

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 2024–25* and on the Federal Financial Relations website at: www.federalfinancialrelations.gov.au.

Overview of payments to the states

Australian Government payments to the states in 2024–25 are estimated to be \$187.5 billion, or 24.7 per cent of total Australian Government expenditure for the year. This amount comprises payments for specific purposes of \$90.9 billion and general revenue assistance of \$96.6 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, 2024–25 to 2027–28

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25									
Payments for specific purposes(a)	26,204	19,890	19,445	11,437	6,838	2,231	1,469	2,310	90,871
GST-related payments(b)	26,419	24,042	18,979	7,435	9,157	3,604	2,002	4,322	95,959
Other general revenue assistance(c)	-	-	-	638	-	-	45	-	683
Total payments to the states	52,623	43,932	38,424	19,509	15,995	5,836	3,516	6,631	187,513

**Table C.1: Australian Government payments to the states, 2024–25 to 2027–28
(continued)**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2025-26									
Payments for specific purposes(a)	26,900	20,968	20,717	10,810	7,224	2,523	1,467	2,295	92,658
GST-related payments(b)	27,713	25,325	19,980	7,830	9,566	3,743	2,099	4,507	100,762
Other general revenue assistance(c)	-	-	-	505	-	-	46	-	552
Total payments to the states	54,613	46,293	40,697	19,145	16,790	6,266	3,612	6,802	193,972
2026-27									
Payments for specific purposes(a)	26,230	22,424	21,272	9,988	7,192	2,430	1,484	2,178	94,401
GST-related payments(b)	28,709	26,382	20,786	9,441	9,942	3,886	2,188	4,730	106,065
Other general revenue assistance(c)	-	-	-	390	-	-	47	-	438
Total payments to the states	54,939	48,806	42,059	19,820	17,134	6,316	3,719	6,908	200,904
2027-28									
Payments for specific purposes(a)	26,850	23,320	21,594	9,409	7,307	2,350	1,503	1,928	96,618
GST-related payments(b)	29,746	27,483	21,624	9,989	10,335	4,040	2,283	4,975	110,474
Other general revenue assistance(c)	-	-	-	348	-	-	48	-	396
Total payments to the states	56,596	50,804	43,218	19,746	17,642	6,389	3,834	6,903	207,488

- a) State allocations for several programs are not yet determined. These payments are not reflected in state totals. Hence, 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 2024–25 GST relativities. The estimates do not reflect any attempt to project future GST relativities or GST entitlements.
- 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 \$90.9 billion in 2024–25, which is 12.0 per cent of total Australian Government expenditure for the year and an increase of \$7.0 billion (or 8.3 per cent) on the \$83.9 billion the states received in 2023–24.

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.
- Payments for skills and workforce development activities, including through the National Skills Agreement.
- 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, 2024–25 to 2027–28

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2024-25									
National Health Reform funding	8,895	7,302	7,088	3,195	2,045	658	540	426	30,149
Better and Fairer Schools funding(b)(c)	9,254	7,810	6,774	3,282	2,269	699	464	508	31,060
National Skills Agreement(d)	775	630	515	276	175	58	48	34	2,511
National Agreement on Social Housing and Homelessness	540	451	355	190	120	37	30	56	1,779
Energy Bill Relief	838	658	524	261	200	65	48	22	2,615
National Legal Assistance Partnership (2020-2025)(e)	155	109	123	69	45	19	12	37	569
National Partnership payments(f)(g)	5,749	2,931	4,066	4,164	1,984	695	327	1,228	22,188
Total payments for specific purposes	26,204	19,890	19,445	11,437	6,838	2,231	1,469	2,310	90,871
2025-26									
National Health Reform funding(h)	9,479	7,788	7,602	3,403	2,181	703	574	456	32,187
Better and Fairer Schools funding(b)(c)	9,557	8,068	6,975	3,449	2,347	740	492	563	32,191
National Skills Agreement(d)	761	623	506	271	170	55	46	31	2,464
National Agreement on Social Housing and Homelessness	551	461	363	195	122	38	31	57	1,818
Energy Bill Relief	279	219	175	87	67	22	16	7	872
National Access to Justice Partnership	193	129	158	98	58	24	15	62	738
National Partnership payments(f)(g)	6,079	3,680	4,937	3,307	2,279	942	293	1,119	22,388
Total payments for specific purposes	26,900	20,968	20,717	10,810	7,224	2,523	1,467	2,295	92,658
2026-27									
National Health Reform funding(h)	10,090	8,285	8,064	3,624	2,322	748	611	485	34,229
Better and Fairer Schools funding(b)(c)	9,922	8,411	7,237	3,608	2,436	776	518	626	33,534
National Skills Agreement(d)	776	638	517	277	172	56	47	31	2,516
National Agreement on Social Housing and Homelessness	565	472	372	199	125	39	32	58	1,862
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	199	133	162	101	60	25	15	63	758
National Partnership payments(f)(g)	4,679	4,484	4,920	2,178	2,077	786	261	915	21,502
Total payments for specific purposes	26,230	22,424	21,272	9,988	7,192	2,430	1,484	2,178	94,401

