroll tax exemption for new employee trainees earning up to \$100,000 per annum will continue to apply for the nominal duration of training contracts registered with the Department of Training and Workforce Development before 1 July 2019.

Wages paid to eligible new employees who are persons with disabilities or new Indigenous employees (for certain employers) are also exempt for the first two years of employment.

Parental leave, volunteer emergency services work and certain prescribed fringe benefits paid by employers to employees in remote areas are also exempt.

² In its simplest form (for a local, non-group employer), the Adjusted Threshold is calculated as: 1,000,000 – ((WA Wages – 1,000,000) × 0.1538). The taper rate of 0.1538 is calculated as: 1,000,000/(7,500,000-1,000,000).

Interstate Comparison

PAYROLL TAX SCALES

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Exemption Threshold (\$)	1,000,000	1,200,000	650,000 ^(a)	1,300,000	1,500,000	1,250,000	2,000,000	1,500,000
Max Rate (%)	6.50	4.85 ^(b)	4.85 ^(c)	4.95 ^(d)	4.95	6.10	6.85	5.50
Tax Scale	Marginal rate up to 6.5% and a diminishing effective rate from 0% at \$1m to 5.5% at \$7.5m	Marginal rate of 4.85% of payroll in excess of \$1,200,000	Marginal rate of 4.85% of payroll in excess of \$650,000	Effective rate slides from 0% at \$1.3m to 4.75% at \$6.5m. 4.95% rate applies above \$6.5m	Marginal rate slides from 0% at \$1.5m to 4.95% at \$1.7m. 4.95% rate applies above \$1.7m	Marginal rate of 4.0% of payroll between \$1.25m and \$2m and 6.10% of payroll in excess of \$2m	Marginal rate of 6.85% of payroll in excess of \$2m	Effective rate slides from 0% at \$1.5m to 5.5% at \$7.5m

(a) Victoria's threshold is scheduled to increase to \$675,000 in 2021-22 and to \$700,000 in 2022-23.

(b) NSW's payroll tax rate has been temporarily lowered from 5.45% to 4.85% for both the 2020-21 and 2021-22 years.

(c) Victoria's rate of payroll tax for regional employers is currently 2.02%. This will be reduced by around 0.4 percentage points each year commencing until the rate is reduced to 1.2125% by 2022-23.

(d) From 1 July 2019 to 30 June 2023, regional employers in Queensland may be entitled to a payroll tax rate discount of one percentage point.

TAX PAYABLE AT SELECTED PAYROLLS

Annual Payroll	WA	NSW	VIC^(a)	QLD^(a)	SA	TAS	ACT	NT
\$	\$	\$	\$	\$	\$	\$	\$	\$
700,000	–	–	2,425	–	–	–	–	–
1,000,000	–	–	16,975	–	–	–	–	–
2,000,000	63,462	38,800	65,475	41,563	24,750	30,000	–	34,375
5,000,000	253,846	184,300	210,975	219,688	173,250	213,000	205,500	240,625
10,000,000	550,000	426,800	453,475	495,000	420,750	518,000	548,000	550,000
50,000,000	2,750,000	2,366,800	2,393,475	2,475,000	2,400,750	2,958,000	3,288,000	2,750,000
100,000,000	5,500,000	4,791,800	4,818,475	4,950,000	4,875,750	6,008,000	6,713,000	5,500,000

(a) Ignoring the concessional rate for regional employers.

AVERAGE TAX RATES

Annual Payroll	WA	NSW	VIC^(a)	QLD^(a)	SA	TAS	ACT	NT
\$	%	%	%	%	%	%	%	%
700,000	–	–	0.35	–	–	–	–	–
1,000,000	–	–	1.70	–	–	–	–	–
2,000,000	3.17	1.94	3.27	2.08	1.24	1.50	–	1.72
5,000,000	5.08	3.69	4.22	4.39	3.47	4.26	4.11	4.81
10,000,000	5.50	4.27	4.53	4.95	4.21	5.18	5.48	5.50
50,000,000	5.50	4.73	4.79	4.95	4.80	5.92	6.58	5.50
100,000,000	5.50	4.79	4.82	4.95	4.88	6.01	6.71	5.50

(a) Ignoring the concessional rate for regional employers.

Changes to the Rate Scale

The payroll tax exemption threshold moved from \$850,000 to \$950,000 on 1 January 2020, and then to \$1 million on 1 July 2020.

Refer to Appendix 4 for historical changes to rates.

Changes to Exemptions and Concessions

In 2020, a one-off grant of \$17,500 was provided to businesses with an Australia-wide payroll between \$1 million and \$4 million.

Payroll tax paying employers with Australia-wide wages less than \$7.5 million had their payroll tax waived for the period 1 March 2020 to 30 June 2020.

Components of wages are exempt from payroll tax to the extent they are funded either by the Commonwealth Government's JobKeeper or Boosting Apprenticeships Commencements programs.

Refer to Appendix 4 for historical changes to exemptions and concessions.

Payroll Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	3,095.6	17.8	3,545.8	15.3
2012-13	3,475.7	12.3	3,893.6	9.8
2013-14	3,566.4	2.6	3,879.5	-0.4
2014-15	3,602.4	1.0	3,849.2	-0.8
2015-16	3,502.3	-2.8	3,706.8	-3.7
2016-17	3,265.8	-6.8	3,434.3	-7.4
2017-18	3,278.6	0.4	3,416.3	-0.5
2018-19	3,565.3	8.7	3,668.3	7.4
2019-20	3,642.2	2.2	3,696.8	0.8
2020-21 ^(a)	3,673.6	0.9	3,673.6	-0.6

(a) Estimate based on the 2020-21 Mid-year Review.

Transfer Duty and Landholder Duty

Transfer Duty

Duty on the transfer of property was originally introduced on 1 October 1841 at a rate of one pound for every hundred pounds.

Transfer duty (which replaced stamp duty on conveyances under the previous *Stamp Act 1921*) is paid by the purchaser of dutiable property on the dutiable value of the property transferred. Dutiable property includes land, rights, things fixed to land and certain fixed infrastructure rights, mining tenements, derivative mining rights and business assets. Duty is collected under the *Duties Act 2008*, which is administered by the Commissioner of State Revenue.

A foreign transfer duty surcharge of 7% applies in addition to transfer duty on the purchase of residential property by a foreign person.

Rate of Tax

GENERAL

Dutiable Value	Rate of Duty
\$0 to \$80,000	\$1.90 per \$100 or part thereof
\$80,001 to \$100,000	\$1,520 and \$2.85 per \$100 above \$80,000
\$100,001 to \$250,000	\$2,090 and \$3.80 per \$100 above \$100,000
\$250,001 to \$500,000	\$7,790 and \$4.75 per \$100 above \$250,000
Above \$500,000	\$19,665 and \$5.15 per \$100 above \$500,000

RESIDENTIAL

Dutiable Value	Rate of Duty
\$0 to \$120,000	\$1.90 per \$100 or part thereof
\$120,001 to \$150,000	\$2,280 and \$2.85 per \$100 above \$120,000
\$150,001 to \$360,000	\$3,135 and \$3.80 per \$100 above \$150,000
\$360,001 to \$725,000	\$11,115 and \$4.75 per \$100 above \$360,000
Above \$725,000	\$28,453 and \$5.15 per \$100 above \$725,000

Exemptions and Concessions

Designated government authorities, charities, certain first home buyers and the transfer of a principal place of residence between spouses from single to joint ownership (including de-facto spouses) are exempt.

Exemptions are also available for the transfer of family farms from one family member to another as well as certain transactions involving tightly controlled corporate groups.

Nominal duty of \$20 is payable on specified dutiable transactions including the transfer of dutiable property as a result of a marriage or de-facto relationship breakdown, or under a will or intestacy and for transfers involving superannuation funds.

Concessional scales apply to transfers of residential properties (including, but not limited to, principal places of residence) and to the purchase of a small business or principal place of residence below \$200,000.

For pre-construction contracts entered into from 23 October 2019 to 23 October 2021, eligible applicants may be entitled to a rebate of 75% of the transfer duty (with a maximum rebate of \$50,000 per transaction) on the purchase of a new residential off-the-plan unit or apartment. This rebate also applies to the foreign transfer duty payable on an acquisition.

The above rebate was temporarily expanded to also provide up to \$25,000 per transaction for contracts signed during construction, between 4 June 2020 and 31 December 2020.

Interstate Comparison

The tables below provide interstate comparisons of transfer duty based on the general scales (non-principal place of residence). Transfer duty does not apply to non-real property transactions in New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory.

TRANSFER DUTY SCALES General

	WA	NSW	VIC	QLD	SA ^(a)	TAS	ACT	NT
Min Threshold	–	–	–	\$5,000	–	–	–	–
Max Threshold	\$500,001	\$1,033,000 ^(b)	\$960,001	\$1,000,000	\$500,001	\$725,001	\$1,500,000	\$5,000,000
Min Rate	1.90% ^(c)	1.25%	1.40%	1.50%	1.00%	1.75% ^(d)	–	1.50% ^(e)
Max Rate	5.15%	5.50%	5.50% ^(f)	5.75%	5.50%	4.50%	5.00% ^(g)	5.95%

(a) From 1 July 2018, South Australia abolished transfer duty on non-residential land and non-primary production land.

(b) Since 1 July 2019, transfer duty thresholds in NSW are being indexed for inflation.

(c) A concessional rate applies to the purchase of a small business below \$200,000.

(d) Duty of \$50 applies for values below \$3,000.

(e) For conveyances valued at \$525,000 or less, duty is derived by the formula $D = (0.06571441 \times V^2) + 15V$, where D = duty payable in \$ and V = value of property transferred divided by 1,000. For conveyances valued between \$525,000 and \$3 million, duty is 4.95% of the total property value. For values between \$3 million and \$5 million, duty is 5.75% of the total property value and for values of \$5 million or more, duty is 5.95% of the total property value.

(f) For properties valued between \$130,000 and \$960,000 the marginal transfer duty rate is 6%. For properties valued at \$960,001 or more a flat 5.5% rate applies to the total property value.

Since 1 January 2021, a 50% duty reduction is applicable to commercial, industrial and extractive industry property purchases in regional Victoria.

(g) For properties valued at \$1.5 million and over, a flat 5.00% rate applies to the total property value.

TRANSFER DUTY PAYABLE ON SELECTED PROPERTY VALUES General

Property Value	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
\$	\$	\$	\$	\$	\$	\$	\$	\$
100,000	2,090	1,935	2,150	1,925	2,830	2,435	–	2,157
200,000	5,890	5,435	7,070	5,425	6,830	5,935	–	5,629
300,000	10,165	8,935	13,070	8,925	11,330	9,935	–	10,414
400,000	14,915	13,335	19,070	12,425	16,330	13,998	–	16,514
500,000	19,665	17,835	25,070	15,925	21,330	18,248	–	23,929
750,000	32,540	29,085	40,070	26,775	35,080	28,935	–	37,125
1,000,000	45,415	40,335	55,000	38,025	48,830	40,185	–	49,500
5,000,000	251,415	260,005	275,000	268,025	268,830	220,185	250,000	297,500

AVERAGE TAX RATES

General

Property Value	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
\$	%	%	%	%	%	%	%	%
100,000	2.09	1.94	2.15	1.93	2.83	2.44	–	2.16
200,000	2.95	2.72	3.54	2.71	3.42	2.97	–	2.81
300,000	3.39	2.98	4.36	2.98	3.78	3.31	–	3.47
400,000	3.73	3.33	4.77	3.11	4.08	3.50	–	4.13
500,000	3.93	3.57	5.01	3.19	4.27	3.65	–	4.79
750,000	4.34	3.88	5.34	3.57	4.68	3.86	–	4.95
1,000,000	4.54	4.03	5.50	3.80	4.88	4.02	–	4.95
5,000,000	5.03	5.20	5.50	5.36	5.38	4.40	5.00	5.95

The tables below provide interstate comparisons of transfer duty based on the duty scales applicable to transfers of principal places of residence for Australian residents.

TRANSFER DUTY SCALES

Principal Place of Residence

	WA ^(a)	NSW ^(b)	VIC	QLD	SA	TAS	ACT	NT
Min Threshold	–	–	–	–	–	–	–	–
Max Threshold	\$725,001	\$3,101,001	\$960,001 ^(c)	\$1,000,001	\$500,001	\$725,001	\$1,455,001	\$5,000,000
Min Rate	1.50% ^(d)	1.25%	1.40%	1.00%	1.00%	1.75% ^(e)	1.20%	1.50% ^(f)
Max Rate	5.15%	7.00%	5.50% ^(g)	5.75%	5.50%	4.50%	4.54% ^(h)	5.95%

(a) Western Australia's concessions extend to rental properties and vacant residential land where building commences within 5 years.

(b) Since 1 July 2019, transfer duty thresholds in NSW are being indexed for inflation.

(c) Concessional rates apply to principal places of residence valued between \$130,000 and \$550,000.

(d) This concessional rate applies to principal places of residence up to \$100,000.

(e) Duty of \$50 applies for values below \$3,000.

(f) For conveyances valued at \$525,000 or less, duty is derived by the formula $D = (0.06571441 \times V^2) + 15V$, where D = duty payable in \$ and V = value of property transferred divided by 1,000. For conveyances valued between \$525,000 and \$3 million, duty is 4.95% of the total property value. For values between \$3 million and \$5 million, duty is 5.75% of the total property value and for values of \$5 million or more, duty is 5.95% of the total property value.

(g) For properties valued between \$440,000 and \$550,000, the marginal transfer duty rate is 6%. For properties above \$550,000 the general scale applies. A flat rate of 5.5% applies for properties valued in excess of \$960,000.

(h) Since 1 July 2019, certain home buyers with a household income generally below \$160,000 will pay no transfer duty (see 'Transfer Duty Concessions for Home Buyers' below for further details). Marginal tax rates of 5.9% and 6.4% apply to values from \$750,001 to \$1,000,000 and \$1,000,001 to \$1,455,000 respectively. For properties valued at \$1,455,001 or more, a flat 4.54% rate applies to the total property value.

TRANSFER DUTY PAYABLE ON SELECTED PROPERTY VALUES

Principal Place of Residence

Property Value \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	ACT \$	NT \$
100,000	1,500	1,935	2,150	1,000	2,830	2,435	1,200	2,157
200,000	5,035	5,435	6,370	2,000	6,830	5,935	2,400	5,629
300,000	8,835	8,935	11,370	3,000	11,330	9,935	4,600	10,414
400,000	13,015	13,335	16,370	5,250	16,330	13,998	8,000	16,514
500,000	17,765	17,835	21,970	8,750	21,330	18,248	11,400	23,929
750,000	29,741	29,085	40,070	19,600	35,080	28,935	22,200	37,125
1,000,000	42,616	40,335	55,000	30,850	48,830	40,185	36,950	49,500
5,000,000	248,616	288,490	275,000	260,850	268,830	220,185	227,000	297,500

AVERAGE TAX RATES

Principal Place of Residence

Property Value \$	WA %	NSW %	VIC %	QLD %	SA %	TAS %	ACT %	NT %
100,000	1.50	1.94	2.15	1.00	2.83	2.44	1.20	2.16
200,000	2.52	2.72	3.19	1.00	3.42	2.97	1.20	2.81
300,000	2.95	2.98	3.79	1.00	3.78	3.31	1.53	3.47
400,000	3.25	3.33	4.09	1.31	4.08	3.50	2.00	4.13
500,000	3.55	3.57	4.39	1.75	4.27	3.65	2.28	4.79
750,000	3.97	3.88	5.34	2.61	4.68	3.86	2.96	4.95
1,000,000	4.26	4.03	5.50	3.09	4.88	4.02	3.70	4.95
5,000,000	4.97	5.77	5.50	5.22	5.38	4.40	4.54	5.95

Foreign Transfer Duty Surcharge

Since 1 January 2019, a 7% foreign transfer duty surcharge has applied in Western Australia on purchases of residential property by foreigners, including individuals, corporations and trusts. The surcharge is in addition to transfer duty payable.

The surcharge is restricted to residential property but excludes commercial residential property such as hotels, student accommodation and retirement villages, and mixed use properties that are used primarily for commercial purposes. The foreign transfer duty surcharge paid on land acquired for residential developments of ten or more properties may subsequently be refunded.

The surcharge applies to the proportion of the dutiable value of the residential property transferred to foreign persons.

Generally, the same exemptions and concessions as those that apply to transfer duty apply to the surcharge.

FOREIGN TRANSFER DUTY SURCHARGE								
	WA	NSW	VIC	QLD	SA	TAS ^(a)	ACT	NT
Rate	7%	8%	8%	7%	7%	8%	–	–

(a) Tasmania has a Foreign Investor Duty Surcharge of 1.5% for primary production land.

Transfer Duty Concessions for Home Buyers

WA A concessional transfer duty scale applies to all residential land and buildings.

First home buyers are exempt from duty on new and established homes valued up to \$430,000 (phasing out at \$530,000) and vacant land valued up to \$300,000 (phasing out at \$400,000).

A concessional rate applies to principal places of residence and certain small businesses valued at less than \$200,000.

A duty exemption applies to gifts of property (including homes) to a Special Disability Trust.

For two years from 23 October 2019, buyers who sign a pre-construction contract to purchase a new residential unit or apartment in a multi-tiered development will be eligible for a 75% transfer duty rebate of up to \$50,000 per unit. There is no limit on the price of the unit and the rebate is not limited to owner-occupiers.

NSW Between 1 August 2020 and 31 July 2021 the thresholds below which there is an exemption from transfer duty for first home buyers of new homes or vacant blocks of land on which a new home will be built has temporarily increased to \$800,000 (normally \$650,000) and to \$400,000 (normally \$350,000) respectively. A gradually reducing concession is available for homes with values of up to \$1 million and vacant land with values of up to \$500,000.

People whose homes were destroyed during the 2019-20 bushfires and who choose to purchase a replacement property elsewhere rather than rebuild, may be eligible for transfer duty relief up to the value of \$55,000.

A duty exemption applies to gifts of property (including homes) to a Special Disability Trust.

A transfer duty liability deferral of up to 12 months is available on 'off-the-plan' purchases where the property is to be occupied as the purchaser's principal place of residence.

VIC First home buyers are exempt from duty on purchases of new and established homes valued up to \$600,000 (phasing out at \$750,000).

A principal place of residence concession applies to new and established homes valued between \$130,000 and \$550,000.

From 25 November 2020 until 30 June 2021, a discount of up to 50% of the otherwise applicable transfer duty will apply to purchases of residential property with a dutiable values of up to \$1 million. The discount is 50% for new residential buildings and 25% for existing residential dwellings, but in both cases foreign purchaser additional duty is unaffected.

A duty exemption applies to pensioners and holders of a Commonwealth seniors health card purchasing a new or established home valued up to \$330,000 (phasing out at \$750,000).

Farmers aged below 35 may be eligible for a duty exemption or concession on buying their first single parcel of farmland. A full duty exemption is available for farmland valued up to \$600,000 and a duty concession for farmland valued between \$600,000 and \$750,000.

A duty exemption applies to gifts of property (including homes) up to \$500,000 to a Special Disability Trust, where the gift is made by a family member of the principal beneficiary of the trust.

A duty concession applies to off-the-plan sales of principal places of residence. This concession operates by applying duty to the contract price after allowing a deduction for the cost of construction after the contract date.

QLD First home buyers receive a transfer duty concession of up to \$8,750 on new and established homes valued below \$500,000 (phasing out at \$550,000), and an exemption for vacant land valued up to \$250,000 (phasing out at \$400,000).

A concessional rate scale applies to principal places of residence.

Overview of State Taxes and Royalties 2020-21

A duty exemption applies to the transfer of property to the trustee of a Special Disability Trust where the property is the principal place of residence of the beneficiary of the trust.

SA A duty exemption applies to gifts of property to a Special Disability Trust where the property is the principal place of residence for the beneficiary of the trust.

TAS First home buyers receive a 50% transfer duty discount on the purchase of an established home valued up to \$400,000, if the transaction settles on or before 30 June 2022.

A 50% transfer duty discount is available to eligible pensioners who sell their former home and downsize to another existing home with a value less than their former home and also no more than \$400,000. The sale of the former home must be completed on or before 30 June 2022.

A duty exemption applies to the transfer of property to the trustee of a Special Disability Trust where the property is the principal place of residence of the beneficiary of the trust.

ACT No duty is payable on the purchase of any home or land if a homebuyer's total gross income is no greater than \$160,000 (plus \$3,330 for each dependent child, to a maximum of \$176,650) and the homebuyer satisfies the other home buyer concession scheme requirements. The concession applies to vacant residential land and new and established homes of any value.

Eligible owner-occupier home buyers may access the following benefits for contracts exchanged between 4 June 2020 and 30 June 2021: no transfer duty on single residential dwelling blocks; no transfer duty on off-the-plan unit purchases up to \$500,000; and a \$11,400 transfer duty reduction for off-the-plan purchases between \$500,000 and \$750,000.

Eligible pensioners are exempt from duty on the purchase of new and established homes worth up to \$440,000 and vacant residential land worth up to \$278,650. A concessional rate applies to homes worth between \$440,001 and \$570,000 and vacant land worth between \$278,651 and \$390,000. The concession applies to transactions entered into up to 30 June 2021. Eligible pensioners are also able to defer any duty that they may be required to pay.

Home buyers who would have been eligible for the First Home Owner Grant (e.g. new home valued at no more than \$750,000) may apply for a deferral of transfer duty of up to 10 years.

ACT residents who have a long-term and permanent disability and qualify for funding under the National Disability Insurance Scheme are exempt from transfer duty on the purchase of new and established homes valued up to \$750,000.

A duty exemption applies for transfers of residential leases to a Special Disability Trust where the property is used as the principal place of residence of the beneficiary of the trust.

NT A stamp duty Territory Home Owner Discount of up to \$18,601 is available for home buyers purchasing a home (new or established), or vacant land on which to build a home, valued up to \$650,000 who have not owned a home in the Territory in the previous 24 months.

Non-first home buyers who are at least 60 years of age or the holder of a Northern Territory Pensioner and Carer Concession Card receive a duty reduction of up to \$10,000 on the purchase of new or established homes, or land, valued up to \$750,000 and \$385,000 respectively.

A duty exemption applies to gifts of property (including homes) to a Special Disability Trust.

Home Buyer Grants

WA A Building Bonus grant of \$20,000 is available for eligible applicants who signed a contract from 4 June 2020 until 31 December 2020 to build a new home or purchase a new property in a single tier development (such as a townhouse) prior to construction finishing.

A \$10,000 First Home Owner Grant is available to first home buyers who purchase or build a new home. The grant applies to homes up to the value of \$750,000 (or up to \$1 million if the home is located north of the 26th parallel).

The Home Buyers Assistance Account (funded from interest earnings on real estate agents' trust accounts) provides a grant of up to \$2,000 for the incidental expenses of first home buyers who purchase an established or partially built home valued up to \$400,000 through a licensed real estate agent.

NSW A \$10,000 First Home Owner Grant is available for eligible first home buyers who purchase a new home up to the value of \$600,000 or build a new home up to \$750,000.

VIC A \$10,000 First Home Owner Grant is available to eligible first home buyers who purchase or build a new home up to the value of \$750,000. First home buyers purchasing in regional Victoria receive \$20,000.

QLD A \$15,000 First Home Owner Grant is available for eligible first home buyers who purchase or build a new home up to the value of \$750,000.

A regional home building boost grant of \$5,000 is open from 4 June 2020 until 31 March 2021 for eligible applicants who sign a contract to buy or build a new home. The home must become the buyer's principal place of residence and the house and land together must be worth no more than \$750,000.

SA A \$15,000 First Home Owner Grant is available for eligible first home buyers who purchase or build a new home up to the value of \$575,000.

Overview of State Taxes and Royalties 2020-21

TAS A \$20,000 Tasmanian HomeBuilder Grant is available for eligible owner-occupiers, where contracts are signed between 4 June 2020 and 31 March 2021.

The \$20,000 First Home Owner Grant has also been extended until 30 June 2022. If the applicant has been paid or will be paid the First Home Owner Grant, the Tasmanian HomeBuilder Grant is not available for the same transaction.

ACT N/A.

NT A \$10,000 First Home Owner Grant is available for eligible first home buyers who buy or build a new home, with no value cap applying.

A \$2,000 Household Goods Grant is available to first home buyers who qualify for the First Home Owner Grant. It is intended to help first home buyers purchase household goods for their home.

A \$10,000 Home Renovation Grant is available to first home buyers of an established home, to help them improve or renovate that home.

A BuildBonus grant of up to \$20,000 is available to the first 600 eligible applicants who purchase or build a new home. This is not limited to first home buyers.

Changes to the Rate Scale

No changes to rates apply in 2020-21.

Refer to Appendix 4 for historical changes to rates.

Changes to Exemptions and Concessions

For two years from 23 October 2019, buyers who sign a pre-construction contract to purchase a new residential unit or apartment in a multi-tiered development may be entitled to a 75% transfer duty rebate of up to \$50,000 per unit.

The above rebate was temporarily expanded to also provide up to \$25,000 per transaction for contracts signed during construction, between 4 June 2020 and 31 December 2020.

Refer to Appendix 4 for historical changes to exemptions and concessions.

Transfer Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	1,260.6	2.8	1,444.0	0.6
2012-13	1,653.7	31.2	1,852.6	28.3
2013-14	1,776.3	7.4	1,932.3	4.3
2014-15	1,598.4	-10.0	1,707.9	-11.6
2015-16	1,337.7	-16.3	1,415.8	-17.1
2016-17	1,357.1	1.5	1,427.1	0.8
2017-18	1,223.1	-9.9	1,274.5	-10.7
2018-19	1,072.9	-12.3	1,103.9	-13.4
2019-20	1,209.0	12.7	1,227.1	11.2
2020-21 ^(a)	1,441.2	19.2	1,441.2	17.4

(a) Estimate based on the 2020-21 Mid-year Review.

Landholder Duty

Landholder duty was introduced from 1 July 2008, replacing 'land-rich' company and private unit trust duty provisions. It applies to certain acquisitions of land made through the purchase of interests in corporations and unit trust schemes.

