



fact sheet

NEW SOUTH WALES ABORIGINAL LAND COUNCIL

Amendments to the *Aboriginal Land Rights Act 1983 (NSW) (ALRA)*

Under new amendments to the land dealing provisions in the ALRA a community development levy is being introduced. The purpose of this levy is to redistribute the wealth from Local Aboriginal Land Councils (LALCs) with more valuable land holdings, to LALCs with less valuable land and less development opportunities.

What is the community development levy?

The community development levy is a payment LALCs are required to pay for any dutiable transaction to which the levy applies, that occurs in relation to a land dealing. Aboriginal Land Councils (ALCs) already enjoy an exemption from stamp duty payments under section 280 of the *Duties Act 1997*. The operation of that exemption will not change.

However, even if stamp duty is exempt under section 280, if the community development levy applies to the transaction, then the levy will still be payable. This is because the levy will apply whether or not the LALC is liable to pay duty under the *Duties Act*.

Which transactions attract the levy?

The community development levy applies to the following dutiable transactions:

- a transfer of land;
- an agreement for the sale or transfer of land;
- a declaration of trust over land;
- a lease of land in respect of which a premium is paid or agreed to be paid;
- any other transaction prescribed by the regulations.

The community development levy will not apply to the following dutiable transactions:

- transactions exempt from duty under the *Duties Act 1997* other than under Section 280;
- transactions under a community benefit scheme providing home ownership for Aboriginal people;
- transactions between LALCs
- transactions where the dutiable value of the land is \$80,000 or less; and
- any other transactions prescribed by the regulations.

How much will the levy cost?

The levy is calculated similar to the way that stamp duty is calculated under the *Duties Act* and is progressive. This means the more expensive the transaction, the higher the levy will be. The levy rate is as follows, for transactions where the dutiable value of land is:

Note: the content of this fact sheet is intended for information purposes only. It is not intended as advice and should not be relied upon as advice. All parties should seek independent advice that is suited to their own specific circumstances.

- more than \$80,000 but not more than \$1million = 100% of the amount of duty;
- more than \$1million = 150% of the amount of duty.

For example:

On a transfer of \$500,000, the levy = \$18,000 (including the transfer instrument).

On a transfer of \$1million, the levy = \$40,500 (including the transfer instrument).

When does the levy have to be paid?

The levy will need to be paid before a registration approval certificate is issued by NSWALC and evidence of that payment provided by the LALC to NSWALC. For a contract for sale or lease, the OSR will stamp the original document showing the date and amount of levy paid. The LALC will need to provide a copy of that document to NSWALC prior to NSWALC issuing a Registration Approval Certificate.

The Office of State Revenue is providing a community development levy calculator, which can be accessed at www.osr.nsw.gov.au. For more information on the community development levy see the Fact Sheet explaining what the levy will be used for.