



**Australian Government**

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**Commonwealth Grants Commission**

**2010 REVIEW**

**STAMP DUTY ON CONVEYANCES**

**COMMISSION POSITION PAPER  
CGC 2008/07**

**SEPTEMBER 2008**

Paper issued:	8 September 2008
CGC contact:	Louise Talbot, 02 6229 8893, <a href="mailto:louise.talbot@cgc.gov.au">louise.talbot@cgc.gov.au</a>
State submissions sought by:	30 January 2009, submitted in Word format to <a href="mailto:secretary@cgc.gov.au">secretary@cgc.gov.au</a>

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## BACKGROUND

- 1 In 2005, the Heads of Treasury undertook a review of horizontal fiscal equalisation. A conclusion of that review was that Commission processes could be simplified. The 2010 Review terms of reference ask the Commission to simplify its assessments, provided to do so is consistent with the principle of equalisation.
- 2 We consider that simplification and equalisation can both be achieved and that simplification will improve the reliability and robustness of the processes and the acceptability of the outcomes. Both objectives can best be achieved through a rigorous application of the assessment guidelines. These guidelines require the 2010 Review assessment methods to:
  - establish a conceptual case for the assessment;
  - support the conceptual case with evidence, which is both comparable and reliable;
  - develop a reliable assessment method; and
  - demonstrate such an assessment would be material<sup>1</sup>.
- 3 Our intention is to develop these methods jointly with States. For that reason, we have chosen an iterative process. This approach provides States with opportunities to contribute to the development of the final assessments.
- 4 The first iteration of the Stamp Duty on Conveyances Revenue was presented in staff discussion paper 2007/03 (*Proposed Methods for Revenue Assessments*). Staff proposed that the Stamp Duty on Conveyances category be assessed using secured financing commitments for owner-occupied housing.
- 5 Most States did not support the proposal. They preferred a continuation of the 2004 Review assessment method.
- 6 This Commission position paper represents the second iteration of the Stamp Duty on Conveyances Revenue assessment. It sets out our preliminary decisions on the assessment. These decisions provide the basis on which the Stamp Duty on Conveyances Revenue assessment will be taken forward in consultation with States.
- 7 The paper reflects comments provided by the States during State visits and in State submissions received up until 15 August 2008. Comments received after this date will be considered alongside comments received from States in response to this paper.

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<sup>1</sup> For a category to be deemed material, the average expense or revenue is greater than \$50 per capita, or the assessment is likely to redistribute more than \$30 per capita for any State.

## PROPOSED ASSESSMENT

### Overview

- 8 In discussion paper 2007/03, the Commission staff proposed that the 2010 Review equalisation budget contain a Stamp Duty on Conveyances category comprising revenue raised from the transfer of real property and non-real property.<sup>2</sup>
- 9 Staff proposed assessing capacity using ABS data for secured financing commitments (SFC) for owner-occupied housing, with weights to capture the effects of:
- borrowing behaviour — to reflect differences between States in the extent of equity participation in owner-occupied housing;
  - the degree of investment housing — to reflect differences between States in the total housing stock rather than in owner-occupied housing stock alone; and
  - turnover of properties — to reflect differences between States in the propensity of properties to change ownership.

### State views

- 10 States did not support this proposal. Their preference was to calculate capacity using the 2004 Review assessment method.

### 2004 Review method

- 11 At its meeting with Heads of Treasury in November 2007, the Commission said it had decided not pursue the staff proposal but to continue the 2004 Review assessment approach.
- 12 The 2004 Review approach estimated capacity in two parts:
- duties raised from the sale of major State government owned assets<sup>3</sup> and corporate reconstructions; and
  - duties from other conveyance transactions, including vendor duties.
- 13 Duties on the sale of State government owned assets were assessed equal per capita because they reflect State policy choices. The terms of reference instructed the Commission to exclude the impact of corporate reconstructions, so these too were assessed equal per capita.
- 14 Duties on other conveyance transactions were assessed using the value of the property conveyed, adjusted for differences in the distribution of those values and differences in the type of property subject to duty:
- a goodwill adjustment was assessed because Victoria did not tax the value of goodwill;

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<sup>2</sup> Examples of real property are: land, houses, apartments, shops, factories and offices. Examples of non-real property are: copyrights, goodwill, patents, partnership interests, options to purchase and units in a trust.

