5. REVENUE

- Forecast revenue has been revised down by $530.1 million (-0.4 per cent) in 2024-25 and upward by $11.3 billion over the four years to 2028-29 since the 2024-25 Half-Yearly Review.
- The NSW GST relativity will decline from 0.87 in 2024-25 to 0.86 in 2025-26. While New South Wales is forecast to receive a historically low share of the national GST pool, the release of the Commonwealth Grants Commission's 2025 Methodology Review and near-term strength in national GST collections have increased forecast GST revenue by $1.5 billion in 2025-26 compared to the 2024-25 Half-Yearly Review.
- Total revenue has been revised down by $530.1 million in 2024-25 due primarily to the reprofiling of Australian Government funding for natural disaster relief. This is partially offset by an increase in other dividends and distributions, driven by the management of recent financial market volatility.
- Taxation revenue has been revised up by $546.8 million over the four years to 2028-29 due to an improved outlook for the property market. This is partially offset by downgrades to payroll tax revenue resulting from weaker employment and wages growth.
- Royalties revenue has been revised down by $453.0 million in 2024-25 due primarily to a decrease in the thermal coal price resulting from a global oversupply. However, revenue has been revised up by $374.0 million over the four years to 2028-29 largely due to a downward revision in the exchange rate.
- The 2025-26 Budget includes land tax cuts for owners of eligible new build-to-rent developments. Owners can apply to receive a permanent land tax concession of a 50 per cent reduction in assessed land value. This extends the existing concession that currently has an end date of 31 December 2039.

5.1 Revenue

General government sector revenue is projected at $118.1 billion in 2024-25. This is $530.1 million lower than forecast at the 2024-25 Half-Yearly Review. This revision is largely due to the reprofiling of natural disaster payments from the Australian Government, partially offset by an increase in other dividends and distributions driven by the management of recent financial market volatility.

Total revenue is expected to grow at an average annual rate of 3.8 per cent over the four years to 2028-29 (Table 5.1). This is below trend growth of around 5.5 per cent, largely due to a further deterioration in New South Wales' share of the national GST distribution.

Table 5.1: General government sector – summary of revenue and its components

	2023-24 Actual $m	2024-25 Revised $m	2025-26 Budget $m	2026-27 Forward Estimates $m	2027-28 Forward Estimates $m	2028-29 Forward Estimates $m	% Average growth p.a. 2024-25 to 2028-29
Revenue from transactions							
Taxation	44,603	47,599	51,318	54,138	56,668	59,541	5.8
Grant revenue (including GST)	46,069	47,576	50,686	50,599	52,918	53,128	2.8
Sale of goods and services	10,156	10,419	11,086	11,157	11,442	11,838	3.2
Interest income	768	801	573	598	589	541	(9.3)
Dividends and income tax equivalents from other sectors	679	630	874	919	995	1,139	16.0
Other dividends and distributions	1,432	4,035	2,796	3,176	3,354	3,623	(2.7)
Royalties	3,053	3,325	3,253	3,297	3,297	3,272	(0.4)
Fines, regulatory fees and other revenues	3,459	3,706	3,569	4,153	3,969	4,053	2.3
Total revenue	**110,219**	**118,090**	**124,154**	**128,038**	**133,232**	**137,135**	**3.8**
Annual change	*4.1%*	*7.1%*	*5.1%*	*3.1%*	*4.1%*	*2.9%*	

Over the four years to 2028-29, forecast revenue is expected to be $11.3 billion higher than at the 2024-25 Half-Yearly Review.

The main drivers of this upward revision are:

- increases to GST revenue, driven by revised relativity forecasts following the Commonwealth Grants Commission’s 2025 Methodology Review (refer to Box 6.5 in Chapter 6 Federal financial relations for further details on GST)
- stronger National Agreement payments, reflecting new schools funding under the Better and Fairer Schools Agreement and increased skills funding
- an uplift in Federation Funding Agreement payments, underpinned by reprofiling of disaster recovery and transport infrastructure funding
- higher transfer duty reflecting an improved outlook for residential property prices in response to further easing of monetary policy.

