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

Overview of State Taxes and Royalties 2013-14

February 2014

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

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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 2013-14 round of State Budgets and any major changes announced after these Budgets (but before 15 January 2014).

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

Appendix 3 provides a comparison of the tax and royalty mix in Western Australia in 2003-04 and 2013-14.

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 2013-14 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

	2011-12 Actual $ million	2012-13 Actual $ million	2013-14 Estimates[(a)] $ million	*As a % of Total*
BUSINESS				
Payroll Tax	3,095.6	3,475.7	3,730.2	*41.3%*
PROPERTY				
Transfer Duty	1,260.6	1,653.7	1,798.6	*19.9%*
Landholder Duty	101.4	216.5	248.0	*2.7%*
Land Tax	552.4	568.2	662.3	*7.3%*
Metropolitan Region Improvement Tax	84.2	85.1	88.8	*1.0%*
FINANCIAL TRANSACTIONS				
Insurance Duty	487.1	554.6	592.9	*6.6%*
GAMBLING				
Lotteries Commission	140.5	151.2	146.9	*1.6%*
Casino Tax	108.1	111.8	118.0	*1.3%*
Betting Taxes	37.6	41.1	42.3	*0.5%*
MOTOR VEHICLES				
Vehicle Licence Duty	367.2	404.0	415.6	*4.6%*
Motor Vehicle Registrations	599.4	649.6	725.0	*8.0%*
Motor Vehicle Recording Fee	45.8	47.8	49.0	*0.5%*
OTHER				
Emergency Services Levy	220.3	236.9	256.4	*2.8%*
Loan Guarantee Fees	24.8	104.0	119.1	*1.3%*
Other	47.6	34.3	32.2	*0.4%*
TOTAL STATE TAXATION	7,172.5	8,334.7	9,025.1	*100.0%*

(a) Estimates based on the 2013-14 *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

	2011-12 Actual $ million	**2012-13** Actual $ million	**2013-14** Estimates[b] $ million	*As a % of Total*
ROYALTIES[a]				
Iron Ore	3,776.1	3,852.6	5,518.7	*90.6%*
Gold	234.3	214.4	177.8	*2.9%*
Nickel	92.1	88.4	79.0	*1.3%*
Alumina	68.2	64.8	72.3	*1.2%*
Diamond	15.9	17.7	26.1	*0.4%*
Mineral Sands	19.9	26.2	23.3	*0.4%*
Petroleum	18.0	18.0	11.9	*0.2%*
Other[c]	118.8	143.3	179.4	*2.9%*
TOTAL ROYALTIES	4,343.4	4,425.4	6,088.5	*100.0%*

(a) Excludes North West Shelf grants which were $1,093.5 million in 2012-13 (inclusive of the Commonwealth's crude oil compensation).
(b) Estimates based on the 2013-14 *Government Mid-year Financial Projections Statement.*
(c) 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. In 1971, responsibility for this tax was passed to the States, at which time the payroll tax rate was 2.5% and the exemption threshold $20,800.

An employer (or a group of employers) is currently liable for payroll tax on wages paid or payable in Western Australia when its total Australia-wide wages exceed $750,000 per year ($62,500 per month). The threshold is scheduled to increase to $800,000 from 1 July 2014, and to $850,000 from 1 July 2016.

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

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. Wages paid to eligible new disabled employees and new indigenous employees (for certain employers) are also exempt for the first two years of employment.

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

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[(b)]	VIC	QLD	SA	TAS[(e)]	ACT[(g)]	NT
Exemption Threshold ($)	750,000[(a)]	750,000[(c)]	550,000	1,100,000	600,000	1,250,000[(f)]	1,750,000	1,500,000
Max Rate (%)	5.50	5.45	4.90	4.75	4.95[(d)]	6.10	6.85	5.50
Tax Scale	Marginal rate of 5.50% of payroll in excess of $750,000[(a)]	Marginal rate of 5.45% of payroll in excess of $750,000	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 $1.25m	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) Threshold is scheduled to increase to $800,000 from 1 July 2014 and to $850,000 from 1 July 2016.

(b) Between 1 January 2012 and 30 June 2016 employers will receive a one-off rebate of up to $4,000 for employing recent school leavers with a disability.

(c) On 1 July 2013 the exemption threshold was increased from $689,000 to $750,000 and the annual indexation of the threshold was removed.

(d) A two-year rebate for the 2012-13 and 2013-14 payroll tax year effectively reduces the rate from 4.95% to 2.5% for employers with annual taxable payrolls between $600,000 and $1 million, (phasing out at $1.2 million).

(e) A two year payroll tax rebate will be provided for new jobs created between 10 December 2012 and 30 June 2014 provided these positions are maintained continuously until 30 June 2015.

(f) The exemption threshold was increased from $1.01 million to $1.25 million on 1 July 2013.

(g) The 2013-14 Budget announced a one-off rebate of up to $4,000 for those employing recent school leavers with a disability.

TAX PAYABLE AT SELECTED PAYROLLS

Annual Payroll	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
$	$	$	$	$	$	$	$	$
700,000	–	–	7,350	–	4,950	–	–	–
1,000,000	13,750	13,625	22,050	–	19,800	–	–	–
2,000,000	68,750	68,125	71,050	53,438	69,300	45,750	17,125	34,375
3,000,000	123,750	122,625	120,050	112,813	118,800	106,750	85,625	103,125
5,000,000	233,750	231,625	218,050	231,563	217,800	228,750	222,625	240,625
10,000,000	508,750	504,125	463,050	475,000	465,300	533,750	565,125	550,000
20,000,000	1,058,750	1,049,125	953,050	950,000	960,300	1,143,750	1,250,125	1,100,000

AVERAGE TAX RATES

Annual Payroll	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
$	%	%	%	%	%	%	%	%
700,000	–	–	1.05	–	0.71	–	–	–
1,000,000	1.38	1.36	2.21	–	1.98	–	–	–
2,000,000	3.44	3.41	3.55	2.67	3.47	2.29	0.86	1.72
3,000,000	4.13	4.09	4.00	3.76	3.96	3.56	2.85	3.44
5,000,000	4.68	4.63	4.36	4.63	4.36	4.58	4.45	4.81
10,000,000	5.09	5.04	4.63	4.75	4.65	5.34	5.65	5.50
20,000,000	5.29	5.25	4.77	4.75	4.80	5.72	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 from 1 January 1984 and extended to the wages of all apprentices from 1 January 1994.

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

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

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

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

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

Following the passage of legislation in June 2010, seven areas of payroll tax 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, an exemption was introduced for wages paid to new employees with a disability in their first two years of employment, where these employees are eligible for a Commonwealth Disability Employment Services wage subsidy or are eligible for any form of 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 in 2012-13 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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	1,139.4	13.5	1,547.0	11.2
2004-05	1,210.6	6.2	1,594.0	3.0
2005-06	1,355.2	11.9	1,710.8	7.3
2006-07	1,607.3	18.6	1,952.6	14.1
2007-08[a]	1,939.9	20.7	2,273.6	16.4
2008-09[a]	2,246.2	15.8	2,555.3	12.4
2009-10[a]	2,303.2	2.5	2,556.1	0.0
2010-11[a]	2,627.7	14.1	2,835.8	10.9
2011-12[a]	3,095.6	17.8	3,269.7	15.3
2012-13[a]	3,475.7	12.3	3,590.4	9.8
2013-14[a][b]	3,730.2	7.3	3,730.2	3.9

(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 2013-14 *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.

Rate of Tax

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

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

Exemptions and Concessions

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

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

Interstate Comparison

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

TRANSFER DUTY SCALES

General

	WA	NSW	VIC	QLD	SA	TAS	ACT[(d)]	NT
Min Threshold	-	-	-	$5,000	-	-	-	-
Max Threshold	$500,001	$1,000,001	$960,001	$1,000,001	$500,001	$725,001	$1,650,001	$3,000,000
Min Rate	1.90%[(a)]	1.25%	1.40%	1.50%	1.00%	1.75%[(c)]	2.20%[(e)]	1.50%[(g)]
Max Rate	5.15%	5.50%	5.50%[(b)]	5.75%	5.50%	4.50%	5.50%[(f)]	5.45%

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

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

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

(d) From 5 June 2013 the ACT revised all rates and introduced a new maximum threshold of $1,650,001.

(e) Duty of $20 applies for values below $909.

(f) For properties valued between $1,000,000 and $1,650,000 the marginal transfer duty rate is 7% and for properties valued between $750,001 and $1,000,000 the marginal transfer duty rate is 6.5%. For properties valued at $1,650,001 or more a flat 5.5% rate applies.

(g) For conveyances valued at $525,000 or less, duty is derived by the formula $D = (0.06571441 \times V^2) + 15V$, where D = duty payable in $ and V = value of property transferred divided by 1,000. For conveyances valued between $525,000 and $3 million, duty is 4.95% of the property value. For values of $3 million or more, duty is 5.45% of the property value.

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	2,200	2,157
200	5,890	5,490	7,070	5,425	6,830	5,935	4,400	5,629
300	10,165	8,990	13,070	8,925	11,330	9,935	8,100	10,414
400	14,915	13,490	19,070	12,425	16,330	13,997	12,600	16,514
500	19,665	17,990	25,070	15,925	21,330	18,247	17,100	23,929
750	32,540	29,240	40,070	26,775	35,080	28,935	29,600	37,125
1,000	45,415	40,490	55,000	38,025	48,830	40,185	45,850	49,500
5,000	251,415	260,490	275,000	268,025	268,830	220,185	275,000	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	2.20	2.16
200	2.95	2.75	3.54	2.71	3.42	2.97	2.20	2.81
300	3.39	3.00	4.36	2.98	3.78	3.31	2.70	3.47
400	3.73	3.37	4.77	3.11	4.08	3.50	3.15	4.13
500	3.93	3.60	5.01	3.19	4.27	3.65	3.42	4.79
750	4.34	3.90	5.34	3.57	4.68	3.86	3.95	4.95
1,000	4.54	4.05	5.50	3.80	4.88	4.02	4.59	4.95
5,000	5.03	5.21	5.50	5.36	5.38	4.40	5.50	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	SA	TAS	ACT[(f)]	NT[(i)]
Min Threshold	–	–	–	–	–	–	–	–
Max Threshold	$725,001	$3,000,001	$960,001[(c)]	$1,000,001	$500,001	$725,001	$1,650,001	$3,000,000
Min Rate	1.50%[(b)]	1.25%	1.40%	1.00%	1.00%	1.75%[(e)]	2.20%[(g)]	1.50%[(j)]
Max Rate	5.15%	7.00%	5.50%[(d)]	5.75%	5.50%	4.50%	5.50%[(h)]	5.45%

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

(b) A concessional rate applies to principal places of residence valued at less than $200,000.

