



Government of **Western Australia**
Department of **Treasury**

Overview of State Taxes and Royalties

Western Australia

2011–12

December 2011



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Introduction

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

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

- current rates;
- key exemptions and concessions;
- interstate comparisons;
- historical information on changes to rates and bases; 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 introduced by the States and Territories in the 2011-12 round of State Budgets and any major changes announced after these Budgets (but before 30 September 2011).

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

Some information on 2011-12 tax changes is based on announced changes which may not have been legislated at the time of publication.

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:

<http://www.treasury.wa.gov.au>

Summary Tables

STATE TAXES IN WESTERN AUSTRALIA

| | 2009-10 Actual \$ million | 2010-11 Actual \$ million | 2011-12 Estimates ^(b) \$ million | As a % of Total |
|-------------------------------------|---------------------------------|---------------------------------|---|--------------------|
| BUSINESS | | | | |
| Payroll Tax | 2,303.2 | 2,627.7 | 2,927.1 | 42.0% |
| PROPERTY | | | | |
| Transfer Duty | 1,552.0 | 1,225.9 | 1,344.8 | 19.3% |
| Landholder Duty | 87.4 | 47.3 | 48.8 | 0.7% |
| Land Tax | 528.5 | 521.5 | 548.3 | 7.9% |
| Metropolitan Region Improvement Tax | 78.3 | 77.8 | 83.6 | 1.2% |
| FINANCIAL TRANSACTIONS | | | | |
| Insurance Duty | 404.0 | 442.0 | 466.9 | 6.7% |
| GAMBLING | | | | |
| Lotteries Commission | 129.8 | 126.3 | 138.0 | 2.0% |
| Casino Tax | 92.2 | 89.6 | 115.0 | 1.7% |
| Betting Taxes | 31.7 | 34.0 | 34.4 | 0.5% |
| MOTOR VEHICLES | | | | |
| Vehicle Licence Duty | 331.6 | 337.8 | 364.9 | 5.2% |
| Motor Vehicle Registrations | 515.8 | 557.2 | 575.1 | 8.3% |
| Motor Vehicle Recording Fee | 43.1 | 45.0 | 46.9 | 0.7% |
| OTHER | | | | |
| Emergency Services Levy | 169.3 | 205.0 | 215.6 | 3.1% |
| Loan Guarantee Fees | 27.6 | 23.1 | 28.1 | 0.4% |
| Other | 29.5 | 402.4 ^(a) | 27.2 | 0.4% |
| TOTAL STATE TAXATION | 6,323.8 | 6,762.6 | 6,964.6 | 100.0% |

(a) Includes a one-off payment of \$350 million by BHP Billiton and Rio Tinto in relation to changes to State Agreement Acts.

(b) Estimates based on the 2011-12 Budget.

Note: Columns may not add due to rounding.

ROYALTY COLLECTIONS IN WESTERN AUSTRALIA

| | 2009-10 | 2010-11 | 2011-12 | |
|--------------------------------|----------------|----------------|--------------------------|---------------|
| | Actual | Actual | Estimates ^(b) | As a % of |
| | \$ million | \$ million | \$ million | <i>Total</i> |
| ROYALTIES^(a) | | | | |
| Iron Ore | 1,812.6 | 3,647.1 | 4,137.1 | 86.3% |
| Gold | 161.4 | 198.1 | 213.9 | 4.5% |
| Alumina | 63.9 | 66.5 | 85.6 | 1.8% |
| Nickel | 96.9 | 106.9 | 143.1 | 3.0% |
| Petroleum | 24.6 | 20.2 | 36.3 | 0.8% |
| Other | 164.2 | 174.4 | 178.3 | 3.7% |
| TOTAL ROYALTIES | 2,323.6 | 4,213.3 | 4,794.3 | 100.0% |

(a) Excludes North West Shelf grants.

(b) Estimates based on the 2011-12 Budget.

Note: Columns may not add due to rounding.

Business Taxes

Payroll Tax

Payroll tax was originally introduced by the Commonwealth Government on 2 May 1941 at a rate of 2.5%. In 1971, responsibility for this tax was passed to the States.

An employer (or a group of employers) is liable for payroll tax on wages paid or payable in Western Australia when its total Australia-wide wages exceed \$750,000 per year (\$62,500 per month).

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.

Rate of Tax

| Annual Payroll \$ | Annual Tax Payable |
|----------------------|-------------------------------------|
| 0 – 750,000 | Nil |
| Over 750,000 | 5.5% x (Annual Payroll – \$750,000) |

¹ Employers with an annual tax liability below \$20,000 can elect to pay their payroll tax on an annual basis. Additionally, as from 1 July 2006, 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 of their returns from a monthly to an annual or quarterly basis.

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 and trainees employed under an approved training contract are exempt.

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

Interstate Comparison

| PAYROLL TAX SCALES | | | | | | | | |
|---------------------------------|--|--|--|---|--|---|---|---|
| | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
| Exemption Threshold (\$) | 750,000 | 678,000 ^(a) | 550,000 | 1,000,000 | 600,000 | 1,010,000 | 1,500,000 | 1,500,000 ^(c) |
| Max Rate (%) | 5.50 | 5.45 ^(b) | 4.90 | 4.75 | 4.95 | 6.10 | 6.85 | 5.50 ^(d) |
| Tax Scale | Marginal Rate of 5.50% of payroll in excess of \$750,000 | Marginal rate of 5.45% of payroll in excess of \$678,000 | Marginal rate of 4.90% of payroll in excess of \$550,000 | Effective rate slides from 0% at \$1 m to 4.75% at \$5m | Marginal rate of 4.95% of payroll in excess of \$600,000 | Marginal rate of 6.10% of payroll in excess of \$1.01 m | Marginal rate of 6.85% of payroll in excess of \$1.5m | Effective rate slides from 0% at \$1.5m to 5.5% at \$7.5m |

(a) The exemption threshold was indexed from \$658,000 to \$678,000 on 1 July 2011.

(b) The payroll tax rate was reduced from 5.50% to 5.45% from 1 January 2011.

(c) From 1 July 2011, the exemption threshold was increased from \$1.25 million to \$1.5 million. The threshold was also changed from a general exemption to a deduction from an employer's taxable wages.

(d) The payroll tax rate was reduced from 5.90% to 5.50% from 1 July 2011.

TAX PAYABLE AT SELECTED PAYROLLS

| Annual Payroll | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
|-----------------------|-----------|------------|------------|------------|-----------|------------|------------|-----------|
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 700,000 | - | 1,199 | 7,350 | - | 4,950 | - | - | - |
| 1,000,000 | 13,750 | 17,549 | 22,050 | - | 19,800 | - | - | - |
| 2,000,000 | 68,750 | 72,049 | 71,050 | 59,375 | 69,300 | 60,390 | 34,250 | 34,375 |
| 3,000,000 | 123,750 | 126,549 | 120,050 | 118,750 | 118,800 | 121,390 | 102,750 | 103,125 |
| 5,000,000 | 233,750 | 235,549 | 218,050 | 237,500 | 217,800 | 243,390 | 239,750 | 240,625 |
| 10,000,000 | 508,750 | 508,049 | 463,050 | 475,000 | 465,300 | 548,390 | 582,250 | 550,000 |
| 20,000,000 | 1,058,750 | 1,053,049 | 953,050 | 950,000 | 960,300 | 1,158,390 | 1,267,250 | 1,100,000 |

AVERAGE TAX RATES

| Annual Payroll | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
|-----------------------|-----------|------------|------------|------------|-----------|------------|------------|-----------|
| % | % | % | % | % | % | % | % | % |
| 700,000 | - | 0.17 | 1.05 | - | 0.71 | - | - | - |
| 1,000,000 | 1.38 | 1.75 | 2.21 | - | 1.98 | - | - | - |
| 2,000,000 | 3.44 | 3.60 | 3.55 | 2.97 | 3.47 | 3.02 | 1.71 | 1.72 |
| 3,000,000 | 4.13 | 4.22 | 4.00 | 3.96 | 3.96 | 4.05 | 3.43 | 3.44 |
| 5,000,000 | 4.68 | 4.71 | 4.36 | 4.75 | 4.36 | 4.87 | 4.80 | 4.81 |
| 10,000,000 | 5.09 | 5.08 | 4.63 | 4.75 | 4.65 | 5.48 | 5.82 | 5.50 |
| 20,000,000 | 5.29 | 5.27 | 4.77 | 4.75 | 4.80 | 5.79 | 6.34 | 5.50 |

Changes to the Payroll Tax Scale

CHANGES IN PAYROLL TAX THRESHOLDS AND RATES WESTERN AUSTRALIA

| | Exemption Threshold \$ | Top Threshold ^(a) \$ | Minimum Tax Rate % | Maximum 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 |

(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.

Changes to Exemptions and Concessions

An exemption for the wages of first year apprentices was introduced in 1983-84 and extended to the wages of all apprentices in 1993-94.

Budget-funded government departments were exempted from 1986-87 onwards.

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 in 1997-98, 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, and certain wages for services rendered overseas, were excluded from the payroll tax base from 1997-98.

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 have been 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 will also be 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.

Payroll Tax Collections

| WESTERN AUSTRALIA | | | | |
|---------------------------|--------------------------------|-----------------------------|---|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 900.1 | 9.3 | 1,220.6 | 6.4 |
| 2002-03 | 1,003.7 | 11.5 | 1,324.7 | 8.5 |
| 2003-04 | 1,139.4 | 13.5 | 1,473.1 | 11.2 |
| 2004-05 | 1,210.6 | 6.2 | 1,517.4 | 3.0 |
| 2005-06 | 1,355.2 | 11.9 | 1,629.3 | 7.4 |
| 2006-07 | 1,607.3 | 18.6 | 1,859.0 | 14.1 |
| 2007-08 ^(a) | 1,939.9 | 20.7 | 2,165.7 | 16.5 |
| 2008-09 ^(a) | 2,246.2 | 15.8 | 2,433.8 | 12.4 |
| 2009-10 ^(a) | 2,303.2 | 2.5 | 2,433.8 | -0.0 |
| 2010-11 ^(a) | 2,627.7 | 14.1 | 2,703.5 | 11.1 |
| 2011-12 ^{(a)(b)} | 2,927.1 | 11.4 | 2,927.1 | 8.3 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimate based on the 2011-12 Budget.

Property Taxes

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 (primarily land, buildings, mining tenements and business assets) on the basis of the dutiable value of property transferred. It is collected under the *Duties Act 2008*, which is administered by the Commissioner of State Revenue.

Transfer duty will be abolished on the 'non-real' business assets component of property transfers (e.g. business goodwill, intellectual property and statutory licences) from 1 July 2013 (previously scheduled for 1 July 2010).

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 *inter alia* for the transfer of family farms from one family member to another as well as certain transactions involving related business entities.

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 and the purchase of a small business or principal place of residence below \$200,000.

Interstate Comparison

The tables below provide interstate comparisons of transfer duty based on the general scales (non principal place of residence).

TRANSFER DUTY SCALES General

| | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
|---------------------------|---------|-----------|----------------------|---------|---------|----------------------|----------------------|----------------------|
| Min Threshold (\$) | - | - | - | 5,000 | - | 1,301 | - | - |
| Max Threshold (\$) | 500,001 | 1,000,001 | 960,001 | 980,001 | 500,001 | 225,001 | 1,000,001 | 3,000,000 |
| Min Rate | 1.90% | 1.25% | 1.40% | 1.50% | 1.00% | 1.50% ^(b) | 2.00% ^(c) | 1.50% ^(d) |
| Max Rate | 5.15% | 5.50% | 5.50% ^(a) | 5.25% | 5.50% | 4.00% | 6.75% | 5.45% |

(a) For properties valued between \$130,000 and \$960,000, the marginal transfer duty rate is 6%.

(b) Duty of \$20 applies for values below \$1,301.

(c) Duty of \$20 applies for values below \$1,001.

(d) For conveyances valued at \$525,000 or less, duty is derived from the formula $D = (0.06571441 \times V^2) + 15V$, where D = duty payable in \$ and V = value of property transferred divided by 1,000.

