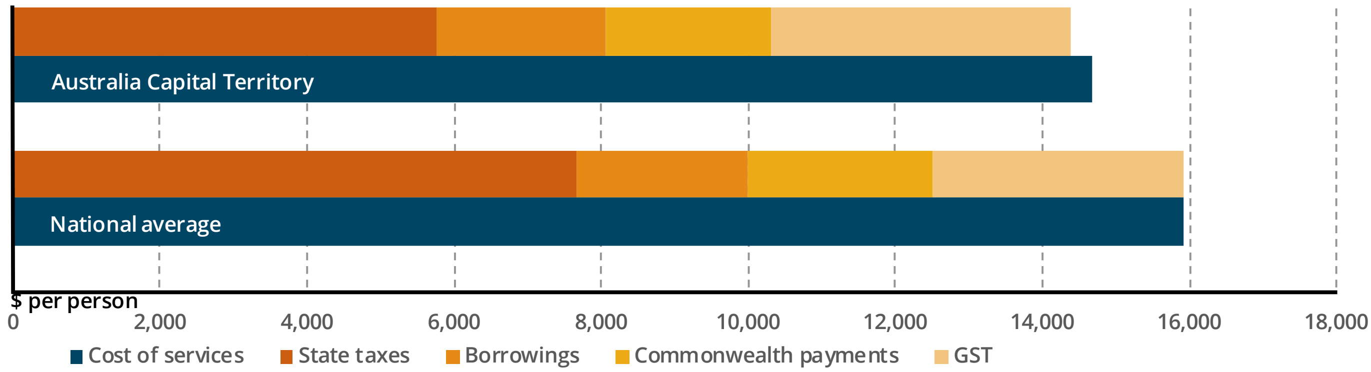
Australian Capital Territory

The ACT will receive around $1.9 billion in GST in 2025–26, $35 million more than in 2024–25. The change reflects the ACT's assessed needs for GST, changes in population and its share of the growth in the GST pool. It also reflects the 2018 GST distribution legislation.

GST distribution in 2025–26



How the ACT compares with other states and territories

The ACT's capacity to raise revenue from its own taxes is lower than the national average.

The ACT cannot raise any revenue from mining royalties, compared with the national average of $1,305 per person.

The ACT can raise $264 per person from land tax, which is below the national average of $636 per person.

The characteristics of the people living in the ACT mean that the costs of providing government services are lower than the national average.

The ACT has no outer regional or remote population compared with the national average of 10%, making it less costly to provide services.

Service use and costs are higher for those living with economic disadvantage. The ACT's population is the least disadvantaged compared with the national average.

Overall, the below-average revenue-raising capacity of the ACT outweighs its below-average cost of providing services. It therefore receives a per person GST distribution above the national average.

Key factors that changed the ACT's GST needs since 2024–25

+$60 million

Changes to the wages model in the 2025 Review produced higher estimates for wage costs in the ACT than the previous approach, increasing its GST needs.

+$55 million

A large increase in coal prices has increased coal royalties and the revenue-raising capacities of the main coal producing states. This reduced the ACT's relative revenue raising capacity, increasing its GST needs.

-$49 million

In the 2025 Review there were changes to the measure of population-weighted density. This change reduced the relative growth of the measured density of Canberra, decreasing the ACT's need for urban transport investment and decreasing its GST needs.

-$27 million

Separately, population density in Canberra has grown more slowly in recent years, reducing the ACT's need for urban transport investment, decreasing its GST needs.

-$24 million

The ACT received a greater share of Commonwealth payments, decreasing its GST needs.

-$21 million

Upward revisions to natural disaster expenses in other states reduced its GST needs.

For further information see https://www.cgc.gov.au/reports-for-government/2025-methodology-review/