



Northern Territory

This fact sheet provides an overview of the major causes of change in relativities and the distribution of the GST pool since the 2022 Update.

Recommended GST relativities and GST distribution

The Northern Territory’s recommended GST relativity will increase in 2023-24. It is estimated to receive \$4,219 million in GST payments. Its share of the GST pool is estimated to increase from 4.8% to 4.9%. Taking into account growth in the GST pool, the Northern Territory’s estimated GST distribution in 2023–24 would increase by \$255 million (\$979 per capita), or 6.4%.

Under the 2018 legislated arrangements, 2023-24 is the half-way point in a 6-year transition away from distributing the GST pool based on assessed relativities. At the end of the transition, no state will have a GST relativity lower than the fiscally stronger of New South Wales or Victoria.

GST relativities, shares and estimated GST distribution, 2022-23 and 2023-24 (excludes no worse off payments)

	GST relativities		GST shares		GST distribution		Difference
	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	
			%	%	\$m	\$m	\$m
New South Wales	0.95065	0.92350	29.7	28.8	24,717	24,870	152
Victoria	0.85861	0.85169	21.9	21.8	18,175	18,796	621
Queensland	1.03377	1.03118	21.1	21.1	17,547	18,220	673
Western Australia	0.70000	0.70000	7.5	7.5	6,228	6,482	254
South Australia	1.28411	1.39463	9.0	9.8	7,477	8,420	943
Tasmania	1.85360	1.79080	4.1	4.0	3,404	3,409	5
Australian Capital Territory	1.09250	1.19540	1.9	2.1	1,609	1,831	223
Northern Territory	4.86988	4.98725	4.8	4.9	3,965	4,219	255
Total	1.00000	1.00000	100.0	100.0	83,122	86,248	3,126

Note: The estimated GST pool distribution for 2023–24 was calculated by applying 2023 Update relativities to estimated state populations (as of December 2023) and the estimated GST pool for 2023–24.

Source: Commission calculation.

Change in GST distribution

Change in estimated GST distribution from 2022–23 to 2023–24, Northern Territory

	\$m	\$pc
Change in population	0	1
Growth in GST pool	149	574
Changes in assessed GST needs		
Revised populations from census	0	1
Other data revisions	-27	-103
State circumstances	133	512
Total	106	410
Blended relativities and GST floor	-1	-5
Total change	255	979

Note: Table may not add due to rounding.

Source: Commission calculation.

Change in assessed needs

- The Northern Territory's assessed GST needs increased due to:
 - a fall in its relative capacity to raise revenue from mining activity and property sales
 - increased national spending on services used by First Nations peoples
 - an increase in its population growth between 2018–19 and 2021–22
 - a national increase in spending on services where population dispersion is a large driver of need.
- The increase in its assessed GST needs was partly offset by the effects of a national increase in urban transport investment and revisions to the cost of investment in justice infrastructure.
- The Northern Territory's estimated GST distribution increased due to expected growth in the GST pool and an increase in its assessed GST needs. The combined effect of blended relativities and the GST relativity floor was largely unchanged.

Northern Territory: Main changes in assessed GST needs, 2023 Update

Changes in circumstances			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	55	211	The growing value of production in other states decreased the Northern Territory's relative revenue raising capacity and increased its assessed GST needs.
Property sales	45	172	Below-average growth in property sales decreased the Northern Territory's relative raising capacity and increased its assessed GST needs.
Indigenous status	44	171	Growth in national expenses, in excess of growth in the GST pool, in assessment categories where Indigenous status is a large driver of need, increased the Northern Territory's assessed GST needs given its relatively large First Nations population.
Capital improvements	-44	-168	National urban transport investment more than doubled between 2018-19 and 2021-22. This decreased the assessed GST needs of states with below-average urban transport investment needs, including the Northern Territory.
Population growth	30	116	An increase in population growth between 2018-19 and 2021-22 in the Northern Territory increased investment needs in the Northern Territory.
Population dispersion	26	102	Growth in national expenses, in excess of growth in the GST pool, in assessment categories where population dispersion is a large driver of need, increased the Northern Territory's assessed GST needs given its relatively dispersed population.
Revisions			
Population dispersion	24	91	Incorporating data from the 2021 Census showed that the proportion of people in remote and very remote areas living in social housing was higher than estimated from the 2016 Census. This resulted in a distribution of GST to states with an above average share of people living in remote and very remote areas, including the Northern Territory.

Source: Commission calculation