TRANSFER DUTY PAYABLE ON SELECTED PROPERTY VALUES

General

| Property Value | WA | NSW | VIC | QLD ^(a) | SA | TAS | ACT | NT |
|----------------|---------|---------|---------|--------------------|---------|---------|---------|---------|
| \$'000 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 100 | 2,090 | 1,990 | 2,150 | 1,425 | 2,830 | 2,425 | 2,000 | 2,157 |
| 200 | 5,890 | 5,490 | 7,070 | 4,825 | 6,830 | 5,675 | 5,500 | 5,629 |
| 300 | 10,165 | 8,990 | 13,070 | 8,325 | 11,330 | 9,550 | 9,500 | 10,414 |
| 400 | 14,915 | 13,490 | 19,070 | 11,825 | 16,330 | 13,550 | 15,000 | 16,514 |
| 500 | 19,665 | 17,990 | 25,070 | 15,525 | 21,330 | 17,550 | 20,500 | 23,929 |
| 750 | 32,540 | 29,240 | 40,070 | 26,775 | 35,080 | 27,550 | 34,875 | 37,125 |
| 1,000 | 45,415 | 40,490 | 55,000 | 38,175 | 48,830 | 37,550 | 49,250 | 49,500 |
| 5,000 | 251,415 | 260,490 | 275,000 | 248,175 | 268,830 | 197,550 | 319,250 | 272,500 |

(a) From 1 August 2011, Queensland's transfer duty thresholds were revised for properties valued between \$75,000 and \$980,000

AVERAGE TAX RATES

General

| Property Value | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
|----------------|------|------|------|------|------|------|------|------|
| \$'000 | % | % | % | % | % | % | % | % |
| 100 | 2.09 | 1.99 | 2.15 | 1.43 | 2.83 | 2.43 | 2.00 | 2.16 |
| 200 | 2.95 | 2.75 | 3.54 | 2.41 | 3.42 | 2.84 | 2.75 | 2.81 |
| 300 | 3.39 | 3.00 | 4.36 | 2.78 | 3.78 | 3.18 | 3.17 | 3.47 |
| 400 | 3.73 | 3.37 | 4.77 | 2.96 | 4.08 | 3.39 | 3.75 | 4.13 |
| 500 | 3.93 | 3.60 | 5.01 | 3.11 | 4.27 | 3.51 | 4.10 | 4.79 |
| 750 | 4.34 | 3.90 | 5.34 | 3.57 | 4.68 | 3.67 | 4.65 | 4.95 |
| 1,000 | 4.54 | 4.05 | 5.50 | 3.82 | 4.88 | 3.76 | 4.93 | 4.95 |
| 5,000 | 5.03 | 5.21 | 5.50 | 4.96 | 5.38 | 3.95 | 6.39 | 5.45 |

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

TRANSFER DUTY SCALES Principal Place of Residence

| | WA ^(a) | NSW | VIC | QLD | SA | TAS | ACT ^(e) | NT ^(g) |
|---------------------------|----------------------|-----------|----------------------|---------|---------|----------------------|----------------------|----------------------|
| Min Threshold (\$) | - | - | - | 5,000 | - | 1,301 | - | - |
| Max Threshold (\$) | 725,001 | 3,000,001 | 960,001 | 980,001 | 500,001 | 225,001 | 1,000,001 | 3,000,000 |
| Min Rate | 1.50% ^(b) | 1.25% | 1.40% | 1.50% | 1.00% | 1.50% ^(d) | 2.00% ^(f) | 1.50% ^(h) |
| Max Rate | 5.15% | 7.00% | 5.50% ^(c) | 5.25% | 5.50% | 4.00% | 6.75% | 5.45% |

- (a) Western Australia's concessions extend to rental properties and vacant residential land.
- (b) A concessional rate applies to principal places of residence valued at less than \$200,000 (until 1 July 2013).
- (c) For properties valued between \$440,000 and \$960,000, the marginal transfer duty rate is 6%.
- (d) Duty of \$20 applies for values below \$1,301.
- (e) The second threshold decreased from \$374,000 to \$362,000 from 1 July 2011. Thresholds are updated every six months to reflect recent price activity. The rates and thresholds differ for vacant residential land.
- (f) Applicants who comply with certain eligibility criteria pay only nominal duty of \$20 for properties valued below \$362,601. Eligible applicants purchasing a property valued between \$362,601 and \$459,999 pay concessional duty of \$18.80 per \$100 or part thereof of the amount by which the dutiable value exceeds \$362,600.
- (g) A concession of up to \$3,500 is available to eligible buyers purchasing a principal place of residence. This concession is not available to first home buyers or buyers eligible for the Senior, Pensioner and Carer Concession.
- (h) For conveyances valued at \$525,000 or less, duty is derived from the formula $D = (0.06571441 \times V^2) + 15V$, where D = duty payable in \$ and V = value of property transferred divided by 1,000.

TRANSFER DUTY PAYABLE ON SELECTED PROPERTY VALUES Principal Place of Residence

| Property Value | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
|----------------|---------|---------|---------|---------|---------|---------|---------|---------|
| \$'000 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 100 | 1,500 | 1,990 | 2,150 | 1,425 | 2,830 | 2,425 | 2,000 | - |
| 200 | 5,035 | 5,490 | 6,370 | 4,825 | 6,830 | 5,675 | 5,500 | 2,129 |
| 300 | 8,835 | 8,990 | 11,370 | 8,325 | 11,330 | 9,550 | 9,500 | 6,914 |
| 400 | 13,015 | 13,490 | 16,370 | 11,825 | 16,330 | 13,550 | 15,000 | 13,014 |
| 500 | 17,765 | 17,990 | 21,970 | 15,525 | 21,330 | 17,550 | 20,500 | 20,429 |
| 750 | 29,741 | 29,240 | 40,070 | 26,775 | 35,080 | 27,550 | 34,875 | 33,625 |
| 1,000 | 42,616 | 40,490 | 55,000 | 38,175 | 48,830 | 37,550 | 49,250 | 46,000 |
| 5,000 | 248,616 | 290,490 | 275,000 | 248,175 | 268,830 | 197,550 | 319,250 | 269,000 |

AVERAGE TAX RATES
Principal Place of Residence

| Property Value | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
|-----------------------|-----------|------------|------------|------------|-----------|------------|------------|-----------|
| \$'000 | % | % | % | % | % | % | % | % |
| 100 | 1.50 | 1.99 | 2.15 | 1.43 | 2.83 | 2.43 | 2.00 | - |
| 200 | 2.52 | 2.75 | 3.19 | 2.41 | 3.42 | 2.84 | 2.75 | 1.06 |
| 300 | 2.95 | 3.00 | 3.79 | 2.78 | 3.78 | 3.18 | 3.17 | 2.30 |
| 400 | 3.25 | 3.37 | 4.09 | 2.96 | 4.08 | 3.39 | 3.75 | 3.25 |
| 500 | 3.55 | 3.60 | 4.39 | 3.11 | 4.27 | 3.51 | 4.10 | 4.09 |
| 750 | 3.97 | 3.90 | 5.34 | 3.57 | 4.68 | 3.67 | 4.65 | 4.48 |
| 1,000 | 4.26 | 4.05 | 5.50 | 3.82 | 4.88 | 3.76 | 4.93 | 4.60 |
| 5,000 | 4.97 | 5.81 | 5.50 | 4.96 | 5.38 | 3.95 | 6.39 | 5.38 |

Transfer Duty Concessions for Home Buyers

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

First home buyers are exempt from duty on homes valued up to \$500,000 (phasing out at \$600,000) and vacant land valued up to \$300,000 (phasing out at \$400,000).

A concessional rate applies to principal places of residence valued at less than \$200,000 (until 1 July 2013).

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

NSW First home buyers are exempt from duty on homes valued up to \$500,000 (phasing out at \$600,000) and vacant land valued up to \$300,000 (phasing out at \$450,000). First home buyers who buy at least 50% of a property with other parties can receive a partial concession. From 1 January 2012, this concession will be limited to purchases of newly constructed homes.

From 1 July 2010 to 30 June 2012, a duty exemption applies to purchasers buying a new home worth up to \$600,000 where building has not commenced. Newly built homes worth up to \$600,000 purchased after construction begins receive a 25% reduction in duty. Vacant land purchases worth up to \$400,000 and intended for construction of a new home are exempt from duty.

From 1 July 2011 to 30 June 2012, a duty exemption applies to people aged 55 or over (previously 65 or over) who are selling an existing property and buying a new home worth up to \$600,000 where building has already commenced.

Nominal duty of \$50 is payable for property (including homes) transferred to a trustee of a Special Disability Trust.

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

First home buyers purchasing a principal place of residence valued up to \$600,000 are eligible for concessional transfer duty rates.

A duty exemption applies to pensioners (and now certain self-funded retirees) purchasing properties up to \$330,000, phasing out at \$750,000 (previously \$440,000). Applicants must hold relevant Commonwealth concession cards.

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

A duty concession applies for all off-plan housing sales.

Farmers under the age of 35 buying their first farmland property are exempt from duty on purchases valued up to \$300,000 (phasing out at \$400,000).

QLD First home buyers do not pay duty on first home purchases valued up to \$510,000 (phasing out at \$600,000), and vacant land valued at less than \$260,000 (phasing out at \$400,000).

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.

The previous transfer duty concession on the first \$350,000 of all principal places of residence has been abolished, effective from 1 August 2011.

SA The previous first home stamp duty concession was replaced from 5 June 2008 by the First Home Bonus Grant.

A transfer duty rebate of up to \$1,500 may be available for new home units in Adelaide.

TAS The previous first home buyer duty concessions have been abolished effective 16 June 2011.

ACT A concessional rate of duty is payable by an eligible homebuyer purchasing a home valued between \$362,601 and \$459,999 or a vacant block of land valued between \$202,001 and \$254,499.

Subject to a family income not exceeding \$120,000 plus \$3,330 for each dependent child, home buyers purchasing a dwelling valued at up to \$362,600 or residential vacant land valued at up to \$202,000 pay a nominal duty of \$20.

A transfer duty concession applies to eligible pensioners who purchase a residential home between 1 July 2011 and 30 June 2012 worth less than \$588,000 or residential vacant land worth less than \$254,500.

A duty exemption applies for properties used as the principal place of residence of the beneficiary of a Special Disability Trust.

NT First home buyers receive a transfer duty concession of up to \$26,730 for homes worth \$750,000 or less, or vacant land worth \$385,000 or less.

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 concession of up to \$8,500. The same value limits as the first home owner concession apply.

A reduction in duty of up to \$3,500 is available to buyers purchasing a principal place of residence. This concession is not available to first home buyers or buyers eligible for the Senior, Pensioner and Carer Concession.

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

Home Buyer Grants

WA A \$7,000 First Home Owner Grant is available for first home buyers who purchase a property 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 when they purchase an established or partially built home through a licensed real estate agent for \$400,000 or less.

NSW A \$7,000 First Home Owner Grant is available for eligible first home buyers who purchase a property up to the value of \$835,000 (previously \$750,000).

From 1 July 2011 to 1 July 2015, a \$7,000 Regional Relocation Grant may be available for people who sell their home in Sydney and buy a home valued up to \$600,000 in regional NSW.

VIC A \$7,000 First Home Owner Grant is available for eligible first home buyers who purchase a property up to the value of \$750,000. An exception to this requirement is where the home is located on, or will be built on, primary production land.

From 1 July 2010 to 30 June 2012, eligible first home buyers purchasing or constructing a new home worth \$600,000 or less may receive a payment to the value of \$13,000 for newly constructed homes in metropolitan areas or \$19,500 in regional areas. This is in addition to the First Home Owner Grant.

QLD A \$7,000 First Home Owner Grant is available for eligible first home buyers who purchase properties up to the value of \$750,000.

From 1 August 2011 to 31 January 2012, a Building Boost Grant of \$10,000 is available for all home buyers who buy or build a new home valued at less than \$600,000.

SA A \$7,000 First Home Owner Grant is available for eligible first home buyers who purchase properties up to the value of \$575,000.

For first home purchases between 17 September 2010 and 1 July 2012, a First Home Bonus Grant of up to \$8,000 (previously \$4,000) is available for new homes worth up to \$400,000 (phasing out at \$450,000).

The First Home Bonus Grant will reduce to \$4,000 from 1 July 2012 and be fully abolished from 1 July 2013.

TAS A \$7,000 First Home Owner Grant is available for eligible first home buyers.

ACT A \$7,000 First Home Owner Grant is available for eligible first home buyers. A \$750,000 home value cap was introduced on 1 January 2011.

NT A \$7,000 First Home Owner Grant is available for eligible first home buyers who purchase a property up to the value of \$750,000.

A Build Bonus of \$10,000 is available for all home buyers and owner builders who purchase or build a new home between 3 May 2011 and 31 December 2011 up to the value of \$530,000.

Changes to the Rate Scale

| Value \$'000 | MARGINAL TAX RATE (%) | | | | | |
|-----------------|-----------------------|------------------|------------------|------------------|-------------------|---------------------------------|
| | From 1-Jul-98 | From 1-Jul-02 | From 1-Jul-03 | From 1-Jul-04 | From 28-Oct-04 | From 1-Jul-08 ^(a) |
| Less than 80 | 1.95 | 2.00 | 2.30 | 2.20 | 2.00 | 1.90 |
| 80 – 100 | 2.85 | 3.00 | 3.45 | 3.30 | 3.00 | 2.85 |
| 100 – 250 | 3.70 | 4.15 | 4.75 | 4.50 | 4.00 | 3.80 |
| 250 – 500 | 4.55 | 5.15 | 5.90 | 5.60 | 5.00 | 4.75 |
| Above 500 | 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).

Changes to Exemptions and Concessions

The exemption for the transfer of the matrimonial home to create joint tenants was introduced in January 1988 and extended to couples living in opposite-sex de facto relationships in 1991-92. In 2003, the exemption was extended to same-sex de facto relationships.

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 was extended on 29 October 2004 to \$250,000 for first home purchases (phasing out at \$350,000), and \$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).

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. Property transfers from a bankrupt 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 phasing 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. The concession will be abolished on 1 July 2013.

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, the corporate reconstruction exemption (which previously only applied to corporations) was broadened to include a unit trust scheme. 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.