<sup>3</sup> Casinos, insurance companies, power and water utilities are examples of major State government owned assets that have been sold.

- a classes of transactions adjustment was assessed because Victoria had a narrower range of dutiable classes of transactions and a unique off-the-plan concession; and
- a unit trust adjustment was assessed because there were differences in the States' treatment of unit trusts.<sup>4</sup>

### **Commission view**

- 15 The Commission intends to continue the approach adopted in the 2004 Review.
- 16 There were two issues that were investigated further and these were:
- whether an adjustment is required for differences in the distribution of the value of properties conveyed; and
  - whether adjustments are required for differences in the type of properties subject to duty.

## **VALUE DISTRIBUTION ADJUSTMENT (VDA)**

### **Proposal**

- 17 Staff proposed not making an adjustment for differences in the value of properties conveyed because the way States structure their tax rates was a matter of policy choice.

### **State views**

- 18 Victoria, Queensland, South Australia Tasmania and the Northern Territory said a VDA should be assessed because it is what States do. South Australia viewed them as the revenue equivalent of use rates. It also argued that it was inconsistent to make an adjustment for the tax-free threshold but not for the distribution of values. Tasmania said progressive rates of duty are as valid as thresholds and exemptions and they have a material impact on the assessment.

### **Analysis**

- 19 In the 2008 Update, the VDA assessment redistributed \$290 million in the Conveyances category (Table 1). The assessment was material for most States.<sup>5</sup>

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<sup>4</sup> Unit trusts are a device whereby the title to property could be held in a trust rather than directly. Ownership of units in the trust could be transferred at lower than conveyance rates of duty. To prevent or minimise this avoidance strategy, States have adopted a combination of unit trust and land-rich provisions, which tax land held by trusts.

<sup>5</sup> An adjustment is material if it redistributes \$10 per capita for any State.

**Table 1 Financial impact of VDA assessment, 2008 Update**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aus
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
VDA assessed	-430.5	608.5	-510.0	-236.1	372.3	134.9	11.1	49.9	1176.6
No VDA assessed	-140.5	513.4	-611.9	-235.8	317.7	104.3	9.4	43.4	988.2
Difference (\$m)	290.0	-95.1	-101.8	0.2	-54.6	-30.6	-1.7	-6.5	290.3
Difference (\$pc)	41.88	-18.14	-24.14	0.10	-34.33	-61.69	-4.94	-30.11	13.72

Source: Commission assessment system

- 20 The question of whether a VDA should be assessed for conveyances requires consideration of two issues:
- whether the average policy of the States is to have progressive rates of tax; and
  - the reliability of the data on which a VDA would be based.
- 21 Table 2 sets out States' legislated rates for the 2008-09 financial year. It shows that:
- States tend not to have a tax free threshold. Only Queensland has a threshold and it is restricted to the first \$5 000; and
  - all States impose progressive rates of taxation.
- 22 We conclude, therefore, that the average policy is to have progressive rates of taxation and so there is a conceptual case for making a VDA assessment.
- 23 The second issue to consider is the availability and reliability of data to support an assessment. Stamp duties on conveyances are levied on a property basis. States do not aggregate multiple transactions by the same taxpayer — aggregation is not an issue for this assessment. The data used in the assessment are sourced from State revenue offices. Although States provide only a sample of their transactions, it is a large sample (98.7 per cent). Queensland provides the smallest sample (93.7 per cent). We consider the State data to be sufficiently reliable to support a VDA assessment.
- 24 In the 2004 Review, we defined average policy in a detailed way. We examined the tax regimes of each State and calculated value levels at which average rates of tax changed. The 2010 Review terms of reference instruct us to aggregate categories, use broader measures of revenue capacity and apply materiality thresholds. We think this means we should interpret what States do in a broad way. We propose to define average policy more broadly than we did in the 2004 Review.
- 25 Table 3 shows the financial impact of the current approach of assessing average tax rates for eight different value ranges. It shows that the four lower value ranges (less than \$0.3 million) had a bigger influence on the size of the redistribution than the four higher value ranges (more than \$0.3 million). Thus, the value distribution adjustment could be simplified by using fewer value ranges.

26 Using the data for the eight value ranges that underpin Table 3 we have investigated how many value ranges would be required. Figure 3 shows the national effective rates of tax for properties up to \$1.5 million. We have overlayed lines to show how the rates change as values increase. The lines suggest three value ranges will suffice.