These upward revisions are partially offset by:

- weaker revenue from other dividends and distributions from reprofiled investment fund distributions
- downgrades to payroll tax revenue due to a weaker outlook for both employment and wages growth
- lower dividends and income tax equivalents from the water and energy sectors
- downward revisions to the recognition and timing of revenue associated with the sale of development zones within Barangaroo dating back to 2019 and 2022 respectively.

Table 5.2: Revenue reconciliation

	2024-25 Revised $m	2025-26 Budget $m	2026-27 $m	2027-28 Forward Estimates $m	2028-29 $m	Four years to 2028-29 $m
Revenue – 2024-25 Half-Yearly Review	**118,620**	**123,348**	**126,668**	**128,414**	**132,879**	**511,308**
Policy changes since 2024-25 Half-Yearly Review						
Revenue measures	...	199	193	183	174	**748**
Revenue related to expense, capital and other measures	266	1,225	1,444	1,016	1,196	**4,881**
Total policy measures	**266**	**1,424**	**1,637**	**1,199**	**1,370**	**5,629**
Parameter changes since 2024-25 Half-Yearly Review						
Taxation						
Transfer duty	(284)	(215)	304	255	306	**650**
Insurance duty	10	12	13	15	17	**57**
Motor vehicle stamp duty	(58)	(60)	(78)	(110)	(144)	**(392)**
Payroll tax	65	68	(75)	(180)	(325)	**(512)**
Land tax	(30)	(120)	(141)	(143)	(42)	**(445)**
Taxes on motor vehicles	15	14	13	39	48	**113**
Gambling and betting taxes	24	(28)	(32)	(53)	(70)	**(183)**
Other taxes	(29)	40	67	78	29	**214**
Grant revenue						
GST revenue	142	1,531	1,720	1,611	1,892	**6,754**
National Agreement payments	55	47	82	89	393	**612**
Federation Funding Agreement payments	(1,301)	(859)	(1,812)	1,860	332	**(478)**
Other grant revenue	(15)	68	(96)	(127)	(180)	**(335)**
Sale of goods and services	257	252	112	816	779	**1,959**
Interest income	137	31	46	48	24	**148**
Dividends and income tax equivalents	2	(171)	(109)	(126)	(102)	**(508)**
Other dividends and distributions	678	(575)	(242)	(330)	(39)	**(1,185)**
Royalties	(453)	(234)	204	274	130	**374**
Fines, regulatory fees and other revenues	(10)	(419)	(242)	(397)	(162)	**(1,220)**
Total parameter changes and other variations	**(796)**	**(618)**	**(266)**	**3,620**	**2,886**	**5,622**
Total changes since 2024-25 Half-Yearly Review	**(530)**	**806**	**1,370**	**4,818**	**4,256**	**11,251**
Revenue – 2025-26 Budget	**118,090**	**124,154**	**128,038**	**133,232**	**137,135**	**522,559**

5.2 Revenue measures since the 2024-25 Half-Yearly Review

New revenue measures since the 2024-25 Half-Yearly Review are forecast to improve revenue by $747.8 million over the four years to 2028-29.

Expenditure and capital decisions (with an indirect impact on revenue) are forecast to have a net positive impact of $4.9 billion over the four years to 2028-29. This is primarily due to decisions relating to Australian Government payments. For further detail see Chapter 6 Federal financial relations.

Key revenue decisions since the 2024-25 Half-Yearly Review are set out below.

Extend Revenue NSW tax integrity program

Revenue NSW integrity funding was forecast to decline from 2025-26. The NSW Government has agreed to extend the Revenue NSW funding which is supporting an increased level of tax compliance.

