

STATEMENT OF ESTIMATED PAYMENTS TO THE STATES AND TERRITORIES
PROVIDED TO THE
MINISTERIAL COUNCIL FOR COMMONWEALTH-STATE FINANCIAL RELATIONS
31 MARCH 2006

Under the terms of the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999* (the Act), the States and Territories (the States) receive all of the revenue raised by the goods and service tax (GST). GST revenue will be distributed amongst the States on the basis of horizontal fiscal equalisation (HFE) principles.

The GST was intended to replace a range of inefficient indirect taxes which were listed in the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (the IGA). Some of these taxes have already been abolished and the States committed to review the need for the retention of the other taxes listed in the IGA by 2005. The reason for agreeing to a review of these inefficient taxes, rather than setting a firm date for their abolition, simply reflected the uncertainty about the GST revenue forecasts. The clear intent was that, if GST revenue proved to be sufficient at the time of the review, the States would abolish these taxes.

In light of the growing GST windfalls to the States, at the Ministerial Council meeting for Commonwealth-State Financial Relations on 23 March 2005, the Australian Government put forward a timetable for the abolition of the remaining stamp duties listed for review in the IGA. The Ministerial Council agreed that the States would consider the development of a revised schedule for the abolition of these taxes from 1 July 2006.

Seven States have responded to the Australian Government with alternative proposals on the timing and sequencing of the elimination of these stamp duties. The Australian Government will accept the seven offers with the following conditions:

- Stamp duty on business conveyances of real property will not be removed from further consideration;
- Consistent with the letter of 20 April 2005 from the first six States to make a counter offer, the revenue forgone from a tax will be included in the calculation of the Guaranteed Minimum Amount (GMA) when the tax is abolished in all States which have put forward a counter offer; and
- The Australian Government will extend the transitional period from 30 June 2006 to 30 June 2009. Given current estimates, this is a sufficient timeframe to ensure States will no longer require transitional assistance even after the abolition of the IGA taxes.

The Statement of Estimated Payments has been prepared on the basis of agreement between the Australian Government and the seven States and Territories that have provided timetables for the abolition of the inefficient taxes, and on the basis of the Australian Government's timetable for the abolition of the IGA taxes in New South Wales. However, consistent with past practice and the six States' offer of 20 April 2005, the taxes abolished in New South Wales will only be included in the GMA when all other States have abolished the same tax.

Productive discussions have commenced about an alternative timetable for the abolition of the IGA taxes in New South Wales. Once this has been finalised, any consequential changes will be taken into account with respect to estimated payments.

Chart 1 shows each jurisdiction's share of GST revenue in 2006-07. Table A shows each State's share of GST revenue since the introduction of The New Tax System in 2000-01. This table also shows the increase in GST revenue to each State over the seven years, reflecting the fact that the GST is a stable and growing source of revenue for the States. Total GST revenue estimates are as at the Australian Government's Mid-Year Economic and Fiscal Outlook 2005-06 (MYEFO), although State shares have been revised due to updated population estimates and the recommended Commonwealth Grants Commission (CGC) relativities for 2006-07.

Tables 1 and 2 show the latest available estimates of the GMA, GST revenue entitlement, Budget Balancing Assistance (BBA) and States' gains from tax reform for 2005-06 and 2006-07 respectively. These estimates will be subject to revision to account for parameter or estimate changes in the 2006-07 Australian Government Budget and State data. In June 2006, the Australian Treasurer will determine the GMA for 2005-06 and the Commissioner of Taxation will determine GST revenue for 2005-06.

On the basis of the estimates provided in this report, the States' collective gains from tax reform are estimated at \$1.1 billion in 2005-06. Only New South Wales will require BBA in 2005-06. All other States will receive GST revenue in excess of their GMA. In 2006-07, all States will receive more GST revenue than their GMA and no State will require BBA. GST revenue is estimated to be \$2.0 billion more than the States' GMA.

Tables 3 and 4 provide further detail on the estimation of the GMA for each State in 2005-06 and 2006-07 respectively.

