



Victoria

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

Victoria’s recommended GST relativity will increase in 2024–25. It is estimated to receive \$22,227 million in GST payments. Its share of the GST pool is estimated to increase from 21.9% to 24.8%. Taking into account growth in the GST pool, Victoria’s estimated GST distribution in 2024–25 would increase by \$3,686 million (\$524 per capita), or 19.9%.

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, Victoria (excludes no worse off payments)

	\$m	\$pc
Change in population	85	12
Growth in GST pool	1,053	150
Changes in assessed GST needs		
Revised populations from census	835	119
Other data revisions	-432	-61
State circumstances	2,230	317
Total	2,633	374
Blended relativities and GST floor	-85	-12
Total change	3,686	524

Note: Table may not add due to rounding.

Source: Commission calculation.

Change in assessed needs

- Victoria's assessed GST needs increased largely due to:
 - a reduced relative capacity to raise mining revenue
 - a strong growth in national urban transport investment between 2019–20 and 2022–23
 - below-average growth in the value of property sales and taxable land values
 - revisions to urban population and population-weighted density from the latest 2021 Census release, which increased its assessed GST needs for urban transport
 - upwards revisions to its natural disaster expenses.
- Victoria's increase in assessed GST needs was partly offset by a large downward revision to national urban transport investment in 2021–22.
- The increase to its assessed GST is augmented by expected strong growth in the GST pool.
- Compared with 2023–24, blended relativities and the GST floor resulted in a reduction (\$85 million) in Victoria's GST distribution.

Victoria: Main changes in assessed GST needs, 2024 Update

Changes in circumstances			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	1,307	186	A large increase in coal prices and average royalty rates between 2019–20 and 2022–23 increased coal royalties and the revenue raising capacity of the main coal producing states, Queensland and New South Wales. This reduced Victoria's relative mining revenue capacity.
Capital improvements	256	36	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 Victoria. Weak growth in national investment in rural roads, for which Victoria has below-average needs, also increased its assessed GST needs.
Property sales	227	32	Below-average growth in property sales decreased Victoria's relative revenue raising capacity.
Taxable land values	139	20	Below-average growth in taxable land values decreased Victoria's relative revenue raising capacity.
Revisions			
Driver	Change		Explanation
	\$m	\$pc	
Census - Urban Characteristics	702	100	Incorporating 2021 Census data led to large upward revisions to Victoria's population-weighted density. This increased its assessed GST needs for urban transport services and infrastructure.
Capital improvements	-158	-22	A large downward revision to national urban transport investment for 2021–22 reduced the assessed urban transport needs of states with above-average needs, including Victoria.

Natural disaster relief

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Upward revisions to Victoria's natural disaster relief out-of-pocket expenses increased its assessed GST needs.

Source: Commission calculation