Extending the build-to-rent land tax concession

Owners of new build-to-rent (BTR) developments will be able to apply for a 50 per cent reduction in land value for land tax purposes. This concession applies indefinitely (previously the concession was set to end 31 December 2039) from the 2026 land tax year, subject to eligibility requirements. The requirement that a proportion of labour force hours for construction be performed by specified classes of workers will also be removed. BTR developers will also be able to apply for exemptions from foreign purchaser duty and land tax surcharges (or a refund of surcharges paid). Developments that are already receiving, or applied for, the BTR land tax concession for the 2025 land tax year or prior years are ineligible to receive the extended concession. This measure is estimated to generally provide more favourable tax treatment for BTR projects compared to build-to-sell projects and have no revenue impact over the forward estimates as the existing concession is already in place.

Table 5.3: Revenue measures

	2025-26 $m	2026-27 $m	2027-28 $m	2028-29 $m	Four years to 2028-29 $m
Extend Revenue NSW tax integrity program	195	193	183	174	744
Extending the build-to-rent land tax concession	...	...	...	...	...
Additional assurance activity on gambling operators	4	...	...	...	4
Total – revenue measures	**199**	**193**	**183**	**174**	**748**

5.3 Taxation revenue

Taxation revenue is expected to be $47.6 billion in 2024-25 which is $287.1 million lower than forecast at the 2024-25 Half-Yearly Review. The downgrade is largely driven by reduced transfer duty.

Over the four years to 2028-29, taxation revenue has been revised up by $546.8 million. The upgrade is mostly due to improvements in the property market, partially offset by weaker payroll tax and motor vehicle stamp duty.

Table 5.4: General government sector – summary of taxation revenue

	2023-24 Actual $m	2024-25 Revised $m	2025-26 Budget $m	2026-27 Forward Estimates $m	2027-28 $m	2028-29 $m	% Average growth p.a. 2024-25 to 2028-29
Stamp duties							
Transfer duty	11,415	12,305	13,355	14,026	14,500	15,269	5.5
Insurance	1,575	1,696	1,801	1,909	2,024	2,146	6.1
Motor vehicles	1,197	1,184	1,262	1,342	1,413	1,481	5.8
Other	0	0	0	0	0	0	...
	14,188	**15,185**	**16,418**	**17,277**	**17,937**	**18,896**	**5.6**
Payroll tax	**12,486**	**13,035**	**13,851**	**14,670**	**15,593**	**16,495**	**6.1**
Taxes on land							
Land tax	7,084	8,205	8,792	9,343	9,827	10,324	5.9
Property tax	13	14	13	12	10	9	(9.6)
	7,097	**8,219**	**8,804**	**9,355**	**9,837**	**10,333**	**5.9**
Taxes on motor vehicle ownership and operation							
Weight tax	3,002	3,276	3,486	3,677	3,875	4,076	5.6
Vehicle transfer fees	58	63	65	67	69	71	3.0
Road User Charge	...	...	...	...	73	141	...
Other motor vehicle taxes	48	55	58	61	64	67	4.9
	3,108	**3,394**	**3,609**	**3,805**	**4,081**	**4,355**	**6.4**
Gambling and betting taxes							
Wagering	61	63	65	66	68	70	2.4
Point of consumption tax	285	284	283	295	309	325	3.4
Club gaming devices	956	1,016	1,060	1,084	1,113	1,145	3.0
Hotel gaming devices	1,353	1,449	1,552	1,663	1,784	1,915	7.2
Lotteries and lotto	631	553	577	595	613	631	3.4
Casino	203	223	165	174	186	197	(3.1)
Other gambling & betting	18	20	21	21	22	23	3.8
	3,507	**3,608**	**3,723**	**3,899**	**4,095**	**4,306**	**4.5**
Other taxes and levies							
Health insurance levy	257	212	267	277	290	301	9.2
Parking space levy	114	122	132	127	131	134	2.4
Emergency services levy contributions	1,389	1,319	1,396	1,496	1,402	1,353	0.6
Emergency services council contributions	210	221	236	223	215	220	(0.1)
Waste and environment levies	850	853	971	998	998	998	4.0
Government guarantee fee	373	370	403	462	515	574	11.6
Passenger services levy	94	97	99	100	100	72	(7.4)
Pollution control licences	17	20	18	18	18	18	(2.4)
Other taxes	913	944	1,390	1,433	1,457	1,486	12.0
	4,218	**4,158**	**4,913**	**5,133**	**5,125**	**5,156**	**5.5**
Total taxation revenue	**44,603**	**47,599**	**51,318**	**54,138**	**56,668**	**59,541**	**5.8**
Annual change	*12.2%*	*6.7%*	*7.8%*	*5.5%*	*4.7%*	*5.1%*	

