



GST distribution reforms

Issues paper



The PC has released this paper to assist individuals and organisations to prepare submissions. It contains and outlines:

- the scope of the inquiry
- our procedures
- matters about which we are seeking comment and information
- how to make a submission.

November 2025

Acknowledgement of Country



The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

About us

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long-term interest of the Australian community.

The PC's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

For more information, visit the PC's website: www.pc.gov.au

Issues paper

The PC has released this issues paper to assist individuals and organisations to prepare submissions to the inquiry. It contains and outlines:

- the scope of the inquiry
- our procedures
- matters about which we are seeking comment and information
- how to make a submission.

Participants should not feel that they are restricted to comment only on matters raised in the issues paper. The PC wishes to receive information and comment on issues which participants consider relevant to the inquiry's terms of reference.

Key inquiry dates

Receipt of terms of reference	24 September 2025
Due date for submissions	27 February 2026
Release of interim report	August 2026
Final report to Government	December 2026

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Terms of reference

I, the Hon Jim Chalmers MP, Treasurer, pursuant to Parts 2 and 3 of the *Productivity Commission Act 1998*, and Section 4 of the *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Act 2018* (the 2018 legislation), request the Productivity Commission (the Commission) undertake an inquiry into the 2018 Goods and Services Tax (GST) distribution reforms. The inquiry will also examine ways in which the federal financial relations system can best promote fiscal sustainability across the states and territories (the states) and the Commonwealth, while delivering the best outcomes for all members of the Australian community.

Background

Australia's system of federal financial relations involves the transfer of revenue collected by the Commonwealth to the states. An important part of the system is the Goods and Services Tax (GST), collected by the Commonwealth and distributed to the states in accordance with the *Federal Financial Relations Act 2009* and the *Commonwealth Grants Commission Act 1973*.

Since the inception of the GST in 2000, the principle of Horizontal Fiscal Equalisation (HFE) has determined GST distribution to the states (a similar HFE principle was often used prior to 2000). It has been an accepted policy position across jurisdictions that Commonwealth GST grants should aim to compensate for or narrow the gap between fiscally stronger and weaker states and territories.

In recent times, the objective of HFE was to ensure each state had the fiscal capacity to provide services and infrastructure at the same standard, if each made the same effort to raise revenue from its own-sources and operated at the same level of efficiency. The model also accounted for material factors beyond the control of state governments that may affect state revenues or spending – the demographics or relative remoteness of its population, for example.

In 2018, the Commonwealth Parliament changed the way GST revenue is distributed among the states to address concerns about the volatility of this revenue source.

The main reforms legislated via amendments to the *Commonwealth Grants Commission Act 1973* in 2018 were:

- changing the equalisation benchmark so that each state's relativity is at least as high as the relativity of the fiscally stronger of New South Wales or Victoria
- ensuring an additional minimum GST revenue-sharing relativity (now 0.75)
- requiring the GST pool to be 'topped-up' by the Commonwealth into perpetuity, and for that 'top-up' to grow at an indexed rate
- during a transition period of six years from 2021-22 to 2026-27, any state that received less than it would have received under the previous GST distribution system would be entitled to additional 'no worse off' (NoWO) payments.

The 2018 legislation also provides for a review of the operation of the Act by the Productivity Commission by 31 December 2026.

In November 2024, the NoWO was extended to 2029-30 through a Funding Agreement with all states except Western Australia.

Scope of the inquiry

The Commission will inquire into the operation of the 2018 legislation, including whether the 2018 changes to the GST distribution system are operating efficiently, effectively and as intended and the fiscal implications for each state and territory, and for the Commonwealth, of the changes made by the 2018 legislation.

The Commission is to investigate:

- To what extent the current arrangements are:
 1. Delivering a reasonable level of horizontal fiscal equalisation
 2. Appropriately balancing the objective of responsiveness to changing circumstances with the objectives of reducing volatility and improving the certainty of GST revenue streams to support state fiscal planning
 3. Supporting states and territories to pursue reforms, including to the efficiency of service delivery and state and territory revenue bases, and
 4. Fiscally sustainable for the Commonwealth and states and territories.
- Whether alternative arrangements would better achieve some or all of these outcomes.
- The interaction between GST payments and other Commonwealth payments to states, including the principles for exempting payments from the Commonwealth Grants Commission's assessments.

Any recommendations made by the Commission should include an assessment of implementation feasibility and risks, and be cognisant of the Commonwealth's policy commitments in relation to GST distribution. In its recommendations, the Commission should provide a range of options including options with a funding relativity floor comparable to the current level, with and without top-up funding from the Commonwealth.

Process

The Commission should engage widely and undertake appropriate public consultation processes, including inviting public submissions and holding hearings. The Commission should engage actively with other Commonwealth entities (notably the Commonwealth Treasury and Commonwealth Grants Commission) and all state and territory governments (notably state and territory Treasuries).

In undertaking the review, the Commission should have regard to previous inquiries where relevant, including the 2018 Horizontal Fiscal Equalisation inquiry, along with any relevant Government reforms and reform directions.

Deliverables

The Commission should provide an interim report to Government by 28 August 2026 and a final report to Government ahead of the legislated deadline of 31 December 2026.

