

PART 3: AUSTRALIA'S FEDERAL RELATIONS

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

Commonwealth payments to the States are framed by the *Intergovernmental Agreement on Federal Financial Relations* (the Intergovernmental Agreement), in place since 1 January 2009.

The Commonwealth worked in partnership with the States during 2012-13 across a range of policy areas including education, healthcare, disabilities, community services, housing, skills and workforce development and infrastructure.

More detailed information on Australia's Federal Relations is provided in Budget Paper No. 3, *Australia's Federal Relations 2013-14*, 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 2012-13, the Commonwealth provided the States with payments totalling \$92.3 billion, comprising specific purpose payments of \$43.1 billion and general revenue assistance, including GST entitlements, of \$49.3 billion, as shown in Table 24. Total payments to the States as a proportion of total Commonwealth expenditure was 24.2 per cent in 2012-13.

Table 24: Commonwealth payments to the States, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Payments for specific purposes	13,015	10,152	9,813	4,508	3,048	1,067	632	832	43,068
General revenue assistance	14,766	11,020	9,551	3,969	4,492	1,704	993	2,760	49,256
Total payments to the States	27,782	21,172	19,364	8,477	7,540	2,771	1,625	3,592	92,323

PAYMENTS FOR SPECIFIC PURPOSES

In 2012-13, the Commonwealth provided 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, affordable housing, infrastructure, and environment.

The Commonwealth provided 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; and
- National Partnership payments — facilitation, project and reward payments.

National SPPs

In 2012-13, the Commonwealth continued to support the States' efforts in delivering services in key service delivery sectors through National SPPs. The Commonwealth currently makes payments under four National SPPs:

- 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 National SPPs are indexed each year by growth factors specified in the Intergovernmental Agreement.

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

The National SPPs are distributed among the States in accordance with population shares based on the Australian Statistician's determination as at 31 December of that year. 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 was replaced by National Health Reform funding. Under the transitional arrangements in the *National Health Reform Agreement*, the Commonwealth's contribution for National Health Reform funding for 2012-13 and 2013-14 will comprise amounts equivalent to those that would otherwise have been payable through the former National Healthcare SPP, and the SPP indexation arrangements will continue to apply.

Consistent with the former National Healthcare SPP, the State allocation of National Health Reform funding for 2012-13 is determined on an equal per capita basis. The amounts in Table 25 have not been adjusted to reflect the Commonwealth's contribution to cross-border activity, where residents of one State are treated in another State.

National Partnership payments

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.

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

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

National Partnerships are typically time limited, reflecting the nature of the project or reform involved. National Partnership agreements are publicly available at: www.federalfinancialrelations.gov.au.

Total payments for specific purposes

In 2012-13, the States received \$43.1 billion in payments for specific purposes. Payments to the States for specific purposes constituted 11.3 per cent of total Commonwealth expenditure in 2012-13.

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

Table 25: Total payments for specific purposes by category, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Specific Purpose									
Payments(a)	5,047	3,914	3,226	1,616	1,228	360	269	194	15,853
National Health Reform funding (a)(b)	4,308	3,263	2,666	1,408	1,011	294	203	152	13,305
National Partnership Payments(c)	3,660	2,975	3,921	1,483	809	414	160	486	13,910
Total payments for specific purposes	13,015	10,152	9,813	4,508	3,048	1,067	632	832	43,068

(a) The 2012-13 outcomes for the National SPPs and National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) State allocation of National Health Reform funding for 2012-13 is shown on the equal per capita basis provided for under the previous National Healthcare SPP. These amounts have not been adjusted to reflect the Commonwealth's contribution to cross-border activity, where residents of one State are treated in another State.

(c) Includes financial assistance grants for local government.

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

Table 26: Total payments for specific purposes by sector, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health	4,800	3,607	3,106	1,531	1,149	361	230	211	14,996
Education	4,289	3,294	2,768	1,374	1,063	310	229	217	13,545
Skills and Workforce Development	553	435	340	178	125	39	29	18	1,716
Community Services	579	732	301	302	160	56	24	63	2,216
Affordable Housing	483	343	391	217	113	37	26	182	1,792
Infrastructure	1,183	920	624	568	156	77	28	80	3,636
Environment	237	92	59	36	93	100	3	20	641
Contingent	105	49	1,727	3	..	7	..	..	1,893
Other(a)	786	679	496	299	190	81	64	40	2,634
Total payments for specific purposes	13,015	10,152	9,813	4,508	3,048	1,067	632	832	43,068

(a) Includes financial assistance grants for local government.

Total payments for specific purposes by sector and category, including National SPPs, National Health Reform funding and National Partnership payments, are shown in Table 27.