Table 5 provides details of GST revenue and General Revenue Assistance to the States in 2005-06 and 2006-07. General Revenue Assistance includes National Competition Policy (NCP) Payments in 2005-06, the last year of such payments under the current NCP arrangements. The 2005-06 NCP Payments remain subject to the National Water Commission's assessment of jurisdictions' progress in implementing NCP-related water reforms. Further, at its 10 February 2006 meeting, the Council of Australian Governments (COAG) agreed to a new National Reform Agenda (NRA), comprising human capital, competition and regulatory reform streams. COAG agreed that, if funding is needed to ensure a fair sharing of the costs and benefits of reform, the Australian Government will provide funding to the States on a case-by-case basis once specific implementation plans have been developed. Payments to the States and, where appropriate, to local government, would be linked to achieving agreed actions or progress measures and demonstrable economic benefits.

Tables 6 and 7 provide further details of the distribution of GST revenue. The incorporation of the relativities recommended by the CGC should not be interpreted as an endorsement of those relativities by the Australian Treasurer. In accordance with the IGA, the final relativity factors for each State and Territory will be determined by the Australian Treasurer after consultation with each State and Territory.

Tables 8 and 9 show MYEFO-consistent estimates of Specific Purpose Payments (SPPs) for 2005-06 and 2006-07 on a no-policy change basis. Detailed estimates of the proposed level of SPPs and their distribution amongst the States in 2005-06 and 2006-07 will be included in the Australian Government's 2006-07 Budget Papers.

Table 10 provides a summary of the States' total payments for 2005-06 and 2006-07.

Attachment A shows the latest available estimates of the GMA, GST revenue entitlement, BBA and States' gains from tax reform for 2005-06, 2006-07, 2007-08 and 2008-09.

Note: numbers in the tables in this report may not add due to rounding.

