



**Australian Government**  

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**Commonwealth Grants Commission**

## **2020 REVIEW**

# **ACHIEVING HFE — OTHER APPROACHES TO DISTRIBUTING THE GST**

**STAFF RESEARCH PAPER  
CGC 2017-03-S**

**MAY 2017**

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## INTRODUCTION

This staff research paper provides quantitative analyses of issues raised in Staff Discussion Paper 2017-02-S *The principle of HFE and its implementation*. Its purpose is to provide material States may find helpful in preparing a response to the staff discussion paper.

Commission staff are not seeking State submissions on the issues raised in this staff research paper.

- 1 In 1978, the Commonwealth asked the Commonwealth Grants Commission to review States' shares of general revenue grants. It specified the principle (the equalisation principle)<sup>1</sup> it wanted the Commission to apply in section 13(3) of the *States Personal Income Tax Sharing Amendment Act 1976*.

The respective payments to which the States are entitled ... should enable each State to provide, without imposing taxes and charges at levels appreciably different from the levels of the taxes and charges imposed by the other States, government services at standards not appreciably different from the standards of the government services provided by the other States.
- 2 This principle was (with minor wording changes) expressed in Acts or terms of reference until the 1999 Review. It was the principle the Commission was asked to implement when States signed the Intergovernmental Agreement on the Reform of Commonwealth–State Financial Relations (the IGA) in 1999. While the specific wording has evolved, the principle has continued to this day and remains in the terms of reference for the 2020 Review as the basis for the Commission's recommended distribution of GST revenue amongst the States. This distribution is referred to as the equalisation distribution in this paper. For the purposes of comparisons, this distribution is the benchmark for assessing the extent to which other approaches to distributing GST revenue achieve equalisation.
- 3 As a result of the application of this principle<sup>2</sup>, the Commission assesses:
  - some States to require more than a population share of the GST — they are ***fiscally weaker (than average) States***

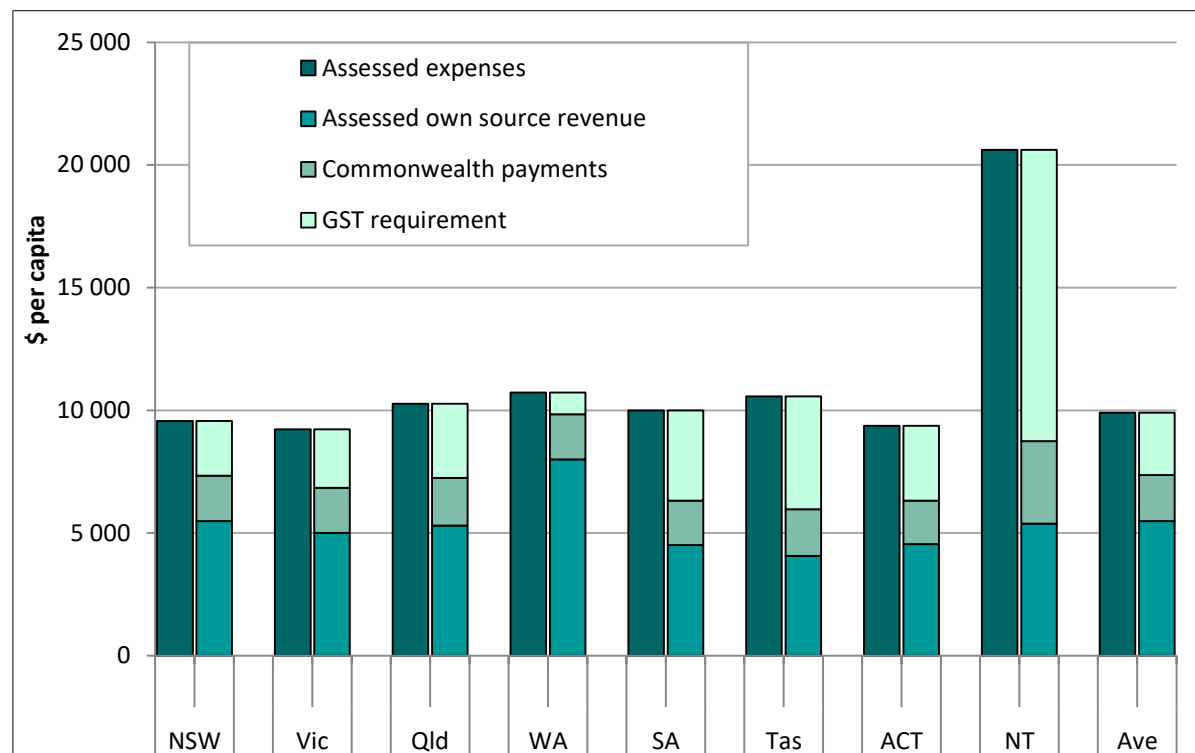
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<sup>1</sup> This was similar to the equalisation principle the Commission had used in its State claimancy inquiries.

<sup>2</sup> Under the equalisation principle, States that face higher than average costs of service provision (for example, the Northern Territory) are assessed to have high assessed expenses and, other things being equal, will require more than a population share of GST. States that have higher than average revenue capacity (for example, Western Australia) are assessed to high assessed revenue and, other things being equal, will require less than a population share of GST.

- other States to require less than a population share — they are ***fiscally stronger (than average) States***.<sup>3</sup>
- 4 The GST Distribution Review panel observed the effect of the principle was to ensure: GST payments act as a ‘balancing item’ to fill the gap between States’ expenditure requirements and the revenue raised and received by them.<sup>4</sup>
- 5 Figure 1 illustrates the GST requirement as a balancing item. The implications of the way the Commission implements the principle are:
- if a State’s fiscal capacity strengthens, the gap between its assessed expenses and revenues reduces and, other things being equal, the Commission will assess it as requiring less GST
  - if a State’s fiscal capacity weakens, the gap between its assessed expenses and revenues increases and, other things being equal, the Commission will assess it as requiring more GST
  - the GST requirement is independent of a State’s population share
    - the expression of States’ GST shares as a ratio of their population shares (relativities) is purely presentational and an historical legacy.

**Figure 1 GST requirements as a balancing item, 2017-18**



Source: 2017 Update.

<sup>3</sup> Most States are consistently assessed as being fiscally stronger or fiscally weaker than average. Three States (Queensland, Western Australia and the ACT) have been assessed as fiscally stronger in some years and fiscally weaker in others.

<sup>4</sup> GST Distribution Review, Interim Report, Chapters 1 and 2.

