



GOVERNMENT OF  
WESTERN AUSTRALIA

TREASURY DEPARTMENT

**O**VERVIEW OF  
**S**TATE **T**AXES  
**W**ESTERN **A**USTRALIA  
**2000/2001**

NOVEMBER 2000

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197 ST GEORGE'S TERRACE  
PERTH WA 6000

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# 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 on a cash basis. The figures may differ from those published in the 2000/01 Budget, which were prepared on an accrual basis consistent with Government Finance Statistics.

**Appendix 1** provides a summary of *tax changes* introduced by the States and Territories in the latest (2000/01) 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** provides a summary of changes to State tax arrangements as part of national tax reform.

This publication can be downloaded from the following Internet site:

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

## Summary Table

<b>SUMMARY OF TAXES AND LICENCES IN WESTERN AUSTRALIA</b>				
	<b>1999/2000 Actual Outturn \$m</b>	<b>As % of Taxes and Licences %</b>	<b>2000/01 Budget Estimate \$m</b>	<b>As % of Taxes and Licences %</b>
<b>BUSINESS</b>	<b>815.5</b>	<b>30.3</b>	<b>858.6</b>	<b>31.7</b>
Payroll Tax	783.0	29.1	825.0	30.5
Stamp Duty On Rental Business	22.0	0.8	24.7	0.9
Other Business Licences and Fees	10.5	0.4	8.9	0.3
<b>FINANCIAL TRANSACTIONS</b>	<b>493.6</b>	<b>18.3</b>	<b>489.1</b>	<b>18.1</b>
Financial Institutions Duty	131.8	4.9	135.8	5.0
Debits Tax	103.2	3.8	105.0	3.9
Stamp Duty On Insurance Policies	139.4	5.2	148.9	5.5
Stamp Duty On Mortgages	68.8	2.6	63.4	2.3
Stamp Duty On Marketable Securities	42.2	1.6	28.0	1.0
Stamp Duty On Cheques	8.1	0.3	8.0	0.3
<b>GAMBLING</b>	<b>170.7</b>	<b>6.3</b>	<b>168.6</b>	<b>6.2</b>
Lotteries Surpluses	86.4	3.2	83.6	3.1
Casino Tax	43.9	1.6	43.0	1.6
TAB Betting Tax	39.9	1.5	41.8	1.5
Video Lottery Terminals	0.6	0.0	0.2	0.0
<b>MOTOR VEHICLES</b>	<b>453.5</b>	<b>16.9</b>	<b>489.0</b>	<b>18.0</b>
Stamp Duty On Vehicle Licences	158.7	5.9	171.9	6.3
Motor Vehicle Licence Fees	227.9	8.5	249.7	9.2
Recording Fees	35.7	1.3	36.4	1.3
Drivers' Licences	29.5	1.1	29.4	1.1
Other Vehicle Fees	1.6	0.1	1.6	0.1
<b>PROPERTY</b>	<b>741.8</b>	<b>27.6</b>	<b>691.3</b>	<b>25.5</b>
Stamp Duty On Conveyances	508.7	18.9	448.0	16.5
Land Tax	200.9	7.5	209.5	7.7
Metro Region Improvement Tax	32.2	1.2	33.8	1.2
<b>OTHER</b>	<b>16.0</b>	<b>0.6</b>	<b>12.6</b>	<b>0.5</b>
Other Stamp Duties	3.4	0.1	0.3	0.0
Other Licences and Fees	12.6	0.5	12.3	0.5
<b>TOTAL TAXES AND LICENCES</b>	<b>2,691.0</b>	<b>100.0</b>	<b>2,709.2</b>	<b>100.0</b>

## 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*

<b>Annual Payroll \$</b>	<b>Average Tax Rates %</b>
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:

<b>Annual Payroll (P) \$</b>	<b>Tax Payable \$</b>
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 Comparison*

<b>PAYROLL TAX SCALES</b>								
	<b>WA</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>TAS</b>	<b>NT</b>	<b>ACT</b>
<b>Exemption Threshold \$</b>	675,000	600,000	515,000	850,000	456,000	600,000	600,000	900,000
<b>Max Rate %</b>	5.56	6.20	5.75	4.90	6.00	6.60	6.60	6.85
<b>Tax Scale</b>	Average rate slides from 0 % at \$675,000 to 5.56% at \$5.625m	Marginal rate of 6.20% 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 4.90% at \$3.4m	Marginal rate of 6.0% of payroll in excess of \$456,000	Marginal rate of 6.60% of payroll in excess of \$600,000	Marginal rate of 6.6% of payroll in excess of \$600,000	Marginal rate of 6.85% of payroll in excess of \$900,000

<b>TAX PAYABLE AT SELECTED PAYROLLS</b>								
<b>Annual Payroll \$</b>	<b>WA \$</b>	<b>NSW \$</b>	<b>VIC \$</b>	<b>QLD \$</b>	<b>SA \$</b>	<b>TAS \$</b>	<b>NT \$</b>	<b>ACT \$</b>
700,000	1,217	6,200	10,638	-	14,640	6,600	6,600	-
1,000,000	15,817	24,800	27,888	9,800	32,640	26,400	26,400	6,850
2,000,000	64,484	86,800	85,388	75,133	92,640	92,400	92,400	75,350
3,000,000	116,625	148,800	142,888	140,467	152,640	158,400	158,400	143,850
5,000,000	254,000	272,800	257,888	245,000	272,640	290,400	290,400	280,850
10,000,000	556,000	582,800	545,388	490,000	572,640	620,400	620,400	623,350
20,000,000	1,112,000	1,202,800	1,120,388	980,000	1,172,640	1,280,400	1,280,400	1,308,350

