



Department of Treasury and Finance  
Government of Western Australia

# **Overview of State Taxes**

## **Western Australia**

### **2007-08**

February 2008



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# Introduction

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

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

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

The **Summary Table** indicates the contribution of each tax to total tax revenue on an accrual basis consistent with Government Finance Statistics as published by the Australian Bureau of Statistics.

The **Appendix** provides a summary of tax changes introduced by the States and Territories in the 2007-08 round of State Budgets.

This publication can be downloaded from the following Internet site:

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

Revenue collections for each tax in 2006-07 reflect the actual outturn for the year. Estimates of revenue raised by each tax in 2007-08 are the estimates published in the 2007-08 Mid-Year Financial Projections Statement.

## Summary Table

<b>STATE TAXES IN WESTERN AUSTRALIA</b>				
	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	As a % of
	Actual	Actual	Estimates <sup>(a)</sup>	Total
	\$ million	\$ million	\$ million	
<b>BUSINESS</b>				
Pay-roll Tax	1,355.2	1,607.3	1,958.4	30.8%
Stamp Duty on Rental Business	32.0	24.1	0.0	0.0%
<b>FINANCIAL TRANSACTIONS</b>				
Stamp Duty on Insurance Policies	296.3	308.5	341.2	5.4%
Stamp Duty on Mortgages	173.4	120.5	116.3	1.8%
Debits Tax	8.5	0.0	0.0	0.0%
<b>GAMBLING</b>				
Lotteries Commission	80.4	88.0	86.1	1.4%
Casino Tax	29.4	36.5	35.9	0.6%
TAB Betting Tax	37.0	39.5	49.3	0.8%
<b>MOTOR VEHICLES</b>				
Stamp Duty on Vehicle Licences	342.2	392.6	395.1	6.2%
Motor Vehicle Registrations	361.1	396.4	429.5	6.7%
Motor Vehicle Recording Fee	29.7	31.6	34.1	0.5%
<b>PROPERTY</b>				
Stamp Duty on Conveyances	1,906.0	2,037.2	2,224.8	34.9%
Land Tax	312.9	385.6	420.0	6.6%
Metropolitan Region Improvement Tax	53.4	65.0	78.0	1.2%
<b>OTHER</b>				
Emergency Services Levy	130.3	137.4	150.1	2.4%
Loan Guarantee Fees	13.1	14.2	16.1	0.3%
Other	33.9	33.3	33.5	0.5%
<b>TOTAL STATE TAXATION</b>	<b>5,194.8</b>	<b>5,717.7</b>	<b>6,368.4</b>	<b>100%</b>

<sup>(a)</sup> Based on 2007-08 Mid-Year Review Estimates



# Business Taxes

## Pay-roll Tax

Pay-roll tax is generally paid monthly<sup>1</sup> by employers on the basis of total wages (including employer-funded superannuation benefits, fringe benefits, and eligible termination payments) paid to employees in the preceding month. It is collected under the *Pay-roll Tax Assessment Act 2002* and *Pay-roll Tax Act 2002*, which are administered by the Office of State Revenue.

### *Rate of Tax*

<b>Annual Pay-roll \$</b>	<b>Tax Payable</b>
0 – 750,000	Nil
Over 750,000	5.5% x (Annual Pay-roll – \$750,000)

### *Exemptions and Concessions*

Pay-roll 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.

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

*Interstate Comparison (2007-08)*

**PAY-ROLL TAX SCALES**

	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
<b>Exemption Threshold \$</b>	750,000	600,000	550,000	1,000,000	504,000	1,010,000	1,250,000	1,250,000
<b>Max Rate %</b>	5.50	6.00	5.05	4.75	5.25	6.10	6.20	6.85
<b>Tax Scale</b>	Marginal rate of 5.50% of pay-roll in excess of \$750,000	Marginal rate of 6.00% of pay-roll in excess of \$600,000	Marginal rate of 5.05% of pay-roll in excess of \$550,000	Average rate slides from 0 % at \$1,000,000 to 4.75% at \$4m	Marginal rate of 5.25% of pay-roll in excess of \$504,000	Marginal rate of 6.10% of pay-roll in excess of \$1.01m	Marginal rate of 6.20% of pay-roll in excess of \$1.25m	Marginal rate of 6.85% of pay-roll in excess of \$1.25m

**TAX PAYABLE AT SELECTED PAY-ROLLS**

Annual Pay-roll \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	NT \$	ACT \$
700,000	–	6,000	7,575	–	10,290	–	–	–
1,000,000	13,750	24,000	22,725	–	26,040	–	–	–
2,000,000	68,750	84,000	73,225	63,333	78,540	60,390	46,500	51,375
3,000,000	123,750	144,000	123,725	126,667	131,040	121,390	108,500	119,875
5,000,000	233,750	264,000	224,725	237,500	236,040	243,390	232,500	256,875
10,000,000	508,750	564,000	477,225	475,000	498,540	548,390	542,500	599,375
20,000,000	1,058,750	1,164,000	982,225	950,000	1,023,540	1,158,390	1,162,500	1,284,375

**AVERAGE TAX RATES**

Annual Pay-roll \$	WA %	NSW %	VIC %	QLD %	SA %	TAS %	NT %	ACT %
700,000	–	0.86	1.08	–	1.47	–	–	–
1,000,000	1.38	2.40	2.27	–	2.60	–	–	–
2,000,000	3.44	4.20	3.66	3.17	3.93	3.02	2.33	2.57
3,000,000	4.13	4.80	4.12	4.22	4.37	4.05	3.62	4.00
5,000,000	4.68	5.28	4.49	4.75	4.72	4.87	4.65	5.14
10,000,000	5.09	5.64	4.77	4.75	4.99	5.48	5.43	5.99
20,000,000	5.29	5.82	4.91	4.75	5.12	5.79	5.81	6.42

*Changes to Rate Scale since 1982*


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**CHANGES IN PAY-ROLL TAX THRESHOLDS AND RATES  
WESTERN AUSTRALIA**

	Exemption Threshold \$	Top Threshold \$	Minimum Tax Rate %	Maximum Tax Rate %
1 Jan 1982	102,000	201,000	5.00	5.00
1 Jan 1983	125,000	256,000	5.00	5.00
1 Jan 1984	160,000	400,000	5.00	5.00
1 Jan 1985	200,000	800,000	4.75	4.75
1 Jan 1986	220,000	1,408,000	4.00	4.75
1 Aug 1986	250,000	1,800,000	3.75	5.75
1 Jan 1988	275,000	1,980,000	3.75	5.75
1 Jan 1989	295,000	2,124,000	3.75	5.75
1 Nov 1989	300,000	2,500,000	3.95	6.00
1 Jan 1991	320,000	2,666,667	3.95	6.00
1 Jun 1992	350,000	2,916,667	3.95	6.00
1 Dec 1992	375,000	3,125,000	3.95	6.00
1 Jan 1994	450,000	3,750,000	3.95	6.00
1 Jul 1994	550,000	4,583,333	3.95	6.00
1 Jul 1995	600,000	5,000,000	3.95	6.00
1 Jul 1996	625,000	5,208,333	3.95	6.00
1 Jul 1997	675,000	5,625,000	3.65	5.56
1 Jan 2002	675,000	5,625,000	3.65	6.00
1 Jul 2003	750,000	No threshold	n.a.	6.00
1 Jan 2005	750,000	No threshold	n.a.	5.50

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*Changes to the Pay-roll Tax Base (including 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 pay-roll tax from 1 July 1996. These benefits include housing, annual leave travel assistance, power and water subsidies and child education bursaries.

The pay-roll 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 by the *Fringe Benefits Tax Act 1986 (Cth)*. Excluded from the base expansion were the major remote area fringe benefits.

