



WESTERN AUSTRALIA

**Sandra Brewer MLA submission to the
Productivity Commission inquiry into GST distribution reforms**

On behalf of the Western Australian State Opposition Alliance

Western Australian State Parliamentary Liberal Team

The Nationals WA State Parliamentary Team

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Preface

The Opposition supports the submission by the Government of Western Australia to the 2026 Productivity Commission inquiry into the GST distribution reforms, February 2026.

We reiterate and particularly endorse the following elements of the Government of Western Australia's submission:

The Western Australian Government accepts that, as an economically successful State, Western Australia has a role to play in supporting the smaller States. The question at hand is the **extent** of this support.

By moving Australia's system of 'horizontal fiscal equalisation' from full to partial equalisation – **consistent with every other federation in the OECD** – the GST Reforms have achieved a more reasonable balance between:

- supporting the smaller States; and
- encouraging States like Western Australia to continue investing in their economies, by allowing them to retain more of the benefits of policy decisions and investments aimed at growing and diversifying their industrial (and revenue) bases and boosting national productivity.

The Western Australian Government strongly submits that the GST Reforms provide a **reasonable and pragmatic balance** between these competing objectives, and **must be preserved**. In support of this, we note that:

- while the GST Reforms lift Western Australia's GST grant to 75% of our population share (in 2025-26), no other State has ever had a share below 83%;
- while the GST Reforms are worth around \$6 billion per year to Western Australia, they are **not as generous** to our State as the model proposed by the Productivity Commission (PC) itself in its 2018 report (i.e. equalising to the average of all States);

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- had the PC’s model of partial equalisation been adopted, Western Australia’s GST grant in 2025-26 would have increased by a further \$1.1 billion (over and above the additional \$6 billion resulting from the legislated GST Reforms);

The previous system of horizontal fiscal equalisation (i.e. prior to the GST Reforms) created many extreme (and unforeseen) outcomes, and many perverse incentives (and disincentives). These are described in detail in this submission, but in summary include:

- almost 90% of Western Australia’s iron ore, lithium and nickel royalties were redistributed to other States (based on their population shares), meaning that New South Wales, Victoria and Queensland effectively received **more** of our iron ore, lithium and nickel royalties than we did (via the GST distribution system);
 - in contrast, New South Wales effectively retained the **vast majority** of its coal royalties;
- prior to introducing a gold royalty in 1998, the Commonwealth Grants Commission (CGC) assessed Western Australia as having a **high capacity** to raise gold royalties, which **reduced** our share of financial assistance grants (now GST revenue) from the Commonwealth;
 - in contrast, when Victoria banned onshore gas exploration and development from 2012 to 2021, the CGC assessed they had **no capacity** to raise royalties from onshore gas, which **increased** their GST revenue;
- this led the PC to conclude in its 2018 inquiry report that “This treatment may distort States’ incentives because policy decisions to **restrict** extraction are not treated symmetrically with policy decisions to **facilitate** extraction”;
- in a similar vein, the previous system of full equalisation administered by the CGC discouraged States from growing their tax **bases** (because all but their population share of the resulting revenue would be redistributed to other States and Territories), but effectively rewarded States for increasing tax **rates** on existing (and often narrow and inefficient) tax bases (because they would retain virtually all of the resulting revenue);

- under the previous system of full equalisation, Western Australia would be financially **better off** if we replaced our iron ore royalties with an equivalent amount of increased payroll tax, because the CGC would assess that we ‘need’ additional GST revenue (equivalent to around 100% of our population share) – even though our overall level of own-source revenue (and expenditure) is **unchanged**; and
- deficiencies in the compensation for the costs of regional service delivery, which resulted in Western Australia receiving one sixth of the compensation per capita as Tasmania, despite Western Australia’s land size being 37 times larger than Tasmania and the distance from the State’s capital to deliver services in regional and remote communities being far greater.

These examples (and others in [Government of Western Australia’s] submission) illustrate some of the arbitrary and non-sensical outcomes resulting from the system of full equalisation administered by the CGC.

They also highlight that States like Western Australia that have actively sought to grow their economies, develop their revenue bases and increase productivity have been **punished** through a higher redistribution of GST to other States, while States that have not proactively sought to develop their revenue bases (or even deliberately limited their revenue bases) have been **rewarded** by a higher GST share.

- This goes to the heart of what is wrong with the system of full equalisation administered by the CGC, and explains why every other federation in the OECD has moved to a system of **partial or reasonable equalisation** – similar to that achieved by the 2018 GST Reforms.

In addition to achieving a reasonable level of equalisation and improving incentives for States to develop their economies and undertake productivity-enhancing reforms, this submission demonstrates that the GST reforms have also **reduced the volatility** of the GST distribution system for all States, protecting the system from economic shocks and allowing for better forecasting and fiscal planning.

