

COMMONWEALTH OF AUSTRALIA

Federal Financial Relations Act 2009

DETERMINATION OF THE GST REVENUE SHARING RELATIVITY FOR 2011-12 IN ACCORDANCE WITH THE *FEDERAL FINANCIAL RELATIONS ACT 2009*

WHEREAS Section 8 of the *Federal Financial Relations Act 2009*, allows the Treasurer to make a determination of the GST revenue sharing relativity for a State, for a payment year,

NOW THEREFORE I, **WAYNE MAXWELL SWAN**, Treasurer, hereby **DETERMINE** that the GST revenue sharing relativity for each State for the 2011-12 payment year is as follows:

State	GST Revenue Sharing Relativity Factor 2011-12
New South Wales	0.95776
Victoria	0.90476
Queensland	0.92861
Western Australia	0.71729
South Australia	1.27070
Tasmania	1.59942
Australian Capital Territory	1.11647
Northern Territory	5.35708

.....
WAYNE MAXWELL SWAN

Dated: 29 June 2011

- An extract from the *Report on GST Revenue Sharing Relativities – 2011 Update* (Page 3) is shown below.
- The GST revenue sharing relativities for 2011-12 in the attached determination were recommended by the Commonwealth Grants Commission (CGC) and are shown in Table 1 below.

Executive summary

Table 1 Per capita relativities

	Relativities used for 2010-11	Relativities recommended for 2011-12
New South Wales	0.95205	0.95776
Victoria	0.93995	0.90476
Queensland	0.91322	0.92861
Western Australia	0.68298	0.71729
South Australia	1.28497	1.27070
Tasmania	1.62091	1.59942
Australian Capital Territory	1.15295	1.11647
Northern Territory	5.07383	5.35708

Source: Commission calculation.

8 State shares of the GST revenue implied by the 2010-11 relativities and the recommended relativities for 2011-12 are shown in Table 2. The changes in State shares are due to changes in the relativities and in State shares of the total population.

Table 2 State shares of GST, 2010-11 and 2011-12

	2010-11 share	2011-12 share
	%	%
New South Wales	30.8	30.9
Victoria	23.4	22.5
Queensland	18.6	19.0
Western Australia	7.1	7.5
South Australia	9.4	9.3
Tasmania	3.7	3.6
Australian Capital Territory	1.8	1.8
Northern Territory	5.2	5.6

Note: Derived by applying the relativities for each year to estimated State resident populations in December of that year.
Source: Commission calculation.

Changes in fiscal capacities

9 In this update, the drivers which had significant impacts include the following.

- Interstate differences in wage growth (using substantially revised data) affected the assessed relative costs of providing services for some States.
- Volatility in property markets affected the revenue raising capacities of some States.
- The size and interstate distribution of Commonwealth payments influenced our assessments much more so than in previous years.
- Volatility in mining commodity prices affected the revenue raising capacities of some States.