Table 27: Total payments for specific purposes by sector and category, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Health</i>									
National Health Reform funding(a)(b)	4,308	3,263	2,666	1,408	1,011	294	203	152	13,305
National Partnerships	492	344	440	123	138	67	27	59	1,691
Total health payments	4,800	3,607	3,106	1,531	1,149	361	230	211	14,996
<i>Education</i>									
National Schools SPP(a)	3,774	2,964	2,449	1,211	921	263	202	141	11,925
National Partnerships	514	330	319	163	141	48	27	77	1,619
Total education payments	4,289	3,294	2,768	1,374	1,063	310	229	217	13,545
<i>Skills and workforce development</i>									
National Skills and Workforce Development SPP(a)	452	344	275	145	102	32	23	14	1,388
National Partnerships	101	91	66	32	23	7	6	4	329
Total skills and workforce development payments	553	435	340	178	125	39	29	18	1,716
<i>Community services</i>									
National Disability SPP(a)(c)	417	306	251	126	109	34	20	13	1,276
National Partnerships	161	426	50	176	51	22	4	49	940
Total community services payments	579	732	301	302	160	56	24	63	2,216
<i>Affordable housing</i>									
National Affordable Housing SPP(a)	403	300	251	134	95	31	24	25	1,264
National Partnerships	80	43	140	83	18	5	2	156	528
Total affordable housing payments	483	343	391	217	113	37	26	182	1,792
<i>Infrastructure</i>									
National Partnerships	1,183	920	624	568	156	77	28	80	3,636
<i>Environment</i>									
National Partnerships	237	92	59	36	93	100	3	20	641
<i>Contingent payments</i>									
National Partnerships	105	49	1,727	3	..	7	..	..	1,893
<i>Other</i>									
National Partnerships(d)	786	679	496	299	190	81	64	40	2,634
Total payments for specific purposes	13,015	10,152	9,813	4,508	3,048	1,067	632	832	43,068

(a) The 2012-13 outcomes for the National SPPs and National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) State allocation of National Health Reform funding for 2012-13 is shown on the equal per capita basis provided for under the previous National Healthcare SPP. These amounts have not been adjusted to reflect the Commonwealth's contribution to cross-border activity, where residents of one State are treated in another State.

(c) Includes adjustment to the National Disability SPP to achieve budget neutrality under National Health Reform (see footnote to Table 39 in this Part for details).

(d) Includes financial assistance grants for local government.

Natural Disaster Relief and Recovery Arrangements

The Commonwealth provides funding under the Natural Disaster Relief and Recovery Arrangements (NDRRA) to assist the States with relief and recovery assistance following eligible natural disasters.

For accounting purposes, the Commonwealth recognises 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 a State has completed eligible disaster reconstruction work or submitted an eligible claim under the NDRRA. Total cash payments in 2012-13 are presented in Table 28 below (see Table 43 in Attachment A for the expense outcome).

Table 28: NDRRA cash payments, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
NDRRA	-	-	900	52,645	-	7,237	-	16,279	77,061
Total	-	-	900	52,645	-	7,237	-	16,279	77,061

GENERAL REVENUE ASSISTANCE

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

In 2012-13, the States received \$49.3 billion in general revenue assistance from the Commonwealth, as shown in Table 29, comprising \$48.1 billion in GST entitlements and \$1.2 billion of other general revenue assistance. In 2012-13, total general revenue assistance to the States represented 12.9 per cent of total Commonwealth expenditure.

Table 29: General revenue assistance, 2012-13

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	14,733	11,004	9,551	2,866	4,492	1,704	956	2,754	48,061
Other general revenue assistance									
<i>ACT municipal services</i>	-	-	-	-	-	-	37	-	37
<i>Reduced royalties</i>	-	-	-	63	-	-	-	-	63
<i>Royalties</i>	-	-	-	1,040	-	-	-	5	1,045
<i>Snowy Hydro Ltd tax compensation</i>	33	17	-	-	-	-	-	-	50
Total other general revenue assistance	33	17	-	1,103	-	-	37	5	1,195
Total general revenue assistance	14,766	11,020	9,551	3,969	4,492	1,704	993	2,760	49,256

GST PAYMENTS

Reconciling GST revenue and GST payments to the States

Under the Intergovernmental Agreement, the States are entitled to receive payments from the Commonwealth equivalent to the revenue received from the GST.

However, 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 remitted to the Australian Taxation Office (ATO) by 30 June of each financial year, as the revenues will not be remitted 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 final outcome Determination, and GST payment advances made during that financial year.

In 2012-13, GST revenue was \$50.3 billion. A reconciliation of GST revenue and GST entitlement to the States is provided in Table 30.

Table 30: GST revenue and GST entitlement to the States, 2012-13

\$million	Total
GST revenue	50,313
less change in GST receivables(a)	1,717
GST receipts	48,596
less non-GIC penalties collected(b)	210
less net GST collected by Commonwealth agencies but not yet remitted to the ATO(c)	326
GST entitlement to the States(d)	48,061

(a) GST revenue which is recognised on a Commonwealth whole-of-government basis, but not remitted to the ATO as at 30 June of each 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 (or refunded) until the next Business Activity Statement is lodged (typically on 21 July in the following financial year).

(d) The 2012-13 GST outcome will be finalised following a Determination by the Treasurer.

Advances of GST entitlements were provided to the States throughout the 2012-13 financial year based on the Commonwealth's estimate of GST entitlements as updated at the 2013-14 Budget. The GST entitlement to the States is expected to be \$361 million higher than the advances paid during 2012-13. A balancing adjustment will be made following a Determination by the Treasurer. Table 31 provides a reconciliation of the GST entitlement and GST advances to the States.

