



Navigating Statutory Valuation in Australia



Preston Rowe Paterson
International Property Consultants and Valuers



A few caveats

- Preston Rowe Paterson acts for both owners and State Governments in different locations – hence what follows is a balanced unbiased view;
- The details are up to date as of December 2022, so please use this as a *guide only and reference* and check the details as State Governments are constantly changing the landscape;
- Where quoting current Rating and Taxing policy we have gone to the top of any ad valorem taxing scales and not included the detail given the number of State based differences.



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The State Based Legislative and Policy Framework



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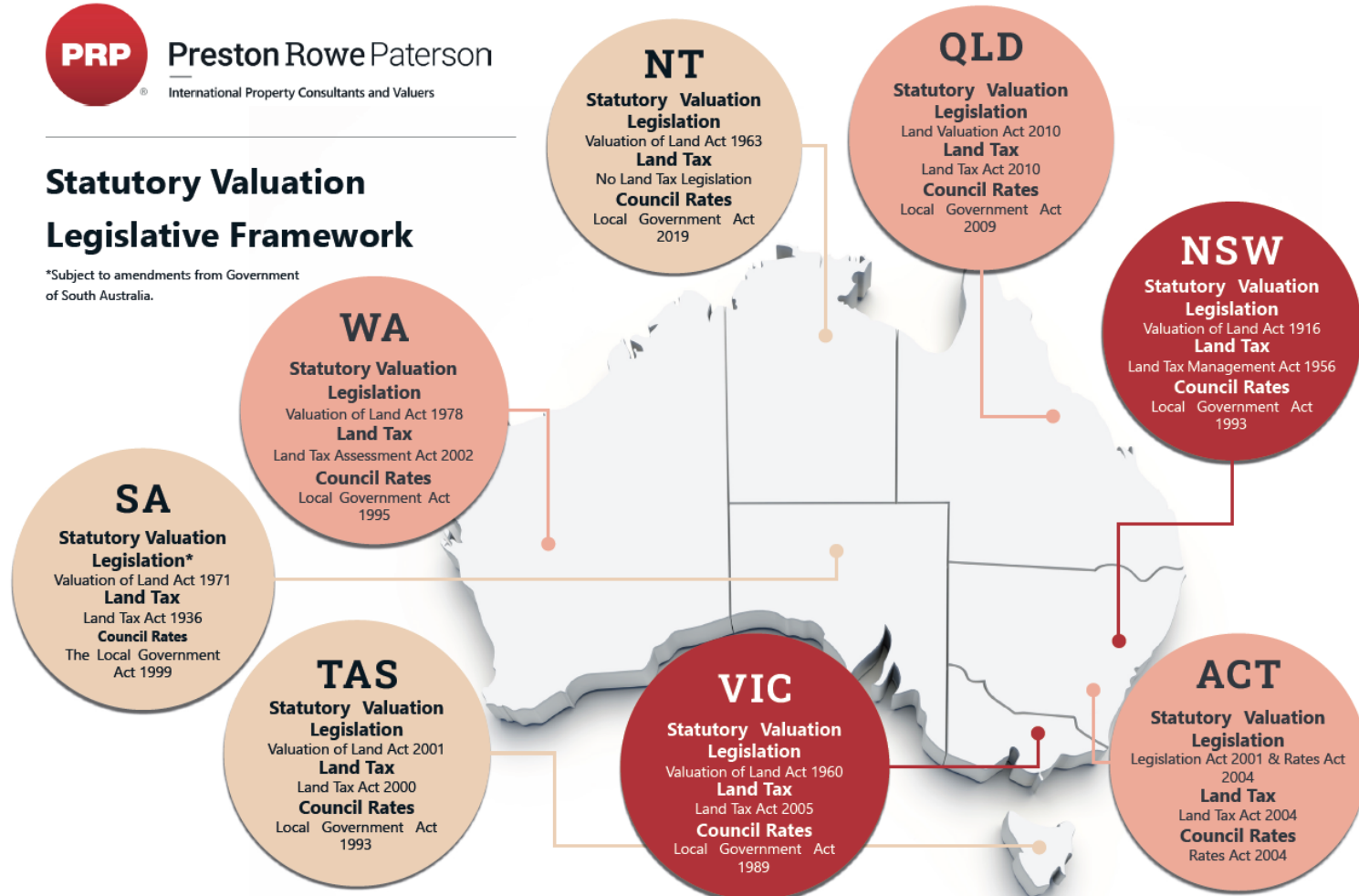


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Statutory Valuation Legislative Framework

*Subject to amendments from Government
of South Australia.