## OTHER APPROACHES TO DISTRIBUTING THE GST

- 6 In this paper, Commission staff compare three other GST distributions against the equalisation distribution:
- an equal per capita (EPC) distribution
  - a partial EPC distribution
  - an actual per capita (APC) distribution.
- 7 In the last decade, some States have advocated moving the GST distribution to a simple per capita distribution. This is the EPC distribution.
- 8 In a joint submission to the GST Distribution Review, the four most populous States advocated for an EPC distribution of GST, with the Commonwealth being responsible for providing additional assistance to fiscally weaker States. In other words, the GST pool would cease to be the sole revenue source for equalisation. Had this proposal operated since the GST's introduction (in 2000-01), it would have cost the Commonwealth an additional \$74 billion. The GST Distribution Review panel said:
- the Commonwealth has made it clear there is no additional money available to compensate States that would otherwise be worse off under an EPC model.<sup>5</sup>
- 9 In this paper, Commission staff explore a variation of this proposal (a partial EPC proposal<sup>6</sup>), where the additional assistance paid to fiscally weaker States is financed from the pool. There are a number of options that could be considered, including:
- whether or not Queensland and Western Australia should be eligible to receive more than a population share of GST if they are assessed as being a fiscally weaker State in a year?
  - whether or not fiscally weaker States should be lifted up to the Commission's recommended distribution?
- 10 The option implemented in this paper is to quantify the amount in excess of the average cost faced by fiscally weaker States and the amount less than the average revenue they can raise. These amounts are removed from the pool and paid to them (including Queensland and Western Australia when relevant). The balance of the pool is distributed EPC. Table 1 shows this calculation for 2017-18. It shows, fiscally weaker States receive less GST under this option compared with an equalisation distribution.<sup>7</sup> This option is the partial EPC distribution.

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<sup>5</sup> GST Distribution Review, Final Report, October 2012, page 47.

<sup>6</sup> This option has similarities to Canada's approach to equalisation, where fiscally weaker provinces are lifted up towards the average but fiscally stronger provinces are not brought down to the average.

<sup>7</sup> The reason this option provides less GST to fiscally weaker States is because all States (including fiscally weaker States) share the cost of the amount removed from the pool on a population basis.

**Table 1**      **Calculating the partial equalisation distribution, 2017-18**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Ave
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Equalisation (a)	2 233	2 391	3 026	883	3 646	4 559	3 042	11 848	2 543
Additional amount for fiscally weaker States (b)	0	0	483	0	1 104	2 016	499	9 306	318
Balance EPC (c)	2 225	2 225	2 225	2 225	2 225	2 225	2 225	2 225	2 225
Partial equalisation (d)	2 225	2 225	2 708	2 225	3 329	4 241	2 724	11 531	2 543
Difference (e)	-9	-166	-318	1 342	-318	-318	-318	-318	0

- (a) This is the Commission's recommended distribution based on the equalisation principle.
- (b) For the fiscally weaker States, this is the difference between the amounts the Commission recommended and the average per capita pool.
- (c) This is the GST remaining for distribution after the additional amounts for the fiscally weaker States have been removed.
- (d) This is the aggregate of the previous two rows.
- (e) This row shows how much more (or less) each State would receive under the partial equalisation approach compared to the Commission's recommended amounts.

Source: Commission calculation.

- 11 Commission staff also explore a third option, an APC distribution. Under this option, the GST is used as a balancing item to fill the gap between States' actual expense and infrastructure spending and the actual revenues raised and received by them.<sup>8</sup>

## WHAT ARE THE IMPLICATIONS OF MOVING RELATIVITIES CLOSER TO EQUAL PER CAPITA?

- 12 In the past, New South Wales said an EPC distribution was an equalising distribution because it involved a transfer from fiscally stronger to fiscally weaker States. This reflects a view that if more GST per capita is raised in the jurisdictions of fiscally stronger States, then distributing that GST EPC represents a transfer from fiscally stronger to fiscally weaker States. Any distribution that gives fiscally weaker States more GST than was raised in their jurisdiction would satisfy this concept of an equalising distribution.
- 13 The Commission has said an EPC distribution does not achieve equalisation. In its 2015 Review report it said:

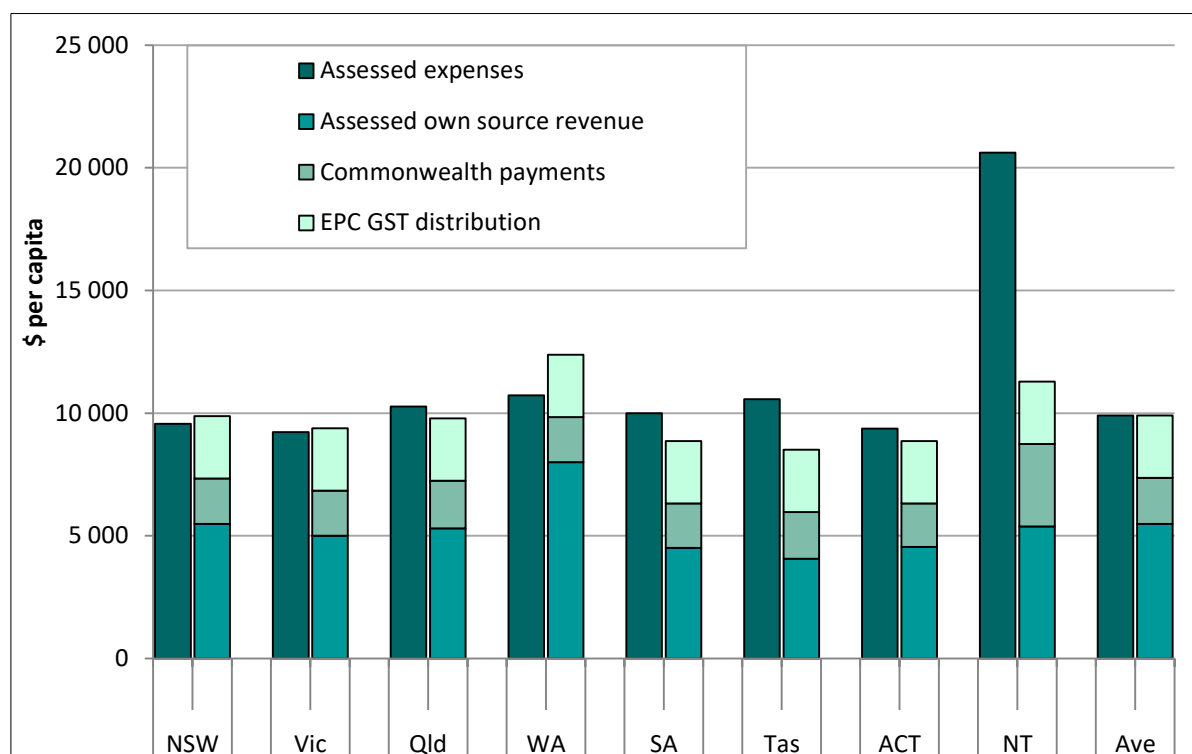
If the task is to give all States the same capacity to deliver services after taking into account their revenue raised at average policy, then the distribution advocated by New South Wales would not achieve that

