



Policy costing

The Progressive GST		
Person/party requesting the costing:	Ms Kate Chaney MP, Member for Curtin	
Date costing completed:	25 July 2025	
Expiry date of the costing:	Release of the next economic and fiscal outlook report	
Status at time of request:	Submitted outside the caretaker period	
	<input checked="" type="checkbox"/> Confidential – <i>Authorised for public release on 7 August 2025</i>	<input type="checkbox"/> Not confidential
<p>Summary of proposal:</p> <p>The proposal contains the following options, comprising changes to the Goods and Services Tax (GST).</p> <p>Option 1: Increase the GST rate from 10% to 15%.</p> <p>Option 2: Increase the GST rate from 10% to 15% and remove GST exemptions on:</p> <ul style="list-style-type: none">i. foodii. educationiii. health and childcare services (including pharmaceuticals, private health insurance, medical and health services, residential care, and community services)iv. water and sewerage. <p>Option 3: Increase the GST rate from 10% to 15% and provide each adult (18+ year-old) Australian citizen and provide permanent residents with a \$20,000 annual 'GST-free threshold' on which 0% GST is charged.</p> <p>Changes to budget balances as a result of the proposal will impact the commonwealth budget – they would not be passed on to the state and territory budgets.</p> <p>Distributional analysis of the impact of Options 1 and 2 on different quintiles of the income distribution.</p> <p>This proposal is ongoing and would begin on 1 July 2026.</p>		

Overview

Over the 2025-26 Budget forward estimates period, Table 1 shows:

- Option 1 would be expected to increase the underlying cash balance by \$146.2 billion and the fiscal balance by \$154.6 billion.

- Option 2 would be expected to increase the underlying cash balance by between \$150.7 billion (Option 2(iv)) and \$200.5 billion (Option 2(iii)) and the fiscal balance by between \$159.5 billion (Option 2(iv)) and \$213.5 billion (Option 2(iii)).
- Option 3 would be expected to decrease the underlying cash balance by \$35.6 billion and the fiscal balance by \$44.0 billion.

Options 1 and 2 in this proposal would be expected to increase both the fiscal and underlying cash balances over the 2025-26 Budget forward estimates period. These impacts largely reflect an increase in taxation revenue, partially offset by an increase in administered and departmental expenses. The fiscal balance impacts are larger than the underlying cash balance impacts due to the timing differences between when GST liabilities are recognised and when they are collected.

The proposal would be expected to increase the consumer price index (CPI) in the quarter it is introduced. This would have flow-on effects to budget items that are indexed by CPI, such as excise duties and government payments to households, including the age pension and disability support pension.

Option 3 in this proposal would be expected to decrease both the fiscal and underlying cash balances over the 2025-26 Budget estimates period. These impacts largely reflect an increase in administered expenses.

Table 1 : The Progressive GST – Financial implications (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Option 1: Increase GST rate from 10% to 15%					
Fiscal balance	-	51,199.4	50,381.6	53,057.3	154,638.3
Underlying cash balance	-	48,599.4	47,581.6	50,057.3	146,238.3
Option 2(i): Increase GST rate from 10% to 15% and remove the GST exemption on food					
Fiscal balance	-	65,041.9	65,114.7	68,719.3	198,875.9
Underlying cash balance	-	61,041.9	61,114.7	64,719.3	186,875.9
Option 2(ii): Increase GST rate from 10% to 15% and remove the GST exemption on education					
Fiscal balance	-	58,435.1	58,298.1	61,402.7	178,135.9
Underlying cash balance	-	55,435.1	54,998.1	57,902.7	168,335.9
Option 2(iii): Increase GST rate from 10% to 15% and remove the GST exemption on health and childcare services (including health insurance and residential care)					
Fiscal balance	-	69,854.8	69,557.4	74,060.9	213,473.1
Underlying cash balance	-	65,854.8	65,557.4	69,060.9	200,473.1
Option 2(iv): Increase GST rate from 10% to 15% and remove the GST exemption on water & sewerage					
Fiscal balance	-	52,790.4	51,913.5	54,764.2	159,468.1
Underlying cash balance	-	50,090.4	49,013.5	51,564.2	150,668.1
Option 2(aggregate): Increase GST rate from 10% to 15% and remove the GST exemptions					
Fiscal balance	-	92,524.0	93,738.9	99,775.2	286,038.1
Underlying cash balance	-	86,624.0	87,938.9	93,075.2	267,638.1
Option 3: Increase GST rate from 10% to 15% and introduce a \$20,000 GST-free threshold					
Fiscal balance	-	-11,300.6	-13,018.4	-11,242.7	-35,561.7
Underlying cash balance	-	-13,900.6	-15,818.4	-14,242.7	-43,961.7

- (a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.
(b) PDI impacts are not included in the totals.
- Indicates nil.

The options in the proposal would have impacts beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

Distributional analysis is provided at Attachment B. Analysis for changes in GST is based on data from the 2015-16 *Household Expenditure Survey (HES)*, published by the Australian Bureau of Statistics (ABS). Distributional analysis for options 1 and 2 outlines the impact of removing the respective exemptions separately. Tables B1-B5 show the change in annual spending per person on GST goods and services by household income quintile. For **Option 2**, Figure B1 shows that the share of expenditure not subject to GST is similar for households of different incomes, so the distributional impacts largely do not vary as a share of total spending. The highest-income households tend to spend slightly more on items subject to GST as a share of their total spending. The largest GST-free items are fresh food, rent and mortgage interest repayments.

Uncertainties

Options 1 and 2 would lead to a rise in price levels and a fall in the real purchasing power of income. Therefore, the financial implications of these options are sensitive to how individuals and households would respond to an increase in the GST rate. There is a high degree of uncertainty around the behaviour of consumption patterns.

These options would have a substantial, mostly one-off, impact on CPI growth. In turn, this change would have a flow-on impact on government revenue and payments that are indexed to CPI.

The GST is a broad-based tax on most goods and services sold or consumed in Australia. While it is likely that households would change their consumption of goods and services due to GST changes, it is difficult to assess the expected magnitude of this change. For example, some households may reduce their savings instead of reducing consumption if the GST rate increases. Households and individuals may also try to bring forward consumption to avoid the increased costs of this proposal, however, the magnitude of this would also depend on several factors such as disposable income, household savings and interest rates. As such, the PBO recognises there would be a behavioural impact on consumption, particularly under **Option 1**. However, for the purpose of this response and consistent with guidance on how the PBO approaches costings¹, the PBO has not included a behavioural response associated with an increase in the GST and no secondary impacts on economic activity.

Option 3 is particularly sensitive to the take-up rate of the GST-free threshold by eligible individuals. In this regard, the PBO notes that the implementation of these options is likely to have a large impact on their magnitude.

The distributional analysis is based on the 2015-16 HES, the latest available. In the absence of other information, we have assumed that the current and future distribution of household spending is consistent with the 2015-16 HES. While the distribution is unlikely to have radically changed since 2015-16, our confidence in this assumption decreases with time.

Key assumptions

The PBO has made the following assumptions in costing this proposal.