Duty applies when a person acquires an interest of at least 50% in an unlisted corporation or unit trust scheme, or at least 90% in a listed corporation or unit trust scheme, and that corporation or unit trust scheme is entitled either directly, or indirectly through a linked entity, to Western Australian land assets valued at \$2 million or more (i.e. the corporation or unit trust scheme is a landholder).

Land assets include land, mining tenements, fixed infrastructure, certain fixed infrastructure rights and derivative mining rights.

Landholder duty is collected under the *Duties Act 2008*, which is administered by the Commissioner of State Revenue.

Since 1 January 2019, a foreign transfer duty surcharge of 7% applies to the value of the landholder's landholdings that comprise residential property and to the extent of the interest acquired by the foreign person. The surcharge is added to the landholder duty payable on the relevant acquisition.

Rate of Tax

Landholder duty is calculated at the general rate of transfer duty plus, if applicable, the 7% foreign transfer duty surcharge.

Duty is first determined based on the value of the interest of the acquirer in the landholder after the acquisition. It is calculated on the value of Western Australian land assets and chattels to which the landholder is directly or indirectly entitled. This amount is then reduced by the duty calculated on the value of any 'excluded interest' of the acquirer.

Excluded interests include an interest held immediately prior to 1 July 2008, any previous interest acquired for which duty was chargeable (in the case of a further interest being acquired), and any interest acquired prior to the corporation or unit trust scheme having an entitlement to land in Western Australia.

Exemptions and Concessions

An exemption applies for acquisitions that would be eligible for a transfer duty exemption or nominal transfer duty if the acquisition had instead been a direct transfer of land.

An acquisition which occurs as a result of making a court approved compromise or arrangement with creditors under the *Corporations Act 2001* (Cth) is exempt from duty.

Where a family member acquires an interest in a corporation or unit trust which uses land in the business of primary production, the acquisition is exempt from duty.

An exemption is also available for landholder acquisitions between tightly controlled corporate groups.

Interstate Comparison

LANDHOLDER DUTY ^(a)								
	WA	NSW	VIC	QLD	SA ^(b)	TAS	ACT	NT
Rate	Private:	Private:	Private:	Private:	Private:	Private:	Private:	Private:
	General scale	General scale	General scale	General scale	General scale	General scale	General scale	General scale
	Public:	Public:	Public:	Public:	Public:	Public:	Public:	Public:
	General scale	10% of general rate	10% of general rate	10% of general rate	10% of general rate	10% of general rate	N/A	General scale
Acquisition threshold	Private:	Private:	Private UTS^(c):	Private:	Private:	Private:	Private:	Private:
	>=50%	>=50%	>=20%	>=50%	>=50%	>=50%	>=50%	>=50%
			Private Company/ Wholesale UTS: >=50%					
	Public:	Public:	Public:	Public:	Public:	Public:	Public:	Public:
	>=90%	>=90%	>=90%	>=90%	>=90%	>=90%	N/A	>=90%
Land entitlement threshold	\$2 million	\$2 million	\$1 million	\$2 million	Nil	\$500,000	Nil	\$500,000

(a) Where applicable, foreign buyer surcharge rates apply in addition to the general transfer duty rates.
 (b) The landholder provisions only apply to residential or primary production land holdings.
 (c) Unit Trust Schemes.

Note: Private entities relate to unlisted corporations or unit trust schemes. Public entities relate to corporations and unit trust schemes which are on the official list of a prescribed financial market.

LANDHOLDER DUTY PAYABLE ON SELECTED VALUES

Private Entities^(a)

Value of Acquisition ^(b) \$	WA \$	NSW \$	VIC \$	QLD \$	SA ^(c) \$	TAS \$	ACT \$	NT \$
100,000	2,090	1,935	2,150	1,925	2,830	2,435	–	2,157
200,000	5,890	5,435	7,070	5,425	6,830	5,935	–	5,629
300,000	10,165	8,935	13,070	8,925	11,330	9,935	–	10,414
400,000	14,915	13,335	19,070	12,425	16,330	13,998	–	16,514
500,000	19,665	17,835	25,070	15,925	21,330	18,248	–	23,929
750,000	32,540	29,085	40,070	26,775	35,080	28,935	–	37,125
1,000,000	45,415	40,335	55,000	38,025	48,830	40,185	–	49,500
5,000,000	251,415	260,005	275,000	268,025	268,830	220,185	250,000	297,500

(a) Assumes no reduction in duty for previous interest held.

(b) Landholder duty payable at the lower values relate to acquiring a further interest where the acquisition threshold of \$2 million has already been met.

(c) The landholder provisions only apply to residential or primary production land holdings.

AVERAGE TAX RATES

Private Entities

Value of Acquisition \$	WA %	NSW %	VIC %	QLD %	SA ^(a) %	TAS %	ACT %	NT %
100,000	2.09	1.94	2.15	1.93	2.83	2.44	0.00	2.16
200,000	2.95	2.72	3.54	2.71	3.42	2.97	0.00	2.81
300,000	3.39	2.98	4.36	2.98	3.78	3.31	0.00	3.47
400,000	3.73	3.33	4.77	3.11	4.08	3.50	0.00	4.13
500,000	3.93	3.57	5.01	3.19	4.27	3.65	0.00	4.79
750,000	4.34	3.88	5.34	3.57	4.68	3.86	0.00	4.95
1,000,000	4.54	4.03	5.50	3.80	4.88	4.02	0.00	4.95
5,000,000	5.03	5.20	5.50	5.36	5.38	4.40	5.00	5.95

(a) The landholder provisions only apply to residential or primary production land holdings.

LANDHOLDER DUTY PAYABLE ON SELECTED VALUESPublic Entities^(a)

Value of Acquisition^(b)	WA	NSW	VIC	QLD	SA^(c)	TAS	ACT	NT
\$	\$	\$	\$	\$	\$	\$	\$	\$
100,000	2,090	194	215	193	283	244	N/A	2,157
200,000	5,890	544	707	543	683	594		5,629
300,000	10,165	894	1,307	893	1,133	994		10,414
400,000	14,915	1,334	1,907	1,243	1,633	1,400		16,514
500,000	19,665	1,784	2,507	1,593	2,133	1,825		23,929
750,000	32,540	2,909	4,007	2,678	3,508	2,894		37,125
1,000,000	45,415	4,034	5,500	3,803	4,883	4,019		49,500
5,000,000	251,415	26,001	27,500	26,803	26,883	22,019		297,500

(a) Assumes no reduction in duty for previous interest held.

(b) Landholder duty payable at the lower values relate to acquiring a further interest where the acquisition threshold of \$2 million has already been met.

(c) The landholder provisions only apply to residential or primary production land holdings.

AVERAGE TAX RATES

Public Entities

Value of Acquisition	WA	NSW	VIC	QLD	SA^(a)	TAS	ACT	NT
\$	%	%	%	%	%	%	%	%
100,000	2.09	0.19	0.22	0.19	0.28	0.24	N/A	2.16
200,000	2.95	0.27	0.35	0.27	0.34	0.30		2.81
300,000	3.39	0.30	0.44	0.30	0.38	0.33		3.47
400,000	3.73	0.33	0.48	0.31	0.41	0.35		4.13
500,000	3.93	0.36	0.50	0.32	0.43	0.36		4.79
750,000	4.34	0.39	0.53	0.36	0.47	0.39		4.95
1,000,000	4.54	0.40	0.55	0.38	0.49	0.40		4.95
5,000,000	5.03	0.52	0.55	0.54	0.54	0.44		5.95

(a) The landholder provisions only apply to residential or primary production land holdings.

Further information on other jurisdictions' specific landholder duty exemptions and concessions is provided below.

NSW Exemptions apply in relation to deceased estates, marriage or domestic relationship breakdowns, bankruptcy and land used for primary production transferred between family members. An interest acquired by a receiver or trustee in bankruptcy or a liquidator is exempt from duty.

An interest acquired solely from a compromise or arrangement with creditors under the *Corporations Act 2001* (Cth) or a pro rata increase or decrease in the interests of all unit holders/shareholders is exempt from landholder duty. Acquisitions that would have been liable for nominal duty if they had been direct transfers of land are also exempt.

An exemption is also applied to 'top hatting' arrangements where an acquisition is made for the purpose of giving effect to a scheme that would qualify for capital gains tax roll over relief under the *Income Tax Assessment Act 1997* (Cth).

For primary producers, landholder duty only applies when a primary producer has landholdings in New South Wales with an unencumbered value of \$2 million or more and its land holdings (within or outside Australia) comprise 80% or more of the unencumbered value of all its property.

Concessions are available for acquisitions effected for the purpose of securing financial accommodation as well as redemption and re-issue arrangements.

VIC An interest acquired solely from a compromise or arrangement with creditors under the *Corporations Act 2001* (Cth) or a pro rata increase or decrease in the interests of all unit holders/shareholders is exempt from landholder duty. Acquisitions that would have been liable for nominal duty if they had been direct transfers of land are also exempt.

An interest acquired by a receiver or trustee in bankruptcy, a liquidator or an executor or administrator of an estate of a deceased person is exempt.

Concessions are available for acquisitions effected for the purpose of securing financial accommodation as well as redemption arrangements.

QLD Exemptions apply in relation to particular share or unit issues, deceased estates, change of trustee, acquisitions by liquidators, certain transfers of marketable securities or a restructure of stapled entities.

An interest acquired solely from a compromise or arrangement with creditors under the *Corporations Act 2001* (Cth) is also exempt.

SA No liability to landholder duty arises in relation to a conveyance or transfer of an interest in qualifying land (i.e. land that is being used other than for residential purposes or for primary production).

There is no landholder land value threshold test.

An interest in a landholding entity is exempt if an interest in the underlying land assets would not attract ad valorem duty.

Interest acquired solely from a compromise or arrangement with creditors under the *Corporations Act 2001* (Cth) is exempt.

A concession is available for statutory funds of life insurance companies.

TAS An interest acquired in a landholding entity is exempt from duty (or concessional duty applies) if an interest acquired in the underlying land assets would not attract ad valorem duty. This includes exemptions for the transfer of an interest in a landholder in relation to the breakdown of domestic relationships/marriages, the transfer of property to the trustee of a special disability trust and family pastoral land acquired by a family member.

Property transferred between a member of a group of corporations to a member of the same group (corporate reconstruction or corporation consolidation) is exempt from duty.

\$50 duty applies to certain transfers involving deceased estates and transfers of property from one superannuation fund to another.

ACT Transfer duty does not apply to commercial property transactions of \$1.5 million or less. A flat rate of 5% applies to the total value of commercial property transactions greater than \$1.5 million. Landholder duty does not apply to interests acquired in public corporations.

Charitable organisations, hospitals and schools are exempt from duty. The concessional rate also applies to deceased estates and acquisitions resulting from bankruptcy and the winding-up of a company.

Duty of \$20 is payable if the land that is the subject of the interest concerned could have been acquired by an individual in a manner that results in a liability to pay \$20 duty under certain other provisions of the *Duties Act 1999* (ACT).

Property transferred between a member of a group of corporations to a member of the same group is exempt from duty.

An exemption is also applied to 'top hatting' arrangements where an acquisition is made for the purpose of giving effect to a scheme that would qualify for capital gains tax roll-over relief under the *Income Tax Assessment Act 1997* (Cth).

Overview of State Taxes and Royalties 2020-21

NT An exemption applies in relation to deceased estates, bankruptcy and family pastoral land acquired by a family member.

An exemption is also applied to 'top hat' arrangements where an acquisition is made for the purpose of giving effect to a scheme that would qualify for capital gains tax roll-over relief under the *Income Tax Assessment Act 1997* (Cth).

Landholder Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	101.4	114.2	116.1	109.6
2012-13	216.5	113.5	242.5	108.8
2013-14	192.7	-11.0	209.6	-13.6
2014-15	100.8	-47.7	107.7	-48.6
2015-16	418.8	315.5	443.3	311.6
2016-17	151.0	-63.9	158.8	-64.2
2017-18	233.9	54.9	243.8	53.5
2018-19	32.0	-86.3	33.0	-86.5
2019-20	120.5	276.0	122.3	270.9
2020-21 ^(a)	119.4	-0.9	119.4	-2.4

(a) Estimate based on the 2020-21 Mid-year Review.

Land Tax and Metropolitan Region Improvement Tax

Land Tax

Land tax in Western Australia was originally introduced in 1907-08 and is levied upon the aggregated unimproved value of taxable land owned at midnight on the 30 June immediately preceding the (financial) year of assessment.

Land tax is payable annually by the land owner and is collected under the *Land Tax Assessment Act 2002* and *Land Tax Act 2002*, which are administered by the Commissioner of State Revenue. The unimproved value of land is updated annually by the Valuer General.

Rate of Tax

LAND TAX SCALE

Taxable Value of Land	Land Tax Payable
\$0 – \$300,000	Nil
\$300,001 – \$420,000	\$300
\$420,001 – \$1,000,000	\$300 and 0.25 cents per \$1 above \$420,000
\$1,000,001 – \$1,800,000	\$1,750 and 0.90 cents per \$1 above \$1,000,000
\$1,800,001 – \$5,000,000	\$8,950 and 1.80 cents per \$1 above \$1,800,000
\$5,000,001 – \$11,000,000	\$66,550 and 2.00 cents per \$1 above \$5,000,000
Over \$11,000,000	\$186,550 and 2.67 cents per \$1 above \$11,000,000

Exemptions and Concessions

The major general exemptions are for principal places of residence (including for two homes if owned in transitional circumstances) and land used for mining and primary production.

Exemptions are also available for caravan parks and for land owned by religious bodies, charitable or not-for-profit organisations, retirement villages, public hospitals, universities and other educational institutions, provided that the land is used for their own purposes (as opposed to being leased out to business tenants).

Overview of State Taxes and Royalties 2020-21

Concessions are available for property developers who continue to hold the land in the first assessment year after subdivision.

A 50% cap on annual growth in land values applies for land tax purposes.

Interstate Comparison

The rates in the tables below are from the general land tax scales which apply to properties in each jurisdiction.

LAND TAX SCALES								
General								
	WA	NSW^{(a)(b)}	VIC^{(a)(c)}	QLD^(d)	SA	TAS	ACT^(e)	NT
Min Threshold	\$300,001	\$755,001 ^(f)	\$250,000	\$600,000	\$450,001 ^(g)	\$25,000	–	N/A
Max Threshold	\$11.0m	\$4.616m ^(f)	\$3.0m	\$10.0m	\$1.35m ^(g)	\$0.35m	\$2.0m	
Min Rate	0.25%	1.60%	0.20%	1.00%	0.50%	0.55%	0.52%	
Max Rate	2.67%	2.00%	2.25%	2.25%	2.40%	1.50%	1.12%	

(a) Land tax thresholds and rates are applied on a calendar year basis. Figures quoted are for the 2021 calendar year.

(b) New South Wales also imposes a 2% surcharge on most landholders who are not Australian citizens.

(c) Victoria levies a 2% absentee owner surcharge on land owners who do not ordinarily reside in Australia and a 1% vacant residential land tax (calculated on capital improved value) on homes in inner and middle Melbourne that were vacant for more than six months in the preceding calendar year. Vacant residential land tax for 2021 was waived.

(d) A scale similar to that applicable to companies and trustees, plus a 2% surcharge, applies to any land owned by individuals who are not Australian citizens or permanent residents.

(e) A fixed fee of \$1,326 is payable by all land tax payers. Land tax liability is assessed quarterly for all properties based on the average unimproved value over the last four years. The ACT does not levy land tax on commercial properties. A 0.75% surcharge applies to residential land owned by foreign non-residents.

(f) Land tax thresholds in New South Wales are determined using the past three-year average of 'indexed' land values.

(g) Thresholds are indexed annually based on average change in site values. On 1 July 2020 the land tax exemption threshold increased to \$450,000 and the top land tax threshold increased to \$1.35 million.

LAND TAX PAYABLE

General

Land Value \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	ACT \$	NT \$
100,000	–	–	–	–	–	463	1,846	N/A
200,000	–	–	–	–	–	1,013	2,416	
300,000	–	–	375	–	–	1,563	3,156	
400,000	300	–	575	–	–	2,588	4,256	
500,000	500	–	775	–	250	4,088	5,356	
1,000,000	1,750	4,020	2,975	4,500	4,828	11,588	10,856	
3,000,000	30,550	36,020	24,975	37,500	51,038	41,588	33,056	
5,000,000	66,550	69,556	69,975	62,500	99,038	71,588	55,456	
10,000,000	166,550	169,556	182,475	150,000	219,038	146,588	111,456	

AVERAGE TAX RATES

General

Land Value \$	WA %	NSW %	VIC %	QLD %	SA %	TAS %	ACT %	NT %
100,000	–	–	–	–	–	0.46	1.85	N/A
200,000	–	–	–	–	–	0.51	1.21	
300,000	–	–	0.13	–	–	0.52	1.05	
400,000	0.08	–	0.14	–	–	0.65	1.06	
500,000	0.10	–	0.16	–	0.05	0.82	1.07	
1,000,000	0.18	0.40	0.30	0.45	0.48	1.16	1.09	
3,000,000	1.02	1.20	0.83	1.25	1.70	1.39	1.10	
5,000,000	1.33	1.39	1.40	1.25	1.98	1.43	1.11	
10,000,000	1.67	1.70	1.82	1.50	2.19	1.47	1.11	

Overview of State Taxes and Royalties 2020-21

New South Wales, Victoria and Queensland also apply different tax scales to commercial properties or properties owned by non-concessional companies and special trusts. Western Australia, South Australia and Tasmania apply the general scales to all types of property and ownership. The Australian Capital Territory and Northern Territory do not apply land tax to commercial properties.

LAND TAX SCALES

Commercial Properties or Properties Owned by Non Concessional Companies and Special Trusts

	WA	NSW ^{(a)(b)}	VIC ^{(a)(c)}	QLD ^(d)	SA ^(e)	TAS	ACT	NT
Min Threshold	\$300,001	–	\$25,000	\$350,000	\$25,001	\$25,000	N/A	N/A
Max Threshold	\$11.0m	\$4.616m	\$3.0m	\$10.0m	\$1.35m	\$0.35m		
Min Rate	0.25%	1.60%	0.375%	1.70%	0.50%	0.55%		
Max Rate	2.67%	2.00%	2.25%	2.75%	2.40%	1.50%		

(a) Land tax thresholds and rates are applied on a calendar year basis. Figures quoted are for the 2021 calendar year.

(b) A 2% land tax surcharge generally applies to foreign landholders, including foreign companies and trusts.

(c) Victoria levies a 2% absentee owner surcharge on land owners who do not ordinarily reside in Australia and a 1% vacant residential land tax (calculated on capital improved value) on homes in inner and middle Melbourne that were vacant for more than six months in the preceding calendar year. Vacant residential land tax for 2021 was waived.

(d) A 2% surcharge applies to foreign companies and trustees of foreign trusts.

(e) South Australia's new regime for land owned by trusts differs from the general scale by applying this different exemption threshold and by taxing the full value of any land worth more than the exemption threshold.

LAND TAX PAYABLE**Commercial Properties or Properties Owned by
Non-Concessional Companies and Special Trusts**

Land Value	WA	NSW^(a)	VIC^(b)	QLD^(c)	SA	TAS	ACT	NT
\$	\$	\$	\$	\$	\$	\$	\$	\$
100,000	–	1,600	363	–	500	463	N/A	N/A
200,000	–	3,200	738	–	1,000	1,013		
300,000	–	4,800	1,214	–	1,500	1,563		
400,000	300	6,400	1,789	2,300	2,000	2,588		
500,000	500	8,000	2,364	4,000	2,750	4,088		
1,000,000	1,750	16,000	6,438	12,500	9,828	11,588		
3,000,000	30,550	48,000	24,975	45,000	57,490	41,588		
5,000,000	66,550	81,536	69,975	75,000	105,490	71,588		
10,000,000	166,550	181,536	182,475	187,500	225,490	146,588		

(a) For properties owned by special trusts. A different scale applies to non-concessional companies.

(b) For properties owned by special trusts.

(c) For properties owned by companies and trustees.

AVERAGE TAX RATES**Commercial Properties or Properties Owned by
Non-Concessional Companies and Special Trusts**

Land Value	WA	NSW^(a)	VIC^(b)	QLD^(c)	SA	TAS	ACT	NT
\$	%	%	%	%	%	%	%	%
100,000	–	1.60	0.36	–	0.50	0.46	N/A	N/A
200,000	–	1.60	0.37	–	0.50	0.51		
300,000	–	1.60	0.40	–	0.50	0.52		
400,000	0.08	1.60	0.45	0.58	0.50	0.65		
500,000	0.10	1.60	0.47	0.80	0.55	0.82		
1,000,000	0.18	1.60	0.64	1.25	0.98	1.16		
3,000,000	1.02	1.60	0.83	1.50	1.92	1.39		
5,000,000	1.33	1.63	1.40	1.50	2.11	1.43		
10,000,000	1.67	1.82	1.82	1.88	2.25	1.47		

(a) For properties owned by special trusts. A different scale applies to non-concessional companies.

(b) For properties owned by special trusts.

(c) For properties owned by companies and trustees.

Changes to the Rate Scale

No changes to rates apply in 2020-21.

Refer to Appendix 4 for historical changes to rates.

Changes to Exemptions and Concessions

Up to two grants per landlord, each equal to 25% of the landlord's 2019-20 land tax bill (including MRIT), may be available to commercial landlords who provided a minimum level of rent relief for eligible tenants affected by COVID-19.

Following a State Administrative Tribunal clarification relating to relocatable homes in caravan parks, amendments will be introduced to ensure owner-occupied relocatable homes retain access to a land tax exemption.

Amendments will be introduced to provide a land tax exemption on the former principal place of residence of a homeowner who has been required to move into full-time care (effective 1 July 2020), providing their home is not rented out.

Refer to Appendix 4 for historical changes to exemptions and concessions.

Land Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	552.4	5.9	632.7	3.7
2012-13	568.2	2.9	636.6	0.6
2013-14	660.9	16.3	719.0	12.9
2014-15	743.7	12.5	794.6	10.5
2015-16	947.5	27.4	1,002.9	26.2
2016-17	875.7	-7.6	920.8	-8.2
2017-18	840.4	-4.0	875.7	-4.9
2018-19	806.5	-4.0	829.8	-5.2
2019-20	791.7	-1.8	803.6	-3.2
2020-21 ^(a)	756.4	-4.5	756.4	-5.9

(a) Estimate based on the 2020-21 Mid-year Review.

Metropolitan Region Improvement Tax

The Metropolitan Region Improvement Tax (MRIT) was introduced in 1959-60 and is levied upon the aggregated unimproved value of all land which is both liable for land tax and located within the boundaries of the metropolitan region.

MRIT collections are hypothecated to a trust fund for expenditure by the Western Australian Planning Commission on road reserves, parks and recreation areas. MRIT is collected under the *Metropolitan Region Improvement Tax Act 1959*, which is administered by the Commissioner of State Revenue.

Rate of Tax

0.14% of the unimproved land value in excess of the \$300,000 exemption threshold.

Exemptions and Concessions

As for land tax.

Interstate Comparison

Victoria levies an annual Parks Charge on all metropolitan properties, but no other State or Territory levies a metropolitan improvement tax.

Victoria's Parks Charge collections are hypothecated to a trust fund for expenditure on parks, gardens, waterways and zoos.

For residential properties, the Victorian levy is based on the Net Annual Value which is currently legislated to be 5% of the full value (both house and land) of the property. For commercial properties, the Net Annual Value is 5% of the full value of the property or the council-determined equivalent rent, whichever is greater.

The rate of the Parks Charge is 0.471% of the Net Annual Value, with a minimum charge of \$79.02 for 2020-21. The charge generally increases periodically in accordance with the Consumer Price Index, but did not increase between 2019-20 and 2020-21.

Changes to the Rate Scale

No changes to rates apply in 2020-21.

Refer to Appendix 4 for historical changes to rates.

Changes to Exemptions and Concessions

No changes to exemptions or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to exemptions and concessions.

MRIT Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	84.2	8.2	96.4	5.9
2012-13	85.1	1.1	95.3	-1.1
2013-14	87.6	2.9	95.2	-0.1
2014-15	92.8	6.0	99.2	4.1
2015-16	97.9	5.5	103.6	4.5
2016-17	96.0	-2.0	100.9	-2.6
2017-18	92.9	-3.1	96.8	-4.0
2018-19	89.3	-3.9	91.9	-5.1
2019-20	87.5	-2.1	88.8	-3.4
2020-21 ^(a)	80.4	-8.1	80.4	-9.5

(a) Estimate based on the 2020-21 Mid-year Review.

Insurance Duty

Insurance duty was introduced on 1 October 1881 (originally only on insurance for marine vessels and damage to property caused by fire).

Insurers are generally liable for the payment of insurance duty based on the insurance premium. It is collected under the *Duties Act 2008*, which is administered by the Commissioner of State Revenue.

Rate of Tax

Type of Insurance	Rate of Duty
General and Compulsory Third Party insurance	10% of premium

Exemptions and Concessions

Insurance of risks associated with the transport of goods and commercial marine hulls is exempt from duty. Health insurance, workers' compensation insurance, life insurance and re-insurance are also exempt, as is insurance under the Defence Service Homes Insurance Scheme. Offshore risk insurance is also exempt.

Interstate Comparison

INSURANCE DUTY (% OF PREMIUMS)								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
General	10%	9% ^(a)	10%	9%	11%	10% ^(b)	Nil	10%
Compulsory Third Party Insurance	10%	Nil	10%	10c per policy	11%	Nil	Nil ^(c)	10%
Workers' Comp	Nil	Nil	Nil	5%	General rate ^(d)	Nil	Nil	Nil
Life Insurance	Nil	\$1.00 for first \$2,000 and 20c per \$200 over \$2,000	Nil	0.05% up to \$2,000 and 0.1% over \$2,000	1.5% of premium	10c per \$200 up to \$2,000 and 20c per \$200 over \$2,000	Nil	Nil
Term or temporary	Nil	5% of first year's premium	Nil	5% of first year's premium	1.5% of premium	5% of first year's premium	Nil	Nil
Riders ^(e)	General rate	5% of first year's premium	General rate	General rate	General rate	General life insurance rate	Nil	General rate

(a) 5% for: aviation, motor vehicle, disability income, occupational indemnity and hospital not covered by an insurer under the *Private Health Insurance Act 2007* (Cth). A Health Insurance Levy is also paid monthly by organisations that provide health benefits to NSW contributors. Exemptions apply to lenders mortgage insurance, livestock and crop insurance and for small businesses with aggregate annual turnover less than \$2 million on commercial vehicle insurance, personal indemnity insurance and product and public liability insurance.

