



Government of **Western Australia**
Department of **Treasury and Finance**

Overview of State Taxes

Western Australia

2010-11

December 2010



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Department of Treasury and Finance
197 St George's Terrace
Perth WA 6000



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Further information or enquiries related to this report may be obtained by emailing TreasuryCommunications@dtf.wa.gov.au

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Contents

Introduction	1
Summary Table	2
Business Taxes	3
Payroll Tax	3
Property Taxes	8
Transfer Duty	8
Landholder Duty	16
Land Tax	21
Metropolitan Region Improvement Tax	28
Financial Transactions Taxes	30
Insurance Duty	30
Motor Vehicle Taxes and Fees	32
Vehicle Licence Duty	32
Motor Vehicle Licence and Recording Fees	36
Gambling Taxes	40
Lotteries Commission	40
Casino Tax	42
Betting Taxes	45
Other Fees and Levies	50
Emergency Services Levy	50
Loan Guarantee Fees	50
Appendix	51
A Summary of Tax Changes in 2010-11 in all States and Territories	51

Introduction

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

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

- current tax rates;
- major exemptions and concessions;
- interstate comparisons;
- historical information on changes to tax rates and bases; and
- revenue collections.

The **Summary** Table indicates the contribution of each tax to total tax revenue.

The **Appendix** provides a summary of tax changes introduced by the States and Territories in the 2010-11 round of State Budgets and any major changes announced after these budgets (but before 31 October 2010).

This publication can be downloaded from the following internet site:

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

Summary Table

STATE TAXES IN WESTERN AUSTRALIA				
	2008-09	2009-10	2010-11	As a % of
	Actual \$ million	Actual \$ million	Estimates ^(a) \$ million	Total
BUSINESS				
Payroll Tax	2,246.2	2,303.2	2,635.9	40.9%
PROPERTY				
Transfer Duty	1,101.6	1,552.0	1,254.3	19.5%
Landholder Duty	24.3	87.4	45.5	0.7%
Land Tax	568.0	528.5	527.7	8.2%
Metropolitan Region Improvement Tax	82.2	78.3	79.4	1.2%
FINANCIAL TRANSACTIONS				
Stamp Duty on Insurance Policies	376.5	404.0	431.4	6.7%
GAMBLING				
Lotteries Commission	133.8	129.8	133.5	2.1%
Casino Tax	90.8	92.2	112.0	1.7%
Betting Tax	32.0	31.7	32.8	0.5%
MOTOR VEHICLES				
Vehicle Licence Duty	317.6	331.6	349.8	5.4%
Motor Vehicle Registrations	486.1	515.8	546.0	8.5%
Motor Vehicle Recording Fee	39.9	43.1	44.8	0.7%
OTHER				
Emergency Services Levy	157.2	169.3	201.2	3.1%
Loan Guarantee Fees	19.2	27.6	25.5	0.4%
Other	30.8	29.5	27.6	0.4%
TOTAL STATE TAXATION	5,706.4	6,323.8	6,447.4	100.0%

^(a) 2010-11 Mid Year Review estimates.

Note: Columns may not add due to rounding.

Business Taxes

Payroll Tax

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 Office of State Revenue.

Rate of Tax

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

Exemptions and Concessions

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

The wages of all apprentices and trainees employed under an approved training contract are exempt.

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

In 2010-11, a one-off rebate has been paid to fully or partly offset 2009-10 tax liabilities for employers with Australia-wide payrolls of up to \$3.2 million.

¹ Businesses with an annual tax liability below \$20,000 can elect to pay their payroll tax on an annual basis. Additionally, as from 1 July 2006, businesses with an annual tax liability between \$20,000 and \$100,000 can elect to pay their payroll tax on a quarterly basis. Eligible employers must make an application to the Commissioner of State Revenue to change the lodgement frequency of their returns from a monthly to an annual or quarterly basis.

Overview of State Taxes, Western Australia

Interstate Comparison

PAYROLL TAX SCALES

	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
Exemption Threshold \$	750,000	658,000 ^(a)	550,000	1,000,000	600,000	1,010,000	1,250,000	1,500,000
Max Rate %	5.50	5.50 ^(b)	4.90 ^(c)	4.75	4.95	6.10	5.90	6.85
Tax Scale	Marginal rate of 5.50% of payroll in excess of \$750,000	Marginal rate of 5.50% of payroll in excess of \$658,000	Marginal rate of 4.90% of payroll in excess of \$550,000	Effective rate slides from 0% at \$1m to 4.75% at \$5m	Marginal rate of 4.95% of payroll in excess of \$600,000	Marginal rate of 6.10% of payroll in excess of \$1.01m	Marginal rate of 5.90% of payroll in excess of \$1.25m	Marginal rate of 6.85% of payroll in excess of \$1.5m

(a) The exemption threshold was indexed from \$638,000 to \$658,000 on 1 July 2010.

(b) The payroll tax rate was reduced from 5.65% to 5.50% from 1 July 2010, and will be further reduced to 5.45% from 1 January 2011. These reductions have been brought forward by six months from the previously scheduled plans.

(c) The payroll tax rate was reduced from 4.95% to 4.90% from 1 July 2010. The rate will be further reduced to 4.85% from 1 July 2011.

TAX PAYABLE AT SELECTED PAYROLLS

Annual Payroll \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	NT \$	ACT \$
700,000	–	2,310	7,350	–	4,950	–	–	–
1,000,000	13,750	18,810	22,050	–	19,800	–	–	–
2,000,000	68,750	73,810	71,050	59,375	69,300	60,390	44,250	34,250
3,000,000	123,750	128,810	120,050	118,750	118,800	121,390	103,250	102,750
5,000,000	233,750	238,810	218,050	237,500	217,800	243,390	221,250	239,750
10,000,000	508,750	513,810	463,050	475,000	465,300	548,390	516,250	582,250
20,000,000	1,058,750	1,063,810	953,050	950,000	960,300	1,158,390	1,106,250	1,267,250

AVERAGE TAX RATES

Annual Payroll \$	WA %	NSW %	VIC %	QLD %	SA %	TAS %	NT %	ACT %
700,000	–	0.33	1.05	–	0.71	–	–	–
1,000,000	1.38	1.88	2.21	–	1.98	–	–	–
2,000,000	3.44	3.69	3.55	2.97	3.47	3.02	2.21	1.71
3,000,000	4.13	4.29	4.00	3.96	3.96	4.05	3.44	3.43
5,000,000	4.68	4.78	4.36	4.75	4.36	4.87	4.43	4.80
10,000,000	5.09	5.14	4.63	4.75	4.65	5.48	5.16	5.82
20,000,000	5.29	5.32	4.77	4.75	4.80	5.79	5.53	6.34

Changes to the Rate Scale

**CHANGES IN PAYROLL TAX THRESHOLDS AND RATES
WESTERN AUSTRALIA**

	Exemption Threshold \$	Top Threshold \$	Minimum Tax Rate %	Maximum Tax Rate %
1 Jan 1982	102,000	201,000	5.00	5.00
1 Jan 1983	125,000	256,000	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

Changes to Exemptions and Concessions

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

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

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

The payroll tax base was expanded to a wide range of employee benefits in 1997-98, including superannuation benefits and non-cash fringe benefits as

Overview of State Taxes, Western Australia

defined and valued by the *Fringe Benefits Tax Act 1986 (Cth)*. Excluded from the base expansion were the major remote area fringe benefits.

Travel and accommodation allowances up to prescribed levels, and certain wages for services rendered overseas, were excluded from the payroll tax base in 1997-98.

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

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

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

In 2010-11, employers with payrolls of up to \$1.6 million 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) will be \$46,750. The rebate phases down for employers with payrolls between \$1.6 million and \$3.2 million.

Payroll Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	823.6	7.6	1,112.1	2.0
2001-02	900.1	9.3	1,183.5	6.4
2002-03	1,003.7	11.5	1,283.9	8.5
2003-04	1,139.4	13.5	1,428.3	11.2
2004-05	1,210.6	6.3	1,471.3	3.0
2005-06	1,355.2	11.9	1,580.0	7.4
2006-07	1,607.3	18.6	1,801.9	14.0
2007-08 ^(a)	1,939.9	20.7	2,099.5	16.5
2008-09 ^(a)	2,246.2	15.8	2,359.5	12.4
2009-10 ^(a)	2,303.2	2.5	2,359.8	0.0
2010-11 ^{(a)(b)}	2,635.9	14.4	2,635.9	11.7

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

^(b) 2010-11 Mid Year Review estimate.

Property Taxes

Transfer Duty

Transfer duty (which includes stamp duty on conveyances under the previous *Stamp Act 1921*) is paid by the purchaser of 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 Office of State Revenue.