Chart 1: GST Revenue Provision to the States 2006-07

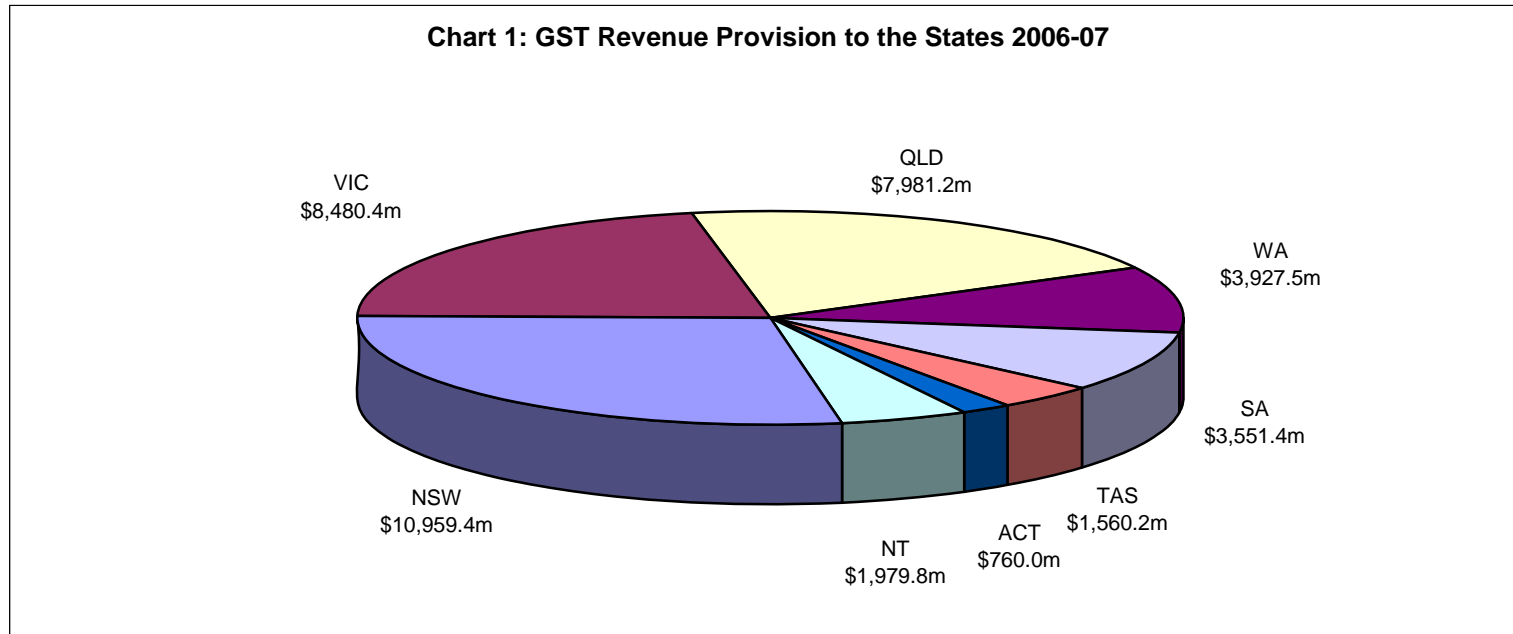


Table A: GST Revenue Provision to the States (\$m)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	Increase from 2000-01 to 2006-07	% Increase	Average annual % increase
NSW	7,257.6	8,132.0	9,080.2	9,667.1	9,884.1	10,227.7	10,959.4	3,701.9	51.0	7.2
VIC	5,099.3	5,593.1	6,365.1	6,961.0	7,346.4	7,729.2	8,480.4	3,381.1	66.3	8.9
QLD	4,658.2	5,018.6	5,887.6	6,552.8	7,328.7	7,591.2	7,981.2	3,323.0	71.3	9.5
WA	2,374.6	2,518.1	2,910.2	3,157.9	3,623.9	3,753.1	3,927.5	1,552.9	65.4	8.8
SA	2,278.9	2,476.6	2,859.1	3,146.4	3,293.3	3,401.0	3,551.4	1,272.5	55.8	7.8
TAS	988.1	1,059.8	1,246.7	1,394.5	1,435.5	1,477.8	1,560.2	572.1	57.9	8.0
ACT	472.6	543.9	615.7	658.1	680.4	713.6	760.0	287.4	60.8	8.3
NT	1,225.6	1,289.8	1,514.5	1,680.9	1,730.4	1,818.9	1,979.8	754.2	61.5	8.4
Total	24,354.9	26,632.0	30,479.1	33,218.7	35,322.7	36,712.6	39,200.0	14,845.1	61.0	8.3

Table 1: Estimates of the Guaranteed Minimum Amount, GST Revenue Entitlement, Budget Balancing Assistance and States' gains from tax reform 2005-06 (\$m)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
(1) Guaranteed Minimum Amount	10,302.3	7,652.9	7,084.7	3,587.1	3,271.8	1,395.2	668.6	1,705.9	35,668.6
(2) GST Revenue	10,227.7	7,729.2	7,591.2	3,753.1	3,401.0	1,477.8	713.6	1,818.9	36,712.6
(3) Budget Balancing Assistance (1) - (2) (a)	74.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	74.6
(4) State gains from tax reform	0.0	76.3	506.5	166.0	129.2	82.6	45.0	113.0	1,118.6

Table 2: Estimates of the Guaranteed Minimum Amount, GST Revenue Entitlement, Budget Balancing Assistance and States' gains from tax reform 2006-07 (\$m)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
(1) Guaranteed Minimum Amount (b)	10,769.3	8,160.1	7,290.3	3,655.0	3,348.9	1,453.4	697.1	1,851.4	37,225.6
(2) GST Revenue	10,959.4	8,480.4	7,981.2	3,927.5	3,551.4	1,560.2	760.0	1,979.8	39,200.0
(3) Budget Balancing Assistance (1) - (2) (a)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(4) State gains from tax reform	190.1	320.3	690.9	272.5	202.5	106.8	62.9	128.4	1,974.4

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

(b) GMAs include the IGA taxes when all States have abolished the tax. This is consistent with past practice and the six State offer of 20 April 2005.