(b) 2% for mortgage insurance duty.

(c) However, a \$2.50 road safety contribution applies.

(d) Nil for workers under the age of 25.

(e) General insurance products attached to life insurance policies.

Changes to the Rate Scale

No rates changes apply in 2020-21.

Refer to Appendix 4 for historical changes to the rate scale.

Changes to Exemptions and Concessions

Insurance for liability to pay common law damages under workers compensation legislation has been exempted from duty. The Regulations were made on 24 October 2020 but have retrospective application to premiums paid on or after 1 October 2011.

Refer to Appendix 4 for historical changes to exemptions and concessions.

Insurance Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	487.1	10.2	558.0	7.9
2012-13	554.6	13.8	621.2	11.3
2013-14	579.8	4.5	630.7	1.5
2014-15	603.8	4.1	645.2	2.3
2015-16	591.5	-2.0	626.0	-3.0
2016-17	641.4	8.4	674.5	7.7
2017-18	625.4	-2.5	651.7	-3.4
2018-19	644.6	3.1	663.3	1.8
2019-20	694.5	7.7	704.9	6.3
2020-21 ^(a)	718.9	3.5	718.9	2.0

(a) Estimate based on the 2020-21 Mid-year Review.

Vehicle Licence Duty

Vehicle licence duty (i.e. duty on the grant or transfer of a motor vehicle licence) is paid by the person acquiring the licence and is based on the market value of the motor vehicle (except for new light vehicles, where the manufacturer's 'list price' is used).

The duty was originally introduced on 1 January 1920 and is collected by the Department of Transport on behalf of RevenueWA (formerly known as the Office of State Revenue). It is currently collected under the *Duties Act 2008* and the *Road Traffic (Vehicles) Act 2012*, which are administered by the Commissioner of State Revenue and the Director General of the Department of Transport respectively.

Rate of Tax

New and Used Heavy Vehicles (over 4.5 tonnes)

3% of the value of vehicle. The maximum duty payable is \$12,000 per vehicle.

New and Used Light Vehicles

Value of Vehicle	Tax Rate
\$0 – \$25,000	2.75%
\$25,001 – \$50,000	2.75% – 6.50% ^(a)
Over \$50,000	6.50%

(a) The rate slides proportionately from 2.75% at \$25,000 to 6.50% at \$50,000 as follows:
Duty = $V \times [2.75\% + ((V-25,000)/25,000) \times (6.50\% - 2.75\%)]$ where V is the vehicle value.

Exemptions and Concessions

Transfers of vehicles to dealers solely for re-sale or demonstration are exempt from duty, as are purchases of all vehicles exempt from annual vehicle licence fees under the *Road Traffic (Vehicles) Act 2012* (includes certain off-road vehicles used in farming, government vehicles, vehicles purchased by certain charities, vehicles purchased by those receiving the maximum rate of Carer's Payment or Disability Support Pension, holders of a Totally and Permanently Incapacitated Card issued by the Commonwealth Department of Veterans' Affairs, or a Pension Card (Blind) issued by the Commonwealth).

Caravans and camper trailers are also exempt, as well as vehicles which (in certain circumstances) have been previously registered in the applicant's name in another jurisdiction, including certain other countries.

An exemption may also apply when specialised equipment (e.g. crane, excavator, cement agitator) is transferred from one vehicle to another. The exemption applies only once on the specialised equipment.

Transfers of vehicle licences between spouses, and de facto partners of at least two years, are also exempt.

Interstate Comparison

DUTY ON MOTOR VEHICLES (BASED ON MARKET VALUES)							
WA	NSW	VIC	QLD ^(a)	SA	TAS	ACT	NT
New and Used Passenger Vehicles:	Passenger Vehicles:	All Passenger Vehicles:	1-4 Cylinder Vehicles:	Non-commercial:	Passenger Vehicles:	New Passenger Vehicles:	\$3 per \$100
\$0 – \$25,000: 2.75%	<i>Under \$45,000:</i> \$3 per \$100	\$0 – \$68,740: \$8.40 per \$200	\$3 per \$100	Min \$5 duty	\$600 or less: \$20	Green Vehicle Rating: ^(d)	
\$25,001 – \$50,000: 2.75% – 6.50%	\$45,000 or more: \$1,350 + \$5 per \$100 in excess of \$45,000	\$68,741 – \$100,000: \$10.40 per \$200 ^(b)	5-6 Cylinder Vehicles:	\$1,001 – \$2,000: \$10 + \$2 per \$100 in excess of \$1,000	\$601 – \$35,000: \$3 per \$100	\$45,000 or less: A – Nil	
Over \$50,000: 6.50%	Other Vehicles:	\$100,001 – \$150,000: \$14 per \$200 ^(b)	\$3.50 per \$100	\$2,001 – \$3,000: \$30 + \$3 per \$100 in excess of \$2,000	\$35,001 – \$40,000: \$1,050 + \$11 per \$100 in excess of \$35,000	B – \$1 per \$100	
Heavy Vehicles:	\$3 per \$100	New Non-Passenger:	7 or More Cylinder Vehicles:	Commercial:	\$40,000: \$4 per \$100	C – \$3 per \$100	
3% (up to a maximum of \$12,000)		\$150,000: \$18 per \$200 ^(b)	\$4 per \$100	As above except vehicles over \$2,000: \$30 + \$3 per \$100 in excess of \$2,000	Over \$40,000: \$4 per \$100	D – \$4 per \$100	
		Used Non-Passenger:	Hybrid/Electric Vehicles:		Heavy Vehicles:	More than \$45,000:	
		\$5.40 per \$200	\$2 per \$100		\$2,000 or less: \$20	A – Nil	
		\$8.40 per \$200			Over \$2,000: \$3 per \$100 (minimum \$20)	B – \$450 + \$2 per \$100 above \$45,000	
						C – \$1,350 + \$5 per \$100 above \$45,000	
						D – \$1,800 + \$6 per \$100 above \$45,000	
						Other Vehicles:^(e)	
						\$3 per \$100	

- (a) An additional \$2 for each \$100 of dutiable value applies to applications to register or transfer light vehicles with a dutiable value of more than \$100,000.
- (b) A concessional rate of \$8.40 per \$200 is available for low-emissions or primary production passenger vehicles priced above the luxury threshold of \$68,740.
- (c) Includes commercial vehicles under 4.5 tonnes gross vehicle mass and motorcycles.
- (d) Based on the vehicle emission ratings that are published in the Green Vehicle Guide (<http://www.greenvehicleguide.gov.au>). Duty payable for non-rated vehicles (includes vehicles previously registered) is the same as for C rated vehicles.
- (e) Includes heavy vehicles, large buses, hearses and trailers.

DUTY ON SELECTED NEW PASSENGER VEHICLES

Vehicle Value	WA	NSW	VIC ^(a)	QLD		SA	TAS	ACT	NT
				4 cyl	6 cyl				
\$	\$	\$	\$	\$	\$	\$	\$	C Rating ^(b)	\$
5,000	138	150	210	150	175	140	150	150	150
10,000	275	300	420	300	350	340	300	300	300
20,000	550	600	840	600	700	740	600	600	600
40,000	2,000	1,200	1,680	1,200	1,400	1,540	1,600	1,200	1,200
60,000	3,900	2,100	2,520	1,800	2,100	2,340	2,400	2,100	1,800
80,000	5,200	3,100	4,160	2,400	2,800	3,140	3,200	3,100	2,400
100,000	6,500	4,100	5,200	3,000	3,500	3,940	4,000	4,100	3,000

(a) Since 1 July 2019, the rates for new and used passenger vehicles are aligned. The above figures assume a passenger vehicle that is not a low-emission or primary production vehicle.

(b) Also includes non-rated (used) vehicles.

AVERAGE TAX RATES

New Passenger Vehicles

Vehicle Value	WA	NSW	VIC	QLD		SA	TAS	ACT	NT
				4 cyl	6 cyl				
\$	%	%	%	%	%	%	%	C Rating	%
5,000	2.75	3.00	4.20	3.00	3.50	2.80	3.00	3.00	3.00
10,000	2.75	3.00	4.20	3.00	3.50	3.40	3.00	3.00	3.00
20,000	2.75	3.00	4.20	3.00	3.50	3.70	3.00	3.00	3.00
40,000	5.00	3.00	4.20	3.00	3.50	3.85	4.00	3.00	3.00
60,000	6.50	3.50	4.20	3.00	3.50	3.90	4.00	3.50	3.00
80,000	6.50	3.88	5.20	3.00	3.50	3.93	4.00	3.88	3.00
100,000	6.50	4.10	5.20	3.00	3.50	3.94	4.00	4.10	3.00

Changes to the Rate Scale

No changes to rates apply in 2020-21.

Refer to Appendix 4 for historical changes to rates.

Changes to Exemptions and Concessions

No changes to exemptions or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to exemptions and concessions.

Vehicle Licence Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	367.2	8.7	420.6	6.4
2012-13	404.0	10.0	452.6	7.6
2013-14	384.7	-4.8	418.5	-7.5
2014-15	363.0	-5.7	387.8	-7.3
2015-16	345.7	-4.8	365.8	-5.7
2016-17	344.1	-0.4	361.9	-1.1
2017-18	354.5	3.0	369.4	2.1
2018-19	363.5	2.5	374.0	1.2
2019-20	375.1	3.2	380.7	1.8
2020-21 ^(a)	426.5	13.7	426.5	12.0

(a) Estimate based on the 2020-21 Mid-year Review.

Motor Vehicle Registrations

Motor vehicle registrations are paid by motor vehicle owners (who use their vehicles on public roads) either every three, six or 12 months.

The cost of licensing a motor vehicle consists of a registration fee, a compulsory third party insurance premium, a plate fee¹ and a recording fee. These fees are collected by the Department of Transport under the *Road Traffic (Vehicles) Act 2012*.

Current Registration Fees

For light vehicles (gross weight of 4.5 tonnes or less), the registration fee comprises a fixed fee component of \$13.20, reduced to \$6.60 for a licence granted or renewed for 12 months, plus a variable component, which is currently \$23.64 per 100 kg of tare (unladen) weight (or part thereof) to a maximum of \$496.

In 2020-21, the registration fee payable on a 2020 4-cylinder Toyota Camry SL Auto 2494cc (on the basis of 1,525 kg tare weight) is \$384.84. A recording fee of \$10.30 is payable in addition to the registration fee. In previous years this recording fee has been classified as a tax but it is now classified as a fee for service.

For heavy vehicles (gross weight of more than 4.5 tonnes), Western Australia adopted the national uniform registration fee regime from 1 July 1996. The licence fee for these vehicles is determined by the number of axles, the gross weight of the vehicle and whether the vehicle will tow trailers.

Licences can be for three, six or 12 months. The registration fee is apportioned depending upon the period for which a licence is granted or renewed.

The revenue from motor vehicle registrations is hypothecated to the Main Roads Trust Fund, which is used for road expenditure purposes.

¹ Plate fees only apply to new registrations.

Registration Fee Exemptions and Concessions

A total exemption applies to:

- emergency vehicles;
- vehicles used by certain government agencies;
- vehicles owned by the holder of a Veterans' Affairs Service Invalid Pension Card, Centrelink Pension Card (Blind) or Centrelink Disability Support Pension Card or Centrelink Disability Support Pension Card (Carer) and who receives the maximum pension;
- vehicles used by Ministers of religion;
- vehicle classes that require limited access to public roads (including bobcats, excavators, steel drum road rollers); and
- vintage/veteran vehicles.

Charitable institutions receive either a 50% concession or 100% exemption depending on the use of the vehicle. Interchangeable semi-trailers have a 75% concession. Vehicles used by primary producers², beekeepers, kangaroo shooters, stock transporters, sandalwood pullers and prospectors receive a 50% concession. Driving instructors (heavy vehicles only) and trailers used outside the South West Land Division also receive a 50% concession.

Agricultural machines used exclusively to travel between farms or for fire control operations may be eligible for a reduced registration charge of \$4.

Holders of a Commonwealth Pensioner Concession Card, Veterans' Affairs Pensioner Concession Card, and seniors who hold **both** a State Seniors Card and Commonwealth Seniors Health Card receive a 50% concession.

² Only applies to seed vehicles, trailers, semi-trailers, and other vehicles used for hauling purposes.

Interstate Comparison

In New South Wales, Victoria, Western Australia and the Australian Capital Territory, registration fees are based on the weight of the vehicle. In Queensland, South Australia, Tasmania and the Northern Territory registration fees are based mainly on the number of cylinders and engine capacity.

All jurisdictions require licensed vehicles to be issued with compulsory third party (CTP) insurance against claims resulting from personal damages. The premium payable for these insurance schemes varies widely as a result of the differences between 'at-fault' and 'no-fault' coverage, the different insurance market structures (with monopoly CTP insurers within some jurisdictions and competitive CTP markets in others) and insurance duty regimes (see the *Insurance Duty* chapter).

Using the same example of a 2020 4-cylinder Toyota Camry SL Auto 2494cc (on the basis of 1,525 kg tare weight), interstate comparisons of the various components of motor vehicle registration fees are as follows.

MOTOR VEHICLE REGISTRATIONS – 2020 TOYOTA CAMRY SL AUTO^(a)								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
<i>Private Registration</i>								
Licence Fee	384.84	541.00	302.40	334.50	135.00	209.52	584.60 ^(b)	188.00
CTP Insurance ^(c)	444.29	434.09 ^(d)	532.40 ^(e)	351.60 ^(f)	472.98 ^(g)	302.00	453.30 ^(h)	565.55
Admin and Recording Fees	10.30	Nil	Nil	Nil	10.00	Nil	Nil	13.00
Other Fees and Levies	Nil	Nil	Nil	58.35	32.00	44.13	83.50	Nil
Total	839.43	975.09	834.80	744.45	649.98	555.65	1,121.40	766.55
<i>Business Registration</i>								
Licence Fee	384.84	804.00	302.40	363.05	135.00	209.52	905.30	188.00
CTP Insurance ^(c)	444.29	453.28 ^(d)	532.40 ^(e)	368.20 ^(f)	394.13 ^(g)	302.00	486.80 ^(h)	565.55
Admin and Recording Fees	10.30	Nil	Nil	Nil	10.00	Nil	Nil	13.00
Other Fees and Levies	Nil	Nil	Nil	63.35	32.00	44.13	83.50	Nil
Total	839.43	1,257.28	834.80	794.60	571.13	555.65	1,475.60	766.55
<p>(a) Excludes standard plate fees and fees associated with registration of a new vehicle.</p> <p>(b) This is the full registration fee payable. A 2% discount applies for payment in full.</p> <p>(c) Includes CTP levies, and any applicable insurance duty.</p> <p>(d) Taken from an average of five different insurance companies.</p> <p>(e) Referred to as the Transport Accident Charge and is based on owner in inner metro area.</p> <p>(f) This includes a National Injury Insurance Scheme levy of \$90.50.</p> <p>(g) Includes Lifetime Support Levy of \$117.59.</p> <p>(h) Includes Lifetime Care and Support Levy of \$37, Road Rescue Fee of \$28 and Motor Accident Levy of \$16.</p>								

Changes to Motor Vehicle Registrations

Motor vehicle registrations for light vehicles in 2020-21 were frozen at 2019-20 levels.

Refer to Appendix 4 for historical changes to motor vehicle registrations.

Changes to Exemptions and Concessions

No changes to exemptions or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to exemptions and concessions.

Motor Vehicle Registration Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	599.4	7.6	686.6	5.3
2012-13	649.6	8.4	727.7	6.0
2013-14	728.2	12.1	792.1	8.9
2014-15	848.4	16.5	906.5	14.4
2015-16	874.0	3.0	925.0	2.0
2016-17	884.9	1.2	930.5	0.6
2017-18	937.2	5.9	976.5	4.9
2018-19	995.5	6.2	1,024.3	4.9
2019-20	1,044.9	5.0	1,060.6	3.5
2020-21 ^(a)	1,060.1	1.5	1,060.1	-

(a) Estimate based on the 2020-21 Mid-year Review.

Gambling Taxes

Lotteries Commission

The Lotteries Commission of Western Australia was established in 1932 to offer State authorised lottery products which would raise money for hospitals and charitable organisations. The first lottery draw was held on 21 March 1933.

Now trading as Lotterywest, the Lotteries Commission raises money through sales of Lotto, Cash 3, Set for Life and instant lotteries for distribution to the State Pool Account (established under the *National Health Funding Pool Act 2012*), the Arts Lotteries Account, the Sports Lotteries Account, cultural activities such as the Festival of Perth and the commercial film industry in Western Australia. The Lotteries Commission also funds a significant direct grants program for community and 'not for profit' organisations and events.

The Lotteries Commission operates under the *Lotteries Commission Act 1990*.

Interstate Comparison

An interstate comparison of taxation and hypothecation of Lotteries Commission revenue is as follows.

WA 12.5% of net subscriptions (sales net of any add-on commission less prize liability) plus any surplus funds is paid to such eligible organisations as the Commission thinks fit and the Minister approves; 40% of net subscriptions is paid to the State Pool Account; 5% of net subscriptions is paid into the Sports Lotteries Account; 5% of net subscriptions is paid into the Arts Lotteries Account; and up to 5% of net subscriptions is used to support the Festival of Perth and the WA film industry.

NSW 76.918% of player loss (player subscriptions net of prize liability) less GST is paid to consolidated revenue.

VIC 79.4% (where GST is payable) or 90% (where GST is not payable) of player loss is paid into the Consolidated Fund (CF). Revenue is then transferred by standing appropriation from the CF to the Hospitals and Charities Fund and Mental Health Fund.

QLD 73.48% of gross revenue (i.e. player loss) for lotteries and 55% for instant scratch-its. GST credit is provided.

SA Sports and special lotteries: 41% of net gambling revenue (i.e. player loss). All lotteries except sports and special lotteries (including Lotto, Powerball, Super 66 and instant scratchies): 41% of net gambling revenue is hypothecated to the Hospitals Fund.

TAS Tasmania does not host any State Lotteries. However, Tasmania receives 100% of the duty paid to the Victorian and Queensland Governments for Tasmanian subscriptions to Tattersalls and Golden Casket lottery products.

ACT Lotteries in the ACT are provided in cooperation with NSW. For all games in the ACT, NSW pays the ACT 76.918% of the proportion of player loss less GST.

NT Fees, taxes and levies are set by way of agreement under the *Gaming Control Act* between a lottery licence holder and the Northern Territory. Agreements are commercial-in-confidence. All funds received are paid into the Central Holding Authority.

Changes in Lotteries Commission's Products

A State Lotto was introduced in February 1979.

The Commission became a member of the Australian Lotto Bloc in 1981 and has marketed Weekend Saturday Lotto since then. Instant lotteries were introduced in 1982. Midweek Lotto was introduced in 1983 and Super 66 in 1986. Soccer Pools were taken over by the Lotteries Commission in October 1989.

Oz Lotto was introduced in 1994, and Powerball was launched in 1996 to replace Midweek Lotto. Cash 3 was launched in 1998 as the first on-line game unique to Western Australia. Two more lotto games (Monday and Wednesday Lotto) were added in 2006 when Western Australia (along with South Australia) was invited to join the then New South Wales games. The Set for Life product was introduced in August 2015, with draws every night of the week.

Soccer pools ceased being offered in Australia from 23 June 2018.

Lotteries Surpluses

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	140.5	11.2	160.9	8.9
2012-13	151.2	7.6	169.4	5.3
2013-14	146.9	-2.8	159.8	-5.6
2014-15	151.9	3.4	162.3	1.6
2015-16	162.6	7.0	172.1	6.0
2016-17	151.2	-7.0	159.0	-7.6
2017-18	155.8	3.1	162.3	2.1
2018-19	179.6	15.3	184.8	13.8
2019-20	174.1	-3.1	176.7	-4.4
2020-21 ^(a)	160.1	-8.0	160.1	-9.4

(a) Estimates based on the 2020-21 Mid-year Review.

GST Reimbursements

As part of the intergovernmental agreement on the GST, the States agreed to adjust their gambling tax arrangements from 1 July 2000 to 'make room' for the GST. The mechanisms for achieving this vary across jurisdictions, but generally involve:

- reducing State gambling tax rates;
- allowing a credit against State gambling taxes payable; or
- providing a rebate/reimbursement to gambling operators of their GST liability.

The GST reimbursement to the Lotteries Commission was about \$38.3 million in 2019-20.

Casino Tax

Casino tax is payable each month by the casino licence holder based on its gross gaming revenue (total bets placed less winnings paid out) in the preceding month.

Casino tax was introduced in Western Australia on 30 December 1985 at a rate of 15% of gross revenue, upon the opening of Burswood Casino. It is collected by the Department of Local Government, Sport and Cultural Industries under the *Casino (Burswood Island) Agreement Act 1985* and the *Casino Control Act 1984*.

Rate of Tax

Category	Rate of Duty
Fully automated table games	12.92%
Electronic gaming machines	12.42%
Table games (including keno)	9.37%
International commission business	1.75%

An additional levy (of 1% on all table games and international commission business and 2% on electronic gaming machine revenue) is paid to the Burswood Park Board for upkeep of the Park and Swan/Canning River.

An annual licence fee (provisionally, \$2.98 million for 2020) is also payable in advance in four quarterly instalments to the Gaming and Wagering Commission of Western Australia to defray its running costs. The annual licence fee is adjusted for inflation each year on 24 December.

Exemptions and Concessions

Nil.

Interstate Comparison

CASINO TAX RATES

WA 12.42% of electronic gaming machine gross revenue, 9.37% of table game (including keno) gross revenue, 12.92% of fully automated table game gross revenue and 1.75% of international commission business gross revenue.

A levy of 2% applies on electronic gaming machine revenue, and a 1% levy applies on all table games and international commission business for spending on the conservation of the Burswood Park and the Swan/Canning River.

NSW Star Casino: under transitional arrangements in place until 4 July 2021, both table games and poker machines played by players other than high rollers are taxed at progressive rates ranging from 16.41% to 38.91% of gross revenue (i.e. revenue received less player winnings). A 2% Responsible Gambling Levy (RGL) also applies to the above gross gaming revenue. A 10% high roller tax applies to high roller gross revenue.

Crown Sydney: the forms, rates and revenue bases of the duties for table games and high rollers, and the RGL, are the same as for the Star Casino following their transitional period (i.e. from 5 July 2021), except that poker machines will not be permitted within Crown Sydney. Those rates are as follows: table games 17.91%; RGL 2%; high roller tax 10%.

VIC 31.57% of gross gaming revenue applies to gaming machines plus super tax.

21.25% of gross revenue from table games plus super tax.

9% of gross revenue applies to high roller tables and commission-based gaming machine revenue.

1% community benefit levy applies to regular and commission-based players.

QLD For non-premium players: 20% of gross revenue on table games and keno for Brisbane and Gold Coast casinos; 10% of gross revenue on table games and keno for Townsville and Cairns casinos; 30% of gross revenue on gaming machines for Brisbane and Gold Coast casinos and 20% of gross revenue on gaming machines for Townsville and Cairns casinos.

For premium players: 10% of gross gaming revenue for all Queensland casinos.

SA A table gaming tax rate of 3.41%, and a gaming machine rate of 41% applies. In addition, a tax of 10.91% applies to premium machine revenue and a rate of 0.91% applies to premium table games revenue. Automated table games are taxed at 10.91% of net gaming revenue.

TAS 5.88% of gross profit on keno and 0.88% of gross profit on table gaming. A single flat tax rate of 25.88% applies to the gross profit of all electronic gaming machines.

NT Mindil Beach Casino (formerly Skycity Darwin Casino): GST rate on table games and commission-based games are 15% of gross profit on gaming machines; 10% community benefit levy; and 10% of gross profit on keno.

Lasseters Casino: GST rate on table games; 15% of gross profit on gaming machines (increasing to 20% in 2022); and 10% community benefit levy.

In March 2020, casino taxes were waived as a COVID-19 recovery measure.

ACT 10.9% of gross revenue for general gaming, 0.9% of gross revenue on commission-based gambling.

CASINO LICENCE FEES

WA A one-off payment of \$20.6 million in 1985 for the security of the licence, plus an indexed, annual licence fee (it was \$2.93 million in 2019). A one-off payment of \$20 million was also paid in 2010 to allow for an increase in the number of electronic gaming machines and gaming tables.

NSW Star Casino: a one-off non-refundable payment of \$256 million was paid in 1995 for a 99-year licence and 12-year exclusivity right. The exclusivity period was extended from November 2007 to November 2019 for a fee of \$100 million.

Crown Sydney: a \$100 million licence fee was paid in 2014 for a 99-year Restricted Gaming Licence that was issued on 8 July 2014 for gaming to commence from November 2019.

VIC A \$200 million up-front licence fee was paid in 1993, plus additional casino tax of \$2.4 million per month (\$57.6 million) was paid from July 1994 to June 1996. Additionally, \$2.8 million per month (\$100.8 million) was paid from January 1996 to December 1998 for an extra 150 tables and a lower tax on high rollers.

Amendments in 2014 increased the allowable amount of gaming tables, automated table game terminals and poker machines in exchange for an immediate \$250 million payment and an additional \$250 million in 2033. Two contingent payments of \$100 million each are due if casino revenue growth exceeds 4% and 4.7% between 2013-14 and 2021-22. Amendments also guaranteed \$35 million a year from taxation of new gaming products.

QLD A quarterly licence fee of \$265,100 in 2020-21, indexed annually.

SA A one-off payment of \$20 million was paid in 2012 for a 23 year exclusivity right, expiring in 2035.

TAS A monthly licence fee of \$167,635 in 2020-21, indexed annually. As a COVID-19 recovery measure, the fee has been waived from April 2020 to April 2021.