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

Rate of Tax

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

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

Exemptions and Concessions

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

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

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

Concessional scales apply to transfers of residential properties and the purchase of a small business or principal place of residence below \$200,000.

Interstate Comparison

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

TRANSFER DUTY SCALES – GENERAL

	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
Min Rate (%)	1.90	1.25	1.40	1.50	1.00	1.50 ^(a)	1.50 ^(b)	2.00
Min Threshold (\$'000)	0	0	0	5	0	1.3	0	0
Max Rate (%)	5.15	5.50	5.50	5.25	5.50	4.00	4.95	6.75
Max Threshold (\$'000)	500	1,000	960	980	500	225	525	1,000

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

^(b) For conveyances less than \$525,000, 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. Over \$525,000, duty is 4.95% of the property value.

TRANSFER DUTY PAYABLE ON SELECTED PROPERTY VALUES

Property Value	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
\$'000	\$	\$	\$	\$	\$	\$	\$	\$
100	2,090	1,990	2,150	1,925	2,830	2,425	2,157	2,000
200	5,890	5,490	7,070	5,425	6,830	5,675	5,629	5,500
300	10,165	8,990	13,070	8,925	11,330	9,550	10,414	9,500
400	14,915	13,490	19,070	12,425	16,330	13,550	16,514	15,000
500	19,665	17,990	25,070	15,925	21,330	17,550	23,929	20,500
750	32,540	29,240	40,070	26,775	35,080	27,550	37,125	34,875
1,000	45,415	40,490	55,000	38,175	48,830	37,550	49,500	49,250
5,000	251,415	260,490	275,000	248,175	268,830	197,550	247,500	319,250

AVERAGE TAX RATES – GENERAL SCALES

Property Value \$'000	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
	%	%	%	%	%	%	%	%
100	2.09	1.99	2.15	1.93	2.83	2.43	2.16	2.00
200	2.95	2.75	3.54	2.71	3.42	2.84	2.81	2.75
300	3.39	3.00	4.36	2.98	3.78	3.18	3.47	3.17
400	3.73	3.37	4.77	3.11	4.08	3.39	4.13	3.75
500	3.93	3.60	5.01	3.19	4.27	3.51	4.79	4.10
750	4.34	3.90	5.34	3.57	4.68	3.67	4.95	4.65
1,000	4.54	4.05	5.50	3.82	4.88	3.76	4.95	4.93
5,000	5.03	5.21	5.50	4.96	5.38	3.95	4.95	6.39

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

TRANSFER DUTY SCALES – PRINCIPAL PLACE OF RESIDENCE

	WA ^(a)	NSW	VIC	QLD	SA	TAS	NT ^(c)	ACT ^(d)
Min Rate (%)	1.9	1.25	1.4	1.0	1.0	1.5 ^(b)	Duty is reduced	2.0 ^(e)
Min Threshold (\$'000)	0	0	0	0	0	1.3	by a	0
Max Rate (%)	5.15	7.0	5.5	5.25	5.5	4.0	max. of	6.75
Max Threshold (\$'000)	725	3,000	960	980	500	225	\$3,500	1,000

^(a) Western Australia's concessions extend to rental properties and vacant residential land.

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

^(c) The maximum rebate for the purchase of a principal place of residence increased from \$2,500 to \$3,500 from 4 May 2010.

^(d) The minimum threshold increased from \$333,000 to \$360,000 from 1 July 2010. Thresholds are updated every six months to reflect recent price activity. The rates and thresholds differ for vacant residential land.

^(e) Applicants who comply with certain eligibility criteria pay only nominal duty of \$20 for properties valued below \$360,001. Eligible applicants purchasing a property valued between \$360,001 and \$444,999 pay concessional duty of \$20.55 per \$100 or part thereof of the amount by which the dutiable value exceeds \$360,000.

TRANSFER DUTY PAYABLE ON SELECTED PROPERTY VALUES

Property Value \$'000	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	NT \$	ACT \$
100	1,900	1,990	2,150	1,000	2,830	2,425	nil	2,000
200	5,035	5,490	6,370	2,000	6,830	5,675	2,129	5,500
300	8,835	8,990	11,370	3,000	11,330	9,550	6,914	9,500
400	13,015	13,490	16,370	5,250	16,330	13,550	13,014	15,000
500	17,765	17,990	21,970	8,750	21,330	17,550	20,429	20,500
750	29,741	29,240	40,070	19,600	35,080	27,550	33,625	34,875
1,000	42,615	40,490	55,000	31,000	48,830	37,550	46,000	49,250
5,000	248,616	290,490	275,000	241,000	268,830	197,550	244,000	319,250

AVERAGE TAX RATES – PRINCIPAL PLACE OF RESIDENCE

Property Value \$'000	WA %	NSW %	VIC %	QLD %	SA %	TAS %	NT %	ACT %
100	1.90	1.99	2.15	1.00	2.83	2.43	nil	2.00
200	2.52	2.75	3.19	1.00	3.42	2.84	1.06	2.75
300	2.95	3.00	3.79	1.00	3.78	3.18	2.30	3.17
400	3.25	3.37	4.09	1.31	4.08	3.39	3.25	3.75
500	3.55	3.60	4.39	1.75	4.27	3.51	4.09	4.10
750	3.97	3.90	5.34	2.61	4.68	3.67	4.48	4.65
1,000	4.26	4.05	5.50	3.10	4.88	3.76	4.60	4.93
5,000	4.97	5.81	5.50	4.82	5.38	3.95	4.88	6.39

Overview of State Taxes, Western Australia

Further information on transfer duty concessions for home buyers is provided below:

WA	<p>An exemption applies for properties used as the principal place of residence for a person with a disability under a Special Disability Trust from 1 July 2008.</p> <p>A 1.5% concessional rate on principal places of residence valued at less than \$200,000 is to be abolished from 1 July 2013 (previously legislated for 1 July 2010).</p>
NSW	<p>First home buyers receive an exemption from transfer duty for metropolitan property values up to \$500,000, with the exemption phasing out at \$600,000. For vacant land, the threshold value for full duty exemption is \$300,000, with a partial concession applying up to \$450,000.</p> <p>From 1 July 2010 to 30 June 2012, a duty exemption applies to purchasers buying a new home worth up to \$600,000 where building has not commenced. Newly built homes worth up to \$600,000 purchased after construction begins receive a 25% reduction in duty. Vacant land purchases worth up to \$400,000 and intended for construction of a new home are exempt from duty.</p> <p>From 1 July 2010 to 30 June 2012, a duty exemption applies to people aged 65 or over who are selling an existing property and buying a new home worth up to \$600,000 where building has already commenced.</p>
VIC	<p>A principal place of residence concession applies to homes valued between \$130,000 and \$550,000.</p> <p>A pensioner duty exemption applies to properties up to \$330,000, phasing out at \$440,000. Applicants must hold Commonwealth concession cards. An exemption is also available for homes transferred into special disability trusts.</p> <p>A duty concession applies for all off-plan housing sales.</p>
QLD	<p>No duty applies to first home purchases valued up to \$505,000. A first home rebate applies for first home purchases valued above \$505,000, phasing out at \$550,000.</p> <p>First home buyers purchasing vacant land up to the value of \$250,000 receive a full exemption from transfer duty. A partial concession is provided for first home buyers purchasing vacant land up to \$400,000.</p> <p>Home buyers not purchasing their first home, and first home buyers purchasing above \$500,000, receive a principal place of residence concessional rate of duty of 1% for the first \$350,000 of the value of the home, with the normal marginal rate applying to the amount above \$350,000.</p> <p>From 1 July 2010, an exemption applies for property used as the principal place of residence of the beneficiary of a Special Disability Trust.</p>
SA	<p>The previous first home stamp duty concession was replaced from 5 June 2008 by the First Home Bonus Grant.</p> <p>A transfer duty rebate of up to \$1,500 may be available for new home units in the City of Adelaide.</p>
TAS	<p>Duty relief of up to \$4,000 for first home buyers purchasing a property up to the value of \$350,000. A refund of duty of up to \$2,400 is available to first home owners who purchase land valued at up to \$175,000 and build a home.</p>
NT	<p>From 4 May 2010, first home buyers will receive a transfer duty concession of up to \$26,730 for homes worth \$750,000 or less, or vacant land worth \$385,000 or less.</p> <p>From 4 May 2010, non-first home buyers who are at least 60 years of age or the holder of a Northern Territory Pensioner and Carer Concession Card will receive a concession of up to \$8,500. The same value limits as the first home owner concession apply.</p> <p>A reduction in duty of up to \$3,500 is available to buyers purchasing a principal place of residence. This concession is not available to first home buyers or buyers eligible for the Senior, Pensioner and Carer Concession.</p>
ACT	<p>Subject to a family income not exceeding \$120,000 plus \$3,330 for each dependent child, home buyers purchasing a dwelling valued at up to \$360,000 or residential vacant land valued at up to \$200,500 pay a nominal duty of \$20. A concessional rate of duty is payable by an eligible homebuyer purchasing a home valued between \$360,001 and \$444,999 or a vacant block of land valued between \$200,501 and \$246,099.</p> <p>A transfer duty concession applies to eligible pensioners who purchase a residential home worth less than \$570,000 or residential vacant land worth less than \$246,100.</p> <p>From 1 July 2010, a duty exemption applies for properties used as the principal place of residence of the beneficiary of a Special Disability Trust.</p>