<b>AVERAGE TAX RATES</b>								
<b>Annual Payroll \$</b>	<b>WA %</b>	<b>NSW %</b>	<b>VIC %</b>	<b>QLD %</b>	<b>SA %</b>	<b>TAS %</b>	<b>NT %</b>	<b>ACT %</b>
700,000	0.17	0.89	1.52	0.00	2.09	0.94	0.94	0.00
1,000,000	1.58	2.48	2.79	0.98	3.26	2.64	2.64	0.69
2,000,000	3.22	4.34	4.27	3.76	4.63	4.62	4.62	3.77
3,000,000	3.89	4.96	4.76	4.68	5.09	5.28	5.28	4.80
5,000,000	5.08	5.46	5.16	4.90	5.45	5.81	5.81	5.62
10,000,000	5.56	5.83	5.45	4.90	5.73	6.20	6.20	6.23
20,000,000	5.56	6.01	5.60	4.90	5.86	6.40	6.40	6.54

*Changes to Rate Scale since 1982*

<b>CHANGES IN PAYROLL TAX THRESHOLDS AND RATES</b>				
	<b>Exemption Threshold \$</b>	<b>Top Threshold \$</b>	<b>Minimum Tax Rate %</b>	<b>Maximum Tax Rate %</b>
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 \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	520.5	4.3	626.9	-0.8	385.75
1991/92	519.7	-0.2	621.2	-0.9	377.00
1992/93	529.0	1.8	630.6	1.5	377.99
1993/94	573.3	8.4	668.9	6.1	395.77
1994/95	589.4	2.8	664.5	-0.7	386.69
1995/96	635.9	7.9	689.9	3.8	394.27
1996/97	679.1	6.8	726.8	5.3	407.68
1997/98	723.5	6.5	776.2	6.8	428.06
1998/99	771.8	6.7	813.6	4.8	440.73
1999/00	783.0	1.5	806.6	-0.9	430.23
2000/01 <sup>(a)</sup>	825.0	4.1	815.5	1.1	428.67

(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	1.8% 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 rental income 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 \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	17.5	-8.2	21.1	-12.6	13.00
1991/92	15.6	-10.9	18.7	-11.6	11.34
1992/93	14.8	-5.6	17.6	-5.8	10.55
1993/94	15.0	1.9	17.6	-0.3	10.38
1994/95	14.8	-1.7	16.7	-5.0	9.70
1995/96	17.0	15.0	18.4	10.7	10.54
1996/97	19.2	13.2	20.6	11.7	11.56
1997/98	20.3	5.5	21.8	5.7	12.01
1998/99	21.6	6.5	22.8	4.6	12.35
1999/00	22.0	1.9	22.7	-0.4	12.11
2000/01 <sup>(a)</sup>	24.7	12.1	24.7	8.8	12.98

(a) Budget Estimate

# Financial Transactions Taxes

## Financial Institutions Duty

Financial Institutions Duty (FID) is paid monthly by registered financial institutions whose dutiable receipts (deposits) exceed \$5 million in the 12 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*

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.

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.

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 <sup>(a)</sup>	TAS	NT	ACT
<b>Cents/\$100 of Receipt</b>	6.0	6.0	6.0	Nil	6.5	6.0	6.0	6.0
<b>Maximum Duty Per Receipt \$</b>	1,200	1,200	1,200	Nil	1,200	1,200	1,500	1,200

<sup>(a)</sup> 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 Collections \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	79.1	52.5	95.3	45.1	58.62
1991/92	91.0	15.1	108.8	14.2	66.02
1992/93	94.2	3.5	112.3	3.2	67.30
1993/94	103.1	9.5	120.3	7.2	71.20
1994/95	107.8	4.5	121.5	1.0	70.73
1995/96	112.1	4.0	121.7	0.1	69.53
1996/97	116.6	3.9	124.8	2.5	69.98
1997/98	120.7	3.5	129.5	3.8	71.41
1998/99	126.3	4.7	133.2	2.8	72.13
1999/00	131.8	4.4	135.8	2.0	72.43
2000/01 <sup>(a)</sup>	135.8	3.0	135.8	0.0	71.38

<sup>(a)</sup> 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*

DEBITS TAX RATES								
Size of Withdrawal \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS <sup>(a)</sup> \$	NT \$	ACT \$
1 – 99	0.30	0.30	0.30	0.30	0.30	0.15	0.15	0.30
100 – 499	0.70	0.70	0.70	0.70	0.70	0.35	0.70	0.70
500 – 4,999	1.50	1.50	1.50	1.50	1.50	0.75	1.50	1.50
5,000 – 9,999	3.00	3.00	3.00	3.00	3.00	1.50	3.00	3.00
10,000 and over	4.00	4.00	4.00	4.00	4.00	2.00	4.00	4.00

