



Dominic Perrottet
Treasurer
Minister for Industrial Relations

MEDIA RELEASE

Thursday, 5 April 2018

NSW TO LOSE HALF A BILLION DOLLARS IN GST DISTRIBUTION

The NSW Government has expressed frustration at the black magic GST distribution formula that sees \$451 million ripped out of the NSW Budget over the next year.

NSW Treasurer Dominic Perrottet condemned the reduction in NSW's share of the GST pie in 2018-19, saying it sheets home the need for a complete overhaul of the GST model.

"This outcome reinforces the fact that the current GST model is broken. Yet again, we are seeing the hardworking taxpayers of NSW being ripped off by a perverse and unfair distribution model," Mr Perrottet said.

"As a state, NSW has worked hard to strengthen our economy, get our budget back in shape and make better use of our assets. Instead of being rewarded for making the tough decisions, this is a kick in the guts for the hardworking taxpayers of NSW, who are left short-changed yet again."

Mr Perrottet has previously called on the Productivity Commission to move to a per-capita system, and allow states to have a greater say in how the GST is divided. He also established the Board of Treasurers in 2017 to facilitate greater collaboration between the states.

"Instead of unelected, faceless bureaucrats in the Commonwealth Grants Commission (CGC) making decisions that affect the lives of our citizens, the states and their elected representatives should have a more significant input."

"The fact that NSW is set to lose almost half a billion dollars only reinforces the view that a root-and-branch overhaul of the GST distribution process, and the Commonwealth Grants Commission itself, is desperately needed."

"I will continue to fight for the people of NSW and make sure that they see their fair share of their taxes flow back to the services and infrastructure they need."