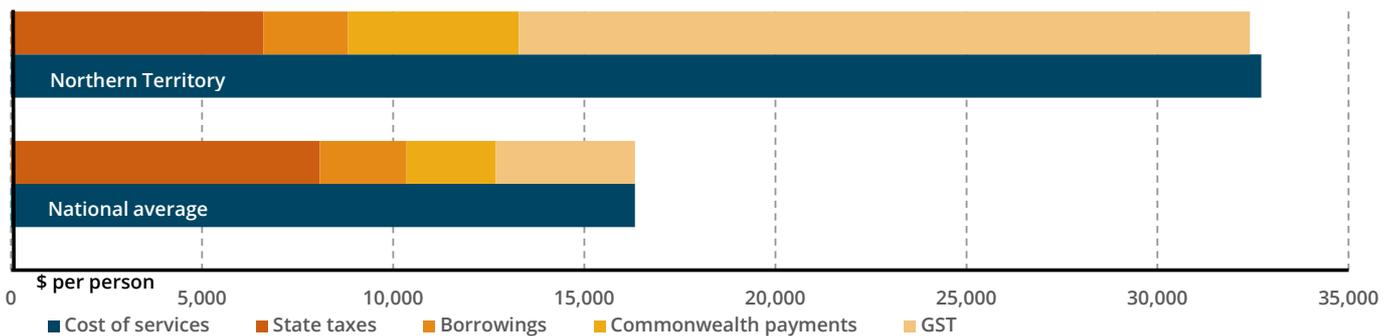




# Northern Territory

The Northern Territory will receive around \$5.1 billion in GST in 2026–27, \$389 million more than in 2025–26. The change reflects the Northern Territory’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 2026–27



## How the Northern Territory compares with other states and territories

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



The Northern Territory’s ability to raise revenue from taxes on property sales is below the national average.



The Northern Territory’s revenue per person from land tax is below the national average.

The characteristics of the people living in the Northern Territory mean that the cost of providing government services is much higher than the national average.



The Northern Territory’s entire population live in outer regional and remote areas, where service costs are higher, compared with the national average of 9.8%.



The Northern Territory’s First Nations population, for which service costs are higher, comprises 30.5% of the state’s population, compared with the national average of 3.8%.

Overall, the below-average revenue raising capacity and the above-average cost of providing services, means that the Northern Territory receives a per person GST distribution above the national average.

## Key factors that changed the Northern Territory's GST distribution since 2025–26



**-\$66 million**

Revisions to data that previously misclassified some hospital activity have reduced assessed costs in regional and remote areas. As a result, the assessed health expenditure needs of states with relatively larger regional and remote populations decreased, including the Northern Territory, reducing their GST distribution.



**+\$63 million**

An increase in the cost of providing health and school services to First Nations populations increased the expenditure needs of states with relatively larger First Nations populations. This increased the Northern Territory's GST distribution.



**+\$42 million**

Updated data showed an increase in the cost of educating First Nations students, increasing the Northern Territory's GST distribution.



**-\$33 million**

The Northern Territory's above-average share of Commonwealth payments, largely reflecting payments under the National Water Grid Fund, reduced its GST distribution.



**+\$32 million**

An above-average increase in the costs of admitted patients in regional areas increased GST needs for states with a relatively large population in regional areas, including the Northern Territory. This effect was compounded by strong growth in states' health spending.



**-\$32 million**

A downward revision to the size of states' net financial liabilities reduced assessed liabilities per person. An upward revision to the Northern Territory's population growth rate, towards the national average, further reduced its assessed liabilities per person. Together, these revisions reduce the Northern Territory's GST distribution.

For further information see <https://www.cgc.gov.au/reports-for-government/2026-update/>