

Appendix C: Australia's Federal Financial Relations

This appendix provides information on payments to state and territory governments (the states) for specific purposes and general revenue assistance, including the GST entitlement.

Australian Government payments to the states are framed by the Intergovernmental Agreement on Federal Financial Relations (the Intergovernmental Agreement), which has been in place since 1 January 2009. The Intergovernmental Agreement recognises that the states have primary responsibility for many areas of service delivery, but that coordinated action is necessary to address Australia's economic and social challenges.

The Council on Federal Financial Relations (CFFR), comprising the Commonwealth Treasurer as Chair and all state and territory treasurers, is responsible for overseeing the financial relationship between the Commonwealth and the states. On 28 August 2020, CFFR implemented the Federation Funding Agreements (FFA) Framework to govern Commonwealth–state funding agreements. The FFA Framework complements the Intergovernmental Agreement.

More detailed information on Australia's federal financial relations can be found in Budget Paper No. 3, *Federal Financial Relations 2025–26* and on the Federal Financial Relations website at: www.federalfinancialrelations.gov.au. Detailed information on payments to states, including financial flows, is included at Annex A (available online).

Overview of payments to the states

Australian Government payments to the states in 2025–26 are estimated to be \$200.0 billion, or 24.7 per cent of total Australian Government expenditure for the year. This amount comprises payments for specific purposes of \$97.0 billion and general revenue assistance of \$103.0 billion.

Table C.1 shows payments for specific purposes and general revenue assistance to the states.

Table C.1: Australian Government payments to the states, 2025–26 to 2028–29

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2025-26									
Payments for specific purposes(a)	27,472	23,445	20,883	11,061	7,860	2,534	1,681	2,761	97,006
GST-related payments(b)	28,341	28,358	16,927	8,090	9,813	3,865	2,149	4,964	102,507
Other general revenue assistance(c)	-	-	-	460	-	-	46	-	506
Total payments to the states	55,814	51,802	37,811	19,611	17,672	6,400	3,877	7,724	200,020
2026-27									
Payments for specific purposes(a)	26,926	24,218	21,605	10,499	7,449	2,490	1,632	2,211	96,295
GST-related payments(b)	29,481	29,818	17,885	9,585	10,203	4,011	2,229	5,109	108,322
Other general revenue assistance(c)	-	-	-	399	-	-	47	-	446
Total payments to the states	56,406	54,037	39,490	20,483	17,652	6,501	3,909	7,320	205,063
2027-28									
Payments for specific purposes(a)	27,704	23,631	22,776	10,192	7,551	2,390	1,555	2,237	98,608
GST-related payments(b)	30,831	31,325	18,851	10,116	10,654	4,175	2,341	5,359	113,653
Other general revenue assistance(c)	-	-	-	344	-	-	48	-	392
Total payments to the states	58,536	54,956	41,627	20,652	18,205	6,565	3,945	7,596	212,654
2028-29									
Payments for specific purposes(a)	28,337	23,343	23,806	9,879	7,485	2,282	1,540	2,363	101,073
GST-related payments(b)	32,613	33,283	20,090	10,791	11,249	4,397	2,488	5,681	120,592
Other general revenue assistance(c)	-	-	-	265	-	-	50	-	315
Total payments to the states	60,950	56,625	43,896	20,935	18,734	6,679	4,077	8,044	221,980

- a) As state allocations for a number of programs have not yet been determined, these payments are not reflected in state totals. As a result, total payments for specific purposes may not equal the sum of the state figures.
- b) Includes GST entitlement and horizontal fiscal equalisation (HFE) transition payments (also known as the No Worse Off guarantee). State allocations depend on the GST revenue sharing relativities for each financial year. They are calculated using the Commonwealth Grants Commission's 2025–26 GST relativities. The estimates do not reflect any attempt to project future GST relativities or GST entitlements. GST entitlement for 2025–26 accounts for the balancing adjustment from 2024–25.
- c) Includes ACT municipal services and royalty payments. See Table C.6 for further information.

Payments for specific purposes

The Australian Government provides payments to the states for specific purposes in policy areas for which the states have primary responsibility. Payments to the states for specific purposes are estimated to total \$97.0 billion in 2025–26, which is 12.0 per cent of total Australian Government expenditure for the year and a decrease of \$405 million (or 0.4 per cent) from the \$97.4 billion the states received in 2024–25.

