



Media Release | 13 March 2026

2026–27 GST Distribution

The Commonwealth Grants Commission has released its recommendations for the 2026–27 GST distribution to the states and territories (states). The 2026 Update is available here: bit.ly/3NtL5zX.

In 2026–27, all states are estimated to receive more GST than they received in 2025–26, largely due to forecast growth in GST revenue.

The GST pool is a fixed amount each year meaning for a state to receive more GST, one or more states must necessarily receive less. Each state's GST distribution is therefore affected by its own circumstances and those of all other states.

Queensland is estimated to receive the largest increase of \$1.7 billion. A key driver of this increase is falling coal prices, which have reduced its royalty revenue.

Western Australia continues to be the fiscally strongest state, driven by its high capacity to raise revenue from iron ore royalties. It will receive the same per person share of the GST pool (GST relativity) as New South Wales as required by legislation. Western Australia is estimated to receive \$6.6 billion more in 2026–27 than it would have received under the arrangements prior to the 2018 legislative changes.

New South Wales is the second strongest state. New South Wales' GST relativity has fallen this year driven by its lower spend on natural disaster relief than it had previously estimated, and its large COVID-19 expenses in 2021–22 dropping out of the assessment period. Strong growth in land values also means that New South Wales could raise more revenue from land tax than the other states.

Victoria's GST relativity has fallen due to its COVID-19 expenses in 2021–22 dropping out of the assessment period. Further, with Queensland's and Western Australia's revenue raising abilities from coal and iron ore royalties falling, this has increased their shares of the GST revenue and therefore reduced other states, including Victoria.

In addition to the factors impacting the larger states, the smaller states have been particularly impacted by changes to states' shares of the value of property transferred. There have also been changes in national spending on First Nations populations and Australians living in regional areas that have affected these states. Together, these factors have decreased the GST relativities of South Australia and the ACT and increased the relativities of Tasmania and the Northern Territory.

This year marks the end of the transition period for the 2018 legislative changes. From this update, the Commission's assessment includes an adjustment so that no state has a GST relativity less than the lower of New South Wales or Victoria, and all state relativities must be at least equal to the 0.75 floor.

The total cost to the Commonwealth in 2026–27 of the 2018 legislative changes is estimated to be \$6.6 billion. This comprises \$5.5 billion in no worse off payments and \$1.1 billion in GST pool top-up payments.

Mike Callaghan AM PSM, Chair of the Commission said:

“Every year the Commonwealth Grants Commission, which is an independent body, provides its recommendations to the Australian Government for the distribution of the GST pool among the states.

The distribution arrangements aim to provide all states with the fiscal capacity to provide a broadly comparable standard of government services.

As is normally the case, state GST shares have changed between years, reflecting shifts in state circumstances. Key drivers of changes in state GST shares in 2026–27 include the value of mining production declining, large COVID-19-related health and business support expenses no longer being assessed, and the strength of property markets changing across Australia.



Given the volatility in state economic and social circumstances, a change in a state's GST share in 2026–27 cannot be assumed to continue in future years.”

Change in GST distribution by state 2025–26 to 2026–27

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Total
GST relativities									
2025–26	0.86034	1.06722	0.84571	0.75000	1.38876	1.84053	1.17223	5.15112	1.00000
2026–27	0.81964	1.05742	0.87237	0.81964	1.35920	1.88285	1.16179	5.24149	1.00000
GST shares (%)									
2025–26	26.7	27.3	17.4	8.3	9.5	3.8	2.1	4.9	100
2026–27	25.5	27.2	18.0	9.1	9.3	3.9	2.0	5.0	100
GST distribution (\$m)									
2025–26	25,807	26,373	16,758	7,990	9,206	3,682	1,985	4,753	96,554
2026–27	26,123	27,867	18,438	9,337	9,548	3,968	2,095	5,142	102,518
Difference	316	1,494	1,680	1,347	342	286	110	389	5,964
Difference (\$pc)	36	207	290	431	178	496	222	1,446	212

Note: No worse off payments are not included in these figures.

Additional publications

Alongside the 2026–27 GST relativities, the Commission has also released:

- [Guide to the 2026–27 GST Distribution](#) – a high-level guide to the main aspects of the 2026 Update
- [State Snapshots](#) – the key factors affecting the recommended GST distribution for each state in 2026–27.

Contact us

Enquiries can be directed to [cgc.gov.au/media](https://www.cgc.gov.au/media).

Keep up to date

<https://www.linkedin.com/company/commonwealth-grants-commission>

About the Commonwealth Grants Commission

The Commonwealth Grants Commission is an independent statutory agency established under the *Commonwealth Grants Commission Act 1933*. The Commission's role is to provide independent advice to the Australian Government on the distribution of GST revenue to the states and territories in accordance with legislation and terms of reference.