<sup>8</sup> For each assessment year, States' assessed expenses, investment and revenues were replaced by their actual expenses, investment and revenues. Net lending was assessed EPC. An annual relativity was derived for each assessment year by dividing by the per capita pool. For each year, a State's GST distribution was derived by applying its average relativity to an application year population and pool.

outcome. An EPC distribution which, by definition, does not change the relative fiscal capacities of State governments cannot result in the equalisation of their fiscal capacities.<sup>9</sup>

- 14 Only a distribution that equalises State fiscal capacities satisfies the equalisation principle. If a State receives less than its recommended amount, it is ***under-equalised*** and it would have insufficient revenue to finance the average level of service. If a State receives more than its recommended amount, it is ***over-equalised*** and would have more revenue than it required to finance the average level of service.
- 15 Figure 2 reproduces Figure 1, except the GST payments are distributed EPC. It shows this distribution would leave New South Wales, Victoria and Western Australia over-equalised — their assessed revenues exceed their assessed costs of providing the average service. The remaining States would be under-equalised. In other words, an EPC distribution fails to ensure all States receive the revenue needed to provide the average level of service and so does not satisfy the equalisation principle.

**Figure 2 Equal per capita distribution of GST payments, 2017-18**



Source: 2017 Update.

- 16 States have however argued for an EPC distribution on other grounds. They consider the current system to be too complex, volatile and unpredictable and to suffer from false precision. They believe an EPC distribution would address these problems. Commission staff consider an APC distribution could be argued to address these

<sup>9</sup> Report on GST Revenue Sharing Relativities, 2015 Review, Volume 1 Main Report, Chapter 1 Achieving Horizontal Fiscal Equalisation, pages 28-29.



problems. Compared with an equalisation distribution, an EPC distribution takes no account of differences in State fiscal capacities and an APC assessment takes no account of differences in State policies.

## THE EFFECT OF CHANGING THE GST DISTRIBUTION

### What are the implications of the different GST distributions?

#### *The Commission's current distribution approach*

- 17 To implement the equalisation principle, the Commission assesses a State to require more than a population share of GST if it:
- faces higher than average costs of providing the average service
  - has a lower than average capacity to raise revenue, and/or
  - received more than average level of payments for specific purposes.
- 18 The implication of this distribution is that fiscally weaker States receive more than a population share of GST and fiscally stronger States receive less than a population share. The extent of their difference from a population share is determined by the difference between their assessed fiscal capacity and the average fiscal capacity.

#### *An EPC distribution*

- 19 Under this option, all States receive a population share of GST.
- 20 The implication of this distribution is that fiscally weaker States would be under-equalised and fiscally strong States would be over-equalised.

#### *A partial EPC distribution*

- 21 Under this option, the fiscally weaker States receive more than a population share of GST, but not as much as under the equalisation distribution.<sup>10</sup> Fiscally stronger States receive less than a population share of GST, but (in most cases) more than under the equalisation distribution.
- 22 The implication of this distribution is that fiscally weaker States would be under-equalised. At least one fiscally stronger State would be over-equalised, but it is possible for some fiscally stronger States (depending on their fiscal capacities) to be under-equalised. This happened to both New South Wales and Victoria in 2017-18.

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<sup>10</sup> Table 1 showed fiscally weaker States receive less than the Commission's recommended distribution because all States (including fiscally weaker States) share the cost of the amount removed from the pool on a population basis.

## An APC distribution<sup>11</sup>

- 23 This option is provided as an alternative to an EPC distribution. Like the EPC distribution, it is a simple distribution that does not require the Commission to make assessments of States' costs of providing services or capacities to raise revenue. In addition to the disabilities identified by the Commission, an APC distribution would reflect individual State spending and revenue raising policies.
- 24 This option provides more GST per capita to States that have higher per capita spending and lower per capita revenue raising. Thus, depending on its spending and revenue raising, it is possible for a fiscally weaker State to receive more than its recommended GST distribution, meaning it would be over-equalised. Similarly, it is possible for a fiscally stronger State to receive less than its recommended amount, meaning it would be under-equalised.

## Results for 2017-18

- 25 Table 2 compares the GST distributions under each option against the Commission's recommended GST distribution for the 2017-18 year.

**Table 2 GST distribution, various options, 2017-18**

GST Dist'n	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	\$b	\$b	\$b	\$b	\$b	\$b	\$b	\$b	\$b
Equalisation	17.7	14.8	15.0	2.4	6.4	2.4	1.2	2.9	62.7
EPC	20.1	15.9	12.6	6.8	4.4	1.3	1.0	0.6	62.7
Partial EPC (a)	17.6	13.9	13.4	6.0	5.8	2.2	1.1	2.8	62.7
APC	18.7	13.8	12.9	4.2	5.5	2.2	1.9	3.5	62.7
Difference									Redist
EPC	2.4	1.0	-2.4	4.5	-2.0	-1.1	-0.2	-2.3	7.9
Partial EPC (a)	-0.1	-1.0	-1.6	3.6	-0.6	-0.2	-0.1	-0.1	3.6
APC	1.0	-1.1	-2.0	1.8	-0.8	-0.2	0.7	0.6	4.1

(a) The GST pool is used to finance the additional amounts fiscally weaker States are assessed to require. The balance of the pool is distributed on an equal per capita basis.

Source: Commission calculation.

- 26 Compared with the equalisation distribution, the EPC distribution generates the biggest change. The change under the APC distribution is smaller. The partial EPC distribution is the closest (in aggregate and for most States) to the equalisation distribution. The APC distribution incorporates individual State policy choices while the Commission's

<sup>11</sup> Actual per capita assessments have a history in Australian equalisation. In early reviews, before the Commission was able to collect data to support all its assessments, equal per capita and actual per capita assessments were prevalent.

recommended GST distribution removes the effects of their policy choices (that is, it is policy neutral). The closeness of these two distributions suggests disabilities rather than policy differences are the bigger contributor to differences in what States do.

- 27 Compared with an equalisation distribution, those receiving more GST under an EPC distribution would have been New South Wales (\$2.4 billion), Victoria (\$1.0 billion) and Western Australia (\$4.5 billion). The only State to receive more under a partial EPC distribution would have been the fiscally strongest State — Western Australia (\$3.6 billion). Those receiving more under an APC approach would have been New South Wales (\$1.0 billion), Western Australia (\$1.8 billion), the ACT (\$0.7 billion) and the Northern Territory (\$0.6 billion).

