



Budget

2016-17

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2016-17

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The Honourable Scott Morrison MP
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and

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Minister for Finance of the Commonwealth of Australia

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FOREWORD

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

NOTES

- (a) The following definitions are used in this Budget Paper:
- Budget year refers to 2016-17, while the forward years refer to 2017-18, 2018-19 and 2019-20; and
 - one billion is equal to one thousand million.
- (b) Figures in tables and the text have generally been rounded. Discrepancies in tables between totals and sums of components reflect rounding unless otherwise noted.
- estimates of \$100,000 and over are generally rounded to the nearest tenth of a million;
 - estimates midway between rounding points are rounded up;
 - percentage changes in tables are based on the underlying unrounded amounts; and
 - except where otherwise indicated, payments to the States in this Budget Paper are reported in expense terms, not cash terms.
- (c) Tables use the following notations:
- | | |
|-----|-------------------------------|
| - | nil |
| na | not applicable |
| \$m | millions of dollars |
| \$b | billions of dollars |
| nfp | not for publication |
| 0 | zero |
| * | unquantifiable |
| .. | not zero, but rounded to zero |
| ~ | allocation not yet determined |

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

NSW	New South Wales
VIC	Victoria
QLD	Queensland
WA	Western Australia
SA	South Australia
TAS	Tasmania
ACT	Australian Capital Territory
NT	Northern Territory
GST	Goods and Services Tax

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

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

Budget Paper No. 3, *Federal Financial Relations 2016-17*, is one of a series of Budget Papers that provides information to supplement the Budget Speech. A full list of the series is printed on the inside cover of this paper. Appendix B: *Total Payments to the States by Government Finance Statistics (GFS) Function*, Appendix C: *Supplementary Tables* and Appendix D: *Debt Transactions* of this paper are available online at: www.budget.gov.au.

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EXECUTIVE SUMMARY

- The 2016-17 Budget is a national economic plan for growth and jobs. Australia's future depends on how well we grow and shape our economy as we move from the unprecedented boom in mining investment to a stronger, broader based economy.
- The Commonwealth is committed to providing financial assistance to State Governments so that they can deliver the services Australians need. The Commonwealth funds around 47 per cent of the States' general government spending through the provision of financial assistance. The States also have access to their own revenue sources to fund State expenditure.
- In 2016-17, the Commonwealth will provide the States with \$116.5 billion in total payments, including payments for specific purposes of \$55.3 billion and general revenue assistance of \$61.3 billion. This contribution represents approximately 25.9 per cent of total Commonwealth expenditure in 2016-17. Total payments to the States from 2015-16 to 2018-19 have increased by \$10.6 billion since the *Mid-Year Economic and Fiscal Outlook 2015-16*.
- The 2016-17 Budget contains new funding arrangements between the Commonwealth and the States, including:
 - An estimated additional \$2.9 billion over three years for public hospital services, preserving important parts of the existing system, including activity based funding and the national efficient price.
 - A further \$1.2 billion in additional funding for government and non-government schools between 2018 and 2020. This funding will be contingent on reform efforts by the States and the non-government schools sector to improve education outcomes.
- The Commonwealth will undertake a policy review, in consultation with all relevant stakeholders, to deliver long-term funding arrangements for hospitals and schools that are both efficient and sustainable.
- The Government is investing a record \$50 billion from 2013-14 to 2019-20 to deliver critical road and rail infrastructure projects. The 2016-17 Budget includes new commitments to allocate funding to significant infrastructure projects including the Forrestfield-Airport Link, the Perth Freight Link and the Ipswich Motorway. The Government is also reallocating \$1.5 billion — originally for Melbourne's East West Link — to help upgrade other priority transport infrastructure in Victoria.

- The 2016-17 Budget also includes funding of \$1.7 billion over four years for a new Child and Adult Public Dental Scheme.
- The GST entitlement to the States is projected to increase by over \$3 billion in each year over the forward estimates. The Government has introduced measures impacting GST which include applying GST to low value goods imported by consumers and tobacco excise measures to improve health outcomes and combat illicit tobacco. Measures have increased the GST entitlement by \$700 million over the forward estimates period.
- All Australian Governments are facing fiscal pressures and must live within their means. The Commonwealth will work with the States to ensure that efficient and sustainable services can be delivered into the future.

PART 1: AUSTRALIA'S FEDERAL RELATIONS

OVERVIEW

The 2016-17 Budget is a national economic plan for growth and jobs. Australia's future depends on how well we grow and shape our economy as we move from the unprecedented boom in mining investment to a stronger, broader based economy.

In 2016-17, the Commonwealth will provide the States with \$116.5 billion in total payments, including payments for specific purposes of \$55.3 billion and general revenue assistance of \$61.3 billion. This contribution represents approximately 25.9 per cent of total Commonwealth expenditure in 2016-17. Overall, Commonwealth funding to the States in 2016-17 will support around 47 per cent of State spending.

The Commonwealth will continue to ensure funding certainty for public hospitals and schools by providing an estimated \$4.1 billion in additional funding until 2020.

- At the 1 April 2016 Council of Australian Governments (COAG) meeting, the Commonwealth and the States signed a three year Heads of Agreement for public hospitals ahead of consideration of longer-term funding arrangements. This agreement preserves important parts of the existing system, including activity based funding and the national efficient price. The Commonwealth will provide an estimated additional \$2.9 billion over three years for public hospital services with growth capped at 6.5 per cent per year. This additional funding is linked to reforms which focus on improving patient safety and the quality of services and reducing unnecessary hospitalisations.
- Between 2018 and 2020, the Commonwealth will also make available \$1.2 billion in additional funding for government and non-government schools. Funding, which will grow by 3.56 per cent and enrolments each year, will be contingent on reform efforts by the States and non-government schools sector to improve education outcomes.

These funding arrangements for schools and hospitals provide an opportunity to develop longer-term funding arrangements and further reforms that focus on quality and sustainability into the future.

The Commonwealth will also provide the States with funding for significant new commitments, including:

- Establishing a new \$1.7 billion Child and Adult Public Dental Scheme for which adult concession card holders and all children will be eligible.

- Accelerating the States' access to funding from the DisabilityCare Australia Fund — the fund that supports National Disability Insurance Scheme expenditure — conditional on the States' agreement to reforms to the governance of the scheme.

The Government is investing a record \$50 billion from 2013-14 to 2019-20 to deliver critical road and rail infrastructure projects. The 2016-17 Budget includes new commitments to allocate funding to significant infrastructure projects including the Forrestfield-Airport Link, the Perth Freight Link and the Ipswich Motorway. The Government is also reallocating \$1.5 billion — originally for Melbourne's East West Link — to help upgrade other priority transport infrastructure in Victoria.

TOTAL PAYMENTS TO THE STATES

The Commonwealth provides substantial levels of funding to the States in key sectors such as health, education, community services and infrastructure and continues to support important productivity enhancing projects and reforms. In addition, the Commonwealth provides general revenue assistance which can be spent according to States' own budget priorities.

In aggregate, the States are estimated to receive Commonwealth payments of \$116.5 billion in 2016-17 for specific purposes and general revenue assistance. This represents an \$8.4 billion increase compared to 2015-16. Total payments to the States from 2015-16 to 2018-19 have increased by \$10.6 billion since the *Mid-Year Economic and Fiscal Outlook 2015-16*. Total payments to the States as a proportion of Commonwealth expenditure are estimated to be 25.9 per cent in 2016-17.

Table 1.1 shows that Commonwealth financial assistance supports more than 45 per cent of State spending. States also have access to their own revenue sources to fund their expenditure.

Table 1.1: Commonwealth payments as a proportion of total State spending

	2014-15(a)	2015-16(b)	2016-17(b)
Total Commonwealth payments (\$m)	103,423	108,195	116,545
Per cent of State spending	45.2	45.7	47.4

(a) Data was sourced from Commonwealth and States' Final Budget Outcomes from 2014-15.

(b) Data was sourced from the latest available State Budget updates.

Payments for specific purposes

In 2016-17, the Commonwealth will provide the States with \$55.3 billion in payments for specific purposes, an increase of \$5.3 billion compared with \$50.0 billion in 2015-16. Payments for specific purposes as a proportion of total Commonwealth expenditure are estimated to be 12.3 per cent in 2016-17.

National Specific Purpose Payments (National SPPs), National Health Reform and Students First funding are expected to total \$39.2 billion in 2016-17, an increase of \$2.2 billion from 2015-16.

National Partnership payments are expected to be \$16.1 billion in 2016-17, an increase of \$3.2 billion from 2015-16.

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

General revenue assistance

General revenue assistance, which principally comprises the GST entitlement, provides untied funding to support the delivery of State services.

In 2016-17, the States are expected to receive \$61.3 billion in general revenue assistance, comprising \$60.7 billion for the GST entitlement and \$605 million for other general revenue assistance. This is an increase of \$3.0 billion from \$58.2 billion in 2015-16. Payments for general revenue assistance are estimated to be 13.6 per cent of Commonwealth expenditure in 2016-17.

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

Table 1.2: Commonwealth payments to the States

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Payments for specific purposes(a)	15,192	11,253	10,150	5,569	3,315	1,111	765	1,250	49,958
General revenue assistance(b)	17,547	12,897	13,044	1,912	5,573	2,266	1,080	3,274	58,236
Total payments to the States	32,739	24,150	23,194	7,481	8,888	3,377	1,845	4,524	108,195
2016-17									
Payments for specific purposes(a)	17,235	11,760	11,491	5,918	3,925	1,233	874	1,191	55,280
General revenue assistance(b)	17,684	13,910	14,297	2,041	6,101	2,307	1,193	3,262	61,265
Total payments to the States	34,920	25,671	25,789	7,959	10,025	3,540	2,067	4,453	116,545
2017-18									
Payments for specific purposes(a)	17,114	12,081	12,060	6,332	4,195	1,136	848	1,055	56,025
General revenue assistance(b)	18,649	14,710	15,076	2,162	6,399	2,402	1,255	3,423	64,529
Total payments to the States	35,763	26,791	27,136	8,494	10,594	3,538	2,104	4,478	120,554
2018-19									
Payments for specific purposes(a)	16,482	12,883	12,019	6,498	3,937	1,225	866	830	55,291
General revenue assistance(b)	19,655	15,545	15,883	2,287	6,707	2,499	1,319	3,590	67,894
Total payments to the States	36,136	28,428	27,902	8,785	10,644	3,724	2,186	4,421	123,185
2019-20									
Payments for specific purposes(a)	15,993	12,322	11,386	6,235	3,624	1,101	919	851	52,981
General revenue assistance(b)	20,550	16,296	16,596	2,403	6,973	2,578	1,375	3,736	70,922
Total payments to the States	36,543	28,619	27,981	8,638	10,598	3,679	2,294	4,587	123,903

(a) State allocations for a small number of programs have yet to be determined. These payments are not reflected in State totals. In some instances, total payments for specific purposes may not equal the sum of State totals.

(b) As State allocations for royalties are not published due to commercial sensitivities, these payments are not reflected in State totals. Total general revenue assistance does not therefore equal the sum of the State totals.

For 2016-17, total payments to the States as a proportion of GDP are estimated to be 6.8 per cent, with payments for specific purposes estimated to be 3.2 per cent and general revenue assistance estimated to be 3.6 per cent.

Table 1.3: Total Commonwealth payments to the States as a proportion of GDP

\$million	National SPPs	National Health Reform funding	Students First funding	National Partnership payments	GST entitlement	Other general revenue assistance	Total	Per cent change from previous year	Per cent of GDP
		(a)	(b)	(c)					
2015-16	4,220	17,196	15,636	12,908	57,450	786	108,195	-	6.6
2016-17	4,306	17,912	16,996	16,068	60,660	605	116,545	7.7	6.8
2017-18	4,377	18,923	17,997	14,727	63,940	589	120,554	3.4	6.7
2018-19	3,855	19,987	18,833	12,616	67,350	544	123,185	2.2	6.5
2019-20	3,138	21,106	19,777	8,959	70,370	552	123,903	0.6	6.2

(a) New arrangements for public hospital funding will apply from 1 July 2017.

(b) New indexation arrangements for schools funding will apply from 1 January 2018.

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

Box 1.1: The Commonwealth's contribution to State expenditure

The Australian Constitution determines the areas of expenditure for which the States have primary responsibility, such as schools, hospitals, roads and public transport.

The Commonwealth funds around 47 per cent of the States' general government spending through financial grants. The States also have access to their own revenue sources to fund their expenditure. Notwithstanding the substantial level of Commonwealth support to the States, all levels of Government must live within their means if services to Australian citizens are to be sustainable into the future.

In 2016-17, the Commonwealth will provide the States with \$116.5 billion in total payments. This comprises around 47 per cent specific purpose payments and 53 per cent general revenue assistance. Specific purpose payments are required to be spent in areas for which the States have primary responsibility. General revenue assistance, principally comprising the GST entitlement, provides untied funding to support the delivery of State services.

An illustrative way to look at the Commonwealth's total contribution to State expenditure is to combine Commonwealth tied payments per sector with general revenue assistance apportioned across sectors. This approach is presented in Table A below.

The Commonwealth's payments to the States are at a record high at a time when State budgets are in a strong position. In aggregate, the States are expecting a net operating surplus of 0.2 per cent of GDP in 2015-16, improving to 0.3 per cent of GDP in 2018-19. Further analysis of the States' fiscal position is provided in Part 4: Developments in the consolidated non-financial public sector.

Box 1.1: The Commonwealth's contribution to State expenditure (continued)

At the COAG meeting in April 2016, the Commonwealth and the States agreed to work together to develop options to share personal income tax revenue raised and collected by the Commonwealth in exchange for reducing payments from the Commonwealth for specific purposes. These options will aim to increase the States' autonomy in meeting their ongoing expenditure responsibilities, provide the States with access to a broad revenue base that grows with the economy, and generate efficiencies by reducing the administrative burden associated with numerous tied Commonwealth grants.

Table A: Commonwealth's contribution to State expenditure^(a)

	Commonwealth tied payments \$million	State spending supported by general revenue assistance (c) \$million	Total State spending \$million	State spending supported by Commonwealth revenue per cent
2014-15				
Education	17,244	10,838	52,604	53.4
Health	16,803	14,343	63,597	49.0
Social security and welfare	2,155	4,624	17,240	39.3
Housing and community amenities	2,161	2,763	11,175	44.1
Agriculture, forestry and fishing	480	602	2,444	44.3
Transport and communication	4,851	6,301	25,407	43.9
Other functions(b)	4,304	15,954	56,355	35.9
Payments for specific purposes	47,997			
General revenue assistance		55,425		
Total			228,822	45.2

(a) Functional data is consistent with Government Financial Statistics and sourced from Commonwealth and States' 2014-15 Final Budget Outcomes.

(b) 'Other functions' includes additional functions not elsewhere itemised but does not include general revenue assistance.

(c) General revenue assistance is provided to the States without conditions, to spend according to their own budget priorities. For illustrative purposes general revenue assistance is allocated to expense functions based on the ratio of discretionary spending in each function as a share of States' total discretionary spending.

PART 2: PAYMENTS FOR SPECIFIC PURPOSES

OVERVIEW

The Commonwealth provides payments to the States for specific purposes in policy areas for which the States have primary responsibility. 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 currently supports the States in certain service delivery sectors through three National Specific Purpose Payments (National SPPs) – Skills and Workforce Development, Disability Services and Affordable Housing. The States are required to spend each National SPP in the relevant sector.

The National SPPs are ongoing and are indexed each year by growth factors specified in the *Intergovernmental Agreement on Federal Financial Relations* (the Intergovernmental Agreement). They are distributed among the States in accordance with population shares based on the Australian Statistician's determination as at 31 December of the relevant year.

The Commonwealth also supports the States through the provision of public hospitals funding. This funding is currently calculated by reference to the level of estimated efficient growth in hospital activity in each State. At the 1 April 2016 Council of Australian Governments (COAG) meeting, the Commonwealth and the States signed a three year Heads of Agreement for public hospitals ahead of consideration of longer-term funding arrangements. The Commonwealth will provide an estimated additional \$2.9 billion over three years for public hospital services with growth capped at 6.5 per cent per year. Further details are included in the Health section of this Part.

Between 2018 and 2020, the Commonwealth will also provide \$1.2 billion in additional funding for government and non-government schools. Funding, which will grow by 3.56 per cent and enrolments each year, will be contingent on reform efforts by the States and non-government schools sector to improve education outcomes.

These funding arrangements for schools and hospitals provide an opportunity to develop longer-term funding arrangements and further reforms that focus on quality and sustainability into the future.

Under the Intergovernmental Agreement, National Partnership payments to the States are the key vehicle to facilitate reforms or support the delivery of projects and services. National Partnerships are typically entered into for a fixed period of time, reflecting the nature of the project or reform involved.

To the fullest extent possible, payments are aligned with the achievement of milestones and are made after the States have achieved the outcomes or outputs specified in the relevant National Partnership.

National Partnerships are publicly available on the Federal Financial Relations website at: www.federalfinancialrelations.gov.au.

Total payments for specific purposes

Total payments for specific purposes by category are shown in Table 2.1.

Table 2.1: Total payments for specific purposes by category, 2015-16 to 2019-20

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2015-16									
National Specific Purpose									
Payments	1,353	1,056	847	460	300	91	69	43	4,220
National Health Reform funding	5,552	4,175	3,525	1,822	1,224	375	325	199	17,196
Students First funding	4,809	3,915	3,301	1,561	1,129	368	265	284	15,636
National Partnership payments(b)	3,478	2,107	2,476	1,726	661	276	106	724	12,908
Total payments for specific purposes	15,192	11,253	10,150	5,569	3,315	1,111	765	1,250	49,958
2016-17									
National Specific Purpose									
Payments	1,379	1,080	864	471	305	92	71	44	4,306
National Health Reform funding	5,717	4,373	3,630	2,012	1,268	365	341	206	17,912
Students First funding	5,242	4,240	3,651	1,673	1,194	397	280	319	16,996
National Partnership payments(b)	4,897	2,068	3,346	1,763	1,158	379	182	623	16,068
Total payments for specific purposes	17,235	11,760	11,491	5,918	3,925	1,233	874	1,191	55,280
2017-18									
National Specific Purpose									
Payments	1,410	1,107	883	484	310	93	47	44	4,377
National Health Reform funding	6,022	4,596	3,853	2,155	1,326	378	365	229	18,923
Students First funding	5,552	4,469	3,833	1,857	1,265	410	294	316	17,997
National Partnership payments(b)	4,130	1,910	3,491	1,836	1,294	256	142	465	14,727
Total payments for specific purposes	17,114	12,081	12,060	6,332	4,195	1,136	848	1,055	56,025
2018-19									
National Specific Purpose									
Payments	930	1,135	903	497	203	94	47	45	3,855
National Health Reform funding	6,340	4,829	4,089	2,307	1,387	390	392	253	19,987
Students First funding	5,747	4,690	3,971	2,050	1,337	417	313	308	18,833
National Partnership payments(b)	3,464	2,228	3,057	1,644	1,011	325	114	225	12,616
Total payments for specific purposes	16,482	12,883	12,019	6,498	3,937	1,225	866	830	55,291

Table 2.1: Total payments for specific purposes by category, 2015-16 to 2019-20 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2019-20									
National Specific Purpose									
Payments	945	746	591	513	205	60	48	29	3,138
National Health Reform funding	6,674	5,074	4,337	2,470	1,449	403	420	278	21,106
Students First funding	5,996	4,933	4,209	2,157	1,395	430	331	325	19,777
National Partnership payments(b)	2,378	1,570	2,249	1,095	575	207	120	218	8,959
Total payments for specific purposes	15,993	12,322	11,386	6,235	3,624	1,101	919	851	52,981

(a) As State allocations for a small number of programmes have yet to be determined, these payments are not included in State totals. As a result, total payments may not equal the sum of State totals.

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

Total payments for specific purposes by sector are shown in Table 2.2.

Table 2.2: Total payments for specific purposes by sector, 2015-16 to 2019-20

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
Health	17,906	18,723	19,552	20,598	21,712
Education	16,260	17,574	18,429	18,873	19,817
Skills and workforce development	1,852	1,992	1,499	1,522	1,548
Community services	2,981	2,558	2,854	4,885	1,530
Affordable housing	1,883	1,936	1,759	1,387	1,409
Infrastructure	6,999	9,178	8,754	5,046	3,956
Environment	590	692	491	228	150
Contingent	49	28	11	..	..
Other(a)	1,438	2,601	2,676	2,752	2,859
Total payments for specific purposes	49,958	55,280	56,025	55,291	52,981

(a) Includes financial assistance grants for local government.

Total payments for specific purposes by sector and category are shown in Table 2.3.

Table 2.3: Total payments for specific purposes by sector and category, 2015-16 to 2019-20

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
<i>Health</i>					
National Health Reform funding	17,196	17,912	18,923	19,987	21,106
National Partnerships	710	811	629	611	606
Total health payments	17,906	18,723	19,552	20,598	21,712
<i>Education</i>					
Students First funding	15,636	16,996	17,997	18,833	19,777
National Partnerships	624	578	432	40	40
Total education payments	16,260	17,574	18,429	18,873	19,817
<i>Skills and workforce development</i>					
National Skills and Workforce					
Development SPP	1,455	1,476	1,499	1,522	1,548
National Partnerships	397	516	-	-	-
Total skills and workforce development payments	1,852	1,992	1,499	1,522	1,548
<i>Community services</i>					
National Disability SPP	1,440	1,487	1,516	949	185
National Partnerships	1,541	1,071	1,338	3,936	1,344
Total community services payments	2,981	2,558	2,854	4,885	1,530
<i>Affordable housing</i>					
National Affordable Housing SPP	1,324	1,343	1,363	1,383	1,405
National Partnerships	559	593	397	4	4
Total affordable housing payments	1,883	1,936	1,759	1,387	1,409
<i>Infrastructure</i>					
National Partnerships	6,999	9,178	8,754	5,046	3,956
<i>Environment</i>					
National Partnerships	590	692	491	228	150
<i>Contingent payments</i>					
National Partnerships	49	28	11	..	..
<i>Other</i>					
National Partnerships(a)	1,438	2,601	2,676	2,752	2,859
Total payments for specific purposes	49,958	55,280	56,025	55,291	52,981

(a) Includes financial assistance grants for local government.

Further information on each of these payments is contained in this Part. New measures associated with payments to the States are included in Budget Paper No. 2, *Budget Measures 2016-17*.

Total payments to the States for specific purposes, as categorised by Government Finance Statistics functions, are set out in Appendix B, which is available online.

HEALTH

In 2016-17, the Commonwealth will provide funding of \$18.7 billion to support State health services, including \$17.9 billion in National Health Reform funding and \$811.5 million in National Partnership payments, as detailed in Table 2.4.

Table 2.4: Payments to support State health services

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Health Reform funding	17,195.9	17,911.6	18,922.8	19,986.7	21,105.8
National Partnership payments					
Health services	88.3	79.7	31.5	27.5	13.5
Health infrastructure	237.4	156.2	31.1	10.2	-
Indigenous health	16.4	17.4	7.3	7.6	7.9
Other health payments	367.6	558.2	559.4	565.7	584.4
Total	17,905.7	18,723.1	19,552.1	20,597.6	21,711.6

National Health Reform funding

In 2016-17, National Health Reform funding is estimated to be \$17.9 billion. This is an increase of \$1.0 billion, or 6.2 per cent, from 2015-16, excluding an adjustment for 2014-15 outcomes.

National Health Reform funding^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Hospital services	5,438.8	4,086.3	3,454.5	1,783.3	1,198.9	367.3	318.9	195.1	16,843.2
Public health	113.1	88.3	70.8	38.4	25.1	7.6	5.8	3.6	352.8
Total(b)	5,551.8	4,174.6	3,525.3	1,821.8	1,224.0	375.0	324.7	198.7	17,195.9
2016-17									
Hospital services	5,597.8	4,279.4	3,555.7	1,970.9	1,241.6	357.4	334.7	202.5	17,540.0
Public health	119.0	93.2	74.6	40.7	26.3	7.9	6.1	3.8	371.6
Total	5,716.9	4,372.7	3,630.3	2,011.5	1,267.9	365.3	340.8	206.2	17,911.6
2017-18									
Hospital services	5,896.3	4,497.3	3,774.7	2,111.6	1,298.6	369.4	359.0	224.7	18,531.5
Public health	125.3	98.4	78.5	43.0	27.5	8.2	6.4	3.9	391.4
Total	6,021.6	4,595.7	3,853.2	2,154.6	1,326.1	377.6	365.4	228.7	18,922.8
2018-19									
Hospital services	6,208.4	4,725.3	4,005.9	2,261.9	1,357.7	381.7	384.9	248.6	19,574.4
Public health	132.0	103.9	82.6	45.5	28.8	8.6	6.7	4.1	412.3
Total	6,340.4	4,829.2	4,088.5	2,307.4	1,386.5	390.3	391.6	252.7	19,986.7
2019-20									
Hospital services	6,534.9	4,963.8	4,250.2	2,422.3	1,419.1	394.4	412.6	274.0	20,671.4
Public health	139.0	109.7	86.9	48.2	30.2	8.9	7.1	4.3	434.4
Total	6,673.9	5,073.5	4,337.1	2,470.5	1,449.3	403.3	419.7	278.4	21,105.8

(a) The efficient growth funding component of National Health Reform funding is indicative only. The distribution of efficient growth funding will be determined by the actual efficient growth in activity in each of the States

(b) National Health Reform funding in 2015-16 includes an adjustment of \$327.8 million related to services provided in 2014-15.

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From July 2014 to June 2017, National Health Reform funding is linked to the level of services delivered by public hospitals as provided under the National Health Reform Agreement. During this period, each State's entitlement is directly linked to the growth in public hospital activity provided in that jurisdiction and the national efficient price determined by the Independent Hospital Pricing Authority.

At the April 2016 Council of Australian Governments meeting, the Commonwealth and the States signed a Heads of Agreement for public hospitals funding from 1 July 2017 to 30 June 2020 ahead of consideration of longer-term arrangements. This agreement preserves important parts of the existing system, including activity based funding and the national efficient price, with growth in Commonwealth funding capped at 6.5 per cent a year. It focuses on improving patient safety and the quality of services, and reducing unnecessary hospitalisations.