Introduction

A review and inquiry by the Productivity Commission of the 2018 reforms was mandated at the five-year mark. The Western Australian State Opposition Alliance – the Western Australian State Parliamentary Liberal Team and The Nationals WA State Parliamentary Team – appreciate the opportunity to make this submission, in the interests of Western Australia and the Federation.

The central objective of the reforms was to restore fairness by ensuring that taxes collected from Australians were not redistributed in a manner that left donor states acutely disadvantaged, particularly during periods of sharp declines in other major revenue sources. In Western Australia's case, in the period from 2009-10 and more acutely in 2015-16, this unsustainable situation was caused by plummeting commodity prices.

The guiding principle must be preserved in the Productivity Commission's current inquiry. Future shocks to state revenues cannot be predicted; accordingly, the preservation of a relativity floor and standard State arrangement provides certainty, stability and reassurance to all jurisdictions.

The 2018 changes were deeply considered, subject to extensive modelling, and accompanied by substantial Commonwealth funding to ensure that no other jurisdiction was adversely affected during the transition. They did not confer a windfall on Western Australia. Rather, they constituted a measured correction to an equalisation formula that had produced extreme outcomes. Even under the revised arrangements, Western Australia remains below a per-capita share of GST. These concepts are explored in detail in the submission by the Government of Western Australia.

An overly expansive approach to fiscal equalisation has had implications for national productivity. It weakens incentives for jurisdictions to pursue efficient revenue-raising and economic development. It fosters reliance on redistribution mechanisms that undermine fiscal discipline and introduces heightened revenue volatility that constrains long-term budgetary planning.

Western Australia's experience was of rising stress and uncertainty as GST relativities fell along with plummeting commodity prices. The consequences were dire, with government programs progressively cancelled. Volatility is the opposite of certainty, and it is the latter that governments and treasurers need to be able to plan infrastructure investments, make tax reform and make productivity-boosting decisions.

This submission adds the Western Australian State Opposition Alliance's voice in support of retaining the 2018 GST reforms, while providing our unique perspective to address the terms of reference that also seek feedback on alternative arrangements.

Findings

This submission supports the Productivity Commission to find that:

1. the level of horizontal fiscal equalisation is **improved by the 2018 reforms**, though remains imperfect due to the complexity of the core system;
2. the current arrangements are **not encouraging States to pursue reforms**, especially to their revenue bases and efficiency of service delivery; and
3. the fiscal sustainability of the 2018 GST distribution reforms to the Commonwealth is **less severe than other budgetary threats**.

Recommendations

We recommend that the Productivity Commission propose to:

1. **retain the 0.75 GST relativity floor and standard State benchmark**, limiting the extent of any redistribution, in recognition that attempts to achieve full equalisation are futile.

We further recommend that the Productivity Commission investigate proposals that:

2. provide full contemporaneity and **introduce stable revenue assessments** (based on underlying indicators of productive capacity), to incentivise sustainable economic growth and efficient reforms of State taxes;
3. **minimise the fiscal burden on the Commonwealth** by tying pool top-ups to tobacco excise receipts, fostering inter-governmental collaboration to enforce compliance with a revenue stream under pressure.

Horizontal Fiscal Equalisation

The Commission is to investigate to what extent the current arrangements are delivering a reasonable level of horizontal fiscal equalisation.

Australia is unique among OECD countries, in that assessed fiscal capacities are supposed to be fully equalised by GST payments to States.¹ This is distorted, shall a State invoke the relativity floor or standard State equalisation, though this was not expected to be the case long-term when first legislated in 2018.

With full fiscal equalisation, one would expect States to converge quickly in service delivery efficiency and revenue-raising capacity. In this ideal world, GST redistributions would only serve to correct temporary differences. However, since GST was first collected and distributed, the level of redistributive payments as a proportion of the total pool has not reflected this idea.

Figure 1 Proportion of the official GST pool redistributed from an equal per capita share (dashed lines including transitional and No Worse Off payments)²



¹ Dougherty, S. and K. Forman (2021). [Evaluating fiscal equalisation: Finding the right balance](#). OECD Working Papers on Fiscal Federalism.

² Own calculations from multiple sources.

In the first two years of GST distribution, less than 8% of the pool was redistributed away from an equal per capita share. A level of approximately 8% remained the norm for the following decade. During the mining boom, Western Australia drove much of the share of the pool being redistributed. This took the GST redistribution to highs approaching 13% of the pool. Delayed assessments prolonged these highs, despite the downturn.