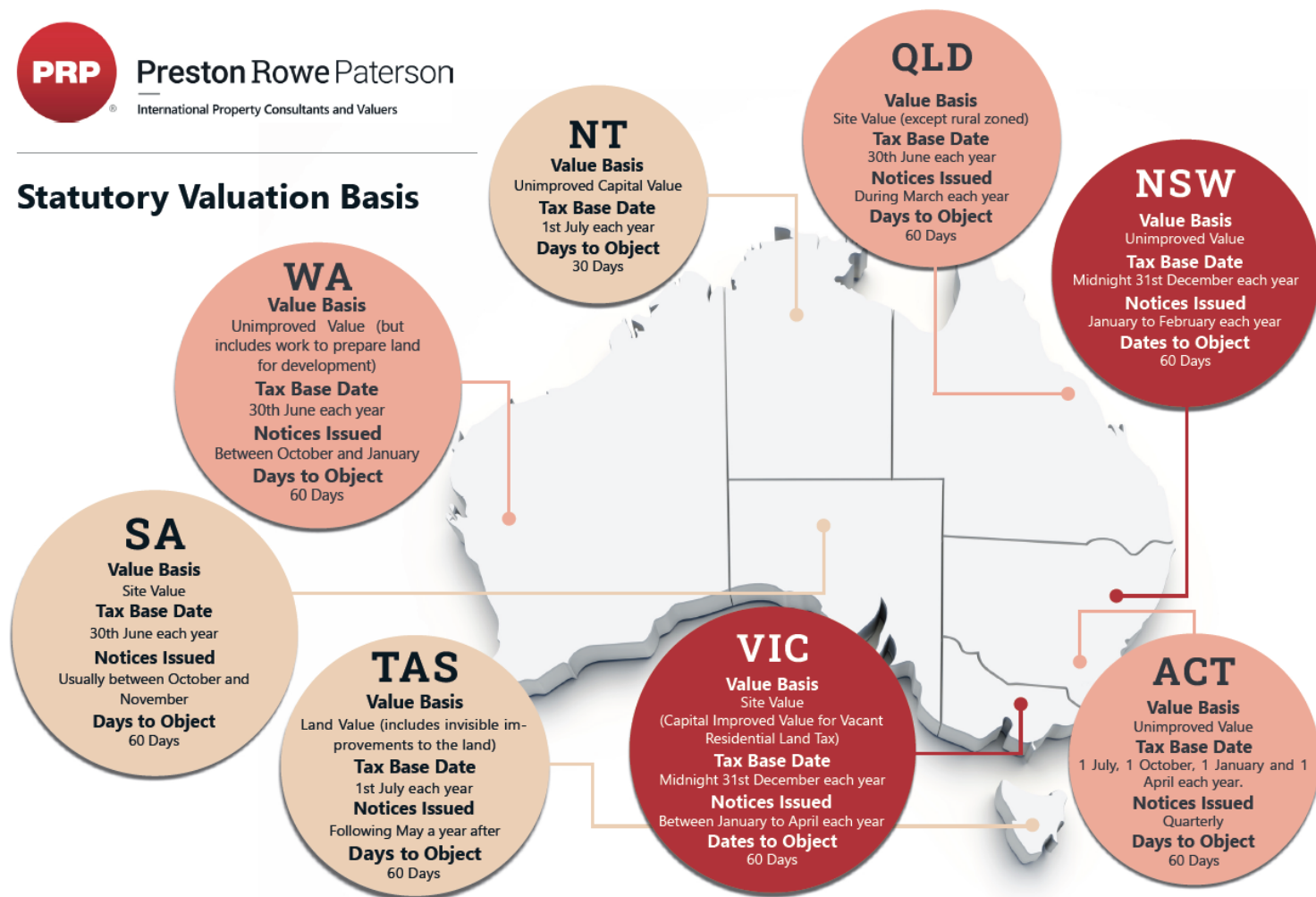
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Statutory Valuation Basis



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Land Tax Rates

*Rates provided are the maximum effective rates based on ad valorem tax. Lower rates will apply to properties within lower thresholds.

