

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), which has been in place since 1 January 2009.

More detailed information on Australia's Federal Relations is provided in Budget Paper No. 3, *Federal Financial Relations 2014-15*, 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 2013-14, the Commonwealth provided the States with payments totalling \$97.9 billion, comprising specific purpose payments of \$45.6 billion and general revenue assistance (including GST entitlements) of \$52.4 billion, as shown in Table 25. Total payments to the States as a proportion of total Commonwealth expenditure was 23.7 per cent in 2013-14.

Table 25: Commonwealth payments to the States, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Payments for specific purposes	13,720	12,478	9,233	4,603	2,898	995	748	881	45,557
General revenue assistance	15,900	11,533	10,892	3,682	4,652	1,824	1,068	2,839	52,391
Total payments to the States	29,620	24,011	20,125	8,285	7,550	2,819	1,816	3,720	97,948

PAYMENTS FOR SPECIFIC PURPOSES

In 2013-14, the Commonwealth provided payments to the States for specific purposes in areas administered by the States. These payments cover most functional areas of state and local government activity including: health; education; skills and workforce development; community services; housing; Indigenous affairs; infrastructure; and the 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;
- Students First funding; and
- National Partnership payments — facilitation, project and reward payments.

National SPPs, National Health Reform and Students First funding

In 2013-14, the Commonwealth continued to provide funding for key service delivery sectors through National SPPs, National Health Reform funding and Students First funding. The National SPPs are as follows:

- National Schools SPP (which was replaced by Students First funding from January 2014);
- 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, National Health Reform and Students First 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 (or calendar year, for Students First) 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 was phased in over five years from 2009-10.

In the case of the government schools component of the National Schools SPP (which ceased on 31 December 2013), the relevant population is each State's share of full-time equivalent student enrolments in government schools.

From 1 January 2014, Students First funding replaced the National Schools SPP and various schools-related National Partnership payments. Students First funding includes: funding for government and non-government schools; capital funding and special circumstances funding for non-government schools; and funding for non-government representative bodies. Students First funding is distributed among the States in accordance with the *Australian Education Act 2013* and relevant agreements made under that Act.

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 comprised amounts equivalent to those that would otherwise have been payable through the former National Healthcare SPP, and the SPP indexation arrangements continued to apply.

State shares of National Health Reform funding for 2013-14 are allocated on a population basis, adjusted for cross border patient flows. The adjustment is calculated by the Administrator of the National Health Funding Pool reflecting State estimates of cross-border activity. The Treasurer will determine the actual allocations for 2013-14, following the Administrator's reconciliation of activity data.

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.

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 2013-14, the States received \$45.6 billion in payments for specific purposes. Payments to the States for specific purposes constituted 11.0 per cent of total Commonwealth expenditure in 2013-14.

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

Table 26: Total payments for specific purposes by category, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Specific Purpose									
Payments(a)(b)	3,315	2,592	2,136	1,093	759	220	177	122	10,415
National Health Reform funding(a)(c)	4,352	3,463	2,800	1,515	1,006	299	272	135	13,841
Students First funding(d)	2,087	1,652	1,414	690	519	160	121	123	6,766
National Partnership Payments(e)	3,965	4,771	2,883	1,306	614	316	178	501	14,534
Total payments for specific purposes	13,720	12,478	9,233	4,603	2,898	995	748	881	45,557

(a) The 2013-14 outcomes for the National SPPs and National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) Includes National Schools SPP funding, which ceased in December 2013.

(c) State allocations of National Health Reform funding for 2013-14 are published on a population basis, adjusted for cross-border patient flows. These amounts will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool.

(d) Students First funding commenced in January 2014. The 2013-14 outcomes for Students First funding will be finalised following a Determination by the Minister for Education.

(e) Includes financial assistance grants for local government.

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

Table 27: Total payments for specific purposes by sector, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health	4,989	3,940	3,179	1,736	1,158	377	305	191	15,875
Education	4,319	3,483	2,926	1,458	1,091	325	247	285	14,135
Skills and Workforce									
Development	560	437	347	189	129	39	29	19	1,750
Community Services	542	803	327	334	104	31	31	101	2,273
Affordable Housing	522	346	462	353	136	34	28	162	2,043
Infrastructure	2,182	2,947	1,105	354	88	77	65	92	6,910
Environment	100	198	54	11	75	37	3	6	485
Contingent	58	5	310	2	..	..	-	1	377
Other(a)	448	319	523	165	116	74	39	23	1,708
Total payments for specific purposes	13,720	12,478	9,233	4,603	2,898	995	748	881	45,557

(a) Includes financial assistance grants for local government.

Total payments for specific purposes by sector and category, including National SPPs, National Health Reform funding, Students First funding and National Partnership payments, are shown in Table 28.