Payroll tax

Revenue from payroll tax is expected to be $13.0 billion in 2024-25. Recently, payroll tax has been supported by tight labour market conditions and higher average compensation of employee growth when compared to historical trends. These factors have resulted in a $65.0 million upgrade to payroll tax revenue in 2024-25 since the 2024-25 Half-Yearly Review.

Dampening business sentiment resulting from greater uncertainty from United States of America (US) trade policies is expected to put downward pressure on employment growth, resulting in some easing in labour market conditions.

Overall, these impacts result in a $512.3 million downgrade to payroll tax revenue over the four years to 2028-29 compared to the 2024-25 Half-Yearly Review.

Transfer duty

Since the 2024-25 Half-Yearly Review, transfer duty revenue in 2024-25 has been revised down by $284.0 million due to weaker-than-anticipated residential transaction volumes. Transaction volumes are expected to improve as buyers become more certain about the easing of monetary policy. Nevertheless, transaction volumes are not expected to reach the peaks observed in previous cycles, primarily due to prevailing affordability constraints.

Over the four years to 2028-29, transfer duty revenue has been revised up by $899.0 million in aggregate, of which $650.0 million is related to underlying macroeconomic assumptions. This reflects an improved outlook for residential property prices in response to further easing of monetary policy.

Land tax

Land tax revenue is estimated to be $8.2 billion in 2024-25, broadly in line with expectations at the 2024-25 Half-Yearly Review.

Over the four years to 2028-29, land tax has been revised up by $49.7 million in aggregate. Notwithstanding this, updated land value assumptions are weighing down land tax revenue by $445.3 million over the four years. This is due largely to preliminary commercial sector land values for 2025 being significantly lower than previous expectations.

Gambling and betting taxes

Gambling and betting taxes have been revised up by $23.6 million in 2024-25 to reflect changed timing of recognition of underpaid casino duty.

Over the four years to 2028-29, revenue has been revised down by $179.6 million compared to the 2024-25 Half-Yearly Review. This is primarily due to softer growth in online wagering activity as consumers transition back to physical locations following the pandemic and weaker forecast casino activity.

Taxes on motor vehicle ownership and operation

Compared to the 2024-25 Half-Yearly Review, motor vehicle taxes have been revised up by $15.0 million in 2024-25 and by $113.2 million over the four years to 2028-29. The upward revision reflects stronger-than-expected weight tax collections year-to-date.

An increase to the estimates of electric vehicle road user charge (RUC) revenue in 2027-28 and 2028-29 also contributes to the revision. This upgrade largely reflects a change in the forecast to accurately reflect the annual indexation of the RUC rate from the 2022-23 financial year.

Other stamp duties

Insurance duty has been revised up by $10.0 million in 2024-25 and $57.0 million over the four years to 2028-29 since the 2024-25 Half-Yearly Review. This is largely attributed to stronger year-to-date collections. Rising premiums across most insurance categories due to higher labour and material costs, increased occurrences of climate-related events and growing reinsurance costs support strong growth of 6.1 per cent per annum over the four years to 2028-29.