Transfer Duty Collections

| WESTERN AUSTRALIA | | | | |
|---------------------------|--|-----------------------------|---|--------------------------|
| | Revenue Collections^(c) | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 647.4 | 17.9 | 877.9 | 14.8 |
| 2002-03 | 833.3 | 28.7 | 1,099.8 | 25.3 |
| 2003-04 | 1,207.2 | 44.9 | 1,560.8 | 41.9 |
| 2004-05 | 1,218.1 | 0.9 | 1,526.8 | -2.2 |
| 2005-06 | 1,906.0 | 56.5 | 2,291.5 | 50.1 |
| 2006-07 | 2,037.2 | 6.9 | 2,356.3 | 2.8 |
| 2007-08 ^(a) | 2,264.8 | 11.2 | 2,528.4 | 7.3 |
| 2008-09 ^(a) | 1,101.6 | -51.4 | 1,193.6 | -52.8 |
| 2009-10 ^(a) | 1,552.0 | 40.9 | 1,640.1 | 37.4 |
| 2010-11 ^(a) | 1,225.9 | -21.0 | 1,261.3 | -23.1 |
| 2011-12 ^{(a)(b)} | 1,344.8 | 9.7 | 1,344.8 | 6.6 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimate based on the 2011-12 Budget.

(c) Figures prior to 2008-09 include land-rich duty (which was replaced by a landholder duty model). Refer to landholder duty section for landholder duty revenues since 2008-09.

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 50% or more in an unlisted corporation or unit trust scheme, or 90% or more in a listed corporation or unit trust scheme, and that corporation or unit trust scheme has an entitlement to Western Australian land valued at \$2 million or more (i.e. the corporation or unit trust scheme is a landholder).

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

Rate of Tax

Landholder duty is calculated at the general rate of transfer duty.

Duty is first determined based on the value of the interest of the acquirer in the landholder after an acquisition. It is calculated on the value of Western Australian land and chattels to which the landholder is 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 compromise or arrangement with creditors under the *Corporations Act 2001 (Cth)* that has been approved by the court is exempt from duty.

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

Interstate Comparison

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

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.

- (a) Land-rich transfer duty provisions apply in Victoria and Tasmania in 2011-12.
- (b) Victoria will apply 'landholder' duty from 1 July 2012. Table is based on the Proposed Victorian Landholder Duty Model Consultation Paper.
- (c) Queensland introduced a landholder duty model on 1 July 2011.
- (d) South Australia introduced a landholder duty model on 1 July 2011. Duty does not apply to chattels.

LANDHOLDER DUTY PAYABLE ON SELECTED VALUES

Private Entities^(a)

| Value of Acquisition | WA | NSW | VIC | QLD | SA | ACT | NT |
|----------------------|---------|---------|---------|---------|---------|---------|---------|
| \$'000 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 100 | 2,090 | 1,990 | 2,150 | 1,425 | 2,830 | 2,000 | 2,157 |
| 200 | 5,890 | 5,490 | 7,070 | 4,825 | 6,830 | 5,500 | 5,629 |
| 300 | 10,165 | 8,990 | 13,070 | 8,325 | 11,330 | 9,500 | 10,414 |
| 400 | 14,915 | 13,490 | 19,070 | 11,825 | 16,330 | 15,000 | 16,514 |
| 500 | 19,665 | 17,990 | 25,070 | 15,525 | 21,330 | 20,500 | 23,929 |
| 750 | 32,540 | 29,240 | 40,070 | 26,775 | 35,080 | 34,875 | 37,125 |
| 1,000 | 45,415 | 40,490 | 55,000 | 38,175 | 48,830 | 49,250 | 49,500 |
| 5,000 | 251,415 | 260,490 | 275,000 | 248,175 | 268,830 | 319,250 | 272,500 |

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

AVERAGE TAX RATES

Private Entities

| Value of Acquisition | WA | NSW | VIC | QLD | SA | ACT | NT |
|----------------------|------|------|------|------|------|------|------|
| \$'000 | % | % | % | % | % | % | % |
| 100 | 2.09 | 1.99 | 2.15 | 1.43 | 2.83 | 2.00 | 2.16 |
| 200 | 2.95 | 2.75 | 3.54 | 2.41 | 3.42 | 2.75 | 2.81 |
| 300 | 3.39 | 3.00 | 4.36 | 2.78 | 3.78 | 3.17 | 3.47 |
| 400 | 3.73 | 3.37 | 4.77 | 2.96 | 4.08 | 3.75 | 4.13 |
| 500 | 3.93 | 3.60 | 5.01 | 3.11 | 4.27 | 4.10 | 4.79 |
| 750 | 4.34 | 3.90 | 5.34 | 3.57 | 4.68 | 4.65 | 4.95 |
| 1,000 | 4.54 | 4.05 | 5.50 | 3.82 | 4.88 | 4.93 | 4.95 |
| 5,000 | 5.03 | 5.21 | 5.50 | 4.96 | 5.38 | 6.39 | 5.45 |

LANDHOLDER DUTY PAYABLE ON SELECTED VALUES
Public Entities^(a)

| Value of Acquisition | WA | NSW | VIC | QLD | SA | ACT | NT |
|----------------------|---------|--------|--------|--------|--------|--------|---------|
| \$'000 | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 100 | 2,090 | 199 | 215 | 143 | 283 | Not | 2,157 |
| 200 | 5,890 | 549 | 707 | 483 | 683 | Levied | 5,629 |
| 300 | 10,165 | 899 | 1,307 | 833 | 1,133 | | 10,414 |
| 400 | 14,915 | 1,349 | 1,907 | 1,183 | 1,633 | | 16,514 |
| 500 | 19,665 | 1,799 | 2,507 | 1,553 | 2,133 | | 23,929 |
| 750 | 32,540 | 2,924 | 4,007 | 2,678 | 3,508 | | 37,125 |
| 1,000 | 45,415 | 4,049 | 5,500 | 3,818 | 4,883 | | 49,500 |
| 5,000 | 251,415 | 26,049 | 27,500 | 24,818 | 26,883 | | 272,500 |

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

AVERAGE TAX RATES

Public Entities

| Value of Acquisition | WA | NSW | VIC | QLD | SA | ACT | NT |
|----------------------|------|------|------|------|------|--------|------|
| \$'000 | % | % | % | % | % | % | % |
| 100 | 2.09 | 0.20 | 0.22 | 0.14 | 0.28 | Not | 2.16 |
| 200 | 2.95 | 0.27 | 0.35 | 0.24 | 0.34 | Levied | 2.81 |
| 300 | 3.39 | 0.30 | 0.44 | 0.28 | 0.38 | | 3.47 |
| 400 | 3.73 | 0.34 | 0.48 | 0.30 | 0.41 | | 4.13 |
| 500 | 3.93 | 0.36 | 0.50 | 0.31 | 0.43 | | 4.79 |
| 750 | 4.34 | 0.39 | 0.53 | 0.36 | 0.47 | | 4.95 |
| 1,000 | 4.54 | 0.40 | 0.55 | 0.38 | 0.49 | | 4.95 |
| 5,000 | 5.03 | 0.52 | 0.55 | 0.50 | 0.54 | | 5.45 |

Further information on other jurisdictions' specific landholder duty concessions is provided below:

NSW Exemptions apply in relation to deceased estates, marriage or domestic relationship breakdowns 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.

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)*.

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

QLD Exemptions apply in relation to particular share or unit issues, deceased estates, change of trustee, acquisition by liquidator, marketable securities or restructure of stapled entities.

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

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

ACT Charitable organisations, hospitals and schools are eligible for concessional duty of \$20. 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)*.

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)*.

NT Family pastoral land acquired by a family member 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)*.

Landholder Duty Collections

| | WESTERN AUSTRALIA | | | |
|------------------------|------------------------|---------------------|----------------------------------|------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2008-09 | 24.3 | - | 26.3 | - |
| 2009-10 | 87.4 | 259.8 | 92.4 | 250.9 |
| 2010-11 | 47.3 | -45.9 | 48.7 | -47.3 |
| 2011-12 ^(a) | 48.8 | 3.1 | 48.8 | 0.2 |

(a) Estimate based on the 2011-12 Budget.

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 preceding the 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

No changes were made to the land tax scale in the 2011-12 Budget.

LAND TAX SCALE

| Taxable Value of Land | Land Tax Payable |
|------------------------|---|
| 0 – 300,000 | Nil |
| 300,001 – 1,000,000 | 0.09 cents per \$1 above \$300,000 |
| 1,000,001 – 2,200,000 | \$630 and 0.47 cents per \$1 above \$1,000,000 |
| 2,200,001 – 5,500,000 | \$6,270 and 1.22 cents per \$1 above \$2,200,000 |
| 5,500,001 – 11,000,000 | \$46,530 and 1.46 cents per \$1 above \$5,500,000 |
| Over 11,000,000 | \$126,830 and 2.16 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 in primary production (mining as well as agriculture).

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).

Concessions are available for property developers and for rural businesses that do not meet an income test (see also below).

From 2009-10, 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) | VIC | QLD | SA ^(b) | TAS | ACT ^(c) | NT |
|----------------------|-----------|--------------------|-----------|-----------|-------------------|----------|--------------------|--------|
| Min Threshold | \$300,000 | \$387,000 | \$250,000 | \$600,000 | \$316,001 | \$25,000 | \$0 | Not |
| Max Threshold | \$11.0m | \$2.366m | \$3.0m | \$5.0m | \$1.052m | \$0.35m | \$0.275m | Levied |
| Min Tax Rate | 0.09% | 1.60% | 0.20% | 1.00% | 0.50% | 0.55% | 0.60% | |
| Max Tax Rate | 2.16% | 2.00% | 2.25% | 1.75% | 3.70% | 1.50% | 1.40% | |

(a) New South Wales increased the minimum threshold for the 2011 land tax (calendar) year from \$376,000 to \$387,000 reflecting the indexed three year average for land values and increased the maximum threshold for the 2011 land tax year from \$2.299 million to \$2.366 million.

(b) From 2011-12, the minimum threshold for which no land tax applies increased from \$300,000 to \$316,000. The maximum threshold for 2011-12 also increased from \$1 million to \$1.052 million. From 2011-12, all land tax thresholds will be indexed annually in line with average site value increases as determined by the Valuer General.

(c) Land tax liability is assessed quarterly for all properties.

LAND TAX PAYABLE

General

| Land Value | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
|------------|---------|---------|---------|---------|---------|---------|---------|--------|
| \$'000 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 100 | - | - | - | - | - | 463 | 673 | Not |
| 200 | - | - | - | - | - | 1,013 | 1,693 | Levied |
| 300 | - | - | 375 | - | - | 1,563 | 2,905 | |
| 400 | 90 | 308 | 575 | - | 420 | 2,588 | 4,305 | |
| 500 | 180 | 1,908 | 775 | - | 920 | 4,088 | 5,705 | |
| 1,000 | 630 | 9,908 | 2,975 | 4,500 | 9,447 | 11,588 | 12,705 | |
| 3,000 | 16,030 | 44,444 | 24,975 | 37,500 | 82,771 | 41,588 | 40,705 | |
| 5,000 | 40,430 | 84,444 | 69,975 | 62,500 | 156,771 | 71,588 | 68,705 | |
| 10,000 | 112,230 | 184,444 | 182,475 | 150,000 | 341,771 | 146,588 | 138,705 | |

AVERAGE TAX RATES

General

| Land Value \$'000 | WA % | NSW % | VIC % | QLD % | SA % | TAS % | ACT % | NT % |
|----------------------|---------|----------|----------|----------|---------|----------|----------|---------|
| 100 | - | - | - | - | - | 0.46 | 0.67 | Not |
| 200 | - | - | - | - | - | 0.51 | 0.85 | Levied |
| 300 | - | - | 0.13 | - | - | 0.52 | 0.97 | |
| 400 | 0.02 | 0.08 | 0.14 | - | 0.11 | 0.65 | 1.08 | |
| 500 | 0.04 | 0.38 | 0.16 | - | 0.18 | 0.82 | 1.14 | |
| 1,000 | 0.06 | 0.99 | 0.30 | 0.45 | 0.94 | 1.16 | 1.27 | |
| 3,000 | 0.53 | 1.48 | 0.83 | 1.25 | 2.76 | 1.39 | 1.36 | |
| 5,000 | 0.81 | 1.69 | 1.40 | 1.25 | 3.14 | 1.43 | 1.37 | |
| 10,000 | 1.12 | 1.84 | 1.82 | 1.50 | 3.42 | 1.47 | 1.39 | |

New South Wales, Victoria, Queensland and the Australian Capital Territory 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.

LAND TAX SCALES

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

| | WA | NSW ^(a) | VIC | QLD | SA ^(b) | TAS | ACT ^(c) | NT |
|----------------------|-----------|--------------------|----------|-----------|-------------------|----------|--------------------|--------|
| Min Threshold | \$300,000 | \$0 | \$25,000 | \$350,000 | \$316,001 | \$25,000 | \$0 | Not |
| Max Threshold | \$11.0m | \$2.366m | \$3.0m | \$5.0m | \$1.052m | \$0.35m | \$0.275m | Levied |
| Min Tax Rate | 0.09% | 1.60% | 0.375% | 1.70% | 0.50% | 0.55% | 0.89% | |
| Max Tax Rate | 2.16% | 2.00% | 2.25% | 2.00% | 3.70% | 1.50% | 1.59% | |

(a) The maximum threshold for the 2011 land tax year increased from \$2.299 million to \$2.366 million.