Table 3: Calculation of the Guaranteed Minimum Amount 2005-06 (\$m)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
State Revenues Forgone									
Financial Assistance Grants	5,367.2	4,354.8	4,839.3	2,186.3	2,297.2	1,078.8	463.2	1,505.3	22,092.1
Revenue Replacement Payments	2,710.6	1,813.5	1,641.9	1,126.7	704.1	238.8	120.6	152.5	8,508.6
Financial Institutions Duty	772.0	422.6	na	161.0	107.4	25.4	21.0	19.8	1,529.2
Debits tax	323.6	257.8	330.2	114.0	57.7	21.7	17.7	7.7	1,130.3
Marketable Securities Duty	513.0	265.8	29.0	32.9	17.5	0.8	26.0	1.2	886.2
Marketable Securities Duty Needs	-28.2	14.3	13.9	2.6	3.1	2.9	-9.4	0.9	0.0
Accommodation Taxes	96.0	na	na	na	na	na	na	10.0	106.0
plus Reduced Revenues									
Gambling Taxes	637.7	422.4	287.0	74.8	104.9	28.7	23.5	22.5	1,601.5
plus Interest Costs									
Interest Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
plus Additional Expenditures									
First Home Owners Scheme	292.4	299.8	180.0	137.3	68.8	18.4	16.0	10.4	1,023.0
GST Administration Costs	200.8	149.1	118.1	59.9	45.6	14.4	9.6	6.0	603.5
plus Other Items									
WST Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
minus Reduced Expenditures									
Off-road Diesel Subsidies	144.4	60.6	144.5	185.0	38.4	2.3	0.0	4.2	579.5
Savings from Tax Reform	203.9	140.5	115.6	68.9	50.2	16.9	11.3	16.6	624.0
Low Alcohol Beer Subsidies	26.7	18.5	5.2	8.4	5.0	1.8	1.1	1.3	67.9
minus Growth Dividend									
Remaining State Taxes	149.1	96.2	50.4	30.0	24.2	6.1	4.7	3.3	364.0
minus Compensation payments									
Compensation for GST deferred	36.6	27.5	25.9	12.9	11.6	4.7	2.3	5.5	127.0
plus Adjustments									
2004-05 GMA Adjustment	-22.1	-3.8	-13.0	-3.0	-5.1	-2.7	-0.3	0.6	-49.5
Total Guaranteed Minimum Amount	10,302.3	7,652.9	7,084.7	3,587.1	3,271.8	1,395.2	668.6	1,705.9	35,668.6

Table 4: Calculation of the Guaranteed Minimum Amount 2006-07 (\$m)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
State Revenues Forgone									
Financial Assistance Grants	5,590.0	4,726.2	4,903.1	2,189.3	2,326.7	1,119.2	480.5	1,634.6	22,969.6
Revenue Replacement Payments	2,802.2	1,874.6	1,696.3	1,161.6	727.4	246.6	124.8	157.4	8,790.9
Financial Institutions Duty	808.7	435.4	na	166.4	111.2	26.0	21.5	21.5	1,590.7
Debits Tax	357.0	283.9	385.0	126.5	63.6	24.2	19.8	8.6	1,268.7
Marketable Securities Duty	544.9	281.8	30.1	34.8	18.6	0.8	26.6	1.2	938.8
Accommodation Taxes	104.7	na	na	na	na	na	na	10.5	115.3
Cheque Duty	na	na	na	5.5	3.2	na	na	2.8	11.4
plus Reduced Revenues									
Gambling Taxes	662.1	446.4	301.0	77.7	109.5	31.0	24.1	23.6	1,675.4
plus Interest Costs									
Interest Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
plus Additional Expenditures									
First Home Owners Scheme	290.2	297.5	178.6	136.2	68.3	18.2	15.9	10.3	1,015.3
GST Administration Costs	205.3	152.8	122.1	61.7	46.5	14.6	9.8	6.2	619.1
plus Other Items									
WST Payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
minus Reduced Expenditures									
Off-road Diesel Subsidies	146.8	61.8	148.6	189.5	38.9	2.3	0.0	4.3	592.2
Savings from Tax Reform	218.0	154.2	123.0	72.1	53.3	18.2	10.9	15.9	665.6
Low Alcohol Beer Subsidies	27.4	19.0	5.3	8.6	5.1	1.9	1.1	1.3	69.7
minus Growth Dividend									
Remaining State Taxes	174.0	112.3	58.8	35.0	28.2	7.2	5.5	3.9	424.8
minus Compensation payments									
Compensation for GST deferred	5.0	3.8	3.5	1.7	1.5	0.6	0.3	0.7	17.2
Total Guaranteed Minimum Amount	10,769.3	8,160.1	7,290.3	3,655.0	3,348.9	1,453.4	697.1	1,851.4	37,225.6