Motor vehicle registration duty has been revised down by $58.0 million in 2024-25 and by $392.0 million over the four years to 2028-29. The downgrade reflects weaker new vehicle sales.

Other taxes and levies

Health insurance levy is forecast to be $56.0 million lower in 2024-25, reflecting the impact of a court decision in August 2024 relating to the onus on health funds to substantiate a policy holder’s entitlement to receive a health insurance levy exemption. Over the four years to 2028-29, revenue is expected to be $90.0 million lower compared to the 2024-25 Half-Yearly Review. This reflects a lower-than-expected health insurance levy rate from 1 April 2025 and the ongoing impact of the 2024 court decision.

Revenue from the emergency services levy insurer contribution and the emergency services council contribution is forecast to increase by $324.7 million over the four years to 2028-29 compared to the 2024-25 Half-Yearly Review. This increase is primarily driven by additional expenditures to strengthen the frontline response to emergencies and natural disasters.

The government guarantee fee has been revised down by $261.4 million over the four years to 2028-29. This is primarily due to lower fees paid by Sydney Water and Essential Energy, driven by higher NSW Treasury Corporation (TCorp) rates resulting in a narrower yield spread and an improved credit rating, respectively.

The workers contribution levy has been revised up by $294.6 million over the four years to 2028-29 compared to the 2024-25 Half-Yearly Review predominantly to establish the standalone SafeWork NSW agency and to meet the demand of the Independent Legal Assistance and Review Services Program.

Compulsory third party premium levy is forecast to increase by $289.0 million over the four years to 2028-29 compared to the 2024-25 Half-Yearly Review to reflect the increased funding required under the motor vehicle compulsory third party scheme to cover higher hospital and ambulance costs and other revised scheme regulatory costs.

Box 5.1: Emergency services funding reform

The NSW Government continues to invest in NSW emergency services to enhance the frontline response to natural disasters and keep the people of New South Wales safe. The 2025–26 Budget includes additional funding of $34.4 million for the Rural Fire Service to continue leasing its fixed wing aircraft and helicopters, $42.2 million for Fire and Rescue NSW to hire 52 staff at the new 24-hour Badgerys Creek Fire Station, and $17.0 million for the renewal of Fire and Rescue's fire-fighting fleet.

The NSW Government is committed to reforming the emergency services funding system. The State's emergency services agencies are largely funded by the Emergency Services Levy (ESL). The ESL paid through residential property insurance premiums has increased by $222.0 million (or 48 per cent) from 2017-18 to 2023-24.

In the last year, the Government took several important steps to advance the reform.

- The Independent Pricing and Regulatory Tribunal has progressed its work as the Insurance Monitor to prepare its approach for monitoring the removal of the ESL from insurance premiums. This includes developing an approach to monitor insurers' over-collections of ESL and prohibited conduct in relation to the reform, engaging insurers to access data to monitor insurance price changes, and preparing a strategy and operating model for investigations and enforcement actions.
- To inform policy development, the Treasurer requested ESL-related data on insurance policies from insurers and local councils performed preliminary land classifications, to derive detailed property level data. Treasury has compiled data from insurers, local councils and other sources to develop a database representative of all NSW properties.

Data shows that while residential property land values in 2023-24 were generally higher in Greater Sydney relative to the rest of New South Wales, Greater Sydney units represent a significant share of properties with lower land values (Chart 5.1).

