



Budget 2018-19

Federal Financial Relations Budget Paper No. 3 2018-19

Circulated by

The Honourable Scott Morrison MP
Treasurer of the Commonwealth of Australia

and

Senator the Honourable Mathias Cormann
Minister for Finance of the Commonwealth of Australia

For the information of honourable members
on the occasion of the Budget 2018-19

8 May 2018

© Commonwealth of Australia 2018

ISSN 0728 7194 (print); 1326 4133 (online)

This publication is available for your use under a Creative Commons BY Attribution 3.0 Australia licence, with the exception of the Commonwealth Coat of Arms, third party content and where otherwise stated. The full licence terms are available from <http://creativecommons.org/licenses/by/3.0/au/legalcode>.



Use of Commonwealth of Australia material under a Creative Commons BY Attribution 3.0 Australia licence requires you to attribute the work (but not in any way that suggests that the Commonwealth of Australia endorses you or your use of the work).

Commonwealth of Australia material used 'as supplied'.

Provided you have not modified or transformed Commonwealth of Australia material in any way including, for example, by changing the Commonwealth of Australia text; calculating percentage changes; graphing or charting data; or deriving new statistics from published statistics – then the Commonwealth of Australia prefers the following attribution:

Source: *The Commonwealth of Australia*.

Derivative material

If you have modified or transformed Commonwealth of Australia material, or derived new material from those of the Commonwealth of Australia in any way, then the Commonwealth of Australia prefers the following attribution:

Based on Commonwealth of Australia data.

Use of the Coat of Arms

The terms under which the Coat of Arms can be used are set out on the Department of the Prime Minister and Cabinet website (see www.pmc.gov.au/government/commonwealth-coat-arms).

Other uses

Enquiries regarding this licence and any other use of this document are welcome at:

Manager
Media Unit
The Treasury
Langton Crescent
Parkes ACT 2600
Email: medialiaison@treasury.gov.au

Internet

A copy of this document is available on the central Budget website at: www.budget.gov.au.

Printed by CanPrint Communications Pty Ltd.

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 2018–19, while the forward years refer to 2019–20, 2020–21 and 2021–22; and
 - one billion is equal to one thousand million.
- (b) Except where otherwise indicated, payments to the States in this Budget Paper are reported in expense terms, not cash terms.
- (c) 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.
- (d) 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 |

Budget Paper No. 3

- (e) 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.
 - 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

- (f) 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.

Appendix B, *Total Payments to the States by Government Finance Statistics Function*; Appendix C, *Supplementary Tables*; Appendix D, *Debt Transactions*; and Appendix E, *Appropriations and Conditions* are available online at: www.budget.gov.au.

Budget Paper No. 3, *Federal Financial Relations 2018-19*, 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.

CONTENTS

Foreword	iii
Notes	iii
Part 1: Australia's Federal Relations	1
Overview	1
Commonwealth funding to the States	2
Measures affecting payments to the States.....	8
Part 2: Payments for specific purposes	11
Overview	11
Health	15
Education	29
Skills and workforce development.....	34
Community services	36
Affordable housing	41
Infrastructure	45
Environment	54
Contingent payments	62
Other national partnership payments.....	64
Part 3: General revenue assistance	69
Overview	69
GST payments	70
Other general revenue assistance	74
Mirror tax arrangements.....	75
Part 4: Developments in the Consolidated Non-Financial Public Sector	77
Introduction.....	77
Net operating balance	77
Fiscal and cash balances.....	78
Net debt.....	80
Appendix A: Parameters and Further Information	83
Population	83
Wage cost indices	84
Data sources	84
Further information.....	85

LIST OF TABLES

Table 1.1: Commonwealth payments to the States, 2017–18 to 2021–22	5
Table 1.2: Total Commonwealth payments to the States as a proportion of GDP	6
Table 1.3: Commonwealth’s contribution to State expenditure ^(a)	7
Table 1.4: Measures affecting payments to the States	8
Table 2.1: Total payments for specific purposes by category, 2017–18 to 2021–22	12
Table 2.2: Total payments for specific purposes by sector, 2017–18 to 2021–22	13
Table 2.3: Payments for specific purposes by sector and category, 2017–18 to 2021–22	14
Table 2.4: Payments to support State health services	15
2.4.1 Health services	17
2.4.2 Health infrastructure	22
2.4.3 Indigenous health	24
2.4.4 Other health National Partnership payments	26
Table 2.5: Payments to support State education services	29
Table 2.6: Payments to support State skills and workforce development services	34
Table 2.7: Payments to support State community services	36
Table 2.8: Payments to support State affordable housing services	41
Table 2.9: Payments to support State infrastructure services	45
Table 2.10: Payments to support State environment services	54
Table 2.11: Contingent payments to the States	62
Table 2.12: Payments to support other State services	64
Table 3.1: General revenue assistance	69
Table 3.2: General revenue assistance by State ^(a)	69
Table 3.3: Reconciling GST revenue, GST entitlement and GST payments to the States	71
Table 3.4: Reconciliation of the GST entitlement estimates since the 2017-18 Budget and 2017–18 MYEFO	71
Table 3.5: Policy decisions since the 2017–18 MYEFO that affect the GST entitlement	72
Table 3.6: Calculation of GST entitlements ^(a)	73
Table 3.7: Reconciliation of the GST administration budget	73
Table 3.8: Other general revenue assistance	74
Table 3.9: Mirror taxes accrued on behalf of the States	76
Table A.1: Population by State, at 31 December	83
Table A.2: Net overseas migration	84
Table A.3: Net interstate migration	84
Table A.4: Wage cost indices	84

LIST OF CHARTS

Chart 1.1: Payments for specific purposes 2018–19, by function.....	3
Chart 1.2: Total Commonwealth payments to the States, 2018–19	6
Chart 4.1: Consolidated net operating balance by jurisdiction.....	78
Chart 4.2: Consolidated fiscal balance by jurisdiction.....	79
Chart 4.3: Consolidated cash balance by jurisdiction	80
Chart 4.4: Consolidated net debt by jurisdiction (as at end of financial year).....	81

PART 1: AUSTRALIA'S FEDERAL RELATIONS

OVERVIEW

In 2018–19, the Commonwealth will provide the States with \$126.8 billion in total payments, including payments of \$58.6 billion for specific purposes like schools and hospitals and general revenue assistance of \$68.2 billion.