The Hon Jim Chalmers MP
Treasurer

[Received 24 September 2025]

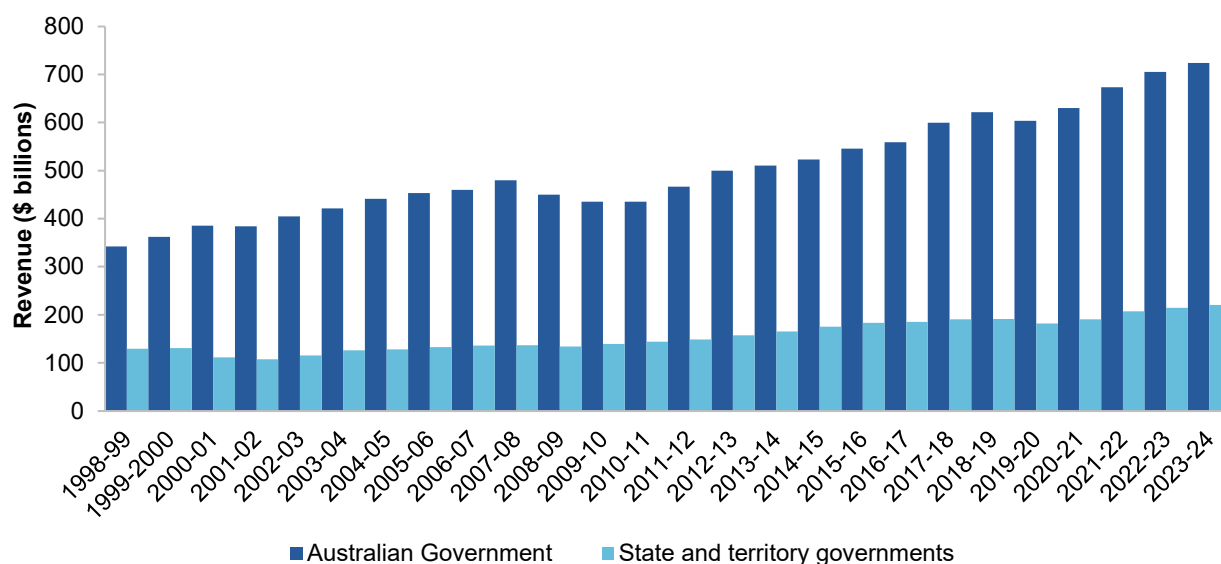
The distribution of fiscal resources within the Australian federation

Since Federation, the roles, responsibilities and powers set out in the Australian Constitution have evolved and, as a consequence, vertical fiscal imbalance (VFI) has increased between the Commonwealth and the states and territories (the states). VFI means there is a misalignment between revenue collections and expenditure responsibilities.

The Australian Government currently raises the majority of revenue in Australia (figure 1), principally through personal income tax, company income tax, and the Goods and Services Tax (GST). Historically, the Australian Government's largest budget expenses include Australia's social security system, health and education (in partnership with the states), and defence.

The states' most important sources of revenue are transfers from the Australian Government, along with payroll tax and stamp duty. Commonwealth transfers to the states generally constitute more than 40% of the revenue available to the states each year (figure 2). The states' three largest expenditure responsibilities are generally health, education and public safety.

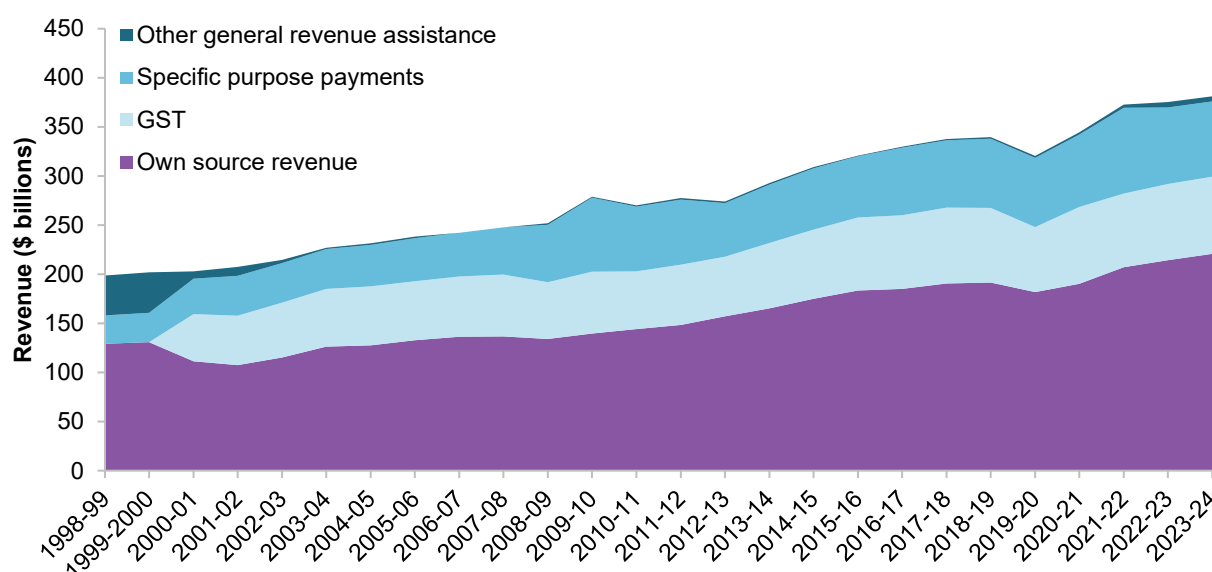
Figure 1 – Own source Australian Government and state and territory government revenue, 1998-99 to 2023-24



Real prices, 2024-25 basis, based on implicit price deflator of GDP. Own source revenue is total state and territory government revenue excluding revenue from Australian Government grants and subsidies (general government sector only).