(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 \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	15.7	na	18.9	na	11.62
1991/92	39.5	152.0	47.2	150.0	28.66
1992/93	42.5	7.6	50.7	7.3	30.39
1993/94	47.3	11.2	55.2	8.8	32.65
1994/95	51.3	8.5	57.8	4.8	33.66
1995/96	54.5	6.2	59.1	2.2	33.77
1996/97	56.3	3.3	60.2	1.9	33.80
1997/98	107.4	90.7	115.2	91.2	63.54
1998/99	108.3	0.9	114.2	-0.9	61.87
1999/00	103.2	-4.7	106.4	-6.9	56.73
2000/01 <sup>(a)</sup>	105.0	1.7	105.0	-1.3	55.19

(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
Workers' Compensation Insurance	5% 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 on motor vehicle third party insurance is a flat 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
<b>% of Premiums:</b>								
<b>General</b>	8.0	10.0	10.0	8.5	11.0	8.0	10.0	10.0
<b>Workers' Comp</b>	5.0	Nil	Nil	5.0	Nil	Nil	Nil	Nil
<b>Life Insurance</b>	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	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  Temp: 2% of premium	Term or Temporary: 5% of first year's premium	Term or Temporary: 5% of first year's premium



*Changes to the Rates since 1982*

Stamp duty on life insurance was introduced from 1 November 1983. The stamp duty rate on general insurance policies was increased from 5% to 8% from 1 July 1998. The concessional rate for workers' compensation insurance was increased from 3% to 5% 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.

*Stamp Duty Collections from Insurance Policies*

	Revenue Collections \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	43.9	2.3	52.9	-2.6	32.53
1991/92	45.7	4.2	54.6	3.4	33.16
1992/93	50.5	10.6	60.2	10.3	36.11
1993/94	59.0	16.7	68.8	14.3	40.73
1994/95	62.5	5.9	70.5	2.4	41.01
1995/96	68.4	9.4	74.2	5.3	42.41
1996/97	70.4	3.0	75.4	1.6	42.29
1997/98	73.6	4.5	79.0	4.8	43.56
1998/99	112.1	52.2	118.1	49.6	64.00
1999/00	139.4	24.4	143.6	21.6	76.62
2000/01 <sup>(a)</sup>	148.9	6.8	148.9	3.7	78.27

(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*

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#### MORTGAGE DUTY RATES ON AMOUNTS SECURED

WA <sup>(a)</sup>	NSW <sup>(b)</sup>	VIC <sup>(c)</sup>	QLD <sup>(d)</sup>	SA	TAS	NT	ACT
Nil below \$100	\$5 up to \$16,000	\$4 below \$10,000	\$0.40 per \$100	\$10 up to \$4,000	\$20 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.

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#### 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		

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*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 \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	39.9	-17.6	48.1	-21.6	29.61
1991/92	37.3	-6.7	44.6	-7.4	27.04
1992/93	38.4	3.0	45.8	2.7	27.44
1993/94	49.1	27.8	57.3	25.1	33.87
1994/95	54.4	10.9	61.4	7.2	35.71
1995/96	51.1	-6.2	55.4	-9.7	31.65
1996/97	55.5	8.7	59.4	7.2	33.32
1997/98	72.9	31.4	78.3	31.8	43.16
1998/99	61.3	-15.9	64.7	-17.4	35.03
1999/00	68.8	12.1	70.9	9.6	37.79
2000/01 <sup>(a)</sup>	63.4	-7.8	63.4	-10.5	33.33

(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*

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 per \$100 for listed securities.

*Changes to Concessions since 1982*

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 \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	15.0	-14.4	18.0	-18.5	11.09
1991/92	16.2	8.2	19.4	7.4	11.75
1992/93	15.8	-2.6	18.8	-2.9	11.27
1993/94	35.8	127.1	41.8	122.3	24.72
1994/95	29.9	-16.4	33.8	-19.2	19.65
1995/96	22.1	-26.2	24.0	-29.0	13.71
1996/97	24.3	9.7	26.0	8.2	14.56
1997/98	25.2	3.8	27.0	4.0	14.89
1998/99	24.9	-1.1	26.2	-2.8	14.22
1999/00	42.2	69.3	43.4	65.5	23.16
2000/01 <sup>(a)</sup>	28.0	-33.6	28.0	-35.5	14.72

(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, retailers' fees of approximately 8% for selling Saturday Lotto and instant lottery tickets are paid by the Lotteries Commission. In all other States, 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:

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<b>WA</b>	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.
<b>NSW</b>	10.95% of net subscriptions, plus a fixed fee based on 14.7% of subscriptions in 1996/97 with the amount indexed to the CPI thereafter.
<b>VIC</b>	32.36% of turnover is paid into the CF. Revenue is then transferred by standing appropriation from the CF to Hospitals and Charities Fund and Mental Hospitals Fund. 29.46% of net subscriptions for Soccer Pools. 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.
<b>QLD</b>	62% of gross revenue (total receipts less prize liability) for lotteries, 55% for instant scratch-its, 45% for Golden Casket lotteries, 59% for Soccer Pools.
<b>SA</b>	41% of net gambling revenue for the Lotteries Commission. Net operating surplus from Lotto, Powerball and Super 66 is transferred to the Hospitals Fund. 45% of Soccer Pools net sales is hypothecated to the Department of Recreation and Sport.
<b>TAS</b>	Subscriptions are collected on behalf of Tasmania by Victoria. Victoria pays 100% of the duty from subscriptions to Tasmania. All the funds are paid into the CF.
<b>NT</b>	Subscriptions are collected on behalf of the NT by Victoria. The NT receives a share of this duty.
<b>ACT</b>	Subscriptions are collected on behalf of the ACT by Victoria (32.36% of subscriptions) and NSW (25.6% of subscriptions).

