

## Estimates of Budget Balancing Assistance and State and Territory gains from tax reform<sup>(a)</sup>

<b>2003-04 (\$m)</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>WA</b>	<b>SA</b>	<b>TAS</b>	<b>ACT</b>	<b>NT</b>	<b>Total</b>
(1) Guaranteed Minimum Amount	9,736.5	6,834.6	6,041.2	2,997.8	3,047.9	1,324.4	620.3	1,569.0	32,171.8
(2) GST Revenue	9,690.5	6,973.6	6,574.9	3,159.8	3,154.3	1,399.0	660.7	1,684.2	33,297.0
(3) Budget Balancing Assistance (1) - (2)(b)	46.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	46.0
(4) State and Territory gains from tax reform (2) - (1)(b)	0.0	139.0	533.7	162.0	106.4	74.6	40.4	115.1	1,171.2
<b>2004-05 (\$m)</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>WA</b>	<b>SA</b>	<b>TAS</b>	<b>ACT</b>	<b>NT</b>	<b>Total</b>
(1) Guaranteed Minimum Amount	9,630.5	6,984.1	6,570.5	3,333.4	3,112.0	1,335.8	624.7	1,578.9	33,169.9
(2) GST Revenue	9,648.3	7,151.4	7,168.5	3,528.9	3,212.7	1,407.8	663.8	1,678.7	34,460.0
(3) Budget Balancing Assistance (1) - (2)(b)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(4) Compensation for GST Deferral	95.9	70.6	67.6	33.5	30.2	12.3	6.0	13.9	330.0
(5) State and Territory gains from tax reform (2)+(4)-(1)	113.7	237.9	665.6	229.1	130.9	84.3	45.1	113.6	1,620.1
<b>2005-06 (\$m)(c)</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>WA</b>	<b>SA</b>	<b>TAS</b>	<b>ACT</b>	<b>NT</b>	<b>Total</b>
(1) Guaranteed Minimum Amount(d)	10,228.1	7,522.6	7,159.4	3,487.3	3,260.6	1,412.3	655.5	1,649.8	35,375.6
(2) GST Revenue	10,317.4	7,691.1	7,629.9	3,660.1	3,371.6	1,486.8	696.5	1,756.5	36,610.0
(3) Budget Balancing Assistance (1) - (2)(b)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(4) State and Territory gains from tax reform (2)-(1)	89.2	168.5	470.5	172.9	111.0	74.5	41.0	106.7	1,234.4
<b>2006-07 (\$m)(e)</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>WA</b>	<b>SA</b>	<b>TAS</b>	<b>ACT</b>	<b>NT</b>	<b>Total</b>
(1) Guaranteed Minimum Amount	10,601.9	7,940.5	7,449.6	3,541.4	3,390.7	1,463.6	674.9	1,723.8	36,786.4
(2) GST Revenue	10,921.8	8,268.9	8,067.7	3,783.4	3,556.4	1,560.3	726.8	1,834.7	38,720.0
(3) State and Territory gains from tax reform (2)-(1)	319.9	328.4	618.2	242.0	165.7	96.7	51.8	110.9	1,933.6
<b>2007-08 (\$m)</b>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>WA</b>	<b>SA</b>	<b>TAS</b>	<b>ACT</b>	<b>NT</b>	<b>Total</b>
(1) Guaranteed Minimum Amount	10,825.9	8,278.0	7,720.4	3,628.9	3,497.9	1,503.9	692.3	1,796.5	37,943.7
(2) GST Revenue	11,446.6	8,839.6	8,540.7	3,988.7	3,734.0	1,623.1	763.4	1,914.1	40,850.0
(3) State and Territory gains from tax reform (2)-(1)	620.7	561.6	820.3	359.8	236.1	119.1	71.1	117.6	2,906.3

(a) Projections will be affected by variations in Guaranteed Minimum Amount components, GST revenue growth and recommendations by the Commonwealth Grants Commission on the distribution of GST to each of the States and Territories in future years.

(b) Where the difference between the Guaranteed Minimum Amount and GST Revenue (and vice versa) is less than zero, the reported amount is zero.

(c) In 2005-06 and beyond there may be small flow-on effects from compensation for the GST deferral which will be subject to negotiation with the States.

(d) As agreed at the 26 March 2004 meeting of the Ministerial Council for Commonwealth-State Financial Relations, bank account debits tax is to be abolished by 1 July 2005. The revenue forgone by the States and Territories is included in their Guaranteed Minimum Amount from 2005-06 to ensure the States are no worse off. Accordingly, State and Territory gains from tax reform decrease in 2005-06 compared to 2004-05. However, the estimates of Guaranteed Minimum Amounts do not contain reductions in the following state taxes: non-residential conveyances; non-quotable marketable securities; leases; mortgages, bonds, debentures and other loan securities; credit arrangements, instalment purchase arrangements and rental arrangements; cheques, bills of exchange and promissory notes, which are the subject of review by the Ministerial Council in 2005.

(e) The transition period in which the Australian Government guarantees that no State will be worse off due to tax reform expires on 30 June 2006.