



**BUDGET**  
**AUSTRALIA'S FEDERAL RELATIONS**  
**BUDGET PAPER NO. 3**

2012-13

**CIRCULATED BY**

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FOR THE INFORMATION OF HONOURABLE MEMBERS  
ON THE OCCASION OF THE BUDGET 2012-13

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# FOREWORD

This Budget Paper presents information on the Commonwealth's financial relations with State, Territory and local governments. This includes an overview of major Australian Government reforms and new developments, as well as information on payments to the States and analysis of fiscal developments in the public sector.

## Notes

- (a) The following definitions are used in this Budget Paper:
- 'Budget year' refers to 2012-13, while the 'forward years' refer to 2013-14, 2014-15 and 2015-16; and
  - one billion is equal to one thousand million.
- (b) Figures in tables and the text have generally been rounded. Discrepancies in tables between totals and sums of components reflect rounding unless otherwise noted.
- estimates of \$100,000 and over are generally rounded to the nearest tenth of a million;
  - estimates midway between rounding points are rounded up; and
  - percentage changes in tables are based on the underlying unrounded amounts.
- (c) Tables use the following notations:
- |     |                               |
|-----|-------------------------------|
| -   | nil                           |
| na  | not applicable                |
| \$m | millions of dollars           |
| \$b | billions of dollars           |
| nfp | not for publication           |
| 0   | zero                          |
| *   | unquantifiable                |
| ..  | not zero, but rounded to zero |
| ~   | allocation not yet determined |

- (d) This Budget Paper uses the following conventions.
- The Australian Capital Territory and the Northern Territory of Australia are referred to as ‘the Territories’.
  - References to the ‘States’ or ‘each State’ include the State governments and Territory governments. The State and local government sector is denoted as the ‘State/local sector’.
  - References to the ‘State/local sector’ include the Territory governments unless otherwise stated.
  - Local governments are instrumentalities of State governments. Consequently, payments made to the State government sector include payments made to the local government sector unless otherwise specified.
  - The following abbreviations are used, where appropriate:

NSW     New South Wales

VIC     Victoria

QLD     Queensland

WA     Western Australia

SA     South Australia

TAS     Tasmania

ACT     Australian Capital Territory

NT     Northern Territory

GST     Goods and services tax

- (e) The term ‘Commonwealth’ refers to the Commonwealth of Australia. The term is used when referring to the legal entity of the Commonwealth of Australia.

The term ‘Australian Government’ is used when referring to the Government of, and the decisions and activities made by the Government on behalf of, the Commonwealth of Australia.

Budget Paper No. 3, *Australia’s Federal Relations 2012-13*, is one of a series of Budget Papers that provides information to supplement the Budget Speech. A full list of the series is printed on the inside cover of this paper.

# CONTENTS

<b>Foreword</b> .....	<b>iii</b>
<b>Part 1: Australia's Federal Relations</b> .....	<b>3</b>
Overview .....	3
Major Government reforms and developments .....	5
Reviews relating to Commonwealth-State relations .....	14
Total payments to the States .....	15
<b>Part 2: Payments for Specific Purposes</b> .....	<b>19</b>
Overview of payments .....	19
Health .....	26
Education .....	55
Skills and workforce development .....	69
Community services .....	74
Affordable housing .....	84
Infrastructure .....	90
Environment .....	103
Contingent payments .....	110
Other national partnership payments .....	112
<b>Part 3: General Revenue Assistance</b> .....	<b>119</b>
Overview of payments .....	119
GST entitlement to the States .....	119
Other general revenue assistance .....	127
Mirror tax arrangements .....	129
<b>Part 4: Developments in the Consolidated Non-Financial Public Sector</b> .....	<b>131</b>
Introduction .....	131
Net operating balance .....	132
Fiscal and cash balances .....	133
Net debt .....	135
Net interest payments .....	136
The Australian Loan Council .....	137

<b>Appendix A: Parameters and Further Information .....</b>	<b>141</b>
Population .....	141
Age/gender weighted populations.....	143
School enrolments.....	143
Wage and cost indices .....	143
Data sources .....	143
Further information .....	144
<b>Appendix B: Debt Transactions.....</b>	<b>145</b>
<b>Appendix C: Total Payments to the States by Government Finance Statistics (GFS) Function .....</b>	<b>157</b>
<b>Appendix D: Supplementary Tables.....</b>	<b>163</b>

## LIST OF TABLES

Table 1.1: Commonwealth payments to the States .....	17
Table 1.2: Total Commonwealth payments to the States as a proportion of GDP .....	17
Table 2.1: Total payments for specific purposes by category, 2011-12 to 2015-16.....	22
Table 2.2: Total payments for specific purposes by sector, 2011-12 to 2015-16.....	23
Table 2.3: Total payments for specific purposes by sector and category, 2011-12 to 2015-16 .....	24
Table 2.4: Payments to support state health services .....	26
Table 2.5: Payments to support state education services .....	55
Table 2.6: Payments to support state skills and workforce development related services.....	69
Table 2.7: Payments to support state community services .....	74
Table 2.8: Payments to support state affordable housing services .....	84
Table 2.9: Payments to support state infrastructure services.....	90
Table 2.10: Payments to support state environment services .....	103
Table 2.11: Contingent payments to the States.....	110
Table 2.12: Payments to support other services.....	112
Table 3.1: General revenue assistance .....	119
Table 3.2: General revenue assistance by State .....	119
Table 3.3: Reconciliation of GST revenue estimates since the 2011-12 Budget and 2011-12 MYEFO .....	120
Table 3.4: Policy decisions since MYEFO that affect GST revenue.....	121
Table 3.5: Reconciling GST revenue, GST entitlement and GST payments to the States.....	122
Table 3.6: GST relativities.....	123
Table A: Relative share of expected total Commonwealth payments, 2012-13 .....	124
Table 3.7: Calculation of the GST entitlement pool .....	125
Table 3.8: Distribution of the prior year balancing adjustment.....	125
Table 3.9: Distribution of the GST entitlement pool over budget year and forward estimates .....	126
Table 3.10: Reconciliation of the GST administration budget.....	127
Table 3.11: Other general revenue assistance .....	127
Table 3.12: Mirror taxes accrued on behalf of the States .....	129
Table 4.1: Loan Council Allocation nominations for 2012-13 .....	139
Table A.1: Population by State, at 31 December.....	141
Table A.2: Net overseas migration.....	142

Table A.3: Net interstate migration.....	142
Table A.4: Age/gender weighted population .....	143
Table A.5: School enrolments .....	143
Table A.6: Wage and cost indices.....	143
Table B.1: Summary of advances, interest and repayments, by year and State.....	146
Table C.1: Total payments to the States by GFS function.....	158
Table D.1: General government cash balance by level of government as a percentage of GDP .....	164
Table D.2: Public non-financial corporations sector cash balance by level of government as a percentage of GDP .....	165
Table D.3: Non-Financial Public Sector cash balance by level of government as a percentage of GDP .....	166
Table D.4: General government sector fiscal balance by level of government as a percentage of GDP .....	167
Table D.5: Public non-financial corporations sector fiscal balance by level of government as a percentage of GDP .....	168
Table D.6: Non-financial public sector fiscal balance by level of government as a percentage of GDP .....	169
Table D.7: Gross fixed capital formation by sector .....	170
Table D.8: Net debt by sector (as at end of financial year).....	171
Table D.9: General government sector net financial worth by level of government (as at end of financial year) .....	172
Table D.10: General government sector net worth by level of government (as at end of financial year) .....	172
Table D.11: General government net interest payments by level of government.....	173



## LIST OF CHARTS

Chart 2.1: Composition of payments for specific purposes .....	25
Chart A: GST redistributed as a proportion of the GST payments .....	124
Chart 3.1: State shares of GST entitlement, 2012-13.....	126
Chart 4.1: Consolidated net operating balance by sector .....	132
Chart 4.2: Consolidated fiscal balance by sector .....	133
Chart 4.3: Consolidated cash balance by sector .....	134
Chart 4.4: Consolidated net debt by sector.....	135
Chart 4.5: General government sector net interest payments .....	136



## EXECUTIVE SUMMARY

- Within a tight fiscal environment, the Commonwealth is continuing to work in partnership with the States and Territories to implement broad-ranging reforms driven by the overarching goal of enhancing the wellbeing of all Australians. This is seen in an agenda which currently embraces areas such as healthcare, disabilities, skills, education, Indigenous support in the Northern Territory and the adequacy of Australia's economic and social infrastructure.
- The Commonwealth will continue to invest in healthcare across a range of initiatives including major investments to support the implementation of the *National Health Reform Agreement*, contributions to support mental health and funding for regional areas from the Health and Hospitals Fund.
- As part of this Budget, the Commonwealth will provide funding to the States and Territories to provide treatment for those on public dental waiting lists, forming part of the Commonwealth's dental health package.
- To achieve a highly skilled and productive workforce, the Commonwealth, in partnership with the States and Territories, will be implementing key reforms within the vocational and education training system, to enhance training outcomes.
- The Commonwealth will also continue to provide substantial financial support to the States and Territories for improved outcomes in education. This includes support for new initiatives that will reward quality teachers and school leaders in Australia, increase the capacity of schools to make decisions at a local level, and reward jurisdictions for the achievement of nationally significant reforms.
- The Commonwealth is also continuing its commitment to support Indigenous Australians with the announcement of the Stronger Futures in the Northern Territory initiative. As part of this Budget, substantial funding will be provided over ten years to address significant levels of Indigenous disadvantage and drive fundamental change over a sustained period.
- Continuing to invest in critical infrastructure will remain a key priority in this Budget, with substantial contributions from the Commonwealth to the States and Territories, to enhance Australia's future productivity and prosperity, and spread the benefits of the mining boom into regional Australia. Funding to reward jurisdictions for regulatory reforms and support for communities affected by natural disasters in recent years are also priorities in this Budget.
- In 2012-13, the Commonwealth will provide the States with \$90.4 billion in payments for specific purposes and general revenue assistance. This contribution represents approximately 24.0 per cent of total Commonwealth expenditure.



# PART 1: AUSTRALIA'S FEDERAL RELATIONS

The financial arrangements between the Commonwealth, States and Territories are a cornerstone of the Australian federation. Within a tight fiscal environment, the Commonwealth is continuing to work in partnership with the States and Territories to implement broad-ranging reforms driven by the overarching goal of enhancing the wellbeing of all Australians.

This is seen in an agenda which currently embraces areas such as healthcare, disabilities, skills, education, Indigenous support in the Northern Territory and the adequacy of Australia's economic and social infrastructure. Funding to reward jurisdictions for regulatory reforms and support for communities affected by natural disasters in recent years are also priorities in this Budget.

The States and Territories receive substantial financial support from the Commonwealth through two broad categories of payments. These payments comprise specific purpose payments targeting key service delivery sectors and areas of nationally significant reform, and general revenue assistance including distribution of the Goods and Services Tax.

In 2012-13, the Commonwealth will provide \$90.4 billion in total payments to the States, representing around 24.0 per cent of total Commonwealth expenditure, with around 80 per cent of this funding currently 'untied'.

In 2012, an independent report will be provided to the Commonwealth examining the current basis for distribution of the Goods and Services Tax to the States and Territories.

## OVERVIEW

Commonwealth payments to the States and Territories (the States) are framed by the *Intergovernmental Agreement on Federal Financial Relations* (the Intergovernmental Agreement). In place since 1 January 2009, the Intergovernmental Agreement provides the basis for the Commonwealth to work in partnership with the States to deliver reforms for the benefit of all Australians.

The Government is returning the budget to surplus in 2012-13 and will build growing surpluses over the forward estimates. A return to surplus, ahead of any major advanced economy, sends a strong message to international investors on the Government's commitment to fiscal discipline, and provides a buffer in uncertain global economic times. A return to surplus is also appropriate given domestic economic conditions. The economy is forecast to grow around trend over the next two years, with low unemployment, contained inflation, and record levels of mining investment.

Despite constraints in the current fiscal environment, the Commonwealth will continue to provide substantial funding to the States through both general revenue assistance

and specific purpose payments to assist in the major service delivery sectors, target areas in need of reform, and support delivery of the key social and economic outcomes envisaged under the federal financial relations framework.

Overall, the Commonwealth will provide the States with \$90.4 billion in payments for specific purposes and general revenue assistance in 2012-13. This represents a \$5.8 billion decrease in total financial assistance compared to 2011-12. Total payments to the States as a proportion of Commonwealth expenditure are estimated to be 24.0 per cent in 2012-13.

National Specific Purpose Payments (National SPPs), including National Health Reform equivalent amounts will increase from \$27.9 billion in 2011-12 to \$29.6 billion in 2012-13. This increase, amounting to \$1.8 billion, is provided by the Commonwealth in accordance with the indexation arrangements established under the Intergovernmental Agreement and provides the States with a secure and growing funding base for the delivery of activities across the main service sectors.

General revenue assistance, principally comprising the distribution of the Goods and Services Tax (GST), provides another stable funding base to support the delivery of State services. Notwithstanding that current GST forecasts are below levels projected in last year's Budget, GST is still expected to increase from \$45.6 billion in 2011-12 to \$48.2 billion in 2012-13, an increase of \$2.6 billion.

National Partnership payments are expected to decrease from \$21.6 billion in 2011-12 to \$11.4 billion in 2012-13. This primarily reflects the timing of infrastructure payments, with funding for a number of large infrastructure projects being made available in 2011-12 to assist the States in progressing essential infrastructure projects, thereby supporting future economic growth. Making funding available to the States in 2011-12 increases payments in this year, with a corresponding drop in subsequent years, and results in a more pronounced differential between 2011-12 and 2012-13. Projects affected include the Nation Building Program, the Building Australia Fund and Water for the Future projects. The combined impact of infrastructure payments is over \$5.0 billion.

The reduction in National Partnership payments can also be attributed to the bring-forward of \$1.1 billion in financial assistance grants to support local governments by providing them with additional flexibility and to assist them in responding to the widespread natural disasters and other pressures. Responsibility for the basic community care maintenance and support services component of the *National Partnership on Transitioning Responsibilities for Aged Care and Disability Services* will transition to the Commonwealth for all States excluding Victoria and Western Australia in 2012-13. Given that participating States will no longer be responsible for these payments, this accounts for a \$1.0 billion decrease in payments from 2011-12 to 2012-13.

Expiring National Partnerships account for \$424.3 million, and are attributable to the expiry of completed programs, the majority of which are small-scale agreements and primarily relate to completed infrastructure projects. Part of this funding is attributable to programs that have, or are being, renegotiated, for example Skills Reform and Certain Concessions for Pensioners and Seniors Card Holders. This amount is markedly small in the context of State Government expenditure which is expected to total approximately \$209.0 billion in 2011-12. The remainder of the decrease relates to the winding-down of projects and year-on-year variations of longer-term programs.

In 2008-09, the year in which the federal financial relations framework was introduced, the Commonwealth increased payments to the States by approximately \$7.0 billion over those provided in 2007-08. Since this increase, payments to the States have not fallen below this level and from 2007-08 to 2015-16, total Commonwealth payments are expected to increase at over five per cent per annum on average, after adjusting for the transfer of responsibility for home and community care to the Commonwealth. This growth demonstrates the strong support the Commonwealth is providing for State service delivery and economic and social infrastructure notwithstanding the difficult fiscal environment.

Around 80 per cent of the financial support provided by the Commonwealth to the States is currently 'untied' and therefore can be spent by the States in the manner they choose to support service delivery in key areas of government activity such as health, education and skills, housing, and disabilities. The remaining 20 per cent of funding supports specific projects or reforms that the Commonwealth and States jointly agree should be pursued in the national interests.

The Commonwealth will continue to invest further in healthcare, including reforms under the *National Health Reform Agreement* commencing from 1 July 2012. Following agreement at the Council of Australian Governments (COAG) meeting on 13 April 2012, the Commonwealth will also provide substantial funding to build the skills of Australia's future workforce. This Budget will also see significant developments in education, critical infrastructure and Indigenous support in the Northern Territory. Funding to reward jurisdictions for regulatory reforms and continued provisions for communities affected by natural disasters in recent years will also be provided in this Budget.

In addition, longer term reforms, such as the National Disability Insurance Scheme (NDIS) and schools funding, continue to be progressed through COAG.

## **MAJOR GOVERNMENT REFORMS AND DEVELOPMENTS**

### **Delivering key outcomes in a tight fiscal environment**

Despite Australia's resilience during and in the aftermath of the global financial crisis, Commonwealth revenue is not expected to return to the levels seen before the crisis. Since its pre-crisis level in 2007-08, the tax to GDP ratio fell 3.6 percentage points to

20.1 per cent in 2010-11, the sharpest decline in this ratio since the 1950s. While tax receipts continue to recover from their post-crisis lows, the recovery is weaker than previously expected, and tax receipts remain well below the unsustainable peaks reached in the period leading up to the crisis.

Continued weakness in capital gains receipts, lower than expected company tax collections relating to the 2010-11 income year, and softening retail trade have resulted in a write-down to tax receipts estimates of \$6.1 billion in 2012-13 compared with expectations at the 2011-12 Mid-Year Economic and Fiscal Outlook. Tax receipts are projected to reach 22.9 per cent of GDP in 2015-16. This is around 1 percentage point below the levels reached in the mid-2000s.

GST paid to the States is also forecast to be lower than previous estimates. GST expected to be paid to the States in 2012-13 has been revised down by 5.6 per cent since the 2011-12 Mid-Year Economic and Fiscal Outlook as a result of continued wide-spread caution amongst consumers in the aftermath of the global recession. Further pressures on GST have resulted from households allocating more of their consumption towards goods and services not subject to GST such as education, rent, health and food. Despite these lower forecasts, from 2011-12 onwards, GST is estimated to grow by 5.7 per cent in 2012-13, with average expected growth of around 5.2 per cent over the forward estimates.

### **Implementing key health reforms**

In this Budget, the Commonwealth will continue to invest in healthcare across a range of initiatives aimed at improving the quality of life and wellbeing of all Australians in urban, regional and remote areas of the community.

From 2012-13 and across the forward estimates, States are expected to receive \$67.9 billion in payments to support service delivery, reforms and projects in the healthcare sector.

Major investments include the implementation of the *National Health Reform Agreement*, funding to support mental health, improvements in public dental health, and further funding in regional areas from the Health and Hospitals Fund.

### **National Health Reform**

The reforms under the *National Health Reform Agreement*, as agreed by COAG in August 2011, will commence from 1 July 2012. The new arrangements will deliver major reforms to the funding and delivery of health and hospital services, including for older Australians, by delivering better access to services, improved local accountability and transparency, and a stronger financial basis for the Australian health system through increased Commonwealth funding.



## National Health Reform funding

The Commonwealth is committed to providing a strong financial basis for Australia's health system into the future. From 1 July 2012, the Commonwealth will provide National Health Reform funding to meet its increased responsibilities under the *National Health Reform Agreement*. This funding will replace the National Healthcare SPP and will comprise two elements: base funding equivalent to the current National Healthcare SPP; and efficient growth funding to be provided from 1 July 2014.

A national approach to activity based funding (ABF) will make public hospital funding more transparent, and help to drive efficiency in the delivery of hospital services. Through ABF, public hospitals will be funded according to the numbers and types of services they provide. As hospital activity grows and the efficient price changes, the Commonwealth will fund 45 per cent of efficient growth from 1 July 2014, increasing to 50 per cent from 1 July 2017. These arrangements address a fundamental structural problem in hospital funding where the costs of delivering services have been rising faster than the States can raise money to pay for them.

The national efficient price, which will be used in the calculation of efficient growth, will be determined annually by the Independent Hospital Pricing Authority. The Commonwealth has guaranteed that its increased contribution for efficient growth will be at least \$16.4 billion greater than the States would have received from the National Healthcare SPP between 2014-15 and 2019-20. If the amount required to fund the Commonwealth's hospital growth commitments is less than \$16.4 billion based on activity levels, the residual amount will be paid to fund health services that will reduce the growth in demand for hospital services.

## National Health Funding Pool

To improve the transparency of public hospital funding, the Commonwealth and the States will each contribute public hospital funding into a single National Health Funding Pool from 1 July 2012. A National Health Funding Pool Administrator will be established by the Commonwealth and the States, and will report on Commonwealth and State funding flowing through the National Health Funding Pool and the services delivered by this funding.

Contributions for ABF services made into the National Health Funding Pool will be disbursed directly to Local Hospital Networks in accordance with levels of hospital activity.

To implement the new funding arrangements by 1 July 2012, the Commonwealth and each State and Territory will pass legislation to establish the Administrator. The Commonwealth's legislation, including amendments to the *Federal Financial Relations Act 2009* to facilitate the new payment arrangements under the *National Health Reform Agreement*, is currently before the Australian Parliament.

## Changing roles and responsibilities for aged care and disabilities

Consistent with the *National Health Reform Agreement*, and the *National Partnership on Transitioning Responsibilities for Aged Care and Disability Services*, the Commonwealth will take full policy and funding responsibility for a unified aged care system, and for funding specialist disability services delivered by the States for people aged 65 years and over (50 years and over for Indigenous Australians). As a result of these changes, funding for the Home and Community Care (HACC) program will be paid through Commonwealth Own Purpose Expenses from 1 July 2012 rather than as a payment to the States. The States will be responsible for specialist disability services provided to younger people and for funding services delivered to younger people through Commonwealth aged care programs. These changes do not apply to Victoria and Western Australia, where basic community care services will continue to be jointly funded by the Commonwealth and the States under the HACC program.

Under the new arrangements, the Commonwealth will ensure that changes to roles and responsibilities for the provision of aged care and disability services remain budget neutral for all participating jurisdictions over the period 2011-12 to 2013-14. To achieve this budget neutrality, an adjustment is being made to the National Disability SPP. Estimates for this adjustment are detailed in Part 2 of this Budget Paper.

On 20 April 2012, the Commonwealth also announced a comprehensive, \$3.7 billion *Living Longer. Living Better* package to build a better, fairer, more sustainable and nationally consistent aged care system. This includes the establishment of a national Commonwealth Home Support Program from 1 July 2015, which will bring together under the one program, services currently providing basic home support for older people, including existing HACC services (except in Victoria and Western Australia) and a range of other Commonwealth programs.

## Mental health

Investing in programs to assist those affected by mental health issues remains a key priority for the Commonwealth. Up to \$200.0 million will be provided by the Commonwealth from 2011-12 to 2015-16 to fund a new *National Partnership on Supporting National Mental Health Reform*. This National Partnership, agreed by COAG on 13 April 2012, will address service gaps in the mental health system and deliver improved health, social, economic and housing outcomes for people with severe and persistent mental illness.

The Commonwealth will also invest \$228.8 million from 2012-13 to 2015-16 towards the expansion of the Early Psychosis Prevention and Intervention Centre model. Under this program, up to 16 new centres will be established across Australia. The new centres will provide an integrated and comprehensive psychiatric service to help address the needs of young people aged 15-24 with emerging psychotic disorders.

## **Improvements in public dental health**

Dental health is an important part of general health. Dental health varies across the population according to income. For some people, the potentially significant cost of dental treatment limits, or even prevents, access to services.

In this Budget, the Commonwealth will make a significant financial contribution to improve public dental health services, through the provision of \$345.9 million over three years from 2012-13 to 2014-15. This funding will provide treatment for those on public dental waiting lists in the States, including ensuring support for Indigenous Australians. This is part of the Commonwealth's \$515.3 million dental health package, which also includes funding for an expansion of the voluntary dental graduate year program, a new oral health therapist graduate year program, rural and remote relocation grants for dentists, funding for national health promotion activities, and support for the delivery of *pro bono* dental services. Commonwealth funding to the States will be provided through a new National Partnership.

The Government will redirect currently unallocated Commonwealth Dental Health Program funding towards this Budget's dental health package. This funding was intended to replace the Chronic Disease Dental Scheme (CDDS) but has been redirected to boost dental services before the CDDS is closed and any new scheme commences. It still remains Government policy to close the CDDS.

## **Health and Hospitals Fund round four: 2011 Regional Priority Round**

As part of the \$475.0 million 2011 Regional Priority Round of the Health and Hospitals Fund, the Commonwealth will provide funding of \$251.5 million to the States over six years from 2012-13. This forms part of the Commonwealth's \$1.8 billion commitment for a Regional Priority Round under the Health and Hospitals Fund.

Through this initiative, the Commonwealth will continue to work in partnership with the States to expand and modernise key health infrastructure, including hospitals, across Australia to improve health care. This will improve health services across a range of areas including acute care, primary care, e-Health, integrated health facilities, Indigenous health and workforce and training.

## **Investing in skills and education**

Continuing to invest in skills and education will be instrumental in increasing the productive capacity of the nation and supporting sustained economic growth for the future. From 2012-13 to 2015-16, the States are expected to receive \$65.8 billion in payments to support projects and service delivery in the skills and education sectors. This significant contribution will be used to increase productivity in Australia and enhance the nation's future workforce in order to deliver a high-skill, high-wage economy.

The Commonwealth has undertaken a *Review of Funding for Schooling* (the Gonski Review) with the objectives of improving school performance and ensuring equity in

resourcing. COAG discussed the Gonski Review at its meeting on 13 April 2012 and invited the participation of the States in developing advice for COAG on options for funding reform.

### **Skills reform**

To achieve a highly skilled and productive workforce, the Commonwealth, in partnership with the States, will be implementing key reforms to the vocational education and training (VET) sector through a new *National Partnership on Skills Reform*. The Commonwealth has committed funding of \$1.7 billion over five years to achieve higher quality training and increased transparency of information to students, employers and governments, enhanced access to training opportunities, and improved efficiency and responsiveness of the VET system.

States will receive funding under this initiative through payments linked to structural reforms and training outcomes to enable all working-age Australians to develop the skills and qualifications needed to participate effectively in the labour market.

Additionally, at its meeting on 13 April 2012, COAG agreed to a revised *National Agreement for Skills and Workforce Development* which outlines the long-term objectives and targets that underpin skills reform and reaffirms the commitment of all Governments to work in partnership to ensure the skills of Australian workers are developed and utilised in the economy.

The revised National Agreement will contribute to increasing the skill level of the working age population to meet the changing needs of the economy. This will provide all working age Australians with the opportunity to develop skills, ensure that training delivers the skills needed for improved economic participation, and meet the needs of Australian industry.

The revised National Agreement also commits all Governments to reforms aimed at creating an accessible, responsive and equitable national training system that provides all working age Australians with the opportunity to develop the skills needed to participate effectively in the labour market.

### **Education**

In this Budget, the Commonwealth is investing \$29.6 billion in education in 2012-13, an increase of \$312.8 million compared to 2011-12. This includes funding of \$13.9 billion in payments to the States.

As part of this contribution, funding is expected to be provided under a new *National Partnership on Rewards for Great Teachers* to reward quality teachers and school leaders in Australia. This initiative will be implemented through a reward-type payment scheme linked to the National Professional Standards for Teachers, to improve the quality and effectiveness of all teachers by ensuring they have access to constructive performance and development processes, which as a result, contribute to improved

learning outcomes for students. Funding of \$1.1 billion will be provided to both government and non-government schools from 2011-12 to 2018-19 under the National Partnership to be negotiated with the States.

In addition, a new *National Partnership on Empowering Local Schools* has been agreed between the Commonwealth and the States. Through this National Partnership, the Commonwealth will provide funding towards increasing the capacity of both government and non-government schools to make decisions at a local level. This will enable schools to respond better to local school community needs and provide services designed to deliver the best possible education.

The Commonwealth will also provide substantial reward payments to the States in recognition of nationally significant reforms achieved through the Smarter Schools package. Under this package, the Commonwealth will provide inaugural reward payments under the *National Partnership on Improving Teacher Quality* in two instalments totalling up to \$350.0 million over two years from 2011-12 to 2012-13. These payments will be provided to the States as a financial reward for achieving key reforms focused on improving the quality of teachers, principals and school leaders, and rewarding excellence in teaching.

As part of this package, the Commonwealth will also provide up to \$211.5 million in 2011-12 for the second and final reward payment instalment under the *National Partnership on Literacy and Numeracy*. Implementation of this initiative over the last four years has focused on key areas of teaching, leadership and the effective use of student performance information to deliver sustained improvement in literacy and numeracy outcomes for students, particularly those most in need.

### **Stronger Futures in the Northern Territory**

In this Budget, the Australian Government is continuing its commitment to Closing the Gap in the Northern Territory by providing a ten-year, Stronger Futures in the Northern Territory package that will invest around \$3.4 billion to address significant levels of Indigenous disadvantage.

This commitment contributes to building quality education, improving health and wellbeing, supporting children, youth and families in their communities, providing decent housing and keeping communities safe. This commitment also builds upon several measures announced in the *2011-12 Mid-Year Economic and Fiscal Outlook* to help get children to school, tackle alcohol abuse, improve food security and increase job opportunities.

The ten-year funding package, combined with the proposed supporting legislation that is currently before the Australian Parliament, will drive fundamental change over a sustained period. The legislation will repeal the *Northern Territory National Emergency Response Act 2007*. A new National Partnership to support this initiative is currently being negotiated with the Northern Territory Government.

Funding for 2012-13 is reported in this Budget, with future funding to be held in the contingency reserve, and subject to negotiations with the Northern Territory.

The Commonwealth is also continuing to provide funding for a range of other specific Indigenous reforms, including in the areas of healthcare, education, skills and infrastructure. Further details of Indigenous funding provided to the States are provided in Part 2 of this Budget Paper.

## **Infrastructure**

The Commonwealth is continuing to invest in critical infrastructure by contributing a total of \$16.4 billion over four years from 2012-13 in payments to the States to enhance Australia's future productivity and prosperity.

Following the passage of the Minerals Resources Rent Tax (MRRT) legislation, the Commonwealth remains committed to providing \$6.0 billion in regional infrastructure investment under the Regional Infrastructure Fund (RIF) that will spread the benefits of the mining boom into regional Australia. The Commonwealth will ensure that RIF funding to the States will have regard to their share of total mining production over time.

The RIF will be delivered in three streams. Stream 1 will provide funding to support projects committed to in the 2010 election. Stream 2 will provide funding over nine years to support ongoing investment in economic infrastructure. Funding under Stream 3 will be provided through the Regional Development Australia Fund for local projects identified by Regional Development Australia committees. This funding is now reported under the Department of Regional Australia, Local Government, Arts and Sport portfolio.

Investing in national transport infrastructure plays a critical role in uniting the nation by enabling increased accessibility of urban centres to areas of regional and remote Australia. Reflecting this initiative, the Commonwealth is investing \$13.8 billion from 2012-13 to 2015-16 for infrastructure projects through the Nation Building Program and the Building Australia Fund. Continued investment in these initiatives will not only fund road and rail projects but will assist economic and social development at regional and national levels by providing funding to improve the performance of existing land transport infrastructure.

In this Budget, the Commonwealth is making \$3.6 billion available as part of the Investment component of the Nation Building Program to complete the duplication of the Pacific Highway by 2016. This funding represents 50 per cent of the total funding required and is conditional upon the New South Wales Government agreeing to meet the remaining 50 per cent of the costs.

Further, the Commonwealth is providing \$232.1 million in 2015-16 to fund 50 per cent of the Torrens and Goodwood Junctions project in South Australia from the Building

Australia Fund. This project will ease congestion on Adelaide's suburban rail network and on the East-West freight network.

### **Deregulation reforms to deliver a seamless national economy**

The Commonwealth will provide the first instalment of reward payments under the *National Partnership to Deliver a Seamless National Economy* in 2011-12. These payments, totalling up to \$200.0 million, will reward those jurisdictions that have delivered upon the objectives of the reform by reducing the level of unnecessary and inconsistent regulation and delivering agreed COAG deregulation priorities across a wide variety of areas including consumer law, environmental assessments and product safety regulation.

Potential reward payments to be delivered to jurisdictions for achieving these reforms total up to \$450 million and will be distributed in accordance with the National Partnership, with the second instalment to be delivered in 2012-13.

Reducing the impact of regulation to lower costs for business and improve competition and productivity remains a Government priority and was discussed at COAG's meeting on 13 April 2012, and ahead of that, at a meeting with the Business Advisory Forum. COAG agreed to progress six priority areas for major reform to lower costs for business and improve competition and productivity.

### **Providing continued support to communities affected by natural disasters**

In recent years, Australia has witnessed the considerable impact on communities of severe natural disasters. This Budget again reflects the substantial commitment the Commonwealth makes to providing ongoing support to affected communities that have dealt, and continue to deal with, the devastating impact of these disasters.

In 2012-13, the Commonwealth will continue to provide substantial funding to the States under the Natural Disaster Relief and Recovery Arrangements (NDRRA) to support the rebuilding of communities affected by natural disasters.

### **National Disability Insurance Scheme**

The Government has committed \$1.0 billion over four years for the first stage of a National Disability Insurance Scheme (NDIS). This is an historic undertaking which will involve fundamental changes to the way disability care and support is provided in Australia. An NDIS will ensure that Australians with severe and permanent disability have access to the services they need to fulfil their goals for social and economic participation.

From mid-2013, assessments will begin in launch locations to provide an initial 10,000 individuals who suffer significant and permanent disability, with reasonable and necessary care and support. This will be expanded to 20,000 participants from



2014-15. This first stage will test key design features and inform the scale and pace of the expansion to a full scheme.

Governments have been working together to build the foundations for an NDIS, with its development being led by COAG. At its meeting on 13 April 2012, COAG reaffirmed its commitment to an NDIS, recognising the growing need to support the most needy and vulnerable people in the community.

Currently, the States have primary responsibility for funding and delivering disability services. Approximately 70 per cent of disability care and support services are funded by State Governments. To develop a national scheme, it is recognised that the level and share of Commonwealth funding will need to increase.

The Commonwealth Government is committed to working in partnership with the States in designing, funding and implementing the first stage of the scheme. Following this Budget announcement, the Government will commence discussions with the States to determine the launch locations.

## **REVIEWS RELATING TO COMMONWEALTH-STATE RELATIONS**

Several reviews have been completed, or are being implemented, to bolster the reform agenda and strengthen federal financial relations.

### **Review of the distribution of the GST**

On 30 March 2011, the Commonwealth announced a review of the basis on which GST is distributed to the States. The Review, being conducted by the Hon Nick Greiner AC, the Hon John Brumby and Mr Bruce Carter, seeks to ensure that the future basis for GST distribution ensures that Australia is best placed to deal with the long term economic, environmental, demographic and social challenges that are transforming our economy.

The Review will examine whether improvements to the current form of horizontal fiscal equalisation, which determines the distribution of GST revenue to the States, can be identified to improve the efficiency, equity, simplicity and predictability of the current arrangements in light of these challenges.

The Review's interim report was released on 23 April 2012 and outlines the Review Panel's current thinking on proposals, seeking further submissions from the States and other interested parties on the information and concepts outlined in this report.

A second interim report on issues relating to state taxes and mineral royalties is due to be released in mid-2012. The Review's final report will be provided to the Treasurer later in 2012 and will be considered by COAG, with a final decision to be made on the new arrangements before the end of 2013.



## **Implementation of the Heads of Treasuries review of National Agreements, National Partnerships, and Implementation Plans under the Intergovernmental Agreement**

In 2010, Heads of Treasuries, in consultation with Senior Officials, undertook a review of agreements under the federal financial relations framework. The review focused on the consistency of agreements with the Intergovernmental Agreement, and their effectiveness in enabling the achievement of the policy objectives agreed by COAG. The review was endorsed by COAG at its February 2011 meeting.

Implementation of the review occurred primarily in 2011. As part of this, the performance reporting frameworks in each of the six overarching National Agreements that cover the major service sectors have been reviewed to ensure that progress in the respective areas can be appropriately measured and clearly understood. Remaining reviews are expected to be completed in 2012.

Further details on the federal financial relations framework are available online at: [www.federalfinancialrelations.gov.au](http://www.federalfinancialrelations.gov.au).

## **Australia's Future Tax System Review and the Tax Forum**

In early October 2011, the Commonwealth hosted a Tax Forum to continue the debate started by the release of the Australia's Future Tax System Review, bringing together community, business, union and government representatives, academics and other tax experts, to discuss priorities and directions for further tax reform.

At the Tax Forum, the Treasurer of New South Wales, the Hon Mike Baird, and the then Treasurer of Queensland, the Hon Andrew Fraser, agreed to work with the Council for the Australian Federation to develop a state tax reform plan, for further discussion with the Commonwealth. This work is continuing, with the Treasurer of South Australia, the Hon Jack Snelling, participating following the recent Queensland election.

## **TOTAL PAYMENTS TO THE STATES**

The Commonwealth is committed to the provision of ongoing financial support to the States' service delivery efforts, through two broad categories of payments – payments for specific purposes and general revenue assistance, including the distribution of GST.

The States receive significant financial support from the Commonwealth. In 2012-13, the Commonwealth will provide the States with payments totalling \$90.4 billion, comprising payments for specific purposes of \$41.0 billion and general revenue assistance of \$49.4 billion, as shown in Table 1.1. This represents a \$5.8 billion decrease in total financial assistance compared to 2011-12. Total payments to the States as a proportion of Commonwealth expenditure are estimated to be 24.0 per cent in 2012-13.

As part of this Budget, the Commonwealth will provide substantial support to the States including:

- \$345.9 million to improve dental health outcomes for Australians;
- \$251.5 million allocated for round four of the Health and Hospitals Fund: 2011 Regional Priority Round; and
- \$129.1 million in 2012-13, as part of the Stronger Futures in the Northern Territory package that will total around \$3.4 billion over ten years.

### **Payments for specific purposes**

In 2012-13, the Commonwealth will provide the States with \$41.0 billion in payments for specific purposes, a decrease of \$8.5 billion compared with the \$49.4 billion the States will receive in 2011-12. National SPPs and National Health Reform funding will total \$29.6 billion in 2012-13, representing a \$1.8 billion increase in National SPPs from 2011-12, with the remaining \$11.4 billion to be distributed through National Partnership payments. Payments for specific purposes as a proportion of Commonwealth expenditure are estimated to be 10.9 per cent in 2012-13.

Part 2 of this Budget Paper provides further information on payments for specific purposes to the States.

### **General revenue assistance**

In 2012-13, the States will receive \$49.4 billion in general revenue assistance, comprising GST payments of \$48.2 billion and \$1.2 billion in other general revenue assistance. This is an increase of \$2.7 billion compared with the \$46.7 billion the States are expected to receive in total general revenue assistance in 2011-12. Payments for general revenue assistance as a proportion of Commonwealth expenditure are estimated to be 13.1 per cent in 2012-13.

Part 3 of this Budget Paper provides further information on GST and other general revenue assistance to the States.