Information on grants for home buyers is provided below:

- WA** A \$7,000 First Home Owner Grant is available for first home buyers who meet the scheme's eligibility criteria.
From 1 January 2010, a First Home Owner Grant cap was introduced. The home value cap is \$750,000 or \$1 million if the home is located north of the 26th parallel.
The Home Buyers Assistance Account (funded from interest earnings on real estate agents' trust accounts) provides a grant of up to \$2,000 for the incidental expenses of first home buyers when they purchase an established or partially built home through a licensed real estate agent for \$400,000 or less.
- NSW** A \$7,000 First Home Owner Grant is available for eligible first home buyers. From 1 January 2010, a \$750,000 home value cap applies.
Permanent Australian Defence Force personnel who are on the NSW electoral roll and qualify for the First Home Owner Grant are exempt from the six month residence requirement.
- VIC** A \$7,000 First Home Owner Grant is available for eligible first home buyers. From 1 January 2010, the grant will only be payable where the home's value does not exceed \$750,000. An exception to this requirement is where the home is located on, or will be built on, primary production land.
From 1 July 2010 to 30 June 2011, eligible first home buyers also receive an additional payment known as the First Home Bonus when purchasing or constructing new homes worth \$600,000 or less. The First Home Bonus provides assistance to the value of \$13,000 for newly constructed homes in metropolitan areas. Eligible first home buyers purchasing a newly constructed property in a regional area will receive a First Home Bonus of \$19,500.
- QLD** A \$7,000 First Home Owner Grant is available for eligible first home buyers. From 1 January 2010, a First Home Owner Grant cap was introduced. For transactions on or after 1 January 2010 and before 31 March 2010, a home value cap of \$1 million applied. A \$750,000 cap applies to transactions on or after 31 March 2010.
From 1 June 2010, first home buyers eligible for the First Home Owner Grant and who are purchasing a newly constructed property in specific areas of regional Queensland will receive an additional grant of \$4,000.
- SA** A \$7,000 First Home Owner Grant is available for eligible first home buyers. From 17 September 2010, a \$575,000 home value cap applies.
For first home buyers who qualify for the First Home Owner Grant and entered into a contract to purchase or build a home between 5 June 2008 and 16 September 2010, a First Home Bonus Grant of \$4,000 is available for first home purchases worth \$400,000 or less. The First Home Bonus Grant phases out for properties valued between \$400,000 and \$450,000.
From 17 September 2010, the \$4,000 First Home Bonus Grant was replaced with a First Home Bonus Grant of up to \$8,000 for eligible first home buyers on purchases worth \$400,000 or less. The grant phases out for properties valued between \$400,000 and \$450,000.
- TAS** A \$7,000 First Home Owner Grant is available for eligible first home buyers.
- NT** A \$7,000 First Home Owner Grant is available for eligible first home buyers. From 1 January 2010, a \$750,000 home value cap applies.
- ACT** A \$7,000 First Home Owner Grant is available for eligible first home buyers.
-

Changes to the Rate Scale

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

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

Changes to Exemptions and Concessions

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

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

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

On 1 July 2004, the \$500 stamp duty rebate for first home owners was replaced with a stamp duty exemption for purchases of homes below \$220,000, phasing out at \$300,000. For vacant land, the exemption applied to purchases below \$100,000, phasing out at \$150,000. This exemption was extended on 29 October 2004 to \$250,000 for first home purchases (phasing out at \$350,000), and \$150,000 for vacant land (phasing out at \$200,000). This was further extended from 10 May 2007 to \$500,000 for first home purchases (phasing out at \$600,000), and \$300,000 for vacant land (phasing out at \$400,000).

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

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

The 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.

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

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

Transfer Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections ^(c)	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	549.2	6.3	741.6	0.8
2001-02	647.4	17.9	851.2	14.8
2002-03	833.3	28.7	1,066.0	25.2
2003-04	1,207.2	44.9	1,513.3	42.0
2004-05	1,218.1	0.9	1,480.3	-2.2
2005-06	1,906.0	56.5	2,222.2	50.1
2006-07	2,037.2	6.9	2,283.9	2.8
2007-08 ^(a)	2,264.8	11.2	2,451.1	7.3
2008-09 ^(a)	1,101.6	-51.4	1,157.1	-52.8
2009-10 ^(a)	1,552.0	40.9	1,590.2	37.4
2010-11 ^{(a)(b)}	1,254.3	-19.2	1,254.3	-21.1

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

^(b) 2010-11 Mid Year Review estimate.

^(c) Figures prior to 2008-09 include land-rich duty.

Landholder Duty

Landholder duty was introduced from 1 July 2008 to replace the former 'land rich' duty provisions. It applies to acquisitions of land through the purchase of interests in certain business structures (such as 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 Office 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.

LANDHOLDER DUTY SCALE

Value of Acquisition	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

Exemptions and Concessions

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

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

Interstate Comparison

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

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

^(a) Land-rich transfer duty provisions apply in Victoria, Queensland and Tasmania.

^(b) Landholder model will apply from 1 July 2011. Duty will not apply to chattels.

Overview of State Taxes, Western Australia

LANDHOLDER DUTY PAYABLE ON SELECTED VALUES – PRIVATE ENTITIES^(a)

Value of Acquisition \$'000	WA \$	NSW \$	SA \$	NT \$	ACT \$
100	2,090	1,990	2,830	2,157	2,000
200	5,890	5,490	6,830	5,629	5,500
300	10,165	8,990	11,330	10,414	9,500
400	14,915	13,490	16,330	16,514	15,000
500	19,665	17,990	21,330	23,929	20,500
750	32,540	29,240	35,080	37,125	34,875
1,000	45,415	40,490	48,830	49,500	49,250
5,000	251,415	260,490	268,830	247,500	319,250

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

AVERAGE TAX RATES – PRIVATE ENTITIES

Value of Acquisition \$'000	WA %	NSW %	SA %	NT %	ACT %
100	2.09	1.99	2.83	2.16	2.00
200	2.95	2.75	3.42	2.81	2.75
300	3.39	3.00	3.78	3.47	3.17
400	3.73	3.37	4.08	4.13	3.75
500	3.93	3.60	4.27	4.79	4.10
750	4.34	3.90	4.68	4.95	4.65
1,000	4.54	4.05	4.88	4.95	4.93
5,000	5.03	5.21	5.38	4.95	6.39

**LANDHOLDER DUTY PAYABLE ON SELECTED VALUES –
PUBLIC ENTITIES ^(a)**

Value of Acquisition \$'000	WA \$	NSW \$	SA \$	NT \$	ACT \$
100	2,090	199	283	2,157	2,000
200	5,890	549	683	5,629	5,500
300	10,165	899	1,133	10,414	9,500
400	14,915	1,349	1,633	16,514	15,000
500	19,665	1,799	2,133	23,929	20,500
750	32,540	2,924	3,508	37,125	34,875
1,000	45,415	4,049	4,883	49,500	49,250
5,000	251,415	26,049	26,883	247,500	319,250

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

AVERAGE TAX RATES – PUBLIC ENTITIES

Value of Acquisition \$'000	WA %	NSW %	SA %	NT %	ACT %
100	2.09	0.20	0.28	2.16	2.00
200	2.95	0.27	0.34	2.81	2.75
300	3.39	0.30	0.38	3.47	3.17
400	3.73	0.34	0.41	4.13	3.75
500	3.93	0.36	0.43	4.79	4.10
750	4.34	0.39	0.47	4.95	4.65
1,000	4.54	0.40	0.49	4.95	4.93
5,000	5.03	0.52	0.54	4.95	6.39

Overview of State Taxes, Western Australia

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

NSW	<p>Exemptions apply in relation to deceased estates, marriage or domestic relationship breakdowns and land used for primary production transferred between family members. An interest acquired by a receiver or trustee in bankruptcy or a liquidator is exempt from duty.</p> <p>Interest acquired solely from a compromise or arrangement with creditors under the <i>Corporations Act 2001 (Cth)</i> 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.</p> <p>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 <i>Income Tax Assessment Act 1997 (Cth)</i>.</p> <p>Concessions are available for acquisitions effected for the purpose of securing financial accommodation as well as redemption and re-issue arrangements.</p>
NT	<p>Family pastoral land acquired by a family member is exempt from duty.</p> <p>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 <i>Income Tax Assessment Act 1997 (Cth)</i>.</p>
ACT	<p>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.</p> <p>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).</p> <p>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 <i>Income Tax Assessment Act 1997 (Cth)</i>.</p>

Landholder Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2008-09	24.3	–	25.5	–
2009-10	87.4	259.6	89.6	250.7
2010-11 ^(a)	45.5	-48.0	45.5	-49.2

^(a) 2010-11 Mid Year Review estimate.