(c) A concessional rate applies to principal places of residence valued between $130,000 and $550,000.

(d) For properties valued between $440,000 and $960,000, the marginal transfer duty rate is 6%.

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

(f) From 5 June 2013 the ACT revised all rates and introduced a new maximum threshold of $1,650,001.

(g) Applicants who comply with certain eligibility criteria pay nominal duty of $20 for newly constructed principal places of residence, and vacant land on which a principal place of residence will be built valued below $435,000. Eligible applicants purchasing a new or substantially renovated property valued between $435,000 and $535,000 pay concessional duty of 18.85% of the amount above $435,000. This concession applies to transactions entered into between 1 January 2014 and 30 June 2014.

(h) For properties valued between $1,000,000 and $1,650,000 the marginal transfer duty rate is 7% and for properties valued between $750,001 and $1,000,000 the marginal transfer duty rate is 6.5%. From 5 June 2013 a flat rate of 5.5% was introduced for properties valued at $1,650,001 and over.

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

(j) For conveyances valued at $525,000 or less, duty is derived by the formula $D = (0.06571441 \times V^2) + 15V$, where D = duty payable in $ and V = value of property transferred divided by 1,000. For conveyances valued between $525,000 and $3 million, duty is 4.95% of the property value. For values of $3 million or more, duty is 5.45% of the property value.

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	2,200	2,157
200	5,035	5,490	6,370	2,000	6,830	5,935	4,400	5,629
300	8,835	8,990	11,370	3,000	11,330	9,935	8,100	10,414
400	13,015	13,490	16,370	5,250	16,330	13,997	12,600	16,514
500	17,765	17,990	21,970	8,750	21,330	18,247	17,100	23,929
750	29,741	29,240	40,070	19,600	35,080	28,935	29,600	37,125
1,000	42,616	40,490	55,000	30,850	48,830	40,185	45,850	49,500
5,000	248,616	290,490	275,000	260,850	268,830	220,185	275,000	272,500

(a) Only applies to established homes. 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	2.20	2.16
200	2.52	2.75	3.19	1.00	3.42	2.97	2.20	2.81
300	2.95	3.00	3.79	1.00	3.78	3.31	2.70	3.47
400	3.25	3.37	4.09	1.31	4.08	3.50	3.15	4.13
500	3.55	3.60	4.39	1.75	4.27	3.65	3.42	4.79
750	3.97	3.90	5.34	2.61	4.68	3.86	3.95	4.95
1,000	4.26	4.05	5.50	3.09	4.88	4.02	4.59	4.95
5,000	4.97	5.81	5.50	5.22	5.38	4.40	5.50	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.

A duty exemption applies to gifts of property (including homes) to 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 may still qualify for a partial concession.

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

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

From 1 July 2013 first home buyers of an established or new home valued up to $600,000 are eligible for a 40% reduction in transfer duty. This will be increased to 50% from 1 September 2014.

First home buyers with a family purchasing a principal place of residence valued up to $150,000 are eligible for a transfer duty exemption, phasing out at $200,000.

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

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

A duty concession applies for all off-the-plan housing sales. This concession operates by applying duty to the contract price after allowing a deduction for the cost of construction after the contract date and 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 below $505,000 (phasing out at $550,000), and an exemption for vacant land valued up to $250,000 (phasing out at $400,000).

A concessional rate scale applies to principal places of residence.

	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	A duty exemption applies to the transfer of property to the trustee of a Special Disability Trust where the property is the principal place of residence of the beneficiary of the trust.
ACT	Subject to a family income not exceeding $160,000 (plus $3,330 for each dependent child to a maximum of $176,650), home buyers purchasing a new or substantially renovated property valued up to $435,000 or residential vacant land valued up to $260,000 pay nominal duty of $20. A concessional rate of duty is payable on a new or substantially renovated property valued between $435,000 and $535,000 or a vacant block of land valued between $260,000 and $290,000. The concession applies to transactions entered into between 1 January 2014 and 30 June 2014. Eligible pensioners pay nominal duty of $20 on homes purchased that are worth $580,900 or less and vacant land worth $308,600 or less. A concessional rate applies to homes worth between $580,900 and $742,000 or residential vacant land worth between $308,600 and $360,000. A duty exemption applies for transfers of residential leases to a Special Disability Trust where the property is used as the principal place of residence of the beneficiary of the trust.
NT	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 for homes and land valued up to $750,000 and $385,000 respectively. 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	From 25 September 2013 a $10,000 grant is available to first home buyers who purchase or build a new home and a $3,000 grant is available for first home buyers who purchase an established home. In both cases, the grant applies to homes up to the value of $750,000 (or up to $1 million if the home is located north of the 26th parallel). The Home Buyers Assistance Account (funded from interest earnings on real estate agents' trust accounts) provides a grant of up to $2,000 for the incidental expenses of first home buyers when they purchase an established or partially built home through a licensed real estate agent for $400,000 or less.
NSW	A $15,000 First Home Owner Grant is available for eligible first home buyers who purchase or build a new home up to the value of $650,000. The grant will reduce to $10,000 on 1 January 2016. A New Home Grant of $5,000 is available to all non-first homebuyers of new homes up to $650,000, and vacant land up to $450,000. A $7,000 Regional Relocation Grant may be available for people who sell their home in a metropolitan area and buy a home valued up to $600,000, or vacant land up to $450,000, in regional New South Wales before 30 June 2015.
VIC	From 1 July 2013 the First Home Owner Grant increased from $7,000 to $10,000 and eligibility was limited to first home buyers who purchase or build a new home.
QLD	A $15,000 Great Start Grant is available for eligible first home buyers who purchase or build a new home up to the value of $750,000.
SA	A $15,000 First Home Owner Grant is available for eligible first home buyers who purchase or build a new home up to the value of $575,000. A $5,000 First Home Owner Grant is available for purchasers of established homes until 30 June 2014. This will cease from 1 July 2014.
TAS	A $7,000 First Home Owner Grant is available for eligible first home buyers. From 1 July 2014 it will be limited to those who purchase or build a new home only. A $23,000 First Home Builder Boost is available to eligible first home buyers who purchase a newly built home, or to eligible first home buyers who are building a new home between 7 November 2013 and 31 December 2014.
ACT	From 1 September 2013 a $12,500 First Home Owner Grant is available for eligible first home buyers for new or substantially renovated properties valued at $750,000 or less.

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 urban area (e.g. Darwin, Palmerston or Litchfield municipalities).

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 December 1991. On 1 July 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 phase out of the concessional duty rate for properties valued between $100,000 and $135,000 was also introduced at that time. On 1 July 2004, the phase-out value was extended to $200,000.

A stamp duty exemption for corporate reconstructions was introduced on 1 October 1996. From 1 January 2004, the scope of the corporate reconstruction provisions were broadened to include the transfer of motor vehicle licences and direct property transfers between certain subsidiaries of holding companies. From 1 July 2008, 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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	1,207.2	44.9	1,639.1	41.9
2004-05	1,218.1	0.9	1,603.9	-2.2
2005-06	1,906.0	56.5	2,406.1	50.0
2006-07	2,037.2	6.9	2,474.9	2.9
2007-08[a]	2,264.8	11.2	2,654.4	7.3
2008-09[a]	1,101.6	-51.4	1,253.2	-52.8
2009-10[a]	1,552.0	40.9	1,722.4	37.4
2010-11[a]	1,225.9	-21.0	1,323.0	-23.2
2011-12[a]	1,260.6	2.8	1,331.5	0.6
2012-13[a]	1,653.7	31.2	1,708.3	28.3
2013-14[a][b]	1,798.6	8.8	1,798.6	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 2013-14 *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.

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	QLD	SA	ACT	NT
Rate	**Private:** General scale	**Private:** General scale	**Private:** General scale	**Private:** General scale	**Private:** General scale	**Private:** General scale[(b)]	**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%	**Private:** >=20% **Private Company/ Wholesale UTS:** >=50%	**Private:** >=50%	**Private:** >=50%	**Private** >=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	$2 million	$2 million	$1 million	Nil	$500,000

(a) Land-rich transfer duty provisions apply in Tasmania. Tasmania does not levy landholder duty.

(b) From 5 June 2013 a new general scale applies (see the Transfer Duty chapter).

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

LANDHOLDER DUTY PAYABLE ON SELECTED VALUES

Private Entities[a]

Value of Acquisition	WA	NSW	VIC	QLD	SA	ACT	NT
$'000	$	$	$	$	$	$	$
100	2,090	1,990	2,150	1,925	2,830	2,200	2,157
200	5,890	5,490	7,070	5,425	6,830	4,400	5,629
300	10,165	8,990	13,070	8,925	11,330	8,100	10,414
400	14,915	13,490	19,070	12,425	16,330	12,600	16,514
500	19,665	17,990	25,070	15,925	21,330	17,100	23,929
750	32,540	29,240	40,070	26,775	35,080	29,600	37,125
1,000	45,415	40,490	55,000	38,025	48,830	45,850	49,500
5,000	251,415	260,490	275,000	268,025	268,830	275,000	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	2.20	2.16
200	2.95	2.75	3.54	2.71	3.42	2.20	2.81
300	3.39	3.00	4.36	2.98	3.78	2.70	3.47
400	3.73	3.37	4.77	3.11	4.08	3.15	4.13
500	3.93	3.60	5.01	3.19	4.27	3.42	4.79
750	4.34	3.90	5.34	3.57	4.68	3.95	4.95
1,000	4.54	4.05	5.50	3.80	4.88	4.59	4.95
5,000	5.03	5.21	5.50	5.36	5.38	5.50	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 Levied	2,157
200	5,890	549	707	543	683		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 Levied	2.16
200	2.95	0.27	0.35	0.27	0.34		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. An interest acquired solely from a compromise or arrangement with creditors under the *Corporations Act 2001* (Cth) or a pro rata increase or decrease in the interests of all unit holders/shareholders is exempt from landholder duty. Acquisitions that would have been liable for nominal duty if they had been direct transfers of land are also exempt. An exemption is also applied to 'top hatting' arrangements where an acquisition is made for the purpose of giving effect to a scheme that would qualify for capital gains tax roll-over relief under the *Income Tax Assessment Act 1997* (Cth). Concessions are available for acquisitions effected for the purpose of securing financial accommodation as well as redemption and re-issue arrangements.
VIC	An interest acquired solely from a compromise or arrangement with creditors under the *Corporations Act 2001* (Cth) or a pro rata increase or decrease in the interests of all unit holders/shareholders is exempt from landholder duty. Acquisitions that would have been liable for nominal duty if they had been direct transfers of land are also exempt. An interest acquired by a receiver or trustee in bankruptcy, a liquidator or an executor or administrator of an estate of a deceased person is exempt. Concessions are available for acquisitions effected for the purpose of securing financial accommodation as well as redemption arrangements.
QLD	Exemptions apply in relation to particular share or unit issues, deceased estates, change of trustee, acquisitions by liquidators, marketable securities or a restructure of stapled entities. An interest acquired solely from a compromise or arrangement with creditors under the *Corporations Act 2001* (Cth) is also exempt.
SA	An interest in a landholding entity is exempt if an interest in the underlying land assets would not attract ad valorem duty. Interest acquired solely from a compromise or arrangement with creditors under the *Corporations Act 2001* (Cth) is exempt.
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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2008-09	24.3	n.a.	27.6	n.a.
2009-10	87.4	259.8	97.0	251.1
2010-11	47.3	-45.9	51.1	-47.4
2011-12	101.4	114.2	107.1	109.6
2012-13	216.5	113.5	223.6	108.8
2013-14(a)	248.0	14.6	248.0	10.9

(a) Estimate based on the 2013-14 *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

From 1 July 2013 all land tax rates increased by around 12.5%.