Table C.2: Total payments for specific purposes by category, 2024–25 to 2027–28 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2027-28									
National Health Reform funding(h)	10,746	8,824	8,588	3,859	2,472	796	651	516	36,454
Better and Fairer Schools funding(b)(c)	10,298	8,763	7,499	3,722	2,523	803	539	696	34,841
National Skills Agreement(d)	786	649	525	282	174	56	48	31	2,552
National Agreement on Social Housing and Homelessness	575	481	379	203	128	40	32	59	1,897
Energy Bill Relief	-	-	-	-	-	-	-	-	-
National Access to Justice Partnership	203	136	166	103	61	26	15	65	774
National Partnership payments(f)(g)	4,241	4,468	4,437	1,240	1,949	629	219	561	20,101
Total payments for specific purposes	26,850	23,320	21,594	9,409	7,307	2,350	1,503	1,928	96,618

- 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. Additionally, a slippage adjustment has been applied to Infrastructure Investment Program spending at the national level in 2024–25, 2025–26 and 2026–27 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 assumption. The adjustment has been unwound over 2027–28 to 2032–33. See Box C.1 for further details.
- b) Funding includes the Interim School Funding Agreement (ISFA) for jurisdictions (NSW, VIC, QLD and SA) that have not signed the Better and Fairer Schools Agreement. ISFA expires on 31 December 2025.
- c) Includes funding for non-government representative bodies.
- d) The National Skills Agreement (NSA) commenced on 1 January 2024, replacing the National Agreement for Skills and Workforce Development.
- e) To be replaced by the National Access to Justice Partnership from 1 July 2025, which provides ongoing funding to the legal assistance sector. Funding for the National Legal Assistance Partnership (NLAP) was included in the National Partnership payments line in previous budget updates.
- f) Excludes payments under the NSA, Energy Bill Relief, and the NLAP, which are shown separately.
- g) Includes financial assistance grants for, and payments direct to, local government and payments funded through appropriations including but not limited to section 16 of the *Federal Financial Relations Act 2009*.
- h) National Health Reform Agreement funding estimates are based on the current 2020–2025 Addendum. The Commonwealth has provisioned for its expected increased contribution as part of the new Addendum.

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, 2024–25 to 2027–28

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2024-25									
Health	9,102	7,486	7,301	3,515	2,187	716	559	532	31,448
Education	9,431	7,967	6,902	3,352	2,312	714	476	559	31,741
Skills and workforce development	796	647	532	288	186	60	55	37	2,654
Community services	39	30	32	14	11	5	3	89	232
Affordable housing	541	451	380	215	145	37	30	402	2,867
Infrastructure(b)	4,468	2,181	3,200	3,549	1,546	513	230	569	15,682
Environment, energy and water	1,405	870	853	363	344	145	80	64	4,917
Contingent payments	~	1	~	~	~	~	~	~	1
Other(c)	422	257	244	140	107	41	36	57	1,327
Total payments for specific purposes	26,204	19,890	19,445	11,437	6,838	2,231	1,469	2,310	90,871
2025-26									
Health	9,661	7,946	7,776	3,625	2,306	774	586	567	33,280
Education	9,686	8,182	7,073	3,499	2,379	751	502	570	32,816
Skills and workforce development	814	666	543	292	183	59	51	32	2,665
Community services	19	15	13	6	7	3	1	8	144
Affordable housing	554	461	363	195	122	38	31	267	2,042
Infrastructure(b)	4,186	2,392	3,731	2,525	1,815	666	163	719	15,046
Environment, energy and water	683	337	360	139	106	92	30	15	2,284
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,296	970	859	529	305	140	102	118	4,381
Total payments for specific purposes	26,900	20,968	20,717	10,810	7,224	2,523	1,467	2,295	92,658
2026-27									
Health	10,167	8,346	8,210	3,668	2,419	775	616	579	34,833
Education	9,941	8,428	7,261	3,619	2,445	779	519	627	34,176
Skills and workforce development	816	670	543	291	181	58	49	32	2,732
Community services	3	3	1	1	4	1	1	1	144
Affordable housing	567	472	372	199	125	39	32	276	2,083
Infrastructure(b)	3,026	3,432	3,877	1,623	1,709	581	155	541	14,654
Environment, energy and water	403	64	122	38	13	55	7	3	1,317
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,307	1,008	887	549	295	143	106	119	4,463
Total payments for specific purposes	26,230	22,424	21,272	9,988	7,192	2,430	1,484	2,178	94,401