**Table 1.1: Commonwealth payments to the States**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2011-12</b>									
Payments for specific purposes	15,117	11,081	10,796	5,028	4,222	1,202	709	1,253	49,442
General revenue assistance	14,155	10,298	8,601	3,495	4,239	1,643	861	2,494	46,714
Total payments to the States	29,272	21,380	19,396	8,523	8,461	2,845	1,570	3,747	96,156
<b>2012-13</b>									
Payments for specific purposes	12,551	9,872	8,394	4,526	3,136	977	598	894	40,989
General revenue assistance	14,845	11,097	9,667	2,873	4,512	1,704	975	2,714	49,381
Total payments to the States	27,396	20,970	18,060	7,399	7,648	2,682	1,573	3,608	90,370
<b>2013-14</b>									
Payments for specific purposes	13,355	11,136	9,029	4,968	2,993	974	687	670	44,379
General revenue assistance	15,866	11,401	11,194	2,173	4,782	1,720	1,027	2,912	52,039
Total payments to the States	29,221	22,537	20,224	7,141	7,776	2,694	1,714	3,582	96,418
<b>2014-15</b>									
Payments for specific purposes	13,178	10,837	8,801	4,659	3,004	954	767	612	44,187
General revenue assistance	16,730	11,836	12,274	1,731	5,104	1,771	1,108	3,123	54,632
Total payments to the States	29,908	22,674	21,075	6,390	8,108	2,725	1,875	3,734	98,819
<b>2015-16</b>									
Payments for specific purposes	13,834	11,365	9,376	4,898	3,453	1,059	779	659	47,273
General revenue assistance	17,502	12,460	12,872	1,913	5,306	1,832	1,159	3,214	57,214
Total payments to the States	31,337	23,825	22,248	6,811	8,759	2,891	1,938	3,873	104,487

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for a small number of payments, which are not reflected in State totals.

For 2012-13, total payments to the States as a proportion of GDP are estimated to be 5.8 per cent. Payments for specific purposes are estimated to average 2.6 per cent and general revenue assistance is estimated to average 3.2 per cent as a proportion of GDP over this period.

**Table 1.2: Total Commonwealth payments to the States as a proportion of GDP**

\$million	National SPPs	National Health Reform funding	National Partnership payments (a)	GST entitlement	Other general assistance	Total	Change from previous year	Per cent of GDP
2011-12	27,852	-	21,590	45,600	1,114	96,156	-	6.5
2012-13	16,105	13,518	11,365	48,200	1,181	90,370	-6.0	5.8
2013-14	17,160	14,383	12,836	50,900	1,139	96,418	6.7	5.9
2014-15	18,325	15,944	9,918	53,500	1,132	98,819	2.5	5.8
2015-16	19,561	17,639	10,072	56,075	1,139	104,487	5.7	5.8

(a) Includes financial assistance grants for local government and payments direct to local government.



## PART 2: PAYMENTS FOR SPECIFIC PURPOSES

The Commonwealth provides substantial financial support to the States to assist in specific state services through National Specific Purpose Payments, National Partnership payments and, from 1 July 2012, National Health Reform payments. This Part provides an outline of these payments across the forward estimates.

### OVERVIEW OF PAYMENTS

The Commonwealth provides payments to the States for specific purposes to pursue important national policy objectives in areas administered by the States. These payments cover most functional areas of state and local government activity including: health; education; skills and workforce development; community services; housing; Indigenous reform; infrastructure; and environment.

The Commonwealth provides the following types of specific purpose payments to the States:

- National Specific Purpose Payments (National SPPs) in respect of key service delivery sectors;
- National Health Reform funding from 1 July 2012; and
- National Partnership payments – facilitation payments, project payments and reward payments.

The *Intergovernmental Agreement on Federal Financial Relations* (Intergovernmental Agreement) provides that all payments for National SPPs and National Partnerships will be paid by the Commonwealth Treasury to each State Treasury on the 7<sup>th</sup> day of each month.

From 1 July 2012, a new national funding pool will be established into which the Commonwealth will provide National Health Reform funding as its contribution to public hospital services under the National Health Reform arrangements. Funding within the national funding pool will be administered by a National Administrator through an independent and jointly governed national funding body distinct from Commonwealth and State departments. Further detail on the new National Health Reform arrangements is set out in Part 1 of this Budget Paper.

## **National SPPs**

The Commonwealth supports the States' efforts in delivering services in the major service delivery sectors through National SPPs. The Commonwealth currently makes payments under five National SPPs:

- National Healthcare SPP;
- National Schools SPP;
- National Skills and Workforce Development SPP;
- National Disability Services SPP; and
- National Affordable Housing SPP.

The States are required to spend each National SPP in the relevant sector.

The Intergovernmental Agreement specifies that each National SPP is ongoing and will be indexed on 1 July 2010 and each year thereafter by a growth factor that is specified in the Intergovernmental Agreement.

Payments made throughout the year for National SPPs are made in advance, based on Commonwealth estimates of the growth factors. A balancing adjustment is made after the end of the financial year once outcome data become available.

The National SPPs are distributed among the States in accordance with population shares based on the Australian Statistician's determination of States' population shares as at 31 December of that year. In recognition that an immediate shift to equal per capita shares may have implications for State allocations, an equal per capita distribution is being phased in over five years from 2009-10.

In the case of the government schools component of the National Schools SPP, the relevant population is each State's share of full-time equivalent student enrolments in government schools.

From 1 July 2012, the National Healthcare SPP will be replaced by National Health Reform funding which will comprise base funding equivalent to the National Healthcare SPP and, from 1 July 2014, efficient growth funding.

Further details of the new National Health Reform arrangements are set out in Part 1 of this Budget Paper.

## **National Partnership payments**

The Commonwealth recognises the need to support the States to undertake priority national reforms or collaborative projects.

Under the Intergovernmental Agreement, National Partnership payments to the States are the key vehicle to support the delivery of specified projects, facilitate reforms, or reward those jurisdictions that deliver on nationally significant reforms.

There are three types of National Partnership payments: project; facilitation; and reward.

National Partnership project payments are a financial contribution to the States to deliver specific projects, including to improve the quality or quantity of service delivery, or projects which support national objectives. To the fullest extent possible, project payments are aligned with the achievement of project milestones and are made after the States have achieved the outcomes or outputs specified in the relevant National Partnership.

When a reform is agreed as a national priority, National Partnership facilitation payments may be paid in advance of the States implementing reforms, in recognition of the administrative and other costs associated with undertaking reform.

National Partnership reward payments can be used to reward those States that deliver on nationally significant reform or continuous improvement in service delivery. National Partnership agreements with reward payments set out clear, mutually agreed and ambitious performance benchmarks that encourage the achievement of reforms or continuous improvement in service delivery.

For reward payments, the COAG Reform Council assesses and publicly reports on the achievement of agreed performance benchmarks. The Commonwealth considers the COAG Reform Council assessments when determining reward payments to the States.

National Partnerships are typically entered into for a fixed period of time, reflecting the nature of the project or reform involved.

Some payments for specific purposes under the previous federal financial arrangements have become National Partnership project payments.

National Partnership agreements are publicly available at:  
[www.federalfinancialrelations.gov.au](http://www.federalfinancialrelations.gov.au)

### **Total payments for specific purposes**

In 2012-13, payments for specific purposes are estimated to total \$41.0 billion, down from \$49.4 billion in 2011-12 (a decrease of 17.1 per cent). Total payments to the States for specific purposes constitute a significant proportion of Commonwealth expenditure and are estimated to represent 10.9 per cent of total Commonwealth expenditure in 2012-13.

Total payments for specific purposes, including National SPPs and National Partnership payments are shown in Table 2.1.

**Table 2.1: Total payments for specific purposes by category, 2011-12 to 2015-16**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2011-12</b>									
National Specific Purpose									
Payments	8,970	6,812	5,623	2,858	2,138	634	446	372	27,852
National Health Reform funding	-	-	-	-	-	-	-	-	-
National Partnership payments(b)	6,148	4,270	5,173	2,169	2,084	568	263	881	21,590
Total payments for specific purposes	15,117	11,081	10,796	5,028	4,222	1,202	709	1,253	49,442
<b>2012-13</b>									
National Specific Purpose									
Payments	5,080	3,961	3,309	1,671	1,215	370	282	218	16,105
National Health Reform funding	4,381	3,322	2,724	1,407	1,028	298	204	153	13,518
National Partnership payments(b)	3,090	2,589	2,361	1,448	893	308	112	523	11,365
Total payments for specific purposes	12,551	9,872	8,394	4,526	3,136	977	598	894	40,989
<b>2013-14</b>									
National Specific Purpose									
Payments	5,348	4,240	3,585	1,817	1,264	383	300	224	17,160
National Health Reform funding	4,608	3,584	2,929	1,522	1,041	319	234	146	14,383
National Partnership payments(b)	3,399	3,312	2,515	1,629	688	272	154	301	12,836
Total payments for specific purposes	13,355	11,136	9,029	4,968	2,993	974	687	670	44,379
<b>2014-15</b>									
National Specific Purpose									
Payments	5,673	4,538	3,866	1,960	1,339	403	319	227	18,325
National Health Reform funding	5,080	3,961	3,268	1,691	1,157	349	268	170	15,944
National Partnership payments(b)	2,426	2,338	1,667	1,008	508	202	179	215	9,918
Total payments for specific purposes	13,178	10,837	8,801	4,659	3,004	954	767	612	44,187
<b>2015-16</b>									
National Specific Purpose									
Payments	6,037	4,842	4,130	2,114	1,427	427	342	242	19,561
National Health Reform funding	5,590	4,373	3,635	1,876	1,282	382	306	195	17,639
National Partnership payments(b)	2,208	2,150	1,610	908	744	250	131	221	10,072
Total payments for specific purposes	13,834	11,365	9,376	4,898	3,453	1,059	779	659	47,273

(a) State allocations are not yet finalised for several National Partnership payments; unallocated payments are not included in State totals.

(b) Includes financial assistance grants for local government.



Total payments for specific purposes by sector, including National SPPs and National Partnership payments, are shown in Table 2.2.

**Table 2.2: Total payments for specific purposes by sector, 2011-12 to 2015-16**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
Health	15,403	15,460	16,469	17,285	18,730
Education	13,778	13,851	13,636	14,744	16,360
Skills and workforce development	1,890	1,706	1,766	1,857	1,848
Community Services	3,268	2,224	2,291	1,840	1,930
Affordable Housing	2,387	1,793	1,864	1,798	1,705
Infrastructure	7,691	3,659	5,359	3,671	3,672
Environment	922	572	340	326	304
Contingent	828	114	106	41	1
Other(a)	3,274	1,610	2,547	2,625	2,723
<b>Total payments for specific purposes</b>	<b>49,442</b>	<b>40,989</b>	<b>44,379</b>	<b>44,187</b>	<b>47,273</b>

(a) Includes financial assistance grants for local government.

Total payments for specific purposes by sector and category, including National SPPs and National Partnership payments, are shown in Table 2.3.

**Table 2.3: Total payments for specific purposes by sector and category, 2011-12 to 2015-16**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<i>Health</i>					
National Healthcare SPP	12,698	-	-	-	-
National Health Reform funding	-	13,518	14,383	15,944	17,639
National Partnerships	2,705	1,941	2,086	1,341	1,090
<b>Total health payments</b>	<b>15,403</b>	<b>15,460</b>	<b>16,469</b>	<b>17,285</b>	<b>18,730</b>
<i>Education</i>					
National Schools SPP	11,344	12,188	13,125	14,161	15,269
National Partnerships	2,435	1,664	512	583	1,090
<b>Total education payments</b>	<b>13,778</b>	<b>13,851</b>	<b>13,636</b>	<b>14,744</b>	<b>16,360</b>
<i>Skills and workforce development</i>					
National Skills and Workforce Development SPP	1,363	1,389	1,415	1,443	1,471
National Partnerships	527	317	351	415	377
<b>Total Skills and workforce development payments</b>	<b>1,890</b>	<b>1,706</b>	<b>1,766</b>	<b>1,857</b>	<b>1,848</b>
<i>Community services</i>					
National Disability SPP(a)	1,205	1,264	1,332	1,410	1,484
National Partnerships	2,063	960	959	430	446
<b>Total community services payments</b>	<b>3,268</b>	<b>2,224</b>	<b>2,291</b>	<b>1,840</b>	<b>1,930</b>
<i>Affordable housing</i>					
National Affordable Housing SPP	1,243	1,265	1,288	1,312	1,337
National Partnerships	1,144	528	576	486	368
<b>Total affordable housing payments</b>	<b>2,387</b>	<b>1,793</b>	<b>1,864</b>	<b>1,798</b>	<b>1,705</b>
<i>Infrastructure</i>					
National Partnerships	7,691	3,659	5,359	3,671	3,672
<i>Environment</i>					
National Partnerships	922	572	340	326	304
<i>Contingent payments</i>					
National Partnerships	828	114	106	41	1
<i>Other</i>					
National Partnerships(b)	3,274	1,610	2,547	2,625	2,723
<b>Total payments for specific purposes</b>	<b>49,442</b>	<b>40,989</b>	<b>44,379</b>	<b>44,187</b>	<b>47,273</b>

(a) Includes adjustment to the National Disability SPP to achieve budget neutrality under National Health Reform (see footnote to Table 2.7 in this Part for details).

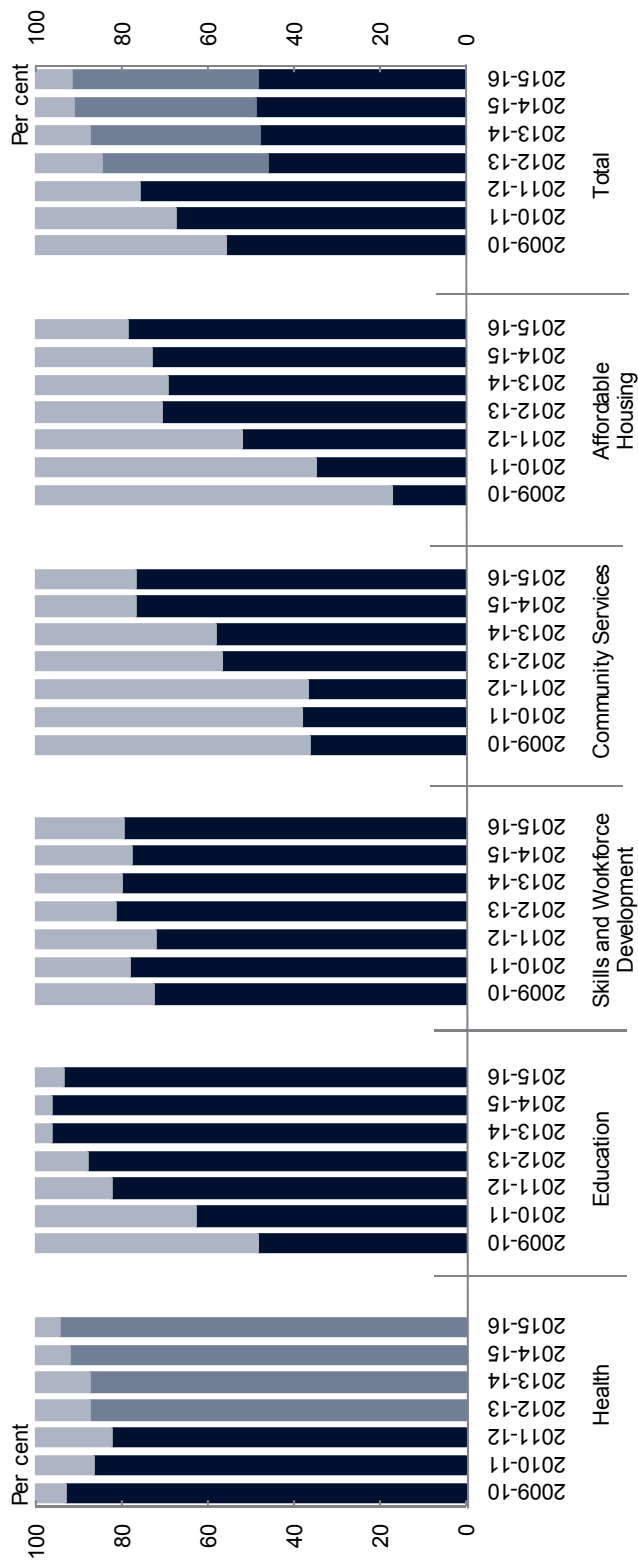
(b) Includes financial assistance grants for local government.

Further information on these payments is in this Part. Total payments for specific purposes categorised by Government Finance Statistics function are set out in Appendix C.

### Categories of payments for specific purposes

Chart 2.1 shows the breakdown of payments for specific purposes by category. It illustrates that National SPPs (and National Health Reform funding) are becoming the primary source of specific purpose funding to the States.

Chart 2.1: Composition of payments for specific purposes<sup>(a)(b)</sup>



(a) Infrastructure, Environment, Contingent, Other and Local government payments are provided solely through National Partnership payments and are not included in Chart 2.1.  
 (b) Information for 2009-10 and 2010-11 is taken from the Final Budget Outcomes.

## HEALTH

In 2012-13, the Commonwealth will provide funding of \$15.5 billion to support state health services.

Under the National Health Reform arrangements, the National Healthcare SPP will be replaced by National Health Reform funding from 1 July 2012.

Table 2.4 provides information on payments to support state health services, including additional investments and reforms under the National Health Reform arrangements.

**Table 2.4: Payments to support state health services**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Healthcare SPP</b>	12,697.8	-	-	-	-
<b>National Health Reform funding</b>	-	13,518.2	14,383.0	15,943.6	17,639.2
<b>National Partnership payments</b>					
National Health Reform	880.6	663.9	803.2	99.5	99.5
Health infrastructure	970.2	566.8	434.7	395.6	504.1
Health services	101.7	44.9	50.2	48.4	49.9
Indigenous health	46.5	59.7	31.2	10.8	2.7
Mental health	9.0	71.5	100.8	121.8	125.5
Preventive health	100.3	151.2	196.6	235.9	-
Other health payments	597.1	383.3	469.2	429.0	308.7
<b>Total</b>	<b>15,403.2</b>	<b>15,459.5</b>	<b>16,468.9</b>	<b>17,284.6</b>	<b>18,729.5</b>

### National Health Reform Agreement

On 2 August 2011, COAG agreed to the *National Health Reform Agreement*.

This Agreement introduces new arrangements for the financing of public hospital services. The Agreement builds on and complements the policy outcomes, progress measures and outputs outlined in the *National Healthcare Agreement*.

Under the *National Health Reform Agreement*, the majority of the Commonwealth's funding for public hospital services will be provided under activity based funding arrangements with the price determined by the Independent Hospital Pricing Authority. Previously public hospital funding had been provided on a block grant basis under the National Healthcare SPP, leaving States to meet the full costs of any increases over and above the indexation provided under the SPP. From 1 July 2014 the Commonwealth will meet 45 per cent of the efficient growth of public hospital services, increasing to 50 per cent from 2017-18.

The *National Health Reform Agreement* also introduces greater transparency in the expenditure of Commonwealth and State and Territory public hospital funding and accountability for the performance of hospitals and health services through the establishment of a National Health Funding Administrator and the National Health Performance Authority. The Administrator and the Authority will report regularly on

payments through the National Health Funding Pool to public hospitals and the performance of public hospitals respectively.

### **National Healthcare Agreement**

The *National Healthcare Agreement* affirms the commitment of the Commonwealth and the States to:

- ensuring that there is a focus on health policy and the prevention of disease and injury and the maintenance of health, not simply the treatment of illness;
- meeting the primary health care needs of all Australians efficiently through timely and quality care;
- ensuring that people with complex care needs can access comprehensive, integrated and coordinated services;
- providing timely and appropriate high quality hospital and hospital-related care to all Australians;
- meeting the needs of older Australians through high quality, affordable, health and aged care services that are appropriate to their needs, as well as enabling choice and seamless, timely transition within and across the different sectors;
- ensuring all Australians experience best practice care that is suited to their needs and circumstances;
- achieving health outcomes for Indigenous Australians (and those living in rural and remote areas) that are comparable to the broader population; and
- a sustainable health system that can respond and adapt to future needs.

### **National Healthcare SPP funding and National Health Reform funding**

The Commonwealth is currently providing National Healthcare SPP funding of \$12.7 billion in 2011-12. From 1 July 2012, the National Healthcare SPP will be replaced with National Health Reform funding.

In 2012-13, National Health Reform funding will be \$13.5 billion, equivalent to the amount that would have been provided under the previous National Healthcare SPP.

**National Healthcare SPP and National Health Reform funding**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2011-12</b>									
National Healthcare SPP	4,137.8	3,099.4	2,545.4	1,311.7	989.1	279.6	183.6	151.3	12,697.8
<b>2012-13</b>									
National Health Reform funding									
Hospital services	4,279.4	3,245.2	2,660.7	1,374.5	1,004.5	291.4	198.8	149.5	13,204.0
Public health	101.8	77.2	63.3	32.7	23.9	6.9	4.7	3.6	314.2
Total	4,381.2	3,322.5	2,724.0	1,407.2	1,028.4	298.4	203.5	153.0	13,518.2
<b>2013-14</b>									
National Health Reform funding									
Hospital services	4,501.1	3,500.7	2,861.3	1,486.6	1,017.0	311.2	228.4	142.4	14,048.7
Public health	107.1	83.3	68.1	35.4	24.2	7.4	5.4	3.4	334.3
Total	4,608.2	3,584.0	2,929.4	1,521.9	1,041.2	318.6	233.8	145.8	14,383.0
<b>2014-15</b>									
National Health Reform funding(a)									
Hospital services	4,966.1	3,872.5	3,195.0	1,653.0	1,131.5	341.3	262.6	166.0	15,587.9
Public health	113.6	88.7	72.6	37.9	25.6	7.8	5.8	3.6	355.7
Total	5,079.7	3,961.2	3,267.6	1,690.9	1,157.2	349.1	268.4	169.5	15,943.6
<b>2015-16</b>									
National Health Reform funding(a)									
Hospital services	5,469.0	4,278.5	3,557.5	1,835.5	1,255.2	373.9	299.6	191.6	17,260.8
Public health	120.5	94.5	77.4	40.6	27.2	8.3	6.2	3.8	378.5
Total	5,589.5	4,373.0	3,634.9	1,876.1	1,282.4	382.1	305.8	195.4	17,639.2

(a) The efficient growth funding component of National Health Reform funding in 2014-15 and 2015-16 is indicative only. The distribution of efficient growth funding will be determined by efficient growth in each State.

**Growth factor**

The Intergovernmental Agreement defines the growth factor for the National Healthcare SPP as the product of:

- a health specific cost index (a five year average of the Australian Institute of Health and Welfare health price index);
- the growth in population estimates weighted for hospital utilisation; and
- a technology factor (the Productivity Commission derived index of technology growth).

In 2012-13 and 2013-14, National Health Reform funding will be equivalent to the National Healthcare SPP indexed by the growth factor defined in the Intergovernmental Agreement. The growth factor for the National Healthcare SPP is currently estimated to be 6.46 per cent in 2012-13.

Under the *National Health Reform Agreement*, a component of the National Health Reform funding will be identified as public health funding, to be paid to State health

departments. The States will have full discretion over the application of public health funding to the outcomes set out in the *National Healthcare Agreement*. This amount represents the sum of amounts identified under the *National Healthcare Agreement* relating to national public health, youth health services and essential vaccines (service delivery) in 2008-09 (\$244.0 million), indexed by the former National Healthcare SPP growth factor.

From 2014-15, the Commonwealth will begin to increase its funding contribution to 50 per cent of the efficient growth in hospital costs. This will be done in two stages: increasing to 45 per cent in 2014-15, and 50 per cent in 2017-18.

Efficient growth funding will comprise:

- for services funded on the basis of activity – the increase in the efficient price of delivering public hospital services, and the increase in service provision; and
- for services funded on the basis of block grants – the increase in the efficient cost of delivering those services.

The efficient price will be determined annually by the Independent Hospital Pricing Authority.

The Commonwealth has guaranteed that its increased contribution will be at least \$16.4 billion greater than the States would have received from the National Healthcare SPP between 2014-15 and 2019-20. If the amount required to fund the Commonwealth's public hospital growth commitment over this period is less than \$16.4 billion, the residual amount will be paid to fund health services that will reduce the growth in demand for hospital services.

Additional information on the National Health Reform arrangements is provided in Part 1 of this Budget Paper.

### **National Partnership payments for health**

In addition to National Health Reform funding, the Commonwealth will provide funding through National Partnerships to alleviate key pressure points to help meet the growing demand for hospital services. Further details on these National Partnerships and their components are provided below.

A total of \$1.9 billion will be provided to the States in 2012-13 under the following health categories:

- National Partnerships supporting National Health Reform arrangements;
- health infrastructure;
- health services;

- Indigenous health;
- mental health;
- preventive health; and
- other health payments.

### National Partnerships supporting National Health Reform arrangements

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
National Health Reform					
Improving Public Hospital Services					
Flexible funding pool for emergency departments, elective surgery and subacute care	25.0	25.0	-	-	-
National emergency access target					
Capital funding	59.8	50.0	-	-	-
Facilitation and reward funding	98.8	50.0	50.0	50.0	50.0
National elective surgery target					
Capital funding	31.6	-	-	-	-
Facilitation and reward funding	171.5	-	49.5	49.5	49.5
New subacute beds guarantee funding	387.9	446.5	625.5	-	-
Financial assistance for long stay older patients	106.1	92.4	78.2	-	-
<b>Total</b>	<b>880.6</b>	<b>663.9</b>	<b>803.2</b>	<b>99.5</b>	<b>99.5</b>

### National Partnership on Improving Public Hospital Services

Several payments are provided under the *National Partnership on Improving Public Hospital Services* which implements the public patient access to elective surgery, emergency department and subacute care services elements of the *National Health Reform Agreement*. This National Partnership follows on from the *National Partnership on the elective surgery waiting list reduction plan* and the *National Partnership on hospital and health workforce reform*.

### Flexible funding pool for emergency departments, elective surgery and subacute care component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	7.0	5.6	4.7	2.7	2.1	1.1	0.9	0.8	25.0
2012-13	7.0	5.6	4.7	2.7	2.1	1.1	0.9	0.8	25.0
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to increase hospital capacity and improve services to patients through a flexible funding pool. The funding pool gives the States additional capacity to respond to capital and recurrent cost needs in the public hospital system in relation to emergency departments, elective surgery and subacute care.



### National emergency access target

The Commonwealth is providing funding to expand capacity in the public hospital system and reduce the time taken to treat, admit or discharge patients in public hospital emergency departments as part of a reform to introduce a four hour national emergency access target for emergency department treatment.

#### Capital funding component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	14.5	11.4	9.6	5.4	12.1	1.9	3.3	1.4	59.8
2012-13	14.5	11.4	9.6	5.4	4.0	1.9	1.7	1.4	50.0
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the expansion of emergency departments and associated facilities to help achieve the agreed new national emergency access target. This measure allows for the redesign and upgrade of public hospital emergency departments in order to meet the new target and funding will be distributed based on population and need.

#### Facilitation and reward funding component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	32.5	18.7	20.1	11.6	10.4	1.7	2.9	0.9	98.8
2012-13	16.0	12.4	10.3	5.2	3.6	1.1	0.8	0.5	50.0
2013-14	15.9	12.4	10.4	5.3	3.5	1.1	0.8	0.6	50.0
2014-15	15.9	12.4	10.4	5.3	3.5	1.1	0.8	0.6	50.0
2015-16	15.9	12.4	10.4	5.3	3.5	1.1	0.8	0.6	50.0

The Commonwealth is providing funding to introduce a four hour national emergency access target. Under the target, 90 per cent of all patients presenting to a public hospital emergency department will leave the emergency department for admission to hospital or referral to another hospital for treatment or will be discharged within four hours. From its commencement on 1 January 2012, the target applies to all five triage categories and is to be achieved through stepped improvements by 2015.

The Commonwealth will provide reward funding to jurisdictions based on their achievement in meeting the national emergency access target. This will be based on the performance achieved in each of the assessment periods, subject to assessment by the COAG Reform Council.

### National elective surgery target

The Commonwealth is providing funding to ensure elective surgery patients are seen within clinically recommended times, and reduce the number of patients waiting beyond the clinically recommended time.

### Capital funding component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	6.7	5.4	4.6	2.8	6.5	1.2	3.4	1.0	31.6
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the national elective surgery target to boost elective surgery capacity in public hospitals.

Expanding the capacity to perform elective surgery will help to achieve the Commonwealth's new national elective surgery target. This target seeks to ensure that, by the end of 2016, 100 per cent of elective surgery patients in all urgent categories are treated within the clinically recommended times.

### Facilitation and reward funding component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	49.1	43.9	29.8	9.5	33.6	2.3	2.2	1.2	171.5
2012-13	-	-	-	-	-	-	-	-	-
2013-14	15.8	12.3	10.6	5.4	3.4	0.9	0.7	0.5	49.5
2014-15	15.8	12.3	10.6	5.4	3.4	0.9	0.7	0.5	49.5
2015-16	15.8	12.3	10.6	5.4	3.4	0.9	0.7	0.5	49.5

The Commonwealth has provided funding to achieve elective surgery targets by expanding elective surgery capacity and improving the delivery of elective surgery. The Commonwealth will provide reward funding to jurisdictions based on their achievement in meeting the national elective surgery target.

The national elective surgery target is comprised of two complementary parts. Part 1 is based on achieving a progressive increase in the proportion of elective surgery procedures undertaken within clinically recommended times so that 100 per cent of patients waiting for surgery are treated within the clinically recommended waiting times by 2016. Part 2 aims to reduce the number of patients who have already waited longer than the clinically recommended time for elective surgery.

### New subacute beds guarantee funding component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	131.4	93.0	76.1	38.1	28.2	8.4	8.5	4.1	387.9
2012-13	145.0	111.1	89.8	45.9	32.8	10.6	7.0	4.3	446.5
2013-14	203.8	154.7	125.9	64.3	46.0	14.0	9.9	6.9	625.5
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for over 1,300 additional beds for subacute services.

The States will deliver an agreed number of new subacute beds or bed equivalents each year in public hospitals or in community settings. Funding will provide beds and services for palliative care, rehabilitation, psychogeriatric care and geriatric evaluation and management, and subacute mental health care.

**National Partnership on financial assistance for long stay older patients<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	32.9	12.7	21.2	15.9	18.0	3.2	1.1	1.1	106.1
2012-13	28.7	11.1	18.5	13.9	15.7	2.8	0.9	0.9	92.4
2013-14	24.3	9.4	15.6	11.7	13.3	2.3	0.8	0.8	78.2
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Amounts in 2012-13 and 2013-14 are indicative distributions.

The Commonwealth is providing funding for the *National Partnership on financial assistance for long stay older patients* to assist with the care of long stay older patients in public hospitals.

The funding contribution will assist with the care in public hospitals of older people, aged 65 years or over, who have finished acute and post-acute care and are awaiting Commonwealth aged care placement.

On 20 April 2012, the Commonwealth announced the \$3.7 billion *Living Longer. Living Better* package to build a better, fairer, more sustainable and nationally consistent aged care system.

**Health infrastructure**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Health infrastructure					
Health and Hospitals Fund					
Hospital infrastructure and other					
projects of national significance	375.8	263.6	134.1	50.0	0.6
National cancer system	465.8	221.7	129.7	72.4	50.0
Regional priority round	68.1	79.1	151.0	273.2	453.5
Translational research and workforce training	51.0	-	20.0	-	-
Other Health infrastructure payments					
Cairns integrated cancer centre	2.0	-	-	-	-
Children's cancer centre, Adelaide	1.5	-	-	-	-
Funding for Grafton Hospital	3.0	2.0	-	-	-
Health infrastructure projects in Tasmania	1.4	-	-	-	-
Tasmanian health package					
Patient transport and accommodation services	1.2	-	-	-	-
Radiation oncology services in North/North West Tasmania	0.4	0.4	-	-	-
<b>Total</b>	<b>970.2</b>	<b>566.8</b>	<b>434.7</b>	<b>395.6</b>	<b>504.1</b>

## Health and Hospitals Fund

A number of projects are funded from the Health and Hospitals Fund through Implementation Plans as part of the *National Partnership on Health infrastructure* or Project Agreements.

### Hospital infrastructure and other projects of national significance component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	64.5	4.0	44.8	186.5	51.0	5.5	-	19.5	375.8
2012-13	9.4	0.3	142.1	0.3	103.0	1.0	-	7.5	263.6
2013-14	-	0.2	55.1	62.8	16.0	-	-	-	134.1
2014-15	-	-	-	50.0	-	-	-	-	50.0
2015-16	-	-	-	0.6	-	-	-	-	0.6

The Commonwealth is providing funding from the Health and Hospitals Fund to support the development of health infrastructure projects of national significance. The Commonwealth will collaborate with the States to expand and modernise key public hospitals across Australia to improve hospital care.

### National cancer system component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	72.1	279.0	53.2	3.5	37.0	10.0	10.9	-	465.8
2012-13	45.4	40.4	73.2	14.3	34.5	3.7	10.3	-	221.7
2013-14	4.0	75.6	36.1	8.0	3.5	1.0	0.2	1.2	129.7
2014-15	-	67.0	-	-	-	4.8	-	0.6	72.4
2015-16	-	50.0	-	-	-	-	-	-	50.0

The Commonwealth is providing funding from the Health and Hospitals Fund to support infrastructure to deliver a world class cancer care system in Australia. This funding will help modernise cancer services and improve detection, survival and treatment outcomes, particularly for patients in regional and rural Australia.

### Regional priority round component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	21.9	-	-	0.8	-	20.0	1.4	24.0	68.1
2012-13	31.4	12.6	5.7	4.4	7.8	-	0.9	16.2	79.1
2013-14	71.1	28.6	20.8	4.6	9.4	-	-	16.4	151.0
2014-15	139.8	42.7	35.9	12.0	16.8	-	-	26.0	273.2
2015-16	228.8	49.1	44.5	16.8	25.4	50.0	-	38.9	453.5

The Commonwealth is delivering on the \$1.8 billion commitment to Health and Hospitals Fund investment in Regional Australia, with 76 projects announced in this Budget under the 2011 Regional Priority Round, at a cost of \$475.0 million. \$251.5 million of this funding will be provided to the States. Regional Priority funding will improve access to essential health services for Australians living in rural, regional and remote areas.

The Commonwealth will work in partnership with the States to expand and modernise key health infrastructure, including hospitals, across Australia to improve health care.

This will improve health services across a range of areas including acute care, primary care, e-Health, integrated health facilities, Indigenous health and workforce and training.

A new spending measure associated with the Regional Priority round is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

#### **Translational research and workforce training component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	51.0	-	-	-	-	-	-	51.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	20.0	-	-	-	-	-	-	20.0
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding from the Health and Hospitals Fund to support translational medical research infrastructure and workforce training. This translational research funding will provide new medical research infrastructure in the areas of mental health and neurological disorders, child health, Indigenous health and medical bionics. The funding has been targeted at projects that will focus on translating research into clinical practice to deliver better health outcomes for all Australians. The Commonwealth will also provide funding to enhance health workforce capability through investment in new and existing clinical schools, universities and training facilities to support an Australian health workforce for the future.

#### **National Partnership on Health infrastructure**

A number of projects are funded as part of the *National Partnership on Health infrastructure*.

#### **Cairns integrated cancer centre component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	2.0	-	-	-	-	-	2.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding towards the establishment of an integrated cancer centre at the Cairns Base Hospital. The integrated cancer centre is a purpose built facility offering a range of cancer treatments including a radiation oncology service. This project has now been completed.

### Children's cancer centre, Adelaide component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	1.5	-	-	-	1.5
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding to South Australia for the construction of a purpose built children's cancer centre at the Women's and Children's Hospital in Adelaide. This project has now been completed.

### Funding for Grafton Hospital component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	3.0	-	-	-	-	-	-	-	3.0
2012-13	2.0	-	-	-	-	-	-	-	2.0
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the Grafton Hospital initiative. The measure has been established to enable faster and safer treatment for elderly patients and patients with chronic conditions, improve the timely diagnosis of patients and improve the operating theatre infrastructure for surgical procedures.

### Health infrastructure projects in Tasmania component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	1.4	-	-	1.4
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding to upgrade chemotherapy and cancer facilities in North West Tasmania, with a focus on the North West Regional Hospital at Burnie.

### Tasmanian health package

The Commonwealth is providing funding to improve health services in Tasmania. The Tasmanian package includes increased patient transport and accommodation services through the Tasmanian patient transport initiative and expanded radiation oncology services in North/North West Tasmania.

**Patient transport and accommodation services component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	1.2	-	-	1.2
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

**Radiation oncology services in North/North West Tasmania component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	0.4	-	-	0.4
2012-13	-	-	-	-	-	0.4	-	-	0.4
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

**Health services**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Health services					
COAG Long Stay Older Patients Initiative	45.0	-	-	-	-
Early intervention pilot program	0.1	0.2	-	-	-
Health care grants for the Torres Strait	8.1	5.3	4.5	4.5	4.6
Healthy kids health checks	2.1	2.0	2.0	2.0	2.0
National antimicrobial utilisation surveillance program	0.2	0.2	0.2	-	-
National perinatal depression initiative	15.5	6.1	11.3	8.7	8.7
National public health – human quarantine services	0.7	0.5	0.5	0.5	0.5
Northern Territory medical school – funding contribution	1.6	2.2	2.3	2.3	2.3
Torres Strait health protection strategy – mosquito control	1.1	0.9	0.9	1.0	1.0
Vaccine-preventable diseases surveillance	1.9	0.8	0.8	0.8	0.8
Victorian cytology service	7.7	8.1	8.5	8.9	9.4
BreastScreen Australia radiography workforce initiatives	0.3	0.2	-	-	-
National Bowel Cancer Screening Program – participant follow-up function	1.4	2.0	2.6	2.7	3.2
OzFoodNet	1.6	1.6	1.7	1.7	1.7
Royal Darwin hospital – equipped, prepared and ready	14.5	14.8	15.0	15.3	15.6
<b>Total</b>	<b>101.7</b>	<b>44.9</b>	<b>50.2</b>	<b>48.4</b>	<b>49.9</b>

**National Partnership on Health services**

A number of projects are funded as part of the *National Partnership on Health services*.

### COAG Long Stay Older Patients Initiative component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	13.0	9.5	10.1	6.6	3.3	1.5	0.3	0.6	45.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to better meet the care needs of older patients in public hospitals and improve their access to alternative care. The funding enables the States to provide a range of services relevant to their own service systems, to enhance the care of older people in public hospitals and reduce their risk of hospitalisation.

A measure associated with the COAG Long Stay Older Patients Initiative is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

On 20 April 2012, the Commonwealth announced the \$3.7 billion *Living Longer. Living Better* package to build a better, fairer, more sustainable and nationally consistent aged care system.

### Early intervention pilot program component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.1	-	-	-	-	-	-	-	0.1
2012-13	0.2	-	-	-	-	-	-	-	0.2
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the early intervention pilot program under the National Binge Drinking Strategy. The program is being implemented by the New South Wales Police Force using their existing 'Your Choice' model as a base. It provides early intervention and diversion programs for young people under the age of 18 years who are at risk of developing alcohol-related problems.