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### *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.

### *Lotteries Surpluses*

	Revenue Collections \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	90.9	1.0	109.5	-3.9	67.40
1991/92	96.5	6.2	115.4	5.4	70.04
1992/93	89.5	-7.3	106.7	-7.6	63.94
1993/94	98.0	9.5	114.3	7.1	67.62
1994/95	109.1	11.4	123.0	7.7	71.61
1995/96	119.4	9.4	129.5	5.3	74.03
1996/97	119.9	0.4	128.3	-0.9	71.98
1997/98	125.7	4.8	134.9	5.1	74.37
1998/99	126.5	0.6	133.3	-1.1	72.24
1999/00	124.6	-1.5	128.4	-3.7	68.46
2000/01 <sup>(a)</sup>	130.0	4.3	130.0	1.3	68.33

(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, and hence the above figures differ from those in the Summary Table.

## 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. Casino tax 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 \$1.77 million in 1999/2000) 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 December 2000.

### *Interstate Comparison*

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#### CASINO TAX RATES

<b>WA</b>	15% of gross revenue, plus 1% levy (or \$1m, whichever is the greater) for the upkeep of Burswood Park.
<b>NSW</b>	13.41% of gross revenue from slots and 10.91% of gross revenue from table gaming. Plus super tax on table revenue above \$235.1m p.a. at 1% for each \$5.9m to a max of 35.91%. Plus community benefit levy of 2% on gross gaming revenue (including high roller revenue). For international high rollers, a flat rate of 10% or \$6m p.a. (whichever is higher), where the revenue exceeds \$60m.
<b>VIC</b>	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). 9% of gross revenue 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). 1% community benefit levy.
<b>QLD</b>	For non-premium players: 20% of gross revenue for Brisbane and Cold Coast casinos; 10% of gross revenue for Townsville and Cairns casinos. Concessional rates apply for premium players: 10% for Brisbane and Gold Coast casinos; 8% for Townsville and Cairns casinos. 1% community benefit levy applies to all casinos.
<b>SA</b>	8.91% of net table gambling revenue plus 34.4% of net gaming machine revenue.
<b>TAS</b>	25% to 35% of gross revenue on video gaming, depending on the level of gross revenue. 15% of gross revenue on all other gaming.
<b>NT</b>	Casino tax arrangements are currently being negotiated.
<b>ACT</b>	20% of gross revenue. 10% of gross revenue for junket operations.

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

<b>CASINO LICENCE FEES</b>	
<b>WA</b>	One-off payment of \$20.6m for the security of the licence. \$1.77 m p.a. payable in four instalments in advance, indexed annually.
<b>NSW</b>	A one-off non-refundable payment of \$376m.
<b>VIC</b>	\$358.4m fully paid.
<b>QLD</b>	\$137,500 per quarter.
<b>SA</b>	\$5,000 per month.
<b>TAS</b>	\$60,800 per month, indexed annually.
<b>NT</b>	Nil
<b>ACT</b>	\$588,304 p.a., indexed annually

*Changes to the Tax Rate or Concessions since 1982*

Nil.

*Casino Tax Collections*

	Revenue Collections \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	29.3	39.4	35.3	32.7	21.70
1991/92	29.0	-0.9	34.7	-1.6	21.05
1992/93	37.1	27.9	44.2	27.5	26.52
1993/94	51.5	38.9	60.1	35.9	35.58
1994/95	58.9	14.3	66.4	10.4	38.63
1995/96	65.2	10.7	70.7	6.5	40.41
1996/97	59.1	-9.3	63.3	-10.5	35.48
1997/98	54.8	-7.2	58.8	-7.0	32.44
1998/99	43.3	-21.1	45.6	-22.4	24.72
1999/00	43.9	1.4	45.2	-0.9	24.12
2000/01 <sup>(a)</sup>	43.0	-2.1	43.0	-4.9	22.60

(a) Budget Estimate

## Betting Taxes

Betting taxes comprise the Totalisator Agency Board (TAB) Betting Tax and the 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 Betting 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 is collected by the Betting Control Board and distributed to sporting organisations at the discretion of the Minister for Sport and Recreation.

### *Exemptions and Concessions*

Nil.

*Interstate Comparison*

<b>CURRENT TAX RATES % (REVENUE PAID TO GOVERNMENT)</b>								
	<b>WA</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>TAS</b>	<b>NT</b>	<b>ACT</b>
<b>TAB Betting Tax</b>								
- win, place bets	5.0	(a)	(a)	(b)	(c)	2.38	(f)	(h)
- double bets	5.0	(a)	(a)	(b)	(c)	2.13	(f)	(h)
- multiple bets	5.0	(a)	(a)	(b)	(c)	1.85	(f)	(h)
<b>Totalisator Duty</b>								
- win, place bets	0.0	(a)	(a)	(b)	(d)	(e)	(f)	(h)
- double bets	0.0	(a)	(a)	(b)	(d)	2.13	(f)	(h)
- multiple bets	0.0	(a)	(a)	(b)	(d)	1.85	(f)	(h)
<b>Bookmakers' Betting Levy<sup>(j)</sup></b>								
- metropolitan	0.25	1.00	Nil	Nil	1.57	1.5	(g)	(i)
- elsewhere	0.25	1.00	Nil	Nil	1.40	2.0	(g)	(i)

