

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 (the Intergovernmental Agreement) was introduced on 1 January 2009.

The Commonwealth is working in partnership with the States in a number of key reform areas benefitting all Australians. Significant progress has been made in implementing the reform agenda through the federal financial relations framework. The framework has proven to be flexible and dynamic, facilitating reform activity, including health reform, and responding to the global recession and, more recently, natural disasters.

More detailed information on Australia's Federal Relations is provided in Budget Paper No. 3, *Australia's Federal Relations 2011-12* and on the Federal Financial Relations website at www.federalfinancialrelations.gov.au.

OVERVIEW OF PAYMENTS TO THE STATES

The States receive substantial financial support from the Commonwealth. In 2010-11, the Commonwealth provided the States with payments totalling \$98.5 billion, comprising specific purpose payments of \$51.6 billion and general revenue assistance, including GST payments, of \$47.0 billion, as shown in Table 24. This represents a 1.3 per cent increase in total financial assistance compared to 2009-10. Total payments to the States as a proportion total Commonwealth expenditure was 27.7 per cent in 2010-11.

Table 24: Commonwealth payments to the States, 2010-11

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Payments for specific purposes	14,727	10,502	14,279	5,012	3,610	1,453	707	1,276	51,565
General revenue assistance	14,177	10,745	8,494	4,234	4,337	1,688	889	2,389	46,953
Total payments to the States	28,903	21,247	22,773	9,246	7,947	3,141	1,596	3,665	98,517

PAYMENTS FOR SPECIFIC PURPOSES

The Commonwealth provides payments to the States for specific purposes in order to pursue policy objectives in areas that may be administered by the States. Payments to the States for specific purposes constituted 14.5 per cent of total Commonwealth expenditure in 2010-11.

The Commonwealth provides the following types of Specific Purpose Payments (SPPs) 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 — project payments, facilitation payments and reward payments.

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

National SPPs

The Commonwealth supports the States' efforts in delivering services in the major service delivery sectors through 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 States are required to spend each National SPP in the relevant sector.

Payments made through 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 following a Determination by the Treasurer.

The National SPPs are distributed among the States on the basis of payment shares specified in the Intergovernmental Agreement and population shares based on the Australian Statistician's determination of States' population shares as at 31 December of that year (that is, an equal per capita basis). 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.

An equal per capita distribution of National SPPs ensures that all Australians, regardless of the jurisdiction in which they live, are provided with the same share of Commonwealth funding support for State service delivery.

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. These arrangements are part of the National Health Reform Agreement signed by all jurisdictions in August 2011.

National Partnership payments

The Commonwealth recognises the need to support the States, over and above that provided through the National SPPs, 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.

National Partnership agreements set out clear, mutually agreed and ambitious performance benchmarks that encourage the achievement of reforms or continuous improvement in service delivery.

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. These payments are generally made on the achievement of milestones.

When an area emerges 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. 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.

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

Total payments for specific purposes

In 2010-11, the States received \$51.6 billion in payments for specific purposes, a decrease of 1.8 per cent compared with the \$52.5 billion the States received in 2009-10. This reflects the withdrawal of the stimulus measures put in place in response to the global financial crisis.

Total payments for specific purposes, including National SPPs and National Partnership payments are shown in Table 25.

Table 25: Total payments for specific purposes by category, 2010-11

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Specific Purpose									
Payments	8,494	6,400	5,229	2,656	2,087	604	417	354	26,240
National Partnership									
Payments	6,233	4,101	9,050	2,356	1,524	849	290	922	25,325
Total payments for specific purposes	14,727	10,502	14,279	5,012	3,610	1,453	707	1,276	51,565

Total payments for specific purposes by sector, including National SPPs and National Partnership payments are shown in Table 26.