Table 28: Total payments for specific purposes by sector and category, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Health</i>									
National Health Reform funding(a)(b)	4,352	3,463	2,800	1,515	1,006	299	272	135	13,841
National Partnerships	637	477	379	222	152	78	33	56	2,034
Total health payments	4,989	3,940	3,179	1,736	1,158	377	305	191	15,875
<i>Education</i>									
National Schools SPP(a)(c)	2,024	1,600	1,330	657	488	138	109	75	6,422
Students First funding(d)	2,087	1,652	1,414	690	519	160	121	123	6,766
National Partnerships	208	231	182	112	84	27	18	87	947
Total education payments	4,319	3,483	2,926	1,458	1,091	325	247	285	14,135
<i>Skills and workforce development</i>									
National Skills and Workforce Development SPP(a)	455	350	281	151	102	31	23	15	1,409
National Partnerships	105	88	66	38	27	8	6	4	341
Total skills and workforce development payments	560	437	347	189	129	39	29	19	1,750
<i>Community services</i>									
National Disability SPP(a)(e)	427	331	268	146	75	20	22	12	1,302
National Partnerships	115	472	59	188	30	10	9	88	971
Total community services payments	542	803	327	334	104	31	31	101	2,273
<i>Affordable housing</i>									
National Affordable Housing SPP(a)	410	312	256	139	94	30	22	20	1,283
National Partnerships	112	35	205	215	42	4	5	142	760
Total affordable housing payments	522	346	462	353	136	34	28	162	2,043
<i>Infrastructure</i>									
National Partnerships	2,182	2,947	1,105	354	88	77	65	92	6,910
<i>Environment</i>									
National Partnerships	100	198	54	11	75	37	3	6	485
<i>Contingent payments</i>									
National Partnerships	58	5	310	2	..	..	-	1	377
<i>Other</i>									
National Partnerships(f)	448	319	523	165	116	74	39	23	1,708
Total payments for specific purposes	13,720	12,478	9,233	4,603	2,898	995	748	881	45,557

(a) The 2013-14 outcomes for the National SPPs and National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) State allocations of National Health Reform funding for 2013-14 are published on a population basis, adjusted for cross-border patient flows. These amounts will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool.

(c) National Schools SPP funding ceased in December 2013.

(d) Students First funding commenced in January 2014. The 2013-14 outcomes for Students First funding will be finalised following a Determination by the Minister for Education.

(e) Includes adjustment to achieve budget neutrality for 2012-13 activity (see footnote to Attachment A for details).

(f) 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 2013-14 are presented in Table 29 below; see Table 44 in Attachment A for the expense outcome.

Table 29: NDRRA cash payments, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
NDRRA	482,757	626	1,514,545	53,226	-	13,773	-	-	2,064,927
Total	482,757	626	1,514,545	53,226	-	13,773	-	-	2,064,927

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 2013-14, the States received \$52.4 billion in general revenue assistance from the Commonwealth, comprising \$51.1 billion in GST entitlements and \$1.3 billion of other general revenue assistance, as shown in Table 30. In 2013-14, total general revenue assistance to the States represented 12.7 per cent of total Commonwealth expenditure.

Table 30: General revenue assistance, 2013-14

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	15,850	11,508	10,892	2,500	4,652	1,824	1,031	2,834	51,090
Other general revenue assistance									
<i>ACT municipal services</i>	-	-	-	-	-	-	37	-	37
<i>Reduced royalties</i>	-	-	-	66	-	-	-	-	66
<i>Royalties</i>	-	-	-	1,116	-	-	-	5	1,121
<i>Snowy Hydro Ltd tax compensation</i>	51	25	-	-	-	-	-	-	76
Total other general revenue assistance	51	25	-	1,182	-	-	37	5	1,300
Total general revenue assistance	15,900	11,533	10,892	3,682	4,652	1,824	1,068	2,839	52,391

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 2013-14, GST revenue was \$55.5 billion. A reconciliation of GST revenue and GST entitlement to the States is provided in Table 31.

Table 31: GST revenue and GST entitlement to the States, 2013-14

\$million	Total
GST revenue	55,517
less change in GST receivables	4,123
GST receipts	51,394
less non-GIC penalties collected	276
less net GST collected by Commonwealth agencies but not yet remitted to the ATO	28
GST entitlement to the States(a)	51,090

(a) The 2013-14 GST outcome will be finalised following a Determination by the Treasurer.

Advances of GST entitlements were provided to the States throughout the 2013-14 financial year based on the Commonwealth's estimate of GST entitlements as updated at the 2014-15 Budget. The GST entitlement to the States is expected to be \$370 million higher than the advances paid during 2013-14. A balancing adjustment will be made following a Determination by the Treasurer. Table 32 provides a reconciliation of the GST entitlement and GST advances to the States.

Table 32: GST entitlement and GST advances to the States, 2013-14

\$million	Total
GST entitlement to the States(a)	51,090
<i>less</i> advances of GST made throughout 2013-14	50,720
<i>equals</i> following year balancing adjustment	370

(a) The 2013-14 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 2013-14 was made in May 2013. The relativities for 2013-14 are shown in Table 33.

