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

Overview of State Taxes and Royalties

2012-13

March 2013

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Further information relating to this report may be obtained by emailing info@treasury.wa.gov.au

ISSN 1443–1904

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Introduction

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

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

- current rates;
- key exemptions and concessions;
- interstate comparisons;
- 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 2012-13 round of State Budgets and any major changes announced after these Budgets (but before 31 December 2012).

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 2012-13 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

	2010-11 Actual $ million	2011-12 Actual $ million	2012-13 Estimates[b] $ million	*As a % of Total*
BUSINESS				
Payroll Tax	2,627.7	3,095.6	3,583.7	*43.7%*
PROPERTY				
Transfer Duty	1,225.9	1,260.6	1,486.0	*18.1%*
Landholder Duty	47.3	101.4	137.5	*1.7%*
Land Tax	521.5	552.4	568.9	*6.9%*
Metropolitan Region Improvement Tax	77.8	84.2	86.4	*1.1%*
FINANCIAL TRANSACTIONS				
Insurance Duty	442.0	487.1	557.5	*6.8%*
GAMBLING				
Lotteries Commission	126.3	140.5	140.6	*1.7%*
Casino Tax	89.6	108.1	125.0	*1.5%*
Betting Taxes	34.0	37.6	37.0	*0.5%*
MOTOR VEHICLES				
Vehicle Licence Duty	337.8	367.2	415.5	*5.1%*
Motor Vehicle Registrations	557.2	599.4	645.6	*7.9%*
Motor Vehicle Recording Fee	45.0	45.8	46.4	*0.6%*
OTHER				
Emergency Services Levy	205.0	220.3	231.3	*2.8%*
Loan Guarantee Fees	23.1	24.8	105.2	*1.3%*
Other	402.4 [a]	47.6	28.7	*0.3%*
TOTAL STATE TAXATION	6,762.6	7,172.5	8,194.8	*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 *2012-13 Government Mid-year Financial Projections Statement*.

Note: Columns may not add due to rounding.

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

ROYALTY COLLECTIONS IN WESTERN AUSTRALIA

	2010-11 Actual $ million	2011-12 Actual $ million	2012-13 Estimates[b] $ million	*As a % of Total*
ROYALTIES[a]				
Iron Ore	3,647.1	3,776.1	3,793.0	*86.9%*
Gold	198.1	234.3	213.3	*4.9%*
Nickel	106.9	92.1	85.5	*2.0%*
Alumina	66.5	68.2	72.4	*1.7%*
Diamond	14.5	15.9	17.5	*0.4%*
Petroleum	20.2	18.0	8.7	*0.2%*
Mineral Sands[c]	18.1	19.9	26.2	*0.6%*
Other[d]	141.9	118.8	149.7	*3.4%*
TOTAL ROYALTIES	4,213.3	4,343.4	4,366.3	*100.0%*

(a) Excludes North West Shelf grants which were $924.8 million in 2011-12.

(b) Estimates based on the *2012-13 Government Mid-year Financial Projections Statement*.

(c) It is proposed to include further details on mineral sands in the 2013-14 edition of the Overview of State Taxes and Royalties.

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

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 monthly[1] 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.

Exemptions were introduced in 2012-13 for wages paid to new eligible disabled employees and new eligible indigenous employees (for certain employers), limited to the first two years of employment in both cases.

Employers with Australia-wide group payrolls of up to $3 million will receive a one-off rebate in 2013-14 to partly or fully offset their 2012-13 payroll tax liabilities. The maximum value of the rebate is $41,250.

Interstate Comparison

PAYROLL TAX SCALES

	WA	NSW	VIC	QLD	SA	TAS[d]	ACT	NT
Exemption Threshold ($)	750,000[a]	689,000[b]	550,000	1,100,000[c]	600,000	1,010,000	1,750,000[e]	1,500,000
Max Rate (%)	5.50	5.45	4.90	4.75	4.95	6.10	6.85	5.50
Tax Scale	Marginal Rate of 5.50% of payroll in excess of $750,000	Marginal rate of 5.45% of payroll in excess of $689,000	Marginal rate of 4.90% of payroll in excess of $550,000	Effective rate slides from 0% at $1.1m to 4.75% at $5.5m	Marginal rate of 4.95% of payroll in excess of $600,000	Marginal rate of 6.10% of payroll in excess of $1.01m	Marginal rate of 6.85% of payroll in excess of $1.75m	Effective rate slides from 0% at $1.5m to 5.5% at $7.5m

(a) Employers with Australia wide group payrolls of up to $1.5 million will receive a one-off rebate in 2013-14 to fully offset their 2012-13 payroll tax liabilities. The rebate phases down for employers with payrolls between $1.5 million and $3 million.

(b) The exemption threshold was indexed from $678,000 to $689,000 on 1 July 2012.

(c) The exemption threshold was increased from $1,000,000 to $1,100,000 on 1 July 2012.

(d) Employers will receive a payroll tax rebate (paid between 1 July 2013 and 30 June 2015) for new positions created between 10 December 2012 and 30 June 2014, and maintained until 30 June 2015.

(e) The exemption threshold was increased from $1,500,000 to $1,750,000 on 1 July 2012.

TAX PAYABLE AT SELECTED PAYROLLS

Annual Payroll	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
$	$	$	$	$	$	$	$	$
700,000	-	600	7,350	-	4,950	-	-	-
1,000,000	13,750	16,950	22,050	-	19,800	-	-	-
2,000,000	68,750	71,450	71,050	53,438	69,300	60,390	17,125	34,375
3,000,000	123,750	125,950	120,050	112,813	118,800	121,390	85,625	103,125
5,000,000	233,750	234,950	218,050	231,563	217,800	243,390	222,625	240,625
10,000,000	508,750	507,450	463,050	475,000	465,300	548,390	565,125	550,000
20,000,000	1,058,750	1,052,450	953,050	950,000	960,300	1,158,390	1,250,125	1,100,000

AVERAGE TAX RATES

Annual Payroll	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
$	%	%	%	%	%	%	%	%
700,000	-	0.09	1.05	-	0.71	-	-	-
1,000,000	1.38	1.69	2.21	-	1.98	-	-	-
2,000,000	3.44	3.57	3.55	2.67	3.47	3.02	0.86	1.72
3,000,000	4.13	4.20	4.00	3.76	3.96	4.05	2.85	3.44
5,000,000	4.68	4.70	4.36	4.63	4.36	4.87	4.45	4.81
10,000,000	5.09	5.07	4.63	4.75	4.65	5.48	5.65	5.50
20,000,000	5.29	5.26	4.77	4.75	4.80	5.79	6.25	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 were harmonised with other jurisdictions from 1 July 2012 (previously scheduled for 1 July 2009).

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

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

From 1 July 2012, employers are exempt from payroll tax for wages paid to new employees with a disability in their first two years of employment, where these employees are eligible for a Commonwealth Disability Employment Services wage subsidy or are eligible for any form of support from the Western Australian Disability Services Commission.

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

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

Payroll Tax Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	1,003.7	11.5	1,365.2	8.5
2003-04	1,139.4	13.5	1,518.1	11.2
2004-05	1,210.6	6.2	1,563.7	3.0
2005-06	1,355.2	11.9	1,679.0	7.4
2006-07	1,607.3	18.6	1,915.8	14.1
2007-08 (a)	1,939.9	20.7	2,231.8	16.5
2008-09 (a)	2,246.2	15.8	2,508.1	12.4
2009-10 (a)	2,303.2	2.5	2,508.1	-0.0
2010-11 (a)	2,627.7	14.1	2,777.0	10.7
2011-12 (a)	3,095.6	17.8	3,216.6	15.8
2012-13 (a)(b)	3,583.7	15.8	3,583.7	11.4

(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 *2012-13 Government Mid-year Financial Projections Statement*.

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 (including, but not limited to, principal places of residence) and to the purchase of a small business or principal place of residence below $200,000. The latter scale is due to be removed on 1 July 2013.

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(b)	SA	TAS(e)	ACT(g)	NT
Min Threshold ($)	-	-	-	5,000	-	-	-	-
Max Threshold ($)	500,001	1,000,001	960,001	1,000,001(c)	500,001	725,001	1,000,001	3,000,000
Min Rate	1.90%	1.25%	1.40%	1.50%	1.00%	1.75%(f)	2.40%(h)	1.50%(i)
Max Rate	5.15%	5.50%	5.50%(a)	5.75%(d)	5.50%	4.50%	7.25%	5.45%

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

(b) From 1 July 2012, Queensland's transfer duty thresholds were revised for properties valued between $75,000 and $980,000.

(c) The maximum threshold increased from $980,000 to $1,000,000 on 20 September 2012.

(d) The maximum rate increased from 5.25% to 5.75% on 20 September 2012

(e) Tasmania's rates and thresholds increased on 1 October 2012.

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

(g) From 6 June 2012 the ACT lowered rates for all property valued between $100,000 and $750,000 and raised rates for all other property values.

(h) Duty of $20 applies for values below $801.

(i) For conveyances valued at $525,000 or less, duty is derived from the formula D = (0.06571441 x V2) + 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	SA	TAS	ACT	NT
$'000	$	$	$	$	$	$	$	$
100	2,090	1,990	2,150	1,925	2,830	2,435	2,400	2,157
200	5,890	5,490	7,070	5,425	6,830	5,935	4,800	5,629
300	10,165	8,990	13,070	8,925	11,330	9,935	8,550	10,414
400	14,915	13,490	19,070	12,425	16,330	13,997	13,300	16,514
500	19,665	17,990	25,070	15,925	21,330	18,247	18,050	23,929
750	32,540	29,240	40,070	26,775	35,080	28,935	31,800	37,125
1,000	45,415	40,490	55,000	38,025	48,830	40,185	48,050	49,500
5,000	251,415	260,490	275,000	268,025	268,830	220,185	338,050	272,500

AVERAGE TAX RATES

General

Property Value	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
$'000	%	%	%	%	%	%	%	%
100	2.09	1.99	2.15	1.93	2.83	2.43	2.40	2.16
200	2.95	2.75	3.54	2.71	3.42	2.97	2.40	2.81
300	3.39	3.00	4.36	2.98	3.78	3.31	2.85	3.47
400	3.73	3.37	4.77	3.11	4.08	3.50	3.33	4.13
500	3.93	3.60	5.01	3.19	4.27	3.65	3.61	4.79
750	4.34	3.90	5.34	3.57	4.68	3.86	4.24	4.95
1,000	4.54	4.05	5.50	3.80	4.88	4.02	4.81	4.95
5,000	5.03	5.21	5.50	5.36	5.38	4.40	6.76	5.45

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

TRANSFER DUTY SCALES
Principal Place of Residence

	WA[a]	NSW	VIC	QLD[d]	SA	TAS	ACT[h][i]	NT[k]
Min Threshold ($)	-	-	-	-	-	-	-	-
Max Threshold ($)	725,001	3,000,001	960,001	1,000,001[e]	500,001	725,001	1,000,001	3,000,000
Min Rate	1.50%[b]	1.25%	1.40%	1.00%	1.00%	1.75%[g]	2.40%[j]	1.50%[l]
Max Rate	5.15%	7.00%	5.50%[c]	5.75%[f]	5.50%	4.50%	7.25%	5.45%

(a) Western Australia's concessions extend to residential 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) Concessional rates for homebuyers were reintroduced on 1 July 2012.