The Australian Government provides the following types of specific purpose payments to the states:

- National Health Reform funding, largely for public hospital services.
- Better and Fairer Schools funding, for government and non-government schools.
- National Skills Agreement funding, for skills and workforce development activities.
- National Agreement on Social Housing and Homelessness funding, to support the delivery of social housing and homelessness services.
- Energy Bill Relief reimbursement payments, for cost of living relief.
- National Access to Justice Partnership funding, for improved justice outcomes for people experiencing vulnerability and financial disadvantage.
- National Partnership payments in a wide range of service delivery areas, including land transport infrastructure.

Table C.2 shows total payments for specific purposes by category.

Table C.2: Total payments for specific purposes by category, 2025–26 to 2028–29

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2025-26									
National Health Reform funding(b)	9,472	7,774	7,534	3,464	2,178	701	579	519	32,221
Better and Fairer Schools funding(c)	9,653	8,285	7,185	3,559	2,400	745	498	557	32,884
National Skills Agreement	784	639	509	269	176	57	52	33	2,519
National Agreement on Social Housing and Homelessness	551	461	363	194	122	38	31	57	1,817
Energy Bill Relief	523	449	354	185	135	44	32	15	1,738
National Access to Justice Partnership	193	129	158	98	58	24	15	62	738
National Partnership payments(d)	6,297	5,708	4,780	3,291	2,789	924	475	1,518	25,091
Total payments for specific purposes	27,472	23,445	20,883	11,061	7,860	2,534	1,681	2,761	97,006
2026-27									
National Health Reform funding(b)	10,087	8,279	8,022	3,689	2,320	747	617	484	34,244
Better and Fairer Schools funding(c)	10,062	8,573	7,438	3,680	2,494	783	518	619	34,167
National Skills Agreement	799	649	542	290	181	65	51	37	2,614
National Agreement on Social Housing and Homelessness	564	472	372	199	125	39	32	58	1,860
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	199	133	162	101	60	25	15	63	758
National Partnership payments(d)	5,214	6,113	5,070	2,539	2,270	831	400	949	22,652
Total payments for specific purposes	26,926	24,218	21,605	10,499	7,449	2,490	1,632	2,211	96,295
2027-28									
National Health Reform funding(b)	10,743	8,817	8,543	3,929	2,470	795	657	515	36,469
Better and Fairer Schools funding(c)	10,506	8,944	7,724	3,800	2,591	812	536	685	35,598
National Skills Agreement	806	658	545	296	180	54	49	35	2,622
National Agreement on Social Housing and Homelessness	577	482	380	204	128	40	32	59	1,901
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	203	136	166	103	61	26	15	65	775
National Partnership payments(d)	4,870	4,593	5,419	1,861	2,121	664	265	879	21,243
Total payments for specific purposes	27,704	23,631	22,776	10,192	7,551	2,390	1,555	2,237	98,608

Table C.2: Total payments for specific purposes by category, 2025–26 to 2028–29 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2028-29									
National Health Reform funding(b)	11,441	9,390	9,098	4,184	2,631	847	700	548	38,840
Better and Fairer Schools funding(c)	11,003	9,321	8,012	3,919	2,708	842	555	756	37,117
National Skills Agreement	690	584	472	261	155	45	41	27	2,275
National Agreement on Social Housing and Homelessness	589	493	388	208	131	41	33	61	1,943
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	207	139	169	105	62	26	15	66	791
National Partnership payments(d)	4,407	3,417	5,665	1,201	1,798	481	195	904	20,107
Total payments for specific purposes	28,337	23,343	23,806	9,879	7,485	2,282	1,540	2,363	101,073

- a) As state allocations for a number of programs have not yet been determined, these payments are not included in state totals. As a result, total payments may not equal the sum of state totals. Additionally, a slippage adjustment has been applied at the national level to the Rail investment and Road investment components of the Infrastructure Investment Program from 2025–26 to 2027–28 to take account of historical experiences, including the timing of states claiming payments against milestones and the complexity of delivery. State totals are unaffected by the slippage adjustment. The adjustment is unwound over 2028–29 to 2033–34.
- b) National Health Reform Agreement funding estimates are based on the one-year extension to the 2020–2025 Addendum and includes a one-off uplift in funding for the Northern Territory in 2025–26. The budget estimates contain a provision for the expected increased contributions from a new five-year Addendum which is under negotiation with the states.
- c) Includes funding for non-government representative bodies.
- d) Includes financial assistance grants for, and/or payments direct to, local governments, and/or payments funded through appropriations in addition to section 16 of the *Federal Financial Relations Act 2009*. Excludes National Partnership payments made under the National Skills Agreement, Energy Bill Relief and National Access to Justice Partnership, which are shown separately.