Table 33: GST relativities, 2013-14

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2013-14	0.96576	0.90398	1.05624	0.44581	1.26167	1.61454	1.22083	5.31414

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 2013 as determined by the Australian Statistician. Each State received its adjusted population share of the GST entitlement as shown in Table 34.

Table 34: Calculation of the 2013-14 GST entitlements

	Population as at 31 December 2013 (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	7,465,497	0.96576	7,209,878	31.0	15,849.5
VIC	5,790,990	0.90398	5,234,939	22.5	11,508.0
QLD	4,690,910	1.05624	4,954,727	21.3	10,892.0
WA	2,550,874	0.44581	1,137,205	4.9	2,499.9
SA	1,677,250	1.26167	2,116,136	9.1	4,651.9
TAS	513,955	1.61454	829,801	3.6	1,824.2
ACT	384,147	1.22083	468,978	2.0	1,031.0
NT	242,573	5.31414	1,289,067	5.5	2,833.8
Total	23,316,196	N/A	23,240,731	100.0	51,090.2

Table 35 provides a summary of advances made in 2013-14 against their estimated final entitlement shown in Table 34 above. The variance between advances paid in 2013-14 and the States' final entitlement will be paid in the 2014-15 financial year.

Table 35: Summary of advances made in 2013-14 and distribution of following year adjustment across States

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement	15,849.5	11,508.0	10,892.0	2,499.9	4,651.9	1,824.2	1,031.0	2,833.8	51,090.2
13-14 advances	15,727.2	11,426.1	10,822.7	2,484.8	4,618.2	1,809.5	1,023.9	2,807.6	50,720.0
Following year adjustment(a)	122.3	81.9	69.3	15.1	33.7	14.7	7.1	26.1	370.2

(a) The 2013-14 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 36.

Table 36: GST administration, 2013-14

\$million	Actual	
	2012-13	2013-14
Australian Taxation Office budget	694.4	698.6
less prior year adjustment	-13.7	-11.0
<i>equals</i> State government administration payments	708.1	709.6
less Australian Taxation Office outcome(a)	705.3	690.4
<i>equals</i> Commonwealth budget impact	2.8	19.1
plus prior year adjustment	-13.7	-11.0
<i>equals</i> following year adjustment	-11.0	8.2

(a) Estimated outcome for 2013-14 pending confirmation by the Australian National Audit Office.

The estimated outcome for the 2013-14 GST administration expenses of \$690.4 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 2013-14 is audited and confirmed by the Australian National Audit Office, any adjustment required will be incorporated into the States' administration costs for 2014-15.

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 48 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 2013-14:

Table 37 – health;

Table 38 – education;

Table 39 – skills and workforce development;

Table 40 – community services;

Table 41 – affordable housing;

Table 42 – infrastructure;

Table 43 – environment;

Table 44 – contingent liabilities;

Table 45 – other purposes;

Table 46 – general revenue assistance; and

Table 47 – payments presented on the Australian Bureau of Statistics Government Finance Statistics functional basis.

Table 37: Payments for specific purposes to support state health services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform funding(a)(b)									
Hospital services	4,249,504	3,382,652	2,735,047	1,479,377	983,112	291,867	266,379	131,636	13,519,574
Public health	102,982	79,883	64,708	35,188	23,137	7,090	5,299	3,346	321,633
National Partnership payments									
National Health Reform									
Public hospital system – additional funding	44,544	43,178	41,462	17,814	17,147	5,168	4,373	183	173,869
Financial assistance for long stay older patients	35,985	4,146	13,534	7,275	10,561	1,408	3,990	1,330	78,229
Improving Public Hospital Services									
Flexible funding pool for emergency departments, elective surgery and subacute care	-	-	-	-	-	1,073	-	-	1,073
National elective surgery target									
Capital funding	-	-	-	-	-	1,244	-	-	1,244
Facilitation and reward funding	7,212	5,143	1,758	2,227	1,121	2,257	673	247	20,638
National emergency access target									
Capital funding	-	-	-	-	-	1,941	-	-	1,941
Facilitation and reward funding	-	-	-	5,326	3,051	1,718	-	-	10,095
New subacute beds guarantee funding	203,800	154,700	125,900	64,300	46,000	21,000	9,900	6,900	632,500
Health Infrastructure									
Health and Hospitals Fund									
Hospital infrastructure and other projects of national significance	-	-	35,580	62,600	-	-	-	-	98,180
National cancer system	6,267	85,700	12,165	4,600	6,124	3,703	4,450	1,200	124,209
Regional priority round	163,800	50,962	16,571	9,498	25,631	-	234	2,950	269,646
Health services									
Health services									
National antimicrobial utilisation surveillance programme	-	-	-	-	150	-	-	-	150