(e) The maximum threshold was increased from $980,000 to $1,000,000 on 20 September 2012.

(f) The maximum rate was increased from 5.25% to 5.75% on 20 September 2012

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

(h) From 6 June 2012 the ACT lowered rates for all property valued between $100,000 and $750,000 and raised rates for all other property values.

(i) The second threshold increased from $375,000 to $385,000 from 6 June 2012. Thresholds are updated every six months to reflect recent price activity. The rates and thresholds differ for vacant residential land.

(j) Applicants who comply with certain eligibility criteria pay only nominal duty of $20 for properties valued below $385,000. Eligible applicants purchasing a property valued between $385,000 and $450,000 pay concessional duty of $24.10 per $100 or part thereof of the amount by which the dutiable value exceeds $385,000. This concession is not available for established homes after 31 August 2012.

(k) A concession of up to $7,000 is available to eligible buyers purchasing a newly built principal place of residence or vacant land on which to build one. This concession is not available to first home buyers or buyers eligible for the Senior, Pensioner and Carer Concession.

(l) 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[a]
$'000	$	$	$	$	$	$	$	$
100	1,500	1,990	2,150	1,000	2,830	2,435	2,400	2,157
200	5,035	5,490	6,370	2,000	6,830	5,935	4,800	5,629
300	8,835	8,990	11,370	3,000	11,330	9,935	8,550	10,414
400	13,015	13,490	16,370	5,250	16,330	13,997	13,300	16,514
500	17,765	17,990	21,970	8,750	21,330	18,247	18,050	23,929
750	29,740	29,240	40,070	19,600	35,080	28,935	31,800	37,125
1,000	42,615	40,490	55,000	30,850	48,830	40,185	48,050	49,500
5,000	248,615	290,490	275,000	260,850	268,830	220,185	338,050	272,500

(a) Only applies to existing properties. Newly built properties may be eligible for a $7,000 transfer duty concession.

AVERAGE TAX RATES

Principal Place of Residence

Property Value	WA	NSW	VIC	QLD	SA	TAS	ACT	NT[(a)]
$'000	%	%	%	%	%	%	%	%
100	1.50	1.99	2.15	1.00	2.83	2.43	2.40	2.16
200	2.52	2.75	3.19	1.00	3.42	2.97	2.40	2.81
300	2.95	3.00	3.79	1.00	3.78	3.31	2.85	3.47
400	3.25	3.37	4.09	1.31	4.08	3.50	3.33	4.13
500	3.55	3.60	4.39	1.75	4.27	3.65	3.61	4.79
750	3.97	3.90	5.34	2.61	4.68	3.86	4.24	4.95
1,000	4.26	4.05	5.50	3.09	4.88	4.02	4.81	4.95
5,000	4.97	5.81	5.50	5.22	5.38	4.40	6.76	5.45

(a) Only applies to existing properties.

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 and certain small businesses 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 newly constructed homes valued up to $550,000 (phasing out at $650,000) and vacant land valued up to $350,000 (phasing out at $450,000). First home buyers who buy at least 50% of a property with other parties can receive a partial concession.

Nominal duty of $50 is payable for property (including homes) transferred to the 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 a 20% reduction in transfer duty. This will be progressively increased to 50% from 1 September 2014.

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

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

A duty concession applies for all off-plan housing sales. This concession is not limited to home buyers.

QLD First home buyers receive a transfer duty concession of up to $8,750 on first home purchases valued up to $505,000 (phasing out at $550,000), and vacant land valued at less than $250,000 (phasing out at $400,000).

A concessional rate scale applies to principal places of residence.

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

SA A transfer duty concession of up to $21,330 applies to off the plan apartments purchased within certain parts of Adelaide from 31 May 2012 until 30 June 2014. A partial concession applies from 1 July 2014 until 30 June 2016. This is not limited to home buyers.

TAS The previous first home buyer duty concessions have been abolished.

ACT Subject to a family income not exceeding $150,000 (plus $3,330 for each dependent child), home buyers purchasing a new or substantially renovated property valued at up to $385,000 or residential vacant land valued at up to $235,000 pay nominal duty of $20. A concessional rate of duty is payable on a new or substantially renovated property valued between $385,000 and $450,000 or a vacant block of land valued between $235,000 and $263,000.

Eligible pensioners pay nominal duty of $20 on homes purchased that are worth less than $570,250 and vacant land worth less than $300,000. A concessional rate applies to homes worth between $570,250 and $715,000 or residential vacant land worth between $300,000 and $403,000

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

NT 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 $7,000 is available to buyers purchasing a newly built principal place of residence or vacant land on which a new home will be built. 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	From 1 October 2012, a $15,000 First Home Owner Grant is available for eligible first home buyers who purchase a newly built property up to the value of $650,000. The grant will be reduced to $10,000 on 1 January 2014. A New Home Grant of $5,000 is available to all non-first homebuyers of newly built properties up to $650,000, and vacant land up to $450,000. 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, or vacant land up to $450,000, 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.
QLD	A $15,000 First Home Owner Construction Grant is available for eligible first home buyers who purchase a newly built property up to the value of $750,000.
SA	A $15,000 First Home Owner Grant is available for eligible first home buyers who purchase a newly built property up to the value of $575,000. A $5,000 First Home Owner Grant will continue to be available for purchasers of established homes until 30 June 2014, but this will cease from 1 July 2014. A $8,500 Housing Construction Grant is available to new home buyers and investors who purchase a new home between 15 October 2012 and 30 June 2013, and to owner builders who commence construction during this period. The Housing Construction Grant is available for properties valued up to $400,000, phasing out at $450,000.

TAS A $7,000 First Home Owner Grant is available for eligible first home buyers. An $8,000 First Home Owner Boost is also available for purchases of a newly built property between 1 January 2013 and 30 June 2014.

ACT 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.

NT A First Home Owner Grant is available for eligible first home buyers who purchase a property up to the value of $600,000.The value of the grant is $25,000 for all new homes and for established homes in regional areas, and $12,000 for established homes in the Darwin/ Palmerston area.

A Build Bonus of $10,000 is available for all home buyers and owner builders who purchase or build a new home before 31 December 2012 up to the value of $600,000. This is not limited to home buyers.

Changes to the Rate Scale

MARGINAL TAX RATE (%)

Value $'000	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 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 threshold was extended on 29 October 2004 to $250,000 for first home purchases (phasing out at $350,000), and to $150,000 for vacant land (phasing out at $200,000). This was further extended from 10 May 2007 to $500,000 for first home purchases (phasing out at $600,000), and $300,000 for vacant land (phasing out at $400,000).

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 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	833.3	28.7	1,133.4	25.3
2003-04	1,207.2	44.9	1,608.5	41.9
2004-05	1,218.1	0.9	1,573.4	-2.2
2005-06	1,906.0	56.5	2,361.5	50.1
2006-07	2,037.2	6.9	2,428.2	2.8
2007-08 [a]	2,264.8	11.2	2,605.6	7.3
2008-09 [a]	1,101.6	-51.4	1,230.1	-52.8
2009-10 [a]	1,552.0	40.9	1,690.1	37.4
2010-11 [a]	1,225.9	-21.0	1,295.5	-23.3
2011-12 [a]	1,260.6	2.8	1,309.9	1.1
2012-13 [a][b]	1,486.0	17.9	1,486.0	13.4

(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 *2012-13 Government Mid-year Financial Projections Statement*.

(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 (UTSs).

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 court approved compromise or arrangement with creditors under the *Corporations Act 2001 (Cth)* is exempt from duty.

Where a family member acquires an interest in a corporation 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	SA[c]	ACT	NT
Rate	**Private:** General scale	**Private:** General scale	**Private:** General scale	**Private:** General scale	**Private:** General scale	**Private:** General scale	**Private:** General scale
	Public: General scale	**Public:** 10% of general rate	**Public:** 10% of general rate	**Public:** 10% of general rate	**Public:** 10% of general rate	**Public:** N/A	**Public:** General scale
Acquisition threshold	**Private:** >=50%	**Private:** >=50%	**UTS:** >=20% **Company/ Wholesale UTS:** >=50%	**Private:** >=50%	**Private:** >=50%	**Private:**[d] >=50%	**Private:** >=50%
	Public: >=90%	**Public:** >=90%	**Public:** >=90%	**Public:** >=90%	**Public:** >=90%	**Public:** N/A	**Public:** >=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 Tasmania in 2012-13.

(b) Victoria introduced ‘landholder’ duty on 1 July 2012.

(c) Duty does not apply to chattels.

(d) From 1 July 2012 the two different thresholds applying to UTSs and companies were changed to a single rate for all private entities.

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	1,925	2,830	2,400	2,157
200	5,890	5,490	7,070	5,425	6,830	4,800	5,629
300	10,165	8,990	13,070	8,925	11,330	8,550	10,414
400	14,915	13,490	19,070	12,425	16,330	13,300	16,514
500	19,665	17,990	25,070	15,925	21,330	18,050	23,929
750	32,540	29,240	40,070	26,775	35,080	31,800	37,125
1,000	45,415	40,490	55,000	38,025	48,830	48,050	49,500
5,000	251,415	260,490	275,000	268,025	268,830	338,050	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	1.93	2.83	2.40	2.16
200	2.95	2.75	3.54	2.71	3.42	2.40	2.81
300	3.39	3.00	4.36	2.98	3.78	2.85	3.47
400	3.73	3.37	4.77	3.11	4.08	3.33	4.13
500	3.93	3.60	5.01	3.19	4.27	3.61	4.79
750	4.34	3.90	5.34	3.57	4.68	4.24	4.95
1,000	4.54	4.05	5.50	3.80	4.88	4.81	4.95
5,000	5.03	5.21	5.50	5.36	5.38	6.76	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	193	283	Not	2,157
200	5,890	549	707	543	683	Levied	5,629
300	10,165	899	1,307	893	1,133		10,414
400	14,915	1,349	1,907	1,243	1,633		16,514
500	19,665	1,799	2,507	1,593	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	3,803	4,883		49,500
5,000	251,415	26,049	27,500	26,803	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	0.19	0.28	Not	2.16
200	2.95	0.27	0.35	0.27	0.34	Levied	2.81
300	3.39	0.30	0.44	0.30	0.38		3.47
400	3.73	0.34	0.48	0.31	0.41		4.13
500	3.93	0.36	0.50	0.32	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	0.54	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.

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

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

Concessions are available for acquisitions effected for the purpose of securing financial accommodation as well as redemption 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 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2008-09	24.3	-	27.1	-
2009-10	87.4	259.8	95.2	250.9
2010-11	47.3	-45.9	50.0	-47.5
2011-12	101.4	114.2	105.4	110.6
2012-13 [a]	137.5	35.6	137.5	30.5

(a) Estimate based on the *2012-13 Government Mid-year Financial Projections Statement*.

