



GOVERNMENT OF
WESTERN AUSTRALIA

TREASURY DEPARTMENT

OVERVIEW OF
STATE TAXES
WESTERN AUSTRALIA
1999/2000

NOVEMBER 1999

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TREASURY DEPARTMENT
197 ST GEORGE'S TERRACE
PERTH WA 6000

Contents

	<i>Page No</i>
<i>Introduction</i>	1
<i>Summary Table</i>	2
<i>Business Taxes</i>	
Payroll Tax	3
Stamp Duty on Rental Business	7
<i>Financial Transactions Taxes</i>	
Financial Institutions Duty (FID)	9
Debits Tax	11
Stamp Duty on Insurance Policies	13
Stamp Duty on Mortgages	15
Stamp Duty on Marketable Securities	17
<i>Gambling Taxes</i>	
Lotteries Surpluses	19
Casino Tax	21
Betting Taxes	23
<i>Motor Vehicles and Drivers</i>	
Stamp Duty on Motor Vehicle Licences	26
Motor Vehicle Licence Fees	28
<i>Property Taxes</i>	
Stamp Duty on Conveyances	31
Land Tax	35
Metropolitan Region Improvement Tax (MRIT)	39
<i>Appendix 1</i>	
A Summary of Tax Changes in 1999/2000 in all States	40
<i>Appendix 2</i>	
Interstate Comparisons of Tax Efforts	45
<i>Appendix 3</i>	
The Consolidated Fund versus Government Finance Statistics	48
<i>Appendix 4</i>	
The Commonwealth Tax Reform Package and State Taxes	50

Introduction

Overview of State Taxes, Western Australia is prepared annually, both as an internal reference document for Treasury officers and as a ready reckoner for other agencies and individuals seeking information on State taxes. The main body of the document provides summary information on:

- *current tax rates;*
- *major exemptions and concessions;*
- *interstate comparisons of the current tax rates;*
- *historical information on changes to tax rates and bases; and*
- *revenue collections for the last ten years.*

The **Summary Table** indicates the contribution of each tax to total tax revenue. The Table is based on the items listed under *Taxes and Licences* in the post budget document *1998/99 Summary of Consolidated Fund Transactions*.

Appendix 1 provides a summary of *tax changes* introduced by the States and Territories in the latest (1999/2000) round of State Budgets.

Appendix 2 examines the extent of *under or over taxing* in Western Australia relative to the national average for each of the major taxes. This analysis is based on data published by the Commonwealth Grants Commission.

Appendix 3 compares the State taxation revenue statistics reported in the Consolidated Fund with those reported as part of the *Government Finance Statistics* by the Australian Bureau of Statistics. It also includes explanations for the differences in the two presentations.

Appendix 4 provides a summary of State taxes to be abolished under the national *tax reform package*.

This publication can be down-loaded from the following Internet site:

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

Summary Table

Summary of Taxes and Licences in Western Australia				
	1998/99	As % of	1999/00	As % of
	Actual	Taxes and	Budget	Taxes and
	Outturn	Licences	Estimate	Licences
	\$m	%	\$m	%
Business	805.6	32.4	866.9	33.4
Payroll Tax	771.8	31.1	833.5	32.1
Liquor Licence Fees	1.0	0.0	0.0	0.0
Stamp Duty On Rental Business	21.6	0.9	23.2	0.9
Other Business Licences and Fees	11.2	0.5	10.2	0.4
Financial Transactions	440.8	17.7	456.0	17.6
Financial Institutions Duty	126.3	5.1	131.2	5.1
Debits Tax	108.3	4.4	112.2	4.3
Stamp Duty On Insurance Policies	112.1	4.5	115.7	4.5
Stamp Duty On Mortgages	61.3	2.5	63.4	2.4
Stamp Duty On Marketable Securities	24.9	1.0	24.0	0.9
Stamp Duty On Cheques	7.8	0.3	9.5	0.4
Gambling	167.0	6.7	171.2	6.6
Lotteries Surpluses	84.2	3.4	82.7	3.2
Casino Tax	43.3	1.7	47.0	1.8
TAB Betting Tax	38.8	1.6	41.0	1.6
Video Lottery Terminals	0.6	0.0	0.5	0.0
Motor Vehicles	417.0	16.8	438.6	16.9
Stamp Duty On Vehicle Licences	138.5	5.6	162.6	6.3
Motor Vehicle Licence Fees	217.4	8.8	212.0	8.2
Recording Fees	34.8	1.4	32.5	1.3
Drivers' Licences	24.5	1.0	29.9	1.2
Other Vehicle Fees	1.7	0.1	1.6	0.1
Property	633.5	25.5	643.3	24.8
Stamp Duty On Conveyances	438.6	17.7	420.0	16.2
Land Tax	165.4	6.7	194.0	7.5
Metro Region Improvement Tax	29.5	1.2	29.3	1.1
Other	20.2	0.8	21.9	0.8
Other Stamp Duties	10.1	0.4	12.0	0.5
Other Licences and Fees	10.1	0.4	9.9	0.4
Total Taxes and Licences	2,484.1	100.0	2,597.9	100.0

Business Taxes

PAYROLL TAX

Payroll tax is paid monthly by employers on the basis of total wages (including employer funded superannuation benefits and other fringe benefits) paid to employees, generally in the preceding month. It is collected under the *Payroll Tax Assessment Act* and *Payroll Tax Act*, which are administered by the State Revenue Department.

Rate of Tax

Annual Payroll	Average Tax Rates
\$	%
0 – 675,000	Nil
675,000 – 2,700,000	0 – 3.65
2,700,000 – 4,500,000	3.65 – 4.60
4,500,000 – 5,625,000	4.60 – 5.56
5,625,000 and above	5.56

The tax payable under the above scale can be calculated using the following formulae:

Annual Payroll (P)	Tax Payable
\$	\$
0 – 675,000	Nil
675,000 – 2,700,000	$0.04867 (P - 675,000)$
2,700,000 – 4,500,000	$98,550 + 0.06025 (P - 2,700,000)$
4,500,000 – 5,625,000	$207,000 + 0.09400 (P - 4,500,000)$
5,625,000 and above	$0.05560 (P)$

Exemptions and Concessions

Payroll tax exemptions are available primarily to charitable institutions and Government departments.

The wages of all apprentices and trainees employed under an approved traineeship scheme are exempt.

Certain prescribed fringe benefits paid by employers to employees in remote areas are also exempt.

Interstate Comparisons

Payroll Tax Scales								
	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
Exemption Threshold \$	675,000	600,000	515,000	850,000	456,000	600,000	600,000	800,000
Max Rate %	5.56	6.40	5.75	5.00	6.00	6.60	6.75	6.85
Tax Scale	Average rate slides from 0 % at \$675,000 to 5.56% at \$5.625m	Marginal rate of 6.40% of payroll in excess of \$600,000	Marginal rate of 5.75% of payroll in excess of \$515,000	Average rate slides from 0 % at \$850,000 to 5.00% at \$3.4m	Marginal rate of 6.00% of payroll in excess of \$456,000	Marginal rate of 6.60% of payroll in excess of \$600,000	Marginal rate of 6.75% of payroll in excess of \$600,000	Marginal rate of 6.85% of payroll in excess of \$800,000

Tax Payable At Selected Payrolls								
Annual Payroll \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	NT \$	ACT \$
700,000	1,217	6,400	10,638	-	14,640	6,600	6,750	-
1,000,000	15,817	25,600	27,888	10,000	32,640	26,400	27,000	13,700
2,000,000	64,484	89,600	85,388	76,667	92,640	92,400	94,500	82,200
3,000,000	116,625	153,600	142,888	143,333	152,640	158,400	162,000	150,700
5,000,000	254,000	281,600	257,888	250,000	272,640	290,400	297,000	287,700
10,000,000	556,000	601,600	545,388	500,000	572,640	620,400	634,500	630,200
20,000,000	1,112,000	1,241,600	1,120,388	1,000,000	1,172,640	1,280,400	1,309,500	1,315,200

Average Tax Rates								
Annual Payroll \$	WA %	NSW %	VIC %	QLD %	SA %	TAS %	NT %	ACT %
700,000	0.17	0.91	1.52	0.00	2.09	0.94	0.96	0.00
1,000,000	1.58	2.56	2.79	1.00	3.26	2.64	2.70	1.37
2,000,000	3.22	4.48	4.27	3.83	4.63	4.62	4.73	4.11
3,000,000	3.89	5.12	4.76	4.78	5.09	5.28	5.40	5.02
5,000,000	5.08	5.63	5.16	5.00	5.45	5.81	5.94	5.75
10,000,000	5.56	6.02	5.45	5.00	5.73	6.20	6.35	6.30
20,000,000	5.56	6.21	5.60	5.00	5.86	6.40	6.55	6.58

Changes to Rate Scale since 1982

Changes in Payroll Tax Thresholds and Rates				
	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

Changes to the Payroll Tax Base since 1982

The payroll tax base was expanded to a wide range of employee benefits in 1997/98, including superannuation benefits and non-cash fringe benefits as defined and valued for Fringe Benefits Tax (FBT) purposes (this was accompanied by offsetting reductions in the payroll tax rates). Excluded from the base expansion were the major remote area fringe benefits and the 'grossing up' component of all benefits for FBT purposes.

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.

Changes to Concessions since 1982

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 annual leave travel assistance, power and water subsidies and child education bursaries.

Payroll Tax Collections

	Revenue Collections	Change	Revenue in 1999/00 Dollars	Change	Per Capita Revenue in 1999/00 Dollars
	\$m	%	\$m	%	\$
1989/90	499.2	10.9	613.0	2.4	383.90
1990/91	520.5	4.3	608.1	-0.8	374.17
1991/92	519.7	-0.2	602.6	-0.9	365.68
1992/93	529.0	1.8	611.7	1.5	366.65
1993/94	573.3	8.4	648.8	6.1	383.89
1994/95	589.4	2.8	644.5	-0.7	375.08
1995/96	635.9	7.9	669.2	3.8	382.44
1996/97	679.1	6.8	705.0	5.3	395.45
1997/98	723.5	6.5	752.9	6.8	414.99
1998/99	771.8	6.7	789.2	4.8	427.66
1999/00 (a)	833.5	8.0	833.5	5.6	445.01

(a) Budget Estimate

STAMP DUTY ON RENTAL BUSINESS

Stamp duty on rental business is paid by persons who are in the business of renting goods other than books or real estate. The duty is based on the rental income of the rental business. It is collected under the *Stamp Act*, which is administered by the State Revenue Department.

