

Appendix A: Parameters and further information

This appendix provides information on the parameters used in producing this Budget Paper.

Budget Paper No. 1, *Budget Strategy and Outlook 2025–26, Statement 2: Economic Outlook* provides information on the forecasting approach used in the 2025–26 Budget.

Population

Population data are used to distribute funding between the state and territory governments (states) and in the calculation of annual growth factors.

Estimates of state populations

The Centre for Population in the Department of the Treasury (the Centre) constructs state population projections with demographic data and forecasts regarding fertility, mortality, net overseas migration and net interstate migration.

The Centre estimates population and the components of change on a financial year basis. The projected population for the mid-point of the financial year (31 December, Table A.1) is the simple average of the population at the beginning and end of the financial year (Table A.2).

Table A.1: Population by state, at 31 December (million)

million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)	Australia
2024(b)	8.541	7.045	5.638	2.998	1.887	0.576	0.477	0.256	27.418	27.423
2025	8.646	7.165	5.732	3.055	1.904	0.577	0.484	0.258	27.822	27.827
2026	8.741	7.272	5.813	3.102	1.918	0.579	0.490	0.260	28.176	28.181
2027	8.835	7.376	5.891	3.146	1.932	0.581	0.497	0.261	28.519	28.524
2028	8.931	7.482	5.970	3.191	1.945	0.583	0.503	0.263	28.868	28.873
2029	9.027	7.589	6.050	3.237	1.959	0.586	0.509	0.266	29.222	29.227

a) 'Total' is the sum of the states and territories shown, and excludes Jervis Bay Territory, Christmas Island, the Cocos (Keeling) Islands and Norfolk Island.

b) Estimate for 2023–24, from ABS National, state & territory population, June 2024.

Table A.2: Population by state, at 30 June (million)

million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)	Australia
2023-24(b)	8.484	6.981	5.586	2.965	1.878	0.575	0.474	0.255	27.200	27.205
2024-25	8.597	7.109	5.690	3.030	1.896	0.576	0.481	0.257	27.636	27.641
2025-26	8.695	7.221	5.775	3.080	1.912	0.578	0.487	0.259	28.007	28.012
2026-27	8.788	7.324	5.852	3.123	1.925	0.580	0.493	0.260	28.346	28.351
2027-28	8.882	7.429	5.930	3.168	1.938	0.582	0.500	0.262	28.692	28.697
2028-29	8.979	7.535	6.010	3.213	1.952	0.585	0.506	0.265	29.044	29.049

a) 'Total' is the sum of the states and territories shown, and excludes Jervis Bay Territory, Christmas Island, the Cocos (Keeling) Islands and Norfolk Island.

b) Estimate for 2023–24, from ABS National, state and territory population, June 2024.

Fertility

The projected fertility rates are based on analysis undertaken and commissioned by the Centre (Table A.3). Nationally, the total fertility rate is forecast to be 1.44 babies per woman in 2024–25 before rising to 1.62 by 2031–32. Projected state fertility rates broadly move in line with the national fertility rate.

Table A.3: Total fertility rate, for years ending 30 June

	2023-24(a)	2024-25	2025-26	2026-27	2027-28	2028-29
Total fertility rate, Australia	1.49	1.44	1.47	1.49	1.52	1.54

a) Estimate for 2023–24, from ABS National, state and territory population, June 2024.

Mortality

Projected life expectancy at birth is based on the Australian Government Actuary mortality improvement factors and the 2019–21 Australian Bureau of Statistics life tables (Table A.4). Life expectancies have been adjusted until 2028–29 to account for the impact of COVID-19 on excess mortality. Life expectancies are then assumed to improve at the same average annual rate that has been observed over the past three decades. Projected state mortality rates broadly move in line with the national mortality rate.

Table A.4: Projected life expectancy at birth, for years ending 30 June

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Male life expectancy at birth, Australia	81.5	81.8	82.1	82.3	82.6	82.8
Female life expectancy at birth, Australia	85.4	85.7	85.9	86.1	86.3	86.5

Net overseas migration

The Centre forecasts net overseas migration (Table A.5). The forecasts incorporate official statistics prepared by the Australian Bureau of Statistics, as well as information provided by the Department of Home Affairs, including data on international arrivals and departures, offshore visa grants, and the number of temporary visa holders in Australia.

Table A.5: Net overseas migration, for years ending 30 June

	2023-24 (a)	2024-25	2025-26	2026-27	2027-28	2028-29
Net overseas migration, Australia	446,000	335,000	260,000	225,000	225,000	225,000

a) Estimate for 2023–24, from ABS National, state and territory population, June 2024.

Interstate migration

The Centre projects net interstate migration (Table A.6), using historical interstate movements data supplied by the Australian Bureau of Statistics.

Table A.6: Net interstate migration by state, for years ending 30 June

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2023-24(a)	-30,900	700	29,900	9,700	-1,600	-2,600	-1,600	-3,800
2024-25	-28,300	1,800	26,500	7,800	-2,200	-1,800	-700	-3,000
2025-26	-24,300	2,800	23,200	4,200	-2,900	-700	-200	-2,200
2026-27	-21,000	3,700	20,400	1,400	-3,400	200	300	-1,500
2027-28	-20,800	3,800	20,200	1,100	-3,400	200	300	-1,500
2028-29	-20,900	3,700	20,200	1,100	-3,300	300	300	-1,400

a) Estimate for 2023–24, from ABS National, state & territory population, June 2024.

Wage cost indices

Table A.7 shows estimated growth in the wage cost indices used in this Budget Paper, rounded to the nearest quarter of a per cent.

Table A.7: Wage cost indices

Per cent	2024-25	2025-26	2026-27	2027-28	2028-29
Wage cost index – 1	3 1/4	2	2 1/2	2	2 1/4
Wage cost index – 3	3 1/2	2 1/4	2 3/4	2	2 1/4
Wage cost index – 6	3 1/2	2 1/4	3	2 1/4	2 1/4

Data sources

The information in Appendix B and Appendix C of this Budget Paper is consistent with the ABS Government Finance Statistics reporting framework for the public sector.

Australian Government data are sourced from the Australian Government Consolidated Financial Statements, Australian Government Final Budget Outcomes, and ABS Government Finance Statistics. See Budget Paper No. 1, *Budget Strategy and Outlook 2025–26 Statement 9: Australian Government Budget Financial Statements*, and *Statement 10: Historical Australian Government Data*, for more information.

Further information

A range of publications provide information that is relevant to analysing federal financial relations data, including:

- *National, state and territory population*
- *2024 Population Statement*, Centre for Population
- *Taxation Revenue, Australia*
- *Government Finance Statistics, Australia*
- *Australian System of Government Finance Statistics – Concepts, Sources and Methods*
- Information Paper: *Developments in Government Finance Statistics*
- Information Paper: *Accruals Based Government Finance Statistics*

Commonwealth Grants Commission publications provide information about the distribution of GST revenue. In relation to the 2025–26 financial year, the most relevant publication is the report *GST Relativities 2025–26*.