A new spending measure associated with this additional funding is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

Final entitlement to National Health Reform funding

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2014-15									
National Health Reform	4,995.5	3,892.0	3,190.8	1,734.4	1,147.8	346.4	314.0	170.4	15,791.2

The Treasurer determined final entitlements for 2014-15 National Health Reform funding in accordance with advice from the Administrator of the National Health Funding Body.

National Partnership payments for health

A total of \$811.5 million will be provided to the States in 2016-17 under the following health categories:

- health services;
- health infrastructure;
- Indigenous health; and
- other health payments.

Health services

In 2016-17, the Commonwealth is estimated to provide \$79.7 million to support the delivery of health services in the States.

2.4.1 Health services

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Partnership payments					
Additional assistance for public hospitals	-	-	-	1.9	4.1
Expansion of the BreastScreen					
Australia program	13.6	15.8	-	-	-
Hummingbird House	0.8	0.8	0.8	0.8	0.8
National Bowel Cancer Screening					
Program – participant follow-up					
function	2.4	4.7	6.4	-	-
OzFoodNet	1.7	1.7	1.8	1.8	1.8
Royal Darwin Hospital – equipped,					
prepared and ready	15.5	15.7	16.0	16.3	-
Torres Strait health protection strategy					
– mosquito control	1.0	1.0	1.0	1.0	1.0
Torres Strait / Papua New Guinea					
cross border health issues	4.6	4.7	4.7	4.8	4.9
Vaccine-preventable diseases					
surveillance	0.8	0.8	0.8	0.9	0.9
Victorian Cytology Service	9.3	9.8	-	-	-
Improving Health Services in Tasmania					
Better access to community based					
palliative care services	1.7	-	-	-	-
Cradle Coast Connected Care clinical					
repository	0.3	-	-	-	-
Improving patient pathways through					
clinical and system redesign	7.9	1.1	-	-	-
Innovative flexible funding for					
mental health	1.0	-	-	-	-
Reducing elective surgery waiting					
lists in Tasmania	12.0	8.5	-	-	-
Subacute and acute projects	15.7	15.0	-	-	-
Total	88.3	79.7	31.5	27.5	13.5

National Partnership on additional assistance for public hospitals^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	1.9	-	-	1.9
2019-20	-	-	-	-	-	4.1	-	-	4.1

(a) Funding is indicative only and will depend on final entitlements to National Health Reform funding from 2017-18 to 2019-20.

The Commonwealth will provide funding to Tasmania and the Australian Capital Territory for the *National Partnership on additional assistance for public hospitals* in the event that growth in National Health Reform funding is lower than growth in CPI and

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population in a given year. These arrangements will be settled following further negotiations with Tasmania and the Australian Capital Territory.

A new spending measure associated with the additional assistance for public hospitals is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership on expansion of the BreastScreen Australia programme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	4.8	3.5	1.4	2.0	1.1	0.4	0.4	0.1	13.6
2016-17	5.4	4.3	1.6	2.3	1.3	0.5	0.3	0.1	15.8
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on expansion of the BreastScreen Australia programme* to improve the early detection of breast cancer by expanding the target age range of the BreastScreen Australia programme from women 50 to 69 years of age to women 50 to 74 years of age. This builds on the existing BreastScreen Australia programme, which commenced in 1991.

National Partnership on Hummingbird House

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	0.8	-	-	-	-	-	0.8
2016-17	-	-	0.8	-	-	-	-	-	0.8
2017-18	-	-	0.8	-	-	-	-	-	0.8
2018-19	-	-	0.8	-	-	-	-	-	0.8
2019-20	-	-	0.8	-	-	-	-	-	0.8

The Commonwealth is providing funding for the *National Partnership on Hummingbird House* for the operation of a dedicated respite and hospice care facility for children with life limiting conditions and their families and carers.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	0.8	0.7	0.3	0.3	0.2	0.1	0.1	2.4
2016-17	1.5	1.1	0.9	0.5	0.3	0.2	0.2	0.1	4.7
2017-18	2.0	1.5	1.2	0.6	0.4	0.2	0.2	0.1	6.4
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the National Bowel Cancer Screening Programme — participant follow-up function*. This initiative funds the follow-up of participants who return a positive test result and are not recorded as having attended a consultation with a health professional. The programme will be expanded to provide access to biennial screening for all Australians aged 50 to 74 by 2019-20.

National Partnership on OzFoodNet

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.3	0.3	0.3	0.2	0.2	0.2	0.1	0.1	1.7
2016-17	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.1	1.7
2017-18	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.1	1.8
2018-19	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.2	1.8
2019-20	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.2	1.8

The Commonwealth is providing funding for the *National Partnership on OzFoodNet*. This is a collaborative initiative with State health authorities for enhanced foodborne disease surveillance. This initiative aims to provide a better understanding of the causes and incidence of foodborne disease in the community and to provide an evidence base for policy formulation. OzFoodNet collaborates nationally to coordinate investigations into foodborne disease outbreaks, particularly those that cross State and country borders.

A new spending measure associated with the OzFoodNet programme is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership on Royal Darwin Hospital — equipped, prepared and ready

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	15.5	15.5
2016-17	-	-	-	-	-	-	-	15.7	15.7
2017-18	-	-	-	-	-	-	-	16.0	16.0
2018-19	-	-	-	-	-	-	-	16.3	16.3
2019-20	-	-	-	-	-	-	-	-	-

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

National Partnership on the Torres Strait health protection strategy — mosquito control

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	1.0	-	-	-	-	-	1.0
2016-17	-	-	1.0	-	-	-	-	-	1.0
2017-18	-	-	1.0	-	-	-	-	-	1.0
2018-19	-	-	1.0	-	-	-	-	-	1.0
2019-20	-	-	1.0	-	-	-	-	-	1.0

The Commonwealth is providing funding for the *National Partnership on the Torres Strait health protection strategy – mosquito control* to assist in mosquito detection and elimination. Funding also supports employment of a Torres Strait communication officer to improve communication and coordination between Australia and Papua New Guinea to reduce the spread of communicable diseases in the Torres Strait.

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New spending measures associated with the Torres Strait health protection strategy are discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership on Torres Strait / Papua New Guinea cross border health issues

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	4.6	-	-	-	-	-	4.6
2016-17	-	-	4.7	-	-	-	-	-	4.7
2017-18	-	-	4.7	-	-	-	-	-	4.7
2018-19	-	-	4.8	-	-	-	-	-	4.8
2019-20	-	-	4.9	-	-	-	-	-	4.9

The Commonwealth is providing funding for the *National Partnership on Torres Strait / Papua New Guinea cross border health issues*. Under this programme, the Commonwealth is providing funding to Queensland as a contribution towards the costs of treating Papua New Guinean nationals who travel through the Torres Strait Treaty zone and access healthcare facilities in the Queensland health and hospitals network.

A new spending measure associated with Torres Strait / Papua New Guinea cross border health issues is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership on vaccine-preventable diseases surveillance

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.2	0.2	0.2	0.1	0.1	..	..	..	0.8
2016-17	0.2	0.2	0.2	0.1	0.1	..	..	..	0.8
2017-18	0.2	0.2	0.2	0.1	0.1	..	..	..	0.8
2018-19	0.2	0.2	0.2	0.1	0.1	..	..	0.1	0.9
2019-20	0.2	0.2	0.2	0.1	0.1	..	..	0.1	0.9

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

A new spending measure associated with surveillance of vaccine-preventable diseases is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership for Victorian Cytology Service

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	9.3	-	-	-	-	-	-	9.3
2016-17	-	9.8	-	-	-	-	-	-	9.8
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership for Victorian Cytology Service* to support the early detection of pre-cancerous cervical conditions by processing pap smears undertaken by general practitioners and other health professionals.

National Partnership on Improving Health Services in Tasmania

The Commonwealth is providing funding for a package of measures to address pressures on the Tasmanian health system and improve healthcare outcomes for Tasmanians.

Better access to community based palliative care services component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	1.7	-	-	1.7
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding to strengthen the capacity of existing publicly funded palliative care services and networks, and to improve access to multi-disciplinary community based palliative care services.

Cradle Coast Connected Care clinical repository component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	0.3	-	-	0.3
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding to support the continued operation of the Cradle Coast Connected Care clinical repository. The clinical repository stores advance care plans, which document a person's preferences about health, personal care and preferred health outcomes, and guide future decision making when the person cannot make or communicate decisions relating to their health needs.

Improving patient pathways through clinical and system redesign component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	7.9	-	-	7.9
2016-17	-	-	-	-	-	1.1	-	-	1.1
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to support clinical system redesign at the Royal Hobart Hospital and the Launceston General Hospital to alleviate pressure on emergency departments through innovative service delivery models such as emergency medical units.

Innovative flexible funding for mental health component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	1.0	-	-	1.0
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for packages of care to support Tasmanians not well served by mainstream care approaches, including those affected by alcohol, drug, and other complex mental health issues. The funding will be innovative and flexible to provide intensive, short term support that is individualised, community based and recovery focused.

Reducing elective surgery waiting lists in Tasmania component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	12.0	-	-	12.0
2016-17	-	-	-	-	-	8.5	-	-	8.5
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to increase Tasmania's capacity to perform elective surgery procedures and increase efficiency and productivity through improved elective surgery management practices. This will ensure that patients receive their operations in priority of clinical need and will support Tasmania in managing its elective surgery waiting list.

Subacute and acute projects component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	15.7	-	-	15.7
2016-17	-	-	-	-	-	15.0	-	-	15.0
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to Tasmania to improve the whole of system approach to subacute and acute services models. The funding also provides for continued services at the John L. Grove Rehabilitation Centre.

Health infrastructure

In 2016-17, the Commonwealth is estimated to provide \$156.2 million to support the development of health-related infrastructure in the States.

Table 2.4.2 Health infrastructure

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Partnership payments					
Hospital infrastructure and other projects of national significance	0.6	-	-	-	-
National cancer system	62.1	5.0	1.6	-	-
Regional priority round	117.8	128.0	29.5	10.2	-
Albury-Wodonga Cardiac Catheterisation Laboratory	3.5	1.5	-	-	-
Bright Hospital – feasibility study	0.1	-	-	-	-
Construction of Palmerston Hospital	-	20.0	-	-	-
Improving local access to health care on Phillip Island	2.5	-	-	-	-
Redevelopment of the Royal Victorian Eye and Ear Hospital	50.0	-	-	-	-
Upgrade of Ballina Hospital	0.9	1.7	-	-	-
Total	237.4	156.2	31.1	10.2	-

Hospital infrastructure and other projects of national significance

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	0.6	-	-	-	-	0.6
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

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

These projects were previously funded from the Health and Hospitals Fund, which closed on 29 October 2015.

National cancer system

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	51.0	0.4	4.4	-	6.3	-	-	62.1
2016-17	-	0.5	-	4.5	-	-	-	-	5.0
2017-18	-	-	-	1.6	-	-	-	-	1.6
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

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

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These projects were previously funded from the Health and Hospitals Fund, which closed on 29 October 2015.

Regional priority round

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	38.6	14.1	17.0	1.0	-	-	47.0	117.8
2016-17	15.7	6.9	11.7	20.1	-	25.0	-	48.5	128.0
2017-18	-	-	2.0	0.5	-	15.0	-	12.0	29.5
2018-19	-	-	-	0.2	-	10.0	-	-	10.2
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to invest in regional Australia. Regional priority funding will improve access to essential health services for Australians living in rural, regional and remote areas.

These projects were previously funded from the Health and Hospitals Fund, which closed on 29 October 2015.

National Partnership on the Albury-Wodonga Cardiac Catheterisation Laboratory

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	3.5	-	-	-	-	-	-	3.5
2016-17	-	1.5	-	-	-	-	-	-	1.5
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the Albury-Wodonga Cardiac Catheterisation Laboratory*. This new laboratory will enable local residents suffering from heart conditions to access quality care, without the need to travel long distances to capital cities.

National Partnership on Bright Hospital — feasibility study

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	0.1	-	-	-	-	-	-	0.1
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on Bright Hospital – feasibility study*. This study will examine the feasibility of redeveloping the Bright Hospital.

National Partnership on construction of Palmerston Hospital

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	-	-	-	-	-	20.0	20.0
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on construction of Palmerston Hospital*. The new hospital will provide a full emergency department, a paediatrics ward, and medical and surgical services. Additional funding is being provided for Palmerston Hospital as a regional priority round project.

National Partnership on improving local access to health care on Phillip Island

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	2.5	-	-	-	-	-	-	2.5
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on improving local access to health care on Phillip Island* to construct a new Health and Medical Hub.

National Partnership on redevelopment of the Royal Victorian Eye and Ear Hospital

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	50.0	-	-	-	-	-	-	50.0
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on redevelopment of the Royal Victorian Eye and Ear Hospital* for the completion of the redevelopment of the Royal Victorian Eye and Ear Hospital.

National Partnership for the upgrade of Ballina Hospital

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.9	-	-	-	-	-	-	-	0.9
2016-17	1.7	-	-	-	-	-	-	-	1.7
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership for the upgrade of Ballina Hospital* for the construction of a second operating theatre and upgrade of the medical imaging department at Ballina Hospital. This will improve the delivery of services in the hospital and enable an increase in the operating theatre capacity.

Indigenous health

In 2016-17, the Commonwealth is estimated to provide \$17.4 million to the States for programmes to improve the health of Indigenous people.

2.4.3 Indigenous health

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Partnership payments					
Accommodation and infrastructure related to renal services for Aboriginal and Torres Strait Islander peoples in the Northern Territory	3.0	3.0	-	-	-
Addressing blood borne viruses and sexually transmitted infections in the Torres Strait Islands	0.5	1.1	1.1	1.1	1.1
Improving trachoma control services for Indigenous Australians	4.2	4.3	-	-	-
Northern Territory remote Aboriginal investment					
Health component	5.6	5.9	6.2	6.4	6.7
Rheumatic fever strategy	3.1	3.1	-	-	-
Total	16.4	17.4	7.3	7.6	7.9

National Partnership on accommodation and infrastructure related to renal services for Aboriginal and Torres Strait Islander peoples in the Northern Territory

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	3.0	3.0
2016-17	-	-	-	-	-	-	-	3.0	3.0
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on accommodation and infrastructure related to renal services for Aboriginal and Torres Strait Islander peoples in the Northern Territory* for the construction of renal accommodation and dialysis facilities.

National Partnership on addressing blood borne viruses and sexually transmissible infections in the Torres Strait

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	0.5	-	-	-	-	-	0.5
2016-17	-	-	1.1	-	-	-	-	-	1.1
2017-18	-	-	1.1	-	-	-	-	-	1.1
2018-19	-	-	1.1	-	-	-	-	-	1.1
2019-20	-	-	1.1	-	-	-	-	-	1.1

The Commonwealth is providing funding for the *National Partnership on addressing blood borne viruses and sexually transmissible infections in the Torres Strait* to increase the number of ongoing primary health care staff in the Torres Strait to undertake disease

prevention activities, surveillance, testing and treatment, sexual health checks, and to deliver a culturally appropriate sexual health education campaign.

New spending measures associated with the Torres Strait health protection strategy are discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership on improving trachoma control services for Indigenous Australians

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.3	-	0.1	1.4	1.0	-	-	1.6	4.2
2016-17	0.3	-	0.1	1.4	1.0	-	-	1.6	4.3
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on improving trachoma control services for Indigenous Australians* for the continuation of trachoma control activities in jurisdictions where trachoma, an infectious disease which can lead to blindness, is endemic.

National Partnership on Northern Territory remote Aboriginal investment

The Commonwealth is providing funding for the *National Partnership on Northern Territory remote Aboriginal investment*. This continues the Commonwealth's investment under the *National Partnership on Stronger Futures in the Northern Territory* to address Indigenous disadvantage.

The National Partnership will support the Northern Territory in taking practical action to improve the lives of Aboriginal people through activities and services to improve outcomes in schooling, community safety, health and housing, and create job opportunities for adults.

This National Partnership is discussed further in the Community Services, Education and Affordable Housing sections of this Part.

Health component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	5.6	5.6
2016-17	-	-	-	-	-	-	-	5.9	5.9
2017-18	-	-	-	-	-	-	-	6.2	6.2
2018-19	-	-	-	-	-	-	-	6.4	6.4
2019-20	-	-	-	-	-	-	-	6.7	6.7

The Commonwealth will provide funding to improve health and wellbeing by supplementing primary health care services in remote Northern Territory communities to position the Northern Territory for the long term sustainability of its services to Aboriginal people. This funding will include support for the provision of integrated oral and hearing health services to children in remote communities.

National Partnership for the rheumatic fever strategy

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	0.9	0.9	0.4	-	-	0.9	3.1
2016-17	-	-	0.9	0.9	0.4	-	-	0.9	3.1
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership for the rheumatic fever strategy* to support, register and control programmes for acute rheumatic fever and rheumatic heart disease in Indigenous children.

A new spending measure associated with the rheumatic fever strategy is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

Other health

In 2016-17 the Commonwealth is estimated to provide \$558.2 million to the States for further health related National Partnerships.

2.4.4 Other Health National Partnership payments

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Partnership payments					
Adult public dental services	155.0	-	-	-	-
Child and adult public dental scheme	-	415.6	415.6	420.2	437.5
Essential vaccines	166.0	142.2	143.3	145.1	146.5
National Coronial Information System	0.4	0.4	0.4	0.4	0.4
Response to the Zika virus	1.0	-	-	-	-
Supporting National Mental Health Reform	45.3	-	-	-	-
Total	367.6	558.2	559.4	565.7	584.4

National Partnership on adult public dental services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	49.9	38.5	30.3	13.0	12.5	5.5	2.4	2.9	155.0
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on adult public dental services* to support the provision of dental services to adults who rely on the public dental system.

National Partnership on the child and adult public dental scheme^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	~	~	~	~	~	~	~	~	415.6
2017-18	~	~	~	~	~	~	~	~	415.6
2018-19	~	~	~	~	~	~	~	~	420.2
2019-20	~	~	~	~	~	~	~	~	437.5

(a) State allocations are yet to be finalised.

The Commonwealth will provide funding for the *National Partnership on the child and adult public dental scheme* to support the delivery of services in the public dental system. Adult concession card holders and all children will be eligible for the Scheme. The Commonwealth's contributions will be based on 40 per cent of the national efficient price of dental services.

Funding for the Scheme is a new spending measure in the 2016-17 Budget. This measure is discussed in Budget Paper No. 2, *Budget Measures 2016-17* and involves replacing the *National Partnership on adult public dental services* and the Commonwealth provided Child Dental Benefits Schedule.

National Partnership on essential vaccines

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	59.5	33.9	33.4	19.5	10.5	3.1	2.9	3.0	166.0
2016-17	44.1	33.9	30.4	17.0	9.1	2.8	2.4	2.6	142.2
2017-18	44.2	34.1	30.7	17.3	9.1	2.8	2.4	2.6	143.3
2018-19	44.5	34.5	31.2	17.8	9.2	2.8	2.4	2.6	145.1
2019-20	44.8	34.9	31.6	18.2	9.2	2.8	2.5	2.6	146.5

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

National Partnership on the National Coronial Information System

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	0.4	-	-	-	-	-	-	0.4
2016-17	-	0.4	-	-	-	-	-	-	0.4
2017-18	-	0.4	-	-	-	-	-	-	0.4
2018-19	-	0.4	-	-	-	-	-	-	0.4
2019-20	-	0.4	-	-	-	-	-	-	0.4

The Commonwealth is providing funding for the *National Partnership on the National Coronial Information System*. This National Partnership supports the administration, maintenance and improvement of Australia's national database of coronial data.

A new spending measure associated with the National Coronial Information System is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership for response to the Zika virus

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	1.0	-	-	-	-	-	1.0
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership for response to the Zika virus* to assist in enhancing the ability of the Dengue Action Response Team in Cairns and Townsville to increase surveillance and control in areas at high risk of the exotic mosquito, *Aedes aegypti*, spreading the Zika virus in Queensland.

National Partnership on supporting National Mental Health Reform

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	13.6	7.6	10.4	7.0	3.4	1.7	0.6	0.9	45.3
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on supporting National Mental Health Reform* to deliver improved health, social, economic and housing outcomes for people with severe and persistent mental illness by addressing service gaps and preventing ongoing cycling through State mental health systems.

EDUCATION

In 2016-17, the Commonwealth will provide funding of \$17.6 billion to support State education services, including \$17.0 billion in Students First funding and \$578.3 million through National Partnership payments, as detailed in Table 2.5.

Table 2.5: Payments to support State education services

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
Students First funding	15,635.5	16,995.7	17,997.4	18,833.2	19,777.1
National Partnership payments					
Independent Public Schools initiative	24.5	19.9	-	-	-
MoneySmart Teaching	1.1	1.3	nfp	nfp	nfp
National quality agenda for early childhood education and care	19.1	21.6	20.3	nfp	nfp
National School Chaplaincy Programme	60.6	60.6	60.6	-	-
National School for Travelling Show Children	0.2	-	-	-	-
Northern Territory remote Aboriginal investment(a)					
Children and schooling component	51.2	46.1	46.6	39.6	39.6
Online safety programmes in schools	1.3	2.5	3.8	-	-
School Pathways Programme	1.3	-	-	-	-
Schools Security Programme	5.7	8.2	3.2	-	-
Trade training centres in schools	51.7	-	-	-	-
Universal access to early childhood education	407.7	418.0	297.5	-	-
Total	16,259.8	17,574.0	18,429.4	18,872.8	19,816.7
<i>Memorandum item – payments for non-government schools included in payments above</i>					
Students First funding	9,869.2	10,553.8	11,061.1	11,556.2	12,106.4
National Partnership payments					
Online safety programmes in schools	0.4	0.7	1.1	-	-
Schools Security Programme	4.7	7.2	3.2	-	-
Trade training centres in schools	1.0	-	-	-	-
Total	9,875.3	10,561.8	11,065.4	11,556.2	12,106.4

(a) Includes payments for government and non-government schools. However, the non-government schools component is not included in the Memorandum item.

Students First funding

The Commonwealth's Students First policy aims to improve the educational outcomes of Australian students and their schools.

In 2016-17, the Commonwealth will provide \$17.0 billion in Students First funding to government and non-government schools in all States. This includes recurrent funding, capital funding, special circumstances funding for non-government schools, funding for non-government representative bodies, and other prescribed purpose funding.

Students First funding

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Government schools	1,757.5	1,361.1	1,290.7	562.3	405.0	163.7	82.5	143.5	5,766.4
Non-government schools(a)(b)(c)(d)	3,052.0	2,553.9	2,010.3	999.1	724.4	204.8	182.4	140.8	9,869.2
Total	4,809.5	3,915.0	3,301.0	1,561.4	1,129.5	368.5	264.9	284.3	15,635.5
2016-17(e)									
Government schools	2,003.3	1,500.1	1,480.2	598.0	429.4	177.0	86.7	167.3	6,441.9
Non-government schools(a)(b)(c)(d)	3,238.5	2,739.5	2,170.5	1,074.8	764.8	219.9	192.9	151.4	10,553.8
Total	5,241.8	4,239.6	3,650.7	1,672.8	1,194.2	396.9	279.6	318.6	16,995.7
2017-18(e)(f)									
Government schools	2,152.6	1,583.0	1,563.7	735.9	471.1	178.9	95.3	155.8	6,936.3
Non-government schools(a)(b)(c)	3,399.3	2,885.5	2,269.3	1,121.0	794.3	230.8	198.9	160.5	11,061.1
Total	5,551.9	4,468.5	3,833.0	1,857.0	1,265.4	409.6	294.1	316.3	17,997.4
2018-19(f)									
Government schools	2,203.1	1,659.6	1,604.5	878.0	511.6	177.1	104.8	138.4	7,277.0
Non-government schools(a)(b)	3,543.8	3,030.2	2,366.9	1,171.6	825.0	239.4	208.3	169.4	11,556.2
Total	5,746.9	4,689.8	3,971.3	2,049.5	1,336.6	416.5	313.1	307.8	18,833.2
2019-20(f)									
Government schools	2,302.3	1,751.8	1,711.0	929.0	536.6	182.5	112.3	145.2	7,670.7
Non-government schools(a)(b)	3,694.1	3,181.0	2,497.7	1,228.1	858.1	247.9	218.4	179.5	12,106.4
Total	5,996.4	4,932.8	4,208.6	2,157.1	1,394.7	430.4	330.7	324.8	19,777.1

(a) Includes capital funding.

(b) Includes special circumstances funding. As State allocations cannot be determined, this funding is included in the total for each year only. As a result, the total for each year does not equal the sum of State totals.

(c) Includes other prescribed purpose funding.

(d) Includes funding for non-government representative bodies.

(e) Includes additional funding for students with disability.

(f) State allocations from the 2018 school year onwards are indicative only and final allocations are subject to formal negotiations between the Commonwealth, the States and the non-government schools sector.

Between 2018 and 2020, the Commonwealth will provide \$1.2 billion in additional funding for government and non-government schools. Funding, which will grow by 3.56 per cent each year with an allowance for changes in enrolments, will be contingent on reform efforts by the States and the non-government schools sector to improve education outcomes.

New spending measures associated with Students First are discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership payments for education

In addition to Students First funding, the Commonwealth will provide funding for State education services through National Partnerships, as detailed below.

National Partnership on the Independent Public Schools initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	6.5	9.1	3.7	2.3	1.6	0.6	0.3	0.5	24.5
2016-17	6.5	4.5	3.7	2.3	1.6	0.6	0.3	0.5	19.9
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the Independent Public Schools initiative*. This National Partnership supports increased autonomy in government schools across Australia by encouraging greater engagement of parents and local communities in school decision making, and by providing professional development for principals, school leaders and school communities.

National Partnership on MoneySmart Teaching^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.3	0.3	0.2	0.1	0.1	-	-	0.1	1.1
2016-17	0.3	0.3	0.2	0.2	0.2	-	-	0.1	1.3
2017-18	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2018-19	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2019-20	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp

(a) Funding amounts are not published for 2017-18 and beyond as negotiations are yet to be finalised.

The Commonwealth is providing funding for the *National Partnership on MoneySmart Teaching*. This National Partnership supports the delivery of professional learning to teachers in primary and secondary schools and the development of teacher support materials, to improve financial literacy in schools.

National Partnership on the national quality agenda for early childhood education and care^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	7.5	4.9	2.5	1.2	1.9	0.3	0.3	0.6	19.1
2016-17	7.4	5.8	4.0	1.6	1.7	0.3	0.5	0.3	21.6
2017-18	6.9	5.4	3.8	1.5	1.6	0.3	0.5	0.3	20.3
2018-19	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2019-20	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp

(a) Funding amounts are not published for 2018-19 and beyond as negotiations are yet to be finalised.