### Health care grants for the Torres Strait component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	8.1	-	-	-	-	-	8.1
2012-13	-	-	5.3	-	-	-	-	-	5.3
2013-14	-	-	4.5	-	-	-	-	-	4.5
2014-15	-	-	4.5	-	-	-	-	-	4.5
2015-16	-	-	4.6	-	-	-	-	-	4.6

The Commonwealth is providing funding in Queensland health facilities for the treatment of Papua New Guinea (PNG) nationals, as a contribution to the costs associated with the provision of these health services.



This funding will also assist the Queensland Government to continue to treat PNG nationals with tuberculosis while the capacity to treat these patients is progressively strengthened in the South Fly District of PNG through AusAID investments.

A new spending measure associated with health care grants for the Torres Strait is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**Healthy kids health checks component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.5	0.4	0.4	0.4	0.2	0.1	0.1	0.1	2.1
2012-13	0.5	0.4	0.4	0.2	0.2	0.1	0.1	0.1	2.0
2013-14	0.5	0.4	0.4	0.2	0.2	0.1	0.1	0.1	2.0
2014-15	0.5	0.4	0.4	0.2	0.2	0.1	0.1	0.1	2.0
2015-16	0.5	0.4	0.4	0.2	0.2	0.1	0.1	0.1	2.0

The Commonwealth is providing funding to promote the provision of health assessment services to children between 3 and 5 years of age. The program will promote early detection of lifestyle risk factors, delayed development and illness, and introduce guidance for healthy lifestyles and early intervention strategies.

**National antimicrobial utilisation surveillance program component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	0.2	-	-	-	0.2
2012-13	-	-	-	-	0.2	-	-	-	0.2
2013-14	-	-	-	-	0.2	-	-	-	0.2
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the national antimicrobial utilisation surveillance program. The program collects, analyses and reports on inpatient antimicrobial usage data in Australian hospitals to support the development of strategies to minimise antimicrobial resistance.

**National perinatal depression initiative component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	4.5	3.7	3.2	2.0	0.6	0.5	0.4	0.5	15.5
2012-13	1.7	1.4	1.2	0.7	0.4	0.2	0.2	0.2	6.1
2013-14	3.2	2.7	2.3	1.4	0.8	0.3	0.3	0.4	11.3
2014-15	2.5	2.1	1.7	1.1	0.6	0.3	0.2	0.3	8.7
2015-16	2.5	2.1	1.7	1.1	0.6	0.3	0.2	0.3	8.7

The Commonwealth is providing funding for the national perinatal depression initiative. The initiative aims to improve prevention and early detection of antenatal and postnatal depression and provide better support and treatment for expectant and new mothers experiencing depression.

**National public health — human quarantine services component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7
2012-13	0.2	0.1	0.1	0.1	..	..	..	..	0.5
2013-14	0.2	0.1	0.1	0.1	..	..	..	..	0.5
2014-15	0.2	0.1	0.1	0.1	..	..	..	..	0.5
2015-16	0.2	0.1	0.1	0.1	..	..	..	..	0.5

The Commonwealth is providing funding for human quarantine services to support the implementation of health measures at Australia’s international borders. The aim of these health measures is to protect the Australian public, through human quarantine activities, from serious communicable diseases, particularly exotic, new and re-emerging infectious diseases.

A new spending measure associated with human quarantine services is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**Northern Territory medical school — funding contribution component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	1.6	1.6
2012-13	-	-	-	-	-	-	-	2.2	2.2
2013-14	-	-	-	-	-	-	-	2.3	2.3
2014-15	-	-	-	-	-	-	-	2.3	2.3
2015-16	-	-	-	-	-	-	-	2.3	2.3

The Commonwealth is providing funding as a contribution to the recurrent costs of the Northern Territory Medical Program (NTMP) to provide medical training activities across the full four years of the graduate entry medical course.

The NTMP is delivered by Flinders University, with recurrent funding provided by the Northern Territory Government. The Commonwealth contribution is in addition to the capital grant it provided in 2009-10 and 2010-11 from the Health and Hospitals Fund for the establishment of the teaching facilities for the NTMP.

**Torres Strait health protection strategy — mosquito control component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	1.1	-	-	-	-	-	1.1
2012-13	-	-	0.9	-	-	-	-	-	0.9
2013-14	-	-	0.9	-	-	-	-	-	0.9
2014-15	-	-	1.0	-	-	-	-	-	1.0
2015-16	-	-	1.0	-	-	-	-	-	1.0

The Commonwealth is providing funding for the Torres Strait health protection strategy — mosquito control component to assist in mosquito detection and eradication. Funding also supports the Torres Strait communication officer to improve communication and coordination between Australia and Papua New Guinea to reduce the spread of communicable diseases in the Torres Strait.

**Vaccine-preventable diseases surveillance component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.4	0.5	0.4	0.2	0.1	0.1	0.1	0.1	1.9
2012-13	0.2	0.2	0.2	0.1	0.1	..	..	..	0.8
2013-14	0.2	0.2	0.2	0.1	0.1	..	..	..	0.8
2014-15	0.2	0.2	0.2	0.1	0.1	..	..	..	0.8
2015-16	0.2	0.2	0.2	0.1	0.1	..	..	..	0.8

The Commonwealth is providing funding for the vaccine-preventable diseases surveillance program. The program will improve surveillance reporting of nationally notifiable vaccine-preventable diseases and allow national monitoring, analysis and timely reporting of data to provide an evidence base for policy formulation.

**Victorian cytology service component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	7.7	-	-	-	-	-	-	7.7
2012-13	-	8.1	-	-	-	-	-	-	8.1
2013-14	-	8.5	-	-	-	-	-	-	8.5
2014-15	-	8.9	-	-	-	-	-	-	8.9
2015-16	-	9.4	-	-	-	-	-	-	9.4

The Commonwealth is providing funding for the Victorian cytology service; a joint government pathology laboratory, responsible for reporting cervical cytology tests across the whole of cervical cytology in Australia.

**Other health services**

Several payments have been combined under the category of other health services.

**National Partnership on BreastScreen Australia radiography workforce initiatives**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	..	..	..	..	..	..	0.3
2012-13	-	-	..	..	..	..	..	..	0.2
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on BreastScreen Australia radiography workforce initiatives* to increase provision of recruitment and/or retention activities such as professional development, training, or employment opportunities for both trainee and experienced radiographers.

### National Partnership on the National Bowel Cancer Screening Program — participant follow-up function

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	0.4	0.4	0.2	0.1	0.1	0.1	0.1	1.4
2012-13	0.6	0.4	0.4	0.2	0.1	0.1	0.1	0.1	2.0
2013-14	0.8	0.6	0.5	0.2	0.2	0.1	0.1	0.1	2.6
2014-15	0.8	0.6	0.5	0.3	0.2	0.1	0.1	0.1	2.7
2015-16	1.0	0.7	0.6	0.3	0.2	0.1	0.1	0.1	3.2

The Commonwealth is providing funding for the *National Partnership on the National Bowel Cancer Screening Program – participant follow-up function*. This initiative funds the follow-up of participants who return a positive test result. The second phase of the program commenced on 1 July 2008 and offers testing to people who turn 50, 55 or 65 years of age.

A new spending measure associated with the *National Bowel Cancer Screening Program* is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

### National Partnership on OzFoodNet

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	1.6
2012-13	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	1.6
2013-14	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.1	1.7
2014-15	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	1.7
2015-16	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.1	1.7

The Commonwealth is providing funding for the *National Partnership on OzFoodNet*. This is a collaborative initiative with state health authorities for enhanced food borne disease surveillance. This initiative aims to provide a better understanding of the causes and incidence of food borne disease in the community and to provide an evidence base for policy formulation.

OzFoodNet collaborates nationally to coordinate investigations into food borne disease outbreaks, particularly those that cross state and country borders.

### National Partnership on Royal Darwin hospital — equipped, prepared and ready

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	14.5	14.5
2012-13	-	-	-	-	-	-	-	14.8	14.8
2013-14	-	-	-	-	-	-	-	15.0	15.0
2014-15	-	-	-	-	-	-	-	15.3	15.3
2015-16	-	-	-	-	-	-	-	15.6	15.6

The Commonwealth is providing funding for the *National Partnership on Royal Darwin hospital – equipped, prepared and ready* to maintain the National Critical Care and Trauma Response Centre at Royal Darwin Hospital in a state of readiness to respond to major health incidents in the region.

**Indigenous health**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Indigenous health					
Health infrastructure					
Indigenous mobile dental program	2.0	-	-	-	-
Health services					
Reducing acute rheumatic heart fever among Indigenous children	2.4	2.5	2.6	2.6	2.7
Satellite renal dialysis facilities in remote Northern Territory communities	0.1	-	-	-	-
Sexual assault counselling in remote Northern Territory areas	1.1	1.3	-	-	-
Closing the Gap in the Northern Territory – Indigenous health and related services	4.1	-	-	-	-
Family-centric renal accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory	3.0	9.0	1.0	-	-
Improving ear health services for Indigenous Australian children	6.1	6.5	0.7	-	-
Improving trachoma control services for Indigenous Australians	2.9	3.9	0.4	-	-
Indigenous early childhood development – antenatal and reproductive health	23.5	24.3	24.4	6.0	-
Renal dialysis services in Central Australia	-	1.6	1.7	1.7	-
Stronger Futures in the Northern Territory					
Hearing health services component	-	2.4	nfp	nfp	nfp
Mobile Outreach Service Plus component	-	4.3	nfp	nfp	nfp
Oral health services component	-	2.3	nfp	nfp	nfp
Torres Strait health protection strategy – Saibai Island Health Clinic	1.2	1.5	0.5	0.5	-
<b>Total</b>	<b>46.5</b>	<b>59.7</b>	<b>31.2</b>	<b>10.8</b>	<b>2.7</b>

**National Partnership on Health infrastructure**

One project is provided for Indigenous health under the *National Partnership on Health infrastructure*.

**Indigenous mobile dental program component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	1.0	-	0.3	-	-	0.6	2.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to implement and evaluate mobile dental pilot projects targeted to Indigenous communities where dental services and facilities are scarce.

### National Partnership on Health services

A number of projects for Indigenous health are funded as part of the *National Partnership on Health services*.

#### Reducing acute rheumatic heart fever among Indigenous children component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	0.8	0.8	-	-	-	0.8	2.4
2012-13	-	-	0.8	0.8	-	-	-	0.8	2.5
2013-14	-	-	0.9	0.9	-	-	-	0.9	2.6
2014-15	-	-	0.9	0.9	-	-	-	0.9	2.6
2015-16	-	-	0.9	0.9	-	-	-	0.9	2.7

The Commonwealth is providing funding to support register and control programs for acute rheumatic fever and rheumatic heart disease in Indigenous children.

#### Satellite renal dialysis facilities in remote Northern Territory communities component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	0.1	0.1
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to improve access to renal dialysis services targeted to remote Indigenous communities in the Northern Territory.

#### Sexual assault counselling in remote Northern Territory areas component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	1.1	1.1
2012-13	-	-	-	-	-	-	-	1.3	1.3
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for sexual assault counselling in remote Northern Territory areas as part of *Mobile Outreach Service Plus*. This program provides culturally safe counselling and other support to Indigenous children, their families and communities in remote areas of the Northern Territory, who are experiencing trauma related to any form of child abuse, including sexual assault.

### National Partnership on Closing the Gap in the Northern Territory — Indigenous health and related services component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	4.1	4.1
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on Closing the Gap in the Northern Territory – Indigenous health and related services component*. Funding under this component will improve access to effective primary health care services in partnership with the Northern Territory Government, Aboriginal Medical Services Alliance Northern Territory, and through consultation with other key stakeholders. This National Partnership is delivering health improvements through a system wide approach to enhancing quality and access to services across the Northern Territory. It is also complemented by related initiatives in the areas of law and order, community safety, education, food security, and provision of interpreters.

The Commonwealth and Northern Territory Governments are currently negotiating arrangements as part of the Stronger Futures in the Northern Territory initiative, which will replace the *National Partnership on Closing the Gap in the Northern Territory*. See the section on the *National Partnership on Stronger Futures in the Northern Territory* in this Part.

Other payments made as part of the *National Partnership on Closing the Gap* in the Northern Territory are discussed in the Education and Community Services sections of this Part.

### National Partnership on family-centric renal accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	3.0	3.0
2012-13	-	-	-	-	-	-	-	9.0	9.0
2013-14	-	-	-	-	-	-	-	1.0	1.0
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on family-centric renal accommodation for Aboriginal and Torres Strait Islander peoples in the Northern Territory* for the construction of two family-centric long-stay renal accommodation facilities for renal patients and their families. The facilities will be located in Alice Springs and Tennant Creek.

### National Partnership on improving ear health services for Indigenous Australian children

\$million	NSW(a)	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.9	0.3	1.1	1.5	1.0	-	-	1.3	6.1
2012-13	0.9	0.3	1.4	1.4	0.8	-	-	1.9	6.5
2013-14	0.1	..	0.2	0.2	0.1	-	-	0.2	0.7
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(b) Amounts for New South Wales are indicative only as the National Partnership is under negotiation with this State.

The Commonwealth is providing funding for the *National Partnership on improving ear health services for Indigenous Australian children* to support the delivery of additional surgical services, clinical leadership programs and ear health services to Victoria, Queensland, Western Australia, South Australia and the Northern Territory.

Further discussions are occurring between the Commonwealth and New South Wales.

### National Partnership on improving trachoma control services for Indigenous Australians

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.2	-	0.2	1.0	0.6	-	-	0.9	2.9
2012-13	0.1	-	0.2	0.9	1.0	-	-	1.7	3.9
2013-14	-	-	-	0.1	0.1	-	-	0.2	0.4
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on improving trachoma control services for Indigenous Australians* for the continued expansion of trachoma control activities in jurisdictions where trachoma, an infectious disease which can lead to blindness, is endemic. Funding is also being provided to jurisdictions where trachoma has been previously found, in order to determine whether full trachoma control programs are required in those jurisdictions.

### National Partnership on Indigenous early childhood development — antenatal and reproductive health

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	5.7	1.1	7.0	3.4	1.2	0.6	0.2	4.2	23.5
2012-13	5.7	1.3	7.1	3.8	1.3	0.7	0.2	4.1	24.3
2013-14	5.5	1.4	7.6	3.9	1.1	0.7	0.3	3.8	24.4
2014-15	2.6	-	-	2.0	0.5	0.4	-	0.5	6.0
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on Indigenous early childhood development – antenatal and reproductive health* to all jurisdictions to improve antenatal care, teenage sexual and reproductive health, and pre-pregnancy care, as well as building linkages with existing child and maternal health programs to increase uptake of these services.



**National Partnership on renal dialysis services in Central Australia**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	1.6	1.6
2013-14	-	-	-	-	-	-	-	1.7	1.7
2014-15	-	-	-	-	-	-	-	1.7	1.7
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on renal dialysis services in Central Australia* to contribute to delivery of renal dialysis and support services in Central Australia. This funding will improve access to renal services targeted to Indigenous Australians.

**National Partnership on Stronger Futures in the Northern Territory**

The Commonwealth will provide funding to the Northern Territory Government through the *National Partnership on Stronger Futures in the Northern Territory*.

There are three health components under the *National Partnership on Stronger Futures in the Northern Territory*. The Stronger Futures in the Northern Territory initiative is described further in the Community Services section of this Part.

Funding for the *National Partnership on Stronger Futures in the Northern Territory* is a new spending measure in the 2012-13 Budget. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**Hearing health services component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	2.4	2.4
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide funding for integrated hearing health services with the capacity to reach children in remote communities. These services continue to support improved hearing outcomes for Indigenous children across the Northern Territory.

**Mobile Outreach Service Plus component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	4.3	4.3
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide funding for the *Mobile Outreach Service Plus* program to ensure families living in remote areas of the Northern Territory who are affected by trauma associated with child abuse and neglect are provided with counselling and support.

**Oral health services component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	2.3	2.3
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide funding for an integrated oral health program for children in communities in the Northern Territory. The focus on preventive oral health services will have a direct impact on these children's wellbeing through a decrease in the burden of dental problems and an increase in good oral health practices.

**National Partnership on the Torres Strait health protection strategy — Saibai Island Health Clinic**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	1.2	-	-	-	-	-	1.2
2012-13	-	-	1.5	-	-	-	-	-	1.5
2013-14	-	-	0.5	-	-	-	-	-	0.5
2014-15	-	-	0.5	-	-	-	-	-	0.5
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on the Torres Strait health protection strategy — Saibai Island health clinic* to provide additional staff for the treatment of communicable diseases at the health care clinic on Saibai Island, and development and implementation of a culturally appropriate sexual health education campaign for the Torres Strait.

**Mental health**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Mental health					
Expanding the Early Psychosis Prevention and Intervention Centre model	-	28.2	50.2	70.2	80.2
Supporting National Mental Health Reform	9.0	43.3	50.6	51.6	45.3
<b>Total</b>	<b>9.0</b>	<b>71.5</b>	<b>100.8</b>	<b>121.8</b>	<b>125.5</b>

**National Partnership on Expanding the Early Psychosis Prevention and Intervention Centre model<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	28.2
2013-14	6.3	6.3	6.3	6.3	6.3	6.3	6.3	6.3	50.2
2014-15	8.8	8.8	8.8	8.8	8.8	8.8	8.8	8.8	70.2
2015-16	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	80.2

(a) Yearly profiles and State splits are indicative distributions only and have been allocated on an equal State split.

(b) Amounts associated with 2011-12 have been removed as the National Partnership agreement will now be developed in 2012-13.

The Commonwealth will provide funding for the *National Partnership on Expanding the Early Psychosis Prevention and Intervention Centre model* initiative to explore how the model could be used to reform early psychosis management within the Australian mental health system. Under this measure, up to 16 new centres will be established across Australia. The new centres will provide an integrated and comprehensive psychiatric service to help address the needs of people aged 15-24 with emerging psychotic disorders. Services provided include early intervention and clinical treatment.

**National Partnership on Supporting National Mental Health Reform**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	3.4	1.7	1.4	1.4	0.7	0.1	0.3	0.1	9.0
2012-13	13.6	9.2	8.9	5.3	3.3	1.6	0.6	0.9	43.3
2013-14	13.6	9.3	15.3	6.0	3.4	1.6	0.6	0.9	50.6
2014-15	13.6	9.5	15.6	6.4	3.4	1.6	0.6	0.9	51.6
2015-16	13.6	7.6	10.4	7.0	3.4	1.7	0.6	0.9	45.3

The Commonwealth is providing funding for the *National Partnership on Supporting National Mental Health Reform* to address major service gaps in mental health services including accommodation, emergency departments and community based crisis support. This National Partnership, agreed by COAG on 13 April 2012, will improve access and quality of services for people with mental illness.

**Preventive health**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Preventive health					
Enabling infrastructure	2.5	2.5	-	-	-
Healthy children	32.5	64.9	97.4	130.8	-
Healthy communities	25.8	15.2	11.1	-	-
Healthy workers	33.6	62.6	88.2	105.2	-
Social marketing	6.0	6.0	-	-	-
<b>Total</b>	<b>100.3</b>	<b>151.2</b>	<b>196.6</b>	<b>235.9</b>	<b>-</b>
<i>Memorandum item - payments direct to local governments included in payments above</i>					
Healthy Communities	25.8	15.2	11.1	-	-
<b>Total</b>	<b>25.8</b>	<b>15.2</b>	<b>11.1</b>	<b>-</b>	<b>-</b>

**National Partnership on Preventive health**

The Commonwealth is providing funding for the *National Partnership on Preventive health*. This National Partnership has been established to address the rising prevalence of lifestyle related chronic diseases by laying the foundations for healthy behaviours in the daily lives of Australians. The objectives of this National Partnership are being achieved through settings such as: communities; early childhood education and care environments; and schools and workplaces. In addition, these objectives are being supported by national social marketing campaigns. A key feature of this National Partnership is the establishment of infrastructure required to monitor and evaluate the progress of interventions, including the Australian National Preventive Health Agency.

**Enabling infrastructure component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.8	0.6	0.5	0.3	0.2	0.1	..	..	2.5
2012-13	0.8	0.6	0.5	0.3	0.2	0.1	..	..	2.5
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for additional state-based surveillance activities covering nutrition and physical activity measures consistent with national protocols and to enable reporting on performance benchmarks in the National Partnership.

The Commonwealth has established the Australian National Preventive Health Agency, and has provided additional funding to create the Australian Health Survey. The survey will collect representative data on the prevalence of chronic diseases and lifestyle related risk factors amongst Indigenous and non-Indigenous Australians, including nutrition, physical activity and biomedical measures.

**Healthy children component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	10.7	7.8	6.6	3.3	2.3	0.8	0.5	0.4	32.5
2012-13	21.3	15.7	13.3	6.6	4.6	1.6	1.0	0.8	64.9
2013-14	32.0	23.5	19.9	9.9	6.9	2.4	1.5	1.2	97.4
2014-15	43.0	31.5	26.8	13.3	9.3	3.2	2.1	1.6	130.8
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing facilitation and reward funding for the healthy children initiative. Funding will deliver programs for children from birth to 16 years of age to increase levels of physical activity and improve the intake of fruit and vegetables in settings such as child care centres, preschools and schools.

The Commonwealth will provide funding for reward payments to the States upon attainment of agreed performance benchmarks under this National Partnership.

**Healthy communities component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	6.4	5.6	5.0	3.6	3.1	0.8	0.3	0.8	25.8
2012-13	3.7	3.2	2.9	2.2	1.8	0.6	0.3	0.6	15.2
2013-14	2.9	2.5	2.2	1.5	1.4	0.3	-	0.3	11.1
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) All payments are made direct to local governments.

The Commonwealth is providing funding direct to local governments for the healthy communities initiative. Funding supports 92 local government areas nationally in the targeted, progressive roll out of community based healthy lifestyle programs that facilitate increased access to physical activity, healthy eating and healthy weight activities for disadvantaged adults who are predominantly not in the paid workforce.

**Healthy workers component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	10.7	8.3	6.9	3.6	2.5	0.7	0.6	0.3	33.6
2012-13	19.9	15.4	12.8	6.7	4.6	1.4	1.1	0.6	62.6
2013-14	28.1	21.7	18.1	9.5	6.4	1.9	1.6	0.9	88.2
2014-15	33.5	25.9	21.6	11.3	7.7	2.3	1.9	1.1	105.2
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing facilitation and reward funding for the healthy workers initiative. This funding supports workplace health programs that focus on decreasing rates of overweight and obesity, increasing levels of physical activity and intake of fruit and vegetables, smoking cessation and reducing harmful levels of alcohol consumption.

As part of this National Partnership, the Commonwealth has developed a national healthy workplace charter with peak employer and employee representatives (the Joint Statement of Commitment), and is developing a portal to provide supporting

resources and tools to employers. A national quality framework and National Awards Scheme will also be developed.

The Commonwealth will provide funding for reward payments to the States upon attainment of agreed performance benchmarks under this National Partnership.

### Social marketing component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	2.0	1.5	1.2	0.6	0.5	0.1	0.1	0.1	6.0
2012-13	2.0	1.5	1.2	0.6	0.5	0.1	0.1	0.1	6.0
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to develop social marketing campaigns that extend and complement the Australian Better Health Initiative and reinforce local activities on preventive health.

### Other Health National Partnership payments

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Other					
East Kimberley Development Package					
Health – related projects	18.6	2.8	-	-	-
Elective surgery waiting list reduction plan	135.7	-	-	-	-
Essential vaccines	401.4	255.8	314.0	309.4	308.7
Hospital and health workforce reform – activity based funding	41.4	55.5	-	-	-
Public dental waiting list program	-	69.2	155.2	119.6	-
<b>Total</b>	<b>597.1</b>	<b>383.3</b>	<b>469.2</b>	<b>429.0</b>	<b>308.7</b>

### National Partnership on the East Kimberley Development Package — Health related projects

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	18.6	-	-	-	-	18.6
2012-13	-	-	-	2.8	-	-	-	-	2.8
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the East Kimberley Development Package* for health infrastructure projects. Investment priorities under the package include primary and preventive health care, drug and alcohol services, short term patient accommodation, housing for health service providers, improvements to remote clinics, aged care facilities and environmental health measures. Improving primary and preventive health care services in these areas will reduce the incidence of chronic and acute illness in the community as well as reduce the pressure on acute health services in Kununurra and Wyndham.

A description of the East Kimberley Development Package as a whole is provided in the Infrastructure services section of this Part.

#### National Partnership on the elective surgery waiting list reduction plan

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	45.4	29.9	30.9	12.2	12.1	3.1	1.3	0.8	135.7
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding for the *National Partnership on the Elective surgery waiting list reduction plan*. Facilitation funding has been provided for systemic improvements such as the construction of additional operating theatres and the purchase of new surgical equipment to improve long-term elective surgery performance. Reward funding has been provided to the States in recognition of reduced elective surgery waiting times and increased surgery throughput.

Funding for elective surgery is now provided under the *National Partnership on Improving Public Hospital Services* discussed earlier in this section.

#### National Partnership on essential vaccines

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	101.6	83.7	104.9	50.0	36.3	11.1	7.7	6.0	401.4
2012-13	100.1	82.6	35.5	16.9	12.2	3.7	2.6	2.2	255.8
2013-14	94.9	79.0	68.6	32.4	22.9	7.0	4.9	4.4	314.0
2014-15	93.1	78.3	67.7	32.0	22.5	6.8	4.8	4.2	309.4
2015-16	90.8	77.9	71.1	31.7	22.2	6.5	4.6	4.0	308.7

The Commonwealth is providing funding for the *National Partnership on essential vaccines* to improve the health and wellbeing of Australians through the cost-effective delivery of immunisation programs under the National Immunisation Program. This National Partnership provides funding to the States for the purchase of essential vaccines, which have not yet transitioned to centralised purchasing arrangements, for all eligible individuals under the National Immunisation Program.

Facilitation funding will improve essential vaccine service delivery by assisting the States to invest in activities related to the distribution of vaccines to providers, cold chain management, vaccine storage, analysis of data around the provision of vaccines and to undertake projects to support performance benchmarks. The Commonwealth is providing reward funding to the States for achieving performance benchmarks that maintain or increase vaccine coverage amongst Indigenous Australians and four year olds as well as in low coverage areas, and that maintain or decrease vaccine wastage and leakage.

A proportion of funding from 2012-13 has been brought forward into 2011-12 to assist some States with vaccines purchasing arrangements.

### National Partnership on hospital and health workforce reform — activity based funding

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	12.3	11.0	7.0	4.1	3.6	1.2	1.0	1.2	41.4
2012-13	16.5	14.7	9.4	5.5	4.8	1.7	1.3	1.7	55.5
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on hospital and health workforce reform – activity based funding* to improve the efficiency of public hospital services, enhance health workforce capability and supply, increase the volume and quality of subacute care services, and improve the operations of emergency departments. This National Partnership will support an efficient and effective public hospital system that delivers high quality and safe services to patients.

Under the *National Health Reform Agreement*, the Commonwealth and the States have agreed to introduce a national system of activity based funding from 1 July 2012. This will be based on the efficient price for each service, set by the Independent Hospital Pricing Authority. In some instances, such as payments to smaller regional hospitals, funding will continue to be paid in block grants.

### National Partnership on the public dental waiting list program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	22.3	17.2	13.5	5.8	5.6	2.5	1.1	1.2	69.2
2013-14	50.0	38.5	30.4	13.0	12.5	5.5	2.5	2.8	155.2
2014-15	38.5	29.7	23.4	10.1	9.6	4.3	1.9	2.1	119.6
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding of \$345.9 million through a new National Partnership to assist the States to provide treatment for those on public dental waiting lists, including ensuring support for the Indigenous population. This is part of the Commonwealth's \$515.3 million dental package.

The Government will redirect currently unallocated Commonwealth Dental Health Program funding towards this Budget's dental health package. This funding was intended to replace the Chronic Disease Dental Scheme (CDDS) but has been redirected to boost dental services before the CDDS is closed and any new scheme commences. It still remains Government policy to close the CDDS.

A new spending measure associated with the public dental waiting list program is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.



## EDUCATION

In 2012-13, the Commonwealth will provide funding of \$13.9 billion to support state education services, as detailed in Table 2.5.

**Table 2.5: Payments to support state education services**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Schools SPP</b>	11,343.5	12,187.7	13,124.6	14,160.6	15,269.3
<b>National Partnership payments</b>					
Closing the Gap in the Northern Territory					
Quality teaching, accelerated literacy	12.3	-	-	-	-
Teacher housing	0.7	-	-	-	-
Supporting remote schools – additional teachers	32.3	-	-	-	-
Digital education revolution	200.0	200.0	nfp	nfp	nfp
Early childhood education – universal access to early education	297.0	447.0	nfp	nfp	nfp
East Kimberley Development Package – education related projects	16.8	4.2	-	-	-
Empowering local schools	57.2	-	-	-	403.4
Fort Street High School noise insulation	7.5	-	-	-	-
Helping Our Kids Understand Finances – Professional Learning and MoneySmart schools	1.0	1.0	-	-	-
Indigenous early childhood development – children and family centres	115.5	56.5	46.2	-	-
More support for students with disabilities	78.7	78.7	39.2	-	-
Nation Building and Jobs Plan					
Building the education revolution – Primary schools for the 21 <sup>st</sup> century	405.6	-	-	-	-
National quality agenda for early childhood education and care	13.1	21.3	19.1	nfp	nfp
National Solar Schools Program	41.0	45.7	-	-	-
Rewards for great teachers	50.0	10.0	40.0	125.0	250.0
Reward for school improvement	10.0	10.0	9.0	30.6	61.3
School Pathways Program	1.9	1.7	1.3	-	-
Secure Schools Program	5.7	5.0	5.0	-	-
Smarter Schools(a)					
Improving teacher quality	235.6	193.0	-	-	-
Literacy and numeracy	211.5	-	-	-	-
Low socio-economic status school communities	371.0	362.9	225.8	174.0	-
Stronger Futures in the Northern Territory(a)					
Building a quality school workforce – Additional teachers	-	28.0	nfp	nfp	nfp
Quality teaching	-	14.8	nfp	nfp	nfp
Expansion of the school enrolment and attendance measure	-	1.9	nfp	nfp	nfp
Trade training centres in schools	270.4	181.9	126.1	253.9	375.7
<b>Total</b>	<b>13,778.4</b>	<b>13,851.3</b>	<b>13,636.2</b>	<b>14,744.1</b>	<b>16,359.7</b>

**Table 2.5: Payments to support state education services (continued)**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<i>Memorandum item – payments for non-government schools included in payments above</i>					
National Schools SPP	7,587.7	8,183.0	8,840.5	9,557.9	10,330.3
Digital education revolution	74.0	74.0	nfp	nfp	nfp
Empowering local schools	18.6	-	-	-	115.5
More support for students with disabilities	17.1	17.1	8.5	-	-
Nation Building and Jobs plan					
Building the education revolution –					
Primary schools for the 21 <sup>st</sup> century	93.4	-	-	-	-
National Solar Schools Program	7.1	6.9	-	-	-
Rewards for Great Teachers	8.7	1.7	14.0	43.6	87.2
Reward for School Improvement	-	-	-	10.9	21.7
Secure Schools Program	5.7	5.0	5.0	-	-
Trade training centres in schools	55.0	84.2	55.3	112.8	161.6
<b>Total</b>	<b>7,867.4</b>	<b>8,372.0</b>	<b>8,923.3</b>	<b>9,725.3</b>	<b>10,716.3</b>

(a) Includes government and non-government schools. Payments to non-government schools are not shown in the Memorandum item.

## National Education Agreement

The *National Education Agreement* affirms the commitment of the Commonwealth and the States to the objective that all Australian school students acquire the knowledge and skills to participate effectively in employment and society.

This agreement recognises that ensuring all young people have the best possible start in life is vital to the wellbeing of families, communities and the nation. High quality schooling, supported by strong community engagement, is central to Australia's future prosperity.

This agreement is contributing to shared outcomes, including:

- ensuring that all children are engaged in and benefiting from schooling, with a goal of lifting the Year 12 attainment rate to 90 per cent by 2015;
- ensuring children meet basic literacy and numeracy standards; and
- continuing to improve overall literacy and numeracy achievement.

**National Schools SPP<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	3,573.9	2,801.0	2,310.7	1,168.3	869.8	261.0	198.1	160.7	11,343.5
2012-13	3,800.5	3,007.8	2,517.0	1,271.4	928.0	279.5	215.0	168.4	12,187.7
2013-14	4,040.0	3,238.2	2,755.7	1,390.9	990.5	297.8	231.8	179.8	13,124.6
2014-15	4,328.9	3,495.3	3,003.4	1,515.1	1,061.2	317.6	250.4	188.7	14,160.6
2015-16	4,655.9	3,765.9	3,239.2	1,651.8	1,142.6	340.1	270.8	203.0	15,269.3

(a) Includes government and non-government schools.

The National Schools SPP is Commonwealth funding associated with the *National Education Agreement* and is provided to the States to support schools.

**Growth factor**

The Intergovernmental Agreement defines the growth factor for the government schools component of the National Schools SPP as the product of:

- the growth in average government schools recurrent cost; and
- the growth in full-time equivalent enrolment in government schools.

The growth factor for the non-government schools component of the National Schools SPP is determined in accordance with the *Schools Assistance Act 2008*.

The growth factor for the government schools component of the National Schools SPP is currently estimated to be 6.63 per cent in 2012-13.

**National Partnership payments for education**

In addition to the National Schools SPP, the Commonwealth will provide a total of \$1.7 billion in 2012-13 through National Partnerships to support state education services. Further details on these National Partnerships are provided below.

**National Partnership on Closing the Gap in the Northern Territory**

The Commonwealth is providing funding for the *National Partnership on Closing the Gap in the Northern Territory* to address the challenges in remote Northern Territory communities. The Commonwealth and Northern Territory Governments are working towards COAG's Closing the Gap targets and resetting the relationship with the Indigenous communities in the Northern Territory.

The Commonwealth and Northern Territory Governments are currently negotiating arrangements as part of the Stronger Futures in the Northern Territory initiative, which will replace the *National Partnership on Closing the Gap in the Northern Territory*. See the section on the *National Partnership on Stronger Futures in the Northern Territory* in this Part.

Other payments made as part of the *National Partnership on Closing the Gap in the Northern Territory* are discussed in the Health and Community Services sections of this Part.

### Quality teaching, accelerated literacy component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	12.3	12.3
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The quality teaching package and the accelerated literacy initiative conclude on 30 June 2012. The elements support the Commonwealth's commitment to close the gap on Indigenous education disadvantage, particularly in relation to literacy and numeracy skills, and Year 12 attainment. The funding alleviates the additional pressure placed on remote schools in the Northern Territory. This project will be completed in 2011-12.

### Teacher housing component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	0.7	0.7
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The teacher housing component of this National Partnership is funding the construction of up to 22 additional teacher housing units to help alleviate the shortage of available accommodation in remote communities. This project has now been completed.

### Supporting remote schools — additional teachers component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	32.3	32.3
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to recruit and deploy up to 170 teachers in Northern Territory government schools. The Northern Territory Government has reported that all 170 positions have been filled.

**National Partnership on the digital education revolution<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	63.4	47.5	42.5	20.9	15.1	4.8	3.8	1.9	200.0
2012-13	63.4	47.5	42.5	20.9	15.1	4.8	3.8	1.9	200.0
2013-14	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2014-15	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2015-16	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp

(a) Includes government and non-government schools.

(b) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.

The Commonwealth is providing funding for the *National Partnership on the digital education revolution*. This National Partnership was established to prepare students for education, training and to live and work in a digital world. The National Secondary School Computer Fund (NSSCF) and associated on-costs are the major funding element under this National Partnership. The NSSCF helps schools to provide new computers and other information and communication technology (ICT) equipment for students in Years 9 to 12, as well as the necessary infrastructure to support the installation and maintenance of the additional ICT.

Funding to reach the computer to student ratio of 1:1 is provided biannually to education authorities through this National Partnership with States and Territories and through funding agreements with the non-government sector. The 1:1 ratio has been achieved nationally in Australian schools with Years 9 to 12 for the start of the 2012 school year. On 16 February 2012, it was announced that more than 911,000 computers had been installed under the NSSCF exceeding the national target of 786,000 computers.

**National Partnership on early childhood education — universal access to early education<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	82.3	59.1	90.3	29.7	20.2	5.9	3.6	5.9	297.0
2012-13	137.9	109.5	97.6	47.6	30.9	10.4	7.1	5.9	447.0
2013-14	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2014-15	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2015-16	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp

(a) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.

The Commonwealth is providing funding for the *National Partnership on early childhood education – universal access to early education*. This National Partnership was established to provide, by 2013, universal access to affordable, quality early childhood education in the year before full-time schooling with a specific focus on ensuring access for Indigenous children living in remote communities. The program is to be delivered by a four year university qualified early childhood teacher for at least 15 hours a week, 40 weeks a year.

**National Partnership on the East Kimberley Development Package — education related projects**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	16.8	-	-	-	-	16.8
2012-13	-	-	-	4.2	-	-	-	-	4.2
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to Western Australia as part of the *National Partnership on the East Kimberley Development Package – education related projects*. Investment priorities under the package include early childhood development, primary and secondary schooling, post-secondary education and training, and community meeting facilities in remote locations. Concerted action in the areas of education and training is expected to improve the socio-economic status, employment status and workforce participation of Indigenous people.

A description of the East Kimberley Development Package as a whole is provided in the Infrastructure section of this Part.

**National Partnership on empowering local schools<sup>(a)(b)(c)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	17.9	13.6	10.5	2.1	5.6	2.9	2.0	2.4	57.2
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	131.1	96.5	72.4	45.2	33.3	11.6	5.4	8.0	403.4

(a) Includes government and non-government schools.

(b) The funding for Western Australia in 2011-12 relates only to non-government schools.

(c) Amounts in 2015-16 are indicative.

The Commonwealth is providing funding for the *National Partnership on empowering local schools*. This National Partnership aims to empower participating schools to make decisions at a local level, supporting them to better respond to the needs of students and the local school community and provide services designed to assist their students to achieve their best educational outcomes.

Phase one will be completed by June 2014. Funding for 2015-16 is for phase two of this initiative.

The measure taken in the 2012-13 Budget as part of this program is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**National Partnership for Fort Street High School noise insulation**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	7.5	-	-	-	-	-	-	-	7.5
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding to New South Wales for the *National Partnership for Fort Street High School noise insulation* to manage the noise insulation works of Fort Street High School against the effects of aircraft noise. This project will be completed in 2011-12.

**National Partnership on Helping Our Kids Understand Finances — Professional Learning and MoneySmart schools**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1.0
2012-13	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1.0
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on Helping Our Kids Understand Finances – Professional Learning and MoneySmart schools* to support the delivery of face-to-face professional learning to teachers in primary and secondary schools and the trialling of teacher support materials, consistent with Helping Our Kids Understand Finances, a commitment to improve financial literacy in Australian schools.