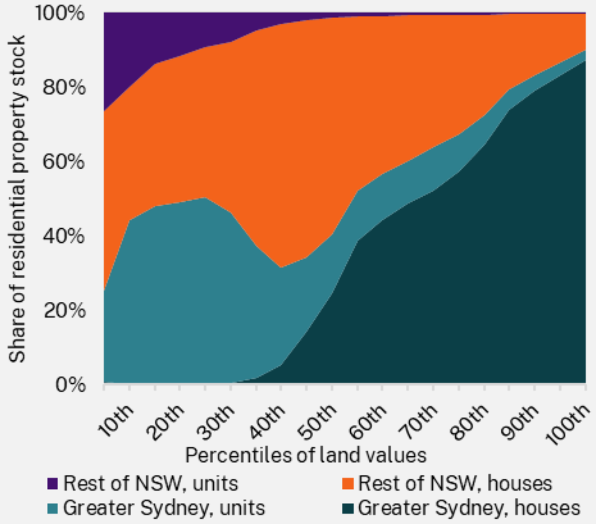
In 2023-24, almost half of all ESL was passed on to insurance premiums associated with residential property, with around 44 per cent passed on to non-residential property insurance premiums and around 6 per cent on motor vehicle insurance premiums.

GST and stamp duty are charged on top of ESL, compounding the ESL-related costs for policyholders. The average ESL-related cost per insured residential property in New South Wales was around $285 in 2023-24.

ESL-related costs associated with residential property generally increase with land values but can vary around similar land values. For example, around the 50th percentile in land values in 2023-24, ESL costs ranged from $107 to $461 for most policyholders (Chart 5.2). Factors contributing to these variations include the property's replacement value, location, risk exposure, use and the level of insurance a policyholder chooses to take.

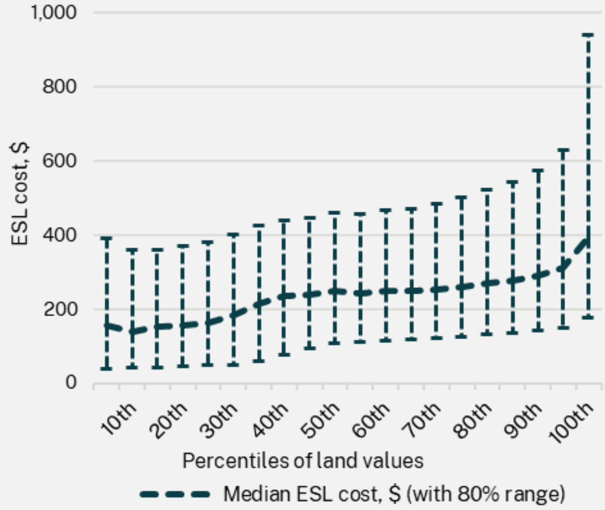
The NSW Government continues to work to design a replacement levy that is budget neutral, informed by detailed tax modelling and the views of industry and stakeholders in the wider community.

Chart 5.1: Residential property stock 2023-24



Source: NSW Treasury and Valuer-General

Chart 5.2: ESL-related costs per residential property 2023-24



Source: Insurers, NSW Treasury and Valuer-General

5.4 Grant revenue

Grant revenue is primarily from the Australian Government and consists of:

- general purpose grants (including GST)
- specific purpose payments, in the form of National Agreement payments
- Federation Funding Agreement payments.

Table 5.5: Grant revenue

	2023-24 Actual $m	2024-25 Revised $m	2025-26 Budget $m	2026-27 Forward Estimates $m	2027-28 $m	2028-29 $m	% Average growth p.a. 2024-25 to 2028-29
Australian Government - general purpose grants	26,665	26,105	27,957	28,144	28,978	30,022	3.6
GST revenue (including "no worse off" payments)	26,660	26,099	27,933	28,136	28,977	30,022	3.6
Other general purpose grants	5	6	24	8	1	0	(63.9)
Australian Government - National Agreement payments	12,958	13,591	14,311	15,497	16,264	17,158	6.0
Australian Government - Federation Funding Agreement payments	4,988	6,615	7,006	5,692	6,464	4,809	(7.7)
Other Australian Government payments	491	310	503	450	373	325	1.1
Total Australian Government grants	**45,103**	**46,621**	**49,776**	**49,782**	**52,079**	**52,314**	2.9
Annual change in Australian Government grants	*1.1%*	*3.4%*	*6.8%*	*0.0%*	*4.6%*	*0.5%*	
Other grants	966	954	909	818	839	814	(3.9)
Total grant revenue	**46,069**	**47,576**	**50,686**	**50,599**	**52,918**	**53,128**	**2.8**