The Commonwealth is providing funding for the *National Partnership on the national quality agenda for early childhood education and care*. This National Partnership maintains the Commonwealth's investment in the National Quality Framework which supports an integrated and unified national regulatory system for early childhood education and care services, as well as outside school hours care services.

National Partnership on the National School Chaplaincy Programme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	11.1	12.6	18.1	7.6	7.5	2.2	1.0	0.5	60.6
2016-17	11.1	12.6	18.1	7.6	7.5	2.2	1.0	0.5	60.6
2017-18	11.1	12.6	18.1	7.6	7.5	2.2	1.0	0.5	60.6
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the National School Chaplaincy Programme*. The programme supports the emotional wellbeing of students through the provision of pastoral care services in participating schools.

National Partnership on the National School for Travelling Show Children

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.2	-	-	-	-	-	-	-	0.2
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding for the *National Partnership on the National School for Travelling Show Children*. This National Partnership supported the provision of on-site supervision services for students of the National School for Travelling Show Children who receive educational instruction from the Dubbo School of Distance Education.

National Partnership on Northern Territory remote Aboriginal investment

The Commonwealth is providing funding for the *National Partnership on Northern Territory remote Aboriginal investment*. This continues the Commonwealth's investment under the *National Partnership on Stronger Futures in the Northern Territory* to address Indigenous disadvantage.

The National Partnership will support the Northern Territory in taking practical action to improve the lives of Aboriginal people through activities and services to improve outcomes in schooling, community safety, health and housing, and create job opportunities for adults.

This National Partnership is discussed further in the Health, Community Services and Affordable Housing sections of this Part.

Children and schooling component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	51.2	51.2
2016-17	-	-	-	-	-	-	-	46.1	46.1
2017-18	-	-	-	-	-	-	-	46.6	46.6
2018-19	-	-	-	-	-	-	-	39.6	39.6
2019-20	-	-	-	-	-	-	-	39.6	39.6

The Commonwealth will provide funding to improve school readiness and the literacy and numeracy of remote and very remote Indigenous students in the Northern Territory. The funding aims to improve the attendance, engagement and educational achievement of Indigenous students.

National Partnership on online safety programmes in schools^{(a)(b)}

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.4	0.3	0.2	0.1	0.1	..	..	..	1.3
2016-17	0.8	0.6	0.5	0.3	0.2	0.1	..	0.1	2.5
2017-18	1.2	0.9	0.7	0.4	0.3	0.1	0.1	0.1	3.8
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

(b) State allocations are indicative estimates only.

The Commonwealth will provide funding for the *National Partnership on online safety programmes in schools*. This National Partnership will support the delivery of online safety programmes in schools by providers that have been certified, approved or recognised by the Children's e-Safety Commissioner.

National Partnership on the School Pathways Programme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	0.6	0.7	-	-	-	1.3
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the School Pathways Programme* to encourage the ongoing skilling of the defence industry. The Programme focuses on showcasing potential career paths and increasing the number of students undertaking science, technology, engineering and mathematics subjects relevant to the defence industry. The Programme is also increasing employer awareness of the options for, and benefits of, recruiting young people with sought-after qualifications, skills and attributes into the defence industry.

National Partnership on the Schools Security Programme^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	3.0	1.6	0.3	0.6	0.1	-	..	0.1	5.7
2016-17	2.8	3.6	0.3	1.1	0.3	-	..	0.1	8.2
2017-18	3.2	-	-	-	-	-	..	-	3.2
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on the Schools Security Programme*. This National Partnership assists schools that face the risk of attack, harassment or violence stemming from racial or religious intolerance, to meet

the costs of security guards and/or security infrastructure such as fencing, lighting and CCTV cameras.

National Partnership on trade training centres in schools^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	5.7	20.7	4.6	9.3	2.4	-	0.7	8.3	51.7
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools.

The Commonwealth is providing funding for the *National Partnership on trade training centres in schools*. This National Partnership funds the creation, upgrade and refurbishment of trade training centres and trades skill centres, and the purchase of industry standard equipment. The infrastructure funded under the programme is being used to deliver nationally-recognised training qualifications to secondary school students.

National Partnership on universal access to early childhood education

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	130.5	98.4	86.0	45.1	27.1	8.7	6.8	5.0	407.7
2016-17	133.9	101.6	87.5	46.6	27.6	8.6	7.2	5.1	418.0
2017-18	95.3	72.3	62.3	33.2	19.6	6.1	5.1	3.6	297.5
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on universal access to early childhood education*. This National Partnership supports the provision of affordable, quality early childhood education programmes for all children in the year before full-time school for 15 hours per week or 600 hours per year.

SKILLS AND WORKFORCE DEVELOPMENT

In 2016-17, the Commonwealth will provide funding of \$2.0 billion to support State skills and workforce development services, including \$1.5 billion through the National Skills and Workforce Development SPP and \$516.3 million through National Partnership payments, as detailed in Table 2.6.

Table 2.6: Payments to support State skills and workforce development services

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Skills and Workforce Development SPP	1,455.5	1,476.1	1,499.1	1,522.5	1,547.5
National Partnership payments					
Building Australia's Future Workforce — skills reform	377.4	516.3	-	-	-
Joint group training programme	4.6	-	-	-	-
TAFE fee waivers for childcare qualifications	15.0	-	-	-	-
Total	1,852.5	1,992.4	1,499.1	1,522.5	1,547.5

National Agreement for Skills and Workforce Development

The *National Agreement for Skills and Workforce Development* identifies the long term objectives of the Commonwealth and the States in the areas of skills and workforce development, and recognises the interest of all governments in ensuring the skills of the Australian people are developed and utilised in the economy.

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

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

National Skills and Workforce Development SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	466.5	364.3	292.2	158.5	103.6	31.5	23.9	14.8	1,455.5
2016-17	472.9	370.3	296.2	161.5	104.5	31.5	24.2	15.0	1,476.1
2017-18	480.1	377.0	300.6	164.8	105.5	31.6	24.5	15.1	1,499.1
2018-19	487.4	383.7	305.0	168.1	106.5	31.6	24.9	15.3	1,522.5
2019-20	495.3	390.9	309.7	171.6	107.6	31.7	25.2	15.5	1,547.5

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

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

- $(0.85 \times \text{Wage Cost Index 1}) + (0.15 \times \text{Wage Cost Index 6})$.

The growth factor is estimated to be 1.42 per cent in 2016-17.

National Partnership payments for skills and workforce development

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

Building Australia's Future Workforce — National Partnership on skills reform

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	121.3	93.9	77.1	39.4	27.4	8.4	6.1	3.9	377.4
2016-17	165.9	128.5	105.4	53.8	37.5	11.6	8.3	5.3	516.3
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for *Building Australia's Future Workforce – National Partnership on skills reform*, to progress reforms of the VET sector. The agreed reforms aim to create:

- accessible training for working age Australians and, in particular, a more equitable training system, which provides greater opportunities for participation in education and training;
- a transparent VET sector, which enables better understanding of the VET activity that is occurring in each jurisdiction;
- a higher quality VET sector, which delivers learning experiences and qualifications that are relevant to individuals, employers and industry; and
- a more efficient VET sector, which is responsive to the needs of students, employers and industry.

National Partnership on the joint group training programme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	2.5	2.1	-	-	-	-	4.6
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding for the *National Partnership on the joint group training programme*. This National Partnership supported group training organisations

to deliver strategies and initiatives to improve Australian apprenticeship commencements and completions.

National Partnership on TAFE fee waivers for childcare qualifications

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.8	5.1	6.8	2.0	0.6	-0.1	-0.3	0.1	15.0
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding for the *National Partnership on TAFE fee waivers for childcare qualifications*. This National Partnership removed fees for the Diploma and Advanced Diploma of Children's Services courses delivered at TAFE institutions, or by other government funded VET providers, for training undertaken up to December 2014.

COMMUNITY SERVICES

In 2016-17, the Commonwealth will provide funding of \$2.6 billion to support State community services, including \$1.5 billion through the National Disability SPP and \$1.1 billion through National Partnership payments, as detailed in Table 2.7.

Table 2.7: Payments to support State community services

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Disability SPP	1,440.0	1,486.9	1,515.6	949.5	185.5
National Partnership payments					
Assisting preparation towards the trial of the National Disability Insurance Scheme	0.6	-	-	-	-
Home and Community Care(a)	618.9	190.9	202.6	nfp	nfp
National Occasional Care Programme	1.5	1.5	1.5	-	-
National Outcome Standards for Perpetrator Intervention	2.8	1.2	-	-	-
Northern Territory remote Aboriginal investment					
Community safety component	70.3	67.4	63.2	53.8	44.5
Municipal and essential services component	154.8	-	-	-	-
Pay equity for the social and community services sector	158.5	158.4	197.7	240.6	287.3
Payments from the DisabilityCare Australia Fund	68.9	270.6	551.0	3,500.8	1,012.6
Specialist disability services	418.0	313.1	321.9	140.5	-
Trial of Western Australia NDIS sites	46.2	67.6	-	-	-
Total	2,980.6	2,557.6	2,853.5	4,885.2	1,529.9

(a) Where negotiations are yet to be finalised, funding amounts are not published.

National Disability Agreement

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

The Commonwealth is also working with the States to implement the National Disability Insurance Scheme (NDIS) which will fundamentally change the nature of disability care and support in Australia. When the NDIS reaches full scheme in a State, the National Disability SPP will be redirected to the National Disability Insurance Agency (NDIA) which will be responsible for administering the NDIS in that State.

Ongoing arrangements for the National Disability SPP for Western Australia are being considered through negotiations on disability reform in Western Australia.

National Disability SPP^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	461.6	360.4	289.1	156.8	102.5	31.1	23.7	14.7	1,440.0
2016-17	476.4	373.0	298.4	162.7	105.2	31.7	24.4	15.1	1,486.9
2017-18	493.5	387.5	309.0	169.4	108.4	32.4	-	15.5	1,515.6
2018-19	-	403.1	320.5	176.6	-	33.2	-	16.1	949.5
2019-20	-	-	-	185.5	-	-	-	-	185.5

(a) A zero entitlement to National Disability SPP funding indicates that the NDIS has been fully rolled out in that State.

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

The Intergovernmental Agreement defines the growth factor for the National Disability SPP as the rolling five year average of year-on-year growth in nominal Gross Domestic Product. The growth factor for the National Disability SPP is estimated to be 3.3 per cent in 2016-17.

A measure associated with the NDIS is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership payments for community services

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

National Partnership on assisting preparation towards the trial of the National Disability Insurance Scheme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	0.6	-	-	0.6
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on assisting preparation towards the trial of the National Disability Insurance Scheme*. In recognition of its unique circumstances, the funding is assisting Tasmania in the transition to the new operating environment under the NDIS.

National Partnership on Home and Community Care^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	433.8	-	185.2	-	-	-	-	618.9
2016-17	-	-	-	190.9	-	-	-	-	190.9
2017-18	-	-	-	202.6	-	-	-	-	202.6
2018-19	-	-	-	nfp	-	-	-	-	nfp
2019-20	-	-	-	nfp	-	-	-	-	nfp

(a) Funding for 2018-19 onwards is provisioned for in the Contingency Reserve subject to negotiations.

Budget Paper No. 3

The Commonwealth is providing funding to Western Australia to continue the joint Commonwealth-State *Home and Community Care* programme. This programme provides funding for basic community care services that support older people, younger people with a disability, and their carers to remain living in their own home and communities.

As part of the transition to the NDIS, the Commonwealth and Victoria have agreed to transition home and community care responsibilities for older people to the Commonwealth from 1 July 2016. Discussions between Western Australia and the Commonwealth on transitioning responsibilities are ongoing.

A new spending measure associated with the *Home and Community Care* programme in Western Australia is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership on the National Occasional Care Programme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	1.2	-	-	0.3	-	-	-	1.5
2016-17	-	1.2	-	-	0.3	-	-	-	1.5
2017-18	-	1.2	-	-	0.3	-	-	-	1.5
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the National Occasional Care Programme*. This National Partnership will support non Child Care Benefit approved occasional child care service providers, particularly in rural, regional and remote areas.

National Partnership on National Outcome Standards for Perpetrator Interventions

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.8	0.6	0.5	0.3	0.2	0.1	0.1	0.1	2.8
2016-17	0.3	0.3	0.2	0.1	0.1	0.1	..	..	1.2
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on National Outcome Standards for Perpetrator Interventions*. This National Partnership will support the development and implementation of a national reporting and accountability framework including performance indicators.

National Partnership on Northern Territory remote Aboriginal investment

The Commonwealth is providing funding for the *National Partnership on Northern Territory remote Aboriginal investment*. This continues the Commonwealth's investment under the *National Partnership on Stronger Futures in the Northern Territory* to address Indigenous disadvantage.

The National Partnership will support the Northern Territory in taking practical action to improve the lives of Aboriginal people through activities and services to improve outcomes in schooling, community safety, health and housing, and create job opportunities for adults.

This National Partnership is discussed further in the Health, Education and Affordable Housing sections of this Part.

Community safety component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	70.3	70.3
2016-17	-	-	-	-	-	-	-	67.4	67.4
2017-18	-	-	-	-	-	-	-	63.2	63.2
2018-19	-	-	-	-	-	-	-	53.8	53.8
2019-20	-	-	-	-	-	-	-	44.5	44.5

The Commonwealth will provide funding to the Northern Territory to support delivery of services and initiatives to make communities safer, including those that improve child safety and combat alcohol abuse.

Municipal and essential services component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	154.8	154.8
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding to assist the Northern Territory to take responsibility for the ongoing delivery of municipal and essential services in Indigenous communities.

National Partnership on pay equity for the social and community services sector^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	16.8	27.9	61.0	31.0	12.9	2.7	4.0	2.2	158.5
2016-17	25.6	46.8	42.3	25.3	9.9	4.3	2.6	1.7	158.4
2017-18	32.5	59.9	49.3	32.6	12.6	5.4	3.3	2.1	197.7
2018-19	39.9	74.3	56.8	40.8	15.5	6.6	4.1	2.6	240.6
2019-20	47.9	90.1	65.0	49.7	18.8	7.8	4.9	3.0	287.3

(a) Some State entitlements do not include NDIS offset amounts.

The Commonwealth is providing funding for the *National Partnership on pay equity for the social and community services sector*. This National Partnership funds the Commonwealth's share of the wage increases arising from Fair Work Australia's decision on 1 February 2012 to grant an Equal Remuneration Order in the Social and Community Services sector.

The Commonwealth's commitment includes providing funding for its share of the wage increases for in-scope programmes funded through existing National SPPs and National Partnership agreements.

National Partnership on payments from the DisabilityCare Australia Fund^{(a)(b)}

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	27.5	21.3	0.7	nfp	6.3	2.0	1.4	0.8	68.9
2016-17	113.0	44.0	29.8	nfp	26.7	4.4	41.1	0.8	270.6
2017-18	241.9	110.7	63.6	nfp	55.1	9.8	15.2	2.3	551.0
2018-19	1,040.8	925.6	797.4	nfp	240.1	85.6	15.7	7.1	3,500.8
2019-20	315.2	244.0	197.4	nfp	72.7	22.5	16.3	42.5	1,012.6

(a) State allocations are indicative estimates only.

(b) As Western Australia has not yet agreed to full implementation of the NDIS, funding is not published. A funding allocation of \$8.9 million for 2015-16, \$10.8 million for 2016-17, \$52.4 million for 2017-18, \$388.5 million for 2018-19, and \$102.0 million for 2019-20 is set aside should Western Australia agree to the offer.

The Commonwealth will provide funding through the *National Partnership on payments from the DisabilityCare Australia Fund*, to reimburse the States for their NDIS expenditure, once an agreement on drawdown arrangements is reached.

A proportion of the funding going to the DisabilityCare Australia Fund, which came into effect on 1 July 2014, will be allocated to the States over a 10 year period. The annual amount set aside for the States will be \$883.8 million in 2016-17, which will grow in future years by 3.5 per cent per year.

Negotiations are continuing with the States on drawdown arrangements.

A measure associated with the NDIS is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership on specialist disability services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	416.2	-	-	-	-	-	-	1.8	418.0
2016-17	148.6	71.5	42.4	-	31.3	11.5	2.1	5.9	313.1
2017-18	153.8	74.0	43.8	-	32.4	11.9	-	6.1	321.9
2018-19	-	76.6	45.4	-	-	12.3	-	6.3	140.5
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for specialist disability services for people aged 65 years and over (50 years and over for Indigenous Australians), in participating States. This funding will be provided to participating States, through individual *Bilateral Agreements for the transition to a National Disability Insurance Scheme*.

Once the NDIS reaches full scheme in a State, funding will be redirected to the Commonwealth Department of Health through the implementation of a new Commonwealth Continuity of Support programme.

Discussions are continuing between Western Australia and the Commonwealth regarding the transition of roles and responsibilities for aged care and disability services.

A measure associated with the NDIS is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership for the trial of Western Australia NDIS sites

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	46.2	-	-	-	-	46.2
2016-17	-	-	-	67.6	-	-	-	-	67.6
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership for the trial of Western Australia NDIS sites*. This National Partnership assists Western Australia with the trial of NDIS sites which run in parallel with NDIA trial sites in Western Australia. The merits of each trial site will be evaluated during the trial period to inform the delivery of disability reform.

Additional funding has been provided in 2016-17 to extend the current trials in the Lower South West and Cockburn/Kwinana regions from 1 July 2016 and an expansion in several neighbouring Local Government Areas from 1 October 2016. These sites run in parallel with the NDIA trial sites for one year from 1 July 2016, with the trial site in the Perth Hills region also expanding into several neighbouring Local Government Areas from 1 January 2017. Together the trials in Western Australia will provide support to around 11, 300 eligible participants in 2016-17.

New spending measures associated with the trial of Western Australia NDIS sites is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

AFFORDABLE HOUSING

In 2016-17, the Commonwealth will provide funding of \$1.9 billion to support State affordable housing services, including \$1.3 billion through the National Affordable Housing SPP and \$593.2 million through National Partnerships, as detailed in Table 2.8.

Table 2.8: Payments to support State affordable housing services

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Affordable Housing SPP	1,324.1	1,342.6	1,362.7	1,383.2	1,405.3
National Partnership payments					
First Home Owners Boost	-0.3	-	-	-	-
Homelessness	115.0	115.0	-	-	-
Northern Territory remote Aboriginal investment					
Remote Australia strategies component	56.0	49.7	50.9	3.6	3.6
Remote Indigenous housing	388.3	428.5	345.7	-	-
Total	1,883.0	1,935.7	1,759.3	1,386.7	1,408.9

National Affordable Housing Agreement

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

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

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

National Affordable Housing SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	424.4	331.4	265.9	144.2	94.3	28.6	21.8	13.5	1,324.1
2016-17	430.2	336.8	269.4	146.9	95.0	28.6	22.0	13.6	1,342.6
2017-18	436.4	342.7	273.3	149.8	95.9	28.7	22.3	13.8	1,362.7
2018-19	442.8	348.6	277.1	152.7	96.7	28.7	22.6	13.9	1,383.2
2019-20	449.8	355.0	281.3	155.9	97.7	28.8	22.9	14.0	1,405.3

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

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

The Intergovernmental Agreement defines the agreed growth factor for the National Affordable Housing SPP. The growth factor is the Wage Cost Index 1, comprising a safety net wage adjustment weighted by 75 per cent and the all groups Consumer Price Index weighted by 25 per cent. The growth factor for the National Affordable Housing SPP is estimated to be 1.40 per cent in 2016-17.

National Partnership payments for affordable housing

In addition to the National Affordable Housing SPP funding, the Commonwealth will provide a total of \$593.2 million in 2016-17 through National Partnerships to support State affordable housing services. Further details on these National Partnerships are provided below.

National Partnership on the First Home Owners Boost

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	..	-0.3	..	..	-0.1	..	-	-	-0.3
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth introduced the First Home Owners Boost in 2008 to stimulate housing activity, support the construction industry and assist first home buyers to enter the housing market. The availability of the First Home Owners Boost ceased in December 2009.

The continuation of the First Home Owners Boost payment in 2015-16 reflects extensions granted by the States to applicants in exceptional circumstances. Negative expenditure for some States reflects an estimate of funds recovered from applicants later found to be ineligible. These funds were returned to the Commonwealth.

National Partnership on homelessness

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	30.0	22.8	28.7	15.0	8.9	2.8	1.5	5.3	115.0
2016-17	30.0	22.8	28.7	15.0	8.9	2.8	1.5	5.3	115.0
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on homelessness*. The National Partnership prioritises funding to frontline homelessness services, focusing on women and children experiencing domestic violence, and homeless youth under 18 years of age.

National Partnership on Northern Territory remote Aboriginal investment

The Commonwealth is providing funding for the *National Partnership on Northern Territory remote Aboriginal investment*. This continues the Commonwealth's investment under the *National Partnership on Stronger Futures in the Northern Territory* to address Indigenous disadvantage.

The National Partnership will support the Northern Territory in taking practical action to improve the lives of Aboriginal people through activities and services to improve outcomes in schooling, community safety, health and housing, and create job opportunities for adults.

This National Partnership is discussed further in the Health, Education and Community Services sections of this Part.

Remote Australia strategies component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	56.0	56.0
2016-17	-	-	-	-	-	-	-	49.7	49.7
2017-18	-	-	-	-	-	-	-	50.9	50.9
2018-19	-	-	-	-	-	-	-	3.6	3.6
2019-20	-	-	-	-	-	-	-	3.6	3.6

The Commonwealth will provide funding to improve public housing in remote communities by investing in housing works including upgrades, new houses or housing related infrastructure. This component will also fund the removal of asbestos from community buildings in remote communities and a sustainable, professional and accredited Aboriginal interpreter service.

This funding complements the funding to be provided under the *National Partnership on remote Indigenous housing*.

National Partnership on remote Indigenous housing

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	48.0	-	144.2	110.8	18.7	-	-	66.6	388.3
2016-17	-	-	133.5	129.7	14.4	-	-	151.0	428.5
2017-18	-	-	111.7	84.4	12.4	-	-	137.1	345.7
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on remote Indigenous housing*. This National Partnership facilitates significant reform in the

provision of housing for Indigenous people in remote communities and addresses overcrowding, homelessness, poor housing conditions and severe housing shortages.

From 1 July 2016, the *National Partnership on remote Indigenous housing* will be replaced with the *National Partnership on remote housing*. The new National Partnership will facilitate the delivery of housing upgrades, new houses and housing-related infrastructure. It will also provide incentives to States for progress against agreed outcomes which establish more sustainable housing systems in remote Indigenous communities.

The Commonwealth will also provide funding in 2015-16 to assist New South Wales to continue to deliver on its responsibility for remote housing.

INFRASTRUCTURE

In 2016-17, the Commonwealth will provide funding of \$9.2 billion to support State infrastructure services, as detailed in Table 2.9.

Table 2.9: Payments to support State infrastructure services

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Partnership payments					
Infrastructure Investment Programme					
Black Spot projects(a)	26.5	100.0	60.0	60.0	60.0
Bridges Renewal programme	60.0	80.0	90.0	70.0	60.0
Developing Northern Australia					
Improving cattle supply chains	-	35.0	35.0	30.0	-
Northern Australia Roads	-	100.0	210.0	225.0	65.0
Heavy Vehicle Safety and Productivity programme	59.5	64.6	50.0	40.0	40.0
Improving the national network(b)	-	0.4	-	-	-
Investment					
Rail	192.3	214.9	100.6	43.3	-
Road(a)	3,148.9	5,045.8	5,215.5	3,265.7	3,169.8
Supplementary(b)	3.0	-	-	-	-
Roads to Recovery(a)	652.4	815.1	699.6	364.5	399.8
Infrastructure Growth Package					
Asset Recycling Initiative	1,331.7	1,203.0	752.7	51.1	-
New Investments	749.5	765.4	795.6	367.0	-
Western Sydney Infrastructure Plan	153.4	524.4	601.9	453.3	90.6
Building Australia Fund					
Rail	-	122.6	66.8	-	-
Road	6.9	-	-	-	-
Centenary of Canberra —					
Constitution Avenue Upgrade	8.0	-	-	-	-
Infrastructure projects in Western Australia	490.0	-	-	-	-
Interstate road transport	71.0	71.0	71.0	71.0	71.0
Latrobe Valley economic diversification	6.1	-	-	-	-
Murray-Darling Basin regional economic diversification programme	27.5	22.7	-	-	-
Supporting drought-affected communities programme	12.0	13.0	5.0	5.0	-
Total	6,998.7	9,178.0	8,753.6	5,045.9	3,956.2

Table 2.9: Payments to support State infrastructure services (continued)

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
<i>Memorandum item – payments direct to local governments included in payments above</i>					
Infrastructure Investment Programme					
Investment					
Supplementary(b)	3.0	-	-	-	-
Roads to Recovery(a)	620.0	773.1	663.1	347.9	378.9
Infrastructure Growth Package					
New Investments	331.5	-	-	-	-
Lalrobo Valley economic diversification	5.4	-	-	-	-
Supporting drought-affected communities programme	12.0	13.0	5.0	5.0	-
Total	971.9	786.1	668.1	352.9	378.9

(a) Additional funding for these programmes is included in the Infrastructure Growth Package — New Investments.

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

National Partnership payments for infrastructure

Infrastructure Investment Programme

The Commonwealth is providing funding for road and rail infrastructure through the Infrastructure Investment Programme under the *National Partnership on Land Transport Infrastructure Projects*. This National Partnership assists economic and social development regionally and nationally by providing funding to improve the performance of land transport infrastructure.

A portion of Commonwealth funding for road infrastructure is sourced from the additional net revenue received from the reintroduction of biannual indexation of excise and excise-equivalent customs duty for all fuels (except aviation fuels), as announced in the 2014-15 Budget.

The Infrastructure Investment Programme comprises several components, all of which are detailed in the tables below.

Black Spot projects^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	7.7	4.1	3.3	7.4	2.9	1.2	-	-	26.5
2016-17	31.1	26.0	23.1	6.6	5.5	2.9	1.6	3.3	100.0
2017-18	19.2	13.7	12.2	6.6	4.8	1.6	1.0	1.0	60.0
2018-19	19.2	13.7	12.2	6.6	4.8	1.6	1.0	1.0	60.0
2019-20	19.2	15.2	12.0	6.7	4.2	1.2	1.0	0.6	60.0

(a) An additional \$200 million in funding (during the 2015-16 to 2016-17 period) is included in the Infrastructure Growth Package — New Investments.

