PART 3: AUSTRALIA'S FEDERAL RELATIONS

This part provides information on payments for specific purposes and general revenue assistance, including GST payments, provided to the States and Territories (the States).

The current framework for federal financial relations under the *Intergovernmental Agreement on Federal Financial Relations* (Intergovernmental Agreement), introduced on 1 January 2009, provides a strong foundation for COAG to pursue economic and social reforms to underpin growth, prosperity and wellbeing into the future.

Significant progress has been made in implementing the framework, with the institutional arrangements well established, payment arrangements bedded down and performance reporting well underway.

Over 2009-10, fiscal stimulus payments to the States made under the framework, including for the Nation Building and Jobs Plan and the First Home Owners Boost, have supported the recovery of the economy from the global recession.

More detailed information on the Intergovernmental Agreement is provided in Budget Paper No. 3, *Australia's Federal Relations 2010-11*.

OVERVIEW OF PAYMENTS TO THE STATES

The States receive significant financial support from the Commonwealth. In 2009-10, the Commonwealth provided the States with payments for specific purposes of $52.5 billion and general revenue assistance, including GST payments, of $44.7 billion, totalling $97.2 billion, as shown in Table 24. This represents a 15.7 per cent increase compared with 2008-09.

Table 24: Commonwealth payments to the States, 2009-10

$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Payments for specific purposes	16,417	11,773	11,138	5,449	4,568	1,391	733	1,052	52,520
General revenue assistance	13,271	9,937	8,077	4,410	4,050	1,615	925	2,407	44,693
Total payments to the States	29,689	21,710	19,214	9,859	8,618	3,006	1,658	3,458	97,213

PAYMENTS FOR SPECIFIC PURPOSES

The Commonwealth provides payments to and through the States for specific purposes in order to pursue policy objectives in areas that may be administered by the States and local governments. Payments to the States for specific purposes constituted a significant proportion of Commonwealth expenditure — 15.5 per cent of total Commonwealth expenditure in 2009-10.

These payments cover most functional areas of state and local government activity — including health, education, community services, housing, infrastructure and environment.

National Specific Purpose Payments and National Partnership payments

Under the Intergovernmental Agreement, many payments for specific purposes were rationalised into one of the five National SPPs. These National SPPs are the primary way that the Commonwealth supports the States' efforts in delivering services in the major sectors of health, schools, skills and workforce development, disability services and affordable housing.

The National SPPs are distributed among the States according to population shares based on the Australian Statistician's determination of States' population shares as at 31 December of each financial year. In recognition that distributing National SPPs according to population shares would result in a shift in payment shares, this method of 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.

In addition to National SPPs, the Commonwealth provides National Partnership payments to the States to support the delivery of specific projects (project payments), to facilitate reforms (facilitation payments), or to reward those jurisdictions that deliver on nationally significant reforms (reward payments). Previous payments for specific purposes that were not rolled into the National SPPs have become National Partnership project payments where they support national objectives and provide a financial contribution to the States to deliver specific projects.

In 2009-10, the States received $52.5 billion in payments for specific purposes, an increase of 26.1 per cent compared with the $41.7 billion the States received in 2008-09. Total payments for specific purposes, including National SPPs and National Partnership payments are shown in Table 25.

Table 25: Payments for specific purposes to the States, 2009-10

$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health									
National Healthcare SPP	3,711	2,711	2,206	1,136	920	246	149	146	11,224
National Partnerships	260	160	173	86	63	49	16	44	850
Education									
National Schools SPP	3,113	2,425	1,927	991	757	227	172	139	9,750
National Skills and Workforce Development SPP	439	326	255	132	99	31	23	14	1,318
National Partnerships	3,384	2,545	2,169	1,232	968	308	152	227	10,986
Community services									
National Disability SPP	302	208	172	78	93	28	13	10	904
National Partnerships	471	389	338	149	131	42	17	48	1,585
Housing									
National Affordable Housing SPP	380	266	235	125	95	34	26	42	1,203
National Partnerships	1,833	1,316	1,023	779	491	128	92	186	5,847
Infrastructure									
National Partnerships	1,585	776	2,079	445	543	193	22	146	5,789
Environment									
National Partnerships	53	59	31	39	204	27	1	11	426
Contingent									
National Partnerships	195	68	96	..	47	4	-	3	412
Other									
National Partnerships	68	59	46	27	20	9	9	9	246
Local government payments	624	465	389	232	135	64	42	28	1,980
Total payments for specific purposes	**16,417**	**11,773**	**11,138**	**5,449**	**4,568**	**1,391**	**733**	**1,052**	**52,520**

Financial assistance grants to local governments

The Commonwealth provided $1.95 billion in financial assistance grants to local governments in 2009-10. Table 26 provides details of these grants, which are provided to the States to be distributed to local governments in each State. An analogous payment is made to the Australian Capital Territory.

Financial assistance grants are increased annually on the basis of an escalation factor determined each year by the Treasurer.

In the 2009-10 Budget, the Commonwealth decided to make the first quarter financial assistance grants payment for 2009-10 in the 2008-09 financial year, with a corresponding reduction in 2009-10. A similar decision was taken in the 2010-11 Budget, with an additional payment of $511.6 million in 2009-10 and a corresponding reduction in 2010-11. This accelerated provision of funding gave local governments immediate use of these funds to take full advantage of the global economic recovery and prepare them for future challenges.