¹ [Including broader economic effects in policy costings | PBO](#)

- Under options 1 and 2, the additional GST revenue raised would go to the Australian Government and would not be passed on to states and territories. Under option 3, payments to the states and territories would not be reduced.
 - If the reverse assumptions were made, then the costings would be identical with the exception of an additional expense equal to the amount of the GST raised.
- Under all options, there would be no change in the type or amount of goods and services purchased by households or individuals as a result of the proposal. That is, there is no change in consumption in response to the increase in GST rate, removal of exemptions or GST-free threshold.
 - The impact on GST revenue from these options wholly reflects the impact of price changes of affected goods and services.
- Under all options, only household consumption would be subject to GST changes. State and territory governments would not be subject to the additional GST, even when they are the final purchasers of the goods and services (consistent with ABS treatment of the incident of consumption between governments and households).
 - For example, education funding is recorded as government consumption if the government provides funding directly to the educational institution. In contrast, household consumption includes the amounts paid directly by households and the government funding provided to non-government schools². In this costing, state and territory governments would not be required to pay GST and therefore would have no impact on the GST pool and any flow on effects to GST revenue distributions.
- All price rises from the GST changes are passed through the production chain immediately and are fully borne by final consumers.
- There is no impact of households bringing forward consumption to purchase goods and services before the increase to the GST on affected goods and services.
- For Option 2(iii), all spending on 'social protection' within Classification of Individual Consumption According to Purpose (COICOP) (including childcare and residential care) would be subject to GST.
- The distributional analysis does not include GST levied on the construction or purchase of dwellings, or on other items which are 'input taxed'.

Methodology

Option 1: Increase the GST rate from 10% to 15%

The financial implications of increasing the GST rate were estimated by altering the profile of PBO's projections in a modified version of Build your own Budget (BYOB).

The distributional analysis of the GST increase was estimated using the 2015-16 HES.

Departmental costs for Services Australia reflect the need for additional processing capacity given the impact of the CPI change noted above, that leads to an increase in the eligibility thresholds for a range of pension and income support payments. The cost of additional payment recipients was calculated using a payments transaction costing model provided by Services Australia.

There would be no changes to departmental expenses for the Australian Taxation Office (ATO). This is because the proposed changes to GST are not expected to significantly increase the number of clients

² [Structural trends in GST - PDF.pdf](#)

the ATO interacts with when administering the proposed policies. Any additional workload related to the proposed policies would be absorbed by current departmental staff.

Option 2: Increase the GST rate from 10% to 15% and remove GST exemptions

The financial implications of removing GST exemptions on the specified categories were estimated by altering the profile in PBO's projections in a modified version of Build your own Budget (BYOB).

The distributional analysis for the removal of GST exemptions was estimated using the 2015-16 HES from the ABS. The analysis is presented as a chart showing the proportion of household expenditure relating to the various exempt categories by quintile.

Departmental costs for the ATO are the result of increased compliance activity associated with the wider GST pool.

Departmental costs for Services Australia are the result of the CPI impact noted above, due to an increase in the eligibility thresholds for a range of pension and income support payments. The cost of additional payment recipients was calculated using a payments transaction costing model provided by Services Australia.

Option 3: Increase the GST rate from 10% to 15% and introduce a GST-free threshold

The financial implications of increasing the GST rate were estimated by altering the profile of PBO's projections in a modified version of Build your own Budget (BYOB).

The financial implications of introducing a GST-free threshold were estimated by using population projections provided by the Treasury. All non-dependent adults (18+ year olds) would use the full GST-free threshold while dependent adults would only use half the GST-free threshold.

The PBO notes there would be some associated departmental impacts offsetting the implementation of this proposal. However, as the means of implementation was not specified as part of the request, there is no amount included in the financial impacts.

Financial implications were rounded consistent with the PBO's rounding rules.³

Data sources

Australian Bureau of Statistics 2015-16 (2017), *Household Expenditure Survey, Australia: Summary of Results*, ABS, [Household Expenditure Survey, Australia: Summary of Results, 2015-16 financial year](https://www.abs.gov.au/ausstats/1350057main/featurearticles/household-expenditure-survey-australia-summary-of-results-2015-16-financial-year) | [Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/abs.gov.au), accessed 18 July 2025.

Australian Bureau of Statistics 2021 (2022), *Household and families: Census*, ABS, [Household and families: Census, 2021](https://www.abs.gov.au/ausstats/1350057main/featurearticles/household-and-families-census-2021) | [Australian Bureau of Statistics \(abs.gov.au\)](https://www.abs.gov.au/abs.gov.au), accessed 21 July 2025.

Australian Taxation Office, *GST and insurance*, [GST and insurance](https://www.ato.gov.au/ato/content/gst-and-insurance) | [Australian Taxation Office](https://www.ato.gov.au/ato/content/gst-and-insurance), accessed 24 July 2025.

Australian Taxation Office, *GST and residential care*, [GST and residential care](https://www.ato.gov.au/ato/content/gst-and-residential-care) | [Australian Taxation Office](https://www.ato.gov.au/ato/content/gst-and-residential-care), accessed 24 July 2025. Commonwealth of Australia (2025) *2025-26 Budget*, Commonwealth of Australia.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025 (PEFO)*, Commonwealth of Australia.

The PBO used a version of *Build your own budget* modified specifically for this response.⁴

³ <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

⁴ The version used internally for this costing has been adjusted to produce more comprehensive results, and any figures generated using the version currently on the PBO's website may not be the same.

Attachment A – The Progressive GST – Financial implications

Attachment A: List of tables

Table A1: Option 1: Increase the GST rate from 10% to 15% – Fiscal balance

Table A2: Option 1: Increase the GST rate from 10% to 15% – Underlying cash balance

Table A3: Option 1: Increase the GST rate from 10% to 15% – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances

Table A4: Option 2(i): Increase the GST rate from 10% to 15% and remove the GST exemption on food – Fiscal balance

Table A5: Option 2(i): Increase the GST rate from 10% to 15% and remove the GST exemption on food – Underlying cash balance

Table A6: Option 2(i): Increase the GST rate from 10% to 15% and remove the GST exemption on food – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances

Table A7: Option 2(ii): Increase the GST rate from 10% to 15% and remove the GST exemption on education – Fiscal balance

Table A8: Option 2(ii): Increase the GST rate from 10% to 15% and remove the GST exemption on education – Underlying cash balance

Table A9: Option 2(ii): Increase the GST rate from 10% to 15% and remove the GST exemption on education – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances

Table A10: Option 2(iii): Increase the GST rate from 10% to 15% and remove the GST exemption on health and childcare services (including health insurance and residential care) – Fiscal balance

Table A11: Option 2(iii): Increase the GST rate from 10% to 15% and remove the GST exemption on health and childcare services (including health insurance and residential care) – Underlying cash balance

Table A12: Option 2(iii): Increase the GST rate from 10% to 15% and remove the GST exemption on health and childcare services (including health insurance and residential care) – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances

Table A13: Option 2(iv): Increase the GST rate from 10% to 15% and remove the GST exemption on water and sewerage – Fiscal balance

Table A14: Option 2(iv): Increase the GST rate from 10% to 15% and remove the GST exemption on water and sewerage – Underlying cash balance

Table A15: Option 2(iv): Increase the GST rate from 10% to 15% and remove the GST exemption on water and sewerage – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances

Table A16: Option 2 (aggregate): Increase the GST rate from 10% to 15% and remove the GST exemption on food, education, health, childcare services and water & sewerage – Fiscal balance

Table A17: Option 2 (aggregate): Increase the GST rate from 10% to 15% and remove the GST exemption on food, education, health, childcare services and water & sewerage – Underlying cash balance

