

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Commonwealth-State Relations Division

Question No: 232

Topic: GST

Reference: Written

Senator: Ketter, Chris

Question:

1. What is the GST relativity for Western Australia for 2016-17?
2. What is the estimated GST relativity for Western Australia for 2017-18, 2018-19 and 2019-20?
3. How do these figures line up with the Western Australian Treasury's 2016-17 Pre-election Financial Projections Statement?
4. (If they are different) Can you explain Treasury estimates a different figure to the WA Treasury?
5. Which states and territories will have a decreased GST relativity in 2019-20 as a result of Western Australia having an increased GST relativity?
6. Has Treasury done any work in relation to a floor for GST from which to calculate any state or territory's GST share?
7. Has Treasury done any work in relation to a floor for GST from which to calculate any state or territory's GST share by 2019-20?
8. Has Treasury done any work in relation to a floor for GST from which to calculate Western Australia's GST share?
9. Has Treasury done any work in relation to having a floor for GST from which to calculate Western Australia's GST share by 2019-20?
10. Has Treasury done any work or any modelling in relation to a 70 cent floor from which to calculate Western Australia's GST share?
11. Has Treasury provided advice to the Treasurer, the Minister for Revenue, or the Government in relation to a floor for GST from which to calculate any state or territory's GST share?
12. Has Treasury provided advice to the Treasurer, the Minister for Revenue, or the Government in relation to a floor for GST from which to calculate WA's GST share?
13. Has Treasury provided advice to the Treasurer, the Minister for Revenue, or the Government in relation to a floor for GST from which to calculate any state or territory's GST share from 2019-20?

Answer:

1. Western Australia's GST relativity for 2016-17 is 0.30330.
2. The Treasury does not produce estimates of future GST relativities. Projections of GST relativities are highly unreliable, as their calculation requires uncertain and volatile projections of key revenues and expenditures, as well as population estimates, across several years and across all eight jurisdictions.

The Commonwealth's Budget estimates of future GST entitlements are published on the assumption that relativities in the Budget year will also apply to the forward estimate years.

This assumption is made in order to publish State breakdowns of the GST entitlement for the purpose of publishing an estimate of total payments to each State. It is not an attempt to estimate the GST relativities that will apply in any particular year.

3. A comparison of Treasury's and Western Australia's estimates of GST relativities is not possible as the Treasury does not produce estimates of GST relativities.
4. Please refer to part 2 above.
5. Please refer to part 2 above.
6. In recent years, Treasury has undertaken work on a range of issues associated with the distribution on the GST.
7. Please refer to part 6 above.
8. Please refer to part 6 above.
9. Please refer to part 6 above.
10. Please refer to parts 2 and 6 above.
11. Treasury does not disclose the nature of advice provided to the Government.
12. Please refer to part 11 above.
13. Please refer to part 11 above.