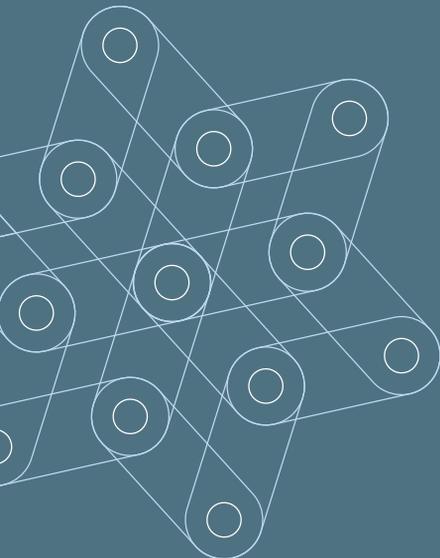




Government of **Western Australia**
Department of **Treasury**

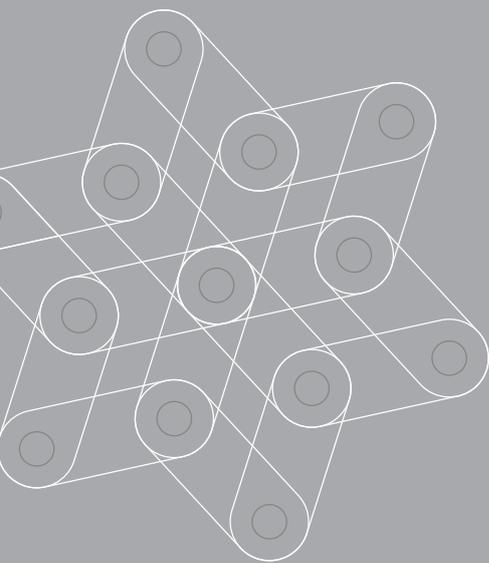


Overview of State Taxes and Royalties 2016-17

November 2016



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



Overview of State Taxes and Royalties

2016-17

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2016-17 Overview of State Taxes and Royalties
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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 2016-17 round of State Budgets and any major changes announced after these Budgets (but before 1 October 2016).

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 2005-06 and 2015-16.

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 2016-17 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				
	2014-15	2015-16	2016-17	
	Actual \$ million	Actual \$ million	Estimates ^(a) \$ million	As a % of Total
BUSINESS				
Payroll Tax	3,602.4	3,502.3	3,536.2	39.6%
PROPERTY				
Transfer Duty	1,598.4	1,337.7	1,387.2	15.5%
Landholder Duty	100.8	418.8	101.4	1.1%
Land Tax	743.7	947.5	895.8	10.0%
Metropolitan Region Improvement Tax	92.8	97.9	98.0	1.1%
FINANCIAL TRANSACTIONS				
Insurance Duty	603.8	591.5	655.9	7.3%
GAMBLING				
Lotteries Commission	151.9	162.6	169.6	1.9%
Casino Tax	110.3	64.9	68.0	0.8%
Betting Taxes	42.3	42.2	45.2	0.5%
MOTOR VEHICLES				
Vehicle Licence Duty	363.0	345.7	350.4	3.9%
Motor Vehicle Registrations	848.4	874.0	907.3	10.2%
Motor Vehicle Recording Fee	57.9	59.6	55.9	0.6%
OTHER				
Perth Parking Levy	48.3	56.6	57.9	0.6%
Landfill Levy	59.4	69.0	70.0	0.8%
Emergency Services Levy	274.0	307.3	322.9	3.6%
Loan Guarantee Fees	119.0	133.9	150.3	1.7%
Other ^(b)	65.3	58.0	55.3	0.6%
TOTAL STATE TAXATION^(c)	8,882.0	9,069.4	8,927.2	100.0%

(a) Estimates based on the 2016-17 Budget.

(b) Includes the Mining Rehabilitation Fund Levy.

(c) Figures may differ from previous Budget Papers as the Perth Parking Levy and Landfill Levy have been reclassified as State taxes.

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

	2014-15	2015-16	2016-17	
	Actual	Actual	Estimates ^(a)	As a % of
	\$ million	\$ million	\$ million	Total
ROYALTIES^(b)				
Iron Ore	4,022.9	3,600.3	3,296.0	85.8%
Gold	228.7	250.1	250.6	6.5%
Nickel	76.5	45.9	52.7	1.4%
Alumina	81.8	80.8	76.3	2.0%
Diamond	17.6	17.4	24.4	0.6%
Mineral Sands	12.8	16.6	15.6	0.4%
Petroleum	10.5	4.7	0.4	0.0%
Other ^(c)	152.0	109.9	126.5	3.3%
TOTAL ROYALTIES	4,602.8	4,125.6	3,842.4	100.0%

(a) Estimates based on the 2016-17 Budget.

(b) Excludes North West Shelf grants which were \$645.5 million in 2015-16 (inclusive of the Commonwealth's crude oil compensation).

(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 \$850,000 per year (\$70,833 per month).

A diminishing exemption threshold applies for employers with taxable wages between \$850,000 and \$7,500,000. As taxable wages increase from \$850,000, the exemption threshold is reduced until there is no exemption threshold by \$7,500,000. Employers with annual Australia-wide taxable wages of \$7,500,000 or more are liable for payroll tax on their entire taxable wages.

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

Rate of Tax

Annual Payroll \$	Annual Tax Payable
0 – 850,000	Nil
850,000 – 7,500,000	5.5% x [WA Wages – Adjusted Threshold] ²
7,500,000 and above	5.5% x WA Wages

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.

² In its simplest form (for a local, non-group employer), the Adjusted Threshold is calculated as: $850,000 - ((WA \text{ Wages} - 850,000) \times 0.1278)$. The taper rate of 0.1278 is calculated as: $850,000 / (7,500,000 - 850,000)$.

Exemptions and Concessions

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

The wages of all apprentices and trainees employed under an approved training contract are exempt. Wages paid to eligible new employees who are persons with disabilities or new Indigenous employees (for certain employers) are also exempt for the first two years of employment.

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

Interstate Comparison

PAYROLL TAX SCALES								
	WA	NSW	VIC	QLD	SA ^(a)	TAS	ACT	NT
Exemption Threshold (\$)	850,000 ^(b)	750,000	575,000 ^(b)	1,100,000	600,000	1,250,000	2,000,000 ^(b)	1,500,000
Max Rate (%)	5.50	5.45	4.85	4.75	4.95	6.10	6.85	5.50
Tax Scale	Effective rate slides from 0% at \$850,000 to 5.5% at \$7.5m	Marginal rate of 5.45% of payroll in excess of \$750,000	Marginal rate of 4.85% of payroll in excess of \$575,000	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 \$2m	Effective rate slides from 0% at \$1.5m to 5.5% at \$7.5m

(a) A small business payroll tax rebate applies to businesses with payrolls up to \$1.2 million until 30 June 2020.
 (b) Threshold increased from 1 July 2016.

TAX PAYABLE AT SELECTED PAYROLLS

Annual Payroll \$	WA \$	NSW \$	VIC \$	QLD \$	SA ^(a) \$	TAS \$	ACT \$	NT \$
700,000	–	–	6,063	–	4,950	–	–	–
1,000,000	9,305	13,625	20,613	–	19,800	–	–	–
2,000,000	71,335	68,125	69,113	53,438	69,300	45,750	–	34,375
3,000,000	133,365	122,625	117,613	112,813	118,800	106,750	68,500	103,125
5,000,000	257,425	231,625	214,613	231,563	217,800	228,750	205,500	240,625
10,000,000	550,000	504,125	457,113	475,000	465,300	533,750	548,000	550,000
20,000,000	1,100,000	1,049,125	942,113	950,000	960,300	1,143,750	1,233,000	1,100,000

(a) Ignoring the Small Business Payroll Tax Rebate on payrolls up to \$1.2 million.

AVERAGE TAX RATES

Annual Payroll \$	WA %	NSW %	VIC %	QLD %	SA ^(a) %	TAS %	ACT %	NT %
700,000	–	–	0.87	–	0.71	–	–	–
1,000,000	0.93	1.36	2.06	–	1.98	–	–	–
2,000,000	3.57	3.41	3.46	2.67	3.47	2.29	–	1.72
3,000,000	4.45	4.09	3.92	3.76	3.96	3.56	2.28	3.44
5,000,000	5.15	4.63	4.29	4.63	4.36	4.58	4.11	4.81
10,000,000	5.50	5.04	4.57	4.75	4.65	5.34	5.48	5.50
20,000,000	5.50	5.25	4.71	4.75	4.80	5.72	6.17	5.50

(a) Ignoring the Small Business Payroll Tax Rebate on payrolls up to \$1.2 million.

Changes to the Payroll Tax Scale

CHANGES IN PAYROLL TAX THRESHOLDS AND RATES Western Australia

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

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

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

(c) A diminishing exemption threshold was introduced from 1 July 2015 on payrolls between \$800,000 and \$7,500,000. The exemption threshold does not apply to payrolls from \$7,500,000 and above, such that the 5.50% rate is applied to every dollar of WA wages.

Changes to Exemptions and Concessions

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

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

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

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

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

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

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

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

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

From 1 July 2012, an exemption was introduced for wages paid to new employees with a disability in their first two years of employment, where these employees are eligible for a Commonwealth Disability Employment Services wage subsidy or are eligible for any form of support from Western Australia's 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 received a one-off rebate in 2013-14 to fully offset their 2012-13 payroll tax liabilities. The maximum rebate payable was \$41,250. The rebate phased down for employers with payrolls between \$1.5 million and \$3 million.

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

Payroll Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	1,939.9	20.5	2,352.9	16.3
2008-09	2,246.2	15.8	2,644.4	12.4
2009-10	2,303.2	2.5	2,645.2	0.0
2010-11	2,627.7	14.1	2,934.7	10.9
2011-12	3,095.6	17.8	3,383.7	15.3
2012-13	3,475.7	12.3	3,715.6	9.8
2013-14	3,566.4	2.6	3,702.1	-0.4
2014-15	3,602.4	1.0	3,673.2	-0.8
2015-16	3,502.3	-2.8	3,537.3	-3.7
2016-17 ^(a)	3,536.2	1.0	3,536.2	-0.0

(a) Estimate based on the 2016-17 Budget.

Property Taxes

Transfer Duty

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

Transfer Duty (which replaced stamp duty on conveyances under the previous *Stamp Act 1921*) is paid by the purchaser of dutiable property (primarily land, buildings, mining tenements and business assets) on the basis of the dutiable value of property transferred. It is collected under the *Duties Act 2008*, which is administered by the Commissioner of State Revenue.

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 does not apply to non-real property transactions in New South Wales, Victoria, South Australia, Tasmania and the Australian Capital Territory.

TRANSFER DUTY SCALES General

	WA	NSW	VIC	QLD	SA ^(a)	TAS	ACT ^(b)	NT
Min Threshold	–	–	–	\$5,000	–	–	–	–
Max Threshold	\$500,001	\$1,000,001	\$960,001	\$1,000,001	\$500,001	\$725,001	\$1,455,000	\$3,000,000
Min Rate	1.90% ^(c)	1.25%	1.40%	1.50%	1.00%	1.75% ^(d)	1.48% ^(e)	1.50% ^(f)
Max Rate	5.15%	5.50%	5.50% ^(g)	5.75%	5.50%	4.50%	5.09% ^(h)	5.45%

(a) From 7 December 2015, South Australia reduced its transfer duty rates by one third on non-residential land and non-primary production land.

(b) From 8 June 2016 the ACT revised many of their rates.

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

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

(e) Duty of \$20 applies for values below \$1,351.

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

(g) 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.

(h) For properties valued between \$1,000,001 and \$1,454,999 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 \$1,455,000 or more a flat 5.09% rate applies.