Table 31: GST entitlement and GST advances to the States, 2012-13

\$million	Total
GST entitlement to the States(a)	48,061
less advances of GST made throughout 2012-13	47,700
equals following year balancing adjustment	361

(a) The 2012-13 GST outcome will be finalised following a Determination by the Treasurer.

Distribution of GST entitlements 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).

GST relativities

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 — rather, it equalises each State's capacity to provide the same standard of services. In calculating GST relativities, the Commission takes into account differences in the States' capacities 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.

A Determination on the GST Revenue sharing relativities for 2012-13 was made in June 2012. The relativities for 2012-13 are shown in Table 32.

Table 32: GST relativities, 2012-13

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2012-13	0.95312	0.92106	0.98477	0.55105	1.28472	1.58088	1.19757	5.52818

Applying the GST relativities to the GST pool

The GST relativities were applied to estimated State populations to determine an adjusted population for each State. The entitlements are allocated using the population

as at 31 December 2012 as determined by the Australian Statistician. Each State received its adjusted population share of the GST entitlement as shown in Table 33.

Table 33: Calculation of the 2012-13 GST entitlements

	Population as at 31 December 2012 (1)	GST revenue sharing relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population per cent (4)	Share of GST pool \$million (5)
NSW	7,348,899	0.95312	7,004,383	30.7	14,733.5
VIC	5,679,633	0.92106	5,231,283	22.9	11,003.8
QLD	4,610,932	0.98477	4,540,708	19.9	9,551.2
WA	2,472,717	0.55105	1,362,591	6.0	2,866.2
SA	1,662,169	1.28472	2,135,422	9.3	4,491.8
TAS	512,422	1.58088	810,078	3.5	1,704.0
ACT	379,554	1.19757	454,542	2.0	956.1
NT	236,869	5.52818	1,309,454	5.7	2,754.4
Total	22,903,195	N/A	22,848,460	100.0	48,061.0

Table 34 provides a summary of advances made in 2012-13 against their estimated final entitlement shown in Table 33 above. The variance between advances paid in 2012-13 and the States' determined entitlement will be paid in the 2013-14 financial year.

Table 34: Summary of advances made in 2012-13 and distribution of following year adjustment across States

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	14,733.5	11,003.8	9,551.2	2,866.2	4,491.8	1,704.0	956.1	2,754.4	48,061.0
2012-13 advances	14,616.8	10,922.5	9,477.9	2,844.2	4,463.1	1,694.2	947.1	2,734.1	47,700.0
Following year adjustment(a)	116.7	81.3	73.3	22.0	28.6	9.8	9.0	20.3	361.0

(a) The 2012-13 GST outcome will be finalised following a Determination by the Treasurer.

GST administration costs

The Commissioner of Taxation administers the GST law and the States compensate the Commonwealth for the costs incurred by the ATO in administering the GST, including costs incurred by the Australian Customs Service, as shown in Table 35.

Table 35: GST administration, 2012-13

\$million	Actual	
	2011-12	2012-13
Australian Taxation Office budget	683.2	694.4
<i>less</i> prior year adjustment	5.9	-13.7
<i>equals</i> State government administration payments	677.4	708.1
<i>less</i> Australian Taxation Office outcome(a)	697.0	705.3
<i>equals</i> Commonwealth budget impact	-19.6	2.8
<i>plus</i> prior year adjustment	5.9	-13.7
<i>equals</i> following year adjustment	-13.7	-10.9

(a) Estimated outcome for 2012-13 pending confirmation by the Australian National Audit Office.

The estimated outcome for the 2012-13 GST administration expenses of \$705.3 million differs from the amount paid by the States and the prior year adjustment by \$10.9 million. Once the outcome for GST administration costs in 2012-13 is audited and confirmed by the Australian National Audit Office, any adjustment required will be incorporated into the States' administration costs for 2013-14.

Attachment A

PAYMENTS TO THE STATES

This attachment provides information on Commonwealth payments to the States and local governments on an accruals basis. Details regarding Commonwealth advances (loans) to the States, including repayments of advances and interest on advances, are available online at www.budget.gov.au (Table 47 refers). 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 2012-13:

Table 36 – health;

Table 37 – education;

Table 38 – skills and workforce development;

Table 39 – community services;

Table 40 – affordable housing;

Table 41 – infrastructure;

Table 42 – environment;

Table 43 – contingent liabilities;

Table 44 – other purposes;

Table 45 – general revenue assistance; and

Table 46 – payments presented on the Australian Bureau of Statistics Government Finance Statistics functional basis.