Table 37: Payments for specific purposes to support state health services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Health services (continued)									
Northern Territory medical school – funding contribution	-	-	-	-	-	-	-	2,250	2,250
Expansion of the BreastScreen Australia programme	979	944	-	640	537	539	521	508	4,668
Health care grants for the Torres Strait	-	-	4,458	-	-	-	-	-	4,458
Improving Health Services in Tasmania Better access to community based palliative care services	-	-	-	-	-	1,790	-	-	1,790
Improving patient pathways through clinical and system redesign	-	-	-	-	-	6,936	-	-	6,936
Innovative flexible funding for mental health	-	-	-	-	-	1,050	-	-	1,050
Reducing elective surgery waiting lists in Tasmania	-	-	-	-	-	14,903	-	-	14,903
National Bowel Cancer Screening Programme – participant follow-up function	-	601	483	248	193	124	100	83	1,832
National Perinatal Depression Initiative	3,093	2,574	2,152	1,329	737	334	287	344	10,850
OzFoodNet	333	246	247	192	193	179	134	140	1,664
Royal Darwin Hospital – equipped, prepared and ready	-	-	-	-	-	-	-	15,007	15,007
Torres Strait health protection strategy – mosquito control	-	-	942	-	-	-	-	-	942
Vaccine-preventable diseases surveillance	190	181	157	80	77	32	33	45	795
Victorian cytology service	-	8,472	-	-	-	-	-	-	8,472
Indigenous health									
Improving ear health services for Indigenous Australian children	95	13	151	152	86	-	-	162	659

Table 37: Payments for specific purposes to support state health services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Indigenous health (continued)									
Improving trachoma control services for Indigenous Australians	254	-	-	1,397	1,051	-	-	1,666	4,368
Indigenous early childhood development – antenatal and reproductive health	5,490	1,420	7,648	3,920	1,118	735	250	3,750	24,331
Reducing acute rheumatic heart fever among Indigenous children	-	-	857	857	367	-	-	857	2,938
Renal dialysis services in Central Australia	-	-	-	-	-	-	-	1,700	1,700
Stronger Futures in the Northern Territory									
Hearing health services	-	-	-	-	-	-	-	2,816	2,816
Mobile Outreach Service Plus	-	-	-	-	-	-	-	4,386	4,386
Oral health services	-	-	-	-	-	-	-	2,318	2,318
Torres Strait health protection strategy – Saibai Island health clinic	-	-	500	-	-	-	-	-	500
Other									
Essential vaccines	81,142	57,709	55,921	26,064	16,630	3,069	4,100	3,724	248,359
National Coronial Information System	-	424	-	-	-	-	-	-	424
Preventive health									
Healthy children and workers	17,329	13,020	10,968	5,583	3,860	1,242	894	617	53,513
Healthy communities	2,846	2,450	1,824	1,483	1,383	276	-	391	10,653
Supporting National Mental Health Reform	13,559	9,346	15,257	5,993	3,355	1,587	620	887	50,604
Treating more public dental patients	50,012	36,240	30,363	-	12,497	5,540	2,471	1,890	139,013
Total	4,989,416	3,940,004	3,178,653	1,736,143	1,158,118	376,805	304,708	191,333	15,875,180
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Preventive health									
Healthy communities	2,846	2,450	1,824	1,483	1,383	276	-	391	10,653
Total	2,846	2,450	1,824	1,483	1,383	276	-	391	10,653

(a) The 2013-14 outcomes for National Health Reform funding will be finalised following a Determination by the Treasurer.

(b) State allocations of National Health Reform funding for 2013-14 are published on a population basis, adjusted for cross-border patient flows. These amounts will be finalised following reconciliation of activity data by the Administrator of the National Health Funding Pool.

Table 38: Payments for specific purposes to support state education services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Schools SPP(a)	2,024,077	1,599,659	1,330,271	656,853	488,300	138,439	108,779	75,397	6,421,775
Students First funding(b)	2,087,174	1,651,860	1,414,315	689,562	518,926	160,166	120,961	123,300	6,766,264
National Partnership payments									
Improving literacy and numeracy	25,018	13,709	20,222	9,876	6,577	2,281	878	2,213	80,774
Independent Public Schools	-	2,270	-	-	790	300	130	230	3,720
Indigenous early childhood development – children and family centres	24,037	3,757	12,650	11,895	5,278	1,687	1,107	14,676	75,087
MoneySmart Teaching	264	249	199	135	129	-	-	56	1,032
More support for students with disabilities	26,150	19,840	16,912	8,426	5,960	1,891	1,406	904	81,489
National quality agenda for early childhood education and care	4,237	2,314	734	441	1,149	140	106	420	9,541
National Solar Schools Programme	2,382	5,437	4,552	3,412	924	246	382	615	17,950
School Pathways Programme	-	-	-	540	747	-	-	-	1,287
Schools Security Programme	2,232	1,977	262	279	64	-	-	-	4,814
Smarter Schools(c)									
Improving teacher quality	56,028	44,147	34,537	16,890	12,790	4,154	3,128	2,137	173,811
Low socio-economic status school communities	66,184	20,472	18,559	7,196	17,822	5,216	223	5,216	140,888
Stronger Futures in the Northern Territory(c)									
Building a quality school workforce									
Additional teachers	-	-	-	-	-	-	-	29,330	29,330
Quality teaching	-	-	-	-	-	-	-	16,980	16,980
Teacher housing	-	-	-	-	-	-	-	4,783	4,783
Expansion of the school enrolment and attendance measure	-	-	-	-	-	-	-	2,338	2,338
Trade training centres in schools	1,404	38,517	5,151	8,736	4,129	789	5,131	6,831	70,688
Universal access to early childhood education	-	78,324	67,987	43,842	27,289	10,033	5,155	-	232,630
Total	4,319,187	3,482,532	2,926,351	1,458,083	1,090,874	325,342	247,386	285,426	14,135,181