To account for the bringing forward of these payments, the Treasurer determined an adjusted final escalation factor for 2009-10 of 0.8504. The 2009-10 grants were based on an estimated escalation factor of 0.6318 and incorporated a recovery of an overpayment of $10.6 million in respect of 2008-09. Over the two years of 2009-10 and 2010-11, local governments will still receive their full financial assistance grants entitlement. For this reason, an adjusted escalation factor for 2010-11 is estimated at 0.7765.

Table 26: Financial assistance grants to local government (cash basis), 2009-10

$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
General purpose assistance	327.6	249.6	202.4	102.5	75.0	23.3	16.2	10.3	1,006.8
Untied local road funding	129.6	92.1	83.7	68.3	24.6	23.7	14.3	10.5	446.8
minus 2008-09 overpayment(a)	-2.9	-2.4	-2.3	-1.5	-0.7	-0.4	-0.2	-0.2	-10.6
plus 2010-11 bring forward	160.1	120.4	101.5	60.7	34.6	16.4	10.7	7.3	511.6
Total(b)	614.4	459.6	385.2	230.0	133.5	62.9	41.0	27.9	1,954.6

(a) There was an overpayment in 2008-09 because the estimated escalation was higher than the final factor. A balancing adjustment of $10.6 million was made in 2009-10.
(b) Total financial assistance grants are the actual cash payment that each State receives on behalf of local government. They are equal to the estimated entitlement for a given year, adjusted for an overpayment or underpayment from the previous year. The difference between the estimated entitlement and the final entitlement for the current year will be adjusted in the following year.

GENERAL REVENUE ASSISTANCE

General revenue assistance is a broad category of payments, including GST payments, which are provided to the States without conditions, to spend according to their own budget priorities.

In 2009-10, the States received $44.7 billion in general revenue assistance from the Commonwealth, as shown in Table 27, comprising $44.0 billion in GST payments and $0.7 billion of other general revenue assistance. This is a 5.5 per cent increase in general revenue assistance, compared with the $42.4 billion the States received in 2008-09. In 2009-10, total general revenue assistance to the States represented 13.2 per cent of total Commonwealth expenditure.

Table 27: General revenue assistance, 2009-10

$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST payments	13,330	10,047	8,152	3,550	4,055	1,630	896	2,380	44,041
Other general revenue assistance									
Budget balancing assistance residual adjustment	52	-	-	-	7	2	-	7	68
State cellar door subsidy savings	-34	-51	-14	-	-12	-6	..	-	-116
Royalties	-	-	-	814	-	-	-	32	846
Compensation									
Reduced royalties	-	-	-	46	-	-	-	-	46
GST policy decisions	-88	-65	-62	-	-	-11	-5	-12	-243
Snowy Hydro Ltd tax compensation	11	5	-	-	-	-	-	-	16
ACT municipal services	-	-	-	-	-	-	35	-	35
Total other general revenue assistance	-59	-110	-76	860	-4	-15	29	27	653
Total general revenue assistance	13,271	9,937	8,077	4,410	4,050	1,615	925	2,407	44,693

GST payments

Reconciling GST revenue and GST payments to the States

The Commonwealth makes GST payments to the States based on the revenue received from the GST. In 2009-10, GST revenue was $46.6 billion — an increase of $3.9 billion (9.2 per cent) from 2008-09.

However, GST revenue for a financial year varies from the amount of GST payments to the States for that year for several reasons including:

- GST revenues which are recognised on a Commonwealth whole of government basis, but are not recognised because the revenues will not be remitted to the Australian Taxation Office until the following financial year; and
- penalties, other than general interest charge penalties, which are not included in the definition in the Intergovernmental Agreement of GST to be paid to the States.

A reconciliation of GST revenue and GST payable to the States is provided in Table 28.

Table 28: GST revenue and GST payable to the States, 2009-10

$million	Total
GST revenue	46,553
less change in GST receivables	2,586
GST receipts	43,967
less non-GIC penalties collected(a)	77
less GST collected by Commonwealth agencies but	
not yet remitted to the ATO(b)	-133
plus prior year balancing adjustment(c)	19
GST payable to the States	**44,041**

(a) General interest charge (GIC) penalties are defined in the Intergovernmental Agreement as being a part of the Commonwealth's GST revenue that is paid to the States. However, while other GST related penalties are also recognised in the Commonwealth's GST revenue, non GIC penalties are not defined in the Intergovernmental Agreement as being a part of the GST revenue that is paid to the States.
(b) 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 Australian Taxation Office, 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).
(c) The Commissioner's determination for 2008-09 was $18.5 million lower than the final outcome. This underpayment was paid in 2009-10.
Note: The outcome illustrated is estimated pending confirmation by the Australian National Audit Office.

Advances of GST payments have been provided to the States throughout the 2009-10 financial year based on the Commonwealth's estimate of GST receipts at the 2010-11 Budget. Commonwealth advances of GST payments in 2009-10 are estimated to be $488 million higher than GST payable to the States shown in Table 28. This difference has been recorded as a receivable for the 2009-10 financial year resulting in the accrual GST expense being less than the GST cash advanced to the States.

To ensure that States receive their correct entitlement of GST for 2009-10 a balancing adjustment will be made in the 2010-11 financial year upon confirmation by the Australian National Audit Office of the final outcome GST receipts. Table 29 provides a reconciliation of GST payable and GST payments to the States.