Land Tax

Land tax in Western Australia is levied upon the aggregated unimproved value of taxable land owned at midnight on the 30 June preceding the year of assessment and is payable annually by the land owner. It is collected under the *Land Tax Assessment Act 2002* and *Land Tax Act 2002*, which are administered by the Office of State Revenue. The unimproved value of land is updated annually by the Valuer General.

Rate of Tax

No changes were made to the land tax scale in the 2010-11 Budget.

LAND TAX SCALE

Taxable Value of Land \$'000	Land Tax Payable
Less than 300	Nil
300 – 1,000	0.09 cents per \$1 above \$300,000
1,000 – 2,200	\$630 and 0.47 cents per \$1 above \$1,000,000
2,200 – 5,500	\$6,270 and 1.22 cents per \$1 above \$2,200,000
5,500 – 11,000	\$46,530 and 1.46 cents per \$1 above \$5,500,000
Over 11,000	\$126,830 and 2.16 cents per \$1 above \$11,000,000

Exemptions and Concessions

The major general exemptions are for principal places of residence and land used in primary production (mining as well as agriculture) and caravan parks. Exemptions are also available 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).

The principal place of residence exemption is also available to purchasers of homes who own two residences in transitional circumstances.

Concessions are available for property developers and rural businesses that do not meet the income test.

From 2009-10, a 50% cap on annual growth in land values applies for the purposes of assessing land tax and the metropolitan region improvement tax (MRIT).

Overview of State Taxes, Western Australia

Interstate Comparison

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

LAND TAX SCALES – GENERAL								
	WA	NSW	VIC	QLD	SA	TAS	NT	ACT ^(a)
Min Threshold	\$300,000	\$376,000	\$250,000	\$600,000	\$300,000	\$25,000	Not Levied	\$0
Max Threshold	\$11.000m	\$2.299m	\$3.000m	\$5.000m	\$1.000m	\$0.350m		\$0.275m
Min Tax Rate	0.09%	1.60%	0.20%	1.00%	0.50%	0.55%		0.60%
Max Tax Rate	2.16%	2.00%	2.25%	1.75%	3.70%	1.50%		1.40%

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

LAND TAX PAYABLE – GENERAL								
Land Value \$'000	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	NT \$	ACT \$
100	–	–	–	–	–	463	Not Levied	673
200	–	–	–	–	–	1,013		1,693
300	–	–	375	–	–	1,563		2,906
400	90	484	575	–	500	2,588		4,306
500	180	2,084	775	–	1,000	4,088		5,706
1,000	630	10,084	2,975	4,500	10,175	11,588		12,706
3,000	16,030	44,888	24,975	37,500	84,175	41,588		40,706
5,000	40,430	84,888	69,975	62,500	158,175	71,588		68,706
10,000	112,230	184,888	182,475	150,000	343,175	146,588		138,706

AVERAGE TAX RATES – GENERAL

Land Value \$'000	WA %	NSW %	VIC %	QLD %	SA %	TAS %	NT %	ACT %
100	–	–	–	–	–	0.46	Not Levied	0.67
200	–	–	–	–	–	0.51		0.85
300	–	–	0.13	–	–	0.52		0.97
400	0.02	0.12	0.14	–	0.13	0.65		1.08
500	0.04	0.42	0.16	–	0.20	0.82		1.14
1,000	0.06	1.01	0.30	0.45	1.02	1.16		1.27
3,000	0.53	1.50	0.83	1.25	2.81	1.39		1.36
5,000	0.81	1.70	1.40	1.25	3.16	1.43		1.37
10,000	1.12	1.85	1.82	1.50	3.43	1.47		1.39

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

**LAND TAX RATES
COMMERCIAL PROPERTIES OR PROPERTIES OWNED BY
NON-CONCESSIONAL COMPANIES AND SPECIAL TRUSTS**

	WA	NSW	VIC	QLD	SA	TAS	NT	ACT ^(a)
Min Threshold	\$300,000	\$0	\$25,000	\$350,000	\$300,000	\$25,000	Not Levied	\$0
Max Threshold	\$11.000m	\$2.299m	\$3.000m	\$5.000m	\$1.000m	\$0.350m		\$0.275m
Min Tax Rate	0.09%	1.60%	0.375%	1.70%	0.50%	0.55%		0.89%
Max Tax Rate	2.16%	2.00%	2.25%	2.00%	3.70%	1.50%		1.59%

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

Overview of State Taxes, Western Australia

LAND TAX PAYABLE COMMERCIAL PROPERTIES OR PROPERTIES OWNED BY NON-CONCESSIONAL COMPANIES AND SPECIAL TRUSTS

Land Value \$'000	WA \$	NSW ^(a) \$	VIC ^(b) \$	QLD ^(c) \$	SA \$	TAS \$	NT \$	ACT ^(d) \$
100	–	1,600	363	–	–	463	Not Levied	890
200	–	3,200	738	–	–	1,013		1,960
300	–	4,800	1,214	–	–	1,563		3,296
400	90	6,400	1,789	2,300	500	2,588		4,886
500	180	8,000	2,364	4,000	1,000	4,088		6,476
1,000	630	16,000	6,438	12,500	10,175	11,588		14,426
3,000	16,030	50,804	24,975	45,000	84,175	41,588		46,226
5,000	40,430	90,804	69,975	75,000	158,175	71,588		78,026
10,000	112,230	190,804	182,475	175,000	343,175	146,588		157,526

AVERAGE TAX RATES COMMERCIAL PROPERTIES OR PROPERTIES OWNED BY NON-CONCESSIONAL COMPANIES AND SPECIAL TRUSTS

Land Value \$'000	WA %	NSW ^(a) %	VIC ^(b) %	QLD ^(c) %	SA %	TAS %	NT %	ACT ^(d) %
100	–	1.60	0.36	–	–	0.46	Not Levied	0.89
200	–	1.60	0.37	–	–	0.51		0.98
300	–	1.60	0.40	–	–	0.52		1.10
400	0.02	1.60	0.45	0.58	0.13	0.65		1.22
500	0.04	1.60	0.47	0.80	0.20	0.82		1.30
1,000	0.06	1.60	0.64	1.25	1.02	1.16		1.44
3,000	0.53	1.69	0.83	1.50	2.81	1.39		1.54
5,000	0.81	1.82	1.40	1.50	3.16	1.43		1.56
10,000	1.12	1.91	1.82	1.75	3.43	1.47		1.58

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

^(b) For properties owned by special trusts.

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

^(d) For commercial properties.

Changes to the Rate Scale

In 1986-87 the maximum marginal rate was reduced from 2.4% to 2.0%. 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 2.0% to 2.3% for land with an unimproved value between \$2 million and \$5 million, and to 2.5% for land with an unimproved value exceeding \$5 million.

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

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

From 1 July 2005, land tax was levied on the portion of the aggregate taxable value of land above the exemption threshold, rather than on the total value once the exemption threshold is reached. In addition, the exemption threshold was increased from \$100,000 to \$130,000, the second threshold from \$220,000 to \$290,000 and the third threshold from \$570,000 to \$750,000. The marginal rate for the third threshold was reduced from 1.76% to 1.62%.

From 1 July 2006, the exemption threshold was increased from \$130,000 to \$150,000, the second threshold increased from \$290,000 to \$390,000 and the third threshold from \$750,000 to \$875,000.

From 1 July 2007, the exemption threshold was increased to \$250,000, with the other thresholds increased to \$875,000, \$2,000,000, \$5,000,000 and \$10,000,000. The corresponding marginal tax rates were set at 0.15%, 0.75%, 1.30%, 1.55% and 2.30% respectively.

From 1 July 2008, the exemption threshold was increased to \$300,000, with the other thresholds increased to \$1,000,000, \$2,200,000, \$5,500,000 and \$11,000,000. The corresponding marginal tax rates were reduced to 0.09%, 0.47%, 1.22%, 1.46% and 2.16% respectively.

Changes to Exemptions and Concessions

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

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

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

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

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

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

In 1995-96, the primary production exemption was extended to land used by the owner for the purpose of breeding horses. Also, a 50% concession was provided to certain primary producers who do not meet a 'one third of net income from primary production' test.

