



# Australian Capital Territory

This fact sheet provides an overview of the major causes of change in relativities and the distribution of the GST pool since the 2023 Update.

## Recommended GST relativities and GST distribution

The ACT’s recommended GST relativity will increase in 2024–25. It is estimated to receive \$1,889 million in GST payments. Its share of the GST pool is estimated to remain steady at 2.1%. Taking into account growth in the GST pool, the ACT’s estimated GST distribution in 2024–25 would increase by \$111 million (\$231 per capita), or 6.2%.

Under the 2018 legislated arrangements, 2024–25 is the fourth year 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, 2023–24 and 2024–25 (excludes no worse off payments)

	GST relativities		GST shares		GST distribution		
	2023–24	2024–25	2023–24	2024–25	2023–24	2024–25	Difference
			%	%	\$m	\$m	\$m
New South Wales	0.92350	0.86736	29.0	27.1	24,535	24,224	-310
Victoria	0.85169	0.96502	21.9	24.8	18,541	22,227	3,686
Queensland	1.03118	0.95232	21.2	19.5	17,929	17,460	-469
Western Australia	0.70000	0.75000	7.6	8.1	6,419	7,257	838
South Australia	1.39463	1.40312	9.7	9.7	8,214	8,671	457
Tasmania	1.79080	1.82832	3.8	3.9	3,257	3,476	219
Australian Capital Territory	1.19540	1.20419	2.1	2.1	1,778	1,889	111
Northern Territory	4.98725	5.06681	4.7	4.8	4,002	4,257	256
<b>Total</b>	<b>1.00000</b>	<b>1.00000</b>	<b>100.0</b>	<b>100.0</b>	<b>84,675</b>	<b>89,462</b>	<b>4,787</b>

Note: The estimated GST pool distribution for 2024–25 was calculated by applying 2024 Update relativities to estimated state populations (as of December 2023) and the estimated GST pool for 2024–25.

Source: Commission calculation.

## Change in GST distribution

### Change in estimated GST distribution from 2023–24 to 2024–25, ACT

	\$m	\$pc
Change in population	3	5
Growth in GST pool	101	210
Changes in assessed GST needs		
Revised populations from census	47	97
Other data revisions	7	15
State circumstances	-40	-84
Total	13	28
Blended relativities and GST floor	-6	-12
<b>Total change</b>	<b>111</b>	<b>231</b>

Note: Table may not add due to rounding.

Source: Commission calculation.

## Change in assessed needs

- The ACT's assessed GST needs increased largely due to:
  - increased capacity to raise mining revenue in coal producing states
  - revisions to urban population data from the latest 2021 Census release.
- The ACT's increase in assessed GST needs was partly offset by above-average growth in property sales, below-average wage costs growth, below-average population growth, slow growth in administrative scale expenses relative to the GST pool and revisions to the additional costs for low-socio-economic status students.
- The ACT's estimated GST distribution also increased due to expected growth in the GST pool.
- Compared with 2023–24, blended relativities and the GST floor resulted in a reduction (\$6 million) in the ACT's GST distribution.

### ACT: Main changes in assessed GST needs, 2024 Update

Changes in circumstances			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	89	185	A large increase in coal prices and average coal royalty rates between 2019–20 and 2022–23 increased the revenue raising capacity of coal producing states. This reduced the ACT's relative mining revenue capacity.
Property sales	-40	-83	Above-average growth in property sales increased the ACT's relative revenue raising capacity.
Wage costs	-35	-74	Wage costs in the ACT grew more slowly than the national average between 2019–20 and 2022–23, decreasing its assessed service delivery costs.
Population growth	-35	-72	The ACT's population growth rate increased more slowly than the national average between 2019–20 and 2022–23, reducing its assessed GST needs for investment.
Administrative scale	-32	-67	Assessed administrative scale expenses grew relatively slowly between 2019–20 and 2022–23, reducing their relative size. This reduced the assessed GST needs of states with high administrative scale expenses, including the ACT.

Revisions			
Driver	Change		Explanation
	\$m	\$pc	
Census – Urban Characteristics	35	72	Incorporating 2021 Census data led to large upward revisions to the ACT's urban population and population-weighted density. This increased its assessed GST needs for urban transport services and infrastructure.
Socio-economic disadvantage in schools	-19	-39	An upward revision to the cost weight for school students from low socio-economic status backgrounds led to a decrease in assessed expenses for states with below-average shares of these students, including the ACT.

Source: Commission calculation