Rate of Duty

The current rate of duty is 1.8% of rental income, provided rental income exceeds \$25,000 per annum.

Where rental income exceeds \$25,000 per annum, duty is assessed on the total amount of rental income, not just the component exceeding \$25,000.

Certain service and maintenance costs can be deducted from the gross rental income. To avoid duty on duty, stamp duty which is passed on to customers is also an allowable deduction.

Exemptions and Concessions

The rental of goods to businesses selling or on-hiring the goods is exempt from duty. Rental income from State government agencies which have been designated by the Minister is also exempt.

Interstate Comparison

Stamp Duty on Rental Business

WA	NSW	VIC	QLD	SA	TAS	NT	ACT
1.8% of total rental income	0.75% of commercial rentals with a min. of \$2	0.75% of rental income in excess of \$6,000 per month	0.43% of total rental income	1.8% of rental income in excess of \$24,000 pa	2% of rental income in excess of \$4,000 per month	1.5% of total rental income	0.75% of commercial rentals with a min. of \$2
	1.5% of short term and non-financial rentals						1.5% of short term and non-financial rentals
	Max duty of \$10,000 per rental	Max duty of \$4,000 per rental				Max duty of \$7,500 per rental	Max duty of \$10,000 per rental.
No duty if rental income is less than \$25,000 pa	First \$6,000 of rental income of each month is exempt	First \$6,000 of rental income of each month is exempt	No duty if rental income is less than \$100,000 pa	First \$24,000 of rental income per annum is exempt	First \$4,000 of rental income of each month is exempt	No duty if rental income is less than \$12,000 pa	First \$6,000 of each month is exempt
Service costs deductible	No deductions	No deductions	No deductions	Service costs deductible	No deductions	No deductions	No deductions

Changes to the Rates since 1982

Nil.

Changes to Concessions since 1982

The annual rental income ceiling for the option to submit an annual return instead of monthly returns was increased from \$5,000 to \$20,000 in 1986/87 and then to \$50,000 in 1987/88.

The rental income exemption threshold of \$25,000 per annum was introduced on 1 January 1988.

Stamp Duty Collections from Rental Business

	Revenue Collections		Revenue In 1999/00		Per Capita Revenue
	\$m	%	\$m	%	In 1999/00 Dollars
					\$
1988/89	16.8	24.8	22.3	16.1	14.31
1989/90	19.1	14.0	23.5	5.2	14.70
1990/91	17.5	-8.2	20.5	-12.6	12.61
1991/92	15.6	-10.9	18.1	-11.6	11.00
1992/93	14.8	-5.6	17.1	-5.8	10.23
1993/94	15.0	1.9	17.0	-0.3	10.07
1994/95	14.8	-1.7	16.2	-5.0	9.41
1995/96	17.0	15.0	17.9	10.7	10.23
1996/97	19.2	13.2	20.0	11.7	11.21
1997/98	20.3	5.5	21.1	5.7	11.65
1998/99	21.6	6.5	22.1	4.6	11.98
1999/00 (a)	23.2	7.3	23.2	4.9	12.39

(a) Budget Estimate

Financial Transactions Taxes

FINANCIAL INSTITUTIONS DUTY (FID)

FID is paid monthly by registered financial institutions whose dutiable receipts (deposits) exceed \$5 million in the twelve months preceding the month of assessment. Financial institutions subject to this duty include banks, permanent building societies, credit unions, dealers in securities and trustee companies. The duty is collected under the *Financial Institutions Duty Act*, which is administered by the State Revenue Department.

In most instances the cost of the duty is directly passed on to the customer.

General Rate of Duty

Currently 6.0 cents per \$100 on amounts deposited, subject to a maximum duty of \$1,200 on any single deposit.

Money Market Rates of Duty

- (a) Certified dealers, comprising market operators such as short-term money market dealers or trading banks, are liable to pay duty at the rate of 0.005% on one tenth of their average daily Australia-wide liabilities during a month.
- (b) Prescribed short-term dealers which are registered financial institutions (eg. savings banks, building societies, and credit unions) are liable to pay duty at the rate of 0.004% on their average daily investments during a month.
- (c) Prescribed short-term dealers which are not registered financial institutions (eg. corporates) are liable to pay duty each month at the rate of 0.004% on either their average daily liabilities or their average daily investments, whichever is the greater in the particular month.

Exemptions

Institutions such as insurance companies, superannuation funds and medical or hospital benefits organisations are not liable to pay the duty.

Accounts operated by certain government authorities and charitable organisations and direct credits of Commonwealth social security payments (including UK sourced social security pensions) to recipients' accounts are exempt from FID.

Other exemptions and exempt accounts are listed in sections 10(4) and 13 to 21 of the *Financial Institutions Duty Act 1983*. Many of these exemptions are designed to prevent double payment of duty.

Interstate Comparison

	WA	NSW	VIC	QLD	SA ^(a)	TAS	NT	ACT
Cents/\$100 of Receipt	6.0	6.0	6.0	Nil	6.5	6.0	6.0	6.0
Maximum Duty Per Receipt \$	1,200	1,200	1,200	Nil	1,200	1,200	1,500	1,200

(a) Includes a local government levy of 0.5 cents per \$100 of receipt.

Changes in Duty since 1984

	Cents/\$100
1 January 1984 (first introduced)	5.0
1 January 1985	3.0
1 January 1986	2.0
1 November 1989	3.5
1 November 1990	6.0

The maximum duty payable on a single deposit was increased from \$500 to \$1,200 in November 1990.

FID Collections

	Revenue		Revenue		Per Capita
	Collections	Change	In 1999/00 Dollars	Change	Revenue In 1999/00 Dollars
	\$m	%	\$m	%	\$
1988/89	36.8	15.3	48.9	7.4	31.38
1989/90	51.9	41.1	63.7	30.2	39.88
1990/91	79.1	52.5	92.4	45.1	56.86
1991/92	91.0	15.1	105.5	14.2	64.04
1992/93	94.2	3.5	108.9	3.2	65.28
1993/94	103.1	9.5	116.7	7.2	69.06
1994/95	107.8	4.5	117.9	1.0	68.61
1995/96	112.1	4.0	118.0	0.1	67.44
1996/97	116.6	3.9	121.0	2.5	67.88
1997/98	120.7	3.5	125.6	3.8	69.23
1998/99	126.3	4.7	129.2	2.8	69.99
1999/00 (a)	131.2	3.9	131.2	1.6	70.05

(a) Budget Estimate

DEBITS TAX

Debits tax is levied on all withdrawals (including cash withdrawals) from accounts on which cheques can be drawn. The tax was transferred by the Commonwealth to State governments from 1 January 1991. In Western Australia, it is collected under the *Debits Tax Act and Debits Tax Assessment Act*, which are administered by the State Revenue Department.

Rate of Tax

Size of Withdrawal \$	Tax Payable \$
0 – 1	Nil
1 – 99	0.30
100 – 499	0.70
500 – 4,999	1.50
5,000 – 9,999	3.00
10,000 and over	4.00

Exemptions

Accounts operated by government departments and non-commercial authorities (for all levels of government) and non profit religious, educational, hospital and charitable bodies are eligible for exemption from debits tax.

Interstate Comparison

Debit Tax Rates

Size of Withdrawal \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS ^(a) \$	NT \$	ACT \$
1 – 99	0.3	0.3	0.3	0.3	0.3	0.1	0.1	0.3
	0	0	0	0	0	5	5	0
100 – 499	0.7	0.7	0.7	0.7	0.7	0.3	0.7	0.7
	0	0	0	0	0	5	0	0
500 – 4,999	1.5	1.5	1.5	1.5	1.5	0.7	1.5	1.5
	0	0	0	0	0	5	0	0
5,000 – 9,999	3.0	3.0	3.0	3.0	3.0	1.5	3.0	3.0
	0	0	0	0	0	0	0	0
10,000 and over	4.0	4.0	4.0	4.0	4.0	2.0	4.0	4.0
	0	0	0	0	0	0	0	0

(a) Tasmania also has a separate Debits Duty of 15 cents per debit.

Changes in Tax Rates

The debits tax rates were doubled from 1 July 1997. Prior to this, the rates were the same as those previously imposed by the Commonwealth Government.

Debits Tax Collections

	Revenue Collections		Revenue in 1999/00		Per Capita Revenue
	\$m	Change %	Dollars \$m	Change %	in 1999/00 Dollars \$
1988/89	0.0	na	0.0	na	0.00
1989/90	0.0	na	0.0	na	0.00
1990/91	15.7	na	18.3	na	11.27
1991/92	39.5	152.0	45.8	150.0	27.80
1992/93	42.5	7.6	49.2	7.3	29.47
1993/94	47.3	11.2	53.5	8.8	31.67
1994/95	51.3	8.5	56.1	4.8	32.65
1995/96	54.5	6.2	57.3	2.2	32.76
1996/97	56.3	3.3	58.4	1.9	32.78
1997/98	107.4	90.7	111.8	91.2	61.60
1998/99	108.3	0.9	110.8	-0.9	60.04
1999/00 (a)	112.2	3.6	112.2	1.3	59.90

(a) Budget Estimate

STAMP DUTY ON INSURANCE POLICIES

Stamp duty on insurance policies is paid by insurers. The duty is usually based on the value of the insurance premium. It is collected under the *Stamp Act*, which is administered by the State Revenue Department.

Rate of Tax

Type of Insurance	Rate of Duty
General Insurance	8% of premium
Life Insurance:	
- temporary or term insurance	5% of premium or 5% of the premium for the first year if the policy continues for more than the first year
- other life insurance	\$0.05 per \$100 assured up to \$2,000, \$0.10 per \$100 assured over \$2,000

Exemptions and Concessions

Stamp duty for workers' compensation insurance is 5% of premiums. For motor vehicle third party insurance it is 25c per policy. Insurance of risks associated with the transport of goods and commercial marine hulls is exempt from stamp duty. Health insurance and superannuation policies are also exempt.

