



Australian Government
Commonwealth Grants Commission

GST Relativities 2025–26

March 2025

Acknowledgement of Country

The Commonwealth Grants Commission acknowledges the Traditional Owners of Country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures and to Elders both past and present.

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Glossary

A glossary is available from the Commission's website www.cgc.gov.au/publications/glossary.

Quality Assurance Framework

The Commission's Quality Assurance Framework is available on the Commission's website www.cgc.gov.au/publications/quality-assurance-framework.

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Letter of transmittal



Australian Government
Commonwealth Grants Commission

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28 February 2025

The Hon Dr Jim Chalmers MP
Treasurer
Parliament House
CANBERRA ACT 2600

Dear Treasurer

As Members of the Commonwealth Grants Commission appointed under the *Commonwealth Grants Commission Act 1973*, and in response to the terms of reference provided by you, we are pleased to provide you with the outcomes of the Commission's 2025 Methodology Review. This comprises the *Review Outcomes* and the Commission's recommended *GST Relativities 2025-26*. Accompanying these documents is the *Commission's Assessment Methodology* containing a comprehensive description of the methods used by the Commission to assess state fiscal capacities, incorporating the changes from the 2025 Review.

The terms of reference asked the Commission to consider the case for the flexibility to consider alternative assessment methods between methodology reviews where there is a significant unanticipated shock, such as a pandemic, or where major policy reforms are enacted. After consulting the states and territories, the Commission considers that it would be beneficial for it to have additional flexibility to consider alternative methods between reviews in very limited circumstances. Additional detail on the issues raised by states on this matter, and the Commission's responses, can be found in the relevant chapter of *Review Outcomes*.

In accordance with the terms of reference, we will be providing the 2025 Review documents to the states and territories under embargo on 28 February 2025. The documents will remain under embargo until they are published on the Commission's website (www.cgc.gov.au) on Friday 14 March 2025.

Yours sincerely

Handwritten signature of Mike Callaghan in blue ink.

Mike Callaghan AM PSM
Chairperson

Handwritten signature of Dr L S Williams in blue ink.

Dr L S Williams AM
Member

Handwritten signature of Dr A Jackson in blue ink.

Dr A Jackson
Member

Handwritten signature of Prof A Tiernan in blue ink.

Prof A Tiernan
Member

Acknowledgements

The Commission appreciates the co-operation extended to the Commission and its staff during this review by staff of the Commonwealth Treasury, state and territory treasuries and other agencies.

The Commission greatly appreciates the dedication and commitment of its staff, and thanks them for their extensive work in undertaking the 2025 Methodology Review.

Terms of reference

The Commission received [terms of reference](#) requiring it to review the methods used to calculate the relativities for distributing Goods and Services Tax (GST) revenue among the states and territories to apply from 2025-26.

List of acronyms

ABS	Australian Bureau of Statistics
ACT	Australian Capital Territory
ARIA+	Accessibility/Remoteness Index of Australia Plus
CGC	Commonwealth Grants Commission
GST	Goods and Services Tax
pc	Per capita
SA1	Statistical Area Level 1
SDC	Socio-demographic composition

Notes

State(s): Unless the context indicates otherwise, the term 'state(s)' includes the ACT and the Northern Territory.

n/a: Unless indicated otherwise, n/a refers to not applicable.

Executive summary

In accordance with the terms of reference for the 2025 Methodology Review, the Commission presents its recommended GST relativities for 2025–26. These recommendations incorporate assessment method changes from the 2025 Review.

Recommended GST relativities

The table below sets out the distribution of the estimated GST pool in 2025–26, based on the Commission’s recommended GST relativities. The table compares the 2025–26 GST relativities with those from 2024–25, showing each state and territory’s (state’s) GST relativity, share of the GST pool, and estimated amount of GST. The actual amount of GST each state receives in 2025–26 will be based on state populations and the GST pool determined after the 2025-26 Final Budget Outcome.

This table, and most of the tables and analysis in this report, do not include no worse off payments provided by the Commonwealth under the 2018 GST distribution legislation. Information on no worse off payments is provided at the end of this Executive Summary and in Chapter 1.

GST relativities, shares and estimated GST distribution, 2024–25 and 2025–26 (excludes no worse off payments)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
GST relativities									
2024-25	0.86736	0.96502	0.95232	0.75000	1.40312	1.82832	1.20419	5.06681	1.00000
2025-26	0.86034	1.06722	0.84571	0.75000	1.38876	1.84053	1.17223	5.15112	1.00000
GST shares (%)									
2024-25	27.1	24.8	19.6	8.2	9.7	3.8	2.1	4.7	100
2025-26	26.8	27.5	17.4	8.2	9.5	3.8	2.0	4.8	100
GST distribution (\$m)									
2024-25	24,540	22,491	17,751	7,435	8,753	3,484	1,899	4,279	90,631
2025-26	25,482	26,147	16,562	7,830	9,032	3,635	1,934	4,527	95,150
Difference	942	3,657	-1,189	395	279	151	35	248	4,519
GST distribution (\$pc)									
2024-25	2,832	3,137	3,098	2,434	4,599	6,030	3,933	16,639	3,255
2025-26	2,940	3,647	2,890	2,563	4,746	6,290	4,006	17,605	3,418
Difference	109	510	-208	129	147	261	73	966	162

Note: Estimates subject to changes in the GST pool and populations.

Overview

Recommended GST relativities in 2025–26 reflect changes in state circumstances, which are predominantly driven by changes in mining royalties and population growth. Implementing changes in assessment methods from the 2025 Review, particularly the assessment of COVID-19 health and business support expenses (see Box 2-1), also impacted the GST distribution.

Under the 2018 GST distribution legislation, this is the fifth and final year in which assessed and standard state relativities will be blended under the transitional arrangements. It is the second year in which the GST relativity floor is 0.75. The combination of blending relativities from the previous and 2018 GST distribution arrangements and implementing the GST relativity floor continues to have a significant impact on GST distribution outcomes.

Victoria's GST distribution is estimated to increase significantly from last year. This is largely driven by its lower capacity to raise mining revenue relative to the main mining states and its higher relative state population growth. Victoria's assessed GST needs also increased substantially because of the change in the method for assessing COVID-19 health and business support expenses.

Queensland's GST distribution is estimated to fall. This is largely because higher coal prices and a higher average coal royalty rate significantly increased its capacity to raise revenue from coal royalties, substantially reducing its assessed GST needs. The change in the method for assessing COVID-19 health and business support expenses also reduced Queensland's GST distribution relative to states that had higher COVID-19 expenses. Queensland benefited from the 2018 GST distribution legislation as its assessed relativity was below the standard state, New South Wales, in each assessment year. This benefit was more than offset by the reduction in Queensland's relativity (along with other states) as a consequence of lifting Western Australia's relativity under the standard state approach and applying the GST floor.

Western Australia continues to have low assessed GST needs, driven by its very strong capacity to raise iron ore royalties. However, Western Australia's assessed GST needs increased as iron ore prices fell over the assessment period, while coal royalties in other states increased. Western Australia's GST relativity was lifted to the GST relativity floor of 0.75. The increase in Western Australia's assessed GST needs reduced the effect of blended relativities and the GST floor on its GST distribution.

The Northern Territory is estimated to receive a significant increase in its GST distribution in per capita terms, largely due to the growth in the GST pool and an increase in per capita community health expenses in regional areas.

All states are expected to benefit from the estimated growth in the GST pool.

All states, other than Queensland, are estimated to receive more in total GST and no worse off payments in 2025–26 than they received in 2024–25.

Drivers of change in GST distribution

Major drivers of change in GST distribution, 2024–25 to 2025–26 (excludes no worse off payments)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Changes in fiscal capacities									
Changes in circumstances - Mining production	-156	831	-2,283	1,268	197	53	55	36	2,439
Changes in circumstances - Population growth	-188	896	-328	-95	-166	-66	-58	5	901
New methods - Services to industry	296	471	-411	-94	-209	-55	9	-7	776
New methods - Health	280	469	-398	-159	-104	-68	19	-39	768
New methods - Wage costs	-194	295	-58	-370	187	136	51	-47	669
Data revisions - Natural disaster relief	611	-292	-175	24	-114	-26	-21	-8	636
Other method changes	-145	-176	-255	295	124	57	14	87	576
Other revisions	117	-50	78	-105	-2	-9	-21	-7	194
Other changes in circumstances	-621	234	437	-56	32	12	-90	51	767
Total change in fiscal capacities	0	2,675	-3,391	706	-55	34	-42	73	3,488
Effect of GST floor and blended relativities	-252	-211	1,271	-720	-54	-16	-14	-6	1,271
Change in population	-29	68	43	36	-46	-39	-3	-30	147
Change in pool (a)	1,222	1,125	887	372	434	172	95	212	4,519
Total change in GST	942	3,657	-1,189	395	279	151	35	248	4,519

(a) Total increase in GST and pool top-up payment.

Changes in states' GST relativities occurred for the following reasons.

- Changes in state populations.
- GST pool growth.
- Method changes – as part of the 2025 Review, the Commission reviewed and revised some of the methods it uses to assess relative state fiscal capacities.
- Revisions – since the 2024 Update, data providers released updated data for 2020–21 to 2022–23 which have been incorporated.
- Changes in circumstances – states' economic and socio-demographic circumstances change over time. For the 2025–26 GST relativities, states' GST needs were assessed using an average of data for the 3 years 2021–22 to 2023–24. The 2024 Update used an average of data for the 3 years 2020–21 to 2022–23. Differences in state circumstances between the year brought into the 3-year average (2023–24) and the year removed (2020–21) changed states' relative needs.

- Legislation – the transition to using standard state relativities is nearly complete, with 2025–26 blended relativities based on five-sixths standard state relativities and one-sixth assessed relativities. The GST floor also ensures each state’s GST relativity must be at least 0.75.

Changes in states’ relative capacities to raise mining revenue were a major driver of changes in GST distribution for 2025–26. The capacity for New South Wales and particularly Queensland to raise revenue through coal royalties increased between 2020–21 and 2023–24 due to higher coal prices and an increase in the average royalty rate. Because Queensland had a larger share of the production of high-value coal, the increases in prices and royalties had a larger effect on its assessed GST needs (see Box 2-2).

Changes in relative state population growth increased the assessed GST needs of Victoria. Victoria experienced negative population growth in 2020–21. Because this year is no longer part of the 3-year average used for GST relativities, its population growth rate is significantly higher than in the 2024 Update (see Box 2-3). This additional population growth increased its investment needs, particularly for urban transport.

The net effect of changes in the assessment methods for COVID-19 health and business support expenses increased the assessed GST needs of New South Wales, Victoria and the ACT. Given that these expenses decreased after 2021–22, their impact on GST distribution will significantly decline in future updates as the COVID-19 expenses fall outside the Commission’s assessment period.

As part of the 2025 Review, the Commission made changes to the model used to estimate different wage pressures across states. This increased the assessed GST needs of Victoria, South Australia, Tasmania and the ACT.

Data revisions to natural disaster relief expenses increased the assessed GST needs of New South Wales. A significant upward revision was made by New South Wales to its expenses in 2022–23, which was due to delays in finalising costs for floods in the Northern Rivers region.

Under the 2018 GST distribution legislation, 2025–26 is the fifth year in a 6-year transition away from distributing the GST pool based solely on the Commission’s assessment of states’ relative fiscal capacities. At the end of the 6-year period (2026 Update), the Commission’s assessment will be adjusted so that no state will have a GST relativity less than the lower of New South Wales or Victoria (referred to as the ‘standard state’). However, during the transition, the standard state approach is blended with the previous approach (based solely on assessed relativities).

For the 2025–26 GST distribution, blended relativities are calculated using five-sixths of the standard state approach and one-sixth of the previous approach. Under the standard state approach, Queensland and Western Australia had their relativities increased to match that of the standard state, New South Wales, in each assessment year.

Under the GST distribution legislation, Western Australia’s relativity was increased to the floor of 0.75, lowering the GST shares of the other states. Western Australia is estimated to receive \$6 billion in additional GST payments in 2025–26 than under the previous GST distribution arrangements. The Australian Government’s no worse off guarantee will ameliorate the impact on the other states (see below).

Estimated total GST-related payments

A state that was worse off in the distribution of GST in 2025–26 (compared with the previous GST distribution arrangements) could expect a no worse off payment from the Commonwealth similar to that shown in the table below. All states except Western Australia are estimated to receive a no worse off payment in 2025–26.

In determining whether a state is worse off under the 2018 GST distribution legislation, allowance is made for the extent to which a state has gained from Commonwealth top-ups to the GST pool.

Queensland's estimated no worse off payment for 2025–26 is significantly smaller than in previous years. This is because, for 2025–26, Queensland benefited from having its relativity lifted to that of New South Wales under the standard state approach. However, this benefit was more than offset by the reduction in Queensland's relativity as a consequence of lifting Western Australia's relativity under the standard state approach and applying the 0.75 floor. In effect, Queensland's relativity was reduced less than other states when lifting Western Australia's relativity (see Table A-1 in Attachment A). As a result, Queensland is still estimated to receive a no worse off payment.

Estimated total payments to the states from GST distribution and no worse off payments

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2024-25									
Total GST distribution	24,540	22,491	17,751	7,435	8,753	3,484	1,899	4,279	90,631
No worse off payments	1,879	1,551	1,228	0	404	120	103	43	5,328
Total	26,419	24,042	18,979	7,435	9,157	3,604	2,002	4,322	95,959
2025-26									
Total GST distribution	25,482	26,147	16,562	7,830	9,032	3,635	1,934	4,527	95,150
No worse off payments	2,234	1,841	47	0	486	146	124	61	4,938
Total	27,716	27,988	16,608	7,830	9,518	3,781	2,058	4,588	100,088
Difference									
GST distribution	942	3,657	-1,189	395	279	151	35	248	4,519
No worse off payments	355	290	-1,181	0	81	26	21	18	-391
Total (\$m)	1,297	3,946	-2,371	395	361	177	56	267	4,128
Total (\$pc)	150	550	-414	129	190	306	116	1,037	148

Note: Estimates subject to changes in the GST pool and populations.

Introduction

As part of the 2025 Review, the Commonwealth Treasurer issued terms of reference asking the Commission to advise how the Goods and Services Tax (GST) revenue pool should be distributed to the states in 2025–26. The Commission’s recommended GST relativities for 2025–26 incorporate assessment method changes from the 2025 Review.

2025 Review

On 9 February 2023, the Commission received [terms of reference](#) requiring it to review the methodology used to calculate the relativities for distributing the GST pool. Methodology reviews, which occur around every 5 years, provide the opportunity for the Commission to ensure that the approach it uses to develop recommendations on GST distribution is appropriate and uses the latest fit-for-purpose data.

The 2025 Review was undertaken over 2 years. It involved several rounds of consultation with the states across all aspects of the Commission’s assessment methodology. The publication of consultation papers in June and October 2023, and a Draft Report in July 2024 were key steps in the review process.

All review documents, including consultation papers, state submissions and the Draft Report, are available on the [Commission’s website](#). For a description of review outcomes, including method changes, see the *Review Outcomes* publication.

2018 GST distribution legislation

Under the 2018 GST distribution legislation, 2025–26 is the fifth year in a 6-year transition away from distributing the GST pool based solely on the Commission’s assessment of states’ relative fiscal capacities.¹ From 2026–27, no state will be able to have a GST relativity less than the lower of New South Wales or Victoria (referred to as the ‘standard state’). For GST relativities in 2025–26, New South Wales is the standard state for all 3 assessment years (2021–22, 2022–23 and 2023–24). When a state’s relativity is raised to the relativity of the standard state, the relativities of all states are commensurately reduced on a population share basis. Under the transitional arrangements, this standard state relativity is blended with the relativity based on the previous GST distribution arrangements. For 2025–26, blended relativities are calculated using five-sixths of the standard state approach and one-sixth of the previous approach (see Attachment A for further detail).

The 2018 GST distribution legislation also provides for a GST relativity floor of 0.75. Any additional GST distributed to a state due to the operation of the floor is drawn from the GST pool. This means that when a state’s relativity is raised to the floor, the GST relativities (and GST distributions) of the other states are commensurately reduced on a population share basis. For 2025–26, the GST relativities reflect the application of blended relativities and the GST relativity floor.

The 2018 GST distribution legislation includes a guarantee that no state will be worse off under the new arrangements – that is, without GST pool top-up payments, a GST relativity floor, or the phasing in of the new standard state approach. The legislated no worse off guarantee operates from 2021–22 until 2026–27, with no worse off payments calculated and provided by the Commonwealth in accordance with the legislation. Under an agreement between the Commonwealth and the states, no worse off payments will continue until 2029–30.²

¹ *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of the GST) Act 2018* (Cth).

² Commonwealth Treasury, [Extension of the GST No Worse Off Guarantee](#), Federal Financial Relations, 2024, accessed 4 February 2025.

Report structure

Chapter 1 sets out the Commission's recommended GST revenue distribution for 2025–26. It also provides relativities for the Commonwealth Treasurer to use in calculating no worse off payments.

Chapter 2 explains the main changes in the Commission's assessment of each state's GST needs since the 2024 Update.

Chapter 3 provides a snapshot of the main factors impacting each state's recommended GST distribution for 2025–26.

Attachment A provides additional detail on how the GST relativities are calculated.

Attachment B contains information on states' GST shares since 2000–01.

The Commission consulted with states on new issues arising for 2025–26. State views and Commission responses are outlined in *New Issues for the 2025-26 GST relativities*.

Review Outcomes and *Commission's Assessment Methodology* provide information on the 2025 Review outcomes and a detailed description of the methodology used to calculate GST relativities, respectively.

Background information on the Commission's role and horizontal fiscal equalisation can be found in the box below.

The Commission's role

Horizontal fiscal equalisation

The Commission provides independent advice to the Australian Government on how GST revenue should be distributed among the states. The distribution of GST revenue is governed by legislation and terms of reference issued by the Commonwealth Treasurer, which require the Commission's advice to be based on the objective of horizontal fiscal equalisation. This objective has been a feature of Australia's federal financial arrangements for many decades. It seeks to provide each state with the financial capacity to provide services at a comparable standard if each made the same effort to raise revenue. In this way, all Australians have the opportunity to receive a comparable standard of service.

The Commission's approach

Pursuing horizontal fiscal equalisation is not an exact science — it depends on the availability of appropriate data and requires the Commission to undertake estimates, make trade-offs and apply judgements. The Commission seeks to make its work as consistent, transparent and understandable as possible. Close consultation with state treasuries is critical to the Commission's deliberations.

The Commission depends heavily on reliable and fit-for-purpose data. Around every 5 years, the Commission is asked to undertake a methodology review to ensure its approach is appropriate and uses the best available data. In between reviews, the Commission retains the same assessment methods, providing an annual update incorporating the most recent state financial and other data.

The Commission's recommendation for the distribution of GST is based on a 3-year lagged moving average of data. This balances the need for contemporaneity, predictability and smoothing the impacts of changes in circumstances. States have supported this approach through recent methodology reviews, including the 2025 Review.

The Commission's methods aim to ensure that the GST distribution does not reward or penalise states for their individual policy decisions. For example, while states make different choices on how much they pay their employees, the Commission's approach looks instead at labour market circumstances to determine the underlying wage pressures states face. In this way, any state that chooses to pay higher wages is not compensated through a higher GST distribution.

The Commission recognises that in some instances its assessment methods are complex. Complexity is often a result of ensuring the methods are 'policy neutral'. Complexity can also arise from adopting methods that seek to best reflect a wide range of state expenditures and revenues. The Commission adopts a materiality threshold as a guardrail against undue complexity. States have generally supported this approach.