Land Tax

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

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

Rate of Tax

No changes were made to the land tax scale in the 2012-13 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 the income test for a full exemption (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	TAS	ACT[(b)(c)]	NT
Min Threshold	$300,000	$396,000	$250,000	$600,000	$316,000	$25,000	$0	Not
Max Threshold	$11.0m	$2.421m	$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%	1.80%	

(a) New South Wales increased for the 2012 land tax (calendar) year the minimum threshold from $387,000 to $396,000 and the maximum threshold from $2.366 million to $2.421 million. The thresholds are determined using the past three-year average of 'indexed' land values in NSW.

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

(c) On 1 July 2012 all land tax rates were changed for properties valued above $75,000.

LAND TAX PAYABLE

General

Land Value	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
$'000	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
100	0	0	0	0	0	463	625	Not
200	0	0	0	0	0	1,013	1,420	Levied
300	0	0	375	0	0	1,563	2,538	
400	90	164	575	0	420	2,588	4,338	
500	180	1,764	775	0	920	4,088	6,138	
1,000	630	9,764	2,975	4,500	9,447	11,588	15,138	
3,000	16,030	44,080	24,975	37,500	82,771	41,588	51,138	
5,000	40,430	84,080	69,975	62,500	156,771	71,588	87,138	
10,000	112,230	184,080	182,475	150,000	341,771	146,588	177,138	

AVERAGE TAX RATES

General

Land Value $'000	WA %	NSW %	VIC %	QLD %	SA %	TAS %	ACT %	NT %
100	-	-	-	-	-	0.46	0.63	Not
200	-	-	-	-	-	0.51	0.71	Levied
300	-	-	0.13	-	-	0.52	0.85	
400	0.02	0.04	0.14	-	0.11	0.65	1.08	
500	0.04	0.35	0.16	-	0.18	0.82	1.23	
1,000	0.06	0.98	0.30	0.45	0.94	1.16	1.51	
3,000	0.53	1.47	0.83	1.25	2.76	1.39	1.70	
5,000	0.81	1.68	1.40	1.25	3.14	1.43	1.74	
10,000	1.12	1.84	1.82	1.50	3.42	1.47	1.77	

New South Wales, Victoria and Queensland also apply different tax scales to commercial properties or properties owned by non-concessional companies and special trusts. Western Australia, South Australia and Tasmania apply the general scales to all types of property and ownership.

LAND TAX SCALES

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

	WA	NSW[(a)]	VIC	QLD	SA	TAS	ACT[(b)]	NT
Min Threshold	$300,000	$0	$25,000	$350,000	$316,000	$25,000	Not	Not
Max Threshold	$11.0m	$2.421m	$3.0m	$5.0m	$1.052m	$0.35m	Levied	Levied
Min Tax Rate	0.09%	1.60%	0.375%	1.70%	0.50%	0.55%		
Max Tax Rate	2.16%	2.00%	2.25%	2.00%	3.70%	1.50%		

(a) The maximum threshold for the 2012 land tax year increased from $2.366 million to $2.421 million.

(b) From 1 July 2012 land tax on commercial properties in ACT has been abolished and is now represented in the General Rates system.

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	0	1,600	363	0	0	463	Not	Not
200	0	3,200	738	0	0	1,013	Levied	Levied
300	0	4,800	1,214	0	0	1,563		
400	90	6,400	1,789	2,300	420	2,588		
500	180	8,000	2,364	4,000	920	4,088		
1,000	630	16,000	6,438	12,500	9,447	11,588		
3,000	16,030	50,316	24,975	45,000	82,771	41,588		
5,000	40,430	90,316	69,975	75,000	156,771	71,588		
10,000	112,230	190,316	182,475	175,000	341,771	146,588		

(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) From 1 July 2012 land tax on commercial properties has been abolished in ACT and is now represented in the General Rates system.

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	Not	Not
200	-	1.60	0.37	-	-	0.51	Levied	Levied
300	-	1.60	0.40	-	-	0.52		
400	0.02	1.60	0.45	0.58	0.11	0.65		
500	0.04	1.60	0.47	0.80	0.18	0.82		
1,000	0.06	1.60	0.64	1.25	0.94	1.16		
3,000	0.53	1.68	0.83	1.50	2.76	1.39		
5,000	0.81	1.81	1.40	1.50	3.14	1.43		
10,000	1.12	1.90	1.82	1.75	3.42	1.47		

(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) From 1 July 2012 land tax on commercial properties has been abolished in the ACT, by increasing General Rates on 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 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	259.6	15.0	353.1	11.9
2003-04	279.7	7.7	372.7	5.5
2004-05	315.5	12.8	407.5	9.4
2005-06	312.9	-0.8	387.7	-4.9
2006-07	385.6	23.2	459.6	18.6
2007-08 [(a)]	420.6	9.1	483.9	5.3
2008-09 [(a)]	568.0	35.0	634.2	31.1
2009-10 [(a)]	528.5	-7.0	575.5	-9.3
2010-11 [(a)]	521.5	-1.3	551.1	-4.2
2011-12 [(a)]	552.4	5.9	574.0	4.2
2012-13 [(a)(b)]	568.9	3.0	568.9	-0.9

(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 *2012-13 Government Mid-year Financial Projections Statement*.

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 0.402% of the Net Annual Value, with a minimum charge of $66.80 (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-eights 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 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	38.9	2.9	52.9	0.2
2003-04	43.6	12.1	58.1	9.9
2004-05	47.1	8.0	60.9	4.7
2005-06	53.4	13.4	66.2	8.8
2006-07	65.0	21.6	77.5	17.0
2007-08 [(a)]	76.0	16.9	87.4	12.9
2008-09 [(a)]	82.2	8.2	91.8	5.0
2009-10 [(a)]	78.3	-4.7	85.3	-7.1
2010-11 [(a)]	77.8	-0.6	82.3	-3.5
2011-12 [(a)]	84.2	8.2	87.5	6.3
2012-13 [(a)(b)]	86.4	2.6	86.4	-1.2

(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 *2012-13 Government Mid-year Financial Projections Statement*.

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%	10.0%[(d)]	8.0%[(f)]	10.0%
Compulsory Third Party Insurance	10.0%	Nil	10.0%	10c per policy	$60.00 per policy	$20.00 per policy[(e)]	Nil	Nil
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	0.05% up to $2,000 and 0.1% over $2,000	1.5% of premium	10c per $200 up to $2,000 and 20c per $200 over $2,000	80c for first $2,000 and 16c per $200 over $2,000[(g)]	10c per $100
		Term, temporary or riders:	*Term or temporary:*	*Term or temporary:*	*Riders:*	*Term or temporary:*	*Term, temporary or riders:*	*Term or temporary:*
		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	4% of first year's premium[(h)]	5% of first year's premium

(a) 5% for: aviation, motor vehicle, disability income, occupational indemnity and hospital. 2.5% for livestock or crop insurance.

(b) 5% for: motor vehicle, professional indemnity and airtravel injury insurance.

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

(d) The rate changed from 8% to 10% on 1 October 2012

(e) The duty increased from $6 to $20 on 1 October 2012

(f) The rate changed from 10% to 8% on 1 October 2012

(g) The rate was lowered by 20% on 1 October 2012

(h) The rate changed from 5% to 4% on 1 October 2012

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 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	220.2	25.0	299.5	21.6
2003-04	278.7	26.6	371.3	24.0
2004-05	279.9	0.4	361.5	-2.6
2005-06	296.3	5.9	367.1	1.5
2006-07	308.5	4.1	367.7	0.2
2007-08 [(a)]	342.5	11.0	394.0	7.2
2008-09 [(a)]	376.5	9.9	420.4	6.7
2009-10 [(a)]	404.0	7.3	440.0	4.7
2010-11 [(a)]	442.0	9.4	467.1	6.2
2011-12 [(a)]	487.1	10.2	506.2	8.4
2012-13 [(a)(b)]	557.5	14.4	557.5	10.1

(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 *2012-13 Government Mid-year Financial Projections Statement*.

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

New and Used Light Vehicles

Value of Vehicle	Tax Rate
$0 – $25,000	2.75%
$25,001 – $50,000	2.75% – 6.50%[a]
Over $50,000	6.50%

(a) The rate slides proportionately from 2.75% at $25,000 to 6.50% at $50,000 as follows:
Duty = V 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, a Disability Support Pension Card or a Pension Card (Blind) issued by the Commonwealth).

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

Interstate Comparison

DUTY ON MOTOR VEHICLES (BASED ON MARKET VALUES)

WA	NSW	VIC	QLD	SA	TAS	ACT	NT
New and Used Passenger Vehicles: *$0 – $25,000:* 2.75% *$25,001 – $50,000:* 2.75% – 6.50% *Over $50,000:* 6.50% **Heavy Vehicles:** 3% (up to a maximum of $12,000)	**Passenger Vehicles:** *Under 45,000:* $3 per $100 *$45,000 or more:* $1,350 + $5 per $100 in excess of $45,000 **Other Vehicles:** $3 per $100	**New Passenger Vehicles:** *$0 – $59,133:* $6 per $200[(a)] *Over $59,133:* $10 per $200 **New non-passenger:** $5 per $200 **Used:** $8 per $200	**1-4-cylinder vehicles:** $3 per $100 **5-6-cylinder vehicles:** $3.50 per $100 **7 or more cylinder vehicles:** $4 per $100 **Hybrid/ Electric Vehicles:** $2 per $100	**Non-commercial:** Min $5 duty *$0-$1,000:* $1 per $100 *$1,001 – $2,000:* $10 + $2 per $100 in excess of $1,000 *$2,001 – $3,000:* $30 + $3 per $100 in excess of $2,000 *Over $3,000*: $60 + $4 per $100 in excess of $3,000 **Commercial:** As above except *vehicles over $2,000:* $30 + $3 per $100 in excess of $2,000	**Passenger Vehicles:** *$600 or less:* $20 *$601-$35,000:* $3 per $100 *$35,001 – $40,000:* $1,050+ $11 per $100 in excess of $35,000 *Over $40,000:* $4 per $100 **Heavy Vehicles:** *Under $2,000:* $20 *Over $2,000:* $1 per $100 **Other Vehicles[(b)]:** $3 per $100	**Passenger Vehicles:** Green Vehicle Rating[(c)]: *$45,000 or less:* A- Nil B - $2 per $100 C - $3 per $100 D - $4 per $100 *More than $45,000:* A- Nil B - $900 + $4 per $100 above $45,000 C - $1,350 + $5 per $100 above $45,000 D - $1,800 + $6 per $100 above $45,000 **Other Vehicles[(d)]:** $3 per $100	$3 per $100

(a) From 1 July 2012, Victoria's motor vehicle duty for new passenger vehicles valued below the Commonwealth's luxury car tax threshold increased from $5 per $200 to $6 per $200.