ACT An indexed, annual licence fee is payable for each 12 month period to 31 December. In 2020 it was \$972,196.

NT Nil.

Changes to the Rate Scale

No changes to rates apply in 2020-21.

Refer to Appendix 4 for historical changes to rates.

Casino Tax Collections

WESTERN AUSTRALIA

	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	108.1	20.6	123.9	18.1
2012-13	111.8	3.4	125.2	1.1
2013-14	127.5	14.0	138.6	10.7
2014-15 ^(a)	110.3	-13.5	117.8	-15.0
2015-16 ^(a)	64.9	-41.2	68.7	-41.7
2016-17 ^(a)	61.9	-4.6	65.1	-5.2
2017-18 ^(a)	61.0	-1.5	63.5	-2.4
2018-19 ^(a)	59.4	-2.6	61.1	-3.8
2019-20 ^(a)	39.7	-33.1	40.3	-34.0
2020-21 ^{(a)(b)}	41.0	3.2	41.0	1.6

(a) From 24 December 2014, casino tax rates were reduced in return for the cessation of GST reimbursements to Crown Casino.

(b) Estimate based on the 2020-21 *Mid-year Review*.

GST Reimbursements

As part of the intergovernmental agreement on the GST, the States agreed to adjust their gambling tax arrangements from 1 July 2000 to 'make room' for the GST (see also the section on the Lotteries Commission).

From 24 December 2014, the GST reimbursement was replaced by a reduction in casino tax rates.

Betting Taxes

Since 1 January 2019, betting taxes comprise the point of consumption (POC) Betting Tax and the Racing Bets Levy.

The POC Betting Tax is levied on all bets placed in Western Australia, irrespective of where the betting operator is licensed in Australia. It is collected by the Commissioner of State Revenue under the *Betting Tax Act 2018* and the *Betting Tax Assessment Act 2018*.

The Racing Bets Levy is collected by the Gaming and Wagering Commission, on behalf of the Western Australian racing industry, under the *Racing Bets Levy Act 2009*. The levy applies to all wagering operators (including interstate operators) who use or publish Western Australian race fields.

Rate of Tax

Point of Consumption Betting Tax

The POC Betting Tax rate is 15% of a betting operator's taxable betting revenue above a tax-free threshold of \$150,000.

Racing Bets Levy

A 1% Racing Bets Levy applies to a betting operator's annual turnover up to and including \$3 million. The threshold is applied on a racing calendar year basis. Once the \$3 million threshold is reached, the following differential levy rates apply.

- Pari-mutuel bets placed on standard race meetings levied at 2.0% of turnover.
- Pari-mutuel bets placed on premium race meetings levied at 2.5% of turnover.
- Betting exchange bets placed on standard race meetings levied at 1.5% of turnover.
- Betting exchange bets placed on premium race meetings levied at 2.5% of turnover.
- Non-exchange fixed odds bets placed on standard race meetings is the greater of 13.6% of the betting operator's gross revenue or 2% of the betting operator's turnover.
- Non-exchange fixed odds bets placed on premium race meetings is the greater of 22.7% of the betting operator's gross revenue or 2.5% of the betting operator's turnover.

Exemptions and Concessions

Since 1 April 2013, a Racing Bets Levy exemption has applied where a betting operator's turnover does not reach \$1,000 in any month.

Interstate Comparison

POINT OF CONSUMPTION BETTING TAX

WA	NSW ^(a)	VIC	QLD	SA	TAS	ACT	NT
15% of Net State Wagering revenue with a \$150,000 tax-free threshold	10% of Net State Wagering revenue with a \$1,000,000 tax-free threshold	8% of Net State Wagering revenue with a \$1,000,000 tax-free threshold	15% of Net State Wagering revenue with a \$300,000 tax-free threshold	15% of Net State Wagering revenue with a \$150,000 tax-free threshold	15% of Net State Wagering revenue with a \$150,000 tax-free threshold ^(b)	15% of Net State Wagering revenue with a \$150,000 tax-free threshold ^(c)	N/A ^(d)

- (a) The NSW licensee (TAB) has an entitlement where it essentially does not pay point of consumption tax and instead pays betting tax under the *Betting Tax Act 2001*.
- (b) A 15% point of consumption tax with a \$150,000 tax-free threshold (excluding the value of free bets) has applied since 1 January 2020. From the same date, a fixed annual Totalisator Wagering Levy, paid by the licence holder, has been replaced by a lower Annual Wagering Levy. The levy is indexed annually and for 2020-21 it is \$1.499 million.
- (c) A fixed annual totalisator licence fee (which is subject to annual indexation) is payable by Tabcorp. The forecast for 2020-21 is \$1.129 million.
- (d) A point of consumption betting tax does not apply in the Northern Territory. However, other forms of betting taxes apply as follows - wagering tax rates are 40% of the licensee's commission on thoroughbred, harness and greyhound races; 10% of the licensee's commission on international races, events, sports and other activities; and 20% for other such events held in Australia. Bookmakers and betting exchanges are taxed at 10% of gross racing profits with an indexed annual cap of 500,000 revenue units (\$605,000 in 2020-21).

RACING BETS LEVY

The Racing Bets Levy is equivalent to product information fees or race field fees in other States. It is a fee for publication and use of race fields paid by betting operators to a controlling body, which is collected for the racing industry.

WA A legislated Racing Bets Levy applies to licensed betting operators that use or publish Western Australian race fields. Various rates apply based on the type of bets placed and the turnover the operator receives from the race event.

NSW Race field fees are set in commercial arrangements between betting operators and the racing industry, with legislated caps based on the type of bets placed^(a). This rate applies to the turnover the operator receives from a race event.

SA Race field fees are set in commercial arrangements between betting operators and the racing industry, with a legislated rate payable where no commercial arrangement is in force. This rate applies to the gross proceeds the operator receives from a race event.

Others Race field fees in Victoria, Queensland, Tasmania, the Australian Capital Territory and Northern Territory are set in commercial arrangements between the betting operator and the racing industry. None of these jurisdictions provide a legislated rate.

- (a) Race field fees are capped at 4% of turnover from totalisator derived odds. A rate cap of 3% applies to turnover from wagers laid at odds rather than totalisator derived odds, at race meetings where at least one race carries a prize of \$1 million or more; otherwise, fees are capped at 2% of turnover.

Changes to the Rate Scale

No changes to rates apply in 2020-21.

Refer to Appendix 4 for historical changes to rates.

Changes to Exemptions and Concessions

No changes to exemptions or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to exemptions and concessions.

Betting Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	37.6	10.6	43.1	8.3
2012-13	41.1	9.2	46.0	6.8
2013-14	42.7	3.9	46.5	0.9
2014-15	42.3	-0.9	45.2	-2.7
2015-16	42.2	-0.4	44.6	-1.3
2016-17	40.2	-4.6	42.3	-5.2
2017-18	41.4	3.1	43.2	2.1
2018-19 ^(a)	54.8	32.2	56.4	30.6
2019-20 ^(b)	76.9	40.3	78.0	38.4
2020-21 ^(c)	101.9	32.5	101.9	30.5

(a) Actual 2018-19 revenue collected included \$30.1 million from the POC Betting Tax that began on 1 January 2019.
 (b) From 2019-20 onwards, this solely comprises revenue from the POC Betting Tax.
 (c) Estimate based on the 2020-21 Mid-year Review.

GST Reimbursements

As part of the intergovernmental agreement on the GST, the States agreed to adjust their gambling tax arrangements from 1 July 2000 to 'make room' for the GST (see also the section on the Lotteries Commission). GST paid by Racing and Wagering Western Australia was separately reimbursed by the State up to 2006-07.

From 1 July 2007, the GST reimbursement was replaced by an equivalent reduction in the wagering tax rate for pari-mutuel betting on racing. GST reimbursements still occur in relation to fixed odds race betting and pari-mutuel and fixed odds sports betting.

No GST reimbursement has been required since the introduction of the POC Betting Tax on 1 January 2019, as the 15% POC Betting Tax rate is net of the GST that is paid by betting operators.

Other Fees and Levies

Perth Parking Levy

The Perth Parking Levy (PPL) was introduced in July 1999 and is paid by all owners of non-residential parking bays within the Perth Parking Management Area (constituting the Perth CBD and sections of West Perth, East Perth and Northbridge). The PPL is administered by the Department of Transport under the *Perth Parking Management (Taxing) Act 1999* and Perth Parking Management Regulations 1999.

Revenue collected from the PPL is credited into the Perth Parking Licensing Account. These funds are utilised for a range of transport initiatives, including the free Central Area Transport (CAT) bus system, cycle paths and for funding a proportion of the Perth Busport.

Rate of Levy

PERTH PARKING LEVY	
Type of Parking Bay	Annual Licence Fee (\$ p.a.)
Long stay public bays	1,124.40
Short stay public bays ^(a)	1,038.90
On-street parking bays	1,038.90
All other parking bays ^(b)	1,169.20

(a) Only applies for public bays in which 50% of the vehicles stay for less than four hours and 90% less than six hours.
(b) Includes tenant parking and other non-public bays.

Exemptions and Concessions

Exemptions are prescribed under the Perth Parking Management Regulations 1999. These exemptions include all motorcycle bays, disability bays, loading bays, emergency vehicle bays, bays at public parks and religious institutions and bays utilised by passenger buses.

Also exempt are bays used solely for residential parking, as well as parking facilities with five or fewer leviable bays.

Interstate Comparison

Queensland, South Australia, Tasmania, the Northern Territory and the Australian Capital Territory do not charge levies on CBD parking bays.

NON-RESIDENTIAL PARKING LEVIES (\$)

	WA		NSW		VIC ^(a)	
	Perth CBD ^(b)	Other regions	Sydney CBD	Other regions ^(c)	Melbourne CBD	Other regions ^(d)
Short stay bays	1,038.90	Nil	2,490.00	880.00	1,480.00	1,050.00
Long stay bays	1,124.40	Nil	2,490.00	880.00	1,480.00	1,050.00

(a) Applies to 2021 calendar year.

(b) All other non-exempt bays are levied at \$1,169.20.

(c) Includes leviable bays within Bondi Junction, Chatswood, Parramatta and St Leonards.

(d) Suburbs surrounding the Melbourne CBD extending out to St Kilda and to Port Melbourne and Brunswick East.

WA The PPL is an annual licence fee for all owners of non-residential parking bays within a specified area of Perth. The Levy is \$1,038.90 for on-street and short stay public parking, \$1,124.40 for long stay public parking bays and \$1,169.20 for all other bays, including tenant parking.

NSW A Parking Space Levy applies to any non-residential off-street motor vehicle bays in a leviable district. Bays within the City of Sydney and the North Sydney and Milsons Point business districts are levied an annual fee of \$2,490, and bays within Bondi Junction, Chatswood, Parramatta and St Leonards are levied an annual fee of \$880.

The Parking Space Levy is generally indexed to the Consumer Price Index, but the 2020-21 rates were frozen at 2019-20 levels.

VIC An annual Congestion Levy of \$1,480 per parking space applies to all off-street parking spaces in both private and public car parks within a specified area of the Melbourne CBD. A concessional rate of \$1,050 applies to off-street parking spaces in a number of suburbs surrounding the Melbourne CBD.

The Congestion Levy is indexed to the Consumer Price Index.

Changes to the Rate Scale

No changes to rates apply in 2020-21.

Refer to Appendix 4 for historical rates.

Perth Parking Levy Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	32.1	7.4	36.7	5.1
2012-13	34.1	6.2	38.2	3.9
2013-14	39.5	16.1	43.0	12.7
2014-15	48.3	22.2	51.6	20.0
2015-16	56.6	17.2	59.9	16.0
2016-17	56.3	-0.4	59.2	-1.1
2017-18	57.9	2.8	60.3	1.9
2018-19	58.7	1.4	60.4	0.2
2019-20	55.7	-5.1	56.5	-6.4
2020-21 ^(a)	51.2	-8.1	51.2	-9.5

(a) Estimate based on the 2020-21 Mid-year Review.

Landfill Levy

The landfill levy is collected by the Department of Water and Environmental Regulation and is imposed on waste that originates from or is disposed of in the Perth Metropolitan area.

A landfill levy was originally introduced in July 1998 under the *Environmental Protection Act 1986*. This legislation was repealed and replaced by the *Waste Avoidance and Resource Recovery Levy Act 2007*.

Under the *Waste Avoidance and Resource Recovery Act 2007*, each year not less than 25% of funds raised by the landfill levy are to be paid into the Waste Avoidance and Resource Recovery Account. These funds are applied to programmes related to the management, reduction, reuse, recycling, monitoring or measurement of waste.

Rate of Levy

There is the capacity to charge the landfill levy at a different rate for putrescible landfills and inert landfills, but their rates are currently equal.

	Putrescible Waste \$ per tonne ^(a)	Inert Waste \$ per tonne ^(b)
Since 1 July 2018	70.00	70.00

(a) Putrescible waste includes household food waste, green waste and certain commercial and industrial wastes that easily decompose.

(b) Inert waste is waste, such as sand and concrete, which is neither chemically nor biologically reactive and will not decompose. Inert waste is levied per cubic metre. One cubic metre of inert waste in situ within landfill is treated as equivalent to 1.5 tonnes.

Exemptions and Concessions

The landfill levy does not apply to waste that is collected and stored at a licensed landfill for recycling.

Interstate Comparison

The following States place a levy on waste disposed of in landfill.

WA The landfill levy is imposed on waste disposed to landfill in the Perth metropolitan area, or to waste from the metropolitan area disposed to landfill anywhere in Western Australia. In 2020-21 the rate of levy is \$70/tonne of putrescible waste and \$70/tonne of inert waste.

NSW The Waste Levy is imposed on the occupiers of licensed waste facilities anywhere in NSW which receive waste generated from a specified regulated area, and the occupiers of scheduled waste facilities within a specified area which receive waste from anywhere in NSW. The rate of levy is \$146/tonne within the specified extended metropolitan area and \$84.10/tonne within the specified regional area. Concessional levy rates apply for virgin excavated natural material in metropolitan and regional areas. Trackable liquid waste is separately levied at \$78.20/tonne, and coal washery reject is levied at \$15.20/tonne.

VIC A Landfill and Prescribed Waste Levy is payable by all landfill owners in Victoria. Metropolitan landfills are levied at \$65.90/tonne of municipal and industrial waste, while rural landfills are levied at \$33.03/tonne of municipal waste, and \$57.76/tonne of industrial waste. Asbestos is levied separately at \$30/tonne, and contaminated waste is levied at either \$70/tonne or \$250/tonne (depending on the degree of contamination).

QLD The Waste Levy applies to general waste streams (municipal solid waste, commercial and industrial waste, and construction and demolition waste) and to regulated or hazardous waste. Levy rates rose by \$5/tonne from 1 January 2021: the general levy to \$80/tonne, and the hazardous waste levy to \$110 or \$160/tonne (depending on the category of waste).

SA A waste levy is payable by the licence holder of a waste depot for all waste received that is to be disposed of at that depot. Solid waste is levied at \$143/tonne in metropolitan regions and \$71.50/tonne in non-metropolitan regions. Liquid waste is levied at \$39.02/kilolitre. No levy applies to packaged asbestos waste.

ACT Landfill fees are payable for commercial and industrial waste at \$170.55 per tonne (\$43 per load for loads less than 0.25 tonne). Landfill fees for special waste including the disposal of asbestos or products containing asbestos apply at \$191.50 per tonne (\$48 per load for loads less than 0.25 tonne). Contaminated soils incur a charge of \$170.55 per tonne.

Changes to the Rate Scale

No changes to rates apply in 2020-21.

Refer to Appendix 4 for historical rates.

Landfill Levy Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	40.7	0.3	46.6	-1.8
2012-13	43.6	7.0	48.8	4.6
2013-14	46.7	7.1	50.8	4.0
2014-15	59.4	27.3	63.5	25.1
2015-16	69.0	16.1	73.0	15.0
2016-17	69.4	0.7	73.0	-
2017-18	74.6	7.5	77.7	6.5
2018-19	79.0	5.9	81.3	4.5
2019-20	79.6	0.8	80.8	-0.5
2020-21 ^(a)	83.0	4.2	83.0	2.7

(a) Estimate based on the 2020-21 Mid-year Review.

Emergency Services Levy

The Emergency Services Levy (ESL) was introduced on 1 July 2003 as a new funding arrangement for the State's fire and emergency services.

The ESL replaced the previous arrangements under which the cost of permanent fire services was funded by a fire brigade levy paid by insurance companies (75%), local government (12.5%) and the State (12.5%).

Local government authorities collect the levy from property owners on behalf of the Department of Fire and Emergency Services (DFES). The revenue is dedicated to fund a range of services, including Career Fire and Rescue Service, Volunteer Fire and Rescue Service, Local Government Bush Fire Brigades, Volunteer State Emergency Service Units, and Multi-service DFES Units.

Rate of Levy

The ESL rate is determined by the type and level of fire and emergency services available to a property, with (as examples) ESL category 1 applying to the Perth metropolitan area and ESL category 5 applying to pastoral/rural areas. The maximum ESL payable is lower for residential properties than commercial properties.

	ESL CATEGORY				
	1	2	3	4	5
Rate of Levy (per \$ of Gross Rental Value)	\$0.014839	\$0.011129	\$0.007419	\$0.005194	N/A
Minimum Charge	\$84	\$84	\$84	\$84	\$84
Residential Maximum Charge (includes Hobby Farms)	\$441	\$330	\$219	\$154	\$84
Commercial Maximum Charge	\$251,000	\$188,000	\$125,000	\$87,000	\$84

Exemptions and Concessions

Pensioners and seniors who receive a rebate on their council rates will receive an equivalent level of rebate on their levy charge.

Mining tenements pay a maximum ESL charge of \$84. The ESL does not apply to mining exploration and prospecting licences.

Interstate Comparison

For comparison purposes, the examples below only apply to residential property in metropolitan regions. New South Wales and the Northern Territory currently do not apply a property-based levy to fund fire and emergency services.

EMERGENCY SERVICES LEVY METROPOLITAN RESIDENTIAL PROPERTY

WA The Emergency Services Levy is levied upon property owners at a rate determined by the level of fire and emergency services cover available in their region. Residential property owners in the Perth metropolitan region pay 1.4839% of the Gross Rental Value (GRV)¹ of the property. The minimum fee payable is \$84 and the maximum is \$441.

VIC The Fire Services Property Levy (FSPL) contains both a fixed charge and variable charge component. Residential metropolitan property owners pay a fixed charge of \$113 in addition to a variable charge of 0.0054% of the Capital Improved Value² of the property. From 1 July 2020 the FPSL has been reformed so property owners will no longer pay different contributions depending on the location of the property.

QLD The Emergency Management, Fire and Rescue Levy is levied upon all property owners at a rate determined by the location and category of the property. A single unit residence located in a metropolitan region is levied a flat rate of \$226.00.

SA The Emergency Services Levy contains both a fixed charge and a variable charge. Residential metropolitan property owners are levied a fixed charge of \$50 and a variable charge of 0.05216%³ of the Capital Value⁴ of the property.

TAS A Fire Service Contribution is levied by local councils on behalf of the Tasmanian Government at a rate which varies across regions. Hobart City Council charges a levy of 1.11% of the Assessed Annual Value (AAV)⁵ of a property, with a minimum charge of \$41.

ACT The Fire and Emergency Services Levy is charged on all rateable properties. Residential properties are levied a flat fee of \$344.

¹ The GRV of a property is determined by the Valuer General. It is the gross annual rental that a property might reasonably be expected to realise if it were let on a tenancy basis from year to year.

² The Capital Improved Value is determined through the general valuation process, and is the value of land inclusive of its buildings and other capital improvements.

³ The effective rate of the variable charge component is less than this prescribed amount, as the variable component is reduced (via a general remission) for all levy payers.

⁴ The Capital Value is determined through the general valuation process, and is the value of land inclusive of its buildings and other capital improvements.

⁵ The AAV of a property is broadly equivalent to GRV in Western Australia.

Changes to the Rate Scale

No changes to rates apply in 2020-21.

Emergency Services Levy Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	220.3	7.5	252.4	5.2
2012-13	236.9	7.5	265.4	5.2
2013-14	257.8	8.8	280.5	5.7
2014-15	274.0	6.3	292.8	4.4
2015-16	307.3	12.1	325.2	11.1
2016-17	324.9	5.7	341.6	5.1
2017-18	338.5	4.2	352.7	3.2
2018-19	374.4	10.6	385.3	9.2
2019-20	387.0	3.3	392.8	1.9
2020-21 ^(a)	353.1	-8.8	353.1	-10.1

(a) Estimate based on the 2020-21 Mid-year Review.

Loan Guarantee Fees

The Treasurer charges loan guarantee fees to State Government agencies and local government borrowers. This is in exchange for providing an explicit government guarantee on liabilities incurred by the Western Australian Treasury Corporation (WATC) in raising loan funds on behalf of those State agencies and local government borrowers.

In almost all cases, the WATC collects those loan guarantee fees on behalf of the Treasurer. The exception is for Keystart, where the Housing Authority collects those fees on behalf of the Treasurer.

The current scale of loan guarantee fees is as follows:

- 0.7% per annum for local government authorities, public universities, government trading enterprises (such as the Water Corporation, Synergy, Horizon Power, Western Power and LandCorp) and other government statutory authorities (such as the Public Transport Authority, the Metropolitan Redevelopment Authority, the Housing Authority and Port Authorities); and
- 0.2% per annum for general government agencies that generally borrow through special powers afforded to their relevant minister. In some cases special exemptions or, conversely, a higher rate may apply for these types of agencies.

Loan Guarantee Fee Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	24.8	7.3	28.4	5.0
2012-13	104.0	320.0	116.5	310.7
2013-14	119.2	14.6	129.6	11.3
2014-15	119.0	-0.1	127.2	-1.9
2015-16	133.9	12.5	141.7	11.4
2016-17	139.8	4.4	147.0	3.7
2017-18	143.3	2.5	149.3	1.6
2018-19	152.2	6.2	156.6	4.9
2019-20	157.5	3.4	159.8	2.1
2020-21 ^(a)	134.3	-14.7	134.3	-16.0

(a) Estimate based on the 2020-21 Mid-year Review.

Building and Construction Industry Training Fund Levy

The Construction Training Fund collects the Building and Construction Industry Training Fund (BCITF) Levy, which applies to a wide range of residential, commercial, civil engineering and resource construction projects.

The BCITF Levy is collected under the *Building and Construction Industry Training Levy Act 1990* and the *Building and Construction Industry Training Fund and Levy Collection Act 1990*. All revenue collected from the BCITF Levy is paid into a fund that is used to support training for people working in the building and construction industry in Western Australia.

Rate of Levy

The BCITF Levy is 0.2% of the total value of construction of all works with an estimated value of more than \$20,000.

Exemptions and Concessions

Agricultural work, work on foreign missions and consulates and certain operational work in the resources industry are exempt from having to pay the BCITF Levy.

Building and Construction Industry Training Fund Levy Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2011-12	28.8	3.7	33.0	1.5
2012-13	32.8	14.1	36.8	11.5
2013-14	33.9	3.1	36.8	0.2
2014-15	33.9	0.1	36.2	-1.7
2015-16	28.3	-16.4	30.0	-17.2
2016-17	31.4	10.8	33.0	10.1
2017-18	25.2	-19.7	26.3	-20.5
2018-19	27.2	7.9	28.0	6.6
2019-20	38.8	42.7	39.4	40.7
2020-21 ^(a)	37.0	-4.6	37.0	-6.0

(a) Estimate based on the 2020-21 Mid-year Review.

Mining Rehabilitation Levy

Mining tenement holders (as defined under the *Mining Act 1978*) with rehabilitation liabilities in excess of \$50,000 are required to contribute to the rehabilitation of abandoned mine sites via a Mining Rehabilitation Levy. This levy is collected by the Department of Mines, Industry Regulation and Safety under the *Mining Rehabilitation Fund Act 2012*.

Revenue collected from the Mining Rehabilitation Levy is paid into the Mining Rehabilitation Fund, with the funds used for rehabilitation works on mine sites where the mining tenement holder has failed to meet rehabilitation obligations. The interest earned on the Fund balance is used to undertake rehabilitation works on legacy abandoned mine sites throughout Western Australia.

Rate of Levy

The rate of the Mining Rehabilitation Levy is 1% of the rehabilitation liability estimate of each leviable mining tenement.

Mining Rehabilitation Levy Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 Dollars \$m	Change (Real) %
2014-15	27.0	N/A	28.8	N/A
2015-16	27.8	3.2	29.5	2.2
2016-17	27.6	-1.0	29.0	-1.6
2017-18	29.0	5.4	30.3	4.4
2018-19	30.6	5.4	31.5	4.1
2019-20	33.4	9.0	33.9	7.6
2020-21 ^(a)	35.0	4.9	35.0	3.3

(a) Estimate based on the 2020-21 Mid-year Review.

Mineral Royalties

Mineral royalties are collected under either the *Mining Act 1978 (WA)* or various State Agreement Acts which have been negotiated for major resource projects. They are the price paid by a mining company for a mineral resource, ownership of which is vested in the State Government on behalf of the community.

Under the Mining Act, royalties are payable on all minerals. However, the definition of 'mineral' excludes the following where they occur on private land:

- limestone, rock or gravel shale, other than oil shale;
- sand, other than mineral sands, silica sand or garnet sand; and
- clay, other than kaolin, bentonite, attapulgite, or montmorillonite.

State Agreement Acts

State Agreements are essentially contracts between the Western Australian Government and proponents of major resource projects, and are ratified by an Act of State Parliament. They specify the rights, obligations, terms and conditions for the development of a project, and establish a framework for ongoing relations and cooperation between the State and the project proponent.

In some cases, the State Agreement Act contains specific royalty clauses, while in other cases it simply refers to the Mining Act royalty sections. Where a State Agreement is silent on the matter of royalties, regulations made under the Mining Act may apply.

A full list of State Agreement Acts, which have been used in Western Australia since 1952, is available at <https://www.wa.gov.au/government/publications/list-of-state-agreements-western-australia>.