**Table 2 Legislated rates, 2008-09 financial year**

NSW			Vic			Qld			WA		
Bottom of range	Base amount	Marginal rate	Bottom of range	Base amount	Marginal rate	Bottom of range	Base amount	Marginal rate	Bottom of range	Base amount	Marginal rate
\$ 0	\$ 0	1.25	\$ 0	\$ 0	1.40	\$ 0	\$ 0	0.00	\$ 0	\$ 0	1.90
14 001	175	1.50	25 001	350	2.40	5 000	0	1.50	80 001	1 520	2.85
30 001	415	1.75	130 001	2 870	5.00	75 001	1 050	3.50	100 001	2 090	3.80
80 001	1 290	3.50	440 001	18 370	6.00	540 001	17 325	4.50	250 001	7 790	4.75
300 001	8 990	4.50	550 001	24 970	6.00	980 001	37 125	5.25	500 001	19 665	5.15
1 000 001	40 490	5.50	960 001	-( <sup>a</sup> )	5.50( <sup>a</sup> )						
3 000 001	150 490	7.00									

SA			Tas			ACT			NT		
Bottom of range	Base amount	Marginal rate	Bottom of range	Base amount	Marginal rate	Bottom of range	Base amount	Marginal rate	Bottom of range	Base amount	Marginal rate
\$ 0	\$ 0	1.00	\$ 0	\$ 20	0.00	\$ 0	\$ 20 or	2.00	\$ 0	\$ 0	1.50
12 001	120	2.00	13 001	20	1.50	100 001	2 000	3.50	525 001	7 875	5.00
30 001	480	3.00	10 001	13 072	2.00	200 001	3 500	4.40			
50 001	1 080	3.50	30 001	53 072	2.50	300 001	4 400	5.50			
100 001	2 830	4.00	75 001	165 072	3.00	500 001	11 000	5.75			
200 001	6 830	4.25	150 001	165 572	3.50	1 000 001	28 750	6.75			
250 001	8 955	4.75	225 001	653 072	4.00						
300 001	11 330	5.00									
500 001	21 330	5.50									

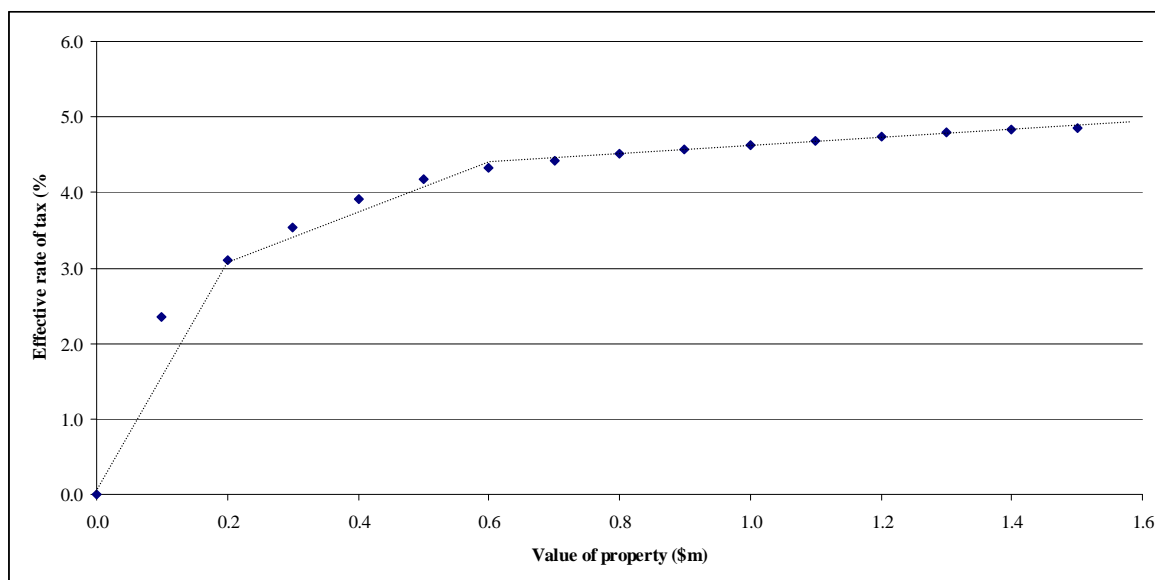
(a) For properties above \$0.960 million, Victoria applies a 5.5 per cent duty to the total value of the property. Source: State budget papers, various.