Source: PC estimates based on ABS (2025a) for GDP deflator and ABS (2025b) for revenue.

Commonwealth transfers to the states are made in the form of general revenue assistance (GRA), which can be used by the states for any purpose (untied funding), and specific purpose payments (SPPs), which are spent on agreed policy areas (tied funding). GRA primarily consists of GST revenue and accounts for about half of Commonwealth transfers to the states each year (figure 2).

Figure 2 – Total combined state and territory government revenue, 1998-99 to 2023-24

Real prices, 2024-25 basis, based on implicit price deflator of GDP. Own source revenue is total state and territory government revenue excluding revenue from Australian Government grants and subsidies (general government sector only). SPPs, GST and other GRA are calculated by proportioning combined state and territory government revenue from Australian Government grants and subsidies, based on the proportion of SPPs, GST and other GRA in Australian Government Final Budget Outcomes and Budget Papers.

Source: PC estimates based on ABS (2025a) for GDP deflator, ABS (2025b) for revenue and Final Budget Outcomes (COA 1999, 2000a, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020; 2021, 2022; 2023; 2024, 2025c) and Budget Paper 3 (COA 2000b) for proportioning.

GRA has been provided to the states in a number of forms since Federation, including special grants, Financial Assistance Grants, and now the GST. GRA has been distributed on the basis of Horizontal Fiscal Equalisation (HFE) since the establishment of the Commonwealth Grants Commission (CGC) in 1933. HFE – in its simplest expression – is about providing additional support to fiscally weaker states and territories. The scale and sophistication of HFE in Australia has evolved and adapted over time (CGC 2023).

As agreed to at the introduction of the GST in 2000 and reaffirmed in subsequent Intergovernmental Agreements in both 2008 and 2022, the Australian Government transfers all GST revenue to the states, and the distribution between states is in accordance with the principle of HFE (Commonwealth and Australian State and Territory Governments 2022, part 4).

As applied up to 2018, HFE in Australia sought to equalise the fiscal capacity of the states to allow them to provide public services at a broadly comparable standard to one another, assuming that each made the same effort to raise revenue from its own-sources and operates at the same level of efficiency (CGC 2018). The CGC, an independent agency, assesses the spending needs and revenue raising abilities for each state and makes a recommendation to the Australian Government on how GST revenue should be distributed. State shares of GST reflect the differences in the economic and socio-demographic circumstances across states (CGC 2025a). If all states had similar economies, populations, and socio-demographic compositions, their fiscal capacity and GST shares would also be similar.

One point of difference among the states that can have a large impact on a state's GST share is the mineral resources within their borders. As about 92% of Australia's economically viable iron ore is located in Western Australia, the extraction of iron ore has had a significant impact on its GST share (Geosciences Australia 2023). The mining boom saw Western Australia's royalty revenues increase – from \$279 million in 2000-01 to a peak of \$11.4 billion in 2020-21 – resulting in the state being assessed as requiring a much smaller share of the GST pool than it had historically received (Government of Western Australia 2002, p. 93, 2022, p. 78).

Until 2007-08, Western Australia had a relativity of about one, broadly equivalent to a population share of the GST pool. Primarily as a result of the strength of its mining sector, Western Australia's relativity reached a low of 0.3 in 2015-16 (CGC 2025b, p. 68). A state's share of GST is expressed as a relativity, with a relativity of one being the average fiscal capacity. Those states with a stronger than average fiscal capacity have a relativity below one, and receive less than the average GST per person (CGC 2025a).

The scale of change, and volatility, in GST shares led to concerns about the ability of HFE to adequately respond to changing circumstances and led to Australian Government commissioned reviews of HFE, including by former Premiers Brumby and Greiner and eminent businessman Bruce Carter (Australian Government 2012), and by the Productivity Commission (PC 2018).

In 2018, the Australian Government flagged concerns about the effect the mining boom was having on the volatility of GST distributions between states and diminished community confidence in HFE. The Government also noted that the level of volatility in GST distributions that Western Australia had been experiencing had not been foreseen when the GST became the source of untied funding to the states.

To address these concerns, the Government introduced the *Treasury Laws Amendment (Making Sure Every State and Territory Gets Their Fair Share of GST) Bill 2018*. The accompanying explanatory memorandum noted the government expected its 2018 GST distribution reforms to provide:

... a long-term solution – one that leaves Australia with a more stable and predictable source of revenue for all States and Territories, while preserving the best features of the horizontal fiscal equalisation system in terms of equity, leaving all States and Territories better off.
(Parliament of the Commonwealth of Australia 2018, p. 7)

The 2018 changes to the GST distribution

The methodology for calculating the annual GST distribution to the states was changed in 2018. These 2018 reforms, which took effect from 2021-22, included four changes.