Royalty Systems

Two systems of mineral royalty collection are used in Western Australia:

- specific rate – calculated as a flat rate per tonne produced (applied only to bulk materials and coal that is not exported); and
- ad valorem – calculated as a proportion of the ‘royalty value’ of the mineral or at a percentage of the contained metal or mineral value for some commodities such as nickel and rare earths.
 - The royalty value is broadly calculated as the quantity of the mineral in the form in which it is first sold, multiplied by the price in that form, less any allowable deductions.
 - The nickel and rare earths royalties are calculated based on the value of the mineral contained in the product sold.

In Western Australia, mineral royalty revenue is primarily comprised of ad valorem royalties from iron ore, gold, alumina, and nickel.

Following a review of royalties, in 1981 a general three-tiered royalty rate structure was put in place, comprising of:

- a 7.5% rate for minerals subject only to limited processing prior to sale;
- a 5% rate for minerals processed to and sold as concentrates; and
- a 2.5% rate for minerals processed to and sold as a metal.

Iron Ore

Iron ore royalties are collected by the Department of Mines, Industry Regulation and Safety under the *Mining Act 1978*, or State Agreement Acts, based on the free on board value (or royalty value) of the iron ore mined.

Royalty Rate

The royalty rate payable under the Mining Act depends on the degree of processing of the product sold.

IRON ORE	
Type of Iron Ore	Royalty Rate (%)
Beneficiated (e.g. magnetite concentrate)	5.0
Direct shipping	7.5

In addition, iron ore lease rentals are collected under the Mining Regulations 1981 or State Agreement Acts. Mining lease holders producing iron ore are generally required to commence paying an additional lease rental 15 years after iron ore was first obtained from the lease. The lease rental is calculated at the rate of 25 cents per tonne on all forms of iron ore obtained from the lease.

Exemptions and Concessions

As part of a State Government support package, a full royalty rebate is available until December 2024 (up to a maximum of 30 million tonnes of iron ore) to the Koolyanobbing mine operated by Mineral Resources.

In 2020-21, a 50% rebate will be provided on royalties paid by Ridges Iron Ore from its Ridges deposit. The rebate is not repayable.

Interstate Comparison

IRON ORE ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Beneficiated: 5.0%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	\$1.25 per tonne plus 2.5% of value above \$100 per tonne ^(a)	5.0% of net market value	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(b)	N/A	Greater of 20.0% of net value (less \$10,000) or 1% to 2.5% of gross revenue ^(c)
Royalty System	Ad valorem	Ad valorem	Ad valorem	Hybrid	Ad valorem	Hybrid		Hybrid

(a) A discount of 20% is available if the mineral is processed in Queensland and the metal produced is at least 95% iron ore.
(b) A 20% rebate is available for the production of a metal in Tasmania.
(c) Royalty will only apply when a miner's annual gross production revenue exceeds \$500,000. The rate applying to gross production revenue is 1% per annum in a mine's first royalty year, 2% in a mine's second royalty year, and 2.5% in subsequent years.

Changes to Royalty Rates and Concessions

No changes to rates or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to rates and concessions.

Iron Ore Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 dollars \$m	Change (Real) %
2011-12	3,776.1	3.5	4,235.3	1.3
2012-13	3,852.6	2.0	4,315.8	-0.2
2013-14	5,449.6	41.5	5,928.0	37.4
2014-15	4,022.9	-26.2	4,298.5	-27.5
2015-16	3,600.3	-10.5	3,810.5	-11.4
2016-17	4,708.5	30.8	4,951.3	29.9
2017-18	4,503.9	-4.3	4,693.1	-5.2
2018-19	5,945.6	32.0	6,117.4	30.3
2019-20	7,632.4	28.4	7,746.9	26.6
2020-21 ^(a)	7,812.8	2.4	7,812.8	0.8

(a) Estimate based on the 2020-21 Mid-year Review.

Gold

Royalties for gold were introduced on 1 July 1998. They are collected by the Department of Mines, Industry Regulation and Safety under the *Mining Act 1978* based on the royalty value of the gold metal produced.

Royalty Rate

2.5% of the royalty value of the gold metal produced.

Exemptions and Concessions

The first 2,500 ounces of gold metal produced by each gold royalty project per annum are exempt.

Interstate Comparison

GOLD ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	2.5% of royalty value ^(a)	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value ^(b)	Variable rate (between 2.5% and 5.0%) ^{(c)(d)} depending on average metal prices	3.5% of net market value if in a metal form, concentrates at 5.0%	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(e)	N/A	Greater of 20.0% of net value (less \$10,000) or 1% to 2.5% of gross revenue ^(f)
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Hybrid

(a) First 2,500 ounces produced by each project per annum are exempt. Royalty value is calculated for each month by multiplying the total gold metal produced during that month by the average of the gold spot prices for the month in Australian Dollars.

(b) Does not apply to gold produced on a prospecting licence, or to the first 2,500 ounces produced each year.

(c) Producers are advised of the applicable variable rate each quarter. No royalty is payable on the first \$100,000 of gold produced per year.

(d) Prices below \$600/oz attract the minimum rate; prices above \$890/oz attract the maximum rate.

(e) A 20% rebate is available for the production of a metal in Tasmania.

(f) Royalty will only apply when a miner's annual gross production revenue exceeds \$500,000. The rate applying to gross production revenue is 1% per annum in a mine's first royalty year, 2% in a mine's second royalty year, and 2.5% in subsequent years.

Changes to Royalty Rates and Concessions

No changes to rates or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to rates and concessions.

Gold Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 dollars \$m	Change (Real) %
2011-12	234.3	18.3	268.4	15.8
2012-13	214.4	-8.5	240.2	-10.5
2013-14	215.4	0.5	234.3	-2.5
2014-15	228.7	6.2	244.4	4.3
2015-16	250.1	9.3	264.7	8.3
2016-17	266.8	6.7	280.6	6.0
2017-18	278.7	4.5	290.4	3.5
2018-19	294.2	5.5	302.7	4.2
2019-20	388.5	32.1	394.3	30.3
2020-21 ^(a)	434.8	11.9	434.8	10.3

(a) Estimate based on the 2020-21 Mid-year Review.

Nickel

Nickel royalties are collected by the Department of Mines, Industry Regulation and Safety under the *Mining Act 1978*, or State Agreement Acts, based on the value of the nickel within the product sold.

Royalty Rate

NICKEL	
Mineral	Royalty Rate (%)
Nickel (per tonne)	2.5% of the royalty value ^(a)

(a) Percentage of units of nickel metal multiplied by the contracted list price or a reference price.

Interstate Comparison

NICKEL ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	2.5% of the royalty value	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	Variable rate (between 2.5% and 5.0%) ^{(a)(b)(c)} depending on average metal prices	3.5% of net market value if in a metal form, concentrates at 5.0%	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(d)	N/A	Greater of 20.0% of net value (less \$10,000) or 1% to 2.5% of gross revenue ^(e)
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Hybrid

(a) Producers are advised of the applicable variable rate each quarter.
 (b) Prices below \$12,500/tonne attract the minimum rate; prices above \$38,100/tonne attract the maximum rate.
 (c) A discount of 20% is available if the mineral is processed in Queensland and the metal produced is at least 70% nickel. No royalty is payable on the first \$100,000 of nickel produced per year.
 (d) A rebate of 20% is available for the production of a metal within Tasmania.
 (e) Royalty will only apply when a miner's annual gross production revenue exceeds \$500,000. The rate applying to gross production revenue is 1% per annum in a mine's first royalty year, 2% in a mine's second royalty year, and 2.5% in subsequent years.

Changes to Royalty Rates and Concessions

No changes to rates or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to rates and concessions.

Nickel Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 dollars \$m	Change (Real) %
2011-12	92.1	-13.8	105.5	-15.7
2012-13	88.4	-4.0	99.1	-6.1
2013-14	88.0	-0.5	95.7	-3.4
2014-15	76.5	-13.1	81.7	-14.6
2015-16	45.9	-40.0	48.6	-40.5
2016-17	42.9	-6.5	45.1	-7.1
2017-18	63.8	48.7	66.5	47.3
2018-19	66.6	4.4	68.5	3.0
2019-20	77.6	16.6	78.8	15.0
2020-21 ^(a)	94.9	22.3	94.9	20.5

(a) Estimate based on the 2020-21 Mid-year Review.

Bauxite/Alumina

Bauxite is an ore which is processed to produce alumina. Western Australia currently applies separate royalty rates to bauxite and alumina.

Bauxite royalties are collected by the Department of Mines, Industry Regulation and Safety under the *Mining Act 1978* based on the royalty value of the bauxite mined.

Alumina royalties are collected by the Department of Mines, Industry Regulation and Safety under State Agreement Acts, based on an arm's length export sales value per tonne (in the case of Alcoa) or the average alumina export price per tonne over the preceding four quarters (in the case of Worsley).

Royalty Rate

BAUXITE/ALUMINA	
Mineral	Royalty Rate (%)
Bauxite	7.50
Alumina	1.65

Interstate Comparison

The table below provides an interstate comparison for bauxite royalties. No other jurisdiction separately applies a royalty rate on alumina.

BAUXITE ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Bauxite: 7.5% Alumina: 1.65%	35c/tonne	2.75% of net market value	Non-domestic: the higher of 10% of the value of the bauxite or \$2.00/tonne Domestic: the higher of 75% of the calculated rate per tonne for non-domestic bauxite or \$1.50/tonne	3.5% of net market value if in a metal form, concentrates at 5.0%	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(a)	N/A	Greater of 20.0% of net value (less \$10,000) or 1% to 2.5% of gross revenue ^(b)
Royalty System	Ad valorem	Quantum	Ad valorem	Hybrid	Ad valorem	Hybrid		Hybrid

(a) A 20% rebate is available for the production of a metal in Tasmania.

(b) Royalty will only apply when a miner's annual gross production revenue exceeds \$500,000. The rate applying to gross production revenue is 1% per annum in a mine's first royalty year, 2% in a mine's second royalty year, and 2.5% in subsequent years.

Changes to Royalty Rates and Concessions

No changes to rates or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to rates and concessions.

Alumina Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 dollars \$m	Change (Real) %
2011-12	68.2	2.5	78.1	0.3
2012-13	64.8	-5.0	72.6	-7.1
2013-14	71.9	11.1	78.2	7.8
2014-15	81.8	13.8	87.4	11.7
2015-16	80.8	-1.2	85.5	-2.2
2016-17	83.7	3.6	88.0	2.9
2017-18	108.6	29.7	113.2	28.6
2018-19	135.7	24.9	139.6	23.4
2019-20	104.7	-22.9	106.2	-23.9
2020-21 ^(a)	92.2	-11.9	92.2	-13.2

(a) Estimate based on the 2020-21 Mid-year Review.

Diamonds

Diamond royalties are collected by the Department of Mines, Industry Regulation and Safety under a State Agreement Act and Regulation specific to a mining operation based on the royalty value of the diamonds produced. No royalties are currently collected on diamonds under the *Mining Act 1978*, although a royalty rate is set under the Act. In 2020 the rate in the Act was amended to equal that in the relevant State Agreement Act and Regulation.

Royalty Rate

DIAMONDS	
Relevant Legislation	Royalty Rate (%)
<i>Mining Act 1978</i>	5.0
State Agreement Act or Regulation ^(a)	5.0

(a) The *Diamond (Argyle Diamond Mines Joint Venture) Agreement Act 1981* and the Mining (Ellendale Diamond Royalties) Regulations 2002.

Interstate Comparison

DIAMOND ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	5.0%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	2.5% ^(a)	3.5%	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales	N/A	Greater of 20.0% of net value (less \$10,000) or 1% to 2.5% of gross revenue ^(b)
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Hybrid

(a) No royalty is payable on the first \$100,000 of diamonds produced per year.
 (b) Royalty will only apply when a miner's annual gross production revenue exceeds \$500,000. The rate applying to gross production revenue is 1% per annum in a mine's first royalty year, 2% in a mine's second royalty year, and 2.5% in subsequent years.

Changes to Royalty Rates and Concessions

In 2020 the rate in the Act was amended to equal that in the State Agreement Act and Regulation.

Refer to Appendix 4 for historical changes to rates and concessions.

Diamond Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$m	Change (Nominal) %	Revenue in 2020-21 dollars \$m	Change (Real) %
2011-12	15.9	10.0	18.3	7.6
2012-13	17.7	11.3	19.9	8.8
2013-14	19.2	8.2	20.9	5.1
2014-15	17.6	-8.1	18.8	-9.7
2015-16	17.4	-1.5	18.4	-2.4
2016-17	13.0	-25.4	13.6	-25.9
2017-18	10.5	-19.0	10.9	-19.8
2018-19	10.7	2.3	11.1	1.0
2019-20	10.7	-0.5	10.9	-1.8
2020-21 ^(a)	4.6	-57.0	4.6	-57.6

(a) Estimate based on the 2020-21 Mid-year Review.

Mineral Sands

Mineral sands royalties are collected by the Department of Mines, Industry Regulation and Safety under the *Mining Act 1978*. The main minerals that are collected from mineral sand mining in Western Australia are ilmenite, ilmenite feedstock, leucoxene, rutile and zircon.

Royalty Rate

MINERAL SANDS	
Mineral	Royalty Rate (%)
Ilmenite	5.0
Ilmenite Feedstock ^(a)	5.0
Leucoxene	5.0
Rutile	5.0
Zircon	5.0

(a) A separate royalty rate applies to non-marketable ilmenite feedstock. The rate is based on \$1.50/tonne produced and was originally introduced in 1987. The rate is adjusted on 30 June each year relative to the free on board export price of bulk ilmenite concentrate sales for the year ending on that date each year. The rate ceased to apply to marketable ilmenite feedstock on 1 July 2008.

Interstate Comparison

Unless stated otherwise, the rates apply to ilmenite, ilmenite feedstock, leucoxene, rutile, and zircon.

MINERAL SANDS ROYALTY RATES								
	WA	NSW	VIC	QLD ^(a)	SA ^(b)	TAS	ACT	NT
Royalty Rate	5.0%	4.0% ex-mine value (value less allowable deductions)	2.75% of net market value	5.0%	3.5%	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(c)	N/A	Greater of 20.0% of net value (less \$10,000) or 1% to 2.5% of gross revenue ^(d)
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Hybrid

(a) No rate is specified for ilmenite feedstock in Queensland. However, a default rate of 2.5% applies.
 (b) No rate is specified for ilmenite feedstock in South Australia. However, a default rate of 5% applies for mineral ores.
 (c) A rebate of 20% is available for the production of a metal within Tasmania.
 (d) Royalty will only apply when a miner's annual gross production revenue exceeds \$500,000. The rate applying to gross production revenue is 1% per annum in a mine's first royalty year, 2% in a mine's second royalty year, and 2.5% in subsequent years.

Changes to Royalty Rates and Concessions

No changes to rates or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to rates and concessions.

Mineral Sands Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections \$	Change (Nominal) %	Revenue in 2020-21 dollars \$m	Change (Real) %
2011-12	19.9	10.3	22.8	8.0
2012-13	26.2	31.4	29.3	28.6
2013-14	15.3	-41.7	16.6	-43.4
2014-15	12.8	-16.4	13.6	-17.9
2015-16	16.6	30.3	17.6	29.1
2016-17	13.4	-19.3	14.1	-19.8
2017-18	12.7	-5.2	13.3	-6.0
2018-19	20.1	57.6	20.6	55.6
2019-20	27.5	37.0	27.9	35.1
2020-21 ^(a)	27.6	0.3	27.6	-1.2

(a) Estimate based on the 2020-21 Mid-year Review.

Copper

Copper royalties are collected by the Department of Mines, Industry Regulation and Safety under the *Mining Act 1978*.

Royalty Rate

The royalty payable under the Mining Act depends on the form in which the copper is sold.

COPPER	
Type of Copper	Royalty Rate (%)
Crushed and screened ore	7.5
Concentrate	5.0
Metallic Form	2.5
Nickel by-product	2.5

Interstate Comparison

COPPER ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Crushed and screened ore: 7.5%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	Variable rate (between 2.5% and 5.0%) depending on average metal prices ^{(a)(b)(c)}	3.5% of net market value if in a metal form, concentrates at 5.0%	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(d)	N/A	Greater of 20.0% of net value (less \$10,000) or 1% to 2.5% of gross revenue ^(e)
	Concentrate: 5.0%							
	Metallic form: 2.5%							
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Hybrid

(a) Producers are advised of the applicable variable rate each quarter.

(b) Prices below \$3,600/tonne attract the minimum rate; prices above \$9,200/tonne attract the maximum rate.

(c) A discount of 20% is available if the mineral is processed in Queensland and the metal produced is at least 95% copper. No royalty is payable on the first \$100,000 of copper produced each year.

(d) A rebate of 20% is available for the production of a metal within Tasmania.

(e) Royalty will only apply when a miner's annual gross production revenue exceeds \$500,000. The rate applying to gross production revenue is 1% per annum in a mine's first royalty year, 2% in a mine's second royalty year, and 2.5% in subsequent years.

Changes to Royalty Rates and Concessions

No changes to rates or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to rates and concessions.

Lead

Lead royalties are collected by the Department of Mines, Industry Regulation and Safety under the *Mining Act 1978*.

Royalty rate

The royalty payable under the Mining Act depends on the form in which the lead is sold.

LEAD	
Type of Lead	Royalty Rate (%)
Concentrate	5.0
Metallic Form	2.5

Interstate Comparison

LEAD ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Concentrate: 5.0%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	Variable rate (between 2.5% and 5.0%) depending on average metal prices ^{(a)(b)(c)}	3.5% of net market value if in a metal form, concentrates at 5.0%	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(d)	N/A	Greater of 20.0% of net value (less \$10,000) or 1% to 2.5% of gross revenue ^(e)
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Hybrid

(a) Producers are advised of the applicable variable rate each quarter.

(b) Prices below \$1,100/tonne attract the minimum rate and prices above \$2,500/tonne attract the maximum rate.

(c) A discount of 25% is available if the mineral is processed in Queensland and the metal produced is at least 95% lead. No royalty is payable on the first \$100,000 of lead produced per year.

(d) A rebate of 20% is available for the production of a metal within Tasmania.

(e) Royalty will only apply when a miner's annual gross production revenue exceeds \$500,000. The rate applying to gross production revenue is 1% per annum in a mine's first royalty year, 2% in a mine's second royalty year, and 2.5% in subsequent years.

Changes to Royalty Rates and Concessions

No changes to rates or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to rates and concessions.

Zinc

Zinc royalties are collected by the Department of Mines, Industry Regulation and Safety under the *Mining Act 1978*.

Royalty Rate

The royalty payable under the Mining Act depends on the form in which the zinc is sold.

ZINC	
Type of Zinc	Royalty Rate (%)
Concentrate	5.0
Metallic Form	2.5

Interstate Comparison

ZINC ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Concentrate: 5.0%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	Variable rate (between 2.5% and 5.0%) depending on average metal prices ^{(a)(b)(c)}	3.5% of net market value if in a metal form, concentrates at 5.0%	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(d)	N/A	Greater of 20.0% of net value (less \$10,000) or 1% to 2.5% of gross revenue ^(e)
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Hybrid

(a) Producers are advised of the applicable variable rate each quarter.

(b) Prices below \$1,900/tonne attract the minimum rate; prices above \$4,400/tonne attract the maximum rate.

(c) A discount of 35% is available if the mineral is processed in Queensland and the metal produced is at least 95% zinc. No royalty is payable on the first \$100,000 of zinc produced per year.

(d) A rebate of 20% is available for the production of a metal within Tasmania.

(e) Royalty will only apply when a miner's annual gross production revenue exceeds \$500,000. The rate applying to gross production revenue is 1% per annum in a mine's first royalty year, 2% in a mine's second royalty year, and 2.5% in subsequent years.

Changes to Royalty Rates and Concessions

No changes to rates or concessions apply in 2020-21.

Refer to Appendix 4 for historical changes to rates and concessions.

Petroleum Royalties

Petroleum royalties are levied by the State Government on petroleum production that occurs onshore or within coastal waters, and by the Commonwealth on the North West Shelf Project.

There are three State Acts which apply to the administration and collection of petroleum royalties in Western Australia:

- *Petroleum (Submerged Lands) Act 1982*;
- *Petroleum and Geothermal Energy Resources Act 1967*; and
- *Barrow Island Royalty Variation Agreement Act 1985*.

Western Australia also receives grants from the Commonwealth Government for the North West Shelf project (covered by the Commonwealth's *Offshore Petroleum (Royalty) Act 2006*), representing a proportion of the Commonwealth's royalties from the project.

Royalty Rate

The royalty rate for petroleum depends on where the petroleum production is undertaken and hence, what State (or Commonwealth) legislation is applicable. Under Western Australian legislation, the royalty rates are as follows.

PETROLEUM	
Relevant Legislation	Royalty Rate (%)
<i>Petroleum (Submerged Lands) Act 1982</i>	10.0 or 12.5 ^(a)
<i>Petroleum and Geothermal Energy Resources Act 1967</i>	10.0 or 12.5 ^{(a)(b)}
<i>Barrow Island Royalty Variation Agreement Act 1985</i>	40.0 ^(c)

(a) A 10% royalty rate applies to a primary production licence; a 10.0% to 12.5% rate applies once a secondary licence is taken up.
(b) A minimum royalty rate of 5% applies to a primary production licence for tight gas.
(c) A 40% royalty rate applies to the resource rents (net cash flows).

For the North West Shelf project, royalty is levied as a percentage of the value of petroleum at the 'well-head'. This is calculated using a 'netback' method (gross value of petroleum recovered less allowable post-well-head processing, transport and storage costs).

Overview of State Taxes and Royalties 2020-21

This differs from the Resource Rent Royalty (RRR) under the *Barrow Island Royalty Variation Agreement Act 1985*. Like the Commonwealth's Petroleum Resource Rent Tax, the RRR applies to only the economic profit or rent of the project. It is levied at 40% of the net cash flow and is shared between the Commonwealth (75%) and the State (25%).

From 1 July 2012, the Commonwealth's Petroleum Resource Rent Tax (PRRT) was extended to include State offshore and onshore petroleum projects and the North West Shelf project. Its application to onshore petroleum projects ceased from 1 July 2019. Similar to the RRR for Barrow Island, the PRRT applies a rate of 40% on the taxable profits of a petroleum project. State royalties are fully creditable against PRRT liabilities.

Interstate Comparison

PETROLEUM ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	10.0% or 12.5% at the well-head ^{(a)(b)}	10.0% at the well-head	10.0% at the well-head	Sliding rate scale based on average sales price and volume of gas produced	10.0% at the well-head	12.0% at the well-head	N/A	10.0% at the well-head
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem		Ad valorem

(a) Except under the *Barrow Island Royalty Variation Agreement Act 1985*, which applies a royalty rate of 40% to resource rents (calculated on a similar basis to the Commonwealth's Petroleum Resource Rent Tax).

(b) A minimum rate of 5% applies to tight gas.

Petroleum Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections ^(a)	Change (Nominal)	Revenue in 2020-21 dollars	Change (Real)
	\$m	%	\$m	%
2011-12	18.0	-10.9	20.6	-12.8
2012-13	18.0	-0.0	20.2	-2.2
2013-14	11.4	-37.0	12.4	-38.8
2014-15	10.5	-7.8	11.2	-9.4
2015-16	4.7	-55.4	4.9	-55.8
2016-17	3.6	-23.4	3.8	-23.9
2017-18	7.0	96.5	7.3	94.7
2018-19	8.0	13.3	8.2	11.9
2019-20	6.6	-16.5	6.7	-17.7
2020-21 ^(b)	2.9	-56.2	2.9	-56.9

(a) Excluding collections from the North-West Shelf project.
(b) Estimate based on the 2020-21 Mid-year Review.

North West Shelf Grants

WESTERN AUSTRALIA				
	Revenue Collections ^(a)	Change (Nominal)	Revenue in 2020-21 dollars	Change (Real)
	\$m	%	\$m	%
2011-12	999.6	0.5	1,144.9	-1.6
2012-13	1,093.5	9.4	1,225.0	7.0
2013-14	1,168.5	6.9	1,271.1	3.8
2014-15	912.6	-21.9	975.1	-23.3
2015-16	645.5	-29.3	683.1	-29.9
2016-17	639.9	-0.9	672.9	-1.5
2017-18	723.1	13.0	753.5	12.0
2018-19	916.3	26.7	942.8	25.1
2019-20	649.4	-29.1	659.1	-30.1
2020-21 ^(b)	348.3	-46.4	348.3	-47.2

(a) Including compensation for Commonwealth crude oil excise arrangements.
(b) Estimate based on the 2020-21 Mid-year Review.

Appendix 1

Summary of Tax and Royalty Changes in 2020-21 in all States and Territories

The following is a summary of the major tax and royalty changes announced (not necessarily enacted) between 1 November 2019 and 3 January 2021, a period which included Australian governments' revenue responses to bushfires and COVID-19, and 2020-21 State Budgets.

Western Australia

Payroll Tax

On 1 January 2020, the payroll tax exemption threshold was increased from \$850,000 to \$950,000. A previously flagged further increase to \$1 million was brought forward, commencing on 1 July 2020 instead of 1 January 2021.

In 2020, a one-off grant of \$17,500 was provided to businesses with a payroll between \$1 million and \$4 million.

Payroll tax paying employers with Australia-wide wages less than \$7.5 million had their payroll tax waived for the period 1 March 2020 to 30 June 2020.

To the extent that wages are funded by the Commonwealth Government's JobKeeper program, those sums are exempt from payroll tax.

To the extent that wages are funded by the Commonwealth Government's Boosting Apprenticeships Commencements program, those sums are exempt from payroll tax.

Transfer Duty

The existing two-year off-the-plan rebate of 75% of transfer duty (up to \$50,000 per transaction, for preconstruction contracts for new units or apartments in a multi-tiered strata development) was temporarily expanded to also provide up to \$25,000 per transaction for contracts signed during construction, between 4 June 2020 and 31 December 2020.

Home Buyer Grants

A Building Bonus grant of \$20,000 is available for eligible applicants who signed a contract from 4 June 2020 until 31 December 2020 to build a new home or purchase a new property in a single tier development (such as a townhouse) prior to construction finishing.