LAND TAX SCALE

Taxable Value of Land	Land Tax Payable
$0 – $300,000	Nil
$300,001 – $1,000,000	0.10 cents per $1 above $300,000
$1,000,001 – $2,200,000	$700 and 0.53 cents per $1 above $1,000,000
$2,200,001 – $5,500,000	$7,060 and 1.37 cents per $1 above $2,200,000
$5,500,001 – $11,000,000	$52,270 and 1.64 cents per $1 above $5,500,000
Over $11,000,000	$142,470 and 2.43 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 primary production businesses that do not meet the income test for a full exemption (for more detail please see the following pages).

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[(a)]	NSW[(b)]	VIC	QLD	SA	TAS	ACT[(c)]	NT
Min Threshold	$300,001	$412,000	$250,000	$600,000	$316,001	$25,000	–	Not Levied
Max Threshold	$11.0m	$2.519m	$3.0m	$5.0m	$1.052m	$0.35m	$0.275m	
Min Rate	0.10%	1.60%	0.20%	1.00%	0.50%	0.55%	0.60%	
Max Rate	2.43%	2.00%	2.25%	1.75%	3.70%	1.50%	1.80%	

(a) From 1 July 2013 land tax rates in Western Australia increased by around 12.5%.

(b) For the 2014 land tax (calendar) year the minimum threshold increased from $406,000 to $412,000 and the maximum threshold increased from $2.482 million to $2.519 million. The thresholds are determined using the past three-year average of 'indexed' land values in New South Wales.

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

LAND TAX PAYABLE
General

Land Value	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
$'000	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**
100	–	–	–	–	–	463	625	Not Levied
200	–	–	–	–	–	1,013	1,420	
300	–	–	375	–	–	1,563	2,538	
400	100	–	575	–	420	2,588	4,338	
500	200	1,508	775	–	920	4,088	6,138	
1,000	700	9,508	2,975	4,500	9,447	11,588	15,138	
3,000	18,020	43,432	24,975	37,500	82,771	41,588	51,138	
5,000	45,420	83,432	69,975	62,500	156,771	71,588	87,138	
10,000	126,070	183,432	182,475	150,000	341,771	146,588	177,138	

AVERAGE TAX RATES

General

Land Value	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
$'000	%	%	%	%	%	%	%	%
100	–	–	–	–	–	0.46	0.63	Not Levied
200	–	–	–	–	–	0.51	0.71	
300	–	–	0.13	–	–	0.52	0.85	
400	0.03	–	0.14	–	0.11	0.65	1.08	
500	0.04	0.30	0.16	–	0.18	0.82	1.23	
1,000	0.07	0.95	0.30	0.45	0.94	1.16	1.51	
3,000	0.60	1.45	0.83	1.25	2.76	1.39	1.70	
5,000	0.91	1.67	1.40	1.25	3.14	1.43	1.74	
10,000	1.26	1.83	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, Tasmania and the Australian Capital Territory 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(a)	NSW(b)	VIC	QLD	SA	TAS	ACT	NT
Min Threshold	$300,001	–	$25,000	$350,000	$316,001	$25,000	Not Levied	Not Levied
Max Threshold	$11.0m	$2.519m	$3.0m	$5.0m	$1.052m	$0.35m		
Min Rate	0.10%	1.60%	0.375%	1.70%	0.50%	0.55%		
Max Rate	2.43%	2.00%	2.25%	2.00%	3.70%	1.50%		

(a) From 1 July 2013 land tax rates in Western Australia increased by around 12.5%.

(b) New South Wales increased the maximum threshold from $2.482 million to $2.519 million for the 2014 land tax (calendar) year. The thresholds are determined using the past three-year average of ‘indexed’ land values in New South Wales.

LAND TAX PAYABLE

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

Land Value	WA	NSW[(a)]	VIC[(b)]	QLD[(c)]	SA	TAS	ACT	NT
$'000	$	$	$	$	$	$	$	$
100	–	1,600	363	–	–	463	Not Levied	Not Levied
200	–	3,200	738	–	–	1,013		
300	–	4,800	1,214	–	–	1,563		
400	100	6,400	1,789	2,300	420	2,588		
500	200	8,000	2,364	4,000	920	4,088		
1,000	700	16,000	6,438	12,500	9,447	11,588		
3,000	18,020	49,924	24,975	45,000	82,771	41,588		
5,000	45,420	89,924	69,975	75,000	156,771	71,588		
10,000	126,070	189,924	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.

AVERAGE TAX RATES

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

Land Value	WA	NSW[(a)]	VIC[(b)]	QLD[(c)]	SA	TAS	ACT	NT
$'000	%	%	%	%	%	%	%	%
100	–	1.60	0.36	–	–	0.46	Not Levied	Not Levied
200	–	1.60	0.37	–	–	0.51		
300	–	1.60	0.40	–	–	0.52		
400	0.03	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	0.07	1.60	0.64	1.25	0.94	1.16		
3,000	0.60	1.66	0.83	1.50	2.76	1.39		
5,000	0.91	1.80	1.40	1.50	3.14	1.43		
10,000	1.26	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.

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 increased from $550,000 to $570,000.

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

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 increased from $750,000 to $875,000.

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

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.

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

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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	279.7	7.7	379.8	5.6
2004-05	315.5	12.8	415.4	9.4
2005-06	312.9	-0.8	395.0	-4.9
2006-07	385.6	23.2	468.4	18.6
2007-08[a]	420.6	9.1	493.0	5.2
2008-09[a]	568.0	35.0	646.2	31.1
2009-10[a]	528.5	-7.0	586.5	-9.2
2010-11[a]	521.5	-1.3	562.8	-4.0
2011-12[a]	552.4	5.9	583.5	3.7
2012-13[a]	568.2	2.9	587.0	0.6
2013-14[a][b]	662.3	16.5	662.3	12.8

(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 2013-14 *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 0.412% of the Net Annual Value, with a minimum charge of $68.47 (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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	43.6	12.1	59.2	9.9
2004-05	47.1	8.0	62.1	4.8
2005-06	53.4	13.4	67.5	8.7
2006-07	65.0	21.6	79.0	17.1
2007-08[(a)]	76.0	16.9	89.1	12.8
2008-09[(a)]	82.2	8.2	93.5	5.0
2009-10[(a)]	78.3	-4.7	86.9	-7.1
2010-11[(a)]	77.8	-0.6	84.0	-3.3
2011-12[(a)]	84.2	8.2	88.9	5.9
2012-13[(a)]	85.1	1.1	87.9	-1.1
2013-14[(a)(b)]	88.8	4.3	88.8	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 2013-14 *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).

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

Rate of Tax

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

Exemptions and Concessions

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

Interstate Comparison

INSURANCE DUTY (% OF PREMIUMS)

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
General	10%	9%[(a)]	10%	9%[(b)]	11%	10%	6%[(d)]	10%
Compulsory Third Party Insurance	10%	Nil	10%	10c per policy	$60.00 per policy	$20.00 per policy	Nil[(e)]	Nil
Workers' Comp	Nil	Nil	Nil	5%	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	60c for first $2,000 and 0.06% over $2,000[(f)]	10c per $100
		Term, temporary or riders	*Term or temporary*	*Term or temporary*	*Riders*	*Term or temporary*	*Term, temporary or riders*	*Term, temporary or riders*
		5% of first year's premium	5% of first year's premium	9% of first year's premium	General rate	5% of first year's premium	3% of first year's premium[(g)]	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. A Health Insurance Levy is also paid monthly by organisations that provide health benefits to NSW contributors. From 1 April 2013 the prescribed rate used to calculate the levy liability is $1.37 per single contributor or $2.74 per contributing family.

(b) From 1 August 2013 the rate increased from 7.5% to 9.0%.

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

(d) From 1 July 2013 the rate decreased from 8.0% to 6.0%.

(e) However, a $2 road safety contribution applies.

(f) From 1 July 2013 the rate changed from 80c for the first $2,000 and 16c per $200 over $2,000 to 60c for the first $2,000 and 0.06% of the total over $2,000.

(g) From 1 July 2013 the rate decreased from 4% to 3%. From 1 July 2013 the rate of duty on disability income insurance is 6% of the net premiums received.

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.

Changes to Exemptions and Concessions

The exemption for insurance on transport of goods and on commercial marine hulls came into effect on 11 December 1986.

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

Insurance Duty Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	278.7	26.6	378.4	24.0
2004-05	279.9	0.4	368.5	-2.6
2005-06	296.3	5.9	374.0	1.5
2006-07	308.5	4.1	374.8	0.2
2007-08[a]	342.5	11.0	401.4	7.1
2008-09[a]	376.5	9.9	428.3	6.7
2009-10[a]	404.0	7.3	448.4	4.7
2010-11[a]	442.0	9.4	477.0	6.4
2011-12[a]	487.1	10.2	514.5	7.9
2012-13[a]	554.6	13.8	572.9	11.3
2013-14[a][b]	592.9	6.9	592.9	3.5

(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 2013-14 *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 solely for re-sale or demonstration are exempt from duty, as are purchases of all vehicles exempt from annual vehicle licence fees under the *Road Traffic Act 1974* (includes certain off-road vehicles used in farming, government vehicles, vehicles purchased by certain charities, vehicles purchased by those receiving the maximum rate of Carer’s Payment or Disability Support Pension, holders of a Totally and Permanently Incapacitated Card issued by the Commonwealth Department of Veteran’s Affairs, or a Pension Card (Blind) issued by the Commonwealth).