## Results for the period 2000-01 to 2017-18

- 28 Attachment A provides State charts of the equalisation distribution, an EPC distribution and an APC distribution for the period since the introduction of the GST (2000-01). Table 3 shows each State's aggregated distribution.
- 29 The 2017-18 trends are again evident. Compared with an equalisation distribution:
- the biggest changes occur under the EPC option
  - the changes under the APC option are smaller than the EPC option
  - the changes under the partial EPC option are the closest (in aggregate) to an equalisation distribution.

**Table 3 Distribution of the pool, various options, 2000-01 to 2017-18**

GST Dist'n	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	\$b	\$b	\$b	\$b	\$b	\$b	\$b	\$b	\$b
Equalisation	254.6	190.5	175.0	61.1	79.5	31.4	16.2	42.2	850.5
EPC	277.3	211.4	168.6	88.6	62.7	19.4	13.8	8.7	850.5
Partial EPC (a)	253.2	193.0	163.0	81.1	74.1	29.7	15.0	41.5	850.5
APC	238.3	177.0	185.1	72.1	81.6	30.6	21.4	44.4	850.5
Difference									Redist
EPC	22.6	20.9	-6.4	27.5	-16.8	-12.0	-2.3	-33.5	71.1
Partial EPC (a)	-1.4	2.5	-12.0	20.0	-5.4	-1.7	-1.2	-0.8	22.5
APC	-16.3	-13.5	10.1	11.0	2.1	-0.8	5.3	2.2	30.6

(a) The GST pool is used to finance the additional amounts fiscally weaker States are assessed to require. The balance of the pool is distributed on an equal per capita basis.

Source: Commission calculation.

- 30 Compared with an equalisation distribution, those receiving more GST under an EPC distribution would have been New South Wales (\$22.6 billion), Victoria (\$20.9 billion) and Western Australia (\$27.5 billion).

- 31 Only two States would receive more GST under a partial EPC distribution. Western Australia (\$20.0 billion) and Victoria (\$2.5 billion) were the fiscally strongest of the large States over this period. The less fiscally strong large States over the period, New South Wales and Queensland (a fiscally weaker than average State in the latter years), would have received less GST, at \$1.4 billion and \$12 billion respectively. The fiscally weaker States over the entire period, South Australia, Tasmania, the ACT and the Northern Territory, would all have received less GST revenue under a partial EPC distribution.
- 32 Compared with an equalisation distribution most States would have received more GST under an APC distribution. Only New South Wales (-\$16.3 billion), Victoria (-\$13.5 billion) and Tasmania (-\$0.8 billion) would have received less.

## CONCLUSION

- 33 The different approaches have big consequences for GST shares. Had the GST been distributed on an EPC basis, New South Wales, Victoria and Western Australia would have collectively received \$71.1 billion more since 2000-01. The fiscally weaker States would have received \$71.1 billion less, meaning they would not have been able to finance the average level of service.
- 34 Had the GST been distributed on a partial EPC basis, Victoria and Western Australia would have collectively received \$22.5 billion more since 2000-01. While the fiscally weaker States would receive more than a population share of GST, they would receive less than the Commission's current approach. Under this option, Victoria and Western Australia would be over-equalised. The remaining States, including New South Wales and Queensland, would be under-equalised, meaning they would not have been able to finance the average level of service over this period.
- 35 In terms of simpler distributions an APC distribution is an alternative to an EPC distribution. It is simple, but would provide fiscally weaker States with a level of funding closer to their equalisation outcomes than an EPC distribution. It would allow them the capacity to finance close to the average level of service. On that basis, it might be more appropriate than an EPC distribution. Compared with an equalisation distribution, an EPC distribution takes no account of differences in State fiscal capacities and an APC assessment takes no account of differences in State policies.

## ATTACHMENT A: GST DISTRIBUTIONS BY STATE

- 1 This attachment provides State charts that display three GST distributions:
  - an equalisation distribution
  - an APC distribution
  - an EPC distribution.
- 2 The partial EPC distribution is not shown because it is close to the equalisation distribution for the fiscally weaker States and close to the EPC distribution for the fiscally strong States.
- 3 The equalisation distribution is based on the difference between States' assessed expenses and the revenues available to them — their assessed deficits. The APC distribution is based on States' actual deficits. The EPC distribution is States' population share of the GST.
- 4 The difference between a State's assessed expense (revenue) and an EPC assessment is a measure of the effect of the disabilities it faces. The charts show these disabilities are ongoing. The difference between a State's assessed expense (revenue) and its actual expense (revenue) is a measure of the effect of its policy differences.
- 5 For many States, the assessed distribution is closer to the APC distribution than the EPC distribution. This suggests States' assessed fiscal capacities, to some extent, track changes in their actual circumstances. It is a reason why GST distributions are volatile. Calls to make the GST distribution less volatile risk making the GST distribution less responsive to changes in State circumstances. This would widen the gap between States' equalisation and APC distributions in these charts.
- 6 The charts show the APC distributions of South Australia, Tasmania and the Northern Territory are close to their assessed distributions. The differences were close for New South Wales, Victoria, Queensland and Western Australia up to the 2010 Review but diverged thereafter before coming back together in the latest inquiry. The biggest divergences arose in the ACT.
- 7 The reason for the ACT's divergence in the earlier years was due to the Commission adopting accrual accounting and bringing in the ACT's municipal expenses. Accrual accounting brought States' unfunded superannuation liabilities into its equalisation budget. This had a differential effect on States. The assessed expenses of New South Wales and Queensland rose by more than their actual expenses. For other States, their actual expenses rose by more than their assessed expenses. The ACT's actual expenses rose by around \$300 million, while its assessed expenses rose by \$150 million. In the 2007 Update the Commission also brought ACT municipal expenses into its equalisation budget, assessing them EPC. This added to the ACT's

actual deficit, but not its assessed deficit. The divergence in the later years appears to be driven by ACT's spending.

- 8 In these charts, the separation between States' APC and assessed distributions and an EPC distribution reinforces a view that equalisation would not be achieved with an EPC distribution. An EPC distribution would work in a situation where there were no State disabilities. In that scenario, States have equal fiscal capacities. If there were no policy variations, their actual deficits would also be EPC. Distributing the GST EPC would be appropriate in those circumstances.
- 9 The charts show States' fiscal capacities can strengthen quickly. The current property boom in New South Wales is strengthening its fiscal capacity and causing its equalisation distribution to diverge from an EPC distribution. Similarly, the mining boom in Western Australia is causing its equalisation distribution to diverge from an EPC distribution. The latter movement is more pronounced because:
  - the revenue generated by Western Australia's mining boom is a much bigger share of the State's total revenue
  - States' mining capacities are more unevenly distributed than their property capacities.
- 10 The charts also show a States' fiscal capacity can weaken quickly. Queensland is experiencing a weakening capacity, largely due to the effects of successive natural disasters.
- 11 Figure A-1 shows New South Wales had above average capacity for the whole period, meaning it required less than its population share of GST. For that reason, its equalisation and APC distributions lie below an EPC distribution. In recent years, its property boom has strengthened its capacity further, as evidenced by the widening divergence between its equalisation and EPC distributions.
- 12 The equalisation and APC distributions indicate Victoria also had above average fiscal capacity for the period. It too required less than a population share of GST (Figure A-2).
- 13 Queensland's fiscal capacity has fluctuated for most of the period. Its equalisation and APC distributions indicate below average fiscal capacity for most of the period (Figure A-3). Its fiscal capacity has weakened in recent years as it addresses the effects of natural disasters.
- 14 Figure A-4 indicates the decline in Western Australia's GST share is due to an increasing fiscal capacity. Its equalisation and APC distribution would both have generated big falls in its GST after the 2006 Update, although the fall under an APC distribution is smaller. While its APC distribution would have delivered it more GST in recent years, both distributions produce a similar GST outcome in 2017-18.