Since the 2018 GST reforms were implemented, the total transfers among the pool have been returned to historically normal levels. The dashed line in Figure 1 indicates that the share which Western Australia contributes to redistribution is still over half.

RECOMMENDATION

We recommend that the Productivity Commission propose to:

1. **retain the 0.75 GST relativity floor and standard State benchmark**, limiting the extent of any redistribution, in recognition that attempts to achieve full equalisation are futile.

The relativity floor is a crucial step toward a fairer and more productive GST arrangement and must be retained in order for no State to be left behind and bear the excessive burden of redistribution. The 2018 GST reforms have, in effect, limited the share of the pool which Western Australia contributes for redistribution, as no State should have to bear the excessive burden of the inability or unwillingness to raise revenues of others.

For HFE to accomplish its goals, one would expect an approximately constant level of redistribution that equalises States against temporary imbalances. In the second half of the GST's history, these imbalances have become structural and an unfair penalty to Western Australia's economic development.

Not all variables can be captured by the regressions run by the Commonwealth Grants Commission, and any endeavour to do so will be futile. No State sets policy on a regression, only their democratically elected governments are best placed and accountable to their own people to achieve what is desired.

Volatility and responsiveness

The Commission is to investigate to what extent the current arrangements are appropriately balancing the objective of responsiveness to changing circumstances with the objectives of reducing volatility and improving the certainty of GST revenue streams to support state fiscal planning.

The certainty of GST revenue streams for States is underpinned by the size of the entire pool itself. In 2020, the Parliamentary Budget Office wrote:

At the time that it was negotiated, the GST was expected to be a tax that would keep pace with the size of the economy as it grew, often referred to as a ‘growth tax’, giving the states a reliable ongoing source of revenue. Over the past 20 years, however, the GST has not kept pace with the economy.³

Figure 2 GST pool (including top-ups) plus transitional and No Worse Off payments as a proportion of GDP⁴



³ Parliamentary Budget Office (2020). Structural trends in GST. *Report No. 02/2020*.

⁴ Own calculations from multiple sources.

Aside from the shock of the pandemic, the GST pool has been trending back up as a share of GDP since 2021-22. This is underpinned by the pool top-ups and No Worse Off payments. The long-term trend shows that the GST distributions aren't keeping pace with the economy.

In the current time, where the public sector (local, State and Commonwealth) is forming a record size share of GDP across the nation,⁵ including for Western Australia's State Final Demand,⁶ it is imperative to restore the pool to a proportion of GDP once seen in the beginnings of the arrangement.

GST pool top-ups have marginally aided the recovery post-2018, however these are still only indexed to the GST revenue itself. This merely raises the magnitude of the GST pool as a share of GDP, though does not alter the relationship with GDP.

The recent uptick in the GST pool can instead be largely attributed to the No Worse Off payments, if not solely. By supplementing GST for States receiving below what they otherwise would've without the 2018 reforms, the GST pool as a share of GDP is raised beyond the trend. As of 2025-26, all States except Western Australia will receive a No Worse Off payment.

Productivity incentives

The Commission is to investigate to what extent the current arrangements are supporting states and territories to pursue reforms, including to the efficiency of service delivery and state and territory revenue bases.

GST revenue assessments, based upon the average policy rate across the country, entrench unproductive revenue bases like payroll tax and stamp duty. For these widespread taxes, one State's change alone has minimal impact to the average policy rate. Though, taxing below the average policy rate is punished in GST assessments.

⁵ O'Brien, T. and Patterson, J. (2025, December 3). [RBA confirms Labor's spending is pushing interest rates higher](#) [Joint media release].

⁶ McKenzie, M. (2025, November 20). [Western Australia's economy grew 1.3 per cent in the year to June propped up by the rising population](#). *The West Australian*.

Should a State seek to move to other taxes however, they will hold great influence over the average policy rate. Both these phenomena drive inaction.

In the unique case of mining royalties, the average policy rate is dominated by leading producers. Western Australia – in the case of iron ore, and Queensland – in the case of coal. Yet, States are **not assessed for their capacity to produce**, but rather their real production. This has led to States failing to take advantage of their mineral wealth, while others drive the redistribution of royalties. Notably, Figure 3 shows most States are years past their record mining industry gross value added.