1. The equalisation benchmark was changed to the fiscally strongest of either New South Wales or Victoria. Following a six-year transition, the new benchmark will come into full effect from 2026-27.
2. A GST relativity floor was introduced for all states, initially set at 0.70 in 2022-23 then increased to 0.75 from 2024-25.
3. The size of the GST pool was permanently increased, with the increase to be indexed by growth in the GST pool. The top-up amount was set at \$600 million in 2021-22, and increased to \$850 million in 2024-25.
4. Transitional *No Worse Off Guarantee* (NoWO) payments were introduced to ensure that no state or territory received less than they would have received under the previous GST distribution system. The transition period, and NoWO payments, were to end in 2026-27, however the NoWO payments have been subsequently extended to 2029-30.

What we have been asked to do and our broad approach

The questions that this inquiry has been asked to consider are set out in the terms of reference on page four of this issues paper. At a high level, the PC has been tasked with determining if the 2018 GST distribution reforms are operating efficiently, effectively and as intended. The PC will also consider the fiscal implications of the reforms for the Australian Government and each state and territory, including their fiscal sustainability.

As the GST is only one element of Commonwealth transfers to the states, the PC will explore the nature and extent of interactions between GST and non-GST transfers to the states within the broader federal financial relations system.

Such an exploration may include consideration of broader federal financial relations issues, addressing VFI, roles and responsibilities, institutional settings, as well as other issues raised by inquiry participants. We welcome submissions on our proposed approach.

We have laid out areas that we would particularly appreciate further information on below. However, the PC welcomes the views and evidence of inquiry participants on any matters relevant to the terms of reference.

Fiscal sustainability of the 2018 reforms for the Commonwealth and states and territories

The implementation of the 2018 GST distribution reforms coincided with the onset of the COVID-19 pandemic, which is reflected in the fiscal positions of both the Australian Government (figure 3) and state and territory governments (figure 4). As part of the inquiry, the PC intends to analyse each of the states in greater detail. Charts in figure 4 will be replicated for each of the states and will be available on the PC website.

In recent years, revenue growth at all levels of government has not kept pace with expenditure growth, particularly due to increased spending during the pandemic period. The Australian Government's net operating balance was negative between 2019-20 and 2021-22 and the combined state and territory government net operating balance was negative from 2019-20 to 2023-24.¹

There has been an increase in both Australian Government and total state and territory government net debt. The Australian Government's net debt peaked in 2019-20, but the combined net debt of the state and territory governments has accelerated since 2018-19.

Many state governments have had their credit rating downgraded in the past two decades. In 2006-07, all states except Tasmania (AA+) and the Northern Territory (Aa2) had a AAA credit rating, but by the end of 2023, only Western Australia retained that rating.² The Commonwealth has maintained its AAA credit rating since 2003.

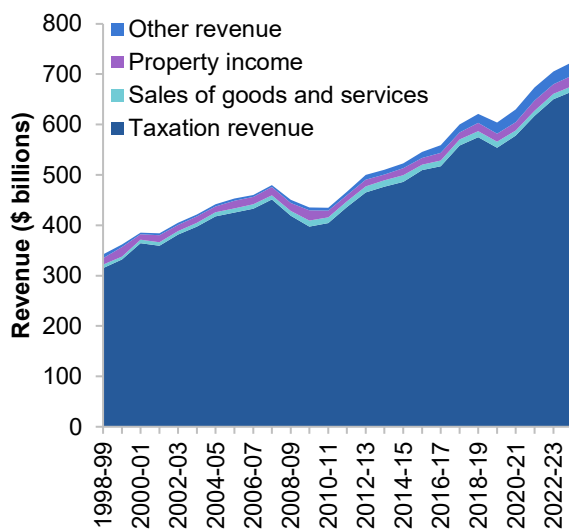
¹ The Australian Government's net operating balance was positive in 2022-23 and 2023-24, but was negative in 2024-25 and is forecast to be negative until 2028-29 (Commonwealth of Australia 2024, p. 116, 2025a, p. 85).

² The credit ratings listed here are provided by S&P, with the exception of the Northern Territory, with its rating provided by Moody's.

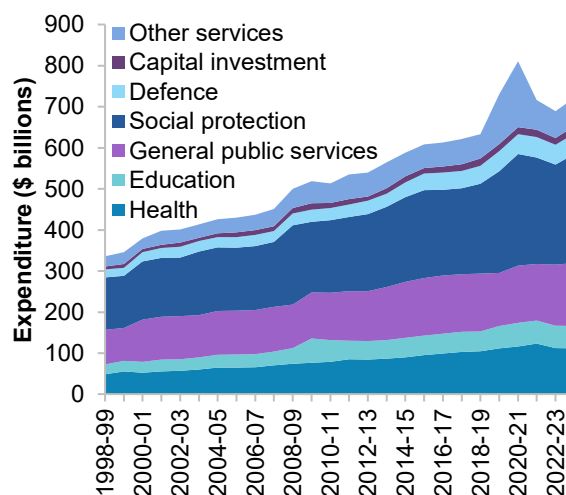
The PC will assess the factors that have affected the fiscal positions of the Australian and state and territory governments in more detail in this inquiry, including the impact of the 2018 GST distribution reforms. This will include assessing each government's revenues, overall budget position, and debt position. For the states, this assessment will include other Commonwealth payments.