Table 29: GST payable and GST payments to the States, 2009-10

$million	Total
GST payable to the States	44,041
less advances of 2009-10 GST revenues made throughout 2009-10	44,510
less payment of prior year balancing adjustment	19
equals following year balancing adjustment	-488

Note: The outcome illustrated is estimated pending confirmation by the Australian National Audit Office.

Distribution of GST payments among the States

As agreed by COAG in the Intergovernmental Agreement, the Commonwealth distributes GST payments 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).

Table 30 provides a summary of all GST payments to the States in 2009-10, further detail on the components of Table 30 are discussed below.

Table 30: Summary of the distribution of GST payments among the States

	2009-10 GST advances	Estimated 2009-10 balancing adjustment	2008-09 balancing adjustment	Total
	(1)	(2)	(3)	(1)+(2)+(3)
	$million	$million	$million	$million
NSW	13,472.3	-147.7	5.5	13,330.0
VIC	10,154.5	-111.3	4.2	10,047.4
QLD	8,238.8	-90.3	3.6	8,152.1
WA	3,588.0	-39.3	1.7	3,550.3
SA	4,098.0	-44.9	1.7	4,054.8
TAS	1,647.4	-18.1	0.7	1,630.0
ACT	905.5	-9.9	0.3	895.9
NT	2,405.5	-26.4	0.9	2,380.0
Total	44,510.0	-488.0	18.5	44,040.5

GST relativities

The Commonwealth Grants Commission recommends GST relativities to be used in calculating each State's share of GST payments. The relativities determine how much GST revenue 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 at the same standard.

The GST relativities for 2009-10 were discussed with the Ministerial Council for Federal Financial Relations in March 2009. The relativities for 2009-10 are shown in Table 31.

Table 31: GST relativities, 2009-10

NSW	VIC	QLD	WA	SA	TAS	ACT	NT
0.93186	0.91875	0.91556	0.78485	1.24724	1.62040	1.27051	5.25073

Applying the GST relativities to the GST pool

The GST relativities were applied to estimated state populations throughout 2009-10 in order to determine an adjusted population for each State. Each State received its adjusted population share of the GST pool. The GST advances to the States have been distributed on the Treasury estimated population of each jurisdiction. In accordance with the *Federal Financial Relations Act 2009,* States are entitled to a share of the GST revenue grants based on the population contained in the determination made by the Australian Statistician.

Upon confirmation of the final outcome of GST receipts by the Australian National Audit Office, the balancing adjustment to be made in 2010-11 will be allocated using the population as at 31 December 2009 as determined by the Australian Statistician. The calculations for the distribution of advance payments of GST in 2009-10 and estimated balancing adjustment as shown in Table 32 are allocated based on the estimated population shares at Budget 2010-11.

Table 32: Distribution of the 2009-10 estimated GST revenue and balancing adjustment

	Population as at 31 December 2009 (1)	State revenue sharing relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population per cent (4)	Share of estimated GST pool $million (5)	Estimated 2009-10 balancing adjustment $million (6)
NSW	7,192,250	0.93186	6,702,170	30.3	13,472.3	-147.7
VIC	5,498,394	0.91875	5,051,649	22.8	10,154.5	-111.3
QLD	4,476,655	0.91556	4,098,646	18.5	8,238.8	-90.3
WA	2,274,244	0.78485	1,784,940	8.1	3,588.0	-39.3
SA	1,634,561	1.24724	2,038,690	9.2	4,098.0	-44.9
TAS	505,760	1.62040	819,534	3.7	1,647.4	-18.1
ACT	354,567	1.27051	450,481	2.0	905.5	-9.9
NT	227,908	5.25073	1,196,683	5.4	2,405.5	-26.4
Total	22,164,339	N/A	22,142,794	100.0	44,510.0	-488.0

Table 33 shows the distribution of the 2008-09 GST balancing adjustment to account for the variation between the determination made by the Commissioner for Taxation in June 2009 and the final outcome. This residual adjustment is made on the basis of the state populations and recommended relativities prevailing in the 2008-09 payment year.

Table 33: Distribution of the 2008-09 GST balancing adjustment amount

	Population as at 31 December 2008 (1)	State revenue sharing relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population per cent (4)	Share of 2008-09 balancing adjustment $million (5)
NSW	7,041,393	0.91060	6,411,892	29.6	5.5
VIC	5,364,796	0.92540	4,964,582	22.9	4.2
QLD	4,349,529	0.96508	4,197,643	19.4	3.6
WA	2,204,040	0.88288	1,945,903	9.0	1.7
SA	1,612,002	1.20856	1,948,201	9.0	1.7
TAS	500,278	1.52994	765,395	3.5	0.7
ACT	347,843	1.17205	407,689	1.9	0.3
NT	221,682	4.51835	1,001,637	4.6	0.9
Total	21,641,563	N/A	21,642,944	100.0	18.5

GST administration costs

The Commissioner of Taxation administers the GST law and the States compensate the Commonwealth for the agreed costs incurred by the Australian Taxation Office in administering the GST, including costs incurred by the Australian Customs Service, as shown in Table 34.

Table 34: GST administration, 2009-10

$million	Actual	
	2008-09	2009-10
Australian Taxation Office budget	631.9	590.1
less prior year adjustment	1.4	27.3
equals State government administration payments	630.5	562.8
less Australian Taxation Office outcome(a)	604.6	598.3
***equals* Commonwealth budget impact**	**25.9**	**-35.5**
plus prior year adjustment	1.4	27.3
equals following year adjustment	27.3	-8.2

(a) Estimated outcome for 2009-10 pending confirmation by the Australian National Audit Office.