Figure 3 Mining industry gross value added summary statistics (2023-24 chain volume measures)⁷

	NSW	Vic	Qld	WA	SA	Tas	NT	Aus ⁸
2024-25 mining GVA (millions)	\$20,719	\$5,013	\$54,192	\$194,822	\$5,071	\$1,322	\$8,370	\$289,548
2024-25 share of national mining GVA	7.2%	1.7%	18.7%	67.3%	1.8%	0.5%	2.9%	100%
Record mining GVA (millions)	\$26,542	\$14,652	\$66,345	\$195,959	\$6,906	\$1,524	\$10,186	\$309,350
Potential share ⁹ of national mining GVA	8.2%	4.5%	20.6%	60.8%	2.1%	0.5%	3.2%	96% ¹⁰
Year of record mining GVA ¹¹	2015-16	1992-93	2019-20	2023-24	2013-14	2013-14	2019-20	2019-20
2024-25 mining GVA to record ratio	78.1%	34.2%	81.7%	99.4%	73.4%	86.7%	82.2%	93.6%

While Western Australia is a beneficiary of the mining industry, other States lag significantly behind in developing their own potential. Western Australia’s output remains close to record, though the national record was achieved a few years earlier as other States have since wound back operations.

In the extreme case, Victoria currently produces at roughly one third of their record output. Though natural wealth estimates are not available by State, it is apparent that outside of Western Australia, States are no longer capitalising on the industry at the levels they once have and still could be.

⁷ Australian Bureau of Statistics (2025). *Australian National Accounts: State Accounts*.

⁸ Includes the ACT. Not displayed in a separate column due to insignificant figures.

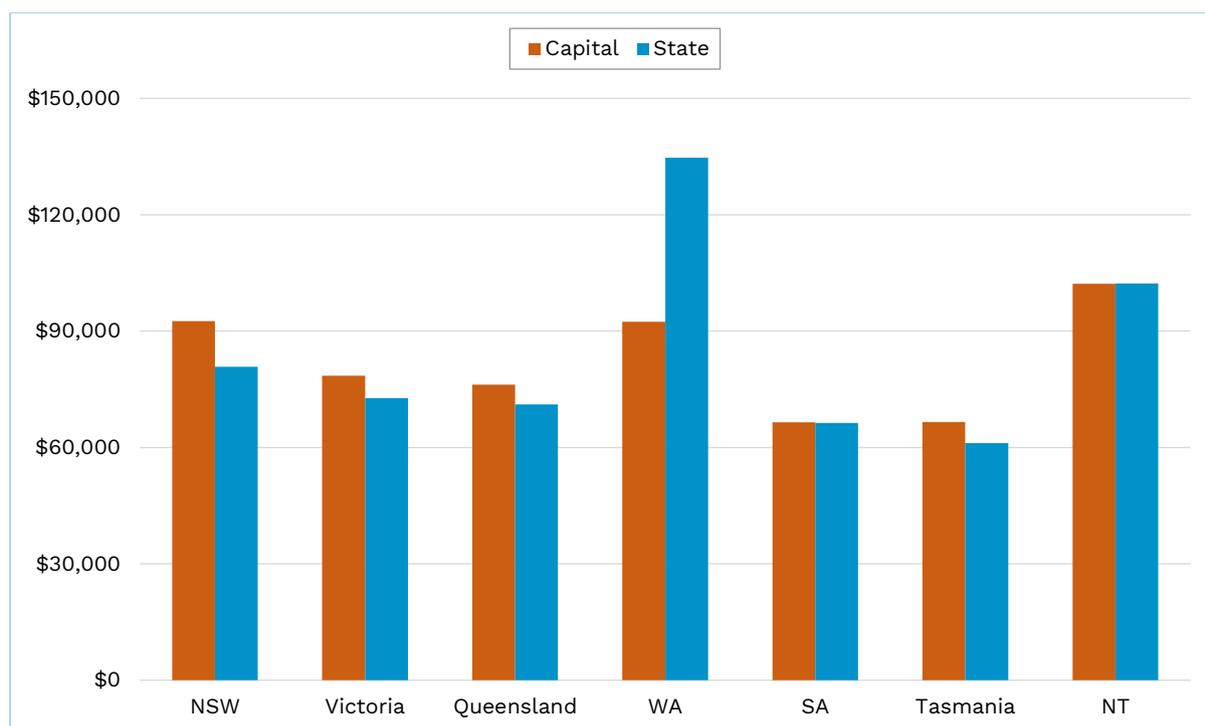
⁹ Measured as each State’s record mining industry gross value added as a proportion of the totals.

¹⁰ Not equal to 100%, as the national record mining industry gross value added is lower than the sum of all State records achieved in different years.

¹¹ Records date back to 1989-90.

The gross regional product per capita of Perth is lower than the gross state product per capita of Western Australia – the only state capital for which this is the case. This is driven by the resources industry, though has spillover effects into the capital. Only Sydney’s gross regional product per capita tops Perth, as of the most recent estimates from 2020-21.