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

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

The land tax exemption for principal places of residence held by a company or trust was removed from 1 July 2002.

From 1 July 2004, land held under an approved conservation covenant is exempt from land tax.

From 1 July 2005, caravan parks were entitled to a 50% land tax concession. From 1 July 2010, a land tax exemption applies to land used as caravan parks.

From 1 July 2006, the exemption period for persons constructing new residences was extended from 12 months to two years and parents, grandparents or siblings providing independent accommodation for disabled children were exempted from land tax.

From 1 July 2007, 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 (including multiple property owners who are subject to the land tax aggregation provisions).

Land Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	220.7	12.9	298.0	7.1
2001-02	225.7	2.3	296.8	-0.4
2002-03	259.6	15.0	332.1	11.9
2003-04	279.7	7.7	350.6	5.6
2004-05	315.5	12.8	383.4	9.3
2005-06	312.9	-0.8	364.8	-4.8
2006-07	385.6	23.2	432.3	18.5
2007-08 ^(a)	420.6	9.1	455.2	5.3
2008-09 ^(a)	568.0	35.0	596.6	31.1
2009-10 ^(a)	528.5	-7.0	541.5	-9.2
2010-11 ^{(a)(b)}	527.7	-0.1	527.7	-2.5

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

^(b) 2010-11 Mid Year Review estimate.

Metropolitan Region Improvement Tax

Metropolitan Region Improvement Tax (MRIT) 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 Office 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 bays.

For residential properties, the levy is based on the Net Annual Value which is currently legislated to be 5% of the full (unencumbered) value of the property. For commercial properties, the Net Annual Value is 5% of the value of the property or the council-determined equivalent rent, whichever is greater. The rate of tax charged is 0.385% of the Net Annual Value.

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

Changes to the Rate Scale

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

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

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

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

Changes to Exemptions and Concessions

As for land tax.

MRIT Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	36.1	14.6	48.7	8.7
2001-02	37.8	4.7	49.7	2.0
2002-03	38.9	2.9	49.8	0.1
2003-04	43.6	12.1	54.7	9.9
2004-05	47.1	8.0	57.3	4.7
2005-06	53.4	13.4	62.3	8.8
2006-07	65.0	21.6	72.9	17.0
2007-08 ^(a)	76.0	16.9	82.3	12.9
2008-09 ^(a)	82.2	8.2	86.3	5.0
2009-10 ^(a)	78.3	-4.7	80.2	-7.1
2010-11 ^{(a)(b)}	79.4	1.4	79.4	-1.0

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

^(b) 2010-11 Mid Year Review estimate.

Financial Transactions Taxes

Insurance Duty

Insurance duty is generally paid by insurers and is based on the value of the insurance premium. It is collected under the *Duties Act 2008*, which is administered by the Office 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, insurance under the Defence Service Homes Insurance Scheme and commercial marine hulls are exempt from duty. Health insurance and superannuation policies, workers' compensation insurance, life insurance and re-insurance are also exempt.

Interstate Comparison

INSURANCE DUTY (% OF PREMIUMS)								
	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
General	10.0	9.0 ^(a)	10.0	7.5 ^(a)	11.0	8.0 ^(a)	10.0	10.0
Workers' Comp	Nil	Nil	Nil	5.0	Nil	Nil	Nil	Nil
Life Insurance	Nil	\$1.00 for first \$2,000 and 20c per \$200 over \$2,000	12c per \$200 up to \$2,000 and 24c per \$200 over \$2,000	5c per \$100 up to \$2,000 and 10c per \$100 over \$2,000	Annual licence of \$1.50 per \$100	10c per \$200 up to \$2,000 and 20c per \$200 over \$2,000	10c per \$100	\$1.00 for first \$2,000 and 10c per \$100 over \$2,000
		<i>Term, temporary or riders:</i>	<i>Term or temporary:</i>	<i>Term or temporary:</i>		<i>Term or temporary:</i>	<i>Term or temporary:</i>	<i>Term, temporary or riders:</i>
		5% of first year's premium	5% of first year's premium	5% of first year's premium		5% of first year's premium	5% of first year's premium	5% of first year's premium

^(a) Not including motor vehicle insurance.

Changes to the Rate Scale

Duty on life insurance was introduced from 1 November 1983.

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

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

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

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

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

Changes to Exemptions and Concessions

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

Insurance Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	155.9	11.9	210.5	6.1
2001-02	176.2	13.0	231.7	10.0
2002-03	220.2	25.0	281.7	21.6
2003-04	278.7	26.5	349.4	24.0
2004-05	279.9	0.4	340.2	-2.6
2005-06	296.3	5.9	345.5	1.6
2006-07	308.5	4.1	345.9	0.1
2007-08 ^(a)	342.5	11.0	370.7	7.2
2008-09 ^(a)	376.5	9.9	395.5	6.7
2009-10 ^(a)	404.0	7.3	414.0	4.7
2010-11 ^{(a)(b)}	431.4	6.8	431.4	4.2

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

^(b) 2010-11 Mid Year Review estimate.

Motor Vehicle Taxes and Fees

Vehicle Licence Duty

Vehicle licence duty (i.e. stamp duty on motor vehicle licence transfers under the previous *Stamp Act 1921*) 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 is collected by the Department of Transport on behalf of the Office of State Revenue. It is collected under the *Duties Act 2008* and the *Road Traffic Act 1974*, which are administered by the Office of State Revenue and the Department of Transport respectively.

Rate of Tax

New and Used Heavy Vehicles (over 4.5 tonnes)

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

New and Used Light Vehicles

Market Value of Vehicle	Tax Rate
\$0 – \$25,000	2.75%
\$25,001 – \$50,000	2.75% – 6.50% ^(a)
Over \$50,000	6.5%

^(a) The rate slides proportionately from 2.75% at \$25,000 to 6.50% at \$50,000 as follows:

$$\text{Duty} = V \times [2.75\% + ((V - 25,000) / 25,000) \times (6.50\% - 2.75\%)]$$

Where V is the vehicle value.

Exemptions and Concessions

Transfers of vehicles to dealers for re-sale are exempt from duty, as are purchases of all vehicles exempt from annual licence fees under the *Road Traffic Act 1974* (includes certain off-road vehicles used in farming and mining, government vehicles, vehicles purchased by certain charities, and vehicles purchased by holders of a TPI card issued by Veteran's Affairs or an Invalid Rehabilitation card issued by Centrelink). Caravans and camper trailers are exempt, as well as vehicles in certain circumstances which have been previously registered in the applicant's name in another jurisdiction.

Interstate Comparison

DUTY ON MOTOR VEHICLES (BASED ON MARKET VALUES)

WA	NSW	VIC	QLD	SA	TAS	NT	ACT
As above	Passenger Vehicles: Under \$45,000: \$3 per \$100 Over \$45,000: \$1,350 plus \$5 per \$100 in excess of \$45,000 Other Vehicles: \$3 per \$100	New Passenger: \$0– \$57,466: \$5 per \$200 Over \$57,466: \$10 per \$200 New non-passenger: \$5 per \$200 Used: \$8 per \$200	1-4-cylinder vehicles: \$3 per \$100 5-6-cylinder vehicles: \$3.50 per \$100 7 or more cylinder vehicles: \$4 per \$100 Hybrid/Electric Vehicles: \$2 per \$100	Min \$5 duty \$0-\$1,000: \$1 per \$100 \$1,001 – \$2,000: \$10 + \$2 per \$100 in excess of \$1,000 \$2,001 – \$3,000: \$30 + \$3 per \$100 in excess of \$2,000 Over \$3,000: \$60 + \$4 per \$100 in excess of \$3,000 Commercial: As above except vehicles over \$2,000: \$30 + \$3 per \$100 in excess of \$2,000	Passenger Vehicles: Under \$600: \$20 \$600- \$34,999: \$3 per \$100 \$35,000 – \$40,000: \$1,050+ \$11 per \$100 in excess of \$35,000 Over \$40,000: \$4 per \$100 Heavy Vehicles: Under \$2,000: \$20 Over \$2,000: \$1 per \$100 in excess of \$2,000	\$3 per \$100	New Passenger Vehicles^(a): Green Vehicle Rating ^(b) : A- Nil B - \$2 per \$100 C - \$3 per \$100 D - \$4 per \$100 Other Vehicles: \$3 per \$100

^(a) Different rates apply to new passenger vehicles valued above \$45,000.