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

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

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 – $60,316:* $6 per $200 *Over $60,316:* $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[a]:** $3 per $100	**Passenger Vehicles:** Green Vehicle Rating[b]: *$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[c]:** $3 per $100	$3 per $100

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

(b) Based on the vehicle emission ratings that are published in the Green Vehicle Guide (http://www.greenvehicleguide.gov.au). Duty payable for non-rated vehicles (includes vehicles previously registered) is the same as for C rated vehicles.

(c) 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	1,800	2,400	1,800	2,100	2,340	2,400	2,100	1,800

(a) Also includes non-rated vehicles.

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	3.00	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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	273.0	17.8	370.7	15.4
2004-05	302.5	10.8	398.3	7.5
2005-06	342.2	13.1	432.0	8.5
2006-07	392.6	14.7	476.9	10.4
2007-08[a]	392.8	0.1	460.4	-3.5
2008-09[a]	317.6	-19.1	361.3	-21.5
2009-10[a]	331.6	4.4	368.0	1.8
2010-11[a]	337.8	1.9	364.5	-0.9
2011-12[a]	367.2	8.7	387.8	6.4
2012-13[a]	404.0	10.0	417.3	7.6
2013-14[a][b]	415.6	2.9	415.6	-0.4

(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 2013-14 *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 $18.92 per 100 kg of tare (unladen) weight (or part thereof) to a maximum of $452. The example in the table below indicates the licence fees payable on a 2013 6-cylinder Holden Commodore Evoke (on the basis of 1,582 kg tare weight) for private or business use. The difference of $36 is due to a discount for private 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.

	Private Use $ per annum	Business Use $ per annum
Holden Commodore	273.32	309.32

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.

[1] Plate fees only apply to new registrations.

Licence Fee Exemptions and Concessions

A total exemption applies to emergency vehicles and vehicles used by government agencies, disability pensioners and ministers of religion. Vintage/veteran vehicles are also exempt.

Charitable institutions receive either a 50% concession or 100% exemption depending on the use of the vehicle. Interchangeable semi-trailers have a 75% concession. Vehicles used by primary producers[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 Centrelink Pensioner Concession Card, Veteran's Affairs Pensioner Concession Card, and seniors who hold **both** a State Seniors Card and Commonwealth Seniors Health Card receive a 50% concession.

A flat annual discount of $36 applies to private 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[(b)]	NSW[(c)]	VIC	QLD[(d)]	SA[(e)]	TAS[(f)]	ACT[(g)]	NT
Holden Commodore								
Private Use	273.32	482.00	238.00	443.45	231.00	217.16	442.10	173.00
Business Use	309.32	717.00	238.00	464.90	231.00	217.16	684.70	173.00

(a) Excludes administration, recording and inspection fees and compulsory third party insurance premiums.
(b) Includes $6.60 standard flat fee. From 1 January 2014, private use licence fee will be $273.32.
(c) Includes $60 annual registration fee.
(d) Excludes a $48.85 Traffic Improvement Fee.
(e) Excludes Emergency Services Levy of $24.
(f) Excludes $16 Fire Levy and $25 Road Safety Levy. Includes $67.16 registration fee.
(g) Excludes Road Safety Contribution of $20 and Road Rescue Fee of $16.

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

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.

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

MOTOR VEHICLE LICENCE FEES SINCE 1989[(a)]

Holden Commodore

	Private $ 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
2013[(b)]	273.32	309.32

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

(b) From 1 January 2014, the private use licence fee increased to $273.32.

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 private vehicles. In addition, private vehicles did not attract the 7% increase in licence fees, which applied to other vehicles from that date.

From 1 July 1998, the private vehicle discount was fixed at $28 and a 25% concession for diesel powered vehicles was removed. A 25% concession for intrastate heavy vehicles was phased out in two stages by 1 July 1999.

From 1 July 2001, eligibility for a 50% concession on licence fees was extended to seniors who hold **both** a State Seniors Card and a Commonwealth Seniors Health Card.

From 1 July 2005, the private vehicle discount was increased from $28 to $53 and indexed to the movement in the Perth consumer price index, in line with the 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, $69 in 2012-13 and $72 after 1 July 2013.

On 1 January 2014 the discount for private vehicles was reduced from $72 to $36 (indexed annually).

Motor Vehicle Licence Fee Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	320.3	7.3	434.9	5.1
2004-05	341.3	6.6	449.4	3.3
2005-06	361.1	5.8	455.9	1.4
2006-07	396.4	9.8	481.6	5.6
2007-08[(a)]	434.3	9.6	509.0	5.7
2008-09[(a)]	486.1	11.9	553.0	8.6
2009-10[(a)]	515.8	6.1	572.4	3.5
2010-11[(a)]	557.2	8.0	601.4	5.1
2011-12[(a)]	599.4	7.6	633.2	5.3
2012-13[(a)]	649.6	8.4	671.0	6.0
2013-14[(a)(b)]	725.0	11.6	725.0	8.0

(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 2013-14 *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	76.918% of player loss (player subscriptions net of prize liability) less GST payable on subscriptions and sales commissions.

VIC	79.4% (where GST is payable) or 90% (where GST is not payable) of player loss is paid into the Consolidated Fund (CF). Revenue is then transferred by standing appropriation from the CF to the Hospitals and Charities Fund and Mental Health Fund. 57.52% (where GST is payable) or 68% (where GST is not payable) of player loss for Soccer Pools.
QLD	73.48% of gross revenue (i.e. player loss) for lotteries, 55% for instant scratch-its, 45% for Golden Casket lotteries, 67.6% for pools. GST credit is provided.
SA	Sports and special lotteries: 41% of net gambling revenue (i.e. player loss) plus distributable surplus hypothecated to the Recreation and Sport Fund. All lotteries except sports and special lotteries (including Lotto, Powerball, Super 66 and instant scratchies): 41% of net gambling revenue hypothecated to the Hospitals 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 and NSW, with the ACT receiving from Victoria 79.4% of the proportion of player loss on lotteries (and 57.52% on soccer pools), and from NSW, 76.918% of the proportion of player loss less GST for all games.
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 Saturday Lotto since then. Instant lotteries were introduced in 1982. Midweek Lotto was introduced in 1983 and Super 66 in 1986. Soccer Pools were taken over by the Lotteries Commission in October 1989.

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

Lotteries Surpluses

WESTERN AUSTRALIA	Revenue Collections	Change (Nominal)	Revenue in 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	75.3	0.6	102.3	-1.4
2004-05	76.8	1.9	101.1	-1.2
2005-06	80.4	4.8	101.5	0.4
2006-07	88.0	9.4	106.9	5.3
2007-08[a]	121.0	37.5	141.8	32.7
2008-09[a]	133.8	10.6	152.2	7.3
2009-10[a]	129.8	-3.0	144.0	-5.4
2010-11[a]	126.3	-2.7	136.3	-5.4
2011-12[a]	140.5	11.2	148.4	8.9
2012-13[a]	151.2	7.6	156.2	5.3
2013-14[a][b]	146.9	-2.9	146.9	-6.0

(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) Estimates based on the 2013-14 *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 $32.6 million in 2012-13.

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	20.956%
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 ($2.63 million in 2013) 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	20.956% 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. 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. For each approximate increase of $6 million in gross revenue above $682 million a 1% super tax also applies, up to a maximum of 38.91%. The tax bands are indexed annually. A 2% Responsible Gambling Levy applies to this gross gaming revenue. 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.
VIC	29.85% of gross gaming revenue applies to gaming machines plus super tax. 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. 1% community benefit levy applies to regular and commission-based players.
QLD	For non-premium players: 20% of gross revenue on table games and keno for Brisbane and Gold Coast casinos; 10% of gross revenue on table games and keno for Townsville and Cairns casinos; 30% of gross revenue on gaming machines for Brisbane and Gold Coast casinos and 20% of gross revenue on gaming machines for Townsville and Cairns casinos. For premium players: 10% of gross gaming revenue for all Queensland casinos.
SA	From 1 January 2014, table gaming tax rates increased to 3.41%, and gaming machine rates increased to 41% as part of an agreement to increase the casino's gaming machines (from 995 to 1,500) and table games (from 90 to 200). In addition a new tax also applies to premium machine revenue at a rate of 10.91% and to premium table games revenue at a rate of 0.91%. Automated table games are taxed at 10.91% of net gaming revenue.
TAS	5.88% of gross profit on keno and 0.88% of gross profit on table gaming. From 1 July 2013, a single flat tax rate of 25.88% applies to the gross profit of all electronic 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	A one-off payment of $20.6 million in 1985 for the security of the licence, plus an annual licence fee ($2.63 million in 2013), 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 $214,452 in 2013-14, indexed annually.
SA	Nil.
TAS	A monthly licence fee of $144,900 in 2013-14, indexed annually.
ACT	Annual fee $865,900 for 2013-14 CPI linked (quarterly instalments payable in August, November, February and May).
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. The rate increased again to 20.956% on 24 December 2013, and is scheduled to increase to 21.354% on 24 December 2014 and to 21.50% on 24 December 2015.

Casino Tax Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	22.4	36.4	30.5	33.6
2004-05	23.3	3.7	30.7	0.6
2005-06	29.4	26.1	37.1	20.9
2006-07	36.5	24.3	44.3	19.6
2007-08[(a)]	83.7	129.3	98.1	121.2
2008-09[(a)]	90.8	8.5	103.3	5.3
2009-10[(a)]	92.2	1.5	102.3	-1.0
2010-11[(a)]	89.6	-2.8	96.7	-5.5
2011-12[(a)]	108.1	20.6	114.2	18.1
2012-13[(a)]	111.8	3.4	115.5	1.1
2013-14[(a)(b)]	118.0	5.6	118.0	2.2

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

(b) Estimate based on the 2013-14 *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 $6 million was paid for 2012-13 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, 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 for 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 1% Racing Bets Levy applies to a betting operator’s annual turnover up to and including $2.5 million. For annual turnover of more than $2.5 million the rate is 1.5%. Between 1 November and 1 January (inclusive) each year a premium levy rate of 2% applies to a betting operator’s turnover over $2.5 million for thoroughbred racing only.

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.

From 1 April 2013, a Racing Bets Levy exemption applies where a betting operator’s turnover does not reach $1,000 in any month.

