



**Australian Government**  

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**Commonwealth Grants Commission**

**PRESS RELEASE**

18 April 2005

**STATE AND TERRITORY TAXES AND  
EXPENDITURE**

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The Commonwealth Grants Commission does not make judgments about or express views about what States or Territories should be doing about raising taxes or where they should be directing their expenditure.

The Commission advises how the receipts from the GST and Health Care Grants could be allocated among the States and Territories to give them the same capacity to provide services to their residents with a common revenue effort. The actual level of taxes and expenditure in a State or Territory is a matter of State or Territory policy.

In reaching its recommendations the Commission looks at the fiscal position of a State or Territory as if it taxed at the Australian average tax effort, and provided services at the Australian average level. Individual States or Territories are neither penalised nor rewarded if their actual tax or expenditures vary from the average.

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