Table 36: Payments for specific purposes to support state health services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform funding(a)(b)									
Hospital services	4,208,037	3,187,142	2,603,966	1,375,200	987,687	287,264	198,428	148,533	12,996,257
Public health	100,109	75,823	61,949	32,716	23,497	6,834	4,721	3,534	309,183
National Partnership payments									
National Health Reform									
Improving Public Hospital Services									
Flexible funding for emergency departments, elective surgery and subacute care	7,044	5,591	4,724	2,716	2,075	1,073	944	833	25,000
National emergency access target									
Capital funding	14,482	11,428	9,607	5,390	4,046	1,941	1,669	1,437	50,000
Facilitation and reward funding	16,016	12,416	10,277	5,245	3,614	1,116	796	522	50,002
New subacute beds guarantee funding	145,001	111,100	89,800	45,900	32,800	10,600	7,000	4,300	446,501
Financial assistance for long stay older patients	30,409	12,755	16,822	8,781	13,402	5,823	3,050	1,386	92,428
Health infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	9,400	500	146,620	2,200	-	-	-	7,100	165,820
National cancer system	41,418	26,328	62,307	6,200	31,442	13,784	6,000	-	187,479
Regional priority round	43,800	34,908	9,810	1,051	16,700	-	468	-	106,737
Other Health infrastructure payments									
Funding for Grafton Hospital	2,000	-	-	-	-	-	-	-	2,000
Radiation oncology services in North/North West Tasmania	-	-	-	-	-	400	-	-	400
Health services									
Early intervention pilot program	222	-	-	-	-	-	-	-	222
National antimicrobial utilisation surveillance program	-	-	-	-	150	-	-	-	150
Northern Territory medical school – funding contribution	-	-	-	-	-	-	-	2,212	2,212

Table 36: Payments for specific purposes to support state health services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health services (continued)									
BreastScreen Australia radiography workforce initiatives	-	-	46	-	46	46	46	20	204
Health care grants for the Torres Strait	-	-	5,289	-	-	-	-	-	5,289
Improving Health Services in Tasmania									
Better access to community based palliative care services	-	-	-	-	-	5,810	-	-	5,810
Cradle Coast Connected Care Clinical Repository	-	-	-	-	-	250	-	-	250
Innovative flexible funding for mental health	-	-	-	-	-	1,050	-	-	1,050
Reducing Elective Surgery Waiting Lists in Tasmania	-	-	-	-	-	8,831	-	-	8,831
Walk-in centres in Hobart and Launceston	-	-	-	-	-	4,744	-	-	4,744
National bowel cancer screening program – participant follow-up function	-	452	363	186	145	108	91	78	1,423
National perinatal depression initiative	1,735	1,439	1,214	749	417	186	158	192	6,090
OzFoodNet	332	245	243	189	190	176	131	138	1,644
Royal Darwin Hospital – equipped, prepared and ready	-	-	-	-	-	-	-	14,756	14,756
Torres Strait health protection strategy – mosquito control	-	-	924	-	-	-	-	-	924
Vaccine-preventable diseases surveillance	187	178	155	79	76	31	31	44	781
Victorian cytology service	-	8,085	-	-	-	-	-	-	8,085

Table 36: Payments for specific purposes to support state health services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Indigenous Health									
Health services									
Sexual assault counselling in remote Northern Territory areas	-	-	-	-	-	-	-	1,290	1,290
Closing the Gap in the Northern Territory – Indigenous health and related services	-	-	-	-	-	-	-	437	437
Improving ear health services for Indigenous Australian children	855	234	1,364	1,329	770	-	-	1,836	6,388
Improving trachoma control services for Indigenous Australians	70	-	179	912	1,048	-	-	1,712	3,921
Indigenous early childhood development – antenatal and reproductive health	5,740	1,325	7,146	3,760	1,261	705	240	4,080	24,257
Reducing acute rheumatic heart fever among Indigenous children	-	-	841	841	-	-	-	841	2,523
Renal dialysis services in Central Australia	-	-	-	-	-	-	-	1,600	1,600
Stronger Futures in the Northern Territory									
Hearing health services	-	-	-	-	-	-	-	1,329	1,329
Mobile Outreach Service Plus	-	-	-	-	-	-	-	4,300	4,300
Oral health services	-	-	-	-	-	-	-	1,265	1,265
Torres Strait health protection strategy – Saibai Island Health Clinic	-	-	1,500	-	-	-	-	-	1,500
Mental health									
Supporting National Mental Health Reform	13,559	9,164	8,853	5,275	3,295	1,645	620	887	43,298
Preventive health									
Enabling infrastructure	811	611	510	260	183	57	42	26	2,500
Healthy children	7,739	5,829	4,866	2,484	1,741	544	396	252	23,851
Healthy communities	3,490	3,224	3,073	2,121	1,760	581	286	446	14,981
Healthy workers	6,863	5,169	4,315	2,202	1,544	482	351	224	21,150
Social marketing	1,947	1,466	1,224	625	438	137	100	63	6,000

Table 36: Payments for specific purposes to support state health services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Other									
East Kimberley Development									
Package – health-related projects	-	-	-	2,830	-	-	-	-	2,830
Essential vaccines	100,331	67,593	25,076	13,770	10,020	3,735	2,446	2,708	225,679
Hospital and health workforce reform – activity based funding	16,450	6,770	9,380	2,540	4,800	760	610	1,660	42,970
National Coronial Information System	-	407	-	-	-	-	-	-	407
Treating more public dental patients	22,299	17,169	13,538	5,816	5,572	2,470	1,102	1,233	69,199
Total	4,800,346	3,607,351	3,105,981	1,531,367	1,148,719	361,183	229,726	211,274	14,995,947
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Healthy communities	3,490	3,224	3,073	2,121	1,760	581	286	446	14,981
Total	3,490	3,224	3,073	2,121	1,760	581	286	446	14,981

(a) The 2012-13 National Health Reform funding outcome will be finalised following a Determination by the Treasurer.