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

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

### *Pay-roll Tax Collections*

<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08 Dollars</b>	<b>Change (Real)</b>
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
1997-98	723.5	6.5	997.5	6.8
1998-99 <sup>(a)</sup>	753.5	4.1	1,020.8	2.3
1999-00	765.7	1.6	1,013.7	-0.7
2000-01	823.6	7.6	1,033.9	2.0
2001-02	900.1	9.3	1,100.3	6.4
2002-03	1,003.7	11.5	1,193.7	8.5
2003-04	1,139.4	13.5	1,327.9	11.2
2004-05	1,210.6	6.3	1,367.9	3.0
2005-06	1,355.2	11.9	1,468.9	7.4
2006-07	1,607.3	18.6	1,655.1	12.7
2007-08 <sup>(b)</sup>	1,958.4	21.8	1,958.4	18.3

<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement 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 1921*, which is administered by the Office of State Revenue.

Conveyance duty will be abolished on the “non-real” component of property transfers (eg. intellectual property and statutory licences) from 1 July 2010.

### *Rate of Tax*

<b>Property Value</b>	<b>Rate of Duty</b>
\$0 to \$80,000	\$2.00 per \$100 or part thereof
\$80,001 to \$100,000	\$1,600 and \$3.00 per \$100 above \$80,000
\$100,001 to \$250,000	\$2,200 and \$4.00 per \$100 above \$100,000
\$250,001 to \$500,000	\$8,200 and \$5.00 per \$100 above \$250,000
Above \$500,000	\$20,700 and \$5.40 per \$100 above \$500,000

On 28 November 2007, a new Duties Bill was introduced in the Parliament, incorporating the outcome of the Rewrite of the Stamp Act. If passed by the Parliament, it will come into effect from 1 July 2008. The new regime also includes a 5% reduction in conveyance duty.

### *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 (including 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 \$200,000.

First home buyers who purchase a home valued at up to \$500,000 are exempt from stamp duty. The exemption phases out for homes valued between \$500,000 and \$600,000. First home land purchases valued up to \$300,000 are

also exempt from stamp duty, with the exemption phasing out for land valued between \$300,001 and \$400,000.

*Interstate Comparison (2007-08)*

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<b>CONVEYANCE DUTY SCALES</b>								
	<b>WA</b>	<b>NSW<sup>(a)</sup></b>	<b>VIC</b>	<b>QLD</b>	<b>SA</b>	<b>TAS</b>	<b>NT<sup>(b)</sup></b>	<b>ACT</b>
<b>Min Rate (%)</b>	2.0	1.25	1.4	1.5	1.0	1.5 <sup>(c)</sup>	(b)	2.00
<b>Min Threshold (\$'000)</b>	0	0	0	0	0	1.3	0	0
<b>Max Rate (%)</b>	5.4	7.0	5.5	4.50	5.5	4.0	5.4	6.75
<b>Max Threshold (\$'000)</b>	500	3,000	870	700	500	225	500	1,000

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<sup>(a)</sup> Top threshold and top rate for non-residential transactions are \$1 million and 5.5% respectively.

<sup>(b)</sup> 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.

<sup>(c)</sup> Duty of \$20 applies for values below \$1,300.

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**CONVEYANCE DUTY PAYABLE ON SELECTED PROPERTY VALUES**

Property Value	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
\$'000	\$	\$	\$	\$	\$	\$	\$	\$
100	2,200	1,990	2,200	2,350	2,830	2,425	2,750	2,000
200	6,200	5,490	6,810	5,600	6,830	5,675	6,800	5,500
300	10,700	8,990	11,810	8,975	11,330	9,550	12,150	9,500
400	15,700	13,490	16,810	12,475	16,330	13,550	18,800	15,000
500	20,700	17,990	22,810	15,975	21,330	17,550	26,750	20,500
750	34,200	29,240	40,660	26,255	35,080	27,550	40,500	34,875
1,000	47,700	40,490	55,000	37,475	48,830	37,550	54,000	49,250
5,000	263,700	290,490	275,000	217,475	268,830	197,550	270,000	319,250

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**AVERAGE TAX RATES**

Property Value	WA	NSW	VIC	QLD	SA	TAS	NT	ACT
\$'000	%	%	%	%	%	%	%	%
100	2.20	1.99	2.20	2.35	2.83	2.43	2.75	2.00
200	3.10	2.75	3.41	2.80	3.42	2.84	3.40	2.75
300	3.57	3.00	3.94	2.99	3.78	3.18	4.05	3.17
400	3.93	3.37	4.20	3.12	4.08	3.39	4.70	3.75
500	4.14	3.60	4.56	3.20	4.27	3.51	5.35	4.10
750	3.42	2.92	4.07	2.62	3.51	2.76	4.05	3.49
1,000	4.77	4.05	5.50	3.75	4.88	3.76	5.40	4.93
5,000	5.27	5.81	5.50	4.35	5.38	3.95	5.40	6.39

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

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<b>WA</b>	<p>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 \$200,000. First home buyers whose purchases are below \$500,001, are exempt from conveyance duty, with the exemption phasing out at \$600,000. First home land purchases below \$300,001 are also exempt from conveyance duty, with the exemption phasing out at \$400,000.</p> <p>A lower rate of duty (0.125%) applies to mortgages taken out on the principal place of residence of the purchaser.</p>
<b>NSW</b>	<p>First home buyers receive a total exemption from conveyance duty and mortgage duty for metropolitan property values up to \$500,000, with the exemption phasing out at \$600,000.</p> <p>For vacant land, the threshold value for full duty exemption is \$300,000, with a partial exemption applying up to \$450,000.</p>
<b>VIC</b>	<p>A First Home Bonus of \$3,000 is available to first home buyers. A full exemption from conveyance duty is available for first home buyers purchasing a property up to \$150,000, with a concessional rate of duty applying at values between \$150,000 and \$200,000.</p> <p>First home buyers cannot receive both the First Home Bonus and the first home buyer stamp duty concession.</p> <p>A full pensioner conveyance duty exemption applies to properties up to \$300,000, phasing out at \$400,000. Applicants must hold Commonwealth concession cards.</p>
<b>QLD</b>	<p>No conveyance duty or mortgage duty applies to the first home purchase valued up to \$320,000. A first home rebate applies above \$320,000, phasing out at \$500,000.</p> <p>Home buyers not purchasing their first home, and first home buyers purchasing above \$500,000, receive a principal place of residence concessional rate of duty of 1% for the first \$320,000 of the value of the home, with the normal marginal rate applying to the amount above \$320,000.</p>
<b>SA</b>	<p>For first home buyers, a full exemption applies for a home valued at up to \$80,000. For properties valued at between \$80,001 and \$100,000, the concession reduces from 100% to 50% (2.5% reduction per \$1,000 of property value). The concession remains at 50% for properties valued between \$100,001 and \$150,000, after which it decreases by \$24 for every \$1,000 above \$150,000 and phases out completely at \$250,000.</p> <p>Home buyers purchasing a principal place of residence are exempt from mortgage duty.</p>
<b>TAS</b>	<p>Conveyance duty relief of up to \$4,000 for first home buyers purchasing a property up to the value of \$350,000. No concession applies for properties above \$350,000. A refund of duty of up to \$2,400 is available to first home owners who purchase land valued at up to \$175,000 and build a home. The refund is payable on land with a dutiable value of up to \$175,000.</p>
<b>NT</b>	<p>All first home buyers receive a duty concession of up to \$15,312.50 of the duty payable under the general rates of duty. A \$2,500 reduction in stamp duty is available to a non-first home buyer purchasing a principal place of residence.</p>
<b>ACT</b>	<p>Subject to a family income not exceeding \$100,000 plus \$3,330 for each dependent child, home buyers purchasing an established dwelling valued at up to \$290,000 pay a nominal duty of \$20. A concessional rate of duty is payable by an eligible homebuyer purchasing a home valued between \$290,000 and \$365,000.</p>

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

<b>MARGINAL TAX RATE (%)</b>						
<b>Value \$'000</b>	<b>From 1 Nov 1983</b>	<b>From 1 July 1998</b>	<b>From 1 July 2002</b>	<b>From 1 July 2003</b>	<b>From 1 July 2004</b>	<b>From 28 Oct 2004</b>
Less than 80	1.75	1.95	2.00	2.30	2.20	2.00
80 – 100	2.50	2.85	3.00	3.45	3.30	3.00
100 – 250	3.25	3.70	4.15	4.75	4.50	4.00
250 – 500	4.00	4.55	5.15	5.90	5.60	5.00
Above 500	4.25	4.85	5.50	6.30	6.00	5.40

### *Changes to Concessions since 1982*

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

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

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

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

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

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

On 1 July 2004, the \$500 stamp duty rebate for first home owners was replaced with a stamp duty exemption for purchases of homes below \$220,000, with this exemption phasing out between \$220,000 and \$300,000. For vacant land, the exemption applied to purchases below \$100,000, phasing out at \$150,000. This exemption was extended on 28 October 2004 to \$250,000 for first home purchases (phasing out at \$350,000), and \$150,000 for vacant land (phasing out at \$200,000). This was further extended from 10 May 2007 to \$500,000 for first home purchases (phasing out at \$600,000), and \$300,000 for vacant land (phasing out at \$400,000).