Table C.3: Payments for specific purposes by sector, 2024–25 to 2027–28 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2027-28									
Health	10,848	8,869	8,712	3,906	2,579	820	655	588	37,062
Education	10,300	8,765	7,500	3,723	2,524	803	539	696	35,496
Skills and workforce development	786	649	525	282	174	56	48	31	2,723
Community services	~	1	~	~	2	~	~	~	133
Affordable housing	575	481	379	203	128	40	32	245	2,083
Infrastructure(b)	2,940	3,513	3,503	719	1,596	435	130	251	13,904
Environment, energy and water	60	5	62	14	3	55	1	1	654
Contingent payments	~	~	~	~	~	~	~	~	..
Other(c)	1,339	1,038	912	564	302	141	99	117	4,563
Total payments for specific purposes	26,850	23,320	21,594	9,409	7,307	2,350	1,503	1,928	96,618

- 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) A slippage adjustment has been applied to Infrastructure Investment Program payments at the national level in 2024–25, 2025–26 and 2026–27 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 assumption. The adjustment has been unwound over 2027–28 to 2032–33. See Box C.1 for further details.
- 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, 2024–25 to 2027–28

\$million	2024-25	2025-26	2026-27	2027-28
<i>Health</i>				
National Health Reform funding(a)	30,149	32,187	34,229	36,454
National Partnership payments	1,299	1,093	605	608
Total health payments	31,448	33,280	34,833	37,062
<i>Education</i>				
Better and Fairer Schools funding(b)	31,060	32,191	33,534	34,841
National Partnership payments	682	625	642	655
Total education payments	31,741	32,816	34,176	35,496
<i>Skills and workforce development</i>				
National Skills Agreement(c)	2,511	2,464	2,516	2,552
National Partnership payments(d)	144	201	216	171
Total skills and workforce development payments	2,654	2,665	2,732	2,723
<i>Community services</i>				
National Partnership payments	232	144	144	133
<i>Affordable housing</i>				
National Agreement on Social Housing and Homelessness	1,779	1,818	1,862	1,897
National Partnership payments	1,088	223	221	185
Total affordable housing payments	2,867	2,042	2,083	2,083
<i>Infrastructure</i>				
National Partnership payments(e)(i)	15,682	15,046	14,654	13,904
<i>Environment, energy and water</i>				
Energy Bill Relief	2,615	872	-	-
National Partnership payments(e)(f)	2,303	1,412	1,317	654
Total environment, energy and water payments	4,917	2,284	1,317	654
<i>Contingent payments</i>				
National Partnership payments	1
<i>Other</i>				
National Access to Justice Partnership(g)	569	738	758	774
National Partnership payments(e)(h)	758	3,643	3,704	3,789
Total other payments	1,327	4,381	4,463	4,563
Total payments for specific purposes	90,871	92,658	94,401	96,618

- a) National Health Reform Agreement funding estimates are based on the current 2020–2025 Addendum. The Commonwealth has provisioned for its expected increased contribution as part of the new Addendum.
- b) Funding includes the Interim School Funding Agreement (ISFA) for jurisdictions (NSW, VIC, QLD and SA) that have not signed the Better and Fairer Schools Agreement. ISFA expires on 31 December 2025.
- c) The National Skills Agreement (NSA) commenced on 1 January 2024, replacing the National Agreement for Skills and Workforce Development.
- d) Excludes payments under the NSA, which are shown separately.
- e) Includes financial assistance grants for, and payments direct to, local government, and/or payments funded through appropriations including but not limited to section 16 of the *Federal Financial Relations Act 2009*.
- f) Excludes payments under Energy Bill Relief, which are shown separately.
- g) Funding for 2024–25 is provided by the National Legal Assistance Partnership (NLAP), which was included in the National Partnership payments line in previous budget updates. From 1 July 2025, the National Access to Justice Partnership provides ongoing funding to the legal assistance sector.