**Table 3 Financial impact by value range, 2008 Update**

Value range	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aus
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
\$0.000m to \$0.100m	35.0	-11.2	-6.0	-4.1	-7.4	-7.8	2.0	-0.5	37.0
\$0.100m to \$0.150m	42.2	-13.2	-10.4	-6.9	-7.0	-5.6	1.8	-0.9	44.0
\$0.150m to \$0.200m	44.9	-13.0	-15.0	-2.7	-9.9	-5.0	1.6	-0.9	46.5
\$0.200m to \$0.300m	60.9	-25.2	-19.4	1.6	-12.4	-4.1	0.4	-1.8	63.0
\$0.300m to \$0.500m	14.7	-0.7	-11.8	3.3	-1.3	0.0	-3.8	-0.5	18.1
\$0.500m to \$1.0m	24.2	-5.6	-9.2	-3.2	-3.5	-1.4	-0.5	-0.7	24.2
\$1.0m to \$2.0m	21.5	-5.7	-6.2	-1.7	-3.9	-1.3	-2.0	-0.7	21.5
\$2.0m plus	45.9	-20.8	-24.0	14.9	-9.1	-5.4	-1.3	-0.4	60.8
<b>Total</b>	<b>289.3</b>	<b>-95.4</b>	<b>-101.9</b>	<b>1.2</b>	<b>-54.5</b>	<b>-30.5</b>	<b>-1.8</b>	<b>-6.4</b>	<b>290.6</b>

Source: Commission assessment system.

**Figure 1 Average effective rates of tax, 2006-07**



Source: Table 2 and 3.

27 Table 4 shows that assessing a value distribution adjustment based on two value ranges is material.<sup>6</sup> The table shows that it would be material to increase the number of value ranges to three, but it would not be material to increase the number to four.

<sup>6</sup> An adjustment is material if it redistributes \$10 per capita for any State.

**Table 4 Financial impact by value range, 2008 Update**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Distribution</b>									
No value distribution	- 140.5	513.4	- 611.9	- 235.8	317.7	104.3	9.4	43.4	988.2
Two value ranges <sup>(a)</sup>	- 361.4	588.6	- 546.9	- 220.8	361.0	127.4	3.4	48.7	1 129.0
Three value ranges <sup>(b)</sup>	- 393.6	600.8	- 527.5	- 234.7	366.2	129.4	10.1	49.2	1 155.8
Four value ranges <sup>(c)</sup>	- 401.6	602.8	- 527.6	- 231.8	367.6	132.5	8.9	49.2	1 161.0
<b>Change</b>									
Two value ranges <sup>(a)</sup>	- 220.9	75.2	65.0	15.1	43.3	23.1	- 6.0	5.3	226.9
Three value ranges <sup>(b)</sup>	- 32.2	12.2	19.4	- 13.9	5.3	2.0	6.7	0.5	46.1
Four value ranges <sup>(c)</sup>	- 8.0	2.0	0.0	2.8	1.4	3.1	- 1.2	0.0	9.3
<b>Change (\$pc)</b>									
Two value ranges <sup>(a)</sup>	-31.90	14.35	15.40	7.11	27.20	46.62	-17.57	24.51	10.73
Three value ranges <sup>(b)</sup>	-4.65	2.34	4.59	-6.55	3.31	4.10	19.77	2.12	2.18
Four value ranges <sup>(c)</sup>	-1.16	0.37	-0.01	1.32	0.89	6.25	-3.49	-0.04	0.44

(a) The two value ranges are below \$0.3 million and \$0.3 million and above.

(b) The three value ranges are below \$0.3 million, \$0.3 to \$1.0 million and \$1.0 million and above.

(c) The four value ranges are below \$0.15 million, \$0.15 to \$0.3 million, \$0.3 to \$1.0 million and \$1.0 million and above.

Source: Commission assessment system.

### Commission view

28 The Commission intends to make adjustments for differences in the distribution of property values by assessing a value distribution adjustment. The Commission intends to assess the adjustment more broadly than in the 2004 Review by using only three value ranges:

- \$0.0 to \$0.3 million;
- \$0.3 to \$1.0 million; and
- \$1.0 million and above.

