



Western Australia

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

Western Australia’s recommended GST relativity will remain unchanged in 2023-24. It is estimated to receive \$6,482 million in GST payments. Its share of the GST pool is estimated to remain at 7.5%. Taking into account growth in the GST pool, Western Australia’s estimated GST distribution in 2023–24 would increase by \$254 million (\$89 per capita), or 4.1%.

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, Western Australia

	\$m	\$pc
Change in population	10	4
Growth in GST pool	235	82
Changes in assessed GST needs		
Revised populations from census	690	243
Other data revisions	-75	-26
State circumstances	-1,148	-404
Total	-534	-188
Blended relativities and GST floor	543	191
Total change	254	89

Note: Table may not add due to rounding.

Source: Commission calculation.

Change in assessed needs

- Western Australia's assessed GST needs declined due to:
 - an increase in its capacity to raise mining revenue
 - an increasing share of Commonwealth payments
 - the effects of a national increase in urban transport investment and downward revisions in national mining regulation expenses.
- The decline in its assessed GST needs was partly offset by an upward revision to its population in the 2021 Census, slower growth in property sales and a decline in its population growth between 2018–19 and 2021–22 that was smaller than average.
- Under the 2018 legislated arrangements, the combined effect of blended relativities and the GST relativity floor offsets the change in Western Australia's assessed needs. Those arrangements will drive \$543 million more in GST to Western Australia than they did in 2022–23. This is because Western Australia's assessed GST needs are lower than in the previous update, so there is a bigger gap between its assessed relativity and the legislated floor of 0.70. Expected growth in the GST pool also increased its estimated GST distribution.

Western Australia: Main changes in assessed GST needs, 2023 Update

Changes in circumstances			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	-1,047	-368	The growing value of iron ore production increased Western Australia's relative revenue raising capacity and reduced its assessed GST needs.
Population growth	234	82	The decline in Western Australia's population growth between 2018-19 and 2021-22 was less than the national average decline. This increased its share of investment needs.
Commonwealth payments	-182	-64	Above-average growth of Commonwealth payments made to Western Australia between 2018-19 and 2021-22 decreased its assessed GST needs.
Property sales	151	53	Strong growth in property sales in New South Wales decreased Western Australia's relative revenue raising capacity and increased its assessed GST needs.
Capital improvements	-127	-44	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 Western Australia.
Revisions			
Populations from census	690	243	An upward revision in Western Australia's total population increased its assessed GST needs. In addition, a downward revision to urban populations in New South Wales and Victoria reduced their assessed needs for investment in urban transport infrastructure, increasing the assessed needs of other states.
Economic environment	-146	-51	A downward revision to national mining regulation expenses reduced the assessed GST needs of states with above-average shares of mining production, particularly Western Australia.

Source: Commission calculation