Table 38: Payments for specific purposes to support state education services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item - payments for non-government schools included in payments above(d)</i>									
National Schools SPP(a)	1,352,346	1,112,755	889,614	436,857	338,482	87,163	77,111	47,105	4,341,433
Students First funding(b)	1,356,155	1,111,818	891,315	444,562	334,498	88,788	84,793	59,300	4,371,229
National Partnership payments									
Improving literacy and numeracy	5,340	3,895	3,951	2,258	1,614	401	291	379	18,129
More support for students with disabilities	6,929	5,028	3,657	2,287	1,172	340	334	123	19,870
Schools Security Programme	2,232	1,977	262	279	64	-	-	-	4,814
Trade training centres in schools	269	699	46	223	335	-	-	-	1,572
Total	2,723,271	2,236,172	1,788,845	886,466	676,165	176,692	162,529	106,907	8,757,047

(a) National Schools SPP funding ceased in December 2013. The 2013-14 outcomes for the National Schools SPP will be finalised following a Determination by the Treasurer.

(b) Students First funding commenced in January 2014, and includes funding for non-government representative bodies. The 2013-14 outcomes for Students First funding will be finalised following a Determination by the Minister for Education.

(c) Includes government and non-government schools; however, payments to non-government schools are not shown in the Memorandum item.

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

Table 39: Payments for specific purposes to support state skills and workforce development services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Skills and Workforce Development SPP(a)	454,705	349,725	281,283	151,473	102,285	31,445	23,395	14,658	1,408,969
National Partnership payments									
Building Australia's Future Workforce									
Skills reform	76,588	59,303	48,669	24,858	17,314	5,332	3,820	2,465	238,349
Training places for single and teenage parents	8,520	6,330	5,711	2,563	2,227	766	248	303	26,668
Commonwealth/State and Territory joint group training programme	-	-	3,166	2,565	1,149	-	293	215	7,388
Industry and Indigenous Skills Centres	-	98	264	154	90	-	55	144	805
TAFE fee waivers for childcare qualifications	5,824	6,121	5,437	1,633	1,226	468	481	23	21,213
Youth attainment and transitions									
Maximising engagement, attainment and successful transitions	4,246	8,520	2,798	1,406	968	303	331	179	18,751
Year 12 attainment and transitions	10,236	7,190	-	4,781	3,856	663	478	1,026	28,230
Total	560,119	437,287	347,328	189,433	129,115	38,977	29,101	19,013	1,750,373

(a) The 2013-14 National SPPs outcome will be finalised following a Determination by the Treasurer.

Table 40: Payments for specific purposes to support state community services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Disability SPP(a)	427,078	331,286	268,353	145,928	95,951	29,402	21,976	13,877	1,333,851
Changed roles and responsibilities – adjustment to achieve budget neutrality(b)	-	-	-	-	-21,105	-9,248	-	-1,559	-31,912
National Partnership payments									
Transitioning responsibilities for aged care and disability services –									
Specialist disability services(c)	-	-	-	-	-	-	-	4,805	4,805
Assisting preparation towards the trial of the National Disability Insurance Scheme	-	-	-	-	-	704	6,424	-	7,128
Certain concessions for pensioners and seniors card holders									
Certain concessions for pensioners	97,276	69,533	48,555	24,451	27,662	8,881	1,976	1,351	279,685
National reciprocal transport concessions	5,929	1,643	3,799	407	367	113	170	73	12,501
Home and Community Care	-	378,151	-	161,674	-	-	-	-	539,825
Home and Community Care – services for veterans	856	3,979	1,221	1,526	260	127	141	27	8,137
Municipal and essential services	-	-	5,000	-	-	-	-	-	5,000
Pay equity for the social and community services sector	10,691	18,781	-	-	1,315	590	280	304	31,961