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

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

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

DUTY ON SELECTED PASSENGER VEHICLES

Vehicle Value	WA	NSW	VIC		QLD		SA	TAS	ACT	NT
			New	Used	4 cyl	6 cyl			C Rating(a)	
$	$	$	$	$	$	$	$	$	$	$
5,000	138	150	150	200	150	175	140	150	150	150
10,000	275	300	300	400	300	350	340	300	300	300
20,000	550	600	600	800	600	700	740	600	600	600
30,000	1,050	900	900	1,200	900	1,050	1,140	900	900	900
40,000	2,000	1,200	1,200	1,600	1,200	1,400	1,540	1,600	1,200	1,200
50,000	3,250	1,600	1,500	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

Passenger Vehicles

Vehicle Value	WA	NSW	VIC		QLD		SA	TAS	ACT	NT
			New	Used	4 cyl	6 cyl			C Rating	
$	%	%	%	%	%	%	%	%	%	%
5,000	2.75	3.00	3.00	4.00	3.00	3.50	2.80	3.00	3.00	3.00
10,000	2.75	3.00	3.00	4.00	3.00	3.50	3.40	3.00	3.00	3.00
20,000	2.75	3.00	3.00	4.00	3.00	3.50	3.70	3.00	3.00	3.00
30,000	3.50	3.00	3.00	4.00	3.00	3.50	3.80	3.00	3.00	3.00
40,000	5.00	3.00	3.00	4.00	3.00	3.50	3.85	4.00	3.00	3.00
50,000	6.50	3.20	3.00	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 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	231.7	28.2	315.1	24.8
2003-04	273.0	17.8	363.7	15.4
2004-05	302.5	10.8	390.7	7.4
2005-06	342.2	13.1	424.0	8.5
2006-07	392.6	14.7	468.0	10.4
2007-08 [(a)]	392.8	0.1	451.9	-3.4
2008-09 [(a)]	317.6	-19.1	354.6	-21.5
2009-10 [(a)]	331.6	4.4	361.1	1.8
2010-11 [(a)]	337.8	1.9	357.0	-1.1
2011-12 [(a)]	367.2	8.7	381.5	6.9
2012-13 [(a)(b)]	415.5	13.2	415.5	8.9

(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 *2012-13 Government Mid-year Financial Projections Statement*.

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 fee[1] 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 $18.02 per 100 kg of tare (unladen) weight (or part thereof) to a maximum of $441. The example in the table below indicates the licence fees payable on a 6-cylinder Holden Commodore (on the basis of 1,618 kg tare weight) for family or business use. The difference of $69 is due to a discount for family vehicles. There is also a prescribed flat fee of $6.60 for all registrations and renewals. Registrations can be for six or 12 months, with the flat fee payable each time.

	Family Use $ per annum	**Business Use $ per annum**
Holden Commodore	243.94	312.94

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. Vintage/veteran vehicles are also exempt.

[1] Plate fees only apply to new registrations.

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[2], beekeepers, kangaroo shooters, stock transporters, sandalwood pullers and prospectors receive a 50% concession. Driving instructors (heavy vehicles only) and trailers used outside the South West Land Division also receive a 50% concession.

Agricultural machines used exclusively to travel between farms or for fire control operations may be eligible for a reduced 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 $69 applies to family (non-business) vehicles (indexed annually).

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[(e)]
	$ p.a.	$ p.a.	$ p.a.	$ p.a.	$ p.a.	$ p.a.	$ p.a.	$ p.a.
Holden Commodore								
Family Use	243.94	461.00[(b)]	232.30[(c)]	443.45[(d)]	224.00	149.00	429.30	113.00
Business Use	312.94	685.00[(b)]	232.30[(c)]	449.20	224.00	149.00	664.80	113.00

(a) Excludes administration, inspection fees and compulsory third party insurance premiums.
(b) Including the registration fee and weight tax. In 2011 only the weight tax was included, although the registration fee was applicable.
(c) Increased from $191.60 on 1 April 2012
(d) Queensland family vehicle licence fee increases will be frozen for three years from 2012-13.
(e) From 1 January 2013, motor vehicle licence fees will increase between 4 and 18% for all categories of vehicle.

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.

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

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 $ p.a.	Business $ 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
2012	243.94	312.94

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, $67 in 2011-12 and $69 in 2012-13.

Motor Vehicle Licence Fee Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	298.6	9.7	406.1	6.8
2003-04	320.3	7.3	426.8	5.1
2004-05	341.3	6.6	440.8	3.3
2005-06	361.1	5.8	447.4	1.5
2006-07	396.4	9.8	472.5	5.6
2007-08 [a]	434.3	9.6	499.6	5.7
2008-09 [a]	486.1	11.9	542.8	8.6
2009-10 [a]	515.8	6.1	561.7	3.5
2010-11 [a]	557.2	8.0	588.9	4.8
2011-12 [a]	599.4	7.6	622.9	5.8
2012-13 [a][b]	645.6	7.7	645.6	3.6

(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 *2012-13 Government Mid-year Financial Projections Statement*.

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 State Pool Account (established under the *National Health Funding Pool Act 2012)*, the Arts Lotteries Account, the Sports Lotteries Account, cultural activities such as the Festival of Perth and the commercial film industry in Western Australia. The Lotteries Commission also funds a significant direct grants program for community and 'not for profit' organisations and events.

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

Interstate Comparison

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

WA	40% of net subscriptions (sales net of any add-on commission less prize liability) is paid to the State Pool Account; 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. Footy tipping: 58.41% (where GST is payable) or 67.50% (where GST is not payable).
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, soccer pools 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. Tasmania also receives an amount equal to any unclaimed prizes for tickets purchased in Tasmania.
ACT	Lotteries in the ACT are provided in cooperation with Victoria, NSW and Queensland, with the ACT receiving from Victoria 79.4% of the proportion of player loss on lotteries (and 57.52% on soccer pools), from NSW, 76.918% of the proportion of player loss on lotteries and from Queensland, 22% of all ticket sales for lotteries.
NT	Fees and taxes are set by way of agreement under the *Gaming Control Act* between a lottery licence holder and the Northern Territory. Agreements are commercial in confidence. All funds received are paid into the Central Holding Authority.

Changes in Lotteries Commission's Products

A State Lotto was introduced in February 1979.

The Commission became a member of the Australian Lotto Bloc in 1981 and has marketed Weekend 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 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	74.9	4.7	101.8	1.9
2003-04	75.3	0.6	100.3	-1.5
2004-05	76.8	1.9	99.1	-1.2
2005-06	80.4	4.8	99.6	0.5
2006-07	88.0	9.4	104.9	5.3
2007-08 [(a)]	121.0	37.5	139.2	32.7
2008-09 [(a)]	133.8	10.6	149.4	7.3
2009-10 [(a)]	129.8	-3.0	141.3	-5.4
2010-11 [(a)]	126.3	-2.7	133.4	-5.6
2011-12 [(a)]	140.5	11.2	146.0	9.4
2012-13 [(a)(b)]	140.6	0.1	140.6	-3.7

(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) Estimates based on the *2012-13 Government Mid-year Financial Projections Statement*.

GST Re-imbursements

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-imbursement to gambling operators of their GST liability.

The GST re-imbursement to the Lotteries Commission was about $15.4 million in 2000-01 (the first year) increasing to about $30.16 million in 2011-12.

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	20.614%
Table games (including Keno)	18.0%
International commission business	11.0%

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 ($2.578 million in 2012) 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	20.614% of electronic gaming machine gross revenue, 18% of table game (including keno) gross revenue, 22% of fully automated table game gross revenue and 11% of international commission business gross revenue. From 24 December 2012, the effective rate of tax on the casino's electronic gaming machines will increase annually over four years to 21.5% on and from 24 December 2015.

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

NSW A single rate of 16.41% applies to both table games and electronic gaming machines.

A 1% super tax also applies for each $5 million of gross revenue above $663.5 million, to a maximum of 38.91%. The tax bands are indexed annually.

The international high roller program was re-activated in 2006; under the agreement, a 10% tax applies to high roller gaming revenue, with a non-refundable minimum of $6 million paid in two $3 million instalments each year.

A 2% Responsible Gambling Levy applies to all gross gaming revenue.

VIC 28.13% of gross gaming revenue applies to gaming machines plus 1% super tax for each $20 million gross revenue above $878 million, to a maximum super tax of 20% on gross revenue over $1,258 million. 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 $258 million up to a maximum of 12.25% on gross revenue over $478 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. From 1 July 2013 a single flat tax rate of 25.88% will apply to all gaming machines. 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 ($2.578 million in 2012), indexed annually. A one-off payment of $20 million was also paid in 2010 to allow for an increase in the number of electronic gaming machines and gaming tables.
NSW	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 $207,200 in 2012-13, indexed annually.
SA	Nil.
TAS	A monthly licence fee of $143,500 in 2012-13, indexed annually.
ACT	Annual fee $845,605 for 2012-13 CPI linked (payable in two equal instalments in August and February).
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 increased from 20% to 20.125%, as part of the State Government's July 2010 approval of the expansion of the casino complex.

From 1 July 2011, a tax rate of 22% was introduced for fully automated table games (also as part of the approval of the casino expansion).

From 1 July 2012, the effective tax rate on the casino's electronic gaming machines increased from 20.125% to 20.25%, as part of the 2010 casino expansion approval. The rate was scheduled to increase further over the next three years to 20.625% in 2015-16. However, a revised schedule of rate increases was agreed as part of another proposal to expand the casino, which was approved in 2012.

From 24 December 2012, the effective tax rate on the casino's electronic gaming machines increased from 20.25% to 20.614%, as part of the 2012 expansion approval. Rates are scheduled to increase annually from 24 December 2012 over four years to 21.5% on 24 December 2016.

Casino Tax Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	16.5	1.6	22.4	-1.1
2003-04	22.4	36.4	29.9	33.6
2004-05	23.3	3.7	30.1	0.6
2005-06	29.4	26.1	36.4	21.0
2006-07	36.5	24.3	43.5	19.5
2007-08 [(a)]	83.7	129.3	96.3	121.3
2008-09 [(a)]	90.8	8.5	101.4	5.3
2009-10 [(a)]	92.2	1.5	100.4	-1.0
2010-11 [(a)]	89.6	-2.8	94.7	-5.6
2011-12[(a)]	108.1	20.6	112.4	18.6
2012-13[(a)(b)]	125.0	15.6	125.0	11.3

(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 *2012-13 Government Mid-year Financial Projections Statement*.

GST Re-imbursements

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 $57.1 million was paid for 2011-12 to the operator to compensate for their GST liability.

Betting Taxes

Betting taxes comprise the Racing and Wagering Western Australia (RWWA) Wagering Tax, 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*.

Under the *RWWA Act 2003*, for totalisator and fixed odds wagering on sporting events, 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 on 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 on sports betting at a designated sporting event is collected by the Gaming and Wagering Commission and remitted to the Sports Wagering Account. The levy does not apply to racing events.

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

Rate of Tax

RWWA Wagering Tax

Totalisator

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. There is no on-course totalisator tax for racing or sports betting.

Fixed Odds

The tax rate for fixed odds betting is 2% of turnover for racing and 0.5% of turnover for sports betting.

Bookmakers' Betting Levy

The Bookmakers' Betting Levy is 1.5% of sports betting turnover at a designated sporting event and 0.5% of sports betting turnover at a racecourse. The levy does not apply to racing events.

Racing Bets Levy

A Racing Bets Levy of 1.5% of a betting operator's monthly turnover is generally levied. However, a premium rate of 2.0% applies to wagering conducted on thoroughbred racing events during the period 1 November to 1 January (inclusive) each year. The Racing Bets Levy is applied in addition to any other applicable taxes.

