

Statement

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STATEMENT FROM THE TREASURER

Since the creation of the GST, Victoria has subsidised every other state.

This means Victoria has received around \$31 billion less than its population share over that time.

This distribution of the GST has never been fair, which is why we welcome the recommendation from the Commonwealth Grants Commission.

This has come off the back of much needed changes to the way the Commission calculates GST.

The Commission confirms that our population and economy are growing and this has driven a need for more services and infrastructure which we are delivering.

The report also recognises that other states like Western Australia, Queensland and New South Wales are booming off the back of high coal and iron ore prices – which Victoria does not benefit from.

It has also finally been able to implement the argument put forward by Victoria and New South Wales that the significant investments made during the pandemic by state governments needed to be factored into these calculations.

We will use our fairer share of funding to deliver the priorities of Victorians.

Last year, Victoria received the second-lowest total revenue per capita among all states and territories at just \$13,500, across taxes, royalties, and Commonwealth grants.

It's why our position remains clear – we need to lock in the No Worse Off Guarantee. Without it, Victoria would be shortchanged by about \$1.8 billion a year.

Victoria's economy is strong, however, we know that cost of living is hitting families hard – and we'll continue to provide real support where it's needed most.