TRANSFER DUTY PAYABLE ON SELECTED PROPERTY VALUES
General

Property Value \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	ACT \$	NT \$
100,000	2,090	1,990	2,150	1,925	1,887	2,435	1,480	2,157
200,000	5,890	5,490	7,070	5,425	4,553	5,935	2,960	5,629
300,000	10,165	8,990	13,070	8,925	7,553	9,935	5,460	10,414
400,000	14,915	13,490	19,070	12,425	10,887	13,997	9,460	16,514
500,000	19,665	17,990	25,070	15,925	14,220	18,247	13,460	23,929
750,000	32,540	29,240	40,070	26,775	23,387	28,935	25,960	37,125
1,000,000	45,415	40,490	55,000	38,025	32,553	40,185	42,210	49,500
5,000,000	251,415	260,490	275,000	268,025	179,220	220,185	254,500	272,500

AVERAGE TAX RATES
General

Property Value \$	WA %	NSW %	VIC %	QLD %	SA %	TAS %	ACT %	NT %
100,000	2.09	1.99	2.15	1.93	1.89	2.44	1.48	2.16
200,000	2.95	2.75	3.54	2.71	2.28	2.97	1.48	2.81
300,000	3.39	3.00	4.36	2.98	2.52	3.31	1.82	3.47
400,000	3.73	3.37	4.77	3.11	2.72	3.50	2.37	4.13
500,000	3.93	3.60	5.01	3.19	2.84	3.65	2.69	4.79
750,000	4.34	3.90	5.34	3.57	3.12	3.86	3.46	4.95
1,000,000	4.54	4.05	5.50	3.80	3.26	4.02	4.22	4.95
5,000,000	5.03	5.21	5.50	5.36	3.58	4.40	5.09	5.45

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

TRANSFER DUTY SCALES

Principal Place of Residence

	WA ^(a)	NSW	VIC	QLD	SA	TAS	ACT ^(b)	NT ^(c)
Min Threshold	-	-	-	-	-	-	-	-
Max Threshold	\$725,001	\$3,000,001	\$960,001 ^(d)	\$1,000,001	\$500,001	\$725,001	\$1,455,000	\$3,000,000
Min Rate	1.50% ^(e)	1.25%	1.40%	1.00%	1.00%	1.75% ^(f)	1.48% ^(g)	1.50% ^(h)
Max Rate	5.15%	7.00%	5.50% ⁽ⁱ⁾	5.75%	5.50%	4.50%	5.09% ^(j)	5.45%

- (a) Western Australia's concessions extend to rental properties and vacant residential land where building commences within 5 years.
- (b) From 8 June 2016, the ACT reduced most of its transfer duty rates.
- (c) 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.
- (d) A concessional rate applies to principal places of residence valued between \$130,000 and \$550,000.
- (e) This concessional rate applies to principal places of residence up to \$100,000.
- (f) Duty of \$50 applies for values below \$3,000.
- (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 \$455,000. Eligible applicants purchasing a new or substantially renovated property valued between \$455,000 and \$585,000 pay concessional duty of 13.60% of the amount above \$455,000. This concession applies to transactions entered into between 8 June 2016 and 31 December 2016, and is subject to an income test.
- (h) 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.
- (i) For properties valued between \$440,000 and \$960,000, the marginal transfer duty rate is 6%.
- (j) For properties valued between \$1,000,001 and \$1,454,999 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 \$1,455,000 or more a flat 5.09% rate applies.

TRANSFER DUTY PAYABLE ON SELECTED PROPERTY VALUES

Principal Place of Residence

Property Value	WA	NSW	VIC	QLD	SA	TAS	ACT	NT ^(a)
\$	\$	\$	\$	\$	\$	\$	\$	\$
100,000	1,500	1,990	2,150	1,000	2,830	2,435	1,480	2,157
200,000	5,035	5,490	6,370	2,000	6,830	5,935	2,960	5,629
300,000	8,835	8,990	11,370	3,000	11,330	9,935	5,460	10,414
400,000	13,015	13,490	16,370	5,250	16,330	13,997	9,460	16,514
500,000	17,765	17,990	21,970	8,750	21,330	18,247	13,460	23,929
750,000	29,741	29,240	40,070	19,600	35,080	28,935	25,960	37,125
1,000,000	42,616	40,490	55,000	30,850	48,830	40,185	42,210	49,500
5,000,000	248,616	290,490	275,000	260,850	268,830	220,185	254,500	272,500

- (a) Only applies to established homes. Newly built properties may be eligible for a transfer duty concession of up to \$7,000.

AVERAGE TAX RATES

Principal Place of Residence

Property Value \$	WA	NSW	VIC	QLD	SA	TAS	ACT	NT ^(a)
	%	%	%	%	%	%	%	%
100,000	1.50	1.99	2.15	1.00	2.83	2.44	1.48	2.16
200,000	2.52	2.75	3.19	1.00	3.42	2.97	1.48	2.81
300,000	2.95	3.00	3.79	1.00	3.78	3.31	1.82	3.47
400,000	3.25	3.37	4.09	1.31	4.08	3.50	2.37	4.13
500,000	3.55	3.60	4.39	1.75	4.27	3.65	2.69	4.79
750,000	3.97	3.90	5.34	2.61	4.68	3.86	3.46	4.95
1,000,000	4.26	4.05	5.50	3.09	4.88	4.02	4.22	4.95
5,000,000	4.97	5.81	5.50	5.22	5.38	4.40	5.09	5.45

(a) Only applies to established homes.

Transfer Duty Concessions for Home Buyers

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

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

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

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

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.

First home buyers of an established or new home valued up to \$600,000 are eligible for a 50% reduction in transfer duty.

First home buyers with a family (i.e. with dependent children) 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 partial transfer duty concession applies to off-the-plan apartments purchased within certain parts of Adelaide from 1 July 2014 to 19 June 2016 and anywhere in the State from 20 June 2016 to 30 June 2017. The value of this concession is determined by the progress of construction or refurbishment at the time of purchase. The concession is not limited to home buyers.

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

TAS 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 gross household 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 \$455,000 or residential vacant land valued up to \$272,200 pay nominal duty of \$20. A concessional rate of duty is payable on a new or substantially renovated property valued between \$455,000 and \$585,000 or a vacant block of land valued between \$272,200 and \$317,600. The concession applies to transactions entered into between 8 June 2016 and 31 December 2016.

Eligible pensioners and people over 60 years of age pay nominal duty of \$20 on homes purchased that are worth \$660,000 or less and vacant land worth \$350,800 or less. A concessional rate applies to homes worth between \$660,000 and \$865,000 or residential vacant land worth between \$350,800 and \$419,900. The concession applies to transactions entered into between 8 June 2016 and 31 December 2016.

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 From 1 September 2016, an exemption of duty on the first \$500,000 value is available for first home buyers of established homes valued up to \$650,000.

Until 31 December 2016, a discount of \$10,000 is available for first home buyers of established homes valued over \$650,000.

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

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

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

A \$5,000 New Home Grant is available to all non-first homebuyers of new homes up to \$650,000, and vacant land up to \$450,000. This grant is available to investors as well as owner occupiers who are Australian citizens or permanent residents.

VIC A \$10,000 First Home Owners Grant is available to eligible first home buyers who are purchasing or building a new home up to the value of \$750,000.

QLD A \$20,000 First Home Owner Grant is available for eligible first home buyers who purchase or build a new home up to the value of \$750,000. The grant will reduce to \$15,000 on 1 July 2017.

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.

An \$8,500 Seniors Housing Grant is available to eligible buyers 60 years or more of age who purchase or build a new home up to the value of \$400,000 (phasing out at \$450,000).

TAS A \$20,000 First Home Owner Grant is available for eligible first home buyers of new and off-the-plan homes until 30 June 2017. The grant will reduce to \$10,000 from 1 July 2017.

ACT A \$10,000 First Home Owner Grant is available for eligible first home buyers for new properties valued at \$750,000 or less. The grant will reduce to \$7,000 from 1 January 2017.

NT A First Home Owner Grant of \$26,000 is available for eligible first home buyers who purchase a new home.

Changes to the Rate Scale

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

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

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). From 3 July 2014, the exemption threshold for first home purchases was reduced to \$430,000 (phasing out at \$530,000), with no changes to the threshold for vacant land.

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 entity to a creditor were also exempted from stamp duty.

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

A stamp duty exemption for corporate reconstructions was introduced on 1 October 1996. From 1 January 2004, the scope of the corporate reconstruction provisions were broadened to include the transfer of motor vehicle licences and direct property transfers between certain subsidiaries of holding companies. From 1 July 2008, 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.

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

Transfer Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08 ^(a)	2,264.8	8.9	2,746.9	5.1
2008-09	1,101.6	-51.4	1,296.9	-52.8
2009-10	1,552.0	40.9	1,782.5	37.4
2010-11	1,225.9	-21.0	1,369.1	-23.2
2011-12	1,260.6	2.8	1,378.0	0.6
2012-13	1,653.7	31.2	1,767.9	28.3
2013-14	1,776.3	7.4	1,843.9	4.3
2014-15	1,598.4	-10.0	1,629.8	-11.6
2015-16	1,337.7	-16.3	1,351.0	-17.1
2016-17 ^(b)	1,387.2	3.7	1,387.2	2.7

(a) 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.

(b) Estimate based on the 2016-17 Budget.

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 UTS: ≥20%	Private: ≥50%	Private: ≥50%	Private: ≥50%	Private: ≥50%
			Private Company/ Wholesale UTS: ≥50%				
	Public: ≥90%	Public: ≥90%	Public: ≥90%	Public: ≥90%	Public: ≥90%	Public: n.a.	Public: ≥90%
Land Entitlement Threshold	\$2 million	\$2 million	\$1 million	\$2 million	\$1 million	Nil	\$500,000

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

(b) From 8 June 2016, 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 \$
100,000	2,090	1,990	2,150	1,925	1,887	1,480	2,157
200,000	5,890	5,490	7,070	5,425	4,553	2,960	5,629
300,000	10,165	8,990	13,070	8,925	7,553	5,460	10,414
400,000	14,915	13,490	19,070	12,425	10,887	9,460	16,514
500,000	19,665	17,990	25,070	15,925	14,220	13,460	23,929
750,000	32,540	29,240	40,070	26,775	23,387	25,960	37,125
1,000,000	45,415	40,490	55,000	38,025	32,553	42,210	49,500
5,000,000	251,415	260,490	275,000	268,025	179,220	254,500	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 %
100,000	2.09	1.99	2.15	1.93	1.89	1.48	2.16
200,000	2.95	2.75	3.54	2.71	2.28	1.48	2.81
300,000	3.39	3.00	4.36	2.98	2.52	1.82	3.47
400,000	3.73	3.37	4.77	3.11	2.72	2.37	4.13
500,000	3.93	3.60	5.01	3.19	2.84	2.69	4.79
750,000	4.34	3.90	5.34	3.57	3.12	3.46	4.95
1,000,000	4.54	4.05	5.50	3.80	3.26	4.22	4.95
5,000,000	5.03	5.21	5.50	5.36	3.58	5.09	5.45

LANDHOLDER DUTY PAYABLE ON SELECTED VALUES

Public Entities^(a)

Value of Acquisition \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	ACT \$	NT \$
100,000	2,090	199	215	193	189	Not Levied	2,157
200,000	5,890	549	707	543	455		5,629
300,000	10,165	899	1,307	893	755		10,414
400,000	14,915	1,349	1,907	1,243	1,089		16,514
500,000	19,665	1,799	2,507	1,593	1,422		23,929
750,000	32,540	2,924	4,007	2,678	2,339		37,125
1,000,000	45,415	4,049	5,500	3,803	3,255		49,500
5,000,000	251,415	26,049	27,500	26,803	17,922		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 %
100,000	2.09	0.20	0.22	0.19	0.19	Not Levied	2.16
200,000	2.95	0.27	0.35	0.27	0.23		2.81
300,000	3.39	0.30	0.44	0.30	0.25		3.47
400,000	3.73	0.34	0.48	0.31	0.27		4.13
500,000	3.93	0.36	0.50	0.32	0.28		4.79
750,000	4.34	0.39	0.53	0.36	0.31		4.95
1,000,000	4.54	0.40	0.55	0.38	0.33		4.95
5,000,000	5.03	0.52	0.55	0.54	0.36		5.45

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

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

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

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

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.

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

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).

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

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

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

An exemption is also applied to 'top 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 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2008-09	24.3	n.a.	28.6	n.a.
2009-10	87.4	259.6	100.4	250.8
2010-11	47.3	-45.9	52.9	-47.4
2011-12	101.4	114.2	110.8	109.6
2012-13	216.5	113.5	231.4	108.8
2013-14	192.7	-11.0	200.1	-13.6
2014-15	100.8	-47.7	102.8	-48.6
2015-16	418.8	315.5	423.0	311.6
2016-17 ^(a)	101.4	-75.8	101.4	-76.0

(a) Estimate based on the 2016-17 Budget.

Land Tax

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

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

Rate of Tax

No changes were made to the land tax scale for 2016-17.

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

Exemptions and Concessions

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

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

Interstate Comparison

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

LAND TAX SCALES

General

	WA	NSW ^(a)	VIC ^{(a)(b)}	QLD	SA	TAS	ACT ^(c)	NT
Min Threshold	\$300,001	\$482,000 ^(d)	\$250,000	\$600,000	\$332,001 ^(e)	\$25,000	–	Not Levied
Max Threshold	\$11.0m	\$2.947m ^(d)	\$3.0m	\$5.0m	\$1.108m ^(e)	\$0.35m	\$0.275m	
Min Rate	0.25%	1.60%	0.20%	1.00%	0.50%	0.55%	0.41%	
Max Rate	2.67%	2.00%	2.25%	1.75%	3.70%	1.50%	1.23%	

(a) Land tax thresholds and rates are applied on a calendar year basis. Figures quoted are for the 2016 calendar year.

(b) From the 2016 land tax year, Victoria will levy a 0.5% absentee owner surcharge on land owners who do not ordinarily reside in Australia.