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

Overview of State Taxes, Western Australia

DUTY ON SELECTED VEHICLES										
Vehicle Value	WA	NSW	VIC		QLD		SA	TAS	NT	ACT
	Non-heavy	Passenger	New	Used	4 cylinders	6 cylinders	Private	Passenger		C Rating ^(a)
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
5,000	138	150	125	200	150	175	140	150	150	150
10,000	275	300	250	400	300	350	340	300	300	300
20,000	550	600	500	800	600	700	740	600	600	600
30,000	1050	900	750	1,200	900	1,050	1,140	900	900	900
40,000	2000	1,200	1,000	1,600	1,200	1,400	1,540	1,600	1,200	1,200
50,000	3,250	1,600	1,250	2,000	1,500	1,750	1,940	2,000	1,500	1,600
60,000	3,900	2,100	3,000	2,400	1,800	2,100	2,340	2,400	1,800	2,100

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

AVERAGE TAX RATES										
Vehicle Value	WA	NSW	VIC		QLD		SA	TAS	NT	ACT
	Non-heavy	Passenger	New	Used	4 cylinders	6 cylinders	Private	Passenger		C Rating
\$	%	%	%	%	%	%	%	%	%	%
5,000	2.75	3.00	2.50	4.00	3.00	3.50	2.80	3.00	3.00	3.00
10,000	2.75	3.00	2.50	4.00	3.00	3.50	3.40	3.00	3.00	3.00
20,000	2.75	3.00	2.50	4.00	3.00	3.50	3.70	3.00	3.00	3.00
30,000	3.50	3.00	2.50	4.00	3.00	3.50	3.80	3.00	3.00	3.00
40,000	5.00	3.00	2.50	4.00	3.00	3.50	3.85	4.00	3.00	3.00
50,000	6.50	3.20	2.50	4.00	3.00	3.50	3.88	4.00	3.00	3.20
60,000	6.50	3.50	5.00	4.00	3.00	3.50	3.90	4.00	3.00	3.50

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 5.0%.

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 (the range over which the rate slides up from 2.75% to 6.50%).

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

From 1 July 2007, caravans and camper trailers permanently fitted for human habitation were exempted from duty.

Vehicle Licence Duty Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	161.1	0.6	217.5	-4.6
2001-02	180.7	12.2	237.6	9.2
2002-03	231.7	28.2	296.4	24.7
2003-04	273.0	17.9	342.3	15.5
2004-05	302.5	10.8	367.7	7.4
2005-06	342.2	13.1	399.0	8.5
2006-07	392.6	14.7	440.1	10.3
2007-08 ^(a)	392.8	0.1	425.1	-3.4
2008-09 ^(a)	317.6	-19.1	333.6	-21.5
2009-10 ^(a)	331.6	4.4	339.7	1.8
2010-11 ^{(a)(b)}	349.8	5.5	349.8	3.0

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

^(b) 2010-11 Mid Year Review estimate.

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 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 less than 4.5 tonnes), the licence fee component of the registration fee is currently \$17.02 per 100 kg of tare weight (or part thereof). The example in the table below indicates the licence fees payable on a 6-cylinder Holden Commodore (on the basis of 1,645 kg tare weight) for family or business use. The difference of \$65 is due to a discount for family vehicles.

	Family Use \$ per annum	Business Use \$ per annum
Holden Commodore	230.94	295.94

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

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

Licence Fee Exemptions and Concessions

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

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

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

A flat annual discount of \$65 applies to family vehicles (non-business vehicles).

Interstate Comparison

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

MOTOR VEHICLE LICENCE FEES^(a)								
	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
	\$ p.a.							
Holden Commodore								
Family Use	230.94	381.00	187.40	428.05	208.00	118.00	108.00	400.80
Business Use	295.94	594.00	187.40	428.05	208.00	118.00	108.00	620.70

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

Changes to Licence Fees

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

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

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

MOTOR VEHICLE LICENCE FEES SINCE 1989

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

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

Changes to Exemptions and Concessions

Since 1 January 1987, aged pensioners who hold Pensioner Health Benefits Cards (now Pensioner Concession Cards) have received a 50% concession on licence fees.

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

From 1 July 1998, the family discount was fixed at \$28 and the 25% concession for diesel powered vehicles was removed. The 25% concession for intrastate vehicles was phased out in two stages by 1 July 1999.

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

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

Motor Vehicle Licence Fee Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	253.8	11.4	342.7	5.6
2001-02	272.1	7.2	357.8	4.4
2002-03	298.6	9.7	382.0	6.8
2003-04	320.3	7.3	401.5	5.1
2004-05	341.3	6.6	414.8	3.3
2005-06	361.1	5.8	421.0	1.5
2006-07	396.4	9.8	444.4	5.6
2007-08 ^(a)	434.3	9.6	470.0	5.8
2008-09 ^(a)	486.1	11.9	510.6	8.6
2009-10 ^(a)	515.8	6.1	528.5	3.5
2010-11 ^{(a)(b)}	546.0	5.9	546.0	3.3

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

^(b) 2010-11 Mid Year Review estimate.

Motor Vehicle Recording Fees

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

The recording fee is \$13.05 per renewal.

Gambling Taxes

Lotteries Commission

The Lotteries Commission of Western Australia, trading as Lotterywest, raises money through sales of Lotto, Soccer Pools, Cash 3 and instant lotteries for distribution to the Hospital Fund, the Arts Lotteries Account, the Sports Lotteries Account, cultural activities such as the Festival of Perth and the commercial film industry in Western Australia. The Lotteries Commission also funds a significant direct grants program for community and 'not for profit' organisations and events.

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

Rate of Tax

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

Interstate Comparison

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

WA	40% of net subscriptions (sales net of any add-on commission less prize liability) is paid to the Hospital Fund; 12.5% of net subscriptions plus any surplus funds is paid to such eligible organisations as the Commission thinks fit and the Minister approves; 5% of net subscriptions is paid into the Sports Lotteries Account; 5% of net subscriptions is paid into the Arts Lotteries Account; and up to 5% of net subscriptions is used to support the Festival of Perth and the WA film industry.
NSW	Tax is based on 66.1% of player loss (i.e. subscriptions less outgoings for the public lottery).
VIC	79.4% (where GST is payable) or 90.0% (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 Hospitals Fund. 57.52% (where GST is payable) or 68.0% (where GST is not payable) of player loss for Soccer Pools.
QLD	62% of gross revenue (i.e. player loss) for lotteries, 55% for instant scratch-its, 45% for Golden Casket lotteries, 59% for Soccer Pools. 8.5% of these revenues are allocated to the Community Investment Fund. GST credit is provided.
SA	Lotto, Powerball, Super 66 and instant scratchies: 41% of net gambling revenue (i.e. player loss) plus remaining surplus hypothecated to the Hospitals Fund. Sports and special lotteries: 41% of net gambling revenue plus distributable surplus hypothecated to the Recreation and Sport Fund.
TAS	Tasmania receives 100% of the duty paid to the Victorian Government for Tasmanian subscriptions to Tattersalls lotteries and Soccer Pools. All the funds are paid into the CF.
NT	NT receives 100% of the duty paid to the Victorian Government for NT subscriptions to Tattersall's lotteries and Soccer Pools. All funds received are paid into the Lotteries Fund Account, where payments are made to charitable organisations or transferred to the CF and Sports and Recreational Development Fund. 55% of player loss (less GST) for instant lottery products.
ACT	ACT receives 100% of the duty paid to the Victorian Government or NSW Government for all ACT subscriptions to games. The ACT receives 22% of all ticket sales paid to the QLD Government for ACT subscriptions.

Changes in Lotteries Commission's Products

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

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

In 2006, the Commission, with New South Wales and South Australia, entered into a 'mini-bloc' for Monday and Wednesday Lotto games.

Lotteries Surpluses

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	73.9	-14.5	99.8	-18.9
2001-02	71.5	-3.2	94.0	-5.8
2002-03	74.9	4.7	95.8	1.9
2003-04	75.3	0.6	94.4	-1.4
2004-05	76.8	1.9	93.3	-1.2
2005-06	80.4	4.8	93.7	0.5
2006-07	88.0	9.4	98.7	5.2
2007-08 ^(a)	121.0	37.5	131.0	32.7
2008-09 ^(a)	133.8	10.6	140.5	7.3
2009-10 ^(a)	129.8	-3.0	133.0	-5.4
2010-11 ^{(a)(b)}	133.5	2.9	133.5	0.4

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

^(b) 2010-11 Mid Year Review estimate.

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;

Overview of State Taxes, Western Australia

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

The GST re-imbusement to the Lotteries Commission was about \$15.4 million in 2000-01 (the first year) increasing to about \$32.0 million in 2009-10.

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 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
Electronic gaming machines	20%
Table games (including Keno)	18%
International commission business	11%

In July 2010, the State Government approved the expansion of the casino complex to accommodate 250 additional electronic gaming machines and 50 additional gaming tables. The composite rate of tax on the casino's electronic gaming machines will increase annually by 0.125 percentage points over five years from 1 July 2011, to a total of 20.625% in 2015-16.

