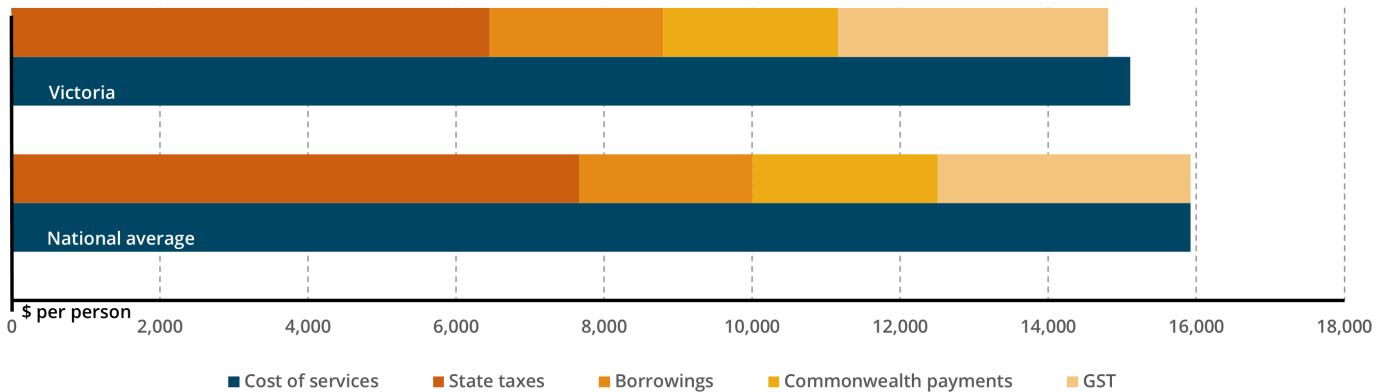


# Victoria

Victoria will receive around \$26 billion in GST in 2025–26, \$3.7 billion more than in 2024–25. The change reflects Victoria’s assessed needs for GST, changes in population and its share of the growth in the GST pool. It also reflects the 2018 GST distribution legislation.

## GST distribution in 2025-26



## How Victoria compares with other states and territories

Victoria’s capacity to raise revenue from its own taxes is lower than the national average.



Victoria can only raise \$32 per person from mining royalties, which is below the national average of \$1,305 per person.



Victoria can raise \$295 per person from insurance tax, which is below the national average of \$314 per person.

The characteristics of the people living in Victoria mean that the cost of providing government services is lower than the national average.



4% of Victoria’s population live in outer regional or remote areas where service costs are higher, compared with the national average of 10%.



Victoria’s First Nations population, for which service costs are higher, comprises 1.2% of the state’s population, compared with the national average of 3.8%.

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

## Key factors that changed Victoria's GST needs since 2024–25



**+\$831 million**

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



**+\$577 million**

An assessment of COVID-19 business support expenses was introduced in the 2025 Review. Victoria's above-average COVID-19 business support expenses increased its GST needs.



**+\$516 million**

Above-average growth in population-weighted density in Melbourne increased Victoria's need for urban transport investment, increasing its GST needs.



**+\$309 million**

Victoria received a smaller share of Commonwealth payments, increasing its GST needs.



**+\$293 million**

A new assessment of COVID-19 health expenses was introduced in the 2025 Review. Victoria's above-average COVID-19 health expenses increased its GST needs.



**-\$292 million**

Upward revisions to natural disaster relief expenses in other states reduced Victoria's GST needs.

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