(b) From 1 July 2011, the minimum threshold for which no land tax applies increased from \$300,000 to \$316,000. The maximum threshold for 2011-12 also increased from \$1 million to \$1.052 million. From 1 July 2011, all land tax thresholds will be indexed annually in line with average site value increases as determined by the Valuer General.

(c) Land tax liability is assessed quarterly for all properties.

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 ^(d) | NT |
|------------|---------|--------------------|--------------------|--------------------|---------|---------|--------------------|--------|
| \$'000 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 100 | - | 1,600 | 363 | - | - | 463 | 890 | Not |
| 200 | - | 3,200 | 738 | - | - | 1,013 | 1,960 | Levied |
| 300 | - | 4,800 | 1,214 | - | - | 1,563 | 3,295 | |
| 400 | 90 | 6,400 | 1,789 | 2,300 | 420 | 2,588 | 4,885 | |
| 500 | 180 | 8,000 | 2,364 | 4,000 | 920 | 4,088 | 6,475 | |
| 1,000 | 630 | 16,000 | 6,438 | 12,500 | 9,447 | 11,588 | 14,425 | |
| 3,000 | 16,030 | 50,536 | 24,975 | 45,000 | 82,771 | 41,588 | 46,225 | |
| 5,000 | 40,430 | 90,536 | 69,975 | 75,000 | 156,771 | 71,588 | 78,025 | |
| 10,000 | 112,230 | 190,536 | 182,475 | 175,000 | 341,771 | 146,588 | 157,525 | |

(a) For properties owned by non-concessional companies and special trusts.

(b) For properties owned by special trusts.

(c) For properties owned by companies, trustees and absentees.

(d) For commercial properties.

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 ^(d) | NT |
|------------|------|--------------------|--------------------|--------------------|------|------|--------------------|--------|
| \$'000 | | | | | | | | |
| 100 | - | 1.60 | 0.36 | - | - | 0.46 | 0.89 | Not |
| 200 | - | 1.60 | 0.37 | - | - | 0.51 | 0.98 | Levied |
| 300 | - | 1.60 | 0.40 | - | - | 0.52 | 1.10 | |
| 400 | 0.02 | 1.60 | 0.45 | 0.58 | 0.11 | 0.65 | 1.22 | |
| 500 | 0.04 | 1.60 | 0.47 | 0.80 | 0.18 | 0.82 | 1.30 | |
| 1,000 | 0.06 | 1.60 | 0.64 | 1.25 | 0.94 | 1.16 | 1.44 | |
| 3,000 | 0.53 | 1.68 | 0.83 | 1.50 | 2.76 | 1.39 | 1.54 | |
| 5,000 | 0.81 | 1.81 | 1.40 | 1.50 | 3.14 | 1.43 | 1.56 | |
| 10,000 | 1.12 | 1.91 | 1.82 | 1.75 | 3.42 | 1.47 | 1.58 | |

(a) For properties owned by non-concessional companies and special trusts.

(b) For properties owned by special trusts.

(c) For properties owned by companies, trustees and absentees.

(d) For commercial properties.

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 land tax 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 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 from \$220,000 to \$290,000 and the third threshold from \$570,000 to \$750,000. The marginal rate for the third threshold was reduced from 1.76% to 1.62%.

From 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 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.

From 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.

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.

In 1988-89, the Government extended the phase-in period for general revaluations for land tax purposes 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, the Government decided not to apply new valuations for land tax purposes, a move designed 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).

In 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.

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.

From 2005-06, caravan parks were granted a 50% land tax concession. From 2010-11, a full land tax exemption applies to land used as caravan parks.

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.

From 2007-08, a land tax exemption applies 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.

Land Tax Collections

| WESTERN AUSTRALIA | | | | |
|---------------------------|--------------------------------|-----------------------------|-------------------------------|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 | Change (Real) |
| | \$m | % | Dollars \$m | % |
| 2001-02 | 225.7 | 2.3 | 306.1 | -0.4 |
| 2002-03 | 259.6 | 15.0 | 342.6 | 11.9 |
| 2003-04 | 279.7 | 7.7 | 361.6 | 5.5 |
| 2004-05 | 315.5 | 12.8 | 395.5 | 9.4 |
| 2005-06 | 312.9 | -0.8 | 376.2 | -4.9 |
| 2006-07 | 385.6 | 23.2 | 446.0 | 18.6 |
| 2007-08 ^(a) | 420.6 | 9.1 | 469.5 | 5.3 |
| 2008-09 ^(a) | 568.0 | 35.0 | 615.5 | 31.1 |
| 2009-10 ^(a) | 528.5 | -7.0 | 558.5 | -9.3 |
| 2010-11 ^(a) | 521.5 | -1.3 | 536.5 | -3.9 |
| 2011-12 ^{(a)(b)} | 548.3 | 5.1 | 548.3 | 2.2 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimate based on the 2011-12 Budget.

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 Metropolitan Improvement Levy (Parks Charge) on all metropolitan properties. Collections are hypothecated to a trust fund for expenditure on parks, gardens, waterways and zoos.

For residential properties, the 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 tax charged is 0.393% of the Net Annual Value, with a minimum charge of \$65.18 (indexed periodically).

No metropolitan improvement tax is levied in the other States and Territories.

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. The rate of MRIT was reduced to 0.14%.

Changes to Exemptions and Concessions

As for land tax.

MRIT Collections

| WESTERN AUSTRALIA | | | | |
|---------------------------|--------------------------------|-----------------------------|-------------------------------|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 | Change (Real) |
| | \$m | % | Dollars \$m | % |
| 2001-02 | 37.8 | 4.7 | 51.3 | 2.0 |
| 2002-03 | 38.9 | 2.9 | 51.3 | 0.2 |
| 2003-04 | 43.6 | 12.1 | 56.4 | 9.8 |
| 2004-05 | 47.1 | 8.0 | 59.0 | 4.7 |
| 2005-06 | 53.4 | 13.4 | 64.2 | 8.8 |
| 2006-07 | 65.0 | 21.7 | 75.2 | 17.1 |
| 2007-08 ^(a) | 76.0 | 16.9 | 84.8 | 12.9 |
| 2008-09 ^(a) | 82.2 | 8.2 | 89.1 | 5.0 |
| 2009-10 ^(a) | 78.3 | -4.7 | 82.8 | -7.1 |
| 2010-11 ^(a) | 77.8 | -0.6 | 80.1 | -3.2 |
| 2011-12 ^{(a)(b)} | 83.6 | 7.4 | 83.6 | 4.4 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimate based on the 2011-12 Budget.

Financial Transactions Taxes

Insurance Duty

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

Insurance duty is generally liable to be paid by insurers, 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 and superannuation policies, workers' compensation insurance, life insurance and re-insurance are also exempt, as is insurance under the Defence Service Homes Insurance Scheme.

Interstate Comparison

| INSURANCE DUTY (% OF PREMIUMS) | | | | | | | | |
|---|-------|---|--|---|-----------------------------|--|---|----------------------------|
| | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
| General | 10.0% | 9.0% ^(a) | 10.0% | 7.5% ^(b) | 11.0% | 8.0% | 10.0% | 10.0% |
| Compulsory Third Party Insurance | 10.0% | Nil | 10.0% | 10c per policy | \$60.00 per policy | \$6.00 per policy | Nil | 10.0% |
| Workers' Comp | Nil | Nil | Nil | 5.0% | General rate ^(c) | Nil | Nil | Nil |
| Life Insurance | Nil | \$1.00 for first \$2,000 and 20c per \$200 over \$2,000 | 12c per \$200 up to \$2,000 and 24c per \$200 over \$2,000 | 5c per \$100 up to \$2,000 and 10c per \$100 over \$2,000 | 1.5% of premium | 10c per \$200 up to \$2,000 and 20c per \$200 over \$2,000 | \$1.00 for first \$2,000 and 10c per \$100 over \$2,000 | 10c per \$100 |
| | | <i>Term, temporary or riders:</i> | <i>Term or temporary:</i> | <i>Term or temporary:</i> | <i>Riders:</i> | <i>Term or temporary:</i> | <i>Term, temporary or riders:</i> | <i>Term or temporary:</i> |
| | | 5% of first year's premium | 5% of first year's premium | 5% of first year's premium | General rate | 5% of first year's premium | 5% of first year's premium | 5% of first year's premium |

(a) Not including motor vehicle, disability income, occupational indemnity, hospital or crop insurance.

(b) Not including motor vehicle, professional indemnity or airtravel injury insurance.

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

Changes to the Rate Scale

Duty on life insurance was introduced on 1 November 1983.

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.

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.

As part of the reform of State business taxes, duty on workers' compensation insurance and life insurance policies was abolished from 1 July 2004.

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.

Insurance Duty Collections

| WESTERN AUSTRALIA | | | | |
|---------------------------|--------------------------------|-----------------------------|---|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 176.2 | 13.0 | 238.9 | 10.0 |
| 2002-03 | 220.2 | 25.0 | 290.6 | 21.6 |
| 2003-04 | 278.7 | 26.6 | 360.3 | 24.0 |
| 2004-05 | 279.9 | 0.4 | 350.8 | -2.6 |
| 2005-06 | 296.3 | 5.9 | 356.2 | 1.5 |
| 2006-07 | 308.5 | 4.1 | 356.8 | 0.2 |
| 2007-08 ^(a) | 342.5 | 11.0 | 382.4 | 7.2 |
| 2008-09 ^(a) | 376.5 | 9.9 | 408.0 | 6.7 |
| 2009-10 ^(a) | 404.0 | 7.3 | 427.0 | 4.7 |
| 2010-11 ^(a) | 442.0 | 9.4 | 454.7 | 6.5 |
| 2011-12 ^{(a)(b)} | 466.9 | 5.6 | 466.9 | 2.7 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimate based on the 2011-12 Budget.

Motor Vehicle Taxes and Fees

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 the Office of State Revenue. It is currently collected under the *Duties Act 2008* and the *Road Traffic Act 1974*, 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 market value of vehicle. The maximum duty payable is \$12,000 per vehicle.

New and Used Light Vehicles

| Market 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 x [2.75% + ((V-25,000)/25,000) x (6.50% - 2.75%)]
Where V is the vehicle value.

Exemptions and Concessions

Transfers of vehicles to dealers for re-sale are exempt from duty, as are purchases of all vehicles exempt from annual licence fees under the *Road Traffic Act 1974* (includes certain off-road vehicles used in farming and mining, government vehicles, vehicles purchased by certain charities, and vehicles purchased by holders of a Totally and Permanently Incapacitated card issued by Veteran's Affairs or an Invalid Rehabilitation card issued by Centrelink).

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.

Interstate Comparison

DUTY ON MOTOR VEHICLES (BASED ON MARKET VALUES)

| WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
|---|---|--------------------------------|-------------------------------------|---|--------------------------------------|--|---------------|
| New and Used Passenger Vehicles: | Passenger Vehicles: | New Passenger Vehicles: | 1-4-cylinder vehicles: | Non-commercial: | Passenger Vehicles: | Passenger Vehicles: | \$3 per \$100 |
| <i>Under \$0 – \$25,000:</i> | <i>Under 45,000:</i> | <i>\$0 – \$57,466:</i> | <i>\$3 per \$100</i> | <i>Min \$5 duty</i> | <i>\$600 or less:</i> | Green Vehicle Rating ^(b) : | |
| 2.75% | \$3 per \$100 | \$5 per \$200 | | \$0-\$1,000: \$1 per \$100 | \$20 | \$45,000 or less: | |
| <i>\$25,001 – \$50,000:</i> | <i>\$45,000 or more:</i> | <i>Over \$57,466:</i> | 5-6-cylinder vehicles: | <i>\$1,001 – \$2,000:</i> | <i>\$601-\$35,000:</i> | A- Nil | |
| 2.75% – 6.50% | \$1,350 + \$5 per \$100 in excess of \$45,000 | \$10 per \$200 | \$3.50 per \$100 | \$10 + \$2 per \$100 in excess of \$1,000 | \$3 per \$100 | B - \$2 per \$100 | |
| <i>Over \$50,000:</i> | Other Vehicles: | New non-passenger: | 7 or more cylinder vehicles: | <i>\$2,001 – \$3,000:</i> | <i>\$35,001 – \$40,000:</i> | C - \$3 per \$100 | |
| 6.50% | \$3 per \$100 | Used: | \$4 per \$100 | \$30 + \$3 per \$100 in excess of \$2,000 | \$11 per \$100 in excess of \$35,000 | D - \$4 per \$100 | |
| Heavy Vehicles: | | \$8 per \$200 | Hybrid/Electric Vehicles: | <i>Over \$3,000:</i> | <i>Over \$40,000:</i> | <i>More than \$45,000:</i> | |
| 3% (up to a maximum of \$12,000) | | | \$2 per \$100 | \$60 + \$4 per \$100 in excess of \$3,000 | \$4 per \$100 | A- Nil | |
| | | | | Commercial: | Heavy Vehicles: | B - \$900 + \$4 per \$100 above \$45,000 | |
| | | | | As above except vehicles over \$2,000: | <i>Under \$2,000:</i> | C - \$1,350 + \$5 per \$100 above \$45,000 | |
| | | | | \$30 + \$3 per \$100 in excess of \$2,000 | \$20 | D - \$1,800 + \$6 per \$100 above \$45,000 | |
| | | | | | Other Vehicles^(a): | Other Vehicles^(c): | |
| | | | | | \$3 per \$100 | \$3 per \$100 | |

(a) Includes commercial vehicles under 4.5 tonnes gross vehicle mass, campervans and motorcycles.