The Commonwealth is providing funding for Black Spot projects to improve the safety of road sites which have been identified as high risk areas for serious crashes. Funding is aimed at improving sites that have a record of at least two accidents involving casualties over a five year period, and can demonstrate a positive benefit to cost ratio.

Bridges Renewal programme^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	14.3	6.5	23.9	9.8	0.9	3.6	0.9	0.1	60.0
2016-17	16.1	17.9	27.8	5.8	3.1	1.9	0.7	6.7	80.0
2017-18	26.1	20.3	24.9	8.9	5.8	1.8	1.3	0.8	90.0
2018-19	30.3	14.6	11.7	6.4	4.2	1.3	1.0	0.6	70.0
2019-20	19.2	15.2	12.0	6.7	4.2	1.2	1.0	0.6	60.0

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

The Commonwealth is providing funding to upgrade bridges across the nation. This programme renews and replaces bridges serving local communities, and facilitates higher productivity vehicle access.

Developing Northern Australia — Improving cattle supply chains^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	21.9	12.0	-	-	-	1.1	35.0
2017-18	-	-	21.9	12.0	-	-	-	1.1	35.0
2018-19	-	-	18.7	10.3	-	-	-	0.9	30.0
2019-20	-	-	-	-	-	-	-	-	-

(a) State allocations have not yet been determined. These amounts have been notionally allocated to all participating States on an equal per capita basis.

The Commonwealth will provide funding to Queensland, Western Australia and the Northern Territory for infrastructure projects that will improve the resilience and productivity of the northern cattle supply chains. Under the *White Paper on Developing Northern Australia*, funding has been committed for targeted investments that support roads in Northern Australia that are used for transporting cattle.

Developing Northern Australia — Northern Australia Roads^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	62.7	34.2	-	-	-	3.2	100.0
2017-18	-	-	131.4	72.0	-	-	-	6.6	210.0
2018-19	-	-	140.5	77.4	-	-	-	7.0	225.0
2019-20	-	-	40.5	22.5	-	-	-	2.0	65.0

(a) State allocations have not yet been determined. These amounts have been notionally allocated to all participating States on an equal per capita basis.

The Commonwealth will provide funding to Queensland, Western Australia and the Northern Territory for infrastructure projects that are essential to the movement of people and freight, in order to support economic development in the region. Under the *White Paper on Developing Northern Australia*, funding has been committed to priority road projects in Northern Australia, including inter-jurisdictional links and roads connecting communities and regional towns to ports and airports.

Heavy Vehicle Safety and Productivity programme^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	22.6	11.2	7.1	7.3	7.0	1.0	0.5	2.7	59.5
2016-17	26.4	11.6	7.8	8.6	4.8	0.8	0.6	4.0	64.6
2017-18	17.4	12.0	9.6	5.2	3.4	1.0	0.8	0.5	50.0
2018-19	12.8	10.0	8.0	4.4	2.9	0.9	0.7	0.4	40.0
2019-20	12.8	10.1	8.0	4.4	2.8	0.8	0.7	0.4	40.0

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

The Commonwealth is contributing to the safety and productivity of heavy vehicles by providing funding for projects that improve the safety of the road environment, enhance the capacity of existing roads and improve connections to freight networks.

Improving the national network^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	-	-	0.4	-	-	-	0.4
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

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

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

Investment

Rail component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	79.0	0.1	102.0	-	-	11.3	-	-	192.3
2016-17	25.0	14.3	147.5	-	7.8	20.4	-	-	214.9
2017-18	-	15.0	37.5	-	35.3	12.9	-	-	100.6
2018-19	-	18.0	10.0	-	-	15.3	-	-	43.3
2019-20	-	-	-	-	-	-	-	-	-

Road component^{(a)(b)}

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	1,361.7	233.3	991.3	269.3	127.8	67.3	0.6	97.5	3,148.9
2016-17	2,265.4	435.9	1,488.3	419.5	268.8	114.3	6.3	47.4	5,045.8
2017-18	1,584.3	585.9	1,855.3	520.7	587.3	54.7	6.6	20.7	5,215.5
2018-19	809.7	262.6	1,246.8	388.9	455.3	80.9	3.0	18.5	3,265.7
2019-20	786.6	377.0	1,205.5	473.0	228.3	66.0	20.7	12.7	3,169.8

(a) An additional \$2.2 billion in funding (during the 2014-15 to 2018-19 period) is included in the Infrastructure Growth Package — New Investments.

(b) Some amounts in 2016-17 and beyond remain unallocated. These amounts have been notionally allocated to all States on an equal per capita basis.

Supplementary component^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	3.0	-	-	-	-	3.0
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

(a) The supplementary component represents expenses against prepayments made to local governments in 2006-07.

The Commonwealth is providing funding for the Investment components of the Infrastructure Investment Programme. This programme targets nationally significant projects which will improve the efficiency and safety of the national land transport network. Funding is provided for road and rail construction projects and network maintenance, including transport development, innovation projects and grants to land transport research entities.

\$1.5 billion in funding that was previously paid to Victoria for construction of the East West Link road project will be reallocated to a range of other infrastructure projects in Victoria under the Infrastructure Investment Programme. This redirection of funding does not affect the Government's commitment to the East West Link project. The Government remains committed to provide \$3.0 billion to a future Victorian Government that is willing to build the East West Link.

The measures taken in the 2016-17 Budget as part of the Infrastructure Investment Programme are discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

Roads to Recovery^{(a)(b)}

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	170.6	133.5	139.7	98.9	59.7	21.3	9.0	19.7	652.4
2016-17	234.7	163.8	163.7	117.8	72.4	26.2	12.9	23.5	815.1
2017-18	195.0	142.4	142.4	102.4	63.0	22.8	11.2	20.4	699.6
2018-19	97.6	72.6	79.4	55.4	32.9	11.5	4.0	11.0	364.5
2019-20	111.4	81.4	81.4	58.5	36.0	13.0	6.4	11.7	399.8

(a) An additional \$350 million in funding (in 2015-16) is included in the Infrastructure Growth Package — New Investments.

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

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

Infrastructure Growth Package

The Commonwealth will establish an Asset Recycling Fund (ARF) to provide funding for additional investment in high quality economic infrastructure under the Infrastructure Growth Package. Until such time as the ARF is established, the Government will continue to deliver on its commitments under the Infrastructure Growth Package through existing legislative and appropriation mechanisms.

The three components of the Infrastructure Growth Package – the Asset Recycling Initiative, New Investments and the Western Sydney Infrastructure Plan – are detailed in the tables below.

Asset Recycling Initiative^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	~	~	~	~	~	~	~	~	1,331.7
2016-17	~	~	~	~	~	~	~	~	1,203.0
2017-18	~	~	~	~	~	~	~	~	752.7
2018-19	~	~	~	~	~	~	~	~	51.1
2019-20	-	-	-	-	-	-	-	-	-

(a) State allocations have not yet been determined.

The Commonwealth is providing financial incentives under the *National Partnership on Asset Recycling* to encourage States to divest assets and reinvest the proceeds into additional productive infrastructure. Funding is allocated to specific projects on a first come, first served basis, as projects are agreed between the Commonwealth and individual States.

The measure taken in the 2016-17 Budget as part of the *National Partnership on Asset Recycling* is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

New Investments^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	133.5	96.7	268.6	84.4	89.5	18.7	10.4	47.7	749.5
2016-17	42.0	51.3	220.9	234.5	174.8	5.6	1.6	34.7	765.4
2017-18	30.0	3.7	256.6	345.1	142.6	-	-	17.6	795.6
2018-19	17.4	0.1	-	307.3	42.2	-	-	-	367.0
2019-20	-	-	-	-	-	-	-	-	-

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

Under the New Investments component of the Infrastructure Growth Package, the Commonwealth is providing additional funding to expedite investment in high quality economic infrastructure. This includes additional funding for significant road projects, the National Highway Upgrade Programme, as well as Black Spot projects and the Roads to Recovery programme.

Western Sydney Infrastructure Plan

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	153.4	-	-	-	-	-	-	-	153.4
2016-17	524.4	-	-	-	-	-	-	-	524.4
2017-18	601.9	-	-	-	-	-	-	-	601.9
2018-19	453.3	-	-	-	-	-	-	-	453.3
2019-20	90.6	-	-	-	-	-	-	-	90.6

Under the Western Sydney Infrastructure Plan, the Commonwealth is providing \$2.9 billion in additional funding over 10 years to enhance capacity and improve transport infrastructure in Sydney’s western suburbs, including for the development of an airport at Badgerys Creek.

Other National Partnership payments

Building Australia Fund — rail component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	-	-	122.6	-	-	-	122.6
2017-18	-	-	-	-	66.8	-	-	-	66.8
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

Building Australia Fund — road component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	6.9	-	6.9
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Building Australia Fund rail and road components are supporting future economic growth by improving the quality and efficiency of Australia’s transport networks to increase city liveability and sustainability in the context of a growing population.

National Partnership for the Centenary of Canberra — Constitution Avenue Upgrade

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	8.0	-	8.0
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership for the Centenary of Canberra – Constitution Avenue Upgrade* to assist with the redevelopment of the Constitution Avenue road corridor.

National Partnership on infrastructure projects in Western Australia

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	490.0	-	-	-	-	490.0
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on infrastructure projects in Western Australia*. Funding in 2015-16 under this National Partnership will be allocated to the development of the Forrestfield-Airport Link.

A new spending measure associated with the *National Partnership on infrastructure projects in Western Australia* is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

Interstate road transport

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	32.7	19.0	6.7	2.8	8.6	0.4	0.4	0.4	71.0
2016-17	32.7	19.0	6.7	2.8	8.6	0.4	0.4	0.4	71.0
2017-18	32.7	19.0	6.7	2.8	8.6	0.4	0.4	0.4	71.0
2018-19	32.7	19.0	6.7	2.8	8.6	0.4	0.4	0.4	71.0
2019-20	32.7	19.0	6.7	2.8	8.6	0.4	0.4	0.4	71.0

The Commonwealth is providing funding under the *Interstate Road Transport Act 1985* that is equal to the total revenue received from heavy vehicle registrations collected from the Federal Interstate Registration Scheme. This funding is spent by the States on the maintenance and upkeep of roads that are used by heavy vehicles.

Latrobe Valley economic diversification^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	6.1	-	-	-	-	-	-	6.1
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

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

The Commonwealth is providing funding for two projects which will support economic diversification in the Latrobe Valley in Victoria: the Moe Rail revitalisation project and the Warragul Station precinct upgrade project.

National Partnership for the Murray-Darling Basin regional economic diversification programme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	15.0	7.8	4.7	-	-	-	-	-	27.5
2016-17	12.6	6.3	3.8	-	-	-	-	-	22.7
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to Basin States to support economic diversification in regional communities likely to be affected by the implementation of the Murray Darling Basin Plan. Projects will encourage sustainable economic development through joint government, private and community sector investment in regional communities.

Supporting drought-affected communities programme^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	1.0	-	11.0	-	-	-	-	-	12.0
2016-17	1.8	-	11.3	-	-	-	-	-	13.0
2017-18	1.8	-	3.3	-	-	-	-	-	5.0
2018-19	-	-	5.0	-	-	-	-	-	5.0
2019-20	-	-	-	-	-	-	-	-	-

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

The Commonwealth is providing funding to targeted drought-affected regions to support local infrastructure projects that provide employment for people whose work opportunities have been impacted by drought. Funding will be provided to drought-declared local government areas for projects that stimulate local community spending, use local resources, businesses and suppliers, or provide long-lasting benefits to communities and the agricultural industries on which they depend.

ENVIRONMENT

In 2016-17, the Commonwealth will provide funding of \$691.7 million to support State environment services, as detailed in Table 2.10.

Table 2.10: Payments to support State environment services

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Partnership payments					
Assistance for pest animal and weed management in drought-affected areas	15.0	4.0	4.0	2.0	-
Bushfire mitigation	4.4	5.3	-	-	-
Development of business cases for constraints measures	4.9	5.1	10.0	20.0	30.0
Environmental management of the former Rum Jungle Mine site	4.3	10.0	-	-	-
Established Pest and Weed Management	7.5	5.0	5.0	5.0	-
Great Artesian Basin Sustainability Initiative	6.0	9.0	-	-	-
Implementation of the National Insurance Affordability Initiative	12.0	-	-	-	-
Implementing water reform in the Murray-Darling Basin	20.0	20.0	20.0	20.0	20.0
Management of the World Heritage Values of the Tasmanian Wilderness	5.2	1.8	1.7	-	-
Mechanical fuel load reduction trials	1.0	0.5	-	-	-
National Urban Water and Desalination Plan	5.5	2.1	-	-	-
National Water Security Plan for Cities and Towns	2.9	-	-	-	-
Natural disaster resilience(a)	13.4	52.2	nfp	nfp	nfp
Pest and disease preparedness and response programmes	25.0	20.0	20.0	20.0	20.3
South Australian River Murray Sustainability Programme					
Irrigation efficiency and water purchase	45.0	23.5	8.5	-	-
Irrigation industry assistance	28.0	39.5	25.0	10.0	-
Regional economic development	11.5	2.0	-	-	-
Sustainable Rural Water Use and Infrastructure Programme	365.5	472.0	371.5	94.2	-
Water Infrastructure Development Fund					
Feasibility studies	13.0	19.5	5.0	7.0	-
Capital component	-	-	20.0	50.0	80.0
Whale and dolphin entanglements	0.1	0.2	-	-	-
Total	590.2	691.7	490.6	228.2	150.3
<i>Memorandum item – payments direct to local governments included in payments above</i>					
National Urban Water and Desalination Plan	5.5	2.1	-	-	-
Total	5.5	2.1	-	-	-

(a) Funding amounts are not published for 2017-18 onwards as negotiations are yet to be finalised.

National Partnership payments for the environment

National Partnership on assistance for pest animal and weed management in drought-affected areas^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	3.0	0.5	10.0	0.5	1.0	-	-	-	15.0
2016-17	~	~	~	~	~	~	~	~	4.0
2017-18	~	~	~	~	~	~	~	~	4.0
2018-19	~	~	~	~	~	~	~	~	2.0
2019-20	-	-	-	-	-	-	-	-	-

(a) State allocations from 2016-17 have not yet been determined and are subject to the extent of drought-affected areas.

The Commonwealth will provide funding for the *National Partnership on assistance for pest animal and weed management in drought-affected areas*. This National Partnership will assist drought-affected farm businesses with installing water-related infrastructure and with managing the impacts of pest animals and weeds.

National Partnership on bushfire mitigation

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	1.4	0.9	0.3	0.3	0.5	0.5	0.3	0.3	4.4
2016-17	2.3	0.9	0.3	0.3	0.4	0.4	0.3	0.3	5.3
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on bushfire mitigation*. This National Partnership enables States to implement long-term bushfire mitigation strategies and improved fuel reduction activities.

National Partnership for the development of business cases for constraints measures^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	2.4	1.7	-	-	0.8	-	-	-	4.9
2016-17	~	~	~	~	~	~	~	~	5.1
2017-18	~	~	~	~	~	~	~	~	10.0
2018-19	~	~	~	~	~	~	~	~	20.0
2019-20	~	~	~	~	~	~	~	~	30.0

(a) State allocations from 2016-17 are subject to negotiation.

The Commonwealth is providing funding for the *National Partnership for the development of business cases for constraints measures*. This National Partnership supports the development of business cases that detail proposals to ease or remove constraints to the delivery of water to the environmental assets of the Murray-Darling Basin.

National Partnership on the environmental management of the former Rum Jungle Mine site

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	4.3	4.3
2016-17	-	-	-	-	-	-	-	10.0	10.0
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the environmental management of the former Rum Jungle Mine site (Stage 2)*. This National Partnership continues the programme of work established to improve the daily management of the site and to further develop a rehabilitation strategy, in partnership with stakeholders, including the site's traditional owners.

A new spending measure associated with this National Partnership is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership on the management of established pests and weeds

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	1.6	1.5	1.6	1.5	0.8	0.2	..	0.4	7.5
2016-17	1.1	1.0	1.0	1.0	0.5	0.1	..	0.3	5.0
2017-18	1.1	1.0	1.0	1.0	0.5	0.1	..	0.3	5.0
2018-19	1.1	1.0	1.0	1.0	0.5	0.1	..	0.3	5.0
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on the management of established pests and weeds*. This National Partnership supports delivery of projects to build the skills and capacity of landholders, the community and industry in managing common established pest animals and weeds.

National Partnership on the Great Artesian Basin Sustainability Initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	2.0	-	1.5	-	2.5	-	-	-	6.0
2016-17	3.8	-	3.8	-	1.5	-	-	-	9.0
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the Great Artesian Basin Sustainability Initiative*. This National Partnership continues capping of uncontrolled bores and piping open bore drains to reduce water loss and recover groundwater pressure, maintenance of critical infrastructure and other activities to support the sustainable management and use of Great Artesian Basin water resources. The Great Artesian Basin Sustainability Initiative is being delivered through State agencies, with the Commonwealth contributing jointly with the States and private bore owners.

National Partnership on the implementation of the National Insurance Affordability Initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	12.0	-	-	-	-	-	12.0
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on the implementation of the National Insurance Affordability Initiative* to reduce flood risk and bring about reductions in insurance premiums. The National Insurance Affordability Initiative is providing funding for the construction of a flood levee in Roma and improving flood defences in Ipswich.

National Partnership on implementing water reform in the Murray-Darling Basin

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	9.4	6.8	2.0	-	1.5	-	0.3	-	20.0
2016-17	9.4	6.8	2.0	-	1.5	-	0.3	-	20.0
2017-18	9.4	6.8	2.0	-	1.5	-	0.3	-	20.0
2018-19	9.4	6.8	2.0	-	1.5	-	0.3	-	20.0
2019-20	9.4	6.8	2.0	-	1.5	-	0.3	-	20.0

The Commonwealth is providing funding for the *National Partnership on implementing water reform in the Murray-Darling Basin*. This National Partnership supports the cooperative implementation of the *Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin*. This Agreement will ensure continuing progress in restoring the Basin's rivers to health and securing strong regional communities and sustainable food and fibre production.

National Partnership for Management of the World Heritage Values of the Tasmanian Wilderness

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	5.2	-	-	5.2
2016-17	-	-	-	-	-	1.8	-	-	1.8
2017-18	-	-	-	-	-	1.7	-	-	1.7
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership for Management of the World Heritage Values of the Tasmanian Wilderness*. This National Partnership supports the management of the World Heritage values of the areas added to the Tasmanian Wilderness in 2013 and progress with the cultural heritage values study of the property.

National Partnership for mechanical fuel load reduction trials

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	1.0	-	-	-	-	-	-	-	1.0
2016-17	0.5	-	-	-	-	-	-	-	0.5
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership for mechanical fuel load reduction trials* to undertake research that examines the effectiveness of mechanical fuel removal in forests where conservation values could be compromised by fuel reduction burning.

National Urban Water and Desalination Plan^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	5.5	-	-	-	5.5
2016-17	-	-	-	-	2.1	-	-	-	2.1
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

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

The Commonwealth is providing funding for the Water-proofing Eastern Adelaide Project as part of the National Urban Water and Desalination Plan. This project will help secure water supplies by reducing the use of potable water.

National Water Security Plan for Cities and Towns

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	2.9	-	-	-	-	-	-	-	2.9
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the Chaffey Dam project under the National Water Security Plan for Cities and Towns.

National Partnership on natural disaster resilience^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	3.4	2.1	3.0	1.6	2.1	0.7	0.7	-	13.4
2016-17	13.6	8.4	12.0	6.3	4.2	2.6	2.6	2.6	52.2
2017-18	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2018-19	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2019-20	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp

(a) Funding amounts are not published for 2017-18 to 2019-20 as negotiations are yet to be finalised.

The Commonwealth is providing funding for the *National Partnership on natural disaster resilience* which supports the States to strengthen community resilience and minimise the impact of a range of natural disasters in Australia.

This National Partnership is a joint funding arrangement that provides the flexibility for States to address their specific natural disaster risk priorities. This arrangement recognises that the Commonwealth and the States have a mutual interest in reducing the impact of, and increasing resilience to, natural disasters. It formalises their commitment to work together with other parties, such as volunteers, the private sector and local government, to achieve this outcome.

National Partnership on pest and disease preparedness and response programmes^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.3	1.7	13.0	..	0.6	-	-	9.3	25.0
2016-17	0.3	0.5	16.5	-	0.1	-	-	2.6	20.0
2017-18	0.3	0.4	17.1	-	0.1	-	-	2.2	20.0
2018-19	0.3	0.4	17.3	-	0.1	-	-	2.0	20.0
2019-20	0.3	0.4	17.5	-	0.1	-	-	2.0	20.3

(a) State allocations are indicative estimates only. Funding is conditional on agreed national responses to pest or disease incursions.

The Commonwealth is providing funding for the *National Partnership on pest and disease preparedness and response programmes*. The funding contributes to agreed activities for pest and disease preparedness and response programmes.

Commonwealth funding contributes to national programs to eradicate exotic animal and plant pests and diseases, which if allowed to establish and spread, would have serious economic and environmental impacts. The Commonwealth is involved owing to the potential implications for biodiversity, market access issues for agricultural products and the need to protect nationally significant environmental assets.

National Partnership on the South Australian River Murray Sustainability Programme

The Commonwealth is providing funding for the *National Partnership on the South Australian River Murray Sustainability Programme*. The four components of this National Partnership support the Murray-Darling Basin water reforms by contributing to a healthy working river system, strong communities and sustainable food and fibre production, while providing certainty for affected communities and water users.

Irrigation efficiency and water purchase components

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	45.0	-	-	-	45.0
2016-17	-	-	-	-	23.5	-	-	-	23.5
2017-18	-	-	-	-	8.5	-	-	-	8.5
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for South Australia to deliver a grants programme to support more efficient delivery and use of water by irrigation water providers and irrigators. The programme also enables South Australian irrigators to sell their water entitlements to the South Australian Government for the environment.

In total, these two components aim to return 36 gigalitres (long term average annual yield) of 'gap bridging' water to the Commonwealth.

Irrigation industry assistance component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	28.0	-	-	-	28.0
2016-17	-	-	-	-	39.5	-	-	-	39.5
2017-18	-	-	-	-	25.0	-	-	-	25.0
2018-19	-	-	-	-	10.0	-	-	-	10.0
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for South Australia to deliver a grants programme to improve the productivity of the South Australian River Murray irrigation industry.

Regional economic development component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	11.5	-	-	-	11.5
2016-17	-	-	-	-	2.0	-	-	-	2.0
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the redevelopment of the Loxton Research Centre, a programme of industry led research and a Regional Development and Innovation programme. This component aims to create opportunities for economic diversification and regional development for Basin communities in South Australia.

Sustainable Rural Water Use and Infrastructure Programme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	64.8	244.4	21.1	0.7	18.8	12.2	3.3	0.2	365.5
2016-17	134.1	193.1	35.6	-	60.2	22.0	27.0	-	472.0
2017-18	187.8	88.2	31.7	-	10.8	23.0	30.0	-	371.5
2018-19	1.1	48.4	17.0	-	-	10.0	17.7	-	94.2
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the Sustainable Rural Water Use and Infrastructure Programme. This funding is provided under a number of arrangements, such as the *National Partnership on Water for the Future* and Water Management Partnership Agreements relating to the *Intergovernmental Agreement on Murray-Darling Basin Reform*.

This programme funds most of the water recovery to 'bridge the gap' under the Murray-Darling Basin Plan. This programme is also improving the efficiency and productivity of rural water management and usage, delivering substantial and lasting water returns to the environment, helping secure a long term sustainable future for irrigated agriculture and communities, and improving the health of wetlands and freshwater ecosystems.

National Partnership on the Water Infrastructure Development Fund

The Commonwealth will provide funding for the *National Partnership on the Water Infrastructure Development Fund*. The objective of the Fund is to facilitate long-term economic and regional development through:

- enhancing the knowledge base underpinning water infrastructure planning and decision making;
- undertaking the detailed planning required to inform water infrastructure investment decisions; and
- expediting the construction of water infrastructure.

Feasibility studies component^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	~	~	~	~	~	~	~	~	13.0
2016-17	~	~	~	~	~	~	~	~	19.5
2017-18	~	~	~	~	~	~	~	~	5.0
2018-19	~	~	~	~	~	~	~	~	7.0
2019-20	-	-	-	-	-	-	-	-	-

(a) State allocations from 2015-16 have not yet been determined.

The Commonwealth will provide funding to support delivery of feasibility studies that inform investment decisions on water infrastructure.

A new spending measure taken in the 2016-17 Budget as part of this programme is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

Capital component^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	-	-	-	-	-	-	-
2017-18	~	~	~	~	~	~	~	~	20.0
2018-19	~	~	~	~	~	~	~	~	50.0
2019-20	~	~	~	~	~	~	~	~	80.0

(a) State allocations from 2017-18 have not yet been determined.

The Commonwealth will provide funding of up to \$450 million to part fund the capital construction costs of a small number of high priority water infrastructure projects to help secure the nation's water supplies and deliver strong and sustainable economic benefits for Australia.

National Partnership on whale and dolphin entanglements

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	..	0.1
2016-17	-	..	0.2
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on whale and dolphin entanglements*. This National Partnership supports State Governments to purchase equipment and training aimed at improving responses to whale and dolphin entanglements. This funding forms part of the Commonwealth's broader Whale and Dolphin Protection Plan.

CONTINGENT PAYMENTS

Contingent payments arise where the Commonwealth has committed to provide compensation when an event occurs or otherwise guarantees a State's financial position. Payments to the States will only arise if the relevant event occurs.

Table 2.11: Contingent payments to the States

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Partnership payments					
Hepatitis C settlement fund	0.7	0.2	0.2	0.2	0.2
Natural Disaster Relief and Recovery Arrangements	48.8	27.4	11.1	..	-
Total	49.5	27.6	11.2	0.2	0.2

Hepatitis C settlement fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.5	-	-	0.1	0.1	-	0.1	-	0.7
2016-17	0.2	-	-	-	-	-	-	-	0.2
2017-18	0.2	-	-	-	-	-	-	-	0.2
2018-19	0.2	-	-	-	-	-	-	-	0.2
2019-20	0.2	-	-	-	-	-	-	-	0.2

The Commonwealth is contributing to the participating States' schemes for out of court settlement costs for eligible individuals who contracted Hepatitis C through the blood supply service between 1985 and 1991.

