



Inquiry into Appropriation Bill 2026–2027 and Appropriation (Office of the Legislative Assembly) Bill 2026–2027

Answer to question taken on notice

Asked by: Mr Andrew Braddock MLA

Addressed to: Treasurer

In relation to: Treasury and GST undercounts due to population

Hearing: 21/07/2026

Uncorrected Proof Transcript pp 29-31

Transcript provided: 23/07/2026

Answer Due: 29/07/2026

The Treasurer took on notice the following questions:

MR BRADDOCK: Okay. Next, coming to GST undercounts due to population, and in the budget papers you wrote that this has accounted for a \$550 million impact to the budget between the last two censuses. And it also said you have written to the federal government to seek the funding. What was the response you got from the federal government?

Mr Steel: So I have written to them a number of times. It is not just the once. So I would have to probably take that on notice around the various responses that we have received.

MR BRADDOCK: Which I find perplexing, Mr Steel, with your interest in the issue and as Treasurer, that you do not recall what the federal government has responded when you wrote to them about this issue.

Mr Steel: I have written to them so many times. I will come back on notice with the response that they provided on each occasion to you. But it has resulted in the changes that Mr Roberts outlined in relation to that intercensal adjustment, and that has particularly recognised people living around UNSW. We have also put to them not just the problem, but actually a solution, potential solution.

MR BRADDOCK: Thank you.

MS CLAY: Chair, can I supplementary? And can I just check, that question on notice, is that that we are getting the letters, the responses tabled?

Mr Steel: I am happy to do that. I may have already done that as well in the Assembly, but I will come back regardless.

Chris Steel MLA: The answer to the Member's question is as follows:

As a result of many representations on the issue from the ACT Government, responses from the Commonwealth have been received regarding concerns with estimated resident population (ERP) estimates and their impact on GST distributions.

The Commonwealth has acknowledged the ACT's concerns regarding ERP estimates, net interstate migration (NIM) data and the resulting impact on GST distributions. The Commonwealth also noted that the Australian Bureau of Statistics (ABS) had implemented methodological improvements to NIM estimation, including revised estimation methods, updated expansion factors and additional review processes. It further noted the ABS is undertaking further work to assess additional data sources and improve the accuracy of population estimates and will reassess the methodology following the 2026 Census and rebasing process.

The Commonwealth further noted that recommendations arising from the Productivity Commission's inquiry into the 2018 GST distribution reforms would be considered once the inquiry is completed.

Responses received are attached (in reverse order of being received):

- April 2026 – Letter to Treasurer Steel from Assistant Treasurer Leigh (Attachment A)
- January 2026 – Letter to Treasurer Steel from Treasurer Chalmers (Attachment B)
- November 2025 – Letter to Treasurer Steel from Assistant Treasurer Leigh (Attachment C)
- October 2023 – Letter to Chief Minister Barr from Assistant Treasurer Leigh (Attachment D)
- April 2023 – Letter to Chief Minister Barr from Assistant Treasurer Leigh (Attachment E)

Approved for circulation to the Select Committee on Estimates 2026-2027

Signature:



By the Treasurer, Chris Steel MLA

Date:

29/7/26



THE HON DR ANDREW LEIGH MP
ASSISTANT MINISTER FOR PRODUCTIVITY, COMPETITION, CHARITIES AND
TREASURY

Ref: MC26-004444

Mr Chris Steel MLA
Treasurer
Minister for Planning and Sustainable Development
Minister for Heritage
Minister for Transport
GPO Box 1020
CANBERRA ACT 2601

Dear Treasurer

Thank you for your correspondence on 19 March 2026, regarding your ongoing concern with Australian Bureau of Statistics (ABS) population data and the resulting financial impacts on the ACT.

As noted by the Hon Jim Chalmers MP in his letter to you on 20 January 2026, the ABS's improved Net Interstate Migration model outputs have been incorporated into the final 2025–26 GST revenue determination and the Commonwealth Grants Commission's calculation of 2026–27 GST revenue sharing relativities.

