



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 2023 Update.

Recommended GST relativities and GST distribution

Western Australia’s recommended GST relativity will increase in 2024–25. It is estimated to receive \$7,257 million in GST payments. Its GST relativity will increase from 0.70 in 2023–24 to 0.75 in 2024–25, and result in an estimated \$462 million increase from the operation of the floor relative to 2023–24. Its share of the GST pool is estimated to increase from 7.6% to 8.1%. Taking into account growth in the GST pool, Western Australia’s estimated GST distribution in 2023–24 would increase by \$838 million (\$283 per capita), or 13%.

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, Western Australia

	\$m	\$pc
Change in population	12	4
Growth in GST pool	364	123
Blended relativities and GST floor	462	156
Total change	838	283

Note: Table may not add due to rounding.

Source: Commission calculation.

Change in assessed needs

- Western Australia's assessed GST needs increased due to:
 - a relative decline in its capacity to raise mining revenue (a result of the strong growth in coal royalties relative to iron ore royalties)
 - below-average growth in the value of taxable land values
 - a separate assessment of nickel royalties.
- Western Australia's increase in assessed GST needs was partly offset by changes arising from:
 - stronger property sales
 - above-average growth in other Commonwealth payments
 - a decrease in its needs for investment in urban transport and rural roads
 - revisions to urban population data from the latest 2021 Census release.
- Western Australia's estimated GST distribution also increased due to expected growth in the GST pool.

Western Australia: Main changes in assessed GST needs, 2024 Update

Changes in circumstances			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	608	206	A large increase in coal prices and average coal royalty rates between 2019–20 and 2022–23 increased the relative revenue raising capacity of the major coal-producing states. Combined with moderation in the growth of iron ore royalties, this reduced Western Australia's relative mining revenue capacity, increasing its assessed GST needs.
Property sales	-194	-65	Above-average growth in property sales increased Western Australia's relative revenue raising capacity.
Commonwealth payments	-151	-51	Western Australia received a greater share of assessed Commonwealth payments in 2022–23 than in 2019–20, reducing its assessed GST needs.
Taxable land values	138	47	Below-average growth in taxable land values reduced Western Australia's relative revenue raising capacity.
Capital improvements	-95	-32	Strong growth in national urban transport investment reduced the relative needs of states with below-average needs for urban transport, including Western Australia. Weak growth in national investment in rural roads, for which Western Australia has above-average needs, also reduced its assessed GST needs.
Revisions			
Driver	Change		Explanation
	\$m	\$pc	
Census - Urban Characteristics	-265	-90	Incorporating 2021 Census data led to downward revisions to Western Australia's urban population share and below-average growth in its urban population-weighted density. This reduced its assessed GST needs for urban transport services and associated investment.

Mining production

91

31

A separate assessment of nickel became material. This resulted in a lower royalty rate in all 3 assessment years, reducing Western Australia's relative revenue raising capacity.

Source: Commission calculation