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Analysis of Relativities — Difference from EPC

What is included in this workbook

The following tables provide the analysis of relativities in \$ million and \$ per capita:

- Table S5-1 shows the contribution of each revenue category
- Table S5-2 shows the contribution of each expense category
- Table S5-3 shows the contribution of investment and net lending
- Table S5-4 shows the contribution of the Commonwealth payments which impact on the relativities
- Table S5-5 shows the net impact of Commonwealth payments for each category
- Table S5-6 shows the contribution of each revenue base and expenditure disability assessed by the Commission

About the data

An analysis of the relativities assessed in the 2019 Update is presented in the accompanying tables.

The analysis of relativities shows the effects of the Commission's assessments on the recommended distribution of the goods and services tax (GST). It does so by comparing the effects of the total assessments (or parts of them) with a benchmark distribution.¹ The benchmark that has been used in the analysis is the equal per capita (EPC) distribution — that is, a distribution that would arise if each State had the same revenue raising capacity and/or the same costs of providing services or costs of investment or net lending requirements.

The analysis has been done using the 2019-20 GST revenue of \$69 billion and the December 2019 populations obtained from the Commonwealth Treasury.

The analysis can be done at various levels of disaggregation. It usually starts with an estimate of the total effect of the Commission's assessments — the total difference between the distribution of the GST based on the assessed relativities and an EPC distribution. At a more disaggregated level, the analysis shows the contribution² to the difference from the EPC distribution of each revenue category, each expense category, investment, net borrowing and each Commonwealth payment to the States which has an impact on the relativities. Analysis is also done to show the effects of each disability the Commission assessed.

For more information about the reasons for the GST distribution

¹Differences in the two distributions reflect the underlying differences in assessed relativities from 1.000.

²The dissection of the total difference between an equalisation distribution and an EPC distribution to identify the effects of each category is obtained by transforming each assessment year into 2019-20 dollars, by indexing for population growth and the growth in GST revenue, average the assessment years, and then subtracting the scaled result from the EPC distribution in the application year.

Table S5-1 Contribution to difference between equalisation and equal per capita distribution of the 2019-20 GST, revenue categories, \$ million

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Redist
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Payroll tax	-669	378	540	-874	483	199	-5	-51	1599
Land tax	-742	-233	513	-52	308	106	74	27	1028
Stamp duty	-2 016	-866	645	993	834	242	28	140	2 882
Insurance tax	-147	112	39	15	-41	23	4	-5	193
Motor taxes	276	-3	-83	-159	-33	-31	25	8	309
Mining revenue	2 091	3 045	-1 144	-4 894	572	191	209	-71	6 108
Other revenue	0	0	0	0	0	0	0	0	0
Total revenue	-1 206	2 432	510	-4 972	2 122	731	335	48	6 178

Note: The impacts of each assessment are measured individually and collectively.
The sum of the individual impacts may not equal the collective (total) impact.

Table S5-1 Contribution to difference between equalisation and equal per capita distribution of the 2019-20 GST, revenue categories, \$ per capita

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Redist
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
Payroll tax	-81	56	105	-330	274	374	-12	-207	62
Land tax	-90	-35	100	-20	175	200	172	107	40
Stamp duty	-245	-129	126	375	474	455	65	563	112
Insurance tax	-18	17	8	6	-24	44	9	-19	8
Motor taxes	34	-1	-16	-60	-19	-58	59	31	12
Mining revenue	254	455	-223	-1 850	325	360	486	-284	238
Other revenue	0	0	0	0	0	0	0	0	0
Total revenue	-147	363	99	-1 880	1 207	1 375	779	192	241

Note: The impacts of each assessment are measured individually and collectively.
The sum of the individual impacts may not equal the collective (total) impact.

Table S5-2 Contribution to difference between equalisation and equal per capita distribution of the 2019-20 GST, expense categories, \$ million

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Redist
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
School education	-333	-1 280	823	373	19	111	-75	362	1689
Post-secondary education	-21	-56	26	16	0	3	6	26	77
Health	-485	-974	218	284	293	321	-104	449	1564
Housing	-74	-142	43	50	28	14	-18	100	234
Welfare	17	-553	250	-12	44	78	-59	233	623
Services to communities	-350	-353	121	172	27	10	-22	395	725
Justice	-242	-680	280	222	-19	23	-47	462	988
Roads	-223	-275	143	231	83	-10	-50	102	558
Transport	315	623	-400	0	-162	-208	-68	-100	938
Services to industry	-95	-80	17	113	14	10	-13	34	188
Other expenses	-544	-434	-218	214	120	210	349	305	1197
Depreciation	-242	-586	103	331	102	25	-36	305	865
Total expense	-2 278	-4 791	1 406	1 994	548	587	-139	2 672	7 208

Notes:

The redistribution in Schools education does not include the impact of the expenditure of the National schools SPP for non-government schools.

The impacts of each assessment are measured individually and collectively.

The sum of the individual impacts may not equal the collective (total) impact.

Table S5-2 Contribution to difference between equalisation and equal per capita distribution of the 2019-20 GST, expense categories, \$ per capita

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Redist
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
School education	-40	-191	161	141	11	210	-175	1 455	66
Post-secondary education	-3	-8	5	6	0	5	13	106	3
Health	-59	-145	43	107	166	604	-243	1 804	61
Housing	-9	-21	8	19	16	25	-43	400	9
Welfare	2	-83	49	-4	25	147	-136	939	24
Services to communities	-43	-53	24	65	15	20	-51	1 587	28
Justice	-29	-102	55	84	-11	44	-110	1 859	39
Roads	-27	-41	28	87	47	-18	-117	408	22
Transport	38	93	-78	0	-92	-391	-158	-401	37
Services to industry	-12	-12	3	43	8	18	-30	137	7
Other expenses	-66	-65	-43	81	68	395	810	1 225	47
Depreciation	-30	-88	20	125	58	47	-83	1 226	34
Total expense	-277	-715	274	754	312	1 106	-322	10 744	281

Notes:

The redistribution in Schools education does not include the impact of the expenditure of the National schools SPP for non-government schools.

The impacts of each assessment are measured individually and collectively.

The sum of the individual impacts may not equal the collective (total) impact.