



Tasmania

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

Tasmania’s recommended GST relativity will increase in 2024–25. It is estimated to receive \$3,476 million in GST payments. Its share of the GST pool is estimated to increase slightly, from 3.8% to 3.9%. Taking into account growth in the GST pool, Tasmania’s estimated GST distribution in 2024–25 would increase by \$219 million (\$377 per capita), or 6.7%.

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
Total	1.00000	1.00000	100.0	100.0	84,675	89,462	4,787

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, Tasmania

	\$m	\$pc
Change in population	-24	-42
Growth in GST pool	183	315
Changes in assessed GST needs		
Revised populations from census	63	108
Other data revisions	31	54
State circumstances	-27	-46
Total	67	115
Blended relativities and GST floor	-6	-11
Total change	219	377

Note: Table may not add due to rounding.

Source: Commission calculation.

Change in assessed needs

- Tasmania's assessed GST needs increased largely due to:
 - a reduced relative capacity to raise mining revenue
 - below-average growth in property sales
 - revisions to socio-demographic composition data from the latest 2021 Census release
 - revisions to health activity data.
- Tasmania's increase in assessed GST needs was partly offset by slower growth in assessed wage costs, strong growth in national urban transport investment and above-average growth of other Commonwealth payments.
- Tasmania'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 Tasmania's GST distribution.

Tasmania: Main changes in assessed GST needs, 2024 Update

Changes in circumstances			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	121	208	A large increase in coal prices and average coal royalty rates between 2019–20 and 2022–23 increased the revenue raising capacity of the main coal producing states. This reduced Tasmania's relative mining revenue capacity.
Wage costs	-62	-107	Assessed wage costs in Tasmania grew more slowly than the national average between 2019–20 and 2022–23, decreasing its assessed GST needs.
Capital improvements	-52	-89	Strong growth in national urban transport investment reduced the relative needs of states with below-average needs for urban transport, including Tasmania.
Commonwealth payments	-36	-62	Tasmania received a greater share of assessed Commonwealth payments in 2022–23 than in 2019–20, reducing its assessed GST needs.
Property sales	31	54	Below-average growth in property sales decreased Tasmania's relative revenue raising capacity.
Revisions			
Driver	Change		Explanation
	\$m	\$pc	
Census – socio-demographic composition data	49	85	Incorporating 2021 Census data resulted in upward revisions to Tasmania's share of people living in more remote areas, increasing its assessed needs for health services and infrastructure.
Population growth	34	59	There was an upward revision to growth in Tasmania's health user population, increasing its assessed need for health investment.

Source: Commission calculation