(b) State allocation of National Health Reform funding for 2012-13 is shown on the equal per capita basis provided for under the previous National Healthcare SPP. These amounts have not been adjusted to reflect the Commonwealth's contribution to cross-border activity, where residents of one State are treated in another State.

Table 37: Payments for specific purposes to support state education services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Schools SPP(a)	3,774,494	2,964,085	2,449,022	1,210,727	921,433	262,812	202,036	140,741	11,925,350
National Partnership payments									
Digital Education Revolution	63,441	47,529	42,495	20,881	15,084	4,842	3,803	1,924	199,999
Early Childhood Education – universal access to early education	142,655	113,079	100,674	49,189	31,915	10,742	7,313	6,132	461,699
East Kimberley development package – education-related projects	-	-	-	4,210	-	-	-	-	4,210
Helping Our Kids Understand Finances – Professional Learning and MoneySmart schools	214	202	-	110	105	-	74	-	705
Improving literacy and numeracy	49,928	27,358	40,356	19,711	13,125	4,553	1,752	4,415	161,198
Indigenous early childhood development – children and family centres	14,106	2,959	15,388	5,807	11,328	1,482	1,110	3,409	55,589
More support for students with disabilities	25,219	19,151	16,372	8,083	5,807	1,846	1,359	886	78,723
National quality agenda for early childhood education and care	9,595	5,139	1,594	1,165	2,448	303	227	857	21,328
National Solar Schools Program	4,881	1,230	5,661	1,310	3,619	1,253	1,194	1,704	20,852
Rewards for great teachers	3,137	1,780	325	1,062	727	237	177	159	7,604
School Pathways Program	-	-	-	530	1,175	-	-	-	1,705
Secure Schools Program	2,877	958	469	255	103	-	-	338	5,000
Smarter Schools(b)									
Improving teacher quality	5,696	4,550	3,603	1,862	1,303	429	320	237	18,000
Low socio-economic status school communities	143,863	66,748	55,358	23,462	38,739	17,005	728	17,005	362,908
Stronger Futures in the Northern Territory(b)									
Building a quality school workforce – Additional Teachers(c)	-	-	-	-	-	-	-	23,450	23,450
Quality Teaching	-	-	-	-	-	-	-	12,550	12,550
Expansion of the school enrolment and attendance measure	-	-	-	-	-	-	-	1,769	1,769
Trade training centres in schools	48,628	39,632	36,618	25,596	15,703	4,913	9,097	1,713	181,900
Total	4,288,734	3,294,400	2,767,935	1,373,960	1,062,614	310,417	229,190	217,289	13,544,539

Table 37: Payments for specific purposes to support state education services, 2012-13 (continued)*Memorandum item - payments for non-government schools included in payments above(d)*

National Schools SPP	2,483,088	2,042,866	1,632,174	804,949	631,600	160,888	142,459	82,335	7,980,359
Digital Education Revolution	23,195	17,967	15,324	8,150	5,720	1,448	1,614	580	73,998
Improving literacy and numeracy	10,656	7,773	7,884	4,507	3,220	801	581	756	36,178
More support for students with disabilities	6,038	4,257	3,187	1,915	1,012	280	280	96	17,065
Rewards for great teachers	538	1,780	325	183	132	34	34	20	3,046
Secure Schools Program	1,413	958	186	255	-	-	-	-	2,812
Trade training centres in schools	16,784	14,461	11,651	2,330	4,068	1,017	1,546	30	51,887
Total	2,541,712	2,090,062	1,670,731	822,289	645,752	164,468	146,514	83,817	8,165,345

(a) The 2012-13 National SPPs outcome will be finalised following a Determination by the Treasurer.

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

(c) Includes payments previously committed under the Closing the Gap in the Northern Territory National Partnership.

(d) While actual cash payments to non-government schools may be inclusive of GST, Final Budget Outcome figures are reported exclusive of GST.

Table 38: Payments for specific purposes to support state skills and workforce development services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Skills & Workforce Development SPP(a)	451,875	343,871	274,967	145,337	102,177	31,624	23,298	14,383	1,387,532
National Partnership payments									
Building Australia's Future Workforce									
Skills Reform	76,590	59,303	48,669	24,858	17,314	5,332	3,820	2,465	238,351
Training places for single and teenage parents	6,390	4,747	4,283	1,922	1,670	575	186	227	20,000
Commonwealth/State and Territory joint group training program	824	3,151	3,273	2,216	1,097	-	293	215	11,069
Education Investment Fund	3,769	-	-	-	-	-	-	-	3,769
Industry and Indigenous Skills centres	-	229	616	359	210	176	127	335	2,052
TAFE fee waivers for childcare qualifications	4,762	6,840	3,080	161	320	228	560	39	15,990
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	552,703	435,181	340,483	177,664	124,725	38,541	28,946	18,022	1,716,265

(a) The 2012-13 National SPPs outcome will be finalised following a Determination by the Treasurer.