While I recognise that the ACT is not yet satisfied that the output of the Net Interstate Migration model is suitable, the Commonwealth's position remains that the improved model will be reassessed by the ABS following the 2026 Census and rebasing process. Please contact my office if you need assistance in facilitating conversations with the ABS at that time.

I am pleased that the ACT has made a submission to the Productivity Commission's inquiry into the 2018 changes to the GST distribution, and that it includes the option you propose to introduce a post-Census balancing adjustment to state GST entitlements for consideration. The Productivity Commission is due to report its final recommendations before the end of 2026. Once received, the Commonwealth will consider those recommendations.

I have copied this letter to the Hon Jim Chalmers MP and Senator the Hon Katy Gallagher.

Thank you again for your letter.

Yours sincerely


Andrew Leigh

CC: The Hon Dr Jim Chalmers
Senator the Hon Katy Gallagher



THE HON JIM CHALMERS MP
TREASURER

Ref: MC25-027540
Tuesday, 20 January 2026

Mr Chris Steel MLA
Treasurer of the Australian Capital Territory
GPO Box 1020
CANBERRA ACT 2601

Dear Treasurer

Thank you for your correspondence on 17 November 2025 to the Minister for Finance, Senator the Hon Katy Gallagher, highlighting the ACT Legislative Assembly's recent resolution to seek reimbursement from the Commonwealth in relation to population estimates. Your correspondence has been referred to me as this matter falls within my portfolio responsibilities.

As noted by the Hon Dr Andrew Leigh MP in his letter to you on 20 November 2025, the *Federal Financial Relations Act 2009* specifies that the GST revenue determination uses population data determined by the Australian Bureau of Statistics (ABS).

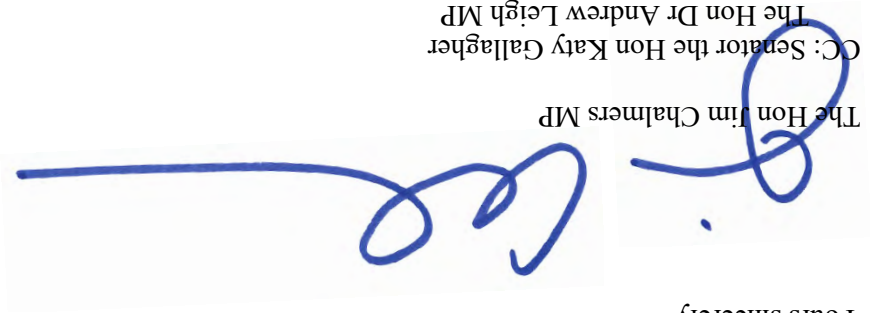
The Government remains committed to ensuring the GST distribution reflects accurate, available data. I am advised that the ABS' improved Net Interstate Migration model outputs will be incorporated into the final 2025-26 GST revenue determination and the Commonwealth Grants Commission's calculation of 2026-27 GST revenue sharing relativities. The Government welcomes further engagement with the ACT following the 2026 Census, at which point the ABS will fully reassess the improved model.

As you have identified in your letter, retrospective adjustment of the GST distribution would be complex and the required legislative change would create uncertainty for all states.

I note in last month's 2025-26 MYEFO that Commonwealth assistance to the ACT is estimated to increase by \$130.4 million to \$3.9 billion, since Budget 2025-26. This includes \$1.7 billion for specific purpose payments, \$2.1 billion for GST and \$46 million for ACT Municipal Services payments.

I have copied this letter to Senator the Hon Katy Gallagher, the Hon Dr Andrew Leigh MP and Andrew Barr MLA.

Yours sincerely



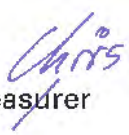
The Hon Jim Chalmers MP
CC: Senator the Hon Katy Gallagher
The Hon Dr Andrew Leigh MP
Andrew Barr MLA



THE HON DR ANDREW LEIGH MP
ASSISTANT MINISTER FOR PRODUCTIVITY, COMPETITION, CHARITIES
AND TREASURY

Ref: MC25-026127

Mr Chris Steel MLA
Treasurer
Minister for Planning and Sustainable Development
Minister for Heritage
Minister for Transport
Member for Murrumbidgee
GPO Box 1020
CANBERRA ACT 2601


Dear Treasurer

Thank you for your correspondence on 17 October 2025, concerning the Australian Bureau of Statistics' (ABS) population data and the resulting financial impacts on the ACT. I recognise that this is a long-held concern for the ACT, and that you have been working closely with both the ABS and the Commonwealth Grants Commission regarding the population data used for GST distribution.