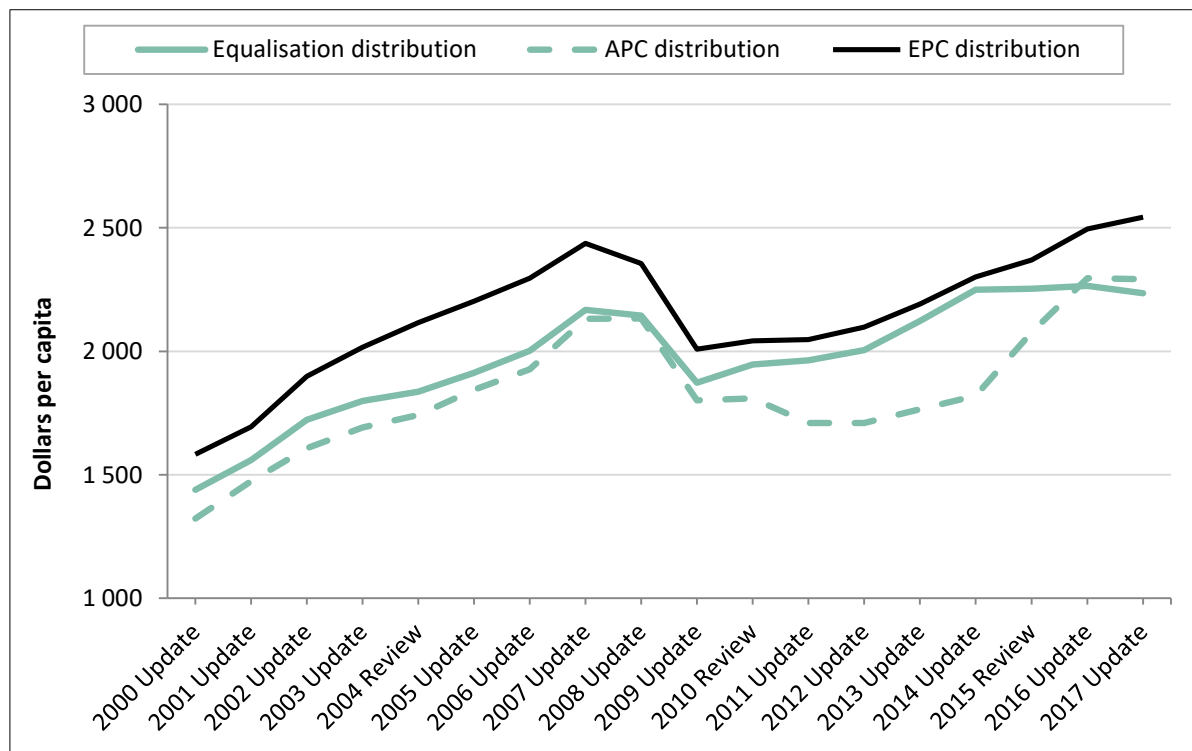
- 15 The equalisation and APC distributions indicate South Australia had below average fiscal capacity for the period and required more than a population share of GST on both bases (Figure A-5). South Australia's fiscal capacity has weakened further in recent years, as evidenced by the greater separation between its equalisation and EPC distributions.
- 16 Like South Australia, Figure A-6 indicates that Tasmania has had below average fiscal capacity for the whole period and that its capacity has weakened in recent years. It required more than a population share of GST.
- 17 Figure A-7 shows that the ACT had below average capacity for the whole period. There are big divergences between its APC and equalisation distributions. In the early part of this period, this was due in part to the inclusion of unfunded superannuation liabilities and in part to the inclusion of municipal expenses. Its fiscal capacity has weakened in recent years.
- 18 The Northern Territory had the weakest fiscal capacity of any State (Figure A-8). The gap between its equalisation and APC distributions and an EPC distribution is the biggest of any State. While its capacity has tended to weaken through the period, it has strengthened in recent years.

## Summary

- 19 In the State charts the difference between:
  - a States' equalisation and an EPC distribution is a measure of the effect of the disabilities it faces
  - a State's equalisation and its APC distribution is a measure of the effect of its policies.
- 20 For most States, the gap between their assessed and APC distributions is smaller than the gap between their assessed and EPC distributions, implying that disabilities, not policy differences, are the bigger contributor to differences in what States do.
- 21 The charts suggest that disabilities:
  - explain most of the differences in what States raise and spend
  - persist over time.
- 22 Disabilities reflect circumstances outside a State's direct control, implying they are likely to persist over time. It is difficult for a State to increase its revenue capacity if it lacks taxable economic activity (property values, mineral endowments etc). It is difficult for a State to lower its service provision costs if it has proportionally more high cost users (such as the elderly, the infirm, Indigenous people or people who live in remote areas). However, as the State charts show, some disabilities can change rapidly (for example, those relating to mining and property booms and natural disasters).

- 23 The charts suggest most State disabilities are not dissipating. Equalisation provides fiscally weaker States with additional assistance to compensate them for the disabilities they face — differences in costs of providing the average service and differences in revenue raising capacity.

