**Table of Contents**

1.1 Methodology ................................................................................................... 2  
1.2 Main Results – State Tax League Table .......................................................... 3  
1.3 Main Results – Business Scale......................................................................... 4  
2.1 State Results – New South Wales ................................................................. 5  
2.2 State Results – Victoria .................................................................................. 6  
2.3 State Results - Queensland ............................................................................ 7  
2.4 State Results – Western Australia .................................................................. 8  
2.5 State Results – South Australia ..................................................................... 9  
2.6 State Results – Tasmania ............................................................................. 10  
3.1 Key Tax Results – Payroll Tax ...................................................................... 11  
3.2 Key Tax Results – Land Tax ......................................................................... 12  
3.3 Key Tax Results – Land Transfer Duty ......................................................... 13  
3.4 Key Tax Results – Total Duties ..................................................................... 14  
3.5 Key Tax Results – Vehicle Registrations ...................................................... 15  
4.1 Industry Results – Construction .................................................................... 16  
4.2 Industry Results – Transport ......................................................................... 17  
4.3 Industry Results – Retail ............................................................................... 18  
4.4 Industry Results – Financial Services ........................................................... 19  
4.5 Industry Results – Professional Services ...................................................... 20
1.1 Methodology

IPA State Business Tax Calculator

What is the IPA State Business Tax Calculator?

- The IPA State Business Tax Calculator (SBTC) is a quantitative model that measures the tax imposed on business by state governments.
- The latest information on tax rates and structures (as at 31 December 2009) are used to calculate tax liabilities.

Why is the Calculator needed?

- The SBTC sheds light on tax burdens imposed by states.
- This helps business make decisions about where to invest, and assists the community in understanding how state taxes affect business conditions around Australia.

How are liabilities calculated?

- The SBTC calculates liabilities faced by a hypothetical 'reference business', based on methodology used by the World Bank.
- The 'reference' business is a medium-sized business which is assumed to have:
  - 60 employees
  - assets of $14 million
  - profit of $4.3 million.
- The size of the reference business can be scaled up or down to show how state taxes vary by business size.

What taxes are included?

- The SBTC includes liabilities for payroll tax, land tax, land transfer duty, insurance duty, motor vehicle duty and motor vehicle registration. These comprise up to 87 per cent of the tax revenue collected by state governments.
- The Calculator can also incorporate the impact of workers' compensation premiums levied by each state.
1.2 Main Results – State Business Tax League Table

South Australia the high tax state – WA has the low tax advantage

- The IPA State Business Tax Calculator shows that Western Australia has the lowest business taxes in Australia.

### State tax liability on a 'reference' business

<table>
<thead>
<tr>
<th>State</th>
<th>Tax liability</th>
<th>Ranking 2009</th>
<th>Ranking 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Australia</td>
<td>$223,842</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Victoria</td>
<td>$228,609</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Queensland</td>
<td>$230,221</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Tasmania</td>
<td>$242,161</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>New South Wales</td>
<td>$244,457</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>South Australia</td>
<td>$247,437</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>

As at 31 December 2009. Based on state business tax liabilities borne by a reference business. Including payroll tax, land tax, land transfer duty, insurance duty, motor vehicle duty and motor vehicle registration fee. WA taxes include Metropolitan Regional Improvement Tax (MRIT). Excluding workers’ compensation premiums. State tax liability rankings are scaled from 1 to 6 (1 being the lowest liability to 6 being the highest).

Source: IPA State Business Tax Calculator.

- The WA tax liability of $223,842 is about five per cent below the states’ average. Victoria and Queensland are close behind WA on the state tax rankings.
- South Australia has the highest business taxes of the six Australian states.
- SA taxes are about five per cent above the states’ average, and about 11 per cent above tax liabilities in Western Australia.
1.3 Main Results – Business Scale

State taxes hit small businesses

- The IPA State Business Tax Calculator shows that small businesses are discriminated against under current state business tax regimes.

**State tax liability as proportion of corporate income tax, 2009**

As at 31 December 2009. Based on state business tax liabilities borne by a reference business. Including payroll tax, land tax, land transfer duty, insurance duty, motor vehicle duty and motor vehicle registration fee. WA taxes include Metropolitan Regional Improvement Tax (MRIT). Including workers’ compensation premiums.