In March 2009, the Ministerial Council for Federal Financial Relations agreed to a GST administration budget of $624.3 million for 2009-10. This was subsequently revised down to $590.1 million at the 2010-11 Budget owing to a revised estimate of the costs.

The estimated outcome for the 2009-10 GST administration expenses of $598.3 million differs from the amount paid by the States and the prior year adjustment by $-8.2 million. Once the outcome for GST administration costs in 2009-10 is audited, any adjustment required will be incorporated into the States' administration costs for 2010-11.

Other general revenue assistance

Budget balancing assistance residual adjustment

In the *Intergovernmental Agreement on the Reform of Commonwealth State Financial Relations* of 1999, the Commonwealth guaranteed that the budget position of each State would be no worse than it would have been had tax reform associated with the introduction of the GST not been implemented. The guaranteed minimum amount is an estimate of the revenue that each State would have received under the previous system of Commonwealth grants, and if the state taxes had not been abolished as part of the reforms.

During the transitional period, which expired on 30 June 2009, the Commonwealth paid budget balancing assistance to the States if a State's share of GST payments in a financial year was less than its guaranteed minimum amount for that year. No budget balancing assistance was payable when GST revenue exceeded the guaranteed minimum amount.

As the 2008-09 financial year was the final transitional year, the Treasurer is not required to determine a guaranteed minimum amount in 2009-10 or future years. Following the finalisation of state data for the 2008-09 financial year, the Commonwealth paid a residual adjustment amount of $67.8 million in 2009-10 in respect of budget balancing assistance owed to the States in 2008-09. This is in addition to the $275.2 million paid in 2008-09.

Table 35: Guaranteed minimum amount, GST payments, budget balancing assistance and residual adjustment

$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Revised guaranteed minimum amount	12,020	9,221	7,743	3,468	3,832	1,629	804	2,344	41,060
Final outcome GST payments	11,850	9,319	7,976	3,595	3,788	1,595	836	2,248	41,208
Budget balancing assistance	118	-	-	-	37	32	-	89	275
Residual adjustment	52	-	-	-	7	2	-	7	68

State cellar door subsidy savings

States previously agreed to return to the Commonwealth savings arising to them from the Commonwealths introduction of the wine equalisation tax producer rebate. Rather than the States returning these savings annually, the Commonwealth recovered the present value of the future stream of annual payments to extinguish all current and future State commitments in respect of this measure. The total value of the savings is $184.6 million, of which $68.7 million was recovered in 2008-09.

GST compensation for small business concession

In 2009-10 the Government recovered the net overpayment to the States for compensations paid in respect of deferred GST revenue through allowing small business and non-profit organisations that voluntarily registered for the GST to pay and report GST on an annual rather than a monthly or quarterly basis. The total amount recovered represents the present value of the overpayment less the present value of the stream of future annual payments, and extinguishes all current and future Commonwealth and State commitments in respect of this compensation. Western Australia and South Australia elected to repay their overpayment in 2008-09.

Attachment A

PAYMENTS TO THE STATES

This attachment provides Commonwealth payments to the States and local governments on an accruals basis. This includes Commonwealth advances (loans) to the States, including new advances, interest on advances and repayments of advances. Most of these advances were funded from borrowings made on behalf of the States under previous Australian Loan Council arrangements.

The following tables present payments to the States for 2009-10:

Table 36 — health;

Table 37 — education;

Table 38 — community services;

Table 39 — housing;

Table 40 — infrastructure;

Table 41 — environment;

Table 42 — contingent liabilities;

Table 43 — other purposes;

Table 44 — general revenue assistance;

Table 45 — advances, repayment of advances and interest payments; and

Table 46 — payments presented on the Australian Bureau of Statistics Government Finance Statistics (GFS) functional basis.

Table 36: Payments for specific purposes to support state health services, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Healthcare SPP	3,711,042	2,710,663	2,206,394	1,135,584	920,226	246,090	148,608	145,578	11,224,185
National Partnership payments									
National Health and Hospitals Network package									
Four hour national access target for emergency departments - capital	14,482	11,428	9,607	-	4,046	1,941	1,669	1,437	44,610
Improving access to elective surgery - capital	10,078	8,078	6,886	-	3,244	1,866	1,688	1,536	33,376
Flexible funding for emergency departments, elective surgery and sub-acute care	17,613	13,977	11,809	-	5,188	2,683	2,359	2,082	55,711
Preventive health									
Healthy communities	270	270	270	270	135	135	135	135	1,620
Closing the Gap - NT									
Closing the Gap - Indigenous health and related services	-	-	-	-	-	-	-	8,134	8,134
Health infrastructure									
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	3,236	-	-	3,236
Tasmanian patient transport and accommodation services	-	-	-	-	-	2,300	-	-	2,300
Launceston Integrated Cancer Care Centre	-	-	-	-	-	5,000	-	-	5,000
PET scanner for the Royal Hobart hospital	-	-	-	-	-	3,500	-	-	3,500
PET scanner for the Calvary Mater hospital - Newcastle	1,115	-	-	-	-	-	-	-	1,115
Olivia Newton-John cancer centre, Melbourne	-	10,000	-	-	-	-	-	-	10,000
Children's cancer centre, Adelaide	-	-	-	-	2,500	-	-	-	2,500
Lismore integrated cancer centre	3,500	-	-	-	-	-	-	-	3,500
MRI unit Cairns base hospital	-	-	500	-	-	-	-	-	500
Indigenous mobile dental program - capital	560	-	-	-	-	-	-	300	860