29 Attachment A sets out the calculation of the VDA assessment.

## **ADJUSTMENTS FOR DIFFERENCES IN THE TYPE OF PROPERTIES SUBJECT TO DUTY**

### **Proposal**

- 30 In 2004 Review approach, adjustments were made for:<sup>7</sup>
- off the plan concessions, where Victoria had a unique provision; and
  - a unit trust adjustment where Tasmania and the ACT had a narrower scope of application.
- 31 These adjustments were material.

### **Commission view**

- 32 The Commission intends to make adjustments for differences between States in the types of property subject to duty, where those differences are material.
- 33 We are seeking independent advice on which adjustments should be assessed and their size. Pending that advice, the adjustments assessed for the 2004 Review (3 per cent adjustment for Victoria's off-the-plan concession and a 3 per cent adjustment for Tasmania's and the ACT's different unit trust provisions) are used as placeholders.

## **PROPOSED ASSESSMENT**

- 34 The Commission intends to assess Stamp duty on conveyances using an approach similar to that used in the 2004 Review. Revenue capacity would be measured in two parts using property values:
- duties raised from the sale of major State government owned assets and corporate reconstructions. This part will be assessed equal per capita; and
  - duties from other conveyance transactions. This part will be based on differences in the type properties subject to duty.
- 35 A value distribution adjustment would be assessed for differences in the value of properties conveyed, but it would be based on a reduced number of value ranges. Adjustments would also be made to reflect differences in the types of property that are subject to duty.

Table 5 sets out the calculation of the revenue base for the other conveyance transactions component. Table 6 shows the calculation of the revenue base for the category.

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<sup>7</sup> These are two of four adjustments assessed in the 2004 Review. The other two relate to Victoria's decision not to tax non-real property. The first was a 3 per cent adjustment assessed because it did not tax goodwill. The second was a 4 per cent adjustment assessed because it did not tax business names, patents, licences, trademarks and copyrights. The States' agreement to abolish taxes on non-real property by 2010 means that only two States will still be taxing non-real property and therefore it will not be average policy to tax non-real property transactions. Consistent with the existing Commission decision we will remove these taxes and assess them equal per capita.

**Table 5 Calculation of revenue base for other conveyance transactions, 2006-07**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
A. Rescaled value of transactions (\$m) [Row I, Table A-2]	112 394	63 391	90 669	47 219	17 641	5 162	5 356	2 658	344 490
<b>Adjustments</b>									
B. Value distribution [Row F, Table A-4]	1.0507	0.9532	0.9870	1.0211	0.9103	0.8593	0.9866	0.9389	na
C. Off-the-plan concession	1.0000	1.0300	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	na
D. Unit trusts	1.0000	1.0000	1.0000	1.0000	1.0000	1.0300	1.0300	1.0000	na
E. Total adjustments <sup>(a)</sup> [E = B * (C + D - 1)]	1.0507	0.9818	0.9870	1.0211	0.9103	0.8851	1.0162	0.9389	na
F. Component revenue base (\$m) [F = A * E]	118 087	62 240	89 487	48 214	16 059	4 569	5 443	2 496	346 594

(a) The off-the-plan and unit trusts adjustments are added because the decision is to increase a State's revenue capacity by a fixed proportion. They are applied on top of the value distribution adjustment. Thus, the value distribution adjustment is combined with them by multiplication.

Source: Rescaled value of transactions from Table A-2. Value distribution adjustment from Table A-4.

**Table 6 Calculation of assessed revenue base, 2006-07**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
<b>Sale of major State government assets and corporate reconstructions component</b>									
A. Component revenue (\$m)	0.0	0.0	0.3	0.0	0.2	0.0	0.6	0.0	1.1
B. Assessed revenue base (persons)	6 855 811	5 167 516	4 135 619	2 082 041	1 576 644	491 648	336 691	212 802	20 858 772
C. Average tax rate (%) [C <sub>Aust</sub> = A <sub>Aust</sub> / B <sub>Aust</sub> ]									0.05
D. Component assessed revenue (\$m) [D = C <sub>Aust</sub> * B]	0.4	0.3	0.2	0.1	0.1	0.0	0.0	0.0	1.1
<b>Other conveyance transactions component</b>									
E. Component revenue (\$m)	4 166.0	2 847.5	2 541.9	2 037.2	720.5	156.5	231.7	106.8	12 808.1
F. Assessed revenue base (\$m) [Row F, Table 5]	118 087	62 240	89 487	48 214	16 059	4 569	5 443	2 496	346 594
G. Average tax rate (%) [G <sub>Aust</sub> = E <sub>Aust</sub> / F <sub>Aust</sub> ]									3.7
H. Component assessed revenue (\$m) [H = G <sub>Aust</sub> * F]	4 363.8	2 300.0	3 306.9	1 781.7	593.5	168.8	201.1	92.2	12 808.1
I. Assessed revenue (\$m) [I = D + H]	4 364.2	2 300.3	3 307.1	1 781.8	593.5	168.9	201.2	92.2	12 809.2

Source: Component revenue obtained from State Treasuries.