- (a) 19.11% of the difference between the amount wagered and prizes paid.
- (b) 20% of the difference between the amount wagered and prizes paid.
- (c) 6% of net wagering revenue and 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.
- (e) Tax rate varies from 0.5% to 2.38% depending on sum of bets made.
- (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 and harness races and greyhound races; 20% of the licensee's commission on races, events, sports and activities other than thoroughbred and harness races and greyhound races if in Australia and 10% if outside Australia.
- (g) A tax rate of: 1% of turnover is levied on betting with on-course bookmakers; 0.25% of turnover on sports betting with sporting bookmakers by international punters; and 1.55% of turnover on race betting with sports bookmakers.
- (h) 3.58% of net wagering revenue.
- (i) A tax rate of 1.0% of turnover is levied on standing bookmakers. For sports bookmakers, the tax rate varies from 0.25% to 6.75%.
- (j) 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 and 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.

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*

	<b>Revenue Collections \$m</b>	<b>Change %</b>	<b>Revenue in 2000/01 Dollars \$m</b>	<b>Change %</b>	<b>Per Capita Revenue in 2000/01 Dollars \$</b>
1990/91	28.0	-1.6	32.7	-6.4	20.14
1991/92	27.2	-2.9	31.5	-3.6	19.14
1992/93	27.4	0.8	31.7	0.5	19.01
1993/94	28.6	4.4	32.4	2.2	19.17
1994/95	30.8	7.7	33.7	4.0	19.62
1995/96	32.7	6.2	34.4	2.2	19.68
1996/97	34.0	4.0	35.3	2.6	19.81
1997/98	36.3	6.7	37.8	7.0	20.85
1998/99	38.8	7.0	39.7	5.1	21.52
1999/00	39.9	2.6	39.9	0.3	21.26
2000/01 <sup>(a)</sup>	41.8	4.9	40.6	1.8	21.33

(a) Budget Estimate

# Motor Vehicles

## 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 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 are administered by the State Revenue Department and the Department of Transport respectively.

### Rate of Tax

Market Value of Vehicle	Tax Rate
\$0 – \$15,000	2.5% flat
\$15,000 – \$40,000	2.5% – 5.0% flat <sup>(a)</sup>
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).

### Interstate Comparison

STAMP DUTY ON MOTOR VEHICLES (BASED ON MARKET VALUES)							
WA	NSW	VIC	QLD	SA	TAS	NT	ACT
As Above	0-\$45,000: \$3 per \$100	<b>New:</b> 0-\$35,000: \$5 per \$200	\$2 per \$100	0-\$1,000: \$1 per \$100	Under \$600: \$20	\$3 per \$100	0-\$45,000: \$3 per \$100
	Over \$45,000: \$5 per \$100	\$35,000 – \$45,000: \$8 per \$200		\$1,001 – \$2,000: \$10 + \$2 per \$100	Over \$600: \$3 per \$100		Over \$45,000: \$5 per \$100
		Over \$45,000: \$10 per \$200		\$2,001 – \$3,000: \$30 + \$3 per \$100	<b>Passenger Vehicles:</b>		
		<b>Used:</b> \$8 per \$200		Over \$3,000: \$60 + \$4 per \$100	Under \$35,000: Same as above		
					\$35,000 – \$40,000: \$11 per \$100		
					Over \$40,000: \$4 per \$100		

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**STAMP DUTY ON SELECTED VEHICLE VALUES**

Vehicle Value	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

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*Changes to the Rate of Duty since 1982*

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 Licence Transfers*

	Revenue Collections \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	73.1	-11.0	88.0	-15.3	54.17
1991/92	75.3	3.0	90.0	2.2	54.62
1992/93	88.1	17.0	105.0	16.6	62.92
1993/94	105.5	19.8	123.1	17.3	72.84
1994/95	117.9	11.7	132.9	8.0	77.35
1995/96	124.6	5.7	135.2	1.7	77.24
1996/97	131.7	5.7	141.0	4.3	79.08
1997/98	139.2	5.6	149.3	5.9	82.34
1998/99	138.5	-0.5	146.0	-2.2	79.08
1999/00	158.7	14.6	163.5	12.0	87.21
2000/01 <sup>(a)</sup>	171.9	8.3	171.9	5.1	90.36

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(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 (1,512kg tare weight) for either family or business use. The difference of \$28 is due to a discount for family vehicles.

	<b>Family Use</b>	<b>Business Use</b>
	<b>\$ per annum</b>	<b>\$ per annum</b>
Holden Commodore	172.16	200.16

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 motor vehicle 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 some 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, beekeepers, 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 the Northern Territory, licence fees are based mainly on the number of cylinders and engine capacity.

Using the same example of a Holden Commodore, interstate comparisons are as follows:

<b>MOTOR VEHICLE LICENCE FEES<sup>(a)</sup></b>								
	<b>WA</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>TAS</b>	<b>NT</b>	<b>ACT</b>
	<b>\$ p.a.</b>	<b>\$ p.a.</b>	<b>\$ p.a.</b>	<b>\$ p.a.</b>	<b>\$ p.a.</b>	<b>\$ p.a.</b>	<b>\$ p.a.</b>	<b>\$ p.a.</b>
<b>Holden Commodore</b>								
Family Use	172.16	308.00	140.00	260.60	146.00	163.00	152.00	335.00
Business Use	200.16	469.00	140.00	260.60	146.00	163.00	152.00	493.00

(a) 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, licence fees have been indexed by the Perth CPI.