Exemptions and Concessions

A taxation concession rebate applies for professional punters who are on contract with RWWA and have annual betting outlays of at least $500,000. This concession is due to expire on 31 July 2017.

Interstate Comparison

CURRENT TAX RATES % (REVENUE PAID TO GOVERNMENT)

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Fixed Odds Betting Tax (Racing, TAB)	2% of turnover	10.91% of player loss	4.38% of player loss	20% of commission	Nil[h]	Nil[k]	Nil	Dependent on event[n]
Fixed Odds Betting Tax (Sports Betting, TAB)	0.5% of turnover	10.91% of player loss	4.38% of player loss	20% of commission	6% of player loss	Nil[k]	Nil	Dependent on event[n]
Wagering Tax (Sports Betting, Totalisator)	5% of turnover	19.11% of player loss	7.6% of player loss[f]	20% of commission	6% of player loss	Nil[k]	6% of player loss	Dependent on event[n]
Wagering Tax (Off Course Racing, Totalisator)	11.91% of gross revenue	19.11% of player loss	7.6% of player loss[f]	20% of commission	Nil	Nil[k]	10% of capital value[l]	Dependent on event[n]
On-course Totalisator Duty	Nil[c]	19.11% of player loss	7.6% of player loss[f]	20% of commission	Nil	Nil[k]	10% of capital value[l]	Dependent on event[n]
Bookmakers' Betting Levy (Sporting Event)[a]	0.5% of turnover (At a racecourse) 1.5% of turnover (At a sporting event)	Nil	Nil	Nil	0.25% of turnover (internationally sourced bets only)	Nil	Nil	10% gross profit[o]
			Racing Bets Levy[b]					
Thoroughbred	1.5% of turnover[d]	1.5% of turnover	11.51% gross revenue[f]	1.5% of turnover[g]	Contribution to the racing industry[i]	10% gross revenue	10% gross revenue[m]	Nil
Harness	1.5% of turnover	1.5% of turnover	11.51% gross revenue[f]	1.5% of turnover[g]	The greater of 0.5% of turnover or 13% of gross proceeds[j]	10% gross revenue	10% gross revenue[m]	Nil
Greyhound	1.5% of turnover	1.5% of turnover[e]	11.51% gross revenue[f]	1.5% of turnover[g]		10% gross revenue	10% gross revenue[m]	Nil

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

(b) The Racing Bets Levy may also be known as product information fees or race fields fees, amongst others.

(c) On course totalisator duty was abolished in WA on 28 June 1996.

(d) 2% from 1 November to 1 January each year (inclusive).

(e) Either 1.5% of turnover or 10% of gross revenue for NSW greyhounds.

(f) The rate was lowered from 19.11% to 7.6% in August 2012. The difference (11.51%) is hypothecated to the racing industry, with operators paying the same net fee.

(g) 2% during May and June.

(h) SA TAB pays a flat fee of $252,000 per month until 30 June 2016 when the current agreement expires.

(i) Varying amounts based on the time of year and wagering operator's revenues are paid to Thoroughbred Racing SA. The wagering operator can elect either a turnover or gross profit system.

(j) Paid directly to Thoroughbred Racing SA.

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

(l) 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.

(m) Only payable when wagering operator's annual turnover is over $1.5 million.

(n) 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.

(o) Applies to internationally sourced bets with a maximum of $262,000 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.

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 on 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 (including interstate operators) who publish or use Western Australian race fields, with other States also charging for the use of their race fields information. The levy does not distinguish between off-course and on-course wagering, and operators had a choice (until 1 November 2012) as to the method that they applied. One method was 1.5% of turnover and the second was either 20% of gross revenue or 0.2% of turnover, whichever was greater.

From 1 November 2012, the Racing Bets Levy applies at the rate of 1.5% of a betting operator's monthly turnover, with a premium rate of 2.0% applying to wagering conducted on thoroughbred racing events during the period 1 November to 1 January (inclusive) each year.

Changes to Exemptions and Concessions

A taxation 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%). In 2012 this concession was extended until 31 July 2017.

Betting Tax Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	26.9	8.5	36.6	5.6
2003-04	34.0	26.4	45.3	23.9
2004-05	33.7	-0.8	43.6	-3.9
2005-06	36.1	6.9	44.7	2.6
2006-07	39.5	9.5	47.1	5.3
2007-08 [(a)]	30.4	-23.0	35.0	-25.7
2008-09 [(a)]	32.0	5.3	35.7	2.2
2009-10 [(a)]	31.7	-1.0	34.5	-3.5
2010-11 [(a)]	34.0	7.4	35.9	4.2
2011-12[(a)]	37.6	10.6	39.1	8.8
2012-13[(a)(b)]	37.0	-1.6	37.0	-5.3

(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 *2012-13 Government Mid-year Financial Projections Statement*.

GST Re-imbursements

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-imbursement was replaced by an equivalent reduction in the wagering tax rate for pari-mutuel betting on racing. GST re-imbursements still occur in relation to fixed odds race betting and pari-mutuel and fixed odds sports betting.

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 a property's gross rental value and the levy rate varies according to regions. In 2012-13, the levy is expected to raise approximately $231.3 million.

Emergency Services Levy Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2003-04	75.0	-	99.9	-
2004-05	128.7	71.6	166.2	66.4
2005-06	130.3	1.2	161.4	-2.9
2006-07	137.4	5.4	163.8	1.4
2007-08 [a]	149.5	8.8	172.0	5.0
2008-09 [a]	157.2	5.2	175.5	2.1
2009-10 [a]	169.3	7.7	184.4	5.0
2010-11 [a]	205.0	21.1	216.7	17.5
2011-12[a]	220.3	7.5	228.9	5.7
2012-13[a][b]	231.3	5.0	231.3	1.0

(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 *2012-13 Government Mid-year Financial Projections Statement*.

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 these fees for providing an explicit government guarantee on liabilities incurred by WATC in raising loan funds. On 1 July 2012, the loan guarantee fee increased from 20 basis points per annum to 70 basis points per annum for borrowings by government trading enterprises and selected agencies.

The current scale of loan guarantee fees is as follows:

- 70 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;
- 20 basis points for other semi-government agencies; 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 2012-13 is approximately $107.1 million.

Loan Guarantee Fee Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	10.0	4.2	13.6	1.4
2003-04	10.5	5.0	14.0	2.9
2004-05	10.4	-1.0	13.4	-4.0
2005-06	13.1	26.0	16.2	20.8
2006-07	14.2	8.4	16.9	4.3
2007-08 [(a)]	13.6	-4.2	15.6	-7.6
2008-09 [(a)]	19.2	41.2	21.4	37.0
2009-10 [(a)]	27.6	43.8	30.1	40.2
2010-11 [(a)]	23.1	-16.4	24.4	-18.9
2011-12[(a)]	24.8	7.3	25.7	5.5
2012-13[(a)(b)]	105.2	324.9	105.2	308.9

(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 *2012-13 Government Mid-year Financial Projections Statement*.

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 a mining company for a mineral resource, ownership of which is vested in the State Government on behalf of the community.

Under the *Mining Act 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.wa.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 bulk 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, less any allowable deductions.

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.

Royalty Rate Analysis

The Western Australian Government announced in its 2012-13 Budget that it would conduct an analysis of mineral royalty rates, in consultation with industry, over the next three years. The analysis will:

- examine the efficacy and appropriateness of the long-standing policy of structuring royalty rates to achieve a return broadly equivalent to 10% of the theoretical value of minerals at the 'minehead';
- examine the extent to which the current royalty rate structure produces revenue that differs from the 10% minehead benchmark; and
- identify instances, in consultation with industry, where royalty rates may be adjusted to produce revenues closer to the 10% minehead benchmark

Magnetite iron ore was excluded from the analysis.

Commonwealth Minerals Resource Rent Tax

The Commonwealth's Minerals Resource Rent Tax (MRRT) commenced on 1 July 2012. The MRRT applies a rate of 30% (less an 'extraction allowance' that reduces the effective rate to 22.5%) to the mining profits (i.e. 'rents') of iron ore and coal miners whose profits exceed $75 million in a year.

Also on 1 July 2012, the Commonwealth's Petroleum Resource Rent Tax (PRRT) was extended to include State offshore and onshore petroleum projects and the North-West Shelf project. Prior to 1 July 2012, the PRRT only applied to offshore petroleum projects located in Commonwealth waters.

The PRRT applies a rate of 40% on the taxable profits of a petroleum project.

State royalties are currently fully creditable against MRRT and PRRT liabilities.

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, for 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	6.5
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 generally 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 6.5% currently applies to iron ore 'fines' in Western Australia. The Western Australian Government announced in its 2011-12 Budget that it will increase the royalty rate for iron ore 'fines' to 6.5% (from 5.625%) from 1 July 2012, and to 7.5% from 1 July 2013 (to align with the lump ore rate), 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% **Fines:** 6.5% **Lump:** 7.5%	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[(a)]	5.0% of net market value[(b)]	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales[(c)(d)]	n.a.	20.0% of net value of mine's production value[(e)]
Royalty System	Ad valorem	Ad valorem	Ad valorem	Hybrid	Ad valorem	Hybrid		Profit

(a) A rebate of 20% is available if the mineral is processed in Queensland and the metal produced is at least 95% iron ore.

(b) New mines may qualify for a rate of 2.0% for the first five years. Mines operating under the existing concessional rate of 1.5% prior to 1 July 2011 remain on this rate until the mine has been operating more than five years.

(c) On 1 January 2012 the rates increased from 1.6% and 5.0% respectively.

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

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

Changes to Royalty Rates and Concessions

MINING ACT ROYALTY RATES (%)

	Iron Ore Type		
Date	**Beneficiated**	**Fines**	**Lump**
1981	n.a.	7.5	7.5
1995	5.0	5.625	7.5
2012	5.0	6.5	7.5
2013	5.0	7.5	7.5

A compromise rate of 5.625% for iron ore ‘fines’ was introduced in the Mining Act in May 1995, when iron ore production commenced outside of State Agreement Acts. This rate was halfway between the existing 3.75% concessional rate set in State Agreements in the 1960s (which reflected that fine ore was then considered to be inferior and less marketable than ‘lump ore’) and the 7.5% rate in the Mining Act for ‘crushed and screened’ ores.

Following an agreement between the State Government and major iron ore producers 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 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 2012-13 Dollars**	**Change (Real)**
	$m	**%**	**$m**	**%**
2002-03	290.5	5.1	395.1	2.3
2003-04	305.0	5.0	406.4	2.9
2004-05	464.8	52.4	600.4	47.8
2005-06	721.8	55.3	894.3	48.9
2006-07	868.3	20.3	1,034.9	15.7
2007-08	1,130.6	30.2	1,300.7	25.7
2008-09	1,932.7	70.9	2,158.1	65.9
2009-10	1,812.6	-6.2	1,973.9	-8.5
2010-11	3,647.1	101.2	3,854.3	95.3
2011-12	3,776.1	3.5	3,923.7	1.8
2012-13[(a)]	3,793.0	0.4	3,793.0	-3.3

(a) Estimate based on the *2012-13 Government Mid-year Financial Projections Statement*.