The Commission values collaboration and consultation with states to ensure the most reliable methods are put in place. All the Commission's calculations are made available to the states, except where states or other data custodians have imposed confidentiality restrictions on underlying data. States have a good understanding of assessment methods. Staff from the Commission and state treasuries work together to support this understanding through training and ongoing dialogue. The Commission is always open to assisting states to improve their understanding of its assessments and the implications for the distribution of GST revenue.

To support public understanding, the Commission has introduced an Occasional and Research Paper series. These papers (available on the website) explain in non-technical terms how the Commission assesses states' relative fiscal capacities.

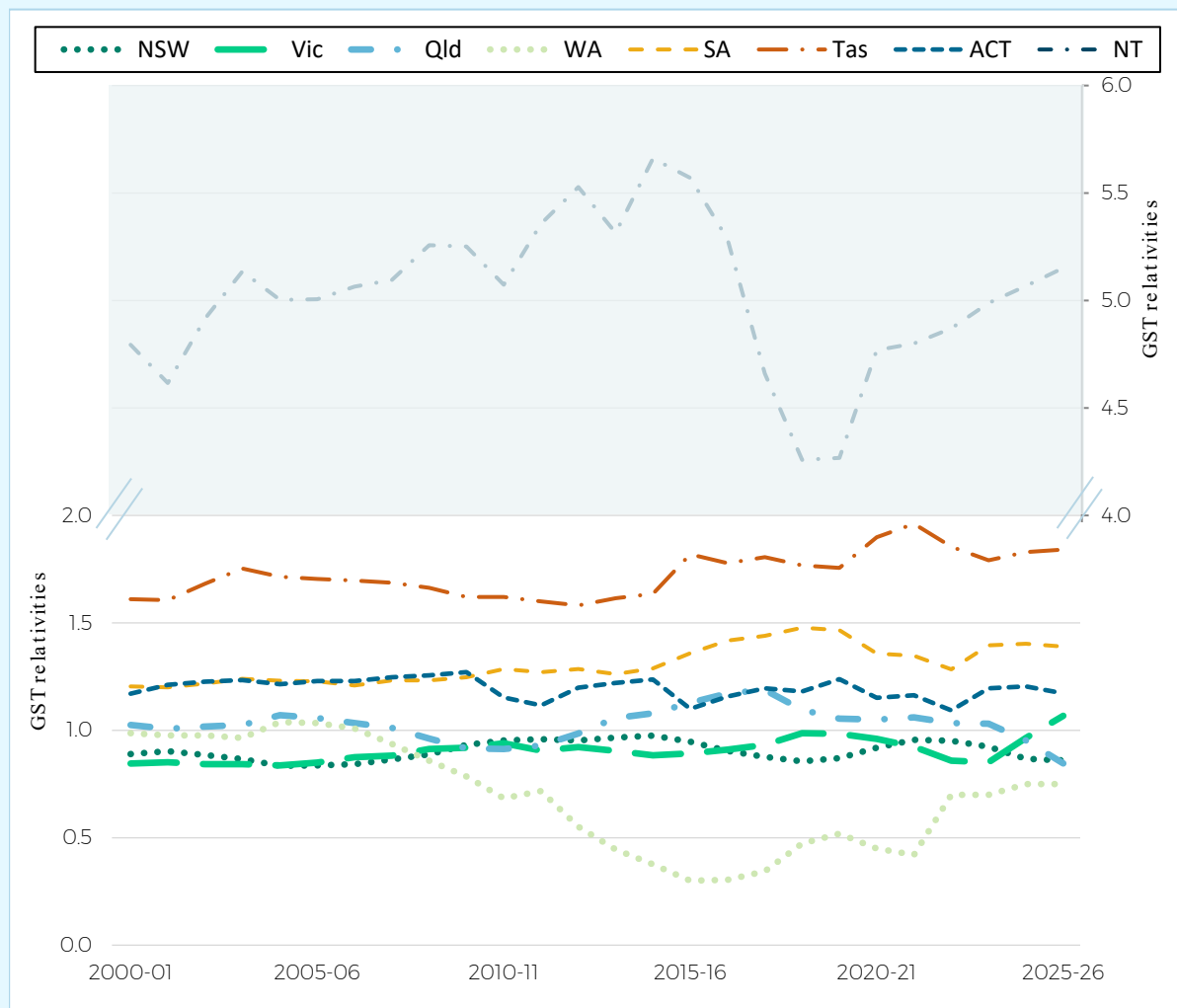
The Commission's role (continued)

Estimating states' relative fiscal capacities

The Commission takes account of states' different abilities to raise revenue and different costs of providing services. It is normal for each state's GST relativity to change from year to year (see Figure 1). For example, a state could experience an increased share of property transfers, a decline in its share of Commonwealth payments or an increased share of national population growth ('changes in circumstances'). There could be 'data revisions', such as updated data on the value of taxable payrolls for a year that has already been in the Commission's calculations. Each state's GST relativity is also affected by other states' circumstances or data revisions. For 2025–26, states' relativities are also impacted by 'method changes' introduced as part of the 2025 Review. The amount of GST each state receives also depends on the size of the GST pool and its share of the national population, as well as the 2018 GST distribution legislation.

The Commission only recommends GST distribution for the upcoming financial year. Forecasts of a state's GST share beyond one year would be highly uncertain as they would depend on expectations about revenue and expenses, non-contemporaneous data and assumptions about the movements of all these factors across all 8 states.

Figure 1 GST relativities, 2000–01 to 2025–26



1. Recommended GST relativities

Key points

- Changes in the estimated GST distribution between 2024–25 and 2025–26 were driven by the combination of changes in state population shares, growth in the GST pool and changes in GST relativities.
- Changes in GST relativities were driven by changes in the relative fiscal capacities of states (assessed relativities), and the operation of the 2018 GST distribution legislation. The main drivers of changes to relative state fiscal capacities are detailed in Chapter 2.
- All states are expected to benefit from the estimated increase in the GST pool from around \$91 billion in 2024–25 to around \$95 billion in 2025–26.
- Based on the Commission’s 2025–26 recommended GST relativities, Victoria is estimated to receive a significant increase in its GST distribution (\$3.7 billion). The Northern Territory is estimated to receive a significant increase in per capita terms (\$966 per capita). Queensland is the only state estimated to receive a decrease in GST distribution (\$1.2 billion).
- Under the 2018 GST distribution legislation, Western Australia’s GST relativity would be increased to the GST relativity floor of 0.75. Western Australia is estimated to receive an additional \$6 billion in GST distribution in 2025–26 than under the previous GST distribution arrangements.
- For 2025–26, Queensland benefited from the standard state benchmark under the 2018 GST distribution legislation. However, this benefit was more than offset by the reduction in its relativity (along with other states) as a consequence of lifting Western Australia’s relativity, including to the GST relativity floor of 0.75.
- The overall payments to the states will include no worse off payments under the 2018 GST distribution legislation. All states, except Queensland, are estimated to receive more in GST distribution and no worse off payments than they received in 2024–25.

Recommended GST relativities

The Commission's recommended GST relativities for 2025–26 are presented in Table 1-1. This table also includes the states' shares of the GST pool and the estimated GST pool distribution, as well as comparisons with 2024–25. The estimated GST distribution for 2025–26 was calculated by applying 2025–26 GST relativities to forecast state populations for 2025–26 and the estimated GST pool for 2025–26. The actual GST distribution each state receives in 2025–26 will be based on state populations and the GST pool determined after the 2025–26 Final Budget Outcome.³ The table does not include no worse off payments.

Table 1-1 GST relativities, shares and estimated GST distribution, 2024–25 to 2025–26 (excludes no worse off payments)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
GST relativities									
2024-25	0.86736	0.96502	0.95232	0.75000	1.40312	1.82832	1.20419	5.06681	1.00000
2025-26	0.86034	1.06722	0.84571	0.75000	1.38876	1.84053	1.17223	5.15112	1.00000
GST shares (%)									
2024-25	27.1	24.8	19.6	8.2	9.7	3.8	2.1	4.7	100
2025-26	26.8	27.5	17.4	8.2	9.5	3.8	2.0	4.8	100
GST distribution (\$m)									
2024-25	24,540	22,491	17,751	7,435	8,753	3,484	1,899	4,279	90,631
2025-26	25,482	26,147	16,562	7,830	9,032	3,635	1,934	4,527	95,150
Difference	942	3,657	-1,189	395	279	151	35	248	4,519
GST distribution (\$pc)									
2024-25	2,832	3,137	3,098	2,434	4,599	6,030	3,933	16,639	3,255
2025-26	2,940	3,647	2,890	2,563	4,746	6,290	4,006	17,605	3,418
Difference	109	510	-208	129	147	261	73	966	162

Note: Estimates subject to changes in the GST pool and populations.

Source: 2024–25 and 2025–26 GST pool estimates and 2024–25 population estimates were taken from the [Mid-Year Economic and Fiscal Outlook 2024–25](#). 2025–26 population estimates were provided by the Commonwealth Treasury.

Victoria is estimated to receive a significant increase in its GST distribution (\$3.7 billion) in 2025–26, corresponding to a \$510 per capita increase. The Northern Territory is estimated to receive a significant increase in per capita terms (\$966 per capita). Queensland is the only state estimated to receive a decrease in GST distribution (\$1.2 billion) compared with 2024–25, corresponding to a \$208 per capita decrease.

The overall payments to the states will include no worse off payments, which ensure no state is worse off than it would have been without the 2018 GST distribution legislation. This is discussed later in this chapter.

Attachment A provides further details on how GST relativities are calculated.

Movements in the GST distribution

Table 1-2 shows the estimated change in GST distribution from changes to population shares, the GST pool and GST relativities between 2024–25 and 2025–26.

³ The 2025–26 Final Budget Outcome would be expected to be published around September 2026.

Table 1-2 Change in GST distribution, 2024–25 to 2025–26 (excludes no worse off payments)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Estimated 2024-25 distribution	24,540	22,491	17,751	7,435	8,753	3,484	1,899	4,279	90,631
Estimated 2025-26 distribution	25,482	26,147	16,562	7,830	9,032	3,635	1,934	4,527	95,150
Change caused by new:									
Population (a)	-29	68	43	36	-46	-39	-3	-30	0
Pool (b)	1,222	1,125	887	372	434	172	95	212	4,519
GST relativities (c)	-251	2,464	-2,119	-13	-109	18	-56	67	0
Assessed relativities (d)	0	2,675	-3,391	706	-55	34	-42	73	0
Blending and floor (e)	-252	-211	1,271	-720	-54	-16	-14	-6	0
Change (\$m)	942	3,657	-1,189	395	279	151	35	248	4,519
Change (\$pc)	109	510	-208	129	147	261	73	966	162

- (a) Effects on the distribution of the 2024–25 GST pool of using estimated state populations for 2025–26 instead of 2024–25, with 2024 relativities.
- (b) Effects of applying the 2024 relativities to the estimated 2025–26 GST pool.
- (c) Effects on the distribution of the 2025–26 GST pool of using 2025 GST relativities instead of 2024 GST relativities.
- (d) Effects on the distribution of the 2025–26 GST pool of using the 2025 assessed relativities instead of the 2024 assessed relativities.
- (e) Effects on the distribution of the 2025–26 GST pool of using the 2025 blended relativities and GST relativity floor instead of the 2024 blended relativities and GST relativity floor.

Source: 2024–25 and 2025–26 GST pool estimates and 2024–25 population estimates were taken from the [Mid-Year Economic and Fiscal Outlook 2024–25](#). 2025–26 population estimates were provided by the Commonwealth Treasury.

Changes in estimated GST payments between 2024–25 and 2025–26 are driven by the following.

- Changes to state populations – the GST distribution is determined by applying GST relativities to state populations.⁴ The estimated 2025–26 GST distribution is based on Commonwealth estimates of state populations for 2025–26 at the time of [Mid-Year Economic and Fiscal Outlook 2024–25](#). Changes in forecast state populations between 2024–25 and 2025–26 impact the estimated GST distribution.
 - Slower forecast population growth between these years in New South Wales, South Australia, Tasmania, the ACT and the Northern Territory reduced their estimated GST distribution. Increased forecast population growth in Victoria, Queensland and Western Australia increased their estimated GST distribution.
 - Changes to state populations also impact the Commission’s assessment of state GST needs. These impacts are separately captured in the changes to GST relativities (see below).
- Growth in the GST pool – in the [Mid-Year Economic and Fiscal Outlook 2024–25](#), the Australian Government estimates an increase in the GST pool from around \$91 billion in 2024–25 to around \$95 billion in 2025–26.⁵ Growth in the pool is distributed among states using their population shares, weighted by their GST relativity.
 - All states are expected to benefit from anticipated growth in the GST pool in 2025–26. States with a higher relativity, in particular the Northern Territory,

⁴ This refers to the ‘application year’ population, which is the year for which the recommended GST relativities will be used to distribute the GST pool.

⁵ The GST pool consists of revenue from the GST plus a top-up payment from the Commonwealth. See Treasury, [Mid-Year Economic and Fiscal Outlook 2024–25](#), Australian Government, 2024, Appendix C, Table C.7.

but also Tasmania and South Australia, are estimated to benefit more (on a per capita basis) than states with a lower relativity.

- Changes to the GST relativities – the change in relativities reflects changes in assessed relativities (influenced by method changes, data revisions and changes in state circumstances), as well as the application of the 2018 GST distribution legislation.
 - Compared with 2024–25, the recommended GST relativities for 2025–26 (excluding the impact of changes in populations and changes in GST pool mentioned above), would increase the GST distribution to Victoria, Tasmania and the Northern Territory, and decrease the GST distribution to New South Wales, Queensland, Western Australia, South Australia and the ACT.
 - Chapter 2 provides details on the main drivers of the changes to GST relativities.

Attachment B provides an analysis of how the GST distribution has changed since the introduction of the GST in 2000–01.

Relativities to determine no worse off payments

The 2025 Methodology Review Terms of Reference asked the Commission to provide the relativities that would have applied had the 2018 GST distribution legislation not been enacted. These relativities are used by the Commonwealth to determine whether to make a no worse off payment to a state. The estimated no worse off relativities for 2025–26 are shown in Table 1-3.

Table 1-3 No worse off relativities, 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
2025-26	0.94600	1.15485	0.85738	0.18035	1.47944	1.93550	1.26085	5.27753	1.00000

The 2025–26 no worse off relativities differ from assessed relativities because they include adjustments to remove the impact of the Commonwealth’s legislated top-ups to the GST pool. The estimated top-up payment for 2025–26 is \$1,030 million (see Table 1-4).

Impact of the 2018 GST distribution legislation

This section compares the estimated distribution from the GST pool (including pool top-ups but excluding no worse off payments) in 2025–26 with the Commission’s estimate of what each state would have received if the 2018 GST distribution legislation had not been enacted (see Table 1-4).

For 2025–26, Queensland benefited from the 2018 GST distribution legislation as its assessed relativity was lifted to the standard state. However, this benefit was more than offset by the reduction in its relativity (along with other states) as a consequence of lifting Western Australia’s relativity, including to the GST relativity floor of 0.75.

Western Australia is estimated to receive almost \$6 billion in additional GST payments in 2025–26 (and all others states less) than under the previous GST distribution arrangements. The difference between the estimated distribution in 2025–26 and the estimated distribution under the previous arrangements (\$1,030 million) reflects the Commonwealth’s estimated top-up to the GST pool in 2025–26.

Table 1-4 Impact of 2018 GST distribution legislation on the distribution of the GST pool, 2025–26 (excludes no worse off payments)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Estimated GST pool distribution	25,482	26,147	16,562	7,830	9,032	3,635	1,934	4,527	95,150
Distribution under previous arrangements	27,716	27,988	16,608	1,863	9,518	3,781	2,058	4,588	94,120
Difference	-2,234	-1,841	-47	5,968	-486	-146	-124	-61	1,030

The Commission has provided indicative estimates of total payments from the GST pool and no worse off payments (see Table 1-5).

These estimates are illustrative. Actual no worse off payments for 2025–26 will be calculated by the Commonwealth and will be based on the actual GST pool, pool top-ups and populations for 2025–26, which will be determined after the end of that year.

All states except Western Australia are estimated to receive a no worse off payment in 2025–26. All states except Queensland are estimated to receive more in total GST and no worse off payments than they received in 2024–25.

Queensland’s estimated no worse off payment for 2025–26 is significantly smaller than in 2024–25, reflecting that the difference between what it receives under the 2018 GST distribution legislation and what it would have received without the 2018 GST distribution legislation is smaller than in 2024–25. This is because, in 2025–26, Queensland benefited from the 2018 legislation by having its relativity lifted to the standard state as part of calculating its GST relativity.

Table 1-5 Estimated total payments to states from GST distribution and no worse off payments

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2024-25									
Total GST distribution	24,540	22,491	17,751	7,435	8,753	3,484	1,899	4,279	90,631
No worse off payments	1,879	1,551	1,228	0	404	120	103	43	5,328
Total	26,419	24,042	18,979	7,435	9,157	3,604	2,002	4,322	95,959
2025-26									
Total GST distribution	25,482	26,147	16,562	7,830	9,032	3,635	1,934	4,527	95,150
No worse off payments	2,234	1,841	47	0	486	146	124	61	4,938
Total	27,716	27,988	16,608	7,830	9,518	3,781	2,058	4,588	100,088
Difference									
GST distribution	942	3,657	-1,189	395	279	151	35	248	4,519
No worse off payments	355	290	-1,181	0	81	26	21	18	-391
Total (\$m)	1,297	3,946	-2,371	395	361	177	56	267	4,128
Total (\$pc)	150	550	-414	129	190	306	116	1,037	148

2. Drivers of GST distribution

Key points

- Changes in states' circumstances, particularly revenue raising capacities, had the largest impact on assessed GST needs in 2025–26 compared with 2024–25. An increase in coal prices and the national average coal royalty rate between 2020–21 and 2023–24 reduced the assessed GST needs of New South Wales, and particularly Queensland, and increased those of the other states. A decline in the value of iron ore production over the same period increased Western Australia's assessed GST needs, reducing those of the other states. Changes in states' shares of taxable land values, taxable payrolls, and property transfers also had large impacts on GST distribution.
- Changes to the Commission's assessment methods, as part of the 2025 Review, also had significant impacts on states' assessed GST needs compared with 2024–25. In particular, the Commission introduced actual per capita assessments of COVID-19 health and business support expenses. This increased the assessed GST needs of New South Wales, Victoria and the ACT. Changes to the Commission's assessments of wage costs and transport needs also had large impacts on assessed GST needs.
- Upward revisions by New South Wales' to its data on natural disaster relief expenses increased its assessed GST needs.
- Under the 2018 GST distribution legislation, this is the fifth year in which the blending of assessed and standard state relativities is used to calculate GST relativities. The blending of relativities from the previous and current arrangements, together with the floor of 0.75, had a significant impact on GST distribution.

Why GST shares have changed

Chapter 1, which outlines the Commission’s recommended GST relativities for 2025–26, noted that the changes in GST distribution since 2024–25 are driven by changes to population, the GST pool and GST relativities. Changes in GST relativities are driven by changes in the Commission’s assessment of GST needs (assessed relativities) and the operation of the 2018 GST distribution legislation.

This chapter focusses on the main drivers of changes to assessed GST needs, which are the focus of the Commission’s work (see Table 2-1). Changes occurred for 3 reasons.