Payments for specific purposes cover most areas of state and local government activity, including health, education, skills and workforce development, community services, affordable housing, infrastructure, and the environment, energy and water. Table C.3 shows total payments for specific purposes by sector.

Table C.3: Payments for specific purposes by sector, 2025–26 to 2028–29

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2025-26									
Health	10,132	8,357	8,149	3,722	2,497	839	648	702	35,102
Education	9,837	8,438	7,316	3,644	2,456	760	511	590	33,585
Skills and workforce development	850	697	555	296	195	64	60	40	2,777
Community services	42	32	27	15	15	6	3	102	249
Affordable housing	609	462	395	286	123	48	31	532	2,547
Infrastructure(b)	3,990	4,023	3,259	2,493	1,829	566	312	652	15,740
Environment, energy and water	1,177	852	608	282	331	165	49	42	3,954
Contingent payments	12	2	~	~	~	~	~	~	15
Other(c)	824	581	574	322	413	87	68	101	3,037
Total payments for specific purposes	27,472	23,445	20,883	11,061	7,860	2,534	1,681	2,761	97,006
2026-27									
Health	10,246	8,369	8,173	3,996	2,430	776	626	603	35,299
Education	10,248	8,722	7,573	3,748	2,545	796	529	647	34,843
Skills and workforce development	843	690	570	306	191	68	54	41	2,907
Community services	25	20	16	9	9	2	2	89	240
Affordable housing	567	472	372	199	125	39	32	276	2,106
Infrastructure(b)	3,229	4,743	3,710	1,616	1,727	602	260	423	14,819
Environment, energy and water	451	187	196	68	121	57	20	8	1,501
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,318	1,016	996	557	302	149	110	124	4,581
Total payments for specific purposes	26,926	24,218	21,605	10,499	7,449	2,490	1,632	2,211	96,295
2027-28									
Health	10,949	8,870	8,765	4,192	2,562	820	665	613	37,527
Education	10,621	9,038	7,801	3,840	2,615	819	543	707	36,226
Skills and workforce development	809	664	547	297	181	54	50	35	2,832
Community services	22	19	15	9	7	2	1	97	228
Affordable housing	577	482	380	204	128	40	32	245	2,087
Infrastructure(b)	3,297	3,446	4,202	1,058	1,738	455	149	416	14,345
Environment, energy and water	79	67	95	21	12	56	12	2	737
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,350	1,047	971	572	309	144	103	122	4,627
Total payments for specific purposes	27,704	23,631	22,776	10,192	7,551	2,390	1,555	2,237	98,608

Table C.3: Payments for specific purposes by sector, 2025–26 to 2028–29 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2028-29									
Health	11,494	9,393	9,100	4,223	2,632	847	700	572	39,047
Education	11,003	9,321	8,012	3,919	2,708	842	555	775	37,726
Skills and workforce development	690	584	472	261	155	45	41	27	2,456
Community services	23	19	15	9	7	2	1	96	230
Affordable housing	589	493	388	208	131	41	33	254	2,136
Infrastructure(b)	3,144	2,452	4,837	668	1,537	313	103	517	14,431
Environment, energy and water	11	9	36	6	4	49	5	1	353
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,383	1,073	945	585	311	144	101	121	4,692
Total payments for specific purposes	28,337	23,343	23,806	9,879	7,485	2,282	1,540	2,363	101,073

- a) As state allocations for several programs have not yet been determined, these payments are not included in state totals. As a result, total payments may not equal the sum of state totals.
- b) State totals do not sum to the national total. A slippage adjustment has been applied at the national level to the Rail investment and Road investment components of the Infrastructure Investment Program from 2025–26 to 2027–28 to take account of historical experiences, including the timing of states claiming payments against milestones and the complexity of delivery. State totals are unaffected by the slippage adjustment. The adjustment is unwound over 2028–29 to 2033–34.
- c) Includes financial assistance grants for local governments.

Table C.4 shows total payments for specific purposes by sector and category (National Health Reform funding, Better and Fairer Schools funding, the National Skills Agreement, the National Agreement on Social Housing and Homelessness, Energy Bill Relief, National Access to Justice funding and National Partnership payments).