Table 26: Total payments for specific purposes by sector, 2010-11

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health	4,374	3,263	2,678	1,535	1,047	594	202	204	13,896
Education	5,423	4,009	3,313	1,814	1,397	425	300	311	16,990
Skills and Workforce									
Development	596	354	361	182	135	38	32	19	1,718
Community Services	847	642	576	256	242	77	34	82	2,754
Affordable Housing	961	595	660	424	220	73	59	528	3,519
Infrastructure	1,374	732	725	335	330	142	29	68	3,735
Environment	56	39	57	44	52	20	3	7	277
Contingent	373	324	5,455	149	26	4	..	17	6,347
Other	67	53	43	27	20	13	5	11	239
Financial assistance grants to local government	656	492	412	246	142	67	44	30	2,089
Total payments for specific purposes	14,727	10,502	14,279	5,012	3,610	1,453	707	1,276	51,565

Financial assistance grants to local governments

The Commonwealth provided \$2.1 billion in financial assistance grants to local governments in 2010-11. Table 27 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 adjusted annually, based on an escalation factor that the Treasurer determines with reference to population growth and the consumer price

index. In June 2010, the Treasurer determined an adjusted final escalation factor for 2010-11 of 1.0494.

Since 2008-09, the Commonwealth has bought forward the first quarter payment from the next financial year to assist in cash management.

Table 27: Financial assistance grants to local government, 2010-11

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
General purpose assistance	469	359	292	148	107	33	23	15	1,447
Untied local road funding	186	132	120	98	35	34	21	15	642
Total	656	492	412	246	142	67	44	30	2,089

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 2010-11, the States received \$47.0 billion in general revenue assistance from the Commonwealth, as shown in Table 28, comprising \$45.9 billion in GST payments and \$1.1 billion of other general revenue assistance. This represents a 5.1 per cent increase in general revenue assistance, compared with the \$44.7 billion the States received in 2009-10. In 2010-11, total general revenue assistance to the States represented 13.2 per cent of total Commonwealth expenditure.

Table 28: General revenue assistance, 2010-11

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST payments	14,158	10,736	8,494	3,236	4,337	1,688	853	2,385	45,887
Other general revenue assistance									
ACT municipal services	-	-	-	-	-	-	35	-	35
Royalties	-	-	-	934	-	-	-	4	938
Reduced royalties	-	-	-	64	-	-	-	-	64
Snow y Hydro Ltd tax compensation	19	9	-	-	-	-	-	-	28
Total other general revenue assistance	19	9	-	998	-	-	35	4	1,066
Total general revenue assistance	14,177	10,745	8,494	4,234	4,337	1,688	889	2,389	46,953

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 2010-11, GST revenue was \$48.1 billion. 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;
- penalties, other than general interest charge penalties, which are not included in the definition of GST to be paid to the States contained in the Intergovernmental Agreement; and
- 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.

A reconciliation of GST revenue and GST payable to the States is provided in Table 29.

Table 29: GST revenue and GST payable to the States, 2010-11

\$million	Total
GST revenue	48,093
less change in GST receivables(a)	2,010
GST receipts	46,083
less non-GIC penalties collected(b)	115
less GST collected by Commonwealth agencies but not yet remitted to the ATO(c)	81
GST payable to the States	45,887

- (a) GST 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 Australian Tax Office until the following year.
- (b) 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.
- (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 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).

Advances of GST payments were provided to the States throughout the 2010-11 financial year based on the Commonwealth's estimate of GST receipts at the 2011-12 Budget. GST payments to the States are expected to be \$437 million higher than the advances paid during 2010-11. A balancing adjustment to compensate the States for the underpayment will be made in the 2011-12 financial year following a Determination by the Treasurer. Table 30 provides a reconciliation of GST entitlement and GST payments to the States.

Table 30: GST payable and GST payments to the States, 2010-11

\$million	Total
GST payable to the States	45,887
less advances of GST revenues made throughout 2010-11	45,450
<i>equals</i> following year balancing adjustment	437

Distribution of GST payments among the States

As agreed by COAG in the Intergovernmental Agreement, the Commonwealth distributes GST payments amongst the States in accordance with the principle of horizontal fiscal equalisation and having regard to the recommendations of the Commonwealth Grants Commission.

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 Treasurer made a determination on the GST Revenue sharing relativities for 2010-11 in June 2010. The relativities for 2010-11 are shown in Table 31.

Table 31: GST relativities, 2010-11

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2010-11	0.95205	0.93995	0.91322	0.68298	1.28497	1.62091	1.15295	5.07383

Applying the GST relativities to the GST pool

The GST relativities were applied to estimated State populations in order to determine an adjusted population for each State. The entitlements are allocated using the population as at 31 December 2010 as determined by the Australian Statistician. Each State received its adjusted population share of the GST pool as shown in Table 31.