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 by each gold royalty project 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 (between 2.5% and 5.0%)[(b)(c)] depending on average metal prices	3.5% of net market value if in a metal form, concentrates at 5.0%[(d)]	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales[(e)(f)]	n.a.	20.0% of the net value of mine's production[(g)]
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. No royalty is payable on the first $100,000 per year.

(c) Prices below $600/oz attract the minimum rate, prices above $890/oz attract the maximum rate.

(d) New mines may qualify for a rate of 2.0% for the first five years. Mines operating under the existing concessional rate of 1.5% prior to 1 July 2011 remain on this rate until the mine has been operating more than five years.

(e) On 1 January 2012 the rates increased from 1.6% and 5.0% respectively.

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

(g) First $50,000 of net value is exempt.

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, this never occurred.

Gold Royalty Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	82.7	2.5	112.5	-0.3
2003-04	76.4	-7.6	101.8	-9.5
2004-05	74.2	-2.9	95.8	-5.8
2005-06	91.6	23.5	113.5	18.4
2006-07	104.6	14.2	124.7	9.9
2007-08	99.0	-5.4	113.9	-8.6
2008-09	126.3	27.6	141.0	23.8
2009-10	161.4	27.8	175.8	24.6
2010-11	198.1	22.7	209.4	19.1
2011-12	234.3	18.3	243.5	16.3
2012-13[(a)]	213.3	-9.0	213.3	-12.4

(a) Estimate based on the *2012-13 Government Mid-year Financial Projections Statement*.

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

NICKEL

Mineral	Royalty Rate
Nickel (per tonne)	(P/100)*(U*2.5/100) 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)(b)(c)]	3.5% of net market value if in a metal form, concentrates at 5.0%[(d)]	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales[(e)(f)]	n.a.	20.0% of the net value of mine's production[(g)]
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) Prices below $12,500/tonne attract the minimum rate, prices above $38,100/tonne attract the maximum rate.

(c) A rebate of 20% is available if the mineral is processed in Queensland and the metal produced is at least 70% nickel.

(d) New mines may qualify for a rate of 2.0% for the first five years. Mines operating under the existing concessional rate of 1.5% prior to 1 July 2011 remain on this rate until the mine has been operating more than five years.

(e) On 1 January 2012 the rates increased from 1.6% and 5.0% respectively.

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

(g) First $50,000 of net value is exempt.

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'.

Nickel Royalty Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	52.1	6.3	70.9	3.5
2003-04	76.6	47.0	102.1	44.0
2004-05	92.0	20.1	118.8	16.4
2005-06	93.0	1.1	115.2	-3.0
2006-07	206.5	122.0	246.1	113.6
2007-08	130.0	-37.0	149.6	-39.2
2008-09	61.9	-52.4	69.1	-53.8
2009-10	96.9	56.5	105.5	52.6
2010-11	106.9	10.3	113.0	7.1
2011-12	92.1	-13.8	95.7	-15.3
2012-13[(a)]	85.5	-7.2	85.5	-10.6

(a) Estimate based on the *2012-13 Government Mid-year Financial Projections Statement*.

Copper

Copper royalties are collected by the Department of Mines and Petroleum under the *Mining Act 1978* based on the royalty value of the form in which the copper is sold.

Royalty Rate

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

COPPER

Type of Copper	Royalty Rate (%)
Concentrate	5.0
Metallic Form	2.5
Nickel by-product (per tonne)	P*(U/100)*(2.5/100) Where: P = gross copper metal price per tonne free on board; and U = number of units per hundred of copper metal in the nickel by-product sold.

Interstate Comparisons

The table below provides an interstate comparison of copper royalties.

COPPER ROYALTY RATES

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Concentrate: 5.0% Metallic form: 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)(b)(c)	3.5% of net market value if in a metal form, concentrates at 5.0%(d)	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales(e)(f)	n.a.	20.0% of the net value of mine's production(g)
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) Prices below $3,600/tonne attract the minimum rate, prices above $9,200/tonne attract the maximum rate.

(c) A rebate of 20% is available if the mineral is processed in Queensland and the metal produced is at least 95% copper.

(d) New mines may qualify for concessional rate of 2.0% for first five years. Mines operating under the existing concessional rate of 1.5% prior to 1 July 2011 remain on this rate until the mine has been operating more than five years.

(e) On 1 January 2012 the rates increased from 1.6% and 5.0% respectively.

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

(g) First $50,000 of net value is exempt.

Lead

Lead royalties are collected by the Department of Mines and Petroleum under the *Mining Act 1978* based on the royalty value of the form in which the lead is sold.

Royalty rate

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

LEAD

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

Interstate comparisons

The table below provides an interstate comparison of lead royalties.

LEAD ROYALTY RATES

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Concentrate: 5.0% Metallic form: 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)(b)(c)	3.5% of net market value if in a metal form, concentrates at 5.0%(d)	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales(e)(f)	n.a.	20.0% of the net value of mine's production(g)
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) Prices below $1,100/tonne attract the minimum rate, prices above $2,500/tonne attract the maximum rate.

(c) A rebate of 25% is available if the mineral is processed in Queensland and the metal produced is at least 95% lead.

(d) New mines may qualify for concessional rate of 2.0% for first five years. Mines operating under the existing concessional rate of 1.5% prior to 1 July 2011 remain on this rate until the mine has been operating more than five years.

(e) On 1 January 2012 the rates increased from 1.6% and 5.0% respectively.

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

(g) First $50,000 of net value is exempt.

Zinc

Zinc royalties are collected by the Department of Mines and Petroleum under the *Mining Act 1978* based on the royalty value of the form in which the zinc is sold.

Royalty Rate

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

ZINC

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

Interstate Comparisons

The table below provides an interstate comparison of zinc royalties.

ZINC ROYALTY RATES

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Concentrate: 5.0% Metallic form: 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)(b)(c)	3.5% of net market value if in a metal form, concentrates at 5.0%(d)	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales(e)(f)	n.a.	20.0% of the net value of mine's production(g)
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) Prices below $1,900/tonne attract the minimum rate, prices above $4,400/tonne attract the maximum rate.

(c) A rebate of 35% is available if the mineral is processed in Queensland and the metal produced is at least 95% zinc.

(d) New mines may qualify for concessional rate of 2.0% for first five years. Mines operating under the existing concessional rate of 1.5% prior to 1 July 2011 remain on this rate until the mine has been operating more than five years.

(e) On 1 January 2012 the rates increased from 1.6% and 5.0% respectively.

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

(g) First $50,000 of net value is exempt.

Bauxite/Alumina

Bauxite is an ore which is processed to produce alumina. Western Australia currently applies separate royalty rates to bauxite and alumina. Currently no royalties are collected in Western Australia on bauxite mining.

Bauxite royalties would be collected by the Department of Minerals and Petroleum under the *Mining Act 1978* based on the royalty value of the bauxite mined.

Alumina royalties are collected by the Department of Mines and Petroleum under State Agreement Acts, based on an arm's length export sales value per tonne or the average alumina export price per tonne over the preceding four quarters.

Royalty Rate

BAUXITE/ALUMINA

Mineral	Royalty Rate (%)
Bauxite	7.50
Alumina	1.65

Interstate Comparison

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

BAUXITE ROYALTY RATES

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Bauxite 7.5% Alumina 1.65%	35c/tonne	2.75% of net market value	**Non-domestic**—the higher of 10% of the value of the bauxite or $2.00 per tonne **Domestic**—the higher of 75% of the calculated rate per tonne for non-domestic bauxite or $1.50 per tonne	3.5% of net market value if in a metal form, concentrates at 5.0%[a]	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales[b][c]	n.a.	20.0% of the net value of mine's production[d]
Royalty System	Ad valorem	Quantum	Ad valorem	Hybrid	Ad valorem	Hybrid		Profit

(a) New mines may qualify for concessional rate of 2.0% for first five years. Mines operating under the existing concessional rate of 1.5% prior to 1 July 2011 remain on this rate until the mine has been operating more than five years.

(b) On 1 January 2012 the rates increased from 1.6% and 5.0% respectively

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

(d) First $50,000 of net value is exempt.

Changes to Royalty Rates and Concessions

The current royalty rate for all alumina produced in Western Australia of 1.65%, was originally determined for Alcoa in 1987 and in 1991 for Worsley, and was intended to be equivalent to the 7.5% royalty rate for bauxite (from which alumina is extracted but which is not currently exported as such from Western Australia), set under the *Mining Act 1978.*

The *Alumina Refinery Agreement Act 1961* (which covers Alcoa) and the *Alumina Refinery (Worsley) Agreement Act 1973* each include a seven year review clause ostensibly intended to ensure that the royalty rate for alumina remains consistent with the 7.5% royalty rate for bauxite. Reviews were last completed in 2009 and 2005 (respectively), with no change to the royalty rate recommended at that time. Each Act also contains a clause which precludes the State from imposing discriminatory taxes, rates or charges upon the operations of Alcoa or Worsley respectively.

Alumina Royalty Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	51.5	-14.2	70.0	-16.5
2003-04	51.9	0.8	69.2	-1.3
2004-05	54.7	5.4	70.7	2.2
2005-06	70.0	28.0	86.7	22.7
2006-07	84.2	20.3	100.4	15.7
2007-08	79.3	-5.8	91.2	-9.1
2008-09	71.6	-9.7	79.9	-12.4
2009-10	63.9	-10.8	69.6	-13.0
2010-11	66.5	4.2	70.3	1.1
2011-12	68.2	2.5	70.9	0.7
2012-13[(a)]	72.4	6.2	72.4	2.2

a) Estimate based on the *2012-13 Government Mid-year Financial Projections Statement*.

Diamonds

Diamond royalties are collected by the Department of Mines and Petroleum under a State Agreement Act and Regulation specific to a mining operation based on the royalty value of the diamonds produced. No royalties are currently collected on diamonds under the *Mining Act 1978*, although a royalty rate is set under the Act.

Royalty Rate

DIAMONDS

Relevant Legislation	Royalty Rate (%)
Mining Act 1978	7.5
State Agreement Act or Regulation[(a)]	5.0

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

Interstate Comparison

The table below provides an interstate comparison of diamond royalties.

DIAMOND ROYALTY RATES

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	7.5% (5.0% for Argyle and Ellendale mines)	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	2.5%[(a)]	3.5%[(b)]	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales[(c)(d)]	n.a.	20.0% of the net value of mine's production[(e)]
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Profit

(a) No royalty is payable on the first $100,000 per year.

(b) New mines may qualify for concessional rate of 2.0% for first five years. Mines operating under the existing concessional rate of 1.5% prior to 1 July 2011 remain on this rate until the mine has been operating more than five years.

(c) On 1 January 2012 the rates increased from 1.6% and 5.0% respectively.

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

(e) First $50,000 of net value is exempt.

Changes to Royalty Rates and Concessions

From the Argyle mine's opening in 1985 until 1 January 2006, the royalty payable was either 22.5% of the 'above zero profit,' or 7.5% of the ad valorem rate, whichever was greater. From 1 January 2006, the royalty arrangements were changed to a flat 5% ad valorem rate to facilitate the extension of the Argyle diamond mine's life (through the development of an underground operation).