(b) Based on the vehicle emission ratings that are published in the Green Vehicle Guide (<http://www.greenvehicleguide.gov.au>).

(c) Includes motorcycles, large buses, hearses and trailers.

DUTY ON SELECTED PRIVATE VEHICLES

| Vehicle Value | WA | NSW | VIC | | QLD | | SA | TAS | ACT | NT |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | | | New | Used | 4 cyl | 6 cyl | | | | |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 5,000 | 138 | 150 | 125 | 200 | 150 | 175 | 140 | 150 | 150 | 150 |
| 10,000 | 275 | 300 | 250 | 400 | 300 | 350 | 340 | 300 | 300 | 300 |
| 20,000 | 550 | 600 | 500 | 800 | 600 | 700 | 740 | 600 | 600 | 600 |
| 30,000 | 1,050 | 900 | 750 | 1,200 | 900 | 1,050 | 1,140 | 900 | 900 | 900 |
| 40,000 | 2,000 | 1,200 | 1,000 | 1,600 | 1,200 | 1,400 | 1,540 | 1,600 | 1,200 | 1,200 |
| 50,000 | 3,250 | 1,600 | 1,250 | 2,000 | 1,500 | 1,750 | 1,940 | 2,000 | 1,600 | 1,500 |
| 60,000 | 3,900 | 2,100 | 3,000 | 2,400 | 1,800 | 2,100 | 2,340 | 2,400 | 2,100 | 1,800 |

(a) Also includes non-rated vehicles. C rated vehicles valued below \$45,000 attract a rate of duty of \$3 per \$100 of the vehicle value.

AVERAGE TAX RATES

Private Vehicles

| Vehicle Value | WA | NSW | VIC | | QLD | | SA | TAS | ACT | NT |
|---------------|------|------|------|------|-------|-------|------|------|------|------|
| | | | New | Used | 4 cyl | 6 cyl | | | | |
| \$ | % | % | % | % | % | % | % | % | % | % |
| 5,000 | 2.75 | 3.00 | 2.50 | 4.00 | 3.00 | 3.50 | 2.80 | 3.00 | 3.00 | 3.00 |
| 10,000 | 2.75 | 3.00 | 2.50 | 4.00 | 3.00 | 3.50 | 3.40 | 3.00 | 3.00 | 3.00 |
| 20,000 | 2.75 | 3.00 | 2.50 | 4.00 | 3.00 | 3.50 | 3.70 | 3.00 | 3.00 | 3.00 |
| 30,000 | 3.50 | 3.00 | 2.50 | 4.00 | 3.00 | 3.50 | 3.80 | 3.00 | 3.00 | 3.00 |
| 40,000 | 5.00 | 3.00 | 2.50 | 4.00 | 3.00 | 3.50 | 3.85 | 4.00 | 3.00 | 3.00 |
| 50,000 | 6.50 | 3.20 | 2.50 | 4.00 | 3.00 | 3.50 | 3.88 | 4.00 | 3.20 | 3.00 |
| 60,000 | 6.50 | 3.50 | 5.00 | 4.00 | 3.00 | 3.50 | 3.90 | 4.00 | 3.50 | 3.00 |

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.

From 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.

From 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.

Vehicle Licence Duty Collections

| WESTERN AUSTRALIA | | | | |
|---------------------------|--------------------------------|-----------------------------|---|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 180.7 | 12.2 | 245.0 | 9.2 |
| 2002-03 | 231.7 | 28.2 | 305.8 | 24.8 |
| 2003-04 | 273.0 | 17.8 | 353.0 | 15.4 |
| 2004-05 | 302.5 | 10.8 | 379.2 | 7.4 |
| 2005-06 | 342.2 | 13.1 | 411.4 | 8.5 |
| 2006-07 | 392.6 | 14.7 | 454.1 | 10.4 |
| 2007-08 ^(a) | 392.8 | 0.1 | 438.5 | -3.4 |
| 2008-09 ^(a) | 317.6 | -19.1 | 344.1 | -21.5 |
| 2009-10 ^(a) | 331.6 | 4.4 | 350.4 | 1.8 |
| 2010-11 ^(a) | 337.8 | 1.9 | 347.5 | -0.8 |
| 2011-12 ^{(a)(b)} | 364.9 | 8.0 | 364.9 | 5.0 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimate based on the 2011-12 Budget.

Motor Vehicle Licence and Recording Fees

Motor vehicle licence registration fees are paid by motor vehicle owners (who use their vehicles on public roads) either every six months or 12 months.

The registration fees consist of a motor vehicle licence fee, compulsory third party insurance premium, plate fee¹ and recording fee. These registration fees are collected by the Department of Transport under the *Road Traffic Act 1974*.

Current Licence Fees

For light vehicles (gross weight of 4.5 tonnes or less), the licence fee component of the registration fee is currently \$17.53 per 100 kg of tare weight (or part thereof). The example in the table below indicates the licence fees payable on a 6-cylinder Holden Commodore (on the basis of 1,645 kg tare weight) for family or business use. The difference of \$67 is due to a discount for family vehicles.

| | Family Use \$ per annum | Business Use \$ per annum |
|------------------|----------------------------|------------------------------|
| Holden Commodore | 237.61 | 304.61 |

For heavy vehicles (gross weight of more than 4.5 tonnes), Western Australia adopted the national uniform licence fee regime from 1 July 1996. The licence fee component of the registration fees for these vehicles is determined by the number of axles, the gross weight of the vehicle and its nomination for use in towing trailers.

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

Licence Fee Exemptions and Concessions

A total exemption applies to emergency vehicles and vehicles used by government agencies, disabled pensioners and ministers of religion. Light vehicles owned by some State government trading enterprises are exempt. Vintage/veteran vehicles are also exempt.

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 producers, beekeepers, kangaroo shooters, sandalwood pullers and prospectors receive a 50% concession. Driving instructors' vehicles and trailers used outside the South West Land Division also receive a 50% concession.

¹ Plate fees only apply to new registrations.

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

Holders of a Pensioner Concession Card and seniors who hold **both** a State Seniors Card and Commonwealth Seniors Health Card receive a 50% exemption.

A flat annual discount of \$67 applies to family vehicles (non-business vehicles).

Interstate Comparison

In New South Wales, Victoria, Western Australia and the Australian Capital Territory, licence fees are based on the weight of the vehicle. In Queensland, South Australia, Tasmania and the Northern Territory licence fees are based mainly on the number of cylinders and engine capacity. Using the same example of a 6-cylinder Holden Commodore, interstate comparisons are as follows:

| | MOTOR VEHICLE LICENCE FEES^(a) | | | | | | | |
|-------------------------|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
| | \$ p.a. | \$ p.a. | \$ p.a. | \$ p.a. | \$ p.a. | \$ p.a. | \$ p.a. | \$ p.a. |
| Holden Commodore | | | | | | | | |
| Family Use | 237.61 | 390.00 | 191.60 | 443.45 | 217.00 | 122.00 | 414.80 | 108.00 |
| Business Use | 304.61 | 607.00 | 191.60 | 443.45 | 217.00 | 122.00 | 642.40 | 108.00 |

(a) Excludes administration, recording and inspection fees and compulsory third party insurance premiums.

Changes to Licence Fees

On 1 July 1997, licence fee rates in Western Australia were increased by approximately 20%.

On 1 July 1998, licence fees were further increased, and the calculation of the fees was simplified and charged on the basis of weight only (\$12 per 100 kg tare weight) as opposed to engine power output.

From 1 July 1999, licence fees have been indexed to the movement in the Perth consumer price index.

MOTOR VEHICLE LICENCE FEES SINCE 1989

Holden Commodore

| | Family | Business |
|------|----------------|-----------------|
| | \$ p.a. | \$ p.a. |
| 1989 | 78.44 | 78.44 |
| 1993 | 70.84 | 97.86 |
| 1997 | 85.00 | 117.40 |
| 1998 | 164.00 | 192.00 |
| 1999 | 168.15 | 196.15 |
| 2000 | 172.16 | 200.16 |
| 2001 | 182.08 | 210.08 |
| 2002 | 188.32 | 216.32 |
| 2003 | 194.90 | 222.90 |
| 2004 | 194.90 | 222.90 |
| 2005 | 181.44 | 234.44 |
| 2006 | 202.35 | 257.35 |
| 2007 | 211.42 | 269.42 |
| 2008 | 218.60 | 278.60 |
| 2009 | 226.99 | 289.99 |
| 2010 | 230.94 | 295.94 |
| 2011 | 237.61 | 304.61 |

Note: Changes to motor vehicle licence fees can reflect the release of a new model with a different tare weight.

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.

From 1 January 1990, a \$20 concession was introduced for family vehicles. In addition, family vehicles did not attract the 7% increase in licence fees, which applied to other vehicles from that date.

From 1 July 1998, the family 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 licence fees was extended to seniors who hold **both** a State Seniors Card and a Commonwealth Seniors Health Card.

From 1 July 2005, the family vehicle discount was increased from \$28 to \$53 and indexed to the movement in the Perth consumer price index, in line with the licence fees. This saw increases to \$55 in 2006-07, \$58 in 2007-08, \$60 in 2008-09, \$63 in 2009-10, \$65 in 2010-11 and \$67 in 2011-12.

Motor Vehicle Licence Fee Collections

| WESTERN AUSTRALIA | | | | |
|---------------------------|--------------------------------|-----------------------------|---|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 272.1 | 7.2 | 369.0 | 4.4 |
| 2002-03 | 298.6 | 9.7 | 394.1 | 6.8 |
| 2003-04 | 320.3 | 7.3 | 414.1 | 5.1 |
| 2004-05 | 341.3 | 6.6 | 427.8 | 3.3 |
| 2005-06 | 361.1 | 5.8 | 434.1 | 1.5 |
| 2006-07 | 396.4 | 9.8 | 458.5 | 5.6 |
| 2007-08 ^(a) | 434.3 | 9.6 | 484.8 | 5.7 |
| 2008-09 ^(a) | 486.1 | 11.9 | 526.7 | 8.6 |
| 2009-10 ^(a) | 515.8 | 6.1 | 545.1 | 3.5 |
| 2010-11 ^(a) | 557.2 | 8.0 | 573.3 | 5.2 |
| 2010-11 ^{(a)(b)} | 575.1 | 3.2 | 575.1 | 0.3 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimate based on the 2011-12 Budget.

Motor Vehicle Recording Fees

The recording fee is collected to recover the costs incurred by the Department of Transport for the printing and posting of the renewal notice, the processing of the payment, the printing and postage of a receipt and for maintaining the computer database.

The recording fee is \$13.05 per renewal.

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, Soccer Pools, Cash 3 and instant lotteries for distribution to the Hospital Fund, 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*.

Rate of Tax

In Western Australia, retailers' fees are added on to the price of tickets and are paid directly by consumers, except for Super 66, Cash 3 and instant lottery, where the Lotteries Commission directly pays a fee of 7% for Super 66 and Cash 3, and 8% for instant lottery to the retailers from the face price of all tickets.

Interstate Comparison

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

WA 40% of net subscriptions (sales net of any add-on commission less prize liability) is paid to the Hospital Fund; 12.5% of net subscriptions plus any surplus funds is paid to such eligible organisations as the Commission thinks fit and the Minister approves; 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 Tax is based on 66.1% of player loss (i.e. subscriptions less outgoings for the public lottery).

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. 57.52% (where GST is payable) or 68% (where GST is not payable) of player loss for Soccer Pools.

QLD 62% of gross revenue (i.e. player loss) for lotteries, 55% for instant scratch-its, 45% for Golden Casket lotteries, 59% for Soccer Pools. 8.5% of these revenues are allocated to the Community Investment Fund. GST credit is provided.

SA Lotto, Powerball, Super 66 and instant scratchies: 41% of net gambling revenue (i.e. player loss) plus remaining surplus hypothecated to the Hospitals Fund. Sports and special lotteries: 41% of net gambling revenue plus distributable surplus hypothecated to the Recreation and Sport Fund.

TAS Tasmania receives 100% of the duty paid to the Victorian Government for Tasmanian subscriptions to Tattersalls lotteries and Soccer Pools. All the funds are paid into the CF.

ACT The NSW and Victorian Governments pay the ACT Government 100% of the duty collected in relation to subscriptions to games in the ACT.

NT The Victorian Government pays the NT Government 100% of the duty collected in relation to subscriptions to Tattersalls lotteries and Soccer Pools in the NT. Instant lotteries are taxed at the rate of 55% (less GST) of player loss. 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 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.

