



Tasmania

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

Tasmania’s recommended GST relativity will decrease in 2023–24. It is estimated to receive \$3,409 million in GST payments. Its share of the GST pool is estimated to decrease slightly from 4.1% to 4.0%. Taking into account growth in the GST pool, Tasmania’s estimated GST distribution in 2023–24 would increase by \$5 million (\$8 per capita), or 0.1%.

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, Tasmania

	\$m	\$pc
Change in population	-9	-15
Growth in GST pool	128	218
Changes in assessed GST needs		
Revised populations from census	-8	-13
Other data revisions	3	5
State circumstances	-99	-169
Total	-103	-177
Blended relativities and GST floor	-11	-19
Total change	5	8

Note: Table may not add due to rounding.

Source: Commission calculation.

Change in assessed needs

- Tasmania's assessed GST needs declined due to:
 - a national increase in urban transport investment
 - an above-average decline in its population growth between 2018–19 and 2021–22
 - the effect of increased national spending on business support
 - lower natural disaster relief expenses
 - reduced expense needs for school education.
- These changes were partly offset by a fall in its relative capacity to raise revenue from property sales and mining activity.
- Estimated growth in the GST pool was sufficient to offset the reduction in Tasmania's assessed GST needs and the combined effect of blended relativities and the GST relativity floor.

Tasmania: Main changes in assessed GST needs, 2023 Update

Changes in circumstances			
Driver	Change		Explanation
	\$m	\$pc	
Capital improvements	-93	-159	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 Tasmania.
Property sales	63	108	Below-average growth in property sales decreased Tasmania's relative raising capacity and increased its assessed GST needs.
Mining production	42	72	The growing value of production in other states increased, reducing Tasmania's relative revenue raising capacity and increasing its assessed GST needs.
Population growth	-36	-62	The decline in Tasmania's population growth between 2018-19 and 2021-22 was greater than the national average decline. This reduced its investment needs.
Economic environment	-17	-29	Large growth in the national level of spending on industries other than agriculture and mining, mainly due to COVID-19 business support payments, reduced the assessed GST needs of states with below-average shares of industry production, particularly Tasmania.
Natural disaster relief	-16	-27	As Tasmania's expenses for the 2018 flooding event and 2019 bushfires moved out of the assessment years, its natural disaster relief expenses fell. This reduced its assessed GST needs.
Student populations	-13	-22	Tasmania's school student population grew more slowly than its total population, reducing its per capita need for school spending and its assessed GST needs.

Source: Commission calculation