Figure 4 Gross regional product per capita¹² of State capitals (Canberra unavailable) and gross state product per capita¹³ for 2020-21



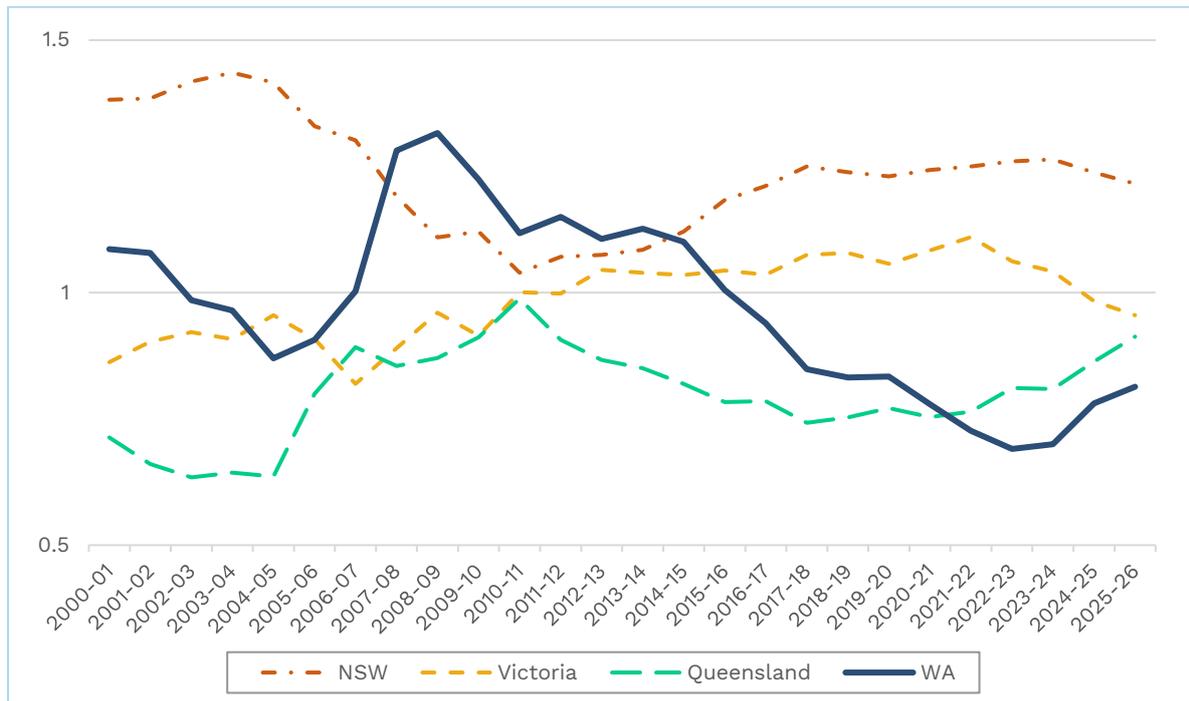
Sydney, and to a lesser extent Melbourne and Brisbane, have detached from the rest of their state in gross product per capita. Their CBDs attract considerable investment from businesses who gain from agglomeration, like from specialised labour pools.

This gives New South Wales and Victoria’s high land valuations per capita, enhancing their productive capacity beyond other States. These are **location-specific benefits not redistributed** by the GST arrangement.

¹² Bureau of Communications, Arts and Regional Research (2025). *Experimental Gross Regional Product estimates*.

¹³ Australian Bureau of Statistics (2021). *Australian National Accounts: State Accounts*.

Figure 5 Ratio of total land value per capita to the national average by selected states¹⁴