Lotteries Surpluses

| WESTERN AUSTRALIA | | | | |
|---------------------------|--------------------------------|-----------------------------|---|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 71.5 | -3.2 | 97.0 | -5.8 |
| 2002-03 | 74.9 | 4.7 | 98.8 | 1.9 |
| 2003-04 | 75.3 | 0.6 | 97.4 | -1.5 |
| 2004-05 | 76.8 | 1.9 | 96.2 | -1.2 |
| 2005-06 | 80.4 | 4.8 | 96.7 | 0.5 |
| 2006-07 | 88.0 | 9.4 | 101.8 | 5.3 |
| 2007-08 ^(a) | 121.0 | 37.5 | 135.1 | 32.7 |
| 2008-09 ^(a) | 133.8 | 10.6 | 145.0 | 7.3 |
| 2009-10 ^(a) | 129.8 | -3.0 | 137.1 | -5.4 |
| 2010-11 ^(a) | 126.3 | -2.7 | 129.9 | -5.3 |
| 2011-12 ^{(a)(b)} | 138.0 | 9.3 | 138.0 | 6.2 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimates based on the 2011-12 Budget.

GST Re-imburements

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/re-imburement to gambling operators of their GST liability.

The GST re-imburement to the Lotteries Commission was about \$15.4 million in 2000-01 (the first year) increasing to about \$27.6 million in 2010-11.

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 Racing, Gaming and Liquor 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 | 22.0% |
| Electronic gaming machines | 20.125% |
| Table games (including Keno) | 18.0% |
| International commission business | 11.0% |

In July 2010, the State Government approved the expansion of the casino complex to accommodate 250 additional electronic gaming machines (EGMs) and 50 additional gaming tables. As part of this approval, a tax rate of 22% was introduced for fully automated table games and the tax rate on the additional EGMs will increase from 20% to 25% over five years. The composite rate of tax on all EGMs is 20.125% in 2011-12, increasing by 0.125 percentage points each year until it reaches 20.625% in 2015-16.

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 of around \$2.5 million 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.

Exemptions and Concessions

Nil.

Interstate Comparison

CASINO TAX RATES

WA 20.125% of electronic gaming machine gross revenue, 18% of table games (including keno) gross revenue, 22% of fully automated table game gross revenue and 11% of international commission business gross revenue. From 1 July 2011, the effective rate of tax on the casino's electronic gaming machines will increase annually by 0.125 percentage points over five years to 20.625% on and from 1 July 2015. An additional 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 A single rate of 15.41% applies to both table games and electronic gaming machines. The single tax rate will increase to 16.41% for gross revenue up to \$669.0 million in 2012-13.

A 1% super tax also applies for each \$5 million of gross revenue above \$652.7 million, to a maximum of 38.91%. Plus a 2% Responsible Gambling Levy on gross gaming revenue.

The international high roller program was re-activated in 2006. Under the agreement, 10% duty applies to gross gaming revenue with a minimum non-refundable instalment of \$3 million paid in January and July each year.

VIC 26.41% of gross gaming revenue applies to gaming machines plus 1% super tax for each \$20 million gross revenue above \$838 million, to a maximum super tax of 20% on gross revenue over \$1,218 million plus annual health benefit levy of \$4,333.33 per gaming machine. Casino tax on gross gaming revenue will continue to increase annually by 1.72% until it reaches 31.57% in 2014-15.

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, plus super tax of 1% for each \$20 million of gross revenue over the base amount of \$255.2 million up to a max of 12.25% on gross revenue over \$475.2 million.

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.

8.5% of casino tax revenue is allocated to the Community Investment Fund.

SA 0.91% of net table gambling revenue (i.e. player loss) plus 34.41% of net gaming machine revenue.

TAS 5.88% of gross profit on Keno and 0.88% of gross profit on table gaming. 20.88% of first \$35 million per month of gross profit on gaming machines and 25.88% on gross profit in excess of \$35 million per month.

An additional community support levy of 4% of gross gaming profits applies on gaming machines.

NT 8% of gross profit on table games and 21% of gross profit on gaming machines for Lasseters Casino. 12% of gross profit on table games and keno, 20% of gross profit on gaming machines and 9.09% of gross profit on commission-based games for Skycity Darwin Casino. 4% of gross profit on international sourced bets for Internet Casino.

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

CASINO LICENCE FEES

| | |
|------------|---|
| WA | One-off payment of \$20.6 million in 1985 for the security of the licence, plus an annual licence fee (\$2.491 million in 2011), indexed annually. |
| NSW | A one-off non-refundable payment of \$256 million was paid in 1995 for a 12 year exclusivity right. The exclusivity period was extended from November 2007 to November 2019 for a fee of \$100 million. |
| VIC | \$358.4 million (instalments fully paid in 1999). |
| QLD | A quarterly licence fee of \$200,191 in 2011-12, indexed annually. |
| SA | Nil. |
| TAS | A monthly licence fee of \$140,500 in 2011-12, indexed annually. |
| ACT | An annual licence fee of \$806,544 for 2010-11, indexed annually. |
| NT | Nil. |

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.

From 1 July 2011, the effective tax rate on the casino's electronic gaming machines will increase annually by 0.125 percentage points over five years, to a total of 20.625% in 2015-16 (not including the 2% Burswood Park Board levy).

From 1 July 2011, a new casino tax rate of 22% plus the levy of 1% payable to the Burswood Park Board applies to fully automated table games.

Casino Tax Collections

| WESTERN AUSTRALIA | | | | |
|---------------------------|------------------------|---------------------|----------------------------------|------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 16.2 | -12.9 | 22.0 | -15.2 |
| 2002-03 | 16.5 | 1.6 | 21.7 | -1.1 |
| 2003-04 | 22.4 | 36.4 | 29.0 | 33.6 |
| 2004-05 | 23.3 | 3.7 | 29.2 | 0.6 |
| 2005-06 | 29.4 | 26.1 | 35.3 | 21.0 |
| 2006-07 | 36.5 | 24.3 | 42.2 | 19.5 |
| 2007-08 ^(a) | 83.7 | 129.3 | 93.4 | 121.3 |
| 2008-09 ^(a) | 90.8 | 8.5 | 98.4 | 5.3 |
| 2009-10 ^(a) | 92.2 | 1.5 | 97.4 | -1.0 |
| 2010-11 ^(a) | 89.6 | -2.8 | 92.2 | -5.3 |
| 2011-12 ^{(a)(b)} | 115.0 | 28.3 | 115.0 | 24.7 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimate based on the 2011-12 Budget.

GST Re-imbursments

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). In regard to casino tax, a rebate of \$47.9 million was paid in 2010-11 to the operator to compensate for their GST liability.

Betting Taxes

Betting taxes comprise the Racing and Wagering Western Australia (RWWA) Wagering Tax, on-course Totalisator Duty, Bookmakers' Betting Levy and the Racing Bets Levy.

The RWWA Wagering Tax is collected by the Commissioner of State Revenue under the *Racing and Wagering Western Australia Act 2003* and the *Racing and Wagering Western Australia Tax Act 2003*.

For off-course totalisator and fixed odds sports betting, 25% of the net return after tax is remitted to the Sports Wagering Account for distribution by the Gaming and Wagering Commission on the direction of the Minister for Sport and Recreation.

The Bookmakers' Betting Levy is collected under the *Bookmakers Betting Levy Act 1954*. The levy with respect to sports betting at a racecourse is collected by the racing clubs with 50% of the collections retained by the clubs and the balance remitted to the Sports Wagering Account. The levy with respect to sports betting at a designated sporting event is collected by the Gaming and Wagering Commission and remitted to the Sports Wagering Account.

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

The on-course Totalisator Duty was abolished in Western Australia in 1996.

Rate of Tax

RWWA Wagering Tax

The rate of tax on off-course racing wagers is 11.91% of gross margin (net of GST).

The off-course totalisator sports betting tax rate is 5% of turnover. For off-course fixed odds betting, the tax rate is 2% of turnover for racing and 0.5% of turnover for sports betting.

Bookmakers' Betting Levy

The Bookmakers' Betting Levy is 1.5% with respect to sports betting turnover at a designated sporting event and 0.5% with respect to sports betting turnover at a racecourse.

Racing Bets Levy

The Racing Bets Levy provides wagering operators with a choice as to the method that they apply. The first method is 1.5% of turnover and the second method is either 20% of gross revenue or 0.2% of turnover, whichever is greater.

Exemptions and Concessions

A taxation concession rebate applies for three years from 2010-11 for professional punters who are on contract with RWWA and have annual betting outlays of at least \$500,000.

Interstate Comparison

CURRENT TAX RATES % (REVENUE PAID TO GOVERNMENT)

| | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
|---|---|---------------------------------|--------------------------------------|----------------------------------|--|--------------------|-------------------------------------|-----------------------------------|
| Wagering Tax | 11.91% of gross margin | 19.11% of player loss | 19.11% of player loss ^(c) | 20% of player loss | 0.6% of net revenue | Nil ^(g) | 10% of capital value ^(h) | Dependent on event ⁽ⁱ⁾ |
| On-course Totalisator Duty | Nil | 19.11% of player loss | 19.11% of player loss ^(c) | 20% of player loss | Nil | Nil ^(g) | 10% of capital value ^(h) | Dependent on event ⁽ⁱ⁾ |
| Bookmakers' Betting Levy (Sport)^(a) | 0.5% of turnover (racecourse) 1.5% of turnover (sport event) | Nil | 19.11% of player loss | 20% of player loss | 6% of net betting revenue ^(f) | Nil | 6.0% | 10% gross profit ⁽ⁱ⁾ |
| Racing Bets Levy | | | | | | | | |
| Thoroughbred | 1.5% of turnover OR | 1.5% of turnover | 10% gross revenue ^(d) | 10% gross revenue ^(e) | 10% gross revenue | 10% gross revenue | 10% gross revenue | Nil |
| Harness | the greater of: 20% of gross revenue or 0.2% of turnover | 1.5% of turnover | 1.5% of turnover | 10% gross revenue ^(e) | 10% gross revenue | 10% gross revenue | 10% gross revenue | Nil |
| Greyhound | 0.2% of turnover | 1.5% of turnover ^(b) | 10% gross revenue | 10% gross revenue ^(e) | 10% gross revenue | 10% gross revenue | 10% gross revenue | Nil |

(a) The Bookmakers' Betting Levy with respect to racing has been abolished in all States and Territories except for the NT.

(b) Either 1.5% of turnover or 10% of gross revenue.

(c) 10% of player loss for premium customers (more than \$3 million per year).

(d) 15% gross revenue premium charged during October and November.

(e) 15% gross revenue premium charged during May and June

(f) 0.25% of turnover for internationally sourced bets.

(g) A fixed annual Totalisator Wagering Levy is paid by the licence holder. The levy is indexed annually.

(h) Licence fee of 10% of the present value of the estimated profit after income tax equivalents expense of ACTTAB for the 20 year period commencing 1 July 1996.

(i) Tax rates are 40% of the licensee's commission on thoroughbred, harness and greyhound races and 20% of the licensee's commission on other races, events, sports and activities held in Australia. Tax at a rate of 10% of the licensee's commission applies to international races and sporting events.

(j) Applies to internationally sourced bets with a maximum of \$255,000 per annum payable. Nil for domestic sourced bets.

Changes to the Rate Scale

Prior to the establishment of RWWA 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%.

From 28 June 1996, the TAB Betting Tax rate was reduced to 5%.

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 TAB betting 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-course Totalisator Duty

In 1988-89, Totalisator Duty rates were reduced to 6%.

The on-course Totalisator Duty was abolished on 28 June 1996.

Bookmakers' Betting Levy

The Government reduced the 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 with the rate reduced to 2%.

From 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.

From 11 January 2010, the Bookmakers' Betting Levy with respect to betting conducted at a designated sporting event was reduced from 2% to 1.5%.

Racing Bets Levy

From 1 September 2008, the Racing Bets Levy was introduced. It applies to all wagering operators who publish or use Western Australian race fields. The levy does not distinguish between off-course and on-course wagering and operators have a choice as to the method that they apply. One method is 1.5% of turnover and the second is either 20% of gross revenue or 0.2% of turnover, whichever is greater.

Changes to Exemptions and Concessions

A taxation concession rebate was introduced in 2010-11 (for three years) for professional punters who are on contract with RWWA and have annual betting outlays of at least \$500,000. The rebate is equivalent to 10% of gross wagering revenue for this category of betting (effectively reducing the wagering tax rate from 11.91% to 1.91%).

Betting Tax Collections

| WESTERN AUSTRALIA | | | | |
|---------------------------|------------------------|---------------------|----------------------------------|------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 24.8 | -11.1 | 33.6 | -13.4 |
| 2002-03 | 26.9 | 8.5 | 35.5 | 5.6 |
| 2003-04 | 34.0 | 26.4 | 44.0 | 23.9 |
| 2004-05 | 33.7 | -0.8 | 42.3 | -3.9 |
| 2005-06 | 36.1 | 6.9 | 43.4 | 2.6 |
| 2006-07 | 39.5 | 9.5 | 45.7 | 5.3 |
| 2007-08 ^(a) | 30.4 | -23.0 | 33.9 | -25.7 |
| 2008-09 ^(a) | 32.0 | 5.3 | 34.7 | 2.2 |
| 2009-10 ^(a) | 31.7 | -1.0 | 33.5 | -3.5 |
| 2010-11 ^(a) | 34.0 | 7.4 | 35.0 | 4.5 |
| 2011-12 ^{(a)(b)} | 34.4 | 1.2 | 34.4 | -1.6 |

(a) Figures from 2007-08 onwards are consistent with AASB 1049 accounting standards, which differ slightly from the previously reported GFS standards for most taxation items (mainly due to no longer netting-off refunds and rebates from tax revenues).