**National Partnership on Indigenous early childhood development — children and family centres**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	24.4	3.0	43.4	11.7	11.9	2.4	1.1	17.5	115.5
2012-13	16.3	3.4	19.2	7.0	2.8	1.2	1.1	5.6	56.5
2013-14	13.5	3.2	8.0	8.9	4.2	1.7	1.1	5.5	46.2
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for element one of the *National Partnership on Indigenous early childhood development – children and family centres* to improve outcomes for Indigenous children in the early years and to contribute to COAG's Closing the Gap targets for Indigenous Australians. This National Partnership provides for the establishment of 38 children and family centres across Australia by 2014, which will deliver integrated services, including early learning, childcare and family support programs.

Additional elements of this National Partnership provide for increased access to antenatal care and health programs and increased access and use of maternal and child

health services by Indigenous families. These elements are reported in the Health section of this Part.

**National Partnership on more support for students with disabilities<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	25.2	19.2	16.4	8.1	5.8	1.8	1.4	0.9	78.7
2012-13	25.2	19.2	16.4	8.1	5.8	1.8	1.4	0.9	78.7
2013-14	12.6	9.5	8.2	4.0	2.9	0.9	0.7	0.4	39.2
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on more support for students with disabilities*. This National Partnership was established to provide targeted assistance to teachers and schools to support students with disabilities. This initiative provides education authorities the flexibility to select a range of activities that will best meet the needs of students, teachers and schools in their jurisdiction. Services will be delivered in the 2012 and 2013 school years.

The major focus of this short-term initiative is to build the capacity of Australian schools and teachers to better support students with disabilities, contributing to improved student learning experiences, educational outcomes and transitions to further education or work.

A new spending measure associated with more support for students with disabilities is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**National Partnership on Nation Building and Jobs Plan — Building the education revolution — Primary schools for the 21<sup>st</sup> century<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	157.4	104.6	72.3	54.0	6.0	2.2	3.1	6.2	405.6
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

The Commonwealth has provided funding for the *National Partnership on Nation Building and Jobs Plan – Building the education revolution – Primary schools for the 21<sup>st</sup> century*. This National Partnership was established to provide economic stimulus through the construction and refurbishment of school infrastructure, and build learning environments to help children, families and communities participate in activities that support achievement, develop learning potential and bring communities together.

Funding for the other two components, National School Pride Program and Science and Language Centres for 21<sup>st</sup> Century Secondary Schools, ceased in 2009-10.



**National Partnership on the national quality agenda for early childhood education and care<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	5.9	3.2	0.9	0.8	1.5	0.2	0.2	0.5	13.1
2012-13	9.6	5.1	1.6	1.2	2.4	0.3	0.2	0.9	21.3
2013-14	8.5	4.6	1.5	0.9	2.3	0.3	0.2	0.8	19.1
2014-15	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2015-16	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp

(a) A review of this agreement will be undertaken by COAG in 2014. Provision has been made in the Contingency Reserve subject to negotiations with the States.

The Commonwealth is providing funding for the *National Partnership on the national quality agenda for early childhood education and care* to deliver an integrated and unified national regulatory system for early childhood education and care, and reduce the regulatory burden on service providers. It is promoting continuous improvement in the quality of services through a national quality standard, including the early years learning framework, and a national quality rating system.

The National Quality Agenda is improving educational and developmental outcomes for children, and improving public knowledge of, and access to, information about the quality of early childhood education and care services.

**National Partnership on the National Solar Schools Program<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	13.6	7.4	6.3	7.3	2.8	1.3	0.9	1.3	41.0
2012-13	9.5	8.2	11.5	6.0	4.5	1.7	1.6	2.7	45.7
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on the National Solar Schools Program*. Funding is being provided for approved schools to install solar and other renewable power systems, solar hot water systems, rainwater tanks and a range of energy efficiency measures.

**National Partnership on rewards for great teachers<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	15.7	12.4	10.1	5.3	3.6	1.2	0.9	0.8	50.0
2012-13	3.1	2.5	2.0	1.1	0.7	0.2	0.2	0.2	10.0
2013-14	12.6	10.2	8.0	4.1	2.9	0.9	0.7	0.5	40.0
2014-15	39.5	31.6	25.1	12.9	9.0	3.0	2.2	1.6	125.0
2015-16	79.1	63.2	50.2	25.9	18.0	5.9	4.5	3.3	250.0

(a) Includes government and non-government schools.

The Commonwealth is providing funding of \$475.0 million over five years (and a total of \$1.1 billion over eight years to 2018-19) for the *National Partnership on rewards for great teachers* currently being negotiated with the States. This National Partnership will recognise quality teachers in Australia through a teacher reward payment scheme linked to the National Professional Standards for Teachers. It will improve the quality

and effectiveness of all teachers by ensuring they have access to constructive performance and development processes, which as a result, contribute to improved learning outcomes for students.

**National Partnership on reward for school improvement<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	3.3	2.4	1.8	1.1	0.8	0.3	0.1	0.2	10.0
2012-13	3.3	2.4	1.8	1.1	0.8	0.3	0.1	0.2	10.0
2013-14	2.9	2.1	1.6	1.0	0.7	0.3	0.1	0.2	9.0
2014-15	10.0	7.3	5.5	2.5	3.4	0.9	0.6	0.5	30.6
2015-16	20.1	14.6	11.1	5.0	6.9	1.7	1.1	0.9	61.3

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on reward for school improvement*. This National Partnership will facilitate adoption of the National School Improvement Framework and enable reward payments to be made to schools showing the most improvement.

The measure taken in the 2012-13 Budget as part of this program is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**National Partnership on the School Pathways Program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	0.5	1.3	-	-	-	1.9
2012-13	-	-	-	0.5	1.2	-	-	-	1.7
2013-14	-	-	-	0.5	0.7	-	-	-	1.3
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the School Pathways Program* in South Australia and Western Australia. This National Partnership was established to increase the pool of young people ready to move from school into further education, apprenticeships, scholarships and part time work/study combinations in the defence industry. The School Pathways Program is also increasing employer awareness of options for recruiting young people and the benefits to business of doing so.

**National Partnership on the Secure Schools Program<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	2.3	2.0	0.6	0.5	0.1	-	-	0.2	5.7
2012-13	2.1	1.7	0.5	0.5	..	-	-	0.2	5.0
2013-14	2.1	1.7	0.5	0.5	..	-	-	0.2	5.0
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on the Secure Schools Program*. This National Partnership will assist government and non-government schools at risk of racial, religious or ethnically motivated crimes to

meet their particular security needs by providing security-related infrastructure such as fencing, lighting and CCTV.

### Smarter Schools National Partnerships

The Smarter Schools National Partnerships include improving teacher quality, literacy and numeracy, and low socio-economic status school communities.

#### National Partnership on improving teacher quality<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	75.4	59.9	46.6	23.9	17.2	5.6	4.2	2.9	235.6
2012-13	61.7	49.1	38.1	19.6	14.1	4.6	3.4	2.4	193.0
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on improving teacher quality*. This National Partnership was established to facilitate and reward ambitious, nationally significant and sustainable reforms to attract, train, place, develop and retain quality teachers and school leaders in classrooms and schools. These reforms provide a platform for raising student performance and support other schooling reforms targeting low socio-economic status school communities and literacy and numeracy outcomes.

#### National Partnership on literacy and numeracy<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	48.4	53.2	48.5	32.0	14.1	5.9	2.3	7.0	211.5
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on literacy and numeracy*. This National Partnership facilitates and rewards a range of reforms to accelerate literacy and numeracy improvements for students with a priority focus on primary school students who are at risk of falling behind, especially Indigenous students. It is contributing towards COAG's target of 'halving the gap' in literacy and numeracy outcomes for Indigenous students.

This National Partnership has three key priority areas for reform:

- strong school leadership and whole of school engagement with literacy and numeracy;
- effective and evidence-based teaching of literacy and numeracy; and

- monitoring of student and school literacy and numeracy performance to identify where support is needed.

From 2012-13, funding for literacy and numeracy programs is detailed in the Department of Education, Employment and Workplace Relations' Portfolio Budget Statement.

**National Partnership on low socio-economic status school communities<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	148.3	68.8	54.0	24.2	39.9	17.5	0.8	17.5	371.0
2012-13	143.9	66.7	55.4	23.5	38.7	17.0	0.7	17.0	362.9
2013-14	88.2	40.9	37.1	14.4	23.8	10.4	0.4	10.4	225.8
2014-15	67.2	31.2	30.2	11.0	18.1	7.9	0.3	7.9	174.0
2015-16	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on low socio-economic status school communities*. These reforms are focusing on teacher quality, principal leadership, school accountability and innovative learning opportunities to equip students better for further education, workforce participation and civic responsibilities. The reforms are contributing to COAG's social inclusion agenda and helping to overcome disadvantage experienced by many Indigenous people.

**National Partnership on Stronger Futures in the Northern Territory**

The Commonwealth will provide funding to the Northern Territory Government through the *National Partnership on Stronger Futures in the Northern Territory*. There are three education components under the *National Partnership on Stronger Futures in the Northern Territory*. The Stronger Futures in the Northern Territory initiative is described further in the Community Services section of this Part.

Funding for the *National Partnership on Stronger Futures in the Northern Territory* is a new spending measure in the 2012-13 Budget. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**Building a quality school workforce**

The Commonwealth will provide funding for building a quality school workforce. The funding supports the urgent improvement of schooling outcomes for Indigenous children and comprises two components – additional teachers and quality teaching.

**Additional teachers component<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	28.0	28.0
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Includes government and non-government schools.

(b) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide continued funding to the Northern Territory Government for 200 teaching positions in remote Northern Territory schools, to maintain a strong workforce and provide access to quality teaching that directly engages young people in education and supports the aspirations of Aboriginal communities for quality education outcomes for their children.

**Quality teaching component<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	14.8	14.8
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Includes government and non-government schools.

(b) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

This quality teaching component will enhance the capability of the existing education workforce in remote Northern Territory communities and improve teachers' abilities to support students with critical needs. Commonwealth funding will allow Northern Territory education providers to develop career pathways for Indigenous staff members, increase the number of Indigenous staff members with education qualifications and provide professional development, support and programs to enable teachers and students to achieve improved outcomes in literacy and numeracy in targeted remote communities.

**Expansion of the school enrolment and attendance measure<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	1.9	1.9
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide funding for the expansion of the school enrolment and attendance measure (SEAM). This measure will use the income support payment system as a way to connect schools and families where children are not enrolled in school, or going to school and encourages dialogue between the school and the family

on factors impacting on school enrolment and attendance. As a last resort, SEAM will use the possible suspension of income support payments to encourage improved school enrolment and attendance behaviours.

This measure will be aligned with the Northern Territory Government's *Every Child, Every Day* attendance strategy and expanded from 6 to 22 communities (including all Northern Territory Remote Service Delivery communities, Alice Springs, Tennant Creek, Alyangula, Nhulunbuy, and the remaining areas of Katherine not already in scope for SEAM) in the Northern Territory.

This measure will support greater engagement between schools and families and encourage better attendance behaviours and educational outcomes in SEAM communities. SEAM will use attendance conferences and the development of attendance plans that will provide parents with ownership and control of their behaviour towards their children's school attendance. The funding will provide for increased levels of support for families through additional social workers from the Department of Human Services and additional funding for Northern Territory Government Attendance and Engagement Officers.

**National Partnership on trade training centres in schools<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	78.1	75.7	48.1	27.4	25.6	5.0	0.6	9.8	270.4
2012-13	55.4	44.6	39.0	19.5	14.0	4.4	3.4	1.6	181.9
2013-14	38.5	30.8	27.0	13.5	9.8	3.0	2.4	1.1	126.1
2014-15	77.3	62.3	54.3	27.3	19.6	6.0	4.8	2.2	253.9
2015-16	114.5	92.0	80.5	40.4	29.0	9.0	7.0	3.3	375.7

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on trade training centres in schools*. Trade training centres are being established to help increase the proportion of students achieving Year 12 or equivalent qualifications by ensuring students have access to high quality, relevant education and training opportunities that engage and encourage them to complete their studies. The trade training centres also aim to address national skills shortages in traditional trades and emerging industries. Under the program, funds are available for major capital works, upgrade or refurbishment of existing facilities and/or industry standard equipment.

Strong partnerships between Commonwealth, State and Territory governments, non-government education authorities and school communities enable the success of the trade training centres in schools program.

Funding for trade training centres commenced in March 2008.

## SKILLS AND WORKFORCE DEVELOPMENT

In 2012-13, the Commonwealth will provide funding of \$1.7 billion to support state skills and workforce development related services as detailed in Table 2.6.

**Table 2.6: Payments to support state skills and workforce development related services**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Skills and Workforce Development SPP</b>	1,363.1	1,388.9	1,415.1	1,442.7	1,470.7
<b>National Partnership payments</b>					
Building Australia's Future Workforce					
Skills reform	-	238.4	238.4	377.2	377.4
Training places for single and teen parents	6.7	20.0	26.7	26.7	-
Commonwealth/State and Territory Joint					
Group Training Program	14.0	-	-	-	-
Education Investment Fund	24.9	3.8	-	-	-
Natural Disaster Queensland Community					
Work Placements	4.8	-	-	-	-
Productivity Places Program	375.9	-	-	-	-
TAFE fee waivers for childcare qualifications	13.2	17.2	17.6	10.7	-
Youth attainment and transitions					
Maximising engagement, attainment and successful transitions	37.5	37.5	18.8	-	-
Year 12 attainment and transitions	50.0	-	50.0	-	-
<b>Total</b>	<b>1,889.9</b>	<b>1,705.7</b>	<b>1,766.5</b>	<b>1,857.3</b>	<b>1,848.2</b>

### National Agreement for Skills and Workforce Development

On 13 April 2012, COAG agreed to a revised *National Agreement for Skills and Workforce Development*. The Agreement identifies the long-term objectives of the Commonwealth and the States in the areas of skills and workforce development, and recognises the interest of all Governments in ensuring the skills of the Australian people are developed and utilised in the economy.

The Agreement seeks to deliver a vocational education and training (VET) system with improved quality and greater transparency for students, employers and governments; greater access to training opportunities and improved outcomes for disadvantaged students; and greater efficiency.

The reforms needed to achieve the objectives and outcomes of this Agreement include reforming training to achieve a more demand-driven and client-focused system, and to help drive the next wave of innovation and productivity.

### National Skills and Workforce Development SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	448.0	338.0	268.8	138.6	101.4	31.4	22.8	14.1	1,363.1
2012-13	452.7	345.0	276.8	143.1	102.4	31.6	23.0	14.2	1,388.9
2013-14	456.9	352.2	285.3	148.1	103.3	31.7	23.3	14.4	1,415.1
2014-15	460.8	359.9	294.5	153.7	104.0	31.7	23.5	14.6	1,442.7
2015-16	468.4	367.3	300.8	157.7	105.6	32.1	24.0	14.8	1,470.7

The National Skills and Workforce Development SPP is the funding associated with the *National Agreement for Skills and Workforce Development* and is provided to work towards increasing the skill levels of all Australians.

### Growth factor

The Intergovernmental Agreement defines the growth factor for the National Skills and Workforce Development SPP as the product of:

$$0.85 \times \text{wage cost index 1} + 0.15 \times \text{wage cost index 6}$$

The growth factor for the National Skills and Workforce Development SPP is currently estimated to be 1.89 per cent in 2012-13.

### National Partnership payments for skills and workforce development

In addition to the National Skills and Workforce Development SPP, the Commonwealth will provide funding through National Partnerships as detailed below.

#### Building Australia's Future Workforce — National Partnership on skills reform<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	76.6	59.3	48.7	24.9	17.3	5.3	3.8	2.5	238.4
2013-14	76.6	59.3	48.7	24.9	17.3	5.3	3.8	2.5	238.4
2014-15	121.2	93.9	77.0	39.3	27.5	8.4	6.0	3.9	377.2
2015-16	121.3	93.8	77.1	39.4	27.4	8.5	6.1	3.9	377.4

(a) Since the 2011-12 Budget, the name of this National Partnership has changed from the *National Partnership on vocational education and training*.

The Commonwealth will provide funding for the *National Partnership on skills reform* of \$1.7 billion over five years from 2012-13 (including \$516.3 million in 2016-17). It will support long-term reform in the VET sector, particularly reforms that provide:

- more accessible training for working-age Australians and, in particular, a more equitable training system, which provides greater opportunities for participation in education and training;
- a more transparent VET sector, which enables better understanding of the VET activity that is occurring in each jurisdiction;



- a higher quality VET sector, which delivers learning experiences and qualifications that are relevant to individuals, employers and industry; and
- a more efficient VET sector, which is responsive to the needs of students, employers and industry.

The National Partnership will complement the revised *National Agreement for Skills and Workforce Development*.

**Building Australia's Future Workforce — National Partnership on training places for single and teen parents**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	2.1	1.6	1.4	0.6	0.6	0.2	0.1	0.1	6.7
2012-13	6.4	4.7	4.3	1.9	1.7	0.6	0.2	0.2	20.0
2013-14	8.5	6.3	5.7	2.6	2.2	0.8	0.2	0.3	26.7
2014-15	8.5	6.3	5.7	2.6	2.2	0.8	0.2	0.3	26.7
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on training places for single and teen parents* to assist them to return to the workforce. The funding will provide training places at the Certificate II level or above, for single and teen parents affected by changes to workforce participation requirements.

**National Partnership for the Commonwealth/State and Territory Joint Group Training Program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	1.8	3.2	4.2	3.0	1.4	-	0.3	0.2	14.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership for the Commonwealth/State and Territory Joint Group Training Program*. This National Partnership will support group training organisations to deliver strategies and initiatives to improve Australian apprenticeship commencements and completions.

**National Partnership on the Education Investment Fund**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	11.7	-	-	13.2	-	-	-	-	24.9
2012-13	3.8	-	-	-	-	-	-	-	3.8
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding from the Education Investment Fund to support the development of infrastructure for higher education, research and VET institutions to improve Australia's tertiary education, research and skills capabilities. The Education Investment Fund is one of the three Nation-building Funds established by the *National-building Funds Act 2008*, along with the Building Australia Fund and the Health and Hospitals Fund.

**National Partnership for the Natural Disaster Queensland Community Work Placements**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	4.8	-	-	-	-	-	4.8
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership for the Natural Disaster Queensland Community Work Placements*. This National Partnership was established to provide community work placements through the Green Army Program in flood and cyclone affected areas in Queensland. Queensland's Green Army aims to create new jobs to enhance Queensland's natural assets, strengthen the Queensland tourism industry and promote increased environmental awareness. This National Partnership will cease on 30 June 2012.

**National Partnership on Productivity Places Program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	161.2	-	98.7	50.3	37.0	14.9	8.5	5.3	375.9
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on Productivity Places Program* targeting training to support the development of skills to meet existing and future industry demands. This National Partnership will cease on 30 June 2012. Funds for skills development will now support the Building Australia's Future Workforce – *National Partnership on skills reform*.

**National Partnership on TAFE fee waivers for childcare qualifications**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	3.0	5.4	1.5	0.5	1.5	0.1	1.2	0.1	13.2
2012-13	2.4	9.1	2.7	0.9	0.9	0.3	0.8	0.1	17.2
2013-14	3.4	8.6	2.4	1.1	1.1	0.3	0.6	0.1	17.6
2014-15	2.4	5.1	1.3	0.6	0.6	0.1	0.5	..	10.7
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on TAFE fee waivers for childcare qualifications*. This National Partnership removes fees for the Diploma and Advanced Diploma of Children's Services courses delivered at TAFE institutions, or by other government VET providers. This agreement assists people, including existing child care educators, gain a VET qualification in early childhood education.

**National Partnership on youth attainment and transitions**

The *National Partnership on youth attainment and transitions* includes maximising engagement, attainment and successful transitions, and Year 12 attainment and transitions.

**Maximising engagement, attainment and successful transitions<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	8.5	17.0	5.6	2.8	1.9	0.6	0.7	0.4	37.5
2012-13	8.5	17.0	5.6	2.8	1.9	0.6	0.7	0.4	37.5
2013-14	4.2	8.5	2.8	1.4	1.0	0.3	0.3	0.2	18.8
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) The amount of funding paid to Victoria includes \$43 million across all years to be used to implement the school business community partnership brokers program through its local learning and employment network.

**Year 12 attainment and transitions component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	16.3	12.4	10.0	5.1	3.7	1.2	0.8	0.5	50.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	16.3	12.4	10.0	5.1	3.7	1.2	0.8	0.5	50.0
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on youth attainment and transitions*. This National Partnership was established to support the achievement of a national Year 12 or equivalent attainment rate of 90 per cent by 2015 and to halve the gap in Indigenous Year 12 or equivalent attainment by 2020. Measures under this National Partnership aim to increase the educational engagement and attainment of young people and to improve their transition to post-school education, training, and employment through immediate, concerted action supported by broader long-term reform.

## COMMUNITY SERVICES

In 2012-13, the Commonwealth will provide funding of \$2.2 billion to support state community services, as detailed in Table 2.7.

As part of the National Health Reform arrangements, the Commonwealth has assumed full policy and funding responsibility for national aged care services and funding responsibility for specialist disability services delivered by the States for people aged 65 years and over (50 years and over for Indigenous Australians). The States have responsibility for funding and regulating disability services for people aged under 65 years (under 50 years for Indigenous Australians). Additional details on the new National Health Reform arrangements are set out in Part 1. The exception to these arrangements is Victoria and Western Australia where existing arrangements will continue.

**Table 2.7: Payments to support state community services**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Disability SPP</b>	1,208.7	1,277.6	1,346.9	1,425.3	1,499.8
<b>Changed roles and responsibilities – adjustment to achieve budget neutrality(a)</b>	-3.7	-13.8	-14.7	-15.4	-16.1
<b>National Partnership payments</b>					
Transitioning responsibilities for aged care and disability services					
Basic community care maintenance and support services	1,507.2	503.1	544.5	nfp	nfp
Specialist disability services	125.3	109.4	113.5	117.2	121.0
Aged care assessment	89.9	8.7	-	-	-
Certain concessions for pensioners and seniors card holders					
Certain concessions for pensioners	254.6	270.5	280.3	291.8	304.2
National reciprocal transport concessions	14.0	12.5	12.5	12.5	12.5
Closing the Gap in the Northern Territory					
Community safety – family support	5.5	-	-	-	-
Field operations	4.3	-	-	-	-
Food security	0.2	-	-	-	-
Remote policing	29.5	-	-	-	-
Substance abuse	7.2	-	-	-	-
Home and Community Care – services for veterans	17.8	8.3	8.2	8.3	8.4
Social and Community Services – Queensland pay equity regulation – back pay	7.7	-	-	-	-

**Table 2.7: Payments to support state community services (continued)**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
Stronger Futures in the Northern Territory					
Child, youth, family and community wellbeing	-	13.4	nfp	nfp	nfp
Community safety and justice	-	21.3	nfp	nfp	nfp
Municipal and essential services	-	5.0	nfp	nfp	nfp
Remote engagement and coordination	-	4.4	nfp	nfp	nfp
Tackling alcohol abuse	-	4.0	nfp	nfp	nfp
<b>Total</b>	<b>3,268.1</b>	<b>2,224.3</b>	<b>2,291.2</b>	<b>1,839.7</b>	<b>1,929.7</b>

(a) From 2011-12, the Commonwealth is making an adjustment to the National Disability SPP to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services are budget neutral until 2013-14. From 2014-15 the changed roles and responsibilities in this area will result in additional own purpose expenditure for the Commonwealth. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

## National Disability Agreement

The *National Disability Agreement* commits the Commonwealth and the States to strive, through the provision of disability support services, to help people with disabilities and their carers achieve an enhanced quality of life and participate as valued members of the community.

To meet these objectives, governments have agreed to reform their services, including to:

- improve the provision of services and opportunities to enhance the capacity of people with disability;
- ensure that services are person-centred and provide timely access to the necessary support needs;
- identify, plan and respond to the development and support needs of people with disability at an early stage and at key life transition points; and
- support the role of carers and families, including through strengthening their informal support networks.

## National Disability SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	396.8	284.7	237.3	110.3	114.1	35.0	18.0	12.6	1,208.7
2012-13	416.4	307.7	253.0	124.1	109.6	33.8	19.7	13.3	1,277.6
2013-14	431.6	335.6	274.3	142.5	97.5	29.8	21.9	13.7	1,346.9
2014-15	455.3	355.6	290.9	151.8	102.7	31.3	23.2	14.4	1,425.3
2015-16	477.7	374.6	306.7	160.8	107.7	32.7	24.5	15.1	1,499.8

The National Disability SPP is the funding associated with the *National Disability Agreement*. The Commonwealth is providing funding to the States under this National SPP to support disability services.

## Growth factor

The Intergovernmental Agreement defines the growth factor for the National Disability SPP as the rolling five year average of year-on-year growth in nominal gross domestic product.

For the purpose of calculating indexation, the Disabilities Assistance Package has been deducted from the base to calculate 2011-12 funding as the package already includes an escalation factor. The package forms part of the base to calculate funding for 2012-13 onwards.

The growth factor for the National Disability SPP is currently estimated to be 5.70 per cent in 2012-13.

### Changed roles and responsibilities — adjustment to achieve budget neutrality<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	17.5	-	14.4	-	-31.8	-5.5	-0.6	2.1	-3.7
2012-13	6.8	-	8.9	-	-20.4	-6.0	0.5	-3.6	-13.8
2013-14	8.2	-	9.2	-	-22.6	-6.5	0.6	-3.7	-14.7
2014-15	8.7	-	9.8	-	-23.8	-6.8	0.6	-3.9	-15.4
2015-16	9.1	-	10.3	-	-24.9	-7.1	0.6	-4.1	-16.1

(a) From 2011-12, the Commonwealth is making an adjustment to the National Disability SPP to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services are budget neutral through until 2013-14. Victoria and Western Australia are not participating in these arrangements and no adjustment will be made to the National Disability SPP for these two jurisdictions.

Since 1 July 2011, as part of the National Health Reform Agreement agreed with the States in August 2011, the Commonwealth has made an adjustment to ensure that the changes to Commonwealth and State roles and responsibilities for aged care and disability services as part of the National Health Reform arrangements are budget neutral.

## National Partnership payments for community services

In addition to the National Disability SPP, the Commonwealth will provide funding through National Partnerships as detailed below.

### National Partnership on transitioning responsibilities for aged care and disability services

The *National Partnership on transitioning responsibilities for aged care and disability services* forms part of the National Health Reform arrangements. This agreement implements the first phase of changes to the roles and responsibilities associated with the Commonwealth taking full funding, policy and operational responsibility for basic community care services for people aged 65 years and over (50 years and over for Indigenous Australians), as well as funding responsibility for specialist disability services to people aged 65 years and over (50 years and over for Indigenous Australians) with the exception of Victoria and Western Australia where current arrangements will continue.

As part of these reforms, States will reimburse the Commonwealth for the cost of packaged community care and residential care services delivered to persons under the age of 65 (50 years for Indigenous Australians). Further details of the new National Health Reform arrangements can be found in Part 1 and the Health section of this Part.

#### **Basic community care maintenance and support services component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	462.6	323.6	377.3	139.1	131.4	45.0	19.6	8.6	1,507.2
2012-13	-	352.4	-	150.7	-	-	-	-	503.1
2013-14	-	381.4	-	163.1	-	-	-	-	544.5
2014-15	-	nfp	-	nfp	-	-	-	-	nfp
2015-16	-	nfp	-	nfp	-	-	-	-	nfp

(a) Funding in 2012-13 and 2013-14 reflects payments to Victoria and Western Australia under the Home and Community Care Program Review Agreement. Funding is not published past 2013-14. Provision has been made in the Contingency Reserve subject to negotiations with the States.

The Commonwealth will provide funding for the provision of basic community care maintenance and support services such as domestic assistance and personal care to older people. These services will provide support for people aged 65 years and over (50 years and over for Indigenous Australians), and will replace the Home and Community Care program for participating States. From July 2012, funding for these services will be provided by the Commonwealth directly to service providers.

Funding will also be provided to Victoria and Western Australia to continue the current Home and Community Care program as they are not signatories to this element of the National Health Reform arrangements.

#### **Specialist disability services component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	55.5	-	17.0	-	41.7	5.7	0.8	4.6	125.3
2012-13	57.3	-	17.6	-	22.9	6.0	0.8	4.8	109.4
2013-14	58.7	-	17.9	-	24.8	6.3	0.8	5.0	113.5
2014-15	60.0	-	18.1	-	26.8	6.5	0.8	5.1	117.2
2015-16	61.0	-	18.4	-	29.0	6.6	0.8	5.2	121.0

The Commonwealth is providing funding for specialist disability services for people aged 65 years and over (50 years and over for Indigenous Australians), in participating States.

**National Partnership on aged care assessment<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	29.2	23.0	15.2	8.7	9.2	2.3	1.0	1.3	89.9
2012-13	2.9	2.1	1.5	0.9	0.8	0.2	0.1	0.1	8.7
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Funding in 2012-13 is the final payment for deliverables relating to 2011-12.

From 2012-13, the Commonwealth will take direct responsibility for aged care assessment in line with its new responsibilities to deliver a nationally consistent set of services, support, assessment, care and regulation. Funding to the States in 2012-13 reflects the final amounts payable for 2011-12.

**National Partnership on certain concessions for pensioners and seniors card holders**

Several payments are provided under the *National Partnership on certain concessions for pensioners and seniors card holders*.

**Certain concessions for pensioners component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	88.5	63.3	44.2	22.3	25.2	8.1	1.8	1.2	254.6
2012-13	94.1	67.3	47.0	23.6	26.8	8.6	1.9	1.3	270.5
2013-14	97.5	69.7	48.7	24.5	27.7	8.9	2.0	1.4	280.3
2014-15	101.5	72.5	50.7	25.5	28.9	9.3	2.1	1.4	291.8
2015-16	105.8	75.6	52.8	26.6	30.1	9.7	2.1	1.5	304.2

(a) Estimates from 2012-13 onwards will be finalised following negotiations with the States.

**National reciprocal transport concessions component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	6.6	1.8	4.2	0.5	0.4	0.1	0.2	0.1	14.0
2012-13	4.0	3.1	2.6	1.3	0.9	0.3	0.2	0.1	12.5
2013-14	4.0	3.1	2.6	1.3	0.9	0.3	0.2	0.1	12.5
2014-15	4.0	3.1	2.6	1.3	0.9	0.3	0.2	0.1	12.5
2015-16	4.0	3.1	2.6	1.3	0.9	0.3	0.2	0.1	12.5

(a) Estimates from 2012-13 onwards will be finalised following negotiations with the States.

The Commonwealth is providing funding to assist the States with the cost of funding concessions, for all pensioner concession card holders without discrimination, in relation to council land and water rates, utilities including energy and sewerage, motor vehicle registration and public transport.

The Commonwealth is also providing funding for public transport concessions under this National Partnership, to enable seniors card holders to access public transport concessions when they travel outside their home state.

New spending measures associated with the *National Partnership on certain concessions for pensioners and seniors card holders* are discussed in Budget Paper No. 2: *Budget Measures 2012-13*.



**National Partnership on Closing the Gap in the Northern Territory****Community safety — family support component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	5.5	5.5
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

**Field operations component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	4.3	4.3
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

**Food security component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	0.2	0.2
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

**Remote policing component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	29.5	29.5
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

**Substance abuse component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	7.2	7.2
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on Closing the Gap in the Northern Territory*. This National Partnership was established to provide for the transition of the Northern Territory Emergency Response to a three year development phase to build on and enhance existing measures for law and order, community safety, education, health, food security and interpreters. It also places a greater emphasis on community engagement and partnerships, whilst building capability and leadership within Indigenous communities.

The Commonwealth and Northern Territory Governments are currently negotiating arrangements as part of the Stronger Futures in the Northern Territory initiative, which will replace the *National Partnership on Closing the Gap in the Northern Territory*. See the section on the *National Partnership on Stronger Futures in the Northern Territory* in this Part.

Other payments made as part of the *National Partnership on Closing the Gap in the Northern Territory* are discussed in the Health and Education sections of this Part.

#### **National Partnership on Home and Community Care — services for veterans**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	6.4	3.8	3.6	1.4	1.5	0.6	0.3	..	17.8
2012-13	1.0	3.9	1.3	1.5	0.3	0.1	0.1	..	8.3
2013-14	0.9	4.0	1.2	1.5	0.3	0.1	0.1	..	8.2
2014-15	0.9	4.1	1.2	1.6	0.3	0.1	0.1	..	8.3
2015-16	0.9	4.2	1.2	1.6	0.3	0.1	0.1	..	8.4

The Commonwealth is providing funding for the *National Partnership on Home and Community Care – services for veterans*. This National Partnership was established to facilitate access by veterans to services through home and community care programs. From 2011-12, the funding provided under this National Partnership is for veterans aged under 65 years.

#### **National Partnership on Social and Community Services — Queensland pay equity regulation — back pay<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	7.7	-	-	-	-	-	7.7
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Funding for Commonwealth own-purpose expense programs is detailed in relevant agencies' Portfolio Budget Statements.

The Commonwealth will provide funding for the *National Partnership on Social and Community Services – Queensland pay equity – back pay*. This funding will assist Queensland Social and Community Services sector employers to meet their obligations under the new Australian Government regulation for back pay to employees in the sector who were employed between 27 March 2011 and 29 February 2012.

New spending measures associated with the *National Partnership on Social and Community Services – Queensland pay equity regulation – back pay* are discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

#### **National Partnership on Stronger Futures in the Northern Territory**

The Commonwealth will provide funding for the *National Partnership on Stronger Futures in the Northern Territory* that is currently being negotiated with the Northern Territory Government. This new National Partnership is due to commence

on 1 July 2012 as part of the Stronger Futures in the Northern Territory initiative and will build upon the objectives of the *National Partnership on Closing the Gap in the Northern Territory*.

The *Stronger Futures in the Northern Territory* initiative is a ten-year commitment with significant investment in families, education, health, housing, infrastructure, jobs and safety, building on extensive consultations undertaken with Indigenous Australians in the Northern Territory.

The Commonwealth has announced a total funding package of around \$3.4 billion over ten years. Estimates have been allocated in 2012-13 to provide funding certainty. The remainder of funds have been entered in the Contingency Reserve pending negotiation of the new National Partnership.

Funding for the *National Partnership on Stronger Futures in the Northern Territory* is a new spending measure in the 2012-13 Budget. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

Further details of Commonwealth funding being provided for the *National Partnership on Stronger Futures in the Northern Territory* can be found in the Health, Education and Affordable Housing sections of this Part.

**Child, youth, family and community wellbeing component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	13.4	13.4
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide funding to strengthen the safety and wellbeing of Aboriginal children, youth and their families. This funding will support a range of important initiatives in communities, including:

- continued funding for playgroups, home and parenting support services, youth workers and safe houses;
- an expansion of the number of Communities for Children sites, which offer services to help parents provide a safe, happy and healthy environment for their children; and
- an extra 12 Remote Aboriginal Family and Community Workers and the continuation of two Mobile Child Protection Teams.

**Community safety and justice component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	21.3	21.3
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide funding for remote policing, community night patrols and legal assistance services. These services are critical to continuing to improve safety for Indigenous people in Northern Territory communities.

**Municipal and essential services component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	5.0	5.0
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide support for the delivery of basic essential services to outstations and homelands, such as access to power, water and sewerage and road maintenance. It will also support garbage collection, dog control programs and operational costs for organisations that provide municipal and essential services.

**Remote engagement and coordination component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	4.4	4.4
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide funding for more effective engagement with communities through continued support for the Northern Territory Aboriginal Interpreter Service.

**Tackling alcohol abuse component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	4.0	4.0
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will provide funding to tackle alcohol abuse and ensure licensed premises operate properly. Funding will include support to extend alcohol restrictions and for the development of alcohol management plans in communities. These initiatives will complement the Northern Territory Government's Enough is Enough Alcohol Reforms.

## AFFORDABLE HOUSING

In 2012-13, the Commonwealth will provide funding of \$1.8 billion to support state affordable housing services, as detailed in Table 2.8.

**Table 2.8: Payments to support state affordable housing services**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Affordable Housing SPP</b>	1,242.6	1,265.0	1,287.7	1,312.2	1,337.1
<b>National Partnership payments</b>					
Building Better Regional Cities	30.0	35.0	35.0	-	-
East Kimberley Development Package					
Social and transitional housing projects	0.4	-	-	-	-
First Home Owners Boost	26.4	5.9	-0.1	-	-
Homelessness	131.5	156.5	-	-	-
Nation Building and Jobs Plan					
Social housing – second stage construction	162.0	-	-	-	-
Remote Indigenous Housing	794.1	303.2	541.1	485.6	368.2
Stronger Futures in the Northern Territory					
Healthy homes	-	4.9	nfp	nfp	nfp
Indigenous housing	-	22.4	nfp	nfp	nfp
<b>Total</b>	<b>2,387.0</b>	<b>1,792.9</b>	<b>1,863.7</b>	<b>1,797.8</b>	<b>1,705.3</b>
<i>Memorandum item – payments direct to local governments included in payments above</i>					
Building Better Regional Cities	30.0	35.0	35.0	-	-
<b>Total</b>	<b>30.0</b>	<b>35.0</b>	<b>35.0</b>	<b>-</b>	<b>-</b>

### National Affordable Housing Agreement

The *National Affordable Housing Agreement* commits the Commonwealth and the States to the objective that all Australians have access to affordable, safe and sustainable housing which will assist them to participate in the labour force and, more broadly, in the community.

The Commonwealth and the States have also committed to reforms that will enhance housing programs and services, including by improving:

- the integration of homelessness services and other mainstream services, such as employment services;
- operational efficiency of public housing and the employment outcomes of public housing tenants; and
- efficiency in the supply of housing through planning reforms.

**National Affordable Housing SPP**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	395.8	288.3	246.1	129.3	95.1	32.6	24.3	31.0	1,242.6
2012-13	403.8	300.7	252.9	132.3	95.1	31.4	23.3	25.3	1,265.0
2013-14	411.5	313.6	260.0	135.8	94.9	30.2	22.3	19.4	1,287.7
2014-15	419.2	327.4	267.8	139.8	94.6	28.8	21.4	13.3	1,312.2
2015-16	425.9	334.0	273.5	143.4	96.0	29.2	21.8	13.5	1,337.1

The National Affordable Housing SPP is the funding associated with the *National Affordable Housing Agreement*. The Commonwealth is providing a financial contribution to support services in the housing sector.

This funding is being used to support a range of measures including social housing, assistance to people in the private rental market, support and accommodation for people who are homeless or at risk of homelessness, and home purchase assistance.

**Growth factor**

The Intergovernmental Agreement outlines the agreed growth factor for the National Affordable Housing SPP. The growth factor is the wage cost index 1, comprising a safety net wage adjustment weighted by 75 per cent and the all groups Consumer Price Index weighted by 25 per cent.

The growth factor for the National Affordable Housing SPP is currently estimated to be 1.80 per cent in 2012-13.