The first home buyer stamp duty concession was extended to any subsequent purchases of an interest by an eligible first home buyer who enters into a shared equity arrangement with the Department of Housing and Works from 1 July 2006. Property transfers from a bankrupt to a creditor were also exempted from stamp duty.

### *Stamp Duty Collections from Conveyances*

<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08 Dollars</b>	<b>Change (Real)</b>
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
1997-98	488.9	56.0	674.1	56.4
1998-99 <sup>(a)</sup>	438.6	-10.3	594.2	-11.9
1999-00	516.6	17.8	683.9	15.1
2000-01	549.2	6.3	689.5	0.8
2001-02	647.4	17.9	791.4	14.8
2002-03	833.3	28.7	991.1	25.2
2003-04	1,207.2	44.9	1,407.0	42.0
2004-05	1,218.1	0.9	1,376.3	-2.2
2005-06	1,906.0	56.5	2,066.0	50.1
2006-07	2,037.2	6.9	2,097.8	1.5
2007-08 <sup>(b)</sup>	2,224.8	9.2	2,224.8	6.1

<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement estimate.

## Land Tax

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

### *Rate of Tax*

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<b>LAND TAX SCALE FOR 2007-08</b>	
Unimproved Value of Land \$'000	Land Tax Payable
Less than 250	Nil
250 – 875	0.15 cents per \$1 above \$250,000
875 – 2,000	\$938+0.75 cents per \$1 above \$875,000
2,000 – 5,000	\$9375+1.30 cents per \$1 above \$2,000,000
5,000 – 10,000	\$48,375+1.55 cents per \$1 above \$5,000,000
Over 10,000	\$125,875+2.30 cents per \$1 above \$10,000,000

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

### *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 an exemption from land tax.

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

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

From 1 July 2005, caravan parks are entitled to a 50% land tax concession.

The exemption period for persons constructing new residences has extended from 12 months to two years from 1 July 2006, and parents providing independent accommodation for disabled children were exempt from land tax from 1 July 2006.

*Interstate Comparison (2007-08)*

**LAND TAX SCALES**

	WA	NSW	VIC	QLD	SA	TAS	NT	ACT <sup>(a)</sup>
<b>Min Threshold</b>	\$250,000	\$359,000	\$225,000	\$600,000	\$110,000	\$25,000	Not	\$0
<b>Max Threshold</b>	\$10m	\$359,000	\$2.7m	\$3.0m	\$1.0m	\$750,000	Levied	\$275,000
<b>Min Tax Rate</b>	0.15%	1.60%	0.20%	0.70%	0.30%	0.55%		0.60%
<b>Max Tax Rate</b>	2.30%	1.60%	2.50%	1.25%	3.70%	2.50%		1.40%

<sup>(a)</sup> The arrangements in the table apply to residential property. For commercial property the maximum threshold is \$275,000, the minimum rate is 0.89% and the maximum rate is 1.59%.

**LAND TAX PAYABLE**

Land Value \$'000	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	NT \$	ACT <sup>(a)</sup> \$
100	–	–	–	–	–	463	Not	673
200	–	–	–	–	270	1,013	Levied	1,693
300	75	–	400	–	570	1,563		2,906
400	225	756	600	–	1,070	2,838		4,306
500	375	2,356	800	500	1,770	4,838		5,706
1,000	1,875	10,356	3,480	5,875	11,420	16,088		12,706
3,000	22,375	42,356	29,980	37,500	85,420	66,088		40,706
5,000	48,375	74,566	79,980	62,500	159,420	116,088		68,706
10,000	125,875	154,356	204,980	125,000	344,420	241,088		138,706

<sup>(a)</sup> Based on residential property scale.

**AVERAGE TAX RATES**

Land Value \$'000	WA %	NSW %	VIC %	QLD %	SA %	TAS %	NT %	ACT %
100	–	–	–	–	–	0.46	Not	0.67
200	–	–	–	–	0.14	0.51	Levied	0.85
300	0.03	–	0.13	–	0.19	0.52		0.97
400	0.06	0.19	0.15	–	0.27	0.71		1.08
500	0.08	0.47	0.16	0.10	0.35	0.97		1.14
1,000	0.19	1.04	0.35	0.59	1.14	1.61		1.27
3,000	0.75	1.41	1.00	1.25	2.85	2.20		1.36
5,000	0.97	1.49	1.60	1.25	3.19	2.32		1.37
10,000	1.26	1.54	2.05	1.25	3.44	2.41		1.39

### *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.

In 2002-03, the land tax exemption threshold was increased from \$10,000 to \$50,000. At the same time, the top tax rates were increased from 2.0% to 2.3% for land with an unimproved value between \$2 million and \$5 million, and to 2.5% for land with an unimproved value exceeding \$5 million.

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

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

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

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

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

### *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 tax payers, pending the major review of 1986-87.

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

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

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

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

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

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

In 1996, a concession was introduced for land developers by applying the land tax scale to the 'en globo' (un-subdivided) value of property.

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

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

The land developers' concession was removed from the 2003-04 land tax year, as part of the reform of State taxes.

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

From 1 July 2005, caravan parks are entitled to a 50% land tax concession.

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

From 1 July 2007, a land tax exemption applies to private aged care providers.

### *Land Tax Collections*

<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08 Dollars</b>	<b>Change (Real)</b>
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
1997-98	170.6	3.2	235.2	3.4
1998-99 <sup>(a)</sup>	178.4	4.6	241.7	2.7
1999-00	195.5	9.6	258.8	7.1
2000-01	220.7	12.9	277.1	7.1
2001-02	225.7	2.3	275.9	-0.4
2002-03	259.6	15.0	308.8	11.9
2003-04	279.7	7.7	326.0	5.6
2004-05	315.5	12.8	356.4	9.3
2005-06	312.9	-0.8	339.2	-4.8
2006-07	385.6	23.2	397.1	17.1
2007-08 <sup>(b)</sup>	420.0	8.9	420.0	5.8

<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement 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 Western Australian Planning Commission on road reserves, parks and recreation areas. MRIT is collected under the *Metropolitan Region Improvement Tax Act 1959*, which is administered by the Office of State Revenue.

### *Rate of Tax*

0.18% of the unimproved land value in excess of the \$250,000 exemption threshold.

### *Exemptions and Concessions*

MRIT applies only to the portion of land value that exceeds the exemption threshold.

### *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.

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

### *Changes to Concessions since 1982*

As for land tax.



*MRIT Collections*


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<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08 Dollars</b>	<b>Change Real)</b>
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
1997-98	26.7	4.6	36.8	4.9
1998-99 <sup>(a)</sup>	29.5	10.5	40.0	8.6
1999-00	31.5	6.8	41.7	4.3
2000-01	36.1	14.6	45.3	8.7
2001-02	37.8	4.7	46.2	2.0
2002-03	38.9	2.9	46.3	0.1
2003-04	43.6	12.1	50.8	9.9
2004-05	47.1	8.0	53.2	4.7
2005-06	53.4	13.4	57.9	8.8
2006-07	65.0	21.6	66.9	15.6
2007-08 <sup>(b)</sup>	78.0	20.0	78.0	16.5

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<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement estimate.

## Financial Transactions Taxes

### Stamp Duty on Insurance Policies

Stamp duty on insurance policies is paid by insurers and is based on the value of the insurance premium. It is collected under the *Stamp Act 1921*, which is administered by the Office of State Revenue.