(c) From 1 July 2016, the fixed fee payable was indexed to \$1,090, payable for all land tax payers. Land tax liability is assessed quarterly for all properties. The ACT does not levy land tax on commercial properties.

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

(e) Thresholds are indexed annually based on average change in site values.

LAND TAX PAYABLE

General

Land Value \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	ACT \$	NT \$
100,000	–	–	–	–	–	463	1,518	Not Levied
200,000	–	–	–	–	–	1,013	2,063	
300,000	–	–	375	–	–	1,563	2,828	
400,000	300	–	575	–	340	2,588	4,058	
500,000	500	388	775	–	840	4,088	5,287	
1,000,000	1,750	8,388	2,975	4,500	8,692	11,588	11,437	
3,000,000	30,550	40,600	24,975	37,500	81,288	41,588	36,037	
5,000,000	66,550	80,600	69,975	62,500	155,288	71,588	60,637	
10,000,000	166,550	180,600	182,475	150,000	340,288	146,588	122,137	

AVERAGE TAX RATES

General

Land Value \$	WA %	NSW %	VIC %	QLD %	SA %	TAS %	ACT %	NT %
100,000	–	–	–	–	–	0.46	1.52	Not Levied
200,000	–	–	–	–	–	0.51	1.03	
300,000	–	–	0.13	–	–	0.52	0.94	
400,000	0.08	–	0.14	–	0.09	0.65	1.01	
500,000	0.10	0.08	0.16	–	0.17	0.82	1.06	
1,000,000	0.18	0.84	0.30	0.45	0.87	1.16	1.14	
3,000,000	1.02	1.35	0.83	1.25	2.74	1.39	1.20	
5,000,000	1.33	1.61	1.40	1.25	3.11	1.43	1.21	
10,000,000	1.67	1.81	1.82	1.50	3.40	1.47	1.22	

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

LAND TAX SCALES

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

	WA	NSW ^(a)	VIC ^{(a)(b)}	QLD	SA	TAS	ACT Not Levied ^(c)	NT Not Levied
Min Threshold	\$300,001	–	\$25,000	\$350,000	\$332,001	\$25,000		
Max Threshold	\$11.0m	\$2.947m	\$3.0m	\$5.0m	\$1.108m	\$0.35m		
Min Rate	0.25%	1.60%	0.375%	1.70%	0.50%	0.55%		
Max Rate	2.67%	2.00%	2.25%	2.00%	3.70%	1.50%		

(a) Land tax thresholds and rates are applied on a calendar year basis. Figures quoted are for the 2016 calendar year.

(b) From the 2016 land tax year, Victoria will levy a 0.5% absentee owner surcharge on land owners who do not ordinarily reside in Australia.

(c) Land tax is not levied on commercial property. The general scale applies to land owned by a trust or corporation.

LAND TAX PAYABLE

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

Land Value \$	WA \$	NSW ^(a) \$	VIC ^(b) \$	QLD ^(c) \$	SA \$	TAS \$	ACT \$	NT \$
100,000	–	1,600	363	–	–	463	Not Levied	Not Levied
200,000	–	3,200	738	–	–	1,013		
300,000	–	4,800	1,214	–	–	1,563		
400,000	300	6,400	1,789	2,300	340	2,588		
500,000	500	8,000	2,364	4,000	840	4,088		
1,000,000	1,750	16,000	6,438	12,500	8,692	11,588		
3,000,000	30,550	48,212	24,975	45,000	81,288	41,588		
5,000,000	66,550	88,212	69,975	75,000	155,288	71,588		
10,000,000	166,550	188,212	182,475	175,000	340,288	146,588		

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

(b) For properties owned by special trusts.

(c) For properties owned by companies, 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 %
100,000	–	1.60	0.36	–	–	0.46	Not Levied	Not Levied
200,000	–	1.60	0.37	–	–	0.51		
300,000	–	1.60	0.40	–	–	0.52		
400,000	0.08	1.60	0.45	0.58	0.09	0.65		
500,000	0.10	1.60	0.47	0.80	0.17	0.82		
1,000,000	0.18	1.60	0.64	1.25	0.87	1.16		
3,000,000	1.02	1.61	0.83	1.50	2.71	1.39		
5,000,000	1.33	1.76	1.40	1.50	3.11	1.43		
10,000,000	1.67	1.88	1.82	1.75	3.40	1.47		

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

(b) For properties owned by special trusts.

(c) For properties owned by companies, 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 respectively.

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

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

Changes to Exemptions and Concessions

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

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

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

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

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

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.

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

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

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.

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

Land Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	420.6	6.7	510.1	2.9
2008-09	568.0	35.1	668.7	31.1
2009-10	528.5	-7.0	607.0	-9.2
2010-11	521.5	-1.3	582.4	-4.0
2011-12	552.4	5.9	603.8	3.7
2012-13	568.2	2.9	607.5	0.6
2013-14	660.9	16.3	686.1	12.9
2014-15	743.7	12.5	758.3	10.5
2015-16	947.5	27.4	957.0	26.2
2016-17 ^(a)	895.8	-5.5	895.8	-6.4

(a) Estimate based on the 2016-17 Budget.

Metropolitan Region Improvement Tax

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

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

Rate of Tax

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

Exemptions and Concessions

As for land tax.

Interstate Comparison

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

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

The rate of tax charged is 0.445% of the Net Annual Value, with a minimum charge of \$74.37 for 2016-17 (indexed periodically).

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

Changes to the Rate Scale

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

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

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

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

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

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

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

Changes to Exemptions and Concessions

As for land tax.

MRIT Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	76.0	16.9	92.2	12.8
2008-09	82.2	8.2	96.8	5.0
2009-10	78.3	-4.8	89.9	-7.1
2010-11	77.8	-0.6	86.9	-3.3
2011-12	84.2	8.2	92.0	5.9
2012-13	85.1	1.1	91.0	-1.1
2013-14	87.6	2.9	90.9	-0.1
2014-15	92.8	6.0	94.6	4.1
2015-16	97.9	5.5	98.8	4.5
2016-17 ^(a)	98.0	0.1	98.0	-0.9

(a) Estimate based on the 2016-17 Budget.

Financial Transactions Taxes

Insurance Duty

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

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 ^(a)	NT
General	10%	9% ^(b)	10%	9%	11%	10%	Nil	10%
Compulsory Third Party Insurance	10%	Nil	10%	10c per policy	11%	Nil	Nil ^(c)	10%
Workers' Comp	Nil	Nil	Nil	5%	General rate ^(d)	Nil	Nil	Nil
Life Insurance	Nil	\$1.00 for first \$2,000 and 20c per \$200 over \$2,000	Nil	0.05% up to \$2,000 and 0.1% over \$2,000	1.5% of premium	10c per \$200 up to \$2,000 and 20c per \$200 over \$2,000	Nil	Nil
<i>Term or temporary</i>	Nil	5% of first year's premium	Nil	5% of first year's premium	1.5% of first year's premium	5% of first year's premium	Nil	Nil
<i>Riders^(e)</i>	General rate	5% of first year's premium	General rate	General rate	General rate	General life insurance rate	Nil	General rate

(a) From 1 July 2016 all forms of insurance duty were abolished.

(b) 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 2016 this levy raises approximately \$6 per single contributor or \$13 per contributing family each month.

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

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

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

Changes to the Rate Scale

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

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

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

From 30 June 2001, the concessional rate for workers' compensation insurance was reduced from 5% to 3% for small employers who fell below the payroll tax exemption threshold. The 5% rate remained unchanged for other employers, until duty on workers' compensation insurances was abolished from 1 July 2004.

The nominal amount of duty (25 cents per policy) for motor vehicle compulsory third party insurance policies was replaced by an ad valorem rate of 8% of the premium from 1 July 2002. The ad valorem rate was increased to 10% from 1 July 2003.

Changes to Exemptions and Concessions

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

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

Insurance Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	342.5	10.9	415.4	7.0
2008-09	376.5	9.9	443.3	6.7
2009-10	404.0	7.3	464.1	4.7
2010-11	442.0	9.4	493.6	6.4
2011-12	487.1	10.2	532.5	7.9
2012-13	554.6	13.8	592.8	11.3
2013-14	579.8	4.5	601.8	1.5
2014-15	603.8	4.1	615.7	2.3
2015-16	591.5	-2.0	597.4	-3.0
2016-17 ^(a)	655.9	10.9	655.9	9.8

(a) Estimate based on the 2016-17 Budget.

Motor Vehicle Taxes and Fees

Vehicle Licence Duty

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

The duty was originally introduced on 1 January 1920 and is collected by the Department of Transport on behalf of the Office of State Revenue. It is currently collected under the *Duties Act 2008* and the *Road Traffic Act 1974*, which are administered by the Commissioner of State Revenue and the Director General of the Department of Transport respectively.

Rate of Tax

New and Used Heavy Vehicles (over 4.5 tonnes)

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

New and Used Light Vehicles

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

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

Exemptions and Concessions

Transfers of vehicles to dealers solely for re-sale or demonstration are exempt from duty, as are purchases of all vehicles exempt from annual vehicle licence fees under the *Road Traffic 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 Veterans' Affairs, or a Pension Card (Blind) issued by the Commonwealth).

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

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

Interstate Comparison

DUTY ON MOTOR VEHICLES (BASED ON MARKET VALUES)

WA	NSW	VIC	QLD	SA	TAS	ACT	NT
New and Used Passenger Vehicles:	Passenger Vehicles:	New Passenger Vehicles:	1-4 cylinder vehicles:	Non-commercial:	Passenger Vehicles:	Passenger Vehicles:	\$3 per \$100
\$0 – \$25,000: 2.75%	<i>Under \$45,000:</i> \$3 per \$100	\$0 – \$64,132: \$6.40 per \$200	\$3 per \$100	Min \$5 duty	\$600 or less: \$20	Green Vehicle Rating: ^(a)	
\$25,001 – \$50,000: 2.75% – 6.50%	<i>\$45,000 or more:</i> \$1,350 + \$5 per \$100 in excess of \$45,000	<i>Over \$64,132:</i> \$10.40 per \$200	5-6 cylinder vehicles: \$3.50 per \$100	\$1,001 – \$2,000: \$10 + \$2 per \$100 in excess of \$1,000	\$601 – \$35,000: \$3 per \$100	\$45,000 or less: A – Nil	
<i>Over \$50,000:</i> 6.50%	Other Vehicles:	New non-passenger:	7 or more cylinder vehicles:	\$2,001 – \$3,000: \$30 + \$3 per \$100 in excess of \$2,000	\$35,001 – \$40,000: \$1,050 + \$11 per \$100 in excess of \$35,000	B – \$1 per \$100	
Heavy Vehicles:	\$3 per \$100	\$5.40 per \$200	\$4 per \$100	Hybrid/Electric Vehicles:	Over \$40,000:	C – \$3 per \$100	
3% (up to a maximum of \$12,000)		Used:	\$2 per \$100	<i>Over \$3,000:</i>	\$4 per \$100	D – \$4 per \$100	
		\$8.40 per \$200		\$60 + \$4 per \$100 in excess of \$3,000	Heavy Vehicles:	<i>More than \$45,000:</i> A – Nil	
				Commercial:	\$1 per \$100 (minimum \$20)	B – \$450 + \$2 per \$100 above \$45,000	
				As above except <i>vehicles over \$2,000:</i>	Other Vehicles:^(b)	C – \$1,350 + \$5 per \$100 above \$45,000	
				\$30 + \$3 per \$100 in excess of \$2,000	\$3 per \$100 (minimum \$20)	D – \$1,800 + \$6 per \$100 above \$45,000	
						Other Vehicles:^(c)	
						\$3 per \$100	

(a) 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.

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

(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				
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
5,000	138	150	160	210	150	175	140	150	150	150
10,000	275	300	320	420	300	350	340	300	300	300
20,000	550	600	640	840	600	700	740	600	600	600
30,000	1,050	900	960	1,260	900	1,050	1,140	900	900	900
40,000	2,000	1,200	1,280	1,680	1,200	1,400	1,540	1,600	1,200	1,200
50,000	3,250	1,600	1,600	2,100	1,500	1,750	1,940	2,000	1,600	1,500
60,000	3,900	2,100	1,920	2,520	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				
\$	%	%	%	%	%	%	%	%	%	%
5,000	2.75	3.00	3.20	4.20	3.00	3.50	2.80	3.00	3.00	3.00
10,000	2.75	3.00	3.20	4.20	3.00	3.50	3.40	3.00	3.00	3.00
20,000	2.75	3.00	3.20	4.20	3.00	3.50	3.70	3.00	3.00	3.00
30,000	3.50	3.00	3.20	4.20	3.00	3.50	3.80	3.00	3.00	3.00
40,000	5.00	3.00	3.20	4.20	3.00	3.50	3.85	4.00	3.00	3.00
50,000	6.50	3.20	3.20	4.20	3.00	3.50	3.88	4.00	3.20	3.00
60,000	6.50	3.50	3.20	4.20	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 2016-17	Change (Real)
	\$m	%	Dollars \$m	%
2007-08	392.8	0.0	476.4	-3.5
2008-09	317.6	-19.1	373.9	-21.5
2009-10	331.6	4.4	380.8	1.8
2010-11	337.8	1.9	377.3	-0.9
2011-12	367.2	8.7	401.4	6.4
2012-13	404.0	10.0	431.9	7.6
2013-14	384.7	-4.8	399.4	-7.5
2014-15	363.0	-5.7	370.1	-7.3
2015-16	345.7	-4.8	349.1	-5.7
2016-17 ^(a)	350.4	1.4	350.4	0.4

(a) Estimate based on the 2016-17 Budget.