Land Tax

Up to two grants per landlord, each equal to 25% of the landlord's 2019-20 land tax bill (including MRIT), may be available to commercial landlords who provided a minimum level of rent relief for eligible tenants affected by COVID-19.

Following a State Administrative Tribunal clarification relating to relocatable homes in caravan parks, amendments will be introduced to ensure owner-occupied relocatable homes retain access to a land tax exemption.

Amendments will be introduced to provide a land tax exemption on the former principal place of residence of a homeowner who has been required to move into full-time care (effective 1 July 2020), providing their home is not rented out.

Motor Vehicle Registrations

Motor vehicle registrations for light vehicles in 2020-21 were frozen at 2019-20 levels.

Others

Since 28 May 2020, for a multi-year construction project expected to cost more than \$500 million, the proponent may elect to pay the associated 0.2% Building and Construction Industry Training Fund levy in annual instalments over the project life.

Charges based upon gross rental values, such as the Emergency Services Levy, were either frozen at or reduced from 2019-20 levels.

Mineral Royalties

Diamond royalties are collected by the Department of Mines, Industry Regulation and Safety under a State Agreement Act and Regulation specific to a mining operation based on the royalty value of the diamonds produced. No royalties are currently collected on diamonds under the *Mining Act 1978*, although a royalty rate is set under the Act. In 2020 the rate in the Act was amended to equal that in the relevant State Agreement Act and Regulation.

New South Wales

Payroll Tax

Instead of previously flagged increases of the payroll tax exemption threshold to \$950,000 from 1 July 2020 and then \$1 million from 1 July 2021, the payroll tax exemption threshold was permanently increased to \$1.2 million from 1 July 2020.

Payroll taxpayers whose Australia-wide wages for 2019-20 were less than \$10 million had their tax liability reduced by 25% when they lodged their annual reconciliation.

The payroll tax rate has been temporarily lowered from 5.45% to 4.85% for both the 2020-21 and 2021-22 years.

Where a business creates at least 30 new net jobs between 15 December 2020 and 30 June 2022, the wages for every new net job created will be exempt from payroll tax for up to four years.

Payments that bridge the gap between an employee's normal wage and the \$1,500 per fortnight JobKeeper payments, are exempt from payroll tax. For employees who have agreed to be stood down and not perform any work, the full \$1,500 is thus exempt.

Wages (other than for paid leave) that are provided to an employee by their normal employer while that employee is serving as a volunteer with an emergency services organisation, are exempt from payroll tax.

Also exempt from payroll tax are wages that related to the period 1 June 2020 to 1 January 2021 to the extent they are funded by the Commonwealth Government's Aged Care Workforce Retention Grant Opportunity program.

Transfer Duty

Between 1 August 2020 and 31 July 2021 the thresholds below which there is an exemption from transfer duty for first home buyers of new homes or vacant blocks of land on which a new home will be built has temporarily increased to \$800,000 (normally \$650,000) and to \$400,000 (normally \$350,000) respectively. A gradually reducing concession is available for homes with values of up to \$1 million and vacant land with values of up to \$500,000.

In certain circumstances a purchaser of build-to-rent property that would normally be subject to surcharge purchaser duty (e.g. the purchaser is a foreign company) will either be exempt or be able to later claim a refund.

People whose homes were destroyed during the 2019-20 bushfires and who choose to purchase a replacement property elsewhere rather than rebuild, may be eligible for transfer duty relief up to the value of \$55,000.

Land Tax

Commercial and residential landlords who provided rent reductions in 2020 to eligible tenants affected by COVID-19 may have been able to reduce their 2020 land tax by the lesser of the amounts of rent reduction provided and 50% of the relevant land tax. Landlords of retail tenants may be eligible for a similar rebate scheme (i.e. a further 25% reduction) in 2021.

Until 2040, in certain circumstances eligible build-to-rent properties will attract a 50% reduction in the land value used to assess land tax, and an exemption from any surcharge land tax that would normally be applicable (e.g. the landholder is a foreign company).

Betting Taxes

The State Government has finalised a new agreement with The Star Sydney. The 21-year agreement, the tax provisions of which commence on 5 July 2021, sets the rate of duty collected from The Star for undertaking casino activities in NSW.

Motor Vehicle Registrations

Transport fees generally increase annually in line with inflation, but the 1 July 2020 increase (including for both light and heavy vehicle registrations) was deferred.

Mining Royalties

An existing sovereign wealth fund called the NSW Generations Fund is to receive a range of new revenue types, including mining royalties.

Victoria

Payroll Tax

Employers with Victorian taxable wages up to \$3 million had their payroll tax for the 2019-20 year waived.

Payments that bridge the gap between an employee's normal wage and the \$1,500 per fortnight JobKeeper payments, are exempt from payroll tax. For employees who have agreed to be stood down and not perform any work, the full \$1,500 is thus exempt.

Since 1 July 2017, a lower payroll tax rate has applied to the regional employees of regional employers. That rate is scheduled to further reduce in stages, to reach 1.2125% from 1 July 2022 for most regional employers. However the 1.2125% rate has been brought forward for regional employers in bushfire-affected areas, applying from 1 July 2019.

Overview of State Taxes and Royalties 2020-21

Employers with Australia-wide wages less than \$10 million will receive a payroll tax credit of 10 cents for every dollar of Victorian wages paid in 2020-21 and 2021-22 that is above the previous year's wages.

From 1 July 2021, payroll taxpayers will be able to pay annually if their annual liabilities are less than \$100,000 (up from the current threshold of \$40,000).

Transfer Duty

From 25 November 2020 until 30 June 2021, a discount of up to 50% of the otherwise applicable transfer duty will apply to purchases of residential property with a dutiable value of up to \$1 million. The discount is 50% for new residential buildings and 25% for existing residential dwellings, but in both cases foreign purchaser additional duty is unaffected.

A 50% concession applies to contracts signed on or after 1 January 2021 to buy commercial, industrial or extractive industry property in regional Victoria. This concession, which began on 1 July 2019 as a 10% concession, was originally to be increased in stages to reach 50% by 1 July 2023.

Home Buyer Grants

The First Home Owner Grant available for people buying or building a new home in regional Victoria - \$20,000 rather than the \$10,000 available elsewhere in that State – has been extended for an extra 12 months, until 30 June 2021.

Land Tax

Eligible landlords of residential and commercial properties who provided at least the equivalent of a waiver of one and a half months rent to eligible tenants in 2020 received 2020 land tax reductions of up to 50% (generally the lesser of the amounts of rent reduction provided and 50% of the relevant land tax).

Owner-occupiers of commercial properties may be eligible for a 25% reduction of their 2020 land tax if they experienced a minimum reduction in turnover in 2020.

Landlords of residential properties who provide a minimum level of rent relief in 2021 for eligible tenants may be able to obtain a 25% reduction of their 2021 land tax.

Vacant residential land tax for 2021 was waived. This tax would ordinarily have applied to properties in inner and middle Melbourne that were vacant for more than six months in 2020.

From 1 January 2022 until 2040, build-to-rent projects will receive a 50% discount on land tax liabilities and an exemption from the absentee owner surcharge.

From 1 January 2021, a land tax exemption will be provided for land owned and occupied by clubs that provide for the social, cultural, recreational, literary or educational interests of their members. This replaces the current concessional rate that applies to these clubs, but that concessional rate will continue for clubs promoting horse racing or harness racing.

Motor Vehicle Registrations

All fees and fines that were due to be increased in July 2020, including for both light and heavy vehicle registrations, were frozen at 2019-20 levels.

From 1 July 2021, a 2.5 cent/km road user charge will apply to electric and other zero emission vehicles, while a 2.0 cent/km charge will apply to plug-in hybrid electric vehicles. Such vehicles will continue to receive a \$100 discount on annual vehicle registration.

Others

The commercial passenger vehicle service levy for the 1 April 2020 to 30 June 2020 quarter was waived, and the 2020 congestion levy was reduced by 25%.

The Fire Services Property Levy was frozen at 2019-20 collection levels (by allowing rates to adjust), and from 1 July 2020 has been reformed so property owners will no longer pay different contributions depending on the location of their property.

In February 2020 the Government announced planned increases to the Landfill Levy in coming years. Later, the first planned increase – scheduled for 1 July 2020 – was deferred by 12 months.

Queensland

Payroll Tax

All eligible employers who paid less than \$6.5 million in wages were able to receive: a refund of 1 November to 31 December 2019 liabilities; a payroll tax holiday from 1 January to 31 March 2020; and a waiver of payroll tax from 1 July to 31 August 2020.

Eligible employers who paid more than \$6.5 million in wages that had been particularly impacted by COVID-19 during 2019-20 were able to receive a refund of 1 January to 29 February 2020 liabilities.

To the extent that wages are funded by the Commonwealth Government's JobKeeper program, those sums are exempt from payroll tax.

Transfer Duty

Small business owners who restructure their business by transferring assets from a sole trader, partnership or discretionary trust structure to a company structure may be eligible for a full or partial duty exemption on that transfer.

Home Buyers Grant

A regional home building boost grant of \$5,000 is open from 4 June 2020 until 31 March 2021 for eligible applicants who sign a contract to buy or build a new home. The home must become the buyer's principal place of residence, and the house and land together must be worth no more than \$750,000.

Land Tax

A 25% rebate of 2019-20 land tax was available to eligible commercial and residential landlords who provided tenants affected by COVID-19 with rent relief of at least equal value. Commercial and residential landlords may be eligible for a similar rebate scheme (i.e. a further 25% reduction) in 2020-21. In addition, in 2019-20, the 2% land tax surcharge for foreign entities was waived for eligible properties.

Motor Vehicle Registrations

The existing freeze of heavy vehicle registration fees was extended by a year.

Others

The waste levy is scheduled to increase by \$5 per tonne on 1 July every year, but the 1 July 2020 increase was delayed until 1 January 2021.

There was a further waiver of the annual Taxi Industry Security Levy in 2019-20.

Petroleum Royalties

A new royalties system was introduced from 1 October 2020, with a sliding rate scale based upon the average sales price and volume of gas produced.

South Australia

Payroll Tax

Employers with Australia-wide wages of up to \$4 million received a waiver of three months of their 2019-20 payroll tax and have had all of their 2020-21 payroll tax waived.

To the extent that wages are funded by the Commonwealth Government's JobKeeper program, those sums are exempt from payroll tax.

In addition, employers with Australia-wide wages of \$4 million or more who are eligible for the extended Commonwealth JobKeeper scheme from 4 January 2021 will be eligible for a six month payroll tax waiver to the extent their wages exceed the value of those JobKeeper payments.

Employers who take on eligible new apprentices and trainees between 10 November 2020 and 30 June 2021 will be entitled to relief equivalent to a 12 month payroll tax exemption for those apprentice/trainee wages.

Land Tax

The 1 July 2020 commencement of new aggregation rules, including a change from an ownership basis to interest and ownership basis and the introduction of corporation grouping provisions, was accompanied by a three-year, \$38 million fund to provide transitional relief to eligible individuals and company groups. Further changes to this package of reforms include:

- reducing land tax for values between \$723,000 and \$1.052 million from 1.65% to 1.25% in 2020-21 and to 1.0% in 2022-23;
- increasing the threshold for the top 2.4% land tax rate to about \$2 million (the thresholds are indexed) from 2022-23;
- introduction of higher surcharge rates of land tax on certain types of trusts where a land tax beneficiary is not disclosed; and
- concessional treatment for eligible developers of affordable housing.

A 25% rebate of 2019-20 land tax was available to eligible commercial and residential landlords who provided tenants affected by COVID-19 during the period from 30 March 2020 to 30 October 2020 with rent relief of at least equal value. Such landlords may be eligible for a similar rebate scheme (i.e. a further 25% reduction of their 2019-20 land tax) for providing rent relief to affected tenants during the period from 31 October 2020 to 30 April 2021.

Owner-occupiers of commercial properties may be eligible for a 25% reduction of their 2019-20 land tax if they experienced a minimum reduction in turnover during the period between 31 October and 30 April 2021.

Motor Vehicle Registrations

Heavy vehicle registration fees for 2020-21 were frozen at 2019-20 levels.

The Government intends to introduce a road user charge for electric and other zero emission vehicles. The scheme is intended to begin on 1 July 2021.

Tasmania

Payroll Tax

Eligible employers that have been adversely impacted by COVID-19 and that have Australia-wide wages less than \$5 million, have had their 2019-20 payroll tax waived.

Eligible Tasmanian employers in the hospitality, tourism and seafood industries have also had their 2019-20 payroll tax waived.

To the extent that wages are funded by the Commonwealth Government's JobKeeper program, those wages are exempt from payroll tax.

A payroll tax rebate is available for the first year of wages of new youth employees employed between 1 April 2020 and 30 June 2022.

The payroll tax rebate scheme for the first two years of wages for apprentices and trainees employed in building, construction, tourism, hospitality and manufacturing was scheduled to cease on 30 June 2021. It has been extended to 30 June 2022 and expanded to all industries from 1 January 2021 to 30 June 2022.

Transfer Duty

The increase in the Foreign Investor Duty Surcharge (8% relating to residential property and 1.5% relating to primary production land) commenced on 1 April 2020 rather than 1 January 2020.

The 50% transfer duty discount for first home buyers on the purchase of an established home valued up to \$400,000 has been extended from 30 June 2020 to 30 June 2022.

Also extended from 30 June 2020 to 30 June 2022 is a 50% transfer duty discount for eligible pensioners where they sell their existing home and downsize to another existing home valued up to \$400,000.

Home Buyer Grants

A \$20,000 Tasmanian HomeBuilder Grant is available for eligible owner-occupiers, where contracts are signed between 4 June 2020 and 31 March 2021.

The \$20,000 First Home Owner Grant has been extended from 30 June 2020 until 30 June 2022. If the applicant has been paid or will be paid the First Home Owner Grant, the Tasmanian HomeBuilder Grant is not available for the same transaction.

Land Tax

Commercial landholders or owner-occupiers that have experienced an adverse financial impact from COVID-19 may apply for an exemption from 2020-21 land tax.

A land tax waiver applied in 2019-20 for taxpayers that had a liability of less than \$150.

Betting Taxes

Casino licence fees were waived for twelve months (April 2020 to April 2021).

Motor Vehicle Registrations

Fees for registration and charges relating to the road component of motor tax for heavy vehicles have been waived for 12 months.

Small businesses looking to suspend activity due to COVID-19 can apply to freeze their business vehicle registrations for both heavy and light vehicles. Registrations can be frozen for up to 12 months and then reactivated at no cost when the business restarts.

Others

The Fire Service Contribution levy was frozen at 2019-20 levels for 2020-21.

Australian Capital Territory

Payroll Tax

Eligible employers whose operations were directly and significantly affected by COVID-19 were able to access three months of 2019-20 payroll tax relief and will be able to access up to 12 months of payroll tax relief in 2020-21.

Up to eleven months of wages will be payroll tax exempt where the wages are for eligible new apprentices or trainees recruited between 1 August 2020 and 30 June 2021.

To the extent that wages are funded by the Commonwealth Government's JobKeeper program, those sums are exempt from payroll tax.

Transfer Duty

'Stage 3' of ACT's land tax / conveyance duty has been modified, with conveyance duty reducing more slowly, with the commercial conveyance duty tax-free threshold increasing incrementally from \$1.5 million to \$2 million over the course of Stage 3.

Overview of State Taxes and Royalties 2020-21

Previously announced reductions to residential transfer duty rates in 2020-21 have been delayed by one year, but eligible owner-occupier home buyers may access the following benefits for contracts exchanged between 4 June 2020 and 30 June 2021:

- no transfer duty on single residential dwelling blocks;
- no transfer duty on off-the-plan unit purchases up to \$500,000; and
- a \$11,400 transfer duty reduction for off-the-plan unit purchases between \$500,000 and \$750,000.

The Pensioner Duty Concession Scheme has been extended for a further year until 30 June 2021 and the property thresholds and rates also changed. The Scheme now exempts from duty a new or established home worth up to \$440,000 and vacant land worth up to \$278,650, with a concessional rate for homes worth between \$440,001 and \$570,000 and land worth between \$278,651 and \$390,000.

Land Tax

There has been a change to the ACT's planned twenty year process of increasing average general rates in order to fund decreases in conveyance duty. 'Stage 3' of the reforms has been brought forward by one year to 2021-22 and modified such that average general rates will rise more slowly than they did during Stage 2. Consequently, conveyance duty will be reduced more slowly during Stage 3.

For owners of commercial property with an Average Unimproved Value (AUV) \$2 million or less, a credit of \$2,622 (equivalent to the annual fixed charge) was applied to the commercial rates bills for the fourth quarter of 2019-20.

Eligible commercial landlords – and owner-operators – with an AUV of \$2 million or less are able to obtain general rates relief in 2019-20 and 2020-21, based on the significance of the impact on their tenants. Other eligible commercial landlords may also get assistance.

A \$150 rebate was automatically applied to the fixed charges of all residential rates bills in 2020-21, and such properties were also given partial protection from rates increases.

Eligible residential landlords who reduce rents by at least 25% for tenants who have been impacted by COVID-19 are able to access a land tax rebate equal to 50% of the rent reduction to a maximum of \$1,300 per quarter for nine months.

The Affordable Community Housing Land Tax Exemption pilot scheme has been extended from 30 June 2021 to 30 June 2023. It offers landlords a land tax exemption if they rent their properties at below 75% market rate through an eligible community housing provider.

Betting Taxes

Gaming machine tax was waived for March 2020 activity (for larger clubs that pay gaming tax monthly) or for first quarter 2020 activity (for smaller clubs that pay gaming tax quarterly).

Motor Vehicle Registrations

Vehicle registration fees for 2020-21, for both light and heavy vehicles, were frozen at 2019-20 levels.

Hire car and charter bus registration fees were waived for eligible tourism operators.

Others

The 2020-21 Fire and Emergency Services Levy was frozen at 2019-20 levels, for all commercial and residential properties.

The 2020-21 Utilities Network Facilities Tax was frozen at 2019-20 levels in order to allow utility providers to pass on savings to customers.

Northern Territory

Payroll Tax

Eligible employers that were particularly impacted by COVID-19; with annual turnover of up to \$50 million; and with Australia-wide wages less than \$7.5 million in 2019-20, had their payroll tax waived for the March 2020 to June 2021 return periods.

Where a commercial tenant with annual turnover of up to \$50 million is particularly impacted by COVID-19 and that tenant's landlord consequently provides rent relief, the landlord may be eligible for relief including from the landlord's payroll tax.

The hiring resident employees exemption due to expire on 30 June 2020 has been extended to 30 June 2021. Employers may be eligible for a payroll tax exemption for up to two years of the wages of additional Territory residents they employ.

To the extent that wages are funded by the Commonwealth Government's JobKeeper program, those wages are exempt from payroll tax.

Transfer Duty

Two transfer duty assistance schemes (discount for buyers who have not owned a home in the Territory in the last 24 months; and the senior, pensioner and carer concession) have also been extended from their scheduled end of 30 November 2020 to 30 June 2021.

Overview of State Taxes and Royalties 2020-21

Betting Taxes

Gaming machine taxes due for collection for the month of March 2020 were waived, and community gaming tax rates were returned to pre-2017 levels as from 1 April 2020.

In March 2020, casino taxes were waived as part of COVID-19 relief measures.

Motor Vehicle Registrations

Registration fees in 2020-21, including for both light and heavy vehicles, were frozen at 2019-20 levels.

Appendix 2

Abolition of State Taxes under the GST Agreement

The following is a chronological summary of Western Australia's abolition of certain State taxes under the arrangements whereby GST grants are paid by the Commonwealth to the States.

The GST Agreement

The *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (the Goods and Services Tax (GST) Agreement), signed by Commonwealth and State and Territory First Ministers on 9 April 1999, included commitments to abolish the following State taxes:

- bed taxes from 1 July 2000;
- financial institutions duty from 1 January 2001;
- debits tax from 1 January 2001; and
- stamp duties on the following from 1 July 2001:
 - marketable securities;
 - business¹ conveyances (other than real property);
 - leases;
 - mortgages, bonds, debentures, and other loan securities;
 - credit arrangements, instalment purchase arrangements and rental (hiring) arrangements;
 - cheques, bills of exchange and promissory notes; and
 - stamp duty on business conveyances of real property from a date to be determined.

¹ That is, non-residential conveyances.

The Commonwealth Government agreed to distribute all of the GST revenue amongst the States and Territories to compensate for the abolition of the above taxes and the cessation of financial assistance grants and payments associated with the safety net surcharge arrangements for alcohol, petroleum and tobacco products.

However, on 28 May 1999 the Commonwealth Government announced a number of changes to the GST to secure the passage of the legislation through the Senate. These changes included the exclusion of basic food and some health and education items from the GST revenue base, which reduced the amount of expected GST revenue by around \$4 billion per annum. Consequently, projected GST revenues were no longer sufficient to cover revenue foregone from the abolition of the taxes originally agreed and a revised GST Agreement was reached in June 1999.²

In the revised GST Agreement:

- the States and Territories agreed to abolish and not reintroduce:
 - bed taxes from 1 July 2000;
 - financial institutions duty from 1 July 2001;
 - stamp duties on quoted marketable securities³ from 1 July 2001;
 - debits tax by 1 July 2005, subject to review by the Ministerial Council;⁴ and
- it was agreed that the Ministerial Council would by 2005 review the need (once GST revenues proved sufficient) for the retention of stamp duties on:
 - non-quotable marketable securities;
 - business conveyances (including real property);
 - leases;
 - mortgages, debentures, bonds and other loan securities;
 - credit arrangements, instalment purchase arrangements and rental (hiring) arrangements; and
 - cheques, bills of exchange, and promissory notes.

² A copy of the revised agreement is in Schedule 1 of the Financial Relations Agreement (Consequential Provisions) Bill 1999 [http://www.parliament.wa.gov.au/parliament/bills.nsf/A553E2E809D9CC6C482567FC000F01E9/\\$File/Bill046-1.pdf](http://www.parliament.wa.gov.au/parliament/bills.nsf/A553E2E809D9CC6C482567FC000F01E9/$File/Bill046-1.pdf) .

³ That is, on transfers of marketable securities quoted on a recognised stock exchange such as the Australian Securities Exchange (ASX).

⁴ Comprising the Commonwealth, State and Territory Treasurers.

In both the original and revised GST Agreements, the States and Territories agreed to adjust their gambling tax arrangements to take account of the impact of the GST on gambling operators, pay the Australian Taxation Office for the cost of administering the GST, and fund and administer a new First Home Owner Grant scheme entailing a lump sum payment to eligible home buyers of \$7,000 from 1 July 2000.

Implementing the State Tax Reforms

As per the revised GST Agreement, Western Australia abolished financial institutions duty and stamp duties on quoted marketable securities from 1 July 2001. Western Australia did not levy any bed taxes.

Western Australia also chose to abolish a number of taxes ahead of the scheduled review by the Ministerial Council, with stamp duty on leases, cheques, bills of exchange and promissory notes, and non-quotable marketable securities all being abolished from 1 January 2004.

The Ministerial Council agreed at its meeting in March 2004 to abolish debits tax from 1 July 2005.

Consistent with the revised GST Agreement, in March 2005 the Ministerial Council considered the need to retain the relevant stamp duties, with the Commonwealth Treasurer proposing the abolition of:

- stamp duties on non-quotable marketable securities; leases; mortgages, bonds, debentures and other loan securities; credit arrangements, instalment purchase arrangements and rental arrangements; and cheques, bills of exchange and promissory notes by 1 July 2006;
- stamp duty on the non-real component of business conveyances from 1 July 2007; and
- stamp duty on business conveyances of real property from a date to be determined by the Ministerial Council (when all States could abolish this duty without being in a net loss position under the GST funding arrangements).

However, agreement on the schedule for abolishing these State taxes was not reached at that Ministerial Council meeting.

Subsequently, six of the States and Territories (excluding Western Australia and New South Wales), proposed the abolition of the relevant State taxes by 2010-11, with the exception of stamp duty on business conveyances of real property (which was proposed to be retained indefinitely, at the individual discretion of States).

Western Australia maintained that it should be able to determine its own State tax reform priorities without intervention by the Commonwealth and noted that its capacity to abolish these taxes was limited. A State Tax Review was undertaken to ensure any tax relief would be in line with the State's needs and priorities, rather than being determined by the Commonwealth.

Western Australia proposed to abolish:

- stamp duty on the hire of goods from 1 January 2007;⁵
- stamp duty on mortgages, debentures, bonds and other loan securities from 1 July 2008 (but with rates reduced by 50% from 1 July 2006); and
- stamp duty on non-real business conveyances from 1 July 2010.

At the March 2006 Ministerial Council Meeting, the Commonwealth agreed to individual State schedules for the abolition of the relevant State taxes from seven of the States and Territories (excluding New South Wales), but did not agree with the proposed approach in relation to stamp duty on real business conveyances. Subsequently, New South Wales also announced an abolition schedule.

In line with the agreed schedule, from 1 July 2006, Western Australia cut the rates of stamp duty on mortgages by 50% before abolishing mortgage duty from 1 July 2008. Stamp duty on hire of goods was abolished from 1 January 2007.

In November 2008, COAG agreed a new *Intergovernmental Agreement on Federal Financial Relations* (IGA) which came into effect from 1 January 2009. The IGA incorporated the still relevant parts of the revised GST Agreement and included major reforms to specific purpose payment arrangements.⁶

The IGA included an overarching agreement that the remaining identified State taxes would be abolished by 1 July 2013. Consistent with the agreed approach in 2006, these taxes are those listed in the revised GST Agreement, with the exception of duty on real business conveyances (which, following the required 2005 review, the States concluded they could not afford to abolish).

In May 2013, in response to structural challenges facing the State's budget, the Western Australian Government announced that it would defer the abolition of duty on non-real business assets until budget circumstances allow. Duty on non-real business assets is the only listed State tax that Western Australia has yet to abolish. Queensland and the Northern Territory have also deferred the abolition of this duty.

⁵ In Western Australia, stamp duties on credit/rental arrangements comprised only duty on hire of goods.

⁶ The IGA is now available at: http://www.federalfinancialrelations.gov.au/content/intergovernmental_agreements.aspx.