Figure 3 – Australian Government revenue, expenditure, net operating balance and net debt

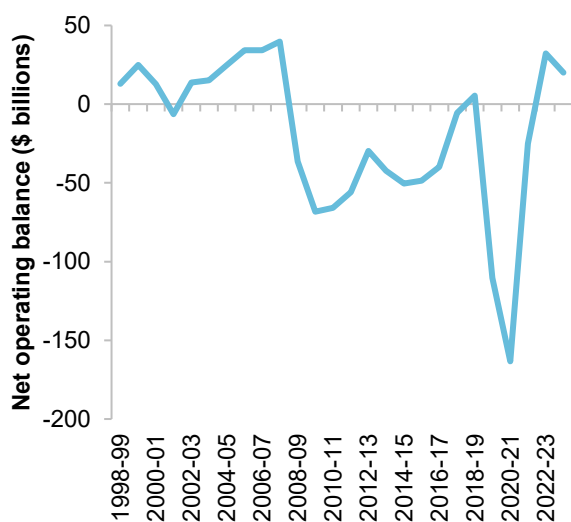
Australian Government revenue



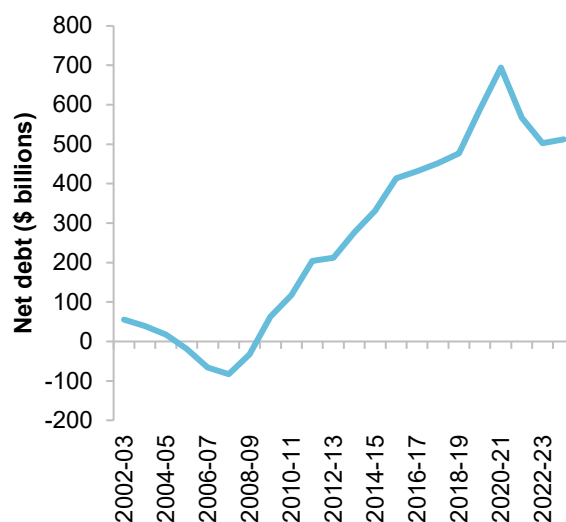
Australian Government expenditure by function, plus capital investment



Australian Government net operating balance



Australian Government net debt

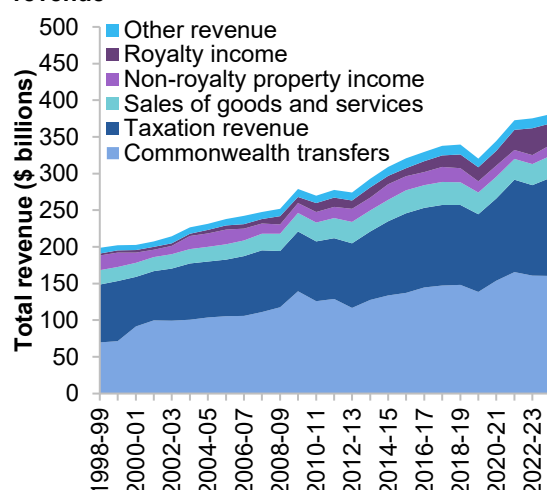


Real prices, 2024-25 basis, based on implicit price deflator of GDP. Property income includes interest, dividend, land and royalty income. The 'other services' category includes public order and safety; economic affairs; environmental protection; housing and community amenities; recreation, culture and religion and transport. Capital investment is calculated as gross fixed capital formation. Net operating balance only includes accounting expenses, not capital investment. Government Finance Statistics general government sector only.

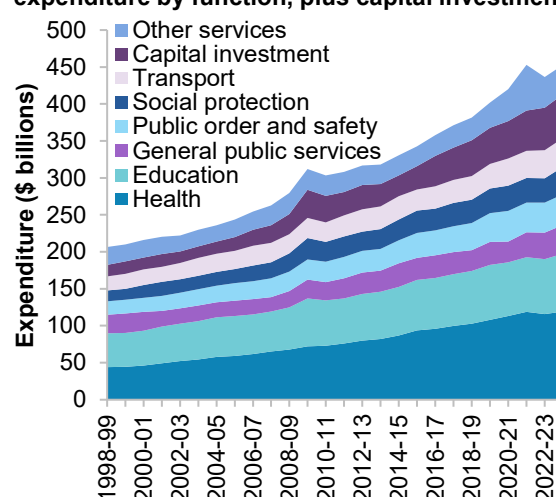
Source: PC estimates based on ABS (2025a) for GDP deflator, ABS (2025b) for revenue, expenditure and net operating balance, and PBO (2024) for net debt.