Motor Vehicle Licence and Recording Fees

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

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

Current Licence Fees

For light vehicles (gross weight of 4.5 tonnes or less), the licence fee component of the registration fee is currently \$20.48 per 100 kg of tare (unladen) weight (or part thereof) to a maximum of \$460.

From 2016-17, the licence fee payable on a 2016 4-cylinder Toyota Camry Atara SL Auto (on the basis of 1,460 kg tare weight) is \$313.80. This includes the 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.

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.

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 \$12.10 per renewal.

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 producers², beekeepers, kangaroo shooters, stock transporters, sandalwood pullers and prospectors receive a 50% concession. Driving instructors (heavy vehicles only) and trailers used outside the South West Land Division also receive a 50% concession.

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

Holders of a Commonwealth 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.

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

Interstate Comparison

In New South Wales, Victoria, Western Australia and the Australian Capital Territory, 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.

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

Using the same example of a 2016 4-cylinder Toyota Camry Atara SL Auto (on the basis of 1,460 kg tare weight), interstate comparisons of the various components of motor vehicle registration fees are as follows:

MOTOR VEHICLE LICENCE FEES – 2016 TOYOTA CAMRY ATARA^(a)

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
<i>Private Registration</i>								
Licence Fee	313.80	353.00	284.70	300.00	180.00	196.38	356.00	149.00
CTP Insurance ^(b)	409.35	889.98 ^(c)	502.70	368.60 ^(c)	500.00 ^(d)	338.00	585.90 ^(e)	546.85
Admin and Recording Fees	12.10	Nil	Nil	Nil	22.00	Nil	88.20 ^(f)	10.00
Other Fees and Levies	Nil	Nil	Nil	52.30	32.00	42.00	27.90	Nil
Total	735.25	1,242.98	787.40	681.90	734.00	576.38	1,058.00	705.85
<i>Business Registration^(g)</i>								
Licence Fee	313.80	520.00	284.70	325.50	120.00	196.38	547.80	149.00
CTP Insurance ^(b)	409.35	844.98 ^(c)	502.70	351.10 ^(c)	560.00 ^(d)	338.00	630.00 ^(e)	546.85
Admin and Recording Fees	12.10	Nil	Nil	Nil	22.00	Nil	88.20 ^(f)	10.00
Other Fees and Levies	Nil	Nil	Nil	56.80	32.00	42.00	27.90	Nil
Total	735.25	1,364.98	787.40	733.40	734.00	576.38	1,496.10	705.85

(a) Excludes standard plate fees.

(b) Includes CTP levies, and any applicable insurance duty.

(c) Prices of CTP insurance premiums vary between insurers in these jurisdictions. Figures are average premiums for metropolitan region.

(d) Includes Lifetime Support Levy of \$111.

(e) Based on NRMA CTP from 1 October 2016. Includes Lifetime Care and Support Levy of \$35 and CTP Regulator Levy of \$1.

(f) \$88.20 is payable for the first year of registration. The annual fee is \$45.00 thereafter.

(g) Net of applicable Input Tax Credit entitlements.

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^(a)

Toyota Camry Atara

	Private \$ p.a.	Business \$ p.a.
2016	313.80	313.80

(a) New vehicle was used due to Holden Commodore ceasing local production in 2017.

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 in the first half of 2013-14.

From 1 January 2014 the discount for private vehicles was reduced from \$72 to \$36 and was abolished from 1 July 2014.

Motor Vehicle Licence Fee Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	434.3	9.6	526.8	5.7
2008-09	486.1	11.9	572.3	8.6
2009-10	515.8	6.1	592.4	3.5
2010-11	557.2	8.0	622.4	5.1
2011-12	599.4	7.6	655.2	5.3
2012-13	649.6	8.4	694.4	6.0
2013-14	728.2	12.1	755.9	8.9
2014-15	848.4	16.5	865.1	14.4
2015-16	874.0	3.0	882.7	2.0
2016-17 ^(a)	907.3	3.8	907.3	2.8

(a) Estimate based on the 2016-17 Budget.

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

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

Interstate Comparison

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

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

NSW 76.918% of player loss (player subscriptions net of prize liability) less GST 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.
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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.
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SA	Sports and special lotteries: 41% of net gambling revenue (i.e. player loss). All lotteries except sports and special lotteries (including Lotto, Powerball, Super 66 and instant scratchies): 41% of net gambling revenue hypothecated to the Hospitals Fund.
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TAS	Tasmania does not host any State Lotteries. However, Tasmania receives 100% of the duty paid to the Victorian and Queensland Governments for Tasmanian subscriptions to Tattersalls lotteries, Soccer Pools and Golden Casket Lottery products.
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ACT	Lotteries in the ACT are provided in cooperation with Victoria and NSW. The ACT receives 79.4% of the proportion of player loss on lotteries from Victoria (and 57.52% on soccer pools), and 76.918% of the proportion of player loss less GST for all games from NSW.
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NT	Fees and taxes are set by way of agreement under the <i>Gaming Control Act</i> between a lottery licence holder and the Northern Territory. Agreements are commercial-in-confidence. All funds received are paid into the Central Holding Authority.
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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. A new lottery product, Set for Life, was introduced in August 2015 with draws every night of the week.

Lotteries Surpluses

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	121.0	7.9	146.7	4.1
2008-09	133.8	10.7	157.6	7.4
2009-10	129.8	-3.0	149.0	-5.4
2010-11	126.3	-2.7	141.0	-5.4
2011-12	140.5	11.2	153.5	8.9
2012-13	151.2	7.6	161.6	5.3
2013-14	146.9	-2.8	152.5	-5.6
2014-15	151.9	3.4	154.9	1.6
2015-16	162.6	7.0	164.2	6.0
2016-17 ^(a)	169.6	4.3	169.6	3.3

(a) Estimates based on the 2016-17 Budget.

GST Re-imburements

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

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

The GST re-imburement to the Lotteries Commission was about \$15.4 million in 2000-01 (the first year), increasing to \$35.5 million in 2015-16.

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	12.92%
Electronic gaming machines	12.42%
Table games (including Keno)	9.37%
International commission business	1.75% ^(a)

(a) Under the Casino (Burswood Island) Agreement, a minimum of \$45.25 million in international commission business tax is to be paid for the period 1 July 2014 to 30 June 2019.

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 (\$2.79 million in 2016) 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	12.42% of electronic gaming machine gross revenue, 9.37% of table game (including keno) gross revenue, 12.92% of fully automated table game gross revenue and 1.75% of international commission business gross revenue.
	A levy of 2% applies on electronic gaming machine revenue, and a 1% levy applies on all table games and international commission business for spending on the conservation of the Burswood Park and the Swan/Canning River.

NSW A single progressive rate scale applies to gross revenue (i.e. revenue received less player winnings) from both table games and electronic gaming machines. The applicable revenue bands, which were set at \$5 million intervals in 2008-09 starting at \$600 million, are indexed annually using the Sydney (All Groups) CPI, rounded up to the nearest \$0.1 million.

In 2016-17, a base rate of 16.41% applies to revenue up to \$722.4 million. The rate increases by one percentage point steps up to a rate of 37.41% over 21 revenue bands. A top rate of 38.91% applies to revenue above \$848.9 million.

A 2% Responsible Gambling Levy applies to 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 31.57% of gross gaming revenue applies to gaming machines plus super tax.

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

9% of gross revenue applies to high roller tables and commission-based gaming machine revenue, plus super tax. Legislation has been introduced into the Victorian Parliament which removes the super tax on VIP (high roller) tables and gaming machines.

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

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

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

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

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

An additional community support levy of 4% of gross gaming profits applies on gaming machines in hotels and clubs.

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

Lasseters Casino: GST rate on table games; 11% of gross profit on gaming machines; and 10% community benefit levy.

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 (\$2.79 million in 2016), 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 A \$200 million up-front licence fee was paid in 1993, plus additional casino tax of \$2.4 million per month (\$57.6 million) was paid from July 1994 to June 1996. Additionally, \$2.8 million per month (\$100.8 million) was paid from January 1996 to December 1998 for an extra 150 tables and a lower tax on high rollers.

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

QLD A quarterly licence fee of \$237,800 in 2016-17, indexed annually.

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

TAS A monthly licence fee of \$152,200 in 2016-17, indexed annually.

ACT An up-front licence fee of \$4,459,385 was payable by 7 February 2015 for the five year period ending 6 February 2020.

An annual licence fee of \$891,877, adjusted for CPI movements, is payable for each 12 month period to 31 December starting from 2019 (with the first payment due by 7 February 2020).

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.

From 24 December 2014, the Casino (Burswood Island) Agreement was amended to revise the casino tax schedule. The schedule reflects lower casino tax rates in return for the cessation of GST reimbursements to Crown Casino. The effective tax rate on the casino's electronic gaming machines was reduced to 12.27% (this increased to 12.42% on 24 December 2015). The table game tax was reduced to 9.37% and the fully automated table game tax was reduced to 12.92%. From 1 July 2015, the international commission business tax was reduced to 1.75%.

Casino Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	83.7	8.8	101.5	5.0
2008-09	90.8	8.5	106.9	5.3
2009-10	92.2	1.5	105.9	-1.0
2010-11	89.6	-2.8	100.1	-5.5
2011-12	108.1	20.6	118.2	18.1
2012-13	111.8	3.4	119.5	1.1
2013-14	127.5	14.0	132.3	10.7
2014-15 ^(a)	110.3	-13.5	112.5	-15.0
2015-16 ^(a)	64.9	-41.2	65.5	-41.7
2016-17 ^(b)	68.0	4.8	68.0	3.8

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

(b) Estimate based on the 2016-17 Budget.

GST Re-imburements

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

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

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* (RWWA Act) 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 (or such other percentage as prescribed) 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

RWVA Wagering Tax

Totalisator

The rate of tax for off-course racing wagers is 11.91% of gross revenue (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 \$3 million. The threshold is applied on a racing calendar year basis.

Once the threshold is reached, the following differential levy rates apply:

- Pari-mutuel bets placed on standard race meetings levied at 1.5% of turnover.
- Pari-mutuel bets placed on premium race meetings levied at 2.5% of turnover.
- Betting exchange bets placed on standard race meetings levied at 1.5% of turnover.
- Betting exchange bets placed on premium race meetings levied at 2.5% of turnover.
- Non-exchange fixed odds bets placed on standard race meetings levied at 2% of turnover.
- Non-exchange fixed odds bets placed on premium race meetings levied at 3% of turnover.

Exemptions and Concessions

A wagering taxation concession applies for professional punters who are on contract with RWWA and have annual betting turnover of at least \$500,000. This concession will continue until 30 June 2021.

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	7.43% of player loss	4.38% of player loss	10% of commission	Nil	Nil ^(a)	Nil	Dependent on event ^(b)
Fixed Odds (Sports, TAB)	0.5% of turnover	7.43% of player loss	4.38% of player loss	10% of commission	6% of player loss	Nil ^(a)	Dependent on event	Dependent on event ^(b)
Totalisator (Sports)	5% of turnover	13.50% of player loss	7.6% of player loss	14% of commission plus quarterly wagering licence fee of \$219,000	6% of player loss	Nil ^(a)	Nil	Dependent on event ^(b)
Totalisator (Off Course Racing)	11.91% of gross revenue	13.50% of player loss	7.6% of player loss	14% of commission plus quarterly wagering licence fee of \$219,000	Nil	Nil ^(a)	Nil ^(c)	Dependent on event ^(b)
Totalisator (On Course Racing)	Nil	13.50% of player loss	7.6% of player loss	14% of commission plus quarterly wagering licence fee of \$219,000	Nil	Nil ^(a)	Nil ^(c)	Dependent on event ^(b)
Bookmakers' Betting Levy (Sports)^(d)	0.5% of turnover (racecourses) 1.5% of turnover (sporting events)	Nil	Nil	Nil	0.25% of turnover (internationally sourced bets only)	Nil	Nil	10% gross profit ^(e)

(a) A fixed annual Totalisator Wagering Levy is paid by the licence holder. The levy is indexed annually and for 2016-17 it is \$7.191 million.

(b) 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.