- Method changes – as part of the 2025 Review, the Commission reviewed and revised some of the methods it uses to assess relative state fiscal capacities.
- Revisions – since the 2024 Update, data providers have released updated data for 2020–21 to 2022–23, which have been incorporated.
- Changes in state circumstances – states’ economic and socio-demographic circumstances change over time. For the 2025–26 GST relativities, states’ GST needs were assessed using an average of data for the 3 years 2021–22 to 2023–24. The 2024 Update used an average of data for the 3 years 2020–21 to 2022–23. Differences in state circumstances between the year brought into the 3-year average (2023–24) and the year removed (2020–21) changed states’ relative GST needs.

Table 2-1 Change in assessed GST needs by source of change, 2024–25 to 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Method changes	237	1,059	-1,123	-328	-2	70	93	-6	1,459
Data revisions (a)	729	-342	-98	-81	-116	-35	-42	-15	729
Changes in state circumstances (b)	-966	1,957	-2,170	1,116	64	-1	-93	93	3,230
Total	0	2,675	-3,391	706	-55	34	-42	73	3,488

(a) Includes revisions in relative state circumstances and revisions in how much states collectively spend or raise.

(b) Includes changes in relative state circumstances and changes in how much states collectively spend or raise.

Changes in states’ revenue raising capacities and expense needs had the largest impacts on GST distribution (see Table 2-2).

Table 2-2 Composition of estimated changes in GST distribution, 2024–25 to 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Expense needs	1,323	1,063	-1,318	-747	-422	46	18	37	2,487
Investment needs	-117	957	-532	234	-229	-128	-153	-32	1,191
Net borrowing	-22	-225	90	-9	74	56	26	11	257
Revenue raising capacity	-347	1,393	-2,557	1,039	249	70	100	52	2,904
Commonwealth payments	-838	-510	925	190	274	-10	-34	4	1,393
Change in assessed relativities	0	2,675	-3,391	706	-55	34	-42	73	3,488
Blended relativities and GST floor	-252	-211	1,271	-720	-54	-16	-14	-6	1,271
Change in GST relativities	-251	2,464	-2,119	-13	-109	18	-56	67	2,549

Chapter 3 describes the main drivers for each state.

Method changes

The terms of reference for the 2025 Review asked the Commission to review the methods it uses to assess relative state fiscal capacities. Further details on the changes, the reasons for them, and consultation with the states can be found in the relevant chapters of *Review Outcomes*. This section summarises the method changes that had the largest impact (see Table 2-3).

Table 2-3 Changes to assessed GST needs due to method changes, 2024–25 to 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Services to industry	296	471	-411	-94	-209	-55	9	-7	776
Health	280	469	-398	-159	-104	-68	19	-39	768
Wage costs	-194	295	-58	-370	187	136	51	-47	669
Transport	-267	-235	155	188	96	40	17	6	502
Investment	76	-13	-235	208	61	9	-46	-60	354
Motor Taxes	51	131	-93	-116	15	-9	21	0	218
Mining revenue	59	96	-152	7	-16	1	0	4	167
Other method changes	-64	-155	69	9	-33	15	22	136	252
Total	237	1,059	-1,123	-328	-2	70	93	-6	1,459

Services to industry

The Commission made several changes to the assessment method. The introduction of an actual per capita assessment of COVID-19 business support expenses had the largest impact, increasing the assessed GST needs of New South Wales, Victoria and the ACT. See Box 2-1 for an overview of the changes made to the assessment of COVID-19 related expenses.

The split of state expenses between business development and regulation was re-estimated with updated state data. The mining industry estimates showed that regulation accounted for a greater share of state expenses than the estimates used in the 2020 Review. This increased the assessed GST needs of Queensland, Western Australia and the Northern Territory, which have relatively large mining sectors.

In combination, method changes to the services to industry category increased the assessed GST needs of New South Wales, Victoria and the ACT, and reduced the assessed GST needs of the other states.

Health

The Commission made several changes to the assessment method. The introduction of an actual per capita assessment of COVID-19 health expenses had the largest impact, increasing the assessed GST needs of New South Wales and Victoria, while reducing the assessed GST needs of the other states. See Box 2-1 for an overview of the changes made to the assessment of COVID-19 related expenses.

Other major changes included changes to the method for calculating the impact of the non-state health sector on state health expense needs and changes to the assessment of community and public health expense needs. The changes to the non-state health sector adjustments increased the assessed GST needs of Victoria, South Australia, the ACT and the Northern Territory. The changes to the measure of community and public health increased the assessed GST needs of New South Wales, Victoria and the ACT.

Box 2-1 COVID-19 method changes

The COVID-19 pandemic had a large effect on Australia's economy and society. State fiscal capacities were also significantly impacted.

The Commission's 2020 Review expense assessment methods captured some, but not all, COVID-19 related pressures on state expenses. Specifically, the usual drivers in the health assessment did not adequately reflect state expense needs for COVID-19 related hospital and public health services and the usual drivers in the services to industry assessment did not adequately reflect state expense needs for COVID-19 business support.

The terms of reference for the 2021, 2022, 2023 and 2024 updates did not allow a change in assessment method that would have allowed the Commission to specifically assess relative state fiscal capacities in light of the responses to COVID-19. The Commission decided to treat the Commonwealth payments under the National Partnership on COVID-19 Response (health) and COVID-19 Business Support national partnerships as having no impact on GST distribution because COVID-19 expenses were not specifically assessed using the 2020 Review methods. The 2020 Review assessment methods were applied to state-funded COVID-19 expenses for health and business under the relevant national partnership agreements.

With the ability to change assessment methods in the 2025 Review, the Commission was able to use alternative methods to assess state expenses under the national partnership agreements related to COVID-19 expenses. It decided to:

- assess state expenses associated with the national partnerships on an actual per capita basis – that is, needs were assessed as equalling actual expenses
- treat the Commonwealth payments under the relevant national partnership agreements as impacting the GST distribution given that the expenses were now specifically assessed.

The basis for this decision was that the differences in expenses between states on COVID-19 health and business support cannot be fully explained by the 2020 Review methods for assessing health and business support needs more generally. Further, the Commission considered state responses to the COVID-19 pandemic largely reflected circumstances outside of state control rather than being predominantly driven by state policy decisions. In this way, the unpredictable and varying impacts of the pandemic were similar in nature to the impacts of a natural disaster.

Whether state responses to COVID-19 reflected state circumstances or state policy is a contested issue. In the 2021, 2022, 2023 and 2024 updates, the Commission considered state responses mainly reflected state circumstances rather than individual state policies. While some states had a similar view, others said that individual state policies predominantly drove differences in expenses between states, rather than circumstances outside states' control.

Recent reviews have sought to identify policy lessons from the COVID-19 pandemic and how the policy responses could have been improved. Overall, the Commission's judgement is that in assessing COVID-19 related state expenses in the years 2021–22 to 2023–24, the view it expressed in previous updates remains appropriate. While there were differences in states' policy settings at various stages of the pandemic, the Commission considers these often reflected different state circumstances. Moreover, it considers the national partnership agreements, which co-funded COVID-19 health and business support expenses, were sufficiently homogenous to support actual per capita assessments. The Commission has not made any retrospective adjustments to COVID-19 related expenses for previous GST distribution years.

Further information on the Commission's rationale for the method changes and state views on the issues can be found in the health and services to industry chapters of *Review Outcomes*.

Box 2-1 COVID-19 method changes (continued)

The Commission's separate assessment of expenses under the Commonwealth national partnership agreements will cease when the expenses drop out of the assessment period. The impact of the method changes is largely limited to the GST distribution for 2025–26. This is because COVID-19 related expenses decline significantly after 2021–22, the year which drops out of the assessment period in 2026–27. The impact on the GST distribution from the method changes is shown in Table 2-4.

Table 2-4 Change in assessed GST needs due to COVID-19 method changes, 2024–25 to 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Revenue effect for Commonwealth payment for COVID-19 health spending	-154	-206	287	15	67	-7	7	-10	377
Expense effect of state (including Commonwealth Contribution) spending for COVID-19 in health	363	498	-611	-60	-145	-16	-11	-18	861
Total for health	209	293	-324	-45	-78	-23	-4	-28	502
Revenue effect for Commonwealth payment for COVID-19 spending on business support	-501	-580	509	322	195	47	-18	26	1,099
Expense effect of state (including Commonwealth Contribution) spending on COVID-19 business support	956	1,156	-986	-652	-371	-86	36	-54	2,149
Total for business support payments	456	577	-478	-330	-176	-38	17	-28	1,050
Total effect of COVID-19 changes	664	870	-802	-375	-254	-61	14	-56	1,548

Health

Over the assessment years for the 2025–26 GST distribution, New South Wales, Victoria, Tasmania and the Northern Territory spent more than their population share on COVID-19 related health services. Under an actual per capita assessment, these states have above-average assessed expenses for COVID-19 health services. For New South Wales and Victoria, this results in an increase in assessed GST needs in 2025–26 compared with 2024–25 because under the 2020 Review method they were assessed to need less than their population share of health expenses. However, for Tasmania and the Northern Territory, their assessed needs were larger under the 2020 Review method than an actual per capita assessment and so they receive less GST in 2025–26 than in 2024–25.

Queensland, Western Australia, South Australia and the ACT spent less than their population share on COVID-19 related health services. Under an actual per capita assessment, these states have below-average assessed expenses for COVID-19 health services and receive less GST in 2025–26 than in 2024–25. For those states with a reduced GST distribution from changes to health assessment methods in the 2025 Review, all are still assessed to need to spend more than their population share on health services in the 2025–26 application year.

Services to industry

Over the assessment years for the 2025–26 GST distribution, New South Wales, Victoria and the ACT spent more than their population share on COVID-19 business support. Under an actual per capita assessment, these states have above-average assessed expenses for COVID-19 business support. This has increased their assessed GST needs compared with the 2020 Review method and so they receive more GST in 2025–26 than 2024–25. The reverse is the case for Queensland, Western Australia, South Australia, Tasmania and the Northern Territory.

Wage costs

The wage costs assessment recognises that public sector wages are different across states, partly due to differences in labour markets beyond the control of state governments. The Commission made several changes to the regression model used to estimate these different wage pressures. Because wage costs are assessed in all expense categories and represent a large proportion of total state expenses, changes to the wage costs assessment method can have large effects on GST distribution.

The largest effects of changing the model were from the shift from usual hours to paid hours worked. The changes to the model more appropriately capture the effects of hours worked on wages, preventing the higher wages of individuals working longer hours being inappropriately attributed to other factors, such as their state of residence. Changes to the wage costs model increased the assessed GST needs of Victoria, South Australia, Tasmania and the ACT, in part because more workers in these states work part time compared with the national average, and this difference was not fully accounted for in the previous model.

A weighted average of several years of data was introduced to increase the effective sample size and reduce volatility in the wage cost estimates. This smoothing reduced the assessed GST needs of New South Wales and Western Australia, which had average estimated relative wages in 2020–21, 2021–22 and 2022–23 above their trend levels. This impact is temporary and reflects the specific circumstances of states in the assessment years. As the model has moved to a longer-term trend by using the weighted average of several years of data, the annual volatility in the assessment will be reduced, while the net impact of the change on states' assessed GST needs will be negligible in the long-term.

In combination, changes to the wage costs assessment method increased the assessed GST needs of Victoria, South Australia, Tasmania and the ACT.

Transport

The Commission made several changes to the method for assessing state expense needs for urban transport, which reduced the assessed GST needs of New South Wales and Victoria and increased those of the other states.

A large driver of these needs is urban population-weighted density. The measure of population-weighted density was changed to a square kilometre grid, rather than Statistical Areas Level 1 (SA1s), so as to provide a more consistent and less volatile measure of density. This change reduced the assessed GST needs of New South Wales and Victoria, which both had more dense urban areas under the previous method.

The urban centre characteristics regression was rerun with new data to maintain contemporaneity. This produced new cost weights for the urban centre characteristics variables (population-weighted density, bus and light rail passengers, heavy rail passengers, presence of a ferry service, distance to work and slope). This increased the assessed GST needs of New South Wales, Tasmania and the ACT.

The blending level between the regression model (75%) and urban populations (25%) was temporarily changed to 65% and 35% respectively, to recognise greater uncertainty in the 2021 Census data, which were impacted by the COVID-19 pandemic. This reduced the assessed GST needs of New South Wales and Victoria. Once fit-for-purpose 2026 Census data become available in 2028, the blending ratio will return to the 75:25 split.

Investment

The Commission's investment assessment estimates the capital investment required for each state if it were to provide services at the average level. No changes were made to the general investment assessment method, but changes to recurrent expense assessment methods affected the investment assessment. These changes increased the assessed GST needs of New South Wales, Western Australia, South Australia and Tasmania and

reduced those of the other states. The most significant changes were from the transport assessment.

The changes in the transport assessment increased the assessed GST needs of New South Wales, Western Australia, South Australia and Tasmania in the investment assessment, and reduced those of the other states. For some states, the direction of the impact of method changes in the investment assessment does not match the direction in the assessment of recurrent transport needs. For Queensland, this mostly reflects the change in method of modelling passenger numbers. Under the previous method, Brisbane's assessed passenger numbers increased when it changed from being a city of 1-2.5 million people, like Adelaide and Perth, to a city of over 2.5 million, like Sydney and Melbourne. In the 2024 Update, Queensland was assessed as needing the infrastructure spending for this growth in assessed passengers. The new method better accounts for continuous growth rather than relying on step changes.

Differences between the pattern for recurrent transport needs and investment needs were also driven by changes to the measure of population-weighted density. For example, the ACT's high growth in density for SA1s was replaced by a slower growth in density for the square kilometre grid.

The investment and transport chapters of *Review Outcomes* describe the various changes made to the transport assessment and their impact on GST distribution.

Motor taxes

The 2020 Review method did not include a separate assessment of state revenues from motor vehicle transfers as it would not have materially changed the GST distribution. In the 2025 Review, a differential assessment of stamp duty on motor vehicle transfers became material and was reintroduced as a separate component within the motor taxes category.

New South Wales, Victoria, and the ACT had below-average per capita values of vehicle transfers, which increased their assessed GST needs. Queensland and Western Australia had above-average per capita values of vehicle transfers, which reduced their assessed GST needs. The value of vehicle transfers was close to average in the other states.

Mining revenue

The Commission made several changes to the assessment method. It set Victoria's coal capacity equal to the revenue it raised. Victoria is the only state to produce brown coal and cannot provide a value of production because it is largely an internal transfer within mining/generation entities. This method change reduced the revenue raising capacity of Victoria.

For the remaining states, the change involved assessed coal royalties being based on their value of production in 2 price bands (above and below \$A200 per tonne). This split recognises that states with high-value coal have greater revenue raising capacity than states with low-value coal. This method change reduced the revenue raising capacity of New South Wales and increased the revenue raising capacity of Queensland. This had a relatively small effect on GST distribution in 2025–26 because the divergence of coal prices in 2022–23 was small (see Box 2-2).

Data revisions

Since the 2024 Update, data providers have released updated data for 2020–21 to 2022–23. The Commission has revised its assessments using the latest available data. The impact on GST distribution from most data revisions was small compared with method changes and changes in circumstances. The largest impact was from revising expenses on natural disaster relief (see Table 2-5).

Table 2-5 Changes to assessed GST needs due to data revisions, 2024–25 to 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Natural disaster relief	611	-292	-175	24	-114	-26	-21	-8	636
Other revisions	118	-50	78	-106	-2	-9	-21	-7	196
Total	729	-342	-98	-81	-116	-35	-42	-15	729

Revisions to natural disaster relief data

Revisions by states to their natural disaster relief data resulted in large changes to assessed GST needs. A significant upward revision was made by New South Wales' to its expenses in 2022–23, which was due in part to delays in finalising costs for multiple floods in the Northern Rivers region. Smaller upward revisions were made by Victoria, Queensland, Western Australia and the Northern Territory.

Data on natural disaster expenses are subject to revision, partly because the Disaster Recovery Funding Arrangements require multiple levels of auditing, often resulting in the data for the assessment years being incomplete at the time of reporting. As per usual practice, the Commission incorporates the revised data into its calculations when available. For this particular assessment, the Commission also makes an adjustment (where material) to correct for having used the unrevised data in previous updates. The upward revisions by New South Wales, Victoria, Queensland, Western Australia, and the Northern Territory, as well as a downward revision by South Australia, were material and therefore large enough to trigger adjustments for the incorrect data being used in the 2023 and 2024 updates.⁶

Changes in state circumstances

This section describes the main changes in state circumstances since the 2024 Update. These are the changes that occurred when revised 2020–21 data were replaced with 2023–24 data (see Table 2-6 and Table 2-7).

Table 2-6 Composition of changes in state circumstances, 2024–25 to 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Expense needs	-177	-349	296	114	18	41	-67	123	593
Investment needs	-195	1,058	-322	17	-301	-142	-102	-14	1,075
Net borrowing	33	-244	47	-35	86	70	26	18	280
Revenue raising capacity	-474	1,186	-2,340	1,191	250	78	73	36	2,814
Commonwealth payments	-152	309	145	-170	11	-50	-24	-69	465
Total	-966	1,957	-2,170	1,116	64	-1	-93	93	3,230

⁶ The Commission only makes this type of adjustment for its actual per capita assessment of natural disaster expenses.

Table 2-7 Change to assessed GST needs due to changes in state circumstances, 2024–25 to 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Mining production	-156	831	-2,283	1,268	197	53	55	36	2,439
Population growth	-188	896	-328	-95	-166	-66	-58	5	901
Taxable land values	-597	120	208	196	27	18	21	7	597
Commonwealth payments	-152	309	145	-170	11	-50	-24	-69	465
Property sales	205	143	-157	-99	-98	5	5	-5	358
Taxable payrolls	1	160	-89	-173	129	-1	-19	-8	289
Indigenous status	58	-195	82	5	-17	15	-9	61	221
Wage costs	-57	93	105	-37	-59	-26	-11	-8	198
Natural disaster relief	159	-141	14	-37	16	-10	-5	5	194
Population dispersion	-102	-68	59	3	-2	60	-19	70	192
Other changes in circumstances	-136	-189	72	255	26	1	-29	-1	355
Total	-966	1,957	-2,170	1,116	64	-1	-93	93	3,230

Mining production

Total mining revenues have been growing strongly. Table 2-8 outlines the estimated aggregate effect of changes in the value of mining production on the distribution of GST in 2025–26. The GST effects of each component of the assessment varied across states.

Table 2-8 Change to assessed GST needs due to changes in value of mineral production, 2024–25 to 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Grants in lieu of royalties	24	20	16	-69	5	2	1	1	69
Iron Ore	-369	-305	-244	1,049	-69	-31	-21	-11	1,049
Coal	-17	939	-1,735	394	248	75	63	34	1,753
Gold	0	8	-5	-3	-1	-1	0	1	10
Copper	-3	-7	5	8	-2	-1	0	0	13
Lithium	59	49	39	-168	13	4	3	2	168
Nickel	-1	-1	-1	3	0	-1	0	0	3
Other minerals (a)	151	128	-358	53	3	5	9	10	358
Total	-156	831	-2,283	1,268	197	53	55	36	2,439

(a) For confidentiality reasons, the Commission does not publish data on its bauxite and onshore oil and gas assessments. This assessment is an aggregation of the bauxite, onshore oil and gas and other minerals assessments.

Compared with 2020–21, iron ore royalties decreased by 8% in 2023–24. This reduced Western Australia's assessed iron ore capacity (and increased its assessed GST needs). The assessed GST needs of the other states reduced.