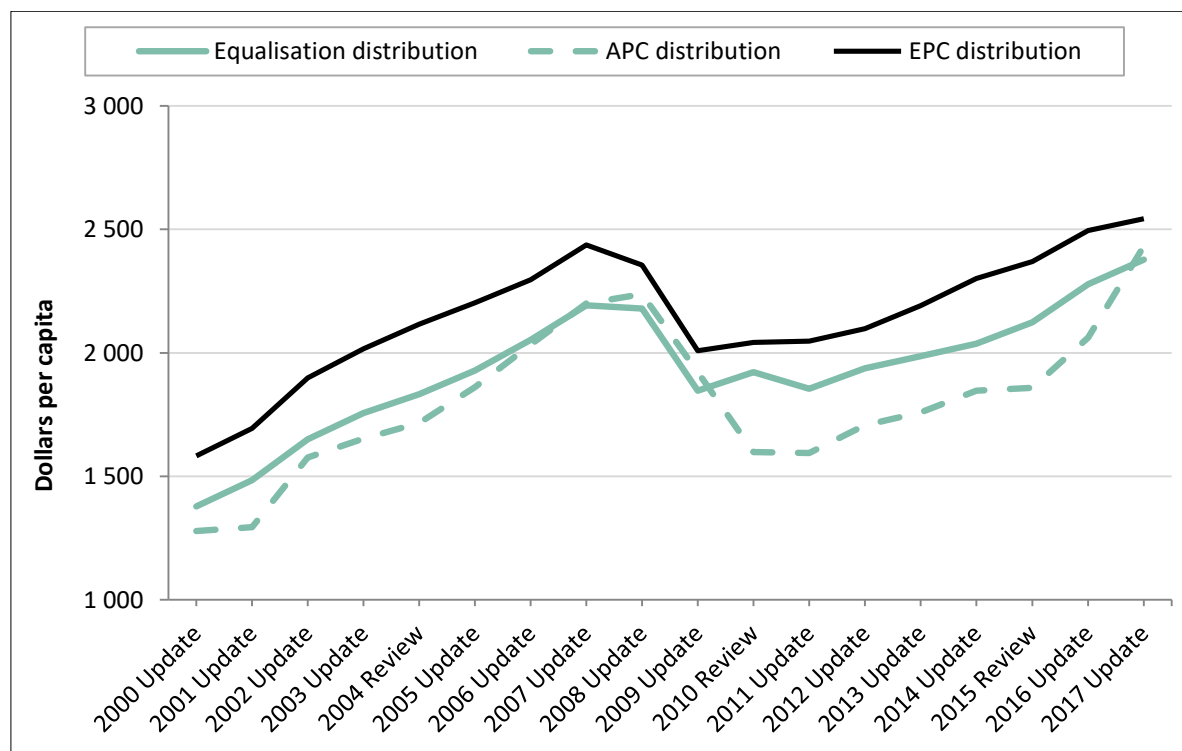
**Figure A-1 Comparison of GST distributions, New South Wales**



Source: Commission calculation.

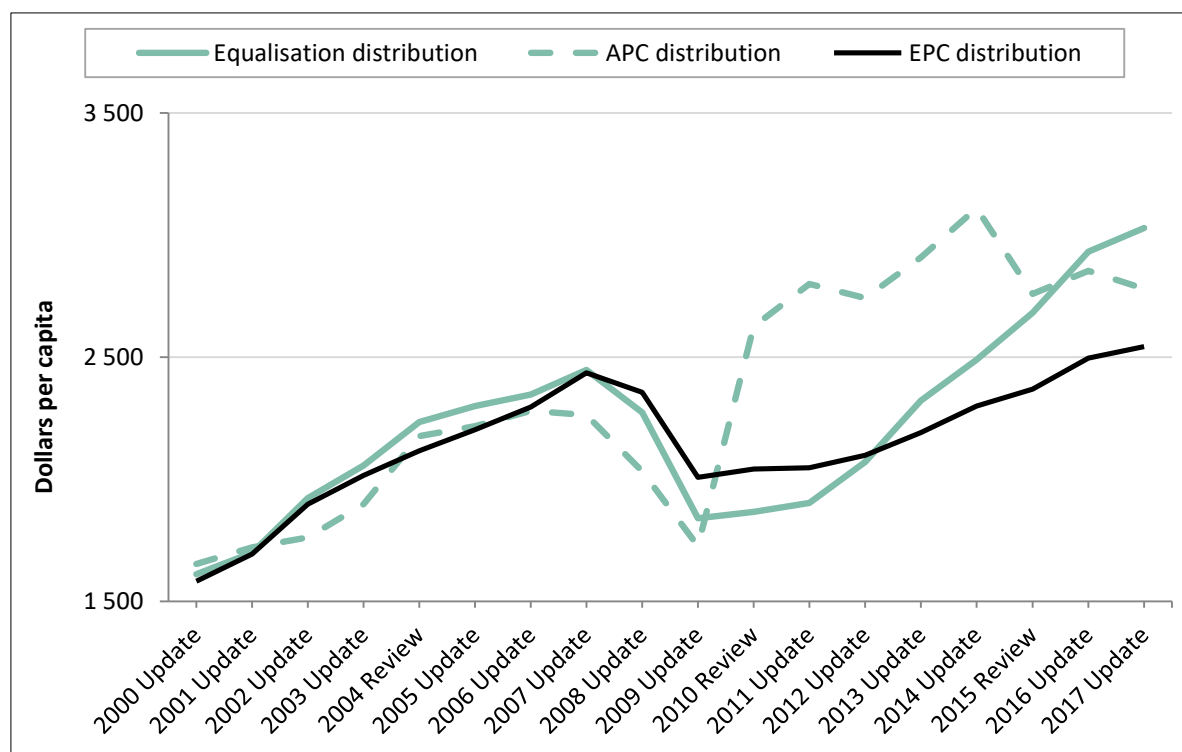


**Figure A-2 Comparison of GST distributions, Victoria**



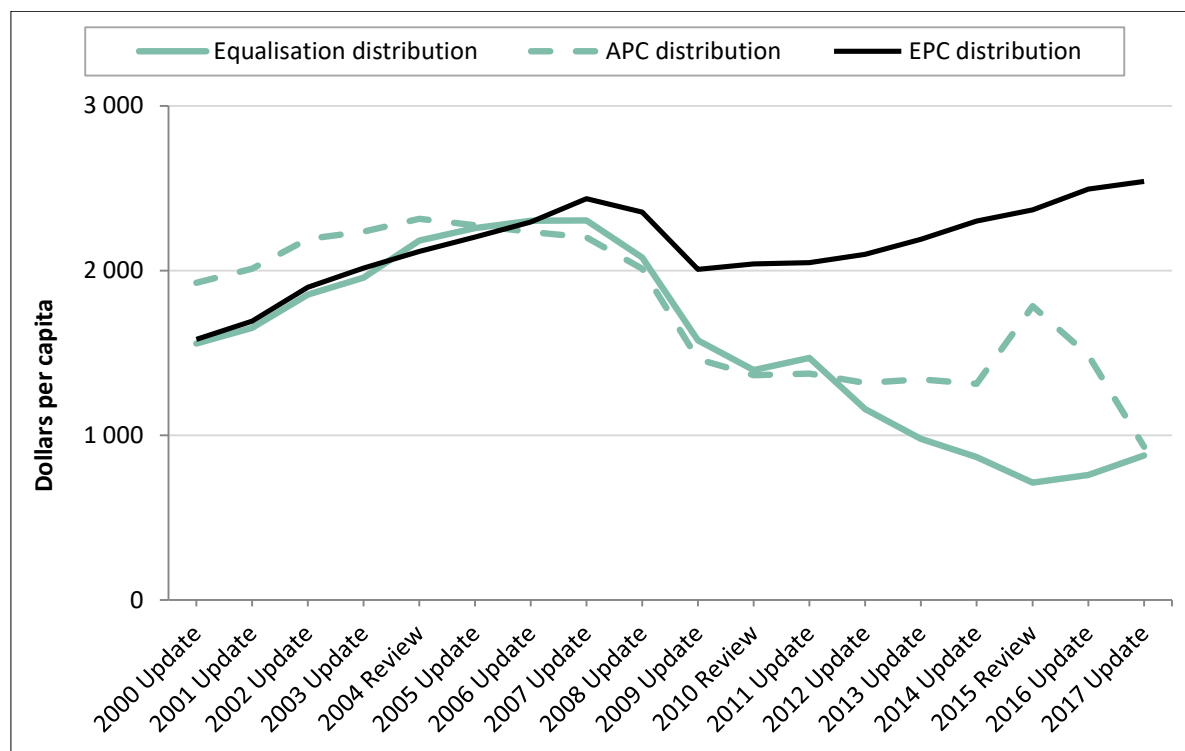
Source: Commission calculation.