Table 36: Payments for specific purposes to support state health services, 2009-10 (continued)

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health infrastructure (continued)									
Cairns integrated cancer centre	-	-	3,300	-	-	-	-	-	3,300
Upgrading patient accommodation for Launceston	-	-	-	-	-	500	-	-	500
Health services									
PET scanner for the Westmead hospital, Sydney	1,300	-	-	-	-	-	-	-	1,300
Healthy kids health checks	433	368	331	30	295	80	71	67	1,675
Reducing rheumatic heart fever for Indigenous children	-	-	780	780	-	-	-	780	2,340
National bowel cancer screening program	-	444	357	183	143	106	89	76	1,398
National perinatal depression initiative	986	843	600	463	260	153	138	156	3,599
Victorian cytology service	-	6,985	-	-	-	-	-	-	6,985
OzFoodNet	316	233	233	181	181	146	126	131	1,547
Vaccine-preventable diseases surveillance program	83	-	67	36	31	11	8	26	262
National public health - human quarantine services	32	17	18	11	6	5	5	6	100
Royal Darwin hospital - equipped, prepared and ready	-	-	-	-	-	-	-	13,974	13,974
Health care grants for the Torres Strait	-	-	3,791	-	-	-	-	-	3,791
Torres Strait Islander health protection strategy	-	-	873	-	-	-	-	-	873
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	1,386	1,386
Satellite renal dialysis facilities in remote Northern Territory communities	-	-	-	-	-	-	-	1,376	1,376

Table 36: Payments for specific purposes to support state health services, 2009-10 (continued)

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health services (continued)									
Supporting nurses to return to the workforce									
- incentive payments	1,674	1,113	480	510	384	114	234	111	4,620
- training payments	355	241	108	108	82	24	44	22	984
Helping public patients in public hospitals waiting for nursing homes	12,990	9,520	6,750	3,320	3,330	990	300	300	37,500
Health and Hospitals Fund									
Health and Hospitals Fund	35,000	-	43,903	21,102	-	15,200	-	2,720	117,925
Other payments									
East Kimberley development package - health related projects	-	-	-	19,940	-	-	-	-	19,940
Repatriation general hospitals	6,297	363	-	-	6,543	1,055	-	-	14,258
Essential vaccines	99,519	79,787	61,278	28,460	22,920	6,021	4,550	3,873	306,408
Organ transplantation services	12,076	-	-	-	4,121	-	-	-	16,197
Organ transplantation services - capital	1,577	-	-	-	453	-	-	-	2,030
Elective surgery waiting list reduction plan	37,700	15,600	18,700	9,000	9,000	4,000	4,000	4,000	102,000
Indigenous early childhood development									
Antenatal and reproductive health	1,870	374	2,094	1,197	348	225	150	1,272	7,530
Total	3,970,868	2,870,304	2,379,129	1,221,175	983,436	295,381	164,174	189,478	12,073,945

Table 37: Payments for specific purposes to support state education services, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Schools SPP	3,113,227	2,424,935	1,926,610	991,050	757,067	226,517	171,899	138,763	9,750,068
National Skills & Workforce Development SPP	438,559	326,302	255,038	131,734	99,124	30,848	22,563	13,709	1,317,877
National Partnership payments									
Nation Building and Jobs Plan									
Building the education revolution									
Primary Schools for the 21st century	2,378,508	1,802,564	1,478,320	876,412	675,052	195,488	122,003	124,988	7,653,335
National school pride	295,245	215,098	169,402	98,266	72,726	25,084	13,597	13,931	903,349
Science and language centres	216,569	199,432	202,784	54,368	79,153	44,083	-	25,444	821,833
Education Investment Fund	28,724	-	-	-	-	-	-	-	28,724
Digital education revolution	68,043	52,193	72,660	35,484	16,609	5,103	4,059	2,715	256,866
Early childhood education	21,579	15,323	34,656	7,700	5,236	1,540	924	1,540	88,498
Smarter schools National Partnership									
Improving teacher quality	4,162	3,306	2,507	1,317	950	309	232	159	12,942
Literacy and numeracy	24,060	16,109	26,182	11,773	7,062	2,261	1,071	2,482	91,000
Low SES school communities	60,067	27,869	23,408	9,796	16,175	7,100	304	7,100	151,819
Trade training centres in schools	100,592	79,329	43,445	40,150	44,290	11,577	969	1,270	321,622
Closing the Gap - Northern Territory									
Teacher housing	-	-	-	-	-	-	-	6,082	6,082
Quality teaching, accelerated literacy	-	-	-	-	-	-	-	15,715	15,715
Supporting remote schools - additional teachers	-	-	-	-	-	-	-	17,700	17,700
East Kimberley development package - education-related payments	-	-	-	26,700	-	-	-	-	26,700
Indigenous early childhood development - children and family centres	-	-	-	8,000	4,795	2,350	-	-	15,145
National solar schools plan	16,572	24,179	12,679	6,842	4,968	3,025	400	511	69,176
Fort Street High School - noise insulation	4,000	-	-	-	-	-	-	-	4,000
School pathways program	-	-	-	384	1,906	-	-	-	2,290

Table 37: Payments for specific purposes to support state education services, 2009-10 (continued)