#### *Rate of Tax*

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

#### *Exemptions and Concessions*

Insurance of risks associated with the transport of goods and commercial marine hulls is exempt from stamp duty. Health insurance and superannuation policies, workers' compensation insurance and life insurance are also exempt.

#### *Interstate Comparison (2007-08)*

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

<sup>(a)</sup> Excludes motor vehicle insurance for which the rate is 5%.

### *Changes to Rates and Base since 1982*

Stamp duty on life insurance was introduced from 1 November 1983.

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

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

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

From 30 June 2001, the concessional rate for workers' compensation insurance was reduced from 5% to 3% for employers who were exempt from pay-roll tax (at the time stamp duty on workers' compensation insurance was abolished – see above - the pay-roll tax exemption threshold was \$750,000). The 5% rate remained unchanged for other employers.

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

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

### *Stamp Duty Collections from Insurance Policies*

<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08</b>	<b>Change (Real)</b>
	<b>\$m</b>	<b>%</b>	<b>Dollars \$m</b>	<b>%</b>
1997-98	73.6	4.5	101.5	4.8
1998-99 <sup>(a)</sup>	110.0	49.4	149.0	46.8
1999-00	139.3	26.6	184.4	23.8
2000-01	155.9	11.9	195.7	6.1
2001-02	176.2	13.0	215.4	10.0
2002-03	220.2	25.0	261.9	21.6
2003-04	278.7	26.5	324.8	24.0
2004-05	279.9	0.4	316.3	-2.6
2005-06	296.3	5.9	321.2	1.6
2006-07	308.5	4.1	317.7	-1.1
2007-08 <sup>(b)</sup>	341.2	10.6	341.2	7.4

<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement estimate.

## Stamp Duty on Mortgages

Stamp duty on mortgages and other securities is paid by the borrower on the basis of the amount secured. The duty is collected under the *Stamp Act 1921*, which is administered by the Office of State Revenue.

### *Rate of Duty*

From 1 July 2006, the rate of mortgage duty is \$0.20 per \$100 of the loan amount, except for loans for owner-occupied residences where \$0.125 per \$100 applies.

Mortgage duty does not apply to unsecured and non-lending financial arrangements.

Stamp duty on mortgages will be abolished from 1 July 2008.

### *Exemptions and Concessions*

Universities and charities are eligible for an exemption.

From 1 January 2006, loan refinancings for principal places of residence, and business loans (of \$5 million or less) are exempt from stamp duty.

*Interstate Comparison (2007-08)***MORTGAGE DUTY RATES ON AMOUNTS SECURED**

WA	NSW <sup>(a)</sup>	VIC	QLD <sup>(b)</sup>	SA <sup>(c)</sup>	TAS	NT	ACT
Minimum duty \$20	\$5 up to \$16,000	Abolished 1 July 2004	\$0.40 per \$100	Nil below \$400	Abolished 1 July 2007	Nil	Abolished 1 Sept 2004
\$0.125 per \$100 for owner-occupied home loans	\$0.40 per \$100 above \$16,000		To be 50% abolished from 1 Jan 2008 and fully abolished from 1 Jan 2009	\$10 up to \$6,000 \$0.30 (business) per \$100 above \$6,000			
\$0.20 per \$100 for other loans	From 1 Sept 2007, duty will be abolished for owner-occupier's finance			To be 50% abolished from 1 July 2008 and fully abolished from 1 July 2009			
Duty will be abolished from 1 July 2008	From 1 July 2008, duty will be abolished for all residential finance To be fully abolished from 1 July 2009						

- <sup>(a)</sup> Mortgage duty will be abolished on loans for owner-occupied homes from 1 September 2007. The abolition will be extended to loans for residential investment property from 1 July 2008, and to loans for commercial property from 1 July 2009.
- <sup>(b)</sup> First \$250,000 of a first home loan is exempt from duty. First \$70,000 of all other home loans is exempt. The first \$100,000 of a loan refinancing for a principal place of residence is also exempt from duty.
- <sup>(c)</sup> Loans for acquiring or improving a principal place of residence and mortgage refinancings are exempt from stamp duty.

**MORTGAGE DUTY PAYABLE ON SELECTED AMOUNTS BORROWED (\$)**

Value \$	WA \$	NSW \$	VIC \$	QLD \$	SA \$	TAS \$	NT \$	ACT \$
20,000	40	21	Nil	80	52	Nil	Nil	Nil
50,000	100	141		200	142			
100,000	200	341		400	292			
250,000	500	941		1,000	742			
500,000	1,000	1,941		2,000	1,492			
1,000,000	2,000	3,941		4,000	2,992			

### *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 the 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.

From 1 January 2004, a single rate of mortgage duty of \$0.40 per \$100 was applied to the whole amount secured, except for loans for owner-occupied residences which remain at \$0.25 per \$100.

As part of the Stage 1 State Tax Review measures, the staged abolition of mortgage duty by 1 July 2008 commenced with a 50% rate reduction from 1 July 2006. This brought the rate for mortgage duty down to \$0.20 per \$100, with the rate for loans for owner-occupied residences reduced to \$0.125 per \$100.

### *Changes to Concessions since 1982*

Nil.

### *Stamp Duty Collections from Mortgages*

<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08 Dollars</b>	<b>Change (Real)</b>
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
1997-98	72.9	31.4	100.6	31.8
1998-99 <sup>(a)</sup>	61.3	-16.0	83.0	-17.4
1999-00	68.2	11.3	90.3	8.7
2000-01	74.7	9.5	93.8	3.9
2001-02	85.2	14.1	104.1	11.1
2002-03	95.6	12.2	113.7	9.2
2003-04	114.9	20.2	133.9	17.7
2004-05	139.6	21.5	157.7	17.8
2005-06	173.4	24.2	187.9	19.1
2006-07	120.5	-30.5	124.1	-34.0
2007-08 <sup>(b)</sup>	116.3	-3.5	116.3	-6.3

<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement estimate.

# Motor Vehicle Taxes and Fees

## Stamp Duty on Motor Vehicle Licences

Stamp duty on motor vehicle licence transfers (or the grant of a new licence) is paid by the vehicle purchaser and is based on the market value for of the motor vehicle (except for new light vehicles, where the manufacturer's list price is used). The duty is collected by the Licensing Division of the Department for Planning and Infrastructure on behalf of the Office of State Revenue. The relevant pieces of legislation are the *Stamp Act 1921* and the *Road Traffic Act 1974*, which are administered by the Office of State Revenue and the Department for Planning and Infrastructure respectively.

### *Rate of Tax*

#### **New and Used Heavy Vehicles (over 4.5 tonnes)**

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

#### **New and Used Light Vehicles**

<b>Market Value of Vehicle</b>	<b>Tax Rate</b>
\$0 – \$20,000	2.75% flat
\$20,001 – \$45,000	2.75% - 6.50% <sup>(a)</sup>
Over \$45,000	6.5% flat

(a) The rate slides proportionately from 2.75% at \$20,000 to 6.50% at \$45,000.

### Exemptions and Concessions

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

### Interstate Comparison (2007-08)

#### STAMP DUTY ON MOTOR VEHICLES (BASED ON MARKET VALUES)<sup>(a)</sup>

WA	NSW	VIC	QLD	SA	TAS	NT	ACT
As Above	\$3 per \$100	<b>New:</b>	Current rate 2%	\$0-\$1,000: \$1 per \$100	Under \$600: \$20	\$3 per \$100	\$3 per \$100
	<b>Passenger Vehicles:</b>	<b>Passenger:</b>	From 1 Jan 08	\$1,001 – \$2,000: \$10 + \$2 per \$100	Over \$600: \$3 per \$100		<b>Passenger Vehicles:</b>
	Under \$45,000: \$3 per \$100	\$0–\$57,009: \$5 per \$200	<b>Hybrid:</b>	<b>Commercial:</b>	<b>Passenger Vehicles:</b>		Under \$45,000: \$3 per \$100
	Over \$45,000: \$1,350 plus \$5 per \$100	Over \$57,009: \$10 per \$200	\$2 per \$100	Over \$2,000: \$30 + \$3 per \$100	Under \$35,000: Same as above		Over \$45,000: \$1,350 plus \$5 per \$100
		<b>New Non-passenger:</b>	<b>1-4-cyls:</b>	<b>Private:</b>	\$35,000 – \$40,000: \$1,050+		
		\$5 per \$200	\$3 per \$100	\$2,001 – \$3,000: \$30 + \$3 per \$100	\$11 per \$100 in excess of \$35,000		
		<b>Used:</b>	<b>5-6-cyls:</b>	Over \$3,000: \$60 + \$4 per \$100	Over \$40,000: \$4 per \$100		
		\$8 per \$200	\$3.50 per \$100				
			<b>7-8-cyls:</b>				
			\$4 per \$100				

<sup>(a)</sup> These rates may not apply to heavy vehicles and heavy trailers in all jurisdictions (e.g. Queensland has a stamp duty exemption for heavy trailers).