Table 5: GST Entitlement and General Revenue Assistance (\$m)

	GST Entitlement	Compensation for GST deferral	Budget Balancing Assistance	Residual Adjustment Amounts (a)	National Competition Policy Payments (b)	Total			
						Level	Change \$m	%	
2005-06									
New South Wales	10,227.7	36.6	74.6	-31.1	292.5	10,600.3	-	-	
Victoria	7,729.2	27.5	0.0	11.1	197.9	7,965.7	-	-	
Queensland	7,591.2	25.9	0.0	38.8	178.7	7,834.6	-	-	
Western Australia	3,753.1	12.9	0.0	-0.5	71.0	3,836.5	-	-	
South Australia	3,401.0	11.6	0.0	1.4	54.3	3,468.2	-	-	
Tasmania	1,477.8	4.7	0.0	2.9	19.0	1,504.4	-	-	
Australian Capital Territory	713.6	2.3	0.0	0.7	12.7	729.3	-	-	
Northern Territory	1,818.9	5.5	0.0	11.0	8.0	1,843.4	-	-	
Total	36,712.6	127.0	74.6	34.2	834.0	37,782.4	-	-	
2006-07									
New South Wales	10,959.4	5.0	0.0	0.0	na	10,964.4	364.1	3.4	
Victoria	8,480.4	3.8	0.0	0.0	na	8,484.2	518.5	6.5	
Queensland	7,981.2	3.5	0.0	0.0	na	7,984.7	150.0	1.9	
Western Australia	3,927.5	1.7	0.0	0.0	na	3,929.2	92.7	2.4	
South Australia	3,551.4	1.5	0.0	0.0	na	3,552.9	84.7	2.4	
Tasmania	1,560.2	0.6	0.0	0.0	na	1,560.9	56.5	3.8	
Australian Capital Territory	760.0	0.3	0.0	0.0	na	760.3	31.0	4.2	
Northern Territory	1,979.8	0.7	0.0	0.0	na	1,980.6	137.2	7.4	
Total	39,200.0	17.2	0.0	0.0	na	39,217.2	1,434.8	3.8	

(a) Includes Residual Adjustment Amounts for 2002-03, 2003-04 and 2004-05 paid in the 2005-06 year and estimates of residual adjustment amounts for the 2005-06 year.

(b) 2005-06 is the last year of competition payments under the existing National Competition Policy (NCP) agreements. NCP Payments for 2005-06 remain subject to the National Water Commission's assessment of jurisdictions' progress in implementing NCP-related water reforms.

Table 6: Distribution of GST Revenue 2005-06

	Projected Population as at 31 December 2005	Per capita relativities	Weighted Populations (1) x (2)	Share of Weighted Population (%)	GST revenue/HCGs pool according to (4) (\$m)	Unquarantined Health Care Grants (\$m)	Distribution of GST Revenue (5) - (6) (\$m)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
New South Wales	6,807,152	0.86846	5,911,739	28.9	12,891.3	2,663.6	10,227.7
Victoria	5,053,080	0.87552	4,424,073	21.6	9,647.3	1,918.0	7,729.2
Queensland	4,002,096	1.04389	4,177,748	20.4	9,110.1	1,518.9	7,591.2
Western Australia	2,028,737	1.02500	2,079,455	10.2	4,534.5	781.4	3,753.1
South Australia	1,547,010	1.20325	1,861,440	9.1	4,059.1	658.1	3,401.0
Tasmania	486,797	1.55299	755,991	3.7	1,648.5	170.7	1,477.8
Australian Capital Territory	326,408	1.14300	373,084	1.8	813.6	100.0	713.6
Northern Territory	204,928	4.26682	874,391	4.3	1,906.7	87.8	1,818.9
Total	20,456,208	n/a	20,457,921	100.0	44,611.1	7,898.5	36,712.6

