

Statement

The Hon Tim Pallas MP

Treasurer

Minister for Industrial Relations

Minister for Economic Growth



Thursday, 14 March 2024

STATEMENT FROM THE TREASURER

The Premier of New South Wales doesn't understand the GST system – not a dollar of NSW GST is going to Victoria.

Victoria has subsidised other states, not the other way around. We have paid more into the GST pool than we've received every year since its inception.

Victoria has received as little as 84 cents in the dollar and averaged 91 cents since the GST was introduced. What's more, Victoria's relativity has been below New South Wales for 14 of the last 25 years.

Contrary to Premier Minns' view, New South Wales does not provide Victoria with a GST windfall. Victoria receives less than our fair share under the GST pool. Victoria will receive an extra \$1.5 billion from Commonwealth receipts not from other states, but by payments from the Commonwealth to top up the pool.

Next year, even with these payments, Victoria is still receiving less than its population share – as it has in every year since the GST was introduced.

If Premier Minns is concerned about mendicant states, I would remind him that New South Wales has been an infrastructure 'welfare recipient' from the Commonwealth at the expense of Victorians for decades.

In the Federal Government's latest mid-year economic and fiscal outlook, Victoria received one per cent of new infrastructure spending, and has only received 60 per cent of our population share over the past five years.

Victoria leads the nation in creating employment opportunities, with 530,000 jobs created since the depths of the pandemic, compared to 400,000 in NSW. Deloitte Access Economics forecasts that Victoria will lead all states in economic growth over the next five years.

Isn't it just so Sydney of Premier Minns to bemoan Melbourne's success.