Table 32: Distribution of the 2010-11 GST entitlement

	Population as at 31 December 2010	State revenue sharing relativities	Adjusted population (1) x (2)	Share of adjusted population per cent	Share of GST pool \$million
	(1)	(2)	(3)	(4)	(5)
NSW	7,272,158	0.95205	6,923,458	30.9	14,157.7
VIC	5,585,566	0.93995	5,250,153	23.4	10,736.0
QLD	4,548,661	0.91322	4,153,928	18.5	8,494.3
WA	2,317,064	0.68298	1,582,508	7.1	3,236.1
SA	1,650,377	1.28497	2,120,685	9.5	4,336.6
TAS	509,292	1.62091	825,516	3.7	1,688.1
ACT	361,914	1.15295	417,269	1.9	853.3
NT	229,874	5.07383	1,166,342	5.2	2,385.0
Total	22,474,906	N/A	22,439,859	100.0	45,887.0

Table 33 provides a summary of advances made in 2010-11 against their estimated final entitlement shown in Table 32 above. The variance between advances paid in 2010-11 and the States' determined entitlement will be provided in the 2011-12 financial year.

Table 33: Summary of advances made in 2010-11 and distribution of following year adjustment across States

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	14,157.7	10,736.0	8,494.3	3,236.1	4,336.6	1,688.1	853.3	2,385.0	45,887.0
2010-11 advance	14,023.4	10,629.5	8,413.6	3,202.1	4,296.1	1,671.7	841.8	2,372.0	45,450.0
Following year adjustment	134.3	106.5	80.7	34.0	40.5	16.4	11.5	13.1	437.0

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 as shown in Table 34.

Table 34: GST administration, 2010-11

\$million	Actual	
	2009-10	2010-11
Australian Taxation Office budget	590.1	666.6
less prior year adjustment	27.3	-8.2
<i>equals</i> State government administration payments	562.8	674.8
less Australian Taxation Office outcome(a)	598.3	659.4
<i>equals</i> Commonwealth budget impact	-35.5	15.4
plus prior year adjustment	27.3	-8.2
<i>equals</i> following year adjustment	-8.2	7.2

(a) Estimated outcome for 2010-11 pending confirmation by the Australian National Audit Office.

On 7 April 2011, the Ministerial Council for Federal Financial Relations agreed to a GST administration budget of \$666.6 million.

The estimated outcome for the 2010-11 GST administration expenses of \$659.4 million differs from the amount paid by the States and the prior year adjustment by \$7.2 million. Once the outcome for GST administration costs in 2010-11 is audited, any adjustment required will be incorporated into the States' administration costs for 2011-12.

Attachment A

PAYMENTS TO THE STATES

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

The following tables detail payments to the States for 2010-11:

Table 35 – health;

Table 36 – education;

Table 37 – skills;

Table 38 – community services;

Table 39 – affordable 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 35: Payments for specific purposes to support state health services, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Healthcare SPP	3,935,654	2,910,696	2,382,259	1,224,586	958,359	263,562	165,966	149,440	11,990,522
National Partnership payments									
National Health Reform									
Improving Public Hospital Services									
Flexible funding for emergency departments, elective surgery and subacute care	24,658	19,568	16,533	16,293	7,264	3,756	3,303	2,915	94,290
Four hour national access target for emergency departments									
- capital funding	28,965	22,856	19,214	16,170	-	3,882	1,669	2,873	95,629
- facilitation and reward funding	48,458	43,487	30,477	14,140	8,100	3,992	1,013	1,549	151,216
Improving access to elective surgery									
- capital funding	23,515	18,849	16,066	13,748	3,244	4,354	1,688	3,584	85,048
- facilitation and reward funding	96,916	68,125	60,955	36,498	-	8,104	4,789	3,098	278,486
New subacute beds guarantee funding	47,175	43,650	35,175	18,075	12,750	4,275	658	1,575	163,333
Closing the Gap - Northern Territory									
Indigenous health and related services	-	-	-	-	-	-	-	5,674	5,674
Health Infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	2,000	8,500	-	132,100	-	9,000	-	3,200	154,800
National cancer system	10,560	10,426	25,611	8,790	12,170	2,584	13,237	-	83,378
Regional priority round	-	-	-	-	-	170,000	-	-	170,000