Diamond Royalty Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	90.9	37.5	123.6	33.9
2003-04	41.0	-54.9	54.6	-55.8
2004-05	35.6	-13.3	45.9	-15.9
2005-06	43.5	22.3	53.9	17.4
2006-07	25.7	-41.0	30.6	-43.2
2007-08	39.9	55.4	45.9	50.0
2008-09	19.5	-51.1	21.8	-52.5
2009-10	14.5	-25.7	15.8	-27.5
2010-11	14.5	-0.2	15.3	-3.1
2011-12	15.9	10.0	16.6	8.1
2012-13[a]	17.5	9.8	17.5	5.7

(a) Estimate based on the *2012-13 Government Mid-year Financial Projections Statement*.

Petroleum Royalties

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

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

- *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 for the North West Shelf project (covered by the Commonwealth's *Offshore Petroleum (Royalty) Act 2006*), representing a proportion of the Commonwealth's royalties from the project.

Royalty Rate

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

PETROLEUM

	Royalty Rate
The Petroleum (Submerged Lands) Act 1982	10.0% or 12.5%[a]
The Petroleum and Geothermal Energy Resources Act 1967	10.0% or 12.5%[a][b]
The Barrow Island Royalty Variation Agreement Act 1985	40.0%

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

(b) A 5% royalty rate applies to a primary production licence for tight gas.

For the North West Shelf project, royalty is levied as a percentage of the 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)(b)]	10.0% at the well head[(c)]	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 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) A rate of 5% applies to tight gas.

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

Petroleum Royalty Collections

WESTERN AUSTRALIA

	Revenue Collections[b]	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	61.1	31.7	83.1	28.2
2003-04	51.0	-16.5	68.0	-18.2
2004-05	64.7	26.9	83.6	23.0
2005-06	71.4	10.4	88.5	5.9
2006-07	53.7	-24.8	64.0	-27.6
2007-08	51.8	-3.5	59.6	-6.9
2008-09	21.2	-59.1	23.7	-60.3
2009-10	24.6	16.1	26.8	13.2
2010-11	20.2	-17.8	21.4	-20.2
2011-12	18.0	-10.9	18.7	-12.4
2012-13[a]	8.7	-51.7	8.7	-53.6

(a) Estimate based on the *2012-13 Government Mid-year Financial Projections Statement*.
(b) Excluding collections from the North-West Shelf.

North West Shelf Grants

WESTERN AUSTRALIA

	Revenue Collections[b]	Change (Nominal)	Revenue in 2012-13 Dollars	Change (Real)
	$m	%	$m	%
2002-03	434.6	17.3	591.1	14.2
2003-04	362.9	-16.5	483.5	-18.2
2004-05	505.8	39.4	653.3	35.1
2005-06	609.8	20.6	755.5	15.7
2006-07	656.8	7.7	782.9	3.6
2007-08	869.5	32.4	1,000.4	27.8
2008-09	866.7	-0.3	967.8	-3.3
2009-10	947.6	9.3	1,031.9	6.6
2010-11	994.3	4.9	1,050.8	1.8
2011-12	924.8	-7.0	961.0	-8.5
2012-13[a]	917.2	-0.8	917.2	-4.6

(a) Estimate based on the *2012-13 Government Mid-year Financial Projections Statement*.
(b) Including compensation for Commonwealth crude oil excise arrangements.

Appendix 1

Summary of Tax and Royalty Changes in 2012-13 in all States and Territories

The following is a summary of the major tax and royalty changes announced in 2012-13 State Budgets and other major changes announced up until 31 December 2012.

Western Australia

Payroll Tax

For the 2012-13 financial year only, employers with Australia-wide group payrolls of up to $1.5 million will receive a rebate (in 2013-14) to fully offset their 2012-13 payroll tax liabilities. The rebate phases down for employers with payrolls between $1.5 million and $3 million.

New exemptions were introduced in 2012-13 for wages paid to new eligible disabled employees and new eligible indigenous employees (for certain employers), limited to the first two years of employment in both cases.

Loan Guarantee Fees

From 1 July 2012, the loan guarantee fee will increase from 20 basis points per annum to 70 basis points per annum for borrowings by government trading enterprises and selected agencies.

Royalties

The existing concessional royalty rate applying to iron ore ‘fines’ relative to lump ore is being progressively removed. From 1 July 2012, the fines rate increased from 5.625% to 6.5%. It will further increase to 7.5% from 1 July 2013.

The 2012-13 State Budget also announced that the Western Australian Government is conducting an analysis of mineral royalty rates, in consultation with industry, over the next three years.

New South Wales

Payroll Tax

From 1 July 2012, the annual payroll tax exemption threshold was increased from $678,000 to $689,000 (under New South Wales' indexation arrangements).

Transfer Duty

From 1 July 2012, property value thresholds for first home buyer stamp duty concessions on newly built homes and land increased by $50,000. An exemption is available for first home buyers of newly built homes valued up to $550,000 (phasing out at $650,000) and for vacant land bought with the intention of building a new first home and valued up to $350,000 (phasing out at $450,000).

The abolition of duty on transfers of non-land business assets such as goodwill, patents, trademarks and other intellectual property has been deferred until 1 July 2013 (previously scheduled for 1 July 2012).

From 1 July 2012, the Home Builders Bonus scheme ceased. This scheme previously provided a transfer duty exemption to purchasers buying a newly constructed home worth up to $600,000 (or vacant land up to $400,000).

From 1 July 2012, the Senior's Principal Place of Residence Duty Exemption ceased. This exemption previously applied to people aged 55 or over who were selling an existing property and buying a new home worth up to $600,000 where building has already commenced.

Homebuyer Grants

From 1 October 2012, the First Home Owner Grant (FHOG) is no longer available for existing homes and is restricted to buyers of newly built homes costing up to $650,000. The grant increased from $7,000 to $15,000 from 1 October 2012 and will be reduced to $10,000 from 1 January 2014.

From 1 July 2012, a New Home Grant of $5,000 is available to all non-first homebuyers of new properties up to $650,000, and vacant land up to $450,000.

The $7,000 Regional Relocation Grant (which is available to people who sell their house or unit in a metropolitan area and buy a house in regional New South Wales before 1 July 2015) has been extended to include vacant blocks valued up to $450,000 provided the applicant commences building within six months and occupies the home within 12 months of completion of the land purchase.

Land Tax

For the 2012 land tax year, the minimum threshold (except for non-concessional companies and special trusts) increased from $387,000 to $396,000 and the maximum threshold (for all entities) increased from $2,366,000 to $2,421,000 (under New South Wales' indexation arrangements).

Royalties

From 1 December 2012, a supplementary coal royalty is payable (in addition to normal royalties) for all coal produced by mining projects that pay Minerals Resource Rent Tax instalments. Under the *Mining Amendment (Coal Royalty) Regulation 2012,* the supplementary royalty rate for 2012-13 is 1.95% and 1% from 1 July 2013.

Casino Taxes

The single rate on both table machines and electronic gaming was increased from 15.41% to 16.41% on 1 July 2012.

Other

The abolition of mortgage duty on business transactions will be deferred to 1 July 2013 (previously scheduled for 1 July 2012).

The abolition of duty on unquoted marketable securities will be deferred to 1 July 2013 (previously scheduled for 1 July 2012).

Victoria

Transfer Duty

From 1 July 2012, Victoria removed its transfer duty exemption for grants of Crown land.

Landholder Duty

From 1 July 2012, the transfer 'land rich' duty model was replaced by the landholder duty model. Acquisitions of more than 90% of listed companies and public trusts with substantial landholdings are now subject to landholder duty at a concessional rate of 10% of the duty that would otherwise apply. The acquisition threshold for unlisted companies and wholesale unit trusts is 50%, and 20% for private unit trusts.

Homebuyer Grants

The First Home Bonus and the Regional Bonus ceased on 1 July 2012. These schemes previously provided eligible first home buyers purchasing or constructing a new home worth up to $600,000 a $13,000 grant for homes in metropolitan areas or $19,500 for homes in regional areas.

Metropolitan Region Improvement Tax

From 1 July 2012, the Metropolitan Improvement Levy (Parks Charge) increased in line with the CPI from 0.393% to 0.402% of the Net Annual Value.

Casino Tax

From 1 July 2012, the tax rate on Crown Casino's electronic gaming machines increased by 1.72 percentage points to 28.13% (excluding the super tax). Part of the new arrangements also meant that the annual Health Benefit Levy of $4333.33 per machine has been removed.

Betting Tax

From 16 August 2012, the tax applying to wagering was reduced from 19.11% to 7.6% of player loss. The difference (11.51%) is hypothecated to the racing industry. The concessional rate of 10% for premium customers has also been removed and they will now be subject to the 7.6% rate.

On 25 March 2011, the Victorian Government issued a 10 year keno licence to Tabcorp Investments No 5 Pty Ltd which commenced on 15 April 2012. As part of their licence, Tabcorp Investments made a $60 million payment in 2011-12.

On 16 August 2012, Tabcorp Wagering (Vic) Pty Ltd's 12-year wagering and betting licence commenced. This licence (issued by the Victorian Government on 19 December 2011) allows Tabcorp to conduct pari-mutuel and fixed odds betting. As part of their licence, Tabcorp made an up-front premium payment of $410 million in January 2012.

Vehicle Licence Duty

From 1 July 2012, Victoria increased its vehicle licence duty rate from $5 per $200 to $6 per $200 for purchases of new passenger cars that are valued below the Commonwealth's luxury car tax threshold.

Motor Vehicle Recording Fee

From 1 April 2012, Victoria increased the base motor vehicle recording fee from $191.60 to $232.30.

Queensland

Payroll Tax

From 1 July 2012, the payroll tax rebates for employees under 25 who were previously unemployed for more than 9 months and employees aged between 15-19 who were previously unemployed for more than 12 months were discontinued.

The exemption threshold for payroll tax in Queensland increased from $1.0 million to $1.1 million from 1 July 2012, while the marginal rate remains unchanged at 4.75%. The Queensland Government has committed to increasing the exemption threshold by $100,000 each year for the next five years (to $1.6 million by 1 July 2017).

Transfer Duty

From 1 July 2012, the transfer duty rate structure was revised for all properties valued between $75,000 and $980,000.

From 20 September 2012 the highest transfer duty threshold increased from $980,000 to $1 million and the corresponding marginal rate increased from 5.25% to 5.75%.

The principal place of residence concessional transfer duty rates were reintroduced on 1 July 2012.

To assist the exploration sector, arrangements known as 'farm-ins' will be exempted from duty. Farm-ins are common in the minerals and petroleum sectors, where the holder of an exploration permit grants to another party the right to earn an interest in the permit by undertaking or funding exploration activities.

Motor Vehicle Registration Fees

The Queensland Government will freeze the cost of family motor vehicle registration fees and a traffic improvement fee for three years, at a cost of around $211 million in reduced revenue over the four years to 2015-16.