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

An annual licence fee of around \$2.4 million is also payable in advance in four quarterly instalments to the Gaming and Wagering Commission of Western Australia to defray its running costs. The annual licence fee is adjusted for inflation each year.

Exemptions and Concessions

Nil.

*Interstate Comparison***CASINO TAX RATES**

WA	<p>20% of electronic gaming machine gross revenue, 18% of table games (including keno) gross revenue and 11% of international commission business gross revenue. From 1 July 2011, the effective rate of tax on the casino's electronic gaming machines will increase annually by 0.125 percentage points over five years to 20.625% on and from 1 July 2015. An additional levy of 2.0% applies on electronic gaming machine revenue for the conservation of the Burswood Park and the Swan/Canning River.</p> <p>The Burswood Casino made an additional one-off payment of \$20 million in 2010 in relation to its casino expansion.</p>
NSW	<p>A single rate of 14.41% applies to both table games and electronic gaming machines. A 1% super tax also applies for each \$5 million of gross revenue above \$630.5 million, to a maximum of 38.91%. Plus a 2% Responsible Gambling Levy on gross gaming revenue. The single tax rate will increase each year until 2012-13 to a maximum of 16.41% for gross revenue up to \$665.7 million.</p> <p>The international high roller program was re-activated in 2006. Under the agreement, 10% duty applies to gross gaming revenue with a minimum non-refundable instalment of \$3 million paid in January and July each year.</p>
VIC	<p>24.69% of gross revenue applies to gaming machines plus 1% super tax for each \$20 million gross revenue above \$500 million, to a max super tax of 20% on gross revenue over \$380 million. Plus annual health benefit levy of \$4,333.33 per gaming machine. From 1 January 2010, casino tax on the Crown Casino's electronic gaming machines increased by 1.72% and will continue to increase progressively by 1.72% on and from each anniversary of 1 July 2010. The final such increase in the tax rate will occur on and from 1 July 2014.</p> <p>21.25% of gross revenue from table games plus super tax.</p> <p>9% of gross revenue applies to high roller tables and commission-based gaming machine revenue, plus super tax of 1% for each \$20 million of gross revenue over \$160 million up to a max of 12.25% on gross revenue over \$220 million.</p> <p>1% community benefit levy applies to regular and commission-based players.</p>
QLD	<p>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.</p> <p>For premium players: 10% of gross gaming revenue for all Queensland casinos.</p> <p>8.5% of casino tax revenue is allocated to the Community Investment Fund.</p>
SA	<p>0.91% of net table gambling revenue (i.e. player loss) plus 34.41% of net gaming machine revenue.</p>
TAS	<p>5.88% of gross profit on Keno and 0.88% of gross profit on table gaming. 20.88% of first \$35 million of gross profit on gaming machines and 25.88% on gross profit in excess of \$35 million.</p>
NT	<p>8% of gross profit on table games and 21% of gross profit on gaming machines for Lasseters Casino. 12% of gross profit on table games and keno and 9.09% of gross profit on commission-based games for Skycity Darwin Casino. 4% of gross profit on international sourced bets for Internet Casino.</p>
ACT	<p>10.9% of gross revenue for general gaming, 0.9% of gross revenue on commission-based gambling.</p>

CASINO LICENCE FEES

WA	One-off payment of \$20.6 million in 1985 for the security of the licence, plus an annual licence fee (\$2.4m in 2010), indexed annually.
NSW	A one-off non-refundable payment of \$256 million. Plus an exclusivity payment of \$100 million in 2007 to extend the exclusivity agreement until 2019.
VIC	\$358.4 million (instalments fully paid in 1999).
QLD	A quarterly licence fee of \$194,361 in 2010-11, indexed annually.
SA	Nil.
TAS	A monthly licence fee of \$136,600 in 2010-11, indexed annually.
NT	Nil.
ACT	An annual licence fee of \$806,544 for 2009-10, indexed annually.

Changes to the Rate Scale

Prior to 24 December 2002, casino tax was 15% of casino gross revenue for all gaming.

From 24 December 2002, the single casino tax was replaced with a three tier scale with different rates applying to international gaming, domestic table gaming and gaming machines.

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

Casino Tax Collections

WESTERN AUSTRALIA

	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	18.6	-57.0	25.1	-59.3
2001-02	16.2	-12.9	21.3	-15.2
2002-03	16.5	1.6	21.1	-1.1
2003-04	22.4	36.4	28.1	33.6
2004-05	23.3	3.7	28.3	0.6
2005-06	29.4	26.1	34.2	21.0
2006-07	36.5	24.3	40.9	19.5
2007-08 ^(a)	83.7	129.3	90.6	121.4
2008-09 ^(a)	90.8	8.5	95.4	5.3
2009-10 ^(a)	92.2	1.5	94.5	-1.0
2010-11 ^{(a)(b)}	112.0	21.5	112.0	18.6

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

(b) 2010-11 Mid Year Review estimate.

GST Re-imbursments

As part of the intergovernmental agreement on the GST, the States agreed to adjust their gambling tax arrangements from 1 July 2000 to 'make room' for the GST (see also the section on the Lotteries Commission). In regard to casino tax, a rebate of \$45.6 million was paid in 2009-10 to the operator to compensate for their GST liability.

Betting Taxes

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

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

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

Overview of State Taxes, Western Australia

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

The Racing Bets Levy is collected under the *Racing Bets Levy Act 2009*. The levy applies to all wagering operators who use or publish WA race fields.

The on-course Totalisator Duty was abolished in WA in 1996.

Rate of Tax

From 1 July 2007, the rate of tax on off-course racing (RWWA) wagers was changed from 4.5% of betting turnover to a tax rate of 11.91% of gross margin (net of GST).

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

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

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

Exemptions and Concessions

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

Interstate Comparison

CURRENT TAX RATES % (REVENUE PAID TO GOVERNMENT)								
	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
Wagering Tax	11.91% of gross margin	(a)	(a)	(b)	(c)	(e)	(f)	(g)
On-course Totalisator Duty	0.0	(a)	(a)	(b)	(d)	(e)	(f)	(g)
Bookmakers' Betting Levy (Sport)^(h)	0.5% of turnover (racecourse)	0.0	(a)	(b)	(i)	0.0	(j)	6.0
	1.5% of turnover (sport event)							
Racing Bets Levy								
Thoroughbred	1.5% of turnover	(k)	(l)	(l)	(m)	(m)	0.0	0.0
Harness	OR	(k)	(k)	(l)	(m)	(m)	0.0	0.0
Greyhound	the greater of: 20% of gross revenue or 0.2% of turnover	(k)	(m)	(l)	(m)	(m)	0.0	0.0

- (a) 19.11% of player loss.
- (b) 20% of player loss, of which 8.5% is allocated to the Community Benefit Fund.
- (c) 6% of net wagering revenue (i.e. player loss) (while in Government ownership). 45% of TAB distributable surplus is hypothecated to the Hospital Fund.
- (d) Abolished from 1 July 2005.
- (e) Tax abolished 1 August 2000. A fixed annual Totalisator Wagering Levy is paid by the licence holder. The levy is indexed annually.
- (f) NT's betting taxes are levied on the type of event rather than the type of bet. These 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.
- (g) A monthly licence fee plus a dividend and tax equivalents of around 3.6%.
- (h) The Bookmakers' Betting Levy with respect to racing has been abolished in all States and Territories except for the NT.
- (i) 0.25% of turnover for internationally sourced bets. Nil for domestic sourced bets.
- (j) 10% of gross profit for internationally sourced bets with a maximum of \$250,000 per annum payable. Nil for domestic sourced bets.
- (k) 1.5% turnover. NSW greyhound racing is either 1.5% of turnover or 10% of gross revenue.
- (l) 10% gross revenue and 15% gross revenue premium.
- (m) 10% gross revenue

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.

Overview of State Taxes, Western Australia

The TAB Betting Tax rate was increased from 6% to 7% of TAB turnover in 1983. In 1988-89, both the TAB Betting Tax and Totalisator Duty rates were reduced to 6%.

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 TAB Betting Tax rate was reduced to 5%, the on-course Totalisator Duty was abolished, and 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 1 February 2001, the TAB Betting Tax rate was effectively reduced from 5.0% 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 represents an equivalent rate reduction from 4.5% to 3.5% of turnover. The tax rate for totalisator sports betting remains unchanged at 5% of turnover.

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

From 11 January 2010, the 2% Bookmakers' Betting Levy payable on horse and greyhound racing was abolished.

