

Submission to the Productivity Commission Inquiry into GST Distribution Reforms

September 2026



Introduction

The Australian Bureau of Statistics (ABS) welcomes the opportunity to provide a submission to the Productivity Commission's inquiry into GST distribution reforms.

While the ABS does not have a role in determining GST distribution arrangements, it has a longstanding responsibility to produce Australia's official population statistics, including state and territory population estimates. These important statistics are a key input into a wide range of government decisions and administrative processes, including GST distribution.

The ABS recognises the importance of high quality population statistics for governments, businesses and the community. Within this suite of statistics, estimates of net interstate migration (NIM) are particularly important because they directly affect the relative estimates of the size and composition of each state and territory's population and how it has changed and over time.

Importance of interstate migration statistics

NIM represents the difference between interstate arrivals and departures and is a key component of state and territory population estimates. Unlike births, deaths and overseas migration, there is no single comprehensive and nationally consistent data source for interstate migration. As a result, estimating NIM is inherently challenging and requires the ABS to draw on a range of administrative data sources and statistical methods.

Over the decades, the ABS has mainly used Medicare change-of-address data, supplemented by Department of Defence movement data for Defence Force personnel, to estimate interstate migration. Following each Census, the ABS reviews and recalibrates the methods used to transform these administrative data into official estimates. This continual improvement process helps ensure that Australia's official population statistics remain relevant, high quality and fit for purpose.

Given the significance of population estimates for state and territory statistics and their downstream uses, the ABS places a strong emphasis on maintaining and improving the quality of NIM estimates.

2025 review of interstate migration and methodological enhancements

In rebasing population estimates following the 2021 Census, the ABS identified larger-than-usual intercensal differences for some jurisdictions. In addition, analysis found that the COVID-19 pandemic had introduced unique challenges to interstate migration estimation, particularly changes in behaviours around updating Medicare address information associated with Australia's vaccination program.

This was summarised in <https://www.abs.gov.au/statistics/detailed-methodology-information/information-papers/2021-census-update-net-interstate-migration-model#results-finalising-interstate-migration-2016-2021>.

This work highlighted opportunities to further improve the methodology used to estimate interstate migration. In 2025, the ABS undertook a comprehensive review of internal migration estimation methods. The review was designed to improve the accuracy of state and territory population estimates and reduce the potential for error accumulation across intercensal periods.

The review considered three principal areas:

1. addressing COVID-19-related impacts in Medicare source data used to estimate interstate migration;
2. evaluating the existing Census-based expansion factor methodology, including its treatment of age groups and other methodological settings; and

3. exploring the use of newly available integrated administrative data within the Person Level Integrated Data Asset (PLIDA) to better understand changing interstate migration behaviour and support methodological enhancements.

As a result of this work, the ABS introduced some enhancements to its methodology for estimating interstate migration, which were applied as revisions to the estimates from September 2021 onwards. The new approach makes greater use of contemporary administrative data (including taxation data) and enhances the ability of the model to reflect changes in migration behaviour occurring between Censuses. It also now involves an additional annual data review and related revisions.

The review forms part of the ABS's broader commitment to continuous methodological improvement and to ensuring official population statistics remain robust and trusted.

Further information on the review is available at <https://www.abs.gov.au/statistics/detailed-methodology-information/information-papers/net-interstate-migration-review>,

Ongoing collaboration and future work

The ABS has always engaged with state and territory governments and other users, across the concepts, data sources and methods that it uses in official population statistics. This was reflected in a continuing commitment to transparency and stakeholder engagement throughout the recent review process, and this has continued since then.

The ABS continues to engage regularly with key users and experts through forums such as the Population Estimates Technical Workshop and the Australian Statistical Advisory Council, to support shared understanding of population estimation methods and identify opportunities for further improvement. This multilateral engagement is complemented by a range of bilateral discussions focused on interstate migration, particularly with the ACT Government.

The ABS will continue to monitor the performance of the revised methodology, assess emerging data opportunities, and evaluate potential improvements to interstate migration estimation as new evidence becomes available. The ABS is also committed to explaining methodological changes and their impacts on population estimates through published information papers and technical discussions with users.

Contact for more information

who leads the ABS Population Statistics Branch, can be contacted at
for any questions or further information about ABS population statistics that
would assist the Productivity Commission in its inquiry.



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