(c) An annual Totalisator Licence Fee is paid by the licence holder. The fee is indexed annually by CPI and for 2015-16 it is \$1,015,000.

(d) The Bookmakers' Betting Levy on racing has been abolished in all States and Territories except for the Northern Territory. However, Victoria receives 10.91% of player loss on simulated racing (Trackside).

(e) Applies to internationally sourced bets with a maximum of \$575,000 per annum. Nil for domestic sourced bets.

RACING BETS LEVY^(a)

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Thoroughbred	1% ≤ \$3m turnover and 1.5% > \$3m turnover ^(b)	Up to 4% of turnover plus GST for totalisator derived odds ^(c)	11.51% gross revenue ^(d)	1.5% of turnover ^(e)	Contribution to the racing industry ^(f)	1.5% of turnover (plus GST) ^{(g)(h)}	1.5% of turnover ⁽ⁱ⁾	10% of gross profit ^(j)
Harness	1% ≤ \$3m turnover and 1.5% > \$3m turnover ^(b)	Up to 4% of turnover plus GST for totalisator derived odds ^(c)	11.51% gross revenue ^(d)	1.5% of turnover ^(e)	Contribution to the racing industry ^(f)	1.5% of turnover (plus GST) ^(h)	1.5% of turnover ⁽ⁱ⁾	10% of gross profit ^(j)
Greyhound	1% ≤ \$3m turnover and 1.5% > \$3m turnover ^(b)	Up to 4% of turnover plus GST for totalisator derived odds ^(c)	11.51% gross revenue ^(d)	1.5% of turnover ^(e)	Contribution to the racing industry ^(f)	1.5% of turnover (plus GST) ^(h)	1.5% of turnover ⁽ⁱ⁾	10% of gross profit ^(j)

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

(b) A 2.5% rate applies to premium race meetings with over \$3 million in turnover. Fixed odds bets placed at non betting exchanges with over \$3 million in turnover are levied at 2% for standard race meetings and 3% at premium race meetings. A 2% rate applies for monthly turnover above \$3 million between 1 November and 1 January each year (inclusive) for thoroughbred racing.

(c) Actual rates are set by the racing control bodies on a commercial basis, subject to the cap. Totalizator derived odds are any odds derived from or contingent on totalizators operated by the various TABs. A maximum rate for other odds is 3% of turnover for race meetings where at least one race carries a prize of \$1 million or more and 2.5% otherwise.

(d) Revenues are collected/paid directly to the racing industry.

(e) For totalisator wagering models where cumulative wagering turnover is \$5 million or more (1.5% if turnover is \$5 million or less). 2% during May and June. Different rates apply for non-totalisator products.

(f) Varying amounts based on the time of year and wagering operator's revenues are paid directly to the racing industry.

(g) This rate increases to 2.0% each February and then reverts to 1.5% from March.

(h) Fixed odds bets are taxed at the greater of 20% of revenue or 1.0% of turnover (plus GST). Bets placed at betting exchanges are levied at 1.0% of net customer winnings (plus GST).

(i) Revenues are collected directly by the racing industry. Rates were increased from 1 October 2015. A rate of 2.0% of turnover applies to fixed odds bets, 2.5% to non-totalisator bets and 1.0% on bets placed at betting exchanges. Rates are increased on Black Opal Stakes Day, to 2.5% on totalisator bets, 3.0% on fixed odds bets, 3.5% on non-totalisator bets and 2.0% on bets placed at betting exchanges.

(j) Tax of 10% of gross monthly profits to a maximum of 500,000 revenue units (\$575,000 in 2016-17).

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 Duty was abolished.

From 1 February 2001, the TAB Betting Tax rate was effectively reduced from 5% to 4.5%, through the payment of rebates to the TAB.

From 1 July 2007, the 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 applied 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 was \$2.5 million or less. When a betting operator's annual turnover was greater than \$2.5 million, the 1.5% rate applied.

From 1 August 2013 until 1 October 2014, a 2% rate applied for thoroughbred racing conducted from 1 November to 1 January each year (inclusive).

From 1 October 2014, the threshold at which the rate of 1.5% applies was increased to \$3 million. The levy on bets placed at premium race meetings above this threshold increased to 2.5%. Fixed odds bets placed at non-betting exchanges are levied at 2% for standard race meetings and at 3% for premium race meetings.

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 turnover 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 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	30.4	-56.3	36.8	-57.8
2008-09	32.0	5.5	37.7	2.4
2009-10	31.7	-1.1	36.4	-3.6
2010-11	34.0	7.4	38.0	4.4
2011-12	37.6	10.6	41.1	8.3
2012-13	41.1	9.2	43.9	6.8
2013-14	42.7	3.9	44.3	0.9
2014-15	42.3	-0.9	43.2	-2.7
2015-16	42.2	-0.4	42.6	-1.3
2016-17 ^(a)	45.2	7.2	45.2	6.2

(a) Estimate based on the 2016-17 Budget.

GST Re-imburements

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

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

Other Fees and Levies

Perth Parking Levy

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

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

Rate of Levy

PERTH PARKING LEVY	
Type of Parking Bay	Annual License Fee (\$ p.a.)
Long stay public bays	1,088.60
Short stay public bays ^(a)	1,005.80
On-street parking bays	1,005.80
All other parking bays ^(b)	1,132.00

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

Exemptions and Concessions

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

Parking facilities with five or fewer leviable bays are exempt from the Perth Parking Levy.

Bays used solely for residential parking do not pay the levy.

Interstate Comparison

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

NON-RESIDENTIAL PARKING LEVIES

	WA		NSW		VIC	
	Perth CBD ^(a)	Other regions	Sydney CBD	Other regions ^(b)	Melbourne CBD	Other regions ^(c)
Short stay bays	1,005.80	Nil	2,350.00	840.00	1,360.00	960.00
Long stay bays	1,088.60	Nil	2,350.00	840.00	1,360.00	960.00

(a) All other non-exempt bays are levied at \$1,132.00.

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

(c) Off-street parking spaces within certain suburbs surrounding the Melbourne CBD are levied at \$960.00.

WA The Perth Parking Levy is an annual licence fee for all owners of non-residential parking bays within a specified area of Perth. The levy is \$1,005.80 for on-street and short stay public parking, \$1,088.60 for long stay public parking bays and \$1,132.00 for all other bays, including tenant parking.

NSW A Parking Space Levy applies to any non-residential off-street motor vehicle bays in a leviable district. Bays within the City of Sydney and the North Sydney and Milsons Point business districts are levied an annual fee of \$2,350, and bays within Bondi Junction, Chatswood, Parramatta and St Leonards are levied an annual fee of \$840.

The Parking Space Levy is indexed to the Consumer Price Index.

VIC An annual Congestion Levy of \$1,360 per parking space applies to all off-street parking spaces in both private and public car parks within a specified area of the Melbourne CBD. A concessional rate of \$960 applies to off-street parking spaces in a number of suburbs surrounding the Melbourne CBD.

The Congestion Levy is indexed to the Consumer Price Index.

Changes to the Rate Scale

PERTH PARKING LEVY FEES SINCE 1999

	Long Stay Public Bays	Short Stay Public/ On-Street Bays	Tenant/ Other Bays	Motorcycle Bays
1999	70.00	70.00	70.00	35.00
2000	70.00	70.00	70.00	35.00
2001	120.00	120.00	120.00	60.00
2002	150.00	150.00	150.00	75.00
2003	180.00	155.00	180.00	77.50
2004	185.00	160.00	185.00	80.00
2005	189.00	163.50	189.00	82.00
2006	195.50	169.00	195.50	84.75
2007	205.00	177.00	205.00	88.50
2008	212.00	183.00	212.00	91.50
2009	586.00	555.50	586.00	Nil
2010	598.30	567.20	598.30	Nil
2011	616.30	584.30	616.30	Nil
2012	633.60	600.70	633.60	Nil
2013	697.00	630.80	728.70	Nil
2014	879.50	813.30	911.20	Nil
2015	1,062.00	995.80	1,093.70	Nil
2016	1,088.60	1,005.80	1,132.00	Nil

Perth Parking Levy Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	9.5	3.9	11.5	0.2
2008-09	10.2	7.8	12.0	4.7
2009-10	29.0	183.6	33.3	176.7
2010-11	29.9	2.9	33.3	0.1
2011-12	32.1	7.4	35.0	5.1
2012-13	34.1	6.2	36.4	3.9
2013-14	39.5	16.1	41.0	12.7
2014-15	48.3	22.2	49.2	20.0
2015-16	56.6	17.2	57.1	16.0
2016-17 ^(a)	57.9	2.4	57.9	1.3

(a) Estimate based on the 2016-17 Budget.

Landfill Levy

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

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

Under the *Waste Avoidance and Resource Recovery Act 2007*, 25% of funds raised by the landfill levy are paid into the Waste Avoidance and Resource Recovery Account. These funds are applied to programmes related to the management, reduction, reuse, recycling, monitoring or measurement of waste.

Rate of Levy

The fees charged under the landfill levy are charged at a different rate for putrescible landfills and inert landfills. The rates of the levy are as follows:

	Putrescible Waste \$ per tonne^(a)	Inert Waste \$ per tonne^(b)
From 1 July 2016 ^(c)	60.00	50.00

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

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

(c) In 2017-18 the rates are scheduled to increase to \$65 per tonne for putrescible waste and \$60 per tonne for inert waste. From 2018-19 the rates will be \$70 per tonne for both putrescible waste and inert waste.

Exemptions and Concessions

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

Interstate Comparison

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

WA The landfill levy is imposed on waste disposed to landfill in the Perth metropolitan area, or to waste from the metropolitan area disposed to landfill anywhere in Western Australia. In 2016-17 the rate of levy is \$60/tonne of putrescible waste and \$50/tonne of inert waste.

NSW The Waste and Environment Levy is imposed on the occupiers of licensed waste facilities anywhere in NSW which receive waste generated from a specified regulated area, and the occupiers of scheduled waste facilities within a specified area which receive waste from anywhere in NSW. From 1 July 2016, the rate of levy is \$135.70/tonne within the specified extended metropolitan area and \$78.20/tonne within the specified regional area.

Trackable liquid waste is separately levied at \$72.70/tonne, and coal washery reject is levied at \$14.20/tonne.

VIC A Landfill and Prescribed Waste Levy is payable by all landfill owners in Victoria. Metropolitan landfills are levied at \$62.03/tonne of municipal and industrial waste, while rural landfills are levied at \$31.09/tonne of municipal waste, and \$54.37/tonne of industrial waste.

Asbestos is levied separately at \$30/tonne, and contaminated waste is levied at either \$70/tonne or \$250/tonne (depending on the degree of contamination).

SA A waste levy is payable by the licence holder of a waste depot for all waste received that is to be disposed of at that depot. From 1 September 2016, solid waste is levied at \$76/tonne in metropolitan regions (\$38/tonne in non-metropolitan regions) and \$35.10/kilolitre of liquid waste.

Landfill Levy Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	12.2	28.3	14.8	23.8
2008-09	12.5	2.5	14.8	-0.5
2009-10	18.1	44.5	20.8	41.0
2010-11	40.6	124.1	45.3	117.9
2011-12	40.7	0.3	44.5	-1.8
2012-13	43.6	7.0	46.6	4.6
2013-14	46.7	7.1	48.4	4.0
2014-15	59.4	27.3	60.6	25.1
2015-16	69.0	16.1	69.6	15.0
2016-17 ^(a)	70.0	1.5	70.0	0.5

(a) Estimate based on the 2016-17 Budget.

Emergency Services Levy

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

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

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

Rate of Levy

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

	ESL CATEGORY				
	1	2	3	4	5
Rate of Levy (per \$ of Gross Rental Value)	\$0.012672	\$0.009504	\$0.006336	\$0.004435	n.a.
Minimum Charge	\$71	\$71	\$71	\$71	\$71
Residential Maximum Charge (includes Hobby Farms)	\$375	\$275	\$184	\$130	\$71
Commercial Maximum Charge	\$213,000	\$156,000	\$104,000	\$73,000	\$71

Exemptions and Concessions

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

Mining tenements pay a maximum ESL charge of \$71. The ESL does not apply to mining exploration and prospecting licenses.

Interstate Comparison

For comparison purposes, the examples below only apply to residential property in metropolitan regions. New South Wales¹ and the Northern Territory currently do not apply a property-based levy to fund fire and emergency services.

EMERGENCY SERVICES LEVY METROPOLITAN RESIDENTIAL PROPERTY

WA The Emergency Services Levy is levied upon property owners at a rate determined by the level of fire and emergency services cover available in their region. Residential property owners in the Perth metropolitan region pay 1.2672% of the Gross Rental Value (GRV)² of the property. The minimum fee payable is \$71 and the maximum is \$375.

VIC The Fire Services Property Levy contains both a fixed charge and variable charge component. Residential metropolitan property owners pay a fixed charge of \$105 in addition to a variable charge of 0.059% of the Capital Improved Value of the property.