Table C.4: Payments for specific purposes by sector and category, 2025–26 to 2028–29

\$million	2025-26	2026-27	2027-28	2028-29
<i>Health</i>				
National Health Reform funding(a)	32,221	34,244	36,469	38,840
National Partnership payments	2,881	1,055	1,057	207
Total health payments	35,102	35,299	37,527	39,047
<i>Education</i>				
Better and Fairer Schools funding(b)	32,884	34,167	35,598	37,117
National Partnership payments	701	675	628	609
Total education payments	33,585	34,843	36,226	37,726
<i>Skills and workforce development</i>				
National Skills Agreement	2,519	2,614	2,622	2,275
National Partnership payments(c)	259	293	210	181
Total skills and workforce development payments	2,777	2,907	2,832	2,456
<i>Community services</i>				
National Partnership payments	249	240	228	230
<i>Affordable housing</i>				
National Agreement on Social Housing and Homelessness	1,817	1,860	1,901	1,943
National Partnership payments	730	246	185	193
Total affordable housing payments	2,547	2,106	2,087	2,136
<i>Infrastructure</i>				
National Partnership payments(d)(e)	15,740	14,819	14,345	14,431
<i>Environment, energy and water</i>				
Energy Bill Relief	1,738	-	-	-
National Partnership payments(d)(f)	2,217	1,501	737	353
Total environment, energy and water payments	3,954	1,501	737	353
<i>Contingent payments</i>				
National Partnership payments	15
<i>Other</i>				
National Access to Justice Partnership	738	758	775	791
National Partnership payments(d)(g)	2,299	3,823	3,852	3,902
Total other payments	3,037	4,581	4,627	4,692
Total payments for specific purposes	97,006	96,295	98,608	101,073

- a) National Health Reform Agreement funding estimates are based on the one-year extension to the 2020–2025 Addendum and includes a one-off uplift in funding for the Northern Territory in 2025–26. The budget estimates contain a provision for the expected increased contributions from a new five-year Addendum which is under negotiation with the states.
- b) Includes funding for non-government representative bodies.
- c) Excludes payments under the National Skills Agreement, which are shown separately.
- d) Includes financial assistance grants for, and/or payments direct to, local government, and/or payments funded through appropriations in addition to section 16 of the *Federal Financial Relations Act 2009*.
- e) A slippage adjustment has been applied at the national level to the Rail investment and Road investment components of the Infrastructure Investment Program from 2025–26 to 2027–28 to take account of historical experiences, including the timing of states claiming payments against milestones and the complexity of delivery. The adjustment is unwound over 2028–29 to 2033–34.
- f) Excludes National Partnership payments made under Energy Bill Relief, which are shown separately.
- g) Excludes National Partnership payments made under the National Access to Justice Partnership, which are shown separately.

Detailed tables of payments for specific purposes are provided in Annex A (available online).

Disaster Recovery Funding Arrangements

The Australian Government provides funding under the Disaster Recovery Funding Arrangements (DRFA) to assist the states in relief and recovery efforts following natural disasters. The Government recognises a liability equal to the present value of future payments expected to be made to the states under the DRFA. The liability is based on estimates provided by the states. It reflects known and estimated future expenditure for relief and recovery measures, for which states are yet to submit a claim to the Government. Table C.5 shows estimated DRFA cash payments and when the Government expects to reimburse the states for costs incurred in relation to past disasters. Expense estimates are provided in Annex A (available online).

Table C.5: Estimated DRFA cash payments, 2025–26 to 2028–29^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2025-26	1,890.3	560.5	2,599.9	35.7	18.4	2.8	0.2	9.9	5,117.6
2026-27	3,335.7	80.9	2,058.7	325.6	16.9	32.0	-	46.1	5,895.9
2027-28	1,859.4	52.3	276.1	63.2	38.4	-	-	3.8	2,293.1
2028-29	262.0	4.8	41.9	-	-	-	-	-	308.7
Total	7,347.3	698.5	4,976.5	424.5	73.7	34.8	0.2	59.8	13,615.3

a) The total cost of relief and recovery from disaster events may not be completely realised for some years. These estimates for the DRFA are based on the information available at the time of preparation for past events and do not include the Australian Government Actuary's actuarial valuation of the Commonwealth's DRFA liability.