**Thresholds provided are the minimum values to which tax rates start to apply.

WA

Max Rate*

2.67%

Starting Threshold**

\$300,001

Metropolitan Region Improvement Tax

In addition, 0.14% rate for every dollar of the aggregated taxable value of the land in excess of \$300,000, which is located in the metro area

SA

Max rate*

General - 2.4%, Trusts - 2.4%

Starting Threshold**

General - \$ 534,000, Trusts - \$25,000

Surcharges

Up to 0.5% Surcharge in the trust land tax rates below the top marginal threshold

VIC

Max Rates*

General - 2.55%, Trusts - 2.55%

Starting Threshold**

General - \$300,000, Trusts - \$25,000

Absentee Owner Surcharge

Additional 2% applied to all land owned by absentee individuals, corporations or trusts.

Vacant Residential Land Tax

An additional 1% surcharge on residential land left vacant more than 6 months in Melbourne's inner and middle suburbs

Special Land Tax

5% one-off tax charged to land that was exempt but no longer exempt, with increased amounts for absentee owners

NT

Property Activation Levy

1% tax on unimproved value for unoccupied buildings and 2% tax for vacant land calculated by reference to each day that the lot is not "activated". Applied to property located in Darwin CBD.

QLD

Max rate*

Individual - 2.25%, Companies and Trusts - 2.75%, Absentees - 2.5%

Starting Threshold**

Individuals - \$600,000

Companies, Trustees or Absentees - \$350,000

Foreign Corporations and Trusts Surcharge

Additional 2% Surcharge for Foreign Corporations and Trusts

Subdivider Discount

Land Tax Subdivider Discount - Up to 40% if conditions are met

NSW

Max Rate*

General - 1.6%, Premium - 2%

Starting Threshold**

General - \$822,000,

Premium - \$5,026,000

Foreign Land Tax Surcharge

Additional 2% applies to all residential land owned by a foreign person. (4% from 2023)

TAS

Max Rate*

1.5%

Starting Threshold**

\$100,000

Foreign Investor Land Tax Surcharge

Additional 2% Surcharge calculated on the assessed land value

Special Exemptions

1 year land tax exemptions for short-stay accommodation that is made available for long-term rental or 3 year exemptions for all newly built housing that is made available for long-term rental

ACT

Land Tax Rate*

Fixed Charge of \$1,462 + up to 1.14% Valuation Charge on unimproved value. (Commercial/Rural exempt from land tax)

Council Rates*

Residential - Fixed Charge of \$830 + up to 0.5775% Valuation Charge on unimproved value. Commercial - Fixed Charge of \$2,822 + up to 5.3411% Valuation Charge on unimproved value (Differing rates for rural and residential units)

Starting Threshold**

\$0-\$150,000

Foreign Ownership Surcharge

Additional Land tax surcharge of 0.75% to residential land owned by foreign persons



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Stamp Duty

* Rates provided are the maximum effective rates and thresholds based on ad valorem tax. Lower rates will apply to properties within lower thresholds.

** Duty is applied to dutiable value once the value of landholdings exceeds this threshold.

SA

Max Duty Rate*
\$21,330 + 5.5% of dutiable value over \$500,000. Only applies to Residential and Primary Production land. As of 1 July 2018, duty removed for all other asset types

Landholder Duty Threshold**
Thresholds removed, as of 1 July 2018. Duty applies to any interest in Residential or Primary Production land

Foreign Ownership Surcharge
In addition to stamp duty, a flat tax of 7% is applied to residential acquisitions by any foreign person, corporation or trust

WA

Max Duty Rate*
\$28,453 + 5.15% of dutiable value over \$725,000

Landholder Duty Threshold**
\$2,000,000

Foreign Transfer Duty
In addition to stamp duty, a flat tax of 7% is applied to residential acquisitions by any foreign person, corporation or trust

TAS

Max Duty Rate*
\$27,810 + 4.5% of dutiable value over \$725,000

Landholder Duty Threshold**
\$500,000

Foreign Investor Duty Surcharge (FIDS)
In addition to stamp duty, a flat tax of 8% is applied to residential or 1.5% to primary production acquisitions by any foreign person,

NT

Max Duty Rate*
5.95% of dutiable value if over \$5,000,000

Landholder Duty Threshold**
\$500,000

QLD

Max Duty Rate*
\$38,025 + 5.75% of dutiable value over \$1,000,000

Landholder Duty Threshold**
\$2,000,000

Foreign Acquirer Duty
In addition to stamp duty, a flat tax of 7% is applied to residential acquisitions by any foreign person, corporation or trust

VIC

Max Duty Rate*
Flat rate of 6.5% applied to dutiable value if over \$2,000,000

Landholder Duty Threshold**
\$1,000,000

Foreign Surcharge
In addition to stamp duty, a flat tax of 8% is applied to residential acquisitions by any foreign person, corporation or trust.