The Australian Capital Territory abolished duty on non-real business assets from 1 July 2006, Tasmania abolished it from 1 July 2008 and South Australia abolished it from 18 June 2015. New South Wales abolished duties on non-real business assets, mortgages and unlisted marketable securities from 1 July 2016. Victoria never levied duty on non-real business assets.

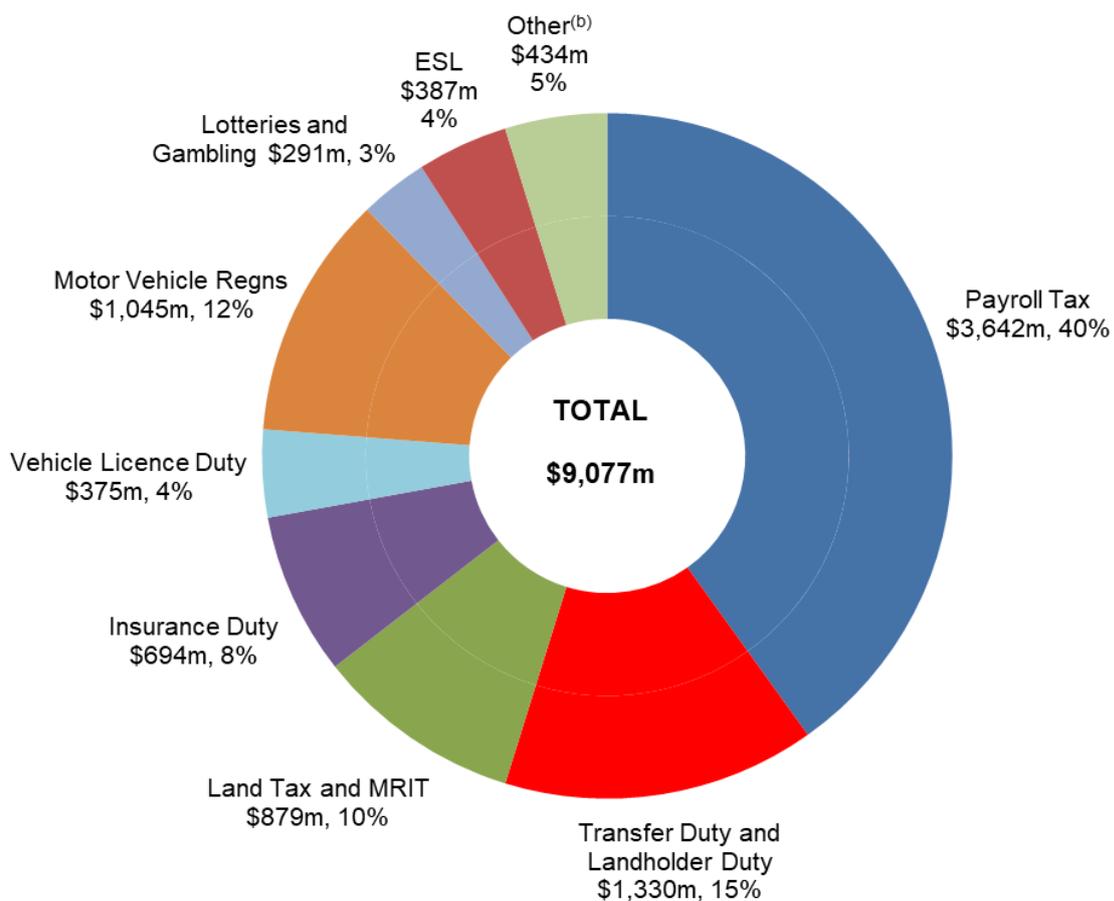
Appendix 3

Taxes and Royalties Mix Charts

The following charts show the mix of individual taxes and royalties as a percentage of total State government taxation and mining royalty revenue. The charts compare actual revenue collections from 2009-10 with 2019-20.

Taxation

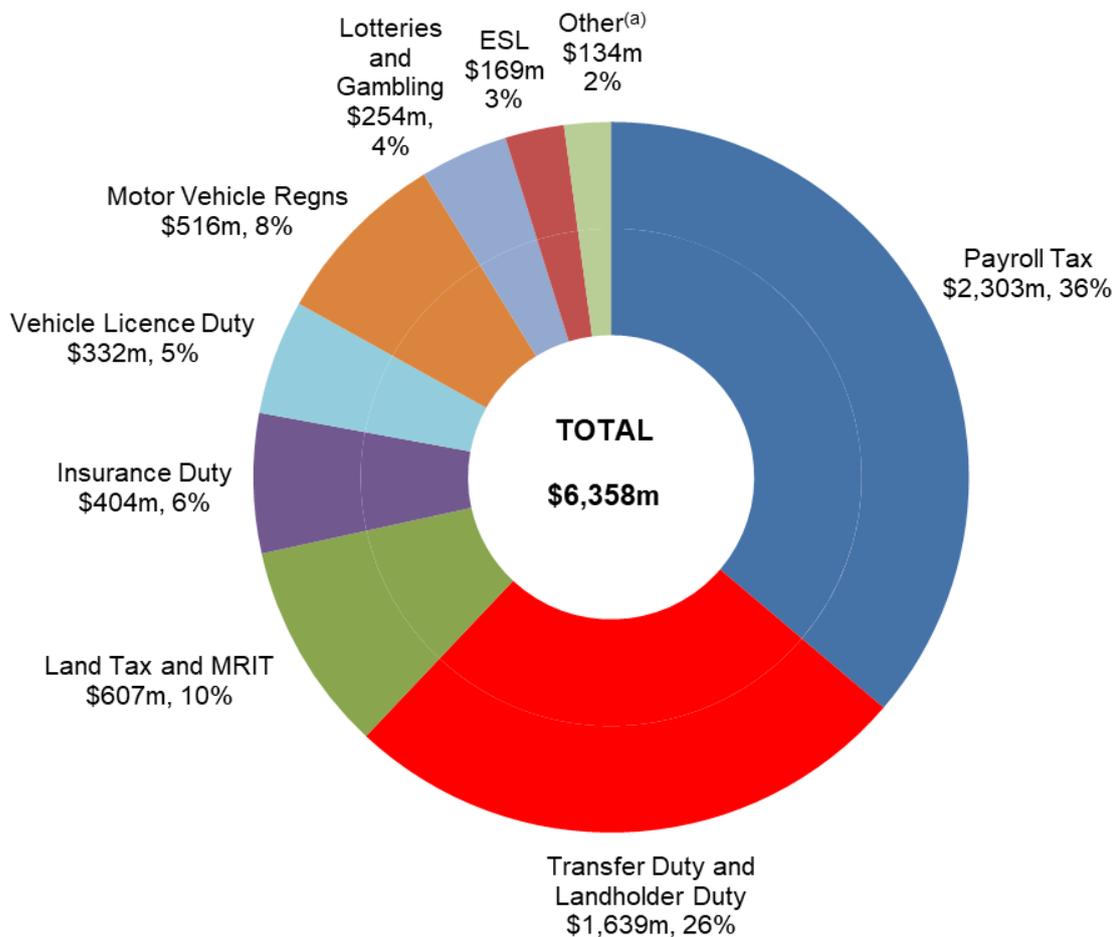
2019-20 TAX COLLECTION^(a)



(a) Based on the 2019-20 Annual Report on State Finances.

(b) Includes loan guarantee fees, Perth Parking Levy revenue, Landfill Levy revenue, Mining Rehabilitation Fund Levy revenue, Building and Construction Industry Training Fund Levy revenue and 'other' taxes.

2009-10 TAX COLLECTION



(a) Includes loan guarantee fees, Perth Parking Levy revenue, Landfill Levy revenue, Building and Construction Industry Training Fund Levy revenue and 'other' taxes.

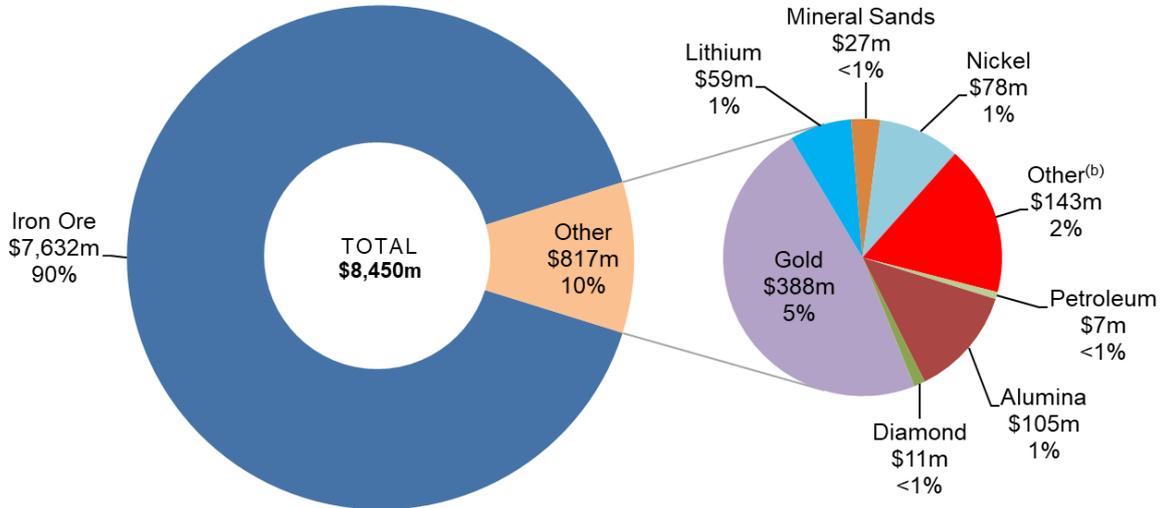
Changes in the Tax Mix

The most significant change in the tax mix over this period is the reduction in the share of transfer and landholder duty revenue, which went from a share of 26% in 2009-10 to 15% in 2019-20. Actual transfer and landholder duty revenue, in nominal terms, also fell from \$1,639 million (2009-10) to \$1,330 million (2019-20).

All other taxes have maintained similar shares (within a 5 percentage point margin) of total tax collections. Nonetheless, there has been significant movement in nominal revenue collected from some taxes over the period 2009-10 to 2019-20. For example, payroll tax collections increased from \$2,303 million in 2009-10 to \$3,642 million in 2019-20 and motor vehicle registration revenue increased from \$516 million in 2009-10 to \$1,045 million in 2019-20.

Mineral and Petroleum Royalties

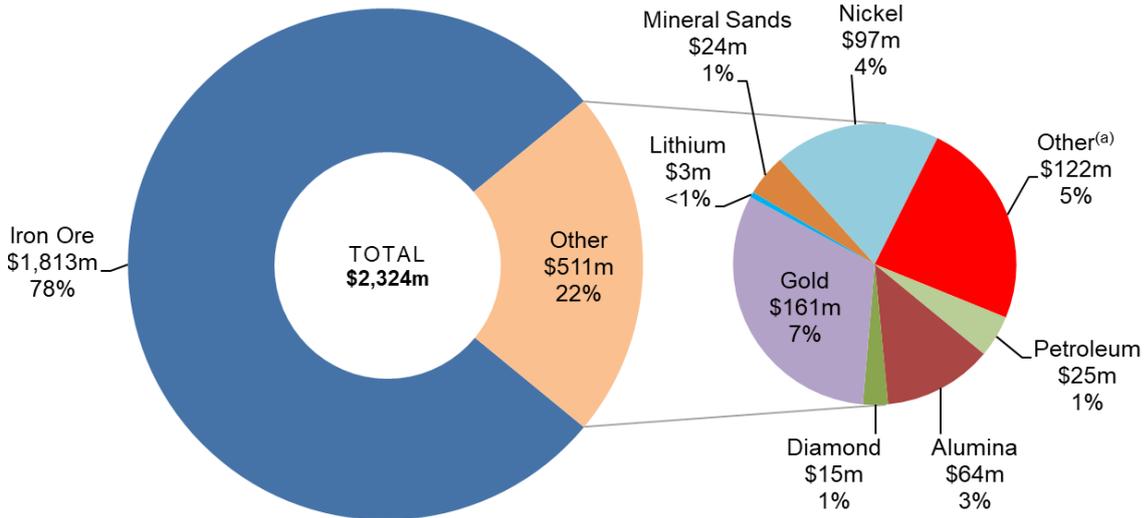
2019-20 ROYALTIES COLLECTION^(a)



(a) Based on 2019-20 Annual Report on State Finances.

(b) Includes copper, zinc, lead and other minerals.

2009-10 ROYALTIES COLLECTION



(a) Includes copper, zinc, lead and other minerals.

Changes in the Royalties Mix

Between 2009-10 and 2019-20, royalty revenue derived from iron ore, gold, alumina and lithium has increased significantly in nominal terms. Nonetheless, as a proportion of total royalty revenue, there has been little change for these minerals.

- Iron Ore royalties have increased from \$1,813 million in 2009-10 to \$7,632 million in 2019-20.
- Gold royalties have increased from \$161 million in 2009-10 to \$388 million in 2019-20.
- Alumina royalties have increased from \$64 million in 2009-10 to \$105 million in 2019-20.
- Lithium royalties have increased from \$3 million in 2009-10 to \$59 million in 2019-20.

Conversely, royalty revenue derived from petroleum has declined noticeably, in nominal terms, between 2009-10 and 2019-20, from \$25 million to \$7 million. The same is true for diamond royalties, which have declined from \$15 million in 2009-10 to \$11 million in 2019-20.

Appendix 4

Summary of Historical Tax and Royalty Changes in Western Australia

The following is a summary of the historical changes to rates, exemptions and concessions in Western Australia up until 3 January 2021 to the following taxes and royalties.

- **Payroll Tax**
- **Transfer Duty**
- **Land Tax and Metropolitan Region Improvement Tax**
- **Insurance Duty**
- **Vehicle Licence Duty**
- **Motor Vehicle Registrations**
- **Gambling Taxes** – Casino Tax and Betting Taxes
- **Other Fees and Levies** – Perth Parking Levy, Landfill Levy and Building and Construction Industry Training Fund Levy
- **Mineral Royalties** – Iron Ore, Gold, Nickel, Bauxite/Alumina, Diamonds, Mineral Sands, Copper, Lead and Zinc

Payroll Tax

Changes to the Payroll Tax Scale

	Exemption Threshold	Top Threshold^(a)	Minimum Statutory Tax Rate	Maximum Statutory Tax Rate
	\$	\$	%	%
1 Sep 1971	20,800	20,800	3.50	3.50
1 Sep 1973	20,800	20,800	4.50	4.50
1 Sep 1974	20,800	20,800	5.00	5.00
1 Jan 1976	41,600	104,000	5.00	5.00
1 Jan 1977	48,000	84,000 ^(b)	5.00	5.00
1 Dec 1977	60,000	110,000 ^(b)	5.00	5.00
1 Jan 1980	72,000	131,000 ^(b)	5.00	5.00
1 Jan 1982	102,000	201,000 ^(b)	5.00	5.00
1 Jan 1983	125,000	256,000 ^(b)	5.00	5.00
1 Jan 1984	160,000	400,000	5.00	5.00
1 Jan 1985	200,000	800,000	4.75	4.75
1 Jan 1986	220,000	1,408,000	4.00	4.75
1 Aug 1986	250,000	1,800,000	3.75	5.75
1 Jan 1988	275,000	1,980,000	3.75	5.75
1 Jan 1989	295,000	2,124,000	3.75	5.75
1 Nov 1989	300,000	2,500,000	3.95	6.00
1 Jan 1991	320,000	2,666,667	3.95	6.00
1 Jun 1992	350,000	2,916,667	3.95	6.00
1 Dec 1992	375,000	3,125,000	3.95	6.00
1 Jan 1994	450,000	3,750,000	3.95	6.00
1 Jul 1994	550,000	4,583,333	3.95	6.00
1 Jul 1995	600,000	5,000,000	3.95	6.00
1 Jul 1996	625,000	5,208,333	3.95	6.00
1 Jul 1997	675,000	5,625,000	3.65	5.56
1 Jan 2002	675,000	5,625,000	3.65	6.00
1 Jul 2003	750,000	No threshold	N/A	6.00
1 Jan 2005	750,000	No threshold	N/A	5.50
1 Jul 2014	800,000	No threshold	N/A	5.50
1 Jul 2015	800,000	7,500,000 ^(c)	N/A	5.50
1 Jul 2016	850,000	7,500,000	N/A	5.50
1 Jul 2018	850,000	1,500,000,000	N/A	6.50 ^(d)
1 Jan 2020	950,000	1,500,000,000	N/A	6.50
1 Jul 2020	1,000,000	1,500,000,000	N/A	6.50

(a) Prior to 1986 the top threshold reflects the annual wages at which the payroll tax deduction phases out. From 1 January 1986 until 1 July 2003 multiple legislated thresholds (and rates) applied.

(b) From 1 January 1977 to 1 January 1984, the payroll tax deduction phased out by a specified amount for every dollar that wages were over the exemption threshold.

(c) A diminishing exemption threshold was introduced from 1 July 2015 on payrolls between \$800,000 and \$7,499,999. The exemption threshold does not apply to payrolls of at least \$7,500,000, such that (for example) the 5.50% rate applies to all WA wages.

(d) A temporary progressive payroll tax scale was introduced for five years commencing from 1 July 2018.

Changes to Exemptions and Concessions

An exemption for the wages of first year apprentices was introduced from 1 January 1984 and extended to the wages of all apprentices from 1 January 1994.

Budget-funded government departments were exempted from 1 June 1986.

Certain prescribed fringe benefits paid by employers to employees in remote areas were exempted from payroll tax from 1 July 1996. These benefits include housing, annual leave, travel assistance, power and water subsidies and child education bursaries.

The payroll tax base was expanded to a wide range of employee benefits from 1 July 1997, including superannuation benefits and non-cash fringe benefits as defined and valued by the *Fringe Benefits Tax Act 1986* (Cth). Excluded from the base expansion were the major remote area fringe benefits.

Travel and accommodation allowances up to prescribed levels were excluded from the payroll tax base from 1 July 1997.

The payroll tax base was extended to the grossed-up value of taxable fringe benefits from 1 January 2002 and to eligible termination payments from 1 July 2003.

Following the passage of legislation in June 2010, seven areas of payroll tax were brought in line with the other jurisdictions, with retrospective effect from 1 July 2009 as part of a harmonisation program. These areas are: timing of lodgements; accommodation allowance exemptions; vehicle allowance exemptions; fringe benefits; employee share benefit schemes; services performed outside a jurisdiction; and superannuation contributions. Grouping provisions were harmonised with other jurisdictions from 1 July 2012 (previously scheduled for 1 July 2009).

From 1 July 2009, exemptions for parental leave (including maternity, adoption and paternal leave) and volunteer emergency service work were implemented as part of the 'stage 2' payroll tax harmonisation measures.

In 2010-11, employers with payrolls of up to \$1.6 million in 2009-10 were paid a one-off rebate to fully offset their 2009-10 tax liabilities. The maximum amount of the rebate (on a payroll of \$1.6 million) was \$46,750. The rebate phased down for employers with payrolls between \$1.6 million and \$3.2 million.

From 1 July 2012, an exemption was introduced for wages paid to new employees with a disability in their first two years of employment, where these employees are eligible for a Commonwealth Disability Employment Services wage subsidy or are eligible for any form of disability support from Western Australia's Department of Communities.

From 1 July 2012, employers with an Australia-wide group annual payroll of \$15 million or less are eligible for a 100% payroll tax rebate on wages paid to new Indigenous employees in their first two years of employment if the employers are also in receipt of a Commonwealth Indigenous Wage Subsidy.

Employers with Australia-wide group payrolls of up to \$1.5 million in 2012-13 received a one-off rebate in 2013-14 to fully offset their 2012-13 payroll tax liabilities. The maximum rebate payable was \$41,250. The rebate phased down for employers with payrolls between \$1.5 million and \$3 million.

From 10 March 2015, the scope of the exemption for charitable institutions was narrowed to exclude certain 'fourth limb' charities that promote trade, industry or commerce. Political parties, industrial associations and professional associations were also excluded.

On 1 December 2017, the payroll tax exemption for trainees was restricted to new employee trainees earning no more than \$100,000 per annum at the date of lodgement of their training contract with the Department of Training and Workforce Development.

The payroll tax exemption for new employee trainees earning up to \$100,000 per annum was removed from 1 July 2019 and replaced with a grant program.

On 1 January 2020, the payroll tax exemption threshold was increased from \$850,000 to \$950,000. A previously flagged further increase to \$1 million was brought forward, commencing on 1 July 2020 instead of 1 January 2021.

In 2020, a one-off grant of \$17,500 was provided to businesses with a payroll between \$1 million and \$4 million.

Payroll tax paying employers with Australia-wide wages less than \$7.5 million had their payroll tax waived for the period 1 March 2020 to 30 June 2020.

Transfer Duty

Changes to the Rate Scale

MARGINAL TAX RATE (%)						
Value \$	From 1 Jul 1998	From 1 Jul 2002	From 1 Jul 2003	From 1 Jul 2004	From 28 Oct 2004	From 1 Jul 2008 ^(a)
Less than 80,000	1.95	2.00	2.30	2.20	2.00	1.90
80,000 – 100,000	2.85	3.00	3.45	3.30	3.00	2.85
100,000 – 250,000	3.70	4.15	4.75	4.50	4.00	3.80
250,000 – 500,000	4.55	5.15	5.90	5.60	5.00	4.75
Above 500,000	4.85	5.50	6.30	6.00	5.40	5.15

(a) This refers to the general duty scale. A concessional scale applies to residential properties where the rates of duty are the same but the corresponding thresholds are higher (i.e. \$120,000, \$150,000, \$360,000 and \$725,000).

Since 1 January 2019, a 7% foreign transfer duty surcharge has applied in Western Australia on purchases of residential property by foreigners, including individuals, corporations and trusts. The surcharge is in addition to transfer duty payable.

Changes to Exemptions and Concessions

The exemption for the transfer of the matrimonial home to joint tenants was introduced in January 1988. It was extended to couples living in opposite-sex de facto relationships in December 1991 and then to same-sex de facto relationships on 1 July 2003.

A \$500 stamp duty rebate for first home owners was introduced in March 1989. The value limits were increased from \$80,000 to \$85,000 and, for properties north of the 26th parallel, from \$120,000 to \$127,500 on 1 November 1989.

From 1 July 1998, the value limits were further increased from \$85,000 to \$135,000 and, for properties north of the 26th parallel, from \$127,500 to \$202,500. From 1 January 2004, the value limits were again increased from \$135,000 to \$185,000 and from \$202,500 to \$277,500 (for properties north of the 26th parallel).

On 1 July 2004, the \$500 stamp duty rebate for first home owners was replaced with a stamp duty exemption for purchases of homes below \$220,000, phasing out at \$300,000. For vacant land, the exemption applied to purchases below \$100,000, phasing out at \$150,000. This exemption threshold was extended on 29 October 2004 to \$250,000 for first home purchases (phasing out at \$350,000), and to \$150,000 for vacant land (phasing out at \$200,000). This was further extended from 10 May 2007 to \$500,000 for first home purchases (phasing out at \$600,000), and \$300,000 for vacant land (phasing out at \$400,000). From 3 July 2014, the exemption threshold for first home purchases was reduced to \$430,000 (phasing out at \$530,000), with no changes to the threshold for vacant land.

From 1 July 2004, the first home buyer stamp duty concession was extended to any subsequent purchases of an interest by an eligible first home buyer who enters into a shared equity arrangement with the Department of Housing and Works from 1 July 2004. From 1 July 2004, property transfers from a bankrupt entity to a creditor were also exempted from stamp duty.

The value limit for the 1.5% concessional duty rate for the transfer of owner-occupied residences and small businesses was increased from \$50,000 to \$85,000 on 1 November 1989. This was further increased to \$100,000 on 1 July 1998. A gradual phase out of the concessional duty rate for properties valued between \$100,000 and \$135,000 was also introduced at that time. On 1 July 2004, the phase-out value was extended to \$200,000.

A stamp duty exemption for corporate reconstructions was introduced on 1 October 1996. From 1 January 2004, the scope of the corporate reconstruction provisions were broadened to include the transfer of motor vehicle licences and direct property transfers between certain subsidiaries of holding companies. From 1 July 2008, this reconstruction exemption (which previously only applied to corporations) was broadened to include unit trust schemes. The three-year pre-association test and the five-year post-association tests for corporate reconstructions were also removed, coinciding with the implementation of the landholder duty regime.

The stamp duty exemption for chattels (except trading stock, livestock and chattels used in farming) conveyed with real property was removed from 1 July 1998.

From 1 July 2008, a new concessional duty scale was introduced for transfers of residential properties. Under this concessional scale, the benefits available to taxpayers from the principal place of residence concessional rate phase out when a property is valued over \$116,000.

The scope of the exemption for charitable institutions was narrowed from 10 March 2015 to exclude certain 'fourth limb' charities that promote trade, industry or commerce. Political parties, industrial associations and professional associations were also excluded.

For two years from 23 October 2019, buyers who sign a pre-construction contract to purchase a new residential unit or apartment in a multi-tiered development may be entitled to a 75% transfer duty rebate of up to \$50,000 per unit.

The above rebate was temporarily expanded to also provide up to \$25,000 per transaction for contracts signed during construction, between 4 June 2020 and 31 December 2020.

Land Tax and Metropolitan Region Improvement Tax

Land Tax

Changes to the Rate Scale

In 1986-87, the maximum marginal rate was reduced from 2.4% to 2%. The number of tiers was also reduced and the value ranges applying to each tier were expanded. In 1993-94, the land tax scale was restructured to accommodate the introduction of annual valuations. The land tax rates were further reduced to lessen the impact of valuation increases on land tax assessments in 1995-96, 1996-97, 1997-98, 1998-99 and 1999-2000.

In 2002-03, the exemption threshold was increased from \$10,000 to \$50,000. At the same time, the top tax rates were increased from 2% to 2.3% for land with an unimproved value between \$2 million and \$5 million, and to 2.5% for land with an unimproved value exceeding \$5 million.

In 2003-04, the number of tiers in the land tax scale was reduced from ten to six, without changing the minimum and maximum thresholds (\$50,000 and \$5 million respectively). The minimum and maximum tax rates were also unchanged.