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Better TAFE facilities	63,430	48,976	39,124	22,000	14,635	4,662	3,174	4,000	200,001
TAFE fee waivers for childcare qualifications	4,024	7,075	2,064	852	346	-	522	-	14,883
Productivity places program	89,232	42,000	56,136	28,548	21,672	4,992	4,668	3,084	250,332
Schools security program	997	-	340	405	-	-	-	111	1,853
Youth attainment and transitions -									
Maximising engagement, attainment									
and successful transitions	8,597	11,520	5,108	3,071	2,214	623	458	460	32,051
Total	6,936,187	5,296,210	4,350,463	2,354,852	1,823,980	565,562	346,843	379,764	22,053,861
Memorandum item - payments for non-government schools included in payments above(a)									
National Schools SPP(b)	2,008,689	1,665,354	1,286,575	661,868	505,173	136,579	122,879	76,357	6,463,474
Nation Building and Jobs Plan -									
Building the education revolution									
Primary Schools for the 21st century	730,992	603,916	490,768	260,344	220,624	47,304	47,010	26,969	2,427,927
National school pride	91,787	70,049	51,273	28,570	21,364	6,274	4,962	2,684	276,963
Science and language centres	63,499	60,245	45,195	19,797	30,689	12,729	-	9,448	241,602
Digital education revolution	25,145	20,543	16,739	9,220	6,561	1,467	1,716	1,279	82,670
Trade training centres in schools	24,185	5,163	8,455	5,096	10,119	258	969	-	54,245
National solar schools	9,046	5,396	5,844	3,760	2,687	462	400	280	27,875
Total	2,953,343	2,430,666	1,904,849	988,655	797,217	205,073	177,936	117,017	9,574,756

(a) Non-government schools payments are net of GST.
(b) This payment includes payments paid under the *Schools Assistance (Learning Together — Achievement through Choice and Opportunity) Act 2004.*

Table 38: Payments for specific purposes to support community services, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Disability SPP	302,185	208,159	171,734	77,548	93,077	28,243	13,058	9,682	903,686
National Partnership payments									
Aged care assessment	25,609	18,415	13,289	7,599	6,808	1,989	825	987	75,521
Certain concessions for pensioners	80,182	57,322	40,025	20,152	22,804	7,324	1,629	1,115	230,553
Closing the Gap - Northern Territory									
Remote policing and substance abuse	-	-	-	-	-	-	-	31,404	31,404
Community safety - family support	-	-	-	-	-	-	-	5,068	5,068
Field operations	-	-	-	-	-	-	-	900	900
Food security	-	-	-	-	-	-	-	310	310
Property and tenancy management	-	-	-	-	-	-	-	101	101
Home and community care	352,737	283,319	277,417	119,363	99,965	31,576	14,099	8,256	1,186,732
Home and community care services for veterans	6,121	4,189	3,567	1,398	1,429	559	264	46	17,573
National reciprocal transport concessions	5,895	1,632	3,769	404	365	112	169	72	12,418
Victorian bushfire reconstruction and recovery plan	-	24,170	-	-	-	-	-	-	24,170
Total	772,729	597,206	509,801	226,464	224,448	69,803	30,044	57,941	2,488,436

Table 39: Payments for specific purposes to support housing services, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Affordable Housing SPP	380,002	265,775	234,525	124,949	94,871	34,442	26,123	41,903	1,202,590
National Partnership payments									
First Home Owners Boost	310,975	337,168	180,244	178,209	77,284	20,447	23,102	4,932	1,132,361
Homelessness	29,336	17,220	22,051	10,910	6,623	3,944	2,926	5,826	98,836
Nation Building and Jobs Plan - Social Housing									
First stage construction	188,866	143,604	86,005	56,640	43,421	13,504	8,100	5,404	545,544
Second stage construction	1,026,812	716,161	591,575	304,183	236,833	75,041	52,109	33,251	3,035,965
Repairs and maintenance	59,761	45,444	40,048	18,554	13,740	4,272	2,951	1,888	186,658
Remote Indigenous housing	139,963	6,890	62,672	164,880	97,910	5,892	-	132,383	610,590
Social housing	65,201	49,576	40,048	20,244	14,990	4,662	3,221	2,058	200,000
Social housing subsidy program	11,921	-	-	-	-	-	-	-	11,921
East Kimberley development package - Indigenous housing	-	-	-	25,000	-	-	-	-	25,000
Total	2,212,837	1,581,838	1,257,168	903,569	585,672	162,204	118,532	227,645	7,049,465