Figure 4 – Combined state and territory government revenue, expenditure, net operating balance and net debt

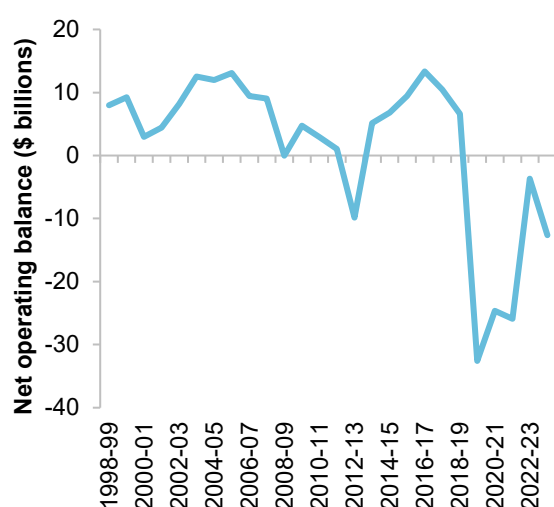
Combined state and territory government revenue



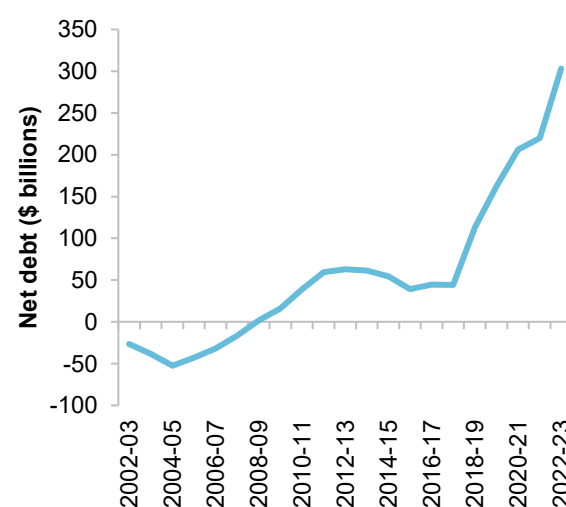
Combined state and territory government expenditure by function, plus capital investment



Combined state and territory government net operating balance



Combined state and territory government net debt



Real prices, 2024-25 basis, based on implicit price deflator of GDP. The 'other services' category includes public order and safety; economic affairs; environmental protection; housing and community amenities and recreation, culture and religion. Capital investment is calculated as gross fixed capital formation. Net operating balance only includes accounting expenses, not capital investment. Government Finance Statistics general government sector only.

Source: PC estimates based on ABS (2025a) for GDP deflator, ABS (2025b) for revenue, expenditure and net operating balance, and PBO (2024) for net debt.

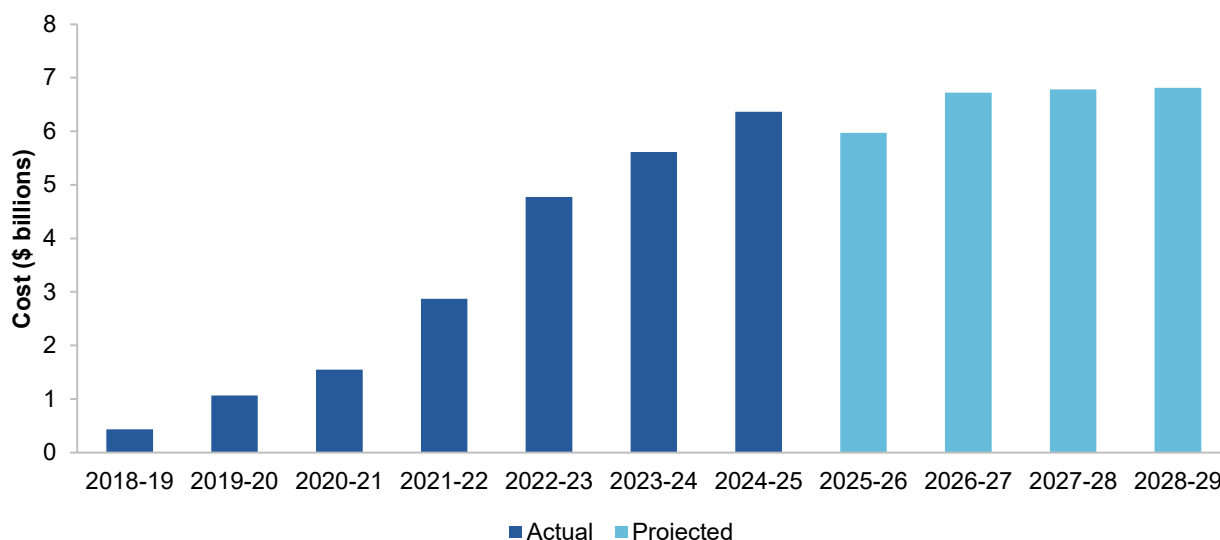
Costs of the 2018 GST distribution reforms

The Australian Government has borne the direct costs associated with the 2018 GST distribution reforms (figure 5). These costs are comprised of:

- *GST pool top-up payments* – beginning in 2021-22, the Australian Government contributed an additional \$600 million to the GST pool each year (indexed by growth in GST collections), with an additional \$250 million per year (also indexed the same way) from 2024-25. To 2024-25, the Australian Government has increased the GST pool by a total of \$2.9 billion. At the time of the reforms, it was anticipated that this top-up payment would be the only cost to the Australian Government.
- *No Worse Off Guarantee (NoWO) payments*³ – from 2021-22, the Australian Government has provided supplementary payments to any jurisdiction which would have received a greater distribution of GST under the previous system (that is, had the 2018 reforms not been implemented) equal to the gap in funding allocations between the two systems. From 2021-22 to 2024-25, the Australian Government has made NoWO payments totalling \$14.6 billion. At the time of the reforms, it was anticipated that this guarantee would not be called upon.
- *Transitional GST top-up payments* – prior to the introduction of the new equalisation benchmark and the relativity floor in 2021-22, the Australian Government provided additional payments to any jurisdiction with a GST relativity below 0.70 (or to the Northern Territory if its relativity fell below the 2017-18 level). Between 2018-19 to 2021-22, the Australian Government made a total of \$5.2 billion in transitional GST top-up payments.