Interstate Comparison

CURRENT TAX RATES % (REVENUE PAID TO GOVERNMENT)

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Fixed Odds (Racing, TAB)	2% of turnover	10.91% of player loss	4.38% of player loss	20% of commission	Nil[(b)]	Nil[(c)]	Nil	Dependent on event[(e)]
Fixed Odds (Sports, TAB)	0.5% of turnover	10.91% of player loss	4.38% of player loss	20% of commission	6% of player loss	Nil[(c)]	Dependent on event	Dependent on event[(e)]
Totalisator (Sports)	5% of turnover	19.11% of player loss	7.6% of player loss	20% of commission plus quarterly licence fee of $206,000	6% of player loss	Nil[(c)]	6% of player loss	Dependent on event[(e)]
Totalisator (Off Course Racing)	11.91% of gross revenue	19.11% of player loss	7.6% of player loss	20% of commission plus quarterly licence fee of $206,000	Nil	Nil[(c)]	10% of capital value[(d)]	Dependent on event[(e)]
Totalisator (On Course Racing)	Nil	19.11% of player loss	7.6% of player loss	20% of commission plus quarterly licence fee of $206,000	Nil	Nil[(c)]	10% of capital value[(d)]	Dependent on event[(e)]
Bookmakers' Betting Levy (Sports)[(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[(f)]

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

(b) SA TAB pays a flat fee of $252,500 per month until 30 June 2016 when the current agreement expires.

(c) A fixed annual Totalisator Wagering Levy is paid by the licence holder. The levy is indexed annually and for 2013-14 it is $6.862 million.

(d) 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.

(e) 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.

(f) Applies to internationally sourced bets with a maximum of $267,500 per annum. Nil for domestic sourced bets.

RACING BETS LEVY[a] (REVENUE PAID TO GOVERNMENT)

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Thoroughbred	1% ≤ $2.5m turnover and 1.5% > $2.5m turnover[b]	1% ≤ $5m annual turnover and 1.5% > $5m annual turnover[c]	11.51% gross revenue	1.5% of turnover[e]	Contribution to the racing industry[f]	10% gross revenue	10% gross revenue[h]	Nil
Harness	1% ≤ $2.5m turnover and 1.5% > $2.5m turnover	1.5% of turnover[c]	11.51% gross revenue	1.5% of turnover[e]	The greater of 0.5% of turnover or 13% of gross proceeds[g]	10% gross revenue	10% gross revenue[h]	Nil
Greyhound	1% ≤ $2.5m turnover and 1.5% > $2.5m turnover	The lesser of 1.5% of turnover or 15% of gross revenue[d]	11.51% gross revenue	1.5% of turnover[e]	The greater of 0.5% of turnover or 13% of gross proceeds[g]	10% gross revenue	10% gross revenue[h]	Nil

(a) The Racing Bets Levy may also be known as product information fees or race fields fees, amongst others.
(b) A 2% rate applies for monthly turnover above $2.5 million between 1 November and 1 January each year (inclusive) for thoroughbred racing.
(c) A 2% rate applies to Premium Race Meetings where prize money is equal to or greater than $150,000 for horse races or $30,000 for harness races.
(d) Subject to a minimum payment of 0.75% of turnover.
(e) Where cumulative wagering turnover is $5 million or more (1% if turnover is $5 million or less). 2% during May and June.
(f) 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.
(g) Paid Directly to Thoroughbred Racing SA.
(h) Only payable when wagering operator’s annual turnover is over $1.5 million.

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% and the totalisator tax was abolished for on-course racing and sports betting.

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.

From 1 April 2013, the Racing Bets levy decreased from 1.5% to 1% when a betting operator's annual turnover is $2.5 million or less. When a betting operator's annual turnover is greater than $2.5 million, the 1.5% rate still applies.

A 2% rate applies for thoroughbred racing conducted from 1 November to 1 January each year (inclusive).

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.

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

Betting Tax Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	34.0	26.4	46.2	23.9
2004-05	33.7	-0.8	44.4	-3.8
2005-06	36.1	6.9	45.6	2.5
2006-07	39.5	9.5	48.0	5.3
2007-08[(a)]	30.4	-23.0	35.6	-25.8
2008-09[(a)]	32.0	5.3	36.4	2.2
2009-10[(a)]	31.7	-1.0	35.1	-3.5
2010-11[(a)]	34.0	7.4	36.7	4.4
2011-12[(a)]	37.6	10.6	39.7	8.3
2012-13[(a)]	41.1	9.2	42.4	6.8
2013-14[(a)(b)]	42.3	3.0	42.3	-0.3

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

(b) Estimate based on the *2013-14 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 2013-14, the levy is expected to raise approximately $256.4 million.

Emergency Services Levy Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	75.0	–	101.8	–
2004-05	128.7	71.6	169.5	66.4
2005-06	130.3	1.2	164.5	-2.9
2006-07	137.4	5.4	166.9	1.5
2007-08[a]	149.5	8.8	175.2	5.0
2008-09[a]	157.2	5.2	178.8	2.1
2009-10[a]	169.3	7.7	187.9	5.1
2010-11[a]	205.0	21.1	221.2	17.7
2011-12[a]	220.3	7.5	232.7	5.2
2012-13[a]	236.9	7.5	244.8	5.2
2013-14[a][b]	256.4	8.2	256.4	4.7

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

(b) Estimate based on the 2013-14 *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 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 2013-14 is approximately $119.1 million.

Loan Guarantee Fee Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	10.5	5.0	14.3	2.9
2004-05	10.4	-1.0	13.7	-3.9
2005-06	13.1	26.0	16.5	20.8
2006-07	14.2	8.4	17.3	4.3
2007-08[(a)]	13.6	-4.2	15.9	-7.6
2008-09[(a)]	19.2	41.2	21.8	37.0
2009-10[(a)]	27.6	43.8	30.6	40.2
2010-11[(a)]	23.1	-16.4	24.9	-18.7
2011-12[(a)]	24.8	7.3	26.2	5.0
2012-13[(a)]	104.0	320.0	107.4	310.7
2013-14[(a)(b)]	119.1	14.5	119.1	10.9

(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 2013-14 *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.

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.

The current Commonwealth Government intends to repeal the MRRT effective 1 July 2014.

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

The royalty payable under the Mining Act depends on the grade of iron ore sold.

IRON ORE[(a)]

Type of Iron Ore	Royalty Rate (%)
Beneficiated (e.g. magnetite concentrate)	5.0
Lump and Fines[(b)]	7.5

(a) From 9 April 2013 a rebate of up to 50% of royalty payments is available to eligible magnetite producers.

(b) From 1 July 2013 the royalty rate for iron ore 'fines' increased from 6.5% to 7.5% in both the Mining Act and relevant State Agreements.

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

From 9 April 2013 a rebate of up to 50% of royalty payments is available to eligible magnetite producers. The rebate is considered on a project-by-project basis and is given where the extractable iron mineral is predominantly (more than 80%) magnetite and where production involves fine grinding and beneficiation. The scheme is scheduled to cease on 8 April 2016.

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:** 7.5%[(a)] **Lump:** 7.5%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	\$1.25 per tonne plus 2.5% of value above \$100 per tonne[(b)]	5.0% of net market value[(c)]	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales[(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) From 1 July 2013 the royalty rate increased from 6.5% to 7.5% for iron ore 'fines'.

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

(c) New mines may qualify for a concessional rate of 2.0% for the first five years. A concessional rate of 1.5% may apply to mines that were operating prior to 1 July 2011, for a period of up to five years.

(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, the iron ore 'fines' royalty rate of 3.75% in the relevant State Agreements was aligned with the 5.625% rate in the Mining Act from 1 July 2010.

The Western Australian Government announced in its 2011-12 Budget that it would remove the concessional royalty rate for iron ore ‘fines’ over two years. From 1 July 2012 the iron ore ‘fines’ royalty rate increased from 5.625% to 6.5% and increased further from 1 July 2013 to 7.5% (in both the Mining Act and the relevant State Agreement Acts).

From 9 April 2013, a rebate of up to 50% of royalty payments is available to eligible magnetite producers.

Iron Ore Royalty Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	305.0	5.0	414.1	2.9
2004-05	464.8	52.4	612.1	47.8
2005-06	721.8	55.3	911.2	48.9
2006-07	868.3	20.3	1,054.8	15.8
2007-08	1,130.6	30.2	1,325.1	25.6
2008-09	1,932.7	70.9	2,198.7	65.9
2009-10	1,812.6	-6.2	2,011.7	-8.5
2010-11	3,647.1	101.2	3,936.0	95.7
2011-12	3,776.1	3.5	3,988.5	1.3
2012-13	3,852.6	2.0	3,979.8	-0.2
2013-14[(a)]	5,518.7	43.2	5,518.7	38.7

(a) Estimate based on the 2013-14 *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)]	n.a.	20.0% of the net value of mine's production[(f)]
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 concessional rate of 2.0% for the first five years. A concessional rate of 1.5% may apply to mines that were operating prior to 1 July 2011, for a period of up to five years.

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

(f) 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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	76.4	-7.6	103.7	-9.5
2004-05	74.2	-2.9	97.7	-5.8
2005-06	91.6	23.5	115.6	18.4
2006-07	104.6	14.2	127.1	9.9
2007-08	99.0	-5.4	116.0	-8.7
2008-09	126.3	27.6	143.7	23.8
2009-10	161.4	27.8	179.1	24.7
2010-11	198.1	22.7	213.8	19.4
2011-12	234.3	18.3	247.5	15.8
2012-13	214.4	-8.5	221.5	-10.5
2013-14[(a)]	177.8	-17.1	177.8	-19.7

(a) Estimate based on the 2013-14 *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 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% of royalty value	4.0% of the ex-mine value (value less allowable deductions)	Nil	Variable rate (between 2.5% and 5.0%)[(a)(b)(c)] depending on average metal prices	3.5% of net market value if in a metal form, concentrates at 5.0%[(d)]	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales[(e)]	n.a.	20.0% of the net value of mine's production[(f)]
Royalty System	Ad valorem	Ad valorem		Ad valorem	Ad valorem	Hybrid		Profit

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

(b) Prices below $12,500/tonne attract the minimum rate; prices above $38,100/tonne attract the maximum rate.

(c) A discount of 20% is available if the mineral is processed in Queensland and the metal produced is at least 70% nickel. No royalty is payable on the first $100,000 worth of nickel produced per year.

(d) New mines may qualify for a concessional rate of 2.0% for the first five years. A concessional rate of 1.5% may apply to mines that were operating prior to 1 July 2011, for a period of up to five years.

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

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

Changes to Royalty Rates and Concessions

In August 1982, the value for ‘P’ in the nickel royalty calculation 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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	76.6	47.0	104.0	44.0
2004-05	92.0	20.1	121.1	16.5
2005-06	93.0	1.1	117.4	-3.1
2006-07	206.5	122.0	250.9	113.7
2007-08	130.0	-37.0	152.4	-39.3
2008-09	61.9	-52.4	70.4	-53.8
2009-10	96.9	56.5	107.5	52.7
2010-11	106.9	10.3	115.4	7.3
2011-12	92.1	-13.8	97.3	-15.7
2012-13	88.4	-4.0	91.4	-6.1
2013-14[(a)]	79.0	-10.7	79.0	-13.5

(a) Estimate based on the 2013-14 *Government Mid-year Financial Projections Statement*.