Coal royalties have grown strongly in recent years, reaching a peak in 2022–23. Despite retreating from that peak, 2023–24 coal royalties remained significantly higher than in 2020–21. This significantly increased the assessed revenue capacities of the coal producing states of New South Wales, and particularly Queensland, reducing their assessed GST needs and increasing those of the other states. The impact was larger for Queensland due to its larger share of the production of high-value coal. See Box 2-2 for an explanation on the effects of increasing coal royalties on GST distribution.

Although also falling from 2022–23 peaks, lithium royalties and onshore oil and gas royalties were higher in 2023–24 than in 2020–21. This reduced the assessed GST needs of Queensland and Western Australia, respectively, and increased those of the other states.

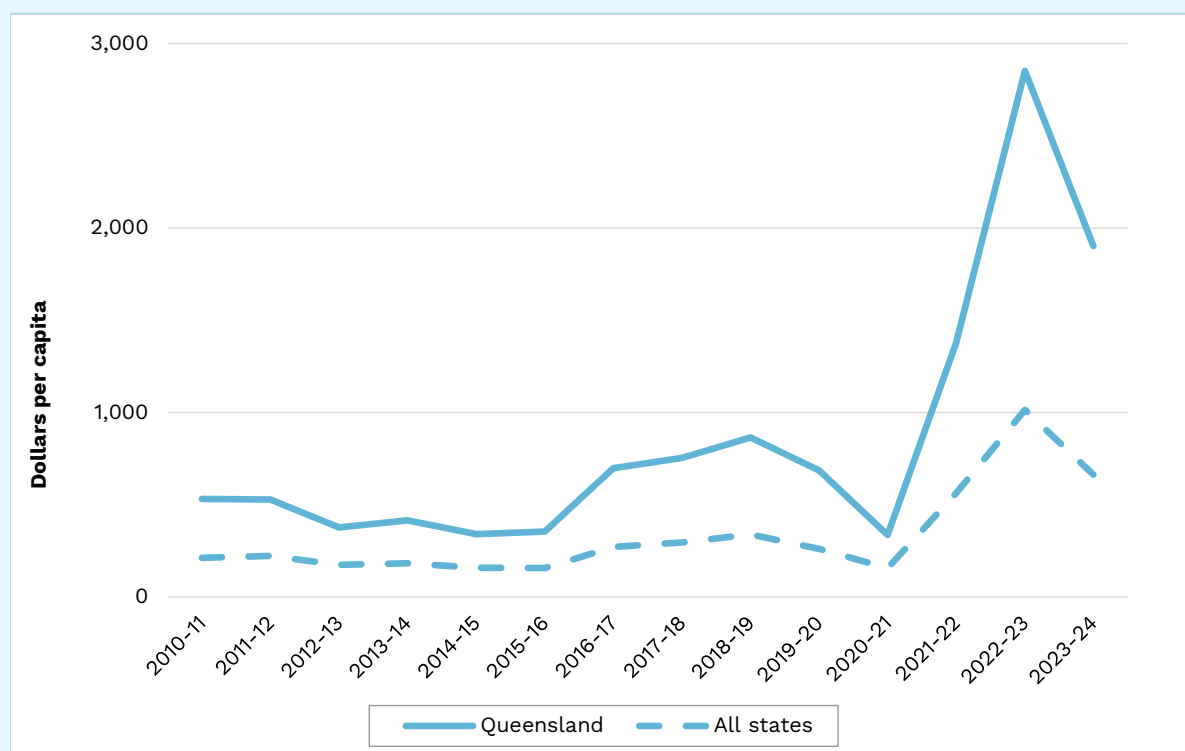
Overall, the changes in states’ mining royalties reduced the assessed GST needs of New South Wales and Queensland and increased those of the other states.

Box 2-2 Coal royalties and GST distribution

Mining activity has a large influence on state GST shares. When states experience strong growth in the value of mining production, their revenue capacity rises and, in response, the GST distribution arrangements assess them to require less GST. Other states’ assessed GST needs increase.

Figure 2-1 shows coal royalty revenue rising substantially in recent years, increasing the revenues in coal producing states. However, the increases have not been uniform. Queensland’s coal royalties rose significantly faster than those of other states.

Figure 2-1 Per capita coal royalty revenue, 2010–11 to 2023–24



Source: Annual data provided by states.

Box 2-2 Coal royalties and GST distribution (continued)

Queensland's royalties grew faster for 2 reasons. First, it produces more high-value coal and the price for high-value coal rose more than low-value coal (see Figure 2-2). Second, Queensland increased its royalty rates from July 2022.

The Commission changed its approach to assessing coal royalties in response to the recent coal price increases. The change in approach aims to capture the effect of any divergence in coal prices on state royalties. This split recognises that states with high-value coal have greater revenue raising capacity than states with low-value coal. The impact of the changed approach will increase if coal prices diverge. While material in the 3-year assessment period for 2025–26 GST distribution, the change did not have a big effect on assessed GST needs because the divergence of coal prices in 2022–23 was small.

Figure 2-2 Coal prices, 2010–11 to 2023–24



Source: Department of Industry, Sciences and Resources, Resources and energy quarterly: December 2024, historical data.

Note: The prices shown in the chart are based on average monthly spot prices. They do not necessarily reflect prices producers receive, which are based on contract prices and the quality of the coal sold.

Population growth

Population growth directly affects states' investment needs (see Box 2-3). Victoria's share of population growth in 2020–21 (when its population declined) was significantly lower than its share of population growth in 2023–24. The recent increase in its relative population growth resulted in an increase in Victoria's assessed investment needs. Different measures of population growth are used for different services. For example, change in population-weighted density is the major driver of urban transport investment, while change in student numbers is the major driver of investment in schools. Victoria experienced an increase in almost all measures of population growth.

Population growth is a driver of net borrowing in the opposite direction, so it has partially offsetting effects.

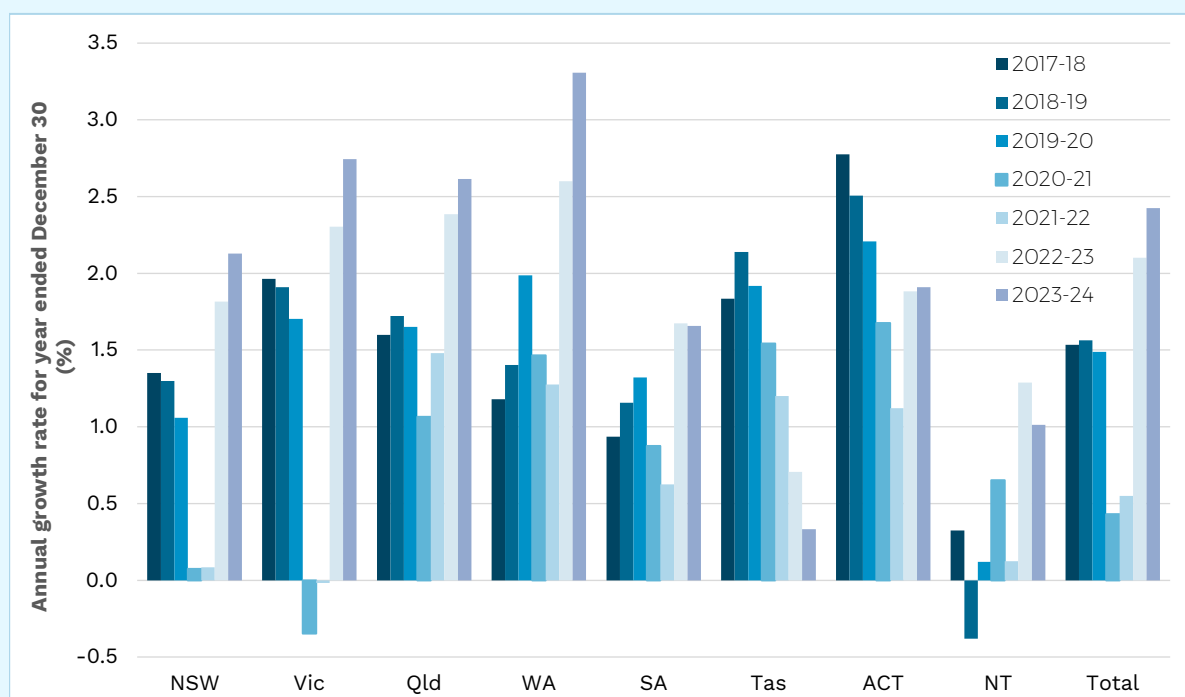
Box 2-3 Population growth

Population growth is a driver of need for the investment and net borrowing assessments. States with higher population growth have greater GST needs for new capital investment (investment assessment) and have lower GST needs to service liabilities (net borrowing assessment). The investment assessment is much larger than the net borrowing assessment so a state with a higher share of population growth has higher net GST needs from the population growth driver across capital assessments.

Population growth is measured differently between the various components of investment. For example, growth in students drives needs for schools infrastructure and growth in urban populations and in urban population density drive needs for urban transport infrastructure. While the rates of growth for different aspects of population vary, they tend to move in related ways.

Victoria experienced population decline in 2020–21 and 2021–22 during the COVID-19 pandemic and has since returned to growth rates slightly above the national average (see Figure 2-3).

Figure 2-3 Population growth 2017–18 to 2023–24



Growth well below the national average implies investment needs well below the national average. In the 2023 and 2024 Updates, when Victoria’s population decline was reflected in 2 of the 3 assessment years, Victoria had below-average investment needs. For GST distribution in 2025–26, this only affects one of the 3 assessment years (see Table 2-9). Variations in population growth have affected all states.

Table 2-9 Investment needs driven by population growth: difference from an equal per capita distribution

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
U2021	-16	133	-6	-116	-155	-85	-47	-182	34
U2022	-29	55	48	-14	-125	-89	-45	-190	24
U2023	-80	-101	142	186	11	-34	82	25	52
U2024	-100	-81	162	165	-30	35	129	5	54
R2025	-126	42	91	193	-109	-106	-68	-66	51

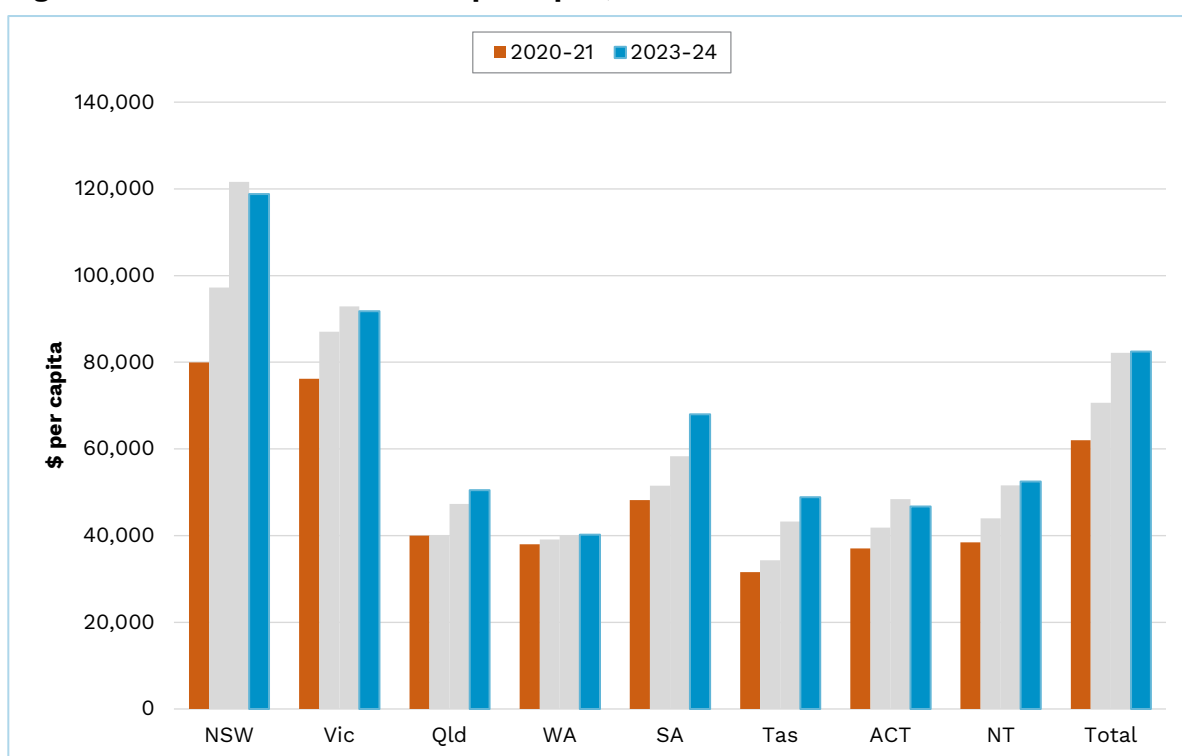
Taxable land values

Cycles in property markets change land values and, as a result, states' capacities to raise land tax.

Total land tax revenue grew between 2020–21 and 2023–24. This reduced the assessed GST needs of states with an above-average capacity to raise land tax (New South Wales and Victoria) and increased the assessed GST needs of the other states.

Between 2020–21 and 2023–24, per capita taxable land values increased by 33% nationally. New South Wales, South Australia, Tasmania and the Northern Territory experienced above-average growth over the period (see Figure 2-4), reducing their assessed GST needs and increasing those of the other states. This more than offset the reduction in assessed GST needs for Victoria and partially offset the increase in assessed GST needs for South Australia, Tasmania and the Northern Territory.

Figure 2-4 Taxable land values per capita, 2020–21 to 2023–24



Source: Annual data provided by states.

Note: The Commission estimates the Northern Territory's land values

Commonwealth payments

The Commonwealth makes payments to states for specific purposes. If a payment is for a state-type service for which the Commission assesses expense needs, then this revenue is included when the Commission assesses how much GST a state requires. To the extent that a state receives above-average per capita amounts of Commonwealth payments, it is assessed to require less GST per capita.

Between 2020–21 and 2023–24, there were changes in the interstate distribution of some payments, particularly for national health reform, rail infrastructure, road infrastructure and education. This had flow-on effects for GST distribution. New and ceased payments in 2023–24 also impacted GST distribution.

Victoria, Queensland and South Australia received smaller shares of assessed Commonwealth payments in 2023–24 than in 2020–21, increasing their assessed GST needs. The other states received greater shares of Commonwealth payments in 2023–24 than in 2020–21, reducing their assessed GST needs (see Table 2-10).

Table 2-10 Changes in the estimated GST distribution due to changes in Commonwealth payments, 2022–23 to 2023–24

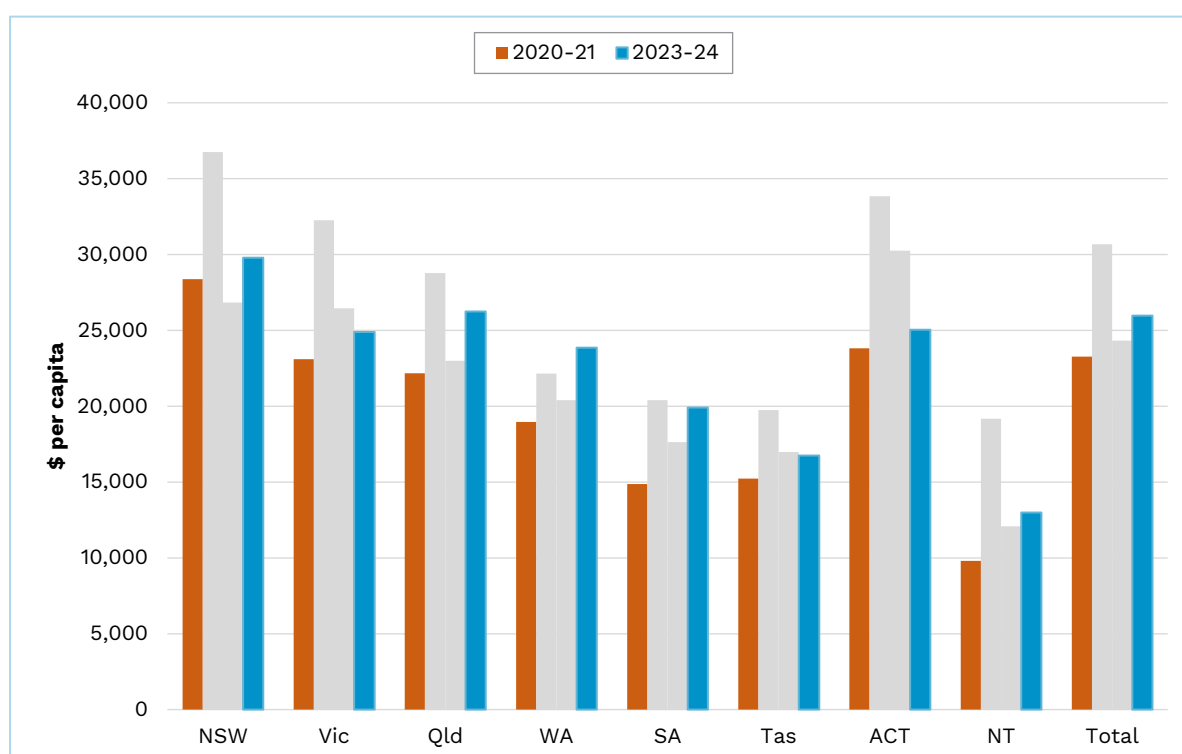
	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
National Health Reform funding (Hospitals)	-169	323	-89	11	-54	-19	12	-15	347
Infrastructure investment - Rail	-73	101	47	-171	56	23	10	7	244
Infrastructure investment - Other Roads	66	-1	152	-74	-3	-54	-10	-75	219
Quality Schools funding	41	-53	22	-23	-3	6	0	11	80
Infrastructure investment - Urban congestion	-38	-4	-20	36	32	-2	-3	-1	67
Infrastructure investment - Roads of strategic importance	-24	-27	-3	19	-4	23	-2	17	59
Sustainable Rural Water Use and Infrastructure Program	-33	30	10	6	5	1	-21	1	53
National Water Grid Fund	24	11	-7	8	3	-14	1	-27	48
Other	52	-71	33	17	-21	-12	-11	14	116
Total	-152	309	145	-170	11	-50	-24	-69	465

Property sales

Stamp duties raised from the transfer of property are volatile. Property market cycles can lead to large changes across years and states. This can have marked effects on states' revenue raising capacities.

Between 2020–21 and 2023–24, the per capita value of property transferred increased by 12% nationally. Queensland, Western Australia, South Australia and the Northern Territory experienced above-average growth over the period (see Figure 2-5), reducing their assessed GST needs.