#### STAMP DUTY ON SELECTED VEHICLES

Vehicle Value	WA	NSW	VIC		QLD		SA		TAS	
	Non-heavy		New	Used	4 cylinders	6 cylinders	Commercial	Other	Passenger	Other
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
5,000	138	150	125	200	150	175	120	140	150	50
10,000	275	300	250	400	300	350	270	340	300	100
20,000	550	600	500	800	600	700	570	740	600	200
30,000	1,275	900	750	1,200	900	1,050	870	1,140	900	300
40,000	2,300	1,200	1,000	1,600	1,200	1,400	1,170	1,540	1,600	400
50,000	3,250	1,600	1,250	2,000	1,500	1,750	1,470	1,940	2,000	500
60,000	3,900	2,100	3,000	2,400	1,800	2,100	1,770	2,340	2,400	600



<b>AVERAGE TAX RATES</b>										
<b>Vehicle Value</b>	<b>WA</b>	<b>NSW</b>	<b>VIC</b>		<b>QLD</b>		<b>SA</b>		<b>TAS</b>	
	<b>Non-heavy</b>		<b>New</b>	<b>Used</b>	<b>4 cylinders</b>	<b>6 cylinders</b>	<b>Commercial</b>	<b>Other</b>	<b>Passenger</b>	<b>Other</b>
<b>\$</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
5,000	2.75	3.00	2.50	4.00	3.00	3.50	2.40	2.80	3.00	3.00
10,000	2.75	3.00	2.50	4.00	3.00	3.50	2.70	3.40	3.00	3.00
20,000	2.75	3.00	2.50	4.00	3.00	3.50	2.85	3.70	3.00	3.00
30,000	4.25	3.00	2.50	4.00	3.00	3.50	2.90	3.80	3.00	3.00
40,000	5.75	3.00	2.50	4.00	3.00	3.50	2.93	3.85	4.00	1.00
50,000	6.50	3.20	2.50	4.00	3.00	3.50	2.94	3.88	4.00	3.00
60,000	6.50	3.50	5.00	4.00	3.00	3.50	2.95	3.90	4.00	3.00

### *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 the vehicle value. A maximum duty ceiling was also removed at that time.

From 1 July 1999, the rate of stamp duty was changed from a single flat rate to a three tiered scale ranging from 2.5% to 5.0%.

From 1 July 2002, the rates of stamp duty were changed to the current three scales (one for new heavy vehicles, one for used heavy vehicles and one for other vehicles as shown above). The scale for other vehicles (which includes light vehicles) involved a higher minimum rate (2.75%) and maximum rate (6.5%).

From 1 July 2007, the single flat 3% stamp duty rate for new heavy vehicles was extended to used heavy vehicles. For light vehicles, the thresholds of the duty scale were increased by \$5,000 to \$20,000 and \$45,000 (the range over which the rate slides from 2.75% to 6.50%).

*Stamp Duty Collections from Motor Vehicle Licence Transfers*

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<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08 Dollars</b>	<b>Change (Real)</b>
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
1997-98	139.2	5.6	191.9	5.9
1998-99 <sup>(a)</sup>	138.0	-0.8	186.9	- 2.6
1999-00	160.2	16.1	212.1	13.4
2000-01	161.1	0.6	202.2	- 4.6
2001-02	180.7	12.2	220.9	9.2
2002-03	231.7	28.2	275.5	24.7
2003-04	273.0	17.9	318.2	15.5
2004-05	302.5	10.8	341.8	7.4
2005-06	342.2	13.1	371.0	8.5
2006-07	392.6	14.7	404.3	9.0
2007-08 <sup>(b)</sup>	395.1	0.6	395.1	-2.3

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<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement estimate.

## Motor Vehicle Licence and Recording Fees

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

The registration fees consist of a motor vehicle licence fee, compulsory third party insurance premium and recording fee. These registration fees are collected by the Licensing Division of the Department for Planning and Infrastructure under the *Road Traffic Act 1974*.

### *Current Licence Fees*

For light vehicles (gross weight of less than 4.5 tonnes), the licence fee component of the registration fee is currently \$15.46 per 100 kg of tare weight. The example in the table below indicates the licence fees payable on a 6-cylinder Holden Commodore (on the basis of 1,622 kg tare weight) for either family or business use. The difference of \$58 is due to a discount for family vehicles.

	<b>Family Use \$ per annum</b>	<b>Business Use \$ per annum</b>
Holden Commodore	211.42	269.42

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

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

### *Licence Fee Exemptions and Concessions*

A total exemption applies to 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% concession or 100% exemption depending on the use of the vehicle. 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.

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

A flat annual discount of \$58 applies to family vehicles (non-business vehicles).

*Interstate Comparison (2007-08)*

In New South Wales, Victoria and the Australian Capital Territory, licence fees are based on the weight of the vehicle. 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 6-cylinder Holden Commodore, interstate comparisons are as follows:

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<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	211.42	322.00	172.80	320.50	186.00	179.50	152.00	359.00
Business Use	269.42	517.00	172.80	320.50	186.00	179.50	152.00	556.00

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<sup>(a)</sup> 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%.

On 1 July 1998, licence fees were further increased, and the calculation of the fees was simplified and charged on the basis of weight only (\$12 per 100 kg tare weight). From 1 July 1999, licence fees have been indexed to the movement in the Perth consumer price index.

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**MOTOR VEHICLE LICENCE FEES SINCE 1986**

Year	Holden Commodore	
	Family \$ p.a.	Business \$ p.a.
1986	74.10	74.10
1989	78.44	78.44
1993	70.84	97.86
1997	85.00	117.40
1998	164.00	192.00
1999	168.15	196.15
2000	172.16	200.16
2001	182.08	210.08
2002	188.32	216.32
2003	194.90	222.90
2004	194.90	222.90
2005	181.44	234.44
2006	197.75	250.75
2007	211.42	269.42

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

### *Changes in Concessions since 1982*

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

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

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

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

From 1 July 2005, the family vehicle discount was increased from \$28 to \$53. This was further increased to \$55 in 2006-07, and to \$58 in 2007-08.

*Motor Vehicle Licence Fee Collections*

<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08 Dollars</b>	<b>Change (Real)</b>
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
1997-98	138.8	22.7	191.4	23.0
1998-99 <sup>(a)</sup>	239.6	72.6	324.6	69.5
1999-00	227.9	- 4.9	301.7	- 7.1
2000-01	253.8	11.4	318.6	5.6
2001-02	272.1	7.2	332.6	4.4
2002-03	298.6	9.7	355.1	6.8
2003-04	320.3	7.3	373.3	5.1
2004-05	341.3	6.6	385.6	3.3
2005-06	361.1	5.8	391.4	1.5
2006-07	396.4	9.8	408.2	4.3
2007-08 <sup>(b)</sup>	429.5	8.4	429.5	5.2

<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement estimate.

*Motor Vehicle Recording Fees*

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

The recording fee is \$10.65 per renewal and is expected to raise about \$34 million in 2007-08.