In 2004-05, the exemption threshold was increased from \$50,000 to \$100,000, the second threshold increased from \$190,000 to \$220,000, and the third threshold increased from \$550,000 to \$570,000.

From 2005-06, land tax was levied on the portion of the aggregate taxable value of land above the exemption threshold, rather than on the total value once the exemption threshold is reached. In addition, the exemption threshold was increased from \$100,000 to \$130,000, the second threshold increased from \$220,000 to \$290,000 and the third threshold increased from \$570,000 to \$750,000. The marginal rate for the third threshold was reduced from 1.76% to 1.62%.

In 2006-07, the exemption threshold was increased from \$130,000 to \$150,000, the second threshold increased from \$290,000 to \$390,000 and the third threshold increased from \$750,000 to \$875,000.

From 2007-08, the exemption threshold was increased to \$250,000, with the other thresholds increased to \$875,000, \$2 million, \$5 million and \$10 million. The corresponding marginal tax rates were set at 0.15%, 0.75%, 1.30%, 1.55% and 2.30% respectively.

In 2008-09, the exemption threshold was increased to \$300,000, with the other thresholds increased to \$1 million, \$2.2 million, \$5.5 million and \$11 million. The corresponding marginal tax rates were reduced to 0.09%, 0.47%, 1.22%, 1.46% and 2.16% respectively.

From 2013-14, all marginal tax rates were increased by around 12.5% to 0.10%, 0.53%, 1.37%, 1.64% and 2.43% for the existing thresholds of \$300,000, \$1 million, \$2.2 million, \$5.5 million and \$11 million respectively.

In 2014-15, all marginal tax rates were increased by 10% to 0.11%, 0.58%, 1.51%, 1.80% and 2.67%. The thresholds again remained unchanged.

In 2015-16, the land tax scale was revised to apply a flat dollar amount of \$300 on taxable land with an unimproved value of up to \$420,000 and increase rates for all thresholds except the top threshold. Marginal tax rates increased to 0.25%, 0.9%, 1.8%, 2.0% and 2.67% (the latter rate was unchanged), while the \$2.2 million and \$5.5 million thresholds were reduced to \$1.8 million and \$5 million respectively.

Changes to Exemptions and Concessions

In 1985-86 and 1986-87, as an interim measure, a 10% land tax rebate was offered to all of Western Australia's land tax payers, pending a major review.

From 1988-89, the phase-in period for general revaluations for land tax purposes was extended from three years to four years, a move designed especially to assist owners of Perth Central Business District (CBD) properties whose land was subject to revaluations in that year.

In 1991-92, new valuations for land tax purposes were not applied to provide relief to owners of property otherwise subject to both the first year's phase-in of a new valuation and the fourth year's phase in of the previous valuation (again, owners of Perth CBD properties were the principal beneficiaries).

In 1992-93, land tax assessments were frozen at 1991-92 levels, except where reductions were applicable (or where there had been variations to land holdings). Reductions were applicable primarily in the Perth CBD, where in some cases the new 1992-93 valuations were significantly less than the fully phased-in 1988-89 valuations on which the 1991-92 land tax assessments were based.

In 1993-94, a land tax exemption for beneficiary-occupiers of residences owned by discretionary trusts was re-introduced (reversing the removal of this exemption in 1989-90).

From 1994-95, a land tax exemption was extended to all land owned by retirement villages. Also, the 50% land tax concession available for land used solely for non-profit activities by a society, club or association was increased to a 100% exemption.

In 1995-96, the primary production exemption was extended to land used by the owner for the purpose of breeding horses. Also, a 50% concession was provided to certain primary producers who do not meet a 'one third of net income from primary production' test. From 2014-15, the 50% concession was removed as part of amendments to take account of modern business practices and ownership structures.

Overview of State Taxes and Royalties 2020-21

In 1996-97, a concession was introduced for land developers by applying the land tax scale to the 'en globo' (un-subdivided) value of property. The land developers' concession was removed from the 2003-04 land tax year and reintroduced in 2009-10.

The 50% concession for land owned by a religious or educational body and used for commercial or business purposes was reduced to 40% in 1998-99 and 20% in 1999-2000. The concession was completely phased out from 2000-01 onwards.

The land tax exemption for principal places of residence held by a company or trust was removed from 2002-03.

From 2004-05, land held under an approved conservation covenant is exempt from land tax.

In 2005-06, caravan parks were granted a 50% land tax concession, which was extended to a full exemption from 2010-11 onwards.

From 2006-07, the exemption period for persons constructing new residences was extended from 12 months to two years. In addition, parents, grandparents or siblings providing independent accommodation for disabled children were exempted from land tax.

Since 2007-08, a land tax exemption has applied to private aged care providers.

From 2009-10, a 50% cap was placed on the annual growth in unimproved land values for land tax purposes. The cap applies to each individual lot of land that is owned by a land tax payer.

On 10 March 2015, the scope of the exemption for charitable institutions was narrowed to exclude certain 'fourth limb' charities that promote trade, industry or commerce. Political parties, industrial associations and professional associations were also excluded.

Up to two grants per landlord, each equal to 25% of the landlord's 2019-20 land tax bill (including MRIT), may be available to commercial landlords who provided a minimum level of rent relief for eligible tenants affected by COVID-19.

Following a State Administrative Tribunal clarification relating to relocatable homes in caravan parks, amendments will be introduced to ensure owner-occupied relocatable homes retain access to a land tax exemption.

Amendments will be introduced to provide a land tax exemption on the former principal place of residence of a homeowner who has been required to move into full-time care (effective 1 July 2020), providing their home is not rented out.

Metropolitan Region Improvement Tax

Changes to the Rate Scale

The original MRIT rate in 1959-60 was one half penny for every pound (0.21%) of the total unimproved value.

In 1962-63, the rate of MRIT was reduced to three-eighths of one penny for every pound (0.156%) of the total unimproved value.

In 1967-68, the rate of MRIT was increased to 0.25% of the total unimproved value.

In 1987-88, the rate of MRIT was reduced from 0.25% to 0.225% of unimproved value.

In 1993-94, the rate was further reduced to 0.15%, to accommodate the introduction of annual valuations for land tax.

In 2007-08, the exemption threshold was increased from \$150,000 to \$250,000. The rate of MRIT was changed from 0.15% of the total unimproved land value to 0.18% of the unimproved land value above \$250,000.

In 2008-09, the exemption threshold was increased from \$250,000 to \$300,000 and the rate reduced to 0.14%.

Changes to Exemptions and Concessions

As for land tax.

Insurance Duty

Changes to the Rate Scale

Duty on life insurance was introduced on 1 November 1983 and was abolished from 1 July 2004.

The duty rate on general insurance policies was increased from 5% to 8% from 1 July 1998, and was further increased to 10% from 1 July 2003.

The concessional rate for workers' compensation insurance was increased from 3% to 5% from 1 July 1998.

From 30 June 2001, the concessional rate for workers' compensation insurance was reduced from 5% to 3% for small employers who fell below the payroll tax exemption threshold. The 5% rate remained unchanged for other employers, until duty on workers' compensation insurances was abolished from 1 July 2004.

The nominal amount of duty (25 cents per policy) for motor vehicle compulsory third party insurance policies was replaced by an ad valorem rate of 8% of the premium from 1 July 2002. The ad valorem rate was increased to 10% from 1 July 2003.

Changes to Exemptions and Concessions

The exemption for insurance on transport of goods and on commercial marine hulls came into effect on 11 December 1986.

As part of the reform of State business taxes, duty on workers' compensation insurance and life insurance policies was abolished from 1 July 2004.

Vehicle Licence Duty

Changes to the Rate Scale

From 1 November 1983, the rate of stamp duty on motor vehicle licence transfers was increased from \$1.50 to \$3.00 per \$100 of the vehicle value. A maximum duty ceiling was also removed at that time.

On 1 July 1999, the rate of duty was changed from the single flat rate of 3% to a multi-tiered scale with rates ranging from 2.5% to 5%.

From 1 July 2002, the rate scale was separated into a 3% flat rate for new heavy vehicles, the above multi-tiered scale for used heavy vehicles and a higher-rate multi-tiered scale (2.75% to 6.5%) for light vehicles.

On 1 July 2007, the flat 3% duty rate for new heavy vehicles was extended to used heavy vehicles. For light vehicles, the thresholds of the duty scale were increased by \$5,000 to \$20,000 and \$45,000.

From 1 January 2009, the thresholds of the light vehicle duty scale were further increased by \$5,000 to \$25,000 and \$50,000.

Changes to Exemptions and Concessions

On 1 July 2007, a duty exemption for caravans and camper trailers permanently fitted for human habitation was introduced.

From 1 July 2011, transfers of private vehicle licences between de facto partners of at least two years or between spouses are exempt from vehicle licence duty.

Motor Vehicle Registrations

Changes to Registration Fees

On 1 July 1997, registration fee rates in Western Australia increased by approximately 20%.

On 1 July 1998, registration fees were further increased, as part of which the calculation was simplified and charged based on weight only (\$12 per 100 kg tare weight), rather than engine power output.

Motor vehicle registrations for light vehicles in 2020-21 were frozen at 2019-20 levels.

MOTOR VEHICLE REGISTRATION FEES

Toyota Camry SL Auto

	\$p.a.
2016 ^(a)	313.80
2017	331.80
2018	373.96
2019	384.84
2020	384.84

(a) Toyota Camry Atara used for comparison purposes

Changes to Exemptions and Concessions

Since 1 January 1987, aged pensioners who hold Pensioner Health Benefits Cards (now Pensioner Concession Cards) have received a 50% concession on licence fees (now called registrations).

From 1 January 1990, a \$20 concession was introduced for private vehicles, and they did not attract the 7% increase in licence fees that applied to other vehicles from that date.

On 1 July 1998, the private vehicle discount was fixed at \$28 and a 25% concession for diesel powered vehicles was removed. A 25% concession for intrastate heavy vehicles was phased out in two stages by 1 July 1999.

From 1 July 2001, eligibility for a 50% concession on registrations was extended to seniors who hold both a State Seniors Card and a Commonwealth Seniors Health Card.

On 1 July 2005, the private vehicle discount was increased from \$28 to \$53 and indexed to the movement in the Perth consumer price index, in line with the registration fee rates. This saw increases to \$55 in 2006-07, \$58 in 2007-08, \$60 in 2008-09, \$63 in 2009-10, \$65 in 2010-11, \$67 in 2011-12, \$69 in 2012-13 and \$72 in the first half of 2013-14.

The discount for private vehicles was then reduced from \$72 to \$36 from 1 January 2014 and was abolished from 1 July 2014.

Gambling Taxes

Casino Tax

Changes to the Rate Scale

Prior to 24 December 2002, casino tax was 15% of casino gross revenue for all gaming.

From 24 December 2002, the single casino tax was replaced with a three tier scale with different rates applying to international gaming, domestic table gaming and gaming machines.

On 1 July 2011, the effective tax rate on the casino's electronic gaming machines increased from 20% to 20.125%, as part of the State Government's July 2010 approval of the expansion of the casino complex. A tax rate of 22% was also introduced from 1 July 2011 for fully automated table games.

From 1 July 2012, the 2010 casino expansion approval also resulted in the effective tax rate on the casino's electronic gaming machines increasing from 20.125% to 20.25%. The rate was scheduled to increase further over the next three years to 20.625% in 2015-16, but another proposal to expand the casino (approved in 2012) resulted in a revised schedule of rate increases.

From 24 December 2012, the 2012 casino expansion approval resulted in the effective tax rate on the casino's electronic gaming machines increasing from 20.25% to 20.614%. The rate increased again to 20.956% on 24 December 2013.

From 24 December 2014, the Casino (Burswood Island) Agreement was amended to provide lower casino tax rates in return for the cessation of GST reimbursements to Crown Casino. The effective tax rate on the casino's electronic gaming machines was reduced to 12.27% (although this increased to 12.42% on 24 December 2015). The table game tax rate was reduced to 9.37% and the fully automated table game tax rate was reduced to 12.92%.

From 1 July 2015, the international commission business tax rate was reduced to 1.75%.

Changes to Exemptions and Concessions

Nil.

Betting Taxes

Changes to the Rate Scale

Prior to the establishment of Racing and Wagering Western Australia (RWVA) in 2003, betting taxes comprised the Totalisator Agency Board (TAB) Betting Tax and the Bookmakers' Betting Levy.

Wagering Tax

The TAB Betting Tax rate was increased from 6% to 7% of TAB turnover in 1983. In 1988-89, the TAB Betting Tax was reduced to 6%.

On 28 June 1996, the TAB Betting Tax rate was reduced to 5% and the Totalisator Duty was abolished.

From 1 February 2001, the TAB Betting Tax rate was effectively reduced from 5% to 4.5%, through the payment of rebates to the TAB.

From 1 July 2007, the tax rate for what by then was the RWVA Wagering Tax was changed from 4.5% of TAB turnover, to a tax rate of 11.91% of gross margin (net of GST). This represented an equivalent rate reduction from 4.5% to 3.5% of turnover. The tax rate for totalisator sports betting remained unchanged at 5% of turnover.

On 1 January 2019, as part of the introduction of a point of consumption (POC) Betting Tax, the RWVA Wagering Tax was abolished. At the time of abolition, the rate of tax for off-course totalisator racing wagers was 11.91% of gross revenue (net of GST), 5% of turnover for off-course totalisator sports betting and no totalisator tax applied to on-course racing or sports betting. The tax rate for fixed odds betting was 2% of turnover for racing and 0.5% of turnover for sports betting.

Bookmakers' Betting Levy

The Government reduced the then Bookmakers' Betting Tax from 2.50% to 2.25% and abolished stamp duty on betting tickets from 1 August 1989.

From 28 June 1996, the Bookmakers' Betting Tax was changed to a levy, and reduced to 2%.

On 30 June 1998, the Bookmakers' Betting Levy for sports betting at a racecourse was reduced from 2% to 0.5%. From 1 August 1998, the Bookmakers' Betting Levy was introduced at the rate of 2% for sports betting at a sporting venue.

From 11 January 2010, the 2% Bookmakers' Betting Levy payable on horse and greyhound racing was abolished. On the same date, the Bookmakers' Betting Levy on betting conducted at a designated sporting event was reduced from 2% to 1.5%.

On 1 January 2019, as part of the introduction of a POC Betting Tax, the Bookmakers' Betting Levy was abolished. At the time of abolition, the levy rate was 1.5% of sports betting turnover at a designated sporting event and 0.5% of sports betting turnover at a racecourse.

Racing Bets Levy

On 1 September 2008, the Racing Bets Levy was introduced. It applies to all wagering operators (including interstate operators) who publish or use Western Australian race fields, with other States also charging for the use of their race fields information. The levy does not distinguish between off-course and on-course wagering, and operators had a choice (until 1 November 2012) as to the method that they applied. One method was 1.5% of turnover and the second was the greater of 20% of gross revenue or 0.2% of turnover.

From 1 November 2012, the Racing Bets Levy applied at the rate of 1.5% of a betting operator's monthly turnover.

On 1 April 2013, the Racing Bets Levy decreased from 1.5% to 1% when a betting operator's annual turnover was \$2.5 million or less. When a betting operator's annual turnover was greater than \$2.5 million, the 1.5% rate applied.

From 1 August 2013 until 1 October 2014, a 2% rate applied for thoroughbred racing conducted from 1 November to 1 January each year (inclusive).

On 1 October 2014, the threshold at which the rate of 1.5% applies was increased to \$3 million. The levy on bets placed at premium race meetings above this threshold increased to 2.5%. Fixed odds bets placed at non-betting exchanges were levied at 2% for standard race meetings and at 3% for premium race meetings.

From 1 August 2018, the rate on pari-mutuel bets for standard race meetings increased to 2.0% of turnover, where turnover exceeds \$3 million. The way in which the Racing Bets Levy is calculated for non-betting exchange fixed odds bets was also changed from 1 August 2018 to the greater of 2% of turnover or 13.6% of gross revenue for standard race meetings; or 2.5% of turnover or 22.7% of gross revenue for premium race meetings.

Point of Consumption Betting Tax

A POC Betting Tax was introduced in Western Australia on 1 January 2019. The rate of tax is 15% of a betting operator's taxable betting revenue above a tax-free threshold of \$150,000. For the period from 1 January 2019 to 30 June 2019, the tax-free threshold was \$75,000.

Changes to Exemptions and Concessions

A taxation rebate on totalisator off-course wagering on racing through electronic channels was introduced in 2010-11 (for three years) for professional punters who were on contract with RWWA and had annual betting turnover of at least \$500,000. The rebate was equivalent to 10% of gross wagering revenue for this category of betting (effectively reducing the wagering tax rate from 11.91% to 1.91%). In 2017, this concession was extended until 31 July 2021, but it has instead ceased with the introduction of the POC Betting Tax on 1 January 2019.

Since 1 April 2013, a Racing Bets Levy exemption has applied where a betting operator's turnover does not reach \$1,000 in any month.

Other Fees and Levies

Perth Parking Levy

Changes to the Levy Rate

	Long Stay Public Bays \$	Short Stay Public/ On-Street Bays \$	Tenant/ Other Bays \$	Motorcycle Bays \$
1999	70.00	70.00	70.00	35.00
2001	120.00	120.00	120.00	60.00
2002	150.00	150.00	150.00	75.00
2003	180.00	155.00	180.00	77.50
2004	185.00	160.00	185.00	80.00
2005	189.00	163.50	189.00	82.00
2006	195.50	169.00	195.50	84.75
2007	205.00	177.00	205.00	88.50
2008	212.00	183.00	212.00	91.50
2009	586.00	555.50	586.00	Nil
2010	598.30	567.20	598.30	Nil
2011	616.30	584.30	616.30	Nil
2012	633.60	600.70	633.60	Nil
2013	697.00	630.80	728.70	Nil
2014	879.50	813.30	911.20	Nil
2015	1,062.00	995.80	1,093.70	Nil
2016	1,088.60	1,005.80	1,132.00	Nil
2017	1,107.70	1,023.50	1,151.90	Nil
2018	1,124.40	1,038.90	1,169.20	Nil

Landfill Levy

Changes to the Levy Rate

	Putrescible Waste \$ per tonne^(a)	Inert Waste \$ per tonne^(b)
1 July 1998	3.00	0.67
1 July 2008	6.00	2.00
1 July 2009	7.00	2.00
1 January 2010	8.00	2.00
1 January 2015	28.00	8.00
1 July 2015	55.00	40.00
1 July 2016	60.00	50.00
1 July 2017	65.00	60.00
1 July 2018	70.00	70.00

(a) Putrescible waste includes household food waste, green waste and certain commercial and industrial wastes that easily decompose.

(b) Inert waste is waste, such as sand and concrete, which is neither chemically nor biologically reactive and will not decompose. Inert waste is levied per cubic metre. One cubic metre of inert waste in situ within landfill is treated as equivalent to 1.5 tonnes.

Building and Construction Industry Training Fund Levy

Changes to Exemptions and Concessions

An exemption from the Building and Construction Industry Training Fund Levy for construction projects in the resources sector was abolished from 1 October 2018.

Mineral Royalties

Iron Ore

MINING ACT ROYALTY RATES (%)			
Iron Ore Type			
Date	Beneficiated	Fines	Lump
1981	N/A	7.5	7.5
1995	5.0	5.625	7.5
2012	5.0	6.5	7.5
2013	5.0	7.5	7.5

A compromise rate of 5.625% for iron ore ‘fines’ was introduced in the Mining Act in May 1995, when iron ore production commenced outside of State Agreement Acts. This rate was halfway between the existing 3.75% concessional rate set in State Agreements in the 1960s (which reflected that ‘fine’ ore was then considered to be inferior and less marketable than ‘lump’ ore) and the 7.5% rate in the Mining Act for ‘crushed and screened’ ores.

Following an agreement between the State Government and major iron ore producers, the iron ore ‘fines’ royalty rate of 3.75% in the relevant State Agreements was aligned with the 5.625% rate in the Mining Act from 1 July 2010.

The Western Australian Government announced in the 2011-12 Budget that the concessional royalty rate for iron ore ‘fines’ would be removed over two years. The royalty rate for iron ore ‘fines’ increased from 5.625% to 6.5% from 1 July 2012 and further increased to 7.5% from 1 July 2013 (in both the Mining Act and the relevant State Agreement Acts).

From 9 April 2013, for a period of three years, a rebate of up to 50% of royalty payments was available to eligible magnetite producers for the first 12 months of magnetite production. The rebate was considered on a project-by-project basis where the extractable iron mineral is predominantly (more than 80%) magnetite and production involves fine grinding and beneficiation. The original scheme ceased on 9 April 2016.

In the 2016-17 State Budget, the Western Australian Government announced a two-year extension to the royalty rebate program for the two mining operations that qualified under the original scheme. The 2018-19 State Budget extended the scheme to 31 December 2018. The scheme was subsequently extended to 31 December 2019, with a rebate of up to 50% of royalties paid available until 30 June 2019 and 25% of royalties paid until 31 December 2019.

From 19 December 2014, a rebate of 50% of royalty payments was available to eligible hematite producers with a commissioned iron ore production capacity of less than 20 million tonnes per annum. The rebate was available from the December 2014 quarter until the September 2015 quarter. All rebates were repaid by 30 September 2017.

As part of a State Government support package, a full royalty rebate is available until December 2024 (up to a maximum of 30 million tonnes of iron ore) to the Koolyanobbing mine operated by Mineral Resources.

In 2020-21, a 50% rebate will be provided on royalties paid by Ridges Iron Ore from its Ridges deposit. The rebate is not repayable.

Gold

Gold mining was exempt from royalties in Western Australia until 1998.

From 1 July 1998, a gold royalty was introduced at a concessional rate of 1.25% of the royalty value of the gold metal produced. From 1 July 2000, the rate was increased to 2.5%.

During the period from 1 July 2000 to 30 June 2005, a concessional rate of 1.25% was payable if the average gold spot price for the quarter fell to less than \$A450 per ounce. However, this never occurred.

Nickel

In August 1982, the price of nickel used for royalty valuation purposes was changed from 'the ruling price per tonne of nickel metal on the world market' to 'the gross nickel metal price per tonne free on board'.

On 5 September 2017, the Mining Regulations 1981 were clarified to make reference to global trading indices for royalty valuation purposes.

Bauxite/Alumina

The current royalty rate for all alumina produced in Western Australia of 1.65% was originally determined for Alcoa in 1987 and in 1991 for Worsley, and was intended to be equivalent to the 7.5% royalty rate for bauxite (from which alumina is extracted), set under the *Mining Act 1978*.

The *Alumina Refinery Agreement Act 1961* (which covers Alcoa) and the *Alumina Refinery (Worsley) Agreement Act 1973* each include a seven year review clause ostensibly intended to ensure that the royalty rate for alumina remains consistent with the 7.5% royalty rate for bauxite. Reviews were last completed in 2019, with no change to the royalty rate recommended.

Diamonds

From the Argyle mine's opening in 1985 until 1 January 2006, the royalty payable was either 22.5% of the 'above zero profit,' or 7.5% of the ad valorem rate, whichever was greater. From 1 January 2006, the royalty arrangements were changed to a flat 5% ad valorem rate to facilitate the extension of the Argyle diamond mine's life (through the development of an underground operation) and to be consistent with the 1981 three tiered royalty rates principle.

In 2020 the royalty rate in the *Mining Act 1978* was amended to that 5% rate.

Mineral Sands

Royalties for the mining of mineral sands were first introduced on 1 July 1958 at an ad valorem rate of 2%. This rate was less than half of the initial proposed rate (5%) and was introduced as a temporary measure to address the industry's economic difficulties at that time. Ilmenite was exempt from royalty payments for five years.

With the introduction of the *Mining Act 1978* (effective 1 January 1982) the general rate for mineral sands increased to 2.5%. At the same time a concessional royalty rate (50 cents per tonne) was introduced for ilmenite feedstock. The reduced rate was intended to apply to low quality product requiring further processing for it to be marketable.

From 6 August 1982, the general rate for mineral sands was increased to 3% after the industry was judged to be in a stronger financial position. A 3% royalty rate was also specifically applied to xenotime from this date.

From 21 August 1987, royalty rates on all exported mineral sands (including xenotime) were increased to the initial proposed rate of 5%. At the same time, the ilmenite feedstock rate was increased to \$1.50 per tonne. From this date the ilmenite feedstock rate was also subject to a yearly review and adjusted in accordance with the export price of all bulk ilmenite concentrate sales from Western Australia for the financial year compared with the corresponding price of all bulk ilmenite concentrate sales from Western Australia in the 1987 base financial year.

The royalty rate applying to ilmenite feedstock that was of marketable quality was progressively increased to 3.5% from 1 July 2005, 4% from 1 July 2006, 4.5% from 1 July 2007, and 5% from 1 July 2008.

Copper

No royalty was collected for copper in Western Australia until the introduction of the *Mining Act 1978* (effective from 1 January 1982), when a 5% rate was introduced.

Copper produced at the Teutonic Bore Mine was subject to a concessional rate of 2.5% from 6 August 1982 until 14 December 2001, when that concession ceased.

From 16 June 2000, the copper royalty rates were amended to reflect concentrate and metal rate principles. Copper sold in metallic form is subject to a rate of 2.5%, copper sold as a concentrate is subject to a 5% rate, from 30 June 2005 copper sold as a nickel by-product is subject to a 2.5% royalty rate and from 5 September 2017 copper sold in a crushed and screened form is subject to a 7.5% royalty rate.

Lead

No royalty was collected for lead in Western Australia until the introduction of the *Mining Act 1978* (effective from 1 January 1982), when a 5% rate was introduced for concentrates.

From 16 June 2000, a rate of 2.5% applies to lead sold in metallic form.

Zinc

Royalties for the mining of zinc were first introduced on 1 July 1958 at a rate of \$0.20 per tonne produced. With the introduction of the *Mining Act 1978* (effective from 1 January 1982) the rate was changed to an ad valorem rate of 5% for concentrates.

Zinc produced at the Teutonic Bore Mine was subject to a concessional rate of 2.5% from 6 August 1982 until 14 December 2001, when that concession ceased.

From 16 June 2000, a rate of 2.5% applies to zinc sold in metallic form.