Table A18: Option 2 (aggregate): Increase the GST rate from 10% to 15% and remove the GST exemption on food, education, health, childcare services and water & sewerage – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances

Table A19: Option 3: Increase the GST rate from 10% to 15% and introduce a GST-free threshold of \$20,000 – Fiscal balances

Table A20: Option 3: Increase the GST rate from 10% to 15% and introduce a GST-free threshold of \$20,000 – Underlying cash balances

Table A21: Option 3: Increase the GST rate from 10% to 15% and introduce a GST-free threshold of \$20,000 – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances

Attachment B: Distributional Analysis

Table B1: Option 1: Increase the GST rate from 10% to 15% – Change in annual spending on GST goods and services by household income quintile (\$)

Table B2: The Progressive GST: Option 2(i): Increase the GST rate from 10% to 15% and remove the GST exemption on food – Change in annual spending on GST goods and services by household income quintile (\$)

Table B3: The Progressive GST: Option 2(ii): Increase the GST rate from 10% to 15% and remove the GST exemption on education – Change in annual spending on GST goods and services by household income quintile (\$)

Table B4: The Progressive GST: Option 2(iii): Increase the GST rate from 10% to 15% and remove the GST exemption on health and childcare services (including health insurance and residential care) – Change in annual spending on GST goods and services by household income quintile (\$)

Table B5: The Progressive GST: Option 2(iv): Increase the GST rate from 10% to 15% and remove the GST exemption on water and sewerage – Change in annual spending on GST goods and services by household income quintile (\$)

Figure B1: Option 2: Distributional analysis by household income quintile, existing GST-free spending as a share of total household spending

Table A1: The Progressive GST – Option 1: Increase the GST rate from 10% to 15% – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Tax revenue													
<i>GST</i>	-	52,300.0	55,300.0	58,300.0	61,200.0	64,300.0	67,400.0	70,700.0	74,100.0	77,700.0	81,600.0	165,900.0	662,900.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	510.0	970.0	1,010.0	1,050.0	1,110.0	1,130.0	1,180.0	1,220.0	1,270.0	1,320.0	2,490.0	10,770.0
Total – revenue	-	52,810.0	56,270.0	59,310.0	62,250.0	65,410.0	68,530.0	71,880.0	75,320.0	78,970.0	82,920.0	168,390.0	673,670.0
Expenses													
Administered													
<i>Indexed grants and subsidies</i>	-	-	-596.0	-630.0	-651.0	-682.0	-701.0	-728.0	-756.0	-786.0	-818.0	-1,226.0	-6,348.0
<i>Indexed other administered programs</i>	-	-1,610.0	-5,290.0	-5,620.0	-6,390.0	-6,650.0	-6,930.0	-7,200.0	-7,490.0	-7,780.0	-8,000.0	-12,520.0	-62,960.0
Departmental													
<i>Services Australia</i>	-	-0.6	-2.4	-2.7	-3.0	-3.8	-4.3	-4.9	-5.1	-4.9	-5.0	-5.7	-36.7
Total – expenses	-	-1,610.6	-5,888.4	-6,252.7	-7,044.0	-7,335.8	-7,635.3	-7,932.9	-8,251.1	-8,570.9	-8,823.0	-13,751.7	-69,344.7
Total (excluding PDI)	-	51,199.4	50,381.6	53,057.3	55,206.0	58,074.2	60,894.7	63,947.1	67,068.9	70,399.1	74,097.0	154,638.3	604,325.3

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A2: The Progressive GST – Option 1: Increase the GST rate from 10% to 15% – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
Tax receipts													
<i>GST</i>	-	49,700.0	52,500.0	55,300.0	58,100.0	60,900.0	63,900.0	67,000.0	70,300.0	73,700.0	77,400.0	157,500.0	628,800.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	510.0	970.0	1,010.0	1,050.0	1,110.0	1,130.0	1,180.0	1,220.0	1,270.0	1,320.0	2,490.0	10,770.0
Total – receipts	-	50,210.0	53,470.0	56,310.0	59,150.0	62,010.0	65,030.0	68,180.0	71,520.0	74,970.0	78,720.0	159,990.0	639,570.0
Payments													
Administered													
<i>Indexed grants and subsidies</i>	-	-	-596.0	-630.0	-651.0	-682.0	-701.0	-728.0	-756.0	-786.0	-818.0	-1,226.0	-6,348.0
<i>Indexed other administered programs</i>	-	-1,610.0	-5,290.0	-5,620.0	-6,390.0	-6,650.0	-6,930.0	-7,200.0	-7,490.0	-7,780.0	-8,000.0	-12,520.0	-62,960.0
Departmental													
<i>Services Australia</i>	-	-0.6	-2.4	-2.7	-3.0	-3.8	-4.3	-4.9	-5.1	-4.9	-5.0	-5.7	-36.7
Total – payments	-	-1,610.6	-5,888.4	-6,252.7	-7,044.0	-7,335.8	-7,635.3	-7,932.9	-8,251.1	-8,570.9	-8,823.0	-13,751.7	-69,344.7
Total (excluding PDI)	-	48,599.4	47,581.6	50,057.3	52,106.0	54,674.2	57,394.7	60,247.1	63,268.9	66,399.1	69,897.0	146,238.3	570,225.3

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A3: The Progressive GST – Option 1: Increase the GST rate from 10% to 15% – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-	1,100.0	3,300.0	5,600.0	8,100.0	10,800.0	13,800.0	17,100.0	20,600.0	24,500.0	28,800.0	10,000.0	133,700.0
<i>Underlying cash balance</i>	-	800.0	2,700.0	5,000.0	7,400.0	10,100.0	13,100.0	16,300.0	19,800.0	23,600.0	27,700.0	8,500.0	126,500.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary⁵.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

⁵ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](http://aph.gov.au)

Table A4: The Progressive GST – Option 2(i): Increase the GST rate from 10% to 15% and remove the GST exemption on food – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Tax revenue													
<i>GST</i>	-	68,000.0	72,000.0	76,000.0	79,000.0	83,000.0	88,000.0	92,000.0	97,000.0	101,000.0	106,000.0	216,000.0	862,000.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	370.0	1,330.0	1,380.0	1,450.0	1,530.0	1,560.0	1,630.0	1,690.0	1,760.0	1,830.0	3,080.0	14,530.0
Total – revenue	-	68,370.0	73,330.0	77,380.0	80,450.0	84,530.0	89,560.0	93,630.0	98,690.0	102,760.0	107,830.0	219,080.0	876,530.0
Expenses													
Administered													
<i>Indexed grants and subsidies</i>	-	-140.0	-820.0	-860.0	-890.0	-940.0	-960.0	-1,000.0	-1,040.0	-1,090.0	-1,130.0	-1,820.0	-8,870.0
<i>Indexed other administered programs</i>	-	-3,100.0	-7,300.0	-7,700.0	-8,700.0	-9,000.0	-9,500.0	-9,800.0	-10,200.0	-10,700.0	-11,000.0	-18,100.0	-87,000.0
Departmental													
<i>Services Australia</i>	-	-1.1	-3.3	-3.7	-4.1	-5.1	-5.9	-6.7	-7.0	-6.7	-6.9	-8.1	-50.5
<i>ATO</i>	-	-87.0	-92.0	-97.0	-102.0	-107.0	-113.0	-118.0	-124.0	-130.0	-137.0	-276.0	-1,107.0
Total – expenses	-	-3,328.1	-8,215.3	-8,660.7	-9,696.1	-10,052.1	-10,578.9	-10,924.7	-11,371.0	-11,926.7	-12,273.9	-20,204.1	-97,027.5
Total (excluding PDI)	-	65,041.9	65,114.7	68,719.3	70,753.9	74,477.9	78,981.1	82,705.3	87,319.0	90,833.3	95,556.1	198,875.9	779,502.5