**Source:** IPA State Business Tax Calculator.

- The state tax burden is disproportionately high on small firms with low profitability, but very large firms are also affected because the value of their transactions tends to be high.
- Queensland imposes the highest tax liabilities on small businesses as a percentage of corporate tax. This is mainly due to high vehicle registration fees and a low land transfer duty threshold in that state.
- At the other end of the scale, Victoria, Queensland and Western Australia impose the lowest burdens on large scale businesses. This is partly due to their more competitive payroll tax structures.
- Large businesses in South Australia and NSW bear the highest tax liabilities in the Commonwealth, deterring firms from expanding.
2.1 State Results – New South Wales

New South Wales a high taxing state – tax reductions an essential reform

- The IPA State Business Tax Calculator shows that New South Wales imposes the second highest taxes on business in Australia.

**NSW tax liability and rankings, 2009**

As at 31 December 2009. Based on state business tax liabilities borne by a reference business. Including payroll tax, land tax, land transfer duty, insurance duty, motor vehicle duty and motor vehicle registration fee. Excluding workers’ compensation premiums. The State’s tax liability rankings against all States are in parentheses, and are scaled from 1 to 6 (1 being the lowest liability to 6 being the highest). This figure shows NSW’s tax liability, and its ranking for each tax category.

**Source:** IPA State Business Tax Calculator.

- The state’s onerous payroll tax liability pushes NSW into the bracket of high taxers, despite a reduction in the tax rate and increasing threshold.
  - The reduction of the payroll tax rate to 5.65 per cent on 1 January 2010 will not affect NSW’s position as the employment-tax state.
- Relatively high land tax and insurance duty are also expected to erode the state’s tax competitiveness.
- Across-the-board state tax reductions – as recommended by IPART 2008 tax review – are necessary to prevent Australia’s largest state economy continuing to act as a drag on national economic growth.
2.2 State Results – Victoria

Victoria a competitive tax state, but with more to do

- The IPA State Business Tax Calculator shows that Victoria has the second lowest business taxes in Australia.

### Victoria tax liability and rankings, 2009

<table>
<thead>
<tr>
<th>State tax liability ($)</th>
<th>Vic tax liability ($)</th>
<th>States’ tax liability ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$154,914 (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$8,156 (2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$52,860 (6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$6,865 (5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$2,752 (5)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$3,062 (4)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

As at 31 December 2009. Based on state business tax liabilities borne by a reference business. Including payroll tax, land tax, land transfer duty, insurance duty, motor vehicle duty and motor vehicle registration fee. Excluding workers’ compensation premiums. The State’s tax liability rankings against all States are in parentheses, and are scaled from 1 to 6 (1 being the lowest liability to 6 being the highest). This figure shows Victoria’s tax liability, and its ranking for each tax category.

**Source:** IPA State Business Tax Calculator.

- Victoria is relatively competitive on the payroll and land tax front. Since 2000-01, it has reduced its payroll tax rate from 5.75 per cent to 4.95 per cent, and its maximum land tax rate from five per cent to 2.25 per cent.
- Undermining these positive outcomes, however, are Victoria’s relatively high stamp duty liabilities. In particular, Victoria imposes the highest land transfer duty of all the states.
- If Victoria wishes to acquire the mantle of the low tax state of Australia, it must do more to scale back its byzantine stamp duty regime and look to cut other taxes.
2.3 State Results - Queensland

Queensland: low tax state one day, high taxing the next

- The IPA State Business Tax Calculator shows that Queensland has the third lowest business taxes in Australia, down from second lowest last year.

### Queensland tax liability and rankings, 2009

As at 31 December 2009. Based on state business tax liabilities borne by a reference business. Including payroll tax, land tax, land transfer duty, insurance duty, motor vehicle duty and motor vehicle registration fee. Excluding workers’ compensation premiums. The State’s tax liability rankings against all States are in parentheses, and are scaled from 1 to 6 (1 being the lowest liability to 6 being the highest). This figure shows Queensland’s tax liability, and its ranking for each tax category.