**National Partnership payments for affordable housing**

In addition to the National Affordable Housing SPP funding, the Commonwealth will provide a total of \$527.9 million in 2012-13 through National Partnerships to support state affordable housing services. Further details on these National Partnerships are provided below.

**Building Better Regional Cities<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	~	~	~	~	~	~	~	~	30.0
2012-13	~	~	~	~	~	~	~	~	35.0
2013-14	~	~	~	~	~	~	~	~	35.0
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

(b) All payments are made direct to local governments.

The Building Better Regional Cities program is a \$100 million commitment by the Commonwealth to invest in local housing infrastructure projects that will help build more affordable homes in high growth regional cities over the next three years.

### National Partnership on the East Kimberley Development Package — social and transitional housing projects

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	0.4	-	-	-	-	0.4
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to Western Australia for Indigenous housing projects as part of the *National Partnership on the East Kimberley Development Package*. Investment priorities under the package focus on improving the provision of social and transition housing where noticeable gaps exist in the region. Improved housing outcomes, particularly for Indigenous people, will provide the foundation for lasting improvements in living standards, social and economic wellbeing and access to life opportunities, such as employment and education. This project will be completed in 2011-12.

The East Kimberley Development Package as a whole is described in the Infrastructure section of this Part.

### National Partnership on the First Home Owners Boost

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	5.2	16.5	1.6	0.5	0.8	0.2	1.5	..	26.4
2012-13	1.1	3.8	0.4	0.1	0.1	..	0.3	..	5.9
2013-14	..	..	-	..	-	..	..	-	-0.1
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

As part of the Economic Security Strategy, announced on 14 October 2008, the Commonwealth introduced the First Home Owners Boost to stimulate housing activity, support the construction industry and assist first home buyers to enter the housing market. In response to continued economic uncertainty, the Commonwealth extended the First Home Owners Boost for an additional six months, with the value of grants halving for the three months to 31 December 2009. Eligibility for the First Home Owners Boost has now ceased.

The continuation of the First Home Owners Boost payment in 2011-12 and 2012-13 reflects the 12 month application period and the timeframes allowed for the construction of new homes. Negative total expenditure in 2013-14 reflects an estimate of funds recovered from applicants later found to be ineligible; these funds will be returned to the Commonwealth.



**National Partnership on homelessness**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	34.5	25.9	33.4	16.6	10.0	2.6	2.4	6.2	131.5
2012-13	41.4	31.2	39.7	19.6	12.0	2.6	2.4	7.6	156.5
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on homelessness*. This National Partnership includes the *A Place to Call Home* initiative, a joint initiative by the Commonwealth and the States to build 600 new homes for individuals and families experiencing homelessness. The Commonwealth's contribution to the *A Place to Call Home* initiative is \$150 million over five years to 2012-13, with the States matching this funding.

This National Partnership represents a significant first step to reduce homelessness by 20 per cent by 2013 and 50 per cent by 2020. This National Partnership focuses on three key strategies to reduce homelessness:

- prevention and early intervention to stop people becoming homeless;
- breaking the cycle of homelessness; and
- improving and expanding the service response to homelessness.

There are over 180 new and expanded activities being undertaken across the States to reduce homelessness under this National Partnership.

**National Partnership on the Nation Building and Jobs Plan — social housing — second stage construction**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	63.8	39.5	20.0	30.7	4.6	1.4	2.0	162.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for second stage construction under the *National Partnership on the Nation Building and Jobs Plan – social housing*. This National Partnership was established to provide economic stimulus by increasing the supply of social housing through new construction, and contributing to reduced homelessness and improved outcomes for the homeless and Indigenous Australians. This project will be completed in 2011-12.

**National Partnership on Remote Indigenous Housing**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	36.0	2.5	145.3	171.8	45.5	3.1	-	389.9	794.1
2012-13	18.5	2.5	96.9	55.4	5.7	2.8	-	121.5	303.2
2013-14	44.8	2.5	177.5	191.3	36.4	2.9	-	85.7	541.1
2014-15	60.7	2.5	155.6	165.6	27.8	2.5	-	71.0	485.6
2015-16	16.3	2.5	137.3	124.3	18.7	2.5	-	66.6	368.2

The Commonwealth is providing funding for the *National Partnership on Remote Indigenous Housing*. This National Partnership was established to facilitate significant reform in the provision of housing for Indigenous people in remote communities and to address overcrowding, homelessness, poor housing conditions and severe housing shortages.

**National Partnership on Stronger Futures in the Northern Territory**

The Commonwealth will provide funding to the Northern Territory Government through the *National Partnership on Stronger Futures in the Northern Territory*.

There are two affordable housing components under the *National Partnership on Stronger Futures in the Northern Territory*. The Stronger Futures in the Northern Territory initiative is described further in the Community Services section of this Part.

Funding for the *National Partnership on Stronger Futures in the Northern Territory* is a new spending measure in the 2012-13 Budget. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**Healthy homes component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	4.9	4.9
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will support the provision of safe and healthy houses for Indigenous Australians. This will include funding towards asbestos removal in homes and other buildings in Northern Territory Emergency Response prescribed communities.

**Indigenous housing component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	-	-	-	-	-	22.4	22.4
2013-14	-	-	-	-	-	-	-	nfp	nfp
2014-15	-	-	-	-	-	-	-	nfp	nfp
2015-16	-	-	-	-	-	-	-	nfp	nfp

(a) Estimates from 2013-14 onwards are subject to negotiation of the *National Partnership on Stronger Futures in the Northern Territory*.

The Commonwealth will also provide funding to improve remote Indigenous housing in the Northern Territory, particularly in communities currently covered by compulsory five year leases.

## INFRASTRUCTURE

In 2012-13, the Commonwealth will provide funding of \$3.7 billion to support state infrastructure services, as detailed in Table 2.9.

**Table 2.9: Payments to support state infrastructure services**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Adelaide Oval redevelopment and precinct works	30.0	-	-	-	-
Centenary of Canberra 2013 – A gift to the national capital	52.0	-	-	10.0	-
Cloncurry Community Precinct	2.4	-	-	-	-
East Kimberley Development Package – Other infrastructure projects	3.1	-	-	-	-
Interstate road transport	84.7	92.6	101.2	110.6	120.9
King George V sports and community precinct	8.7	-	-	-	-
Liveable cities	10.0	10.0	-	-	-
Local Government and Regional Development – Infrastructure employment projects	33.6	-	28.0	-	-
Managed motorways	10.0	10.0	20.0	20.0	-
Manuka Oval lighting upgrade	2.5	-	-	-	-
Nation Building Plan for the Future					
Major cities	97.6	101.2	-	-	-
Building Australia Fund	2,236.7	890.4	949.0	564.5	752.1
Nation Building Program					
Investment	4,100.9	1,821.1	3,063.9	1,804.6	1,645.2
Black spot projects	74.5	59.5	59.5	60.0	60.0
Off-network projects	258.1	198.4	264.1	38.0	59.0
Supplementary	31.8	-	-	-	-
Improving the national network	14.5	-	-	-	-
Heavy vehicle safety and productivity	22.7	10.0	30.0	20.0	20.0
Roads to Recovery	349.8	349.8	349.7	349.8	349.8
Improving local roads	1.0	-	-	-	-
National transport regulator reforms					
National Heavy Vehicles Regulator	3.5	14.9	-	-	-
National Rail Safety Regulator	3.3	8.0	-	-	-
Transitional assistance	3.0	-	-	-	-
North Penrith Thornton Park car park	2.0	-	-	-	-
Regional and Local Community Infrastructure Program	89.5	-	-	-	-
Regional Infrastructure Fund					
Stream 1 – Committed infrastructure projects	111.4	77.3	183.7	333.6	198.0
Stream 2 – Economic infrastructure projects	4.0	6.0	300.0	350.0	450.0
Sydney Cricket Ground redevelopment	50.0	-	-	-	-
Townsville Convention and Entertainment Centre	-	10.0	10.0	10.0	17.0
<b>Total</b>	<b>7,691.3</b>	<b>3,659.2</b>	<b>5,359.2</b>	<b>3,671.1</b>	<b>3,672.0</b>

**Table 2.9: Payments to support state infrastructure services (continued)**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<i>Memorandum item – payments direct to local governments included in payments above</i>					
Cloncurry Community Precinct	2.4	-	-	-	-
East Kimberley Development Package – Other infrastructure projects	1.6	-	-	-	-
King George V sports and community precinct	8.7	-	-	-	-
Liveable cities	6.5	6.5	-	-	-
Local Government and Regional Development – Infrastructure employment projects	14.1	-	28.0	-	-
Nation Building Program Off-network projects	69.5	4.3	12.8	-	-
Supplementary	31.8	-	-	-	-
Roads to Recovery	331.1	333.7	336.3	331.5	331.5
North Penrith Thornton Park car park	2.0	-	-	-	-
Regional and Local Community Infrastructure Program	89.5	-	-	-	-
Townsville Convention and Entertainment Centre	-	10.0	10.0	10.0	17.0
<b>Total</b>	<b>557.1</b>	<b>354.4</b>	<b>387.2</b>	<b>341.5</b>	<b>348.5</b>

## National Partnership payments for infrastructure

### National Partnership on the Adelaide Oval redevelopment and precinct works

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	30.0	-	-	-	30.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the Adelaide Oval redevelopment and precinct works*. The funding will go towards construction of two underground car parks, as well as the creation of new wetlands and other enhancements around the Riverbank precinct. This is part of the Adelaide Oval upgrade project being undertaken by the South Australian Government. These works are due for completion in 2014-15.

Funding for the Adelaide Oval redevelopment is a new spending measure in the 2012-13 Budget. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

### Centenary of Canberra 2013 — a gift to the national capital

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	52.0	-	52.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	10.0	-	10.0
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the Centenary of Canberra 2013*. A contribution will be provided for the redevelopment of Constitution Avenue, including a dedicated cycle lane and shared commuter paths. A contribution will also be provided for the development of the National Arboretum Canberra.

Further details of Commonwealth funding provided for the Centenary of Canberra 2013 can be found in the Other section of this Part.

#### **Cloncurry Community Precinct<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	2.4	-	-	-	-	-	2.4
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) All payments are made direct to local governments.

The Commonwealth is providing funding as a contribution to establish a multi-use community hub in Cloncurry, Queensland. The project will establish a library, gallery space for local and touring exhibitions, function rooms with multi-media connections, a commercial grade kitchen and community open space, together with the refurbishment of the existing 1939 Shire Hall.

The project is jointly funded by three levels of government and the private sector and is expected to be completed in 2011-12.

#### **East Kimberley Development Package**

The Commonwealth is providing funding to the Western Australian Government through the *National Partnership on the East Kimberley Development Package*, as well as to the Shire of Wyndham East Kimberley and local Indigenous organisations, to support economic development through investment in social and common use infrastructure. The East Kimberley Development Package comprises four streams of projects:

- health related projects;
- education related projects;
- social and transitional housing projects; and
- other infrastructure projects in the transport and community projects sector.

### National Partnership on the East Kimberley Development Package — other infrastructure projects<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	3.1	-	-	-	-	3.1
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) These figures include payments direct to local governments.

The Commonwealth is providing funding to the Western Australian government, the Wyndham Shire and associated Indigenous organisations in the East Kimberley region of Western Australia for transport and community infrastructure projects. Investment in transport and community infrastructure projects will help in building a 'sense of place' within the community, as well as improving liveability and economic growth in the East Kimberley region. This project is expected to be completed in 2011-12.

Further details of Commonwealth funding being provided for the East Kimberley Development Package can be found in the Health, Education and Affordable Housing sections of this Part.

### Interstate road transport

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	39.1	22.7	8.0	3.4	10.2	0.4	0.4	0.4	84.7
2012-13	42.7	24.8	8.8	3.7	11.2	0.5	0.5	0.5	92.6
2013-14	46.7	27.2	9.6	4.0	12.2	0.5	0.5	0.5	101.2
2014-15	51.0	29.7	10.5	4.4	13.4	0.6	0.6	0.6	110.6
2015-16	55.7	32.4	11.5	4.8	14.6	0.6	0.6	0.6	120.9

The Commonwealth is providing funding to the States under the *Interstate Road Transport Act 1985* that is equal to total revenue received from registrations made under the Federal Interstate Registration Scheme for each respective State.

### King George V sports and community precinct<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	8.7	-	-	8.7
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) All payments are made direct to local governments.

The Commonwealth is providing funding to support the redevelopment of the King George V sports and community precinct in Glenorchy, Tasmania. The facility will include a dedicated office for the Migrant Resource Centre.

Funding for the redevelopment of the King George V sports and community precinct is a new spending measure in the 2012-13 Budget. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**National Partnership on liveable cities<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	4.2	1.3	0.9	2.1	0.7	0.4	0.3	0.1	10.0
2012-13	4.2	1.3	0.9	2.1	0.7	0.4	0.3	0.1	10.0
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) These figures include payments direct to local governments.

(b) Some amounts in each year remain unallocated. These amounts have been allocated on an equal per capita basis to all States.

The Commonwealth is providing funding to help improve the planning and design of capital cities and major regional centres that are experiencing population growth pressures and housing and transport affordability cost pressures.

**National Partnership on Local Government and Regional Development — infrastructure employment projects<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	2.0	15.1	6.5	-	10.0	-	-	33.6
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	28.0	-	-	-	-	-	28.0
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) These figures include payments direct to local governments.

The Commonwealth is providing funding for infrastructure employment projects under the *National Partnership on Local Government and Regional Development*. The program will generate jobs and increase skills by supporting key infrastructure projects in areas of need in local communities.

Further details of funding being provided under the *National Partnership on Local Government and Regional Development* can be found in the Other section of this Part.

**National Partnership on managed motorways**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	4.4	0.5	5.1	-	-	-	-	-	10.0
2012-13	2.1	2.5	4.9	0.5	-	-	-	-	10.0
2013-14	2.0	9.5	8.0	0.5	-	-	-	-	20.0
2014-15(a)	6.4	5.0	4.1	2.1	1.5	0.5	0.3	0.2	20.0
2015-16	-	-	-	-	-	-	-	-	-

(a) State splits are indicative distributions only and have been allocated to all States on an equal per capita basis. The actual allocation will be subject to a competitive tendering process.

The Commonwealth is providing funding for smart infrastructure technologies to reduce congestion and improve both traffic demand management and the overall efficiency of the transport network in major cities. Managed motorways integrate data collection sensors and control tools to improve real time management of motorways to secure a higher and more consistent level of motorway performance.



**National Partnership on the Manuka Oval lighting upgrade**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	2.5	-	2.5
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the Manuka Oval lighting upgrade*. The upgrade, which will include the installation of lighting to meet high-definition broadcast standards, will provide Canberra with an appropriate facility to host AFL matches and elite and international cricket matches.

Funding for the Manuka Oval lighting upgrade is a new spending measure in the 2012-13 Budget. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**National Partnership on the Nation Building Plan for the Future**

Two components are included in the *National Partnership on the Nation Building Plan for the Future*.

**Major cities component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	97.6	-	-	-	-	97.6
2012-13	-	-	-	101.2	-	-	-	-	101.2
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

**Building Australia Fund component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	1,048.0	468.0	400.0	-	311.2	-	9.5	-	2,236.7
2012-13	290.0	542.0	-	-	58.4	-	-	-	890.4
2013-14	41.0	858.0	-	-	-	-	50.0	-	949.0
2014-15	-	500.0	-	-	-	-	64.5	-	564.5
2015-16	-	500.0	-	-	232.1	-	20.0	-	752.1

The major cities and the Building Australia Fund components will support future economic growth by improving the quality and efficiency of Australia's transport networks with the intention of increasing city liveability and sustainability in the context of a growing population.

In the 2012-13 Budget, the Commonwealth is providing \$232.1 million through the Building Australia Fund in 2015-16 to fund 50 per cent of the Torrens and Goodwood Junctions project in South Australia.

A new spending measure associated with the Building Australia Fund component is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

## National Partnership on the Nation Building Program

The Commonwealth is providing funding for road and rail infrastructure through the *National Partnership on the Nation Building Program*. The program assists economic and social development regionally and nationally by providing funding to improve the performance of land transport infrastructure.

The *National Partnership on the Nation Building Program* comprises several components that are detailed in the tables below.

### Investment component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2011-12	1,279.3	798.8	1,232.5	318.0	362.5	56.7	0.5	52.6	4,100.9
2012-13	568.8	137.1	643.5	292.1	58.1	48.5	0.5	72.4	1,821.1
2013-14	1,231.8	323.2	690.9	383.4	100.7	42.3	0.5	60.2	3,063.9
2014-15	445.2	198.1	136.3	-	-	-	-	-	1,804.6
2015-16	136.8	20.0	88.4	-	-	-	-	-	1,645.2

(a) These figures include \$3.6 billion made available from the Nation Building Program over the period 2013-14 to 2016-17 (including \$900 million in 2016-17). This funding has been made available for the duplication of the Pacific Highway, conditional upon the New South Wales Government agreeing to a 50:50 shared funding arrangement.

The investment component of the Nation Building Program targets nationally significant projects. These projects will improve the efficiency and safety of the national land transport network. Funding is provided for road and rail construction projects and network maintenance, including transport development, innovation projects and grants to land transport research entities.

In the 2012-13 Budget, the Commonwealth is making available \$3.6 billion to complete the duplication of the Pacific Highway by 2016. The funding represents 50 per cent of the total funding required and is conditional upon the New South Wales Government agreeing to meet the remaining 50 per cent of the costs.

New spending measures associated with the investment component of the Nation Building Program are discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

### Black spot projects component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	27.2	16.6	12.1	10.2	4.7	1.8	1.0	0.8	74.5
2012-13	19.1	13.6	12.1	6.5	4.7	1.6	1.0	1.0	59.5
2013-14	19.1	13.6	12.1	6.5	4.7	1.6	1.0	1.0	59.5
2014-15	19.3	13.7	12.2	6.5	4.7	1.6	1.0	1.0	60.0
2015-16	19.3	13.7	12.2	6.5	4.7	1.6	1.0	1.0	60.0

Black spot projects improve the safety of road sites which have been identified as high risk areas for serious crashes. Most funding goes to projects to treat sites that have a record of at least three accidents involving casualties over a five year period and can demonstrate a robust benefit to cost ratio of at least 2:1.

A new spending measure associated with the black spot projects component of the Nation Building Program is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

### Off-network projects component<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	21.8	25.8	91.2	44.4	-	11.4	4.4	59.1	258.1
2012-13	29.5	28.3	27.1	94.7	-	13.8	-	5.0	198.4
2013-14	35.6	78.4	83.0	41.7	-	22.9	-	2.7	264.1
2014-15	-	38.0	-	-	-	-	-	-	38.0
2015-16	-	-	59.0	-	-	-	-	-	59.0

(a) These figures include payments direct to local governments.

The off-network projects program is designed to improve rail and road infrastructure not included on the national land transport network. It improves safety, assists industry development and supports job creation in local communities.

### Off-network projects — supplementary component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	3.4	6.7	7.1	14.2	0.2	0.3	-	-	31.8
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The supplementary component of the off-network projects represents expenses against prepayments made to local governments in 2006-07.

### Improving the national network component<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	7.0	4.8	2.7	-	-	-	14.5
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Figures in this table represent expenses against prepayments made to the States in 2005-06.

The Commonwealth provided a one-off supplementary payment of \$1.8 billion in 2005-06 to the States to complete major works packages. Works include the Pacific and Hume highways in New South Wales, the Bruce Highway in Queensland, the Eyre, Great Eastern and Great Northern highways in Western Australia, the Sturt Highway in South Australia, the East Tamar Highway in Tasmania and the Victoria Highway in the Northern Territory. The table above provides a profile of State expenditure against this supplementary payment.

**Heavy vehicle safety and productivity component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	6.2	3.4	6.2	1.4	4.1	1.0	..	0.4	22.7
2012-13	3.2	2.5	2.0	1.1	0.7	0.2	0.2	0.1	10.0
2013-14	9.6	7.5	6.1	3.2	2.2	0.7	0.5	0.3	30.0
2014-15	6.4	5.0	4.1	2.1	1.4	0.4	0.3	0.2	20.0
2015-16	6.4	5.0	4.1	2.1	1.4	0.4	0.3	0.2	20.0

(a) State splits for 2012-13 to 2015-16 are indicative distributions only and have been allocated on an equal per capita basis to all States.

The heavy vehicle safety and productivity program addresses the safety of drivers of heavy vehicles through fatigue management and road enhancement projects, such as rest areas and bridge upgrades.

A new spending measure associated with the heavy vehicle safety and productivity component of the Nation Building Program is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**Roads to Recovery component<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	97.0	71.2	71.2	51.2	31.5	11.4	6.1	10.2	349.8
2012-13	99.7	71.2	71.2	51.2	31.5	11.4	3.4	10.2	349.8
2013-14	107.1	73.7	65.9	51.2	27.9	11.8	-	12.1	349.7
2014-15	97.5	71.2	71.2	51.2	31.5	11.4	5.6	10.2	349.8
2015-16	97.5	71.2	71.2	51.2	31.5	11.4	5.6	10.2	349.8

(a) These figures include payments direct to local governments.

(b) Payments to South Australia include funding in each financial year paid to local government through the State.

The Commonwealth is providing funding for the Roads to Recovery program for road construction and maintenance projects at a local level. Decisions on projects to be funded are made locally and reported to the Commonwealth.

A new spending measure associated with the Roads to Recovery component of the Nation Building Program is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**Improving local roads component<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	1.0	-	-	-	1.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) Figures in this table represent expenses against prepayments made to the States in 2005-06.

The Commonwealth has provided additional funding through the improving local roads program as a supplement to the Roads to Recovery program. Funding of \$307.5 million was advanced in June 2006 as part of the 2006-07 Budget.

### National transport regulator reforms

In August 2011, COAG committed to the implementation of national safety regulatory systems through the signing of new Intergovernmental Agreements on heavy vehicles, rail and maritime safety.

New spending measures associated with the national transport regulator reforms are discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

#### National Heavy Vehicles Regulator component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	3.5	-	-	-	-	-	3.5
2012-13	-	-	14.9	-	-	-	-	-	14.9
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to meet the establishment costs of the National Heavy Vehicle Regulator, to be established in Queensland which is scheduled to commence on 1 January 2013. The Commonwealth is also providing funding for the project implementation team.

#### National Rail Safety Regulator component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	3.3	-	-	-	3.3
2012-13	-	-	-	-	8.0	-	-	-	8.0
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to meet the establishment costs of the National Rail Safety Regulator, to be established in South Australia which is scheduled to commence on 1 January 2013. The Commonwealth is also providing funding for the project implementation team.

#### Transitional assistance component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	1.0	1.0	1.0	3.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to the Australian Capital Territory, the Northern Territory and Tasmania to assist them with implementing the national transport regulation reforms for heavy vehicles, rail and maritime safety.

**North Penrith Thornton Park car park<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	2.0	-	-	-	-	-	-	-	2.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) All payments are made direct to local governments.

The Commonwealth is providing funding towards construction and landscaping costs associated with the construction of a multi-level car park. The car park will assist the Penrith community in addressing a current shortfall in commuter parking at Penrith Railway Station. This project is expected to be completed in 2011-12.

**Regional and Local Community Infrastructure Program<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	33.3	29.7	14.2	4.2	5.4	1.7	1.1	..	89.5
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) All payments are made direct to local governments.

The Commonwealth is providing funding direct to local governments under the Regional and Local Community Infrastructure Program to build and modernise community infrastructure. These projects are expected to be completed in 2011-12.

**Regional Infrastructure Fund**

The Commonwealth has committed \$6.0 billion over 11 years to 2020-21 in regional infrastructure investment for the Regional Infrastructure Fund (RIF) that will spread the benefits of the mining boom into regional Australia.

The RIF will:

- promote development and job creation in mining communities, and communities which support the mining sector;
- provide a clear benefit to Australia’s economic development, and to investment in Australia’s resource and export capacity; and
- address potential capacity constraints arising from export production and resource projects.

The Commonwealth will ensure that RIF funding to the States will have regard to their share of total mining production over time.

Projects from the RIF will be delivered in three streams. Streams 1 and 2 are payments to the States and are reported below. Stream 3 provides funding for the Regional Development Australia Fund, which is made direct to eligible local governments and not-for-profit organisations for local projects identified by Regional Development Australia committees. Funding for Stream 3 was previously reported in Budget Paper No.3 but is now reported under the Department of Regional Australia, Local Government, Arts and Sport portfolio.

### Stream 1 — Committed infrastructure projects

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	104.0	7.4	-	-	-	-	111.4
2012-13	-	-	24.0	53.3	-	-	-	-	77.3
2013-14	-	-	65.0	118.7	-	-	-	-	183.7
2014-15	-	-	158.0	175.6	-	-	-	-	333.6
2015-16	-	-	73.0	125.0	-	-	-	-	198.0

Stream 1 provides funding for projects committed to by the Government in the 2010 election.

### Stream 2 — Economic infrastructure projects<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	~	~	~	~	~	~	~	~	4.0
2012-13	~	~	~	~	~	~	~	~	6.0
2013-14	~	~	~	~	~	~	~	~	300.0
2014-15	~	~	~	~	~	~	~	~	350.0
2015-16	~	~	~	~	~	~	~	~	450.0

(a) State allocations have not been finalised for this Stream.

Stream 2 will provide funding over nine years to support ongoing investment in economic infrastructure. Projects that are eligible for consideration for funding include rail, roads, ports, airports, energy, communications, water and other critical infrastructure, as well as project development work. Stream 2 also includes \$10 million for regional infrastructure plans.

### National Partnership on the Sydney Cricket Ground redevelopment

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	50.0	-	-	-	-	-	-	-	50.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the Sydney Cricket Ground redevelopment*. The project to replace the Noble, Bradman and Dally Messenger stands will be jointly funded by the Commonwealth Government, the New South Wales Government and the Sydney Cricket and Sports Ground Trust. These works are due for completion in 2013-14.

Funding for the Sydney Cricket Ground redevelopment is a new spending measure in the 2012-13 Budget. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**Townsville Convention and Entertainment Centre<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	-	-
2012-13	-	-	10.0	-	-	-	-	-	10.0
2013-14	-	-	10.0	-	-	-	-	-	10.0
2014-15	-	-	10.0	-	-	-	-	-	10.0
2015-16	-	-	17.0	-	-	-	-	-	17.0

(a) All payments are made direct to local governments.

The Commonwealth is providing funding for the construction of the Townsville Convention and Entertainment Centre to deliver on a commitment made as part of the 2010 election.



## ENVIRONMENT

In 2012-13, the Commonwealth will provide funding of \$571.8 million to support state environment services, as detailed in Table 2.10.

**Table 2.10: Payments to support state environment services**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Animal and plant pest and disease eradication	14.5	10.0	15.0	15.0	15.0
Caring for our Country	144.6	144.7	-	-	-
Coal seam gas and large coal mining development	20.0	10.0	20.0	-	-
Environmental management of the former Rum Jungle mine site	2.4	1.5	-	-	-
Exotic Disease Preparedness Program	7.9	nfp	nfp	nfp	nfp
Great Artesian Basin Sustainability Initiative	18.9	10.0	39.7	-	-
Natural Disaster Recovery and Rebuilding – donation to Queensland flood appeal	3.1	-	-	-	-
Natural disaster resilience	30.0	26.1	26.1	26.1	26.1
Northern Australia Sustainable Futures	0.3	0.3	-	-	-
Renewable remote power generation	9.2	-	-	-	-
Sustainable Australia – sustainable regional development	0.8	0.8	0.8	0.4	-
Tasmanian Forests Intergovernmental Agreement Implementation of the Intergovernmental Agreement	50.0	7.2	7.4	7.6	7.8
Economic diversification projects	16.0	-	-	-	-
Water for the Future					
National Urban Water and Desalination Plan	232.0	54.5	11.6	1.6	-
National Water Security Plan for Cities and Towns	34.9	54.6	14.5	8.0	2.9
Sustainable Rural Water Use and Infrastructure	337.4	252.1	204.9	267.6	252.4
<b>Total</b>	<b>921.9</b>	<b>571.8</b>	<b>340.0</b>	<b>326.3</b>	<b>304.3</b>
<i>Memorandum item – payments direct to local governments included in payments above</i>					
Sustainable Australia – Sustainable regional development	0.8	0.8	0.8	0.4	-
Water for the Future					
National Urban Water and Desalination Plan	0.7	3.5	6.0	-	-
National Water Security Plan for Cities and Towns	8.4	16.4	10.3	8.0	2.9
Sustainable Rural Water Use and Infrastructure	1.0	2.6	-	-	0.4
<b>Total</b>	<b>10.9</b>	<b>23.3</b>	<b>17.1</b>	<b>8.4</b>	<b>3.4</b>

## National Partnership payments for the environment

### National Partnership on animal and plant pest and disease eradication<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.2	2.7	9.8	0.5	1.3	-	-	-	14.5
2012-13	-	1.7	8.2	-	..	-	-	-	10.0
2013-14	-	2.6	12.4	-	0.1	-	-	-	15.0
2014-15	-	2.6	12.4	-	0.1	-	-	-	15.0
2015-16	-	2.6	12.4	-	0.1	-	-	-	15.0

(a) Funding from 2012-13 is allocated to States based on 2011-12 data and represents indicative estimates only. This funding is conditional on agreed national responses to pest or disease incursions.

The Commonwealth is providing funding for the *National Partnership on animal and plant pest and disease eradication*. Commonwealth funding contributes to programs to eradicate exotic animal and plant pests and diseases, which if allowed to establish and spread, would have serious economic and environmental impacts.

The Commonwealth is involved due to the potential implications for interstate biodiversity, market access issues for agricultural products and the need to protect nationally significant environmental assets.

A new measure associated with animal and plant pest and disease eradication is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

### National Partnership on Caring for our Country

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	35.3	27.5	23.0	24.1	17.3	12.3	1.4	3.7	144.6
2012-13	35.3	27.5	23.0	24.1	17.3	12.4	1.4	3.7	144.7
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on Caring for our Country*. Caring for our Country is the Commonwealth's natural resource management initiative, and aims to integrate delivery of the Commonwealth's natural resource management activities.

### National Partnership on coal seam gas and large coal mining development

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	7.0	4.1	7.4	-	1.3	-	-	0.3	20.0
2012-13	3.5	2.0	3.7	-	0.6	-	-	0.2	10.0
2013-14	7.0	4.1	7.4	-	1.3	-	-	0.3	20.0
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on coal seam gas and large coal mining development*. This National Partnership will strengthen the regulation of coal seam gas and large coal mining development by ensuring that future

decisions are informed by substantially improved science and independent expert advice.

### National Partnership on the environmental management of the former Rum Jungle mine site

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	-	2.4	2.4
2012-13	-	-	-	-	-	-	-	1.5	1.5
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the environmental management of the former Rum Jungle mine site*. This National Partnership was established to improve the daily management of the site. It is also supporting studies and environmental monitoring to inform site management and rehabilitation strategies. These strategies are being developed in partnership with stakeholders, including the site's traditional owners.

### National Partnership on the Exotic Disease Preparedness Program<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.3	..	7.5	..	..	..	..	..	7.9
2012-13	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2013-14	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2014-15	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2015-16	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp

(a) Funding is not published past the expiry date of the agreement. Provision has been made in the Contingency Reserve subject to negotiations with the States.

The Commonwealth is providing funding for the *National Partnership on the Exotic Disease Preparedness Program*. The Exotic Disease Preparedness Program was established to improve Australia's preparedness for emergency and emerging diseases through funding to support the development of technologies and strategies to prevent, control or eradicate disease specifically in wildlife and feral animals, focusing on those that could threaten Australia's livestock industries.

### National Partnership on the Great Artesian Basin Sustainability Initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	9.1	-	8.3	-	1.5	-	-	-	18.9
2012-13	4.0	-	5.0	-	1.0	-	-	-	10.0
2013-14	13.7	-	25.1	-	0.8	-	-	-	39.7
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the Great Artesian Basin Sustainability Initiative* to continue work on the repair of uncontrolled artesian bores and the replacement of wasteful open earth bore drains with piped water reticulation systems through the Great Artesian Basin.

The Great Artesian Basin Sustainability Initiative is being delivered through State agencies, with the Commonwealth contributing jointly with State governments and private bore owners.

**National Partnership on Natural Disaster Recovery and Rebuilding — donation to Queensland flood appeal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	3.1	-	-	-	-	-	3.1
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding to the Queensland Premier’s Disaster Relief Appeal to help people affected by natural disasters.

These relief appeal payments are separate from Commonwealth assistance to the States under the Natural Disaster Relief and Recovery Arrangements outlined in the Contingent Payments section of this Part.

A new spending measure associated with Natural Disaster Recovery and Rebuilding – donation to Queensland flood appeal is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

**National Partnership on natural disaster resilience**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	6.7	4.1	5.9	3.1	2.1	5.5	1.3	1.3	30.0
2012-13	6.8	4.2	6.0	3.1	2.1	1.3	1.3	1.3	26.1
2013-14	6.8	4.2	6.0	3.1	2.1	1.3	1.3	1.3	26.1
2014-15	6.8	4.2	6.0	3.1	2.1	1.3	1.3	1.3	26.1
2015-16	6.8	4.2	6.0	3.1	2.1	1.3	1.3	1.3	26.1

The Commonwealth is providing funding for the *National Partnership on natural disaster resilience*. This National Partnership provides funding to the States to strengthen community resilience to natural disasters through the Natural Disaster Resilience Program (NDRP).

The NDRP replaces a number of programs, combining funds to allow the flexibility to address state specific priorities. This National Partnership recognises that the Commonwealth and the States have a mutual interest in reducing the impact of, and increasing resilience to, natural disasters. It formalises their commitment to work together with other parties, such as volunteers, the private and non-government sectors and local government to achieve this outcome.

**National Partnership on Northern Australia Sustainable Futures**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	0.1	-	-	-	-	0.2	0.3
2012-13	-	-	0.1	-	-	-	-	0.2	0.3
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on Northern Australia Sustainable Futures*. This funding will build the capacity of local governments and communities in Northern Australia to effectively manage water infrastructure maintenance and engage communities to appropriately manage community and household demand for water.

**National Partnership on renewable remote power generation**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.1	-	-	4.8	0.7	0.1	-	3.6	9.2
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on renewable remote power generation*. This National Partnership provides financial support to increase the use of renewable power generation in remote parts of Australia that are both distant from the main electricity grid and reliant on non-renewable fuels. This project will be completed in 2011-12.

**Sustainable Australia — sustainable regional development<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.3	-	0.5	-	-	-	-	-	0.8
2012-13	0.8	-	-	-	-	-	-	-	0.8
2013-14	0.8	-	-	-	-	-	-	-	0.8
2014-15	0.4	-	-	-	-	-	-	-	0.4
2015-16	-	-	-	-	-	-	-	-	-

(a) All payments are made direct to local governments.

The Commonwealth is providing funding for regional sustainability planning to support selected local government authorities for capacity building and other activities associated with the development and/or implementation of regional sustainability planning. This planning will help to ensure that future population change is compatible with the economic, environmental and social wellbeing of Australia.

**Tasmanian Forests Intergovernmental Agreement**

A number of projects are being funded as part of the *Tasmanian Forests Intergovernmental Agreement*.

### National Partnership on the implementation of the Intergovernmental Agreement component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	50.0	-	-	50.0
2012-13	-	-	-	-	-	7.2	-	-	7.2
2013-14	-	-	-	-	-	7.4	-	-	7.4
2014-15	-	-	-	-	-	7.6	-	-	7.6
2015-16	-	-	-	-	-	7.8	-	-	7.8

The Commonwealth is providing funding for the *National Partnership on the implementation of the Tasmanian Forests Intergovernmental Agreement*. The *Tasmanian Forests Intergovernmental Agreement* is designed to support the forest industry to progressively transition to a more sustainable and diversified footing, to protect additional areas of high conservation value native forest, and to build regional economic diversity and community resilience. Funding provided under this National Partnership will support the implementation of the Intergovernmental Agreement as well as the ongoing management of additional native forest reserves.

### Economic diversification projects component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	16.0	-	-	16.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on economic diversification projects under the Tasmanian Forests Intergovernmental Agreement*. This program provides funding for regional development projects to support diversification of the Tasmanian economy.

### Water for the Future

A number of projects are funded under the Water for the Future initiative through Implementation Plans, Project Agreements and Water Management Partnership Agreements.

### National Urban Water and Desalination Plan component<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	7.5	-	1.4	223.1	-	-	-	232.0
2012-13	-	4.4	-	1.0	49.1	-	-	-	54.5
2013-14	-	5.6	-	-	6.0	-	-	-	11.6
2014-15	-	1.6	-	-	-	-	-	-	1.6
2015-16	-	-	-	-	-	-	-	-	-

(a) These figures include payments direct to local governments.

The Commonwealth is providing funding for four specific urban water management projects in large urban centres as part of the National Urban Water and Desalination

Plan. These projects will help secure water supplies and reduce reliance on traditional rainfall dependent water sources.

#### National Water Security Plan for Cities and Towns component<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	2.1	4.0	5.5	4.2	7.1	4.4	-	7.5	34.9
2012-13	18.0	4.0	1.0	16.6	0.3	2.0	-	12.7	54.6
2013-14	10.9	1.0	1.3	1.4	-	-	-	-	14.5
2014-15	8.0	-	-	-	-	-	-	-	8.0
2015-16	2.9	-	-	-	-	-	-	-	2.9

(a) These figures include payments direct to local governments.

The Commonwealth is providing funding for six specific urban water management projects and 18 projects, across 17 remote communities, under the National Water Security Plan for Cities and Towns. These projects will assist implementation of the COAG Strategy for Water and Wastewater in Remote (including Indigenous) Communities.

The measure taken in the 2012-13 Budget as part of this program is discussed in Budget Paper No. 2: *Budget Measure 2012-13*.

#### Sustainable Rural Water Use and Infrastructure component<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	69.4	174.3	18.6	6.2	40.4	27.6	0.2	0.8	337.4
2012-13	90.9	50.8	14.6	1.3	49.0	44.9	0.3	0.4	252.1
2013-14	3.6	142.8	22.2	1.3	19.8	14.5	0.3	0.6	204.9
2014-15	3.6	201.8	22.2	1.3	22.6	15.4	0.2	0.5	267.6
2015-16	2.3	182.8	41.9	0.7	9.6	14.8	0.1	0.2	252.4

(a) These figures include payments direct to local governments.

The Commonwealth is providing funding for the Sustainable Rural Water Use and Infrastructure program. This funding is provided under two arrangements: the *National Partnership on Water for the Future*; and Water Management Partnership Agreements relating to the *Intergovernmental Agreement on Murray-Darling Basin Reform*. The program is improving the efficiency and productivity of rural water management and usage, delivering substantial and lasting water returns to the environment and helping secure a long-term sustainable future for irrigated agriculture. The program is delivering projects such as the State Priority Projects, the Supporting More Efficient Irrigation in Tasmania project, the Orange City Pipeline project and the Gascoyne Irrigation Pipeline project.