Copper

Copper royalties are collected by the Department of Mines and Petroleum under the *Mining Act 1978*.

Royalty Rate

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

COPPER

Type of Copper	Royalty Rate %
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]	n.a.	20.0% of the net value of mine's production[f]
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.

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

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

(d) New mines may qualify for a concessional rate of 2.0% for the first five years. A concessional rate of 1.5% may apply to mines that were operating prior to 1 July 2011, for a period of up to five years.

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

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

Changes to Royalty Rates and Concessions

No royalty was collected for copper in Western Australia until the introduction of the *Mining Act 1978* (effective from 1 January 1982) when a 5% rate was introduced.

Copper produced at the Teutonic Bore Mine was subject to a concessional rate of 2.5% from 6 August 1982 until 14 December 2001, when that concession ceased.

From 16 June 2000, the copper royalty rates were amended to reflect concentrate and metal rate principles. Copper sold in metallic form is subject to a rate of 2.5%, copper sold as a concentrate is subject to a 5% rate, and from 30 June 2005 copper sold as a nickel by-product is subject to a 2.5% royalty rate.

Lead

Lead royalties are collected by the Department of Mines and Petroleum under the *Mining Act 1978*.

Royalty rate

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

LEAD

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

Interstate 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)	n.a.	20.0% of the net value of mine's production(f)
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.

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

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

(d) New mines may qualify for a concessional rate of 2.0% for the first five years. A concessional rate of 1.5% may apply to mines that were operating prior to 1 July 2011, for a period of up to five years.

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

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

Changes to Royalty Rates and Concessions

No royalty was collected for lead in Western Australia until the introduction of the *Mining Act 1978* (effective from 1 January 1982), when a 5% rate was introduced.

From 16 June 2000, a rate of 2.5% applies to lead sold in metallic form.

Zinc

Zinc royalties are collected by the Department of Mines and Petroleum under the *Mining Act 1978*.

Royalty Rate

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

ZINC

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

Interstate 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)	n.a.	20.0% of the net value of mine's production(f)
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.
(b) Prices below $1,900/tonne attract the minimum rate; prices above $4,400/tonne attract the maximum rate.
(c) A discount of 35% is available if the mineral is processed in Queensland and the metal produced is at least 95% zinc. No royalty is payable on the first $100,000 worth of zinc produced per year.
(d) New mines may qualify for a concessional rate of 2.0% for the first five years. A concessional rate of 1.5% may apply to mines that were operating prior to 1 July 2011, for a period of up to five years.
(e) A rebate of 20% is available for the production of a metal within Tasmania.
(f) First $50,000 of net value is exempt.

Changes to Royalty Rates and Concessions

Royalties for the mining of zinc were first introduced on 1 July 1958 at a rate of $0.20 per tonne produced. With the introduction of the *Mining Act 1978* (effective from 1 January 1982) the rate was changed to an ad valorem rate of 5%.

Zinc produced at the Teutonic Bore Mine was subject to a concessional rate of 2.5% from 6 August 1982 until 14 December 2001, when that concession ceased.

From 16 June 2000, a rate of 2.5% applies to zinc sold in metallic form.

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)]	n.a.	20.0% of the net value of mine's production[(c)]
Royalty System	Ad valorem	Quantum	Ad valorem	Hybrid	Ad valorem	Hybrid		Profit

(a) New mines may qualify for a concessional rate of 2.0% for the first five years. A concessional rate of 1.5% may apply to mines that were operating prior to 1 July 2011, for a period of up to five years.

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

(c) 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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	51.9	0.8	70.5	-1.3
2004-05	54.7	5.4	72.0	2.2
2005-06	70.0	28.0	88.4	22.7
2006-07	84.2	20.3	102.3	15.8
2007-08	79.3	-5.8	92.9	-9.1
2008-09	71.6	-9.7	81.5	-12.4
2009-10	63.9	-10.8	70.9	-13.0
2010-11	66.5	4.2	71.8	1.3
2011-12	68.2	2.5	72.0	0.3
2012-13	64.8	-5.0	66.9	-7.1
2013-14[(a)]	72.3	11.6	72.3	8.1

(a) Estimate based on the 2013-14 *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	n.a.	20.0% of the net value of mine's production[(c)]
Royalty System	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Ad valorem	Hybrid		Profit

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

(b) New mines may qualify for a concessional rate of 2.0% for the first five years. A concessional rate of 1.5% may apply to mines that were operating prior to 1 July 2011, for a period of up to five years.

(c) 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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	41.0	-54.9	55.7	-55.8
2004-05	35.6	-13.3	46.8	-15.9
2005-06	43.5	22.3	54.9	17.3
2006-07	25.7	-41.0	31.2	-43.2
2007-08	39.9	55.4	46.8	49.9
2008-09	19.5	-51.1	22.2	-52.5
2009-10	14.5	-25.7	16.1	-27.5
2010-11	14.5	-0.2	15.6	-2.9
2011-12	15.9	10.0	16.8	7.6
2012-13	17.7	11.3	18.3	8.8
2013-14[(a)]	26.1	47.2	26.1	42.5

(a) Estimate based on the *2013-14 Government Mid-year Financial Projections Statement*.

Mineral Sands

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

Royalty Rate

MINERAL SANDS

Mineral	Royalty Rate (%)
Ilmenite	5.0
Ilmenite Feedstock[(a)]	5.0
Leucoxene	5.0
Monazite	5.0[(b)]
Rutile	5.0
Zircon	5.0

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

(b) A 7.5% rate applies if sold as a crushed or screened material.

Interstate Comparison

The table below provides an interstate comparison of mineral sands royalties. Unless stated otherwise the rates apply to ilmenite, ilmenite feedstock, leucoxene, monazite, rutile, and zircon.

MINERAL SANDS ROYALTY RATES

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

(a) No rate is specified for ilmenite feedstock in New South Wales.

(b) No rate is specified for ilmenite feedstock in Queensland.

(c) No rate is specified for ilmenite feedstock in South Australia.

(d) New mines may qualify for a concessional rate of 2.0% for the first five years. A concessional rate of 1.5% may apply to mines that were operating prior to 1 July 2011, for a period of up to five years.

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

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

Changes to Royalty Rates and Concessions

Royalties for the mining of mineral sands were first introduced on 1 July 1958 at an ad valorem rate of 2%. This rate was less than half of the initial proposed rate (5%) and was introduced as a temporary measure to address the industry's economic difficulties. Ilmenite was exempt from royalty payments for five years.

With the introduction of the *Mining Act 1978* (effective 1 January 1982) the general rate for mineral sands increased to 2.5%. At the same time a concessional royalty rate (50 cents per tonne) was introduced for ilmenite feedstock. The reduced rate was intended to apply to low quality product requiring further processing for it to be marketable.

From 6 August 1982, the general rate for mineral sands was increased to 3% after the industry was judged to be in a stronger financial position. A 3% royalty rate was also specifically applied to xenotime from this date.

From 21 August 1987, royalty rates on all exported mineral sands (including xenotime) were increased to the initial proposed rate of 5%. At the same time the ilmenite feedstock rate was increased to $1.50 per tonne. From this date the ilmenite feedstock rate was also subject to a yearly review and adjusted in accordance with the export price of all bulk ilmenite concentrate sales from Western Australia for the financial year compared with the corresponding price of all bulk ilmenite concentrate sales from Western Australia in the 1987 base financial year.

The royalty rate applying to ilmenite feedstock that was of marketable quality was progressively increased to 3.5% from 1 July 2005, 4% from 1 July 2006, 4.5% from 1 July 2007, and 5% from 1 July 2008.

Mineral Sands Royalty Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	27.1	6.4	36.7	7.6
2004-05	26.0	-3.8	34.3	-6.7
2005-06	29.3	12.5	37.0	7.9
2006-07	31.6	7.7	38.3	3.7
2007-08	21.4	-32.3	25.0	-34.7
2008-09	23.7	10.9	27.0	7.7
2009-10	24.5	3.2	27.2	0.7
2010-11	18.1	-26.2	19.5	-28.2
2011-12	19.9	10.3	21.0	8.0
2012-13	26.2	31.4	27.1	28.6
2013-14[(a)]	23.3	-11.0	23.3	-13.9

(a) Estimate based on the 2013-14 *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

Relevant Legislation	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 'well-head'. This is calculated using a 'netback' method (gross value of petroleum recovered less allowable post-well-head processing, transport and storage costs).

This differs from 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 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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	51.0	-16.5	69.2	-18.2
2004-05	64.7	26.9	85.2	23.0
2005-06	71.4	10.4	90.1	5.8
2006-07	53.7	-24.8	65.2	-27.6
2007-08	51.8	-3.5	60.7	-6.9
2008-09	21.2	-59.1	24.1	-60.3
2009-10	24.6	16.1	27.3	13.3
2010-11	20.2	-17.8	21.8	-20.1
2011-12	18.0	-10.9	19.0	-12.8
2012-13	18.0	-0.0	18.6	-2.2
2013-14[a]	11.9	-34.0	11.9	-36.1

(a) Estimate based on the 2013-14 *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 2013-14 Dollars	Change (Real)
	$m	%	$m	%
2003-04	362.9	-16.5	492.7	-18.2
2004-05	505.8	39.4	665.9	35.2
2005-06	609.8	20.6	769.8	15.6
2006-07	656.8	7.7	797.9	3.7
2007-08	869.5	32.4	1,019.1	27.7
2008-09	866.7	-0.3	986.0	-3.2
2009-10	947.6	9.3	1,051.6	6.7
2010-11	994.3	4.9	1,073.1	2.0
2011-12	999.6	0.5	1,055.8	-1.6
2012-13	1,093.5	9.4	1,129.6	7.0
2013-14[a]	1,151.4	5.3	1,151.4	1.9

(a) Estimate based on the 2013-14 *Government Mid-year Financial Projections Statement*.
(b) Including compensation for Commonwealth crude oil excise arrangements.

Appendix 1

Summary of Tax and Royalty Changes in 2013-14 in all States and Territories

The following is a summary of the major tax and royalty changes announced in 2013-14 State Budgets and other major changes announced up until 15 January 2014.

Western Australia

Payroll Tax

From 1 July 2014, the threshold will increase from $750,000 to $800,000. The threshold will further increase to $850,000 from 1 July 2016.