**Source:** IPA State Business Tax Calculator.

- Queensland is competitive against other states on payroll taxation and particularly on a range of stamp duties.
- The factors holding Queensland back from assuming the mantle of lowest taxing state is its above-average land tax liability and high motor vehicle registration fees.
  - The above-average land tax liability occurs in spite of budget measures to spread payments over longer time periods.
- Queensland is gradually losing its historical low tax advantage. If Queensland wants to return to its fiscal policy roots, it must reduce its tax burdens on business as a matter of priority.
2.4 State Results – Western Australia

Western Australia the low tax state of Australia – but beware the competition!

- The IPA State Business Tax Calculator shows that Western Australia has maintained the lowest business taxes in Australia.

Western Australia tax liability and rankings, 2009

As at 31 December 2009. Based on state business tax liabilities borne by a reference business. Including payroll tax, land tax, land transfer duty, insurance duty, motor vehicle duty and motor vehicle registration fee. WA land tax burden includes Metropolitan Regional Improvement Tax (MRIT). Excluding workers’ compensation premiums. The State’s tax liability rankings against all States are in parentheses, and are scaled from 1 to 6 (1 being the lowest liability to 6 being the highest). This figure shows Western Australia’s tax liability, and its ranking for each tax category.

Source: IPA State Business Tax Calculator.

- Low land taxes, which are 73 per cent below the states’ average, and vehicle registration fees contribute to WA’s status as Australia’s low tax jurisdiction.
- The latest state budget attempts to consolidate WA’s tax advantage by measures including a 50 per cent cap for land tax, reintroduction of a land tax concession for developers and small business payroll tax rebate.
- Even so, WA should look to reduce its taxes further. Victoria and Queensland have been vying for the position of low tax state and might pose a threat to WA’s enviable tax status.
2.5 State Results – South Australia

South Australia the high tax state – cutting taxes essential

- The IPA State Business Tax Calculator shows that South Australia is the highest taxing state on business in Australia, overtaking NSW in the state tax league table.

South Australia tax liability and rankings, 2009

As at 31 December 2009. Based on state business tax liabilities borne by a reference business. Including payroll tax, land tax, land transfer duty, insurance duty, motor vehicle duty and motor vehicle registration fee. Excluding workers’ compensation premiums. The State’s tax liability rankings against all States are in parentheses, and are scaled from 1 to 6 (1 being the lowest liability to 6 being the highest). This figure shows South Australia’s tax liability, and its ranking for each tax category.

Source: IPA State Business Tax Calculator.

- South Australia is reasonably competitive against other states on motoring taxes and payroll tax (including as a result of measures announced in the 2009-10 Budget).
- However, any competitive advantage in these areas is significantly diluted by very high property taxes, especially land tax (69 per cent above the average).
- South Australia also levies the highest insurance duty liability compared to other jurisdictions.
- To create an economic climate more conducive to economic development and innovation, the government should reduce its above-average tax liabilities on business.
2.6 State Results – Tasmania

Tasmania a high taxing state – reductions in taxes required

- The IPA State Business Tax Calculator shows that Tasmania has the third highest taxes on business in Australia.

<table>
<thead>
<tr>
<th>State tax liability ($)</th>
<th>Tas tax liability ($)</th>
<th>States’ tax liability ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll tax</td>
<td>$162,844 (5)</td>
<td></td>
</tr>
<tr>
<td>Land tax</td>
<td>$32,277 (5)</td>
<td></td>
</tr>
<tr>
<td>Land transfer duty</td>
<td>$35,994 (1)</td>
<td></td>
</tr>
<tr>
<td>Insurance duty</td>
<td>$5,492 (2)</td>
<td></td>
</tr>
<tr>
<td>Motor vehicle duty</td>
<td>$2,748 (4)</td>
<td></td>
</tr>
<tr>
<td>Vehicle registration fee</td>
<td>$2,806 (3)</td>
<td></td>
</tr>
</tbody>
</table>

As at 31 December 2009. Based on state business tax liabilities borne by a reference business. Including payroll tax, land tax, land transfer duty, insurance duty, motor vehicle duty and motor vehicle registration fee. Excluding workers’ compensation premiums. The State’s tax liability rankings against all States are in parentheses, and are scaled from 1 to 6 (1 being the lowest liability to 6 being the highest). This figure shows Tasmania's tax liability, and its ranking for each tax category.

Source: IPA State Business Tax Calculator.