GST revenue

GST revenue including "no worse off" payments is estimated to be $26.1 billion in 2024-25, a decline of 2.1 per cent from the prior year. This reflects a lower GST relativity for New South Wales, with the largest single-year drop in the State's share of GST since the introduction of the tax. Strong growth is expected in 2025-26, following recent strength in national GST collections. Over the forward estimates, GST revenue is forecast to grow modestly as growth in the national GST pool is partially offset by a declining share of payments made to New South Wales.

Over the four years to 2028-29, GST revenue has been revised up by $6.8 billion compared to the 2024-25 Half-Yearly Review. For more information on GST revenue see Chapter 6 Federal financial relations.

National Agreements

Revenue from all National Agreement payments in the four years to 2028-29 has increased by $2.4 billion relative to the 2024-25 Half-Yearly Review. The largest driver of the increase is new schools funding under the Better and Fairer Schools Agreement along with uplifts in skills funding. Further information is provided in Chapter 6 Federal financial relations.

Federation Funding Agreements

NSW Government revenue from Federation Funding Agreement payments is expected to be $1.5 billion higher over the four years to 2028-29 compared to the 2024-25 Half-Yearly Review. This increase primarily reflects the reprofiling of disaster recovery funding and transport infrastructure funding. Refer to Chapter 6 Federal financial relations for more information.

5.5 Non-tax revenue

Sale of goods and services

Sale of goods and services revenue is estimated to reach $10.4 billion in 2024-25. This is $256.9 million higher than expected at the 2024-25 Half-Yearly Review, mainly reflecting a reclassification of Ministry of Health revenue from fines, regulatory fees and other revenue to patient fees under the sales of goods and services, and additional Transport for NSW recoupment revenue from Sydney Trains, Transport Asset Manager and NSW TrainLink, related to the delivery of capital projects. Over the four years to 2028-29, revenue in this category has been revised up by $2.4 billion in total, of which $2.0 billion is associated with parameter changes, including:

- the reclassification of Ministry of Health revenue from fines, regulatory fees and other revenue to patient fees under the sale of goods and services
- the transfer of replacement bus management from Sydney Trains to Transport for NSW, resulting in the recognition of sale of other services revenue and corresponding operating expenses
- an increase in NSW Self Insurance Corporation revenue in 2025-26 due to reinsurance and other recoveries previously expected in 2024-25.

Revenue related to expense, capital and other measures increase the sale of goods and services revenue by $471.2 million over the four years to 2028-29 largely due to adjustments to Transport Asset Manager fees for services associated with its forecast project delivery schedules. This is offset by a corresponding movement in capital program delivery expenses.

Table 5.6: Sale of goods and services

	2023-24 Actual $m	2024-25 Revised $m	2025-26 Budget $m	2026-27 Forward Estimates $m	2027-28 $m	2028-29 $m	% Average growth p.a. 2024-25 to 2028-29
Sale of goods	583	532	572	683	699	805	10.9
Rents and leases	465	441	411	409	418	460	1.0
Fee for service	2,455	2,245	2,321	2,258	2,295	2,183	(0.7)
Entry fees	66	57	83	86	81	82	9.6
Patient fees and hospital charges	1,273	1,398	1,510	1,560	1,612	1,666	4.5
Department of Veterans' Affairs	158	120	112	105	99	93	(6.3)
Court fees	176	185	187	179	195	191	0.8
Road tolls	138	139	159	160	180	283	19.4
Licences	793	930	998	1,031	1,074	1,114	4.6
Other sales of goods and services	4,049	4,372	4,731	4,684	4,789	4,963	3.2
Sale of goods and services	**10,156**	**10,419**	**11,086**	**11,157**	**11,442**	**11,838**	**3.2**

Interest income

Interest income includes returns on managed bond investments, including investments made by NSW Treasury Corporation (TCorp), and interest earned on bank deposits and funding facilities. Interest revenue has been revised up by $125.1 million in 2024-25 due to higher cash balances in the State's interest-earning bank accounts. Interest income is broadly unchanged over the four years to 2028-29 compared to the 2024-25 Half-Yearly Review.