NSW

Max Duty Rate*
\$44,095 + 5.5% of dutiable value over \$1,089,000

Landholder Duty Threshold**
\$2,000,000

Premium Duty Rate (Residential Only)
Any amount over \$3,268,000 is taxed at a rate of 7%

Foreign Surcharge
In addition to stamp duty, a flat tax of 8% is applied to residential acquisitions by any foreign person, corporation or trust.

ACT

Max Conveyance Duty Rate*
Non-commercial - Flat rate of 4.54% applied to total dutiable value if over \$1,455,000
Commercial - Flat rate of 5% applied to total dutiable value if over \$1,700,000

Landholder Duty Threshold**
Same rates and thresholds as Conveyance Duty



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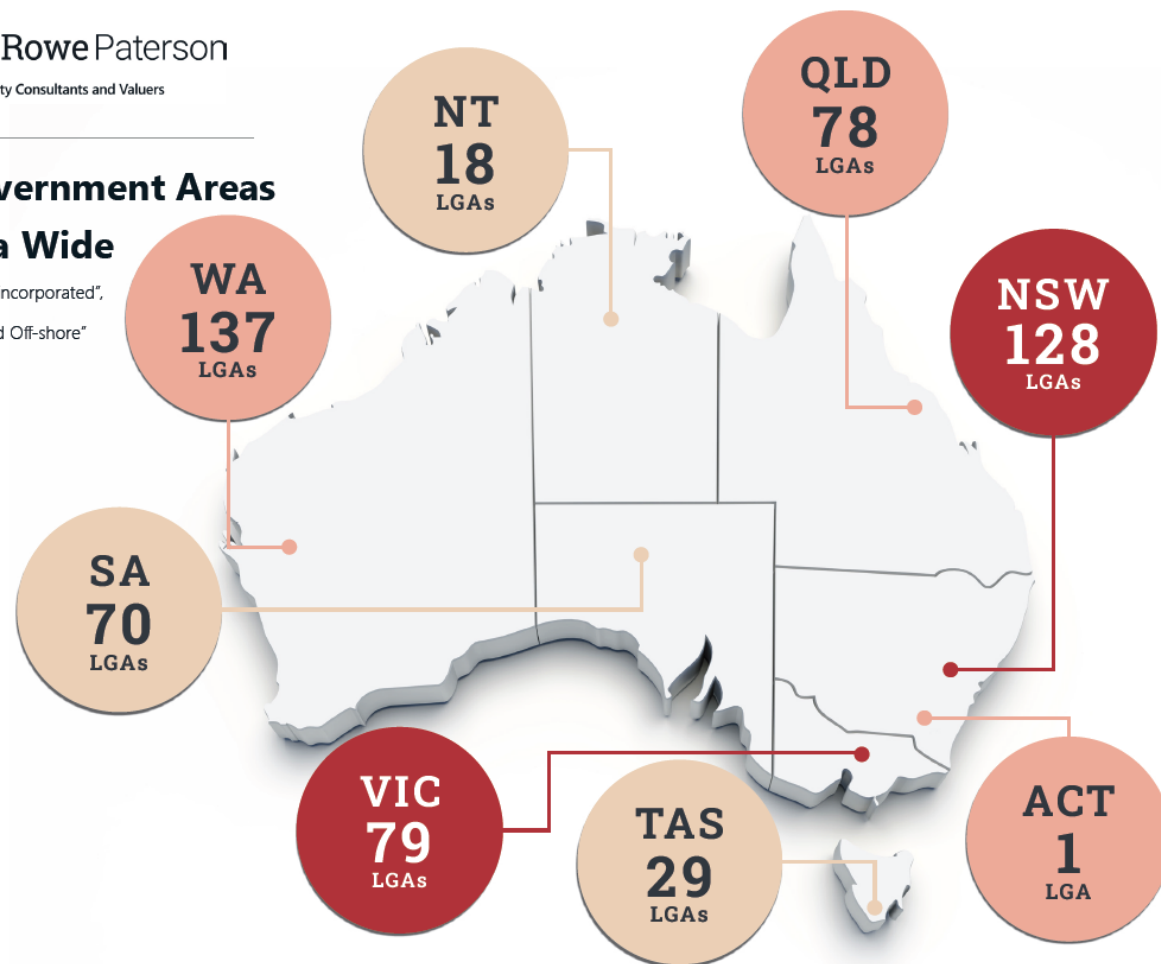
Total Local Government Areas (LGA) Australia Wide