- Compared to other jurisdictions, Tasmania imposes relatively lower tax burdens on land transfers and insurance products.
- On the other hand, the second-highest payroll and land tax burdens leads to the overall result of Tasmania as a high taxing state. Taxes on motorists are also relatively high.
- Measures to cut payroll tax are necessary if Tasmania is to promote a more business-friendly environment attracting investment and creating jobs.
- The state government has announced land tax relief measures, including a rebate scheme. However, more tax reductions are needed to help Tasmania move down the pecking order of tax burden and improve its competitiveness.
3.1 Key Tax Results – Payroll Tax

NSW has highest employment taxes – SA the lowest

- The IPA State Business Tax Calculator shows that New South Wales imposes the highest payroll tax burdens in Australia.

![Payroll tax liability, 2009](image)


Source: IPA State Business Tax Calculator.

- The annual NSW payroll tax liability of $174,890 is about eight per cent above the states’ average, and about 15 per cent above payroll taxes in South Australia.
- Given its above-average unemployment rate, NSW needs to accelerate its program of payroll tax rate reductions and increases in the tax-free threshold.
- Other high payroll taxing jurisdictions include Tasmania ($162,844), Western Australia ($161,127) and Queensland ($159,100).
- A number of jurisdictions – including Queensland, WA and Tasmania – have introduced various tax rebates in an effort to boost jobs growth.
- Despite its unenvied status as the highest taxing state, South Australia actually imposes the lowest payroll tax liability ($152,914). This amount is about five per cent lower than the states’ average.
3.2 Key Tax Results – Land Tax

South Australia land tax grab – WA the lowest taxing state

- The IPA State Business Tax Calculator shows that South Australia imposes the highest land tax burdens on business in Australia.

### Land tax liability, 2009

<table>
<thead>
<tr>
<th>State</th>
<th>Land tax liability ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>$20,573</td>
</tr>
<tr>
<td>Victoria</td>
<td>$8,156</td>
</tr>
<tr>
<td>Queensland</td>
<td>$23,509</td>
</tr>
<tr>
<td>Western Australia</td>
<td>$5,560</td>
</tr>
<tr>
<td>South Australia</td>
<td>$35,381</td>
</tr>
<tr>
<td>Tasmania</td>
<td>$32,277</td>
</tr>
</tbody>
</table>

As at 31 December 2009. Based on tax liabilities borne by a reference business. WA land tax burden includes Metropolitan Regional Improvement Tax (MRIT).

**Source:** IPA State Business Tax Calculator.

- The annual South Australian land tax liability of $35,381 is about 69 per cent above the states’ average, and a massive 536 per cent above land taxes in WA.
- Tasmania is the other high land-taxing jurisdiction ($32,277), followed by Queensland ($23,509) and NSW ($20,573).
- Western Australia imposes by far the lowest land tax liability ($5,560). This amount is about 73 per cent below the states’ average.
- Measures introduced by the WA government, such as the 50 per cent cap on growth in unimproved land values, will further consolidate the state’s tax competitiveness.
3.3 Key Tax Results – Land Transfer Duty

Victoria the highest land duty state – Queensland the lowest

- The IPA State Business Tax Calculator shows that Victoria imposes the highest land transfer duty burdens on business in Australia.

**Land transfer duty liability, 2009**

<table>
<thead>
<tr>
<th>State</th>
<th>Land Transfer Duty Liability ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>$38,740</td>
</tr>
<tr>
<td>Victoria</td>
<td>$52,860</td>
</tr>
<tr>
<td>Queensland</td>
<td>$36,275</td>
</tr>
<tr>
<td>Western Australia</td>
<td>$43,412</td>
</tr>
<tr>
<td>South Australia</td>
<td>$46,691</td>
</tr>
<tr>
<td>Tasmania</td>
<td>$35,994</td>
</tr>
</tbody>
</table>

As at 31 December 2009. Based on tax liabilities borne by a reference business.

Source: IPA State Business Tax Calculator.