# ATTACHMENT A: CALCULATING THE VALUE DISTRIBUTION ADJUSTMENT

- 1 The Commission has decided to assess a value distribution adjustment for this category. A VDA compares a State's assessed revenue capacity under progressive rates of tax with its assessed revenue capacity under a single rate of tax. States that have an above average proportion of high value properties would be assessed to be able to raise more revenue under progressive rates of tax than under a single rate of tax, they would have a VDA factor of more than one.
- 2 This attachment sets out the calculation of the VDA. The steps involved are:
  - Tables A-1 and A-2 adjust the sample revenues and transactions to take account of the size of a State's sample;
  - Table A-3 calculates average rates of tax for each value range and overall; and
  - Table A-4 calculates two sets of assessed revenues. The VDA factor is the ratio of the two sets of assessed revenues:
    - the first set of assessed revenues is obtained by applying the average rates of tax for each value range to the resized sample transactions for that value range and summing; and
    - the second set of assessed revenues is obtained by applying the overall average rate of tax to the total resized sample transactions.

**Table A-1 Calculation of rescaled revenue by value range, 2006-07**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
<b>Rescaling ratio</b>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
A. Component revenue	4 166	2 847	2 542	2 037	721	156	232	107	12 808
B. Total sample revenue <sup>(a)</sup>	3 984	2 866	2 383	2 184	723	155	229	107	12 633
C. Scaling ratio [C = A / B]	1.0456	0.9934	1.0668	0.9327	0.9964	1.0087	1.0113	0.9951	na
<b>Sample revenue data<sup>(a)</sup></b>									
D. \$0 to \$0.3 million	271.6	547.7	359.7	208.6	213.3	61.3	13.6	18.5	1 694.2
E. \$0.3 to \$1.0 million	1 427.9	1 389.5	999.9	1 045.0	315.9	64.0	132.7	57.6	5 432.4
F. \$1.0 and above	2 285.0	929.2	1 023.3	930.7	194.0	29.9	82.8	31.2	5 506.1
G. Total	3 984.5	2 866.4	2 382.8	2 184.3	723.1	155.1	229.1	107.3	12 632.7
<b>Rescaled revenue data</b>									
H. \$0 to \$0.3 million [H = C * D]	284.0	544.1	383.7	194.5	212.5	61.8	13.7	18.4	1 712.7
I. \$0.3 to \$1.0 million [I = C * E]	1 492.9	1 380.3	1 066.6	974.7	314.7	64.5	134.2	57.3	5 485.3
J. \$1.0 and above [J = C * F]	2 389.1	923.1	1 091.6	868.0	193.3	30.2	83.8	31.0	5 610.1
K. Total [K = C * G]	4 166.0	2 847.5	2 541.9	2 037.2	720.5	156.5	231.7	106.8	12 808.1

(a) Sample revenue data by value range are provided by State Revenue Offices.  
Source: Component revenue obtained from State Treasuries.

**Table A-2 Calculation of rescaled transaction data by value range, 2006-07**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
<b>Rescaling ratio</b>									
A. Scaling ratio [Row C, Table A-1]	1.0456	0.9934	1.0668	0.9327	0.9964	1.0087	1.0113	0.9951	na
<b>Sample transaction data<sup>(a)</sup></b>									
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
B. \$0 to \$0.3 million	13 689.6	17 972.9	16 853.9	7 406.2	6 540.7	2 491.1	528.6	736.6	66 219.8
C. \$0.3 to \$1.0 million	48 413.9	28 857.0	42 370.4	25 043.8	7 471.0	1 871.9	3 462.7	1 328.3	158 819.0
D. \$1.0 and above	45 393.7	16 982.7	25 770.6	18 176.4	3 693.1	754.5	1 305.2	606.1	112 682.4
E. Total	107 497.3	63 812.7	84 994.9	50 626.4	17 704.8	5 117.5	5 296.6	2 671.0	337 721.2
<b>Rescaled transaction data</b>									
F. \$0 to \$0.3 million [F = A * B]	14 313.3	17 854.3	17 979.0	6 907.7	6 517.2	2 512.7	534.6	732.9	67 351.8
G. \$0.3 to \$1.0 million [G = A * C]	50 619.5	28 666.5	45 198.9	23 358.0	7 444.1	1 888.1	3 501.7	1 321.8	161 998.6
H. \$1.0 and above [H = A * D]	47 461.7	16 870.6	27 490.9	16 952.9	3 679.8	761.1	1 319.9	603.1	115 140.1
I. Total [I = A * E]	112 394.4	63 391.4	90 668.8	47 218.7	17 641.2	5 161.9	5 356.3	2 657.8	344 490.4