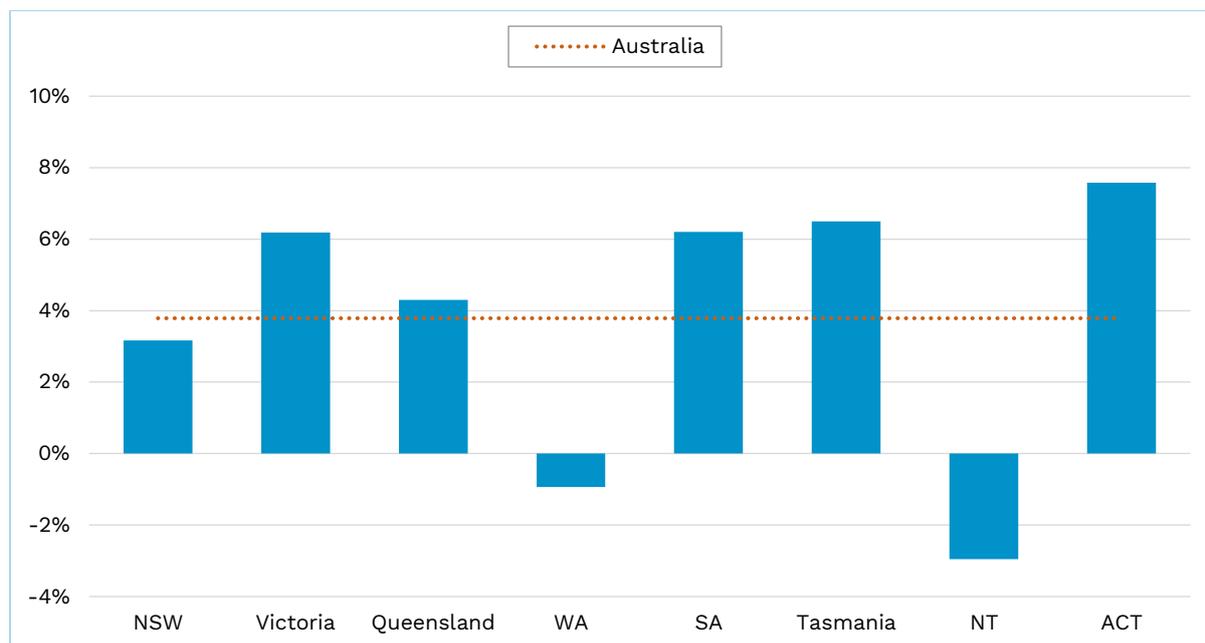
Despite States playing a part in creating this value through public infrastructure investments, Australia tends to tax property at the point of sale. Stamp duty revenue is highly dependent on the volume of transactions which has no bearing upon a State’s productive capacity – despite being equalised by the CGC.

This is unlike minerals, another location-specific benefit that is redistributed through GST assessments of royalties, the entrenched and inefficient State tax mix allows for the location-specific benefits of land in other States to avoid substantial redistribution.

Since 2020-21 when gross regional products were last estimated, per capita GSP growth has evidently been strong in urban-oriented State economies. While this has not done a great deal to close the gap with Western Australia on an absolute basis (Figure 4), this can be taken as a reflection of productive contributions from specialised CBD labour pools, meanwhile Western Australia has a smaller services base given the size of the mining industry.

¹⁴ As at the day prior to the assessment year, 30 June. Sources (ABS)

Figure 6 Gross state product per capita and gross domestic product per capita growth from 2020-21 to 2024-25



While other States still benefit from the redistribution of royalties, public infrastructure requirements to enable the mining industry in Western Australia do not receive favourable GST treatment. Western Australia's sustainable economic development requires a share of GST that does not turn a blind eye to other States' natural wealth.

RECOMMENDATION

The Productivity Commission should investigate proposals that:

3. provide full contemporaneity and **introduce stable revenue assessments** (based on underlying indicators of productive capacity), to incentivise sustainable economic growth and efficient reforms of State taxes.

For States to be best incentivised to foster their own prosperity, distribution must focus on building productivity by setting the incentives correctly, allowing State leaders to direct their efforts accordingly, accountable to their voters. Western Australia's unjust burden is made possible by a core methodology that rewards inaction elsewhere, by redistributing revenue bases like iron ore royalties, while failing to account for underutilised resources like land and minerals in other States.

The 2025 Murphy report prepared for the Productivity Commission¹⁵ estimates that only 23% come from location-specific rents, being land and minerals. 31% come from oligopoly profits and 46% of corporate profits are attributable to normal returns to capital. Assuming oligopoly profits are proportionally attributable to capital and location-specific rents, then only one-third of production should be location-specific.

Taking the total value of land in each State, plus their share of total mineral and energy resources distributed by their record share of mining GVA (representing their potential production), Figure 7 calculates a ‘resources relativity’ to measures each State’s natural wealth with respect to the national average. A ‘blended relativity’ combines this as one-third, with two-thirds deriving from normal returns States could expect from non-location-specific rents. This indicator should reflect a State’s capacity to raise revenue in a fairer manner, assuming States strive for productivity and full development of their resources potential.

Figure 7 Revenue capacity relativities for 2024-25¹⁶

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
Resources relativity	1.0534	0.8359	0.8918	1.6758	0.7915	0.6696	0.6863	1.0407
Blended relativity ¹⁷	1.0178	0.9453	0.9639	1.2253	0.9305	0.8899	0.8954	1.0136
CGC assessed relativity	1.0254	0.8424	1.0598	1.4698	0.7274	0.6813	0.7504	0.8281

This measurement is fully contemporaneous with prices, as land and total mineral and energy resources are estimated annually by the Australian Bureau of Statistics. As well, it solves the issue of tying revenue assessments to unproductive and entrenched State taxes, leaving the issue with States to maximise their revenue from their own natural resources, while fostering productivity. Figure 8 alters the 2024-25 assessed budgets by reassessing revenues according to the ‘blended relativity’.