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A5: The Progressive GST – Option 2(i): Increase the GST rate from 10% to 15% and remove the GST exemption on food – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
Tax receipts													
<i>GST</i>	-	64,000.0	68,000.0	72,000.0	75,000.0	79,000.0	83,000.0	87,000.0	92,000.0	96,000.0	101,000.0	204,000.0	817,000.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	370.0	1,330.0	1,380.0	1,450.0	1,530.0	1,560.0	1,630.0	1,690.0	1,760.0	1,830.0	3,080.0	14,530.0
Total – receipts	-	64,370.0	69,330.0	73,380.0	76,450.0	80,530.0	84,560.0	88,630.0	93,690.0	97,760.0	102,830.0	207,080.0	831,530.0
Payments													
Administered													
<i>Indexed grants and subsidies</i>	-	-140.0	-820.0	-860.0	-890.0	-940.0	-960.0	-1,000.0	-1,040.0	-1,090.0	-1,130.0	-1,820.0	-8,870.0
<i>Indexed other administered programs</i>	-	-3,100.0	-7,300.0	-7,700.0	-8,700.0	-9,000.0	-9,500.0	-9,800.0	-10,200.0	-10,700.0	-11,000.0	-18,100.0	-87,000.0
Departmental													
<i>Services Australia</i>	-	-1.1	-3.3	-3.7	-4.1	-5.1	-5.9	-6.7	-7.0	-6.7	-6.9	-8.1	-50.5
<i>ATO</i>	-	-87.0	-92.0	-97.0	-102.0	-107.0	-113.0	-118.0	-124.0	-130.0	-137.0	-276.0	-1,107.0
Total – payments	-	-3,328.1	-8,215.3	-8,660.7	-9,696.1	-10,052.1	-10,578.9	-10,924.7	-11,371.0	-11,926.7	-12,273.9	-20,204.1	-97,027.5
Total (excluding PDI)	-	61,041.9	61,114.7	64,719.3	66,753.9	70,477.9	73,981.1	77,705.3	82,319.0	85,833.3	90,556.1	186,875.9	734,502.5

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A6: The Progressive GST – Option 2(i): Increase the GST rate from 10% to 15% and remove the GST exemption on food – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-	1,400.0	4,100.0	7,100.0	10,300.0	13,900.0	17,700.0	21,900.0	26,600.0	31,600.0	37,000.0	12,600.0	171,600.0
<i>Underlying cash balance</i>	-	1,000.0	3,400.0	6,400.0	9,500.0	13,000.0	16,800.0	20,900.0	25,400.0	30,300.0	35,700.0	10,800.0	162,400.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary⁶.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

⁶ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A7: The Progressive GST – Option 2(ii): Increase the GST rate from 10% to 15% and remove the GST exemption on education – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Tax revenue													
<i>GST</i>	-	60,700.0	64,300.0	67,800.0	71,300.0	74,900.0	78,600.0	82,600.0	86,600.0	90,900.0	95,500.0	192,800.0	773,200.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	300.0	1,170.0	1,210.0	1,270.0	1,340.0	1,370.0	1,430.0	1,480.0	1,540.0	1,600.0	2,680.0	12,710.0
Total – revenue	-	61,000.0	65,470.0	69,010.0	72,570.0	76,240.0	79,970.0	84,030.0	88,080.0	92,440.0	97,100.0	195,480.0	785,910.0
Expenses													
Administered													
<i>Indexed grants and subsidies</i>	-	-76.0	-716.0	-757.0	-784.0	-823.0	-847.0	-881.0	-916.0	-954.0	-994.0	-1,549.0	-7,748.0
<i>Indexed other administered programs</i>	-	-2,410.0	-6,370.0	-6,760.0	-7,640.0	-7,970.0	-8,330.0	-8,660.0	-9,020.0	-9,390.0	-9,690.0	-15,540.0	-76,240.0
Departmental													
<i>Services Australia</i>	-	-0.9	-2.9	-3.3	-3.6	-4.5	-5.2	-5.9	-6.1	-5.9	-6.1	-7.1	-44.4
<i>ATO</i>	-	-78.0	-83.0	-87.0	-92.0	-96.0	-101.0	-106.0	-111.0	-117.0	-123.0	-248.0	-994.0
Total – expenses	-	-2,564.9	-7,171.9	-7,607.3	-8,519.6	-8,893.5	-9,283.2	-9,652.9	-10,053.1	-10,466.9	-10,813.1	-17,344.1	-85,026.4
Total (excluding PDI)	-	58,435.1	58,298.1	61,402.7	64,050.4	67,346.5	70,686.8	74,377.1	78,026.9	81,973.1	86,286.9	178,135.9	700,883.6

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A8: The Progressive GST – Option 2(ii): Increase the GST rate from 10% to 15% and remove the GST exemption on education – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
Tax receipts													
<i>GST</i>	-	57,700.0	61,000.0	64,300.0	67,600.0	71,000.0	74,500.0	78,300.0	82,100.0	86,200.0	90,500.0	183,000.0	733,200.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	300.0	1,170.0	1,210.0	1,270.0	1,340.0	1,370.0	1,430.0	1,480.0	1,540.0	1,600.0	2,680.0	12,710.0
Total – receipts	-	58,000.0	62,170.0	65,510.0	68,870.0	72,340.0	75,870.0	79,730.0	83,580.0	87,740.0	92,100.0	185,680.0	745,910.0
Payments													
Administered													
<i>Indexed grants and subsidies</i>	-	-76.0	-716.0	-757.0	-784.0	-823.0	-847.0	-881.0	-916.0	-954.0	-994.0	-1,549.0	-7,748.0
<i>Indexed other administered programs</i>	-	-2,410.0	-6,370.0	-6,760.0	-7,640.0	-7,970.0	-8,330.0	-8,660.0	-9,020.0	-9,390.0	-9,690.0	-15,540.0	-76,240.0
Departmental													
<i>Services Australia</i>	-	-0.9	-2.9	-3.3	-3.6	-4.5	-5.2	-5.9	-6.1	-5.9	-6.1	-7.1	-44.4
<i>ATO</i>	-	-78.0	-83.0	-87.0	-92.0	-96.0	-101.0	-106.0	-111.0	-117.0	-123.0	-248.0	-994.0
Total – payments	-	-2,564.9	-7,171.9	-7,607.3	-8,519.6	-8,893.5	-9,283.2	-9,652.9	-10,053.1	-10,466.9	-10,813.1	-17,344.1	-85,026.4
Total (excluding PDI)	-	55,435.1	54,998.1	57,902.7	60,350.4	63,446.5	66,586.8	70,077.1	73,526.9	77,273.1	81,286.9	168,335.9	660,883.6