Table 35: Payments for specific purposes to support state health services, 2010-11 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health infrastructure (continued)									
Other Health infrastructure payments									
Cairns integrated cancer centre	-	-	2,000	-	-	-	-	-	2,000
Children's cancer centre, Adelaide	-	-	-	-	8,000	-	-	-	8,000
Contribution towards the new Women's and Children's Hospital in Hobart	-	-	-	-	-	100,000	-	-	100,000
Funding for Grafton Hospital PET scanner for the Westmead Hospital, Sydney	1,000	-	-	-	-	-	-	-	1,000
Tasmanian health package	1,300	-	-	-	-	-	-	-	1,300
Patient transport and accommodation services	-	-	-	-	-	2,300	-	-	2,300
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	2,664	-	-	2,664
Upgrading patient accommodation for Launceston	-	-	-	-	-	500	-	-	500
Health services									
Early intervention pilot program	500	-	-	-	-	-	-	-	500
Extension of the COAG Long Stay Older Patients Initiative	12,990	9,520	3,400	-	3,330	495	300	-	30,035
Healthy kids health checks	-	358	370	-	143	94	68	93	1,126
National antimicrobial utilisation surveillance program	-	-	-	-	300	-	-	-	300
National bowel cancer screening	-	444	357	183	143	106	89	76	1,398
National Perinatal Depression Initiative	-	-	-	-	445	-	-	-	445

Table 35: Payments for specific purposes to support state health services, 2010-11 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health services (continued)									
Northern Territory medical school — funding contribution	-	-	-	-	-	-	-	532	532
Pneumococcal disease surveillance	-	-	-	-	6	-2	-	-	4
OzFoodNet	322	237	237	184	184	171	129	134	1,598
Satellite renal dialysis facilities in remote Northern Territory communities	-	-	-	-	-	-	-	272	272
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	1,386	1,386
Torres Strait health protection strategy	-	-	714	-	-	-	-	-	714
Reducing acute rheumatic heart fever among Indigenous children	-	-	792	795	-	-	-	795	2,382
Royal Darw in Hospital — equipped, prepared and ready	-	-	-	-	-	-	-	14,212	14,212
Vaccine-preventable diseases surveillance	-	-	-	-	115	-	-	-	115
Victorian cytology service	-	7,334	-	-	-	-	-	-	7,334
Preventive health									
Enabling infrastructure	1,632	1,240	1,000	504	376	116	80	52	5,000
Healthy communities	1,651	1,513	1,513	1,100	825	413	275	550	7,840
Social marketing	1,959	1,487	1,199	606	451	140	97	62	6,001
Other									
East Kimberley development package — health-related projects	-	-	-	6,260	-	-	-	-	6,260
Elective surgery waiting list reduction plan	37,614	29,037	23,144	12,606	10,563	4,622	3,582	2,833	124,000

Table 35: Payments for specific purposes to support state health services, 2010-11 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Other (continued)									
Essential vaccines	91,765	64,939	50,406	29,291	18,843	8,259	4,968	4,254	272,725
Indigenous early childhood development — antenatal and reproductive health	5,340	1,107	6,126	2,800	935	525	200	4,390	21,423
Indigenous mobile dental program	-	-	728	-	-	-	-	-	728
Total	4,373,974	3,263,373	2,678,276	1,534,729	1,046,546	593,912	202,111	203,549	13,896,470
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Healthy communities	1,651	1,513	1,513	1,100	825	413	275	550	7,840
Total	1,651	1,513	1,513	1,100	825	413	275	550	7,840

Table 36: Payments for specific purposes to support state education services, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Schools SPP	3,377,934	2,634,104	2,143,148	1,075,651	831,760	244,131	187,321	142,278	10,636,327
National Partnership payments									
Closing the Gap in the Northern Territory									
Quality teaching, accelerated literacy									
Supporting remote schools — additional teachers	-	-	-	-	-	-	-	16,290	16,290
Teacher housing	-	-	-	-	-	-	-	29,200	29,200
Digital Education Revolution	31,720	23,924	21,248	9,324	7,541	2,059	1,902	4,196	99,946
Early Childhood Education — universal access to early education	26,869	19,303	29,488	9,700	6,596	1,940	1,164	1,940	97,000
East Kimberley development package — education-related projects	-	-	-	10,660	-	-	-	-	10,660
Education Investment Fund	10,698	-	-	11,000	-	-	-	-	21,698
Fort Street High School noise insulation	3,000	-	-	-	-	-	-	-	3,000
Indigenous early childhood development — children and family centres	16,071	6,076	-	4,270	-	-	4,272	11,163	41,852
Nation Building and Jobs plan — Building the Education Revolution — Primary schools for the 21st century	1,704,113	1,252,302	983,476	628,516	467,457	148,416	89,475	85,611	5,359,366
National quality agenda for early childhood education and care	2,887	1,343	1,016	1,217	732	105	30	417	7,747
National Solar Schools Program	-	50	-	-	-	-	-	-	50
Pre-apprenticeship training	4,317	900	3,038	3,480	3,493	4,360	275	20	19,883
School Pathways Program	-	-	-	384	559	-	-	-	943