QLD The Emergency Management, Fire and Rescue Levy is levied upon all property owners at a rate determined by the location and category of the property. A single unit residence located in a metropolitan region is levied a flat rate of \$203.20.

SA The Emergency Services Levy contains both a fixed charge and a variable charge. Residential metropolitan property owners are levied a fixed charge of \$50 and a variable charge of 0.05064% of the Capital Value of the property.

TAS A Fire Support Contribution is levied by local councils on behalf of the Tasmanian Government at a rate which varies across regions. Hobart City Council charges a levy of 1.29% of the Assessed Annual Value (AAV)³ of a property, with a minimum charge of \$38.

ACT The Fire and Emergency Services Levy is charged on all rateable properties. Residential properties are levied a flat fee of \$252.

¹ The NSW Government has announced that from 1 July 2017 it will replace its Emergency Services Levy on insurance policies with an Emergency Services Property Levy.

² The GRV of a property is determined by the Valuer General. It is the gross annual rental that the land might reasonably be expected to realise if it were let on a tenancy basis from year to year.

³ The AAV of a property is broadly equivalent to GRV in Western Australia.

Emergency Services Levy Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	149.5	8.8	181.4	5.0
2008-09	157.2	5.1	185.1	2.0
2009-10	169.3	7.7	194.5	5.1
2010-11	205.0	21.1	229.0	17.7
2011-12	220.3	7.5	240.8	5.2
2012-13	236.9	7.5	253.3	5.2
2013-14	257.8	8.8	267.7	5.7
2014-15	274.0	6.3	279.4	4.4
2015-16	307.3	12.1	310.3	11.1
2016-17 ^(a)	322.9	5.1	322.9	4.0

(a) Estimate based on the 2016-17 Budget.

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.

The current scale of loan guarantee fees is as follows:

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

Loan Guarantee Fee Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	13.6	-4.4	16.5	-7.8
2008-09	19.2	41.3	22.6	37.2
2009-10	27.6	43.5	31.7	40.0
2010-11	23.1	-16.4	25.8	-18.7
2011-12	24.8	7.3	27.1	5.0
2012-13	104.0	320.0	111.2	310.7
2013-14	119.2	14.6	123.7	11.3
2014-15	119.0	-0.1	121.4	-1.9
2015-16	133.9	12.5	135.2	11.4
2016-17 ^(a)	150.3	12.2	150.3	11.1

(a) Estimate based on the 2016-17 Budget.

Mining Rehabilitation Fund Levy

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

The rate of levy is set at 1% of the rehabilitation liability estimate of each leviable mining tenement.

Contributions made to the Fund are used for rehabilitation works on mine sites where the mining tenement holder has failed to meet rehabilitation obligations. The interest earned on the Fund balance is used to undertake rehabilitation works on legacy abandoned mine sites throughout Western Australia.

Mining Rehabilitation Fund Levy Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2014-15	27.0	n.a.	27.5	n.a.
2015-16	27.8	3.2	28.1	2.2
2016-17 ^(a)	27.0	-3.0	27.0	-3.9

(a) Estimate based on the 2016-17 Budget.

Mineral Royalties

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

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

- Limestone, rock or gravel shale, other than oil shale;
- Sand, other than mineral sands, silica sand or garnet sand; and
- Clay, other than kaolin, bentonite, attapulgate, or montmorillonite.

State Agreement Acts

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

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

A full list of State Agreement Acts, which have been used in Western Australia since 1952, is available on the Department of State Development's website (<http://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 limited processing prior to sale;
- a 5% rate for minerals processed to and sold as concentrates; and
- a 2.5% rate for minerals processed to and sold as a metal.

Iron Ore

Iron ore royalties are collected by the Department of Mines 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 rate payable under the Mining Act depends on the degree of processing of the product sold.

IRON ORE ^(a)	
Type of Iron Ore	Royalty Rate (%)
Beneficiated (e.g. magnetite concentrate)	5.0
Lump and Fines	7.5

(a) From 9 April 2013 a rebate of up to 50% of royalty payments was available to eligible magnetite producers for a period of 12 months. The scheme ceased on 9 April 2016 but was extended for a further two years for the two projects that qualified for assistance under the original arrangement.

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

Exemptions and Concessions

A rebate of up to 50% of royalty payments is available until 2018-19 to eligible magnetite producers who had qualified for the original rebate scheme that ended in April 2016.

Interstate Comparison

IRON ORE ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Beneficiated: 5.0%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	\$1.25 per tonne plus 2.5% of value above \$100 per tonne ^(a)	5.0% of net market value ^(b)	1.9% on net sales plus profit royalty up to maximum of 5.35% of net sales ^(c)	n.a.	20.0% of net value of mine's production value ^(d)
	Fines: 7.5%							
	Lump: 7.5%							
Royalty System	Ad valorem	Ad valorem	Ad valorem	Hybrid	Ad valorem	Hybrid		Profit

(a) A discount of 20% is available if the mineral is processed in Queensland and the metal produced is at least 95% iron ore.
 (b) 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) A 20% rebate is available for the production of the metal in Tasmania.
 (d) The first \$50,000 of net value is exempt. Where the net value exceeds \$50,000, the royalty otherwise payable is reduced by \$10,000.

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 the 2011-12 Budget that the concessional royalty rate for iron ore 'fines' would be removed over two years. The royalty rate for iron ore 'fines' increased from 5.625% to 6.5% from 1 July 2012 and further increased to 7.5% from 1 July 2013 (in both the Mining Act and the relevant State Agreement Acts).

From 9 April 2013, for a period of three years, a rebate of up to 50% of royalty payments was available to eligible magnetite producers for the first 12 months of magnetite production. The rebate was considered on a project-by-project basis where the extractable iron mineral is predominantly (more than 80%) magnetite and production involves fine grinding and beneficiation. The original scheme ceased on 9 April 2016. In the 2016-17 State Budget the Western Australian Government announced a two year extension to the royalty rebate program for the two mining operations that qualified under the original scheme.

From 19 December 2014, a rebate of 50% of royalty payments was available to eligible hematite producers with a commissioned iron ore production capacity of less than 20 million tonnes per annum. The rebate was available from the December 2014 quarter until the September 2015 quarter. All rebates are to be repaid by 31 December 2017.

Iron Ore Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	1,130.6	30.2	1,371.3	25.6
2008-09	1,932.7	70.9	2,275.3	65.9
2009-10	1,812.6	-6.2	2,081.8	-8.5
2010-11	3,647.1	101.2	4,073.2	95.7
2011-12	3,776.1	3.5	4,127.6	1.3
2012-13	3,852.6	2.0	4,118.5	-0.2
2013-14	5,449.6	41.5	5,657.0	37.4
2014-15	4,022.9	-26.2	4,102.0	-27.5
2015-16	3,600.3	-10.5	3,636.3	-11.4
2016-17 ^(a)	3,296.0	-8.5	3,296.0	-9.4

(a) Estimate based on the 2016-17 Budget.

Gold

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

Royalty Rate

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

Exemptions and Concessions

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

Interstate Comparison

GOLD ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	2.5% of royalty value ^(a)	4.0% of the ex-mine value (value less allowable deductions)	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) First 2,500 ounces produced by each project per annum are exempt. Royalty value is calculated for each month by multiplying the total gold metal produced during that month by the average of the gold spot prices for the month in Australian Dollars.

(b) Producers are advised of the applicable variable rate each quarter. No royalty is payable on the first \$100,000 of specified minerals produced 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. Where the net value exceeds \$50,000, the royalty otherwise payable is reduced by \$10,000.

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 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	99.0	-5.4	120.1	-8.7
2008-09	126.3	27.6	148.7	23.9
2009-10	161.4	27.8	185.4	24.6
2010-11	198.1	22.7	221.2	19.3
2011-12	234.3	18.3	256.1	15.8
2012-13	214.4	-8.5	229.2	-10.5
2013-14	215.4	0.5	223.6	-2.5
2014-15	228.7	6.2	233.2	4.3
2015-16	250.1	9.3	252.6	8.3
2016-17 ^(a)	250.6	0.2	250.6	-0.8

(a) Estimate based on the 2016-17 Budget.

Nickel

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

Royalty Rate

NICKEL	
Mineral	Royalty Rate (%)
Nickel (per tonne)	2.5% of the contained nickel in the product sold ^(a)

(a) Specifically, the royalty (R) is set at $R = (P/100) \times (U \times 2.5/100)$, 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

NICKEL ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	2.5% of contained metal value	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	Variable rate (between 2.5% and 5.0%) ^{(a)(b)(c)} depending on average metal prices	3.5% of net market value if in a metal form, concentrates at 5.0% ^(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 of specified minerals 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. Where the net value exceeds \$50,000, the royalty otherwise payable is reduced by \$10,000.

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 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	130.0	-37.1	157.6	-39.3
2008-09	61.9	-52.4	72.9	-53.8
2009-10	96.9	56.5	111.3	52.7
2010-11	106.9	10.3	119.4	7.3
2011-12	92.1	-13.8	100.7	-15.7
2012-13	88.4	-4.0	94.5	-6.1
2013-14	88.0	-0.5	91.4	-3.4
2014-15	76.5	-13.1	78.0	-14.6
2015-16	45.9	-40.0	46.4	-40.5
2016-17 ^(a)	52.7	14.7	52.7	13.6

(a) Estimate based on the 2016-17 Budget.

Bauxite/Alumina

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

Bauxite royalties are collected by the Department of 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%	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. Where the net value exceeds \$50,000, the royalty otherwise payable is reduced by \$10,000.

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), 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 2012 (respectively), with no change to the royalty rate recommended at that time.

Alumina Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	79.3	-5.9	96.1	-9.2
2008-09	71.6	-9.7	84.2	-12.4
2009-10	63.9	-10.7	73.4	-12.9
2010-11	66.5	4.2	74.3	1.3
2011-12	68.2	2.5	74.5	0.3
2012-13	64.8	-5.0	69.2	-7.1
2013-14	71.9	11.1	74.7	7.8
2014-15	81.8	13.8	83.4	11.7
2015-16	80.8	-1.2	81.6	-2.2
2016-17 ^(a)	76.3	-5.5	76.3	-6.5

(a) Estimate based on the 2016-17 Budget.

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 (%)
<i>Mining Act 1978</i>	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

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 of specified minerals 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. Where the net value exceeds \$50,000, the royalty otherwise payable is reduced by \$10,000.

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) and to be consistent with the 1981 three tiered royalty rates principle.

Diamond Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	39.9	55.4	48.4	49.9
2008-09	19.5	-51.1	23.0	-52.5
2009-10	14.5	-25.7	16.7	-27.5
2010-11	14.5	-0.2	16.2	-2.9
2011-12	15.9	10.0	17.4	7.6
2012-13	17.7	11.3	19.0	8.8
2013-14	19.2	8.2	19.9	5.1
2014-15	17.6	-8.1	18.0	-9.7
2015-16	17.4	-1.5	17.6	-2.4
2016-17 ^(a)	24.4	40.1	24.4	38.7

(a) Estimate based on the 2016-17 Budget.

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, rutile and zircon.

Royalty Rate

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

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

Interstate Comparison

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

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

(a) No rate is specified for ilmenite feedstock in Queensland. However, a default rate of 2.5% applies.

(b) No rate is specified for ilmenite feedstock in South Australia. However, a default rate of 5% applies for mineral ores.

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

(e) First \$50,000 of net value is exempt. Where the net value exceeds \$50,000, the royalty otherwise payable is reduced by \$10,000.

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 at that time. Ilmenite was exempt from royalty payments for five years.

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

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

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

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

Mineral Sands Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	21.4	-32.3	25.9	-34.7
2008-09	23.7	10.9	27.9	7.7
2009-10	24.5	3.2	28.1	0.7
2010-11	18.1	-26.2	20.2	-28.2
2011-12	19.9	10.3	21.8	8.0
2012-13	26.2	31.4	28.0	28.6
2013-14	15.3	-41.7	15.8	-43.4
2014-15	12.8	-16.4	13.0	-17.9
2015-16	16.6	30.3	16.8	29.1
2016-17 ^(a)	15.6	-6.4	15.6	-7.3

(a) Estimate based on the 2016-17 Budget.

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)	2.5% of the contained copper in the product sold ^(a)

(a) Specifically, the royalty (R) is set at $R = (P/100) * (U * 2.5/100)$, where P = gross copper metal price per tonne free on board and U = number of units per hundred of copper metal in the products sold.

Interstate Comparison

COPPER ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Concentrate: 5.0%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	Variable rate (between 2.5% and 5.0%) depending on average metal prices ^{(a)(b)(c)}	3.5% of net market value if in a metal form, concentrates at 5.0% ^(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 of specified minerals 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. Where the net value exceeds \$50,000, the royalty otherwise payable is reduced by \$10,000.