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A9: The Progressive GST – Option 2(ii): Increase the GST rate from 10% to 15% and remove the GST exemption on education – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-	1,200.0	3,700.0	6,400.0	9,300.0	12,500.0	15,900.0	19,700.0	23,900.0	28,400.0	33,300.0	11,300.0	154,300.0
<i>Underlying cash balance</i>	-	900.0	3,100.0	5,700.0	8,600.0	11,700.0	15,100.0	18,800.0	22,800.0	27,300.0	32,100.0	9,700.0	146,100.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary⁷.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

⁷ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A10: The Progressive GST – Option 2(iii): Increase the GST rate from 10% to 15% and remove the GST exemption on health and childcare services (including health insurance and residential care) – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Tax revenue													
<i>GST</i>	-	73,000.0	77,000.0	82,000.0	86,000.0	90,000.0	95,000.0	100,000.0	105,000.0	110,000.0	116,000.0	232,000.0	934,000.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	390.0	1,450.0	1,510.0	1,580.0	1,680.0	1,720.0	1,790.0	1,860.0	1,940.0	2,010.0	3,350.0	15,930.0
Total – revenue	-	73,390.0	78,450.0	83,510.0	87,580.0	91,680.0	96,720.0	101,790.0	106,860.0	111,940.0	118,010.0	235,350.0	949,930.0
Expenses													
Administered													
<i>Indexed grants and subsidies</i>	-	-140.0	-890.0	-940.0	-980.0	-1,030.0	-1,060.0	-1,100.0	-1,150.0	-1,200.0	-1,250.0	-1,970.0	-9,740.0
<i>Indexed other administered programs</i>	-	-3,300.0	-7,900.0	-8,400.0	-9,500.0	-9,900.0	-10,400.0	-10,800.0	-11,300.0	-11,800.0	-12,200.0	-19,600.0	-95,500.0
Departmental													
<i>Services Australia</i>	-	-1.2	-3.6	-4.1	-4.5	-5.6	-6.5	-7.4	-7.7	-7.4	-7.6	-8.9	-55.6
<i>ATO</i>	-	-94.0	-99.0	-105.0	-110.0	-116.0	-122.0	-128.0	-135.0	-141.0	-148.0	-298.0	-1,198.0
Total – expenses	-	-3,535.2	-8,892.6	-9,449.1	-10,594.5	-11,051.6	-11,588.5	-12,035.4	-12,592.7	-13,148.4	-13,605.6	-21,876.9	-106,493.6
Total (excluding PDI)	-	69,854.8	69,557.4	74,060.9	76,985.5	80,628.4	85,131.5	89,754.6	94,267.3	98,791.6	104,404.4	213,473.1	843,436.4

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A11: The Progressive GST – Option 2(iii): Increase the GST rate from 10% to 15% and remove the GST exemption on health and childcare services (including health insurance and residential care) – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
Tax receipts													
<i>GST</i>	-	69,000.0	73,000.0	77,000.0	81,000.0	86,000.0	90,000.0	95,000.0	99,000.0	104,000.0	110,000.0	219,000.0	884,000.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	390.0	1,450.0	1,510.0	1,580.0	1,680.0	1,720.0	1,790.0	1,860.0	1,940.0	2,010.0	3,350.0	15,930.0
Total – receipts	-	69,390.0	74,450.0	78,510.0	82,580.0	87,680.0	91,720.0	96,790.0	100,860.0	105,940.0	112,010.0	222,350.0	899,930.0
Payments													
Administered													
<i>Indexed grants and subsidies</i>	-	-140.0	-890.0	-940.0	-980.0	-1,030.0	-1,060.0	-1,100.0	-1,150.0	-1,200.0	-1,250.0	-1,970.0	-9,740.0
<i>Indexed other administered programs</i>	-	-3,300.0	-7,900.0	-8,400.0	-9,500.0	-9,900.0	-10,400.0	-10,800.0	-11,300.0	-11,800.0	-12,200.0	-19,600.0	-95,500.0
Departmental													
<i>Services Australia</i>	-	-1.2	-3.6	-4.1	-4.5	-5.6	-6.5	-7.4	-7.7	-7.4	-7.6	-8.9	-55.6
<i>ATO</i>	-	-94.0	-99.0	-105.0	-110.0	-116.0	-122.0	-128.0	-135.0	-141.0	-148.0	-298.0	-1,198.0
Total – payments	-	-3,535.2	-8,892.6	-9,449.1	-10,594.5	-11,051.6	-11,588.5	-12,035.4	-12,592.7	-13,148.4	-13,605.6	-21,876.9	-106,493.6
Total (excluding PDI)	-	65,854.8	65,557.4	69,060.9	71,985.5	76,628.4	80,131.5	84,754.6	88,267.3	92,791.6	98,404.4	200,473.1	793,436.4

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A12: The Progressive GST – Option 2(iii): Increase the GST rate from 10% to 15% and remove the GST exemption on health and childcare services (including health insurance and residential care) – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-	1,500.0	4,400.0	7,600.0	11,100.0	14,900.0	19,100.0	23,700.0	28,600.0	34,100.0	40,000.0	13,500.0	185,000.0
<i>Underlying cash balance</i>	-	1,100.0	3,700.0	6,800.0	10,300.0	14,000.0	18,100.0	22,500.0	27,400.0	32,700.0	38,500.0	11,600.0	175,100.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary⁸.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

⁸ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A13: The Progressive GST – Option 2(iv): Increase the GST rate from 10% to 15% and remove the GST exemption on water and sewerage – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Tax revenue													
<i>GST</i>	-	54,000.0	57,100.0	60,300.0	63,300.0	66,400.0	69,700.0	73,100.0	76,700.0	80,400.0	84,500.0	171,400.0	685,500.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	530.0	1,010.0	1,050.0	1,100.0	1,160.0	1,180.0	1,230.0	1,270.0	1,320.0	1,370.0	2,590.0	11,220.0
Total – revenue	-	54,530.0	58,110.0	61,350.0	64,400.0	67,560.0	70,880.0	74,330.0	77,970.0	81,720.0	85,870.0	173,990.0	696,720.0
Expenses													
Administered													
<i>Indexed grants and subsidies</i>	-	-	-621.0	-656.0	-678.0	-711.0	-731.0	-759.0	-789.0	-821.0	-854.0	-1,277.0	-6,620.0
<i>Indexed other administered programs</i>	-	-1,670.0	-5,500.0	-5,850.0	-6,660.0	-6,930.0	-7,230.0	-7,510.0	-7,810.0	-8,120.0	-8,360.0	-13,020.0	-65,640.0
Departmental													
<i>Services Australia</i>	-	-0.6	-2.5	-2.8	-3.2	-3.9	-4.5	-5.1	-5.3	-5.1	-5.3	-5.9	-38.3
<i>ATO</i>	-	-69.0	-73.0	-77.0	-81.0	-85.0	-90.0	-94.0	-98.0	-103.0	-108.0	-219.0	-878.0
Total – expenses	-	-1,739.6	-6,196.5	-6,585.8	-7,422.2	-7,729.9	-8,055.5	-8,368.1	-8,702.3	-9,049.1	-9,327.3	-14,521.9	-73,176.3
Total (excluding PDI)	-	52,790.4	51,913.5	54,764.2	56,977.8	59,830.1	62,824.5	65,961.9	69,267.7	72,670.9	76,542.7	159,468.1	623,543.7