**Figure A-3 Comparison of GST distributions, Queensland**



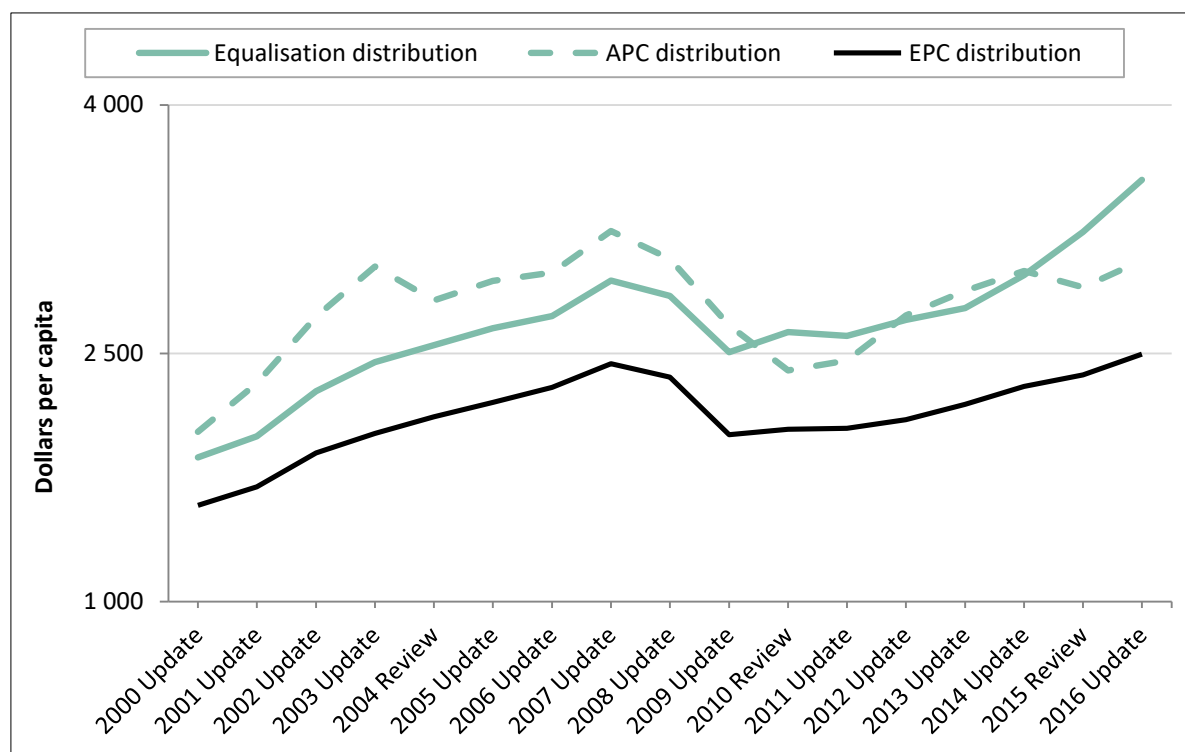
Source: Commission calculation.

**Figure A-4 Comparison of GST distributions, Western Australia**



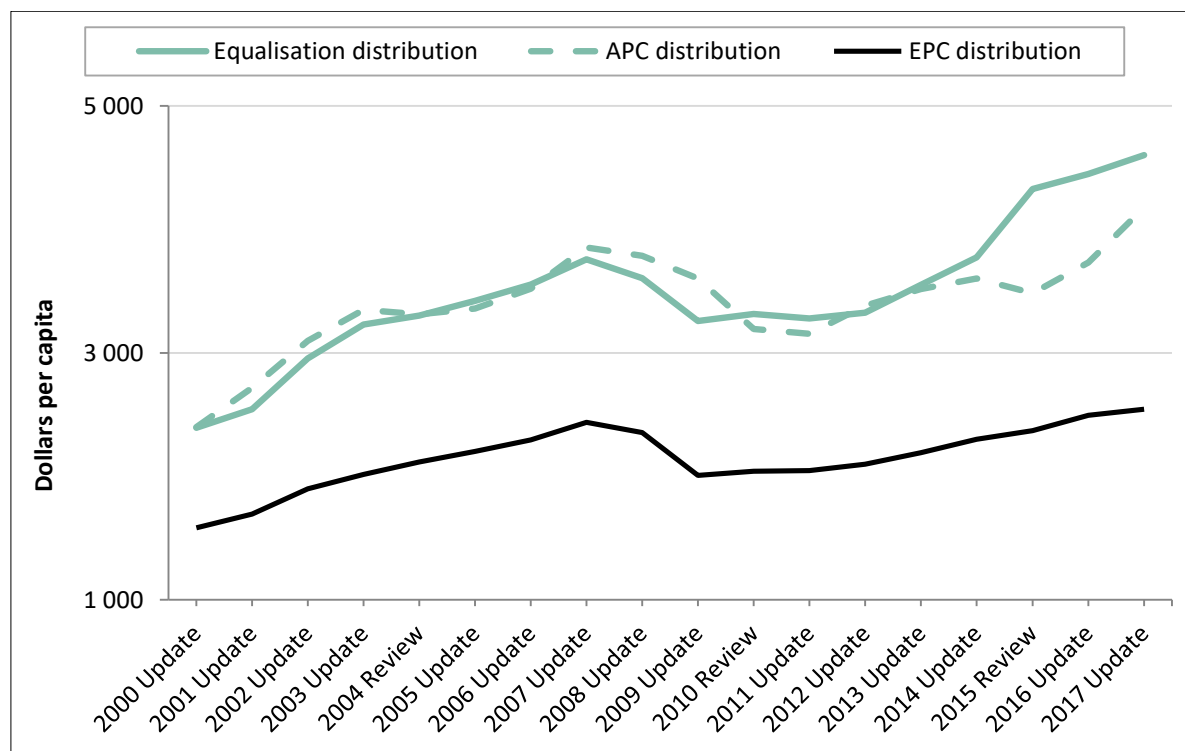
Source: Commission calculation.