Figure 2-5 Value of property transfers per capita, 2020–21 to 2023–24



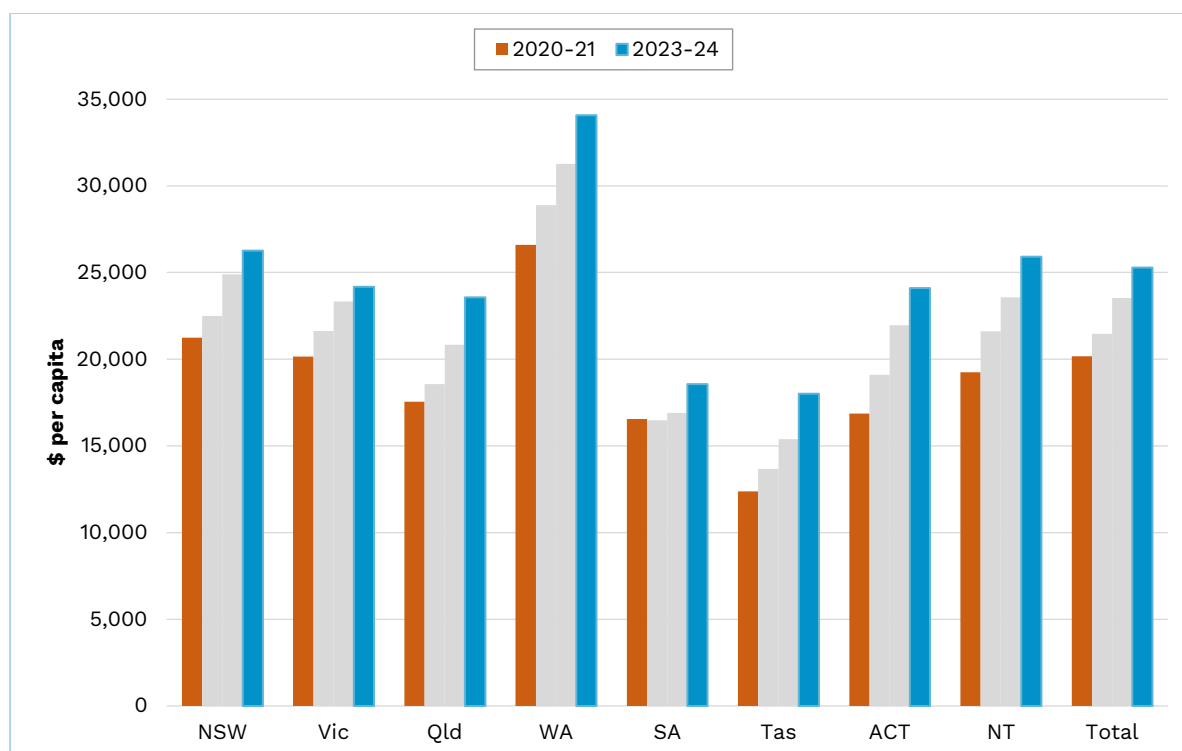
Source: Annual data provided by states.

Taxable payrolls

High growth in revenue collected from payroll tax and changes to states' relative capacities to raise payroll tax revenue have changed the GST distribution.

Between 2020–21 and 2023–24, the per capita value of taxable payrolls increased by 25% nationally. Queensland, Western Australia, Tasmania, the ACT and the Northern Territory experienced above-average growth over the period (see Figure 2-6). This reduced the assessed GST needs of those states and increased the needs of the other states.

Figure 2-6 Value of taxable payrolls 2020–21 to 2023–24



Indigenous status

It costs more to provide some services to First Nations people because of greater complexity of needs and higher use of services. Between 2020–21 and 2023–24, changes in the use and cost of services for First Nations people, as well as an increase in state expenses, resulted in an increased distribution of GST.

Expenses on services with higher use rates by First Nations people (especially child protection and family services, and community and public health) grew faster than for other services. This led to an increase in the impact of Indigenous status on assessed state budgets, increasing the GST needs of states with above-average proportions of First Nations people.

ABS data on the number of prisoners in 2023–24 showed an increase in the proportion of First Nations prisoners, compared with 2020–21. This increased the assessed GST needs of states with above-average proportions of First Nations people.

The additional cost of First Nations school students increased from \$4,616 per student to \$6,041 per student between 2020–21 and 2023–24. This increased the assessed GST needs of states with above-average proportions of First Nations students.

In total, including 2023–24 data relating to Indigenous status (with 2021–22 data dropping out) increased the assessed GST needs of New South Wales, Queensland, Western Australia, Tasmania and the Northern Territory, and reduced the assessed GST needs of the other states.

Wage costs

The Commission uses private sector wage differences between states as a policy neutral proxy measure of the market pressures faced by states when setting public sector wages. Between 2020–21 and 2023–24, the Commission’s assessed wage costs trended up in Victoria and Queensland, relative to the other states. This increased their assessed GST needs.

Natural disaster relief

National expenses under the Disaster Recovery Funding Arrangements were significantly higher in 2023–24 than in 2020–21. There was a large increase in New South Wales’ expenses and a decline in Victoria’s expenses. This increased the assessed GST needs of New South Wales and reduced those of Victoria.

Population dispersion

States face higher costs if they have greater concentrations of people in more remote areas because the costs of delivering services are higher and people have higher use of state-provided services. See Box 2-4 for an explanation of how the Commission uses ABS remoteness classifications in its assessments.

Between 2020–21 and 2023–24, community and public health activity, excluding ambulatory mental health and COVID-19 related services, grew faster in regional and remote areas (11%) than in major cities (1%). In addition, between these 2 financial years there was a large increase in state expenses on community and public health services, as COVID-19 related expenses tapered off and were replaced with other community and public health services. There was also a slight increase in the proportion of state populations in major cities relative to regional and remote areas.

Overall, these changes resulted in relatively higher per capita costs in regional and remote areas, relative to major cities. For example, in very remote areas, state expenses on community and public health increased from \$1,101 per person in 2020–21 to \$2,917 per person in 2023–24. As such, population dispersion drove more GST distribution. This increased the assessed GST needs of Queensland, Western Australia, Tasmania and the Northern Territory, and reduced the GST needs of the other states.

Why GST shares differ

The previous sections in this chapter focus on the factors driving GST distribution in the 2025-26 GST relativities compared with the 2024 Update. This section focuses on the factors that determine whether a state has an above-average or below-average fiscal capacity, including the effects of the GST distribution legislation.

A state with above-average assessed GST needs receives more than an equal per capita allocation (see Table 2-11). Over the 3-year assessment period for the 2025–26 GST relativities, Victoria, South Australia, Tasmania, the ACT and the Northern Territory were assessed to have above-average GST needs, with an average assessed relativity above one. New South Wales, Queensland and Western Australia had below-average needs, with an assessed relativity below one.

New South Wales, Queensland and Western Australia had above-average capacity to raise revenue. New South Wales' revenue raising capacity reflected its strength in property sales, land values and payroll. For Queensland and Western Australia, mining production was the key driver, and Western Australia also had a strong payroll tax base.

Queensland, Western Australia, Tasmania and the Northern Territory had above-average expense needs. Population dispersion was a key reason for their higher expense needs as it costs more to provide services in more remote regions (see Box 2-4 for an explanation of how the Commission uses ABS remoteness classifications in its assessments). On average, it costs more to provide services to First Nations people because of greater complexity of needs and higher use of services. This, along with socio-economic status, drove above-average expense needs for these states. South Australia's comparatively low socio-economic status and older age profile increased its expense needs, but low wage costs and urban centre characteristics more than offset this, giving it below-average expense needs overall. While the ACT had high expense needs from administrative scale, low non-state sector provision of health services and high wage costs, these were more than offset by its less remote and less disadvantaged socio-demographic composition.

New South Wales, Victoria and the Northern Territory had above-average investment needs due to capital improvements. The cost of construction resulted in above-average investment needs in New South Wales, Western Australia, the ACT and the Northern Territory. Victoria, Queensland and Western Australia had above-average investment needs resulting from higher population growth over the period 2020–21 to 2023–24.

The 2018 GST distribution legislation prescribes the blending of assessed and standard state relativities and the application of the GST relativity floor. These reduced GST revenue for all states except Western Australia. Queensland benefited from the 2018 GST distribution legislation as its assessed relativity was below that of the standard state, New South Wales, in each assessment year. This benefit was more than offset by the reduction in Queensland's relativity (along with other states) as a consequence of lifting Western Australia's relativity under the standard state approach and applying the GST floor.

Table 2-11 Drivers of difference from an equal per capita distribution of GST, 2025–26

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total effect
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
REVENUE RAISING CAPACITY									
Mining production	4,385	9,125	-5,664	-11,075	1,931	601	630	66	16,739
Taxable land values	-2,945	-627	1,687	777	613	223	180	93	3,572
Property sales	-2,755	-206	679	964	867	319	-30	163	2,991
Taxable payrolls	-586	178	859	-1,485	713	274	51	-4	2,075
Other revenue effects	215	188	-186	-179	-147	-6	93	21	517
TOTAL REVENUE	-1,687	8,659	-2,624	-10,998	3,976	1,412	924	339	15,310
COMMONWEALTH PAYMENTS	-109	984	-478	-181	328	-131	129	-542	1,442
EXPENSE NEEDS									
Socio-demographic composition (SDC)									
Population dispersion	-2,372	-1,882	1,242	714	102	809	-340	1,725	4,593
Indigenous status	385	-3,062	1,346	300	-282	185	-132	1,260	3,476
Non-Indigenous disadvantage	-152	-277	458	-177	492	147	-355	-136	1,097
Age	292	-169	-179	-79	294	-24	-41	-94	586
Other SDC	-141	-226	246	42	20	-35	-39	133	441
Total SDC	-1,987	-5,615	3,113	801	627	1,082	-907	2,887	8,510
COVID-19	1,325	1,558	-1,618	-637	-532	-84	21	-34	2,904
Administrative scale	-705	-493	-298	73	212	381	396	434	1,496
Wage costs	561	137	-640	392	-496	-211	199	60	1,347
Population weighted density	884	279	-536	-244	-184	-127	-22	-49	1,162
Natural disaster relief	909	-701	172	-95	-163	-56	-52	-14	1,080
Other expenses	-1,088	-645	288	1,341	15	-88	4	173	1,821
TOTAL EXPENSES	-102	-5,481	481	1,630	-522	898	-362	3,458	6,467
INVESTMENT									
Capital improvements	1,008	139	-544	-25	-420	-246	-271	359	1,506
Cost of construction	396	-836	-125	496	-64	-38	40	132	1,064
Population growth	-1,360	333	728	792	-287	-126	-40	-41	1,853
TOTAL INVESTMENT	44	-364	58	1,263	-771	-410	-271	450	1,816
NET BORROWING	269	-35	-207	-203	81	64	7	24	445
Total effect of assessed relativities (a)	-1,586	3,763	-2,770	-8,488	3,093	1,833	427	3,729	12,844
Blending relativities	-2,498	-2,073	-217	5,728	-553	-169	-140	-79	5,728
Floor applied	-52	-43	-34	149	-11	-3	-3	-2	149
TOTAL	-4,137	1,647	-3,021	-2,610	2,528	1,660	284	3,648	9,768

Note: This table shows the drivers for each state receiving more or less than an equal per capita share of GST in 2025–26.

(a) Assessed relativities reflect the GST each state needs to have the same capacity to provide services as the other states. Legislation specifies how these are adjusted to derive GST relativities, which determine GST distribution.

Box 2-4 Population dispersion

Population dispersion relates to how remote a state's population is and how this can impact expense needs. For a range of services, states provide more services per capita to populations in more remote areas, where services can also be more expensive to deliver.

The Commission uses the ABS' 5 remoteness areas to classify populations by remoteness. This classification uses the Accessibility/Remoteness Index of Australia Plus (ARIA+) which was created in 2001 and is produced by the Australian Centre for Housing Research at the University of Adelaide. The classification is widely used by academics, and Commonwealth and state government agencies as it provides a relatively stable, nationally consistent measure of accessibility to services.

ARIA+ considers how far a location is from a range of differently sized service centres. If a location is relatively close to a major city, it can be classified as akin to a 'major city' even if it has a small population. For example, Kiama, Noosa Heads and Pinjarra have populations under 25,000 and are classified as having access to major city level services. If a location is relatively distant from larger service centres, it can be classified as remote even if it has a relatively large population. For example, Mount Isa, Broome and Port Lincoln have populations over 15,000 and are classified as remote.

While remote and very remote areas are very expensive to service, they contain less than 2% of Australia's population (see Table 2-12). Inner regional and outer regional areas are less expensive than remote areas but more expensive than major cities and contain more than 25% of Australia's population.

This means that population dispersion increases GST needs for Tasmania with a relatively large regional population, while the high expenses associated with Western Australia's relatively large remote and very remote populations are moderated by it having an above-average share of people living in a major city. Population dispersion increases GST needs for the Northern Territory because more than 40% of its population live in remote or very remote areas and because Darwin is an outer regional city, rather than a major city.

Table 2-12 Estimated population by remoteness, 2023

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
	%	%	%	%	%	%	%	%	%
Major cities of Australia	75.8	77.9	65.2	79.0	75.6	—	99.9	—	72.6
Inner regional Australia	19.2	18.2	19.2	8.6	9.9	61.9	0.1	—	17.6
Outer regional Australia	4.6	3.8	13.2	6.7	11.2	36.1	—	59.7	7.9
Remote Australia	0.3	0.0	1.3	3.3	2.4	1.5	—	21.1	1.1
Very remote Australia	0.1	—	1.0	2.3	0.8	0.5	—	19.3	0.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

3. State by state changes

Key points

- All states except Queensland are expected to receive more GST revenue in 2025–26 compared with 2024–25.
- The following states are estimated to receive an increase in GST distribution in 2025–26:
 - New South Wales: \$942 million (\$109 per capita)
 - Victoria: \$3,657 million (\$510 per capita)
 - Western Australia: \$395 million (\$129 per capita)
 - South Australia: \$279 million (\$147 per capita)
 - Tasmania: \$151 million (\$261 per capita)
 - the ACT: \$35 million (\$73 per capita)
 - the Northern Territory: \$248 million (\$966 per capita).
- The estimated increase in Victoria’s GST payment is mainly driven by its reduced relative capacity to raise mining revenue and the change in the assessment of COVID-19 business support and health expenses.
- Queensland is estimated to have a \$1,189 million (\$208 per capita) decrease in its GST distribution in 2025–26. This is largely driven by an increase in mining revenue raising capacity and the change in the assessment of COVID-19 business support and health expenses. Queensland benefits from having its assessed relativity increased to that of the standard state, prior to the standard state relativities being blended with the assessed relativities to determine the GST relativities.
- All states are expected to benefit from growth in the GST pool.
- This is the fifth year in a 6-year transition to distributing GST based on the standard state benchmark (i.e. the fiscally stronger of New South Wales or Victoria) rather than based on the Commission’s assessment of states’ relative fiscal capacities. A relativity floor ensures no state’s GST relativity can fall below 0.75.
- The estimates in this chapter do not include no worse off payments.

This chapter sets out the main factors influencing the changes in each state's GST distribution compared with the 2024 Update. These include method changes from the 2025 Review, data revisions and changes in state circumstances. In addition, states' estimated GST distributions are affected by the combined impact of blended relativities and the GST relativity floor under the 2018 GST distribution legislation, changes in estimated state populations in the GST distribution year, and changes in the estimated size of the GST pool.

Australia's GST arrangements are transitioning to relativities based on a benchmark of the fiscally stronger of New South Wales or Victoria. In the 2025–26 relativities, New South Wales is assessed as the fiscally stronger state in the 2021–22, 2022–23 and 2023–24 assessment years.

New South Wales

In 2025–26, New South Wales’ GST distribution is estimated to increase by \$942 million (\$109 per capita). New South Wales’ share of the GST pool is estimated to decrease from 27.1% to 26.8%.

- The main factors leading to an increase in New South Wales’ assessed GST needs are:
 - a significant upward revision to its natural disaster relief expenses in 2022–23 and above-average natural disaster relief expenses in 2023–24
 - the change in the assessment method of COVID-19 business support and health expenses and New South Wales’ above-average expenses in these areas
 - below-average growth in the value of property sales which reduced its assessed capacity to collect stamp duties.
- The main factors leading to a decrease in New South Wales’ assessed GST needs are:
 - above-average growth in taxable land values, which increased its relative capacity to raise land taxes
 - a change to the urban transport assessment method, which reduced the population-weighted density of Sydney relative to other urban areas which reduced its assessed needs.
- The expected growth in the GST pool contributed to the increase in New South Wales’ GST distribution.
- The operation of blended relativities and the GST floor reduced New South Wales’ GST distribution by \$252 million more than in 2024–25.

Table 3-1 Change in estimated GST distribution from 2024–25 to 2025–26, New South Wales (excludes no worse off payments)

	\$m	\$pc
Change in population	-29	-3
Growth in GST pool	1,222	141
Changes in assessed needs		
Method changes	237	27
Data revisions	729	84
State circumstances	-966	-111
Total	0	0
Blended relativities and GST floor	-252	-29
Total change	942	109

Note: Table may not add due to rounding.

Figure 3-1 New South Wales: main changes in assessed GST needs, 2025–26 relativities

Method changes			
Driver	Change		Explanation
	\$m	\$pc	
COVID-19 in services to industry	456	53	The Commission introduced an actual per capita assessment of COVID-19 business support expenses covered by the national partnership agreements. New South Wales' above-average COVID-19 business support expenses increased its assessed GST needs.
Change to square km density measure in transport	-254	-29	To improve comparability and reduce volatility, the Commission updated its measure of population-weighted density to a measure based on population per square km rather than population for each ABS SA1. This reduced the population-weighted density of Sydney relative to other urban areas, reducing New South Wales' assessed GST needs.
COVID-19 in health	209	24	The Commission introduced an actual per capita assessment of COVID-19 health expenses covered by the national partnership agreement. New South Wales' above-average COVID-19 health expenses increased its assessed GST needs.
Revisions			
Driver	Change		Explanation
	\$m	\$pc	
Natural disaster relief	611	71	A significant upward revision to New South Wales' natural disaster relief expenses in 2022–23 increased its assessed GST needs.
Changes in circumstances (a)			
Driver	Change		Explanation
	\$m	\$pc	
Taxable land values	-597	-69	Above-average growth in taxable land values in 2023–24 compared with 2020–21 increased New South Wales' relative revenue raising capacity, reducing its assessed GST needs.
Property sales	205	24	Below-average growth in the value of property transfers in 2023–24 compared with 2020–21 reduced New South Wales' relative revenue raising capacity, increasing its assessed GST needs.
Natural disaster relief	159	18	An above-average increase in New South Wales' natural disaster relief expenses in 2023–24 compared with 2020–21 increased its assessed GST needs.

(a) Change of circumstances refers to the impact of replacing the 2020–21 assessment year data with the 2023–24 assessment year data in the calculation of relativities.

Victoria

In 2025–26, Victoria’s GST distribution is estimated to increase by \$3,657 million (\$510 per capita). Victoria’s share of the GST pool is estimated to increase from around 24.8% to 27.5%.

- The main factors leading to the increase in Victoria’s assessed GST needs are:
 - a reduced relative capacity to raise mining revenue because of the increase in the revenue raising capacity of the main coal producing states (New South Wales and Queensland)
 - the change in the assessment method of COVID-19 business support and health expenses and Victoria’s above-average expenses in these areas
 - an increase in the growth rate of Melbourne’s population-weighted density, which increased its assessed needs for urban transport investment
 - a decrease in Victoria’s share of assessed Commonwealth payments in 2023–24 compared with 2020–21.
- The main factors partially offsetting Victoria’s increase in assessed GST needs are:
 - a decrease in natural disaster expenses relative to other states, which is largely driven by upward revisions to natural disaster expenses in New South Wales
 - an increase in Victoria’s share of national population growth, increasing its capacity to maintain its per capita share of total net financial liabilities.
- The expected growth in the GST pool contributed to the increase in Victoria’s GST distribution.
- The operation of blended relativities and the GST floor reduced Victoria’s GST distribution by \$211 million more than in 2024–25.

Table 3-2 Change in estimated GST distribution from 2024–25 to 2025–26, Victoria (excludes no worse off payments)

	\$m	\$pc
Change in population	68	9
Growth in GST pool	1,125	157
Changes in assessed needs		
Method changes	1,059	148
Data revisions	-342	-48
State circumstances	1,957	273
Total	2,675	373
Blended relativities and GST floor	-211	-29
Total change	3,657	510

Note: Table may not add due to rounding.