In addition to the \$22.7 billion already paid to the states, the Australian Government estimates it will face additional costs of \$26.3 billion between 2025-26 and 2028-29 (PC estimates based on Commonwealth of Australia 2025b, pp. 121, 123).

Figure 5 – Cost to the Australian Government of the 2018 GST Reforms



The Australian Government pre-paid \$434 million of Western Australia's 2019-20 transition payment in 2018-19, which accounts for the full cost of the reforms in 2018-19. All figures are nominal.

Source: PC estimates based on Final Budget Outcomes (COA 2019, 2020; 2021, 2022; 2023; 2024, 2025c) and Budget Paper 3 (COA 2025b).

³ The cost of the 'No Worse Off Guarantee' is referred to as 'HFE transition payments' in the Australian Government budget papers.

Other Commonwealth payments

The GST is not the only form of Commonwealth transfer received by the states each year. Specific purpose payments (SPPs), comprised of national specific purpose payments (NSPP's) and national partnership payments (NPPs), are a significant source of Commonwealth funding. As shown in figure 2, SPPs are around half of the Commonwealth's payments to the states. By affecting the fiscal capacity of the states, these SPPs may affect the GST distribution to the states. The inquiry will explore the nature of these interactions and the extent to which SPPs impact HFE and the fiscal sustainability and stability of payments to state and territory governments. The inquiry will also explore the extent to which individual SPPs have been exempted from CGC assessments over time, why they have been exempted, and any principles that might guide future decisions.



Information request 1

How have the 2018 legislative changes impacted the fiscal positions of states and territories?

- Have other Commonwealth payments to states and territories been affected?
- Has Commonwealth, state, or territory revenue, service and infrastructure provision been supported or impeded by the changes?
- What would happen to Commonwealth, state and territory revenue, services and infrastructure if the no worse off guarantee ceased?

Should other Commonwealth payments to the states, such as specific purpose payments and other general revenue assistance, be included in the Commonwealth Grants Commission's assessments?

- Should some of these payments be excluded? If so, which payments should be excluded and why?
- When the states ask for a payment to be excluded, what criteria do they use to determine if an exemption should be sought?

Is additional guidance needed on which Commonwealth payments should be excluded?

- If additional guidance is required, what form should it take?

Are current GST distribution arrangements delivering a reasonable level of fiscal equalisation?

The 2018 GST distribution reforms sought to achieve a 'reasonable' level of horizontal fiscal equalisation determined as the fiscally strongest of either New South Wales or Victoria. Prior to the 2018 reforms, the CGC sought to achieve full horizontal fiscal equalisation, expressed as:

State governments should receive funding from the pool of goods and services tax such that, after allowing for material factors affecting revenues and expenditures, each would have the fiscal capacity to provide services and the associated infrastructure at the same standard, if each made the same effort to raise revenue from its own sources and operated at the same level of efficiency. (CGC 2015, p. 2)

The distribution of fiscal resources is achieved in different ways, and to different degrees in other federations around the world. The international experience may provide an indication of the range of views of what constitutes a ‘reasonable’ level of equalisation. However, differences in country-specific settings and contexts may limit the extent to which the experience of other federations can be taken as a guide for Australia.

The PC recognises there are differing views about what constitutes reasonable equalisation and would welcome the input of stakeholders on what reasonable equalisation is and how it can be achieved.



Information request 2

Have the GST distribution arrangements since the 2018 legislative changes delivered a reasonable level of horizontal fiscal equalisation?

- How do you define a reasonable level of horizontal fiscal equalisation?
- Should the PC look to international approaches to determine what reasonable fiscal equalisation is in Australia, and why?

Balancing responsiveness to changing circumstances with reducing volatility and improving the certainty of GST revenue streams

The Australian economy has experienced considerable change over recent decades, including the impact of commodity booms (coal seam gas, iron ore and coal), natural disasters, the COVID-19 pandemic, a resurgence in global trade protectionism, and increased geopolitical tensions. Some of these changes have had greater impacts on some states than others. Other ongoing changes including population aging, digitisation, and climate change will also affect some states more than others. The PC will consider the extent to which the current GST distribution arrangements can adequately respond to both short-term shocks and long-term changes in circumstances.

Volatility in the CGC’s recommendations of GST shares comes from a number of sources, including changing economic circumstances, data revisions, changes in the size of the GST pool, changes in population and methodology changes.

The PC will consider the degree to which variability of GST shares has changed in the years following the 2018 GST distribution reforms, and the extent to which this has impacted the ability of states to undertake fiscal planning.



Information request 3

Do the 2018 GST distribution reforms strike the right balance between responding to changing circumstances and providing certainty around revenue?