# Gambling Taxes

## Lotteries Commission

The Lotteries Commission raises money through sales of Lotto, Soccer Pools, Cash 3 and instant lotteries for distribution to projects managed through the Hospital Fund, the Arts Lotteries account, the Sports Lotteries account, cultural activities such as the Festival of Perth and the Western Australian film industry. The Lotteries Commission also funds a significant direct grants program for community and “not for profit” organisations and events.

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

On a Government Finance Statistics basis, taxation revenue for this item does not include revenue retained by the Commission and is net of GST rebate arrangements.

### *Interstate Comparison*

In Western Australia, retailers’ fees are added on to the price of tickets and are paid directly by consumers, except for Super 66, Cash 3 and instant lottery, where the Commission directly pays a fee of 7% for Super 66 and Cash 3, and 8% for instant lottery to the retailers. In all other States, retailers’ fees are added on to the price of all tickets, 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>	Tax is based on 66.1% of player loss (i.e. subscriptions less outgoings for the public lottery).
<b>VIC</b>	79.4% (where GST is payable) or 90.0% (where GST is not payable) of player loss is paid into the Consolidated Fund (CF). Revenue is then transferred by standing appropriation from the CF to the Hospitals and Charities Fund and Mental Hospitals Fund. 57.52% (where GST is payable) or 68.0% (where GST is not payable) of player loss for Soccer Pools.
<b>QLD</b>	62% of gross revenue (i.e. player loss) for lotteries, 55% for instant scratch-its, 45% for Golden Casket lotteries, 59% for Soccer Pools. 8.5% of these revenues are allocated to the Community Investment Fund. GST credit is provided.
<b>SA</b>	Lotto, Powerball, Super 66 and instant scratchies: 41% of net gambling revenue (i.e. player loss) plus remaining surplus hypothecated to the Hospitals Fund. Sports and special lotteries: 41% of net gambling revenue plus distributable surplus hypothecated to the Recreation and Sport Fund.
<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>	NT receives a share of duty paid to the Victorian Government for NT subscriptions to Tattersall’s lotteries. All funds received are paid into the Lotteries Fund Account, where payments are made to charitable organisations or transferred to the CF and Sports and Recreational Development Fund.

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**ACT** Subscriptions are collected on behalf of the ACT by Victoria (79.4% of player loss) and NSW (66.1% of player loss). Except for Soccer Pools which is 57.52% of player loss.

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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.

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

### *Lotteries Surpluses*

<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08 Dollars</b>	<b>Change (Real)</b>
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
1997-98	79.1	-6.0	109.1	-5.8
1998-99 <sup>(a)</sup>	84.9	7.3	115.0	5.5
1999-00	86.4	1.8	114.4	-0.6
2000-01	73.9	-14.5	92.8	-18.9
2001-02	71.5	-3.2	87.4	-5.8
2002-03	74.9	4.7	89.0	1.9
2003-04	75.3	0.6	87.8	-1.4
2004-05	76.8	1.9	86.7	-1.2
2005-06	80.4	4.8	87.2	0.5
2006-07	88.0	9.4	90.6	4.0
2007-08 <sup>(b)</sup>	86.1	-2.2	86.1	-5.0

<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement estimate.

### *GST Re-imbursments*

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

- reducing State gambling tax rates;



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

The GST re-imbusement to the Lotteries Commission was about \$15.4 million in 2000-01 (the first year) increasing to about \$24.1 million in 2006-07. The revenue in the above table is net of these GST re-imburements.

## Casino Tax

Casino tax is payable each month by the casino licence holder based on its gross gaming revenue (total bets placed less winnings paid out) in the preceding month. Casino tax is collected by the Department of Racing, Gaming and Liquor under the *Casino (Burswood Island) Agreement Act 1985* and the *Casino Control Act 1984*.

On a Government Finance Statistics basis, taxation revenue for this item is net of GST rebate arrangements.

### *Rate of Tax*

Category	Rate of Duty	
	From 24 Dec 2004	From 24 Dec 2006
Electronic gaming machines	20%	20%
Table games (including Keno)	17%	18%
International commission business	12%	11%

An additional 1.5% levy is paid to the Burswood Park Board for upkeep of the Park and Swan/Canning River. The levy will increase to 2% from 1 January 2008. The additional revenue from the higher levy will be used to fund initiatives to improve the health of the Swan and Canning Rivers.

An annual licence fee of around \$2.2 million is also payable in advance in four quarterly instalments \$559,497 to the Gaming and Wagering Commission of Western Australia to defray its running costs. The annual licence fee is adjusted for inflation each year.

### *Exemptions and Concessions*

Nil.

*Interstate Comparison*

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**CASINO TAX RATES**

<b>WA</b>	20% of electronic gaming machine gross revenue, 18% of table games (including keno) gross revenue and 11% of international commission business gross revenue. Plus a levy (of 1.5% for 2007 increasing to 2.0% for 2008) for the conservation of the Burswood Park and the Swan/Canning River.
<b>NSW</b>	13.41% of gross revenue (i.e. player loss) from slots and 10.91% of gross revenue from table gaming, plus super tax on table revenue above \$291m p.a. at 1% for each \$7.3m to a max of 35.91%. Plus community benefit levy of 2% on gross gaming revenue (excluding high roller revenue).  The international high roller program was re-activated in 2006. Under the agreement, a non-refundable instalment of \$3m is paid in January and July, and an additional 10% duty applies to gross gaming revenue in excess of \$60m.
<b>VIC</b>	21.25% of gross revenue, plus 1% super tax for each \$20m gross revenue above \$500m. (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 12.25% on gross revenue over \$380m (CPI adjusted). 1% community benefit levy.
<b>QLD</b>	For non-premium players: 20% of gross revenue (i.e. player loss) for Brisbane and Gold Coast casinos; 10% of gross revenue for Townsville and Cairns casinos.  For premium players: 10% for Brisbane and Gold Coast casinos; 8% for Townsville and Cairns casinos. Community benefit levy of 1% of gross revenue applies to all casinos.
<b>SA</b>	0.91% of net table gambling revenue (i.e. player loss) plus 34.41% of net gaming machine revenue.
<b>TAS</b>	5.88% of gross profit on Keno and 0.88% of gross profit on table gaming. 20.88% of first \$35m of gross profit on gaming machines and 25.88% on gross revenue in excess of \$35m.
<b>NT</b>	8% for Lasseters Casino, 21% of gross profit for poker machines, 12% of gross profit for general games for Skycity Darwin Casino and 4% for international sourced bets on internet casino. 9.09% of gross profit for commission based games.
<b>ACT</b>	10.9% of gross revenue for general gaming, 0.9% of gross revenue on commission based gambling. Interactive gaming's taxed at 20% of monthly gross profit when monthly gross profit is less than \$10 million. The tax rate falls to 10% for monthly gross profit between \$10 million and \$20 million, and 5% thereafter.

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**CASINO LICENCE FEES**

<b>WA</b>	One-off payment of \$20.6m for the security of the licence. \$2.237m p.a. payable in four instalments in advance, indexed annually.
<b>NSW</b>	A one-off non-refundable payment of \$256m.
<b>VIC</b>	\$358.4m fully paid.
<b>QLD</b>	A quarterly licence fee, indexed annually.
<b>SA</b>	Nil.
<b>TAS</b>	A monthly licence fee, indexed annually.
<b>NT</b>	Nil.
<b>ACT</b>	An annual licence fee, indexed annually.

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*Changes to the Tax Rate or Concessions since 1982*

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

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

*Casino Tax Collections*


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**WESTERN AUSTRALIA**

	Revenue Collections	Change (Nominal)	Revenue in 2007-08 Dollars	Change (Real)
	\$m	%	\$m	%
1997-98	54.8	-7.2	75.6	-7.0
1998-99 <sup>(a)</sup>	47.7	-13.0	64.6	-14.5
1999-00	43.3	-9.2	57.3	-11.3
2000-01	18.6	-57.0	23.4	-59.3
2001-02	16.2	-12.9	19.8	-15.2
2002-03	16.5	1.6	19.6	-1.1
2003-04	22.4	36.4	26.2	33.6
2004-05	23.3	3.7	26.3	0.6
2005-06	29.4	26.1	31.8	21.0
2006-07	36.5	24.3	37.6	18.0
2007-08 <sup>(b)</sup>	35.9	-1.6	35.9	-4.5

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<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement estimate.