Royalties

The coal royalty rate of 10% on the value above $100 per tonne increased on 1 October 2012 to 12.5% on the value between $100 and $150 per tonne, and 15% on the value above $150 per tonne.

First Home Owner Grant

On 12 September 2012, Queensland replaced the existing $7,000 First Home Owner Grant (FHOG) with a First Home Owner Construction Grant (FHOCG). Under the new scheme, the grants will increase from $7,000 to $15,000, but will be restricted to purchases of newly constructed homes (or off-the-plan property) valued up to $750,000. The FHOG is no longer available to purchasers of existing homes from 11 October 2012.

South Australia

Payroll Tax

From 1 July 2012, the payroll tax exemption for the wages of eligible trainees and apprentices was abolished (and replaced with grants to registered group training organisations to support the training of apprentices and trainees).

Transfer Duty

From 31 May 2012, a stamp duty concession for purchases of off-the-plan apartments located within Adelaide replaced the Inner City Rebate which previously provided a rebate of up to $1,500 for new home units. A full stamp duty concession, capped at stamp duty payable on a $500,000 apartment, applies from 31 May 2012 to 30 June 2014 and a partial concession will apply from 1 July 2014 to 30 June 2016.

South Australia has also introduced a stamp duty exemption for a conveyance of a carbon right created under an Act of the Commonwealth or a conveyance of a renewable energy certificate created under the *Renewable Energy (Electricity) Act 2000* (Cth).

The abolition of duty on transfers of non-land business assets such as goodwill, patents, trademarks and other intellectual property will be deferred until budget circumstances allow (previously scheduled for 1 July 2013).

Homebuyer Grants

A $15,000 First Home Owner Grant is available for eligible first home buyers who purchase a newly built property up to the value of $575,000 from 15 October 2012.

A $5,000 First Home Owner Grant will continue to be available for purchasers of established from 22 November 2012 until 30 June 2014, and will cease for the purchase of established homes from 1 July 2014. The previous $7,000 grant was abolished from 21 November 2012.

The $8,000 First Home Bonus Grant for new homes was abolished from 15 October 2012 and replaced with the Housing Construction Grant.

The Housing Construction Grant of $8,500 is available to new home buyers, owner builders and investors for all new home construction where contracts are entered into between 15 October 2012 and 30 June 2013, or for owner builders where construction commences after 15 October 2012.

The Housing Construction Grant is available for properties valued up to $400,000, phasing out for properties valued up to $450,000.

Motor Vehicle Licence and Recording Fees

From 1 July 2012, the annual registration fee for a four-cylinder motor vehicle will increase to $109, for a five or six-cylinder to $224 and for vehicles with seven or more cylinders to $324.

Other

The abolition of duty on unquoted marketable securities will be deferred until budget circumstances allow (previously scheduled for 1 July 2012).

The abolition of duty on non-real non-residential conveyances will be deferred until budget circumstances allow (previously scheduled for 1 July 2013).

Tasmania

Payroll Tax

Employers will receive a payroll tax rebate (paid between 1 July 2013 and 30 June 2015) for new positions created between 10 December 2012 and 30 June 2014, and maintained until 30 June 2015.

Transfer Duty

From 1 October 2012, transfer duty rates and property value thresholds changed. Included in these changes was an increase in the top rate and threshold from 4.0% to 4.5% and $225,000 to $725,000 respectively.

Homebuyer Grants

An $8,000 First Home Owner Boost is available for newly built properties from 1 January 2013 to 30 June 2014, in addition to the current First Home Owner Grant.

Insurance Duty

From 1 October 2012, the rate of duty charged on contracts of general insurance increased from 8% to 10% of premiums paid.

From 1 October 2012, the duty on compulsory third party (Motor Accident Insurance Board) premiums increased from $6 per registration to $20 per registration.

Motor Vehicle Licence and Recording Fees

From 1 October 2012, motor tax[1] on light vehicles increased by 20%. The National Transport Commission also agreed to increase the rate of motor tax on some classes of heavy vehicles.

Royalties

From 1 January 2012, Tasmania increased its hybrid mineral royalty rates. Under the two-tiered system, royalty is paid as a percentage of net sales (sales receipts less sale costs) and of profit. The base rate applying to net sales increased from 1.6% to 1.9% and the maximum profit royalty increased from 5% of net sales to 5.35% of net sales.

Australian Capital Territory

Payroll Tax

From 1 July 2012, the payroll tax threshold increased from $1.5 million to $1.75 million.

Transfer Duty

From 6 June 2012, conveyance duty is being progressively reduced over five years and phased out over a 20 year period. A new tax bracket between $750,000 and $1 million was introduced from 6 June 2012. From 6 June 2012, rates of duty increased for properties valued up to $100,000 and those over $750,000. Duty rates were reduced for all other property values.

From 6 June 2012, the income cap for eligibility for the Home Buyer Concession Scheme increased from $120,000 to $150,000 (plus $3,330 for each dependent child). In addition, the property threshold for a duty exemption on dwellings increased from $375,000 to $385,000 (phasing out at $450,000 (down from $470,000)). For land, the property threshold increased from $208,900 to $235,000 (phasing out at $263,000 (up from $260,000). The scheme was applied to all homes until 31 August 2012, but is restricted to new land and substantially renovated or new homes from 1 September 2012.

The Pensioner Duty Concession Scheme has been extended by three years. From 6 June 2012, the property value for a duty exemption on dwellings increased from $470,000 to $570,250 (phasing out at $715,000 (up from $595,000 previously)). For land, the property value for a duty exemption increased from $208,900 to $300,000 (phasing out at $403,000 (up from $260,000 previously)).

[1] Tasmania's motor tax is a component of its vehicle licence (registration) fees.

A Duty Deferral Scheme has been introduced for recipients of either the First Home Owners Grant or the Home Buyer Concession Scheme with property below the threshold of the latter scheme. No payment is required for the first five years and deferred duty must be paid in full within the next successive five years. Interest accrues on the deferred amount of duty from the date the duty is payable until it is paid in full.

Duty on transfers of subleases with a term less than 30 years was abolished on 19 June 2012.

Landholder Duty

From 1 July 2012, the treatment of unit trusts and private companies has been aligned through an increase in the acquisition threshold for unit trust schemes. A relevant acquisition occurs where a person would be entitled to at least 50% of the landholder (up from 20% previously for unit trust schemes).

Insurance Duty

Duty on general and life insurance premiums is being phased out over five years. From 1 October 2012, duty on general insurance premiums fell to 8%, duty on life insurance fell by 20% and duty on temporary and term insurance and life insurance riders fell to 4%.

Land Tax

From 1 July 2012, commercial land tax has been abolished and substituted by an increase in commercial General Rates.

From 1 July 2012, residential land tax rates were reduced for properties with an average unimproved value between $75,001 and $275,000 and increased for properties over $275,001.

Northern Territory

Transfer Duty

The abolition of transfer duty on non-land business assets such as goodwill, patents, trademarks and other intellectual property has been deferred until it can be accommodated for in the budget (previously scheduled for 1 July 2012).

From 4 December 2012, the transfer duty concession for first home buyers ceased.

From 4 December 2012, the principal place of residence transfer duty rebate for non-first home buyers has been increased from $3,500 to $7,000 but has been limited to newly built homes or vacant land on which a home will be built.

Homebuyer Grant

The BuildBonus scheme, which provides a $10,000 grant to homebuyers purchasing or building a new home up to the value of $600,000, will cease on 31 December 2012.

From 4 December 2012, the First Home Owner Grant has been increased from $7,000 to $25,000 for all new homes and for established homes located in a regional area. The grant has been increased to $12,000 for established homes located in the Darwin/Palmerston area. The maximum value of an eligible home was also reduced from $750,000 to $600,000.

Betting Taxes

From 1 July 2012, the bookmaker tax threshold increased from $255,000 to $262,500.

Motor Vehicle Licence and Recording Fees

From 1 January 2013 registration fees will increase between 4% and 18% across all categories.

Appendix 2

Abolition of State Taxes under the GST Agreement

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

The GST Agreement

The *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (the Goods and Services Tax (GST) Agreement), signed by Commonwealth and State and Territory First Ministers on 9 April 1999[1], included commitments to abolish the following State taxes:

- Bed taxes from 1 July 2000;
- Financial institutions duty from 1 January 2001;
- Debits tax from 1 January 2001;
- Stamp duties on the following from 1 July 2001:
  - marketable securities;
  - business[2] conveyances (other than real property);
  - leases;
  - mortgages, bonds, debentures, and other loan securities;
  - credit arrangements, instalment purchase arrangements and rental (hiring) arrangements;
  - cheques, bills of exchange and promissory notes; and
  - stamp duty on business conveyances of real property from a date to be determined.

[1] A copy of this agreement is available in Appendix B to the Commonwealth Government's 1999-2000 Budget: http://www.budget.gov.au/1999-00/bp3/appendb/appendb.pdf.

[2] That is, non-residential conveyances.

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

However, on 28 May 1999 the Commonwealth Government announced a number of changes to the GST to secure the passage of the legislation through the Senate. These changes included the exclusion of basic food and some health and education items from the GST revenue base, which reduced the amount of expected GST revenue by around $4 billion per annum. Consequently, projected GST revenues were no longer sufficient to cover revenue foregone from the abolition of the taxes originally agreed and a revised GST Agreement was reached in June 1999[3].

In the revised GST Agreement:

- The States and Territories agreed to abolish and not reintroduce:
  - bed taxes from 1 July 2000;
  - financial institutions duty from 1 July 2001;
  - stamp duties on quoted marketable securities[4] from 1 July 2001;
  - debits tax by 1 July 2005, subject to review by the Ministerial Council[5].
- It was agreed that the Ministerial Council would by 2005 review the need for the retention of stamp duties on:
  - non-quotable marketable securities;
  - business conveyances (including real property);
  - leases;
  - mortgages, debentures, bonds and other loan securities;
  - credit arrangements, instalment purchase arrangements and rental (hiring) arrangements; and
  - cheques, bills of exchange, and promissory notes.

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3 A copy of the revised agreement is available on the COAG website at: http://www.coag.gov.au/node/75

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

5 Comprising the Commonwealth and State and Territory Treasurers.

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

Implementing the State tax reforms

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

Western Australia also chose to abolish a number of taxes ahead of the scheduled review by the Ministerial Council in 2005, with stamp duty on: leases, cheques, bills of exchange and promissory notes, and non-quotable marketable securities all being abolished from 1 January 2004.

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

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

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

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

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

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

Western Australia proposed to abolish:

- Stamp duty on the hire of goods from 1 January 2007[6];
- Stamp duty on mortgages, debentures, bonds and other loan securities from 1 July 2008 (but with rates reduced by 50% from 1 July 2006); and
- Stamp duty on non-real business conveyances from 1 July 2010.

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

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

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

The IGA included an overarching agreement that the remaining State taxes (as listed in the GST Agreement) would be abolished by 1 July 2013.

In the 2009-10 Mid-year Financial Projections Statement, in response to a significant downturn in government revenue, Western Australia announced that it would defer the abolition of duty on non-real business conveyances until 1 July 2013. Legislation has been passed for this to occur.

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

Overview of State Taxes and Royalties 2012-13 Western Australia