As independent agencies, the methods the ABS and Commonwealth Grants Commission use to achieve their objectives are ultimately a decision for these agencies.

The GST distribution legislation (Federal Financial Relations Act 2009) specifies that the *'estimated population of a State on 31 December in a payment year is the population of the State on that date as determined by the Australian Statistician after that date and before 31 August in the following payment year.'* The GST revenue determination uses population data that have been determined by the ABS. Once this determination is made, the GST distribution between states is final.

I note the ABS recently reviewed its Net Interstate Migration model in response to the elevated undercount experienced by the ACT and Tasmania during the 2016 to 2021 intercensal period. Analysis of the ABS' new Net Interstate Migration method shows it would have, if applied, resulted in smaller revisions overall between 2016 and 2021, with the largest improvements in the ACT and Tasmania.

In undertaking the review, the ABS consulted all jurisdictions and explored the suitability of a wide range of data, including driver's licence data. Driver's licence data was found to be not suitable for use in measuring Net Interstate Migration as it is not nationally coherent and has a range of quality limitations. This position was supported by the Australian Statistical

Advisory Council, which includes representatives from all jurisdictions. The ABS' new method uses address information from tax office records.

The population flows being produced by the new model were assessed against a range of national datasets and found to be showing consistent patterns for all jurisdictions. The ABS will review the ATO-based adjustment every year in the December quarter and revise estimates for the previous 12 months if needed. The effectiveness of the new method will be fully reassessed following the 2026 Census and rebasing process. I encourage you to engage with the ABS at that time. Please contact my office if you need assistance in facilitating conversations with the ABS.

Thank you again for your letter.

Yours sincerely



Andrew Leigh

CC: The Hon Dr Jim Chalmers
Senator the Hon. Katy Gallagher



THE HON DR ANDREW LEIGH MP

**ASSISTANT MINISTER FOR COMPETITION, CHARITIES AND TREASURY
ASSISTANT MINISTER FOR EMPLOYMENT**

Ref: MC23-000076

Mr Andrew Barr MLA
Chief Minister
Member for Kurrajong
GPO Box 1020
CANBERRA ACT 2601

A handwritten signature in blue ink that reads "Andrew".

Dear Mr Barr

Thank you for your letter of 11 October 2023 regarding your concerns with how the Australian Bureau of Statistics (ABS) is estimating ACT's net interstate migration (NIM) in estimated resident population (ERP), and the path forward for improvements. Thank you also for the acknowledgement of the efforts taken by the ABS to improve the estimation process and the collaborative working relationship extended by its officials. The ABS is committed to ensuring that all avenues that can lead to improvement are explored.

Changes implemented by the ABS

In our previous correspondence in April 2023, I shared that the ABS had acknowledged that the expansion factors used to adjust internal migration underestimated the movement into the ACT between 2016 and 2021. Since that correspondence, the ABS has finalised new expansion factors, with a significant update that adjusts for the known shortfall in previous NIM estimates.

Alternative data

Your letter raises the potential use of alternative data sources to enhance the estimation of NIM, and specifically ACT Driver Licence and bank data.

The ABS is pursuing the potential use of driver licence data. The ABS experience with driver licence data is that registrations significantly overstate population despite only those aged 16 years and over being eligible, partly because new licence transfers to a state or territory are captured much sooner and more comprehensively than departures from a state or territory. This, and other properties of licence data, would need to be understood to fully assess feasibility as an alternative source. The ABS cannot use the data from one jurisdiction alone to update ERP estimates, as a nationally consistent method is required to ensure biases are not introduced. The ABS would find ACT Government's analysis of driver licence data useful, as this could help build the case for the value it could add in the longer term.