Table 40: Payments for specific purposes to support state infrastructure services, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Nation Building Program									
Investment									
Rail	-	10,000	-	5,896	-	38,754	-	-	54,650
Road	1,208,176	466,904	1,345,981	147,062	365,289	94,061	478	100,523	3,728,474
Boom gates for rail crossings	2,485	20,190	28,490	9,380	2,000	2,640	-	1,680	66,865
Black spot projects	38,071	25,532	24,256	10,311	8,579	2,809	2,487	1,570	113,615
Off-network projects - States	36,474	76,820	16,408	76,013	3,101	15,652	7,113	18,968	250,549
Off-network projects - Local government	3,502	2,570	19,932	1,470	1,851	350	-	-	29,675
Off-network projects supplementary - States	-	-	-	-	5,357	-	-	-	5,357
Off-network projects supplementary - Local governments	26,965	10,985	42,933	969	8,723	-	-	453	91,028
Improving the national network	35,178	-	25,144	80,666	22,699	17,442	-	9,772	190,901
Heavy vehicle safety and productivity	5,536	1,800	4,162	804	2,411	630	-	705	16,048
Improving local roads - States	-	-	-	-	-	-	-	-	-
Improving local roads - Local governments	1,496	845	360	806	35	535	-	-	4,077
Roads to recovery - States	680	19	-	-	3,072	-	10,380	4,600	18,751
Roads to recovery - Local government	96,758	70,341	73,836	49,493	25,391	10,858	-	4,387	331,064
Nation Building Plan for the Future									
Major cities									
Rail	-	-	20,000	7,000	-	-	-	-	27,000
Road	-	-	-	-	5,000	-	-	-	5,000
Building Australia Fund									
Rail	-	-	365,000	-	46,000	-	-	-	411,000
Road	-	-	-	-	-	-	-	-	-
Regional and Local Community Infrastructure Program - Local governments	93,779	69,892	102,728	31,705	20,275	9,314	800	3,455	331,948

Table 40: Payments for specific purposes to support state infrastructure services, 2009-10 (continued)

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
East Kimberley development package - States	-	-	-	2,250	-	-	-	-	2,250
East Kimberley development package - Local governments	-	-	-	7,925	-	-	-	-	7,925
Interstate road transport	33,119	19,271	6,824	2,852	8,686	359	359	359	71,829
Jobs fund -									
Infrastructure employment projects - States	-	-	2,000	10,000	-	-	-	-	12,000
Infrastructure employment projects - Local governments	-	-	1,350	-	-	-	-	-	1,350
Local community sporting infrastructure	2,300	-	-	-	-	-	-	-	2,300
Supplementary road funding to South Australian councils for local roads	-	-	-	-	14,821	-	-	-	14,821
Federation Fund projects	-	1,000	-	-	-	-	-	-	1,000
Total	1,584,519	776,169	2,079,404	444,602	543,290	193,404	21,617	146,472	5,789,477

Table 41: Payments for specific purposes to support state environmental services, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Bioremediation and revegetation	-	-	-	-	4,694	-	-	-	4,694
Caring for our Country	26,438	20,640	17,265	18,077	17,346	4,286	1,019	2,765	107,836
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	1,974	1,974
Exotic Disease Preparedness Program	260	18	123	11	21	-	-	-	433
Plant disease and eradication	-	-	1,100	2,158	1,230	-	-	-	4,488
Great Artesian Basin Sustainability Initiative	-	-	4,703	-	-	-	-	-	4,703
The Living Murray	6,517	21,252	-	-	-	-	-	-	27,769
Renewable Remote Power Generation	8,595	5,468	7,644	16,266	2,460	188	-	5,858	46,479
Water for the Future - States	9,992	11,170	-	2,214	175,197	18,015	175	-	216,763
Water for the Future - Local governments	1,684	666	137	50	3,420	4,868	-	-	10,825
Total	53,486	59,214	30,972	38,776	204,368	27,357	1,194	10,597	425,964

Table 42: Contingent payments to the States, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Exceptional circumstances assistance	187,968	63,327	3,277	488	46,582	3,775	-	-	305,417
Hepatitis C settlement fund	441	-	-	-	147	-	-	-	588
Natural disaster relief	6,146	4,293	92,374	-	-	600	-	2,725	106,138
Total	194,555	67,620	95,651	488	46,729	4,375	-	2,725	412,143

Table 43: Payments to support other state services, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
National Disaster Resilience Program	15,050	4,466	10,295	5,470	5,958	1,646	1,866	2,565	47,316
Bushfire Mitigation	-457	-322	-322	-183	-142	-92	-67	-83	-1,668
Natural Disaster Mitigation	-3,658	-802	-3,362	-1,228	-1,337	-468	-355	-323	-11,533
Legal aid	55,003	37,355	36,670	15,416	14,054	6,302	4,946	3,773	173,519
Standard Business Reporting Program	983	1,505	1,165	893	511	826	1,020	919	7,822
Digital Regions Initiative - States	778	429	-	361	611	-	-	-	2,179
Digital Regions Initiative - Local governments	-	103	-	-	-	-	-	-	103
Film and literature classification	580	603	635	661	672	694	715	701	5,261
Improving policing in very remote areas	-	-	-	2,000	-	-	-	1,010	3,010
Remote Indigenous public internet access	58	-	95	208	42	-	-	205	608
Restoration of Albert Hall, Canberra	-	-	-	-	-	-	500	-	500
World sailing championships	-	-	-	3,000	-	-	-	-	3,000
Queensland Premier's Disaster Relief Appeal	-	-	500	-	-	-	-	-	500
Sinking fund on State debt	21	3	-	-	4	-	-	-	28
National emergency warning system	-	15,650	-	-	-	-	-	-	15,650
Financial assistance grants	623,748	465,350	389,453	232,397	135,311	63,864	41,535	28,283	1,979,941
Total	692,106	524,340	435,129	258,995	155,684	72,772	50,160	37,050	2,226,236