Table 7: Distribution of GST Revenue 2006-07

	Projected Population as at 31 December 2006	Per capita relativities (a)	Weighted Populations (1) x (2)	Share of Weighted Population (%)	GST revenue/HCGs pool according to (4) (\$m)	Unquarantined Health Care Grants (\$m)	Distribution of GST Revenue (5) - (6) (\$m)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
New South Wales	6,865,892	0.87332	5,996,121	28.9	13,761.7	2,802.3	10,959.4
Victoria	5,109,494	0.89559	4,576,012	22.1	10,502.4	2,022.0	8,480.4
Queensland	4,083,985	1.02387	4,181,470	20.2	9,596.9	1,615.7	7,981.2
Western Australia	2,062,530	1.00480	2,072,430	10.0	4,756.4	828.9	3,927.5
South Australia	1,554,896	1.18862	1,848,180	8.9	4,241.8	690.4	3,551.4
Tasmania	489,203	1.54931	757,927	3.7	1,739.5	179.3	1,560.2
Australian Capital Territory	329,086	1.14575	377,050	1.8	865.4	105.4	760.0
Northern Territory	208,681	4.32755	903,077	4.4	2,072.7	92.8	1,979.8
Total	20,703,767	n/a	20,712,268	100.0	47,536.7	8,336.7	39,200.0

(a) The incorporation of these relativities should not be interpreted as an endorsement of these relativities by the Australian Treasurer.

Table 8: Estimates of Specific Purpose Payments (\$m)

	"To" the States	"Through" the States			Direct to Local Government	Total (including Direct to Local Government)
		Local Gov. FAGs	Other	Total		
2005-06						
New South Wales	6,378.0	520.5	1,735.2	2,255.7	117.2	8,750.9
Victoria	4,463.7	380.9	1,351.4	1,732.3	88.3	6,284.3
Queensland	3,627.6	311.3	988.3	1,299.6	80.4	5,007.6
Western Australia	2,433.8	187.4	508.4	695.8	51.0	3,180.6
South Australia	1,540.4	112.9	428.3	541.2	29.0	2,110.6
Tasmania	488.9	53.3	107.3	160.7	23.6	673.1
Australian Capital Territory	272.9	34.0	103.7	137.7	7.8	418.4
Northern Territory	361.0	22.8	45.2	68.0	12.9	441.9
Total	19,566.2	1,623.2	5,267.9	6,891.1	410.2	26,867.5
2006-07						
New South Wales	6,435.2	537.9	1,864.2	2,402.0	132.2	8,969.4
Victoria	4,621.0	394.1	1,440.1	1,834.2	94.5	6,549.7
Queensland	3,724.8	324.6	1,081.1	1,405.7	78.1	5,208.7
Western Australia	2,544.2	194.6	548.1	742.7	52.2	3,339.0
South Australia	1,577.8	116.2	468.8	585.0	28.8	2,191.6
Tasmania	477.9	55.1	114.6	169.7	24.6	672.2
Australian Capital Territory	285.7	35.1	111.4	146.5	7.5	439.7
Northern Territory	347.5	23.7	48.6	72.3	15.2	434.9
Total	20,014.0	1,681.3	5,676.8	7,358.2	433.1	27,805.2