Interstate Comparison

	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
% of								
Premiums:								
General	8.0	11.5	10.0	8.5	11.0	8.0	8.0	10.0
Workers Comp	5.0	Nil	Nil	5.0	Nil	Nil	Nil	Nil
Life Insurance:								
Other life:	5c per \$100 up to \$2,000 and 10c per \$100 over \$2,000	10c per \$200 up to \$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 of previous year's net premiums	10c per \$200 up to \$2,000 and 20c per \$200 over \$2,000	10c per \$100 up to \$2,000 and 20c per \$200 over \$2,000	10c per \$200 up to \$2,000 and 20c per \$200 over \$2,000
Term or Temporary:	5% of first year's premium	Term or riders: 5% of first year's premium	Term or riders: 5% of first year's premium	Term or temporary: 5% of first year's premium		Term : 5% of first year's premium	Term or temporary: 5% of first year's premium	Term or Temporary: 5% of first year's premium
						Temp: 2% of policy		

Changes to the Rates since 1982

Stamp duty on life assurance was introduced from 1 November 1983. The stamp duty rate on general insurance policies was increased from 5% to 8% from 1 July 1998.

Changes to Concessions since 1982

The exemption for insurance on transport of goods and on commercial marine hulls came into effect on 11 December 1986. The concessional rate for workers' compensation insurance was increased from 3% to 5% from 1 July 1998.

Stamp Duty Collections from Insurance Policies

	Revenue Collections		Revenue in 1999/00 Dollars		Per Capita Revenue in 1999/00 Dollars
	\$m	Change %	\$m	Change %	\$
1988/89	43.6	34.0	58.1	24.7	37.25
1989/90	42.9	-1.7	52.7	-9.3	32.98
1990/91	43.9	2.3	51.3	-2.6	31.55
1991/92	45.7	4.2	53.0	3.4	32.17
1992/93	50.5	10.6	58.4	10.3	35.03
1993/94	59.0	16.7	66.8	14.3	39.51
1994/95	62.5	5.9	68.3	2.4	39.78
1995/96	68.4	9.4	72.0	5.3	41.14
1996/97	70.4	3.0	73.1	1.6	41.02
1997/98	73.6	4.5	76.6	4.8	42.23
1998/99	112.1	52.2	114.6	49.6	62.10
1999/00 (a)	115.7	3.2	115.7	1.0	61.77

(a) Budget Estimate

STAMP DUTY ON MORTGAGES

Stamp duty on mortgages and other securities is paid by the borrower (ie. the "mortgagor") on the basis of the amount secured. The duty is collected under the *Stamp Act*, which is administered by the State Revenue Department.

Rate of Duty

\$0.25 per \$100 of the amount secured up to \$35,000 and \$0.40 per \$100 of amounts secured above \$35,000 except for loans for owner-occupied residences where \$0.25 per \$100 applies to the whole of the loan amount.

Exemptions and Concessions

Universities and charities.

Interstate Comparison

Mortgage Duty Rates on Amounts Secured

WA (a)	NSW (b)	VIC (c)	QLD (d)	SA	TAS	NT	ACT
Nil below \$100	\$5.00 up to \$16,000	\$4.00 below \$10,000	\$0.40 per \$100	\$10 up to \$4,000	\$20.00 below \$8,000	Nil	Nil
\$0.25 per \$100 up to \$35,000	\$0.40 per \$100 above \$16,000	\$0.80 per \$200 above \$10,000		\$0.25 per \$100 between \$4,000 and \$10,000	\$0.25 per \$100 between \$8,000 and \$10,000		
\$0.40 per \$100 above \$35,000				\$0.35 per \$100 above \$10,000	\$0.35 per \$100 above \$10,000		

(a) A concessional duty rate of \$0.25 per \$100 applies to all owner-occupied residential loans irrespective of the amount.

(b) Abolished duty on all loan refinancings from July 1996.

(c) Abolished duty on all loan refinancings from July 1997.

(d) First \$100,000 of a first home loan is exempt from duty from July 1996.

Mortgage Duty Payable on Selected Amounts Borrowed (\$)

Value	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
20,000	50.00	21.00	44.00	80.00	60.00	60.00	Nil	Nil
50,000	147.50	141.00	164.00	200.00	165.00	165.00		
100,000	347.50	341.00	364.00	400.00	340.00	340.00		
250,000	947.50	941.00	964.00	1,000.00	865.00	865.00		
500,000	1,947.50	1,941.00	1,964.00	2,000.00	1,740.00	1,740.00		
1,000,000	3,947.50	3,941.00	3,964.00	4,000.00	3,490.00	3,490.00		

Changes to the Rate Scale since 1982

The rate of duty was increased from \$0.15 to \$0.25 per \$100 of the amount secured from 1 November 1983.

A higher marginal rate of duty of \$0.40 per \$100 on that component of the loan in excess of \$35,000 was introduced from 1 November 1989 (other than for loans for purchases of owner-occupied residences).

Changes to Concessions since 1982

Nil.

Stamp Duty Collections from Mortgages

	Revenue Collections		Revenue in 1999/00		Per Capita Revenue in 1999/00
	\$m	%	\$m	%	\$
1988/89	40.4	30.3	53.8	21.3	34.52
1989/90	48.5	19.9	59.6	10.7	37.30
1990/91	39.9	-17.6	46.7	-21.6	28.72
1991/92	37.3	-6.7	43.2	-7.4	26.23
1992/93	38.4	3.0	44.4	2.7	26.62
1993/94	49.1	27.8	55.5	25.1	32.86
1994/95	54.4	10.9	59.5	7.2	34.64
1995/96	51.1	-6.2	53.7	-9.7	30.70
1996/97	55.5	8.7	57.6	7.2	32.32
1997/98	72.9	31.4	75.9	31.8	41.84
1998/99	61.3	-15.9	62.7	-17.4	33.99
1999/00 ^(a)	63.4	3.3	63.4	1.1	33.85

^(a) Budget Estimate

STAMP DUTY ON MARKETABLE SECURITIES

Liability for stamp duty on transfers of marketable securities is shared equally between the selling broker and buying broker for on-market transactions. The buyer is fully liable for duty on off-market transactions. The duty is collected under the *Stamp Act*, which is administered by the State Revenue Department.

For on-market transfers, the duty is paid to the State where the buy or sell order was placed. For off-market transfers of shares in Australian companies, the duty is paid to the State where the company is incorporated, while duty is paid in the State where the shares are registered for foreign companies. Duty on off-market transfers of units of a public unit trust scheme is paid to the State where the register is located.

Rate of Duty

30 cents/\$100 for listed securities (15 cents/\$100 on both the buy and sell sides of the transaction for on-market trades).

60 cents/\$100 for unlisted securities.

Interstate Comparison

The same rate of duty applies in all States and Territories.

Exemptions and Concessions

Transfers of corporate debt securities (ie. debentures and unsecured notes issued by a corporation) are exempt from duty.

Stockbrokers acting on their own behalf are given a 10 day exemption period.

Off-market transfers of WA company shares listed on prescribed stock exchanges under certain conditions are exempt from duty.

Changes to Duty Rate since 1982/83

From 1 September 1994, the fractional rates of duty for transfer value of less than \$100 were removed.

From 1 July 1995, the rate of duty was reduced from 60 cents per \$100 to 30 cents/\$100 for listed securities.

Changes to Concessions since 1982/83

Transfers of debentures and unsecured notes were exempted from 1 January 1986.

In 1987, the 2 day stamp duty exemption period for stockbrokers acting on their own behalf was increased to 10 days.

Stamp Duty Collections from Marketable Securities

	Revenue Collections		Revenue in 1999/00		Per Capita Revenue in 1999/00
	\$m	%	\$m	%	\$
1988/89	16.2	-31.9	21.6	-36.7	13.83
1989/90	17.5	7.9	21.5	-0.4	13.44
1990/91	15.0	-14.4	17.5	-18.5	10.76
1991/92	16.2	8.2	18.8	7.4	11.40
1992/93	15.8	-2.6	18.2	-2.9	10.93
1993/94	35.8	127.1	40.5	122.3	23.98
1994/95	29.9	-16.4	32.7	-19.2	19.06
1995/96	22.1	-26.2	23.3	-29.0	13.29
1996/97	24.3	9.7	25.2	8.2	14.12
1997/98	25.2	3.8	26.2	4.0	14.44
1998/99	24.9	-1.1	25.5	-2.8	13.79
1999/00 (a)	24.0	-3.6	24.0	-5.7	12.81

(a) Budget Estimate

Gambling Taxes

LOTTERIES SURPLUSES

The Lotteries Commission currently raises money through sales of Lotto, Soccer Pools and instant lotteries for distribution to hospitals and community organisations, and for sports and cultural activities.

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

Interstate Comparison

In Western Australia, the retailers' fees of approximately 8% for selling Saturday Lotto and instant lottery tickets are paid by the Lotteries Commission. In all other States, the retailers' fees are added on to the price of the ticket, and hence paid directly by consumers.

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

WA	<p>40% of net subscriptions (sales net of any add-on commission less prize liability) is paid to the Hospital Fund;</p> <p>12.5% of net subscriptions plus any surplus funds is paid to such eligible organisations as the Commission thinks fit and the Minister approves;</p> <p>5% of net subscriptions is paid into the Sports Lotteries Account;</p> <p>5% of net subscriptions is paid into the Arts Lotteries Account; and</p> <p>Up to 5% of net subscriptions is used to support the Festival of Perth and the WA film industry.</p>
NSW	<p>15% of net subscriptions, plus a fixed fee based on 14.7% of subscriptions in 1996/97 with the amount indexed to CPI thereafter.</p>
VIC	<p>36% of net subscriptions is paid into the CF. Revenue is then transferred by standing appropriation from the CF to Hospitals and Charities Fund and Mental Hospitals Fund.</p> <p>On amounts remaining after the above minimum payments into the CF, the profit sharing arrangements with Tattersall's require that the promoter pay 25% into the CF and 10% into a Lotteries Development Fund (LDF), which is a trust fund in the public account for expenditure on lotteries research, development and capital expenditure. The remaining profit is available to the promoter but is limited to 1.5% of subscriptions with any excess being divided equally between the CF and LDF.</p> <p>As a revenue measure, Victoria introduced a 10 cents tax on certain Tattersall's tickets from December 1992. The revenue from this tax is paid into the CF.</p>
QLD	<p>62% of gross subscriptions for declared lotteries, 55% for instant scratch-its, 45% for Golden Casket lotteries, 59% for Soccer Pools. Also payable is 5% stamp duty per ticket based on the selling price.</p>

- SA** Net operating surplus from Lotto, Powerball and Super 66 (about 33% of sales) is transferred to the Hospitals Fund. However, this Fund merely acts as a channel by which the surplus flow into the CF. 45% of Soccer Pools net sales is hypothecated to the Department of Recreation and Sport.
- TAS** Subscriptions are collected on behalf of Tasmania by Victoria. Victoria pays 100% of the duty from Lotto, 90% of the duty from Taskeno and 75% of the duty from all other subscriptions to Tasmania. 34% of Soccer Pools sales are also remitted to Tasmania. All these funds are paid into the CF.