Figure 3-2 Victoria: main changes in assessed GST needs, 2025–26 relativities

Method changes			
Driver	Change		Explanation
	\$m	\$pc	
COVID-19 in services to industry	577	80	The Commission introduced an actual per capita assessment of COVID-19 business support expenses covered by the national partnership agreements. Victoria's above-average COVID-19 business support expenses increased its assessed GST needs.
COVID-19 in health	293	41	The Commission introduced an actual per capita assessment of COVID-19 health expenses covered by the national partnership agreement. Victoria's above-average COVID-19 health expenses increased its assessed GST needs.
Revisions			
Driver	Change		Explanation
	\$m	\$pc	
Natural disaster relief	-292	-41	Upward revisions to natural disaster expenses in other states led to a reduction in Victoria's assessed GST needs.
Changes in circumstances (a)			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	831	116	A large increase in coal prices and average coal royalty rates in 2023–24 compared with 2020–21 increased coal royalties and the revenue raising capacities of New South Wales and Queensland. This reduced Victoria's relative mining revenue raising capacity and increased its assessed GST needs.
Relative growth of investment needs for urban transport	516	72	There was above-average growth in population-weighted density in Melbourne in 2023–24 compared with 2020–21 (reflecting the fall in Melbourne's population-weighted density in 2020–21). This increased Victoria's need for urban transport investment, increasing its assessed GST needs.
Commonwealth payments	309	43	Victoria received a smaller relative share of assessed Commonwealth payments in 2023–24 compared with 2020–21. This increased its assessed GST needs.
Net borrowing	-244	-34	Victoria's increasing share of population growth in 2023–24 compared with 2020–21 led to an increase in its ability to service its liabilities, reducing its assessed GST needs. While Victoria's increasing share of population growth reduced its assessed GST needs from the net borrowing assessment, it led to a larger increase in assessed GST needs through the various investment assessments, including urban transport.

(a) Change of circumstances refers to the impact of replacing the 2020–21 assessment year data with the 2023–24 assessment year data in the calculation of relativities.

Queensland

In 2025–26, Queensland’s GST distribution is estimated to decrease by \$1,189 million (\$208 per capita). Queensland’s share of the GST pool is estimated to decrease from around 19.6% to 17.4%.

- The main factors leading to the decrease in Queensland’s assessed GST needs are:
 - an increase in its relative capacity to raise revenue from coal royalties, because of higher coal prices and an increase in the national average coal royalty rate
 - the change in the assessment method of COVID-19 business support and health expenses and Queensland’s below-average expenses in these areas
 - changes in the wage costs assessment method, which led to a decrease in estimated relative wage costs in Queensland, compared with the previous method
 - changes to the recurrent urban transport method, which decreased the growth of urban transport passengers and the relative growth of population-weighted density of Brisbane, leading to a fall in its assessed need for investment in urban transport
 - below-average growth in population-weighted density in Brisbane in 2023–24, which reduced Queensland’s need for urban transport investment.
- The fall in Queensland’s assessed GST needs is partially offset by below-average growth in taxable land values, which reduced its relative capacity to raise land taxes.
- The expected growth in the GST pool partially offset the decrease in Queensland’s GST distribution.
- The operation of blended relativities and the GST floor increased Queensland’s GST distribution by \$1,271 million more than in 2024–25. In 2025–26, Queensland’s assessed relativity is below that of the standard state in all 3 assessment years. As a result, Queensland benefits from the 2018 GST distribution legislation by having its relativity lifted to the standard state as a part of calculating its GST relativity. Consequently, the difference between what Queensland receives under the 2018 GST distribution legislation and what it would have received without the 2018 GST distribution legislation is smaller than in 2024–25.⁷

⁷ See Attachment A for further details on the calculation of the relativities.

Table 3-3 Change in estimated GST distribution from 2024–25 to 2025–26, Queensland (excludes no worse off payments)

	\$m	\$pc
Change in population	43	7
Growth in GST pool	887	155
Changes in assessed needs		
Method changes	-1,123	-196
Data revisions	-98	-17
State circumstances	-2,170	-379
Total	-3,391	-592
Blended relativities and GST floor	1,271	222
Total change	-1,189	-208

Note: Table may not add due to rounding.

Figure 3-3 Queensland: main changes in assessed GST needs, 2025–26 relativities

Method changes			
Driver	Change		Explanation
	\$m	\$pc	
COVID-19 in services to industry	-478	-83	The Commission introduced an actual per capita assessment of COVID-19 business support expenses covered by the national partnership agreements. Queensland's below-average COVID-19 business support expenses reduced its assessed GST needs.
COVID-19 in health	-324	-57	The Commission introduced an actual per capita assessment of COVID-19 health expenses covered by the national partnership agreement. Queensland's below-average COVID-19 health expenses reduced its assessed GST needs.
Changes to model in wage costs	-237	-41	Changes to the model used to estimate relative state wage costs produced lower estimates for wage costs in Queensland than the previous model, reducing Queensland's assessed GST needs.
Investment - Changes to urban transport assessment	-193	-34	To improve comparability and reduce volatility, the Commission amended the methods used to model passenger numbers (replacing a grouping cities approach with a regression of population size) and to calculate population-weighted density (using square kilometres rather than SA1s). Both these changes reduced the relative growth of these measures for Brisbane, reducing Queensland's assessed GST needs for urban transport investment.
Changes in circumstances (a)			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	-2,283	-398	Higher coal prices and average coal royalty rates in 2023–24 compared with 2020–21 combined with Queensland's above-average share of coal production significantly increased its relative capacity to raise revenue from coal royalties and reduced its assessed GST needs.
Taxable land values	208	36	Below-average growth in taxable land values in 2023–24 compared with 2020–21 reduced Queensland's relative revenue raising capacity from land taxes, increasing its assessed GST needs.
Relative growth of investment needs for urban transport	-185	-32	The below-average growth in population-weighted density in Brisbane in 2023–24 compared with 2020–21, reduced Queensland's need for urban transport investment, reducing its assessed GST needs.

(a) Change of circumstances refers to the impact of replacing the 2020–21 assessment year data with the 2023–24 assessment year data in the calculation of relativities.

Western Australia

In 2025–26, Western Australia’s GST distribution is estimated to increase by \$395 million (\$129 per capita). Western Australia’s share of the GST pool is estimated to remain steady at around 8.2%.

- Western Australia’s GST relativity is set to the GST relativity floor, which is 0.75. In 2025–26, Western Australia is estimated to receive \$720 million less from the operation of blended relativities and the GST floor compared with 2024–25, due to its higher assessed GST needs.
- The main factors leading to the increase in Western Australia’s assessed GST needs are:
 - a decline in its relative capacity to raise mining revenue, because of lower iron ore prices and an increase in the relative revenue raising capacity of the main coal producing states (New South Wales and Queensland)
 - the change to the business regulation assessment method, which led to an increase in the assessed cost of mining regulation for mining states
 - the changes to the transport assessment method, which led to an increase in the growth rate of, and an increase in, the population-weighted density of Perth compared with other urban areas, leading to an increase in assessed needs for recurrent expenses and investment in urban transport
 - below-average growth in the value of taxable land values, which reduced its relative capacity to raise land taxes.
- The main factors partially offsetting Western Australia’s increase in assessed GST needs are:
 - the change in the assessment method of COVID-19 business support and Western Australia’s below-average COVID-19 business support expenses
 - the changes in wage costs assessment method to smooth the above-trend estimates of Western Australia’s wage costs.

Table 3-4 Change in estimated GST distribution from 2024–25 to 2025–26, Western Australia (excludes no worse off payments)

	\$m	\$pc
Change in population	36	12
Growth in GST pool	372	122
Changes in assessed needs		
Method changes	-328	-107
Data revisions	-81	-27
State circumstances	1,116	365
Total	706	231
Blended relativities and GST floor	-720	-236
Total change	395	129

Note: Table may not add due to rounding.

Figure 3-4 Western Australia: main changes in assessed GST needs, 2025–26 relativities

Method changes			
Driver	Change		Explanation
	\$m	\$pc	
COVID-19 in services to industry	-330	-108	The Commission introduced an actual per capita assessment of COVID-19 business support expenses covered by the national partnership agreements. Western Australia's below-average COVID-19 business support expenses decreased its assessed GST needs.
Changed component weights in services to industry	251	82	Updated data from the states increased the share of mining expenses assessed as regulation instead of business development. The increase in assessed mining regulation expenses increased Western Australia's assessed GST needs.
Smoothing in wage costs	-243	-79	Western Australia had above-trend wage cost estimates in the assessment years. Smoothing wage cost estimates brought Western Australia's wage cost estimate closer to its long-term average and reduced its assessed GST needs.
Investment - Changes to urban transport assessment	198	65	To improve comparability and reduce volatility, the Commission updated its measure of population-weighted density to a measure based on population per square km rather than population for each ABS SA1. This increased the population-weighted density of Perth relative to other urban areas, increasing its assessed GST needs for urban transport investment.
Change to square km density measure in transport	178	58	The Commission updated its measure of population-weighted density to a measure based on population per square km rather than population for each ABS SA1. This increased the population-weighted density of Perth relative to other urban areas, increasing its assessed GST needs for recurrent urban transport.
Changes in circumstances (a)			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	1,268	415	Lower iron ore prices in 2023–24 compared with 2020–21 reduced Western Australia's relative mining revenue capacity. In addition, a large increase in coal prices and average coal royalty rates in 2023–24 compared with 2020–21 increased the revenue raising capacities of New South Wales and Queensland. The decrease in Western Australia's relative mining revenue capacity increased its assessed GST needs.
Taxable land values	196	64	Below-average growth in taxable land values in 2023–24 compared with 2020–21 reduced Western Australia's relative revenue raising capacity, increasing its assessed GST needs.

(a) Change of circumstances refers to the impact of replacing the 2020–21 assessment year data with the 2023–24 assessment year data in the calculation of relativities.

South Australia

In 2025–26, South Australia’s GST distribution is estimated to increase by \$279 million (\$147 per capita). South Australia’s share of the GST pool is estimated to decrease from 9.7% to 9.5%.

- The main factors leading to the decrease in South Australia’s assessed GST needs are:
 - the change in the assessment method of COVID-19 business support and South Australia’s below-average COVID-19 business support expenses
 - a decrease in natural disaster expenses relative to other states, which is largely driven by upward revisions to natural disaster expenses in New South Wales
 - above-average growth in the value of property transfers, which increased its relative capacity to raise stamp duty.
- The main factors partially offsetting the decrease in South Australia’s assessed GST needs are:
 - a reduced relative capacity to raise mining revenue because of the increase in the revenue raising capacity of the main coal producing states (New South Wales and Queensland)
 - below-average growth in taxable payrolls, which reduced its relative capacity to raise payroll taxes
 - the change to the recurrent urban transport assessment method, which led to an increase in the population-weighted density of Adelaide relative to other urban areas, increasing the assessed need for recurrent urban transport expenses
 - the changes in the wage costs assessment method, which led to an increase in the modelled wage costs of workers in South Australia relative to other states.
- The expected growth in the GST pool contributed to the increase in South Australia’s GST distribution.
- The operation of blended relativities and the GST floor reduced South Australia’s GST distribution by \$54 million more than in 2024–25.

Table 3-5 Change in estimated GST distribution from 2024–25 to 2025–26, South Australia (excludes no worse off payments)

	\$m	\$pc
Change in population	-46	-24
Growth in GST pool	434	228
Changes in assessed needs		
Method changes	-2	-1
Data revisions	-116	-61
State circumstances	64	33
Total	-55	-29
Blended relativities and GST floor	-54	-28
Total change	279	147

Note: Table may not add due to rounding.

Figure 3-5 South Australia: main changes in assessed GST needs, 2025–26 relativities

Method changes			
Driver	Change		Explanation
	\$m	\$pc	
COVID-19 in services to industry	-176	-93	The Commission introduced an actual per capita assessment of COVID-19 business support expenses covered by the national partnership agreements. South Australia's below-average COVID-19 business support expenses reduced its assessed GST needs.
Change to square km density measure in transport	126	66	To improve comparability and reduce volatility, the Commission updated its measure of population-weighted density to a measure based on population per square km rather than population for each ABS SA1. This increased the population-weighted density of Adelaide relative to other urban areas, increasing its assessed GST needs.
Changes to model in wage costs	118	62	Changes to the model used to estimate relative state wage costs produced higher estimates for wage costs in South Australia than the previous model, increasing its assessed GST needs.
Revisions			
Driver	Change		Explanation
	\$m	\$pc	
Natural disaster relief	-114	-60	Upward revisions to natural disaster expenses in other states led to a reduction in South Australia's assessed GST needs.
Changes in circumstances (a)			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	197	103	A large increase in coal prices and average royalty rates in 2023–24 compared with 2020–21 increased coal royalties and the revenue raising capacities of New South Wales and Queensland. This reduced South Australia's relative mining revenue raising capacity, increasing its assessed GST needs.
Taxable payrolls	129	68	Below-average growth in South Australia's taxable wages and salaries per capita in 2023–24 compared with 2020–21 decreased South Australia's relative revenue raising capacity from payroll taxes, increasing its assessed GST needs.
Property sales	-98	-51	Above-average growth in the value of property transfers in 2023–24 compared with 2020–21 increased South Australia's relative revenue raising capacity, reducing its assessed GST needs.

(a) Change of circumstances refers to the impact of replacing the 2020–21 assessment year data with the 2023–24 assessment year data in the calculation of relativities.

Tasmania

In 2025–26, Tasmania’s GST distribution is estimated to increase by \$151 million (\$261 per capita). Tasmania’s share of the GST pool is estimated to remain steady at around 3.8%.

- The main factors leading to the increase in Tasmania’s assessed GST needs are:
 - changes to the wage costs assessment method, which led to an increase in the modelled wage costs of workers in Tasmania, and smoothed the below-trend estimates of Tasmania’s wage costs
 - a reduced relative capacity to raise mining revenue, because of the increase in the revenue raising capacity of the main coal producing states (New South Wales and Queensland)
 - the increased influence of population dispersion on the GST distribution from increases in assessed state expenses in regional and remote areas
 - the decrease in Tasmania’s share of national population growth, which decreased its capacity to maintain its per capita share of total net financial liabilities.
- Tasmania’s increase in assessed GST needs is partially offset by receiving a larger share of assessed Commonwealth payments in 2023–24 compared to 2020–21 and the change in the assessment of COVID-19 business support and Tasmania’s below-average COVID-19 business support expenses.
- The expected growth in the GST pool contributed to the increase in Tasmania’s GST distribution.
- The operation of blended relativities and the GST floor reduced Tasmania’s GST distribution by \$16 million more than in 2024–25.

Table 3-6 Change in estimated GST distribution from 2024–25 to 2025–26, Tasmania (excludes no worse off payments)

	\$m	\$pc
Change in population	-39	-68
Growth in GST pool	172	297
Changes in assessed needs		
Method changes	70	122
Data revisions	-35	-61
State circumstances	-1	-2
Total	34	59
Blended relativities and GST floor	-16	-28
Total change	151	261

Note: Table may not add due to rounding.

Figure 3-6 Tasmania: main changes in assessed GST needs, 2025–26 relativities

Method changes			
Driver	Change		Explanation
	\$m	\$pc	
Changes to model in wage costs	77	133	Changes to the model used to estimate relative state wage costs produced higher estimates for wage costs in Tasmania than the previous model, increasing its assessed GST needs.
Smoothing in wage costs	53	91	Tasmania had below-trend wage cost estimates in the assessment years. Smoothing the wage cost estimates has brought Tasmania's wage cost estimates closer to its long-term average and increased its assessed GST needs.
COVID-19 in services to industry	-38	-66	The Commission introduced an actual per capita assessment of state COVID-19 business support expenses covered by the national partnership agreements. Tasmania's below-average COVID-19 business support expenses reduced its assessed GST needs.
Changes in circumstances (a)			
Driver	Change		Explanation
	\$m	\$pc	
Net borrowing	70	122	Tasmania's decreasing share of population growth in 2023–24 compared with 2020–21 led to a decrease in its ability to service its liabilities, increasing its assessed GST needs. While the decreasing share of national population growth in Tasmania increased its assessed GST needs from the net borrowing assessment, it also led to a larger decrease in Tasmania's assessed GST needs through the various investment assessments.
Population dispersion	60	104	States have higher community health expenses per capita in regional areas than in major cities. The increase in state community health expenses in 2023–24 compared with 2020–21 increased the share of assessed expenses in regional areas, increasing the influence of population dispersion. This resulted in an increase in Tasmania's assessed GST needs.
Mining production	53	91	A large increase in coal prices and average coal royalty rates in 2023–24 compared with 2020–21 increased the revenue raising capacities of New South Wales and Queensland. This reduced Tasmania's relative mining revenue capacity and increased its assessed GST needs.
Commonwealth payments	-50	-86	Tasmania received a greater relative share of assessed Commonwealth payments in 2023–24 compared with 2020–21, reducing its assessed GST needs.

(a) Change of circumstances refers to the impact of replacing the 2020–21 assessment year data with the 2023–24 assessment year data in the calculation of relativities.

Australian Capital Territory

In 2025–26, the ACT’s GST distribution is estimated to increase by \$35 million (\$73 per capita). The ACT’s share of the GST pool is estimated to decrease from 2.1% to 2.0%.

- The main factors leading to the decrease in the ACT’s assessed GST needs are:
 - a change to the recurrent urban transport method, which decreased the population-weighted density of Canberra relative to other urban areas, which reduced the ACT’s assessed need for urban transport investment
 - below-average growth in population-weighted density in Canberra in 2023–24, which reduced the ACT’s need for urban transport investment
 - the ACT receiving a larger share of Commonwealth payments in 2023–24 compared with 2020–21
 - a decrease in natural disaster expenses relative to other states, which is largely driven by upward revisions to natural disaster expenses in New South Wales.
- The main factors partially offsetting the decrease in the ACT’s assessed GST needs are:
 - the changes in the wage costs assessment method, which led to an increase in modelled wage costs of workers in the ACT
 - a reduced relative capacity to raise mining revenue, because of the increase in the revenue raising capacity of the main coal producing states (New South Wales and Queensland)
 - changes to the method for calculating the impact of the non-state health sector on state health expense needs
 - a decrease in the ACT’s share of national population growth, which decreased its capacity to maintain its per capita share of total net financial liabilities.
- The expected growth in the GST pool contributed to the increase in the ACT’s GST distribution.
- The operation of blended relativities and the GST floor reduced the ACT’s GST distribution by \$14 million more than in 2024–25.

Table 3-7 Change in estimated GST distribution from 2024–25 to 2025–26, ACT (excludes no worse off payments)

	\$m	\$pc
Change in population	-3	-6
Growth in GST pool	95	196
Changes in assessed needs		
Method changes	93	192
Data revisions	-42	-88
State circumstances	-93	-192
Total	-42	-88
Blended relativities and GST floor	-14	-28
Total change	35	73

Note: Table may not add due to rounding.