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 Comparison

LEAD ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Concentrate: 5.0%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	Variable rate (between 2.5% and 5.0%) depending on average metal prices ^{(a)(b)(c)}	3.5% of net market value if in a metal form, concentrates at 5.0% ^(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)
	Metallic form: 2.5%							
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 of specified minerals 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. Where the net value exceeds \$50,000, the royalty otherwise payable is reduced by \$10,000.

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 for concentrates.

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 Comparison

ZINC ROYALTY RATES								
	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	Concentrate: 5.0%	4.0% of the ex-mine value (value less allowable deductions)	2.75% of net market value	Variable rate (between 2.5% and 5.0%) depending on average metal prices ^{(a)(b)(c)}	3.5% of net market value if in a metal form, concentrates at 5.0% ^(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 of specified minerals 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. Where the net value exceeds \$50,000, the royalty otherwise payable is reduced by \$10,000.

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% for concentrates.

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

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

Petroleum Royalties

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

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

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

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

Royalty Rate

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

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

(a) A 10% royalty rate applies to a primary production licence; a 10.0% to 12.5% rate applies once a secondary licence is taken up.

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

(c) A 40% royalty rate applies to the resource rents (net cash flows).

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

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

From 1 July 2012, the Commonwealth's Petroleum Resource Rent Tax (PRRT) was extended to include State offshore and onshore petroleum projects and the North West Shelf project. This remains the case despite the Commonwealth Government repealing its Mineral Resource Rent Tax from 1 October 2014. Prior to 1 July 2012, the PRRT only applied to offshore petroleum projects located in Commonwealth waters. Similar to the RRR for Barrow Island, the PRRT applies a rate of 40% on the taxable profits of a petroleum project. State royalties are fully creditable against PRRT liabilities.

Interstate Comparison

PETROLEUM ROYALTY RATES

	WA	NSW	VIC	QLD	SA	TAS	ACT	NT
Royalty Rate	10.0% or 12.5% at the well-head ^{(a)(b)}	10.0% at the well-head	10.0% at the well-head	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 minimum rate of 5% applies to tight gas.

Petroleum Royalty Collections

WESTERN AUSTRALIA				
	Revenue Collections^(a)	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	51.8	-3.5	62.8	-6.9
2008-09	21.2	-59.2	24.9	-60.4
2009-10	24.6	16.3	28.3	13.5
2010-11	20.2	-17.8	22.6	-20.1
2011-12	18.0	-10.9	19.7	-12.8
2012-13	18.0	-0.0	19.3	-2.2
2013-14	11.4	-37.0	11.8	-38.8
2014-15	10.5	-7.8	10.7	-9.4
2015-16	4.7	-55.4	4.7	-55.8
2016-17 ^(b)	0.4	-91.1	0.4	-91.2

(a) Excluding collections from the North-West Shelf project.
 (b) Estimate based on the 2016-17 Budget.

North West Shelf Grants

WESTERN AUSTRALIA				
	Revenue Collections^(a)	Change (Nominal)	Revenue in 2016-17 Dollars	Change (Real)
	\$m	%	\$m	%
2007-08	869.5	32.4	1,054.6	27.7
2008-09	866.7	-0.3	1,020.4	-3.2
2009-10	947.6	9.3	1,088.3	6.7
2010-11	994.3	4.9	1,110.5	2.0
2011-12	999.6	0.5	1,092.6	-1.6
2012-13	1,093.5	9.4	1,169.0	7.0
2013-14	1,168.5	6.9	1,213.0	3.8
2014-15	912.6	-21.9	930.5	-23.3
2015-16	645.5	-29.3	651.9	-29.9
2016-17 ^(b)	482.2	-25.3	482.2	-26.0

(a) Including compensation for Commonwealth crude oil excise arrangements.
 (b) Estimate based on the 2016-17 Budget.

Appendix 1

Summary of Tax and Royalty Changes in 2016-17 in all States and Territories

The following is a summary of the major tax and royalty changes announced in 2016-17 State Budgets and other major changes announced up until 1 October 2016.

Western Australia

Payroll Tax

The payroll tax exemption threshold increased to \$850,000 from 1 July 2016.

Motor Vehicle Taxes

From 1 July 2017, the 100% motor vehicle licence fee concession available to Australian Defence Force, Commonwealth Government and local authority vehicles will be removed.

Betting Taxes

The wagering taxation concession for professional punters who are contracted with Racing and Wagering Western Australia and have annual betting turnover of at least \$500,000 was extended until 30 June 2021.

Perth Parking Levy

From 1 July 2016, the annual Perth Parking Levy fees was increased by \$10 (or 1%) for short stay public and on street bays, by \$26.60 (or 2.5%) for long stay public bays, and by \$38.30 (or 3.5%) for tenant bays.

Landfill Levy

From 1 July 2016, the landfill levy rate increased from \$55 per tonne to \$60 per tonne for putrescible waste, and from \$40 per tonne to \$50 per tonne for inert waste.

Further increases to the landfill levy rate are scheduled every year until 2019-20.

Mineral Royalties

The rebate of up to 50% of royalty payments for eligible magnetite producers was extended for two years from 2016-17 for the two mining operations that had previously qualified.

Other

A no-fault catastrophic injury compulsory third party (CTP) insurance scheme commenced from 1 July 2016 to provide care and support to all people catastrophically injured in motor vehicle accidents in Western Australia. To fund the scheme, from 1 July 2016 motor vehicle owners are charged a maximum of \$99 per annum (inclusive of GST and insurance duty) when their vehicle registration is renewed. The charge is in addition to the existing CTP scheme's premium.

New South Wales

Transfer Duty

From 21 June 2016, a 4% surcharge (in addition to transfer duty) applies to the direct or indirect purchase of residential property by foreign buyers. Foreign buyers are also no longer entitled to the 12 month deferral of the payment of stamp duty on off-the-plan purchases of residential property.

Homebuyer Grants

From 1 January 2016, the First Home Owner Grant (New Homes) scheme reduced from \$15,000 to \$10,000.

Land Tax

From the 2017 land tax year, a 0.75% land tax surcharge to property held by foreign persons, in addition to normal land tax charges, will be introduced. There is no tax-free threshold and no principal place of residence exemption for the surcharge.

Betting Taxes

Wagering tax rates are being progressively reduced from 2015-16 to achieve racing tax parity with Victoria by 2020-21.

Emergency Services Levy

From 1 July 2017, the Emergency Services Levy will be reformed and made consistent with other jurisdictions by replacing the levy on insurance companies with a property based levy collected by local councils.

Other

From 1 July 2016, a \$1 levy was introduced on all point-to-point transport trips by a taxi or booking company for up to five years from 2016-17.

From 1 July 2016, stamp duty on business mortgages, non-quoted marketable securities (shares not listed on a recognised stock exchange) and transfer duty on non-real business assets (e.g. goodwill, patents and intellectual property) was abolished.

Victoria

Payroll Tax

Commencing 1 July 2016, the payroll tax threshold increased from \$550,000 to \$575,000. It will increase in \$25,000 increments until it reaches \$650,000 in 2019-20.

A payroll tax exemption for “displaced” apprentices and trainees was also introduced from 1 July 2016.

Transfer Duty

From 1 July 2016, the surcharge (in addition to transfer duty) which applies to the direct or indirect purchase of residential property by foreign buyers was increased from 3% to 7%.

Land Tax

From 1 January 2017, the land tax surcharge which applies to absentee owners of property in Victoria who do not ordinarily reside in Australia will increase from 0.5% to 1.5%.

From the 2017 land tax year, the land tax exemption for primary production land in ‘urban zones’ will be extended to include land owned by certain family superannuation trusts.

Royalties

From 1 January 2017, the brown coal royalty rate will increase from 7.6c/GJ to 22.8c/GJ.

Queensland

Transfer Duty

From 1 October 2016, a 3% surcharge (in addition to transfer duty) applies to the direct or indirect purchase of residential property by foreign buyers.

From 1 July 2016, the family farm transfer duty concession no longer requires that the transfer be by way of gift.

Homebuyer Grants

The First Home Owner Grant increased temporarily from \$15,000 to \$20,000 for newly constructed properties under \$750,000 for one year from 1 July 2016.

South Australia

Payroll Tax

The Small Business Payroll Tax Rebate has been extended until 30 June 2020 and applies a sliding rebate scale to businesses with payrolls up to \$1.2 million.

Grants of up to \$10,000 will be made available for businesses with total payrolls of \$5 million or less that hire a new employee between 1 July 2016 and 30 June 2018 where they are employed for at least two years.

Transfer Duty

Transfer duty on non-residential real property transfers will be phased out over a three year period commencing 7 December 2015. Duty rates were reduced by a third from 7 December 2015, will be reduced by a further third from 1 July 2017, and will be abolished from 1 July 2018.

The stamp duty concession of up to \$15,500 for off-the-plan apartments has been extended for one year and will now cease on 30 June 2017. It has also been expanded State-wide.

From 1 July 2018, the \$1 million landholder model threshold will be removed as landholder duty will only apply to residential and primary production land as a result of the abolition of duty on non-residential real property purchases.

From 1 July 2018, stamp duty on the issue, redemption and transfer of units in a unit trust will be abolished.

Land Tax

From 2016-17, the land tax exemption for principal places of residence has been extended to allow it to be claimed for up to two financial years where the residence is unoccupied while being substantially renovated or rebuilt.

The land tax exemption for sporting and racing associations has been extended to all of their non-residential and non-vacant land from 1 July 2016 where the association's rules restrict the use of the association's income and capital to sporting or racing activities.

Betting Taxes

From 1 July 2017, the South Australian Government will introduce a 'place of consumption' tax of 15% of net wagering revenue received by all Australian-based wagering operators from people located in South Australia. A tax-free threshold of \$150,000 will apply to wagering operators.

Landfill Levy

The metropolitan Solid Waste Levy increased from \$62 to \$76 per tonne on 1 September 2016 and will increase in a further three increments over three years to \$103 per tonne in 2019-2020.

Other

To fund a taxi and chauffeur industry assistance package, a \$1 levy was introduced from 1 July 2016 on all metropolitan trips by taxis, chauffeur vehicles and 'new entrant' vehicles such as UberX. This is partly offset by a reduction of fees and charges.

Tasmania

Homebuyer Grants

The First Home Owner Grant for first home buyers who build or buy a new home has been increased retrospectively from 1 January 2016 from \$10,000 to \$20,000 until 30 June 2017.

Motor Vehicle Taxes and Fees

The tax rate on light vehicles was scheduled to reduce over two years commencing 1 July 2017 to its pre 1 October 2012 levels (adjusted for inflation). However this measure has been deferred until the Tasmanian Budget is in a stronger position.

The duty on compulsory third party motor premiums was scheduled to reduce over two years commencing 1 July 2017 to its pre 1 October 2012 levels (adjusted for inflation). However this measure has been deferred until the Tasmanian Budget is in a stronger position.

Australian Capital Territory

Payroll Tax

From 1 July 2016, the payroll tax free threshold increased from \$1.85 million to \$2 million.

Transfer Duty

The Pensioner Duty Concession Scheme has been extended by two years to 30 June 2018.

From 2017-18, commercial and residential property transactions will have separate conveyance duty rates and duty for commercial property transactions below \$1.5 million will be phased out over two years. A flat rate of 5% will apply to commercial property transactions over \$1.5 million.

A Disability Duty Concession Scheme was introduced commencing from 1 July 2016. The Scheme provides a conveyance duty concession to any entity (including an individual) that purchases a home to be used as the principal place of residence for a person with a major disability.

The Over 60s Home Bonus Scheme was extended until 31 December 2016. (This scheme provides the same benefit as the Pensioner Duty Concession Scheme to non-pensioners aged 60 and over.)

Homebuyer Grants

The First Home Owner Grant will be reduced from \$10,000 to \$7,000 from 1 January 2017. The grant is available only on purchases of new homes.

Land Tax

The fixed charge component of land tax increased by \$100 to \$1,090 in 2016-17.

From 1 July 2017, the land tax calculation for multi-unit dwellings will change to base it on the total average unimproved value (AUV) of the land rather than the individual AUV of the unit. Marginal tax rates and thresholds will also be adjusted.

Insurance Duty

From 1 July 2016, all forms of insurance duty were abolished.

Motor Vehicle Registration Fees

Motor vehicle registration fees will be increased by 5% each year from 2016-17 to 2018-19, which will be partially offset by a reduction in administration fees (of \$10-\$15 per transaction).

Emergency Services Levy

The Fire and Emergency Services Levy for residential and rural properties was increased by around \$10 from 2016-17.

From 1 January 2017 the Ambulance Levy will be increased by \$5 per year for individuals and \$10 per year for families.

Other

General rates increased in 2016-17 by an average of 4.5% for residential properties and by an average of 7% for commercial properties.

A Safer Families Levy was introduced on 1 July 2016. The levy is \$30 per year and will be applied to all residential and rural properties to support a range of family violence prevention initiatives.

The Victims Services Levy was increased by \$10 in 2016-17 and will increase by a further \$10 in 2017-18.