<b>MOTOR VEHICLE LICENCE FEES SINCE 1983</b>		
<b>Year</b>	<b>Holden Commodore</b>	
	<b>Family</b>	<b>Business</b>
	<b>\$ p.a.</b>	<b>\$ p.a.</b>
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
2000	172.16	200.16



### *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 \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	79.8	-0.9	96.1	-5.7	59.12
1991/92	88.0	10.3	105.2	9.4	63.81
1992/93	93.0	5.8	110.9	5.5	66.48
1993/94	96.4	3.6	112.5	1.4	66.54
1994/95	99.5	3.3	112.2	-0.2	65.30
1995/96	102.5	3.0	111.2	-0.9	63.57
1996/97	113.2	10.3	121.1	8.9	67.93
1997/98	138.8	22.7	149.0	23.0	82.15
1998/99	217.4	56.6	229.2	53.9	124.17
1999/00	227.9	4.8	234.7	2.4	125.21
2000/01 <sup>(a)</sup>	249.7	9.6	249.7	6.4	131.24

(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 <sup>(a)</sup>	ACT
<b>Min Rate (%)</b>	1.95	1.25	1.4	1.5	1.0	1.5 <sup>(b)</sup>	2.1	1.25
<b>Min Threshold (\$'000)</b>	0	0	0	0	0	1.3	0	0
<b>Max Rate (%)</b>	4.85	5.5	5.5	3.75	5.0	4.0	5.4	5.5
<b>Max Threshold (\$'000)</b>	500	1,000	870	500	1000	225	500	1,000

(a) 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.

(b) Duty of \$20 applies for values below \$1,300.

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

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**CONVEYANCE DUTY PAYABLE ON SELECTED LAND VALUES**

Property Value	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
\$'000	\$	\$	\$	\$	\$	\$	\$	\$
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** The First Home Plus Scheme applies to contracts signed on or after 1 July 2000. Under this scheme, all first home buyers receive a total exemption from conveyance duty and mortgage duty for metropolitan property values up to \$200,000 and for non-metropolitan property values up to \$175,000.
- The conveyance and mortgage duty exemptions phase out between \$200,000 and \$300,000 for metropolitan properties, and between \$175,000 and \$250,000 for non-metropolitan properties.
- For vacant land, the threshold value is \$95,000 in the metropolitan area with the exemptions phasing out between \$95,000 and \$140,000, and \$80,000 in non-metropolitan areas, phasing out between \$80,000 and \$110,000.
- 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.
- 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.
- If any exemption (total or partial) is given on conveyance duty, a total mortgage duty exemption applies.

- QLD** 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.
- A mortgage duty exemption applies on the first \$100,000 of the purchase price, and standard duty rates apply to the balance.
- 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.
- SA** 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.
- There is no mortgage duty concession.
- TAS** 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.
- NT** All first home buyers receive a concession on duty on the first \$80,000 of the value of a home purchase (regardless of value).
- There is no mortgage duty in the Northern Territory.
- ACT** 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.
- There is no mortgage duty in the Australian Capital Territory.

### *Changes to the Rate Scale since 1982*

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

<b>MARGINAL TAX RATES %</b>			
<b>Value</b>			
<b>\$'000</b>	<b>Before 1 Nov 1983</b>	<b>After 1 Nov 1983</b>	<b>After 1 July 1998</b>
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 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. 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.

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

The stamp duty exemption for chattels (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 \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	179.9	-17.3	216.7	-21.3	133.37
1991/92	186.1	3.4	222.5	2.7	135.04
1992/93	207.3	11.4	247.1	11.0	148.11
1993/94	306.3	47.8	357.4	44.6	211.45
1994/95	294.6	-3.8	332.1	-7.1	193.25
1995/96	303.7	3.1	329.5	-0.8	188.31
1996/97	313.4	3.2	335.4	1.8	188.15
1997/98	488.9	56.0	524.5	56.4	289.27
1998/99	438.6	-10.3	462.3	-11.9	250.44
1999/00	508.7	16.0	524.0	13.3	279.50
2000/01 <sup>(a)</sup>	448.0	-11.9	448.0	-14.5	235.49

(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*

<b>LAND TAX SCALE FOR 2000/01</b>	
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 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 <sup>(a)</sup>	VIC <sup>(b)</sup>	QLD <sup>(c)</sup>	SA	TAS	NT	ACT
<b>Min Threshold</b>	\$10,000	\$192,000	\$85,000	\$200,000	\$50,000	\$1,000	Not Levied	\$0
<b>Max Threshold</b>	\$1,250,000	\$192,000	\$2,700,000	\$1,500,000	\$1,000,000	\$500,000		\$200,000
<b>Min Tax Rate</b>	0.15%	1.70%	0.10%	0.20%	0.35%	0.75%		1.00%
<b>Max Tax Rate</b>	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 Levied	200
50,000	75	0	0	0	0	313		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 Levied	1.00
50,000	0.15	0.00	0.00	0.00	0.00	0.63		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, a 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 applies from 2000/01 onwards.