Transfer Duty

The abolition of duty on non-real business assets, which include goodwill, intellectual property and statutory business licences, was deferred until budget circumstances allow. This duty had previously been scheduled to be abolished on 1 July 2013.

Land Tax

From 1 July 2013, land tax rates were increased by around 12.5% across the board. No changes were made to the thresholds.

Homebuyer Grants

From 25 September 2013, the First Home Owner Grant increased from $7,000 to $10,000 for first home buyers purchasing or building a new home, and decreased from $7,000 to $3,000 for first home buyers purchasing an established home.

Motor Vehicle Registration Fees

On 1 January 2014, the discount on motor vehicle registration fees for privately used motor vehicles was halved from $72 to $36. This concession is currently available to anyone who drives their vehicle for non-business purposes, regardless of their income, the value of the vehicle, or how many kilometres the vehicle travels.

Royalties

From 9 April 2013, a rebate of up to 50% of royalty payments is available to eligible magnetite producers. The rebate is considered on a project-by-project basis and is given where the extractable iron mineral is more than 80% magnetite and where production involves fine grinding and beneficiation. The scheme is scheduled to cease on 8 April 2016.

From 1 July 2013, the royalty rate for iron ore 'fines' increased from 6.5% to 7.5%. The royalty rate for iron ore 'fines' is now equivalent to the rate applied to lump iron ore.

New South Wales

Payroll Tax

From 1 July 2013, the annual payroll tax threshold was increased from $689,000 to $750,000 and the annual indexation of the payroll tax threshold was removed.

The Jobs Action Plan payroll tax rebate for new employees, which was scheduled to be abolished by 1 July 2013, has been extended to 30 June 2015. From 1 July 2013, the rebate increased from $4,000 to $5,000 per new employee ($2,000 paid on the completion of the first year of employment and $3,000 on completion of the second year). Employers will not be required to repay the first year's rebate if the new employee is no longer employed in the second year.

Homebuyer Grants

The $15,000 First Home Owner Grant for new homes has been extended to 1 January 2016. The grant is now scheduled to be reduced to $10,000 from 1 January 2016.

Land Tax

For the 2014 land tax year, the minimum threshold (except for non-concessional companies and special trusts) increased from $406,000 to $412,000 and the maximum threshold (for all entities) increased from $2,482,000 to $2,519,000 (under New South Wales' indexation arrangements).

Other

The abolition of stamp duty on business mortgages, non-quoted marketable securities and transfer duty on non-real business transfers has been deferred. These duties had previously been scheduled to be abolished from 1 July 2013.

Victoria

Transfer Duty

From 1 July 2013, the first home stamp duty concession increased from 30% to 40% for first home buyers purchasing an established or new home valued at up to $600,000. This increase was previously scheduled to commence from 1 January 2014. A further increase to a 50% concession is scheduled from 1 September 2014.

Homebuyer Grants

From 1 July 2013, the First Home Owner Grant was restricted to purchases of newly constructed homes (valued up to $750,000) and was increased from $7,000 to $10,000. Purchasers of established homes are no longer eligible for the grant.

Vehicle Licence Duty

From 1 July 2013, Victoria increased the threshold for new passenger vehicles from $59,133 to $60,316 in line with changes to the Commonwealth Government's luxury car tax threshold.

Casino Tax

From 1 July 2013, the tax rate on Crown Casino's electronic gaming machines increased by 1.72 percentage points to 29.85% (excluding the community benefit levy). It will increase by a further 1.72 percentage points on 1 July 2014.

On 1 July 2013, the base amount for the casino super tax threshold increased by $5 million (in addition to annual CPI indexation).

Emergency Services Levy

From 1 July 2013, the insurance-based fire services levy was replaced by a property-based levy collected by councils through rates notices. The new levy charges $100 for residential properties and a $200 charge for non-residential properties (indexed annually), plus a variable charge based on the capital improved value of the property.

Other

From 1 January 2014, Victoria increased the congestion levy applied to specified long-stay city car parking spaces from approximately $950 per space per year to $1,300 per space per year. The levy was also extended to apply to short-stay car spaces within the designated area in inner Melbourne and the CBD but does not apply to on-street parking. All exemptions for residential, emergency vehicle and disabled car spaces remain unchanged.

Queensland

Payroll Tax

The proposed increase to the payroll tax threshold scheduled for 1 July 2013 has been deferred until 1 July 2015. The exemption threshold had been scheduled to increase from $1 million to $1.6 million between 1 July 2012 and 1 July 2017 (increments of $100,000 per year with a $200,000 increase in the first year). The threshold is now scheduled to increase to $1.2 million from 1 July 2015.

Insurance Duty

From 1 August 2013, the insurance duty rate applicable to premiums for general insurance products increased from 7.5% to 9%. The new duty rate does not apply to workers' compensation insurance premiums or compulsory third party motor vehicle insurance premiums.

Emergency Services Levy

From 1 January 2014, Queensland extended its annual Urban Fire Levy to all properties receiving a rates notice, and the levy was effectively increased by 6.5%.

South Australia

Payroll Tax

From 1 July 2013, the payroll tax rate effectively decreased from 4.95% to 2.5% for employers with annual taxable payrolls up to $1 million as a result of a two-year partial rebate. The rebate phases out at $1.2 million and is based on taxable payrolls in 2012-13 and 2013-14.

Transfer Duty

From 1 July 2013, all eligible corporate reconstructions, including assets transferred as part of a legal change in corporate ownership, are exempt from stamp duty. The exemption replaces an ex-gratia relief scheme which provided up to 95% duty relief on eligible corporate reconstructions.

Homebuyer Grants

The Housing Construction Grant (HCG) was extended for a further six months to 31 December 2013 (inclusive). The HCG was a grant of up to $8,500 and was available to all home buyers who purchased or built a new home, and was in addition to the First Home Owner Grant. The grant was previously scheduled to cease on 30 June 2013.

Land Tax

From 30 June 2013, a land tax exemption is available for a wide range of not-for-profit community associations that provide services or support to the community in areas such as literature, science, the arts and preserving traditional cultural heritage.

Casino Tax

From 1 July 2013, higher tax rates apply to gambling activities undertaken at the Adelaide Casino as part of new arrangements that increase the casino's gaming machines from 995 to 1,500 and table games from 90 to 200. Gaming machine tax rates increased from 34.41% to 41%. Table gambling and automated table gambling rates increased from 0.91% to 3.41%.

A new tax also applies to premium gaming machine revenue at a rate of 10.91% and to premium table games revenue at a rate of 0.91%.

In addition, the Adelaide Casino has agreed to make an up-front payment of $20 million to the South Australian Government in 2013-14 to redevelop and upgrade the casino.

Tasmania

Payroll Tax

From 1 July 2013, Tasmania increased its payroll tax exemption threshold from $1.01 million to $1.25 million.

A third Employment Incentive Scheme Payroll Tax Rebate (EISPR) was introduced as part of the Tasmanian Jobs Package. The third EISPR provides a two year payroll tax rebate for new jobs created between 10 December 2012 and 30 June 2014, provided these positions are maintained continuously until 30 June 2015. A three year payroll tax rebate will also be available for 750 new jobs at Vodafone's Kingston Call Centre as part of the package.

Homebuyer Grants

From 1 July 2014, Tasmania will abolish the $7,000 First Home Owner Grant for purchases of established homes and restrict it to newly constructed homes.

From 7 November 2013 to 31 December 2014 a $23,000 First Home Builder Boost is available to eligible first home buyers who purchase a newly built home, or to eligible first home buyers who are building a new home.

Motor Vehicle Duty

From 1 July 2013, transfers of caravans or camper trailers are exempt from motor vehicle duty. This exemption does not extend to motorised camper vans or motor homes.

Casino Taxes

From 1 July 2013, the Casino tax rates for electronic gaming machines in Tasmania increased from 21.0% to 25.88% of gross profits.

Australian Capital Territory

Payroll Tax

From 1 July 2013 a payroll tax rebate of up to $4,000 is available to organisations that employ recent school leavers with a disability.

Transfer Duty

From 5 June 2013, the highest rate of conveyance duty was reduced from 7.25% to a flat rate of 5.5% on properties valued over $1.65 million. The marginal rates for properties valued below $1.65 million were also reduced from 5 June 2013. Lost revenue will be replaced through the General Rates system.

From 1 January 2014, the maximum conveyance duty concession thresholds for pensioners purchasing properties were increased from $733,000 to $742,000 for a home, and from $350,000 to $360,000 for vacant land.

From 5 June 2013, the income test for the Home Buyer Concession Scheme (which provides for the payment of $20 nominal duty on the purchase of new homes) increased from $150,000 to $160,000 (plus an allowance for children). From 1 January 2014, the property value threshold for which nominal duty of $20 is available also increased from $425,000 to $435,000. A partial concession is available for properties valued below $535,000 (up from $525,000). Nominal duty of $20 also applies to vacant land valued at less than $260,000. The scheme applies to transactions occurring between 1 January 2014 and 30 June 2014.

Homebuyer Grants

From 1 September 2013, the First Home Owner Grant was restricted to newly constructed homes or houses that require substantial renovation. The First Home Owner Grant was also increased from $7,000 to $12,500.

Insurance Duty

From 1 July 2013, duty on general insurance was reduced from 8% to 6% and duty on life insurance was reduced from 4% to 3%. Duty on general insurance and life insurance is scheduled to be abolished by 1 July 2016.

Other

The ACT increased residential general rates by an average of around 10% and commercial general rates by around 20% in 2013-14.

Northern Territory

Royalties

From 1 July 2013, the Northern Territory rationalised the deductions available to royalty payers under its Mineral Royalty Act. The changes limit the deductibility of head office costs (including administration and management fees) to those performed in the Northern Territory and place a cap on the deduction a royalty payer can claim as the profit margin of the trading entity (transfer pricing factor) to a maximum of 5.5% of the value of the mineral.

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

[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.

- stamp duty on business conveyances of real property from a date to be determined.

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 (once GST revenues proved sufficient) for the retention of stamp duties on:
  - non-quotable marketable securities;
  - business conveyances (including real property);
  - leases;
  - mortgages, debentures, bonds and other loan securities;
  - credit arrangements, instalment purchase arrangements and rental (hiring) arrangements; and
  - cheques, bills of exchange, and promissory notes.

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

Western Australia also chose to abolish a number of taxes ahead of the scheduled review by the Ministerial Council 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 revised GST Agreement, in March 2005 the Ministerial Council considered the need to retain the relevant stamp duties, with the Commonwealth Treasurer proposing the abolition of:

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

However, agreement on the schedule for abolishing 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 revised GST Agreement and included major reforms to specific purpose payment arrangements.