¹⁵ Murphy, C. (2025). [Corporate Tax Reform Modelling Scenarios: First Stage Report](#). *Productivity Commission*.

¹⁶ Own calculations from multiple Australian Bureau of Statistics datasets.

¹⁷ Two-thirds plus one-third of the resources relativity.

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Figure 8 Reassessed budgets per capita for 2024-25¹⁸

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aus
Expenditure	\$15,914	\$15,106	\$16,015	\$16,868	\$15,242	\$16,766	\$14,611	\$31,118	\$15,921
Revenue (reassessed)	-\$7,800	-\$7,245	-\$7,387	-\$9,390	-\$7,131	-\$6,820	-\$6,863	-\$7,768	-\$7,664
Net borrowing	-\$2,306	-\$2,342	-\$2,374	-\$2,404	-\$2,295	-\$2,226	-\$2,323	-\$2,245	-\$2,337
Cwth grants	-\$2,515	-\$2,365	-\$2,586	-\$2,562	-\$2,330	-\$2,730	-\$2,235	-\$4,609	-\$2,502
GST (reassessed)	\$3,293	\$3,154	\$3,669	\$2,513	\$3,486	\$4,990	\$3,190	\$16,496	\$3,418
GST (current, without floor)	\$3,235	\$3,943	\$2,934	\$639	\$5,043	\$6,589	\$4,302	\$17,918	\$3,418

Reassessing revenues off a productive capacity base like this would minimise the impacts on other States, of the floor and standard State benchmark when applied to Western Australia. Instead of being assessed at 0.19 prior to adjustment, a model like this could bring Western Australia up to 0.74 before invoking the 2018 reform provisions that we expect to retain.

This reduces volatility and frees up States to raise their own-source revenue in the best way possible, without the perverse incentives of the current CGC assessments.

Assessed revenues should better reflect that there are far more natural resources to share than just iron ore. As shown in Figure 3, many States aren't capitalising on their potential, but the CGC assesses production with biased average policy rates that punish leading producers, like Western Australia and Queensland.

Fiscal sustainability

The Commission is to investigate to what extent the current arrangements are fiscally sustainable for the Commonwealth and states and territories.

In their current form, GST pool top-ups are negligible. Without them, the cost of the No Worse Off deal would encompass the GST pool top-up, except for the share of the top-up that Western Australia gets to access.

¹⁸ Commonwealth Grants Commission (2025). [GST Relativities 2025-26](#).

Western Australia paved the way on a sustainable transition to the full implementation of the 2018 reforms. In the early years, while being assessed at lower relativities, transitional payments were purely temporary support before Western Australia's share became funded from within the topped-up pool.

Transitional payments effectively allowed others States to operate as though they had a No Worse Off Guarantee, albeit funded from within the pool while Western Australia received the floor from outside. For the purposes of Figure 9, these payments will be counted as the same.

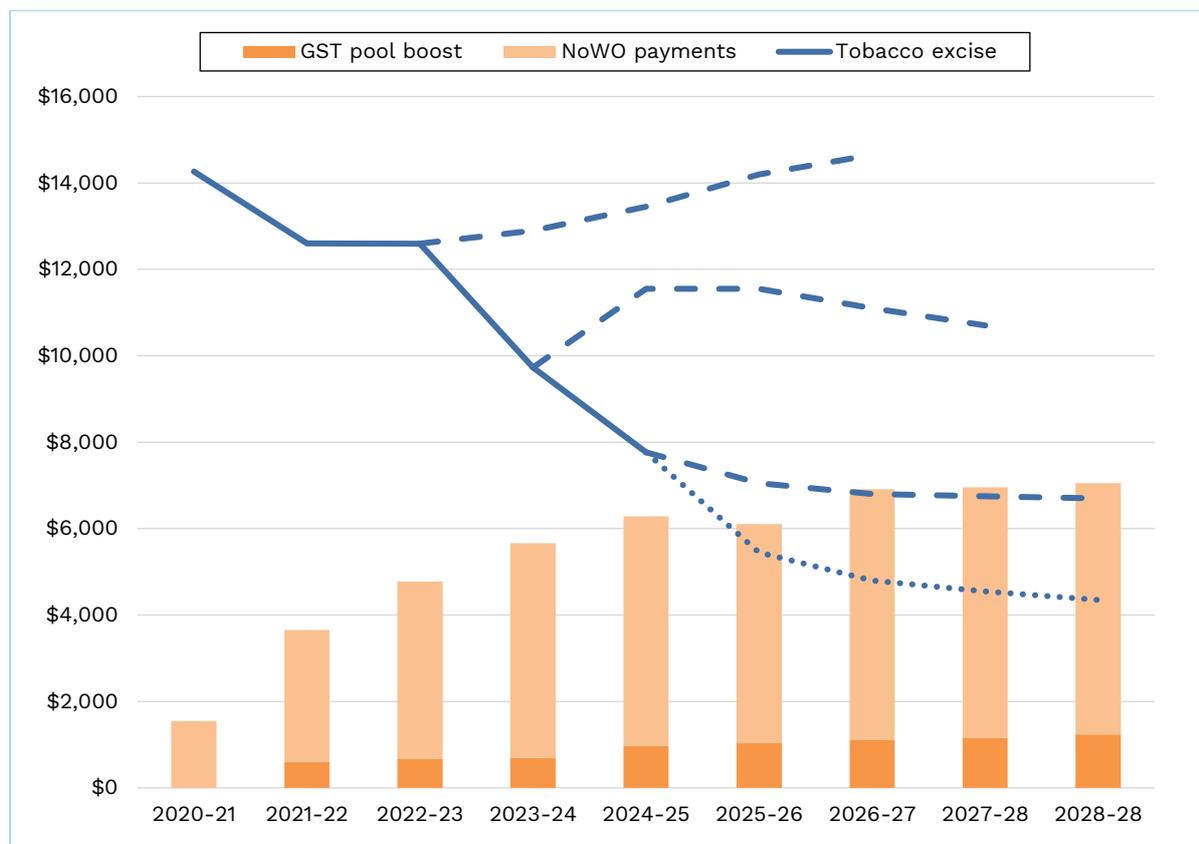
No Worse Off Guarantee payments were not anticipated to be called upon at the time of the reforms. The Commonwealth forward estimates also make outrageous assumptions that these payments will slow by up to 20%.¹⁹