Table 36: Payments for specific purposes to support state education services, 2010-11 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Secure Schools Program	2,836	2,369	706	647	60	-	281	-	6,899
Smarter Schools									
Improving teacher quality	10,886	8,646	6,710	3,444	2,485	807	608	415	34,001
Literacy and numeracy	46,814	9,391	48,522	11,172	14,136	3,096	1,921	3,410	138,462
Low SES school communities	81,078	37,618	29,931	13,223	21,833	9,584	410	9,584	203,261
Trade training centres in schools	103,744	12,744	45,280	31,351	39,914	10,055	11,899	3,987	258,974
Total	5,422,967	4,008,770	3,312,563	1,814,039	1,396,566	424,553	299,558	310,739	16,989,755
<i>Memorandum item - payments for non-government schools included in payments above(a)</i>									
National Schools SPP(b)	2,193,195	1,810,052	1,438,773	718,692	562,697	148,317	134,238	79,644	7,085,608
Digital Education Revolution	11,598	9,143	7,662	3,013	2,859	362	807	1,556	37,000
Nation Building and Jobs plan —									
Building the Education Revolution —									
Primary schools for the 21st century	530,497	409,843	299,922	191,147	126,316	35,311	31,054	21,037	1,645,127
Secure Schools Program	2,836	2,369	706	647	60	-	281	-	6,899
Trade training centres in schools	30,926	2,800	9,308	7,471	2,993	1,495	11,875	1,500	68,368
Total	2,769,052	2,234,207	1,756,371	920,970	694,925	185,485	178,255	103,737	8,843,002

(a) Non-government schools payments are inclusive of GST.

(b) This payment includes payments paid under the Schools Assistance Act 2008.

Table 37: Payments for specific purposes to support skills services, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Skills & Workforce Development SPP	443,273	331,870	261,541	134,705	100,271	31,155	22,658	13,885	1,339,358
National Partnership payments									
Better TAFE facilities	-	-8	-	-	-	-1	-	-	-9
National Disaster Queensland — Community Work Placements	-	-	4,750	-	-	-	-	-	4,750
Productivity Places Program	139,037	-	85,881	43,692	32,481	6,339	7,331	4,663	319,424
TAFE fee waivers for childcare qualifications	4,971	5,587	2,814	797	580	396	1,291	128	16,564
Youth attainment and transitions — Maximising engagement, attainment and successful transitions	8,493	17,040	5,595	2,811	1,937	606	662	358	37,502
Total	595,774	354,489	360,581	182,005	135,269	38,495	31,942	19,034	1,717,589

Table 38: Payments for specific purposes to support community services, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Disability SPP	349,294	246,983	201,543	94,300	101,231	31,449	15,652	11,492	1,051,944
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services	375,459	305,089	311,171	130,905	109,427	34,720	15,217	8,906	1,290,894
Aged care assessment	24,646	15,754	12,791	7,345	5,096	1,913	706	857	69,108
Certain concessions for pensioners and seniors card holders									
Certain concessions for pensioners	85,038	60,795	42,452	21,375	24,186	7,767	1,725	1,181	244,519
National reciprocal transport concessions	6,255	1,732	4,001	429	387	119	179	77	13,179
Closing the Gap in the Northern Territory									
Community safety — family support	-	-	-	-	-	-	-	4,726	4,726
Field operations	-	-	-	-	-	-	-	2,907	2,907
Food security	-	-	-	-	-	-	-	370	370
Remote policing	-	-	-	-	-	-	-	44,796	44,796
Substance abuse	-	-	-	-	-	-	-	6,968	6,968
Home and Community Care — services for veterans	6,254	4,251	3,682	1,428	1,455	568	273	47	17,958
Victorian bushfire reconstruction and recovery plan	-	6,930	-	-	-	-	-	-	6,930
Total	846,946	641,534	575,640	255,782	241,782	76,536	33,752	82,327	2,754,299

