



South Australia

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

South Australia's recommended GST relativity will decrease to 1.28411 in 2022-23, resulting in it receiving an estimated GST pool distribution of \$6,865 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

South Australia's share of the GST pool is estimated to decrease from 9.3% to 8.9%. Combined with pool growth, but excluding no worse off payments, its estimated GST distribution in 2022–23 would increase by \$80 million, or 1.2%.

South Australia's estimated GST distribution increased due to growth in the GST pool. Pool growth was sufficient to more than offset a reduction in South Australia's assessed needs and the combined effect of blended relativities and the GST floor. Population growth, which was above the national average, increased South Australia's relative need for new infrastructure, and this, along with a lower share of Commonwealth Payments, increased its GST share. These increases were partly offset by above-average growth in taxable payrolls and property sales. The combined effect of blended relativities and the GST floor would reduce South Australia's distribution by \$280 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, South Australia (excludes no worse off payments)

	\$m	\$pc
Change in population	3	2
Growth in GST pool	404	225
Changes in assessed needs		
Data revisions	-74	-41
State circumstances	27	15
Total	-47	-26
Blended relativities and GST floor (a)	-280	-156
Total change	80	45

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 payments calculation, which is a state's assessed relativities applied to the GST pool without the pool top-up.

Source: Commission calculation.

Main changes for South Australia, 2022 Update

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

\$123m	Population growth. South Australia's population growth rate was faster in 2020-21 than in 2017-18, despite a significant slowing of national population growth. This increased South Australia's assessed need for new infrastructure.
\$89m	Commonwealth payments. South Australia's share of payments, particularly for road and rail infrastructure, was lower in 2020-21 compared to 2017-18. This increased its GST share.
-\$71m	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 South Australia.
-\$70m	Taxable payrolls. Above average growth in taxable payrolls increased South Australia's relative revenue raising capacity and reduced its GST share.
-\$51m	Property sales. Above average growth in property sales increased South Australia's relative revenue raising capacity and reduced its GST share.
\$35m	Mining production. Growing value of mining production in other states reduced South Australia's relative revenue raising capacity and increased its GST share.

Data revisions

-\$53m	Capital assessments. An upwards revision of total urban transport investment reduced the GST shares of states with low urban transport investment needs, such as South Australia. This was compounded by a downward revision of the net financial liabilities held by states, which decreased the GST needs of states with below average population growth in the revised year, including South Australia.
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Source: Commission calculation.

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