*Land Tax Collections*

	Revenue Collections \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	115.9	26.0	139.6	19.9	85.88
1991/92	133.6	15.3	159.7	14.4	96.91
1992/93	128.5	-3.8	153.1	-4.1	91.79
1993/94	122.9	-4.3	143.4	-6.4	84.85
1994/95	137.1	11.6	154.6	7.8	89.95
1995/96	158.6	15.6	172.0	11.3	98.30
1996/97	165.3	4.3	176.9	2.9	99.25
1997/98	170.6	3.2	183.0	3.4	100.94
1998/99	165.4	-3.0	174.4	-4.7	94.47
1999/00	200.9	21.4	206.9	18.6	110.36
2000/01 <sup>(a)</sup>	209.5	4.3	209.5	1.3	110.12

(a) Budget Estimate

## Metropolitan Region Improvement Tax

Metropolitan Region Improvement Tax (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 \$m	Change %	Revenue in 2000/01 Dollars \$m	Change %	Per Capita Revenue in 2000/01 Dollars \$
1990/91	15.8	18.3	19.1	12.5	11.73
1991/92	18.9	19.6	22.6	18.7	13.74
1992/93	17.6	-7.3	20.9	-7.6	12.54
1993/94	17.4	-0.9	20.3	-3.0	12.00
1994/95	19.8	14.0	22.3	10.1	13.00
1995/96	23.4	18.3	25.4	13.8	14.54
1996/97	25.5	8.8	27.3	7.3	15.31
1997/98	26.7	4.6	28.6	4.9	15.79
1998/99	29.5	10.5	31.1	8.6	16.84
1999/00	32.2	9.3	33.2	6.8	17.71
2000/01 <sup>(a)</sup>	33.8	4.9	33.8	1.8	17.77

(a) Budget Estimate

## Appendix 1

### A Summary of Tax Changes in 2000/01 in all States and Territories

The following is a summary of the major tax changes announced in 2000/01 State Budgets. Some of the measures have yet to gain Parliamentary approval and so could be subject to change.

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#### Western Australia

No tax changes were introduced in the 2000/01 Budget.

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#### New South Wales

##### *Payroll Tax*

The single marginal payroll tax rate will be reduced from 6.4% to 6.2% from 1 January 2001, at a cost of \$52 million in 2000/01.

The payroll tax rate will be further reduced to 6.0% from 1 July 2002, at a full year cost of \$142 million.

##### *Stamp Duty on General Insurance*

The duty rate on general insurance has been reduced from 11.5% to 10%. The new rate comes into effect where the period of insurance begins on or after 1 October 2000 for premiums paid on or after 23 May 2000.

The reduction, estimated to cost \$36 million in a full year, brings the rate in New South Wales in line with Victoria.

##### *First Home Plus Scheme*

The new First Home Plus Scheme applies to contracts signed on or after 1 July 2000. All first home buyers will receive a total exemption from conveyance duty and mortgage duty for metropolitan property values up to \$200,000 and for non-metropolitan property values up to \$175,000.

The conveyance and mortgage duty exemptions will phase out between \$200,000 and \$300,000 for metropolitan properties, and between \$175,000 and \$250,000 for non-metropolitan properties.

For vacant land, the threshold value will increase to \$95,000 in the metropolitan area, with the exemptions phasing out between \$95,000 and \$140,000, and to \$80,000 in non-metropolitan areas, phasing out between \$80,000 and \$110,000.

These measures are estimated to cost \$52 million in 2000/01.

### *Parking Space Levy*

The parking space levy increased from 1 July 2000 from \$400 to \$800 per off-street, non-residential parking space in Sydney, North Sydney and Milsons Point business districts. In addition, the parking space levy was extended to business areas of St Leonards, Chatswood, Parramatta and Bondi Junction at the rate of \$400 per space. The measures are estimated to increase revenue by \$24.7 million in a full year.

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## Victoria

### *Future Tax Cuts*

The Government has made provision in the forward estimates for tax cuts equivalent to a minimum of \$200 million by July 2003, including \$100 million from 1 July 2001. A review of Victoria's tax system (the first since 1983) will recommend the appropriate mix of tax cuts before the end of 2000.

### *Bookmakers' Betting Levy*

The Government has abolished the levy on fixed odds bookmakers' statements which was equivalent to 2% of turnover at metropolitan racecourses and 1.5% at country racecourses.

### *Gaming Levy*

A flat rate levy is imposed on each electronic gaming machine to raise \$10 million for funding drug and alcohol programs. There are 30,000 machines in Victoria, so the levy will be \$333.33 per annum per machine, commencing in 2000/01.

## Queensland

### *Payroll Tax*

No tax changes were introduced in the 2000/01 Budget.

However, the payroll tax rate was reduced from 5.0% to 4.9% from 1 July 2000, a measure which was introduced in the 1999/2000 Budget.

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## South Australia

### *Payroll Tax Trainee Rebates*

To reduce the cost of the payroll tax trainee rebate scheme, the assistance is limited to trainees who commence their traineeship before their 25<sup>th</sup> birthday, and the rate of the rebate will be reduced to 80%. These changes came into effect from 25 May 2000, and are estimated to save \$1.6 million in a full year.

### *Emergency Services Levy Concessions*

The Government has decided to introduce a range of amendments to the operation of the Emergency Services Levy to deliver relief to both fixed and mobile property owners. The total cost of the reform measures is estimated to be \$24 million per annum.