Table 39: Payments for specific purposes to support affordable housing services, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Affordable Housing SPP	387,938	276,746	240,048	126,752	95,070	33,545	25,180	36,552	1,221,831
National Partnership payments									
East Kimberley development package — social and transitional housing projects	-	-	-	20,640	-	-	-	-	20,640
First Home Owners Boost	32,018	86,722	15,117	19,394	11,288	3,171	9,114	518	177,342
Homelessness	35,176	24,938	32,090	15,919	9,613	4,455	2,336	5,974	130,501
Nation Building and Jobs Plan — social housing									
Second stage construction	482,561	203,154	302,568	155,479	84,855	29,744	22,459	13,180	1,294,000
Repairs and maintenance	-	-1	-	-	-	-	-	-	-1
Remote Indigenous housing	22,885	3,156	70,176	85,855	19,381	2,137	-	471,399	674,989
Total	960,578	594,715	659,999	424,039	220,207	73,052	59,089	527,623	3,519,302

Table 40: Payments for specific purposes to support state infrastructure services, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
East Kimberley development package — other infrastructure projects	-	-	-	11,299	-	-	-	-	11,299
Interstate road transport	35,216	20,491	7,256	3,032	9,234	382	382	382	76,375
Local Government and Regional Development Infrastructure employment projects	-	250	8,400	3,500	2,633	3,691	-	-	18,474
Local community sporting infrastructure	2,150	-	-	-	-	-	-	-	2,150
Nation Building Program									
Investment									
Rail	-	19,399	-	-	-	12,580	-	-	31,979
Road	703,363	269,467	490,488	157,462	84,479	76,501	448	40,209	1,822,417
Black spot projects	11,177	12,227	12,078	5,502	5,621	1,224	966	1,589	50,384
Off-network projects									
Rail	-	3,000	-	30,000	-	1,864	-	-	34,864
Road	22,905	14,511	68,544	14,016	-	10,641	16,467	10,723	157,807
Supplementary	4,408	-	4,389	90	1,100	90	-	-	10,077
Improving the national network	-	-	16,135	-	7,944	17,640	-	-	41,719
Heavy vehicle safety and productivity	3,176	8,686	565	3,133	3,524	998	467	720	21,269
Roads to Recovery	91,188	68,716	76,540	51,177	34,922	10,964	8,120	8,319	349,946
Nation Building Plan for the Future									
Major Cities									
Rail	-	-	-	30,200	-	-	-	-	30,200
Building Australia Fund									
Rail	-	247,000	-	-	147,100	-	-	-	394,100
Road	432,000	-	-	-	-	-	-	-	432,000
North Penrith Thornton Park Car Park	1,810	-	-	-	-	-	-	-	1,810
Regional and Local Community Infrastructure Program									
Regional Infrastructure Fund	65,487	68,335	28,648	25,376	17,610	5,564	1,815	6,109	218,944
Stream 1 - Committed infrastructure projects	1,400	-	10,000	-	-	-	-	-	11,400

Table 40: Payments for specific purposes to support state infrastructure services, 2010-11 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Seamless National Economy									
National Heavy Vehicles Transport Regulator	-	-	1,679	-	-	-	-	-	1,679
National Rail Transport Safety Regulator	-	-	-	-	565	-	-	-	565
Supplementary road funding to South Australia for local roads	-	-	-	-	15,566	-	-	-	15,566
Total	1,374,280	732,082	724,722	334,787	330,298	142,139	28,665	68,051	3,735,024
<i>Memorandum item - payments direct to local governments included in payments above</i>									
East Kimberley development package — other infrastructure projects	-	-	-	5,499	-	-	-	-	5,499
Local Government and Regional Development Infrastructure employment projects	-	250	4,400	-	2,633	1,191	-	-	8,474
Local community sporting infrastructure	2,150	-	-	-	-	-	-	-	2,150
Nation Building Program									
Off-network projects									
Rail	-	3,000	-	-	-	-	-	-	3,000
Road	2,279	-	59,060	6,970	-	2,000	-	-	70,309
Supplementary	4,408	-	4,389	90	-	90	-	-	8,977
Roads to Recovery	91,188	68,711	76,540	51,177	31,842	10,964	-	4,028	334,450
North Penrith Thornton Park Car Park	1,810	-	-	-	-	-	-	-	1,810
Regional and Local Community Infrastructure Program	65,487	68,335	28,648	25,376	17,610	5,564	1,815	6,109	218,944
Total	167,322	140,296	173,037	89,112	52,085	19,809	1,815	10,137	653,613