To explore and potentially introduce the use of driver licence data, the ABS needs all jurisdictions to share licence data with the ABS in unit record form for inclusion in the Person-Level Integrated Data Asset (PLIDA), formerly known as MADIP, so it can be harmonised into a nationally consistent dataset. To achieve this, the ABS is seeking the support of the states and territories through the Council of Federal Financial Relations, bilateral discussions, and the National Exchange of Vehicle and Driver Information System. NIM methodology will also be discussed at the next Australian Statistics Advisory Council meeting on 22 November 2023, where state and territory representatives will be encouraged to advocate within their governments on this issue. Your support in sharing ACT licence data with the ABS for inclusion in PLIDA, and your encouragement of other jurisdictions to do the same would be very welcome.

The ABS has also considered data from private entities, such as banks, but they are less promising for use in ERP as they are not available in the form and level of granularity needed, time series data is limited, and sustainability of delivery is uncertain. The ABS experience has been that access is difficult due to privacy concerns. While not currently the main focus of the ABS plans for improving NIM, the ABS is interested in seeing ACT Government's analysis of this data.

For a data source to be suitable for NIM, the data must be:

- a. available by single year of age and sex
- b. nationally available and consistent across all jurisdictions (i.e. with migration arrivals and departures by single year of age and sex for all ages for all states and territories netting to zero so flows can be counted)
- c. updated regularly and have ongoing sustainability
- d. have an available time series (to understand lags).

It would also preferably be available in time to meet quarterly processing deadlines, and available at the SA2 or postcode level for coherent regional level population estimates. At this point in time, Medicare remains the only data source which meets all these criteria.

Mid-point review

NIM is the only component of population change that is not subject to revision between Census rebasing processes, therefore it runs the risk of accumulating discrepancy over a five-year period. The ABS decision to introduce a mid-point review will significantly reduce the likelihood and the magnitude of any discrepancy introduced in the estimation process.

The ABS will use PLIDA to draw on the nationally consistent linked data to review and adjust NIM (if required). The use of PLIDA will result in NIM estimates which are more complete as they will be based on linked data from more sources without new risks such as double counting of movements.

The key data in PLIDA expected to contribute most to this new review is tax data, however, as this data is lagged by over 12 months due to the tax return schedule, the ABS is also looking for more timely data which could be used as input to these revisions. Following this initial mid-point review, the ABS will investigate whether revisions to NIM can be conducted more regularly in the intercensal period.

Data quality concerns

Regarding your concern with quarters since June 2021 showing a negative NIM, the ABS notes that this period coincides with potential changes to migration patterns following the pandemic. These impacts could include deferred interstate moves during COVID-19, increases in people working from home (and therefore not moving for work) and low numbers of overseas migrants during the pandemic (whose subsequent moves after a period of study or work in another state were an increased source of NIM arrivals to the ACT in the intercensal period to 2021).

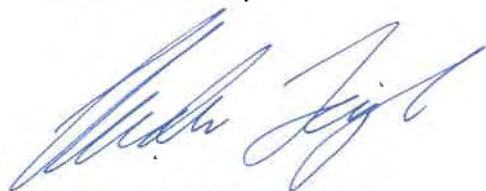
Next steps

The ABS looks forward to working with the ACT Government as it implements processes for more regular reviews of NIM with a greater range of data, starting with the upcoming mid-point review. The ACT Government is engaged in the ABS Population Estimates Technical Workshop, the state and territory-led Australia and New Zealand Population Workshop, and the Commonwealth Treasury's Centre for Population's Data and Forecasting Working Group. These forums are crucial for considering the impact of any changes across all states and territories and managing the risk of introducing new sources of error or volatility.

I have copied this letter to the Treasurer, the Hon Dr Jim Chalmers MP.

Thank you again for your letter.