## CONTINGENT PAYMENTS

Contingent payments arise where the Commonwealth has committed to provide compensation when an event occurs or otherwise guarantees the States' financial position. Payments to the States will only arise if the relevant event occurs.

Table 2.11 provides information on contingent payments.

**Table 2.11: Contingent payments to the States**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Exceptional Circumstances Assistance	15.7	-	-	-	-
Hepatitis C settlement fund	0.7	0.7	0.7	0.7	0.7
Natural Disaster Relief and Recovery Arrangements	811.9	113.4	105.1	40.5	-
<b>Total</b>	<b>828.3</b>	<b>114.1</b>	<b>105.8</b>	<b>41.2</b>	<b>0.7</b>

### Exceptional Circumstances assistance

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	12.4	-	-	-	3.3	-	-	-	15.7
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The *Intergovernmental Agreement on Rural Adjustment* provides authority to the States to deliver the Exceptional Circumstances (EC) interest rate subsidy payments to eligible farm and small businesses in EC declared areas. This agreement is the basis for the administration of the program and outlines the respective roles of the Commonwealth and States, and their responsibilities and obligations.

### Hepatitis C settlement fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.5	-	-	..	0.2	-	-	-	0.7
2012-13	0.5	-	-	0.1	0.1	-	0.1	0.1	0.7
2013-14	0.5	-	-	0.1	0.1	-	0.1	-	0.7
2014-15	0.5	-	-	0.1	0.1	-	0.1	-	0.7
2015-16	0.5	-	-	0.1	0.1	-	0.1	-	0.7

The Commonwealth is contributing to the States' schemes for out-of-court settlement costs for eligible individuals who contracted Hepatitis C through the blood supply service between 1985 and 1991.

A new spending measure associated with the Hepatitis C settlement fund is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.



**Natural Disaster Relief and Recovery Arrangements (NDRRA)****NDRRA accrual estimates**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	46.8	46.6	703.9	12.0	0.1	0.3	-	2.2	811.9
2012-13	11.0	2.0	93.7	5.8	..	0.2	-	0.7	113.4
2013-14	6.8	0.9	96.3	1.0	-	-	-	-	105.1
2014-15	1.3	0.1	39.0	-	-	-	-	-	40.5
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding under the NDRRA to assist the States with relief and recovery assistance following eligible natural disasters. This includes payments to the States in response to recent and past natural disasters including the November 2010 to February 2011 floods and Tropical Cyclone Yasi.

Subsequent to the 2011-12 Budget, the Commonwealth reviewed the accounting treatment of payments made to the States under the NDRRA. The accounting treatment previously applied by the Commonwealth was to recognise grant liabilities under the NDRRA to the extent that (i) the services required to be performed by the State had been performed or (ii) the grant eligibility criteria had been satisfied, but payments due had not been made. The change in accounting treatment has resulted in the Commonwealth recognising a liability equal to the present value of future payments expected to be made to the States under the NDRRA. This is regardless of whether or not a State has completed eligible disaster reconstruction work or submitted an eligible claim under the NDRRA.

The estimated expenses in the table above reflect expected Commonwealth costs associated with disasters that have occurred in 2011-12 and the 'unwinding of the discount' on the provision, which reflects the time value of money.

The estimated cash payments are presented in the table below, illustrating the estimated timing of when the Commonwealth expects to reimburse the States for costs incurred in relation to past disasters.

**NDRRA cash estimates**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	2,991.6	1.7	3.0	-	-	7.9	3,004.2
2012-13	125.0	29.8	23.1	134.1	0.1	5.0	-	20.9	337.9
2013-14	153.9	22.6	1,636.9	28.4	-	-	-	-	1,841.7
2014-15	36.5	3.7	1,088.1	-	-	-	-	-	1,128.3
2015-16	-	-	-	-	-	-	-	-	-

A discussion of the NDRRA is provided in Part 1.

## OTHER NATIONAL PARTNERSHIP PAYMENTS

The Commonwealth also makes various payments to the States to support other services, including payments in respect of:

- agriculture, forestry and fishing;
- fuel and energy;
- public order and safety; and
- recreation and culture.

Table 2.12 provides information on payments to support other state services.

**Table 2.12: Payments to support other services**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>National Partnership payments</b>					
Centenary of Canberra 2013 – joint national program	2.6	2.0	1.0	-	-
Commonwealth Heads of Government Meeting 2011	43.3	-	-	-	-
Digital Regions Initiative	21.9	12.1	-	-	-
Financial assistance grants	2,722.9	1,117.8	2,324.3	2,417.1	2,511.6
Supplementary road funding to South Australia for local roads	16.2	16.9	17.5	-	-
Legal assistance services	194.8	198.1	201.3	205.4	209.3
Local Government and Regional Development					
Local Government Reform Fund	9.8	3.3	-	-	-
Location-based mobile telephone emergency warning capability	nfp	-	-	-	-
Pilot of drought reform measures in Western Australia	16.8	7.8	1.2	-	-
Protection and promotion of the Melbourne Royal Exhibition Building world heritage property	20.0	-	-	-	-
Remote Indigenous public internet access	2.0	2.1	2.1	2.2	2.2
Seamless national economy	200.0	250.0	-	-	-
Sinking fund on State debt	..	..	..	..	..
Temporary assistance for Tasmanian exporters	20.0	-	-	-	-
World sailing championships	3.6	-	-	-	-
<b>Total</b>	<b>3,273.8</b>	<b>1,610.1</b>	<b>2,547.5</b>	<b>2,624.6</b>	<b>2,723.1</b>

### National Partnership on the Centenary of Canberra 2013 — joint national program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	2.6	-	2.6
2012-13	-	-	-	-	-	-	2.0	-	2.0
2013-14	-	-	-	-	-	-	1.0	-	1.0
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the Centenary of Canberra 2013 – joint national program* to celebrate the Centenary of Canberra in 2013. These activities include cultural, sporting and civic awareness events and will engage communities across Australia to celebrate the centenary of the role of Canberra as the nation's capital.

Further details of Commonwealth funding provided for the Centenary of Canberra 2013 are provided in the Infrastructure section of this Part.

### National Partnership on the Commonwealth Heads of Government Meeting 2011

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	43.3	-	-	-	-	43.3
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding for the *National Partnership on the Commonwealth Heads of Government Meeting 2011* to Western Australia in relation to security for the Commonwealth Heads of Government Meeting that was held in Perth in November 2011.

### National Partnership on the Digital Regions Initiative<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	7.5	2.0	3.6	0.9	3.2	2.3	-	2.5	21.9
2012-13	4.0	1.0	2.2	0.4	1.4	1.8	-	1.3	12.1
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) These figures include payments to local governments made through the States.

The Commonwealth is providing funding for the *National Partnership on the Digital Regions Initiative*. This National Partnership has been established to co-fund innovative digital enablement projects to support improved education, health and emergency services in regional, rural and remote communities.

**Financial assistance grants to local government****Financial assistance grants component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2011-12</b>									
General purpose financial assistance	609.4	468.8	382.2	195.1	138.2	42.6	30.4	19.3	1,886.0
Untied local roads grants	242.8	172.5	156.8	128.0	46.0	44.3	26.8	19.6	836.9
Total financial assistance grants	852.2	641.3	539.0	323.1	184.2	87.0	57.2	38.9	2,722.9
<b>2012-13</b>									
General purpose financial assistance	249.6	192.4	156.8	81.1	56.5	17.4	12.6	7.8	774.2
Untied local roads grants	99.7	70.8	64.4	52.5	18.9	18.2	11.0	8.0	343.5
Total financial assistance grants	349.3	263.3	221.1	133.6	75.4	35.6	23.6	15.9	1,117.8
<b>2013-14</b>									
General purpose financial assistance	517.4	400.7	327.2	169.2	117.1	35.9	26.1	16.4	1,609.9
Untied local roads grants	207.3	147.3	133.8	109.2	39.3	37.9	22.9	16.7	714.4
Total financial assistance grants	724.7	548.0	461.0	278.4	156.3	73.8	49.0	33.1	2,324.3
<b>2014-15</b>									
General purpose financial assistance	536.4	417.2	341.0	177.2	121.2	37.1	27.2	17.0	1,674.2
Untied local roads grants	215.5	153.2	139.2	113.6	40.8	39.4	23.8	17.4	742.9
Total financial assistance grants	751.9	570.3	480.2	290.7	162.0	76.5	51.0	34.4	2,417.1
<b>2015-16</b>									
General purpose financial assistance	555.7	434.0	355.1	185.3	125.4	38.2	28.3	17.6	1,739.6
Untied local roads grants	224.0	159.1	144.6	118.0	42.4	40.9	24.8	18.1	771.9
Total financial assistance grants	779.7	593.1	499.7	303.3	167.8	79.1	53.1	35.7	2,511.6

The Commonwealth is providing a financial contribution through State governments for the provision of local government services to the community. In 2012-13, payments for local government services will total \$1.1 billion, recognising a decision by the Commonwealth for \$1.1 billion to be brought forward from 2012-13 to be paid in 2011-12.

Current arrangements for financial assistance grants are made up of general purpose assistance and untied local roads grants. General purpose assistance is the larger of the two components of the financial assistance grants and is distributed between the States on a per capita basis, while untied local roads grants are paid on the basis of 1991-92 interstate road shares.

The financial assistance grants are adjusted annually, based on an escalation factor that the Treasurer determines with reference to population growth and the consumer price index.

These grants are paid to State governments, after which State grants commissions determine the intrastate distribution of the financial assistance grants between local governments. Both forms of funding are untied and can be spent according to each local government's own priorities.

The Commonwealth will pay the first two quarterly instalments of the expected 2012-13 allocation in 2011-12 so that local governments have immediate use of the funds (since 2008-09, the Commonwealth has bought forward the first quarter payment from the next financial year). This will provide local governments with additional flexibility and assist them in responding to the widespread natural disasters and other pressures. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

### Supplementary road funding to South Australia for local roads component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	16.2	-	-	-	16.2
2012-13	-	-	-	-	16.9	-	-	-	16.9
2013-14	-	-	-	-	17.5	-	-	-	17.5
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

Additionally, the Commonwealth provides supplementary funding to South Australia for local roads. South Australia will receive \$16.9 million for this purpose in 2012-13.

### National Partnership on legal assistance services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	61.6	43.6	40.5	19.6	15.4	5.8	4.4	3.9	194.8
2012-13	62.6	44.4	41.2	19.9	15.7	5.9	4.4	3.9	198.1
2013-14	63.7	45.1	41.9	20.2	16.0	6.0	4.5	4.0	201.3
2014-15	65.0	46.0	42.7	20.6	16.3	6.2	4.6	4.0	205.4
2015-16	66.2	46.9	43.5	21.0	16.6	6.3	4.7	4.1	209.3

The Commonwealth is providing funding for the *National Partnership on legal assistance services* to the States for legal aid commissions so that they can provide legal assistance to disadvantaged persons in accordance with Commonwealth policy priorities.

### National Partnership on Local Government and Regional Development

#### Local Government Reform Fund component<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	2.4	0.9	0.9	2.0	1.1	1.1	0.3	1.1	9.8
2012-13	0.7	0.5	0.7	0.3	0.8	0.1	..	0.2	3.3
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

(a) State splits for 2012-13 are indicative distributions only.

The Commonwealth is providing funding to the States for projects that support the implementation of nationally consistent frameworks for local government asset and

financial management and/or improve collaboration in the local government sector. The Local Government Reform Fund is encouraging collaboration between councils and helping to improve their capacity to serve local communities.

Further details of funding provided under the *National Partnership on Local Government and Regional Development* can be found in the Infrastructure section of this Part.

**National Partnership on location-based mobile telephone emergency warning capability**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	nfp	-	-	-	-	-	-	nfp
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth will contribute funding for the *National Partnership on the location-based mobile telephone emergency warning capability*, which will enable the delivery of warnings to mobile telephones based on the location of the handset at the time of an emergency. The Commonwealth funding is intended to assist in meeting the establishment costs incurred in the procurement and development of the national capability.

This National Partnership is being developed between the Commonwealth and Victoria (which is leading the procurement process for the capability on behalf of other jurisdictions).

**National Partnership on the pilot of drought reform measures in Western Australia**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	16.8	-	-	-	-	16.8
2012-13	-	-	-	7.8	-	-	-	-	7.8
2013-14	-	-	-	1.2	-	-	-	-	1.2
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the pilot of drought reform measures in Western Australia*. This National Partnership was established to test a package of new measures developed in response to the national review of drought policy, including assistance for farm business planning, on farm projects and capacity building and community activities, as well as support for farm households and communities. The program aims to increase the resilience and capacity of farmers, farming families and their communities to prepare for and self-manage drought, climate variability and reduced water allocation.

The pilot is being conducted in a region of Western Australia that covers a broad range of farming enterprises and climatic conditions. In May 2011, a decision was taken to extend the pilot for one year to 30 June 2012, and expand the pilot region to include the

south west region of Western Australia. Payments under the National Partnership will continue to be made until 2013-14.

### **National Partnership on the protection and promotion of the Melbourne Royal Exhibition Building world heritage property**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	20.0	-	-	-	-	-	-	20.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on the protection and promotion of the Melbourne Royal Exhibition Building world heritage property*. This National Partnership will contribute significantly to the conservation of the fabric of the building and its world and national heritage values.

A new spending measure associated with the protection and promotion of the Melbourne Royal Exhibition Building is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

### **National Partnership on remote Indigenous public internet access**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	0.2	-	0.3	0.6	0.1	-	-	0.7	2.0
2012-13	0.1	-	0.4	0.7	0.1	-	-	0.7	2.1
2013-14	0.2	-	0.4	0.7	0.2	-	-	0.7	2.1
2014-15	0.2	-	0.4	0.7	0.2	-	-	0.7	2.2
2015-16	0.2	-	0.4	0.8	0.2	-	-	0.8	2.2

The Commonwealth is providing funding for the *National Partnership on remote Indigenous public internet access*. This National Partnership was established to improve public internet access facilities and provide related computer training in remote Indigenous communities. This funding also covers maintenance of facilities installed in previous years under this arrangement.

### **National Partnership to deliver a seamless national economy**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	64.2	49.6	41.0	20.7	14.7	4.5	3.2	2.1	200.0
2012-13	79.9	61.9	51.6	26.0	18.3	5.6	4.0	2.6	250.0
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth has set aside reward funding for the delivery by the States of regulatory reforms under the *National Partnership to deliver a seamless national economy*, aimed at reducing unnecessary and inconsistent regulation. Final payments to jurisdictions will be dependent on the achievement of agreed reform outcomes as

specified in the National Partnership. Facilitation payments were provided to jurisdictions as part of this National Partnership in 2008-09.

### Sinking fund on State debt

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	..	..	-	-	..	-	-	-	..
2012-13	..	..	-	-	..	-	-	-	..
2013-14	..	..	-	-	..	-	-	-	..
2014-15	..	..	-	-	..	-	-	-	..
2015-16	..	..	-	-	..	-	-	-	..

The Commonwealth is contributing to the Debt Retirement Reserve Trust Account on behalf of New South Wales, Victoria and South Australia in accordance with the *Financial Agreement Act 1994*.

### National Partnership on temporary assistance for Tasmanian exporters

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	20.0	-	-	20.0
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to assist Tasmanian exporters access international markets. This funding will assist in addressing the ports and shipping issues being encountered by Tasmanian based exporters following the cessation of direct international liner shipping services in 2011.

Funding for temporary assistance to Tasmanian exporters is a new spending measure in the 2012-13 Budget. This measure is discussed in Budget Paper No. 2: *Budget Measures 2012-13*.

### World sailing championships

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	3.6	-	-	-	-	3.6
2012-13	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-	-	-
2015-16	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding to contribute to the staging of the International Sailing Federation Sailing World Championships that were held in Western Australia in December 2011.



## PART 3: GENERAL REVENUE ASSISTANCE

General revenue assistance is a broad category of payments. This assistance is provided to the States without conditions, to spend according to their own budget priorities. The main form of general revenue assistance is the Goods and Services Tax (GST). Other general revenue assistance includes payments to the Australian Capital Territory for municipal services, royalties, and Snowy Hydro Limited tax compensation. These payments are discussed in this Part.

### OVERVIEW OF PAYMENTS

In 2012-13, the States will receive \$49.4 billion from the Commonwealth in total general revenue assistance – \$48.2 billion for GST and \$1.2 billion for other general revenue assistance. This represents a 5.7 per cent increase in GST compared to the \$45.6 billion the States are expected to receive in 2011-12 and a 6.0 per cent increase in other general revenue assistance. In 2012-13, total general revenue assistance to the States will represent 13.1 per cent of total Commonwealth expenditure. Total general revenue assistance the Commonwealth provides to the States is shown in Table 3.1 and in Table 3.2 by State.

**Table 3.1: General revenue assistance**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
<b>GST entitlement</b>	45,600.0	48,200.0	50,900.0	53,500.0	56,075.0
<b>Other Payments</b>					
ACT municipal services	36.1	36.8	37.5	38.2	38.9
Reduced royalties	75.2	75.4	64.1	64.0	69.7
Royalties	928.6	994.7	963.1	955.5	956.2
Snowy Hydro Ltd tax compensation	74.4	74.4	74.4	74.4	74.4
<b>Total</b>	<b>46,714.3</b>	<b>49,381.3</b>	<b>52,039.1</b>	<b>54,632.0</b>	<b>57,214.2</b>

**Table 3.2: General revenue assistance by State<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	14,154.5	10,298.4	8,600.7	3,494.8	4,239.2	1,643.4	861.2	2,493.6	46,714.3
2012-13	14,845.1	11,097.4	9,666.6	2,872.7	4,511.8	1,704.4	975.0	2,713.7	49,381.3
2013-14	15,866.2	11,401.3	11,194.2	2,172.8	4,782.4	1,720.5	1,026.8	2,911.8	52,039.1
2014-15	16,729.5	11,836.5	12,273.7	1,730.9	5,104.3	1,771.2	1,107.7	3,122.7	54,632.0
2015-16	17,502.4	12,459.9	12,871.8	1,913.2	5,306.0	1,831.7	1,159.2	3,213.8	57,214.2

(a) State splits for royalties are not published due to commercial sensitivities; therefore total general revenue assistance will not equal the sum of the state splits above.

### GST ENTITLEMENT TO THE STATES

Under the *Intergovernmental Agreement on Federal Financial Relations*, the States are entitled to receive payments from the Commonwealth equivalent to the revenue received from the GST. GST revenue refers to the amount of GST collected by the Australian Taxation Office (ATO), less revenue not recognised as at 30 June of each

financial year, because the revenues will not be remitted to the ATO until the following financial year. GST entitlement refers to the amount of GST which is entitled to be distributed to the States. GST payments reflect the GST entitlement which is distributed to the States adjusted for any balancing amount from the prior financial year.

Table 3.3 provides a reconciliation of the GST revenue estimates since the 2011-12 Budget and 2011-12 MYEFO. The reconciliation accounts for policy decisions and parameter and other variations. GST revenue in 2012-13 has been revised down by \$3.1 billion since the 2011-12 MYEFO, reflecting weakness in current collections as well as the softer outlook for consumption subject to GST and subdued dwelling investment. The weaker outlook for consumption reflects an ongoing trend of households consolidating their balance sheets. Exacerbating this are signs that consumers are spending relatively more of their income on GST exempt goods and services.

**Table 3.3: Reconciliation of GST revenue estimates since the 2011-12 Budget and 2011-12 MYEFO**

\$million	2011-12	2012-13	2013-14	2014-15
GST revenue at 2011-12 Budget	50,630.0	54,230.0	57,320.0	60,150.0
Changes between 2011-12 Budget and MYEFO				
Effect of policy decisions	-	-2.0	-3.0	-3.0
Effect of parameter and other variations	-880.0	-668.0	-697.0	-737.0
Total variations	-880.0	-670.0	-700.0	-740.0
GST revenue at 2011-12 MYEFO	49,750.0	53,560.0	56,620.0	59,410.0
Changes between 2011-12 MYEFO and Budget				
Effect of policy decisions	-	-3.0	-13.0	305.7
Effect of parameter and other variations	-1,960.0	-3,071.5	-3,372.6	-3,659.5
Total variations	-1,960.0	-3,074.5	-3,385.6	-3,353.8
GST revenue at 2012-13 Budget	47,790.0	50,485.5	53,234.4	56,056.2

Specific policy decisions taken since MYEFO that affect GST revenue are shown in Table 3.4. These decisions increase the amount of GST revenue by \$595.0 million over five years to 2015-16. The total impact on GST revenue of policy decisions since MYEFO (to 2014-15) is also included in Table 3.3.

Detailed information on policy decisions since the 2011-12 MYEFO are included in Budget Paper No. 2: *Budget Measures 2012-13*.

**Table 3.4: Policy decisions since MYEFO that affect GST revenue**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
GST – compliance program – two year extension	-	-	-	331.7	344.3
Company tax cut – do not proceed	-	-16.0	-31.0	-46.0	-61.0
Duty free allowances – cigarettes and tobacco	-	12.0	15.0	16.0	17.0
Fringe benefits tax – further reform of living-away-from-home allowances and benefits	-	-	2.0	3.0	4.0
Fringe benefits tax – reform of airline transport fringe benefits	..	1.0	1.0	1.0	1.0
GST – limiting the Commissioner of Taxation's ability to backdate GST registrations	-	*	*	*	*
GST – Government response to Board of Taxation report: GST cross-border transactions: minor changes	-	*	-	-	-
GST – reduced input tax credits for credit unions	..	..	..	..	..
<b>Total GST revenue policy decisions</b>	..	<b>-3.0</b>	<b>-13.0</b>	<b>305.7</b>	<b>305.3</b>

GST revenue for a financial year varies from the amount of GST paid to the States for that year because of:

- GST revenues which are recognised on a Commonwealth whole of government basis, but not recognised as at 30 June of each financial year, as the revenues will not be remitted to the ATO until the following financial year;
- penalties, other than general interest charge (GIC) penalties, which are not included in the definition in the *Federal Financial Relations Act 2009* of GST to be paid to the States;
- the GST component of sales by Commonwealth agencies which has been collected by those agencies but which, as at 30 June in each year, has not been remitted to the ATO, because it is not due to be paid until the next Business Activity Statement is lodged; and
- adjustments to account for any variation in the previous financial year between the Treasurer's determination, and GST payment advances made during that financial year.

States receive monthly advances of GST throughout the year based on the Commonwealth estimate of the GST entitlement. The Treasurer makes a determination of the amount of GST revenue collected in the financial year upon receipt of the final outcome after the close of the financial year. Any variation between GST advances and the final outcome as determined by the Treasurer is settled in the following financial year.

In 2011-12, an amount of \$437.2 million was added to the States' 2011-12 GST entitlement as a balancing adjustment for the difference between the final amount determined by the Treasurer and advances made during the 2010-11 financial year.

A reconciliation of GST revenue, GST entitlement and GST payments to the States is provided in Table 3.5.

**Table 3.5: Reconciling GST revenue, GST entitlement and GST payments to the States**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
GST revenue	47,790.0	50,485.5	53,234.4	56,056.2	58,730.4
<i>less</i> change in GST receivables(a)	2,061.0	2,144.0	2,185.1	2,396.2	2,483.4
GST receipts	45,729.0	48,341.5	51,049.3	53,660.0	56,247.0
<i>less</i> non-GIC penalties collected(b)	120.0	140.0	150.0	160.0	171.0
<i>less</i> GST collected by Commonwealth agencies but not yet remitted to the ATO(c)	9.0	1.5	-0.7	..	1.0
GST entitlement	45,600.0	48,200.0	50,900.0	53,500.0	56,075.0
<i>plus</i> prior year balancing adjustment(d)	437.2				
GST payments to the States	46,037.2	48,200.0	50,900.0	53,500.0	56,075.0

(a) GST revenue which is recognised on a Commonwealth whole of government basis, but not recognised as at 30 June of each financial year, because the revenue will not be remitted to the ATO until the following financial year.

(b) While GST related non-GIC penalties are recognised in the Commonwealth's GST revenue, non-GIC penalties are not defined in the *Federal Financial Relations Act 2009* as being a part of the GST revenue that is paid to the States.

(c) This is the GST component of sales by Commonwealth agencies which has been collected by those agencies but which, as at 30 June in each year, will not have been remitted to the ATO, because it is not due to be paid until the next Business Activity Statement is lodged (typically on 21 July in the following financial year).

(d) Advance GST payments made in 2010-11 were \$437.2 million lower than the final outcome determined by the Treasurer. This amount was added to payments in 2011-12.

## Distribution of GST entitlement among the States

The Commonwealth distributes GST among the States in accordance with the principle of horizontal fiscal equalisation and having regard to the recommendations of the Commonwealth Grants Commission (the Commission).

The Commission recommends GST revenue sharing relativities to be used in calculating each State's entitlement of the GST pool. The relativities determine how much GST each State receives compared with an equal per capita share and are determined such that, if each State made the same effort to raise revenue from its own sources and operated at the same level of efficiency, each State would have the capacity to provide services and the associated infrastructure at the same standard.

This does not necessarily result in the same standard of government services – just the equalisation of each State's capacity to provide the same standard of services. In calculating the GST relativities, the Commission takes into account differences in the State's capacity to raise revenues and differences in the costs the States would incur in

providing the same standard of government services, including through acquiring the infrastructure used to deliver those services.

Horizontal fiscal equalisation provides the necessary budget support so that all States have the capacity to provide services at a comparable standard, while ensuring that the interstate transfers are not so large that they would significantly distort economic behaviour and reduce productivity growth.

The Commonwealth has commissioned a Review into the distribution of GST to the States. Further information on the Review can be found in Part 1 and online at: [www.gstdistributionreview.gov.au](http://www.gstdistributionreview.gov.au).

Table 3.6 identifies the relativities recommended by the Commission for 2011-12 and 2012-13, and projected revenue sharing relativities for distributing GST over the forward estimates.

The Commonwealth's projections of GST relativities for 2013-14 to 2015-16 assume that the States' fiscal capacities will be broadly consistent with the assessment of their relative fiscal assessed differences in the Commission's *2012 Update*.

The projections only include adjustments to account for estimated changes in the size of the GST pool, State population shares and the distribution of the National SPPs. Consistent with the Commission's approach, assessed relativities are averaged over the three most recent years. For years where the Commission has not produced an assessed relativity, the assessment for the latest available year, in this case 2010-11, is carried forward.

The adjustment relating to the distribution of the National SPPs ensures the projections reflect the arrangements that will prevail at the time of payment. In accordance with the *Intergovernmental Agreement on Federal Financial Relations*, National SPPs are progressively shifting towards an equal per capita share from the historical shares specified in the Intergovernmental Agreement.

**Table 3.6: GST relativities**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2011-12	0.95776	0.90476	0.92861	0.71729	1.27070	1.59942	1.11647	5.35708
2012-13	0.95312	0.92106	0.98477	0.55105	1.28472	1.58088	1.19757	5.52818
2013-14(a)	0.96722	0.89451	1.07686	0.39045	1.29436	1.52185	1.19234	5.62829
2014-15(a)	0.97261	0.88188	1.12010	0.29148	1.31893	1.50083	1.22256	5.75310
2015-16(a)	0.97315	0.88419	1.11775	0.30537	1.31268	1.49101	1.21820	5.65993

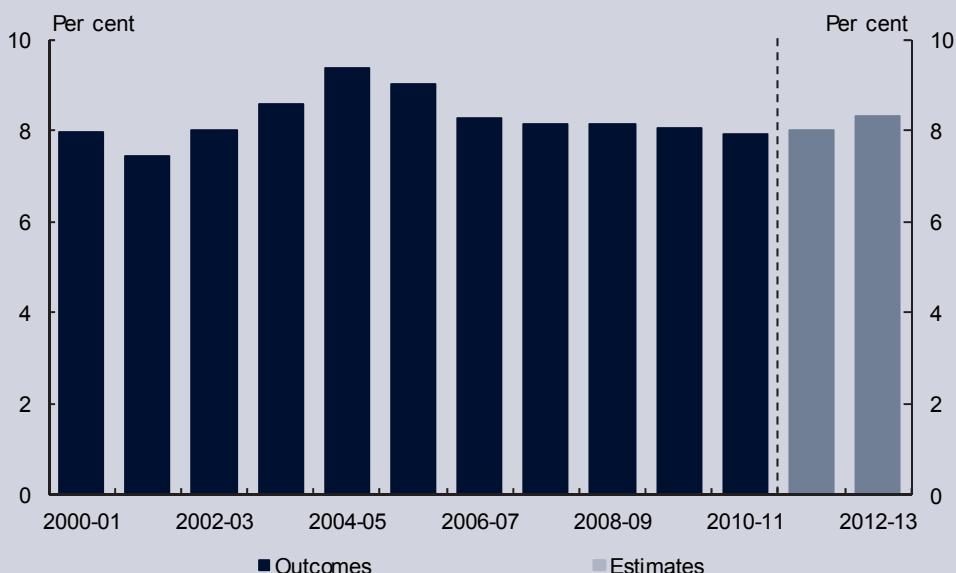
(a) Treasury projection.

**Box 3.1: The effect of horizontal fiscal equalisation**

It is usual for individual States within a federation to have different capacities to raise revenue or deliver services. The practice of equalising revenue capacities and/or expenditure capacities between the States in a federation is common. Australia has had various forms of fiscal equalisation since 1901.

Chart A below shows that the proportion of the GST payments being redistributed in 2012-13 is broadly consistent with the average redistribution since the commencement of the GST.

**Chart A: GST redistributed as a proportion of the GST payments**



A State’s GST relativity is not a complete measure of its share of Commonwealth funding. In 2012-13, payments for specific purposes (National Specific Purpose Payments and National Partnership payments) will also provide a substantial source of revenue for the States. There are also other general revenue assistance payments made to the States. Given this, a more accurate measure of relative Commonwealth support for a State would include this funding.

The relative share of total Commonwealth funding is shown in Table A below. That is, all Commonwealth payments have been calculated on a per capita basis for each State and then divided by the per capita figure for Australia. Using this measure, payments to the States are generally closer to an equal per capita share, as shown in Table A.

**Table A: Relative share of expected total Commonwealth payments, 2012-13**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
Relative share of total payments	0.94	0.93	0.98	0.88	1.16	1.33	1.07	3.93
CGC determined GST relativity	0.95	0.92	0.98	0.55	1.28	1.58	1.20	5.53

Note: Unallocated payments have been excluded. Figures for the forward estimates have not been provided as they would need to rely, in part, on future GST relativities which are projections only.

## Distribution of the GST entitlement pool

To determine the allocation of GST amongst the States, the GST relativities are applied to estimated state populations in order to determine an adjusted population for each State. Each State will receive its adjusted population share of the GST entitlement. The detailed calculation for the distribution of the GST in 2011-12 and 2012-13 is shown in Table 3.7, Table 3.9 and Chart 3.1 below.

**Table 3.7: Calculation of the GST entitlement pool<sup>(a)</sup>**

	Estimated 31 December population (1)	GST relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population % (4)	Share of GST pool \$million (5)
<b>2011-12</b>					
NSW	7,340,448	0.95776	7,030,387	30.9%	14,104.9
VIC	5,659,780	0.90476	5,120,743	22.5%	10,273.6
QLD	4,616,456	0.92861	4,286,887	18.9%	8,600.7
WA	2,376,234	0.71729	1,704,449	7.5%	3,419.6
SA	1,662,822	1.27070	2,112,948	9.3%	4,239.2
TAS	512,131	1.59942	819,113	3.6%	1,643.4
ACT	368,351	1.11647	411,253	1.8%	825.1
NT	232,007	5.35708	1,242,880	5.5%	2,493.6
Total	22,768,229	na	22,728,660	100.0%	45,600.0
<b>2012-13</b>					
NSW	7,424,410	0.95312	7,076,354	30.7%	14,795.5
VIC	5,749,634	0.92106	5,295,758	23.0%	11,072.6
QLD	4,694,804	0.98477	4,623,302	20.1%	9,666.6
WA	2,427,901	0.55105	1,337,895	5.8%	2,797.3
SA	1,679,657	1.28472	2,157,889	9.4%	4,511.8
TAS	515,633	1.58088	815,154	3.5%	1,704.4
ACT	374,663	1.19757	448,685	1.9%	938.1
NT	234,782	5.52818	1,297,917	5.6%	2,713.7
Total	23,101,484	na	23,052,954	100.0%	48,200.0

(a) Amounts shown in 2011-12 are based on estimates of each jurisdictions GST entitlement based on the estimated total GST pool. These amounts do not take into account the prior year balancing adjustment in 2010-11, totalling \$437.2 million.

Table 3.8 below shows the distribution of the prior year balancing adjustment made to the 2011-12 GST entitlement. The balancing adjustment is distributed in accordance with the relativities used in 2010-11 as this is the basis on which the States were underpaid.

**Table 3.8: Distribution of the prior year balancing adjustment**

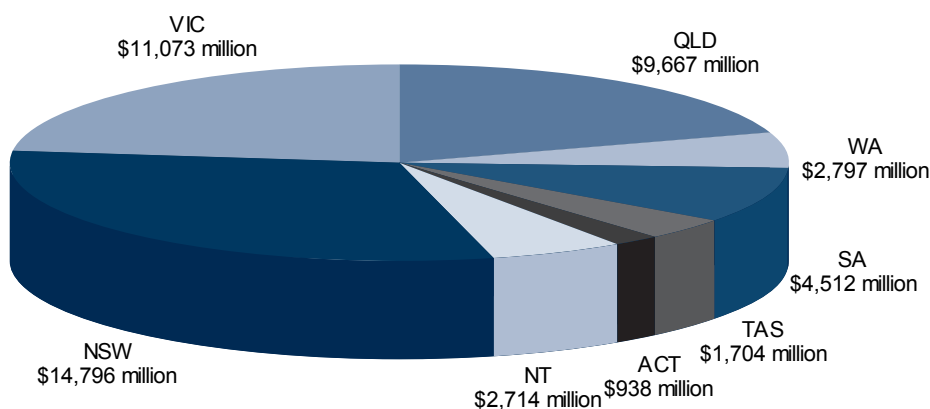
\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	134.4	106.6	80.8	34.0	40.5	16.4	11.5	13.1	437.2

**Table 3.9: Distribution of the GST entitlement pool over budget year and forward estimates<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	14,104.9	10,273.6	8,600.7	3,419.6	4,239.2	1,643.4	825.1	2,493.6	45,600.0
2012-13	14,795.5	11,072.6	9,666.6	2,797.3	4,511.8	1,704.4	938.1	2,713.7	48,200.0
2013-14	15,816.6	11,376.5	11,194.2	2,108.7	4,782.4	1,720.5	989.3	2,911.8	50,900.0
2014-15	16,679.9	11,811.7	12,273.7	1,666.9	5,104.3	1,771.2	1,069.5	3,122.7	53,500.0
2015-16	17,452.8	12,435.1	12,871.8	1,843.5	5,306.0	1,831.7	1,120.3	3,213.8	56,075.0

(a) Amounts shown in 2011-12 are estimates of each jurisdiction's GST entitlement based on the estimated total GST pool. These amounts do not take into account the prior year balancing adjustment for underpayments made in 2010-11, totalling \$437.2 million.

**Chart 3.1: State shares of GST entitlement, 2012-13**



### GST administration

States compensate the Commonwealth for the agreed costs incurred by the ATO in administering the GST, including costs incurred by the Australian Customs Service. On 4 April 2012, the Standing Council for Federal Financial Relations endorsed a preliminary GST administration budget for the ATO of \$699.3 million for 2012-13, as shown in Table 3.10.



**Table 3.10: Reconciliation of the GST administration budget**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
Administration budget at 2011-12 Budget	695.4	699.3	699.7	607.1	na
Changes from 2011-12 Budget to MYEFO					
Change in methodology(a)	-12.2	-	-	-	-
Parameter variations	-	-	-	-	-
Total variations	-12.2	-	-	-	-
Administration budget at 2011-12 MYEFO	683.2	699.3	699.7	607.1	na
Changes from MYEFO to 2012-13 Budget					
Additional GST compliance(b)	-	-	-	97.2	97.1
Parameter variations	-	-0.7	-	-0.6	-1.7
Other variations	-	-17.7	-17.8	-15.4	-15.0
Total variations	-	-18.4	-17.8	81.2	80.5
Administration budget at 2012-13 Budget	683.2	680.9	681.9	688.3	671.5

(a) This variation reflects the ATO's updated methodology in estimating GST administration costs.

(b) Further information on the additional GST compliance measure can be found in Budget Paper No. 2.

The amount paid by the States and the prior year adjustment in 2010-11 is \$5.9 million higher than the final audited GST administration cost for 2010-11. This over-payment is offset against the States' administration costs of \$683.2 million for 2011-12.

## OTHER GENERAL REVENUE ASSISTANCE

The Commonwealth makes payments of other general revenue assistance to the States, including:

- payments to the Australian Capital Territory for municipal services;
- reduced royalties;
- royalties; and
- Snowy Hydro Ltd tax compensation.

Similar to GST, other general revenue assistance is provided to the States without conditions, to spend according to their own budget priorities.

**Table 3.11: Other general revenue assistance**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
ACT municipal services	36.1	36.8	37.5	38.2	38.9
Reduced royalties	75.2	75.4	64.1	64.0	69.7
Royalties	928.6	994.7	963.1	955.5	956.2
Snowy Hydro Ltd tax compensation	74.4	74.4	74.4	74.4	74.4
<b>Total other general revenue assistance</b>	<b>1,114.3</b>	<b>1,181.3</b>	<b>1,139.1</b>	<b>1,132.0</b>	<b>1,139.2</b>

**Payments in respect of Australian Capital Territory municipal services**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	-	-	-	36.1	-	36.1
2012-13	-	-	-	-	-	-	36.8	-	36.8
2013-14	-	-	-	-	-	-	37.5	-	37.5
2014-15	-	-	-	-	-	-	38.2	-	38.2
2015-16	-	-	-	-	-	-	38.9	-	38.9

The Commonwealth provides general revenue assistance to the Australian Capital Territory to:

- assist in meeting the additional municipal costs which arise from Canberra's role as the national capital; and
- compensate the Australian Capital Territory for additional costs resulting from the national capital planning influences on the provision of water and sewerage services.

The level of funding is based upon the findings of the Commonwealth Grants Commission, in its second and third reports on financing for the Australian Capital Territory, prior to the move to self-government in 1989.

**Reduced royalties**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	75.2	-	-	-	-	75.2
2012-13	-	-	-	75.4	-	-	-	-	75.4
2013-14	-	-	-	64.1	-	-	-	-	64.1
2014-15	-	-	-	64.0	-	-	-	-	64.0
2015-16	-	-	-	69.7	-	-	-	-	69.7

The Commonwealth provides general revenue assistance to compensate Western Australia for the loss of royalty revenue resulting from the removal of the exemption of condensate from crude oil excise in the 2009-10 Budget.