Table 39: Payments for specific purposes to support state community services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Disability SPP(a)	414,458	305,906	250,593	125,797	109,090	33,712	19,933	13,386	1,272,875
Changed roles and responsibilities – adjustment to achieve budget neutrality(b)	2,935	-	-	-	-	-	291	-	3,226
National Partnership payments									
Transitioning responsibilities for aged care and disability services									
Basic community care maintenance and support services	-	350,783	-	149,973	-	-	-	-	500,756
Specialist disability services	57,261	-	-	-	22,934	12,772	787	-	93,754
Aged care assessment	2,943	2,117	1,528	877	782	229	95	115	8,686
Assisting preparation towards the launch of the National Disability Insurance Scheme	-	-	-	-	-	596	500	-	1,096
Certain concessions for pensioners and seniors card holders									
Certain concessions for pensioners	94,080	67,254	46,961	23,649	26,756	8,590	1,911	1,307	270,508
National reciprocal transport concessions	5,929	1,643	3,799	407	367	113	170	73	12,501
Home and Community Care – services for veterans	958	3,912	1,324	1,501	291	143	149	29	8,307
Social and Community Services – Queensland pay equity regulation – back pay(c)	-	-	-3,702	-	-	-	-	-	-3,702

Table 39: Payments for specific purposes to support state community services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Stronger Futures in the Northern Territory									
Alice Springs Transformation Plan	-	-	-	-	-	-	-	2,247	2,247
Child, youth, family and community wellbeing	-	-	-	-	-	-	-	13,157	13,157
Community safety and justice	-	-	-	-	-	-	-	21,406	21,406
Municipal and essential services	-	-	-	-	-	-	-	5,000	5,000
Remote engagement and coordination	-	-	-	-	-	-	-	3,305	3,305
Tackling alcohol abuse	-	-	-	-	-	-	-	2,746	2,746
Total	578,564	731,615	300,503	302,204	160,220	56,155	23,836	62,771	2,215,868

(a) The 2012-13 National SPPs outcome will be finalised following a Determination by the Treasurer.

(b) The Commonwealth makes 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.

(c) This amount represents a return of unused funds relating to the back pay component of the Queensland pay equity regulation.

Table 40: Payments for specific purposes to support state affordable housing services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Affordable Housing SPP(a)	403,034	299,734	251,197	134,379	94,921	31,456	23,559	25,447	1,263,727
National Partnership payments									
Building Better Regional Cities	19,200	4,380	3,500	7,500	-	-	-	-	34,580
First Home Owners Boost	1,103	5,156	67	91	140	-7	63	-	6,613
Homelessness	41,408	31,192	39,745	19,608	11,969	2,575	2,401	7,602	156,500
Remote Indigenous Housing	18,535	2,521	96,889	55,357	5,650	2,520	-	121,502	302,974
Stronger Futures in the Northern Territory Housing	-	-	-	-	-	-	-	27,335	27,335
Total	483,280	342,983	391,398	216,935	112,680	36,544	26,023	181,886	1,791,729
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Building Better Regional Cities	19,200	4,380	3,500	7,500	-	-	-	-	34,580
Total	19,200	4,380	3,500	7,500	-	-	-	-	34,580

(a) The 2012-13 National SPPs outcome will be finalised following a Determination by the Treasurer.

Table 41: Payments for specific purposes to support state infrastructure services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Abt Railway	-	-	-	-	-	6,000	-	-	6,000
Community Infrastructure Grants –									
Glenbrook Precinct Upgrade	1,750	-	-	-	-	-	-	-	1,750
East Kimberley Development Package –									
Other infrastructure projects	-	-	-	625	-	-	-	-	625
Interstate road transport	34,966	20,345	7,204	3,010	9,168	379	379	379	75,830
Liveable cities	2,598	943	1,089	1,280	200	570	250	50	6,980
Local Government and Regional Development									
Infrastructure employment projects	-	700	-	-	-	2,000	-	-	2,700
Managed motorways	1,150	1,500	-	-	-	-	-	-	2,650
Nation Building Plan for the Future									
Building Australia Fund									
Rail	-	622,000	-	-	13,200	-	-	-	635,200
Road	323,000	-	-	-	-	-	23,410	-	346,410
Major Cities									
Rail	-	-	-	101,200	-	-	-	-	101,200
Nation Building Program									
Black spot projects	18,898	15,523	12,679	8,759	4,655	1,418	992	876	63,800
Heavy vehicle safety and productivity	1,986	19	-	231	58	51	-	-	2,345
Improving local roads	-	-	-	-	1,028	-	-	-	1,028
Improving the national network	-	-	-	-	1,015	-	-	-	1,015
Investment									
Rail	94,705	-	-	1,498	552	31,676	-	-	128,431
Road	538,910	158,395	411,725	267,088	86,703	12,073	588	66,800	1,542,282
Off-network projects									
Rail	4,663	1,780	34,624	64,111	-	6,200	-	-	111,378
Road	32,239	25,046	8,334	40,703	-	2,071	-	-	108,393
Supplementary	-	-	-	794	-	-	-	-	794
Roads to Recovery	108,354	73,840	59,764	49,917	31,528	13,977	1,905	10,530	349,815