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## Tasmania

No tax changes were introduced in the 2000/01 Budget.

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## Northern Territory

### *Payroll Tax*

The payroll tax rate was reduced from 6.75% to 6.6% from 1 July 2000. This measure is estimated to cost \$2.1 million in a full year.

### *Stamp Duty on Insurance Policies*

The stamp duty rate on general insurance policies will increase from 8% to 10%. Indemnity insurance will be taxed at this rate rather than nominally charged. These measures are expected to raise \$2.2 million.

### *Stamp Duty on Hiring Arrangements*

The stamp duty on hiring arrangements was extended to hire purchase arrangements and the rate was increased from 1.5% to 1.8% from 1 July 2000. It is estimated that these measures will raise \$1 million.

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## Australian Capital Territory

### *Payroll Tax*

The payroll tax exemption threshold will be increased from \$800,000 to \$900,000 on 1 January 2001. The threshold will further rise to \$1.25 million on 1 July 2001, and to \$1.5 million on 1 July 2002.

### *Insurance Levy*

The Insurance Levy will be abolished from 1 July 2001. The levy was introduced in 1998 to raise \$10 million per year for emergency services.

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## Appendix 2

### Interstate Comparisons of Tax Efforts

#### *Commonwealth Grants Commission Data*

The following Table compares Western Australia's revenue raising effort with the other States and Territories. Although the Table comes from the Commonwealth Grants Commission's 2000 Update Report, the data relate to the 1998/99 financial year. Consequently, the comparisons do not take into account tax changes introduced in 1999/2000 and 2000/01.

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.

<b>TAXATION REVENUE RAISING EFFORT</b>								
<b>1998/99</b>								
	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>WA</b>	<b>SA</b>	<b>TAS</b>	<b>ACT</b>	<b>NT</b>
<b>Payroll Tax</b>	118.38	92.56	74.41	<b>89.54</b>	101.09	106.94	106.02	122.71
<b>Land Taxes</b>	99.16	104.69	82.65	<b>84.24</b>	194.39	277.01	129.81	0.00
<b>Conveyance Duty</b>	104.46	117.79	77.08	<b>92.12</b>	101.76	93.28	98.02	109.86
<b>Financial Transactions</b>	102.24	100.03	73.56	<b>123.92</b>	114.78	122.65	87.29	105.77
<b>Marketable Securities</b>	99.87	99.87	100.88	<b>100.88</b>	100.88	100.88	100.88	100.88
<b>Gambling Taxes</b>	93.29	143.60	83.80	<b>52.00</b>	105.46	74.72	59.91	65.19
<b>Insurance Policies</b>	77.88	106.99	110.41	<b>129.49</b>	152.10	107.91	139.89	113.84
<b>Vehicle Reg. Fees and Taxes (Non-Heavy)</b>	150.21	60.88	115.06	<b>56.17</b>	81.08	53.50	115.09	43.56
<b>Stamp Duty on Vehicle Reg. and Transfers</b>	105.41	110.79	68.28	<b>99.34</b>	117.52	104.43	102.43	102.41
<b>Total Taxation<sup>(a)</sup></b>	<b>109.77</b>	<b>99.83</b>	<b>84.49</b>	<b>88.03</b>	<b>105.94</b>	<b>92.80</b>	<b>97.23</b>	<b>92.68</b>

(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 in 1998/99 primarily reflected:

- below average tax rates. Our top tax rate of 5.56% compared to 7.00% in the Northern Territory, 6.85% in New South Wales and the ACT, 6.60% in Tasmania and 6.00% in Victoria and South Australia; and
- unlike Western Australia, a number of other States have extended their payroll tax base to certain payments to independent contractors (Western Australia relies on the common law definition of "employee").

### *Land Tax*

Western Australia's under taxing in land tax primarily reflected below average tax rates for high value properties.

### *Financial Transactions*

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

- 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 ACT 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:

- gaming machines in Western Australia are restricted to the Burswood Casino. In all other States, gaming/poker machines are permitted in licensed premises and are a major source of revenue; and
- Weekend Lotto and instant lotteries agents' fees are 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.



### *Stamp Duty on Insurance Policies*

Western Australia's relative over taxing in stamp duty on insurance policies reflects the absence of a stamp duty exemption for workers' compensation insurance (Queensland and Western Australia are the only two States that don't exempt workers' compensation insurance).

### *Vehicle Registration Fees and Taxes for 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 in 1998/99 primarily reflected significantly lower licence fees.

## Appendix 3

### National Tax Reform and State Taxes

As part of national tax reform, New South Wales and the Northern Territory abolished their Accommodation Tax from 1 July 2000. The States and Territories have also agreed to abolish the following taxes:

<b>State Taxes</b>	<b>Date of Abolition</b>
Financial Institutions Duty (FID)	1 July 2001
Stamp Duty on Listed Shares	1 July 2001
Debits Tax	By 1 July 2005 (subject to review)

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; and
- stamp duty on unlisted shares.

Also as part of national tax reform, the States and Territories agreed to adjust their gambling tax arrangements from 1 July 2000 to “make room” for the GST. The mechanisms for achieving this vary across jurisdictions, but generally involve:

- reducing State gambling tax rates;
- allowing a credit against State gambling taxes payable; or
- providing a rebate/reimbursement to gambling operators of their GST liability. This is the approach adopted in Western Australia.

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