Changes in Lotteries Commission's Products since 1981

The Commission became a member of the Australian Lotto Bloc in 1981 and has marketed Weekend Lotto since then. MidWeek Lotto was introduced in 1983 and Super 66 in 1986. 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.

Soccer Pools were taken over by the Lotteries Commission in October 1989.

Some changes to the distribution of Lotteries Commission subscriptions were incorporated in the *Lotteries Commission Act 1990*.

Lotteries Surpluses

	Revenue Collections		Revenue in 1999/00		Per Capita Revenue
	\$m	Change %	Dollars \$m	Change %	in 1999/00 Dollars \$
1988/89	67.7	13.0	90.0	5.1	57.77
1989/90	90.0	33.0	110.5	22.8	69.22
1990/91	90.9	1.0	106.3	-3.9	65.38
1991/92	96.5	6.2	111.9	5.4	67.94
1992/93	89.5	-7.3	103.5	-7.6	62.02
1993/94	98.0	9.5	110.9	7.1	65.59
1994/95	109.1	11.4	119.4	7.7	69.46
1995/96	119.4	9.4	125.6	5.3	71.80
1996/97	119.9	0.4	124.5	-0.9	69.82
1997/98	125.7	4.8	130.8	5.1	72.10
1998/99	128.9	2.5	131.8	0.7	71.42
1999/00 (a)	128.0	-0.7	128.0	-2.8	68.36

(a) Budget Estimate

The lotteries surpluses in the above table are the surpluses of the Lotteries Commission after prize pay-outs, retailers' commission and operational costs. They include all funds available for distribution to community and charitable organisations. These funds are not accounted for in the Consolidated Fund.

CASINO TAX

Casino tax is payable each month by the casino licence holder based on the gross revenue (total bets placed less winnings paid out) generated by the casino in the preceding month. The casino tax was first collected in January 1986. It is collected by the Office of Racing, Gaming and Liquor under the *Casino (Burswood Island) Agreement Act and the Casino Control Act*.

Rate of Tax

In Western Australia, 15% of casino gross revenue is paid to the Consolidated Fund and an additional 1% is paid to the Burswood Park Board for upkeep of the Park.

In addition, an annual licence fee (approximately \$1.74 million in 1998/99) is payable in advance in four quarterly instalments to the Gaming Commission to defray its running costs. The annual licence fee is adjusted for inflation each year.

Exemptions and Concessions

The existing legislation provides that no other casinos will be built in Western Australia before the year 2000.

Interstate Comparison

Casino Tax Rates

WA	15% of gross revenue, plus 1% levy (or \$1m whichever is the greater) for the upkeep of Burswood Island.
NSW	20% of gross revenue from table gaming and 22.5% of gross revenue from slots. Plus super tax on table revenue above \$225.6m p.a. at 1% for each \$5.64m to a max of 45%. Plus 2% community benefit levy. For international high rollers, a flat rate of 10% or \$6m p.a. whichever is higher.
VIC	21.25% of gross revenue, plus 1% super tax for each \$20m revenue above \$500m p.a. (CPI adjusted from 1994), to a max super tax of 20% on gross revenue over \$880m (CPI adjusted from 1994), plus 1% community benefit levy. A concessional rate of 9% applies to high roller tables, plus super tax of 1% for each \$20m of gross revenue over \$160m (CPI adjusted) up to a max of 21.25% on gross revenue over \$380m (CPI adjusted).
QLD	20% of gross revenue (plus 1% levy) for Brisbane and Gold Coast casinos. 10% of gross revenue (plus 1% levy) for Townsville and Cairns casinos. Concessional rates apply for junket players: 10% for Brisbane and Gold Coast casinos, 8% for Townsville and Cairns casinos.
SA	10% of net table gambling revenue plus 43.5% of net gaming machine revenue.
TAS	25% to 35% of gross revenue on video gaming, depending on the level of gross revenue. 15% of gross revenue on all other gaming.
NT	20% of gross revenue on poker machine gaming. 8% of gross revenue on all other gaming.
ACT	20% of gross revenue. 10% of gross revenue for junket operations.

In addition to the above casino taxes, the following licence fees are payable:

Casino Licence Fees

WA	One-off payment of \$20.6m for the security of the licence. \$1.74 m p.a. payable in four instalments in advance, indexed annually.
NSW	A one-off non-refundable payment of \$376m.
VIC	\$358.4m fully paid.
QLD	\$137,500 per quarter.
SA	\$5,000 per month.
TAS	\$60,800 per month, indexed annually.
NT	Nil
ACT	\$563,860 p.a., indexed annually

Changes to the Tax Rate or Concessions since 1982

Nil.

Casino Tax Collections

	Revenue		Revenue		Per Capita
	Collections	Change	in 1999/00	Change	Revenue
	\$m	%	Dollars	%	in 1999/00
	\$m	%	\$m	%	Dollars
					\$
1988/89	16.6	45.4	22.1	35.3	14.19
1989/90	21.0	26.3	25.8	16.6	16.15
1990/91	29.3	39.4	34.2	32.7	21.05
1991/92	29.0	-0.9	33.7	-1.6	20.42
1992/93	37.1	27.9	42.9	27.5	25.72
1993/94	51.5	38.9	58.3	35.9	34.51
1994/95	58.9	14.3	64.4	10.4	37.47
1995/96	65.2	10.7	68.6	6.5	39.19
1996/97	59.1	-9.3	61.4	-10.5	34.42
1997/98	54.8	-7.2	57.1	-7.0	31.45
1998/99	43.3	-21.1	44.3	-22.4	23.98
1999/00 (a)	47.0	8.6	47.0	6.2	25.09

(a) Budget Estimate

BETTING TAXES

Betting taxes comprise Totalisator Agency Board (TAB) Betting Tax and Bookmakers' Betting Levy.

The TAB Betting Tax is levied monthly on TAB turnover and is paid by the TAB into the Consolidated Fund. It accounts for the bulk of betting taxes.

The TAB tax is collected by the State Revenue Department under the *Totalisator Agency Board Betting Tax Act*. The Bookmakers' Betting Levy is collected under the *Bookmakers Betting Levy Act*.

Rate of Tax

The TAB Betting Tax rate is 5% of betting turnover.

The Bookmakers' Betting Levy is 2% in respect of race betting turnover and 0.5% in respect of sports betting turnover at a racecourse. The levy is collected by the racing clubs and the revenue is retained by the industry, except for sports betting, where the Government receives 50% of the collections.

From 1 August 1998, a 2% Bookmakers' Betting Levy was introduced for sports betting at a sporting venue. The revenue from this levy will be collected by the Betting Control Board and distributed to sporting organisations at the discretion of the Minister for Sports and Recreation.

Exemptions and Concessions

Nil.

Interstate Comparison

Current Tax Rates % (Revenue Paid to Government)

	WA	NSW	VIC	QLD	SA	TAS
TAB Betting Tax						
. win, place bets	5.0	(a)	(a)	(b)	(c)	3.75
. double bets	5.0	(a)	(a)	(b)	(c)	3.75
. multiple bets	5.0	(a)	(a)	(b)	(c)	3.75
Totalisator Duty						
. win, place bets	0.0	(a)	(a)	(b)	(d)	(e)
. doubles	0.0	(a)	(a)	(b)	(d)	4.5
. treble, trifecta bets	0.0	(a)	(a)	(b)	(d)	4.5
Bookmakers' Betting Levy ^(f)						
. metropolitan	0.25	1.00	2.00	1.0	1.57	0.15
. elsewhere	0.25	1.00	1.50	1.0	1.40	0.15

- (a) 28.2% of the difference between the amount wagered and prizes paid (which is equivalent to about 4.5% of turnover).
- (b) 20% of the difference between the amount wagered and prizes paid (which is equivalent to about 3.2% of turnover).
- (c) In South Australia, the Government receives 45% of TAB profit available for distribution after meeting TAB expenses.
- (d) Tax rate varies from 1% to 5.25% depending on sum of bets made with TAB or authorised racing club.
- (e) Tax rate varies from 2.0925% to 4.185% depending on sum of bets made.
- (f) In Western Australia, a tax rate of 0.5% is levied on sports betting at a racecourse. The revenue is shared equally by the Government and the industry, hence the 0.25% rate.

Changes to the Rate Scale since 1982

The TAB betting tax rate was increased from 6% to 7% of TAB turnover in 1983. In 1988/89, both the TAB betting tax rate and the Totalisator Duty rates were reduced by 1 percentage point to assist the financially troubled racing industry.

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 Totalisator Duty was abolished, and the Bookmakers' Betting Tax was changed to a levy with the rate reduced to 2%. All the collections from the Bookmakers' Betting Levy are retained by the industry, except for sports betting where the Government receives 50% of the collections. These changes were achieved by rebates from 1992 to 1996.

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.