As part of the intergovernmental agreement on the GST, the States agreed to adjust their gambling tax arrangements from 1 July 2000 to 'make room' for the GST (see also the section on the Lotteries Commission). In regard to casino tax, a rebate of \$40.4 million was paid in 2006-07 to the operators to compensate for their GST liability. The revenue in the above table is net of these GST re-imbursments.

## Betting Taxes

Betting taxes comprise the Racing and Wagering Western Australia (RWWA) Wagering Tax and the Bookmakers' Betting Levy.

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

The RWWA Wagering Tax is collected by the Office of State Revenue under the *Racing and Wagering Western Australia Act 2003* and the *Racing and Wagering Western Australia Tax Act 2003*. The Bookmakers' Betting Levy is collected under the *Bookmakers Betting Levy Act 1954*.

On a Government Finance Statistics basis, the revenue from RWWA Wagering Tax is net of GST rebate arrangements.

### *Rate of Tax*

From 1 July 2007, the TAB betting tax base was changed from 4.5% of TAB turnover, to a tax rate of 11.91% of gross margin (net of GST).

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

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 Gaming and Wagering Commission and remitted to the Sports Wagering Account for distribution at the discretion of the Minister for Sport and Recreation.

### *Exemptions and Concessions*

Nil.

*Interstate Comparison(2007-08)*

<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>Betting Tax</b>								
– win, place bets	11.91%	(a)	(a)	(b)	(c)	(e)	(f)	(g)
– double bets	of gross	(a)	(a)	(b)	(c)	(e)	(f)	(g)
– multiple bets	Margin	(a)	(a)	(b)	(c)	(e)	(f)	(g)
<b>Totalisator Duty</b>								
– win, place bets	0.0	(a)	(a)	(b)	(d)	(e)	(f)	(g)
– double bets	0.0	(a)	(a)	(b)	(d)	(e)	(f)	(g)
– multiple bets	0.0	(a)	(a)	(b)	(d)	(e)	(f)	(g)

<sup>(a)</sup> 19.11% of player loss.

<sup>(b)</sup> 20% of player loss, of which 8.5% is allocated to the Community Benefit Fund.

<sup>(c)</sup> 6% of net wagering revenue (i.e. player loss) (while in Government ownership). 45% of TAB distributable surplus is hypothecated to the Hospital Fund.

<sup>(d)</sup> Abolished from 1 July 2005.

<sup>(e)</sup> Tax abolished 1 August 2000.

<sup>(f)</sup> 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.

<sup>(g)</sup> A monthly licence fee plus a dividend and tax equivalents of around 3.6%.

*Changes to the Rate Scale since 1982*

Prior to the establishment of RWWA in 2003, betting taxes comprised of the Totalisator Agency Board (TAB) Betting Tax and the Bookmakers' Betting Levy.

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

The Government reduced the Bookmakers' Betting Tax from 2.50% to 2.25% and abolished stamp duty on betting tickets from 1 August 1989.

From 28 June 1996, the TAB Betting Tax rate was reduced to 5%, the 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.

From 1 February 2001, the TAB Betting Tax rate was effectively reduced from 5.0% to 4.5%, through the payment of rebates to the TAB.

From 1 July 2007, the TAB betting tax base was changed from 4.5% of TAB turnover, to a tax rate of 11.91% of gross margin (net of GST).

### *Betting Tax Collections*

<b>WESTERN AUSTRALIA</b>				
	<b>Revenue Collections</b>	<b>Change (Nominal)</b>	<b>Revenue in 2007-08 Dollars</b>	<b>Change (Real)</b>
	<b>\$m</b>	<b>%</b>	<b>\$m</b>	<b>%</b>
1997-98	36.3	6.7	50.0	7.0
1998-99 <sup>(a)</sup>	38.8	6.9	52.6	5.0
1999-00	39.9	2.8	52.8	0.5
2000-01	27.9	-30.1	35.0	-33.7
2001-02	24.8	-11.1	30.3	-13.4
2002-03	26.9	8.5	32.0	5.6
2003-04	34.0	26.4	39.7	23.9
2004-05	33.7	-0.8	38.1	-3.9
2005-06	36.1	6.9	39.1	2.6
2006-07	39.5	9.5	40.7	4.0
2007-08 <sup>(b)</sup>	49.3	24.8	49.3	21.1

<sup>(a)</sup> Revenue on accrual basis from 1998-99 onwards. Previous data are on a cash basis.

<sup>(b)</sup> 2007-08 Mid-Year Financial Projections Statement estimate (subject to review).

### *GST Re-imburements*

As part of the intergovernmental agreement on the GST, the States agreed to adjust their gambling tax arrangements from 1 July 2000 to 'make room' for the GST (see also the section on the Lotteries Commission). GST paid by the RWWA was separately re-imbursed by the State up to 2006-07. From 1 July 2007, the GST re-imburement was replaced by an equivalent reduction in the betting tax rate. The revenue in the above table is net of GST.

## Other Fees, Levies and Abolished Taxes

### Emergency Services Levy

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

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

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

The levy is based on the property's gross rental value and the levy rate varies according to regions. The levy is expected to raise about \$150 million in 2007-08.

### Loan Guarantee Fees

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

- 20 basis points (bps) per annum for borrowings by agencies through the WATC, including long-term borrowings by Verve Energy, Synergy, Horizon Power and Western Power;
- 10 bps per annum for local government borrowers (short and long-term);
- 10 bps per annum for short-term offshore funding of Verve Energy, Synergy, Horizon Power and Western Power; and
- 5 bps per annum for short-term domestic funding of Verve Energy, Synergy, Horizon Power and Western Power.

The revenue from Loan Guarantee Fees is estimated to be around \$16 million in 2007-08.



## Stamp Duty on Leases

Stamp duty on leases was abolished from 1 January 2004. It was levied on lease agreements relating to real property. The duty was applied to the rent value stated in the lease agreement.

For a fixed term lease agreement, the rate of duty was 35 cents per \$100 of the total rent payable for the term (this rate applied to a minimum of one year's rent even when the lease is less than a year). For a lease with an indefinite term, the rate of duty was 70 cents per \$100 of one year's rent (irrespective of the eventual duration of the rental period).

## Stamp Duty on Cheques

Stamp duty on cheques was a fixed amount of 10 cents per eligible instrument (a payment order, a bill of exchange or a promissory note). This duty was also abolished from 1 January 2004.

## Stamp Duty on Unquoted Marketable Securities

Stamp duty was payable on the transfer of marketable securities in private companies and trusts, and in public companies and trusts where securities are not quoted on the Australian Stock Exchange (ASX) or another recognised stock exchange. This duty was abolished from 1 January 2004 (stamp duty on quoted marketable securities was abolished on 1 July 2001). The rate of duty was 60 cents per \$100 for unquoted securities, payable by the purchaser.

## Debits Tax

Debits tax was abolished on 1 July 2005. It was 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 was collected under the *Debits Tax Act 2002* and the *Debits Tax Assessment Act 2002*, which were administered by the Office of State Revenue.

Prior to being abolished, it was levied at the following rates:

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

## Stamp Duty on Hire of Goods

Stamp duty on hire of goods was abolished from 1 January 2007.

The duty on hire of goods was paid by commercial hire businesses on hiring charges received in respect of arrangements for the hiring of goods and equipment. It was collected under the *Stamp Act 1921*, which was administered by the Office of State Revenue.

### *Rate of Duty (before abolition)*

Type of Hire	Rate of Duty	Exemption Threshold <sup>(1)</sup>
Ordinary hire	1.5% of hiring charges	\$25,205: Duty was imposed only on component of hiring charges above \$25,205.
Equipment financing arrangements <sup>(2)</sup>	0.75% of hiring charges	\$25,205: Duty was imposed on total hiring charges once it exceeds \$25,205.

<sup>(1)</sup> Exemption thresholds for 2006-07 apply to the six months to 31 December 2006.

<sup>(2)</sup> Hire purchase agreements and other hires that have a term greater than nine months.