(b) Estimate based on the 2011-12 Budget.

GST Re-imbursments

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 the RWWA was separately re-imbursed by the State up to 2006-07. From 1 July 2007, the GST re-imbusement was replaced by an equivalent reduction in the wagering tax rate.

Other Fees and Levies

Emergency Services Levy

The Emergency Services Levy (ESL) was introduced from 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 Fire and Emergency Services Authority (FESA). 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 FESA Units.

The levy is based on the property's gross rental value and the levy rate varies according to regions. In 2011-12, the levy is expected to raise approximately \$215.6 million.

Loan Guarantee Fees

The Western Australian Treasury Corporation (WATC) collects loan guarantee fees from State Government agencies and local government borrowers on behalf of the Treasurer in respect of monies lent by the WATC. The Treasurer charges the agencies and local government the loan guarantee fees for providing an explicit government guarantee on liabilities incurred by WATC in raising loan funds. The current scale of loan guarantee fees is as follows:

- 20 basis points per annum for borrowings (short and long-term) by agencies through the WATC, such as the Water Corporation, Verve Energy, Synergy, Horizon Power and Western Power; and
- 10 basis points per annum for local government borrowers (short and long-term).

The expected revenue to be collected from Loan Guarantee Fees in 2011-12 is approximately \$28.1 million.

Mineral Royalties

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

Under the *Mining Act 1978 (WA)* 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.

A full list of State Agreement Acts, which have been used in Western Australia since 1952, is available on the Department of State Development's website (www.dsd.gov.au).

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 construction materials and coal that is not exported); and
- Ad valorem – calculated as a proportion of the 'royalty value' of the mineral.
 - 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.

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 crushing and screening 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 and Petroleum 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

Western Australia’s Mining Act currently has a three-rate royalty structure for iron ore that departs, in respect to iron ore ‘fines’, from the overarching three-tier structure.

| IRON ORE | |
|---|------------------|
| Type of Iron Ore | Royalty Rate (%) |
| Beneficiated (e.g. magnetite concentrate) | 5.0 |
| Fines | 5.625 |
| Lump | 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 noted above, a concessional rate of 5.625% currently applies to iron ore ‘fines’ in Western Australia. However, the Western Australian Government announced in its 2011-12 Budget that it will seek to increase the royalty rate for iron ore ‘fines’ to 6.5% from 1 July 2012, and to 7.5% from 1 July 2013, in both the Mining Act and relevant State Agreements.

Interstate Comparison

The table below provides an interstate comparison of iron ore royalties.

| 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 of ore mined | \$1.25 per tonne plus 2.5% of value above \$100 per tonne | 5.0% of net market value ^(a) | 1.6% on net sales plus profit royalty up to maximum of 5.0% of net sales | n.a. | 20.0% of net value of mine's production value ^(b) |
| | Fines: 5.625% | | | | | | | |
| | Lump: 7.5% | | | | | | | |
| Royalty System | Ad valorem | Ad valorem | Ad valorem | Hybrid | Ad Valorem | Hybrid | | Profit |

(a) New mines are eligible for a concessional rate of 2.0% for the first five years.

(b) The first \$50,000 of net value is exempt.

Changes to Royalty Rates and Concessions

| MINING ACT ROYALTY RATES (%) | | | |
|------------------------------|---------------|-------|------|
| Date | Iron Ore Type | | |
| | 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 in mid-2010, 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.

As noted above, the Western Australian Government announced in its 2011-12 Budget that it will seek to remove the concessional royalty rate for iron ore 'fines' over two years, increasing the royalty rate from 5.625% to 6.5% from 1 July 2012, and to 7.5% from 1 July 2013 (in both the Mining Act and the relevant State Agreement Acts).

Iron Ore Royalty Collections

| WESTERN AUSTRALIA | | | | |
|--------------------------|--------------------------------|-----------------------------|---|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 276.5 | -0.9 | 374.9 | -3.5 |
| 2002-03 | 290.5 | 5.1 | 383.4 | 2.3 |
| 2003-04 | 305.0 | 5.0 | 394.3 | 2.9 |
| 2004-05 | 464.8 | 52.4 | 582.6 | 47.8 |
| 2005-06 | 721.8 | 55.3 | 867.8 | 48.9 |
| 2006-07 | 868.3 | 20.3 | 1,004.3 | 15.7 |
| 2007-08 | 1,130.6 | 30.2 | 1,262.2 | 25.7 |
| 2008-09 | 1,932.7 | 70.9 | 2,094.1 | 65.9 |
| 2009-10 | 1,812.6 | -6.2 | 1,915.5 | -8.5 |
| 2010-11 | 3,647.1 | 101.2 | 3,752.3 | 95.9 |
| 2011-12 ^(a) | 4,137.1 | 13.4 | 4,137.1 | 10.3 |

(a) Estimate based on the 2011-12 Budget.

Gold

Royalties for gold were introduced on 1 July 1998. They are collected by the Department of Mines and Petroleum 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 per annum are exempt.

Interstate Comparison

The table below provides an interstate comparison of gold royalties.

| 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) | Nil | Variable rate depending on average metal prices (between 2.5% and 5.0%) ^(b) | 3.5% of net market value ^(c) | 1.6% on net sales plus profit royalty up to maximum of 5.0% of net sales | n.a. | 20.0% of the net value of mine's production ^(d) |
| Royalty System | Ad valorem | Ad valorem | | Ad valorem | Ad valorem | Hybrid | | Profit |
| (a) | 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. | | | | | | | |
| (b) | Producers are advised of the applicable variable rate each quarter. | | | | | | | |
| (c) | New mines may qualify for a rate of 2.0% for the first five years. | | | | | | | |
| (d) | First \$50,000 of net value is not liable to royalty. | | | | | | | |

Changes to Royalty Rates and Concessions

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, at no time did this occur.

Gold Royalty Collections

| WESTERN AUSTRALIA | | | | |
|--------------------------|--------------------------------|-----------------------------|---|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 80.7 | 3.1 | 109.4 | 0.4 |
| 2002-03 | 82.7 | 2.5 | 109.2 | -0.3 |
| 2003-04 | 76.4 | -7.6 | 98.8 | -9.5 |
| 2004-05 | 74.2 | -2.9 | 93.0 | -5.8 |
| 2005-06 | 91.6 | 23.5 | 110.1 | 18.4 |
| 2006-07 | 104.6 | 14.2 | 121.0 | 9.9 |
| 2007-08 | 99.0 | -5.4 | 110.5 | -8.6 |
| 2008-09 | 126.3 | 27.6 | 136.9 | 23.8 |
| 2009-10 | 161.4 | 27.8 | 170.6 | 24.6 |
| 2010-11 | 198.1 | 22.7 | 203.8 | 19.5 |
| 2011-12 ^(a) | 213.9 | 8.0 | 213.9 | 5.0 |

(a) Estimate based on the 2011-12 Budget.

Alumina

Alumina royalties in Western Australia are unique in that they do not fall under the *Mining Act 1978*. Alumina royalties are collected by the Department of Mines and Petroleum only under various State Agreement Acts, based on the royalty value or weight of the alumina mined.

Royalty Rate

1.65% of the royalty value of the alumina produced.

Interstate Comparison

No other jurisdiction applies a royalty regime on alumina, although some States apply a royalty to bauxite (from which alumina is extracted).

Changes to Royalty Rates and Concessions

The current royalty rate for alumina is 1.65% of the free on board sales value, and was originally set for the Alcoa Refinery in 1987. This rate represented a significant increase from the rate per tonne royalty that had previously existed.

The 1.65% royalty was introduced as part of a package of amendments to the State Agreement Acts and was intended to reflect the equivalent of 7.5% of the bauxite sales value.

The former alumina rate specified in the State Agreements was indexed to a measure of the final product's value. The original rate was 7.5 cents per tonne of processed bauxite and 10 cents per tonne of bauxite sales. This amounted to 25 cents per tonne of alumina (given a \$500 per tonne price for aluminium virgin ingots). The State Agreements provide for a review of the base royalty rate every seven years, and a 1979 re-negotiation resulted in an increase in the base rate to 50 cents per tonne.

Alumina Royalty Collections

| WESTERN AUSTRALIA | | | | |
|--------------------------|--------------------------------|-----------------------------|---|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 60.0 | -3.4 | 81.4 | -5.9 |
| 2002-03 | 51.5 | -14.2 | 68.0 | -16.5 |
| 2003-04 | 51.9 | 0.8 | 67.1 | -1.3 |
| 2004-05 | 54.7 | 5.4 | 68.6 | 2.2 |
| 2005-06 | 70.0 | 28.0 | 84.2 | 22.7 |
| 2006-07 | 84.2 | 20.3 | 97.4 | 15.7 |
| 2007-08 | 79.3 | -5.8 | 88.5 | -9.1 |
| 2008-09 | 71.6 | -9.7 | 77.6 | -12.4 |
| 2009-10 | 63.9 | -10.8 | 67.5 | -13.0 |
| 2010-11 | 66.5 | 4.2 | 68.5 | 1.4 |
| 2011-12 ^(a) | 85.6 | 28.6 | 85.6 | 25.0 |

(a) Estimate based on the 2011-12 Budget.

Nickel

Nickel royalties are collected by the Department of Mines and Petroleum under the *Mining Act 1978*, or State Agreement Acts, based on the royalty value of the nickel metal produced.

Royalty Rate

The royalty payable under the Mining Act is determined according to the following 'contained nickel' formula¹:

$$\text{\$ Royalty per tonne} = (P/100) \times (U2.5/100)$$

Where P = gross nickel metal price per tonne free on board; and

U = number of units per hundred of nickel metal in the products sold.

Interstate Comparison

The table below provides an interstate comparison of nickel royalties.

| NICKEL ROYALTY RATES | | | | | | | | |
|-----------------------|------------|---|---------------------------|--|---|--|------|--|
| | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
| Royalty Rate | 2.5% | 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) | 3.5% of net market value (if in a metal form, concentrates at 5.0%) | 1.6% on net sales plus profit royalty up to maximum of 5.0% of net sales | n.a. | 20.0% of the net value of mine's production ^(b) |
| Royalty System | Ad valorem | Ad valorem | Ad valorem | Ad valorem | Ad valorem | Hybrid | | Profit |

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

(b) First \$50,000 of net value is not liable to royalty.

Changes to Royalty Rates and Concessions

In August 1982, the value for P (in the above formula) 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'.

¹ Nickel royalties are effectively 2.5% of the value of the nickel metal that is contained in nickel bearing products.

Nickel Royalty Collections

| WESTERN AUSTRALIA | | | | |
|--------------------------|--------------------------------|-----------------------------|---|--------------------------|
| | Revenue Collections | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 49.0 | -21.9 | 66.4 | -23.9 |
| 2002-03 | 52.1 | 6.3 | 68.8 | 3.5 |
| 2003-04 | 76.6 | 47.0 | 99.0 | 44.0 |
| 2004-05 | 92.0 | 20.1 | 115.3 | 16.4 |
| 2005-06 | 93.0 | 1.1 | 111.8 | -3.0 |
| 2006-07 | 206.5 | 122.0 | 238.8 | 113.6 |
| 2007-08 | 130.0 | -37.0 | 145.1 | -39.2 |
| 2008-09 | 61.9 | -52.4 | 67.1 | -53.8 |
| 2009-10 | 96.9 | 56.5 | 102.4 | 52.6 |
| 2010-11 | 106.9 | 10.3 | 110.0 | 7.4 |
| 2011-12 ^(a) | 143.1 | 33.9 | 143.1 | 30.1 |

(a) Estimate based on the 2011-12 Budget.

Petroleum Royalties

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

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

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

Western Australia also receives grants from the Commonwealth Government with respect to 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:

| PETROLEUM | |
|---|-------------------------------|
| | Royalty Rate |
| <i>The Petroleum (Submerged Lands) Act 1982</i> | 10.0% or 12.5% ^(a) |
| <i>The Petroleum and Geothermal Energy Resources Act 1967</i> | 10.0% or 12.5% ^(a) |
| <i>The Barrow Island Royalty Variation Agreement Act 1985</i> | 40.0% |

(a) A 10% royalty rate applies to a primary production licence – a 12.5% applies once a secondary licence is taken up.

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

This differs to the Resource Rent Royalty (RRR) under the Barrow Island Royalty Variation Agreement Act. 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%).

Interstate Comparison

The following table provides an interstate comparison of petroleum royalty rates.

| PETROLEUM ROYALTY RATES | | | | | | | | |
|-------------------------|--|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------|------------------------|
| | WA | NSW | VIC | QLD | SA | TAS | ACT | NT |
| Royalty Rate | 10.0% or 12.5% at the well head ^(a) | 10.0% at the well head ^(b) | 10.0% at the well head | 10.0% at the well head | 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 for 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 original Petroleum Resource Rent Tax.