TAB Betting Tax Collections (net of one percentage point rebate)

	Revenue		Revenue		Per Capita
	Collections		in 1999/00		Revenue
	\$m	%	\$m	%	in 1999/00
					Dollars
					\$
1988/89	26.7	-0.8	35.5	-7.7	22.77
1989/90	28.5	6.7	34.9	-1.5	21.88
1990/91	28.0	-1.6	32.7	-6.4	20.13
1991/92	27.2	-2.9	31.5	-3.6	19.13
1992/93	27.4	0.8	31.7	0.5	18.99
1993/94	28.6	4.4	32.4	2.2	19.15
1994/95	30.8	7.7	33.7	4.0	19.60
1995/96	32.7	6.2	34.4	2.2	19.66
1996/97	34.0	4.0	35.3	2.6	19.80
1997/98	36.3	6.7	37.8	7.0	20.82
1998/99	38.8	7.0	39.7	5.1	21.51
1999/00 (a)	41.0	5.6	41.0	3.3	21.89
(a) Budget Estimate					

Motor Vehicles and Drivers

STAMP DUTY ON MOTOR VEHICLE LICENCES

Stamp duty on motor vehicle licence transfers (including new registrations) is paid by the purchaser of the new or used vehicle based on the market value of the vehicle at the time of registration or licence transfer. The duty is collected by the Licensing and Services Division of the Department of Transport on behalf of the State Revenue Department. The relevant legislation is the *Stamp Act* and the *Road Traffic Act*, which is administered by the State Revenue Department and the Department of Transport respectively.

Rate of Tax

\$0 – \$15,000	2.5% flat
\$15,000 – \$40,000	2.5% – 5.0% flat ^(a)
Over \$40,000	5.0% flat

(a) rate = 2.5% + {(V-\$15,000)/(\$40,000-\$15,000)}x{5%-2.5%}
 where V = value of vehicle

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* (includes certain off-road vehicles used in farming and mining, government vehicles and vehicles purchased by certain charities).

Light vehicles (less than 4.5 tonnes) owned by State government trading enterprises are also exempt.

Interstate Comparison

Stamp Duty on Motor Vehicles (based on market values)

WA	NSW	VIC	QLD	SA	TAS	NT	ACT
As Above	0- \$45,000:	New:	\$2 per	0-\$1,000:	Under \$600:	\$3 per	0-\$45,000:
	\$3 per	0-\$35,000:	\$100	\$1 per \$100	\$20	\$100	\$3 per
	\$100	\$5 per \$200		\$1,001 -	Over \$600		\$100
	Over	\$35,000 -		\$2,000:	\$3 per \$100:		Over
	\$45,000:	\$45,000:		\$10 + \$2 per \$100	Passenger		\$45,000:
	\$5 per	\$8 per \$200		\$2,001 -	Vehicles:		\$5 per
	\$100	Over \$45,000:		\$3,000:	Under \$35,000:		\$100
		\$10 per \$200		\$30 + \$3 per \$100	Same as above		
		Used:		Over \$3,000:	\$35,000 -		
		\$8 per \$200		\$60 + \$4 per \$100	\$40,000:		
					\$11 per \$100		
					Over \$40,000:		
					\$4 per \$100		

Stamp Duty on Selected Vehicle Values

Vehicle Price	WA	NSW	VIC		QLD	SA		TAS	
			New	Used		Commercial	Other	Passenger	Other
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
5,000	125	150	125	200	100	120	140	150	150
10,000	250	300	250	400	200	270	340	300	300
20,000	600	600	500	800	400	570	740	600	600
30,000	1,200	900	750	1,200	600	870	1,140	900	900
45,000	2,250	1,350	2,250	1,800	900	1,320	1,740	1,800	1,350
60,000	3,000	2,100	3,000	2,400	1,200	1,770	2,340	2,400	1,800
80,000	4,000	3,100	4,000	3,200	1,600	2,370	3,140	3,200	2,400

Changes to the Rate of Duty since 1982/83

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 vehicle value. The maximum duty ceiling was also removed at that time. From 1 July 1999, the rate of stamp duty was changed to the current three tiered scale.

Stamp Duty Collections from Motor Vehicle Transfers

	Revenue		Revenue		Per Capita
	Collections	Change	In 1999/00	Change	Revenue
	\$m	%	Dollars	%	In 1999/00
					Dollars
					\$
1988/89	82.0	36.5	109.1	27.1	70.01
1989/90	82.1	0.2	100.9	-7.6	63.18
1990/91	73.1	-11.0	85.4	-15.3	52.55
1991/92	75.3	3.0	87.3	2.2	52.99
1992/93	88.1	17.0	101.8	16.6	61.03
1993/94	105.5	19.8	119.4	17.3	70.66
1994/95	117.9	11.7	128.9	8.0	75.03
1995/96	124.6	5.7	131.1	1.7	74.92
1996/97	131.7	5.7	136.7	4.3	76.70
1997/98	139.2	5.6	144.8	5.9	79.82
1998/99	138.5	-0.5	141.6	-2.2	76.74
1999/00 (a)	162.6	17.4	162.6	14.8	86.81

(a) Budget Estimate

MOTOR VEHICLE LICENCE FEES

Motor vehicle registration fees are paid by motor vehicle owners (who use their vehicles on public roads) either every six months or twelve 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 Licensing Division of the Department of Transport under the *Road Traffic Act*.

Current Licence Fees

For light vehicles (gross weight of less than 4.5 tonnes), the licence fee component of the registration fees is currently \$12.26 per 100 kg of tare weight. The example in the table below indicates the licence fees payable on a 6-cylinder Holden Commodore (1,512 tare weight) for either family or business use. The difference of \$28 is due to a discount for family vehicles.

	Family Use	Business Use
	\$ per annum	\$ per annum
Holden Commodore	168.15	196.15

For heavy vehicles (gross weight of 4.5 tonnes or more), Western Australia has adopted the national uniform licence fee charges 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 of use in towing trailers.

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

Exemptions from Licence Fees

A total exemption applies to vehicles used by Commonwealth, State and Local Government agencies, Government hospitals, disabled pensioners and Ministers of religion. Light vehicles (less than 4.5 tonnes) owned by State government trading enterprises are also exempt.

Charitable institutions receive either a 50% or 100% exemption depending on the use of the vehicles. Interchangeable semi-trailers are 75% exempt. Vehicles used by primary producers, bee-keepers, kangaroo shooters, sandalwood pullers and prospectors receive a 50% exemption. Trailers used outside the South West Land Division are also 50% exempt.

Age and service pensioners, other than disabled pensioners, receive a 50% exemption.

Interstate Comparison

In New South Wales, Victoria and the Australian Capital Territory, licence fees are based on the weight of the vehicles. In Queensland, South Australia, and Northern Territory, licence fees are based mainly on the number of cylinders and engine capacity.

Using the same example, interstate comparisons are as follows:

Motor Vehicle Licence Fees[†]

	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
	\$ p.a.	\$ p.a.	\$ p.a.	\$ p.a.	\$ p.a.	\$ p.a.	\$ p.a.	\$ p.a.
Holden Commodore								
Family Use	168.15	261.00	140.00	254.00	137.00	106.00	152.00	335.00
Business Use	196.15	419.00	140.00	254.00	137.00	106.00	152.00	493.00

[†] Excludes: Administration, recording, and inspection fees and compulsory third party insurance premiums.

Changes in Licence Fees since 1982

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

The licence fees were further increased, and the calculation of the fees was simplified and charged on the basis of weight only (\$12 per 100kg tare weight) on 1 July 1998. From 1 July 1999, the licence fees have been indexed by the Perth CPI.

Motor Vehicle Licence Fees Since 1983

Year	Holden Commodore	
	Family \$ p.a.	Business \$ p.a.
1983	65.56	65.56
1984	67.42	67.42
1986	74.10	74.10
1989	78.44	78.44
1990	58.44	90.70
1991	64.64	90.70
1992	70.08	97.86
1993	70.84	97.86
1997	85.00	117.40
1998	164.00	192.00
1999	168.15	196.15

Changes in Concessions since 1982

From 1 January 1987, age pensioners who hold Pensioner Health Benefits Cards (now the Pensioner Concession Card) have received a 50% exemption from 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.

Motor Vehicle Licence Fee Collections

	Revenue Collections		Revenue in 1999/00		Per Capita Revenue in 1999/00
	\$m	%	\$m	%	\$
1988/89	79.8	5.1	106.1	-2.2	68.10
1989/90	80.5	0.9	98.8	-6.9	61.89
1990/91	79.8	-0.9	93.2	-5.7	57.34
1991/92	88.0	10.3	102.0	9.4	61.90
1992/93	93.0	5.8	107.6	5.5	64.49
1993/94	96.4	3.6	109.1	1.4	64.54
1994/95	99.5	3.3	108.8	-0.2	63.34
1995/96	102.5	3.0	107.9	-0.9	61.67
1996/97	113.2	10.3	117.5	8.9	65.89
1997/98	138.8	22.7	144.5	23.0	79.64
1998/99	217.4	56.6	222.3	53.9	120.49
1999/00 (a)	212.0	-2.5	212.0	-4.6	113.19

(a) Budget Estimate

Property Taxes

STAMP DUTY ON CONVEYANCES

Stamp duty on conveyances is paid by the purchaser of property (primarily land, buildings, mining tenements and business goodwill) on the basis of the total value of property transferred. It is collected under the *Stamp Act*, which is administered by the State Revenue Department.

Rate of Tax

Property Value	Rate of Duty
\$0 to \$80,000	\$1.95 per \$100 or part thereof
\$80,001 to \$100,000	\$1,560 and \$2.85 per \$100 above \$80,000
\$100,001 to \$250,000	\$2,130 and \$3.70 per \$100 above \$100,000
\$250,001 to \$500,000	\$7,680 and \$4.55 per \$100 above \$250,000
Above \$500,000	\$19,055 and \$4.85 per \$100 above \$500,000

Exemptions and Concessions

Designated Government authorities, universities (in certain circumstances), charities, certain superannuation schemes and the transfer of a principal place of residence between spouses from single to joint ownership (includes de-facto spouses) are exempt.

The purchase of a small business or principal place of residence below \$100,000 is subject to a concessional rate of duty of 1.5%. The concessional rate phases out for properties valued between \$100,000 and \$135,000. First home buyers and buyers of first home land meeting various property value limits are additionally entitled to a stamp duty rebate of \$500 (or a full rebate if duty of less than \$500 applies).

Interstate Comparison

Conveyance Duty Scales

	WA	NSW	VIC	QLD	SA	TAS	NT ^(b)	ACT
Min Rate (%)	1.95	1.25	1.4	1.5	1.0	1.5 ^(a)	2.1	1.25
Min Threshold (\$'000)	0	0	0	0	0	1.3	0	0
Max Rate (%)	4.85	5.5	5.5	3.75	5.0	4.0	5.4	5.5
Max Threshold (\$'000)	500	1,000	870	500	1000	225	500	1,000
^(a) Duty of \$20 applies for values below \$1,300.								
^(b) For conveyances less than \$500,000, duty is derived by the formula $D = (0.065 \times V^2) + 21V$ where D= duty payable in \$ and V = value of property transferred divided by 1000. Over \$500,000, duty is 5.4% of the property value.								