**Figure A-5 Comparison of GST distributions, South Australia**



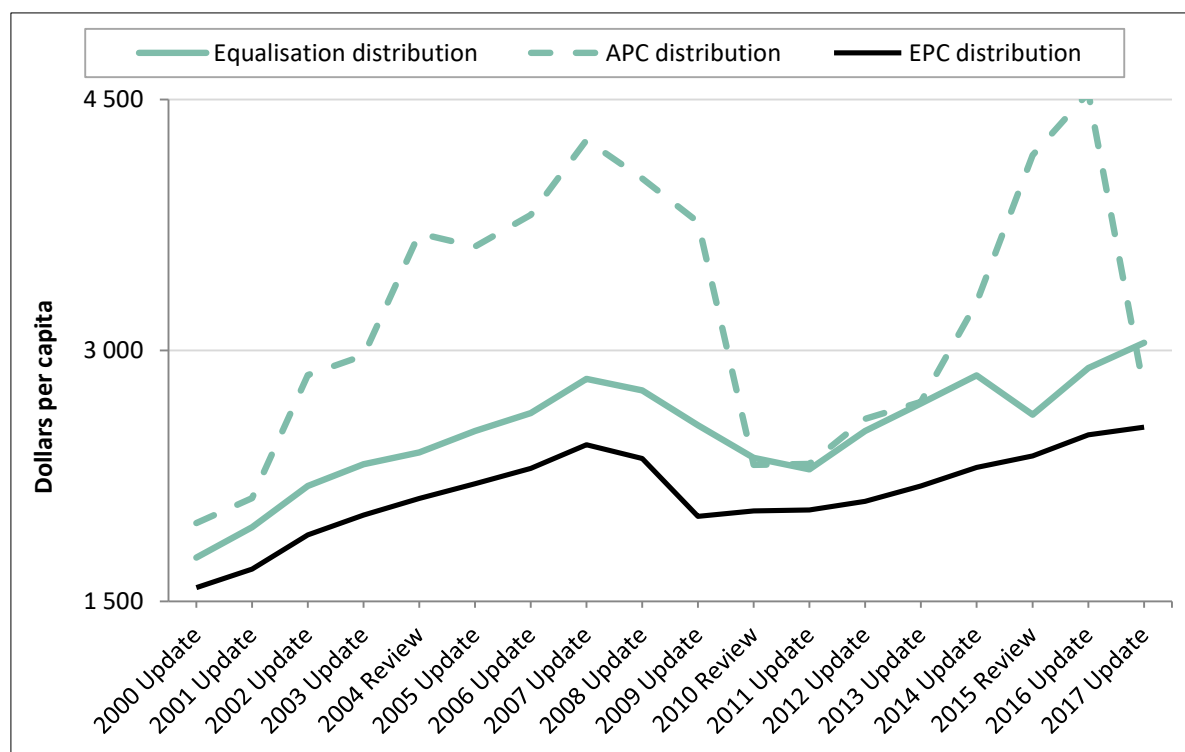
Source: Commission calculation.

**Figure A-6 Comparison of GST distributions, Tasmania**



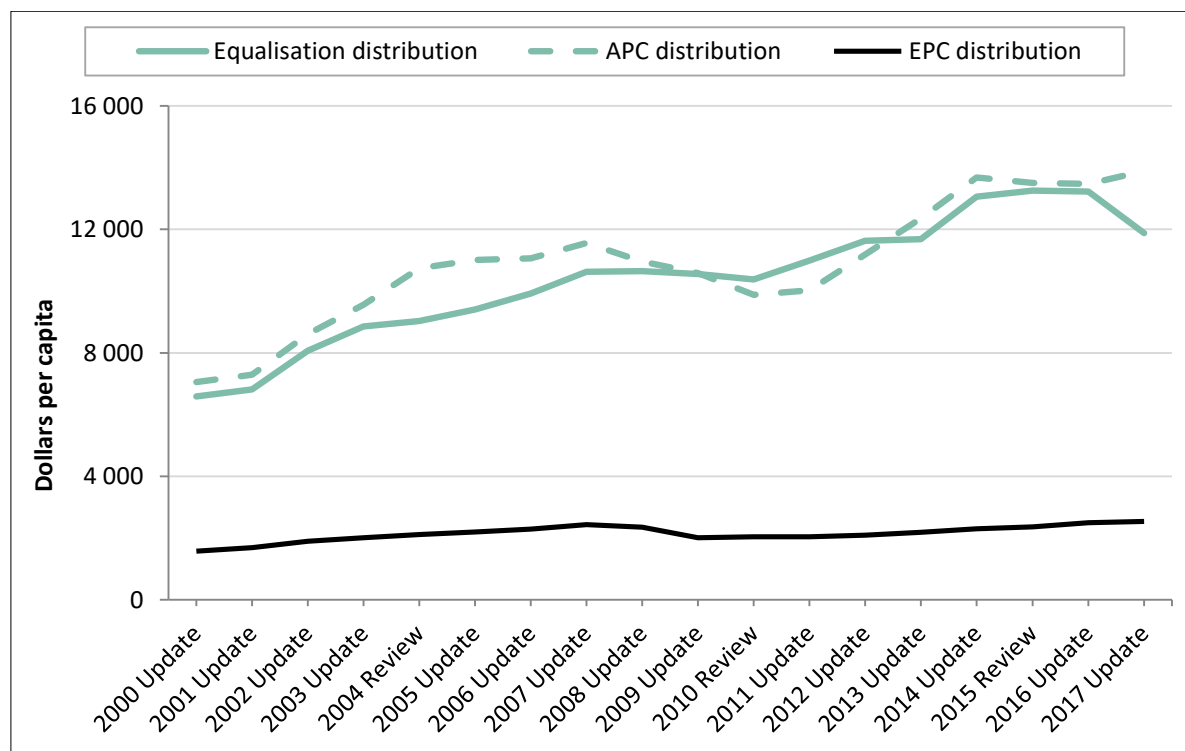
Source: Commission calculation.

**Figure A-7 Comparison of GST distributions, ACT**



Source: Commission calculation.

**Figure A-8 Comparison of GST distributions, Northern Territory**



Source: Commission calculation.