A new spending measure associated with this funding is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

Natural Disaster Relief and Recovery Arrangements (NDRRA)

NDRRA expense estimates

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	2.5	3.0	33.8	2.3	0.7	..	-	6.4	48.8
2016-17	0.1	1.4	23.6	0.2	0.1	..	-	1.9	27.4
2017-18	-	-	10.6	..	..	-	-	0.5	11.1
2018-19	-	-	-	..	-	-	-	-	..
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding under the NDRRA to assist the States with relief and recovery assistance following eligible natural disasters.

This includes payments to the States in response to recent natural disasters including the bushfires in South Australia in November 2015, Victoria in December 2015, Western Australia in January 2016 and in Tasmania commencing in January 2016 and flooding in the Northern Territory in December 2015. Payments are also being made for past disasters such as Tropical Cyclone Lam in the Northern Territory in February 2015, Tropical Cyclone Marcia in Queensland in February 2015,

Part 2: Payments for Specific Purposes

Tropical Cyclone Olwyn in Western Australia in March 2015 and Tropical Cyclone Nathan in both the Northern Territory and Queensland in March 2015.

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.

The estimated expenses in the table above reflect expected Commonwealth costs associated with disasters that have occurred in 2015-16 and the unwinding of the discount on the provision, which reflects the time value of money.

Estimated cash payments are presented in the table below, illustrating when the Commonwealth expects to reimburse the States for costs incurred in relation to past disasters.

NDRRA cash estimates

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	106.3	-	-	0.8	-	-	-	-	107.0
2016-17	8.1	81.6	746.2	11.1	4.4	0.1	-	80.5	931.9
2017-18	-	-	596.0	0.2	0.2	-	-	27.2	623.6
2018-19	-	-	-	0.1	..	-	-	-	0.1
2019-20	-	-	-	-	-	-	-	-	-

OTHER NATIONAL PARTNERSHIP PAYMENTS

The Commonwealth also makes various payments to the States to support other services, including payments in respect of:

- public order and safety;
- recreation and culture; and
- transport and communication.

Table 2.12 provides information on payments to the States to support these services.

Table 2.12: Payments to support other State services

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
National Partnership payments					
2014 G20 Leaders' Summit security	1.6	-	-	-	-
Developing demand-driver infrastructure for the tourism industry	9.4	15.2	13.8	-	-
Financial assistance to local governments – Financial Assistance Grant programme	1,144.2	2,288.7	2,381.4	2,474.5	2,575.4
Financial assistance to NSW Government for NSW Police	-	-	0.1	2.9	4.6
Heffron Park Centre of Excellence	-	5.0	5.0	-	-
Legal assistance services	250.9	257.1	248.7	252.9	256.8
National Register of Foreign Ownership of Land Titles	8.0	8.0	-	-	-
North Queensland Strata Title Inspection Scheme	-	6.3	6.3	-	-
Provision of fire services	19.7	20.3	21.1	21.8	22.6
Sinking fund on State debt	..	..	..	..	..
Tasmanian horticulture market growth	0.1	-	-	-	-
Tasmanian Regional Tourism Infrastructure and Innovation Fund	4.4	-	-	-	-
Total	1,438.3	2,600.7	2,676.3	2,752.1	2,859.5

National Partnership on the 2014 G20 Leaders' Summit security

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	1.6	-	-	-	-	-	1.6
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth has provided funding for the *National Partnership on the 2014 G20 Leaders' Summit security* to cover Queensland's policing and related costs resulting from Australia's hosting of G20 meetings in Queensland, in particular the G20 Leaders' Summit.

National Partnership on developing demand–driver infrastructure for the tourism industry

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	0.4	1.7	2.6	1.4	1.0	0.8	0.8	0.8	9.4
2016-17	4.8	2.8	2.9	1.4	1.0	0.8	0.8	0.8	15.2
2017-18	4.4	2.8	2.0	1.4	1.0	0.8	0.8	0.8	13.8
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the *National Partnership on developing demand-driver infrastructure for the tourism industry*. This National Partnership funds projects that create and encourage tourism, and assist the tourism industry to meet the national tourism strategy, *Tourism 2020*.

Financial assistance to local governments — Financial Assistance Grant programme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
General purpose component	253.8	197.5	159.4	86.6	56.8	17.3	13.0	8.2	792.5
Local road component	102.0	72.5	65.9	53.8	19.3	18.6	11.3	8.2	351.7
Total financial assistance to local governments	355.9	270.0	225.3	140.4	76.1	35.9	24.3	16.4	1,144.2
2016-17									
General purpose component	508.1	396.8	318.3	172.7	112.8	34.3	26.1	16.2	1,585.3
Local road component	204.1	145.0	131.8	107.6	38.7	37.3	22.6	16.5	703.4
Total financial assistance to local governments	712.2	541.8	450.1	280.2	151.5	71.5	48.6	32.6	2,288.7
2017-18									
General purpose component	528.5	413.8	331.0	180.5	116.7	35.2	27.1	16.7	1,649.5
Local road component	212.4	150.9	137.1	111.9	40.2	38.8	23.5	17.1	731.9
Total financial assistance to local governments	740.8	564.7	468.1	292.4	156.9	74.0	50.5	33.9	2,381.4
2018-19									
General purpose component	548.9	431.0	343.7	188.4	120.6	36.1	28.1	17.3	1,714.0
Local road component	220.7	156.8	142.5	116.3	41.8	40.3	24.4	17.8	760.5
Total financial assistance to local governments	769.5	587.8	486.2	304.7	162.4	76.4	52.5	35.1	2,474.5
2019-20									
General purpose component	571.1	449.6	357.4	197.0	124.7	37.1	29.1	17.9	1,783.9
Local road component	229.7	163.2	148.3	121.0	43.5	41.9	25.4	18.5	791.6
Total financial assistance to local governments	800.7	612.8	505.7	318.0	168.2	79.0	54.5	36.4	2,575.4

The Commonwealth is providing untied financial contributions through State governments to local governments, to be spent according to local priorities. In 2015-16, these financial contributions will total \$1.1 billion, recognising a decision by the Commonwealth for \$1.1 billion to be brought forward from 2015-16 to be paid in 2014-15.

The Financial Assistance Grant programme consists of two components: a general purpose component and a local road component. The general purpose component is

the larger component and is distributed between the States on a per capita basis, while the local road component is distributed between the States according to fixed historical shares.

Funding under the Financial Assistance Grant programme is paid through State governments to local governments. State grants commissions determine the intrastate distribution of the grant between local governments. Both funding components are untied and can be spent according to each local government's own priorities.

National Partnership on financial assistance to NSW Government for NSW Police

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	-	-	-	-	-	-	-
2017-18	0.1	-	-	-	-	-	-	-	0.1
2018-19	2.9	-	-	-	-	-	-	-	2.9
2019-20	4.6	-	-	-	-	-	-	-	4.6

The Commonwealth will provide funding for the *National Partnership on financial assistance to NSW Government for NSW Police*. This National Partnership will provide four years of transitional funding for the equal sharing of the costs of reimbursing NSW police officers who incur an additional tax liability from making voluntary superannuation contributions that exceed the concessional contributions cap due to the impact of NSW's compulsory employer death and disability insurance premiums. It will also provide for the cost-sharing of any fringe benefits tax that results from reimbursing police officers in these situations.

Funding for this programme is a new spending measure in the 2016-17 Budget. This measure is discussed in Budget Paper No. 2, *Budget Measures 2016-17*.

National Partnership for the Heffron Park Centre of Excellence

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	5.0	-	-	-	-	-	-	-	5.0
2017-18	5.0	-	-	-	-	-	-	-	5.0
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership for the Heffron Park Centre of Excellence*. The Centre of Excellence will house a community and administration centre, as well as a football development department supported by elite facilities.

National Partnership on legal assistance services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	74.6	57.6	50.1	29.0	19.5	7.3	5.8	7.1	250.9
2016-17	76.6	59.2	51.4	29.9	19.8	7.3	5.8	7.2	257.1
2017-18	74.5	57.1	50.1	28.8	18.8	6.9	5.6	6.9	248.7
2018-19	75.5	58.0	51.0	29.5	19.1	7.0	5.7	7.0	252.9
2019-20	76.4	58.9	51.9	30.3	19.3	7.1	5.8	7.1	256.8

The Commonwealth is providing funding for the *National Partnership on legal assistance services*. This National Partnership allows the States to provide legal assistance services to disadvantaged persons by legal aid commissions and community legal centres in accordance with Commonwealth policy priorities.

National Partnership on the National Register of Foreign Ownership of Land Titles^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	~	~	~	~	~	~	~	~	8.0
2016-17	~	~	~	~	~	~	~	~	8.0
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

The Commonwealth will provide funding for the *National Partnership on the National Register of Foreign Ownership of Land Titles*. This National Partnership will support the delivery of the National Register of Foreign Ownership of Land Titles by helping the States develop systems that will enable data on sales and transfers of real property involving foreign owners to be provided to the Australian Taxation Office.

National Partnership on the North Queensland Strata Title Inspection Scheme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	-	-	-
2016-17	-	-	6.3	-	-	-	-	-	6.3
2017-18	-	-	6.3	-	-	-	-	-	6.3
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership on the North Queensland Strata Title Inspection Scheme*. This National Partnership will improve the information available to owners of strata title properties about a property's susceptibility to weather damage, and ways to make properties more resilient. The Queensland Government will develop and administer the assessment programme for strata properties in North Queensland.

National Partnership on provision of fire services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	4.3	3.0	3.0	1.4	1.0	0.3	5.1	1.6	19.7
2016-17	4.4	3.1	3.1	1.4	1.0	0.3	5.3	1.7	20.3
2017-18	4.6	3.2	3.2	1.4	1.1	0.3	5.5	1.7	21.1
2018-19	4.7	3.3	3.4	1.5	1.1	0.3	5.7	1.8	21.8
2019-20	4.9	3.4	3.5	1.5	1.2	0.3	5.9	1.9	22.6

The Commonwealth is providing funding for the *National Partnership on provision of fire services*. This National Partnership provides the States with equitable payment arrangements for the fire protection of Commonwealth-owned buildings.

Sinking fund on State debt

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	..
2016-17	-	-	-	-	-	-	..
2017-18	-	-	-	-	-	-	..
2018-19	-	-	-	-	-	-	..
2019-20	-	-	-	-	-	-	..

The Commonwealth is contributing to the Debt Retirement Reserve Trust Account on behalf of New South Wales and Victoria in accordance with the *Financial Agreement Act 1994*. Monies standing to the credit of the Account are applied to repurchase State debt that is governed by this legislation.

National Partnership for Tasmanian horticulture market growth

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	0.1	-	-	0.1
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the *National Partnership for Tasmanian horticulture market growth*. This National Partnership will support the engagement of a Tasmania-based horticulture market growth facilitator to collate information and identify opportunities for growth in exports of Tasmanian fruit and vegetable products.

National Partnership for the Tasmanian Regional Tourism Infrastructure and Innovation Fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	4.4	-	-	4.4
2016-17	-	-	-	-	-	-	-	-	-
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-

Part 2: Payments for Specific Purposes

The Commonwealth will provide funding for the *National Partnership for the Tasmanian Regional Tourism Infrastructure and Innovation Fund*. This National Partnership will fund projects that contribute to Tasmania's *Tourism 2020* outcomes.

PART 3: GENERAL REVENUE ASSISTANCE

OVERVIEW

General revenue assistance is provided to the States without conditions, to spend according to their own budget priorities. The main form of general revenue assistance is the GST entitlement. Other general revenue assistance includes payments in relation to municipal services in the Australian Capital Territory, royalties, and Snowy Hydro Limited tax compensation.

In 2016-17, the States are expected to receive \$61.3 billion from the Commonwealth in total general revenue assistance – \$60.7 billion for the GST entitlement and \$605 million for other general revenue assistance. This represents a 5.6 per cent increase in the GST entitlement compared to the \$57.5 billion the States are expected to receive in 2015-16. The Government has introduced measures impacting GST which include applying GST to low value goods imported by consumers and tobacco excise measures to improve health outcomes and combat illicit tobacco. Measures have increased the GST entitlements by \$700 million over the forward estimates period.

In 2016-17, total general revenue assistance to the States is expected to represent 13.6 per cent of total Commonwealth expenditure. Estimated total general revenue assistance provided to the States by the Commonwealth is shown in Table 3.1. Table 3.2 shows a breakdown by State.

Table 3.1: General revenue assistance

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
GST entitlement	57,450.0	60,660.0	63,940.0	67,350.0	70,370.0
Other payments					
ACT municipal services	38.5	39.1	39.6	40.2	40.9
Compensation for reduced royalties	29.0	21.7	22.3	20.0	21.0
Royalties	643.6	468.7	451.9	408.5	415.1
Snowy Hydro Limited tax compensation	75.0	75.0	75.0	75.0	75.0
Total other payments	786.1	604.5	588.8	543.7	552.0
Total	58,236.1	61,264.5	64,528.8	67,893.7	70,922.0

Table 3.2: General revenue assistance by State^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	17,546.7	12,897.0	13,044.0	1,911.7	5,573.2	2,265.7	1,080.3	3,274.0	58,236.1
2016-17	17,684.4	13,910.5	14,297.4	2,040.9	6,100.5	2,306.9	1,193.5	3,261.8	61,264.5
2017-18	18,649.0	14,709.9	15,075.7	2,162.5	6,399.0	2,402.3	1,255.4	3,423.2	64,528.8
2018-19	19,654.6	15,545.3	15,882.6	2,287.0	6,707.2	2,498.9	1,319.3	3,590.4	67,893.7
2019-20	20,549.6	16,296.3	16,595.6	2,403.0	6,973.4	2,577.7	1,375.4	3,735.9	70,922.0

(a) State splits for royalties are not published due to commercial sensitivities. Therefore, total general revenue assistance will not equal the sum of the State splits above.

GST PAYMENTS

Under the *Intergovernmental Agreement on Federal Financial Relations*, the States are entitled to receive payments from the Commonwealth broadly equivalent to the revenue raised from the GST in any given financial year, after some minor adjustments, as discussed below.

The Commonwealth makes monthly payments (advances) to the States throughout the year based on GST estimates for that year. Estimates of the GST are used, as the actual amount of GST revenue for the financial year is unknown until after the end of the financial year. Once the amount of GST revenue is known, the Treasurer makes a determination of the GST entitlement for that year. A balancing adjustment payment is then made to each State to ensure the States receive the GST to which they are entitled. These balancing adjustments (referred to as the 'prior year balancing adjustment') are made in the following financial year.

States compensate the Commonwealth for the agreed costs incurred by the Australian Taxation Office (ATO) in administering the GST. In practice, this is achieved by the Commonwealth reducing the monthly GST payments to the States by the GST administration costs.

Calculating the GST payments

Some additional adjustments are made to GST revenue in order to calculate the amount of GST paid to the States in any given year, described below.

- Some GST revenue accrued during a financial year is not remitted to the ATO by 30 June of that year, because it is not due to be paid until Business Activity Statements (BAS) are lodged the following financial year.
- Penalties owed to the ATO, other than general interest charge (GIC) penalties, are not included in the GST to be paid to the States, as defined in the *Federal Financial Relations Act 2009*.
- Some GST collected by Commonwealth agencies is not remitted to the ATO by 30 June in each financial year, because it is not due to be paid until the next BAS is lodged.

In 2015-16, an amount of \$342.0 million was added to the States' 2015-16 GST entitlement as a balancing adjustment for the difference between the final amount as determined by the Treasurer and the advances made during the 2014-15 financial year.

A reconciliation of GST revenue, GST entitlement and GST payments to the States is provided in Table 3.3.

Table 3.3: Reconciling GST revenue, GST entitlement and GST payments to the States

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
GST revenue	60,040	63,340	66,910	70,740	73,470
<i>less</i> Change in GST receivables	2,232	2,412	2,690	3,100	2,787
GST receipts	57,808	60,928	64,220	67,640	70,683
<i>less</i> Non-GIC penalties collected	250	270	280	290	310
<i>less</i> GST collected by Commonwealth agencies but not yet remitted to the ATO	108	-2	..	..	3
GST entitlement	57,450	60,660	63,940	67,350	70,370
<i>plus</i> Prior year balancing adjustment	342				
GST payments to the States(a)	57,792	60,660	63,940	67,350	70,370

(a) These GST payment estimates do not take into account the ATO's GST administration costs, which will be deducted from GST payments to the States throughout the year on a monthly basis.

Table 3.4 provides a reconciliation of the GST entitlement estimates since the 2015-16 Budget and the *Mid-Year Economic and Fiscal Outlook 2015-16* (2015-16 MYEFO). The reconciliation accounts for policy decisions and parameter and other variations. The GST entitlement in 2016-17 has been revised down by \$60 million since the 2015-16 MYEFO.

Table 3.4: Reconciliation of the GST entitlement estimates since the 2015-16 Budget and 2015-16 MYEFO

\$million	2015-16	2016-17	2017-18	2018-19
GST entitlement at 2015-16 Budget	57,050	60,950	64,500	68,200
Changes between <i>2015-16 Budget</i> and <i>MYEFO</i>				
Effect of policy decisions	2	11	14	14
Effect of parameter and other variations	198	-241	-824	-1,544
Total variations	200	-230	-810	-1,530
GST entitlement at 2015-16 MYEFO	57,250	60,720	63,690	66,670
Changes between <i>2015-16 MYEFO</i> and <i>Budget</i>				
Effect of policy decisions	-	-15	125	235
Effect of parameter and other variations	200	-45	125	445
Total variations	200	-60	250	680
GST entitlement at 2016-17 Budget	57,450	60,660	63,940	67,350

Specific policy decisions taken since the 2015-16 MYEFO that affect the GST entitlement are shown in Table 3.5. These decisions increase the amount of the GST entitlement by \$700 million over the five years to 2019-20.

Detailed information on policy decisions since the 2015-16 MYEFO is included in Budget Paper No. 2, *Budget Measures 2016-17*.

Table 3.5: Policy decisions since the 2015-16 MYEFO that affect the GST entitlement

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
Applying GST to low value goods imported by consumers	-	-	60.0	90.0	120.0
Indirect Tax Concession Scheme – diplomatic, consular and international organisation concessions
Ten Year Enterprise Tax Plan – increase the small business entity turnover threshold	-	-15.0	..	..	..
Tobacco excise – measures to improve health outcomes and combat illicit tobacco	-	-	65.0	145.0	235.0
Total	-	-15.0	125.0	235.0	355.0

Distribution of the GST among the States

The Commonwealth distributes GST among the States in accordance with the principle of horizontal fiscal equalisation and having regard to the recommendations of the Commonwealth Grants Commission (the Commission).

The Commission uses the principle of horizontal fiscal equalisation to calculate its recommended GST revenue sharing relativities. In broad terms, the relativities 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.

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. A fiscally stronger State will require less GST revenue to have the capacity to provide services and infrastructure at an average standard. For example, a State that was assessed as requiring 90 per cent of the GST on a per capita basis to be able to provide services and infrastructure at an average standard would have a relativity of 0.9. A fiscally weaker State that was assessed as requiring 110 per cent of the GST on a per capita basis to be able to provide services and infrastructure at an average standard would have a relativity of 1.1. Importantly, a GST relativity does not reflect the amount of GST revenue returned to the State where the revenue was raised. This would only be true if the GST collected per person were the same in every State, which is unlikely given differences among the States.

Distributing the GST based on the principle of horizontal fiscal equalisation does not necessarily result in the same standard of government services being delivered by all States. It simply aims to equalise each State's capacity to provide the same standard of services.

The detailed calculation for the distribution of the GST entitlement in 2015-16 and 2016-17 is shown in Table 3.6.

Table 3.6: Calculation of GST entitlements^(a)

	Estimated 31 December population (1)	GST relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population (4)	Share of GST pool \$million (5)
2015-16					
NSW	7,673,875	0.94737	7,269,999	30.5%	17,496.7
VIC	5,992,339	0.89254	5,348,402	22.4%	12,872.0
QLD	4,806,849	1.12753	5,419,866	22.7%	13,044.0
WA	2,607,541	0.29999	782,236	3.3%	1,882.6
SA	1,704,186	1.35883	2,315,699	9.7%	5,573.2
TAS	517,536	1.81906	941,429	3.9%	2,265.7
ACT	393,480	1.10012	432,875	1.8%	1,041.8
NT	244,205	5.57053	1,360,351	5.7%	3,274.0
Total	23,940,011	na	23,870,858	100.0%	57,450.0
2016-17					
NSW	7,785,528	0.90464	7,043,100	29.1%	17,634.4
VIC	6,096,490	0.90967	5,545,794	22.9%	13,885.5
QLD	4,876,082	1.17109	5,710,331	23.6%	14,297.4
WA	2,658,858	0.30330	806,432	3.3%	2,019.1
SA	1,719,548	1.41695	2,436,514	10.1%	6,100.5
TAS	518,510	1.77693	921,356	3.8%	2,306.9
ACT	398,676	1.15648	461,061	1.9%	1,154.4
NT	246,519	5.28450	1,302,730	5.4%	3,261.8
Total	24,300,211	na	24,227,317	100.0%	60,660.0

(a) Amounts shown are estimates of each State's GST entitlement based on the estimated total GST pool. For 2015-16, these amounts do not take into account the 2014-15 balancing adjustment of \$342.0 million which was paid in 2015-16.

The Commission does not produce relativities beyond the Budget year because its recommended relativities are based on actual outcomes in past years.

In Budget Paper No. 3, *Federal Financial Relations 2015-16*, the Commonwealth committed to consult with the States on its methodology for calculating forward projections of GST entitlements. Following this consultation, the Commonwealth has decided to replace the technical projections of GST relativities with an assumption that the relativities in the Budget year will also apply to the forward estimate years. This assumption makes it clear that the Commonwealth is not attempting to project future changes in the States' share of GST, based on their future fiscal capacities.

This assumption – that the GST relativities in the Budget year also apply to the forward estimate years – is then applied to the Commonwealth's estimates of population and the GST entitlement to produce projections of the State breakdowns of the GST over the forward estimates. The Commonwealth publishes State breakdowns of the GST entitlement for the purpose of publishing an estimate of total payments to each State.

Table 3.7 shows the GST relativities recommended by the Commission and determined by the Treasurer for 2015-16 and 2016-17, and the Commonwealth's assumption of the

relativities for 2017-18 to 2019-20. Table 3.8 shows the distribution of the GST entitlement based on the GST relativities in Table 3.7.

Table 3.7: GST relativities recommended by the Commission and the Commonwealth's assumption of GST relativities

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2015-16	0.94737	0.89254	1.12753	0.29999	1.35883	1.81906	1.10012	5.57053
2016-17	0.90464	0.90967	1.17109	0.30330	1.41695	1.77693	1.15648	5.28450
2017-18(a)	0.90464	0.90967	1.17109	0.30330	1.41695	1.77693	1.15648	5.28450
2018-19(a)	0.90464	0.90967	1.17109	0.30330	1.41695	1.77693	1.15648	5.28450
2019-20(a)	0.90464	0.90967	1.17109	0.30330	1.41695	1.77693	1.15648	5.28450

(a) These figures do not represent a forecast of future relativities.

Table 3.8: Distribution of the GST entitlement^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16(b)	17,496.7	12,872.0	13,044.0	1,882.6	5,573.2	2,265.7	1,041.8	3,274.0	57,450.0
2016-17	17,634.4	13,885.5	14,297.4	2,019.1	6,100.5	2,306.9	1,154.4	3,261.8	60,660.0
2017-18	18,599.0	14,684.9	15,075.7	2,140.2	6,399.0	2,402.3	1,215.7	3,423.2	63,940.0
2018-19	19,604.6	15,520.3	15,882.6	2,267.0	6,707.2	2,498.9	1,279.1	3,590.4	67,350.0
2019-20	20,499.6	16,271.3	16,595.6	2,382.0	6,973.4	2,577.7	1,334.5	3,735.9	70,370.0

(a) Amounts shown are estimates of each State's GST entitlement based on the total GST pool estimates, population estimates and GST relativities as shown in Table 3.7.

(b) For 2015-16, these amounts do not take into account the 2014-15 balancing adjustment of \$342.0 million which was paid in 2015-16.

Box 3.1: The effect of horizontal fiscal equalisation

It is common for individual States within a federation to have different capacities to raise revenue or deliver services. The practice of equalising revenue capacities and/or expenditure capacities between the States in a federation is common. Australia has had various forms of fiscal equalisation since 1901.

One way to view the degree of horizontal fiscal equalisation is to compare each State’s share of the GST entitlement using the GST relativities, with a notional distribution on an equal per capita basis. In 2016-17, around \$7.8 billion (or 12.8 per cent) of the GST entitlement is expected to be redistributed among the States, compared with an equal per capita distribution (Table A).

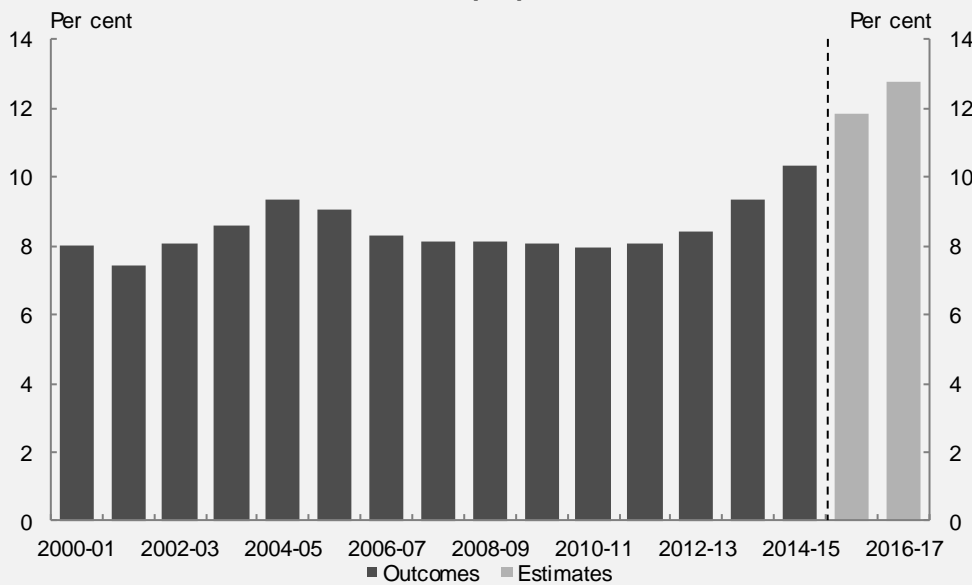
Table A: Difference from equal per capita distribution, 2016-17

	GST distribution 2016-17 Budget \$million	Equal per capita distribution of GST \$million	Redistribution(a) \$million	Projected population '000	Per capita redistribution \$
NSW	17,634.4	19,434.8	-1,800.4	7,786	-231.3
VIC	13,885.5	15,218.5	-1,333.0	6,096	-218.7
QLD	14,297.4	12,172.0	2,125.4	4,876	435.9
WA	2,019.1	6,637.2	-4,618.1	2,659	-1,736.9
SA	6,100.5	4,292.5	1,808.0	1,720	1,051.5
TAS	2,306.9	1,294.3	1,012.5	519	1,952.8
ACT	1,154.4	995.2	159.2	399	399.3
NT	3,261.8	615.4	2,646.4	247	10,735.0
Total	60,660.0	60,660.0	7,751.5	24,300	

(a) The total redistribution of \$7,752 million is the sum of positive items in that column.