(b) Nil for the first 5 years, increasing to 10% at the end of the 10th year.

Petroleum Royalty Collections

| WESTERN AUSTRALIA | | | | |
|------------------------|---------------------------------------|---------------------|----------------------------------|------------------|
| | Revenue Collections ^(b) | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 46.4 | -23.2 | 62.9 | -25.2 |
| 2002-03 | 61.1 | 31.7 | 80.6 | 28.2 |
| 2003-04 | 51.0 | -16.5 | 65.9 | -18.2 |
| 2004-05 | 64.7 | 26.9 | 81.1 | 23.0 |
| 2005-06 | 71.4 | 10.4 | 85.8 | 5.9 |
| 2006-07 | 53.7 | -24.8 | 62.1 | -27.6 |
| 2007-08 | 51.8 | -3.5 | 57.8 | -6.9 |
| 2008-09 | 21.2 | -59.1 | 23.0 | -60.3 |
| 2009-10 | 24.6 | 16.1 | 26.0 | 13.2 |
| 2010-11 | 20.2 | -17.8 | 20.8 | -20.0 |
| 2011-12 ^(a) | 36.3 | 79.4 | 36.3 | 74.4 |

(a) Estimate based on the 2011-12 Budget.

(b) Excluding collections from the North West Shelf.

North West Shelf Grants

| WESTERN AUSTRALIA | | | | |
|------------------------|---------------------------------------|---------------------|----------------------------------|------------------|
| | Revenue Collections ^(b) | Change (Nominal) | Revenue in 2011-12 Dollars | Change (Real) |
| | \$m | % | \$m | % |
| 2001-02 | 370.4 | -21.8 | 502.3 | -23.8 |
| 2002-03 | 434.6 | 17.3 | 573.6 | 14.2 |
| 2003-04 | 362.9 | -16.5 | 469.2 | -18.2 |
| 2004-05 | 505.8 | 39.4 | 633.9 | 35.1 |
| 2005-06 | 609.8 | 20.6 | 733.1 | 15.7 |
| 2006-07 | 656.8 | 7.7 | 759.7 | 3.6 |
| 2007-08 | 869.5 | 32.4 | 970.7 | 27.8 |
| 2008-09 | 866.7 | -0.3 | 939.1 | -3.3 |
| 2009-10 | 947.6 | 9.3 | 1,001.3 | 6.6 |
| 2010-11 | 994.3 | 4.9 | 1,023.0 | 2.2 |
| 2011-12 ^(a) | 1,084.4 | 9.1 | 1,084.4 | 6.0 |

(a) Estimate based on the 2011-12 Budget.

(b) Including compensation for Commonwealth crude oil excise arrangements.

Appendix 1

Summary of Tax Changes in 2011-12 in all States and Territories

The following is a summary of the major tax changes announced in 2011-12 State Budgets and other major changes announced up until 30 September 2011.

Western Australia

Vehicle Licence Duty

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.

Casino Tax

The rate of tax on the casino's electronic gaming machines increased from 20% to 20.125% from 1 July 2011. The tax rate will increase by 0.125 percentage points over five years from 1 July 2011, to a total of 20.625% in 2015-16, (not including the 2% Burswood Park Board Levy).

From 1 July 2011, a new tax rate of 22% plus a levy of 1% payable to the Burswood Park Board, applies to Fully Automated Table Games.

Royalties

The State Government will seek to progressively remove the existing concessional royalty rate applying to iron ore 'fines' relative to lump ore. The fines rate will be increased from 5.625% to 6.5% from 1 July 2012 and then to 7.5% from 1 July 2013.

New South Wales

Payroll Tax

From 1 January 2011, the payroll tax rate was reduced from 5.50% to 5.45%.

From 1 July 2011, the annual payroll tax threshold was increased from \$658,000 to \$678,000.

From 1 July 2011, the Payroll Tax Rebate Scheme (Jobs Action Plan) will provide a payroll tax rebate of up to \$4,000 per employee for the first 100,000 new jobs created.

From 1 January 2012, employers who employ eligible new employees with a disability will receive a one-off \$4,000 payroll tax rebate.

Transfer Duty

The Torrens Assurance Levy (ad valorem levy on registration of land transfers) has been repealed with effect from 1 July 2011.

The 'Empty Nester' Transfer Duty Concession, applicable to people over 65, has been extended to include people over 55 for sales between 1 July 2011 and 30 June 2012.

From 1 January 2012, the transfer duty concession for first home buyers will be abolished for existing properties. The concession will only be available for purchases of newly constructed homes (including new homes purchased 'off the plan').

Homebuyer Grants

From 1 July 2011 to 1 July 2015, a \$7,000 Regional Relocation Grant is available to people who sell their house or unit in Sydney, Newcastle or Wollongong and buy a house or unit in regional New South Wales. The purchased property must be less than \$600,000 and used as the principal place of residence. The program is limited to 10,000 grants per annum over four years.

Land Tax

For the 2011 land tax year, the minimum threshold (except for non-concessional companies and special trusts) increased from \$376,000 to \$387,000 and the maximum threshold (for all entities) increased from \$2,299,000 to \$2,366,000.

Motor Vehicle Licence and Recording Fees

From 1 July 2012, licence renewal fees will be halved for drivers with a record free of driving offences for at least five years.

Betting Taxes

From 1 September 2011, taxes on gaming machines operated by clubs have been lowered and the maximum tax rebate for clubs that earn more than \$1 million in gaming machine revenue has been increased from 1.5% to 1.85%.

Royalties

Coal mining royalties will be increased in the absence of a carbon tax compensation proposal from the Commonwealth Government. The increase will apply only to mining companies subject to the Commonwealth's proposed Minerals Resource Rent Tax (MRRT). Details of the increased royalty rate will be determined once the MRRT and carbon tax legislation is finalised.

Victoria

Transfer Duty

From 1 July 2011, the transfer duty concession threshold for eligible pensioners and concession card holders increased from \$440,000 to \$750,000. This concession was also extended to self funded retirees who hold a Commonwealth Seniors Health Card.

From 1 July 2011, transfer duty will be progressively reduced for first homebuyers purchasing principal places of residence valued at up to \$600,000. Duty was cut by 20% for contracts settled from 1 July 2011, and will be followed by additional 10% cuts on 1 January 2013, 1 January 2014 and 1 September 2014, totalling a cumulative 50% reduction by 2014-15.

From 1 July 2011, farmers under the age of 35 buying their first farmland property are exempt from transfer duty on purchases valued up to \$300,000. A concession applies for farmland properties valued between \$300,000 and \$400,000 purchased from 1 July 2011.

Homebuyer Grants

Funding for Victoria's \$13,000 First Home Bonus (for properties in metropolitan Melbourne) and \$19,500 Regional Bonus has been extended to 30 June 2012 (previously scheduled to cease from 30 June 2011).

Landholder Duty

From 1 July 2012, Victoria will implement a 'landholder duty' model which will replace the current 'land rich' duty model.

Metropolitan Region Improvement Tax

From 1 July 2011, the Metropolitan Improvement Levy (Parks Charge) increased from 0.385% to 0.393% of the Net Annual Value.

Casino Tax

From 1 July 2011, the tax rate on Crown Casino's electronic gaming machines increased by 1.72 percentage points to 26.41% (excluding the super tax).

Betting Taxes

From 2 February 2011 until 15 August 2012, a concessional tax rate of 10% applies to commissions attributable to premium customers (i.e. customers who invest more than \$3 million in Victorian totalisators).

From August 2012, the tax applying to wagering will be reduced by an unspecified amount.

Queensland

Payroll Tax

The current payroll tax rebate of 25% of the eligible wages of apprentices and trainees will be extended until 30 June 2012 (previously scheduled to expire on 30 June 2011). (As wages of apprentices and trainees are exempt from payroll tax, the rebate will be offset against the tax payable on the wages of other employees.)

Transfer Duty

From 1 August 2011, the Home Transfer Duty Concession, which provided a concessional rate of duty on the first \$350,000 of all principal places of residence, was abolished.

From 1 August 2011, the transfer duty rate structure was revised for properties valued between \$75,000 and \$980,000.

From 1 August 2011, the First Home Concession rates were adjusted to take into account the removal of the Home Transfer Duty Concession.

Homebuyer Grants

From 1 August 2011 to 31 January 2012, a \$10,000 Queensland Building Boost Grant is available to all purchasers of houses or units valued up to \$600,000.

Landholder Duty

From 1 July 2011, Queensland abolished land rich duty and adopted a landholder duty model.

Land Tax

The 50% cap on the annual growth in land values for land tax assessments was further extended to 30 June 2012 (previously scheduled to be abolished on 30 June 2011).

From the 2011 valuation, for property except in rural areas, Queensland will adopt the 'site value' methodology for land tax, which is based on the market value of the land in its present state.

Betting Taxes

From 1 July 2012, the fixed hotel gaming tax rate will be reduced from 35.91% to 35% and the threshold at which the Health Services Levy commences will be increased from \$100,000 to \$140,000 metered wins per month. The top marginal rate applying to clubs will also be reduced to 35%.

South Australia

Payroll Tax

From 1 July 2011, the payroll tax exporter rebate was halved from 20% to 10% of the payroll tax paid on wages attributed to export earnings. The rebate will be abolished from 1 July 2013.

Homebuyer Grants

From 1 July 2012, the current \$8,000 First Home Bonus Grant will be reduced to \$4,000 and then abolished from 1 July 2013.

Landholder Duty

From 1 July 2011, South Australia abolished land rich duty and adopted a landholder duty model.

Land Tax

From 1 July 2011, land tax thresholds were increased and will be indexed annually in line with average site value increases as determined by the Valuer General.

Insurance Duty

From 1 May 2011, insurance products known as 'riders' that provide insurance in respect of trauma or a disabling or incapacitating injury, sickness, condition or disease are characterised as general insurance and are dutiable at the general insurance rate of 11% of premium.

Motor Vehicle Licence and Recording Fees

From 1 July 2011, light motor vehicle registration fees increased by around one percentage point more than the standard 2.9 per cent indexation factor for 2011-12. The annual registration fee for a four-cylinder motor vehicle increased to \$106 and the annual registration fee for a motor vehicle with seven or more cylinders increased to \$314.

Tasmania

Payroll Tax

From 1 July 2011, the Tasmanian Trainee and Apprentice Incentive Scheme was abolished. This scheme provided payroll tax relief in relation to wages paid to apprentices and trainees whose training was State funded through a training agreement.

From 16 June 2011, a second Employment Incentive Scheme (Payroll Tax Rebate) commenced. This provides a payroll tax rebate for any new positions created between 16 June 2011 and 30 June 2012, provided these positions are maintained continuously until 30 June 2013. The payroll tax rebate applies until 30 June 2013.

Transfer Duty

On 16 June 2011, the First Home Buyer Duty concession was abolished.

On 16 June 2011, the Duty Refund Scheme (which refunded duty paid by first home buyers on vacant land) was abolished.

Land Tax

From 1 July 2011, a land tax exemption is no longer provided to holders of an Australian Government Pensioner Concession Card for land other than principal places of residence and primary production land.

From 1 July 2011, the land tax exemption for holiday home land with a value of \$500,000 or less was abolished.

Betting Taxes

Under a Deed agreed with Betfair Pty Ltd in August 2010, the annual fee payable for a Tasmanian gaming licence with a betting exchange endorsement was reduced from \$476,000 to \$408,000. However, licence fees for the first three years are payable in advance.

In addition, the 20 per cent product levy on betting exchange commission was abolished and the tax payable on betting exchange commission was reduced from 10 per cent of the commission on events held outside Australia and 15 per cent of the commission for events held in Australia to a uniform rate of 5 per cent.

Australian Capital Territory

Homebuyer Grants

From 1 January 2011, the First Home Owner Grant is restricted to properties valued at \$750,000 or less.

Northern Territory

Payroll Tax

From 1 July 2011, the payroll tax rate was reduced from 5.9% to 5.5%.

From 1 July 2011, the annual payroll tax threshold was increased from \$1.25 million to \$1.5 million. The threshold was also changed from a general exemption to a deduction from an employer's taxable wages. For businesses with wages above the \$1.5 million annual threshold, the deduction reduces by \$1 for every \$4 in wages paid by the employer above \$1.5 million. An employer who pays \$7.5 million or more in wages does not receive a deduction.

A payroll tax waiver is available for Northern Territory businesses that provide paid leave to employees who volunteered for the Queensland flood recovery efforts. The waiver applies to wages paid as additional paid leave to employees registered to volunteer in Queensland with a charitable organisation or with the Queensland Government flood recovery effort.

Transfer Duty

From 1 July 2011, the maximum conveyance stamp duty rate for property transactions of \$3 million or more increased from 4.95% to 5.45%.

Homebuyer Grants

A BuildBonus grant of \$10,000 is available to all homebuyers (including first homebuyers and investors) to build or purchase a new home up to the value of \$530,000. It applies to contracts signed from 3 May 2011 to 31 December 2011, where construction commences on or after 3 May 2011 or to owner builders who commence construction of a house during this period.

Betting Taxes

From 1 July 2011, the bookmaker tax threshold increased from \$250,000 to \$255,000.