Dividends and income tax equivalents

State Owned Corporations (SOCs) and TCorp pay dividends that provide appropriate returns on the Government's equity investment in these entities. They also make income tax equivalent payments to ensure competitive neutrality. Over the four years to 2028-29, dividends and income tax equivalents revenue has been revised down by a total of $507.7 million since the 2024-25 Half-Yearly Review which primarily reflects the anticipated impacts of the upcoming Independent Pricing and Regulatory Tribunal determination on prices that water entities will charge customers between 1 July 2025 and 30 June 2030, project delays and increased costs.

Other dividends and distributions

Other dividends and distributions are received from entities other than SOCs, as well as the State's equity investment in associated entities such as Ausgrid and Endeavour Energy. Revenue from other dividends and distributions in 2024-25 has been revised up by $678.3 million since the 2024-25 Half-Yearly Review. Meanwhile, revenue forecasts over the four years to 2028-29 have been downgraded by $1.2 billion. These movements mainly reflect the smoothing of investment fund distributions.

Fines, regulatory fees and other revenue (excluding royalties)

Fines, regulatory fees and other revenue has been revised down by $830.2 million over the four years to 2028-29 compared to the 2024-25 Half-Yearly Review. Parameter changes contribute $1.2 billion to this movement and reflect:

- changes to the recognition and timing of revenue for the sale of development zones within Barangaroo dating back to 2019 and 2022 respectively
- Ministry of Health revenue reclassified from other revenue to patient fees under the sale of goods and services
- weaker revenue from the Housing and Productivity Contribution (introduced in the 2022-23 Half-Yearly Review) due to lower-than-expected building approvals and weaker collections year-to-date, resulting in further shifting out of revenue over the forward estimates as the new contribution transitions towards maturity.

Revenue related to expense, capital and other measures partially offset the downgrades to fines, regulatory fees and other revenue by $389.8 million.

Table 5.7: Fines, regulatory fees and other revenue

	2023-24 Actual $m	2024-25 Revised $m	2025-26 Budget $m	2026-27 $m	2027-28 Forward Estimates $m	2028-29 $m	% Average growth p.a. 2024-25 to 2028-29
Fines	713	779	781	772	791	793	0.4
Regulatory fees	214	200	243	240	252	244	5.1
Developer and industry contributions	753	760	845	1,172	1,230	1,262	13.5
Other revenues	1,779	1,967	1,700	1,970	1,696	1,754	(2.8)
Total fines, regulatory fees and other revenues	**3,459**	**3,706**	**3,569**	**4,153**	**3,969**	**4,053**	**2.3**

Royalties

Since the 2024-25 Half-Yearly Review forecasts were finalised in October 2024, thermal coal prices have fallen sharply. The thermal coal spot price has fallen from around US$145 per tonne in October 2024 to a low of US$96 per tonne in April 2025. A warmer-than-anticipated Northern Hemisphere winter has reduced energy demand among key Asian export partners. Coupled with an increase in domestic coal production in China, this has led to a global oversupply of thermal coal placing downward pressure on prices.

The sharp fall in the thermal coal prices has driven a $453.0 million downward revision in royalties revenue in 2024-25. This has been partially offset by a depreciation of the AUD/USD exchange rate.

Going forward, royalties have been revised up by $374.0 million over the four years to 2028-29. This is primarily driven by a downward revision in the Australian dollar forecast (which increases royalties revenue) due to a decrease in the spread between long-term Australian and US government bonds and weaker commodity prices.