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

Changes to Exemptions and Concessions

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

Wagering Tax Collections

WESTERN AUSTRALIA				
	Revenue Collections	Change (Nominal)	Revenue in 2010-11 Dollars	Change (Real)
	\$m	%	\$m	%
2000-01	27.9	-30.1	37.7	-33.7
2001-02	24.8	-11.1	32.6	-13.4
2002-03	26.9	8.5	34.4	5.6
2003-04	34.0	26.4	42.7	23.9
2004-05	33.7	-0.8	41.0	-3.9
2005-06	36.1	6.9	42.1	2.6
2006-07	39.5	9.5	44.3	5.3
2007-08 ^(a)	30.4	-23.0	32.9	-25.7
2008-09 ^(a)	32.0	5.3	33.6	2.2
2009-10 ^(a)	31.7	-1.0	32.4	-3.5
2010-11 ^{(a)(b)}	32.8	3.6	32.8	1.1

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

^(b) 2010-11 Mid Year Review estimate.

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 the RWVA 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.

Other Fees and Levies

Emergency Services Levy

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

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

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

The levy is based on the property's gross rental value and the levy rate varies according to regions. In 2010-11, the levy is expected to raise approximately \$201 million.

Loan Guarantee Fees

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

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

The expected revenue to be collected from Loan Guarantee Fees in 2010-11 is approximately \$25 million.

Appendix

A Summary of Tax Changes in 2010-11 in all States and Territories

The following is a summary of the major tax changes announced in 2010-11 State Budgets and other major changes announced up to 31 October 2010.

Western Australia

Payroll Tax

The harmonisation of grouping provisions with other States will be deferred to 1 July 2012 (previously scheduled for 1 July 2009).

Transfer Duty

The abolition of duty on transfers of non-real business assets has been deferred to 1 July 2013 (previously scheduled for 1 July 2010).

A 1.5% concessional rate on all residential properties valued at less than \$200,000 is to be abolished from 1 July 2013 (previously legislated to be abolished by 1 July 2010).

Land Tax

From 1 July 2010, a land tax exemption applies to land used as caravan parks.

Casino Tax

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

An additional one-off licence fee of \$20 million will apply in relation to the casino expansion.

New South Wales

Payroll Tax

From 1 July 2010, the payroll tax rate was reduced from 5.65% to 5.50%. This was previously scheduled to be introduced from 1 January 2011. A further reduction in the tax rate to 5.45% will take effect on 1 January 2011.

Overview of State Taxes, Western Australia

From 1 July 2010, the payroll tax exemption for maternity and adoption leave was extended to include paternity leave payments for up to 14 weeks for each pregnancy.

From 1 July 2010, the payroll tax rebate is not available for wages payable to a trainee who has been continuously employed by the employer for three months full-time or 12 months on a casual basis immediately before commencing work as a trainee.

Transfer Duty

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

From 1 July 2010 to 30 June 2012, a transfer duty exemption applies to people aged 65 or over who are selling an existing property and buying a newly constructed home worth up to \$600,000.

Victoria

Payroll Tax

From 1 July 2010, the payroll tax rate was reduced from 4.95% to 4.90% with an unchanged exemption threshold of \$550,000.

Land Tax

From the 2011 land tax year, the current land tax exemption for retirement villages, residential care facilities, supported residential services and residential services for people with disabilities will be extended to include the construction phase of these facilities (for a maximum construction period of two years).

Vehicle Duty

From 1 July 2010, the higher vehicle duty threshold increased from \$57,010 to \$57,466 to align the threshold with the Commonwealth luxury car tax threshold for 2010-11.

Casino Tax

From 1 January 2010, casino tax on the Crown Casino's electronic gaming machines increased from 22.25% to 23.97%. The tax rate will continue to

increase progressively by 1.72% on and from each anniversary of 1 July 2010, with the final such increase to occur on and from 1 July 2014.

Betting Tax

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

Queensland

Payroll Tax

The current payroll tax rebate of 25% of the eligible wages of apprentices and trainees will be extended until 30 June 2011 (previously scheduled to expire on 30 June 2010).

Transfer Duty

A transfer duty exemption has been introduced for the acquisition of property used as the principal place of residence of a person with a disability under a Special Disability Trust.

Land Tax

The current 50% cap on the annual growth in land values for land tax assessments will be extended to 30 June 2011 (previously scheduled to be abolished on 30 June 2010).

From 1 July 2010, an instalment payment option for land tax liabilities was introduced. Once land tax assessments have been issued, tax payers have the option of either paying their full amount of tax 90 days after they are given their assessment, or in three equal instalments at 45, 90 and 150 days after the assessment.

From 1 July 2010, a land tax exemption will apply for 'Level 3' supported accommodation facilities which provide both accommodation and personal care support.

From the 2011 valuation, Queensland will adopt a 'site value' methodology similar to that used in other Australian States.

South Australia

Payroll Tax

From 1 July 2010, a payroll tax exemption applies to the eligible wages of apprentices and trainees. The exemption replaces the payroll tax trainee rebate scheme which was abolished on 30 June 2010.

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

Transfer Duty

From 1 July 2012, transfer duty on non-real property transfers and non-quoted marketable securities will be abolished.

Landholder Duty

From 1 July 2011, the existing land rich provisions will be replaced with a landholder model. Adoption of the landholder model will remove the land to total assets test which currently determines whether an acquisition is liable for duty. Landholder duty will apply to both listed and unlisted entities holding South Australian land assets worth up to \$1 million. Listed entities will receive a concessional rate of duty of 10% of the amount that would be charged on all of the South Australian landholdings of the entity.

Land Tax

From 1 July 2010, the minimum land tax threshold increased from \$110,000 to \$300,000. Certain tax brackets and rates were also adjusted.

From 1 July 2011, land tax thresholds will be increased in line with average increases in site values.

From 2010-11, a land tax exemption is available for deceased estates for the first financial year following the death of the owner of the land. The exemption is conditional upon the property having been occupied by the deceased as their principal place of residence as at the time of their death.

From 1 July 2010, a full land tax exemption applies for certain buildings where less than 25% of the total floor area is used for a hotel, motel or similar accommodation. A partial exemption applies where between 25% and 75% of the total floor area of the buildings are used for the purposes of a hotel, motel or similar accommodation.

Tasmania

Payroll Tax

The Employment Incentive Scheme (Payroll Tax Rebate), which provided a full payroll tax rebate for any new positions created from 11 June 2009 to 30 June 2010, has been extended until 30 June 2011.

Land Tax

From 1 July 2010, the land tax rate was reduced to 1.5% for aggregated land values over \$350,000.

From 1 July 2010, a land tax exemption was introduced for certain shack owners with an assessed land value of \$500,000 or less and for home-based businesses.

From 1 July 2010, land owners who have received the First Home Owners Grant and construct and occupy a home as their principal place of residence are eligible for a rebate for up to two years land tax paid prior to the date of occupation.

Betting Taxes

From 1 July 2010, the 20% product levy on betting exchange commissions in respect of Australian events was abolished. The tax rate for events held within and outside of Australia was reduced, from 15% and 10% respectively, to 5%. The annual licence fee for betting exchanges was reduced from 350,000 fee units to 300,000 fee units.

Australian Capital Territory

Payroll Tax

A payroll tax exemption applies to the wages paid to employees who take part in volunteer emergency services activities from 1 July 2010.

Transfer Duty

From 1 July 2010, duty on the transfer of unlisted shares and marketable securities was abolished.

From 1 July 2010, a duty exemption applies to the transfer of property to a Special Disability Trust where the property will be used as the principal place of residence of the beneficiary of the trust.

Vehicle Duty

From 1 July 2010, a duty exemption applies to caravans and camping trailers.

Northern Territory

Transfer Duty

From 4 May 2010, the exemption threshold for first home owners increased from \$385,000 to \$540,000.

From 4 May 2010, a concession of up to \$8,500 applies to non-first home buyers aged 60 years or older and Northern Territory Pensioner and Carer Concession card holders.

The rebate for the purchase of a principal place of residence increased from \$2,500 to \$3,500 from 4 May 2010, subject to a value limit of \$750,000. The concession is not available to first home buyers or buyers eligible for the Senior, Pensioner and Carer Concession.

The stamp duty home owner incentive schemes have been extended from 4 May 2010 to home owners who acquire land or homes pursuant to a long-term lease granted under the *Aboriginal Land Rights (Northern Territory) Act 1976 (Cth)*.

From 4 May 2010, the home occupancy requirements of the home owner incentive schemes were changed so that a person building a home has five years to complete construction and a person purchasing a home has 12 months to occupy the home as their principal place of residence.

From 1 July 2010, the establishment of and the conveyance of property to a special disability trust will be exempt from transfer duty where no valuable consideration has been given for the conveyance.

Betting Taxes

From 1 January 2010, the Northern Territory's previous bookmaker's turnover tax was replaced with a tax based on gross monthly profits. The new tax rate is 10% of the bookmaker's gross monthly profit with a maximum annual amount payable of \$250,000.