Table 40: Payments for specific purposes to support state community services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Stronger Futures in the Northern Territory									
Alice Springs Transformation Plan	-	-	-	-	-	-	-	4,653	4,653
Child, youth, family and community wellbeing	-	-	-	-	-	-	-	13,493	13,493
Community safety and justice	-	-	-	-	-	-	-	40,346	40,346
Municipal and essential services	-	-	-	-	-	-	-	15,360	15,360
Remote engagement and coordination	-	-	-	-	-	-	-	4,214	4,214
Tackling alcohol abuse	-	-	-	-	-	-	-	3,773	3,773
Total	541,830	803,373	326,928	333,986	104,450	30,569	30,967	100,717	2,272,820

(a) The 2013-14 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. This adjustment relates to 2012-13 activity.

(c) Funding related to 2012-13 activity.

Table 41: Payments for specific purposes to support state affordable housing services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Affordable Housing SPP(a)	409,625	311,551	256,460	138,916	94,062	29,974	22,485	19,610	1,282,683
National Partnership payments									
Building Better Regional Cities	33,923	3,449	3,468	4,400	-	-	-	-	45,240
First Home Owners Boost(b)	483	1,347	60	193	60	21	-	14	2,178
Homelessness	32,960	30,140	31,469	18,650	15,370	4,020	5,480	5,160	143,249
Nation Building and Jobs Plan									
Social housing –									
second stage construction	-	-	-7,180	-	-9,800	-	-	-	-16,980
Remote Indigenous Housing	44,637	-	177,532	191,278	36,414	-	-	85,732	535,593
Stronger Futures in the Northern Territory									
Housing	-	-	-	-	-	-	-	51,194	51,194
Total	521,628	346,487	461,809	353,437	136,106	34,015	27,965	161,710	2,043,157
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Building Better Regional Cities	33,923	3,449	3,468	4,400	-	-	-	-	45,240
Total	33,923	3,449	3,468	4,400	-	-	-	-	45,240

(a) The 2013-14 National SPPs outcome will be finalised following a Determination by the Treasurer.

(b) Total payments for the First Home Owners Boost were \$1.8 million. Total recoveries for the First Home Owners Boost were \$1.5 million.

Table 42: Payments for specific purposes to support state infrastructure services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Infrastructure Investment Programme									
Black spot projects	23,965	13,119	14,431	6,239	3,765	1,515	942	523	64,499
Heavy vehicle safety and productivity	12,143	3,009	4,103	2,626	3,516	2,128	250	5,629	33,404
Improving the national network(a)	-	-	-	-	311	-	-	-	311
Investment									
Rail	335,715	-	-	17,102	566	33,696	-	-	387,079
Road	1,628,048	1,662,971	620,902	254,224	38,663	8,165	337	47,800	4,261,110
Off-network projects									
Rail	10,837	817	68,380	5,922	-	-	-	-	85,956
Road	11,743	29,227	302,030	500	167	21,026	-	25,303	389,996
Supplementary(a)	-	-	-	4,535	-	-	-	-	4,535
Roads to Recovery	110,515	73,028	78,177	56,719	31,012	10,333	27	12,348	372,159
Building Australia Fund									
Rail	-	1,128,000	-	-	-	-	-	-	1,128,000
Road	8,000	-	-	-	-	-	62,990	-	70,990
Community Infrastructure Grants –									
Glenbrook precinct upgrade	819	-	-	-	-	-	-	-	819
Interstate road transport	34,617	20,142	7,132	2,980	9,079	375	375	375	75,075
Latrobe Valley economic diversification	-	2,400	-	-	-	-	-	-	2,400
Liveable communities	2,952	1,586	-	2,944	1,107	185	220	200	9,194
Local Government and Regional Development –									
infrastructure employment projects	-	-	1,604	-	-	-	-	-	1,604
Managed motorways	2,800	9,800	8,000	-	-	-	-	-	20,600
Murray-Darling Basin regional economic diversification programme	-	2,561	-	-	-	-	-	-	2,561
Total	2,182,154	2,946,660	1,104,759	353,791	88,186	77,423	65,141	92,178	6,910,292

Table 42: Payments for specific purposes to support state infrastructure services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<i>Memorandum item - payments direct to local governments included in payments above</i>									
Infrastructure Investment Programme									
Off-network projects									
Rail	-	200	-	-	-	-	-	-	200
Road	-	-	300,000	-	-	-	-	-	300,000
Supplementary(a)	-	-	-	4,535	-	-	-	-	4,535
Roads to Recovery	108,475	73,028	78,177	56,719	22,591	10,333	-	7,396	356,719
Latrobe Valley economic diversification	-	1,000	-	-	-	-	-	-	1,000
Liveable communities	2,952	686	-	194	107	185	-	200	4,324
Local Government and Regional Development – infrastructure employment projects	-	-	1,604	-	-	-	-	-	1,604
Total	111,427	74,914	379,781	61,448	22,698	10,518	-	7,596	668,382

(a) Figures represent expenses incurred against prepayments made to the States in prior years.