# Appendix 1

## A Summary of Tax Changes in 2007-08 in all States and Territories

The following is a summary of the major tax changes announced in 2007-08 State Budgets.

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### Western Australia

#### *Land Tax*

Land tax for 2007-08 has been cut across the board by reducing the tax rates and/or increasing the ranges to which the new tax rates apply.

For example, the marginal tax rate for the value range of \$875,000 to \$2,000,000 has been reduced from 1.62% to 0.75%, and for the value range of \$2 million to \$5 million, from 2.30% to 1.30%. The top marginal rate has been reduced from 2.50% to 2.30% and will apply to land valued from \$10 million instead of \$5 million.

The exemption threshold has been increased from \$150,000 to \$250,000 for both land tax and MRIT. However, the marginal tax rate for MRIT has been increased from 0.15% to 0.18% (see the chapters on land tax and MRIT for scale changes). These adjustments to land and MRIT are estimated to cost \$316 million in 2007-08

The private aged care providers will be exempt from land tax from 1 July 2007. This measure is expected to cost about \$1 million per annum.

#### *Conveyance Duty*

The first home buyer exemption threshold was doubled from \$250,000 (phasing out at \$350,000) to \$500,000 (phasing out at \$600,000) from 10 May 2007. The vacant land exemption threshold was also doubled from \$150,000 (phasing out at \$200,000) to \$300,000 (phasing out at \$400,000). The cost of these measures was estimated at about \$80 million in the first full year.

Stamp duty exemption was also extended to first home buyers who enter into shared equity arrangement with the Department of Housing and Works from 12 February 2007.

### *Stamp duty on Motor Vehicles*

The motor vehicles stamp duty scale thresholds were increased by \$5,000 from 1 July 2007, with a further \$5,000 increase from 1 January 2009.

The revenue cost of this measure is estimated to be \$27 million in 2007-08, increasing to about \$60 million in 2009-10 when the full \$10,000 increase in thresholds will be in place.

From 1 July 2007, the single flat 3% stamp duty rate for new heavy vehicles was extended to used heavy vehicles, at an estimated cost of about \$2 million a year.

Caravan and camper trailers will be exempt from stamp duty from 1 July 2007, at an estimated cost of about \$7 million a year.

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## New South Wales

### *Mortgage Duty*

Mortgage duty on the purchase of owner-occupied residences will be abolished from 1 September 2007.

Mortgage duty on the purchase of residential investment property will be abolished from 1 July 2008 and on commercial property from 1 July 2009. These measures bring forward the start of mortgage duty abolition by more than two years (previous announcement was to abolish mortgage duty in two equal tranches; the first occurring on 1 January 2010, followed by full abolition from 1 January 2011).

### *Land Tax*

The single marginal land tax rate of 1.7% will be reduced to 1.6% for the 2008 land tax year.

### *Vehicle Registration Rebate*

From 1 July 2007, a full rebate will be provided for the cost of registering one work vehicle for every new apprentice hired by small businesses.

A rebate of stamp duty for replacement vehicles will be provided to flood victims in the Hunter and on the Central Coast.

### *Conveyance Duty*

First home buyers on a shared equity arrangement will be able to access a proportion of the stamp duty rebate available under the First Home Plus scheme.

## Victoria

### *Land Tax*

For the 2008 land tax year, the tax-free threshold will be increased from \$200,000 to \$225,000, together with cuts in rates from 1.2 per cent to 0.8 per cent for land valued between \$900,000 and \$1,619,999, from 1.8 per cent to 1.3 per cent for land valued between \$1,620,000 and \$2,699,999, and 3 per cent to 2.5 per cent, for land valued at \$2,700,000 or more.

Victoria is also abolishing a special land tax on primary production land that is wholly or partly in the metropolitan area, as well as on land that is compulsorily acquired.

### *Payroll Tax*

The payroll tax rate was reduced from 5.15% to 5.05% from 1 January 2007 rather than 1 July 2007 as initially announced in the 2006-07 Budget Update.

From 1 July 2007, Victoria and New South Wales have harmonised payroll tax legislation by adopting common definitions and exemptions, but excluding rates and thresholds.

### *Stamp Duty on Motor Vehicles*

From 1 May 2007, the stamp duty rate for new passenger vehicles was reduced to 2.5% for vehicles valued between \$35,000 and \$57,009, providing an incentive for motorists to switch to new and more fuel efficient vehicles. This measure will be funded by the removal of subsidies on petroleum.

### *Conveyance Duty*

The marginal stamp duty rate for home buyers purchasing a principal place of residence valued between \$115,000 and \$400,000 will be reduced from 6% to 5%.

### *Health Benefit Levy*

The Health Benefit Levy will increase from \$3,033 to \$4,333 on each electronic gaming machine operated in Victoria from 2007-08.

### *Wagering Commission Rate*

Under current arrangements, there is a maximum commission rate on total wagering turnover of 16%, although commission rates vary depending on the product. The cap on total turnover will be removed, and commission rates for each product will be kept at current levels. As turnover of products with a higher than maximum commission rate is expected to increase, this change is expected to be revenue positive.

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## Queensland

### *Land Tax*

A cap will be introduced on the annual increase in the relevant unimproved value for the 2007-08, 2008-09 and 2009-10 financial years at 50% of the previous year's relevant unimproved value. The cap will apply to all freehold parcels of land that had a relevant unimproved value as at the previous 30 June. However, capping will not apply to subdivided land that qualifies for the 40% discount on unimproved value.

The tax exemption threshold for resident individual land taxpayers will be increased from \$500,000 to \$600,000. The exemption threshold for company, trustee or absentee land owners will be increased from \$300,000 to \$350,000.

### *Stamp Duty on Motor Vehicles*

Rates for vehicle registration duty will be increased from 1 January 2008.

For hybrid vehicles (with any number of cylinders) and electric vehicles the rate will remain unchanged at 2% of the dutiable value of the vehicle. For vehicles with one to four cylinders, the rate will be 3%. For vehicles with five or six cylinders, the rate will be 3.5%, with a maximum rate of 4% for vehicles with seven or more cylinders.

### *Payroll Tax*

From 1 July 2008, Queensland will introduce a number of payroll tax consistency measures with an overall revenue neutral impact.

### *Mortgage Duty*

The mortgage duty rate will be halved from 1 January 2008 and abolished from 1 January 2009 (previously announced measure).

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## South Australia

### *Payroll Tax*

The single marginal pay-roll tax rate will be reduced from 5.50% to 5.25% from 1 July 2007, and further reduced to 5.00% from 1 July 2008. The exemption threshold of \$504,000 will remain unchanged.

### *Land Tax*

Anti-avoidance measures will come into effect from the 2008-2009 land tax assessment year to address the practice where owners of more than one piece of land avoid paying higher marginal rates of land tax by structuring their ownerships so that another party or parties holds a small minority interest in an individual piece of land thereby creating different legal ownerships.

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## Tasmania

### *Motor Vehicle Taxes*

From 1 October 2007, fuel subsidies to wholesalers will be discontinued and replaced by direct assistance to motorists by reducing the annual vehicle registration fees by 20.8%, and by reducing the stamp duty on heavy vehicles from 3% to 1%.

### *Payroll Tax*

Tasmania will introduce legislation to harmonise its payroll tax regime with that of New South Wales and Victoria from 1 July 2008.

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## Australian Capital Territory

### *Conveyance Duty*

The property value threshold for the Home Buyer Concession Scheme will be increased as of 1 July 2007 from the 40th percentile house price to the median house price, as derived from the last two full quarters of sales in the ACT. The upper threshold for purchases of land only has been increased by approximately 10% to match the increase in the upper property value threshold.

## Northern Territory

### *Conveyance Duty*

The value of stamp duty concession for the first home buyers will be increased from \$8,015.60 to \$15,312.50 for contracts executed on or after 1 May 2007. This effectively means that a property purchase of \$350,000 will pay no stamp duty, up from the previous threshold of \$225,000.

From 1 May 2007, a condition is introduced to prevent the misuse of corporate reconstruction exemption.

### *Hire of Goods Duty*

Stamp duty on hiring arrangements will be abolished from 1 July 2007 (a previously announced measure).

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