- What changing economic and social circumstances are of most concern to states and territories?
- Do the GST distribution reforms support states to manage the fiscal impact of shocks such as natural disasters or economic disruptions?
- Have changing economic and social circumstances affected revenues, and the provision of state services and infrastructure?
- Has the impact of these changing economic and social circumstances been more or less significant than the changes in GST distribution on the states' finances?
- Have the GST distribution reforms decreased or increased the volatility of state finances?
- Can volatility in the states' GST shares be reduced, and if so how?
- How do the states manage volatility in their finances?
- Are there other sources of volatility in state finances?
- Have the GST distribution reforms impacted the ability of the states to undertake fiscal planning?

The impact of current GST distribution arrangements on the pursuit of state reforms, including efficient service delivery and revenue bases

One of the longstanding concerns raised about HFE is the extent to which its application impedes policy reforms. The CGC seeks to ensure a state's policy choices (in relation to the revenue it raises or the services it provides) do not directly influence its GST share. Further, the CGC endeavours to have assessments that do not create incentives or disincentives for states to choose one policy over another.

The PC will explore the extent to which the 2018 GST distribution reforms have had an impact on reform actions by states. In addition, the PC will examine if there are changes that could be made to remove disincentives or increase incentives for state reforms.



Information request 4

- Do the current GST distribution arrangements impede states and territories pursuing service delivery or revenue raising reforms?
- What are the elements of the current arrangements that impede the pursuit of reforms?
- Should there be amendments to the current arrangements to remove impediments to reforms?
- Should there be amendments to the current arrangements to provide support for reforms?
- Have states and territories pursued service delivery or revenue raising reforms since the 2018 GST distribution reforms?

Are there better alternative arrangements?

A wide range of alternative approaches to horizontal fiscal equalisation have been proposed over time. The PC will explore the extent to which the goals of the 2018 changes might be served by alternative approaches, including proposals put to this inquiry. In doing so, the PC will explore the merits of alternative proposals by applying a transparent and consistent framework.



Information request 5

Should alternative arrangements for GST distribution be adopted? What could alternative arrangements look like? Would alternative arrangements:

- result in a reasonable level of horizontal fiscal equalisation?
- provide stability and certainty to state and territory budgets?
- provide incentives to, or not impede, the pursuit of policy reforms that lead to higher prosperity and productivity?
- require additional funding from the Australian Government or other states? Could the proposal proceed without this additional funding?
- retain the independent basis for determining the fiscal needs of states?
- result in significant changes in Commonwealth transfers to states, in total and individually? If so, what are the likely transitional implications of the change?
- present any implementation challenges or risks?

How to make a submission

How to prepare a submission

Written submissions may range from a short comment outlining your views on a particular topic to a much more substantial document covering a range of issues. Where possible, you should provide evidence, such as relevant data and documentation, to support your views.

Publishing submissions

- Each submission, except for any attachment supplied in confidence, will be published on the PC's website shortly after receipt, and will remain there indefinitely as a public document.
- The PC reserves the right to not publish material on its website that is offensive, potentially defamatory, or clearly out of scope for the inquiry or study in question.

Copyright

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- Do not send us material for which you are not the copyright owner – such as pictures, photos and newspaper articles – you should just reference or link to this material in your submission.

In confidence material

- This is a public review and all submissions should be provided as public documents that can be placed on the PC's website for others to read and comment on. However, information which is of a confidential nature or which is submitted in confidence can be treated as such by the PC, provided the cause for such treatment is shown.
- The PC may also request a non-confidential summary of the confidential material it is given, or the reasons why a summary cannot be provided.
- Material supplied in confidence should be clearly marked 'IN CONFIDENCE' and be in a separate attachment to non-confidential material.
- You are encouraged to contact the PC for further information and advice before submitting such material.

Privacy

- For privacy reasons, all **personal** details (e.g. home and email address, signatures and phone numbers) will be removed before they are published on the website.
- You may wish to remain anonymous or use a pseudonym. Please note that, if you choose to remain anonymous or use a pseudonym, the PC may place less weight on your submission.

Technical tips

- The PC prefers to receive submissions as a Microsoft Word (.docx) files. PDF files are acceptable if produced from a Word document or similar text-based software. You may wish to search the Internet on how to make your documents more accessible or for the more technical, follow advice from Web Content Accessibility Guidelines (WCAG) 2.0: <https://www.w3.org/TR/WCAG20/>
- Do not send password protected files.
- Track changes, editing marks, hidden text and internal links should be removed from submissions.

- To minimise linking problems, type the full web address (for example, <https://www.referred-website.com/folder/file-name.html>).

How to lodge a submission

Submissions should be lodged using the online form on the PC's website. Submissions lodged by post should be accompanied by a submission cover sheet, available from the PC's website.

Online* www.pc.gov.au/inquiries-and-research/gst-reforms/make-submission

Post* GST Distribution Reforms
Productivity Commission
GPO Box 1428
Canberra City ACT 2601, Australia

Phone Please contact the Administrative Officer on (02) 6240 3277

* If you do not receive notification of receipt of your submission to the PC, please contact the Administrative Officer.

Due date for submissions

Please send submissions to the PC by **Friday 27 February 2026**.

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