Chart A below shows the proportion of the GST entitlement redistributed in 2016-17 and since the GST commenced.

Chart A: GST redistributed as a proportion of the GST entitlement



GST administration

States compensate the Commonwealth for the agreed costs incurred by the ATO in administering the GST, including costs incurred by the Department of Immigration and Border Protection. The GST administration budget for the ATO is estimated to be \$682.4 million for 2016-17, as shown in Table 3.9.

Table 3.9: Reconciliation of the GST administration budget

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
Administration budget at 2015-16 Budget	679.6	617.1	597.8	587.6	na
Total parameter variations from 2015-16 Budget to MYEFO	-	-	-	-	na
Administration budget at 2015-16 MYEFO	679.6	617.1	597.8	587.6	na
Changes from MYEFO to 2016-17 Budget					
Applying GST to digital products and services imported by consumers(a)	-	1.5	0.1	0.1	-
Applying GST to low value goods imported by consumers(b)	-	4.4	3.6	3.3	2.6
Parameter variations	-	-	-	-	-
Other variations	-	59.4	35.2	28.1	1.7
Total variations	-	65.3	38.9	31.4	4.3
Administration budget at 2016-17 Budget	679.6	682.4	636.7	619.0	598.3
less Prior year adjustment	7.4				
<i>equals</i> State government payments	672.2	682.4	636.7	619.0	598.3

(a) Further information on the measure: applying GST to digital products and services imported by consumers can be found in Budget Paper No. 2, *Budget Measures 2015-16*.

(b) Further information on the measure: applying GST to low value goods imported by consumers can be found in Budget Paper No. 2, *Budget Measures 2016-17*.

The GST administration estimates published at the 2015-16 Budget and the 2015-16 MYEFO did not include a component for indirect costs (such as property, IT infrastructure, and corporate services overheads) relating to the extension of the GST compliance programme. Adjustments to include this component are reflected in 'other variations' in Table 3.9.

In 2014-15, the GST administration payments made by the States were \$7.4 million more than the combination of the total final audited GST administration cost for 2014-15 and the States' 2013-14 net overpayment. The 2014-15 overpayment was subtracted from the estimated administration costs of \$679.6 million for 2015-16.

OTHER GENERAL REVENUE ASSISTANCE

The Commonwealth makes payments of other general revenue assistance to the States, including:

- payments to the Australian Capital Territory for municipal services;
- compensation for reduced royalties;
- royalties; and
- Snowy Hydro Limited tax compensation.

Like GST, other general revenue assistance is provided to the States without conditions, to spend according to their own budget priorities. These payments are detailed below.

Table 3.10: Other general revenue assistance

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
ACT municipal services	38.5	39.1	39.6	40.2	40.9
Compensation for reduced royalties	29.0	21.7	22.3	20.0	21.0
Royalties	643.6	468.7	451.9	408.5	415.1
Snowy Hydro Limited tax compensation	75.0	75.0	75.0	75.0	75.0
Total other general revenue assistance	786.1	604.5	588.8	543.7	552.0

Payments to the Australian Capital Territory for municipal services

The Commonwealth provides general revenue assistance to the Australian Capital Territory to assist in meeting the additional municipal costs which arise from Canberra's role as the national capital. This general revenue assistance also compensates the Australian Capital Territory for additional costs resulting from the national capital planning influences on the provision of water and sewerage services.

The level of funding is based on the findings of the Commonwealth Grants Commission in its second and third reports on financing for the Australian Capital Territory, prior to the move to self-government in 1989.

Payments to the Australian Capital Territory for municipal services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	-	-	-	38.5	-	38.5
2016-17	-	-	-	-	-	-	39.1	-	39.1
2017-18	-	-	-	-	-	-	39.6	-	39.6
2018-19	-	-	-	-	-	-	40.2	-	40.2
2019-20	-	-	-	-	-	-	40.9	-	40.9

Compensation for reduced royalties

The Commonwealth provides general revenue assistance to compensate Western Australia for the loss of royalty revenue resulting from the removal of the exemption of condensate from crude oil excise in the 2009-10 Budget.

Compensation for reduced royalties

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	29.0	-	-	-	-	29.0
2016-17	-	-	-	21.7	-	-	-	-	21.7
2017-18	-	-	-	22.3	-	-	-	-	22.3
2018-19	-	-	-	20.0	-	-	-	-	20.0
2019-20	-	-	-	21.0	-	-	-	-	21.0

Royalties

Payments to Western Australia

The Commonwealth provides general revenue assistance to Western Australia from royalties collected under the *Offshore Petroleum (Royalty) Act 2006* in respect of the North West Shelf oil and gas project off the coast of Western Australia. The Commonwealth collects these royalties because it has jurisdiction over offshore areas.

These royalties are shared between the Commonwealth (approximately one third) and Western Australia (approximately two thirds). These payment arrangements are in accordance with the revenue sharing arrangements in section 75 of the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

Payments to the Northern Territory

The Commonwealth provides general revenue assistance to the Northern Territory in lieu of royalties on uranium mining in the Ranger Project Area, due to the Commonwealth's ownership of uranium in the Northern Territory.

General revenue assistance is payable biannually at the royalty rate of 1.25 per cent of the net proceeds of sales. These royalties are paid under a continuing agreement established under the 1978 Memorandum of Understanding between the Commonwealth and the Northern Territory.

Royalties^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	-	-	-	nfp	-	-	-	nfp	643.6
2016-17	-	-	-	nfp	-	-	-	nfp	468.7
2017-18	-	-	-	nfp	-	-	-	nfp	451.9
2018-19	-	-	-	nfp	-	-	-	nfp	408.5
2019-20	-	-	-	nfp	-	-	-	nfp	415.1

(a) State splits for royalties are not published due to commercial sensitivities.

Snowy Hydro Limited tax compensation

On 28 June 2002, the Snowy Mountains Hydro Electric Authority was corporatised. The assets and business of the Authority were transferred to Snowy Hydro Limited, a company jointly owned by the Commonwealth, New South Wales and Victoria (with 13 per cent, 58 per cent and 29 per cent shareholdings respectively).

The Commonwealth provides compensation payments to New South Wales and Victoria, in the form of general revenue assistance, for Commonwealth income taxes paid by Snowy Hydro Limited. The payments are made in proportion to the States' shareholdings.

Payments are made in accordance with the Snowy Hydro Tax Compensation Deed between the Commonwealth, New South Wales and Victoria. These taxes would have previously been payable to the States through tax equivalence regime payments.

Snowy Hydro Limited tax compensation

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16	50.0	25.0	-	-	-	-	-	-	75.0
2016-17	50.0	25.0	-	-	-	-	-	-	75.0
2017-18	50.0	25.0	-	-	-	-	-	-	75.0
2018-19	50.0	25.0	-	-	-	-	-	-	75.0
2019-20	50.0	25.0	-	-	-	-	-	-	75.0

MIRROR TAX ARRANGEMENTS

The Commonwealth introduced mirror tax arrangements in 1998 to ensure that the States were not financially disadvantaged by the High Court decision in *Allders International Pty Ltd v Commissioner of State Revenue (Victoria)*, which invalidated State taxes on Commonwealth places. These arrangements mirror certain State taxes, including payroll taxes, land taxes and stamp duties, with respect to Commonwealth places. The States collect these mirror taxes on behalf of the Commonwealth and bear the administrative costs of collection.

All mirror tax revenues are credited to the Commonwealth and simultaneously appropriated to the States, with no net impact on the Commonwealth's budget position, as shown in Table 3.11.

Table 3.11: Mirror taxes accrued on behalf of the States

\$million	2015-16	2016-17	2017-18	2018-19	2019-20
Mirror taxes	526.7	552.9	581.5	610.7	629.8
less Transfers to State Governments	526.7	552.9	581.5	610.7	629.8
Commonwealth Budget impact	-	-	-	-	-

PART 4: DEVELOPMENTS IN THE CONSOLIDATED NON-FINANCIAL PUBLIC SECTOR

INTRODUCTION

This Part provides a perspective on the financial position of all levels of government in Australia.

It discusses trends in key fiscal indicators including the net operating balance, fiscal balance, cash balance and net debt, at the Commonwealth level, State level, and the consolidated level, which includes Local Government.

This Part focuses on trends in the non-financial public sector (NFPS) which comprises the general government sector and the public non-financial corporations (PNFC) sector.¹ The general government sector provides non-market goods and services such as policing, health and education. The PNFC sector comprises government controlled corporations engaged in providing market goods such as electricity and public transport, but not financial services.

For further information on the fiscal indicators and the institutional structure of the public sectors see Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 9: Australian Government Budget Financial Statements*.

State estimates in this Part come from the most recent publicly available State financial reports. Victoria's estimates are based on its 2016-17 Budget, while the remaining jurisdictions' estimates are drawn from their 2015-16 mid-year financial reports. Aggregate State data are only available to 2018-19, so references to the forward estimates in this Part relate to the period 2016-17 to 2018-19.

Additional data tables can be found in Appendix C (available online).

NET OPERATING BALANCE

The net operating balance measures, in accrual terms, the gap between recurrent expenses and revenue for a given period. This is the headline budget measure used by most States to provide an indication of the medium term sustainability of the existing level of government services. The Commonwealth does not use net operating balance as a headline fiscal indicator.

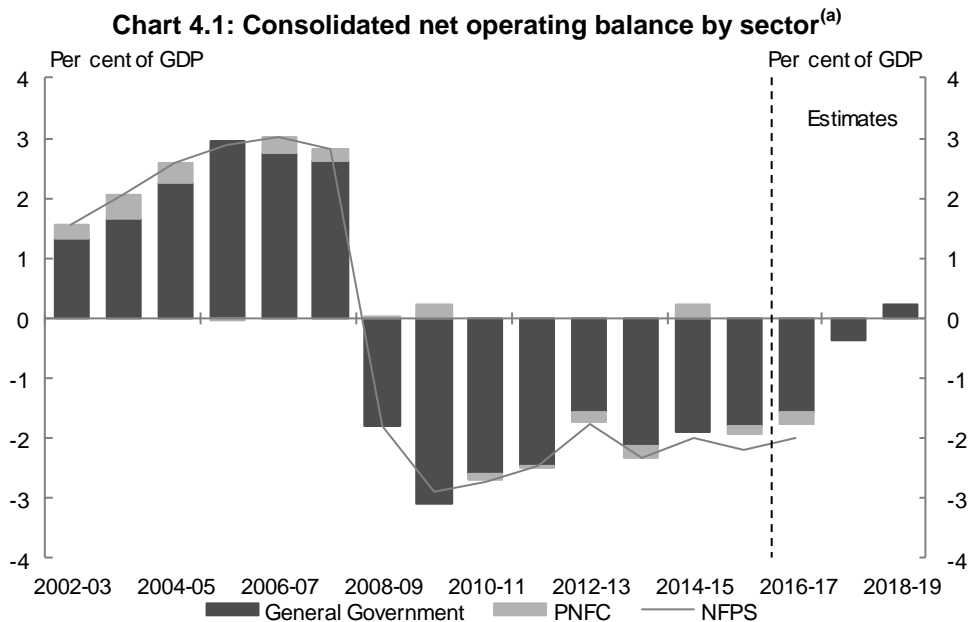
¹ Due to inter-sectoral transfers, NFPS does not always equal the sum of the general government and PNFC sectors.

In aggregate, the States are expecting the general government sector to record a net operating surplus of 0.3 per cent of GDP in 2016-17, remaining steady over the forward estimates.

In aggregate, on average across the forward estimates, the States are expecting revenue as a proportion of GDP to be 14.2 per cent, which is slightly below the pre-Global Financial Crisis 10 year average of 14.3 per cent of GDP.

The Commonwealth is expecting the general government sector to record a net operating deficit of 2.0 per cent of GDP in 2016-17, improving to a deficit of 0.3 per cent of GDP in 2018-19.

As shown in Chart 4.1, the consolidated general government sector is expected to record a net operating deficit of 1.6 per cent of GDP in 2016-17, improving to a surplus of 0.2 per cent of GDP in 2018-19.



(a) Data for the PNFC sector (and therefore NFPS) are not available beyond 2016-17.

FISCAL AND CASH BALANCES

A fiscal surplus indicates that a government is saving more than enough to finance all of its investment spending and is therefore not contributing directly to the current account deficit. A fiscal deficit indicates that a government needs to borrow or liquidate financial assets in order to fund its capital and/or recurrent expenditures.

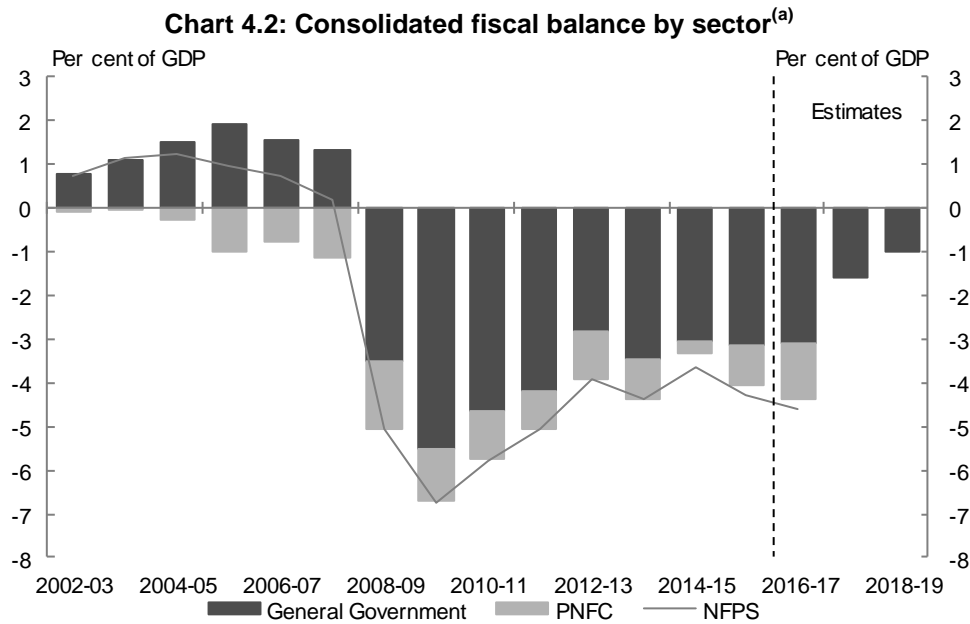
As the fiscal balance includes capital transfers and investment in non-financial assets, which are not included in the net operating balance, the difference between the fiscal

balance and the net operating balance is the effect of investment in non-financial assets, including infrastructure.

The fiscal balance of the Commonwealth general government sector is expected to remain in deficit over the forward estimates, however the 2016-17 deficit of 2.2 per cent of GDP is expected to decrease in both 2017-18 and 2018-19.

Aggregate State net capital investment is forecast to decline from 0.8 per cent of GDP in 2016-17 to 0.4 per cent of GDP in 2018-19. As a result of this decline in net capital investment and steady net operating balances over the forward estimates, the aggregate State fiscal balance is expected to improve from a deficit of 0.5 per cent of GDP in 2016-17 to a deficit of 0.1 per cent of GDP in 2018-19.

As shown in Chart 4.2, at the consolidated level the general government sector fiscal balance is expected to remain in deficit across the forward estimates, although the deficit is expected to narrow from 3.1 per cent of GDP in 2016-17 to 1.0 per cent of GDP by 2018-19. A fiscal deficit of 1.3 per cent of GDP is expected in the PNFC sector for 2016-17, contributing to an NFPS deficit of 4.6 per cent of GDP in 2016-17.



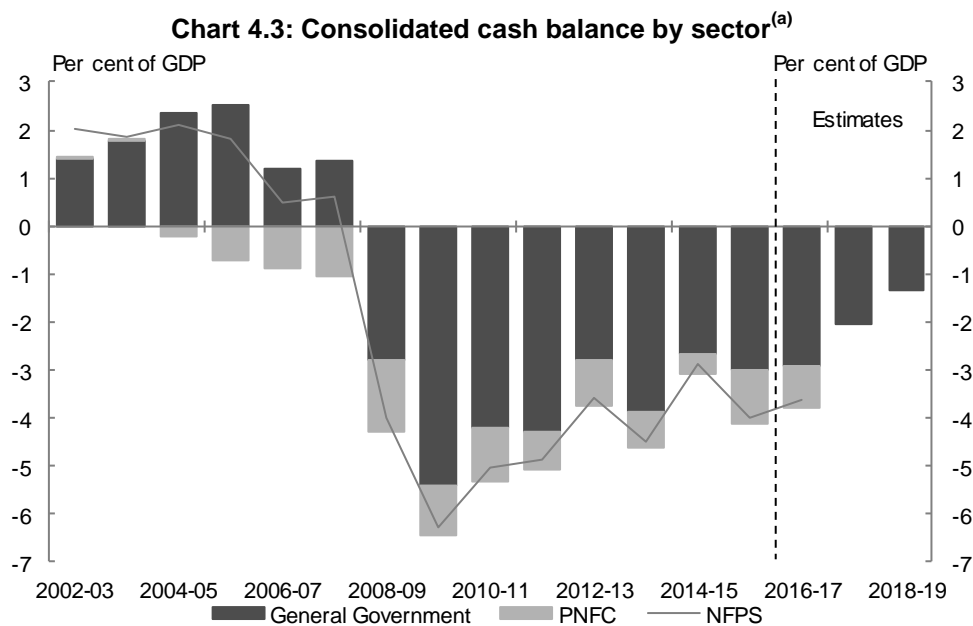
(a) Data for the PNFC sector (and therefore the NFPS) are not available beyond 2016-17.

The cash balance is the equivalent of a fiscal balance measured on a non-accrual basis, capturing payments and receipts as they occur. It therefore reflects the extent to which cash is available to a government.

The underlying cash balance of the Commonwealth general government sector is expected to remain in deficit over the forward estimates, with a deficit of 2.2 per cent of GDP in 2016-17 improving to a deficit of 0.8 per cent of GDP in 2018-19. At the State

level, the 2016-17 cash balance is expected to be a deficit of 0.4 per cent of GDP, improving to 0.2 per cent of GDP in 2018-19.

As shown in Chart 4.3, the consolidated general government sector cash balance is expected to be a deficit of 2.9 per cent of GDP in 2016-17, before improving to a deficit of 1.3 per cent of GDP in 2018-19. A cash deficit of 0.9 per cent of GDP is also expected in the PNFC sector in 2016-17, contributing to an NFPS deficit of 3.6 per cent of GDP in 2016-17.



(a) Data for the PNFC sector (and therefore the NFPS) are not available beyond 2016-17.

NET DEBT

Net debt is the sum of selected financial liabilities (deposits held, advances received, government securities, loans and other borrowing) less the sum of selected financial assets (cash and deposits, advances paid, investments, loans and placements). Net debt does not include superannuation related liabilities.

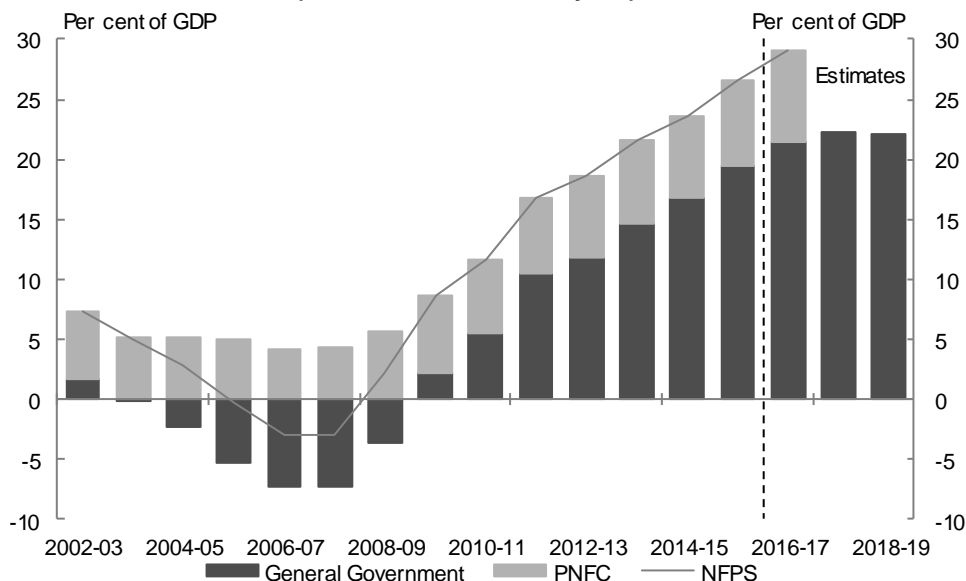
As shown in Chart 4.4, consolidated general government sector net debt is expected to increase from 21.5 per cent of GDP in 2016-17 to 22.2 per cent in 2017-18 before declining to 22.1 per cent of GDP in 2018-19.

Commonwealth general government sector net debt as a proportion of GDP is expected to increase from 18.9 per cent in 2016-17 to 19.2 per cent in 2017-18 before declining to 18.8 per cent in 2018-19. State net debt as a proportion of GDP is expected to reach 3.5 per cent in 2018-19. The Local Government sector is expected to continue

to have negative net debt, that is, selected financial assets will exceed selected financial liabilities.

Commonwealth net debt is expected to continue to make up the bulk of consolidated net debt.

**Chart 4.4: Consolidated net debt by sector
(as at end of financial year)^(a)**



(a) Data for the PNFC sector (and therefore the NFPS) are not available beyond 2016-17.

THE AUSTRALIAN LOAN COUNCIL

The Australian Loan Council (Loan Council) is a Commonwealth-State council that monitors public sector borrowing. It consists of the Prime Minister and the Premier/Chief Minister of each State. In practice, each member is represented by a nominee, usually the Treasurer of that jurisdiction, with the Commonwealth Treasurer as Chair.

Current Loan Council arrangements operate on a voluntary basis and emphasise transparency of public sector financing rather than adherence to strict borrowing limits. These arrangements are designed to enhance financial market scrutiny of public sector borrowing and facilitate informed judgments about each government's financial performance.

The Loan Council considers jurisdictions' nominated borrowings for the forthcoming year, having regard to each jurisdiction's fiscal position and infrastructure requirements, as well as to the macroeconomic implications of the aggregate figure.

Budget Paper No. 3

The Loan Council considered Loan Council Allocation (LCA) nominations for 2016-17 in April 2016. The Loan Council approved each jurisdiction's nominated allocation. In aggregate, the nominations represent a deficit of \$79.3 billion (Table 4.1). The States nominated a deficit of \$24.3 billion and the Commonwealth nominated a deficit of \$55.0 billion.

As part of the Loan Council arrangements, all jurisdictions are required to update their LCA to reflect their budget and provide an explanation to the Loan Council if they are likely to exceed the tolerance limit.

State 2016-17 LCA budget updates will be available in the States' 2016-17 budgets. The Commonwealth's 2016-17 LCA budget update is available in Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 9: Budget Financial Statements, Appendix B*.

Table 4.1: Loan Council Allocation nominations for 2016-17^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	C'wlth	Total
General government sector cash surplus(-)/deficit(+)	-23	1,219	752	3,991	184	20	567	113	29,950	
PNFC sector cash surplus(-)/deficit(+)	6,120	842	918	1,011	124	-141	51	55	7,484	
NFPS cash surplus(-)/deficit(+)(b)	6,098	2,077	1,670	5,002	308	-121	617	168	37,434	
<i>plus</i> Acquisitions under finance leases and similar arrangements	1,565	496	843	79	2,820	-	-	-	-5	
<i>equals</i> ABS GFS cash surplus(-)/deficit(+)	7,663	2,573	2,514	5,081	3,128	-121	617	168	37,430	
<i>minus</i> Net cash flows from investments in financial assets for policy purposes(c)	-1,117	59	-	-	305	-4	-	18	-18,922	
<i>plus</i> Memorandum items(d)	1,564	484	941	-581	-547	102	-35	-	-1,348	
Loan Council Allocations	10,344	2,998	3,455	4,500	2,276	-15	582	150	55,004	79,293
2016-17 tolerance limit(e)	1,750	1,217	1,202	907	384	168	111	136	8,489	

(a) LCA nominations for 2016-17 reflect best estimates of cash surpluses/deficits. Nominations have been provided on the basis of policies announced up to, and included in, jurisdictions' mid-year financial reports. Each jurisdiction will publish an updated LCA estimate as part of its budget documentation.

(b) The sum of the general government and PNFC sector balances may not equal the NFPS balance due to inter-sectoral transfers.

(c) Net cash flows from investments in financial assets for policy purposes comprise net lending by governments with the aim of achieving government policy as well as net equity sales and net lending to other sectors or jurisdictions. Such transactions involve the transfer or exchange of a financial asset and are not included within the cash deficit. However, these flows have implications for a government's call on financial markets. Net cash flows from investments in financial assets for policy purposes are displayed with the same sign as reported in cash flow statements.

(d) Memorandum items are used to adjust the NFPS surplus/deficit to include certain transactions in LCAs — such as operating leases — that have many of the characteristics of public sector borrowings but do not constitute formal borrowings. They are also used, where appropriate, to deduct from the NFPS surplus/deficit certain transactions that the Loan Council has agreed should not be included in LCAs, for example, the funding of more than employers' emerging costs under public sector superannuation schemes, or borrowings by entities such as statutory marketing authorities. Where relevant, memorandum items include an amount for gross new borrowings of government home finance schemes.