General revenue assistance

General revenue assistance is provided to states, without conditions, to spend according to state budget priorities. In 2025–26, the states are expected to receive \$103.0 billion from the Australian Government in total general revenue assistance, which is estimated to represent 12.7 per cent of total Australian Government expenditure in that year. This consists of the GST entitlement of \$97.4 billion (comprising GST revenue and the Commonwealth funded GST pool boost), horizontal fiscal equalisation (HFE) transition payments of \$5.1 billion (also known as the No Worse Off guarantee) and \$506 million of other general revenue assistance.

Total GST-related payments to the states (GST entitlements plus HFE transition payments) are estimated to increase from \$102.5 billion in 2025–26 to \$120.6 billion by 2028–29.

Estimated general revenue assistance provided to the states by the Australian Government is shown in Table C.6. Detailed tables of GST and other general revenue assistance are provided in Table C.A.10 in Annex A (available online).

Table C.6: General revenue assistance, 2025–26 to 2028–29

\$million	2025-26	2026-27	2027-28	2028-29
GST entitlement(a)	97,442	102,518	107,866	114,781
HFE transition payments(b)	5,065	5,804	5,787	5,812
Other general revenue assistance				
ACT municipal services	46	47	48	50
Royalty payments	460	399	344	265
Total other general revenue assistance	506	446	392	315
Total	103,013	108,768	114,045	120,907

a) GST entitlement for 2025–26 accounts for the balancing adjustment from 2024–25.

b) Estimates of the horizontal fiscal equalisation (HFE) transition payments for 2026–27 and later years are based on the 2025–26 GST relativities and adjusted to account for the transition to the new HFE system. The 2026–27, 2027–28 and 2028–29 HFE transition payments are assumed to be 90 per cent, 85 per cent and 80 per cent respectively of that implied using the 2025–26 GST relativities.

GST payments

Under the *Federal Financial Relations Act 2009*, the states are entitled to receive payments from the Australian Government equivalent to the revenue raised from the GST in any given financial year, subject to some minor adjustments.

Table C.7 reconciles GST revenue and the states' GST entitlement.

Table C.7: Reconciling GST revenue and the states' GST entitlement

\$million	2025-26	2026-27	2027-28	2028-29
GST revenue	101,030	107,240	112,890	120,180
<i>less</i> Change in GST receivables	5,376	5,680	6,042	6,478
GST receipts	95,654	101,560	106,848	113,702
<i>less</i> Non-GIC penalties collected	140	150	150	160
<i>less</i> GST collected by Commonwealth agencies but not yet remitted to the ATO	4	0	-2	2
<i>plus</i> GST pool boost	1,044	1,108	1,166	1,241
States' GST entitlement	96,554	102,518	107,866	114,781

Table C.8 reconciles the change in the estimates of the states' GST entitlement since the 2025–26 Budget. Since the 2025–26 Budget the GST entitlement has been revised up by \$1.4 billion in 2025–26 and by \$8.8 billion over the four years to 2028–29. GST receipts have been upgraded, reflecting stronger current year collections supported by higher nominal consumption growth across the forward estimates.

Table C.8: Reconciliation of the GST entitlement estimates since the 2025–26 Budget

\$million	2025-26	2026-27	2027-28	2028-29
GST entitlement at 2025-26 Budget	95,151	100,277	105,908	111,569
<i>Changes between 2025-26 Budget and 2025-26 MYEFO</i>				
Effect of policy decisions	..	-10	-15	-20
Effect of parameter and other variations	1,403	2,252	1,973	3,232
Total variations	1,403	2,242	1,958	3,212
GST entitlement at 2025-26 MYEFO	96,554	102,518	107,866	114,781

Specific policy decisions taken since the 2025–26 Budget that affect the GST entitlement are shown in Table C.9. These decisions are estimated to decrease the amount of the GST entitlement by \$45 million over the four years to 2028–29.

Table C.9: Policy decisions since the 2025–26 Budget that affect the GST entitlement

\$million	2025-26	2026-27	2027-28	2028-29
Migration – uplift of Visa Application Charge for student visas	..	-5	-5	-10
Indirect Tax Concession Scheme – diplomatic and consular concessions
Permanent Migration Program – 2025–26 planning levels
<i>Decisions taken but not yet announced</i>	..	-5	-10	-10
Total	..	-10	-15	-20

Detailed information on specific policy decisions taken since the 2025 PEFO is included in MYEFO 2025–26, *Appendix A: Policy decisions taken since the 2025 PEFO*.