Table 9: Estimates of Selected Specific Purpose Payments (\$m) (a)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2005-06									
Health Care Grants	2,797.6	2,002.8	1,617.4	819.0	696.8	185.1	107.0	103.1	8,328.7
Government Schools	741.8	532.0	449.4	223.0	162.1	61.3	36.7	27.6	2,233.9
CSHA Block Assistance	249.0	181.7	129.0	71.1	58.8	22.7	17.6	14.0	743.9
Roads (b)	494.8	301.7	257.2	101.3	107.3	28.4	1.1	35.7	1,327.4
HACC & SAAP (c)	326.5	251.9	208.2	103.4	89.5	29.6	16.3	11.0	1,036.4
Disability Services	202.3	136.0	116.4	48.1	68.0	20.5	8.5	6.2	606.0
2006-07									
Health Care Grants	2,931.1	2,127.7	1,704.8	869.6	735.2	194.4	115.2	109.4	8,787.2
Government Schools	775.0	555.9	469.9	232.8	169.2	64.1	38.4	28.8	2,333.9
CSHA Block Assistance	252.1	184.0	130.6	71.9	59.5	23.1	17.9	14.3	753.4
Roads (b)	558.9	408.1	366.2	129.2	126.5	24.7	1.1	44.9	1,659.6
HACC & SAAP (c)	351.3	263.0	227.1	110.8	94.4	31.4	17.1	11.4	1,106.4
Disability Services	205.9	139.2	118.4	49.7	67.8	20.9	8.6	6.4	616.9

(a) These accrual based estimates provide a guide to the major components of Specific Purpose Payments and should not be taken as Australian Government commitments. There are further Commonwealth budget processes and various parameter changes that could affect program totals and the interstate distribution.

(b) Includes Auslink, supplementary funding to SA councils for local roads and Federation Fund Projects - NSW/VIC

(c) Home and Community Care and Supported Accommodation Assistance Programme

Table 10: Total Payments (\$m)

	GST Entitlement	General Revenue Assistance	Specific Purpose Payments "To"	Total Payments "To" the States			Other Specific Purpose Payments		Total Payments		
				Change		Through	Direct to Local Government	Change			
				\$m	%			\$m	%		
2005-06											
New South Wales	10,227.7	372.6	6,378.0	16,978.3	-	-	2,255.7	117.2	19,351.2	-	-
Victoria	7,729.2	236.5	4,463.7	12,429.3	-	-	1,732.3	88.3	14,250.0	-	-
Queensland	7,591.2	243.4	3,627.6	11,462.3	-	-	1,299.6	80.4	12,842.2	-	-
Western Australia	3,753.1	83.4	2,433.8	6,270.3	-	-	695.8	51.0	7,017.1	-	-
South Australia	3,401.0	67.3	1,540.4	5,008.6	-	-	541.2	29.0	5,578.9	-	-
Tasmania	1,477.8	26.6	488.9	1,993.3	-	-	160.7	23.6	2,177.5	-	-
Australian Capital Territory	713.6	15.7	272.9	1,002.2	-	-	137.7	7.8	1,147.7	-	-
Northern Territory	1,818.9	24.4	361.0	2,204.3	-	-	68.0	12.9	2,285.3	-	-
Total	36,712.6	1,069.9	19,566.2	57,348.7	-	-	6,891.1	410.2	64,649.9	-	-
2006-07											
New South Wales (a)	10,959.4	5.0	6,435.2	17,399.6	421.3	2.5	2,402.0	132.2	19,933.8	582.6	3.0
Victoria	8,480.4	3.8	4,621.0	13,105.2	675.8	5.4	1,834.2	94.5	15,033.9	783.9	5.5
Queensland	7,981.2	3.5	3,724.8	11,709.5	247.2	2.2	1,405.7	78.1	13,193.4	351.1	2.7
Western Australia	3,927.5	1.7	2,544.2	6,473.4	203.1	3.2	742.7	52.2	7,268.3	251.2	3.6
South Australia	3,551.4	1.5	1,577.8	5,130.7	122.1	2.4	585.0	28.8	5,744.5	165.7	3.0
Tasmania	1,560.2	0.6	477.9	2,038.8	45.5	2.3	169.7	24.6	2,233.0	55.5	2.5
Australian Capital Territory	760.0	0.3	285.7	1,046.0	43.8	4.4	146.5	7.5	1,200.0	52.3	4.6
Northern Territory	1,979.8	0.7	347.5	2,328.0	123.7	5.6	72.3	15.2	2,415.5	130.2	5.7
Total	39,200.0	17.2	20,014.0	59,231.2	1,882.6	3.3	7,358.2	433.1	67,022.4	2,372.5	3.7

