

Motor taxes

Overview

- 1 The motor taxes assessment covers state and territory (state) revenue from annual registration fees and associated charges, and from stamp duty on motor vehicles levied on the transfer of vehicle ownership.¹
- 2 The category excludes revenue from stamp duty collected on compulsory third-party motor vehicle insurance, which is assessed in the insurance tax category.
- 3 The assessment recognises a state's capacity to raise motor taxes revenue is influenced by the following.
 - Total number of vehicles registered in each state (light and heavy vehicles) — states with an above average share of registered vehicles will have greater revenue raising capacity.
 - Total value of new vehicles registered and used vehicles transferred — states with an above average share of the total value of vehicle transfers will have greater revenue raising capacity.

Actual state revenue

- 4 The first step in calculating assessed revenue is identifying actual state revenue.² Motor taxes accounted for 7.7% of total own-source revenue in 2022–23 (Table 1).³

Table 1 Motor taxes revenue by state, 2022–23

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Motor taxes (\$m)	4,311	3,201	3,017	1,982	860	252	210	90	13,923
Motor taxes (\$pc)	523	477	560	699	469	439	455	358	529
Proportion of total own-source revenue (%)	8.2	8.0	6.6	7.2	10.5	10.9	6.0	5.3	7.7

¹ Associated charges include number plate fees, inspection fees, administration or recording fees and road safety levies. It does not include driver licence and permit fees.

² Adjusted budget calculations use ABS Government Finance Statistics data to determine actual state revenue. For further detail see the adjusted budget chapter of the *Commission's Assessment Methodology*.

³ Tables in this chapter, unless otherwise stated, use 2022–23 data.

Structure of assessment

5 Table 2 shows the drivers that influence each state's revenue raising capacity.

Table 2 Structure of the motor taxes assessment

Component	Driver	Influence measured by driver
Light vehicle registration fees and charges	Number of light vehicles	States with greater numbers of light vehicles have greater revenue raising capacity.
Heavy vehicle registration fees and charges	Number of heavy vehicles	States with greater numbers of heavy vehicles have greater revenue raising capacity.
Stamp duty on motor vehicle transfers	Value of motor vehicle transfers	States with greater value of vehicle transfers have greater revenue raising capacity.

Data

6 The data used in the assessment are outlined in Table 3.

Table 3 Data used in the motor taxes assessment

Source	Data	Updated
Bureau of Infrastructure and Transport Research Economics	Number of light and heavy vehicles registered in each state	Annually
State revenue offices	Total value of vehicle transfers in each state	Annually

Note: The adjusted budget data sources are outlined in the adjusted budget chapter of the *Commission's Assessment Methodology*.

Assessment method

7 Capacity to raise revenue from motor taxes is assessed in 3 components:

- light vehicle registration fees and charges⁴
- heavy vehicle registration fees and charges⁵
- stamp duty on motor vehicle transfers.

Light vehicle registration fees and charges component

8 The basis on which light vehicle registration fees are collected varies across states, according to vehicle weight, engine capacity, vehicle use and level of emissions.⁶ The assessment does not adjust for the complexity of these differences. Instead, it

⁴ Light vehicles are vehicles with a gross vehicle mass up to 4.5 tonnes.

⁵ Heavy vehicles are vehicles with a gross vehicle mass of 4.5 tonnes or more.

⁶ States provide a range of concessions or exemptions from fees and charges to some vehicle owners or vehicle types. These vary by state.

recognises that average policy is to impose registration fees at set amounts per vehicle per year. The assessment uses the number of registered light vehicles in each state as a proxy measure of states' capacity to raise light vehicle registration fees and charges.

- 9 Data on the revenue raised by states from light vehicle registration fees are sourced from the ABS Government Finance Statistics.
- 10 Data on the number of light vehicles are obtained from the Bureau of Infrastructure and Transport Research Economics *Road Vehicles, Australia* publication.⁷ The capacity measure is the number of passenger vehicles and the number of light commercial vehicles. These vehicles account for 94% of light vehicle registrations.⁸
- 11 The national average registration charge is calculated as the national revenue raised by states divided by the national number of light vehicles. Assessed revenue is calculated by applying the national average registration charge per light vehicle to the number of light vehicles in each state.

Heavy vehicle registration fees and charges component

- 12 The National Transport Commission sets the heavy vehicle registration fees states are to apply.⁹ The fees vary by vehicle weight, number of axles, body type and trailer use. The assessment does not adjust for the complexity of these differences. Instead, it uses the number of registered heavy vehicles in each state as a proxy measure of states' capacity to raise heavy vehicle registration fees and charges.
- 13 Data on the revenue raised by states from heavy vehicle registration fees are sourced from the ABS Government Finance Statistics.
- 14 Data on number of heavy vehicles are obtained from the Bureau of Infrastructure and Transport Research Economics' *Road Vehicles, Australia publication*. The capacity measure is the number of heavy rigid trucks and the number of articulated trucks. These vehicles account for 79% of heavy vehicle registrations.¹⁰
- 15 The national average registration charge is calculated as the national revenue raised by states divided by the national number of heavy vehicles. Assessed revenue is calculated by applying the national average registration charge per heavy vehicle to the number of heavy vehicles in each state.

⁷ [Bureau of Infrastructure and Transport Research Economics, *Road Vehicles, Australia, January 2024, Canberra, Australia*, accessed 1 August 2024.](#)

⁸ The remaining 6% relate to motorcycles (4.7%), light rigid trucks (0.9%) and campervans (0.4%).

⁹ [National Transport Commission, *Heavy vehicle registration charges*, accessed 1 October 2024.](#)

¹⁰ The remaining 21% relate to buses (15.2%) and non-freight carrying vehicles (5.8%).

Stamp duty on motor vehicle transfers component

- 16 Stamp duty on motor vehicles is collected on new motor vehicle registrations and used motor vehicle transfers. All states impose duty on the dutiable value of the vehicle. The dutiable value is the greater of the purchase price or the market value. The rate of duty varies across states according to vehicle type and use, whether the vehicle is new or used, engine capacity and level of emissions.¹¹ Most states apply higher rates of duty to higher value vehicles. The assessment does not adjust for the complexity of these differences. Instead, it uses the total dutiable value of vehicle transfers as a proxy measure of states' capacity to raise stamp duty on motor vehicles.
- 17 Data on the total dutiable value of vehicles in each state are obtained from state revenue offices. To improve the comparability of the data, states have been asked to exclude from the data the value of vehicles that were exempt from duty.
- 18 Data on the revenue raised from stamp duty on motor vehicles are sourced from ABS Government Finance Statistics.
- 19 The national average rate of duty on motor vehicle transfers is calculated as the national revenue raised by states divided by the national dutiable value of vehicle transfers. Assessed revenue is calculated by applying the national average rate of stamp duty to the total dutiable value of vehicle transfers in each state.

GST distribution in the 2025 Review

- 20 Table 4 shows the GST impact of the assessment in the 2025 Review.

Table 4 GST impact of the motor taxes assessment, 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Light Vehicles	215	-12	-103	-56	-43	-30	13	17	245
Heavy Vehicles	92	13	-18	-97	-4	-7	27	-6	132
Stamp Duty	106	54	-86	-118	20	-6	29	1	209
Total (\$m)	413	54	-208	-271	-27	-44	69	12	549
Total (\$pc)	48	8	-36	-89	-14	-76	144	48	20

Note: Magnitude and direction of GST impact can change from year to year.

¹¹ States provide a range of concessions or exemptions from duty to some vehicle owners or vehicle types. These vary by state.