An interstate comparison of stamp duty payable on various property values is as follows:

Conveyance Duty Payable on Selected Land Values

Property Value \$'000	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	NT \$	ACT \$
50	975	765	1,000	975	1,080	1,050	1,213	815
100	2,130	1,990	2,200	2,350	2,830	2,425	2,750	2,015
150	3,980	3,740	4,660	3,975	4,830	3,925	4,613	3,765
250	7,680	7,240	10,660	7,225	8,830	7,550	9,313	7,265
500	19,055	17,990	25,660	15,975	18,830	17,550	26,750	18,015
1,000	43,305	40,490	55,000	34,725	41,330	37,550	54,000	40,515
5,000	237,305	260,490	275,000	184,725	241,330	197,550	270,000	260,515

Note: The above table does not reflect conveyance duty concessions available for principal places of residence and small businesses in Western Australia, or first home buyer concessions available in all States.

An interstate comparison of stamp duty concessions on conveyances and mortgages for home buyers is as follows:

WA Any purchaser of a principal place of residence valued at less than \$100,000 is entitled to a concessional rate of duty of 1.5%. The concessional rate phases out for properties valued between \$100,000 and \$135,000. First home buyers whose purchases are below \$135,000, or \$202,500 north of the 26th parallel, can additionally claim a \$500 stamp duty rebate. First home land purchases below \$52,000 are also eligible for a rebate of up to \$500.

A concessional mortgage duty rate of 0.25% (normally 0.4% on amounts above \$35,000) applies to all owner-occupied residential mortgages irrespective of the amount.

NSW First home buyers are eligible for a 50% discount on stamp duty, subject to property value limits of \$170,000 in the metropolitan area and \$150,000 in the country, and to income limits of \$57,000 for a couple or for a purchaser with dependants, and \$39,000 for a single person.

Mortgage stamp duty on refinancings has been abolished for loans where the borrower, the outstanding balance and the security underlying the loan remain unchanged.

There is a mortgage duty exemption for additional advances of up to \$10,000 in any 12 month period.

VIC A first home buyer conveyance duty exemption applies on properties up to \$115,000. The exemption reduces from \$115,000 and phases out at \$165,000. To be eligible, the applicants must have at least one child and the combined gross income must not exceed \$39,000.

VIC (cont.)	<p>A full pensioner conveyance duty exemption applies to properties up to \$100,000. The exemption reduces from \$100,000 and phases out at \$130,000. No income test applies, but applicants must be holders of Commonwealth concession cards.</p> <p>If any exemption (total or partial) is given on conveyance duty, a total mortgage duty exemption will apply.</p>
QLD	<p>A conveyance duty exemption applies to properties purchased for less than \$80,000 and of a size not exceeding 0.5 hectares. If the property is larger, standard rates apply on the area over 0.5 hectares.</p> <p>A mortgage duty exemption applies on the first \$100,000 of the purchase price, and standard duty rates apply to the balance.</p> <p>There is also an exemption on the refinancing of the first \$10,000 outstanding under a mortgage secured on the borrower's principal place of residence.</p>
SA	<p>For first home buyers, a full exemption applies for a home valued at \$100,000 or under. Thereafter, the value of the concession is reduced on a pro-rata basis to nil as the home value increases from \$100,000 to \$150,000.</p> <p>There is no mortgage duty concession.</p>
TAS	<p>Where the value of the property does not exceed \$120,000, a first home buyer can apply for an interest free loan, repayable on a quarterly basis over two years, to pay both conveyance and mortgage duty.</p>
NT	<p>All first home buyers receive a concession on duty on the first \$80,000 of the value of a home purchase (regardless of value).</p> <p>There is no mortgage duty in the Northern Territory.</p>
ACT	<p>Full exemption from duty applies to eligible home buyers for properties up to \$116,000. The concession phases out at \$140,000. There is a household income test of \$45,000 per annum.</p> <p>There is no mortgage duty in the Australian Capital Territory.</p>

Changes to the Rate Scale since 1982

The rates of stamp duty on conveyances were increased as follows:

Value \$'000	Marginal Tax Rates %		
	Before 1 Nov 1983	After 1 Nov 1983	After 1 July 1998
less than 80	1.50	1.75	1.95
80 – 100	2.00	2.50	2.85
100 – 250	2.50	3.25	3.70
250 – 500	3.50	4.00	4.55
above 500	4.00	4.25	4.85

Changes to Concessions since 1982

The exemption for the transfer of the matrimonial home between joint tenants was introduced in January 1988 and extended to couples living in de facto relationships in the 1991/92 Budget.

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

The value limits for the rebate were further increased from \$85,000 to \$135,000 and from \$127,500 to \$202,500 (for properties north of the 26th parallel) on 1 July 1998.

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.

The value limit for the 1.5% concessional rate 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.

The stamp duty exemption for corporate reconstructions was introduced on 1 October 1996.

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

Stamp Duty Collections from Conveyances

	Revenue Collections		Revenue in 1999/00		Per Capita Revenue
	\$m	Change %	Dollars \$m	Change %	Dollars \$
1988/89	323.4	26.6	430.3	17.9	276.09
1989/90	217.5	-32.7	267.1	-37.9	167.29
1990/91	179.9	-17.3	210.2	-21.3	129.36
1991/92	186.1	3.4	215.8	2.7	130.99
1992/93	207.3	11.4	239.7	11.0	143.66
1993/94	306.3	47.8	346.7	44.6	205.11
1994/95	294.6	-3.8	322.1	-7.1	187.45
1995/96	303.7	3.1	319.6	-0.8	182.66
1996/97	313.4	3.2	325.3	1.8	182.50
1997/98	488.9	56.0	508.8	56.4	280.44
1998/99	438.6	-10.3	448.4	-11.9	243.02
1999/00 (a)	420.0	-4.2	420.0	-6.3	224.24

(a) Budget Estimate

LAND TAX

Land tax in Western Australia is levied upon the 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*, which is administered by the State Revenue Department.

Rate of Tax

Land Tax Scale for 1999/2000

Unimproved Value of Land \$'000	Land Tax Payable
0 - 10	Nil
10 - 100	\$15.00+0.15c per \$1 above \$10,000
100 - 190	\$150.00+0.25c per \$1 above \$100,000
190 - 325	\$375.00+0.45c per \$1 above \$190,000
325 - 550	\$982.50+0.80c per \$1 above \$325,000
550 - 850	\$2,782.50+1.20c per \$1 above \$550,000
850 - 1,250	\$6,382.50+1.60c per \$1 above \$850,000
Over 1,250	\$12,782.50+2.00c per \$1 above \$1,250,000

The unimproved value of land is updated by the Valuer General annually.

Exemptions and Concessions

The major general exemptions are for principal places of residence and land used in primary production (mining as well as agriculture). Exemptions are also available for land owned by religious bodies, charitable 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).

Land owned by a religious or educational body and used for commercial or business purposes is eligible for a 20% exemption in 1999/2000. No exemption will be provided in 2000/01.

Land owned by a society, club, or association for non-profit use is eligible for a 50% exemption from land tax.

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

Interstate Comparisons

Land Tax Scales								
	WA	NSW (a)	VIC (b)	QLD (c)	SA	TAS	NT	ACT
Min Threshold	\$10,000	\$176,000	\$85,000	\$200,000	\$50,000	\$1,000	Not	\$0
Max Threshold	\$1,250,000	Nil	\$2,700,000	\$1,500,000	\$1,000,000	\$500,000	Levied	\$200,000
Min Tax Rate	0.15%	1.70%	0.10%	0.20%	0.35%	0.75%		1.00%
Max Tax Rate	2.00%	1.70%	5.00%	1.80%	3.70%	2.50%		1.50%

Land Tax Payable								
Land Value	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
\$	\$	\$	\$	\$	\$	\$	\$	\$
20,000	30	0	0	0	0	63	Not	200
50,000	75	0	0	0	0	313	Levied	500
100,000	150	0	100	0	175	500		1,000
150,000	275	0	150	0	350	1,188		1,875
200,000	420	508	200	0	525	2,013		2,500
500,000	2,383	5,608	800	2,631	4,175	8,613		7,500
1,000,000	8,783	14,108	6,230	9,031	12,425	21,113		15,000
5,000,000	87,783	82,108	169,880	73,440	160,425	121,113		75,000

Average Tax Rates								
Land Value	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
\$	%	%	%	%	%	%	%	%
20,000	0.15	0.00	0.00	0.00	0.00	0.31	Not	1.00
50,000	0.15	0.00	0.00	0.00	0.00	0.63	Levied	1.00
100,000	0.15	0.00	0.10	0.00	0.18	0.50		1.00
150,000	0.18	0.00	0.10	0.00	0.23	0.79		1.25
200,000	0.21	0.25	0.10	0.00	0.26	1.01		1.25
500,000	0.48	1.12	0.16	0.53	0.84	1.72		1.50
1,000,000	0.88	1.41	0.62	0.90	1.24	2.11		1.50
5,000,000	1.76	1.64	3.40	1.47	3.21	2.42		1.50

(a) In 1998, land tax was extended to owner-occupied residential properties with a land value of \$1 million or more.

(b) Introduced principal place of residence exemption in 1998.

(c) A general exemption of \$200,000 applies for a resident natural person. A 15% rebate is available to all taxpayers.

Changes to the Rate Scale since 1982

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.

Changes to Concessions since 1982

In 1985/86 and 1986/87, as an interim measure, a 10% land tax rebate was offered to all of Western Australia's land taxpayers, 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 3 years to 4 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, land tax exemption for beneficiary-occupiers of residences owned by discretionary trusts was re-introduced.

In 1994/95, a land tax exemption was extended to all land owned by retirement villages. Also, the 50% land tax exemption 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.

The 50% exemption 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. No exemption will be provided in 2000/2001.