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A14: The Progressive GST – Option 2(iv): Increase the GST rate from 10% to 15% and remove the GST exemption on water and sewerage – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
Tax receipts													
<i>GST</i>	-	51,300.0	54,200.0	57,100.0	60,000.0	63,000.0	66,100.0	69,300.0	72,700.0	76,200.0	80,100.0	162,600.0	650,000.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	530.0	1,010.0	1,050.0	1,100.0	1,160.0	1,180.0	1,230.0	1,270.0	1,320.0	1,370.0	2,590.0	11,220.0
Total – receipts	-	51,830.0	55,210.0	58,150.0	61,100.0	64,160.0	67,280.0	70,530.0	73,970.0	77,520.0	81,470.0	165,190.0	661,220.0
Payments													
Administered													
<i>Indexed grants and subsidies</i>	-	-	-621.0	-656.0	-678.0	-711.0	-731.0	-759.0	-789.0	-821.0	-854.0	-1,277.0	-6,620.0
<i>Indexed other administered programs</i>	-	-1,670.0	-5,500.0	-5,850.0	-6,660.0	-6,930.0	-7,230.0	-7,510.0	-7,810.0	-8,120.0	-8,360.0	-13,020.0	-65,640.0
Departmental													
<i>Services Australia</i>	-	-0.6	-2.5	-2.8	-3.2	-3.9	-4.5	-5.1	-5.3	-5.1	-5.3	-5.9	-38.3
<i>ATO</i>	-	-69.0	-73.0	-77.0	-81.0	-85.0	-90.0	-94.0	-98.0	-103.0	-108.0	-219.0	-878.0
Total – payments	-	-1,739.6	-6,196.5	-6,585.8	-7,422.2	-7,729.9	-8,055.5	-8,368.1	-8,702.3	-9,049.1	-9,327.3	-14,521.9	-73,176.3
Total (excluding PDI)	-	50,090.4	49,013.5	51,564.2	53,677.8	56,430.1	59,224.5	62,161.9	65,267.7	68,470.9	72,142.7	150,668.1	588,043.7

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A15: The Progressive GST – Option 2(iv): Increase the GST rate from 10% to 15% and remove the GST exemption on water and sewerage – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-	1,100.0	3,400.0	5,700.0	8,300.0	11,100.0	14,200.0	17,600.0	21,300.0	25,300.0	29,700.0	10,200.0	137,700.0
<i>Underlying cash balance</i>	-	800.0	2,800.0	5,100.0	7,700.0	10,400.0	13,500.0	16,800.0	20,400.0	24,300.0	28,600.0	8,700.0	130,400.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary⁹.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

⁹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)

Table A16: The Progressive GST – Option 2 (aggregate): Increase the GST rate from 10% to 15% and remove the GST exemption on food, education, health, childcare services and water & sewerage – Fiscal balance (\$m)^(a)

Option 2 total	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Tax revenue													
<i>GST</i>	-	98,800.0	104,500.0	111,200.0	116,000.0	121,400.0	129,100.0	135,600.0	143,000.0	149,200.0	157,200.0	314,500.0	1,266,000.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	60.0	2,050.0	2,120.0	2,250.0	2,380.0	2,440.0	2,540.0	2,640.0	2,750.0	2,850.0	4,230.0	22,080.0
Total – revenue	-	98,860.0	106,550.0	113,320.0	118,250.0	123,780.0	131,540.0	138,140.0	145,640.0	151,950.0	160,050.0	318,730.0	1,288,080.0
Expenses													
Administered													
<i>Indexed grants and subsidies</i>	-	-356.0	-1,259.0	-1,323.0	-1,379.0	-1,458.0	-1,495.0	-1,556.0	-1,627.0	-1,707.0	-1,774.0	-2,938.0	-13,934.0
<i>Indexed other administered programs</i>	-	-5,650.0	-11,200.0	-11,850.0	-13,330.0	-13,850.0	-14,670.0	-15,170.0	-15,860.0	-16,670.0	-17,250.0	-28,700.0	-135,500.0
Departmental													
<i>Services Australia</i>	-	-2.0	-5.1	-5.8	-6.4	-7.7	-9.2	-10.4	-10.8	-10.4	-10.9	-12.9	-78.7
<i>ATO</i>	-	-328.0	-347.0	-366.0	-385.0	-404.0	-426.0	-446.0	-468.0	-491.0	-516.0	-1,041.0	-4,177.0
Total – expenses	-	-6,336.0	-12,811.1	-13,544.8	-15,100.4	-15,719.7	-16,600.2	-17,182.4	-17,965.8	-18,878.4	-19,550.9	-32,691.9	-153,689.7
Total (excluding PDI)	-	92,524.0	93,738.9	99,775.2	103,149.6	108,060.3	114,939.8	120,957.6	127,674.2	133,071.6	140,499.1	286,038.1	1,134,390.3

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A17: The Progressive GST – Option 2 (aggregate): Increase the GST rate from 10% to 15% and remove the GST exemption on food, education, health, childcare services and water & sewerage – Underlying cash balance (\$m)^(a)

Option 2 total	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
Tax receipts													
<i>GST</i>	-	92,900.0	98,700.0	104,500.0	109,300.0	116,300.0	121,900.0	128,600.0	134,900.0	141,300.0	149,400.0	296,100.0	1,197,800.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	60.0	2,050.0	2,120.0	2,250.0	2,380.0	2,440.0	2,540.0	2,640.0	2,750.0	2,850.0	4,230.0	22,080.0
Total – receipts	-	92,960.0	100,750.0	106,620.0	111,550.0	118,680.0	124,340.0	131,140.0	137,540.0	144,050.0	152,250.0	300,330.0	1,219,880.0
Payments													
Administered													
<i>Indexed grants and subsidies</i>	-	-356.0	-1,259.0	-1,323.0	-1,379.0	-1,458.0	-1,495.0	-1,556.0	-1,627.0	-1,707.0	-1,774.0	-2,938.0	-13,934.0
<i>Indexed other administered programs</i>	-	-5,650.0	-11,200.0	-11,850.0	-13,330.0	-13,850.0	-14,670.0	-15,170.0	-15,860.0	-16,670.0	-17,250.0	-28,700.0	-135,500.0
Departmental													
<i>Services Australia</i>	-	-2.0	-5.1	-5.8	-6.4	-7.7	-9.2	-10.4	-10.8	-10.4	-10.9	-12.9	-78.7
<i>ATO</i>	-	-328.0	-347.0	-366.0	-385.0	-404.0	-426.0	-446.0	-468.0	-491.0	-516.0	-1,041.0	-4,177.0
Total – payments	-	-6,336.0	-12,811.1	-13,544.8	-15,100.4	-15,719.7	-16,600.2	-17,182.4	-17,965.8	-18,878.4	-19,550.9	-32,691.9	-153,689.7
Total (excluding PDI)	-	86,624.0	87,938.9	93,075.2	96,449.6	102,960.3	107,739.8	113,957.6	119,574.2	125,171.6	132,699.1	267,638.1	1,066,190.3

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A18: The Progressive GST – Option 2 (aggregate): Increase the GST rate from 10% to 15% and remove the GST exemption on food, education, health, childcare services and water & sewerage – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-	1,900.0	5,700.0	10,000.0	14,700.0	20,000.0	25,500.0	31,600.0	38,600.0	45,900.0	53,600.0	17,600.0	247,500.0
<i>Underlying cash balance</i>	-	1,400.0	4,600.0	8,700.0	13,000.0	17,900.0	23,000.0	28,600.0	34,800.0	41,700.0	49,100.0	14,700.0	222,800.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary¹⁰.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