Though the extension of this deal is the primary threat of the 2018 reforms to the Commonwealth's fiscal sustainability, the Commonwealth should not seek to undermine the arrangement that is supporting the return of GST to historically normal levels as a proportion of GDP (Figure 2).

It is of relevance that the States play a role in enforcing tobacco excises which are also undermining fiscal sustainability to the Commonwealth. As per Figure 9, the loss of this revenue over the forward estimates is far greater than the cost of the 2018 GST reforms.

¹⁹ The 2026-27, 2027-28 and 2028-29 'HFE transition payments' are assumed to be 90 per cent, 85 per cent and 80 per cent respectively of that implied using the 2025-26 GST relativities, as per the 2025-26 Commonwealth Budget Paper No. 3: Federal Financial Relations.

Figure 9 Cost of the 2018 GST reforms and tobacco excise revenue (past budgets dashed and most recent MYEFO dotted)²⁰



RECOMMENDATION

The Productivity Commission should investigate proposals that:

4. **minimise the fiscal burden on the Commonwealth** by tying pool top-ups to tobacco excise receipts, fostering inter-governmental collaboration to enforce compliance with a revenue stream under pressure.

By topping up the GST pool in a way that directly credits States for their responsibilities in enforcing compliance with tobacco laws, the Commonwealth may relieve their burden of lost excises. As of the 2025-26 Budget, the cost of the 2018 GST reforms closely match the projected tobacco excises.

²⁰ Commonwealth Budget Papers (multiple years).

The States could have a stronger incentive to collaborate against the challenge of illegal tobacco, also affecting their health budgets, if this excise was devoted to GST pool top-ups. The challenge of illegal tobacco crosses State boundaries through organised crime, so a shared increase in the pool would foster collaboration in enforcement of a challenge not directly the Commonwealth's responsibility. Though, tobacco excises shouldn't go exclusively to their State of origin in order not to create counter-productive incentives for tobacco consumption.

With a stronger increase in the GST pool if tobacco excises recovered to levels once received and anticipated in past budgets, the No Worse Off deal should effectively phase itself out at no further expense to the Commonwealth. This strategy allows them to close an expenditure black hole with a revenue black hole.

Conclusion

The success and enduring nature of the Federation relies on a compact between Australians, to deliver opportunity and fairness across our broad land mass. It is only Western Australians who have experienced the breach of the principle of fairness, with the plummeting of GST distributions coinciding with sharp commodity price falls.

The GST reforms in 2018 critically repaired the harm that was felt by Western Australia from lagged assessments at a time of great volatility. This was an effort of both the Liberal and National governments, and Labor governments. All representatives recognised that extreme unfairness – in raising a tax from a population group, only to distribute it to another – would undermine the national bargain of the Federation.

This submission firmly endorses the 2018 GST reforms and argues for their full protection, highlighting the fact that they have improved upon the areas of investigation sought under the terms of reference.

For alternative arrangements, this submission articulates new perspectives for consideration, seeking to foster productivity across all States of Australia.