Yours sincerely



Andrew Leigh

CC: The Treasurer, the Hon Dr Jim Chalmers MP

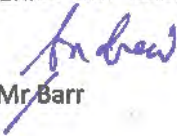


THE HON DR ANDREW LEIGH MP
ASSISTANT MINISTER FOR COMPETITION, CHARITIES AND TREASURY

Ref: MC23-000044

Andrew Barr MLA
Chief Minister

Member for Kurrajong
GPO Box 1020
CANBERRA ACT 2601


Dear Mr Barr

Thank you for your letter of 17 April detailing your concerns about ABS estimated resident population (ERP) estimates for the ACT and the worsening of intercensal discrepancies between Censuses. I can confirm the ABS is taking additional steps to address this in its approach – including by introducing a new mid-period review, underpinned by additional data analysis – and that they continue to be committed to engaging with ACT Treasury.

The latest rebasing of official population estimates, following the 2021 Census, was the most complex and challenging ever undertaken. The pandemic changed population dynamics which are still playing out as Australia recovers from a period of lockdowns and closed international and internal borders. The pandemic also adversely affected key data sources the ABS uses for ERP (notably Medicare) following intensive mass vaccination programs which led to large-scale address updates.

Despite these challenges, ERP methods held up very well, with an intercensal difference of 0.2% at the national level. The results at the state and territory level were more variable than previously, but overall, at a gross level, the proportion of people recorded in a different state or territory as a result rebasing was still a relatively low 1.36%.

In response to the higher proportion in the ACT (5.1%) and the concerns that you and ACT Treasury have raised, the ABS has undertaken a series of investigations to understand the contributing factors, and how an intercensal difference of such magnitude can be avoided over the 2021-2026 period.

Analysis of Census information on population mobility (comparing current household address with address 1 and 5 years ago), which becomes available after preliminary rebasing, allows the ABS to attribute some of the preliminary difference to internal migration during final rebasing. This analysis suggests that a little over half of the ACT's intercensal difference for the period 2016-2021 will be attributed to net internal migration.

The ABS shared its analysis and plans for final rebasing and updating the expansion factors used for internal migration with all jurisdictions at a Population Estimates Technical Workshop on 30 March 2023. During this workshop, the ABS outlined the approach it will take to calculating expansion factors for the 2021-2026 period, to ensure that COVID-related data impacts and the events of 2020-21 are not carried through into the next intercensal period. These new updated expansion factors will be introduced to the ERP series in the next release on 15 June 2023, with the series being revised back to 30 June 2021. Based on the available information on net interstate migration, these new expansion factors will aim to fully adjust for inherent biases that were highlighted by the 2021 Census.

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The ABS acknowledges that updating the Medicare expansion factors alone will not eliminate intercensal differences due to biases and error in the future. To prevent differences accumulating over the next Census rebasing cycle, ABS demographers will introduce a new mid-period review, underpinned by analysis of additional data sources (including address changes identified through annual personal income tax data lodgements), which will allow for additional revisions, as well as identifying whether additional changes need to be made to the expansion factors. This will provide an early intervention point, well ahead of the next rebasing process.

The new mid-period review will draw on other data sources available through integrated data assets (and in particular ATO data), which have been shown to pick up movements not captured by Medicare. However, the address information updates in these data sources are considerably lagged and less frequent, without the regular triggers present in the health system. For example, annual personal income tax returns tend to see addresses updated 12 to 18 months after the reference period.

By the time of a mid-period review point in June 2025 the ABS expects to have a range of suitably complete administrative data to assess the adequacy of the estimates and of the expansion factors for the first two to three years of the intercensal period. This would provide the opportunity to adjust internal migration estimates in ERP, if that proves necessary, two years before the next Census rebase (and three years before the next expansion factors would usually be introduced to the series).

Such an update has not previously been possible, and its introduction should substantially reduce any accumulation of intercensal difference caused by internal migration. This analysis would also include comparisons with Census state of residence data, with a view to understanding and adjusting for any data quality impacts of the vaccination program on the first two quarters of Medicare following Census.

These new measures provide a nationally consistent approach that focuses on those aspects of interstate migration which have had a disproportionate impact on ACT population estimates. They should reverse the increasing accumulation of intercensal error about which you are understandably so concerned.

I have copied this letter to the Treasurer, the Hon Dr Jim Chalmers MP.

Thank you again for your letter.

Yours sincerely



Andrew Leigh

CC: The Treasurer, the Hon Dr Jim Chalmers MP