- The annual Victorian tax liability ($52,860) on a business property sale is about 25 per cent above the states’ average, and about 46 per cent above land transfer duties in Queensland.
- This significant impost impedes business relocation and expansion in Australia’s second largest economy, with flow-on consequences for private investment and jobs creation.
- South Australia is the second-highest taxing state ($46,691), followed by WA ($43,412) and NSW ($38,740).
- Tasmania imposes the lowest land transfer duty liability ($35,994). This amount is about 15 per cent below the national average.
3.4 Key Tax Results – Total Duties

Victoria’s stamp duty blowout – Queensland the low stamp duty state

- The IPA State Business Tax Calculator shows that Victoria imposes the highest stamp duty burdens on business in Australia.

Stamp duties liability, 2009

Source: IPA State Business Tax Calculator.

- The annual Victorian stamp duties liability ($62,477) is about 22 per cent above the states’ average, and about 44 per cent above stamp duties in Queensland.
- Victoria is followed by South Australia ($56,290) as a high-taxing state on duties, and then by WA ($54,739) and NSW ($46,904).
- Queensland imposes the lowest stamp duties liability ($43,483). This amount is about 15 per cent below the states’ average.
- Stamp duties have been cited by many economists as Australia’s most inefficient tax instrument.
- Substantial reforms to reduce, if not remove, nuisance transaction taxes will be necessary to promote economic growth and market productivity.
3.5 Key Tax Results – Vehicle Registrations

Queensland’s vehicle rego fee slug – NSW the low vehicle registration State

- The IPA State Business Tax Calculator shows that Queensland imposes the highest motor vehicle registration fee burdens on business in Australia.

![Vehicle registration fee liability, 2009](image)

As at 31 December 2009. Based on tax liabilities borne by a reference business. Reference business assumed to own a fleet of five cars (six cylinder sedans).

Source: IPA State Business Tax Calculator.

- The annual Queensland vehicle registration liability ($4,129) is about 39 per cent above the states’ average, and 98 per cent above fees in NSW.
- Queensland’s high registration liability is followed by Tasmania ($3,327), Victoria ($3,062) and South Australia ($2,806).
- Motor vehicles are necessary assets for many businesses to effect distribution of products across cities and regions. Reductions in these imposts would serve to expand economic activity in transport and ancillary services.
- NSW imposes the lowest vehicle registration fee ($2,416). This amount is about 19 per cent below the states’ average.
4.1 Industry Results – Construction

NSW the high-tax State for construction industry – WA the lowest

- The IPA State Business Tax Calculator shows that NSW imposes the highest state tax and workers’ compensation premium liabilities on housing construction businesses in Australia.

<table>
<thead>
<tr>
<th>State</th>
<th>Tax and WorkCover liabilities ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>$434,654</td>
</tr>
<tr>
<td>Victoria</td>
<td>$294,363</td>
</tr>
<tr>
<td>Queensland</td>
<td>$324,650</td>
</tr>
<tr>
<td>Western Australia</td>
<td>$269,469</td>
</tr>
<tr>
<td>South Australia</td>
<td>$368,863</td>
</tr>
<tr>
<td>Tasmania</td>
<td>$379,777</td>
</tr>
</tbody>
</table>

As at 31 December 2009. Based on tax liabilities and WorkCover premiums borne by a reference business. Workers’ compensation premiums are based on basic industry rates, and exclude experience and other adjustments to premiums. Queensland WorkCover premiums include insurance duty of ten per cent. Source: IPA State Business Tax Calculator.

- The annual NSW liabilities ($434,654) are about 26 per cent above the states’ average, and about 61 per cent above combined state tax and WorkCover premiums in WA.
- NSW’s position as the state imposing the greatest liabilities is followed by Tasmania ($379,777), South Australia ($368,863) and Queensland ($324,650).
- WA imposes the lowest combined state tax and workers’ compensation premium liabilities ($269,469). This amount is about 22 per cent below the states’ average.
4.2 Industry Results – Transport

South Australia the high-tax state for transport – Qld the lowest

- The IPA State Business Tax Calculator shows that South Australia imposes the highest state tax and workers' compensation premium liabilities on road freight transport businesses in Australia.

Transport industry state tax and workers’ compensation liability, 2009

As at 31 December 2009. Based on tax liabilities and WorkCover premiums borne by a reference business. Workers’ compensation premiums are based on basic industry rates, and exclude experience and other adjustments to premiums. Queensland WorkCover premiums include insurance duty of ten per cent. 

Source: IPA State Business Tax Calculator.