¹⁰ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au/online-budget-glossary)

Table A19: The Progressive GST – Option 3: Increase the GST rate from 10% to 15% and introduce a GST-free threshold of \$20,000 – Fiscal balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Revenue													
Tax revenue													
<i>GST</i>	-	52,300.0	55,300.0	58,300.0	61,200.0	64,300.0	67,400.0	70,700.0	74,100.0	77,700.0	81,600.0	165,900.0	662,900.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	510.0	970.0	1,010.0	1,050.0	1,110.0	1,130.0	1,180.0	1,220.0	1,270.0	1,320.0	2,490.0	10,770.0
Total – revenue	-	52,810.0	56,270.0	59,310.0	62,250.0	65,410.0	68,530.0	71,880.0	75,320.0	78,970.0	82,920.0	168,390.0	673,670.0
Expenses													
Administered													
<i>\$20,000 GST-free threshold</i>	-	-62,500.0	-63,400.0	-64,300.0	-65,100.0	-66,000.0	-66,800.0	-67,700.0	-68,600.0	-69,400.0	-70,200.0	-190,200.0	-664,000.0
<i>Indexed grants and subsidies</i>	-	-	-596.0	-630.0	-651.0	-682.0	-701.0	-728.0	-756.0	-786.0	-818.0	-1,226.0	-6,348.0
<i>Indexed other administered programs</i>	-	-1,610.0	-5,290.0	-5,620.0	-6,390.0	-6,650.0	-6,930.0	-7,200.0	-7,490.0	-7,780.0	-8,000.0	-12,520.0	-62,960.0
Departmental													
<i>Services Australia</i>	-	-0.6	-2.4	-2.7	-3.0	-3.8	-4.3	-4.9	-5.1	-4.9	-5.0	-5.7	-36.7
Total – expenses	-	-64,110.6	-69,288.4	-70,552.7	-72,144.0	-73,335.8	-74,435.3	-75,632.9	-76,851.1	-77,970.9	-79,023.0	-203,951.7	-733,344.7
Total (excluding PDI)	-	-11,300.6	-13,018.4	-11,242.7	-9,894.0	-7,925.8	-5,905.3	-3,752.9	-1,531.1	999.1	3,897.0	-35,561.7	-59,674.7

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms.

- Indicates nil.

Table A20: The Progressive GST – Option 3: Increase the GST rate from 10% to 15% and introduce a GST-free threshold of \$20,000 – Underlying cash balance (\$m)^(a)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
Receipts													
Tax receipts													
<i>GST</i>	-	49,700.0	52,500.0	55,300.0	58,100.0	60,900.0	63,900.0	67,000.0	70,300.0	73,700.0	77,400.0	157,500.0	628,800.0
<i>Indexed revenue: Fuel and alcohol excise</i>	-	510.0	970.0	1,010.0	1,050.0	1,110.0	1,130.0	1,180.0	1,220.0	1,270.0	1,320.0	2,490.0	10,770.0
Total – receipts	-	50,210.0	53,470.0	56,310.0	59,150.0	62,010.0	65,030.0	68,180.0	71,520.0	74,970.0	78,720.0	159,990.0	639,570.0
Payments													
Administered													
<i>\$20,000 GST-free threshold</i>	-	-62,500.0	-63,400.0	-64,300.0	-65,100.0	-66,000.0	-66,800.0	-67,700.0	-68,600.0	-69,400.0	-70,200.0	-190,200.0	-664,000.0
<i>Indexed grants and subsidies</i>	-	-	-596.0	-630.0	-651.0	-682.0	-701.0	-728.0	-756.0	-786.0	-818.0	-1,226.0	-6,348.0
<i>Indexed other administered programs</i>	-	-1,610.0	-5,290.0	-5,620.0	-6,390.0	-6,650.0	-6,930.0	-7,200.0	-7,490.0	-7,780.0	-8,000.0	-12,520.0	-62,960.0
Departmental													
<i>Services Australia</i>	-	-0.6	-2.4	-2.7	-3.0	-3.8	-4.3	-4.9	-5.1	-4.9	-5.0	-5.7	-36.7
Total – payments	-	-64,110.6	-69,288.4	-70,552.7	-72,144.0	-73,335.8	-74,435.3	-75,632.9	-76,851.1	-77,970.9	-79,023.0	-203,951.7	-733,344.7
Total (excluding PDI)	-	-13,900.6	-15,818.4	-14,242.7	-12,994.0	-11,325.8	-9,405.3	-7,452.9	-5,331.1	-3,000.9	-303.0	-43,961.7	-93,774.7

(a) A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

Table A21: The Progressive GST – Option 3: Increase the GST rate from 10% to 15% and introduce a GST-free threshold of \$20,000 – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)^{(a)(b)}

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<i>Fiscal balance</i>	-	-310.0	-980.0	-1,690.0	-2,370.0	-3,020.0	-3,620.0	-4,160.0	-4,640.0	-5,040.0	-5,350.0	-2,980.0	-31,180.0
<i>Underlying cash balance</i>	-	-230.0	-820.0	-1,510.0	-2,200.0	-2,860.0	-3,470.0	-4,030.0	-4,520.0	-4,940.0	-5,270.0	-2,560.0	-29,850.0

- (a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the tables above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary¹¹.
- (b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.
- Indicates nil.

¹¹ [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au/online-budget-glossary)

Attachment B – The Progressive GST – distributional analysis

Table B1: The Progressive GST – Option 1: Increase the GST rate from 10% to 15% – Change in annual spending on GST goods and services by household income quintile (\$)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Total change per person in annual spending on GST goods and services by income quintile											
<i>Lowest</i>	-	1,164	1,217	1,268	1,315	1,363	1,412	1,463	1,516	1,571	1,631
<i>Second</i>	-	1,172	1,226	1,277	1,324	1,373	1,422	1,474	1,527	1,582	1,643
<i>Third</i>	-	1,297	1,356	1,413	1,465	1,518	1,573	1,630	1,689	1,750	1,817
<i>Fourth</i>	-	1,465	1,533	1,596	1,655	1,716	1,778	1,842	1,909	1,977	2,054
<i>Highest</i>	-	2,205	2,306	2,402	2,490	2,581	2,675	2,772	2,872	2,975	3,090
<i>All</i>	-	1,540	1,611	1,678	1,739	1,803	1,869	1,936	2,006	2,078	2,158

- Indicates nil.

Note: The income here is for the household in the Household Expenditure Survey, which will generally be larger than for individuals.

Table B2: The Progressive GST – Option 2(i): Increase the GST rate from 10% to 15% and remove the GST exemption on food – Change in annual spending on GST goods and services by household income quintile (\$)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Total change per person in annual spending on GST goods and services by income quintile											
<i>Lowest</i>	-	1,509	1,577	1,644	1,706	1,771	1,837	1,905	1,976	2,048	2,127
<i>Second</i>	-	1,519	1,588	1,656	1,718	1,783	1,850	1,919	1,990	2,063	2,142
<i>Third</i>	-	1,681	1,757	1,831	1,901	1,973	2,046	2,122	2,201	2,282	2,370
<i>Fourth</i>	-	1,900	1,986	2,070	2,148	2,229	2,312	2,398	2,487	2,579	2,678
<i>Highest</i>	-	2,858	2,987	3,114	3,232	3,354	3,479	3,608	3,742	3,880	4,030
<i>All</i>	-	1,996	2,087	2,175	2,257	2,343	2,430	2,520	2,614	2,710	2,815

- Indicates nil.

