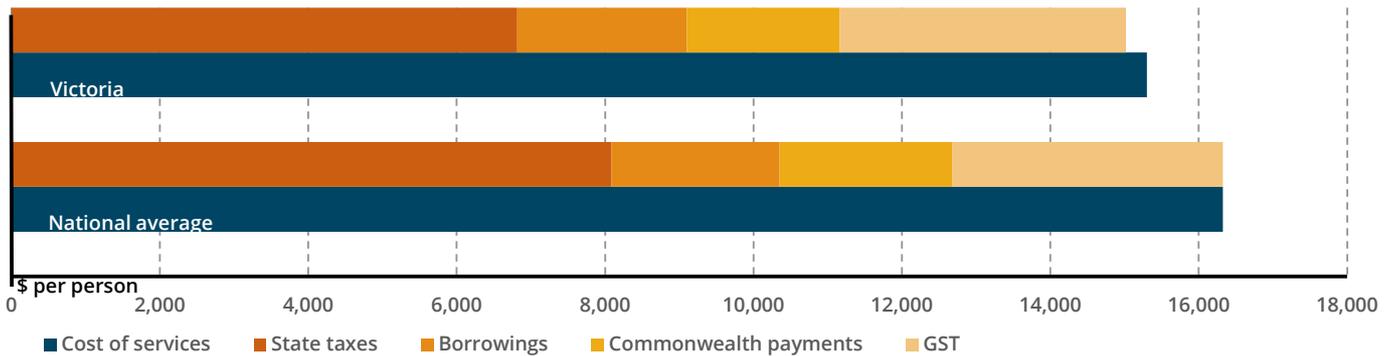




Victoria

Victoria will receive around \$27.9 billion in GST in 2026–27, \$1,494 million more than in 2025–26. The change reflects Victoria’s assessed GST needs, 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 Victoria compares with other states and territories

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



Victoria’s revenue per person from mining royalties is below the national average.



Victoria’s ability to raise revenue from payroll tax is below the national average.

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



3.8% of Victoria’s population live in outer regional or remote areas where service costs are higher, compared with the national average of 9.8%.



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%.

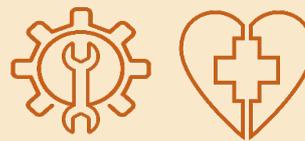
Overall, the below-average revenue raising capacity in Victoria outweighs its below-average cost of providing services. It therefore receives a per person GST distribution above the national average.

Key factors that changed Victoria's GST distribution since 2025–26



-\$912 million

A decrease in iron ore and coal prices reduced revenue for Queensland and Western Australia. This increased their GST distribution and reduced it for other states, including Victoria.



-\$853 million

Data on COVID-19 expenses from 2021–22 have fallen out of the 3 years assessed by the Commission, with expenses declining significantly in subsequent years. States with previously above-average COVID-19 expenses need less GST, including Victoria.



+\$558 million

A significant downward revision to New South Wales' natural disaster relief expenses reduced its expenditure need and decreased its GST distribution. This increases the GST distribution of other states, including Victoria.



+\$429 million

An above-average fall in the average value of property transfers in Victoria reduced its relative revenue-raising capacity, increasing its GST distribution.



-\$257 million

New data on the provision of justice services showed an increase in the cost of policing offenders and an increase in the share of First Nations defendants. This decreased Victoria's GST distribution.



+\$241 million

Melbourne's strong population growth increased Victoria's need for urban transport investment, increasing its GST distribution.

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