



Queensland

This fact sheet provides an overview of the major causes of change in relativities and the distribution of the GST pool since the 2021 Update.

Recommended GST relativities and GST distribution

Queensland's recommended GST relativity will decrease to 1.03377 in 2022-23, resulting in it receiving an estimated GST pool distribution of \$16,384 million.

Under the 2018 legislated arrangements, 2022-23 is the second year in a 6-year transition away from distributing the GST pool based on assessed relativities. At the end of these 6 years, no state will have a per capita GST share lower than the fiscally stronger of New South Wales or Victoria.

GST relativities, shares and estimated GST distribution, 2021-22 and 2022-23 (excludes no worse off payments)

	GST relativities		GST shares		GST distribution	
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
			%	%	\$m	\$m
New South Wales	0.95617	0.95065	30.3	30.0	22,107	23,218
Victoria	0.92335	0.85861	23.8	22.2	17,411	17,167
Queensland	1.05918	1.03377	21.5	21.2	15,739	16,384
Western Australia	0.41967	0.70000	4.4	7.3	3,199	5,682
South Australia	1.34719	1.28411	9.3	8.9	6,785	6,865
Tasmania	1.96067	1.85360	4.1	3.9	3,024	3,035
Australian Capital Territory	1.16266	1.09250	2.0	1.8	1,426	1,421
Northern Territory	4.79985	4.86988	4.6	4.7	3,379	3,644
Total	1.00000	1.00000	100.0	100.0	73,070	77,416

Note: The estimated GST pool distribution for 2022-23 was calculated by applying 2022 Update relativities to estimated state populations (as of December 2022) and the estimated GST pool for 2022-23. It excludes no worse off payments that are part of a Commonwealth guarantee that no state will be worse off over the 6-year transition period.

Source: Commission calculation.

Assessed relativities to GST relativities, 2022-23

	Assessed relativities	Standard state relativities	Blended relativities	GST relativities
New South Wales	1.01373	0.93448	0.98742	0.95065
Victoria	0.92170	0.84245	0.89538	0.85861
Queensland	1.09684	1.01758	1.07053	1.03377
Western Australia	0.15784	0.84245	0.38608	0.70000
South Australia	1.34715	1.26790	1.32087	1.28411
Tasmania	1.91658	1.83733	1.89037	1.85360
Australian Capital Territory	1.15556	1.07631	1.12927	1.09250
Northern Territory	4.93255	4.85329	4.90665	4.86988
Total	1.00000	1.00000	1.00000	1.00000

- (a) Assessed relativities refer to the previous arrangements.
 (b) Standard State relativities refer to the 2018 legislated arrangements (equalising to the stronger of New South Wales or Victoria). Victoria was fiscally stronger in each of the three assessment years.
 (c) The blended capacities are 4/6th assessed relativities and 2/6th standard State relativities.
 (d) An internal floor of 0.70 applies to GST relativities for 2022-23.

Source: Commission calculation.



Change in assessed relativity

Queensland's share of the GST pool is estimated to decrease slightly from 21.5% to 21.2%. Combined with pool growth, but excluding no worse off payments, its estimated GST distribution in 2022–23 would increase by \$645 million, or 4.1%.

Queensland's estimated GST distribution would increase, largely due to growth in the GST pool. A decrease in the value of coal production, combined with an increase in the value of iron ore production in Western Australia, reduced Queensland's relative capacity to raise mining revenue. These factors increasing Queensland's assessed needs were partly offset by its falling relative wage costs. The combined effect of blended relativities and the GST floor would reduce Queensland's distribution by \$839 million. Across the transition period, this impact would be ameliorated by no worse off payments.

Change in estimated GST distribution from 2021-22 to 2022-23, Queensland (excludes no worse off payments)

	\$m	\$pc
Change in population	83	16
Growth in GST pool	941	177
Changes in assessed needs		
Data revisions	-73	-14
State circumstances	533	100
Total	459	86
Blended relativities and GST floor (a)	-839	-158
Total change	645	121

Note: Table may not add due to rounding.

(a) This represents the difference between applying the GST relativities and assessed relativities to the GST pool. It is not the basis of the 'no worse off' calculation, which is a state's assessed relativities applied to the GST pool without the pool top-up.

Source: Commission calculation.

Main changes for Queensland, 2022 Update

Changes in state circumstances between 2017-18 and 2020-21

\$956m	Mining production. Declining value of coal production, and a growing value of iron ore production in Western Australia, reduced Queensland's relative revenue raising capacity and increased its GST share.
-\$322m	Wage costs. Wage growth in Queensland was lower than the national average between 2017-18 and 2020-21, decreasing its GST share.
\$250m	Population growth. Queensland's population growth rate was faster in 2020-21 than in 2017-18, despite a significant slowing of national population growth. This increased Queensland's assessed need for new infrastructure.
-\$140m	Commonwealth payments. Queensland's share of payments, particularly for road and health infrastructure, was higher in 2020-21 compared to 2017-18. This decreased its GST share.
-\$139m	Property sales. Above average growth in property sales increased Queensland's relative revenue raising capacity and reduced its GST share.
-\$112m	Capital improvements. Total urban transport investment increased faster than growth in the GST pool. This decreased the GST share of states with below average urban transport investment needs, including Queensland.
-\$108m	Cost of construction. The cost of construction grew less than the national average for Queensland between 2017-18 and 2020-21, decreasing its GST share.

Source: Commission calculation.

For more information about these changes, see the 2022 Update report.