As of October 2021, excluding "unincorporated",

"No usual address", "Migratory and Off-shore"

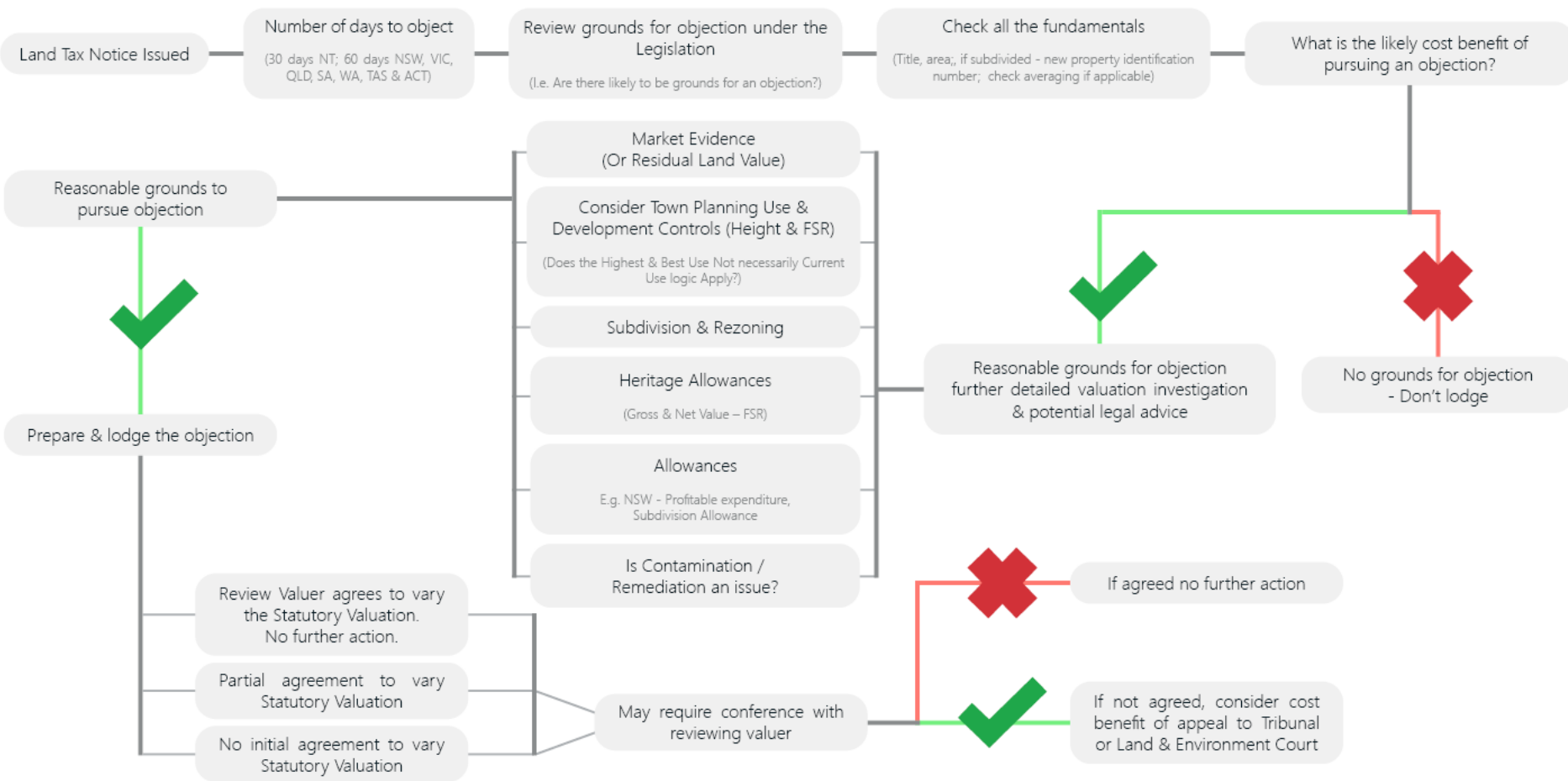
and Other Territories.

Total
540
LGAs
Australia
wide



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The Objection Process





State Govt Land Tax Websites

Victoria

www.sro.vic.gov.au

Tasmania

www.sro.tas.gov.au

New South Wales

www.osr.nsw.gov.au

Australian Capital Territory

www.revenue.act.gov.au

Queensland

www.treasury.qld.gov.au

Northern Territory

www.nt.gov.au

Western Australia

www.finance.wa.gov.au

South Australia

www.revenuesa.sa.gov.au



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