- h) Excludes payments under NLAP, which are shown separately.
 - i) A slippage adjustment has been applied to Infrastructure Investment Program spending at the national level in 2024–25, 2025–26 and 2026–27 to take account of historical experiences, including the timing of states claiming payments against milestones and the complexity of delivery. The adjustment has been unwound over 2027–28 to 2032–33. See Box C.1 for further details.
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Detailed tables of payments for specific purposes are provided in Annex A (available online).

Box C.1: Infrastructure Investment Program slippage adjustment methodology

Infrastructure expenditure slippage occurs when project milestones have not been achieved as planned, leading to a delay in expenditure compared to future years.

In the 2024–25 MYEFO, the Australian Government has implemented a slippage adjustment for the Infrastructure Investment Program (IIP) to take account of historical experience, including the timing of states claiming payments against milestones, the complexity of delivery, and market capacity constraints. Slippage is a usual occurrence for large and complex capital infrastructure programs. The adjustment is set at \$1.7 billion in 2024–25, \$1.4 billion in 2025–26 and \$0.4 billion in 2026–27 and is unwound over 2027–28 to 2032–33.

A number of states, such as New South Wales, Queensland and South Australia make provisions for capital investment slippage at a whole-of-government level in their respective budget papers, without affecting the funding available for specific agencies or projects. This approach has been taken in the 2024–25 MYEFO, which means state totals and project entitlements are unaffected. The Australian Government previously applied a slippage adjustment to the IIP in the 2020–21 Budget.

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 presented in Table C.A.8 in Annex A (available online).

Table C.5: Estimated DRFA cash payments, 2024–25 to 2027–28

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2024-25	383.7	368.9	1,284.9	11.7	52.6	19.3	-	-	2,121.0
2025-26	336.1	213.4	1,705.5	59.8	25.2	4.3	0.2	49.2	2,393.8
2026-27	5,797.6	204.2	152.2	501.5	196.1	1.8	-	-	6,853.5
2027-28	205.3	44.3	26.0	5.7	9.8	-	-	-	291.1
Total	6,722.6	830.9	3,168.6	578.6	283.7	25.5	0.2	49.2	11,659.3

General revenue assistance

General revenue assistance is provided to states, without conditions, to spend according to their own budget priorities. In 2024–25, the states are expected to receive \$96.6 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 \$90.6 billion (comprising GST revenue and the Commonwealth funded GST pool boost), horizontal fiscal equalisation (HFE) transition payments of \$5.3 billion (also known as the No Worse Off guarantee) and \$683 million of other general revenue assistance.

Total GST-related payments to the states (GST entitlements plus HFE transition payments) are estimated to increase from \$96.0 billion in 2024–25 to \$110.5 billion by 2027–28.

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, 2024–25 to 2027–28

\$million	2024-25	2025-26	2026-27	2027-28
GST entitlement	90,631	95,150	100,387	105,967
HFE transition payments(a)	5,328	5,613	5,678	4,507
Other general revenue assistance				
ACT municipal services	45	46	47	48
Royalty payments	638	505	390	348
Total other general revenue assistance	683	552	438	396
Total	96,642	101,314	106,503	110,870

a) Estimates of the horizontal fiscal equalisation (HFE) transition payments for 2025–26 and later years are based on the 2024–25 GST relativities and adjusted to take into account the transition to the new HFE system. The 2026–27 and 2027–28 HFE transition payments are assumed to be 80 per cent and 60 per cent respectively of that implied using the 2024–25 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	2024-25	2025-26	2026-27	2027-28
GST revenue	94,770	99,290	104,690	110,650
<i>less</i> Change in GST receivables	5,017	5,062	5,274	5,722
GST receipts	89,753	94,228	99,416	104,928
<i>less</i> Non-GIC penalties collected	100	110	120	110
<i>less</i> GST collected by Commonwealth agencies but not yet remitted to the ATO	3	-2	-4	-2
<i>plus</i> GST pool boost	981	1,030	1,087	1,147
States' GST entitlement	90,631	95,150	100,387	105,967

Table C.8 reconciles the change in the estimates of the states' GST entitlement since the 2024–25 Budget. Since the 2024–25 Budget the GST entitlement has been revised up by \$2.1 billion in 2024–25 and by \$7.1 billion over the four years to 2027–28. GST receipts have been upgraded driven by stronger-than-expected GST collections, and an upgrade to the outlook for nominal consumption subject to GST and nominal private dwelling investment, partially offset by lower net travel services.

