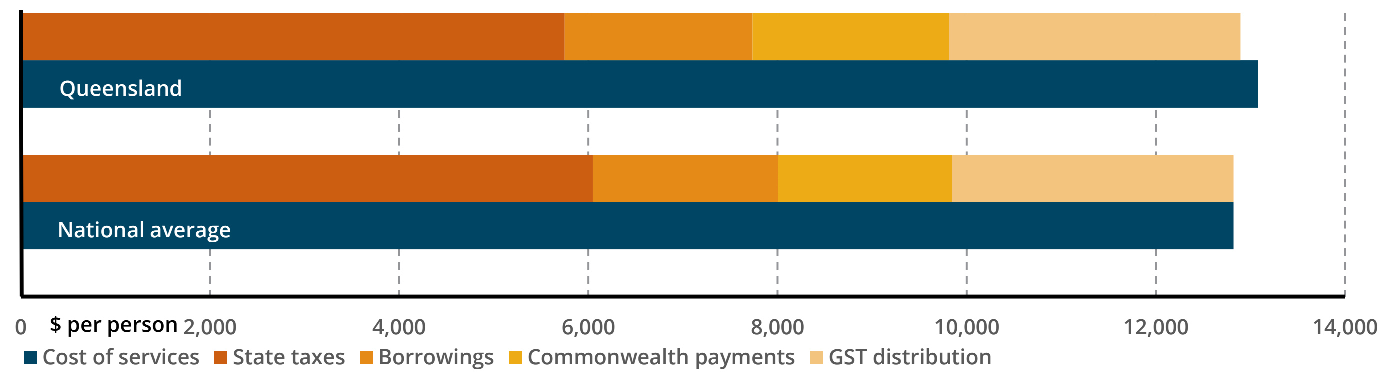
Australian Government
Commonwealth Grants Commission

Queensland

Queensland is estimated to receive $16,384 million in GST in 2022-23. This would be an increase of $645 million compared to 2021-22. The change reflects its share of the growth in the GST pool. It also reflects the application of the 0.7 GST relativity floor, which increases Western Australia's GST and reduces the GST distribution to all other states.

GST distribution in 2022-23



Key factors that affected Queensland's GST share in 2022-23 compared to 2021-22

+$956 million

Strong growth in Western Australia's mining production reduced Queensland's relative revenue raising capacity

+$250 million

Queensland's population growth slowed by less than the national average, increasing its need for investment relative to other states

-$322 million

Wage growth in Queensland was slower than the national average, which lowered the relative costs of providing services

-$139 million

Above average growth in property sales has increased Queensland's relative revenue raising capacity

How Queensland compared to other states and territories

Queensland's capacity to raise revenue from its own taxes is lower than the national average. For example:

Queensland can raise $251 per person from land tax, well below the national average of $423

Queensland can raise $756 per person in tax from property sales, below the national average of $907

The characteristics of the people living in Queensland mean that the cost of providing government services is higher than the national average. For example:

Queensland has a more dispersed population with 13.5% living in outer regional areas, where service costs are higher, compared to the national average of 8%

Queensland has a higher proportion of Indigenous residents at 4.7% of the population compared to the national average of 3.4%

Overall, with below average capacity to raise revenue, and higher costs of delivering services, Queensland receives a per person GST allocation above the national average.

How the GST is distributed

The Commonwealth Grants Commission provides independent advice to the Commonwealth government on how GST revenue should be distributed to ensure each state has a similar capacity to provide services. The amount of revenue each state can raise differs because it depends on things like the value of mining production, property transactions and taxable payrolls. The cost of providing services varies too, based on things like a state's size, its geography, where its residents live and their age, health and wealth.

Changes to the GST distribution in 2022-23 reflect the 2018 GST legislated arrangements. These include implementation of a GST relativity floor below which no state's GST revenue sharing relativity can fall and Commonwealth top ups to the GST pool. The Commonwealth also makes separate transitional no worse off payments to the states.

For further information see https://www.cgc.gov.au/reports-for-government/2022-update