Distribution of the GST among the states

The Australian Government distributes the GST among the states based on the GST revenue sharing relativities recommended by the Commonwealth Grants Commission. Table C.10 shows the calculation for the distribution of the states' estimated GST entitlement in 2025–26. This method of calculation is prescribed in the *Federal Financial Relations Act 2009*.

Table C.10: Calculation of GST entitlements^(a)

	Estimated 31 December 2025 population (1)	GST relativities (2)	Adjusted population (1) x (2)	Share of adjusted population	Share of GST pool \$million
2025-26					
NSW	8,643,661	0.86034	7,436,487	26.7%	25,807
VIC	7,120,965	1.06722	7,599,636	27.3%	26,373
QLD	5,709,926	0.84571	4,828,942	17.4%	16,758
WA	3,069,954	0.75000	2,302,466	8.3%	7,990
SA	1,910,220	1.38876	2,652,837	9.5%	9,206
TAS	576,488	1.84053	1,061,043	3.8%	3,682
ACT	487,993	1.17223	572,040	2.1%	1,985
NT	265,897	5.15112	1,369,667	4.9%	4,753
Total	27,785,104	na	27,823,119	100.0%	96,554

a) Amounts shown are estimates of each state's GST entitlement, based on the estimated total GST entitlement and state populations. These amounts do not account for the 2024–25 balancing adjustment made to the states' GST advance payments in 2025–26.

The calculation of the final GST entitlement for 2024–25 is shown in Table C.11. The Assistant Minister for Productivity, Competition, Charities and Treasury made a determination giving effect to this entitlement on 3 November 2025. The table also includes the distribution of the balancing adjustment, taking account of the differences between advances of GST paid to each state and each state's final entitlement for 2024–25.

Table C.11: Calculation of the GST entitlement and balancing adjustment, 2024–25

	31 December 2024 population	GST relativities	Adjusted population (1) x (2)	Share of adjusted population	Share of GST pool \$million	GST advances \$million	Balancing adjustment \$million (5) - (6)
2024-25	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NSW	8,545,140	0.86736	7,411,713	27.0%	24,663	24,412	251
VIC	7,011,123	0.96502	6,765,874	24.7%	22,514	22,404	110
QLD	5,618,765	0.95232	5,350,862	19.5%	17,805	17,694	111
WA	3,008,697	0.75000	2,256,523	8.2%	7,509	7,408	100
SA	1,891,670	1.40312	2,654,240	9.7%	8,832	8,726	106
TAS	575,756	1.82832	1,052,666	3.8%	3,503	3,470	33
ACT	481,677	1.20419	580,031	2.1%	1,930	1,895	36
NT	262,191	5.06681	1,328,472	4.8%	4,421	4,276	145
Total	27,395,019	na	27,400,380	100.0%	91,177	90,284	893

GST administration

States compensate the Australian Government for the costs incurred by the Australian Taxation Office (ATO) for administering the GST, including by the Department of Home Affairs. In practice, this is achieved by the Australian Government reducing the monthly GST payments to the states by the GST administration costs. The GST administration budget for the ATO is estimated to be \$693 million for 2025–26, as shown in Table C.12.

Table C.12: GST administration budget

\$million	Actual	Estimates			
	2024-25	2025-26	2026-27	2027-28	2028-29
Administration budget at 2024-25 Budget	709	722	724	482	na
Total variations (2024-25 Budget to 2024-25 MYEFO)	-	-29	-33	-25	na
Total variations (2024-25 MYEFO to 2025-26 Budget)	-60	..	7	..	10
Administration budget at 2025-26 Budget (a)	649	693	697	457	456
Changes from 2025-26 Budget to MYEFO					
Parameter variations	-	-	-1	1	..
Other variations (b)	-	-	-16	-2	7
Total variations	-	-	-17	-2	8
Administration budget at 2025-26 MYEFO	649	693	681	456	464
Prior year at Budget	650	649			
Prior year outcome	618	674			
equals prior year adjustment	-33	25	-	-	-
<i>equals</i> State government payments	616	719	681	456	464
Administration budget at 2025-26 Budget	649				
less Australian Taxation Office outcome	674				
<i>equals</i> following year adjustment	25				
a) Decrease in estimate in 2027–28 reflects the end of the GST Compliance Program announced at the 2023–24 Budget.					
b) Other variations include forecasting changes due to reducing expected overhead costs attributed to GST.					