

- the Commonwealth undertook to maintain the GST base, and the GST rate at 10%—these elements can only be varied with the unanimous agreement of the states, and the Commonwealth government's endorsement and enabling legislation.

The fact that the revenue generated by the GST is transferred by the Commonwealth to the states has given the states access to a 'growth' tax. The GST revenue has risen from some \$23,788 billion (14.5% of total federal tax collections) in 2000/01 to \$60,022 billion (16.7%) in 2016/17—though in recent years the GST has not generated the levels of revenue expected (see ¶1-232).²²⁸

The transfer of GST revenues has arguably improved the states' fiscal positions, though it has not completely corrected the VFI and disputes continue on the fairness of the distribution formula (see ¶27-000).²²⁹

228 B Carter, 'GST distribution review' (2013) 47(9) *Taxation In Australia* 560, 563; The Hon J Snelling, 'State tax reform and GST' (2013) 49(7) *Taxation In Australia* 555, 555–6.

229 Carter, *ibid* 561–3; Snelling, *ibid*; M Butler, 'State taxes reform: A practitioner's viewpoint' (2013) 47(9) *Taxation In Australia* 567; P Mellor, 'Reform of federalism: The GST and state income taxation' (2008) 11(4) *The Tax Specialist* 272. Cf D Pinto and M Evans, 'Returning income taxation revenue to the states: Back to the future' (2018) 33(2) *Australian Tax Forum* 379.