**Royalties<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	-	-	-	~	-	-	-	~	928.6
2012-13	-	-	-	~	-	-	-	~	994.7
2013-14	-	-	-	~	-	-	-	~	963.1
2014-15	-	-	-	~	-	-	-	~	955.5
2015-16	-	-	-	~	-	-	-	~	956.2

(a) State splits for royalties are not published due to commercial sensitivities.

**Royalty payments to Western Australia**

The Commonwealth provides general revenue assistance to Western Australia from royalties collected under the *Offshore Petroleum (Royalty) Act 2006* in respect of the North West Shelf oil and gas project off the coast of Western Australia. The Commonwealth collects these royalties because it has jurisdiction over offshore areas.

These royalties are shared between the Commonwealth (approximately one third) and Western Australia (approximately two thirds). These payment arrangements are in accordance with the revenue sharing arrangements in section 75 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

### Royalty payments to the Northern Territory

The Commonwealth provides general revenue assistance to the Northern Territory in lieu of royalties on uranium mining in the Ranger Project Area due to the Commonwealth's ownership of uranium in the Northern Territory.

General revenue assistance is payable biannually at the royalty rate of 1.25 per cent of the net proceeds of sales. These royalties are paid under a continuing agreement, established under the 1978 Memorandum of Understanding between the Commonwealth and the Northern Territory.

### Snowy Hydro Limited tax compensation

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011-12	49.6	24.8	-	-	-	-	-	-	74.4
2012-13	49.6	24.8	-	-	-	-	-	-	74.4
2013-14	49.6	24.8	-	-	-	-	-	-	74.4
2014-15	49.6	24.8	-	-	-	-	-	-	74.4
2015-16	49.6	24.8	-	-	-	-	-	-	74.4

On 28 June 2002, the Snowy Mountains Hydro Electric Authority was corporatised. The assets and business of the Authority were transferred to Snowy Hydro Limited, a company jointly owned by the Commonwealth, New South Wales and Victoria (with 13 per cent, 58 per cent and 29 per cent shareholdings respectively).

The Commonwealth provides compensation payments to New South Wales and Victoria, in the form of general revenue assistance, for Commonwealth taxes paid by Snowy Hydro Limited in proportion to the States' shareholdings.

Payments are made in accordance with the Snowy Hydro Tax Compensation Deed between the Commonwealth, New South Wales and Victoria. These taxes would have previously been payable to the States through tax equivalence regime payments.

### MIRROR TAX ARRANGEMENTS

The Commonwealth introduced mirror tax arrangements in 1998 to ensure that the States were not financially disadvantaged by the High Court decision in *Allders International Pty Ltd v Commissioner of State Revenue (Victoria)*, which invalidated state taxes on Commonwealth places. These arrangements mirror certain state taxes, including payroll taxes, land taxes and stamp duties, with respect to Commonwealth places. The States collect these mirror taxes on behalf of the Commonwealth and bear the administrative costs of collection. All mirror tax revenues are credited to the Commonwealth and simultaneously appropriated to the States. Hence, mirror taxes are recorded as both a Commonwealth revenue and expense, with no net impact on the Commonwealth's budget position.

**Table 3.12: Mirror taxes accrued on behalf of the States**

\$million	2011-12	2012-13	2013-14	2014-15	2015-16
Mirror taxes	461.0	487.0	517.5	549.1	574.0
Payments to State governments	-461.0	-487.0	-517.5	-549.1	-574.0
Commonwealth Budget impact	-	-	-	-	-



## **PART 4: DEVELOPMENTS IN THE CONSOLIDATED NON-FINANCIAL PUBLIC SECTOR**

The consolidated public sector fiscal position is expected to continue to improve following the effects of the global financial crisis (GFC). Expenses as a proportion of GDP are forecast to fall relative to historical averages, offsetting the effect of revenue as a proportion of GDP being below its pre-GFC level.

The Commonwealth general government fiscal and cash balances are expected to be in surplus from 2012-13. By 2014-15, the Commonwealth position will be sufficient to offset the continuing (albeit narrowing) deficits at the aggregate State level, and result in consolidated fiscal and cash surpluses.

The effects of the patchwork economy are evident in the relative fiscal positions of the States, although State-specific factors also play a role. Some States are anticipating surpluses sooner than others, with Victoria and Western Australia expecting operating surpluses in each of the forecast years.

### **INTRODUCTION**

This Part provides perspective on the financial position of all levels of government in Australia.

It discusses trends in key fiscal indicators including the net operating balance, fiscal balance, cash balance, net debt and net interest payments, at the Commonwealth and State and local level, and at the consolidated level.

The Part focuses on trends in the non-financial public sector (NFPS) which comprises the general government sector and the public non-financial corporations (PNFC) sector. The general government sector provides non-market goods and services such as policing, health and education. The PNFC sector comprises government-controlled corporations engaged in providing market goods such as electricity and public transport, but not financial services.

For further information on the fiscal indicators and the institutional structure of the public sectors see Budget Paper No. 1, Statement 9.

The State estimates in this Part come from 2011-12 mid-year financial reports, with the exception of those for Victoria and the Northern Territory, which are drawn from 2012-13 Budgets. Aggregate State data are only available to 2014-15.

Additional data tables can be found in Appendix D.

## NET OPERATING BALANCE

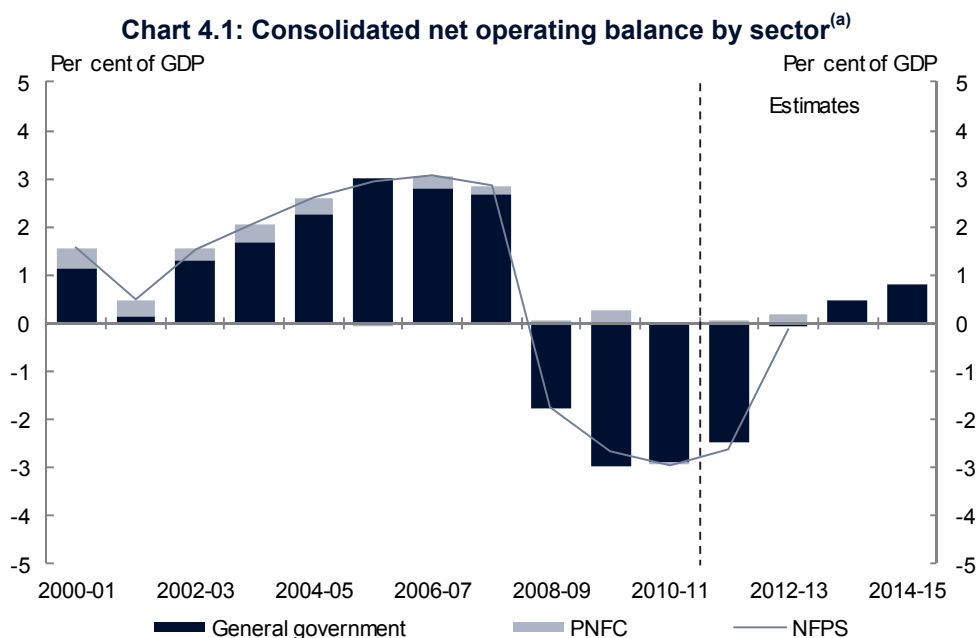
The net operating balance measures in accrual terms the gap between recurrent expenses and revenue for a given period. This is the headline budget measure used by most States to provide an indication of the medium-term sustainability of the existing level of government services. The Commonwealth does not use net operating balance as a headline fiscal indicator.

In aggregate, the States are estimating general government sector operating deficits in 2012-13, improving to operating surpluses by 2014-15. The circumstances in individual States vary.

Victoria and Western Australia are estimating operating surpluses in 2012-13 and each of their forecast years.

All other States are expecting operating deficits in 2012-13, with Queensland and South Australia expecting to reach operating surpluses by 2014-15.

In aggregate, the States are not expecting own-source taxation revenue as a proportion of GDP to return to pre-GFC levels prior to 2014-15. States are also forecasting a decline in their non-tax revenue (as a proportion of GDP).



(a) Data for the PNFC sector (and therefore NFPS) are not available beyond 2012-13.

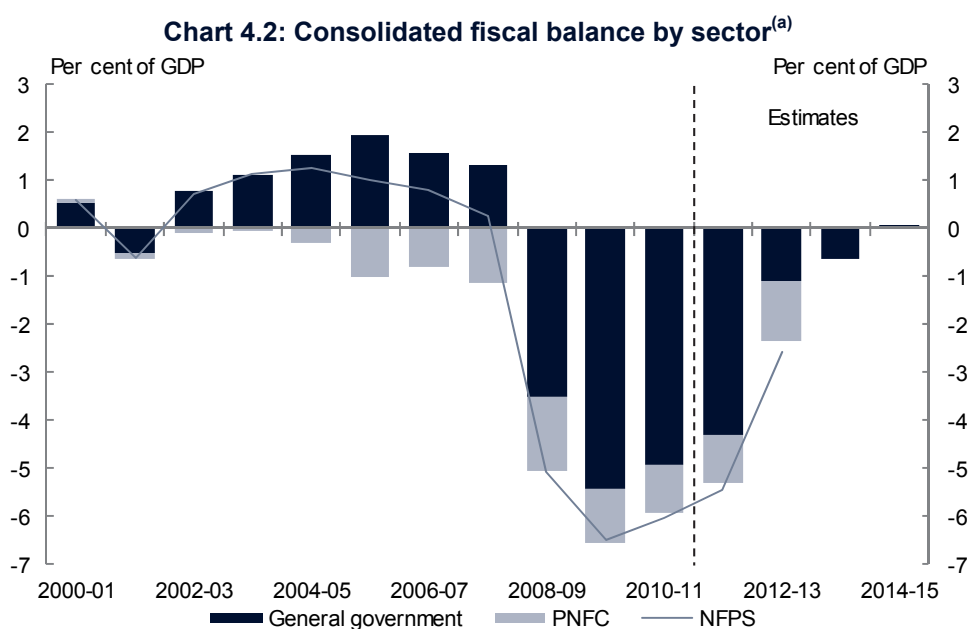
The expected return by the States, in aggregate, to operating surplus by 2014-15 reflects that the States are forecasting expenses as a proportion of GDP to be below the pre-GFC 10-year average across the forward estimates, but particularly in 2013-14 and 2014-15.

As shown in Chart 4.1, the consolidated general government net operating position is estimated to be in deficit in 2012-13, strengthening to a surplus of 0.8 per cent of GDP in 2014-15.

## FISCAL AND CASH BALANCES

A fiscal surplus indicates that a government is saving more than enough to finance all of its investment spending and is therefore not contributing directly to the current account deficit. A fiscal deficit indicates that a government needs to borrow or liquidate financial assets in order to fund its capital and/or recurrent expenditures.

As the fiscal balance includes capital transfers and investment in non-financial assets, which are not included in the net operating balance, the difference between the fiscal balance and the net operating balance is the effect of investment in infrastructure.



(a) Data for the PNFC sector (and therefore the NFPS) are not available beyond 2012-13.

The fiscal balances of both the Commonwealth and State/local general government sectors are expected to improve over the forward years. While the Commonwealth general government sector is expected to return to fiscal surplus in 2012-13, aggregate State deficits delay the return to surplus at the consolidated level until 2014-15.

Aggregate State net capital investment is forecast to decline over the forward estimates period, reaching 0.2 per cent of GDP by 2014-15. This is considerably less than pre-GFC investment levels, which averaged 0.4 per cent of GDP in the 10 years to 2007-08. The reduction in net capital investment and the improving net operating position are

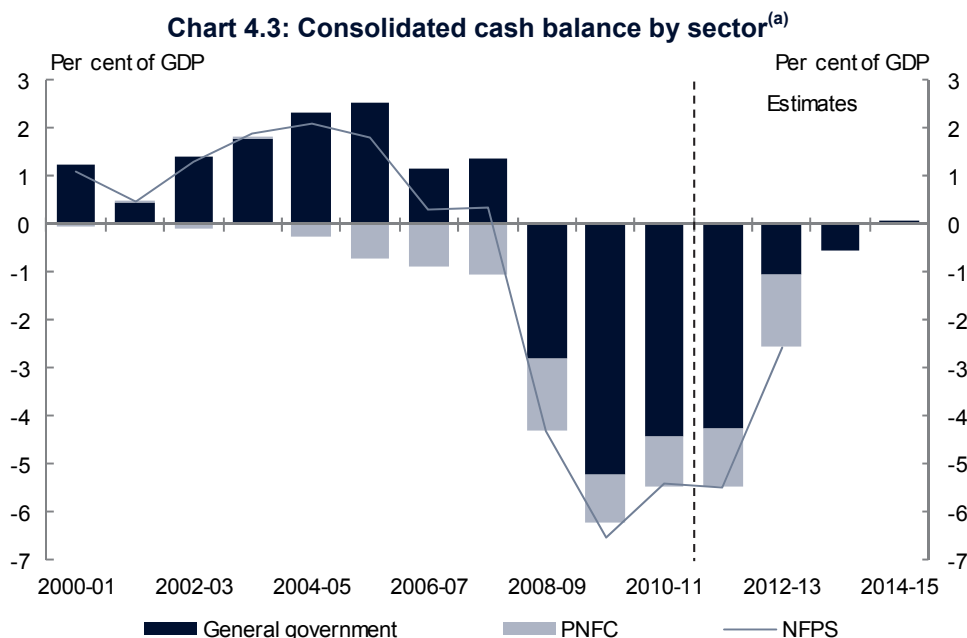
driving an improvement in the aggregate State fiscal position across the forward estimates period.

As shown in Chart 4.2, the consolidated general government sector fiscal balance is expected to be a deficit of 4.3 per cent of GDP in 2011-12 and 1.1 per cent of GDP in 2012-13. Fiscal deficits are also expected in the PNFC sector, leading to an NFPS deficit of 5.5 per cent of GDP in 2011-12 and 2.6 per cent of GDP in 2012-13.

The cash balance is the equivalent of a fiscal balance measured on a non-accrual basis, that is, capturing payments and receipts as they occur. It therefore reflects the extent to which cash is available to a government.

The same trends as discussed above in relation to the fiscal balance are affecting the cash balance of both the Commonwealth and State governments.

As shown in Chart 4.3, the consolidated general government sector cash balance is expected to be a deficit of 4.3 per cent of GDP in 2011-12 and 1.1 per cent of GDP in 2012-13. Cash deficits are also expected in the PNFC sector, leading to an NFPS deficit of 5.5 per cent of GDP in 2011-12 and 2.6 per cent of GDP in 2012-13.



(a) Data for the PNFC sector (and therefore the NFPS) are not available beyond 2012-13.



## NET DEBT

Net debt is the sum of selected financial liabilities (deposits held, advances received, government securities, loans and other borrowing) less the sum of selected financial assets (cash and deposits, advances paid, investments, loans and placements). Net debt does not include superannuation-related liabilities.

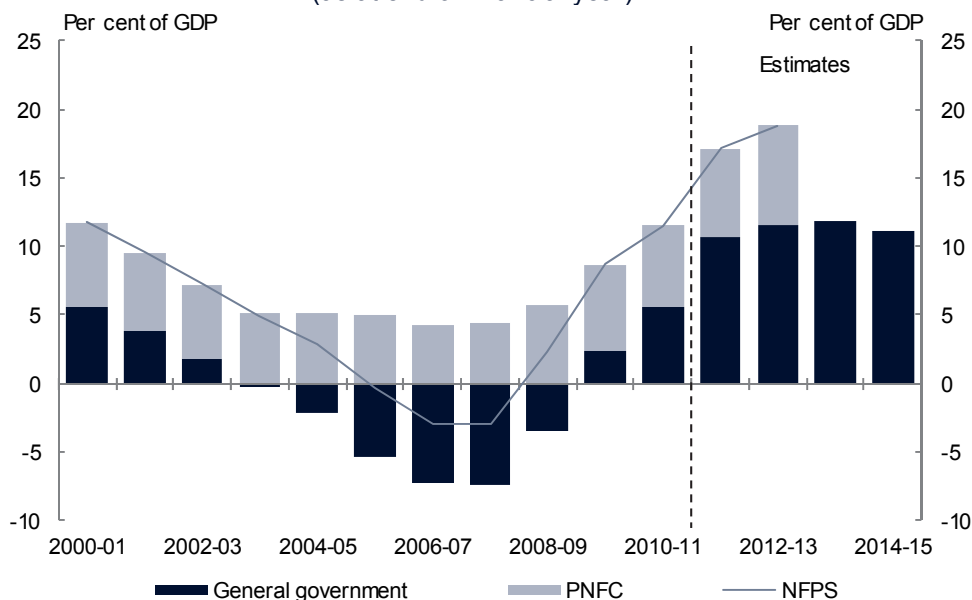
Consolidated general government sector net debt is expected to be 11.6 per cent of GDP in 2012-13.

General government sector net debt as a proportion of GDP for the Commonwealth is forecast to peak in 2011-12, and decline over the forward years as the fiscal surpluses from 2012-13 onwards allow the repayment of debt. State net debt as a proportion of GDP is expected to increase through to 2013-14, and decline marginally in 2014-15, reflecting the aggregate net fiscal deficits of the States.

Commonwealth net debt is expected to continue to make up the bulk of consolidated net debt, although the States' aggregate share is expected to increase over the forward estimates.

As shown in Chart 4.4, consolidated NFPS net debt is expected to be 18.9 per cent of GDP in 2012-13.

**Chart 4.4: Consolidated net debt by sector**  
(as at end of financial year)<sup>(a)</sup>



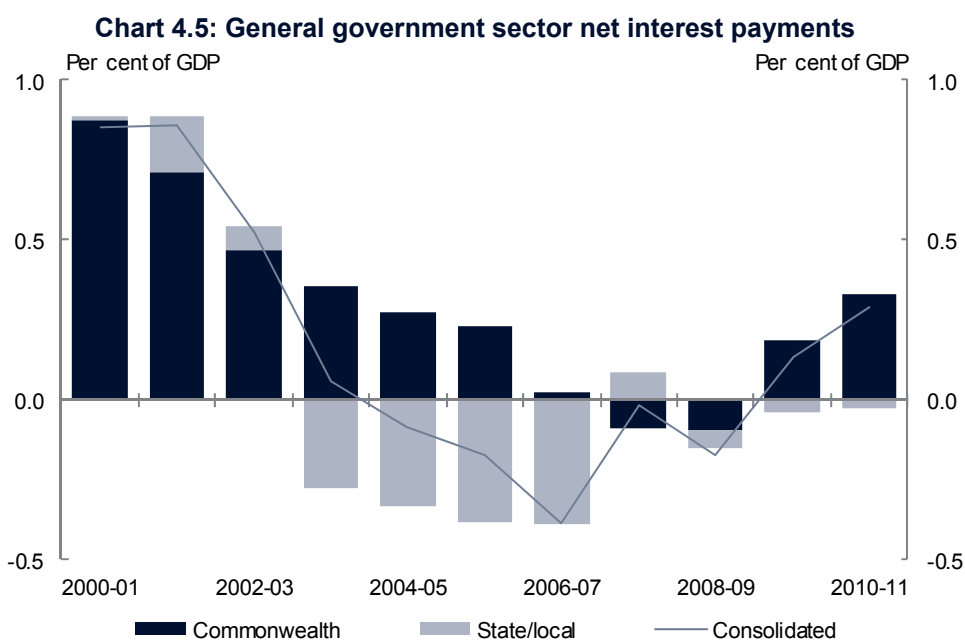
(a) Data for the PNFC sector (and therefore the NFPS) are not available beyond 2012-13.

## NET INTEREST PAYMENTS

Net interest payments reflect the cost of servicing debt. The higher the net debt of a government, the greater the call that will be imposed on that government's future revenue flows to service the debt.

Consolidated general government sector net interest payments reached a low in 2006-07, as the Commonwealth and State/local general government sectors recorded sustained budget surpluses, which were used, in part, to pay down debt.

Budget deficits and rising net debt associated with the global slowdown have caused net interest payments to rise. In 2010-11, consolidated general government sector net interest payments rose by 0.2 percentage points of GDP.



## **THE AUSTRALIAN LOAN COUNCIL**

The Australian Loan Council is a Commonwealth-State standing council that coordinates public sector borrowing. It consists of the Prime Minister of Australia and the Premier/Chief Minister of each State and Territory. In practice, each member is represented by a nominee, usually the Treasurer of that jurisdiction, with the Commonwealth Treasurer as Chair.

Current Loan Council arrangements operate on a voluntary basis and emphasise transparency of public sector financing rather than adherence to strict borrowing limits. These arrangements are designed to enhance financial market scrutiny of public sector borrowing and facilitate informed judgments about each government's financial performance.

The Loan Council traditionally meets annually around March or April to consider jurisdictions' nominated borrowings for the forthcoming year. As part of the agreed arrangements, the Loan Council considers these nominations, having regard to each jurisdiction's fiscal position and the macroeconomic implications of the aggregate figure.

Since 2009-10, the role of the Loan Council has included reporting on the macroeconomic implications of proposed expenditure from the Building Australia Fund, the Health and Hospitals Fund and the Education Investment Fund.

The Loan Council has also provided an additional level of scrutiny regarding the use of the Guarantee of State and Territory Borrowing (the Guarantee) introduced during the GFC and which closed to new issuance on 31 December 2010.

### **Outcome of the 2012 Loan Council meeting**

The Loan Council met on 4 April 2012 to consider Loan Council Allocation nominations for 2012-13. The Loan Council approved each jurisdiction's nominated allocation. In aggregate, the nominations represent a deficit of \$38.7 billion (Table 4.1). The States nominated a deficit of \$31.7 billion and the Commonwealth nominated a deficit of \$7.0 billion.

The Loan Council considered the macroeconomic implications of infrastructure spending from the three nation-building funds. Given the size and likely timing profile of any spending on new projects, the Loan Council determined that the drawdown of the remaining balances in the funds is not likely to have a material impact on the economy.

The Loan Council agreed to the cessation of reporting on the Guarantee. The final report determined that the Guarantee was being used to support state infrastructure investment and was not being used inappropriately.

### **Developments since the 2012 Loan Council meeting**

As part of the Loan Council arrangements, all jurisdictions are required to update their Loan Council Allocation to reflect their Budget and to provide an explanation to the Loan Council if they are likely to exceed the tolerance limit.

2012-13 Loan Council Allocation budget updates are available in the States' 2012-13 Budgets. Since the Loan Council meeting on 4 April 2012, Victoria and the Northern Territory have released their 2012-13 Budgets. Both States breached the tolerance limits set at the 2012 Loan Council meeting.

The Commonwealth's 2012-13 Loan Council Allocation budget update is available in Budget Paper No. 1, Statement 9, Appendix B.

Table 4.1: Loan Council Allocation nominations for 2012-13<sup>(a)</sup>

	NSW \$m	VIC \$m	QLD \$m	WA \$m	SA \$m	TAS \$m	ACT \$m	NT \$m	C'with \$m	Total \$m
<b>Nominated 2012-13 LCAs</b>										
General government sector cash surplus(-)/deficit(+)	2,726	898	7,456	2,054	1,089	10	468	251	-4,490	
PNFC sector cash surplus(-)/deficit(+)	3,844	3,402	2,945	1,897	-811	607	90	245	948	
Non-financial public sector cash surplus(-)/deficit(+)(b)	6,570	4,300	10,401	3,951	278	617	558	496	-3,542	
Acquisitions under finance leases and similar arrangements	704	845	15	0	0	0	0	0	404	
<i>equals</i> ABS GFS cash surplus(-)/deficit(+)	7,274	5,145	10,416	3,951	278	617	558	496	-3,137	
<i>minus</i> Net cash flows from investments in financial assets for policy purposes(c)	-445	-7	-60	0	7	-9	2	0	-10,867	
<i>plus</i> Memorandum items(d)	840	367	1,788	-76	-501	36	-9	0	-761	
<b>Loan Council Allocations</b>	<b>8,559</b>	<b>5,520</b>	<b>12,264</b>	<b>3,875</b>	<b>-230</b>	<b>661</b>	<b>547</b>	<b>496</b>	<b>6,969</b>	<b>38,661</b>
2012-13 tolerance limit(e)	1,557	1,053	1,093	864	335	168	95	103	7,516	

(a) Loan Council Allocation (LCA) nominations for 2012-13 reflect best estimates of cash surpluses/deficits. Nominations have been provided on the basis of policies announced up to and including jurisdictions' mid-year financial reports and the Commonwealth's *Mid-Year Economic and Fiscal Outlook 2011-12*. Each jurisdiction will publish an updated LCA estimate as part of its budget documentation.

(b) The sum of the general government and PNFC sector balances may not equal the non-financial public sector (NFPS) balance due to intersectoral transfers.

(c) Net cash flows from investments in financial assets for policy purposes comprise net lending by governments with the aim of achieving government policy as well as net equity sales and net lending to other sectors or jurisdictions. Such transactions involve the transfer or exchange of a financial asset and are not included within the cash deficit. However, these flows have implications for a government's call on financial markets. Net cash flows from investments in financial assets for policy purposes are displayed with the same sign as reported in cash flow statements.

(d) Memorandum items are used to adjust the NFPS surplus/deficit to include in LCAs certain transactions — such as operating leases — that have many of the characteristics of public sector borrowings but do not constitute formal borrowings. They are also used, where appropriate, to deduct from the NFPS surplus/deficit certain transactions that the Loan Council has agreed should not be included in LCAs; for example, the funding of more than employers' emerging costs under public sector superannuation schemes, or borrowings by entities such as statutory marketing authorities. Where relevant, memorandum items include an amount for gross new borrowings of government home finance schemes.

(e) Tolerance limits are designed, *inter alia*, to accommodate changes to LCAs resulting from changes in policy. Tolerance limits apply between jurisdictions' LCA nominations and budget estimates, and again between budget estimates and outcomes. They are calculated as two per cent of NFPS cash receipts from operating activities in each jurisdiction.



# APPENDIX A: PARAMETERS AND FURTHER INFORMATION

This appendix provides information on the parameters used in producing this Budget Paper.

Budget Paper No. 1: *Budget Strategy and Outlook 2012-13, Statement 2: Economic Outlook*, provides information on the forecasting approach used in the 2012-13 Budget.

## POPULATION

Population data are used to distribute funding between the States and in the calculation of annual growth factors.

### Estimates of State populations

Table A.1 sets out the State population series used in this Budget Paper.

**Table A.1: Population by State, at 31 December**

million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2011	7.340	5.660	4.616	2.376	1.663	0.512	0.368	0.232	22.768
2012(a)	7.424	5.750	4.695	2.428	1.680	0.516	0.375	0.235	23.101
2013(a)	7.508	5.839	4.773	2.480	1.696	0.519	0.381	0.238	23.434
2014(a)	7.592	5.929	4.851	2.532	1.713	0.522	0.387	0.240	23.768
2015(a)	7.677	6.020	4.929	2.584	1.730	0.526	0.394	0.243	24.102

(a) Treasury estimates.

The State populations for 2011-12 to 2015-16 are estimates of the population of each State on 31 December in the respective year. They are constructed using the latest demographic data available from the Australian Bureau of Statistics (ABS) and Treasury assumptions. These assumptions are in respect of fertility, mortality, net overseas migration and interstate migration.

### Fertility

In the *2010 Intergenerational Report*, it was assumed that the total fertility rate (TFR) would fall to exactly 1.9 by 2013 and stay at that level for the remainder of the projection period. As reported by the ABS in their publication *Births, Australia, 2010* (cat. no. 3301.0) the TFR fell to 1.89 babies per woman in 2010, slightly below the long-term TFR of 1.9 assumed in the *2010 Intergenerational Report*. Based on this evidence, the Treasury's assumption has been altered slightly and now assumes that the TFR will fall to 1.85 babies per woman by 2015 and then stay at that level for the remainder of the projection period.

### Mortality

The mortality assumptions remain those used in the 2011-12 Budget. They are based on the medium assumptions used in the ABS *Population Projections, 2006-2101*

(cat. no. 3222.0). In these assumptions, a continuing decline in mortality rates across Australia, with state differentials persisting, is assumed. Overall, mortality is assumed to decline to the year 2013, at the rate observed over the period 1971-2005, from the level observed in the latest death registration data for 2010-11.

### Net overseas migration

Net overseas migration is the difference between permanent and long-term arrivals, and permanent and long-term departures.

Increased volumes of international movements across Australia's borders, changes to the composition of international visitors and their duration of stay behaviour, and international travel patterns of Australian residents (including duration of absence and frequency of travel) make estimates of net overseas migration difficult.

In the *2010 Intergenerational Report*, net overseas migration was assumed to fall relatively sharply from an average of around 244,000 a year over the three years to June 2009 to 180,000 a year from 2012. As reported in the 2011-12 Budget, the decline in net overseas migration was larger than expected at the time the Intergenerational Report was released. Consequently, net overseas migration was expected to dip below the long-term Intergenerational Report assumption of 180,000 per annum in the years ending December 2010 and 2011, before returning to the long-term assumption. Net overseas migration was 168,800 in 2010 and based on three-quarters of published data, is expected to be 175,000 in 2011. A return to the long-term *2010 Intergenerational Report* assumption of 180,000 persons per annum in 2012 is assumed.

Table A.2 shows the net overseas migration assumptions used in this Budget Paper.

**Table A.2: Net overseas migration**

	2011	2012	2013	2014	2015
Net overseas migration, Australia	175,000	180,000	180,000	180,000	180,000

State shares of net overseas migration are estimated by using a weighted average of the three most recent observed years – 2009, 2010 and 2011 – with weights of 1, 2 and 4 respectively.

### Interstate migration

Similar to State shares of net overseas migration, the Treasury's estimates of net interstate migration are based on a weighted average of the three most recent observed years – 2009, 2010 and 2011 – with weights of 1, 2 and 4 respectively.

**Table A.3: Net interstate migration**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2012	-11,400	2,700	7,600	4,600	-2,400	-200	500	-1,400	0
2013	-11,400	2,700	7,600	4,600	-2,400	-200	500	-1,400	0
2014	-11,400	2,700	7,600	4,600	-2,400	-200	500	-1,400	0
2015	-11,400	2,700	7,600	4,600	-2,400	-200	500	-1,400	0



## AGE/GENDER WEIGHTED POPULATIONS

The Treasury's estimates of State population have been used to calculate the population weighted for hospital utilisation for different age/gender cohorts. The weighted hospital utilisation forms part of the growth factor for the National Healthcare Specific Purpose Payment and from 1 July 2012, the base funding component of National Health Reform funding.

**Table A.4: Age/gender weighted population**

million	2011	2012	2013	2014	2015
Weighted population, Australia	23.095	23.575	24.051	24.538	25.037

## SCHOOL ENROLMENTS

Student enrolment projections are based on a grade progression ratio model, which incorporates student movements between government and non-government sectors. These projections do not take into account future economic, migration or social policy changes, however, do take into account the proposal by Queensland to transfer the Year 7 primary program to their secondary program, starting from 2015.

**Table A.5: School enrolments**

million	2011	2012	2013	2014	2015
FTE enrolments, government schools	2.290	2.303	2.325	2.356	2.385

## WAGE AND COST INDICES

Table A.6 shows the wage and cost indices used in this Budget Paper, rounded to the nearest quarter.

**Table A.6: Wage and cost indices**

per cent	2011-12	2012-13	2013-14	2014-15	2015-16
Average government schools					
recurrent costs	5 3/4	6	6	6	6
Health specific price index	3	3	3	3	3
Health technology index	1 1/4	1 1/4	1 1/4	1 1/4	1 1/4
Wage cost index - 1	1 3/4	1 3/4	1 3/4	2	2
Wage cost index - 6	2 1/4	2 1/2	2 1/2	2 1/4	2 1/4

## DATA SOURCES

The information in Part 4, Appendix C and Appendix D of this Budget Paper is consistent with the ABS Government Finance Statistics reporting framework for the public sector.

Commonwealth data are sourced from the Commonwealth Government Final Budget Outcomes, ABS, and Commonwealth Government Consolidated Financial Statements. See Budget Paper No. 1: *Budget Strategy and Outlook 2012-13, Statement 10: Historical Australian Government Data*, for more information.

State data for 2011-12 onwards are sourced from States' 2011-12 mid-year financial reports, with the exception of Victoria and the Northern Territory which are sourced from 2012-13 Budgets.

Commonwealth Government budget aggregates have been backcast to 2000-2001 (where applicable) for recent accounting clarification changes that require revisions to the historic series, ensuring that data are consistent across the period.

The 2012-13 Budget also includes revisions to Commonwealth Government budget aggregates that improve the accuracy and comparability of the data through time. See Budget Paper No. 1: *Budget Strategy and Outlook 2012-13, Statement 10: Historical Australian Government Data*, for more information on these revisions.

## **FURTHER INFORMATION**

Several publications of the ABS also provide information that is relevant to analysing federal financial relations, including:

- *Australian Demographic Statistics* (cat. no. 3101.0);
- *Population Projections, 2006-2101* (cat. no. 3222.0);
- *Taxation Revenue, Australia* (cat. no. 5506.0);
- *Government Finance Statistics, Australia* (cat. no. 5512. 0);
- *Australian System of Government Finance Statistics – Concepts, Sources and Methods* (cat. no. 5514.0);
- *Information Paper: Developments in Government Finance Statistics* (cat. no. 5516.0); and
- *Information Paper: Accruals Based Government Finance Statistics* (cat. no. 5517.0).

Several publications by the Commonwealth Grants Commission can also provide information relevant to the analysis of federal financial relations relating to the distribution of GST revenue. In relation to the 2012-13 financial year, the relevant publication is *Report on GST Revenue Sharing Relativities – 2012 Update*.

## **APPENDIX B: DEBT TRANSACTIONS**

The Commonwealth holds a stock of around \$3.4 billion in loans advanced to the States. The States make interest payments and repayments to the Commonwealth in respect of these loans.

The Commonwealth advances the States loans under a range of agreements. These advances have often been over very long repayment periods (some in excess of 50 years), although the terms of each agreement vary considerably.

Most of the interest payments and repayments relate to housing and infrastructure. Payments are also made against loans under agreements for natural disasters and other purposes administered by various Commonwealth agencies.

Total advances, interest and repayments from the States to the Commonwealth are shown in Table B.1.

From the 2013-14 Budget, this Appendix will only be available online at: [www.budget.gov.au](http://www.budget.gov.au).

