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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 relatively 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 (a) Estimated		Adjusted	Share of	Share of
	31 December	GST	population	adjusted	GST pool
	population	relativities	(1) x (2)	population	\$million
	(1)	(2)	(3)	(4)	(5)
2017-18				`,	
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
Total	24,775,476	na	24,759,768	100.0%	63,440.0
2018-19					
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
Total	25,177,523	na	25,139,010	100.0%	67,320.0

⁽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:

State	GST Revenue Sharing Relativity Factor 2018-19	
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	

SCOTT JOHN MORRISON	Dated: 4 July 2018