Figure 3-7 ACT: main changes in assessed GST needs, 2025–26 relativities

Method changes			
Driver	Change		Explanation
	\$m	\$pc	
Changes to model in wage costs	60	124	Changes to the model used to estimate relative state wage costs produced higher estimates for wage costs in the ACT than the previous model, increasing its assessed GST needs.
Investment - Changes to urban transport assessment	-49	-101	To increase comparability and reduce volatility, the Commission changed the measure of population-weighted density in the transport assessment to a measure based on population per square km. This decreased the rate of growth of population-weighted density in Canberra, resulting in a decrease in its assessed GST needs.
Revisions			
Driver	Change		Explanation
	\$m	\$pc	
Natural disaster relief	-21	-44	Upward revisions to natural disaster expenses in other states led to a reduction in the ACT's assessed GST needs.
Changes in circumstances (a)			
Driver	Change		Explanation
	\$m	\$pc	
Mining production	55	114	A large increase in coal prices and average coal royalty rates in 2023–24 compared with 2020–21 increased the revenue raising capacities of New South Wales and Queensland. This reduced the ACT's relative mining revenue capacity and increased its assessed GST needs.
Relative growth of investment needs for urban transport	-27	-55	Below-average growth in population-weighted density in Canberra in 2023–24 compared with 2020–21 reduced the ACT's need for urban transport investment, reducing its assessed GST needs.
Net borrowing	26	54	The ACT's decreasing share of population growth in 2023–24 compared with 2020–21 led to a decrease in its ability to service its liabilities, increasing its assessed GST needs. While the decreasing share of national population growth in the ACT increased its assessed GST needs from the net borrowing assessment, it led to a larger decrease in the ACT's assessed GST needs through the various investment assessments including the relative growth of investment needs for urban transport.
Commonwealth payments	-24	-49	The ACT received a greater relative share of assessed Commonwealth payments in 2023–24 compared with 2020–21, reducing its assessed GST needs.

(a) Change of circumstances refers to the impact of replacing the 2020–21 assessment year data with the 2023–24 assessment year data in the calculation of relativities.

Northern Territory

In 2025–26, the Northern Territory’s GST distribution is estimated to increase by \$248 million (\$966 per capita). The Northern Territory’s share of the GST pool is estimated to increase from 4.7% to 4.8%.

- The main factors leading to the increase in the Northern Territory’s assessed GST needs are:
 - method changes to the non-state sector adjustment in the health assessment
 - the increase in the influence of population dispersion on the GST distribution from an increase in assessed state expense needs in regional and remote areas
 - the increased influence of Indigenous status on the GST distribution largely driven by an increase in assessed state expense needs for, and the use and cost of providing services used by, First Nations people
 - the Commission decision to stop assessing Commonwealth own-purpose payments.
- The main factors partially offsetting the increase in the Northern Territory’s assessed GST needs are:
 - the Northern Territory receiving a larger share of Commonwealth payments in 2023–24 compared with 2020–21
 - the introduction of a discount in the recurrent roads assessment method, which reduced assessed investment needs for roads
 - the introduction of an assessment method for ambulatory community mental health in the health assessment.
- The expected growth in the GST pool contributed to the increase in the Northern Territory’s GST distribution.
- The operation of blended relativities and the GST floor reduced the Northern Territory’s GST distribution by \$6 million more than in 2024–25.

Table 3-8 Change in estimated GST distribution from 2024–25 to 2025–26, Northern Territory (excludes no worse off payments)

	\$m	\$pc
Change in population	-30	-117
Growth in GST pool	212	824
Changes in assessed needs		
Method changes	-6	-23
Data revisions	-15	-57
State circumstances	93	362
Total	73	282
Blended relativities and GST floor	-6	-23
Total change	248	966

Note: Table may not add due to rounding.

Figure 3-8 Northern Territory: main changes in assessed GST needs, 2025-26 relativities

Method changes			
Driver	Change		Explanation
	\$m	\$pc	
Changes to non-state sector adjustment in health	63	244	In the 2020 Review, the grants for non-state First Nations community-controlled health services received by the Northern Territory were above its assessed needs and reduced its GST distribution. The Commission decided to assess needs for these services using actual Commonwealth grants received. This increased the Northern Territory's assessed GST needs.
Removal of COPEs in Commonwealth Payments	57	221	The Northern Territory previously received an above-average level of assessed Commonwealth own-purpose payments. The Commission's decision to no longer assess these payments increased Northern Territory's assessed GST needs.
Investment - Discounting of recurrent roads assessment	-53	-206	The Commission introduced a 12.5% discount to the recurrent roads assessment. This led to a fall in the assessed share of road investment in the Northern Territory, reducing its assessed GST needs.
New ambulatory community mental health assessment in health	-52	-200	The Commission has separately assessed ambulatory community mental health services using a direct measure of service use rather than the proxy indicator in the 2020 Review method. Remoteness is now a less important driver, reducing the Northern Territory's assessed GST needs.
Changes in circumstances (a)			
Driver	Change		Explanation
	\$m	\$pc	
Population dispersion	70	271	States have higher community health expenses per capita in regional areas than in major cities. The increase in state community health expenses in 2023-24 compared with 2020-21, increased the share of assessed spending in regional areas increasing the influence of population dispersion. This resulted in an increase in Northern Territory's assessed GST needs.
Commonwealth payments	-69	-270	The Northern Territory received a greater share of assessed Commonwealth payments in 2023-24 compared with 2020-21, reducing its assessed GST needs.
Indigenous status	61	236	The increase in state child protection services and community health expenses, the increase in use of justice services by First Nations and an increase in the cost of First Nations students in 2023-24 compared with 2020-21 increased the influence of Indigenous status on the GST distribution. This increased the Northern Territory's assessed GST needs.

(a) Change of circumstances refers to the impact of replacing the 2020-21 assessment year data with the 2023-24 assessment year data in the calculation of relativities.

Attachment A: How GST relativities are calculated

This attachment provides details on how GST relativities are calculated. Box A-1 explains the steps involved.

Assessed, standard state and GST relativities

Table A-1 shows how GST relativities are derived from assessed relativities.

Table A-1 Assessed relativities to GST relativities, 2025–26 (a)

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
Assessed relativities									
2021-22	0.97804	1.16424	0.88307	0.02253	1.41001	1.88451	1.32697	5.12722	1.00000
2022-23	0.93613	1.14341	0.78937	0.30161	1.53833	1.94968	1.19669	5.19781	1.00000
2023-24	0.91356	1.13899	0.89264	0.23461	1.46022	1.92590	1.23712	5.33910	1.00000
Average	0.94644	1.15359	0.85853	0.18701	1.47555	1.92791	1.25874	5.24279	1.00000
Standard state relativities (b)									
2021-22	0.85619	1.04239	0.85619	0.85619	1.28816	1.76266	1.20512	5.00537	1.00000
2022-23	0.83771	1.04498	0.83771	0.83771	1.43990	1.85126	1.09827	5.09939	1.00000
2023-24	0.83547	1.06091	0.83547	0.83547	1.38214	1.84782	1.15903	5.26102	1.00000
Average	0.84526	1.05209	0.84526	0.84526	1.37354	1.82520	1.15707	5.13493	1.00000
Blended relativities (c)									
2021-22	0.87649	1.06270	0.86067	0.71724	1.30847	1.78297	1.22543	5.02568	1.00000
2022-23	0.85411	1.06139	0.82965	0.74836	1.45631	1.86766	1.11467	5.11579	1.00000
2023-24	0.84849	1.07392	0.84500	0.73533	1.39515	1.86084	1.17205	5.27403	1.00000
Average (d)	0.86210	1.06899	0.84747	0.73570	1.39052	1.84230	1.17399	5.15288	1.00000
GST relativity (d)	0.86034	1.06722	0.84571	0.75000	1.38876	1.84053	1.17223	5.15112	1.00000

- (a) See Box A-1 for an explanation of the steps taken to calculate GST relativities using assessed relativities and the requirements of the 2018 GST distribution legislation.
- (b) New South Wales was the standard state for all 3 assessment years.
- (c) In the 2025–26 GST relativities, the blended relativities are five-sixths of the standard state approach and one-sixth of the previous approach.
- (d) The average blended relativity of Western Australia is below the GST relativity floor of 0.75. In calculating final GST relativities, this is raised to the floor of 0.75 and the relativities of the other states adjusted down on a population share basis.

Assessed relativities

Assessed relativities have changed since 2024–25 for 3 reasons.

- The Commission has changed some assessment methods as part of the 2025 Review.
- The Commission uses a 3-year rolling average in its assessment of state fiscal capacities.⁸ It incorporates revisions to previous years of data to ensure the most up-to-date information is used to calculate relativities.

⁸ In 2024 the assessment years were 2020–21, 2021–22 and 2022–23. In 2025 the assessment years were 2021–22, 2022–23 and 2023–24.

- Differences in the year falling out of the calculations (2020-21), compared with the year coming into the calculations (2023-24), contribute to changes in the distribution of GST. These reflect changing state circumstances.

Details of the main reasons for the changes in assessed relativities in 2025-26 are provided in Chapter 2.

Standard state relativities and blending

In 2025-26, New South Wales was the standard state for all assessment years (2021-22, 2022-23 and 2023-24) because its assessed relativity in each year was lower than Victoria's.

Queensland's and Western Australia's assessed relativities were below the standard state (New South Wales) in each assessment year. Both Queensland's and Western Australia's relativities were increased in each year to align with New South Wales' assessed relativity. The relativities of all states, including Queensland, Western Australia and the standard state, were then adjusted to ensure the reduction to relativities resulting from lifting Queensland's and Western Australia's relativities was shared on an equal per capita basis between all states.

This is the first time since the implementation of the 2018 GST distribution legislation that 2 states have had an assessed relativity below that of the standard state. Previously, only Western Australia had been below the standard state.

To calculate blended relativities for 2025-26, as per the 2018 GST distribution legislation, standard state relativities have a weighting of five-sixths and assessed relativities have a weighting of one-sixth. From 2026-27, GST relativities will reflect the standard state relativities and the application of the GST relativity floor of 0.75, should it be triggered.

GST relativity floor

Western Australia's average blended relativity was below the GST relativity floor so it was raised to the 0.75 floor. The relativities of the other states were scaled down on a population share basis to account for the increase in Western Australia's relativity.

Queensland's average blended relativity was above 0.75, so the GST relativity floor was not applicable. While Queensland benefited from having its assessed relativities increased to that of the standard state, this benefit was more than offset by the reduction in its relativity (along with other states) as a consequence of lifting Western Australia's relativity, including to the GST relativity floor of 0.75.

Box A-2 and Box A-3 provide illustrations of the calculations of the GST relativities for Queensland and Western Australia in 2025-26.

Box A-1 Calculation of GST relativities

The Commission's recommendations on GST relativities are consistent with the *Commonwealth Grants Commission Act 1973*, the *Federal Financial Relations Act 2009*, the *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018* and the terms of reference issued by the Commonwealth Treasurer. The Commission undertakes several steps to produce GST relativities.

Assessed relativities

Assessed relativities are calculated for each assessment year by comparing each state's relative capacity to raise revenue with its relative cost of providing services.

Drivers of differences in revenue capacity include mineral endowments, land values, property transactions, and taxable payrolls. States also receive different levels of funding through Commonwealth payments.

Service costs can vary by state for a range of reasons, including socio-demographic characteristics of the population, wage pressures, population dispersion, population density and rates of population growth.

Assessed relativities match a state's assessed expenditure with its assessed revenue including GST. Without the 2018 GST distribution legislation, GST relativities would equal assessed relativities.

Standard state relativities and blending

Standard state relativities are calculated for each assessment year by adjusting assessed relativities so that no state has a relativity below the lower of New South Wales or Victoria (referred to as the 'standard state'). Therefore, any state that is fiscally stronger (and therefore has a lower assessed relativity) than the standard state, will have its relativity increased to the assessed relativity of the standard state. Given the GST is distributed from a fixed funding pool, relativities for all states are adjusted down on a population share basis to accommodate this increase.

Over the 6-year transition period prescribed in the 2018 GST distribution legislation, assessed relativities are blended with standard state relativities in each assessment year. The weighting that each receives is specified in the legislation. Blended relativities are calculated for each assessment year and then averaged and rescaled. In 2025-26, the blending reflected five-sixths standard state relativities and one-sixth assessed relativities.

GST relativity floor

The GST relativity floor sets a minimum relativity (0.75), below which a state's per capita share of the GST pool cannot fall. If a state's averaged blended relativity is below the floor, its GST relativity is adjusted up to the floor. To accommodate this, the relativities of other states are adjusted down on a population share basis.

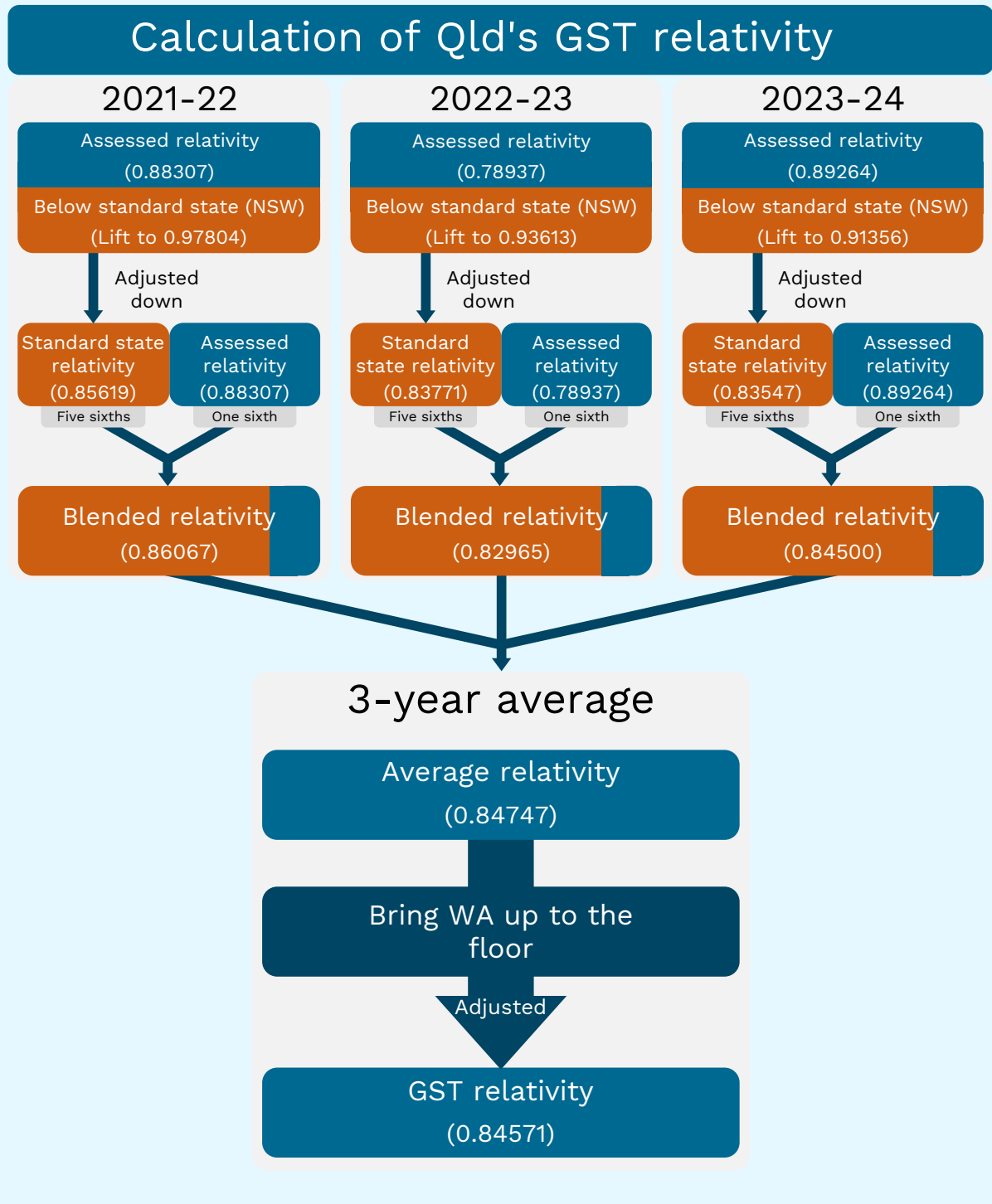
GST relativities

The final numbers are called GST relativities. The Commission recommends these to the Commonwealth Treasurer for the distribution of the GST pool.

Box A-2 Calculating Queensland's GST relativity

Queensland's assessed relativity was below the standard state (New South Wales) and therefore brought up to the standard state in all 3 assessment years. It was then adjusted down and blended with one-sixth of its assessed relativity. The 3 blended relativities were averaged and rescaled to get an average relativity of 0.84747. This relativity was above 0.75 so it was not directly impacted by the GST relativity floor. Like all states other than Western Australia, Queensland's GST relativity was adjusted down to account for Western Australia being brought up to the floor.

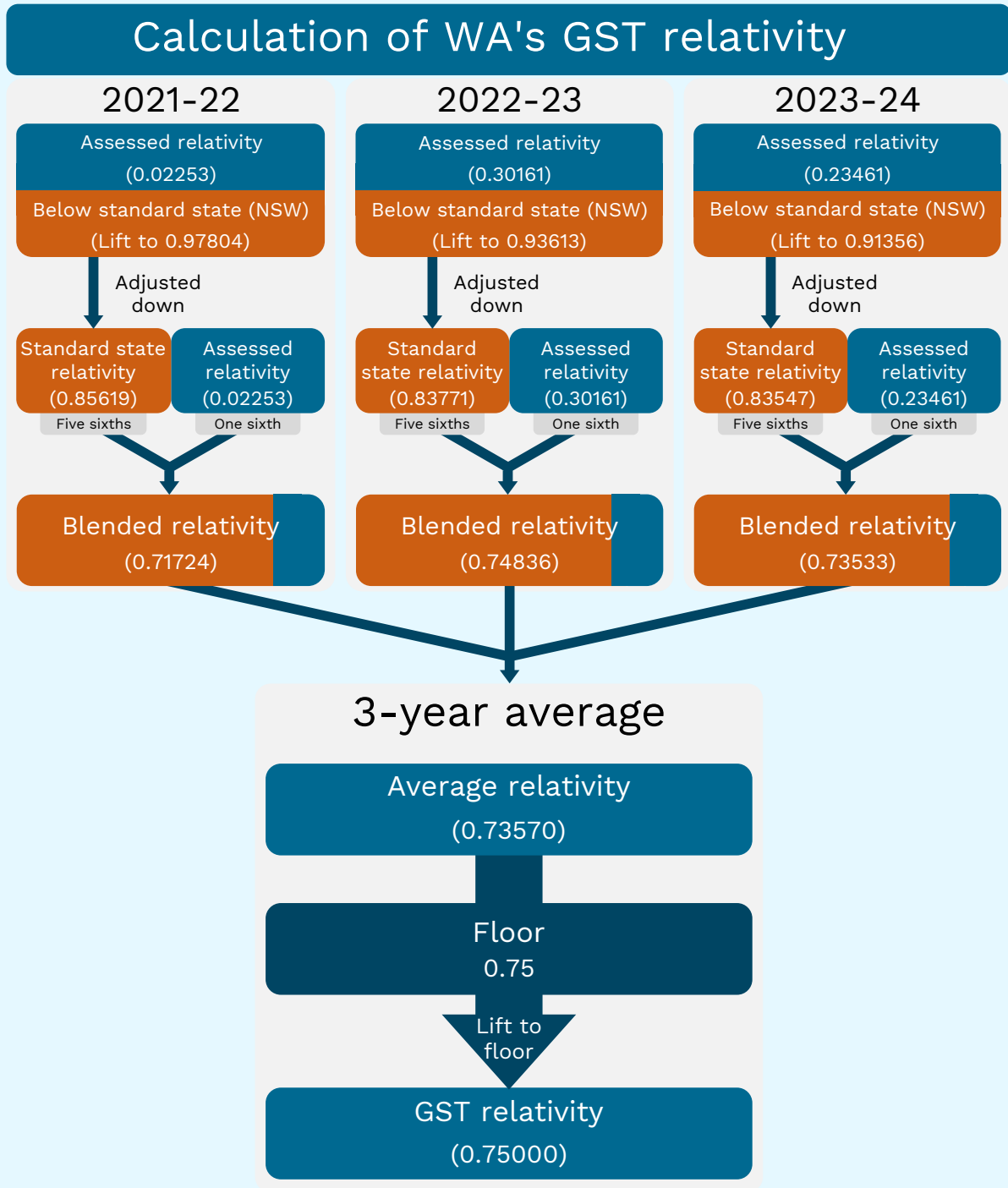
The following diagram illustrates these steps.



