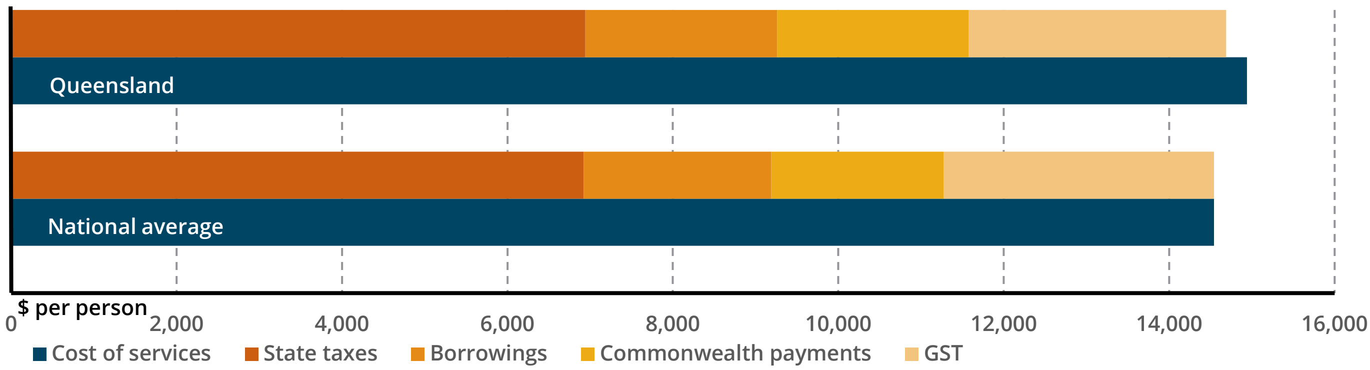
Australian Government
Commonwealth Grants Commission

Queensland

Queensland is estimated to receive $17,460 million in GST in 2024–25. This would be a decrease of $469 million compared to 2023-24. 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 0.75 GST relativity floor, which increases the GST distributed to Western Australia and reduces the GST distribution to all other states.

GST distribution in 2024-25



Key factors that affected Queensland's GST needs in 2024–25 compared with 2023–24

-$1,734 million

Strong growth in coal royalties increased the relative revenue raising capacity of the main coal producing states including Queensland. This reduced its GST needs.

+$128 million

Below-average growth in taxable land values decreased Queensland's relative revenue-raising capacity and increased its GST needs.

+$125 million

2021 Census data indicated that Queensland's population is more dispersed and its non-Indigenous population is relatively more disadvantaged than it was in the 2016 Census. This increased its GST needs.

-$191 million

Strong growth in investment nationally, mainly in urban transport, reduced the investment needs of states with below-average needs for urban transport, including Queensland.

How Queensland compared with other states and territories

Queensland's capacity to raise revenue from its own taxes is close to the national average, with above-average capacity to raise revenue in some areas and a below-average capacity in others. For example:

Queensland can raise $289 per person from land tax, well below the national average of $556 per person.

Queensland can raise $2,508 per person from taxes on mining, above the national average of $1,379 per person.

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

15.7% of Queensland's population live in outer regional and remote areas where service costs are higher, compared to the national average of 10%.

The First Nations population of Queensland comprises 5.3% of the state's population, compared to the national average of 3.9%.

Overall, with an average capacity to raise revenue and above-average cost of delivering services, Queensland receives a per person GST distribution similar to the national average.

How the GST is distributed

The Commonwealth Grants Commission provides independent advice to the Australian Government on how GST should be distributed among the states. In doing this, the Commission takes account of states' different abilities to raise revenue and their different costs in providing 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 other socio-demographic characteristics, for example, age, health, income, and education.

Changes to the GST distribution in 2024–25 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/2024-update