Land Tax Collections

	Revenue Collections		Revenue in 1999/00 Dollars		Per Capita Revenue in 1999/00 Dollars
	\$m	Change %	\$m	Change %	\$
1988/89	74.2	17.2	98.8	9.0	63.37
1989/90	91.9	23.9	112.9	14.3	70.72
1990/91	115.9	26.0	135.4	19.9	83.30
1991/92	133.6	15.3	154.9	14.4	94.00
1992/93	128.5	-3.8	148.5	-4.1	89.04
1993/94	122.9	-4.3	139.1	-6.4	82.30
1994/95	137.1	11.6	149.9	7.8	87.25
1995/96	158.6	15.6	166.8	11.3	95.35
1996/97	165.3	4.3	171.6	2.9	96.27
1997/98	170.6	3.2	177.5	3.4	97.86
1998/99	165.4	-3.0	169.2	-4.7	91.67
1999/00 (a)	194.0	17.3	194.0	14.7	103.58

(a) Budget Estimate

METROPOLITAN REGION IMPROVEMENT TAX (MRIT)

MRIT is levied upon the 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 State Planning Commission on road reserves, parks and recreation areas.

Rate of Tax

0.15% of unimproved land value.

Exemptions and Concessions

As for land tax.

Changes to the Rate Scale since 1982

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.

Changes to Concessions since 1982

As for land tax.

MRIT Collections

	Revenue Collections	Change	Revenue In 1999/00	Change	Per Capita Revenue In 1999/00
	\$m	%	Dollars \$m	%	Dollars \$
1988/89	11.0	8.1	14.7	0.6	9.41
1989/90	13.4	21.4	16.4	12.0	10.29
1990/91	15.8	18.3	18.5	12.5	11.38
1991/92	18.9	19.6	22.0	18.7	13.33
1992/93	17.6	-7.3	20.3	-7.6	12.16
1993/94	17.4	-0.9	19.7	-3.0	11.64
1994/95	19.8	14.0	21.7	10.1	12.61
1995/96	23.4	18.3	24.7	13.8	14.10
1996/97	25.5	8.8	26.5	7.3	14.85
1997/98	26.7	4.6	27.8	4.9	15.31
1998/99	29.5	10.5	30.2	8.6	16.34
1999/00 ^(a)	29.3	-0.7	29.3	-2.8	15.64

^(a) Budget Estimate

Appendix 1

A SUMMARY OF TAX CHANGES IN 1999/2000 IN ALL STATES

The following is a summary of the major tax changes announced in 1999/2000 State budgets. Some of the measures have yet to gain Parliamentary approval and so could be subject to change.

Western Australia

Stamp Duty on Motor Vehicles

From 1 July 1999, the flat 3% stamp duty rate on motor vehicle licence transfers was replaced with a sliding scale. For vehicles valued below \$15,000, the stamp duty rate is a flat 2.5%. For vehicles valued between \$15,000 and \$40,000, the stamp duty rate increases from 2.5% to 5.0% proportionately. For vehicles valued above \$40,000, the stamp duty rate is a flat 5%.

The new scale is expected to raise additional revenue of \$21.9 million in 1999/2000 and \$25 million in a full year.

Land Tax

Effective land tax rates were reduced in 1999/2000 at an estimated cost of \$7.0 million.

New South Wales

Payroll Tax

The single marginal payroll tax rate will be reduced from 6.85% to 6.4% from 1 July 1999, at a full year cost of \$170 million.

The payroll tax rate will be further reduced to 6.2% and then to 6.0% from 1 July 2001 and 1 July 2002 respectively. The cost of these further reductions is estimated to be \$226 million in a full year.

To encourage employers to take on apprentices, New South Wales will introduce a payroll tax concession for wages paid to apprentices from 1 July 1999. For first-year apprentices, 25% of the wage bill will be liable to payroll tax. Thereafter, 50% and 75% of wages for second and third-year apprentices respectively will be liable to tax. The full rate of payroll tax will apply to all other apprentices except those forming part of a group apprenticeship scheme who will continue to benefit from the 100% concession already provided. Employers of both existing and new apprentices will benefit from this scheme.

Land Tax

The single marginal land tax rate will be reduced from 1.85% to 1.7% from 31 December 1999, at an estimated full year cost of \$79 million (Western Australia has a top marginal land tax rate of 2%).

The Office of State Revenue generally offers two payment options to land tax clients. Clients are able to pay in three instalments at intervals of 30, 90 and 150 days after the issue of a notice of assessment. Alternatively, clients may pay the whole amount due within 105 days after the date of issue of the assessment.

To encourage prompt payment of tax liabilities and to reduce administration costs, the Government will provide a discount to land tax clients for the early payment of their land tax liability. The discount will be available to all clients who pay the full amount within 30 days after the issue of the assessment. This will replace the current option of paying the whole amount within 105 days of the issue of the assessment. The option to pay by instalments will remain. The level of the discount offered will be determined at a later date, taking into account interest rates at the time.

Casino Tax – High Rollers

To facilitate the operation of Star City Casino in the international junket and premium player market, special taxation arrangements for revenues sourced from these players have applied since 10 December 1998. These new arrangements were required as the existing casino tax regime, in conjunction with the cost of attracting international junket and premium players, made such a program unprofitable for Star City.

The scheme requires the Casino to make two non-refundable payments to the State of \$3 million each year. Once cumulative gross gaming revenues (player loss) exceed \$60 million in any calendar year, the Casino is required to pay 10% tax on the excess. The cost of the scheme is not available due to commercial sensitivities.

Fixed Odds Sports Betting

Fixed odds sports betting in New South Wales was approved on 19 March 1998 and commenced on 27 July 1998. Under fixed odds betting, dividends to punters are determined prior to the event. This is in contrast to conventional pools-based betting where dividends are based on the proportion of monies placed on each outcome.

Both bookmakers and the TAB are permitted to offer fixed odds betting for particular sports and bet types as proclaimed by the Minister for Gaming and Racing. The tax rate applied to bookmakers is 1% of turnover - the same rate applied to other bookmaker bets. The tax rate applied to the TAB is 20% of monthly gross profit (takings less payouts).

Share Transfer Duty

From 2 November 1998, the rate of duty that applies to transactions on the Newcastle Stock Exchange was reduced to 0.3%, equal to the rate applied to the ASX. Prior to this, share duty on transactions not listed on the ASX was levied at a rate of 0.6%.

First Home Purchase Scheme

In the 1998-99 Budget the up-front discount under the First Home Purchase Scheme was increased from 30% to 50%, while the option to pay in five annual instalments was removed for new clients.

To encourage first home-owners under the instalment program to fully discharge their outstanding liabilities, the Government will increase the discount offered from 10%-25% to a flat 50%. It is expected that the impacts of earlier but lower payments will result in a revenue-neutral outcome in 1999/2000. The cost to revenue in the forward years is estimated at \$2 million in 2000/01, \$1 million in 2001/02 and \$0.5 million in 2002/03.

Other Tax Restraint Measures

In line with the Government's commitment to reduce the tax burden in New South Wales and ensure the ongoing competitiveness of the State, the Budget provides for additional tax reductions with a full year cost of \$175 million from 2001/02. The allocation of funds from the provision to specific tax cuts has not yet been determined. However, these tax cuts will be designed to maximise the ongoing competitiveness of the New South Wales economy.

Victoria

Payroll Tax

The single marginal payroll tax rate was reduced from 6.00% to 5.75% from 1 July 1999. The exemption threshold remained unchanged at \$515,000. This initiative is estimated to cost \$97 million in a full year.

Queensland

Payroll Tax

The payroll tax base will be extended to include all employer superannuation contributions from 1 January 2000. The single marginal tax rate will be reduced from 5.0% to 4.9% from 1 July 2000, with a further reduction to 4.8% from 1 July 2001. The revenue gain for 1999/2000 is estimated to be \$28 million.

Land Tax

The general rebate for land tax was increased from 5% to 15% with effect from 1 July 1999, at a cost of \$23 million.

Totalisator Tax

The totalisator tax rate was reduced from 34% to 20% of commission from 1 July 1999. The cost of this measure is estimated to be \$32 million for 1999/2000.

Stamp Duty on Shares

A stamp duty exemption will be provided for shares of Queensland incorporated companies traded on prescribed foreign stock exchanges to non-residents. The revenue implications of providing the exemption will be minimal.

South Australia***Stamp Duty on Conveyances***

The top marginal rate for conveyance duty was increased from 4.5% to 5.0% for property values above \$1,000,000. The marginal rate for properties valued between \$500,000 and \$1,000,000 was also increased from 4.0% to 4.5%.

The revised rates are expected to raise an additional \$7.5 million in 1999-2000 and \$8.1 million in a full year.

Tasmania***Payroll Tax***

The government will introduce a new payroll tax rebate assistance scheme from 1 July 1999 designed to attract both Information Technology (IT) and other significant industry to Tasmania. Rebates will be given to employers who meet the following criteria:

- significant and sustainable contribution to the Tasmanian economy in the long-term;
 - substantial employment growth potential;
 - involvement with either exporting or import competing activities; and
 - provide services or manufacture goods which do not otherwise currently exist in Tasmania.
-

Northern Territory

Payroll Tax

From 1 July 1999, the payroll tax base will be extended to fringe benefits and employer superannuation contributions. At the same time, a single marginal tax rate of 6.75% will replace the current three-tier scale, and the annual wages exemption threshold will be increased from \$520,000 to \$600,000.

The overall impact of the payroll tax reforms is estimate to be revenue neutral.

Australian Capital Territory

Stamp Duty Legislation

The ACT has introduced various measures arising from the interstate Stamp Duty Re-write project, including strengthened land rich company conveyance duty provisions and imposition of duty on franchise arrangements and licences. The revenue impact of these measures is estimated to be \$4.9 million in 1999/2000.

Gaming Machine Taxation

A new sliding scale of tax rates will provide tax relief to small clubs while increasing the tax rate for larger clubs. This is estimated to raise \$1.7 million in additional revenue in 1999/2000.

Interactive Gambling

The ACT has further developed its regulatory framework for on-line gambling. It is anticipated that licences will be issued in 1999/2000, raising an estimated \$1 million annually.

Ambulance Service Levy

An Ambulance Service Levy, payable by private health insurers, will increase from 63 cents per person per week to 83 cents (in line with New South Wales). This is estimated to raise \$0.7 million additional revenue.