Table 43: Payments for specific purposes to support state environment services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Assistance for water infrastructure and pest management in drought-affected areas	1,500	-	3,500	-	-	-	-	-	5,000
Assistance to farm businesses for water-related infrastructure	3,000	-	7,000	-	-	-	-	-	10,000
Coal seam gas and large coal mining development	7,000	4,050	7,400	-	1,250	-	-	-	19,700
Environmental management of the former Rum Jungle Mine site	-	-	-	-	-	-	-	3,355	3,355
Great Artesian Basin Sustainability Initiative	6,422	-	6,816	-	973	-	-	-	14,211
Implementation of the Tasmanian Forests Intergovernmental Agreement	-	-	-	-	-	8,808	-	-	8,808
Implementing water reform in the Murray-Darling Basin	6,346	4,590	1,340	-	1,003	-	221	-	13,500
National Urban Water and Desalination Plan	-	5,590	-	-	950	-	-	-	6,540
National Water Security Plan for Cities and Towns	12,617	-	1,084	6,690	300	-	-	-	20,691
Natural disaster resilience	3,393	2,088	6,003	3,132	1,044	653	653	653	17,619
Pest and disease preparedness and response programmes									
Animal and plant pest and disease eradication	3,635	-20	9,239	47	-	-	-	1,495	14,396
Exotic disease preparedness	306	17	49	-	10	21	-	10	413
South Australian River Murray Sustainability Programme									
Irrigation efficiency and water purchase	-	-	-	-	14,000	-	-	-	14,000
Irrigation industry assistance	-	-	-	-	2,500	-	-	-	2,500
Regional economic development	-	-	-	-	7,000	-	-	-	7,000

Table 43: Payments for specific purposes to support state environment services, 2013-14 (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Sustainable Australia – Sustainable regional development	-	-	-	-	360	360	-	-	720
Sustainable Rural Water Use and Infrastructure Programme	55,409	181,613	11,909	1,421	45,697	27,471	2,259	553	326,332
Total	99,628	197,928	54,340	11,290	75,087	37,313	3,133	6,066	484,785
<i>Memorandum item – payments direct to local governments included in payments above</i>									
National Urban Water and Desalination Plan	-	-	-	-	950	-	-	-	950
National Water Security Plan for Cities and Towns	3,017	-	-	-	-	-	-	-	3,017
Sustainable Australia – Sustainable regional development	-	-	-	-	360	360	-	-	720
Total	3,017	-	-	-	1,310	360	-	-	4,687

Table 44: Payments for specific purposes to support contingent state services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
Hepatitis C settlement fund	43	-	-	-	-	-	-	-	43
Natural Disaster Relief and Recovery Arrangements(a)	57,900	5,165	310,374	2,190	176	282	-	1,255	377,342
Total	57,943	5,165	310,374	2,190	176	282	-	1,255	377,385

(a) Figures in the table above reflect the expense outcome. Total cash payments made in 2013-14 are presented in Table 29.

Table 45: Payments for specific purposes to support other state services, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Partnership payments									
2014 G20 leaders' summit security	-	-	83,500	-	-	-	-	-	83,500
2018 Gold Coast Commonwealth Games	-	-	156,000	-	-	-	-	-	156,000
Assistance to Tasmania to implement national policy reforms	-	-	-	-	-	30,000	-	-	30,000
Australian Capital Territory emergency services	-	-	-	-	-	-	4,000	-	4,000
Centenary of Canberra 2013 – joint national programme	-	-	-	-	-	-	991	-	991
Financial assistance to local governments									
Financial assistance grants	358,830	270,877	226,899	140,478	77,329	36,606	24,516	16,600	1,152,135
Supplementary funding to South Australia for local roads	-	-	-	-	17,815	-	-	-	17,815
Indigenous Communications – Internet									
Access and Training	-	-	361	505	152	-	-	721	1,739
Legal assistance services	63,433	44,943	41,689	20,165	15,893	6,009	4,468	3,950	200,550
Pilot of drought reform measures in Western Australia	-	-	-	1,157	-	-	-	-	1,157
Provision of fire services	3,980	2,803	2,824	1,260	940	247	4,774	1,524	18,352
Seamless National Economy	22,197	-	11,463	1,446	4,070	1,561	537	573	41,847
Sinking fund on state debt	20	-	-	-	-	-	-	-	20
Total	448,460	318,623	522,736	165,011	116,199	74,423	39,286	23,368	1,708,106

Table 46: General revenue assistance payments to the States, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
GST entitlement(a)	15,849,509	11,507,991	10,891,998	2,499,924	4,651,911	1,824,155	1,030,956	2,833,762	51,090,206
Other payments									
ACT Municipal Services	-	-	-	-	-	-	37,311	-	37,311
Reduced royalties	-	-	-	65,955	-	-	-	-	65,955
Royalties	-	-	-	1,116,042	-	-	-	5,215	1,121,257
Snowy Hydro Ltd tax compensation	50,515	25,257	-	-	-	-	-	-	75,772
Total	15,900,024	11,533,248	10,891,998	3,681,921	4,651,911	1,824,155	1,068,267	2,838,977	52,390,501

(a) The 2013-14 GST outcome will be finalised following a Determination by the Treasurer.