(a) Sample transaction data by value range are provided by State Revenue Offices.

Source: Table A-1.

**Table A-3 Calculation of average rates of tax by value range, 2006-07**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
<b>Rescaled revenue data</b>	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
A. \$0 to \$0.3 million	284.0	544.1	383.7	194.5	212.5	61.8	13.7	18.4	1 712.7
B. \$0.3 to \$1.0 million	1 492.9	1 380.3	1 066.6	974.7	314.7	64.5	134.2	57.3	5 485.3
C. \$1.0 and above	2 389.1	923.1	1 091.6	868.0	193.3	30.2	83.8	31.0	5 610.1
D. Total	4 166.0	2 847.5	2 541.9	2 037.2	720.5	156.5	231.7	106.8	12 808.1
<b>Rescaled transaction data</b>									
E. \$0 to \$0.3 million	14 313.3	17 854.3	17 979.0	6 907.7	6 517.2	2 512.7	534.6	732.9	67 351.8
F. \$0.3 to \$1.0 million	50 619.5	28 666.5	45 198.9	23 358.0	7 444.1	1 888.1	3 501.7	1 321.8	161 998.6
G. \$1.0 and above	47 461.7	16 870.6	27 490.9	16 952.9	3 679.8	761.1	1 319.9	603.1	115 140.1
H. Total	112 394.4	63 391.4	90 668.8	47 218.7	17 641.2	5 161.9	5 356.3	2 657.8	344 490.4
<b>Average rates of tax</b>									
I. \$0 to \$0.3 million									%
[ $I_{Aust} = A_{Aust} / E_{Aust}$ ]									2.54
J. \$0.3 To \$1.0 million									3.39
[ $J_{Aust} = B_{Aust} / F_{Aust}$ ]									
K. \$1.0 and above									4.87
[ $K_{Aust} = C_{Aust} / G_{Aust}$ ]									
L. Total									3.72
[ $L_{Aust} = D_{Aust} / H_{Aust}$ ]									

Source: Table A-1 and Table A-2.

**Table A-4 Calculation of value distribution adjustment, 2006-07**

	NSW \$m	Vic \$m	Qld \$m	WA \$m	SA \$m	Tas \$m	ACT \$m	NT \$m	Aust \$m
<b>Assessed revenue using average rates of tax by value range<sup>(a)</sup></b>									
A. \$0 to \$0.3 million	364.0	454.0	457.2	175.7	165.7	63.9	13.6	18.6	1 712.7
B. \$0.3 to \$1.0 million	1 714.0	970.7	1 530.4	790.9	252.1	63.9	118.6	44.8	5 485.3
C. \$1.0 and above	2 312.5	822.0	1 339.5	826.0	179.3	37.1	64.3	29.4	5 610.1
D. Total	4 390.5	2 246.7	3 327.1	1 792.6	597.1	164.9	196.5	92.8	12 808.1
<b>Assessed revenue using average rate of tax for all value ranges<sup>(b)</sup></b>									
E. Total	4 178.8	2 356.9	3 371.1	1 755.6	655.9	191.9	199.1	98.8	12 808.1
F. Value distribution adjustment [F = D / E]	1.0507	0.9532	0.9870	1.0211	0.9103	0.8593	0.9866	0.9389	na

(a) Calculated by applying the average rate of tax for the relevant value range from Table A-3 to the rescaled transaction data for the same value range from Table A-2.

(b) Calculated by applying the average rate of tax from Table A-3 to the total rescaled transaction data from Table A-2.

Source: Rescaled transaction data by value range from Table A-2. Average rates of tax from Table A-3.