Revenue Office Fees and Charges

From 1 July 1999, a range of fees and charges collected by the Revenue Office will be adjusted to reflect CPI movements and to more fully recover service costs. The revenue increase is forecast to be \$0.5 million per annum.

Appendix 2

INTERSTATE COMPARISONS OF TAX EFFORTS

Commonwealth Grants Commission data

The following Table compares Western Australia's tax rates (revenue raising effort) with the other States. Although the Table comes from the Commonwealth Grants Commission's 1999 Update Report, the data relate to the 1997/98 financial year. Consequently, the comparisons do not take into account tax changes introduced in 1998/99 and 1999/2000.

An index of over 100 means above average revenue raising effort (ie. over taxing relative to the national average). Conversely, an index of less than 100 means below average revenue raising effort.

Taxation Revenue Raising Effort 1997/98

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Payroll Tax	113.9	98.74	73.63	88.91	98.56	106.90	111.25	129.83
	3							
Land Taxes	89.79	120.73	79.56	98.04	197.20	215.74	113.65	0.00
Conveyance Duty	101.1	126.55	78.93	89.19	92.36	108.23	102.88	119.02
	9							
Financial Transactions	101.9	99.13	73.53	115.74	114.03	186.12	82.89	99.72
	6							
Marketable Securities	99.79	99.79	100.80	102.06	100.80	100.80	100.80	100.80
Gambling Taxes	99.52	133.94	82.70	59.53	93.18	82.47	66.37	87.44
Insurance Policies	80.59	119.28	130.50	88.27	106.65	134.46	135.94	104.48
Vehicles Reg. Fees and Taxes (Non-Heavy)	135.3	67.90	134.72	46.38	80.03	66.16	118.66	50.99
	4							
Stamp Duty on Vehicle Reg. And Transfers	105.2	110.27	68.29	99.36	117.55	105.97	91.08	102.43
	5							
Total Taxation (a)	104.6	106.76	81.76	90.62	105.00	108.18	100.16	110.01
	9							

(a) Includes heavy vehicle registration fees and taxes, drivers' licence fees, fuel, tobacco and liquor replacement revenues and certain other revenues not included in this publication.

Payroll Tax

Western Australia's under taxing in payroll tax primarily reflected:

- moderately below average tax rates.
Our top tax rate of 5.56% compared to 6.85% in New South Wales and 6.25% in Victoria; and
- a less stringent definition of "employee" versus "contractor".
Western Australia used the common law definitions whereas a number of other States have extended their payroll tax base to certain payments to independent contractors.

Conveyance Duty

Western Australia's under taxing in conveyance duty primarily reflected below average tax rates. Western Australia had the second lowest average tax rate after Queensland and chattels transferred in conjunction with real property were exempt from duty in Western Australia, but not in any other State.

These factors were partially offset by less generous home buyer concessions.

Financial Transactions

This category comprises Financial Institutions Duty (FID), Debits Tax, and stamp duty on mortgages, rental income, leases and cheques. Western Australia's overtaxing in this category reflects:

- loan refinancings (except for farm loan refinancings) are not exempt from stamp duty in Western Australia. Most other States have exempted loan refinancings from duty;
- stamp duty on cheques has been abolished in all jurisdictions, except Western Australia and South Australia; and
- Queensland does not impose FID, and the Australian Capital Territory and Northern Territory have abolished stamp duty on mortgages.

Gambling Tax

The gambling tax category comprises net collections from taxes on racing, gaming machines (in hotels and clubs), lotteries and casinos.

Western Australia's under taxing is a reflection of a combination of the following:

poker machines

- gaming machines in Western Australia being restricted to the Burswood Casino. In all other States, gaming/poker machines are permitted in licensed premises and are a major source of revenue.

lottery taxation

- Weekend lotto and instant lotteries, agents' fees of approximately 8% being paid by the Lotteries Commission in Western Australia. In other States, the agents' fees on these products are added to the price of the ticket, and hence passed onto the customer. In Victoria, a 10 cent levy also applies to every lotto ticket.

Stamp Duty on Insurance

Western Australia's under taxing in stamp duty on insurance policies reflected a substantially lower stamp duty rate on general insurance, partly offset by the application of stamp duty to workers' compensation insurance.

Other Vehicle Registration Fees and Taxes (ie. Non-Heavy Vehicles)

This category comprises revenue from annual licence/registration fees and other administrative fees, taxes, and surcharges on third party insurance premiums. It does not include stamp duty on registrations and transfers of vehicles.

Western Australia's large under taxing in motor vehicle licence fees primarily reflected significantly lower licence fees in 1997/98. For example, in Western Australia a Holden Commodore used for family purposes would cost approximately \$85 to licence (excluding third party insurance and other charges), compared to \$221 in the ACT, \$169 in New South Wales, \$252 in Queensland and \$140 in Victoria.

Appendix 3

THE CONSOLIDATED FUND VERSUS GOVERNMENT FINANCE STATISTICS

This appendix briefly explains the differences in the reporting of State taxation revenue in terms of the *Government Finance Statistics* (GFS) published by the Australian Bureau of Statistics and the Consolidated Fund (CF) published in the *1998/99 Summary of Consolidated Fund Transactions*.

CF: Taxes and Licences	1998/99 \$m	Government Finance Statistics: Taxes	1998/99 \$m
Business			
Payroll tax	772	General payroll taxes	754
Fuel franchise fees	0	Petroleum products franchise taxes (a)	280
Tobacco franchise fees	0	Tobacco franchise taxes (a)	357
Liquor franchise fees	1	Liquor franchise taxes (a)	102
Stamp duty on rental business	22	Other stamp duties on financial and capital transactions	22
Financial transactions			
Financial institutions duty	126	Financial institutions transactions taxes	126
Debits tax	108	Financial institutions transactions taxes	108
Stamp duty on insurance policies	112	Taxes on insurance nec.	112
Stamp duty on mortgages	61	Other stamp duties on financial and capital transactions	61
Stamp duty on marketable securities	25	Other stamp duties on financial and capital transactions	25
Stamp duty on cheques, etc	8	Other stamp duties on financial and capital transactions	8
Gambling			
Casino tax	43	Casino taxes	43
TAB betting tax	39	Race betting taxes	39
Video lottery terminals	1	Poker machine taxes	1
Lotteries surpluses	84	Taxes on government lotteries	84
Motor vehicles and drivers			
Stamp duty on vehicle licences	138	Stamp duty on vehicle registration	138
Motor vehicle licences	217	Other vehicle registration fees and taxes	217
Motor vehicle recording fees	35	Other vehicle registration fees and taxes	35
Drivers' licences	25	Not a tax in GFS	..
Oversize vehicle permits	2	Road transport and maintenance taxes	2
Temporary permits	0	Other vehicle registration fees and taxes	0
Property			
Stamp duty on conveyances	439	Other stamp duties on financial and capital transactions	439
Land tax	165	Land taxes	165
Metropolitan Region Improvement tax	29	Metropolitan improvement rates	29
Other			
Other stamp duty	10	Other stamp duties on financial and capital transactions	10
Licences and fees	21	Not a tax in GFS	..
Total taxes and licences	2,484		3,157
		Levies on statutory corporations	5
		Insurance companies' contributions to fire brigades	57
		Government borrowing guarantee levies	9
		Road transport and maintenance taxes	2
		Total taxes	3,230

(a) Section 90 Safety Net grants from the Commonwealth, less State subsidies to taxpayers.

General Differences

The GFS presentation is based primarily on international standards developed by the International Monetary Fund and the United Nations. It classifies public sector revenue and expenditure according to the economic impact of the transaction. Because of the uniformity of the GFS presentation, it provides comparability between jurisdictions and across time.

The CF statements in the State budget papers are largely concerned with gross revenue and expenditure. Furthermore, the transactions which go through the CF may not be comparable over time or between jurisdictions due to changes in accounting arrangements and differences in the scope and coverage of different Governments' budget sectors. Consequently, the GFS is generally a more useful tool for assessing the performance of government finances.

Specific Differences

Prior to 1998/99, the GFS taxes series included fees and fines. The adoption of new national accounting standards by the Australian Bureau of Statistics (ABS) saw the removal of fees and fines from the taxes series for all ABS publications from November 1998.

The differences between *Taxes* (GFS) and *Taxes and Licences* (CF) reflect the following factors:

- By far the major difference is that Section 90 Safety Net revenue (from Commonwealth surcharges which replaced State franchise fees) is treated as State revenue in *Taxes* under GFS, whereas they are excluded from *Taxes and Licences* and recognised as Commonwealth funding in the CF.
- The broader scope of the GFS. The *Taxes* classification in GFS covers the CF and non-budget sector general government agencies.
- Differences in classification of some transactions between GFS and CF. For example, levies on statutory corporations and government borrowing guarantees are included in *Taxes* but not reported as *Taxes and Licences* in the CF (they are listed under *Departmental Revenue* in the CF).
- The elimination of internal general government transactions to avoid double counting. For example, \$18 million in payroll tax paid by State general government agencies in 1998/99 is classed as an internal transaction of the sector and is therefore eliminated in GFS.
- *Insurance Companies' Contributions to Fire Brigades* are paid directly to the Fire and Emergency Services Authority of Western Australia, bypassing the CF but reported in the GFS for the general government sector.

Appendix 4

COMMONWEALTH TAX REFORM PACKAGE AND STATE TAXES

The Commonwealth will introduce, from 1 July 2000, a Goods and Services Tax (GST) at the rate of 10 per cent. The Commonwealth is offering the States and Territories all the revenue from the new GST to replace the existing Financial Assistance Grants, Section 90 payments, and some inefficient State taxes.

In particular, the States have agreed to abolish the following taxes:

State Taxes	Proposed Date of Abolition
Accommodation Taxes (Bed Taxes)	1 July 2000
Financial Institutions Duty (FID)	1 July 2001
Stamp Duty on Listed Shares	1 July 2001
Debits Tax	By 1 July 2005 (subject to review)

In addition, gambling tax arrangements will be adjusted from 1 July 2000 to accommodate the GST.

The Commonwealth and States have also agreed to review by 2005, the need to retain the following taxes:

- Stamp Duty on Non-Residential Conveyances
- Stamp Duty on Mortgages
- Stamp Duty on Credit Arrangements/Rental Business
- Stamp Duty on Leases
- Stamp Duty on Cheques
- Stamp Duty on Unlisted Shares