Table 47: Total payments to the States by GFS function, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
General public services	22,197	-	11,463	1,446	4,070	1,561	537	573	41,847
Public order and safety	69,645	49,723	128,275	21,704	16,897	6,256	13,242	45,820	351,562
Education	4,846,418	3,906,236	3,252,051	1,628,770	1,211,335	392,246	274,544	259,442	15,771,042
Health	4,989,447	3,939,983	3,178,653	1,736,143	1,158,118	376,805	304,702	191,333	15,875,183
Social security and welfare	570,116	809,466	335,312	346,322	110,877	32,396	32,186	89,034	2,325,709
Housing and community amenities	538,792	359,172	488,816	359,513	146,867	35,213	28,838	181,278	2,138,489
Recreation and culture	-	-	156,000	-	-	-	991	-	156,991
Fuel and energy	2,382	5,437	4,552	3,412	924	246	382	615	17,950
Agriculture, forestry and fishing	86,235	191,790	33,937	9,315	65,433	36,300	2,480	2,058	427,548
Transport and communication	2,178,383	2,940,113	1,103,516	351,352	87,231	77,238	64,921	92,699	6,895,453
Other economic affairs	-	98	3,430	2,719	1,239	-	348	359	8,193
Other purposes(a)	16,316,774	11,809,290	11,429,271	3,824,589	4,747,231	1,861,043	1,092,783	2,856,832	53,937,813
Total payments to the States	29,620,389	24,011,308	20,125,276	8,285,285	7,550,222	2,819,304	1,815,954	3,720,043	97,947,780
<i>less</i> payments 'through' the States	2,739,890	2,336,832	1,863,159	933,787	732,199	187,989	168,705	144,151	9,106,712
<i>less</i> financial assistance grants for local government	358,830	270,877	226,899	140,478	77,329	36,606	24,516	16,600	1,152,135
<i>less</i> payments direct 'to' local government	151,213	80,813	385,073	67,331	25,391	11,154	-	7,987	728,962
<i>equals</i> total payments 'to' the States for own-purpose expenses	26,370,456	21,322,786	17,650,145	7,143,689	6,715,303	2,583,555	1,622,733	3,551,305	86,959,971

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

Table 48: Other financial flows — estimated advances, repayment of advances and interest payments, 2013-14

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Advances									
Contingent liabilities									
Loan to NSW to assist beneficiaries of the									
Asbestos Injuries Compensation Fund	24,356	-	-	-	-	-	-	-	24,356
Natural disaster relief	32,666	-	72,426	-	-	-	-	-	105,092
Repayments									
Contingent liabilities									
Natural disaster relief	-102	-	-8,234	-	-	-	-	-	-8,336
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-36,710	-	-9,790	-9,294	-2,338	-4,945	-	-758	-63,835
Housing for service personnel	-1,413	-	-874	-238	-47	-	-	-	-2,572
Other housing	-	-	-	-	-	-	-7,619	-2,572	-10,191
Payments to debt sinking funds	-99	-1	-	-	-	-	-	-	-100
Infrastructure									
Railway projects	-	-	-	-350	-	-	-	-	-350
Sewerage	-5,812	-	-1,048	-	-1,165	-	-	-	-8,025
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-554	-	-554
Loan Council – housing nominations	-8,211	-	-3,021	-5,237	-3,435	-2,202	-	-2,733	-24,839

Table 48: Other financial flows — estimated advances, repayment of advances and interest payments, 2013-14 (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	-1,196	-	-	-	-	-	-	-	-1,196
Natural disaster relief	-6	-	-1,620	-	-	-	-	-	-1,626
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-562	-562
Housing									
Commonwealth-State Housing									
Agreement loans	-29,999	-2	-8,416	-8,037	-2,548	-4,117	-	-1,225	-54,344
Housing for service personnel	-2,010	-	-1,126	-211	-90	-	-	-	-3,437
Other housing	-	-	-	-	-	-	-7,311	-3,048	-10,359
Infrastructure									
Railway projects	-	-	-	-96	-	-	-	-	-96
Sewerage	-1,265	-	-320	-	-320	-	-	-	-1,905
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-697	-	-697
Loan Council – housing nominations	-18,500	-	-6,645	-11,352	-8,031	-4,905	-	-6,469	-55,902
Net Financial Flow	-48,301	-3	31,332	-34,815	-17,974	-16,169	-16,181	-17,503	-119,614