Attachment A: Forward estimates of Budget Balancing Assistance and State and Territory gains from tax reform^(a)**2005-06 (\$m)**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
(1) Guaranteed Minimum Amount	10,302.3	7,652.9	7,084.7	3,587.1	3,271.8	1,395.2	668.6	1,705.9	35,668.6
(2) GST Revenue (b)	10,227.7	7,729.2	7,591.2	3,753.1	3,401.0	1,477.8	713.6	1,818.9	36,712.6
(3) Budget Balancing Assistance (1) - (2)(c)	74.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	74.6
(5) State and Territory gains from tax reform (2) + (3) - (1)	0.0	76.3	506.5	166.0	129.2	82.6	45.0	113.0	1,118.6

2006-07 (\$m)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
(1) Guaranteed Minimum Amount (d)	10,769.3	8,160.1	7,290.3	3,655.0	3,348.9	1,453.4	697.1	1,851.4	37,225.6
(2) GST Revenue	10,959.4	8,480.4	7,981.2	3,927.5	3,551.4	1,560.2	760.0	1,979.8	39,200.0
(3) Budget Balancing Assistance (1) - (2)(c)(e)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(5) State and Territory gains from tax reform (2) + (3) - (1)	190.1	320.3	690.9	272.5	202.5	106.8	62.9	128.4	1,974.4

2007-08 (\$m)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
(1) Guaranteed Minimum Amount (d)	11,218.6	8,416.8	7,448.2	3,699.7	3,463.6	1,492.7	720.9	1,967.5	38,428.1
(2) GST Revenue	11,732.3	8,999.9	8,289.8	4,081.4	3,723.0	1,607.1	800.2	2,086.3	41,320.0
(3) Budget Balancing Assistance (1) - (2)(c)(e)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(5) State and Territory gains from tax reform (2) + (3) - (1)	513.7	583.1	841.6	381.6	259.4	114.3	79.4	118.8	2,891.9

2008-09 (\$m)

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
(1) Guaranteed Minimum Amount (d)	11,795.5	8,716.6	7,602.3	3,747.3	3,553.3	1,527.0	744.1	2,065.7	39,751.7
(2) GST Revenue	12,631.8	9,543.6	8,548.3	4,218.0	3,868.7	1,649.0	837.6	2,183.0	43,480.0
(3) Budget Balancing Assistance (1) - (2)(c)(e)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
(5) State and Territory gains from tax reform (2) + (3) - (1)	836.3	827.1	946.0	470.7	315.4	122.0	93.5	117.3	3,728.3

(a) Projections from 2005-06 will be affected by variations in Guaranteed Minimum Amount (GMA) components and GST revenue growth. In addition to these factors, projections from 2007-08 will be affected by recommendations by the Commonwealth Grants Commission on the distribution of GST to each of the States and Territories (the States). See Budget Paper No. 3, *Federal Financial Relations 2005-06* for details of the GMA and the distribution of GST revenue among the States and Territories.

(b) Under arrangements to compensate the States for the annual payment of GST measure in 2004-05, \$219.4 million of 2005-06 GST revenue was advanced to the States in 2004-05. This advance will be recovered from the States, in accordance with the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*, by lowering payments to the States under the Act in 2005-06. The States will then receive an additional payment of \$219.4 million to ensure that the total amount equating to 2005-06 GST revenue is paid to the States in 2005-06.

(c) Where the difference between GMA and GST Revenue is less than zero, the reported amount is zero.

(d) GMAs include the IGA taxes when all States have abolished the tax. This is consistent with past practice and the six State offer of 20 April 2005.

(e) The transitional period in which the Australian Government guarantees that no State or Territory will be worse off due to tax reform expires on 30 June 2006. Given the agreement to abolish the IGA taxes, the Australian Government has agreed to extend the transitional period to 30 June 2009.