Table 44: General revenue assistance payments to the States and Territories, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST payments	13,330,040	10,047,409	8,152,092	3,550,297	4,054,777	1,629,965	895,948	2,379,978	44,040,506
Other general revenue assistance									
Budget balancing assistance - residual adjustment	51,771	-	-	-	7,455	1,990	-	6,612	67,828
State cellar door subsidy savings	-33,677	-50,615	-13,978	-	-11,789	-5,700	-167	-	-115,926
Royalties	-	-	-	813,609	-	-	-	32,445	846,054
Compensation									
Reduced royalties	-	-	-	45,960	-	-	-	-	45,960
GST policy decisions	-87,560	-64,736	-61,539	-	-	-11,073	-5,404	-12,427	-242,739
Snowy Hydro Ltd tax compensation	10,873	5,436	-	-	-	-	-	-	16,309
ACT municipal services	-	-	-	-	-	-	35,016	-	35,016
Total other general revenue assistance	-58,593	-109,915	-75,517	859,569	-4,334	-14,783	29,445	26,630	652,502
Total	13,271,447	9,937,494	8,076,575	4,409,866	4,050,443	1,615,182	925,393	2,406,608	44,693,008

Table 45: Other financial flows — estimated advances, repayment of advances and interest payments, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Advances									
Contingent liabilities									
Natural disaster relief	-	-	11,133	-	-	-	-	-	11,133
Repayments									
Housing									
Housing for service personnel	-1,123	-	-677	-206	-32	-	-	-	-2,038
CSHA loans	-34,766	-	-9,283	-8,798	-12,409	-4,685	-	-636	-70,577
Other housing	-	-	-	-	-	-	-7,258	-	-7,258
Infrastructure									
Sewerage	-4,790	-	-1,196	-	-751	-	-	-	-6,737
War service land settlement scheme	-417	-450	-	-	-	-	-	-	-867
Railway projects	-83	-83	-	-386	-	-	-	-	-552
Environment									
Northern Territory - water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-4,646	-	-4,646
Loan Council - housing nominations	-6,886	-	-2,533	-4,391	-4,123	-1,846	-	-2,292	-22,071
Payments to debt sinking funds	-113	-7	-	-	-202	-	-	-	-322
Contingent liabilities									
Natural disaster relief	-1,097	-	-6,874	-	-	-	-	-2,135	-10,106
Interest									
Housing									
Housing for service personnel	-2,225	-	-1,256	-248	-97	-	-	-	-3,826
CSHA loans	-35,910	-	-10,056	-9,602	-15,616	-4,935	-	-1,347	-77,466
Other housing	-	-	-	-	-	-	-8,655	-4,234	-12,889
Infrastructure									
Sewerage	-3,511	-	-913	-	-736	-	-	-	-5,160

Table 45: Other financial flows — estimated advances, repayment of advances and interest payments, 2009-10 (continued)

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
War service land settlement scheme	-38	-39	-	-	-	-	-	-	-77
Railway projects	-10	-10	-	-179	-	-	-	-	-199
Environment									
Northern Territory - water and sewerage assistance	-	-	-	-	-	-	-	-700	-700
Interest on Loan Council and NT Government Borrowings	-236	-41	-	-	-32	-	-	-	-309
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-1,467	-	-1,467
Loan Council - housing nominations	-19,826	-	-7,133	-12,197	-11,997	-5,261	-	-6,911	-63,325
Contingent liabilities									
Natural disaster relief	-193	-	-960	-	-	-	-	-85	-1,238
Net financial flow	-111,224	-630	-29,748	-36,007	-45,995	-16,727	-22,026	-18,476	-280,833

Table 46: Total payments to the States by GFS function, 2009-10

$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
General public services	983	1,505	1,165	893	511	826	1,020	919	7,822
Public order and safety	56,580	37,958	37,645	18,482	14,726	6,996	5,661	36,999	215,047
Education	6,918,618	5,272,031	4,337,444	2,339,605	1,814,217	560,187	346,443	379,142	21,967,687
Health	3,971,309	2,870,304	2,379,129	1,221,175	983,583	295,381	164,174	189,478	12,074,533
Social security and welfare	772,729	573,036	509,801	234,464	229,243	72,153	30,044	26,537	2,448,007
Housing and community amenities	2,250,210	1,629,990	1,284,394	945,880	612,191	167,576	121,495	234,543	7,246,279
Recreation and culture	2,300	-	-	3,000	-	-	-	-	5,300
Fuel and energy	25,167	29,647	20,323	23,108	7,428	3,213	400	6,369	115,655
Agriculture, forestry and fishing	206,421	96,433	9,340	4,921	226,450	26,658	175	-	570,398
Transport and communication	1,489,276	706,809	1,973,421	393,291	508,847	184,090	20,817	143,222	5,419,773
Other purposes(a)	13,995,141	10,492,682	8,661,630	4,673,968	4,220,854	1,688,960	967,728	2,441,071	47,142,034
Total payments to the States	**29,688,734**	**21,710,395**	**19,214,292**	**9,858,787**	**8,618,050**	**3,006,040**	**1,657,957**	**3,458,280**	**97,212,535**
less payments 'through' the States	3,935,123	3,252,642	2,516,966	1,414,233	1,039,359	292,182	245,079	154,081	12,849,665
less financial assistance grants for local government	623,748	465,350	389,453	232,397	135,311	63,864	41,535	28,283	1,979,941
less payments direct to local government	226,754	155,569	241,546	92,688	59,830	26,060	935	8,430	811,812
equals total payments to the States for own-purpose expenses	24,903,109	17,836,834	16,066,327	8,119,469	7,383,550	2,623,934	1,370,408	3,267,486	81,571,117

(a) Payments for 'Other purposes' includes general revenue assistance to the States.