



## Department of Treasury and Finance

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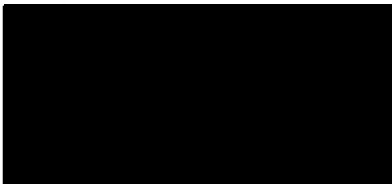
Senator Jane Hume  
Chair of Economics Legislation Committee  
PO Box 6100  
Senate  
Parliament House  
CANBERRA ACT 2600

Dear Senator

### **RESPONSE TO QUESTIONS ON NOTICE AT THE ECONOMICS LEGISLATION COMMITTEE'S PUBLIC HEARING ON 26 OCTOBER 2018**

I attach my response to questions taken on notice at the Economics Legislation Committee's public hearing on 26 October in its inquiry into the Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Bill 2018.

Yours sincerely



David Martine  
**Secretary**

29 / 10 / 2018

# Senate, Economics Legislation Committee (Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Bill 2018) – 26 October 2018

Questions on Notice

**Senator Chris Ketter – To ask Mr David Martine – When did you first find out that the ‘no worse off’ guarantee would be enshrined in legislation?**

**Response:** On 1 October 2018, The Commonwealth Treasurer wrote to the Victorian Treasurer informing him that legislation would be introduced to implement the reforms to Horizontal Fiscal Equalisation. The Commonwealth Treasurer wrote again to Treasurer Pallas on 18 October 2018, providing updated advice that the no worse off guarantee would be included in the legislation.

**Senator Chris Ketter – To ask Mr David Martine – What is Victoria’s relativity in 2018-19 and how much money in GST grants did it receive?**

**Response:** The 2018-19 relativity was determined, 0.98670, by the former Federal Treasurer on 4 July 2018 (**Attachment A**). However, the GST pool and estimated population will only be finalised at the end of the 2018-19 year and so Victoria’s share of the GST pool has not been finalised. In the Commonwealth’s Budget 2018-19, Victoria’s 2018-19 share is estimated to be \$17,261.4 million. The Commonwealth publishes GST entitlements in its annual budget publication. This is presented below.

*Source: Table 3.6, Commonwealth Budget 18-19, Federal Financial Relations Budget Paper No. 3, p73*

## Calculation of GST entitlements <sup>(a)</sup>

	Estimated 31 December population (1)	GST relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population (4)	Share of GST pool \$million (5)
<b>2017-18</b>					
NSW	7,920,112	0.87672	6,943,721	28.0%	17,791.3
VIC	6,390,862	0.93239	5,958,776	24.1%	15,267.7
QLD	4,965,188	1.18769	5,897,104	23.8%	15,109.7
WA	2,589,979	0.34434	891,833	3.6%	2,285.1
SA	1,727,722	1.43997	2,487,868	10.0%	6,374.5
TAS	522,790	1.80477	943,516	3.8%	2,417.5
ACT	413,624	1.19496	494,264	2.0%	1,266.4
NT	245,199	4.66024	1,142,686	4.6%	2,927.8
<b>Total</b>	<b>24,775,476</b>	<b>na</b>	<b>24,759,768</b>	<b>100.0%</b>	<b>63,440.0</b>
<b>2018-19</b>					
NSW	8,052,909	0.85517	6,886,606	27.4%	18,441.7
VIC	6,532,744	0.98670	6,445,859	25.6%	17,261.4
QLD	5,041,416	1.09584	5,524,585	22.0%	14,794.3
WA	2,617,739	0.47287	1,237,850	4.9%	3,314.9
SA	1,740,939	1.47727	2,571,837	10.2%	6,887.1
TAS	525,707	1.76706	928,956	3.7%	2,487.7
ACT	420,123	1.18070	496,039	2.0%	1,328.3
NT	245,946	4.25816	1,047,277	4.2%	2,804.5
<b>Total</b>	<b>25,177,523</b>	<b>na</b>	<b>25,139,010</b>	<b>100.0%</b>	<b>67,320.0</b>

(a) The 2017–18 estimates do not take into account the 2016–17 balancing adjustment of \$605.5 million which was made in 2017–18.

**COMMONWEALTH OF AUSTRALIA***Federal Financial Relations Act 2009***DETERMINATION OF THE GST REVENUE SHARING RELATIVITIES FOR 2018-19 IN ACCORDANCE WITH THE *FEDERAL FINANCIAL RELATIONS ACT 2009***

WHEREAS Section 8 of the *Federal Financial Relations Act 2009* allows the Treasurer to make a determination of the GST revenue sharing relativity for a State, for a payment year,

NOW THEREFORE I, **SCOTT JOHN MORRISON**, Treasurer, hereby **DETERMINE** that the GST revenue sharing relativity for each State for the 2018-19 payment year is as follows:

<b>State</b>	<b>GST Revenue Sharing Relativity Factor 2018-19</b>
New South Wales	0.85517
Victoria	0.98670
Queensland	1.09584
Western Australia	0.47287
South Australia	1.47727
Tasmania	1.76706
Australian Capital Territory	1.18070
Northern Territory	4.25816

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SCOTT JOHN MORRISON

Dated: 4 July 2018