Table 41: Payments for specific purposes to support state infrastructure services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National transport regulator reforms									
National Heavy Vehicles Regulator	-	-	14,828	-	-	-	-	-	14,828
National Rail Safety Regulator	-	-	-	-	7,985	-	-	-	7,985
Parliament House Walk	-	-	-	-	-	-	100	-	100
Regional Infrastructure Fund	-	-	74,000	28,440	-	550	-	1,200	104,190
Upgrade of Parramatta Stadium	20,000	-	-	-	-	-	-	-	20,000
Total	1,183,219	920,091	624,247	567,656	156,092	76,965	27,624	79,835	3,635,729
<i>Memorandum item - payments direct to local governments included in payments above</i>									
East Kimberley Development Package –									
other infrastructure projects	-	-	-	625	-	-	-	-	625
Liveable cities	2,598	243	1,089	280	200	460	-	50	4,920
Local Government and Regional Development –									
infrastructure employment projects	-	700	-	-	-	-	-	-	700
Nation Building Program									
Off-network projects									
Rail	-	1,780	-	-	-	-	-	-	1,780
Road	-	-	4,200	-	-	-	-	-	4,200
Supplementary	-	-	-	794	-	-	-	-	794
Roads to Recovery	108,014	73,769	59,764	49,917	28,936	13,977	-	7,125	341,502
Total	110,612	76,492	65,053	51,616	29,136	14,437	-	7,175	354,521

Table 42: Payments for specific purposes to support state environment services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Caring for our Country	35,251	27,520	23,020	24,103	17,346	12,431	1,359	3,687	144,717
Coal seam gas and large coal mining development	3,500	2,030	3,700	-	620	-	-	-	9,850
Environmental management of the former Rum Jungle mine site	-	-	-	-	-	-	-	1,474	1,474
Great Artesian Basin Sustainability Initiative	4,211	-	5,377	-	1,324	-	-	-	10,912
Implementing Water Reform in the Murray-Darling Basin	-	2,040	-	-	446	-	98	-	2,584
Natural Disaster Recovery and Rebuilding – donation to Queensland flood appeal	-	-	1,000	-	-	-	-	-	1,000
Natural disaster resilience	6,785	4,176	3,002	1,566	2,088	3,805	1,305	1,305	24,032
Northern Australia Sustainable Futures	-	-	125	-	-	-	-	148	273
Pest and Disease Preparedness and Response Programs									
Animal and plant pest and disease eradication	400	213	9,326	-	-	-	-	-	9,939
Exotic Disease Preparedness Program	367	12	10	-	25	-	-	-	414
Sustainable Australia – Sustainable regional development	360	-	-	-	-	-	-	-	360
Tasmanian Forests Intergovernmental Agreement									
Implementation of the Intergovernmental Agreement	-	-	-	-	-	37,717	-	-	37,717
Economic diversification projects	-	-	-	-	-	3,000	-	-	3,000
Water for the Future									
National Urban Water and Desalination Plan	-	4,360	-	1,000	46,550	-	-	-	51,910
National Water Security Plan for Cities and Towns	12,732	3,000	1,250	7,649	3,445	1,205	-	13,435	42,716
Sustainable Rural Water Use and Infrastructure	173,530	49,054	11,968	1,732	20,761	41,657	701	449	299,852
Total	237,136	92,405	58,778	36,050	92,605	99,815	3,463	20,498	640,750

Table 42: Payments for specific purposes to support state environment services, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item – payments direct to local governments included in payments above</i>									
Sustainable Australia – Sustainable regional development	360	-	-	-	-	-	-	-	360
Water for the Future									
National Urban Water and Desalination Plan	-	-	-	-	950	-	-	-	950
National Water Security Plan for Cities and Towns	10,732	-	-	500	655	1,205	-	-	13,092
Sustainable Rural Water Use and Infrastructure	3,368	-	-	-	-	-	-	-	3,368
Total	14,460	-	-	500	1,605	1,205	-	-	17,770

Table 43: Payments for specific purposes to support contingent state services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Hepatitis C settlement fund	115	-	-	-	-	-	32	22	169
Natural Disaster Relief and Recovery Arrangements(a)	105,250	49,191	1,727,473	2,671	78	7,324	-	443	1,892,430
Total	105,365	49,191	1,727,473	2,671	78	7,324	32	465	1,892,599

(a) Figures in the table above reflect the expense outcome. Total cash payments made in 2012-13 are presented in Table 28.

Table 44: Payments for specific purposes to support other state services, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Australian Capital Territory emergency services	-	-	-	-	-	-	4,000	-	4,000
Centenary of Canberra 2013 – joint national program	-	-	-	-	-	-	2,040	-	2,040
Digital Regions Initiative	3,983	1,102	1,521	441	1,396	1,758	-	1,325	11,526
Financial assistance grants									
General purpose financial assistance	491,950	378,196	306,245	161,964	111,597	34,704	25,144	15,772	1,525,572
Untied local roads grants	196,402	139,561	126,834	103,505	37,202	35,873	21,706	15,857	676,940
Supplementary road funding to South Australia for local roads	-	-	-	-	16,862	-	-	-	16,862
Legal assistance services	62,649	44,388	41,174	19,917	15,695	5,936	4,420	3,908	198,087
Local Government and Regional Development									
Local Government Reform Fund	-	-	208	1,225	137	157	-	150	1,877
Pilot of drought reform measures in Western Australia	-	-	-	7,772	-	-	-	-	7,772
Provision of fire services	3,846	2,709	2,729	1,217	908	238	4,612	1,473	17,732
Remote Indigenous public internet access	269	-	409	85	338	-	-	807	1,908
Seamless National Economy	26,637	6,883	17,194	2,891	6,105	1,874	1,610	860	64,054
Sinking fund on State debt	20	1	-	-	-	-	-	-	21
Victorian Local Hospitals Network	-	106,000	-	-	-	-	-	-	106,000
Total	785,756	678,840	496,314	299,017	190,240	80,540	63,532	40,152	2,634,391