Table C.8: Reconciliation of the GST entitlement estimates since the 2024–25 Budget

\$million	2024-25	2025-26	2026-27	2027-28
GST entitlement at 2024-25 Budget	88,534	93,245	98,826	104,468
<i>Changes between 2024-25 Budget and 2024-25 MYEFO</i>				
Effect of policy decisions	2	28	63	75
Effect of parameter and other variations	2,095	1,876	1,498	1,425
Total variations	2,097	1,905	1,560	1,499
GST entitlement at 2024-25 MYEFO	90,631	95,150	100,387	105,967

Specific policy decisions taken since the 2024–25 Budget that affect the GST entitlement are shown in Table C.9. These decisions are estimated to increase the amount of the GST entitlement by \$167.2 million over the four years to 2027–28.

Table C.9: Policy decisions since the 2024–25 Budget that affect the GST entitlement

\$million	2024-25	2025-26	2026-27	2027-28
Assistance for Recent Arrivals from Conflict Zones
Combatting Illegal Phoenixing – extending and enhancing the Phoenix Compliance Program	-	12.4	33.1	35.4
Strengthening Tax Compliance – boosting the Shadow Economy Compliance Program	3.3	16.5	29.6	39.2
Indirect Tax Concession Scheme – diplomatic and consular concessions	-1.4	-0.7	-0.2	..
Total	1.9	28.2	62.5	74.6

Detailed information on specific policy decisions taken since the 2024–25 Budget is included in MYEFO 2024–25, *Appendix A: Policy decisions taken since the 2024–25 Budget*.

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 2024–25. This method of calculation is prescribed in the *Federal Financial Relations Act 2009*.

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

	Estimated 31 December 2024 population	GST relativities	Adjusted population (1) x (2)	Share of adjusted population	Share of GST pool \$million
2024-25	(1)	(2)			
NSW	8,556,433	0.86736	7,421,508	27.1%	24,540
VIC	7,048,356	0.96502	6,801,805	24.8%	22,491
QLD	5,637,082	0.95232	5,368,306	19.6%	17,751
WA	2,997,921	0.75000	2,248,441	8.2%	7,435
SA	1,886,570	1.40312	2,647,084	9.7%	8,753
TAS	576,351	1.82832	1,053,754	3.8%	3,484
ACT	476,867	1.20419	574,238	2.1%	1,899
NT	255,392	5.06681	1,294,023	4.7%	4,279
Total	27,434,972	na	27,409,158	100.0%	90,631

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 2023–24 balancing adjustment made to the states' GST advance payments in 2024–25.

The calculation of the final GST entitlement for 2023–24 is shown in Table C.11. The Assistant Minister for Competition, Charities and Treasury made a determination giving effect to this entitlement on 24 October 2024. 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 2023–24.

Table C.11: Calculation of the GST entitlement and balancing adjustment, 2023–24

	31 December 2023 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)
2023-24	(1)	(2)	(3)	(4)	(5)	(6)	(7)
NSW	8,434,754	0.92350	7,789,495	29.0%	24,808	25,028	-220
VIC	6,905,978	0.85169	5,881,752	21.9%	18,733	18,900	-168
QLD	5,528,292	1.03118	5,700,664	21.2%	18,156	18,323	-167
WA	2,927,888	0.70000	2,049,522	7.6%	6,527	6,573	-46
SA	1,866,318	1.39463	2,602,823	9.7%	8,290	8,367	-77
TAS	574,705	1.79080	1,029,182	3.8%	3,278	3,307	-29
ACT	470,232	1.19540	562,115	2.1%	1,790	1,811	-20
NT	253,634	4.98725	1,264,936	4.7%	4,029	4,061	-32
Total	26,961,801	na	26,880,490	100.0%	85,611	86,370	-760

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 \$709 million for 2024–25, as shown in Table C.12.

Table C.12: GST administration budget

\$million	Actual	Estimates			
	2023-24	2024-25	2025-26	2026-27	2027-28
Administration budget at 2023-24 Budget	719	724	736	734	na
Total variations (2023-24 Budget to 2023-24 MYEFO)	-69	-15	-13	-9	na
Total variations (2023-24 MYEFO to 2024-25 Budget)	-	-	-1	-1	-6
Administration budget at 2024-25 Budget (a)	650	709	722	724	482
Changes from 2024-25 Budget to MYEFO					
Parameter variations	-	-	-1	2	..
Other variations (b)	-	-	-28	-35	-25
Total variations	-	-	-29	-33	-25
Administration budget at 2024-25 MYEFO	650	709	693	691	457
Prior year at Budget	677	650			
Prior year outcome	653	618			
equals prior year adjustment	-24	-33			
<i>equals</i> State government payments	626	676	693	691	457
Administration budget at 2024-25 Budget	650				
less Australian Taxation Office outcome	618				
<i>equals</i> following year adjustment	-33				

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.