(e) Tolerance limits are designed, inter alia, to accommodate changes to LCAs resulting from changes in policy. Tolerance limits apply between jurisdictions' LCA nominations and budget estimates, and again between budget estimates and outcomes. They are calculated as two per cent of NFPS cash receipts from operating activities in each jurisdiction.

APPENDIX A: PARAMETERS AND FURTHER INFORMATION

This appendix provides information on the parameters used in producing this Budget Paper.

Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 2: Economic Outlook*, provides information on the forecasting approach used in the 2016-17 Budget.

POPULATION

Population data are used to distribute funding between the States and in the calculation of annual growth factors.

Estimates of State populations

Table A.1 sets out the State population series used in this Budget Paper.

Table A.1: Population by State, at 31 December

million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015	7.674	5.992	4.807	2.608	1.704	0.518	0.393	0.244	23.940
2016	7.786	6.096	4.876	2.659	1.720	0.519	0.399	0.247	24.300
2017	7.900	6.203	4.946	2.711	1.735	0.519	0.404	0.249	24.668
2018	8.021	6.315	5.019	2.766	1.752	0.520	0.409	0.251	25.054
2019	8.147	6.431	5.095	2.824	1.769	0.522	0.415	0.254	25.456

The State populations for 2015 to 2019 are Treasury estimates as at 31 December in the respective year. They are constructed using the latest demographic data available from the Australian Bureau of Statistics (ABS) and Treasury assumptions on fertility, mortality, net overseas migration and interstate migration.

Fertility

For the 2016-17 Budget, the Treasury fertility assumption is that the Total Fertility Rate will equal 1.900 babies per woman in 2015 and remain stable for the remainder of the projection period. This assumption is unchanged from the 2015-16 MYEFO and the 2015 *Intergenerational Report*.

Mortality

The mortality assumptions are based on the medium assumptions used in the ABS *Population Projections, 2012-2101* (cat. no. 3222.0). In these assumptions, a continuing decline in mortality rates across Australia, with State differentials persisting, is assumed. Overall, life expectancy is assumed to improve to the year 2019 at the rate observed over the period 1982 to 2011.

Net overseas migration

Table A.2 shows the net overseas migration assumptions used in this Budget Paper.

Table A.2: Net overseas migration

	2015	2016	2017	2018	2019
Net overseas migration, Australia	177,659	203,216	208,522	225,251	238,881

State shares of net overseas migration are estimated by using a weighted average of the three most recent observed years – 2012, 2013 and 2014 – with weights of one, two and four respectively.

Interstate migration

Table A.3 shows the net interstate migration assumptions used in this Budget Paper.

Table A.3: Net interstate migration

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2016	-8,800	7,800	6,600	2,700	-3,100	-1,500	-1,000	-2,700	-
2017	-8,800	7,800	6,600	2,700	-3,100	-1,500	-1,000	-2,700	-
2018	-8,800	7,800	6,600	2,700	-3,100	-1,500	-1,000	-2,700	-
2019	-8,800	7,800	6,600	2,700	-3,100	-1,500	-1,000	-2,700	-

Similar to State shares of net overseas migration, the Treasury's estimates of net interstate migration are based on a weighted average of the three most recent observed years – 2012, 2013 and 2014 – with weights of one, two and four respectively. Due to data lags, the 2014 observation includes an assumption for the December quarter based on weighted averages of arrivals and departures for December quarters 2011 to 2013.

WAGE COST INDICES

Table A.4 shows the wage cost indices used in this Budget Paper, rounded to the nearest quarter of a per cent.

Table A.4: Wage cost indices

per cent	2015-16	2016-17	2017-18	2018-19	2019-20
Wage cost index - 1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Wage cost index - 6	1 1/2	1 1/2	2	2	2

DATA SOURCES

The information in Part 4, Appendix B and Appendix C of this Budget Paper is consistent with the ABS Government Finance Statistics reporting framework for the public sector.

Commonwealth data are sourced from the Commonwealth Government Final Budget Outcomes, ABS, and Commonwealth Government Consolidated Financial Statements.

See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*, for more information.

State data for 2015-16 onwards are sourced from States' 2015-16 mid-year financial reports, with the exception of Victoria which is sourced from its 2016-17 Budget.

The 2016-17 Budget also includes revisions to Commonwealth Government budget aggregates that improve the accuracy and comparability of the data through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*, for more information on these revisions.

FURTHER INFORMATION

Several publications of the ABS also provide information that is relevant to analysing federal financial relations data, including:

- *Australian Demographic Statistics* (cat. no. 3101.0);
- *Population Projections, 2012-2101* (cat. no. 3222.0);
- *Taxation Revenue, Australia* (cat. no. 5506.0);
- *Government Finance Statistics, Australia* (cat. no. 5512. 0);
- *Australian System of Government Finance Statistics – Concepts, Sources and Methods* (cat. no. 5514.0);
- Information Paper: *Developments in Government Finance Statistics* (cat. no. 5516.0);
and
- Information Paper: *Accruals Based Government Finance Statistics* (cat. no. 5517.0).

Commonwealth Grants Commission publications also provide information relevant to the analysis of federal financial relations relating to the distribution of GST revenue. In relation to the 2016-17 financial year, the relevant publication is the *Report on GST Revenue Sharing Relativities – 2016 Update*.

APPENDIX B: TOTAL PAYMENTS TO THE STATES BY GOVERNMENT FINANCE STATISTICS FUNCTION

The tables in this Appendix provide information on key fiscal indicators at the Commonwealth, State and local levels, and together at the consolidated level.

Table B.1: Total payments to the States by GFS function

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2015-16									
General public services	-	-	11,980	-	-	-	-	-	19,980
Public order and safety	84,798	63,090	54,846	31,064	21,053	8,007	11,239	79,344	353,441
Education	5,552,769	4,519,652	3,789,919	1,826,629	1,300,646	419,800	303,401	359,973	18,074,262
Health	5,681,858	4,414,760	3,625,301	1,888,234	1,254,507	430,959	331,316	279,455	17,906,390
Social security and welfare	929,874	850,045	354,339	429,771	124,199	36,771	29,496	32,581	2,787,076
Housing and community amenities	521,913	369,870	457,499	271,539	135,376	32,074	31,935	296,755	2,129,964
Recreation and culture	-	-	-	-	-	5,170	-	-	5,170
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	86,442	256,519	49,138	2,677	104,475	12,420	3,679	9,973	525,323
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,975,606	504,516	1,542,703	972,891	296,743	124,663	28,680	168,036	6,945,538
Other economic affairs	380	1,660	5,166	3,440	989	5,155	775	775	18,340
Other purposes	17,905,122	13,169,995	13,303,106	2,054,320	5,649,968	2,301,662	1,104,599	3,296,784	59,429,124
Total payments to the States	32,738,762	24,150,107	23,193,997	7,480,565	8,887,956	3,376,681	1,845,120	4,523,676	108,194,608
<i>less</i> payments 'through' the States	3,243,771	2,704,486	2,198,677	1,083,913	800,702	221,168	210,391	171,345	10,635,926
<i>less</i> financial assistance grants for local government	355,861	269,997	225,274	140,375	76,078	35,923	24,283	16,433	1,144,224
<i>less</i> payments direct 'to' local government	267,175	210,127	221,867	153,078	75,657	32,693	-	16,811	977,408
<i>equals</i> total payments 'to' the States for own-purpose expenses	28,871,955	20,965,497	20,548,179	6,103,199	7,935,519	3,086,897	1,610,446	4,319,087	95,437,050

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

Table B.1: Total payments to the States by GFS function (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2016-17									
General public services	-	-	-	-	-	-	-	-	8,000
Public order and safety	86,417	66,271	54,281	32,203	21,330	7,957	11,369	76,574	356,402
Education	6,033,238	4,858,024	4,162,301	1,945,132	1,373,147	451,362	320,513	383,634	19,528,870
Health	5,786,259	4,431,558	3,683,800	2,058,486	1,280,270	418,636	343,822	304,801	18,723,248
Social security and welfare	771,464	543,070	417,922	459,554	175,357	52,329	70,815	34,949	2,525,460
Housing and community amenities	488,098	374,337	464,910	297,840	124,457	34,090	26,157	228,780	2,058,168
Recreation and culture	5,000	-	-	-	-	1,780	-	-	6,780
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	149,610	201,299	60,879	1,472	129,466	22,105	27,348	2,876	600,198
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	3,197,863	739,841	2,170,333	841,846	668,314	172,440	24,137	124,134	9,141,895
Other economic affairs	4,831	2,779	2,920	1,388	989	775	775	775	15,232
Other purposes	18,396,806	14,453,744	14,771,169	2,321,279	6,252,093	2,378,426	1,242,062	3,296,306	63,580,617
Total payments to the States	34,919,586	25,670,923	25,788,515	7,959,200	10,025,423	3,539,900	2,066,998	4,452,829	116,544,870
<i>less</i> payments 'through' the States	3,443,507	2,920,480	2,381,161	1,181,902	836,685	238,308	220,186	182,737	11,406,485
<i>less</i> financial assistance grants for local government	712,232	541,819	450,095	280,220	151,505	71,546	48,611	32,649	2,288,677
<i>less</i> payments direct 'to' local government	234,809	163,763	174,982	117,836	57,676	26,226	-	12,931	788,223
<i>equals</i> total payments 'to' the States for own-purpose expenses	30,529,038	22,044,861	22,782,277	6,379,242	8,979,557	3,203,820	1,798,201	4,224,512	102,061,485

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

Table B.1: Total payments to the States by GFS function (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2017-18									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	81,687	59,340	52,101	29,507	19,530	7,080	10,991	71,648	331,884
Education	6,139,592	4,931,330	4,214,647	2,062,995	1,398,215	449,594	324,791	374,466	19,897,171
Health	6,068,575	4,632,177	3,895,165	2,174,951	1,335,948	395,866	368,142	265,800	19,552,256
Social security and welfare	929,205	639,716	470,685	459,228	210,720	59,956	19,071	37,714	2,826,295
Housing and community amenities	438,159	342,662	394,470	234,204	108,292	28,697	22,314	198,275	1,792,073
Recreation and culture	5,000	-	-	-	-	1,663	-	-	6,663
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	199,521	96,340	53,779	1,472	46,944	23,105	30,348	2,445	463,954
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	2,506,642	811,977	2,498,555	1,075,732	917,546	95,108	21,258	69,078	8,748,596
Other economic affairs	4,378	2,779	1,951	1,387	989	775	775	775	13,809
Other purposes	19,389,879	15,274,591	15,554,369	2,454,849	6,555,985	2,476,303	1,305,885	3,457,528	66,921,261
Total payments to the States	35,762,638	26,790,912	27,135,722	8,494,325	10,594,169	3,538,147	2,103,575	4,477,729	120,553,962
<i>less</i> payments 'through' the States	3,548,844	3,031,668	2,477,777	1,229,209	849,063	244,641	219,589	187,702	11,790,034
<i>less</i> financial assistance grants for local government	740,819	564,713	468,113	292,389	156,944	73,982	50,530	33,878	2,381,368
<i>less</i> payments direct 'to' local government	195,350	142,400	145,650	102,400	48,280	22,800	-	11,200	668,080
<i>equals</i> total payments 'to' the States for own-purpose expenses	31,277,625	23,052,131	24,044,182	6,870,327	9,539,882	3,196,724	1,833,456	4,244,949	105,714,480

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

Table B.1: Total payments to the States by GFS function (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2018-19									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	82,357	60,207	53,016	30,150	19,751	7,148	11,251	62,492	326,372
Education	6,234,316	5,073,572	4,276,326	2,217,638	1,443,067	448,132	337,976	356,214	20,388,805
Health	6,385,703	4,864,570	4,127,889	2,325,642	1,396,012	405,214	394,257	278,256	20,597,767
Social security and welfare	1,081,446	1,480,790	1,221,359	606,740	256,092	137,885	19,932	42,301	4,846,545
Housing and community amenities	442,797	348,608	282,110	152,720	96,718	28,735	22,598	13,882	1,445,168
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	12,356	56,541	38,319	1,222	12,377	10,105	18,019	2,259	171,198
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,473,093	410,661	1,534,196	859,449	550,777	111,867	9,961	39,821	5,040,925
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes	20,424,130	16,133,041	16,368,743	2,591,628	6,869,546	2,575,346	1,371,740	3,625,541	70,368,233
Total payments to the States	36,136,198	28,427,990	27,901,958	8,785,189	10,644,340	3,724,432	2,185,734	4,420,766	123,185,013
<i>less</i> payments 'through' the States	3,593,512	3,105,697	2,505,451	1,246,904	848,457	246,194	216,545	187,197	11,951,521
<i>less</i> financial assistance grants for local government	769,542	587,772	486,176	304,669	162,363	76,397	52,452	35,109	2,474,480
<i>less</i> payments direct 'to' local government	96,980	72,643	84,423	55,383	25,426	11,532	-	6,474	352,861
<i>equals</i> total payments 'to' the States for own-purpose expenses	31,676,164	24,661,878	24,825,908	7,178,233	9,608,094	3,390,309	1,916,737	4,191,986	108,406,151

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

Table B.1: Total payments to the States by GFS function (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2019-20									
General public services	-	-	-	-	-	-	-	-	-
Public order and safety	85,040	61,010	53,883	30,763	19,953	7,209	11,523	53,369	322,750
Education	6,491,702	5,323,699	4,518,333	2,328,758	1,502,251	462,140	355,931	375,012	21,359,415
Health	6,719,473	5,109,278	4,376,919	2,488,958	1,458,804	410,522	422,384	287,887	21,711,737
Social security and welfare	363,995	335,422	263,906	338,246	91,985	30,578	21,336	54,059	1,499,527
Housing and community amenities	449,753	355,012	281,260	155,871	97,677	28,792	22,903	14,031	1,485,299
Recreation and culture	-	-	-	-	-	-	-	-	-
Fuel and energy	-	-	-	-	-	-	-	-	-
Agriculture, forestry and fishing	9,679	7,184	19,517	-	1,586	-	327	2,000	70,293
Mining, manufacturing and construction	-	-	-	-	-	-	-	-	-
Transport and communication	1,072,589	517,825	1,366,118	574,567	283,999	82,694	30,073	28,316	3,956,181
Other economic affairs	-	-	-	-	-	-	-	-	-
Other purposes	21,350,324	16,909,096	17,101,313	2,720,970	7,141,604	2,656,700	1,429,951	3,772,394	73,497,484
Total payments to the States	36,542,555	28,618,526	27,981,249	8,638,133	10,597,859	3,678,635	2,294,428	4,587,068	123,902,686
<i>less</i> payments 'through' the States	3,747,305	3,275,260	2,587,425	1,278,945	886,573	256,182	230,047	193,937	12,457,263
<i>less</i> financial assistance grants for local government	800,732	612,793	505,699	317,995	168,240	79,006	54,527	36,446	2,575,438
<i>less</i> payments direct 'to' local government	110,628	81,371	81,371	58,514	27,589	13,028	-	6,400	378,901
<i>equals</i> total payments 'to' the States for own-purpose expenses	31,883,890	24,649,102	24,806,754	6,982,679	9,515,457	3,330,419	2,009,854	4,350,285	108,491,084

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

APPENDIX C: SUPPLEMENTARY TABLES

The tables in this Appendix provide information on key fiscal indicators at the Commonwealth, State and Local Government levels, and together at the consolidated level. Due to inter sectoral transfers, the non-financial public sector (NFPS) does not always equal the sum of the general government and public non-financial corporations (PNFC) sectors.

Table C.1: General government sector cash balance by level of government as a percentage of GDP

	Commonwealth(a)			State/Local			Consolidated(b)		
	Receipts	Payments	Cash balance(c)	Receipts	Payments	Cash balance	Receipts	Payments	Cash balance(c)
2002-03	25.6	24.6	0.9	16.6	16.0	0.6	36.0	34.6	1.4
2003-04	25.3	24.4	0.9	16.8	16.0	0.9	36.1	34.3	1.8
2004-05	25.6	24.1	1.5	16.8	16.0	0.9	36.4	34.1	2.3
2005-06	25.7	24.1	1.6	17.1	16.1	1.0	36.6	34.1	2.5
2006-07	25.1	23.3	1.6	16.5	16.8	-0.3	35.9	34.5	1.2
2007-08	25.0	23.1	1.7	16.1	16.4	-0.3	35.3	33.7	1.4
2008-09	23.3	25.1	-2.1	16.2	16.8	-0.5	33.4	36.0	-2.8
2009-10	22.0	26.0	-4.2	17.5	18.5	-1.0	32.4	37.6	-5.4
2010-11	21.4	24.5	-3.4	16.5	17.4	-0.9	31.7	35.7	-4.2
2011-12	22.1	24.9	-2.9	16.6	17.6	-1.0	32.5	36.7	-4.3
2012-13	23.0	24.1	-1.2	16.0	17.4	-1.4	33.6	36.2	-2.8
2013-14	22.7	25.6	-3.1	16.6	17.0	-0.4	33.5	37.3	-3.9
2014-15	23.5	25.6	-2.4	17.3	17.3	0.0	35.0	37.4	-2.7
2015-16(e)	23.5	25.8	-2.4	17.4	17.7	-0.3	35.4	38.2	-3.0
2016-17(e)	23.9	25.8	-2.2	17.3	17.8	-0.5	35.6	38.3	-2.9
2017-18(e)	24.2	25.5	-1.4	16.9	17.2	-0.3	35.6	37.4	-2.0
2018-19(p)	24.8	25.4	-0.8	16.5	16.8	-0.3	35.8	36.9	-1.3

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(c) The cash balance is equal to the ABS GFS cash surplus/deficit less net Future Fund earnings.

(e) Estimates.

(p) Projections.

Table C.2: Public non-financial corporations sector cash balance by level of government as a percentage of GDP

	Commonwealth(a)			State/Local			Consolidated(b)		
	Receipts	Payments	Cash balance	Receipts	Payments	Cash balance	Receipts	Payments	Cash balance
2002-03	3.4	3.3	0.2	4.9	5.2	-0.3	8.8	8.7	0.0
2003-04	3.2	3.0	0.2	4.9	5.0	-0.2	8.2	8.1	0.0
2004-05	3.2	3.0	0.2	4.7	5.1	-0.4	8.0	8.2	-0.2
2005-06	3.1	3.2	-0.1	4.8	5.4	-0.6	8.0	8.7	-0.7
2006-07	1.6	1.7	-0.2	4.8	5.5	-0.7	6.4	7.3	-0.9
2007-08	0.7	0.7	0.0	4.8	5.8	-1.0	5.5	6.5	-1.0
2008-09	0.6	0.7	-0.1	4.7	6.1	-1.4	5.5	6.9	-1.5
2009-10	0.6	0.7	-0.1	5.4	6.4	-1.0	6.2	7.2	-1.0
2010-11	0.6	0.7	-0.1	5.0	6.0	-1.0	5.7	6.8	-1.1
2011-12	0.6	0.7	-0.1	4.8	5.5	-0.7	5.5	6.3	-0.8
2012-13	0.6	0.9	-0.3	5.1	5.8	-0.7	5.8	6.8	-1.0
2013-14	0.7	1.0	-0.3	4.8	5.2	-0.4	5.6	6.4	-0.8
2014-15	0.7	1.0	-0.3	4.6	4.8	-0.2	5.2	5.7	-0.4
2015-16(e)	0.7	1.1	-0.4	4.5	5.2	-0.7	5.1	6.3	-1.1
2016-17(e)	0.8	1.3	-0.6	4.7	5.0	-0.3	5.4	6.3	-0.9
2017-18(e)	na	na	na	4.3	4.8	-0.5	na	na	na
2018-19(p)	na	na	na	4.1	4.4	-0.3	na	na	na

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

Table C.3: Non-financial public sector cash balance by level of government as a percentage of GDP

	Commonwealth(a)			State/Local			Consolidated(b)		
	Receipts	Payments	Cash balance	Receipts	Payments	Cash balance	Receipts	Payments	Cash balance
2002-03	na	na	1.1	20.0	19.7	0.4	na	na	2.0
2003-04	27.7	26.5	1.1	20.2	19.4	0.8	41.8	40.0	1.9
2004-05	28.0	26.3	1.6	20.0	19.5	0.5	42.0	39.9	2.1
2005-06	27.9	26.4	1.5	20.3	19.9	0.4	42.0	40.2	1.8
2006-07	26.3	24.6	1.6	19.7	20.8	-1.0	40.3	39.8	0.5
2007-08	25.5	23.6	1.9	19.3	20.6	-1.3	39.1	38.5	0.6
2008-09	23.6	25.6	-1.9	19.4	21.3	-2.0	37.0	41.0	-4.0
2009-10	22.4	26.5	-4.1	21.1	23.0	-2.0	36.5	42.8	-6.3
2010-11	21.9	25.1	-3.2	20.0	21.9	-1.9	35.6	40.7	-5.0
2011-12	22.5	25.4	-2.9	19.8	21.4	-1.6	36.2	41.1	-4.9
2012-13	23.5	24.8	-1.3	19.6	21.6	-2.1	37.6	41.2	-3.6
2013-14	23.3	26.5	-3.2	19.8	20.6	-0.9	37.3	41.8	-4.5
2014-15	24.0	26.4	-2.4	20.2	20.4	-0.2	38.3	41.2	-2.9
2015-16(e)	24.1	26.8	-2.6	20.0	21.1	-1.1	38.6	42.6	-4.0
2016-17(e)	24.5	27.0	-2.5	20.2	21.1	-0.8	39.1	42.7	-3.6
2017-18(e)	na	na	na	19.6	20.4	-0.8	na	na	na
2018-19(p)	na	na	na	19.2	19.8	-0.6	na	na	na

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

Table C.4: General government sector fiscal balance by level of government as a percentage of GDP

	Commonwealth(a)			State/Local			Consolidated(b)		
	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)
2002-03	25.8	25.1	0.7	16.2	15.5	0.2	35.7	34.4	0.8
2003-04	25.8	25.0	0.7	16.4	15.4	0.5	36.1	34.4	1.1
2004-05	26.3	24.8	1.3	16.3	15.4	0.4	36.5	34.2	1.5
2005-06	26.1	24.2	1.6	16.3	15.3	0.3	36.4	33.5	1.9
2006-07	25.6	23.8	1.5	16.2	15.1	0.1	36.0	33.3	1.5
2007-08	25.8	23.8	1.8	15.7	15.0	-0.4	35.6	32.9	1.3
2008-09	23.7	25.8	-2.4	15.8	15.4	-0.9	33.3	35.1	-3.5
2009-10	22.5	26.2	-4.2	17.1	16.4	-1.1	32.5	35.6	-5.5
2010-11	21.9	25.2	-3.7	16.2	15.6	-1.0	31.8	34.4	-4.6
2011-12	22.6	25.3	-3.0	16.0	15.6	-0.8	32.5	34.9	-4.2
2012-13	23.6	25.1	-1.5	15.7	15.7	-1.1	33.8	35.3	-2.8
2013-14	23.6	26.1	-2.8	16.2	15.6	-0.4	34.0	36.1	-3.5
2014-15	23.7	26.0	-2.5	16.7	16.2	-0.3	34.5	36.4	-3.0
2015-16(e)	24.0	26.1	-2.4	16.8	16.3	-0.5	35.2	37.0	-3.2
2016-17(e)	24.2	26.2	-2.2	16.8	16.3	-0.7	35.3	36.9	-3.1
2017-18(e)	24.9	25.7	-1.0	16.5	15.9	-0.3	35.8	36.1	-1.6
2018-19(p)	25.5	25.8	-0.5	16.1	15.5	-0.3	36.1	35.8	-1.0

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(c) The fiscal balance is equal to revenue less expenditure less net capital investment.

(e) Estimates.

(p) Projections.