Table 41: Payments for specific purposes to support state environmental services, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Bioremediation and revegetation	-	-	-	-	4,702	-	-	-	4,702
Caring for our Country	35,251	27,520	23,020	24,103	17,346	11,114	1,359	3,687	143,400
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	1,200	1,200
Exotic Disease Preparedness Program	266	27	108	6	6	-	15	-	428
Great Artesian Basin Sustainability Initiative	955	-	-	-	367	-	-	-	1,322
Natural disaster recovery and rebuilding relief appeals — Commonwealth contributions	-	1,000	11,000	1,000	-	-	-	-	13,000
Natural disaster resilience	6,904	4,037	6,055	3,149	2,885	1,495	1,460	381	26,366
Plant disease and eradication	-	-	2,595	517	1,264	-	-	-	4,376
Renewable remote power generation	-	-36	-	12,567	202	350	-	1,594	14,677
Water for the Future	-	-	-	-	-	-	-	-	-
National Urban Water and Desalination Plan	-	5,000	-	-	350	-	-	-	5,350
National Water Security Plan for Cities and Towns	1,566	-	692	1,644	1,250	3,896	-	-	9,048
Sustainable Rural Water Use and Infrastructure	11,330	1,338	13,049	990	23,366	3,056	267	112	53,508
Total	56,272	38,886	56,519	43,976	51,738	19,911	3,101	6,974	277,377
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Water for the Future	1,566	-	-	-	1,350	3,896	-	-	6,812
Total	1,566	-	-	-	1,350	3,896	-	-	6,812

Table 42: Contingent payments to the States, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Exceptional Circumstances Assistance	143,306	52,271	12,038	-	22,891	-9	-	-	230,497
Hepatitis C settlement fund	315	-	-	-	-	-	40	-	355
Natural disaster recovery and rebuilding(a)	229,784	271,266	5,442,857	148,638	3,095	3,530	-	16,608	6,115,777
Total	373,405	323,537	5,454,895	148,638	25,986	3,521	40	16,608	6,346,629

(a) Actual cash paid in 2010-11 under the Natural Disaster Relief and Recovery Arrangements (NDRRA) was \$2,758.4 million. The figures in the table above include a provision for amounts expected to be paid under the NDRRA in future periods.

Table 43: Payments to support other state services, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Digital Regions Initiative	4,924	2,472	-	1,082	2,099	899	-	5,600	17,076
Improving policing in very remote areas	-	-	-	1,000	-	-	-	-	1,000
Legal assistance services	60,279	42,415	40,058	19,212	14,946	5,736	4,291	3,860	190,797
Local Government and Regional Development									
Local Government Reform Fund	813	1,505	1,876	1,352	1,735	356	142	338	8,117
Native title	-	6,000	-	-	-	-	-	-	6,000
Pilot of drought reform measures in Western Australia	-	-	-	1,060	-	-	-	-	1,060
Remote Indigenous public internet access	155	-	440	757	116	-	-	758	2,226
Sinking fund on State debt	21	3	-	-	2	-	-	-	26
Standard Business Reporting Program	788	487	712	780	876	768	540	540	5,491
Tasmanian forest contractors financial support program	-	-	-	-	-	5,616	-	-	5,616
World Sailing Championships	-	-	-	2,000	-	-	-	-	2,000
Total	66,980	52,882	43,086	27,243	19,774	13,375	4,973	11,096	239,409

Table 44: General revenue assistance payments to the States and Territories, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
GST Payments	14,157,697	10,735,975	8,494,318	3,236,052	4,336,563	1,688,089	853,268	2,385,038	45,887,000
ACT Municipal Services	-	-	-	-	-	-	35,438	-	35,438
Reduced royalties	-	-	-	64,152	-	-	-	-	64,152
Royalties	-	-	-	933,645	-	-	-	4,000	937,645
Snow y Hydro Ltd tax compensation	18,922	9,461	-	-	-	-	-	-	28,383
Total	14,176,619	10,745,436	8,494,318	4,233,849	4,336,563	1,688,089	888,706	2,389,038	46,952,618