**Table B.1: Summary of advances, interest and repayments, by year and State**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Outstanding loans as at 30 June 2011</b>									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	14,850	-	-	-	-	-	-	-	14,850
Natural disaster relief	1,252	-	34,735	-	-	-	-	-	35,987
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	9,617	9,617
Housing									
Commonwealth-State Housing									
Agreement loans	742,515	-	211,339	198,630	325,486	103,496	-	28,637	1,610,103
Housing for service personnel	47,385	-	26,725	5,172	2,082	-	-	-	81,364
Other housing	-	-	-	-	-	-	177,715	59,372	237,087
Infrastructure									
Railway projects	42	42	-	2,332	-	-	-	-	2,416
Sewerage	24,920	-	6,359	-	5,396	-	-	-	36,675
War service land settlement scheme	300	250	-	-	-	-	-	-	550
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	6,651	-	6,651
Loan Council — housing nominations	426,505	-	153,334	262,079	258,171	113,125	-	148,883	1,362,097

Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2011-12</b>									
<b>Advances</b>									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	29,850	-	-	-	-	-	-	-	29,850
Natural disaster relief	-	-	18,671	-	-	-	-	-	18,671
<b>Repayments</b>									
Contingent liabilities									
Natural disaster relief	-1,023	-	-7,288	-	-	-	-	-42	-8,353
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-35,809	-	-9,578	-9,047	-13,527	-4,796	-	-694	-73,451
Housing for service personnel	-1,254	-	-767	-221	-39	-	-	-	-2,281
Other housing	-	-	-	-	-	-	-7,592	-2,330	-9,922
Infrastructure									
Railway projects	-33	-33	-	-365	-	-	-	-	-431
Sewerage	-5,792	-	-1,445	-	-935	-	-	-	-8,172
War service land settlement scheme	-153	-165	-	-	-	-	-	-	-318
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council — housing nominations	-7,519	-	-2,766	-4,796	-4,502	-2,016	-	-2,503	-24,102

Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2011-12</b>									
<b>Interest</b>									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-572	-	-	-	-	-	-	-	-572
Natural disaster relief	-36	-	-1,108	-	-	-	-	-	-1,144
Housing									
Commonwealth-State Housing									
Agreement loans	-39,122	-	-11,043	-10,422	-17,133	-5,425	-	-1,476	-84,621
Housing for service personnel	-2,124	-	-1,195	-203	-94	-	-	-	-3,616
Other housing	-	-	-	-	-	-	-7,997	-3,866	-11,863
Infrastructure									
Railway projects	-2	-2	-	-136	-	-	-	-	-140
Sewerage	-2,585	-	-706	-	-556	-	-	-	-3,847
War service land settlement scheme	-17	-14	-	-	-	-	-	-	-31
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-836	-	-836
Loan Council — housing nominations	-21,667	-	-7,763	-13,280	-13,046	-5,723	-	-7,508	-68,987
Net Financial Flow	-87,858	-214	-24,988	-38,470	-49,832	-17,960	-16,979	-18,555	-254,856

Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2012-13</b>									
<b>Advances</b>									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	50,000	-	-	-	-	-	-	-	50,000
Natural disaster relief	7,242	3,260	116,631	-	-	-	-	-	127,133
<b>Repayments</b>									
Contingent liabilities									
Natural disaster relief	-145	-	-7,282	-	-	-	-	-	-7,427
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing Agreement loans	-36,264	-	-9,689	-9,167	-14,123	-4,861	-	-725	-74,829
Housing for service personnel	-1,330	-	-819	-227	-42	-	-	-	-2,418
Other housing	-	-	-	-	-	-	-7,629	-2,448	-10,077
Infrastructure									
Railway projects	-9	-9	-	-365	-	-	-	-	-383
Sewerage	-6,370	-	-1,588	-	-1,042	-	-	-	-9,000
War service land settlement scheme	-147	-84	-	-	-	-	-	-	-231
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council — housing nominations	-7,858	-	-2,891	-5,012	-4,705	-2,107	-	-2,616	-25,189

Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2012-13</b>									
<b>Interest</b>									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-3,156	-	-	-	-	-	-	-	-3,156
Natural disaster relief	-201	-	-1,405	-	-	-	-	-	-1,606
Housing									
Commonwealth-State Housing									
Agreement loans	-37,384	-	-10,586	-9,986	-16,494	-5,195	-	-1,445	-81,090
Housing for service personnel	-2,068	-	-1,162	-221	-92	-	-	-	-3,543
Other housing	-	-	-	-	-	-	-7,655	-3,741	-11,396
Infrastructure									
Railway projects	-	-	-	-116	-	-	-	-	-116
Sewerage	-2,005	-	-561	-	-447	-	-	-	-3,013
War service land settlement scheme	-9	-5	-	-	-	-	-	-	-14
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-766	-	-766
Loan Council — housing nominations	-21,370	-	-7,651	-13,085	-12,865	-5,641	-	-7,407	-68,019
Net Financial Flow	-61,074	3,162	72,997	-38,179	-49,810	-17,804	-16,604	-18,518	-125,830



Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2013-14</b>									
<b>Advances</b>									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	50,000	-	-	-	-	-	-	-	50,000
Natural disaster relief	18,669	-	3,000	-	-	-	-	-	21,669
<b>Repayments</b>									
Contingent liabilities									
Natural disaster relief	-1,007	-	-9,616	-	-	-	-	-	-10,623
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing Agreement loans	-36,710	-	-9,790	-9,294	-14,747	-4,945	-	-758	-76,244
Housing for service personnel	-1,413	-	-874	-238	-47	-	-	-	-2,572
Other housing	-	-	-	-	-	-	-7,619	-2,572	-10,191
Infrastructure									
Railway projects	-	-	-	-350	-	-	-	-	-350
Sewerage	-7,004	-	-1,746	-	-1,165	-	-	-	-9,915
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council — housing nominations	-8,211	-	-3,021	-5,237	-4,917	-2,202	-	-2,733	-26,321

Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2013-14</b>									
<b>Interest</b>									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-5,876	-	-	-	-	-	-	-	-5,876
Natural disaster relief	-695	-87	-4,317	-	-	-	-	-	-5,099
Housing									
Commonwealth-State Housing									
Agreement loans	-35,608	-	-10,118	-9,540	-15,815	-4,961	-	-1,414	-77,456
Housing for service personnel	-2,010	-	-1,125	-211	-90	-	-	-	-3,436
Other housing	-	-	-	-	-	-	-7,312	-3,610	-10,922
Infrastructure									
Railway projects	-	-	-	-96	-	-	-	-	-96
Sewerage	-1,367	-	-402	-	-326	-	-	-	-2,095
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-
Australian Capital Territory debt repayments	-	-	-	-	-	-	-697	-	-697
Loan Council — housing nominations	-21,054	-	-7,532	-12,879	-12,673	-5,555	-	-7,301	-66,994
Net Financial Flow	-52,286	-87	-45,541	-37,845	-49,780	-17,663	-16,182	-18,524	-237,908

Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2014-15</b>									
<b>Advances</b>									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	30,150	-	-	-	-	-	-	-	30,150
Natural disaster relief	3,690	-	3,000	-	-	-	-	-	6,690
<b>Repayments</b>									
Contingent liabilities									
Natural disaster relief	-3,260	-408	-24,194	-	-	-	-	-	-27,862
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-37,096	-	-9,920	-9,424	-15,398	-5,028	-	-792	-77,658
Housing for service personnel	-1,503	-	-915	-248	-52	-	-	-	-2,718
Other housing	-	-	-	-	-	-	-7,755	-2,703	-10,458
Infrastructure									
Railway projects	-	-	-	-324	-	-	-	-	-324
Sewerage	-7,703	-	-1,919	-	-1,037	-	-	-	-10,659
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council — housing nominations	-8,581	-	-3,157	-5,473	-5,138	-2,301	-	-2,856	-27,506

Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2014-15</b>									
<b>Interest</b>									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-8,387	-	-	-	-	-	-	-	-8,387
Natural disaster relief	-767	-87	-4,053	-	-	-	-	-	-4,907
Housing									
Commonwealth-State Housing									
Agreement loans	-33,794	-	-9,643	-9,084	-15,097	-4,720	-	-1,381	-73,719
Housing for service personnel	-1,947	-	-1,087	-200	-88	-	-	-	-3,322
Other housing	-	-	-	-	-	-	-6,969	-3,473	-10,442
Infrastructure									
Railway projects	-	-	-	-76	-	-	-	-	-76
Sewerage	-665	-	-226	-	-189	-	-	-	-1,080
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-
Australian Capital Territory debt repayments	-	-	-	-	-	-	-627	-	-627
Loan Council — housing nominations	-20,720	-	-7,407	-12,661	-12,471	-5,464	-	-7,189	-65,912
Net Financial Flow	-90,583	-495	-59,521	-37,490	-49,470	-17,513	-15,906	-18,530	-289,508

Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2015-16</b>									
<b>Advances</b>									
Contingent Liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	2,000	-	3,000	-	-	-	-	-	5,000
<b>Repayments</b>									
Contingent liabilities									
Natural disaster relief	-3,700	-408	-24,194	-	-	-	-	-	-28,302
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-37,130	-	-9,955	-9,543	-16,079	-5,052	-	-828	-78,587
Housing for service personnel	-1,595	-	-976	-263	-57	-	-	-	-2,891
Other housing	-	-	-	-	-	-	-7,854	-2,839	-10,693
Infrastructure									
Railway projects	-	-	-	-287	-	-	-	-	-287
Sewerage	-1,342	-	-826	-	-648	-	-	-	-2,816
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council — housing nominations	-8,967	-	-3,299	-5,719	-5,369	-2,404	-	-2,985	-28,743

Table B.1: Summary of advances, interest and repayments, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2015-16</b>									
<b>Interest</b>									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-9,106	-	-	-	-	-	-	-	-9,106
Natural disaster relief	-680	-76	-3,400	-	-	-	-	-	-4,156
Housing									
Commonwealth-State Housing									
Agreement loans	-31,943	-	-9,156	-8,618	-14,337	-4,472	-	-1,345	-69,871
Housing for service personnel	-1,881	-	-1,047	-189	-86	-	-	-	-3,203
Other housing	-	-	-	-	-	-	-6,620	-3,329	-9,949
Infrastructure									
Railway projects	-	-	-	-55	-	-	-	-	-55
Sewerage	-104	-	-65	-	-91	-	-	-	-260
War service land settlement scheme	-	-	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-	-
Australian Capital Territory debt repayments	-	-	-	-	-	-	-558	-	-558
Loan Council — housing nominations	-20,366	-	-7,273	-12,429	-12,256	-5,366	-	-7,072	-64,762
Net Financial Flow	-114,814	-484	-57,191	-37,103	-48,923	-17,294	-15,587	-18,534	-309,930

## **APPENDIX C: TOTAL PAYMENTS TO THE STATES BY GOVERNMENT FINANCE STATISTICS (GFS) FUNCTION**

**Table C.1: Total payments to the States by GFS function**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2011-12</b>									
General public services	64,213	49,554	41,010	20,683	14,725	4,533	3,220	2,062	200,000
Public order and safety	63,945	45,604	41,068	63,418	15,484	5,836	4,355	40,877	280,587
Education	4,947,828	3,692,092	3,137,831	1,625,614	1,171,196	362,698	255,004	282,113	15,474,376
Health	4,810,561	3,798,219	3,025,703	1,702,791	1,227,035	353,703	231,021	251,174	15,400,207
Social security and welfare	1,075,924	706,446	743,211	294,596	336,924	99,319	43,008	56,449	3,355,877
Housing and community amenities	527,923	438,337	522,153	377,916	203,612	80,231	84,501	437,304	2,701,977
Recreation and culture	50,000	20,000	-	3,600	30,000	-	5,100	-	108,700
Fuel and energy	10,857	5,140	5,495	11,681	3,366	1,124	812	4,658	43,133
Agriculture, forestry and fishing	93,500	188,465	49,699	29,062	276,718	98,000	197	8,323	743,964
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	2,534,083	1,415,830	1,951,782	554,093	734,674	106,304	22,906	127,696	7,451,368
Other economic affairs	1,760	3,151	16,682	2,999	1,355	-	293	214	26,454
Other purposes	15,091,257	11,016,869	9,861,717	3,836,073	4,446,146	1,733,378	919,787	2,535,802	50,369,618
<b>Total payments to the States</b>	<b>29,271,851</b>	<b>21,379,707</b>	<b>19,396,351</b>	<b>8,522,526</b>	<b>8,461,235</b>	<b>2,845,126</b>	<b>1,570,204</b>	<b>3,746,672</b>	<b>96,156,261</b>
less payments 'through' the States	2,532,098	2,063,459	1,705,040	857,685	654,734	179,424	160,395	114,778	8,267,613
less financial assistance grants for local government	852,179	641,314	539,007	323,103	184,180	86,965	57,209	38,909	2,722,866
less payments direct 'to' local government	155,705	119,033	168,478	79,271	35,712	27,607	1,366	6,614	623,786
<b>equals total payments 'to' the States for own-purpose expenses</b>	<b>25,731,869</b>	<b>18,555,901</b>	<b>16,983,826</b>	<b>7,262,467</b>	<b>7,586,609</b>	<b>2,551,130</b>	<b>1,351,234</b>	<b>3,586,371</b>	<b>84,541,996</b>

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for a number of payments, which are not reflected in State totals.



Table C.1: Total payments to the States by GFS function (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2012-13</b>									
General public services	79,911	61,943	51,582	26,021	18,316	5,621	4,026	2,580	250,000
Public order and safety	64,708	46,104	41,685	20,385	15,737	5,936	4,420	25,438	224,413
Education	4,845,096	3,784,562	3,148,010	1,591,167	1,173,696	361,574	263,794	260,556	15,428,455
Health	4,901,866	3,703,468	3,208,108	1,563,982	1,256,895	333,064	239,163	239,898	15,446,444
Social security and welfare	601,472	745,055	343,765	310,249	166,500	50,531	24,214	47,830	2,289,616
Housing and community amenities	518,199	375,430	434,424	237,222	133,692	51,221	29,061	193,886	2,008,135
Recreation and culture	-	-	-	-	-	-	2,040	-	2,040
Fuel and energy	6,771	6,061	10,609	5,514	4,347	1,431	1,530	2,540	38,803
Agriculture, forestry and fishing	112,870	60,844	28,791	26,703	99,379	54,147	251	13,169	396,154
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,059,265	823,058	811,051	605,356	174,181	77,755	5,502	91,230	3,653,398
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes	15,206,067	11,363,123	9,982,074	3,012,448	4,604,914	1,740,270	998,590	2,730,546	50,632,711
<b>Total payments to the States</b>	<b>27,396,225</b>	<b>20,969,648</b>	<b>18,060,099</b>	<b>7,399,047</b>	<b>7,647,657</b>	<b>2,681,550</b>	<b>1,572,591</b>	<b>3,607,673</b>	<b>90,370,169</b>
less payments 'through' the States	2,690,223	2,238,234	1,830,830	934,451	703,727	189,765	171,105	165,220	8,923,575
less financial assistance grants for local government	349,254	263,266	221,132	133,611	75,418	35,613	23,597	15,892	1,117,783
less payments direct 'to' local government	123,703	75,221	88,929	54,655	29,583	14,310	286	6,314	428,001
<b>equals total payments 'to' the States for own-purpose expenses</b>	<b>24,233,045</b>	<b>18,392,927</b>	<b>15,919,208</b>	<b>6,276,330</b>	<b>6,838,929</b>	<b>2,441,842</b>	<b>1,377,603</b>	<b>3,420,247</b>	<b>79,900,810</b>

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for a number of payments, which are not reflected in State totals.

**Table C.1: Total payments to the States by GFS function (continued)**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2013-14</b>									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	65,742	46,836	42,364	20,713	15,998	6,033	4,486	4,170	206,342
Education	4,760,837	3,779,116	3,192,537	1,611,606	1,159,902	352,827	265,190	210,441	15,332,456
Health	5,190,320	4,092,143	3,392,069	1,770,007	1,176,591	357,887	265,050	210,835	16,454,902
Social security and welfare	614,598	801,733	354,166	342,743	157,684	47,393	26,335	26,492	2,371,144
Housing and community amenities	470,782	324,310	488,966	330,156	134,655	34,357	23,651	106,749	1,948,626
Recreation and culture	-	-	-	-	-	-	991	-	991
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	28,124	151,915	60,954	3,850	26,744	21,862	259	553	294,261
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,493,017	1,390,972	940,975	609,853	147,778	79,782	52,429	77,528	5,323,335
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes	16,597,675	11,950,165	11,751,594	2,452,267	4,956,245	1,794,268	1,075,848	2,944,889	54,486,015
<b>Total payments to the States</b>	<b>29,221,095</b>	<b>22,537,190</b>	<b>20,223,625</b>	<b>7,141,195</b>	<b>7,775,597</b>	<b>2,694,409</b>	<b>1,714,239</b>	<b>3,581,657</b>	<b>96,418,072</b>
less payments 'through' the States	2,689,580	2,258,917	1,869,249	956,778	713,465	190,688	170,739	127,748	8,977,164
less financial assistance grants for local government	724,669	547,972	461,028	278,429	156,314	73,791	49,017	33,095	2,324,315
less payments direct 'to' local government	119,639	78,429	106,070	63,330	28,269	12,112	0	7,443	450,292
<b>equals total payments 'to' the States for own-purpose expenses</b>	<b>25,687,207</b>	<b>19,651,872</b>	<b>17,787,278</b>	<b>5,842,658</b>	<b>6,877,549</b>	<b>2,417,818</b>	<b>1,494,483</b>	<b>3,413,371</b>	<b>84,666,301</b>

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for a number of payments, which are not reflected in State totals.

**Table C.1: Total payments to the States by GFS function (continued)**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2014-15</b>									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	64,957	46,024	42,690	20,649	16,274	6,154	4,576	4,045	205,369
Education	5,115,939	4,092,881	3,497,105	1,764,956	1,245,693	376,426	288,583	219,815	16,601,398
Health	5,497,820	4,291,843	3,508,152	1,850,181	1,220,226	377,102	291,132	233,400	17,269,856
Social security and welfare	621,585	435,320	363,456	180,222	159,563	47,535	26,421	21,070	1,855,172
Housing and community amenities	487,003	334,038	439,416	308,558	124,439	32,614	32,687	85,551	1,844,306
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	11,570	205,933	34,546	1,329	22,645	23,016	201	510	299,750
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	625,969	860,636	396,696	242,688	52,657	14,462	72,278	12,909	3,653,295
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes	17,482,785	12,406,936	12,792,936	2,021,653	5,266,292	1,847,692	1,158,787	3,157,062	57,089,593
<b>Total payments to the States</b>	<b>29,907,628</b>	<b>22,673,611</b>	<b>21,074,997</b>	<b>6,390,236</b>	<b>8,107,789</b>	<b>2,725,001</b>	<b>1,874,665</b>	<b>3,734,362</b>	<b>98,818,739</b>
less payments 'through' the States	2,931,434	2,463,655	2,037,154	1,042,924	759,043	207,728	191,754	137,966	9,771,658
less financial assistance grants for local government	751,930	570,331	480,172	290,742	162,022	76,450	51,038	34,371	2,417,056
less payments direct 'to' local government	105,200	71,200	81,200	51,200	24,140	11,400	-	5,600	349,940
equals total payments 'to' the States for own-purpose expenses	26,119,064	19,568,425	18,476,471	5,005,370	7,162,584	2,429,423	1,631,873	3,556,425	86,280,085

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for a number of payments, which are not reflected in State totals.

**Table C.1: Total payments to the States by GFS function (continued)**

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2015-16</b>									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	66,191	46,898	43,502	21,042	16,583	6,270	4,663	4,122	209,271
Education	5,590,420	4,493,371	3,831,146	1,965,275	1,362,759	408,856	318,868	237,198	18,207,893
Health	5,978,629	4,605,506	3,811,951	1,955,792	1,326,819	445,980	323,763	265,759	18,714,199
Social security and welfare	649,277	457,468	381,715	190,297	167,877	49,426	27,790	21,929	1,945,779
Housing and community amenities	449,008	340,642	433,723	270,747	116,795	33,015	23,143	81,341	1,748,414
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	5,246	185,385	54,272	671	9,694	22,593	70	240	278,171
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	315,848	642,330	319,732	190,444	284,534	14,059	27,506	12,775	3,657,228
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes	18,282,074	13,053,053	13,371,494	2,216,556	5,473,784	1,910,823	1,212,329	3,249,512	59,725,786
<b>Total payments to the States</b>	<b>31,336,693</b>	<b>23,824,653</b>	<b>22,247,535</b>	<b>6,810,824</b>	<b>8,758,845</b>	<b>2,891,022</b>	<b>1,938,132</b>	<b>3,872,876</b>	<b>104,486,741</b>
less payments 'through' the States	3,233,766	2,715,793	2,238,635	1,148,842	835,307	229,077	210,391	150,870	10,762,681
less financial assistance grants for local government	779,657	593,138	499,692	303,336	167,822	79,147	53,099	35,670	2,511,561
less payments direct 'to' local government	100,185	71,200	88,200	51,200	24,140	11,400	-	5,600	351,925
equals total payments 'to' the States for own-purpose expenses	27,223,085	20,444,522	19,421,008	5,307,446	7,731,576	2,571,398	1,674,642	3,680,736	90,860,574

(a) Total column may not equal sum of State totals. There is no basis on which to estimate State allocations for a number of payments, which are not reflected in State totals.

## **APPENDIX D: SUPPLEMENTARY TABLES**

The tables in this Appendix provide information on key fiscal indicators at the Commonwealth and State and local levels, and together at the consolidated level.

**Table D.1: General government cash balance by level of government as a percentage of GDP**

	Commonwealth(a)				State/local				Consolidated(b)			
	Receipts	Payments	Cash balance(c)		Receipts	Payments	Cash balance		Receipts	Payments	Cash balance(c)	
2000-01	25.9	25.1	0.8		16.6	16.0	0.5		36.3	35.0	1.2	
2001-02	24.8	25.0	-0.1		16.5	15.8	0.6		34.9	34.4	0.4	
2002-03	25.5	24.6	0.9		16.6	16.0	0.6		35.9	34.5	1.4	
2003-04	25.3	24.4	0.9		16.9	16.0	0.9		36.2	34.4	1.8	
2004-05	25.6	24.2	1.5		16.9	16.0	0.9		36.5	34.1	2.3	
2005-06	25.7	24.1	1.6		17.1	16.1	1.0		36.7	34.2	2.5	
2006-07	25.2	23.4	1.6		16.6	16.9	-0.3		36.0	34.6	1.2	
2007-08	25.1	23.1	1.7		16.1	16.4	-0.3		35.4	33.8	1.4	
2008-09	23.4	25.2	-2.2		16.3	16.9	-0.5		33.6	36.2	-2.8	
2009-10	22.0	26.0	-4.2		17.6	18.6	-1.0		32.7	37.8	-5.2	
2010-11	21.6	24.7	-3.4		16.6	17.5	-0.9		31.8	35.9	-4.4	
2011-12(e)	22.3	25.1	-3.0		16.3	17.5	-1.2		32.8	36.8	-4.3	
<b>2012-13(e)</b>	<b>23.8</b>	<b>23.5</b>	<b>0.1</b>		<b>15.8</b>	<b>16.9</b>	<b>-1.1</b>		<b>34.3</b>	<b>35.2</b>	<b>-1.1</b>	
2013-14(e)	24.0	23.7	0.1		15.7	16.3	-0.6		34.5	34.8	-0.6	
2014-15(p)	24.0	23.5	0.3		15.5	15.7	-0.1		34.4	34.1	0.1	

(a) Commonwealth data have been revised in the 2012-13 Budget to improve accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(b) The consolidated sector comprises the Australian, State, Territory and Local governments.

(c) The cash balance is equal to the ABS GFS cash surplus/deficit less Future Fund earnings. Future Fund earnings are not shown in the table.

(e) Estimates.

(p) Projections.

**Table D.2: Public non-financial corporations sector cash balance by level of government as a percentage of GDP**

	Commonwealth(a)			State/local			Consolidated(b)		
	Receipts	Payments	Cash balance	Receipts	Payments	Cash balance	Receipts	Payments	Cash balance
2000-01	na	na	0.1	5.7	5.8	-0.1	na	na	0.0
2001-02	na	na	0.2	5.1	5.3	-0.1	na	na	0.0
2002-03	3.4	3.3	0.2	4.9	5.2	-0.3	8.4	8.5	-0.1
2003-04	3.2	3.0	0.2	4.9	5.0	-0.2	8.2	8.1	0.0
2004-05	3.2	3.0	0.2	4.7	5.1	-0.4	8.0	8.2	-0.2
2005-06	3.1	3.2	-0.1	4.8	5.4	-0.6	8.0	8.7	-0.7
2006-07	1.6	1.7	-0.2	4.8	5.5	-0.7	6.5	7.3	-0.9
2007-08	0.7	0.7	0.0	4.8	5.8	-1.0	5.5	6.5	-1.0
2008-09	0.6	0.7	-0.1	4.8	6.2	-1.4	5.5	7.0	-1.5
2009-10	0.7	0.7	-0.1	5.5	6.4	-1.0	6.2	7.2	-1.0
2010-11	0.6	0.7	-0.1	5.0	6.0	-1.0	5.8	6.8	-1.1
2011-12(e)	0.6	0.8	-0.2	4.8	5.8	-1.0	5.5	6.7	-1.2
<b>2012-13(e)</b>	<b>0.6</b>	<b>0.9</b>	<b>-0.3</b>	<b>5.1</b>	<b>6.2</b>	<b>-1.2</b>	<b>5.7</b>	<b>7.2</b>	<b>-1.5</b>
2013-14(e)	na	na	na	5.1	5.7	-0.6	na	na	na
2014-15(p)	na	na	na	5.1	5.6	-0.5	na	na	na

(a) Commonwealth data have been revised in the 2012-13 Budget to improve accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(b) The consolidated sector comprises Australian, State, Territory and Local governments.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

**Table D.3: Non-Financial Public Sector cash balance by level of government as a percentage of GDP**

	Commonwealth(a)			State/local			Consolidated(b)		
	Receipts	Payments	Cash balance(c)	Receipts	Payments	Cash balance	Receipts	Payments	Cash balance(c)
2000-01	na	na	0.9	20.5	20.1	0.4	na	na	1.1
2001-02	na	na	0.0	20.0	19.5	0.5	na	na	0.5
2002-03	na	na	1.1	20.0	19.7	0.4	na	na	1.3
2003-04	27.7	26.4	1.1	20.2	19.4	0.8	41.9	39.9	1.9
2004-05	28.0	26.2	1.6	20.0	19.5	0.5	42.0	39.8	2.1
2005-06	28.0	26.5	1.5	20.3	19.9	0.4	42.2	40.3	1.8
2006-07	26.3	24.7	1.4	19.8	20.8	-1.0	40.4	39.9	0.3
2007-08	25.6	23.6	1.6	19.3	20.6	-1.3	39.2	38.5	0.3
2008-09	23.8	25.7	-2.2	19.5	21.4	-2.0	37.2	41.2	-4.3
2009-10	22.5	26.6	-4.3	21.1	23.0	-1.9	37.5	43.5	-6.5
2010-11	22.0	25.2	-3.5	20.0	21.9	-1.9	36.2	41.4	-5.4
2011-12(e)	22.8	25.8	-3.2	19.4	21.7	-2.2	36.3	41.6	-5.5
<b>2012-13(e)</b>	<b>24.2</b>	<b>24.3</b>	<b>-0.2</b>	<b>19.1</b>	<b>21.4</b>	<b>-2.3</b>	<b>37.4</b>	<b>39.7</b>	<b>-2.6</b>
2013-14(e)	na	na	na	19.1	20.3	-1.2	na	na	na
2014-15(p)	na	na	na	18.9	19.5	-0.7	na	na	na

(a) Commonwealth data have been revised in the 2012-13 Budget to improve accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(b) The consolidated sector comprises the Australian, State, Territory and Local governments.

(c) The cash balance is equal to the ABS GFS cash surplus/deficit less Future Fund earnings. Future Fund earnings are not shown in this table.

(e) Estimates.

(p) Projections.

na Comparable data are not available.



Table D.4: General government sector fiscal balance by level of government as a percentage of GDP

	Commonwealth(a)			State/local			Consolidated(b)		
	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)
	2000-01	26.3	25.5	0.8	16.3	15.9	-0.2	36.4	35.2
2001-02	25.2	25.6	-0.4	16.1	15.7	-0.1	34.9	34.7	-0.5
2002-03	25.8	25.1	0.7	16.2	15.5	0.2	35.8	34.4	0.8
2003-04	25.8	25.1	0.7	16.4	15.4	0.5	36.2	34.5	1.1
2004-05	26.3	24.9	1.3	16.3	15.4	0.4	36.5	34.2	1.5
2005-06	26.3	24.3	1.7	16.3	15.3	0.4	36.6	33.6	2.0
2006-07	25.7	23.9	1.6	16.2	15.2	0.2	36.2	33.4	1.6
2007-08	25.8	23.8	1.8	15.7	15.1	-0.4	35.7	33.0	1.3
2008-09	23.9	25.9	-2.4	15.9	15.5	-0.9	33.6	35.3	-3.5
2009-10	22.6	26.3	-4.2	17.0	16.4	-1.2	32.7	35.6	-5.4
2010-11	22.1	25.4	-3.7	16.2	15.8	-1.1	31.8	34.6	-4.9
2011-12(e)	22.8	25.3	-2.8	15.8	15.8	-1.3	32.6	34.9	-4.3
<b>2012-13(e)</b>	<b>24.2</b>	<b>24.3</b>	<b>0.2</b>	<b>15.3</b>	<b>15.3</b>	<b>-1.1</b>	<b>34.2</b>	<b>34.2</b>	<b>-1.1</b>
2013-14(e)	24.6	24.4	0.2	15.3	15.0	-0.7	34.5	34.0	-0.6
2014-15(p)	24.7	24.2	0.4	15.6	15.2	-0.2	35.0	34.1	0.1

(a) Commonwealth data have been revised in the 2012-13 Budget to improve accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(b) The consolidated sector comprises the Australian, State, Territory and Local governments.

(c) The fiscal balance is equal to revenue less expenditure less net capital investment; net capital investment is not shown in this table.

(e) Estimates.

(p) Projections.

**Table D.5: Public non-financial corporations sector fiscal balance by level of government as a percentage of GDP**

	Commonwealth(a)			State/local			Consolidated(b)		
	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)
2000-01	3.7	3.5	-0.1	5.4	5.1	0.2	9.1	8.6	0.1
2001-02	3.5	3.4	0.1	4.7	4.5	-0.2	8.2	7.9	-0.1
2002-03	3.0	2.9	0.2	4.5	4.4	-0.3	7.6	7.3	-0.1
2003-04	3.0	2.7	0.2	4.5	4.3	-0.3	7.5	7.1	0.0
2004-05	2.9	2.7	0.2	4.3	4.1	-0.4	7.3	6.9	-0.3
2005-06	2.8	3.0	-0.2	4.3	4.3	-0.7	7.2	7.3	-1.0
2006-07	1.4	1.5	-0.2	4.5	4.1	-0.6	6.0	5.7	-0.8
2007-08	0.6	0.6	0.0	4.2	4.0	-1.1	4.8	4.7	-1.1
2008-09	0.6	0.6	-0.1	4.3	4.2	-1.5	4.9	4.9	-1.6
2009-10	0.6	0.6	-0.1	4.9	4.7	-1.1	5.6	5.3	-1.2
2010-11	0.5	0.6	-0.1	4.8	4.8	-0.9	5.4	5.4	-1.0
2011-12(e)	0.5	0.6	-0.2	4.5	4.4	-0.8	5.1	5.0	-1.0
<b>2012-13(e)</b>	<b>0.5</b>	<b>0.6</b>	<b>-0.4</b>	<b>4.7</b>	<b>4.4</b>	<b>-0.9</b>	<b>5.3</b>	<b>5.1</b>	<b>-1.2</b>
2013-14(e)	na	na	na	4.7	4.4	-0.4	na	na	na
2014-15(p)	na	na	na	4.8	4.5	-0.3	na	na	na

(a) Commonwealth data have been revised in the 2012-13 Budget to improve accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(b) The consolidated sector comprises the Australian, State, Territory and Local governments.

(c) The fiscal balance is equal to revenue less expenses less net capital investment; net capital investment is not shown in this table.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

**Table D.6: Non-financial public sector fiscal balance by level of government as a percentage of GDP**

	Commonwealth(a)			State/local			Consolidated(b)		
	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)
	2000-01	29.3	28.3	0.7	19.9	19.3	0.0	43.0	41.4
2001-02	28.2	28.3	-0.3	19.1	18.5	-0.3	40.7	40.2	-0.6
2002-03	28.2	27.4	0.9	19.1	18.3	-0.1	41.1	39.5	0.7
2003-04	28.1	27.1	1.0	19.1	18.1	0.3	41.2	39.1	1.1
2004-05	28.6	27.0	1.5	19.0	17.9	-0.1	41.5	38.9	1.3
2005-06	28.4	26.6	1.4	19.0	17.8	-0.4	41.4	38.5	1.0
2006-07	26.8	25.1	1.4	19.1	17.7	-0.5	40.1	37.0	0.8
2007-08	26.3	24.3	1.7	18.4	17.5	-1.4	38.8	35.9	0.3
2008-09	24.3	26.3	-2.5	18.6	18.1	-2.4	36.7	38.4	-5.1
2009-10	23.1	26.7	-4.2	20.1	19.3	-2.3	37.2	39.9	-6.5
2010-11	22.5	25.9	-3.8	19.3	19.0	-2.1	35.8	38.8	-6.0
2011-12(e)	23.2	25.8	-3.1	18.5	18.6	-2.3	35.7	38.3	-5.5
<b>2012-13(e)</b>	<b>24.7</b>	<b>24.8</b>	<b>-0.2</b>	<b>18.2</b>	<b>18.2</b>	<b>-2.3</b>	<b>36.8</b>	<b>36.9</b>	<b>-2.6</b>
2013-14(e)	na	na	na	18.3	18.0	-1.3	na	na	na
2014-15(p)	na	na	na	18.7	18.2	-0.7	na	na	na

(a) Commonwealth data have been revised in the 2012-13 Budget to improve accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(b) The consolidated sector comprises the Australian, State, Territory and Local governments.

(c) The fiscal balance is equal to revenue less expenses less net capital investment; net capital investment is not shown in this table.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

Table D.7: Gross fixed capital formation by sector

	General Government				PNFCs				NFPS			
	Commonwealth		State(a)		Commonwealth		State(a)		Commonwealth		State(a)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2000-01	3,535	0.5	7,927	1.1	3,413	0.5	5,311	0.8	6,949	1.0	13,238	1.9
2001-02	3,832	0.5	8,671	1.1	3,015	0.4	6,808	0.9	6,846	0.9	15,479	2.1
2002-03	5,224	0.7	8,070	1.0	2,530	0.3	7,936	1.0	7,755	1.0	16,015	2.0
2003-04	4,144	0.5	8,152	0.9	2,941	0.3	8,764	1.0	7,086	0.8	16,507	1.9
2004-05	5,085	0.6	9,078	1.0	3,658	0.4	10,009	1.1	8,743	0.9	19,042	2.1
2005-06	6,440	0.6	10,691	1.1	4,411	0.4	12,894	1.3	10,851	1.1	23,357	2.3
2006-07	6,879	0.6	13,173	1.2	2,774	0.3	16,056	1.5	9,654	0.9	29,175	2.7
2007-08	7,040	0.6	15,069	1.3	1,011	0.1	19,775	1.7	8,051	0.7	34,607	2.9
2008-09	8,956	0.7	18,425	1.5	1,298	0.1	25,076	2.0	10,254	0.8	43,452	3.5
2009-10	10,080	0.8	25,658	2.0	1,426	0.1	24,797	1.9	11,506	0.9	50,392	3.9
2010-11	9,210	0.7	25,929	1.9	1,362	0.1	20,618	1.5	10,572	0.8	46,937	3.4
2011-12(e)	9,715	0.7	24,312	1.6	3,370	0.2	21,681	1.5	13,084	0.9	45,923	3.1
<b>2012-13(e)</b>	<b>3,168</b>	<b>0.2</b>	<b>22,199</b>	<b>1.4</b>	<b>4,967</b>	<b>0.3</b>	<b>22,217</b>	<b>1.4</b>	<b>8,135</b>	<b>0.5</b>	<b>44,375</b>	<b>2.9</b>
2013-14(e)	6,593	0.4	20,125	1.2	na	na	20,620	1.3	na	na	40,715	2.5
2014-15(p)	7,118	0.4	16,371	1.0	na	na	20,210	1.2	na	na	36,529	2.1

(a) This table excludes Local government gross fixed capital formation.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

Table D.8: Net debt by sector (as at end of financial year)

	General Government						PNFCs		NFPS	
	Commonwealth(a)		State/local		Consolidated		Consolidated		Consolidated	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2000-01	42,719	6.0	1,362	0.2	39,322	5.6	43,883	6.2	83,205	11.8
2001-02	38,180	5.1	-4,990	-0.7	29,100	3.9	43,195	5.7	72,294	9.6
2002-03	29,047	3.6	-10,295	-1.3	14,051	1.8	44,099	5.5	58,150	7.3
2003-04	22,639	2.6	-17,444	-2.0	-1,658	-0.2	44,244	5.1	42,587	5.0
2004-05	10,741	1.2	-24,905	-2.7	-20,364	-2.2	47,308	5.1	26,945	2.9
2005-06	-4,531	-0.5	-35,867	-3.6	-52,896	-5.3	49,952	5.0	-2,944	-0.3
2006-07	-29,150	-2.7	-31,968	-3.0	-78,163	-7.2	45,517	4.2	-32,646	-3.0
2007-08	-44,820	-3.8	-26,533	-2.3	-86,247	-7.3	52,098	4.4	-34,149	-2.9
2008-09	-16,148	-1.3	-17,827	-1.4	-44,124	-3.5	72,038	5.8	27,914	2.2
2009-10	42,283	3.3	-4,929	-0.4	29,839	2.3	82,730	6.4	112,569	8.7
2010-11	84,551	6.0	1,186	0.1	77,608	5.5	83,922	6.0	161,530	11.5
2011-12(e)	142,493	9.6	23,158	1.6	157,583	10.7	96,060	6.5	253,639	17.2
<b>2012-13(e)</b>	<b>143,345</b>	<b>9.2</b>	<b>44,617</b>	<b>2.9</b>	<b>179,493</b>	<b>11.6</b>	<b>113,058</b>	<b>7.3</b>	<b>292,551</b>	<b>18.9</b>
2013-14(e)	144,887	8.9	56,816	3.5	192,810	11.8	na	na	na	na
2014-15(p)	140,113	8.1	60,846	3.5	191,621	11.1	na	na	na	na

(a) Commonwealth data have been revised in the 2012-13 Budget to improve accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

**Table D.9: General government sector net financial worth by level of government (as at end of financial year)**

	Commonwealth(a)		State/local		Consolidated(b)	
	\$b	Per cent	\$b	Per cent	\$b	Per cent
		of GDP		of GDP		of GDP
2000-01	-73.1	-10.3	61.4	8.7	-9.3	-1.3
2001-02	-79.0	-10.5	61.1	8.1	-17.0	-2.2
2002-03	-84.6	-10.6	78.2	9.8	-5.5	-0.7
2003-04	-74.2	-8.6	96.6	11.2	24.0	2.8
2004-05	-60.3	-6.5	110.8	12.0	52.2	5.7
2005-06	-63.4	-6.4	109.9	11.0	48.0	4.8
2006-07	-40.0	-3.7	129.8	12.0	92.3	8.5
2007-08	-18.1	-1.5	132.5	11.3	117.3	10.0
2008-09	-74.1	-5.9	124.0	9.9	51.1	4.1
2009-10	-147.2	-11.4	114.5	8.9	-28.8	-2.2
2010-11	-200.8	-14.3	124.7	8.9	-71.9	-5.1
2011-12(e)	-251.3	-17.0	79.9	5.4	-167.0	-11.3
<b>2012-13(e)</b>	<b>-248.6</b>	<b>-16.0</b>	<b>75.9</b>	<b>4.9</b>	<b>-168.1</b>	<b>-10.8</b>
2013-14(e)	-244.3	-15.0	74.7	4.6	-164.7	-10.1
2014-15(p)	-235.9	-13.7	78.7	4.6	-152.0	-8.8

(a) Commonwealth data have been revised in the 2012-13 Budget to improve accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(b) The consolidated sector comprises the Australian, State, Territory and Local governments.

(e) Estimates.

(p) Projections.

**Table D.10: General government sector net worth by level of government (as at end of financial year)**

	Commonwealth(a)		State/local		Consolidated(b)	
	\$b	Per cent	\$b	Per cent	\$b	Per cent
		of GDP		of GDP		of GDP
2000-01	-6.6	-0.9	405.2	57.3	418.7	59.2
2001-02	-11.7	-1.5	428.2	56.7	437.7	58.0
2002-03	-15.3	-1.9	470.2	58.7	476.9	59.5
2003-04	-1.2	-0.1	515.2	59.9	537.4	62.5
2004-05	14.6	1.6	572.8	62.2	612.4	66.5
2005-06	18.0	1.8	608.9	61.2	653.2	65.7
2006-07	46.4	4.3	678.3	62.6	753.9	69.6
2007-08	70.9	6.0	785.5	66.8	888.3	75.5
2008-09	19.4	1.6	877.7	70.1	929.8	74.2
2009-10	-45.9	-3.6	937.8	72.5	927.7	71.7
2010-11	-95.4	-6.8	963.4	68.8	906.3	64.7
2011-12(e)	-141.8	-9.6	969.3	65.6	868.0	58.7
<b>2012-13(e)</b>	<b>-137.8</b>	<b>-8.9</b>	<b>1,003.9</b>	<b>64.7</b>	<b>908.6</b>	<b>58.6</b>
2013-14(e)	-132.8	-8.1	1,043.6	63.9	955.6	58.5
2014-15(p)	-123.6	-7.2	1,083.6	62.9	1,007.2	58.5

(a) Commonwealth data have been revised in the 2012-13 Budget to improve accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(b) The consolidated sector comprises the Australian, State, Territory and Local governments.

(e) Estimates.

(p) Projections.

**Table D.11: General government net interest payments by level of government**

	Commonwealth(a)		State/local		Consolidated(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2000-01	6,195	0.9	70	0.0	6,026	0.9
2001-02	5,352	0.7	1,369	0.2	6,508	0.9
2002-03	3,758	0.5	582	0.1	4,184	0.5
2003-04	3,040	0.4	-2,364	-0.3	521	0.1
2004-05	2,502	0.3	-3,069	-0.3	-773	-0.1
2005-06	2,303	0.2	-3,822	-0.4	-1,730	-0.2
2006-07	228	0.0	-4,198	-0.4	-4,209	-0.4
2007-08	-1,015	-0.1	1,047	0.1	-174	0.0
2008-09	-1,196	-0.1	-719	-0.1	-2,134	-0.2
2009-10	2,386	0.2	-476	0.0	1,735	0.1
2010-11	4,608	0.3	-355	0.0	4,040	0.3
2011-12(e)	6,502	0.4	na	na	na	na
<b>2012-13(e)</b>	<b>7,001</b>	<b>0.5</b>	<b>na</b>	<b>na</b>	<b>na</b>	<b>na</b>
2013-14(e)	6,771	0.4	na	na	na	na
2014-15(p)	6,994	0.4	na	na	na	na

(a) Commonwealth data have been revised in the 2012-13 Budget to improve the accuracy and comparability through time. See Budget Paper No.1, Statement 10.

(b) The consolidated sector comprises the Australian, State, Territory and Local governments.

(e) Estimates.

(p) Projections.

na Comparable data are not available.