Table C.5: Public non-financial corporations sector fiscal balance by level of government as a percentage of GDP

	Commonwealth(a)			State/Local			Consolidated(b)		
	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)
2002-03	3.0	2.9	0.2	4.5	4.4	-0.3	7.6	7.3	-0.1
2003-04	3.0	2.7	0.2	4.4	4.3	-0.3	7.5	7.1	0.0
2004-05	2.9	2.7	0.2	4.3	4.1	-0.4	7.3	6.9	-0.3
2005-06	2.8	3.0	-0.2	4.3	4.2	-0.7	7.2	7.3	-1.0
2006-07	1.4	1.5	-0.2	4.5	4.1	-0.6	6.0	5.7	-0.8
2007-08	0.6	0.6	0.0	4.2	4.0	-1.1	4.8	4.7	-1.1
2008-09	0.6	0.6	-0.1	4.3	4.2	-1.5	4.9	4.9	-1.6
2009-10	0.6	0.6	-0.1	4.9	4.7	-1.1	5.6	5.3	-1.2
2010-11	0.5	0.6	-0.1	4.7	4.8	-0.9	5.3	5.4	-1.1
2011-12	0.5	0.6	-0.1	4.5	4.5	-0.7	5.1	5.1	-0.9
2012-13	0.6	0.6	-0.3	4.5	4.7	-0.8	5.2	5.4	-1.1
2013-14	0.6	0.7	-0.4	4.5	4.5	-0.5	5.1	5.3	-0.9
2014-15	0.6	0.7	-0.3	4.3	4.0	0.0	5.0	4.8	-0.3
2015-16(e)	0.6	0.8	-0.4	4.1	4.1	-0.5	4.8	4.9	-0.9
2016-17(e)	0.6	0.8	-0.6	4.0	4.0	-0.6	4.7	5.0	-1.3
2017-18(e)	na	na	na	4.0	4.0	-0.5	na	na	na
2018-19(p)	na	na	na	3.8	3.8	-0.3	na	na	na

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(c) The fiscal balance is equal to revenue less expenses less net capital investment.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

Table C.6: Non-financial public sector fiscal balance by level of government as a percentage of GDP

	Commonwealth(a)			State/Local			Consolidated(b)		
	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)	Revenue	Expenses	Fiscal balance(c)
2002-03	28.2	27.3	0.9	19.1	18.3	-0.1	41.0	39.5	0.7
2003-04	28.1	27.0	1.0	19.1	18.0	0.3	41.1	39.0	1.1
2004-05	28.6	26.9	1.5	19.0	17.9	-0.1	41.5	38.9	1.3
2005-06	28.3	26.5	1.4	18.9	17.8	-0.4	41.2	38.3	1.0
2006-07	26.6	25.0	1.4	19.1	17.7	-0.5	40.0	36.9	0.8
2007-08	26.2	24.2	1.7	18.3	17.6	-1.5	38.7	35.9	0.2
2008-09	24.1	26.2	-2.5	18.5	18.1	-2.4	36.4	38.2	-5.1
2009-10	23.0	26.6	-4.2	20.2	19.3	-2.3	36.0	38.9	-6.7
2010-11	22.3	25.7	-3.8	19.3	18.9	-2.1	35.4	38.1	-5.8
2011-12	23.1	25.7	-3.1	19.0	18.5	-1.5	35.8	38.3	-5.1
2012-13	24.1	25.6	-1.8	18.5	18.7	-1.9	37.0	38.7	-3.9
2013-14	24.1	26.7	-3.1	19.0	18.5	-0.9	37.2	39.5	-4.4
2014-15	24.2	26.6	-2.8	19.2	18.7	-0.6	37.6	39.6	-3.6
2015-16(e)	24.6	26.8	-2.8	19.2	19.0	-1.2	38.2	40.4	-4.3
2016-17(e)	24.8	26.9	-2.8	19.2	18.9	-1.5	38.4	40.3	-4.6
2017-18(e)	na	na	na	18.9	18.5	-1.0	na	na	na
2018-19(p)	na	na	na	18.5	18.1	-0.8	na	na	na

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(c) The fiscal balance is equal to revenue less expenses less net capital investment.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

Table C.7: Gross fixed capital formation by sector

	General Government				PNFC				NFPS			
	Commonwealth		State(a)		Commonwealth		State(a)		Commonwealth		State(a)	
	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	Per cent	
	\$m	of GDP	\$m	of GDP	\$m	of GDP	\$m	of GDP	\$m	of GDP	\$m	of GDP
2002-03	5,224	0.7	8,073	1.0	2,530	0.3	7,936	1.0	7,755	1.0	16,018	2.0
2003-04	4,146	0.5	8,140	0.9	2,941	0.3	8,758	1.0	7,087	0.8	16,490	1.9
2004-05	5,088	0.6	9,078	1.0	3,658	0.4	10,009	1.1	8,746	0.9	19,043	2.1
2005-06	6,443	0.6	10,691	1.1	4,411	0.4	12,894	1.3	10,854	1.1	23,359	2.3
2006-07	6,882	0.6	13,173	1.2	2,774	0.3	16,049	1.5	9,656	0.9	29,179	2.7
2007-08	7,045	0.6	15,069	1.3	1,011	0.1	19,775	1.7	8,056	0.7	34,802	3.0
2008-09	8,960	0.7	18,272	1.5	1,298	0.1	25,041	2.0	10,258	0.8	43,263	3.4
2009-10	10,086	0.8	25,499	2.0	1,460	0.1	25,015	1.9	11,546	0.9	50,558	3.9
2010-11	9,158	0.6	25,867	1.8	1,563	0.1	21,010	1.5	10,721	0.8	47,274	3.4
2011-12	9,407	0.6	23,075	1.5	2,403	0.2	19,594	1.3	11,810	0.8	42,559	2.9
2012-13	7,426	0.5	23,755	1.6	4,306	0.3	21,125	1.4	11,732	0.8	44,994	3.0
2013-14	9,177	0.6	22,170	1.4	5,339	0.3	16,895	1.1	14,516	0.9	39,247	2.5
2014-15	9,130	0.6	21,510	1.3	4,158	0.3	11,937	0.7	13,288	0.8	33,563	2.1
2015-16(e)	11,155	0.7	14,463	0.9	4,602	0.3	9,503	0.6	15,757	1.0	23,224	1.4
2016-17(e)	10,484	0.6	22,234	1.3	6,030	0.4	8,554	0.5	16,514	1.0	29,600	1.7
2017-18(e)	10,963	0.6	19,173	1.1	na	na	8,762	0.5	na	na	26,407	1.5
2018-19(p)	12,693	0.7	16,261	0.9	na	na	8,641	0.5	na	na	23,993	1.3

(a) This table excludes Local Government gross fixed capital formation.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

Table C.8: Net debt by sector (as at end of financial year)

	General Government						PNFC		NFPS	
	Commonwealth(a)		State/Local		Consolidated(b)		Consolidated(b)		Consolidated(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2002-03	29,047	3.6	-10,295	-1.3	14,051	1.8	44,099	5.5	58,150	7.3
2003-04	22,639	2.6	-17,323	-2.0	-1,554	-0.2	44,255	5.1	42,701	5.0
2004-05	10,741	1.2	-24,905	-2.7	-20,389	-2.2	47,308	5.1	26,920	2.9
2005-06	-4,531	-0.5	-35,867	-3.6	-52,924	-5.3	49,952	5.0	-2,972	-0.3
2006-07	-29,150	-2.7	-31,968	-2.9	-78,208	-7.2	45,517	4.2	-32,690	-3.0
2007-08	-44,820	-3.8	-26,507	-2.3	-86,251	-7.3	52,110	4.4	-34,140	-2.9
2008-09	-16,148	-1.3	-18,188	-1.4	-44,514	-3.5	72,051	5.7	27,537	2.2
2009-10	42,283	3.3	-5,246	-0.4	29,472	2.3	82,755	6.4	112,227	8.7
2010-11	84,551	6.0	827	0.1	77,209	5.5	86,427	6.1	163,637	11.6
2011-12	147,334	9.9	16,154	1.1	157,680	10.6	93,594	6.3	251,274	16.9
2012-13	152,982	10.0	33,886	2.2	179,746	11.8	104,052	6.8	283,798	18.6
2013-14	202,463	12.8	37,201	2.3	230,800	14.6	111,257	7.0	342,057	21.6
2014-15	238,721	14.8	38,804	2.4	269,662	16.8	110,931	6.9	380,591	23.6
2015-16(e)	285,684	17.3	40,567	2.5	319,805	19.4	117,918	7.1	437,721	26.5
2016-17(e)	325,962	18.9	49,541	2.9	370,533	21.5	130,152	7.6	500,684	29.1
2017-18(e)	346,842	19.2	58,305	3.2	401,728	22.2	na	na	na	na
2018-19(p)	356,373	18.8	64,909	3.4	419,490	22.1	na	na	na	na

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

Table C.9: General government sector net financial worth by level of government (as at end of financial year)

	Commonwealth(a)		State/Local		Consolidated(b)	
	\$b	Per cent of GDP	\$b	Per cent of GDP	\$b	Per cent of GDP
2002-03	-82.9	-10.4	78.2	9.8	-3.7	-0.5
2003-04	-72.4	-8.4	96.5	11.2	25.7	3.0
2004-05	-58.9	-6.4	110.8	12.0	53.6	5.8
2005-06	-59.8	-6.0	109.5	11.0	51.4	5.1
2006-07	-35.7	-3.3	130.2	12.0	96.9	8.9
2007-08	-14.7	-1.2	132.6	11.3	120.8	10.3
2008-09	-71.5	-5.7	124.6	9.9	54.4	4.3
2009-10	-144.5	-11.1	115.2	8.9	-25.4	-2.0
2010-11	-198.8	-14.1	128.4	9.1	-66.2	-4.7
2011-12	-355.8	-23.9	69.1	4.6	-283.5	-19.0
2012-13	-312.7	-20.5	87.1	5.7	-222.1	-14.6
2013-14	-370.3	-23.4	82.6	5.2	-282.8	-17.8
2014-15	-421.1	-26.2	76.0	4.7	-340.3	-21.1
2015-16(e)	-387.9	-23.5	75.1	4.5	-307.8	-18.7
2016-17(e)	-427.2	-24.8	88.1	5.1	-333.8	-19.4
2017-18(e)	-445.2	-24.6	96.6	5.3	-343.1	-19.0
2018-19(p)	-454.3	-24.0	106.6	5.6	-341.9	-18.0

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(e) Estimates.

(p) Projections.

Table C.10: General government sector net worth by level of government (as at end of financial year)

	Commonwealth(a)		State/Local		Consolidated(b)	
	\$b	Per cent of GDP	\$b	Per cent of GDP	\$b	Per cent of GDP
2002-03	-15.3	-1.9	470.2	58.7	476.9	59.6
2003-04	-1.2	-0.1	515.0	59.8	537.3	62.4
2004-05	14.6	1.6	572.7	62.1	612.4	66.4
2005-06	18.0	1.8	608.6	61.0	652.8	65.4
2006-07	46.4	4.3	678.7	62.5	754.3	69.4
2007-08	70.9	6.0	785.6	66.7	888.5	75.4
2008-09	19.4	1.5	878.3	69.8	930.4	73.9
2009-10	-45.9	-3.5	938.4	72.4	928.4	71.6
2010-11	-95.4	-6.8	967.1	68.6	910.0	64.6
2011-12	-247.2	-16.6	947.1	63.5	739.1	49.6
2012-13	-202.7	-13.3	1,003.3	65.8	843.3	55.3
2013-14	-256.0	-16.2	1,025.5	64.7	814.8	51.4
2014-15	-302.3	-18.8	1,052.0	65.4	795.7	49.4
2015-16(e)	-265.0	-16.1	1,078.8	65.4	860.9	52.2
2016-17(e)	-300.9	-17.5	1,129.2	65.6	877.4	51.0
2017-18(e)	-314.6	-17.4	1,180.8	65.3	917.8	50.8
2018-19(p)	-319.4	-16.8	1,228.4	64.8	963.1	50.8

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(e) Estimates.

(p) Projections.

Table C.11: General government sector net interest payments by level of government

	Commonwealth(a)		State/Local		Consolidated(b)	
	\$m	Per cent of GDP	\$m	Per cent of GDP	\$m	Per cent of GDP
2002-03	3,758	0.5	582	0.1	4,184	0.5
2003-04	3,040	0.4	-2,364	-0.3	521	0.1
2004-05	2,502	0.3	-3,069	-0.3	-773	-0.1
2005-06	2,303	0.2	-3,822	-0.4	-1,730	-0.2
2006-07	228	0.0	-4,198	-0.4	-4,209	-0.4
2007-08	-1,015	-0.1	1,047	0.1	-174	0.0
2008-09	-1,196	-0.1	-719	-0.1	-2,134	-0.2
2009-10	2,386	0.2	-479	0.0	1,732	0.1
2010-11	4,608	0.3	-363	0.0	4,026	0.3
2011-12	6,609	0.4	472	0.0	6,848	0.5
2012-13	8,285	0.5	1,690	0.1	9,763	0.6
2013-14	10,843	0.7	2,595	0.2	13,279	0.8
2014-15	10,868	0.7	na	na	na	na
2015-16(e)	11,980	0.7	na	na	na	na
2016-17(e)	12,642	0.7	na	na	na	na
2017-18(e)	13,356	0.7	na	na	na	na
2018-19(p)	14,224	0.8	na	na	na	na

(a) Commonwealth data have been revised in the 2016-17 Budget to improve accuracy and comparability through time. See Budget Paper No. 1, *Budget Strategy and Outlook 2016-17, Statement 10: Historical Australian Government Data*.

(b) The consolidated level comprises the Commonwealth, State, Territory and Local Governments and the multijurisdictional sector. Adjustments are made to avoid double counting between these sectors.

(e) Estimates.

(p) Projections.

na Comparable data are not available.

APPENDIX D: DEBT TRANSACTIONS

The Commonwealth holds a stock of around \$3.7 billion in loans advanced to the States. The States make interest payments and repayments to the Commonwealth in respect of these loans.

The Commonwealth advances the States loans under a range of agreements. These advances have often been over very long repayment periods (some in excess of 50 years), although the terms of each agreement vary considerably.

Most of the interest payments and repayments relate to housing and infrastructure. Payments are also made against loans under agreements for natural disasters, asbestos removal and other purposes administered by various Commonwealth agencies.

Total advances, repayments and interest from the States to the Commonwealth are shown in Table D.1.

Table D.1: Summary of advances, repayments and interest, by year and State

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Outstanding loans as at 30 June 2015									
Agriculture									
Drought Concessional Loans Scheme	100,000	30,000	99,428	10,000	10,000	-	-	10,000	259,428
Drought Recovery Loans Scheme	30,000	-	30,000	-	-	-	-	-	60,000
Farm Finance Concessional Loans Scheme	53,508	43,675	56,469	20,068	10,450	19,873	-	16,059	220,102
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	732,365	-	732,365
Contingent Liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	44,234	-	-	-	-	-	-	-	44,234
Natural disaster relief	30,541	-	90,051	-	-	-	-	-	120,592
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	9,182	9,182
Housing									
Commonwealth-State Housing Agreement loans	542,949	-	155,628	146,724	41,684	76,016	-	22,852	985,853
Housing for service personnel	29,533	-	16,648	3,134	1,293	-	-	-	50,608
Other housing	-	-	-	-	-	-	96,111	51,038	147,149
Infrastructure									
Sewerage	1,342	-	1,015	-	1,216	-	-	-	3,573
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	5,094	-	5,094
Loan Council – housing nominations	344,719	-	123,561	211,146	149,171	91,168	-	120,125	1,039,890

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2015-16									
Advances									
Agriculture									
Drought Concessional Loans Scheme	40,000	30,000	40,000	10,000	10,000	10,000	-	10,000	150,000
Drought Recovery Loans Scheme	56,250	-	33,750	-	10,000	-	-	-	100,000
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	250,000	-	250,000
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	15,000	-	-	-	-	-	-	-	15,000
Natural disaster relief	1,554	-	42	-	-	-	-	-	1,596
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-27,064	-9,107	-16,769	-7,858	-7,908	-	-	-10,000	-78,706
Drought Recovery Loans Scheme	-19,113	-	-26,742	-	-	-	-	-	-45,855
Farm Finance Concessional Loans Scheme	-10,003	-13,188	-10,662	-5,283	-10,000	-5,165	-	-8,519	-62,820
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australia Capital Territory	-	-	-	-	-	-	-	-	-
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestors Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-4,083	-	-17,286	-	-	-	-	-	-21,369

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-37,130	-	-9,955	-9,543	-2,596	-5,052	-	-828	-65,104
Housing for service personnel	-1,595	-	-976	-263	-57	-	-	-	-2,891
Other housing	-	-	-	-	-	-	-7,854	-2,839	-10,693
Infrastructure									
Sewerage	-1,342	-	-963	-	-648	-	-	-	-2,953
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council – housing nominations	-8,967	-	-3,299	-5,719	-3,751	-2,404	-	-2,985	-27,125
Interest									
Agriculture									
Drought Concessional Loans Scheme	-3,445	-1,552	-3,741	-370	-369	-305	-	-305	-10,087
Drought Recovery Loans Scheme	-1,787	-	-974	-	-271	-	-	-	-3,032
Farm Finance Concessional Loans Scheme	-1,544	-1,082	-1,626	-525	-16	-522	-	-268	-5,583
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-26,787	-	-26,787

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-2,455	-	-	-	-	-	-	-	-2,455
Natural disaster relief	-451	-	-1,325	-	-	-	-	-	-1,776
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-548	-548
Housing									
Commonwealth-State Housing Agreement loans	-31,943	-	-9,156	-8,636	-2,452	-4,472	-	-1,345	-58,004
Housing for service personnel	-1,881	-	-1,047	-189	-86	-	-	-	-3,203
Other housing	-	-	-	-	-	-	-6,620	-2,781	-9,401
Infrastructure									
Sewerage	-97	-	-32	-	-91	-	-	-	-220
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-558	-	-558
Loan Council – housing nominations	-20,268	-	-7,273	-12,429	-8,781	-5,366	-	-7,072	-61,189
Net Financial Flow	-60,364	5,071	-38,034	-40,815	-17,026	-13,286	207,626	-27,626	15,546

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2016-17									
Advances									
Agriculture									
Drought Concessional Loans Scheme	96,250	29,000	96,250	9,500	9,500	-	-	9,500	250,000
Drought Recovery Loans Scheme	-	-	-	-	-	-	-	-	-
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility	~	~	~	~	~	~	~	~	50,000
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-	-	-
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	60,000	-	-	-	-	-	-	-	60,000
Natural disaster relief	-	-	534	-	-	-	-	-	534
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
Drought Recovery Loans Scheme	-	-	-	-	-	-	-	-	-
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australia Capital Territory	-	-	-	-	-	-	-	-	-
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestors Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-4,083	-	-12,276	-	-	-	-	-	-16,359

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-37,268	-	-10,033	-9,596	-2,736	-5,105	-	-865	-65,603
Housing for service personnel	-1,697	-	-1,037	-277	-63	-	-	-	-3,074
Other housing	-	-	-	-	-	-	-7,972	-2,983	-10,955
Infrastructure									
Sewerage	-	-	-52	-	-340	-	-	-	-392
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council – housing nominations	-9,370	-	-3,447	-5,976	-3,920	-2,512	-	-3,119	-28,344
Interest									
Agriculture									
Drought Concessional Loans Scheme	-5,691	-2,229	-5,987	-592	-591	-305	-	-527	-15,922
Drought Recovery Loans Scheme	-1,787	-	-974	-	-271	-	-	-	-3,032
Farm Finance Concessional Loans Scheme	-1,544	-1,082	-1,626	-525	-16	-522	-	-268	-5,583
National Water Infrastructure Loan Facility	~	~	~	~	~	~	~	~	-1,065
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-27,076	-	-27,076

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Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-5,075	-	-	-	-	-	-	-	-5,075
Natural disaster relief	-395	-	-1,087	-	-	-	-	-	-1,482
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-542	-542
Housing									
Commonwealth-State Housing Agreement loans	-30,078	-	-8,665	-8,161	-2,309	-4,222	-	-1,307	-54,742
Housing for service personnel	-1,810	-	-1,004	-178	-83	-	-	-	-3,075
Other housing	-	-	-	-	-	-	-6,267	-2,637	-8,904
Infrastructure									
Sewerage	-1	-	-	-	-38	-	-	-	-39
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-488	-	-488
Loan Council – housing nominations	-19,888	-	-7,133	-12,184	-8,623	-5,264	-	-6,946	-60,038
Net Financial Flow	37,563	25,689	43,463	-27,989	-9,490	-17,930	-42,358	-9,830	48,053

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18									
Advances									
Agriculture									
Drought Concessional Loans Scheme	96,250	29,000	96,250	9,500	9,500	-	-	9,500	250,000
Drought Recovery Loans Scheme	-	-	-	-	-	-	-	-	-
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility	~	~	~	~	~	~	~	~	50,000
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-	-	-
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	25,000	-	-	-	-	-	-	-	25,000
Natural disaster relief	-	-	-	-	-	-	-	-	-
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
Drought Recovery Loans Scheme	-	-	-	-	-	-	-	-	-
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australia Capital Territory	-	-	-	-	-	-	-50,000	-	-50,000
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestors Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-4,083	-	-12,276	-	-	-	-	-	-16,359

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-37,531	-	-10,109	-9,737	-2,883	-5,151	-	-904	-66,315
Housing for service personnel	-1,813	-	-1,089	-287	-69	-	-	-	-3,258
Other housing	-	-	-	-	-	-	-8,131	-3,135	-11,266
Infrastructure									
Sewerage	-	-	-	-	-168	-	-	-	-168
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council – housing nominations	-9,792	-	-3,602	-6,246	-4,096	-2,626	-	-3,260	-29,622
Interest									
Agriculture									
Drought Concessional Loans Scheme	-8,617	-3,110	-8,913	-881	-880	-305	-	-816	-23,522
Drought Recovery Loans Scheme	-1,787	-	-974	-	-271	-	-	-	-3,032
Farm Finance Concessional Loans Scheme	-1,544	-1,082	-1,626	-525	-16	-522	-	-268	-5,583
National Water Infrastructure Loan Facility	~	~	~	~	~	~	~	~	-2,485
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-27,076	-	-27,076

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-7,636	-	-	-	-	-	-	-	-7,636
Natural disaster relief	-338	-	-918	-	-	-	-	-	-1,256
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-535	-535
Housing									
Commonwealth-State Housing Agreement loans	-28,189	-	-8,166	-7,680	-2,158	-3,966	-	-1,268	-51,427
Housing for service personnel	-1,735	-	-958	-166	-80	-	-	-	-2,939
Other housing	-	-	-	-	-	-	-5,908	-2,486	-8,394
Infrastructure									
Sewerage	-	-	-	-	-14	-	-	-	-14
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-418	-	-418
Loan Council – housing nominations	-19,485	-	-6,984	-11,925	-8,456	-5,156	-	-6,813	-58,819
Net Financial Flow	-1,300	24,808	40,635	-27,947	-9,591	-17,726	-92,088	-10,121	-45,815

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19									
Advances									
Agriculture									
Drought Concessional Loans Scheme	96,250	29,000	96,250	9,500	9,500	-	-	9,500	250,000
Drought Recovery Loans Scheme	-	-	-	-	-	-	-	-	-
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility	~	~	~	~	~	~	~	~	200,000
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-	-	-
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-	-	-	-	-	-	-	-	-
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
Drought Recovery Loans Scheme	-	-	-	-	-	-	-	-	-
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australia Capital Territory	-	-	-	-	-	-	-50,000	-	-50,000
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestors Injuries Compensation Fund	-14,943	-	-	-	-	-	-	-	-14,943
Natural disaster relief	-4,083	-	-11,695	-	-	-	-	-	-15,778

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing Agreement loans	-37,608	-	-10,245	-9,850	-3,038	-5,172	-	-945	-66,858
Housing for service personnel	-1,892	-	-1,139	-295	-77	-	-	-	-3,403
Other housing	-	-	-	-	-	-	-8,222	-3,293	-11,515
Infrastructure									
Sewerage	-	-	-	-	-60	-	-	-	-60
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council – housing nominations	-10,232	-	-3,765	-6,527	-4,281	-2,744	-	-3,406	-30,955
Interest									
Agriculture									
Drought Concessional Loans Scheme	-11,545	-3,992	-11,839	-1,169	-1,168	-305	-	-1,104	-31,122
Drought Recovery Loans Scheme	-1,787	-	-974	-	-271	-	-	-	-3,032
Farm Finance Concessional Loans Scheme	-1,544	-1,082	-1,626	-525	-16	-522	-	-268	-5,583
National Water Infrastructure Loan Facility	~	~	~	~	~	~	~	~	-7,100
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-25,722	-	-25,722

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Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-8,155	-	-	-	-	-	-	-	-8,155
Natural disaster relief	-282	-	-748	-	-	-	-	-	-1,030
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-528	-528
Housing									
Commonwealth-State Housing Agreement loans	-26,271	-	-7,658	-7,187	-1,997	-3,698	-	-1,225	-48,036
Housing for service personnel	-1,654	-	-910	-153	-77	-	-	-	-2,794
Other housing	-	-	-	-	-	-	-5,542	-2,327	-7,869
Infrastructure									
Sewerage	-	-	-	-	-3	-	-	-	-3
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-348	-	-348
Loan Council – housing nominations	-19,058	-	-6,826	-11,650	-8,279	-5,047	-	-6,673	-57,533
Net Financial Flow	-42,804	23,926	38,825	-27,856	-9,767	-17,488	-90,389	-10,405	56,942

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019-20									
Advances									
Agriculture									
Drought Concessional Loans Scheme	96,250	29,000	96,250	9,500	9,500	-	-	9,500	250,000
Drought Recovery Loans Scheme	-	-	-	-	-	-	-	-	-
Farm Finance Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
National Water Infrastructure Loan Facility	~	~	~	~	~	~	~	~	500,000
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-	-	-
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-	-	-	-	-	-	-	-	-
Natural disaster relief	-	-	-	-	-	-	-	-	-
Repayments									
Agriculture									
Drought Concessional Loans Scheme	-	-	-	-	-	-	-	-	-
Drought Recovery Loans Scheme	-	-	-	-	-	-	-	-	-
Farm Finance Concessional Loans Scheme	-33,508	-23,675	-36,469	-5,068	-450	-4,873	-	-6,059	-110,102
National Water Infrastructure Loan Facility	-	-	-	-	-	-	-	-	-
Asbestos removal in the Australia Capital Territory	-	-	-	-	-	-	-50,000	-	-50,000
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestors Injuries Compensation Fund	-59,772	-	-	-	-	-	-	-	-59,772
Natural disaster relief	-4,083	-	-10,885	-	-	-	-	-	-14,968

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Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-136	-136
Housing									
Commonwealth-State Housing									
Agreement loans	-37,361	-	-10,291	-9,880	-3,202	-5,150	-	-987	-66,871
Housing for service personnel	-1,955	-	-1,224	-305	-85	-	-	-	-3,569
Other housing	-	-	-	-	-	-	-8,276	-3,460	-11,736
Infrastructure									
Sewerage	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-555	-	-555
Loan Council – housing nominations	-10,693	-	-3,934	-6,821	-4,473	-2,867	-	-3,560	-32,348
Interest									
Agriculture									
Drought Concessional Loans Scheme	-14,470	-4,874	-14,765	-1,458	-1,457	-305	-	-1,393	-38,722
Drought Recovery Loans Scheme	-1,787	-	-974	-	-271	-	-	-	-3,032
Farm Finance Concessional Loans Scheme	-354	-241	-333	-345	-	-349	-	-53	-1,675
National Water Infrastructure Loan Facility	~	~	~	~	~	~	~	~	-19,170
Asbestos removal in the Australian Capital Territory	-	-	-	-	-	-	-24,368	-	-24,368

Table D.1: Summary of advances, repayments and interest, by year and State (continued)

\$'000	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Contingent liabilities									
Loan to New South Wales to assist beneficiaries of the Asbestos Injuries Compensation Fund	-6,674	-	-	-	-	-	-	-	-6,674
Natural disaster relief	-225	-	-587	-	-	-	-	-	-812
Environment									
Northern Territory – water and sewerage assistance	-	-	-	-	-	-	-	-521	-521
Housing									
Commonwealth-State Housing Agreement loans	-24,333	-	-7,138	-6,684	-1,828	-3,441	-	-1,181	-44,605
Housing for service personnel	-1,570	-	-859	-140	-74	-	-	-	-2,643
Other housing	-	-	-	-	-	-	-5,172	-2,160	-7,332
Infrastructure									
Sewerage	-	-	-	-	-	-	-	-	-
Other purposes									
Australian Capital Territory debt repayments	-	-	-	-	-	-	-278	-	-278
Loan Council – housing nominations	-18,607	-	-6,658	-11,359	-8,091	-4,920	-	-6,523	-56,158
Net Financial Flow	-119,142	210	2,133	-32,560	-10,431	-21,905	-88,649	-16,533	193,953