Note: The income here is for the household in the Household Expenditure Survey, which will generally be larger than for individuals.

Table B3: The Progressive GST – Option 2(ii): Increase the GST rate from 10% to 15% and remove the GST exemption on education – Change in annual spending on GST goods and services by household income quintile (\$)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Total change per person in annual spending on GST goods and services by income quintile											
<i>Lowest</i>	-	1,352	1,414	1,474	1,530	1,588	1,647	1,709	1,772	1,838	1,908
<i>Second</i>	-	1,361	1,424	1,485	1,541	1,599	1,659	1,721	1,785	1,851	1,922
<i>Third</i>	-	1,506	1,575	1,643	1,705	1,769	1,835	1,904	1,974	2,047	2,126
<i>Fourth</i>	-	1,702	1,780	1,856	1,927	1,999	2,074	2,151	2,231	2,314	2,403
<i>Highest</i>	-	2,560	2,678	2,793	2,899	3,008	3,121	3,237	3,357	3,481	3,615
<i>All</i>	-	1,788	1,870	1,951	2,025	2,101	2,180	2,261	2,345	2,431	2,525

- Indicates nil.

Note: The income here is for the household in the Household Expenditure Survey, which will generally be larger than for individuals.

Table B4: The Progressive GST – Option 2(iii): Increase the GST rate from 10% to 15% and remove the GST exemption on health and childcare services (including health insurance and residential care) – Change in annual spending on GST goods and services by household income quintile (\$)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Total change per person in annual spending on GST goods and services by income quintile											
<i>Lowest</i>	-	1,624	1,698	1,774	1,843	1,915	1,989	2,065	2,143	2,225	2,310
<i>Second</i>	-	1,635	1,710	1,786	1,856	1,928	2,003	2,079	2,159	2,240	2,327
<i>Third</i>	-	1,809	1,892	1,976	2,054	2,133	2,215	2,300	2,388	2,479	2,574
<i>Fourth</i>	-	2,044	2,138	2,233	2,321	2,411	2,504	2,599	2,699	2,801	2,909
<i>Highest</i>	-	3,076	3,217	3,360	3,491	3,627	3,767	3,911	4,060	4,214	4,376
<i>All</i>	-	2,148	2,247	2,347	2,439	2,533	2,631	2,732	2,836	2,943	3,057

- Indicates nil.

Note: The income here is for the household in the Household Expenditure Survey, which will generally be larger than for individuals.

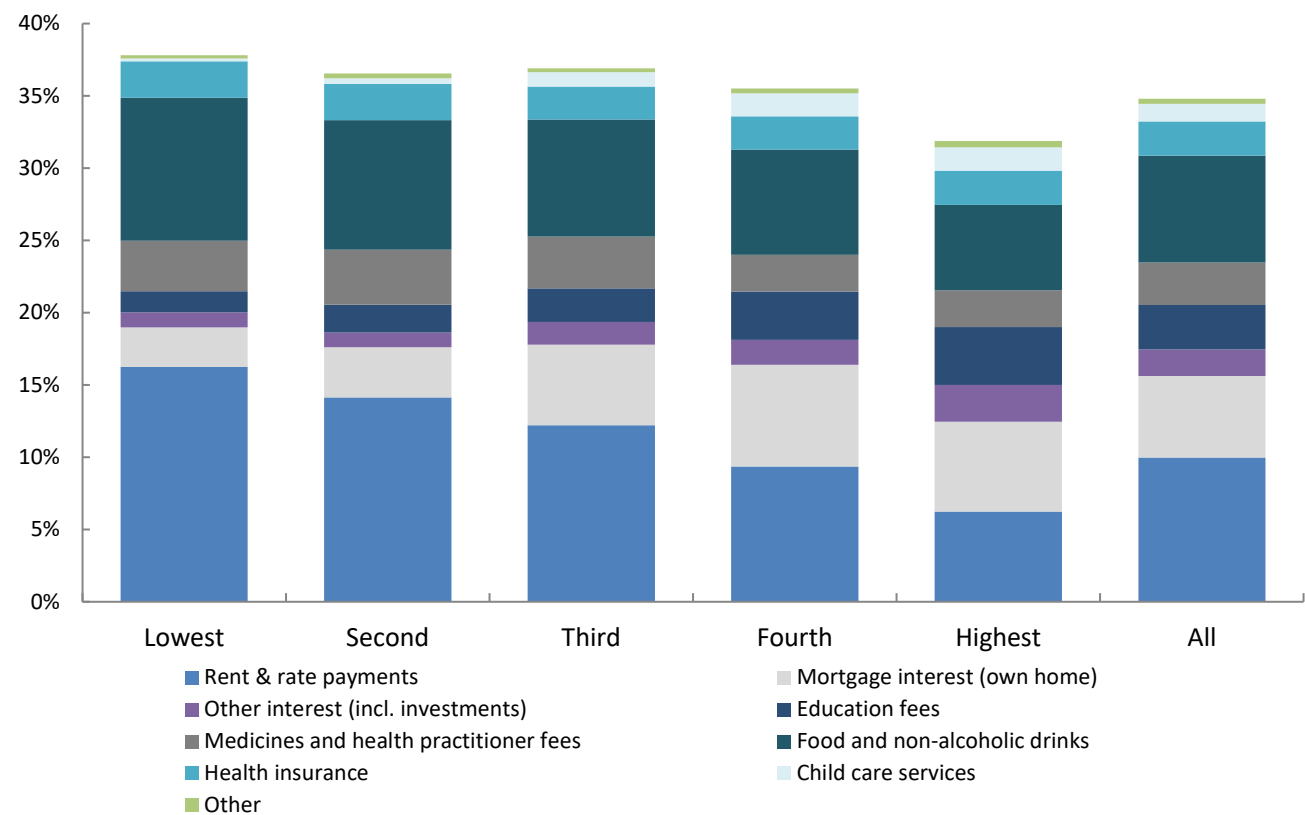
Table B5: The Progressive GST – Option 2(iv): Increase the GST rate from 10% to 15% and remove the GST exemption on water and sewerage – Change in annual spending on GST goods and services by household income quintile (\$)

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36
Total change per person in annual spending on GST goods and services by income quintile											
<i>Lowest</i>	-	1,202	1,257	1,310	1,358	1,409	1,460	1,513	1,568	1,625	1,688
<i>Second</i>	-	1,210	1,266	1,319	1,368	1,419	1,470	1,524	1,579	1,637	1,700
<i>Third</i>	-	1,339	1,400	1,459	1,513	1,569	1,627	1,686	1,747	1,810	1,880
<i>Fourth</i>	-	1,513	1,583	1,649	1,710	1,773	1,838	1,905	1,974	2,046	2,125
<i>Highest</i>	-	2,276	2,381	2,481	2,573	2,668	2,766	2,866	2,971	3,078	3,197
<i>All</i>	-	1,590	1,663	1,733	1,797	1,864	1,932	2,002	2,075	2,150	2,233

- Indicates nil.

Note: The income here is for the household in the Household Expenditure Survey, which will generally be larger than for individuals.

Figure B1: Distributional analysis by household income quintile, existing GST-free spending as a share of total household spending (%)^(a)



(a) Data is sourced from the ABS, 2015-16 Household Expenditure Survey (HES) results.