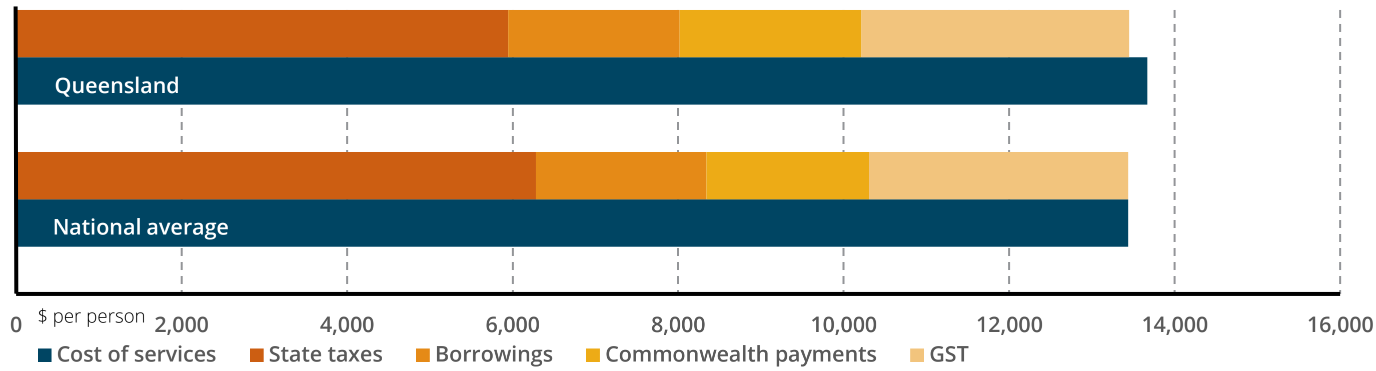
Australian Government
Commonwealth Grants Commission

Queensland

Queensland is estimated to receive $18,220 million in GST in 2023-24. This would be an increase of $673 million compared to 2022-23. The change reflects Queensland's assessed needs for GST and its share of the growth in the GST pool. It also reflects the application of the 0.7 GST relativity floor, which increases the GST distributed to Western Australia and reduces the GST distribution to all other states.

GST distribution in 2023-24



Key factors that affected Queensland's GST needs in 2023-24 compared with 2022-23

-$417 million

The growing value of coal production increased Queensland's relative revenue raising capacity.

+$272 million

Queensland's population growth was greater than the national average, increasing its assessed GST needs for investment relative to other states.

-$291 million

National urban transport investment more than doubled between 2018-19 and 2021-22. This decreased the assessed GST needs of states with below-average urban transport investment needs, including Queensland.

+$102 million

Strong growth in property sales in NSW decreased Queensland's relative revenue raising capacity from stamp duty.

How Queensland compared with 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 $243 per person from land tax, well below the national average of $464.

Queensland can raise $1180 per person from taxes on property sales, below the national average of $1367.

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

15.9% of Queensland's population lives in outer regional and remote areas where service costs are higher, compared to the national average of 10.1%.

Of Queensland's population, the First Nations share is 4.7% 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 payment above the national average.

How the GST is distributed

The Commonwealth Grants Commission provides independent advice to the Commonwealth government on how GST 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 2023-24 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/2023-update