Northern Territory

Transfer Duty

From 24 May 2016 until 1 September 2016, a 50% discount on stamp duty for first-time buyers will apply to existing homes valued up to \$450,000 and is capped at \$10,000 for more expensive properties.

From 1 September 2016, first home buyers of established homes valued up to \$650,000 are eligible for a duty exemption on the first \$500,000 of the value of the home.

From 1 September 2016 until 31 December 2016, a discount of \$10,000 is available for first home buyers of established land valued over \$650,000.

Betting Taxes

From 8 June 2016, a licensed betting exchange operator is subject to a tax of 10% of gross monthly profit to a maximum of \$575,000 (indexed).

Other

From 4 June 2016 until 30 June 2017, homeowner-occupiers can apply for a voucher worth up to \$2,000 towards minor improvements, repairs and upgrades to their homes. The voucher is valid for works up to \$20,000 carried out by a Territory small business which is registered with the scheme, and homeowner-occupiers must contribute at least half the cost of works. Up to 30% of the voucher value can be used towards goods and materials.

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; and
- stamp duties on the following from 1 July 2001:
 - marketable securities;
 - business² conveyances (other than real property);
 - leases;
 - mortgages, bonds, debentures, and other loan securities;
 - credit arrangements, instalment purchase arrangements and rental (hiring) arrangements;
 - cheques, bills of exchange and promissory notes; and
 - stamp duty on business conveyances of real property from a date to be determined.

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

² That is, non-residential conveyances.

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

However, on 28 May 1999 the Commonwealth Government announced a number of changes to the GST to secure the passage of the legislation through the Senate. These changes included the exclusion of basic food and some health and education items from the GST revenue base, which reduced the amount of expected GST revenue by around \$4 billion per annum. Consequently, projected GST revenues were no longer sufficient to cover revenue foregone from the abolition of the taxes originally agreed and a revised GST Agreement was reached in June 1999.¹

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 securities² from 1 July 2001;
 - debits tax by 1 July 2005, subject to review by the Ministerial Council³; and
- it was agreed that by 2005 the Ministerial Council would 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.

¹ A copy of the revised agreement is available on the COAG website at: <http://www.coag.gov.au/node/75>.

² That is, on transfers of marketable securities quoted on a recognised stock exchange such as the Australian Securities Exchange (ASX).

³ Comprising the Commonwealth, State and Territory Treasurers.

In both the original and revised GST Agreements, the States and Territories agreed to adjust their gambling tax arrangements to take account of the impact of the GST on gambling operators, pay the Australian Taxation Office for the cost of administering the GST, and fund and administer a new First Home 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, 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;¹
- 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. Duty on non-real business assets is the only listed State tax that Western Australia has yet to abolish. Queensland and the Northern Territory have also deferred the abolition of this duty.

The Australian Capital Territory abolished duty on non-real business assets from 1 July 2006, Tasmania abolished it from 1 July 2008 and South Australia abolished it from 18 June 2015. New South Wales abolished duties on non-real business assets, mortgages and unlisted marketable securities from 1 July 2016.

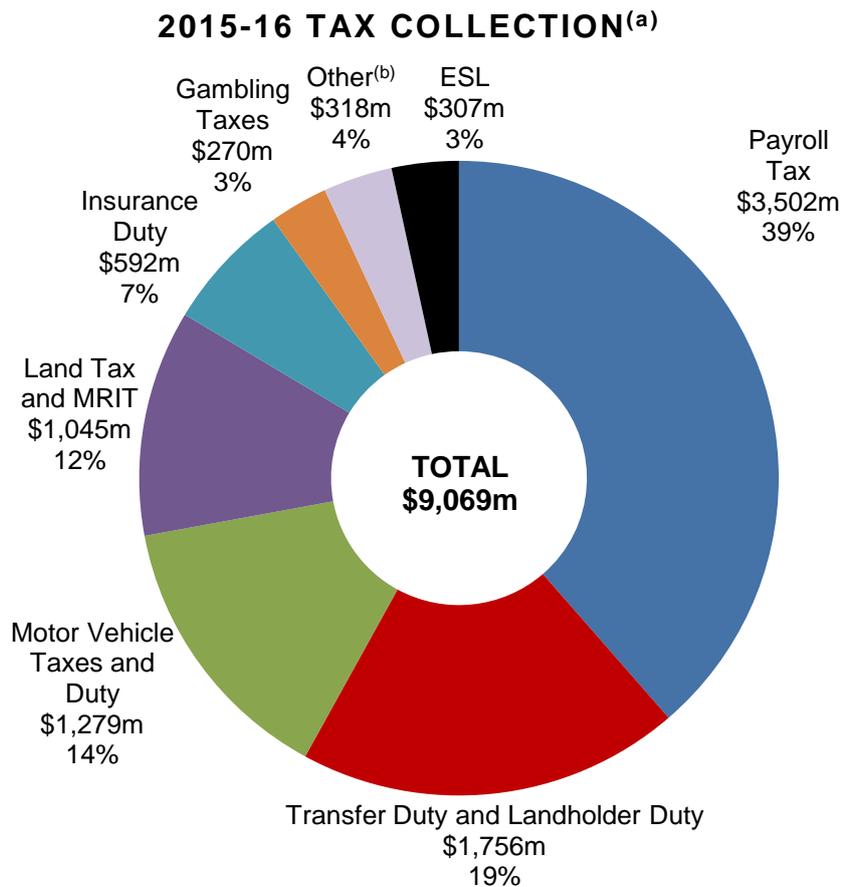
¹ In Western Australia, stamp duties on credit/rental arrangements comprised only duty on hire of goods.

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 actual revenue collections from 2005-06 to 2015-16.

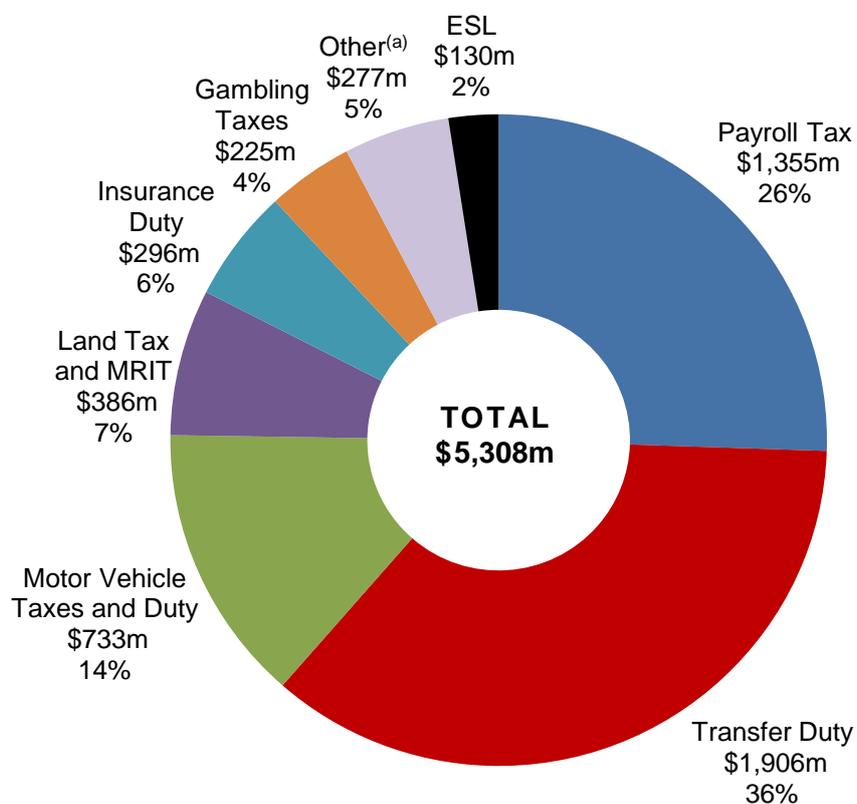
Taxation



(a) Taxation collections are based on the 2015-16 Annual Report on State Finances.

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

2005-06 TAX COLLECTION



(a) Includes mortgages duty, debits taxes, loan guarantee fees, permits for oversized vehicles and loads, financial institutions duty, Perth Parking Levy revenue, Landfill Levy revenue, 'other stamp duties' and 'other' taxes.

Changes in the Tax Mix

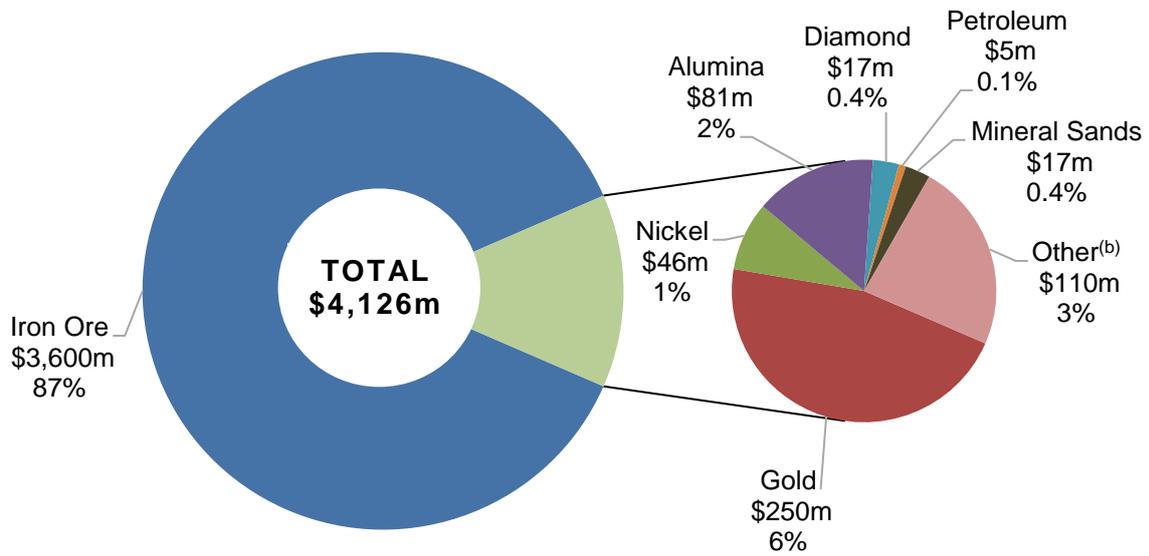
The most significant change in the tax mix over the period is the growth in the payroll tax share, which increased from 26% to 39%. The increase in payroll tax revenue reflects solid growth in employment and wages over most of the past decade, with strong growth in the State's resource sector contributing towards additional demand for labour and higher wages in the State.

The share of transfer duty fell over the period from 36% to 19%. This largely reflects the volatility in transaction volumes.

All other taxes have maintained similar shares (within a 5 percentage point margin) of total tax collections.

Mineral and Petroleum Royalties

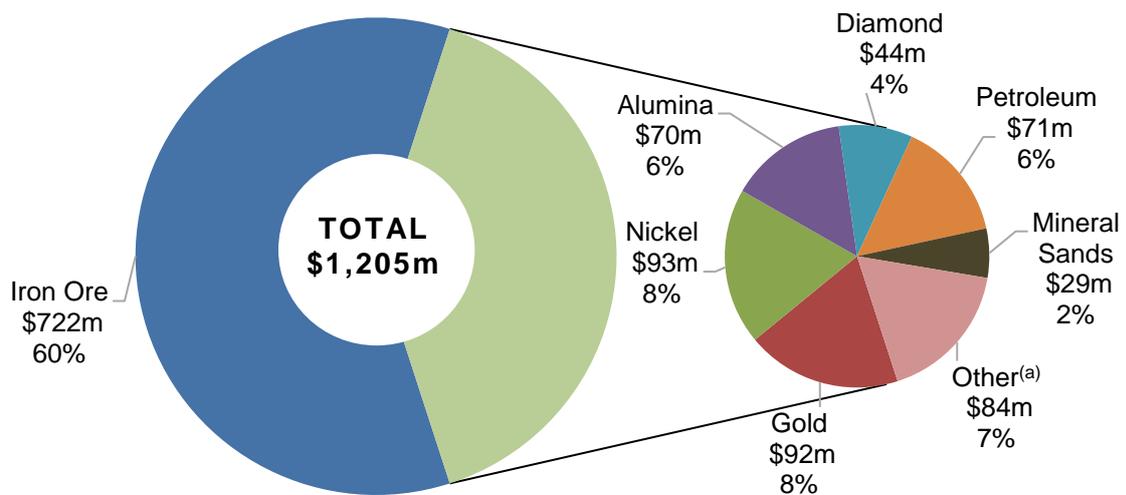
2015-16 ROYALTIES COLLECTION^(a)



(a) Based on 2015-16 Annual Report on State Finances.

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

2005-06 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 increased from 60% to 87% 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 gold and alumina declined over the period despite higher nominal royalty collections in 2015-16 compared to 2005-06.

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