Table 45: General revenue assistance payments to the States, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement(a)	14,733,482	11,003,827	9,551,225	2,866,163	4,491,787	1,703,971	956,115	2,754,393	48,060,963
Other payments									
ACT Municipal Services	-	-	-	-	-	-	36,760	-	36,760
Reduced royalties	-	-	-	63,325	-	-	-	-	63,325
Royalties	-	-	-	1,039,668	-	-	-	5,318	1,044,986
Snowy Hydro Ltd tax compensation	33,016	16,508	-	-	-	-	-	-	49,524
Total	14,766,498	11,020,335	9,551,225	3,969,156	4,491,787	1,703,971	992,875	2,759,711	49,255,558

(a) The 2012-13 GST outcome will be finalised following a Determination by the Treasurer.

Table 46: Total payments to the States by GFS function, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
General public services	26,637	6,883	17,194	2,891	6,105	1,874	1,610	860	64,054
Public order and safety	69,372	48,055	44,372	21,389	16,706	6,174	13,032	27,125	246,225
Education	4,809,154	3,715,915	3,081,417	1,540,512	1,168,534	345,744	255,185	228,453	15,144,914
Health	4,803,396	3,713,351	3,105,981	1,531,367	1,148,719	361,183	230,049	211,296	15,105,342
Social security and welfare	599,330	739,713	321,187	309,176	173,996	57,940	24,882	40,631	2,266,855
Housing and community amenities	533,524	378,352	422,334	244,509	132,934	55,350	29,037	193,550	1,989,590
Recreation and culture	20,000	-	-	-	-	6,000	2,040	-	28,040
Fuel and energy	4,881	1,230	5,661	1,310	3,619	1,253	1,194	1,704	20,852
Agriculture, forestry and fishing	191,240	58,679	27,931	18,153	72,551	83,579	799	13,884	466,816
Transport and communication	1,163,123	919,550	625,088	566,277	157,626	70,153	27,274	81,917	3,611,008
Other economic affairs	824	3,380	187	2,575	1,307	176	420	550	9,419
Other purposes (a)	15,560,120	11,587,284	11,712,985	4,238,521	4,657,663	1,782,029	1,039,725	2,791,933	53,370,260
Total payments to the States	27,781,601	21,172,392	19,364,337	8,476,680	7,539,760	2,771,455	1,625,247	3,591,903	92,323,375
<i>less</i> payments 'through' the States	2,692,595	2,318,875	1,772,388	873,494	700,587	179,184	157,227	118,594	8,812,944
<i>less</i> financial assistance grants for local government	688,352	517,757	433,079	265,469	148,799	70,577	46,850	31,629	2,202,512
<i>less</i> payments direct 'to' local government	147,762	84,096	71,626	61,737	32,501	16,223	286	7,621	421,852
<i>equals</i> total payments 'to' the States for own-purpose expenses	24,252,892	18,251,664	17,087,244	7,275,980	6,657,873	2,505,471	1,420,884	3,434,059	80,886,067

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

Table 47: Other financial flows — estimated advances, repayment of advances and interest payments, 2012-13

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Repayments									
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	-36,263	-	-9,689	-9,167	-14,123	-4,861	-	-725	-74,828
Housing for service personnel	-1,330	-	-819	-227	-42	-	-	-	-2,418
Other housing	-	-	-	-	-	-	-7,630	-2,448	-10,078
Infrastructure									
Railway projects	-9	-9	-	-365	-	-	-	-	-383
Sewerage	-6,370	-	-1,588	-	-1,043	-	-	-	-9,001
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 47: Other financial flows — estimated advances, repayment of advances and interest payments, 2012-13 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Interest									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the Asbestos Injuries Compensation Fund	-694	-	-	-	-	-	-	-	-694
Natural disaster relief	-14	-	-2,006	-	-	-	-	-	-2,020
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-569	-569
Housing									
Commonwealth-State Housing									
Agreement loans	-31,575	-2	-8,835	-8,437	-13,871	-4,326	-	-1,257	-68,303
Housing for service personnel	-2,068	-	-1,162	-221	-92	-	-	-	-3,543
Other housing	-	-	-	-	-	-	-7,655	-3,173	-10,828
Infrastructure									
Railway projects	-1	-	-	-116	-	-	-	-	-117
Sewerage	-1,897	-	-503	-	-442	-	-	-	-2,842
War service land settlement scheme	-5	-3	-	-	-	-	-	-	-8
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-766	-	-766
Loan Council – housing nominations	-18,854	-	-6,776	-11,577	-11,406	-5,000	-	-6,587	-60,200
Net Financial Flow	-107,230	-98	-41,551	-35,122	-45,724	-16,294	-16,605	-17,511	-280,135