



New South Wales

This fact sheet provides an overview of the major causes of change in relativities and the distribution of the GST pool since the 2023 Update.

Recommended GST relativities and GST distribution

New South Wales’ recommended GST relativity will decrease in 2024–25. It is estimated to receive \$24,224 million in GST payments. Its share of the GST pool is estimated to decrease from 29% to 27.1%. Taking into account growth in the GST pool, New South Wales’ estimated GST distribution in 2024–25 would decrease by \$310 million (\$36 per capita), or 1.3%.

Under the 2018 legislated arrangements, 2024–25 is the fourth year in a 6-year transition away from distributing the GST pool based on assessed relativities. At the end of the transition, no state will have a GST relativity lower than the fiscally stronger of New South Wales or Victoria.

GST relativities, shares and estimated GST distribution, 2023–24 and 2024–25 (excludes no worse off payments)

	GST relativities		GST shares		GST distribution		
	2023–24	2024–25	2023–24	2024–25	2023–24	2024–25	Difference
			%	%	\$m	\$m	\$m
New South Wales	0.92350	0.86736	29.0	27.1	24,535	24,224	-310
Victoria	0.85169	0.96502	21.9	24.8	18,541	22,227	3,686
Queensland	1.03118	0.95232	21.2	19.5	17,929	17,460	-469
Western Australia	0.70000	0.75000	7.6	8.1	6,419	7,257	838
South Australia	1.39463	1.40312	9.7	9.7	8,214	8,671	457
Tasmania	1.79080	1.82832	3.8	3.9	3,257	3,476	219
Australian Capital Territory	1.19540	1.20419	2.1	2.1	1,778	1,889	111
Northern Territory	4.98725	5.06681	4.7	4.8	4,002	4,257	256
Total	1.00000	1.00000	100.0	100.0	84,675	89,462	4,787

Note: The estimated GST pool distribution for 2024–25 was calculated by applying 2024 Update relativities to estimated state populations (as of December 2023) and the estimated GST pool for 2024–25.

Source: Commission calculation.

Change in GST distribution

Change in estimated GST distribution from 2023–24 to 2024–25, New South Wales

	\$m	\$pc
Change in population	-44	-5
Growth in GST pool	1,384	162
Changes in assessed GST needs		
Revised populations from census	-544	-64
Other data revisions	17	2
State circumstances	-1,024	-120
Total	-1,551	-182
Blended relativities and GST floor	-99	-12
Total change	-310	-36

Note: Table may not add due to rounding.

Source: Commission calculation.

Change in assessed needs

- New South Wales' assessed GST needs decreased largely due to:
 - an increase in its capacity to raise coal royalties
 - above-average growth in taxable land values
 - revisions to socio-demographic composition and urban population data from the latest 2021 Census release
 - a large downward revision to national urban transport investment in 2021–22.
- New South Wales' decrease in assessed GST needs was partly offset by revisions to the value of property transfers and strong growth in national urban transport investment between 2019–20 and 2022–23. This strong growth occurred despite the large downwards revision to urban transport investment in 2021–22.
- Estimated growth in the GST pool was insufficient to offset the reduction in New South Wales' assessed GST needs.
- Compared with 2023–24, blended relativities and the GST floor resulted in a reduction (\$99 million) in New South Wales' GST distribution.

New South Wales: Main changes in assessed GST needs, 2024 Update

Changes in circumstances			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	-872	-102	A large increase in coal prices and average royalty rates between 2019–20 and 2022–23, and an increase in New South Wales' coal production, increased its relative mining revenue capacity.
Taxable land values	-409	-48	Above-average growth in taxable land values increased New South Wales' relative revenue raising capacity.
Capital improvements	241	28	Strong growth in national urban transport investment between 2019–20 and 2022–23 increased the urban transport investment needs of states with large, densely populated cities, including New South Wales. Weak growth in national investment in rural roads, for which New South Wales has a below-average requirement, also increased its assessed GST needs.
Revisions			
Driver	Change		Explanation
	\$m	\$pc	
Census – socio-demographic composition data	-281	-33	Revised population data from the 2021 Census show New South Wales' population is now relatively less dispersed and its non-Indigenous population is relatively less disadvantaged. These changes reduced its assessed needs for a range of services and infrastructure, particularly health and social housing.
Census - Urban Characteristics	-222	-26	Incorporating 2021 Census data show the population and population-weighted density of Sydney grew more slowly than the national average. This reduced its assessed GST needs for urban transport services and infrastructure.

Property sales	219	26	A large downward revision to the value of property transferred in 2021–22 (due to the reclassification of the sale of a major state asset) reduced New South Wales' assessed revenue raising capacity.
Capital improvements	-140	-16	A large downward revision to national urban transport investment in 2021–22 reduced the assessed urban transport needs of states with above-average needs, including New South Wales.

Source: Commission calculations.