Box A-3 Calculating Western Australia's GST relativity

Western Australia's assessed relativity was below the standard state (New South Wales) and therefore brought up to the standard state in all 3 assessment years. It was then adjusted down and blended with one-sixth of its assessed relativity. The 3 blended relativities were averaged and rescaled to get an average relativity of 0.73570. This relativity was below 0.75 so it was brought up to the GST relativity floor.

The following diagram illustrates these steps.

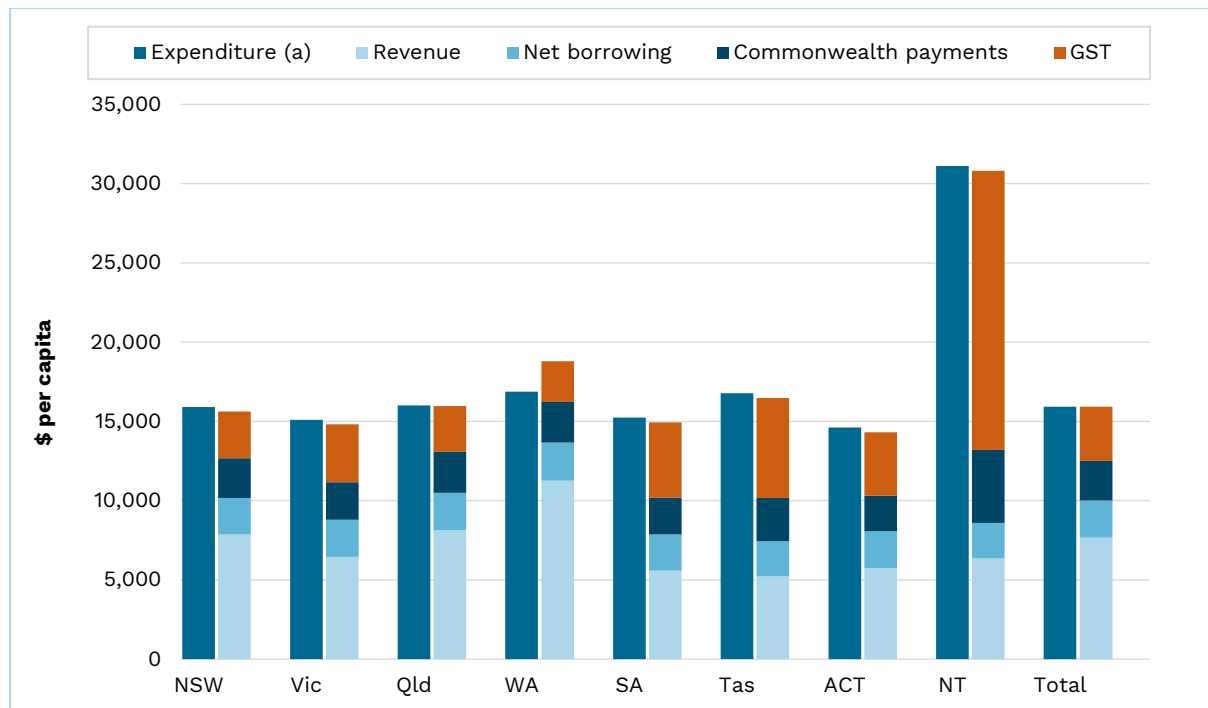


Assessed state budgets

GST relativities represent the differing GST needs of states. In calculating assessed relativities, each state's relative capacity to raise revenue and its share of Commonwealth payments is compared with its relative cost of providing services and infrastructure. GST needs increase when this gap is larger.

Figure A-1 illustrates the estimated assessed state budgets per capita for 2025–26. The blue bar on the left shows the total assessed expenditure for each state. The bar on the right shows the sum of assessed revenue, assessed net borrowing, Commonwealth payments and revenue from the GST pool.⁹

Figure A-1 Assessed budgets per capita 2025–26 (excludes no worse off payments)



(a) Includes expenses and investment.

Under the previous GST distribution arrangements, each state's GST share was calculated so that its assessed revenue (including its recommended GST distribution) equalled its assessed expenditure.

After applying the 2018 GST distribution legislation, Western Australia's GST distribution combined with its assessed revenues is estimated to exceed its assessed expenditure. For other states, no worse off payments will partially offset the difference between their assessed expenditure and the combination of their GST distribution and assessed revenues.

⁹ The terms used in the paragraph are defined in the glossary, which is available on the CGC website: www.cgc.gov.au/publications/glossary.

Attachment B: GST distribution since 2000–01

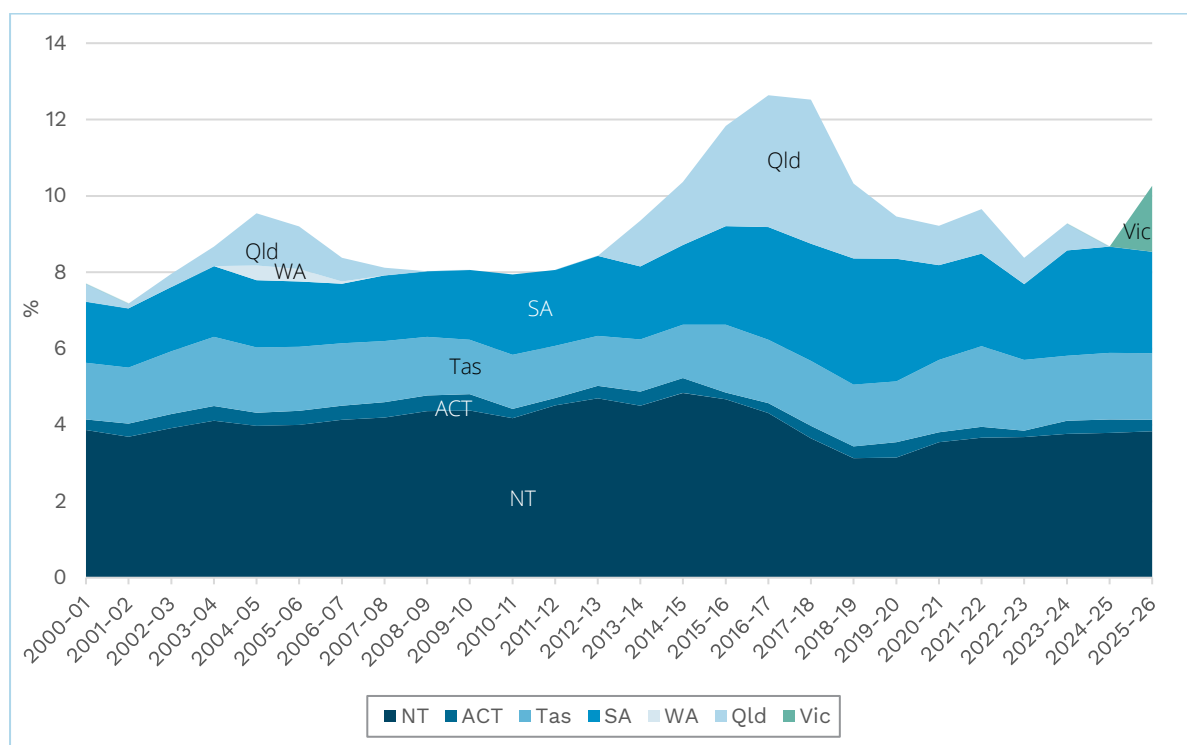
This attachment provides an overview of how states' GST shares compare with each other over time. A state's GST share is primarily driven by its relative fiscal capacity, with a lower relative fiscal capacity resulting in a greater (per capita) share of GST revenue. The 2018 GST distribution legislation also affects GST shares.¹⁰

Figure B-1 and Figure B-2 show how each state's proportion of GST pool compares to its population share over time.

- Figure B-1 shows when a state receives a larger proportion of the GST pool than if funds were distributed according to population share. This occurs when a state is assessed as having a relatively low fiscal capacity, and therefore receives more than an equal per capita distribution, i.e. a GST relativity of above one.
- Figure B-2 shows when a state receives a smaller proportion of the GST pool relative to its population share. This occurs when a state is assessed as having a relatively high fiscal capacity, and therefore receives less than an equal per capita distribution, i.e. a GST relativity of below one.

For example, in 2000–01, the Northern Territory's share of the GST pool exceeded its population share by around 4 percentage points and Victoria's GST share was around 4 percentage points less than its population share.

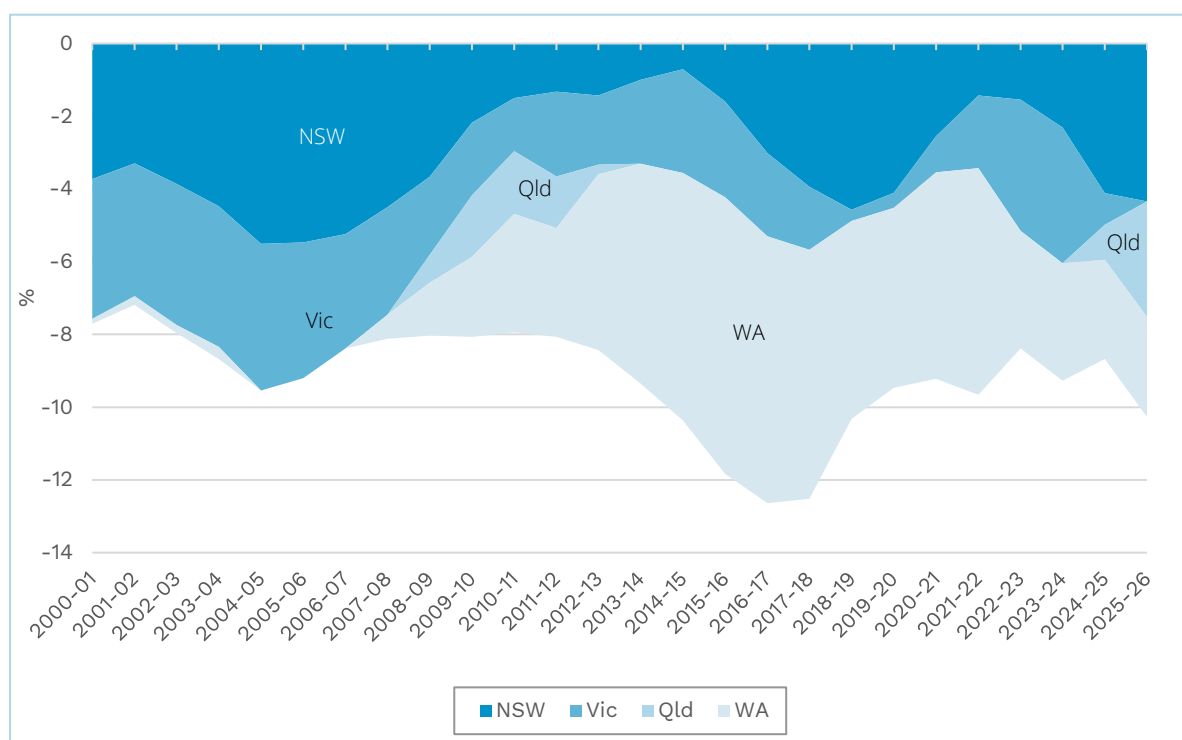
Figure B-1 Proportion of the GST pool in excess of a state's population share, 2000–01 to 2025–26 (excludes no worse off payments)



Note: this refers to GST distribution, which has been different from assessed relativities since the 2018 GST distribution legislation came into effect. It does not include no worse off payments.

¹⁰ For more information on the GST distribution legislation see Commonwealth Grants Commission (CGC), [Occasional Paper No.4: New arrangements for distributing GST](#), CGC, Australian Government, 2023.

Figure B-2 Proportion of the GST pool less than a state's population share, 2000–01 to 2025–26 (excludes no worse off payments)



Note: this refers to GST distribution, which has been different from assessed relativities since the 2018 GST distribution legislation came into effect. It does not include no worse off payments.

States with above-average GST needs

In 2025–26, 5 states have above-average GST needs (a GST relativity above one): Victoria South Australia, Tasmania, the ACT and the Northern Territory. Until 2025–26, Victoria had not had below-average GST needs since the introduction of the GST in 2000. The other 4 states have consistently had above-average GST needs since the introduction of the GST (Figure B-1 and Table B-1).

- Previously, Victoria’s GST relativity ranged between 0.83641 and 0.98670. Its below-average GST relativity was largely driven by its compact size and the socio-demographic composition of its population. In 2025–26, its GST relativity is above one (1.06722). This largely reflects Victoria’s above-average expenses for COVID-19 health services and business support, the relative growth of investment needs for urban transport, and the relative decline in its mining revenue raising capacity compared to states with increased capacity due to strong growth in coal royalties.
- The Northern Territory has had a GST relativity of between 4.25816 and 5.66061. Its high GST needs have been driven largely by the high cost of service delivery to disadvantaged and remote populations, particularly First Nations populations. As a result, the Northern Territory consistently receives a much higher GST share (relative to its population) than other states.
- Tasmania has had a GST relativity of between 1.58088 and 1.96067. This has been driven largely by its below-average revenue raising capacity, particularly for mining and property sales. It also has high expense needs relating to many people living in regional areas.

- South Australia has had a GST relativity of between 1.19971 and 1.47727. This has been driven largely by its below-average revenue raising capacity, particularly for mining and property sales. It also has high expense needs related to its socio-demographic composition.
- The ACT has had a GST relativity of between 1.09250 and 1.27051. This has been driven largely by its below-average revenue raising capacity. It has no capacity to raise revenue from mining royalties and is unable to levy land tax or payroll tax on the Australian Government, which has a significant presence within the ACT.

States with below-average GST needs

In 2025–26, 3 states have below-average GST needs (a GST relativity below one).

New South Wales has consistently had below-average GST needs since 2000–01 (Figure B-2 and Table B-1).

- New South Wales has had a GST relativity of between 0.83468 and 0.97500. Its low GST relativity has been driven largely by its above-average capacity to raise revenue from property sales, land tax, and payroll tax. Below-average expenses (such as a relatively small proportion of the population living in regional or remote areas) have also contributed. In the mid-2000s a property market boom reduced New South Wales' GST needs further over this period.

Queensland and Western Australia have had a GST relativity above one in some years and below one in others (Figure B-1, Figure B-2 and Table B-1).

- While Queensland's GST relativity has ranged from 0.84571 to 1.18769, it has mostly remained above one. Slower property market growth than other states had reduced its revenue raising capacity relative to other states. It also had higher costs of delivering services due to a more dispersed population. From 2008–09, it had a GST relativity below one for 5 years. This was largely related to its increased relative revenue raising capacity from mining royalties. Queensland's GST needs have been more volatile than other states, partly reflecting volatility in the mining sector and property sales, and the occurrence of natural disasters.
- Western Australia's GST relativity has ranged from 0.29999 to 1.03811. It has mostly been below one. This has been driven largely by higher-than-average capacity to raise mining royalties and the strength of its payroll tax base. In general, changes in Western Australia's GST needs closely follow changes in iron ore royalties, which can be volatile but have generally increased over the past 2 decades. Beginning in 2004–05 and lasting for 3 years, it had a GST relativity above one. This was linked with the iron ore cycle, and also reflected the ongoing high expenditure needs relating to socio-demographic composition, such as a dispersed population and an above-average proportion of First Nations people.

GST relativities since 2000–01

Table B-1 lists GST relativities since 2000–01. The relativities for the last 4 years reflect the 2018 GST distribution legislation (blended relativities and GST relativity floor).

Table B-1 GST relativities, 2000–01 to 2025–26

Financial Year	NSW	Vic	Qld	WA	SA	Tas	ACT	NT
2000-01	0.88914	0.84510	1.02507	0.98692	1.20433	1.61016	1.17050	4.79406
2001-02	0.90228	0.85168	1.00625	0.97571	1.19971	1.60490	1.21100	4.61547
2002-03	0.88419	0.84227	1.01673	0.97612	1.21719	1.68200	1.22552	4.91642
2003-04	0.86533	0.84243	1.02495	0.96455	1.23997	1.75292	1.23351	5.13490
2004-05	0.83468	0.83641	1.06994	1.03811	1.23041	1.71466	1.21407	5.00304
2005-06	0.83571	0.84900	1.05700	1.03303	1.22712	1.70370	1.22837	5.00537
2006-07	0.84193	0.87451	1.03271	1.00778	1.20839	1.69599	1.22918	5.06502
2007-08	0.86380	0.88206	1.01143	0.93616	1.23141	1.68662	1.24724	5.09597
2008-09	0.88743	0.91347	0.96196	0.85797	1.23192	1.66348	1.25603	5.25758
2009-10	0.93186	0.91875	0.91556	0.78485	1.24724	1.62040	1.27051	5.25073
2010-11	0.95205	0.93995	0.91322	0.68298	1.28497	1.62091	1.15295	5.07383
2011-12	0.95776	0.90476	0.92861	0.71729	1.27070	1.59942	1.11647	5.35708
2012-13	0.95312	0.92106	0.98477	0.55105	1.28472	1.58088	1.19757	5.52818
2013-14	0.96576	0.90398	1.05624	0.44581	1.26167	1.61454	1.22083	5.31414
2014-15	0.97500	0.88282	1.07876	0.37627	1.28803	1.63485	1.23600	5.66061
2015-16	0.94737	0.89254	1.12753	0.29999	1.35883	1.81906	1.10012	5.57053
2016-17	0.90464	0.90967	1.17109	0.30330	1.41695	1.77693	1.15648	5.28450
2017-18	0.87672	0.93239	1.18769	0.34434	1.43997	1.80477	1.19496	4.66024
2018-19	0.85517	0.98670	1.09584	0.47287	1.47727	1.76706	1.18070	4.25816
2019-20	0.87013	0.98273	1.05370	0.51842	1.46552	1.75576	1.23759	4.26735
2020-21	0.91808	0.95992	1.04907	0.44970	1.35765	1.89742	1.15112	4.76893
2021-22	0.95617	0.92335	1.05918	0.41967	1.34719	1.96067	1.16266	4.79985
2022-23	0.95065	0.85861	1.03377	0.70000	1.28411	1.85360	1.09250	4.86988
2023-24	0.92350	0.85169	1.03118	0.70000	1.39463	1.79080	1.19540	4.98725
2024-25	0.86736	0.96502	0.95232	0.75000	1.40312	1.82832	1.20419	5.06681
2025-26	0.86034	1.06722	0.84571	0.75000	1.38876	1.84053	1.17223	5.15112

Note: Prior to 2009–10, the Commission was asked to provide relativities to distribute a pool of GST revenue and Health Care Grants. The relativities shown are those applicable for distributing a GST only pool.

A relativity floor of 0.7 in 2021–22 was funded from outside of the pool and is not reflected in the numbers in this table. Under the 2018 GST distribution legislation the GST relativity floor has been funded from within the GST pool: a floor of 0.7 in 2022–23 and 2023–24 and 0.75 from 2024–25. Under the transitional arrangements in the 2018 legislation, blending of assessed and standard state relativities has occurred since 2021–22 and will be replaced by standard state relativities from 2026–27.