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

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

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

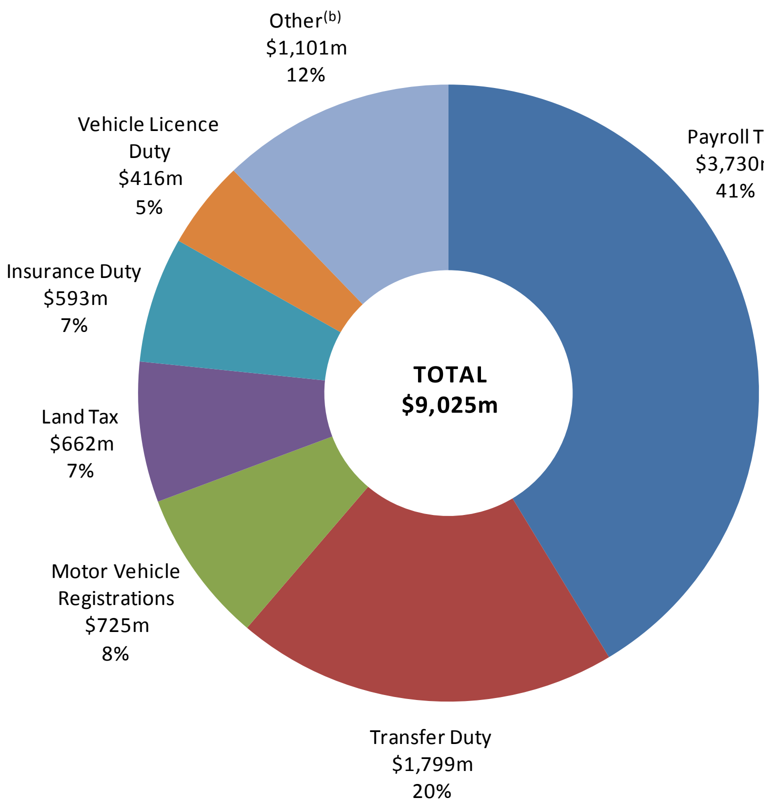
Appendix 3

Tax and Royalties Mix Charts

The following charts show the mix of individual taxes and royalties as a percentage of total State government taxation and mining royalty revenue. The charts compare 2003-04 data to 2013-14 estimates.

Taxation

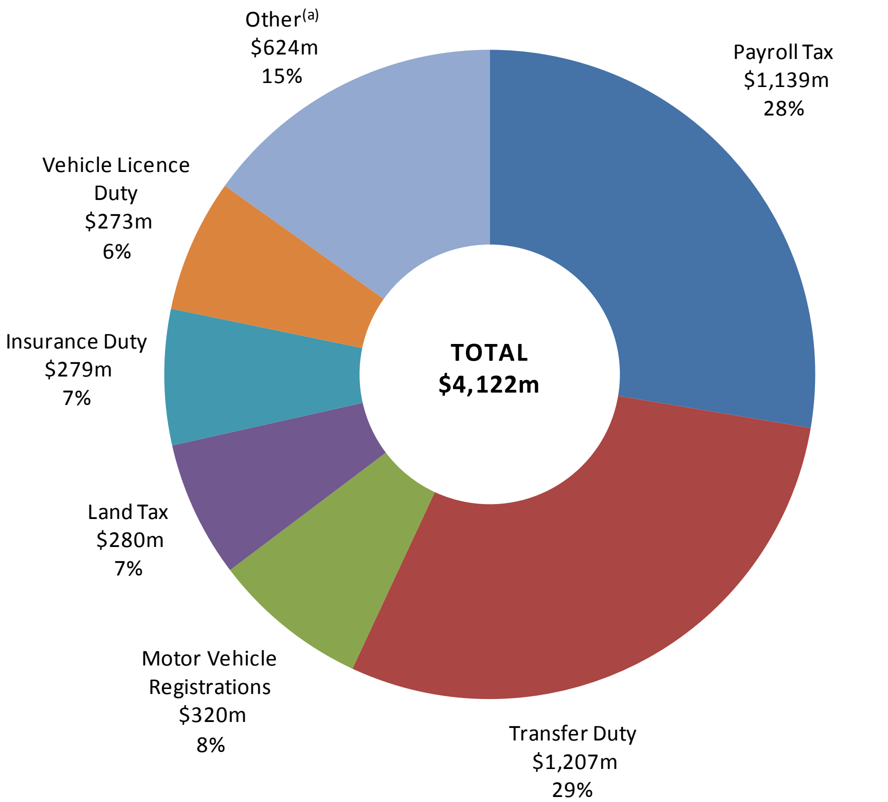
2013-14 PROJECTED TAX COLLECTION(a)



(a) Taxation collections are estimates based on the 2013-14 *Government Mid-year Financial Projections Statement*.

(b) Includes landholder duty, emergency services levy, lotteries commission, casino tax, loan guarantee fees, metropolitan region improvement tax, motor vehicle recording fees, betting taxes and 'other' taxes.

2003-04 TAX COLLECTION



(a) Includes mortgages duty, debits taxes, lotteries commission, emergency services levy, betting taxes, casino taxes, motor vehicle recording fees, metropolitan region improvement tax, fire brigades contribution, loan guarantee fees, permits for oversize vehicles and loads, video lottery terminals, financial institutions duty, ‘other stamp duties’, ‘other gambling taxes’ and ‘other’ taxes.

Changes in the Tax Mix

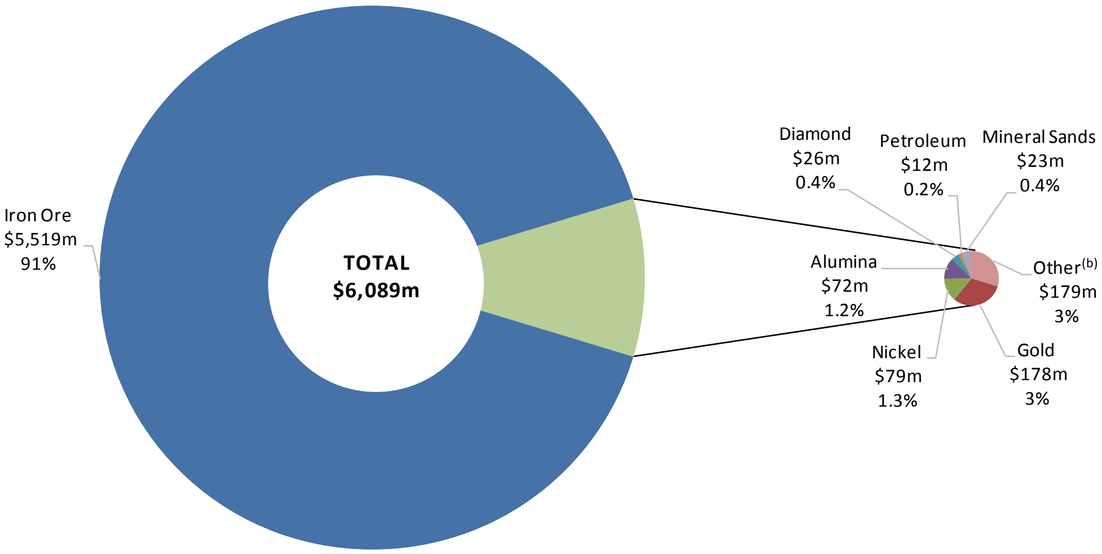
The most significant change in the tax mix over the period is the growth in the payroll tax share, which is expected to increase from 28% to 41%. The increase in payroll tax revenue reflects solid growth in employment and wages over most of the past decade, with strong growth in the State’s resource sector contributing towards additional demand for labour and higher wages in the State.

The share of transfer duty is expected to fall over the period from 29% to 20%. This largely reflects the volatility in transaction volumes, which have been subdued since the global financial crisis.

All other taxes have maintained similar shares (within a 3% margin) of total tax collections.

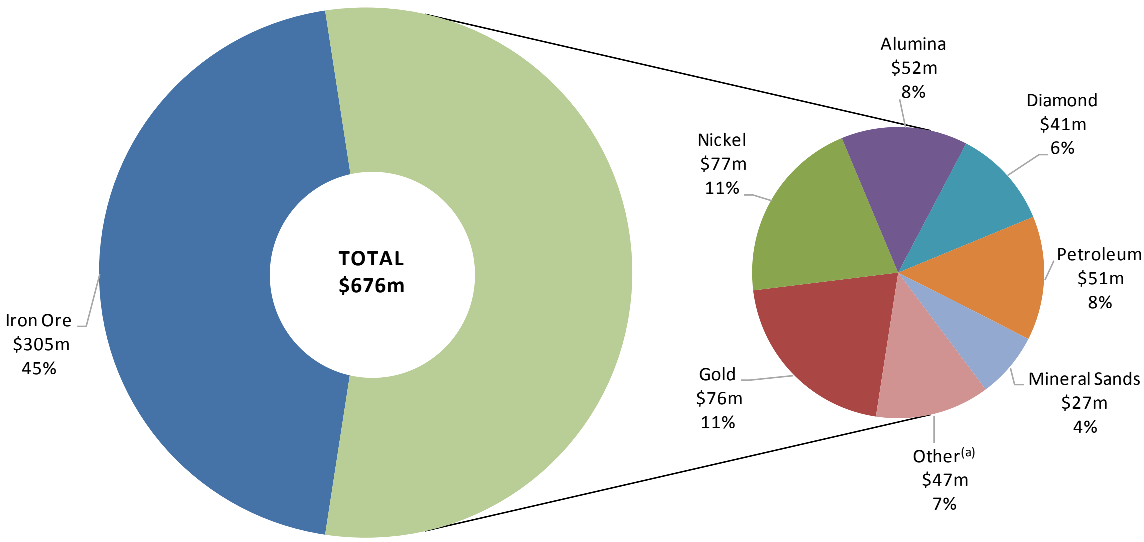
Mineral and Petroleum Royalties

2013-14 PROJECTED ROYALTIES COLLECTION[(a)]



(a) Estimates based on 2013-14 *Government Mid-year Financial Projections Statement*.
(b) Includes zinc, lead, copper and other minerals.

2003-04 ROYALTIES COLLECTION



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

Changes in the Royalties Mix

The most significant change in the royalties mix over the period is the growth in the share of iron ore royalties which is expected to increase from 45% to 91% of the total royalties collected. The increase is due largely to the significant increases in the value of iron ore production from about 2005 through a combination of increasing production volumes and iron ore prices.

The royalty share of alumina, nickel, gold and ‘other’ minerals declined over the period despite higher nominal royalty collections in 2013-14 compared to 2003-04.

Royalties for all other minerals declined in both nominal terms, and in the share of total royalties collected over the period.

Overview of State Taxes and Royalties 2013-14 Western Australia