- The annual South Australian liabilities ($523,405) are about 21 per cent above the states’ average, and about 39 per cent above combined state tax and WorkCover premiums in Queensland.
- South Australia’s position as the state imposing the greatest liabilities is followed by NSW ($475,497), Western Australia ($416,504) and Tasmania ($412,893).
- Queensland imposes the lowest combined state tax and workers’ compensation premium liabilities ($376,742). This amount is about 13 per cent below the states' average.
4.3 Industry Results – Retail

NSW the high-tax state for retail – Qld the lowest

- The IPA State Business Tax Calculator shows that New South Wales imposes the highest state tax and workers’ compensation premium liabilities on clothing retail businesses in Australia.

### Retail services State tax and workers’ compensation liability, 2009

<table>
<thead>
<tr>
<th>State</th>
<th>Tax and WorkCover Liabilities ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
<td>$303,036</td>
</tr>
<tr>
<td>Victoria</td>
<td>$261,504</td>
</tr>
<tr>
<td>Queensland</td>
<td>$244,954</td>
</tr>
<tr>
<td>Western Australia</td>
<td>$267,629</td>
</tr>
<tr>
<td>South Australia</td>
<td>$302,631</td>
</tr>
<tr>
<td>Tasmania</td>
<td>$273,805</td>
</tr>
</tbody>
</table>

As at 31 December 2009. Based on tax liabilities and WorkCover premiums borne by a reference business. Workers’ compensation premiums are based on basic industry rates, and exclude experience and other adjustments to premiums. Queensland WorkCover premiums include insurance duty of ten per cent. **Source:** IPA State Business Tax Calculator.

- The annual NSW liabilities ($303,036) are about 10 per cent above the states’ average, and about 24 per cent above combined state tax and WorkCover premiums in Queensland.
- NSW’s position as the state imposing the greatest liabilities is followed by South Australia ($302,631), Tasmania ($273,805) and WA ($267,629).
- Queensland imposes the lowest combined state tax and workers’ compensation premium liabilities ($244,954). This amount is about 11 per cent below the states’ average.
4.4 Industry Results – Financial Services

South Australia the high-tax state for financial services – Qld the lowest

- The IPA State Business Tax Calculator shows that South Australia imposes the highest state tax and workers’ compensation premium liabilities on investor services businesses in Australia.

Financial services State tax and workers’ compensation liability, 2009

As at 31 December 2009. Based on tax liabilities and WorkCover premiums borne by a reference business. Workers’ compensation premiums are based on basic industry rates, and exclude experience and other adjustments to premiums. Queensland WorkCover premiums include insurance duty of ten per cent. Source: IPA State Business Tax Calculator.

- The annual South Australian liabilities ($269,514) are about seven per cent above the states’ average, and about 13 per cent above combined state tax and WorkCover premiums in Western Australia.
- South Australia’s position as the state imposing the greatest liabilities is followed by Tasmania ($258,719), NSW ($258,182) and Queensland ($240,178).
- Western Australia imposes the lowest combined state tax and workers’ compensation premium liabilities ($238,560). This amount is about five per cent below the states’ average.
4.5 Industry Results – Professional Services

South Australia the high-tax state for professional services – Qld the lowest

- The IPA State Business Tax Calculator shows that South Australia imposes the highest state tax and workers’ compensation premium liabilities on computer consultancy services in Australia.

<table>
<thead>
<tr>
<th>Professional services State tax and workers’ compensation liability, 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>New South Wales</td>
</tr>
</tbody>
</table>

As at 31 December 2009. Based on tax liabilities and WorkCover premiums borne by a reference business. Workers’ compensation premiums are based on basic industry rates, and exclude experience and other adjustments to premiums. Queensland WorkCover premiums include insurance duty of ten per cent.

Source: IPA State Business Tax Calculator.

- The annual South Australian liabilities ($262,155) are about six per cent above the states’ average, and about 11 per cent above combined state tax and WorkCover premiums in Queensland.

- South Australia’s position as the state imposing the greatest liabilities is followed by Tasmania ($257,247), NSW ($253,435) and Victoria ($240,016).

- Queensland imposes the lowest combined state tax and workers’ compensation premium liabilities ($236,049). This amount is about five per cent below the states’ average.