Table 45: Other financial flows — estimated advances, repayment of advances and interest payments, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Repayments									
Contingent liabilities									
Housing									
Commonwealth-State Housing									
Agreement loans	-35,293	-	-9,459	-8,933	-12,955	-4,739	-	-664	-72,043
Housing for service personnel	-1,185	-	-721	-208	-35	-	-	-	-2,149
Other housing	-	-	-	-	-	-	-7,368	-2,354	-9,722
Payments to debt sinking funds	-106	-1,264	-	-	-119	-	-	-	-1,489
Infrastructure									
Railway projects	-61	-61	-	-389	-	-	-	-	-511
Sewerage	-5,095	-	-1,314	-	-838	-	-	-	-7,247
War service land settlement scheme	-292	-328	-	-	-	-	-	-	-620
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-1,813	-	-1,813
Loan Council — housing nominations	-7,195	-	-2,647	-4,590	-4,309	-1,929	-	-2,395	-23,065

Table 45: Other financial flows — estimated advances, repayment of advances and interest payments, 2010-11 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Interest									
Contingent liabilities									
Natural disaster relief	-125	-	-1,961	-	-	-	-	-	-2,086
Environment									
Northern Territory — water and sewerage assistance	-	-	-	-	-	-	-	-368	-368
Housing									
Commonwealth-State Housing									
Agreement loans	-34,654	-12	-9,656	-9,220	-15,090	-4,735	-	-1,318	-74,685
Housing for service personnel	-2,175	-	-1,227	-239	-95	-	-	-	-3,736
Other housing	-	-	-	-	-	-	-8,329	-4,148	-12,477
Infrastructure									
Railway projects	-5	-5	-	-156	-	-	-	-	-166
Sewerage	-3,027	-	-793	-	-649	-	-	-	-4,469
War service land settlement scheme	-22	-22	-	-	-	-	-	-	-44
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-977	-	-977
Loan Council — housing nominations	-19,515	-	-7,019	-12,000	-11,811	-5,177	-	-6,807	-62,329
Net Financial Flow	-108,750	-1,692	-34,797	-35,735	-45,901	-16,580	-18,487	-18,054	-279,996

Table 46: Total payments to the States by GFS function, 2010-11

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
General public services	788	487	712	780	876	768	540	540	5,491
Public order and safety	63,115	44,784	40,764	20,859	15,006	5,736	4,572	55,624	250,460
Education	5,996,947	4,353,421	3,666,672	1,989,910	1,531,043	462,943	326,917	318,193	18,646,046
Health	4,374,289	3,263,373	2,678,276	1,534,729	1,046,546	593,912	202,151	203,549	13,896,825
Social security and welfare	865,904	648,023	576,656	261,269	242,514	76,641	38,054	42,143	2,751,204
Housing and community amenities	1,002,733	633,452	697,474	466,090	247,773	89,352	61,908	532,891	3,731,673
Recreation and culture	2,150	-	-	2,000	-	-	-	-	4,150
Fuel and energy	-	14	-	12,567	202	350	-	1,594	14,727
Agriculture, forestry and fishing	157,423	58,636	28,482	4,217	49,494	12,559	282	112	311,205
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,309,912	665,969	688,114	296,451	296,704	133,783	26,850	68,300	3,486,083
Other economic affairs	-	-	4,750	-	-	-	-	-	4,750
Other purposes	15,130,093	11,579,164	14,391,151	4,656,639	4,516,642	1,764,573	934,438	2,442,025	55,414,725
Total payments to the States	28,903,354	21,247,323	22,773,051	9,245,511	7,946,800	3,140,617	1,595,712	3,664,971	98,517,339
less payments 'through' the States	2,834,843	2,345,932	1,818,401	956,213	734,483	192,185	198,181	110,960	9,191,198
less financial assistance grants for local government	655,560	491,619	412,452	246,424	142,070	67,035	43,775	29,932	2,088,867
less payments direct 'to' local government	170,539	141,809	174,550	90,212	54,260	24,118	2,090	10,687	668,265
equa/s total payments 'to' the States for own purpose expenses	25,242,412	18,267,963	20,367,648	7,952,662	7,015,987	2,857,279	1,351,666	3,513,392	86,569,009

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