QON No. 03

Legislative Assembly for the Australian Capital Territory
Look Select Committee on the Fiscal Sustainability of the ACT

Inquiry into the Fiscal Sustainability of the ACT

Answer to question on notice

Asked by: Ms Caitlin Tough MLA

Addressed to: Treasurer

Redirected to: NA

In relation to: Fiscal Sustainability - Saul Eslake report

Hearing: 05/03/2026
Received: 10/03/2026
Answer Due: 17/03/2026

The ACT population is undercounted between Censuses leading to a loss in revenue.

What is the actual amount of the undercount from 2023-24 onwards and what does this mean in terms of lost revenue to the ACT Government from the Commonwealth?

MR CHRIS STEEL MLA: The answer to the Member's question is as follows:

The ACT's GST share is highly sensitive to population estimates, and persistent underestimation of ACT population over previous periods between census' has materially reduced the Territory's GST entitlement over multiple years.

The ACT's population underestimation is likely to persist based on ongoing discrepancies between administrative data and the Australian Bureau of Statistics (ABS) net interstate migration (NIM) estimates. The ACT driver-licence interstate transfer data shows positive net inflows, while the ABS has recorded continuous negative NIM since the September quarter 2022, driven in part by delays in Medicare change-of-address data.

In June 2025, the ABS released the outcomes of an intercensal review of its NIM methodology and a revised methodology to estimate NIM. The review is intended to reduce the error accumulating over a full intercensal cycle. The review comprised three main components:

- addressing COVID-19 impacts in the source Medicare data used to estimate interstate migration;
- evaluating the existing expansion factor methodology, including aspects such as capping and age ranges; and
- exploring newly available linked administrative data from the Person Level Integrated Data Asset (PLIDA) to inform changes in interstate migration patterns between Censuses.

The ABS review identified an additional 4,000 people in the ACT over the period from 2021 to 2024, reducing the size of the expected population error in the current intercensal period. This equates to around an additional $16 million in annual GST revenue in 2024-25, assuming GST per capita of approximately $4,100.

However, while the updated NIM methodology applies to Estimated Resident Population (ERP) estimates from the December quarter 2024 onwards, the ACT Treasury considers a population undercount persists in the ABS' ERP data, consistent with the trends in ACT administrative data.

The ACT Treasury will use the 2026 Census data to confirm any potential ACT population undercount, and the Commonwealth Grants Commission (CGC)'s 2028 update to estimate any potential lost GST revenue grants. The impact of the undercount of ACT population and associated revenue loss from 2023-24 onwards cannot be estimated at this time because the 2026 Census data will not be available until June 2027 and the CGC's subsequent update is not released until 2028.

To date, ACT Treasury estimated from 2016-17 to 2022-23 that the ACT cumulatively lost in GST revenue grants due to population undercounts is around $550 million.

Approved for circulation to the Select Committee on the Fiscal Sustainability of the ACT

Signature: Date: 26/3/26

By the Treasurer, Mr Chris Steel MLA