The Commonwealth will:

- invest \$75 billion from 2018–19 to 2027–28 in new major transport projects and initiatives that will benefit every State, including:
 - \$3.5 billion under the Roads of Strategic Importance initiative to upgrade key routes and improve access for businesses and communities;
 - a \$1 billion Urban Congestion Fund to address congestion in Australia's cities;
 - new transport infrastructure in New South Wales (\$1.4 billion), Victoria (\$7.8 billion), Queensland (\$5.2 billion), Western Australia (\$2.6 billion), South Australia (\$1.7 billion), Tasmania (\$461 million), Australian Capital Territory (\$100 million) and the Northern Territory (\$280 million).
- provide \$7.2 billion in housing funding and an additional \$620.6 million for homelessness services over the next five years through a new *National Housing and Homelessness Agreement* and ensure that funding for homelessness services will be ongoing and indexed. This Agreement will improve access to affordable, safe and sustainable housing across the housing spectrum, including to prevent and address homelessness, and to support social and economic participation;
- support public hospitals through increased funding of \$2.2 billion from 2017–18 to 2019–20 and provide \$130.2 billion in public hospital funding over five years from 2020–21 through a new public hospital agreement;
- provide additional GST support for the Western Australia and the Northern Territory, in recognition of changes in their GST share. Funding of \$188.9 million will be provided for the Western Australia Hospital Infrastructure Package, and \$259.6 million will be provided to the Northern Territory to assist in boosting services;
- provide increased funding to the Northern Territory of \$550.0 million from 2018–19 to 2022–23 for remote Indigenous housing;

- provide needs-based funding for school students, including an increase of \$24.5 billion over the period 2018–2027. The Commonwealth is committed to a long-term schools funding package which is needs-based, simple and transparent and will require reform and accountability improvements from the States to lift education outcomes;
- provide ongoing funding for the National School Chaplaincy Program, including \$245.6 million over the forward estimates;
- provide \$440.0 million for universal access to preschool education in the 2019 school year; and
- provide an additional \$250 million to Skilling Australians Fund to ensure that Australians have the skills that Australian business's needs.

COMMONWEALTH FUNDING 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 \$126.8 billion in 2018–19. This represents an increase of \$4.3 billion compared to 2017–18. Total payments to the States from 2017–18 to 2020–21 have increased by \$10.1 billion since the *Mid-Year Economic and Fiscal Outlook 2017–18*.

Total payments to the States in 2018–19 are estimated to be 25.9 per cent of total Commonwealth expenditure and account for around 47 per cent of total State revenue. Commonwealth payments effectively support around 46 per cent of State expenditure, as shown in Table 1.3.

Payments for specific purposes

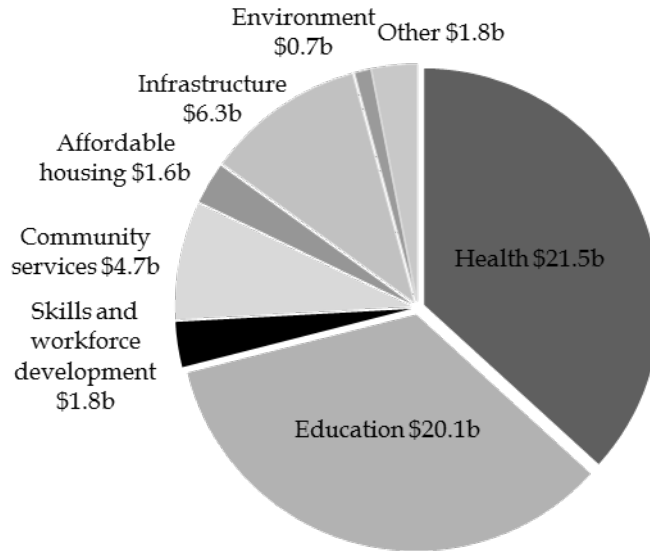
In 2018–19, the Commonwealth will provide the States with \$58.6 billion in payments for specific purposes, an increase of \$606.9 million (1.0 per cent) compared with \$57.9 billion in 2017–18. Payments for specific purposes are estimated to be 12 per cent of total Commonwealth expenditure in 2018–19.

National Specific Purpose Payments (National SPPs), National Health Reform, the *National Housing and Homelessness Agreement* and Quality Schools funding are expected to total \$44.7 billion in 2018–19, an increase of \$1.3 billion compared to 2017–18.

National Partnership payments are expected to be \$13.8 billion in 2018–19. This includes new agreements for the Hydrogen Energy Supply Chain Pilot Project, the Health Innovation Fund and the Major Projects Business Case Fund for road and rail.

Part 2 of this Budget Paper provides further information on payments to the States for specific purposes. Chart 1.1 illustrates estimated specific purpose payments to the States in 2018–19 by function.

Chart 1.1: Payments for specific purposes 2018–19, by function



General revenue assistance

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

In 2018–19, the States are expected to receive \$68.2 billion in general revenue assistance, comprising \$67.3 billion for the GST entitlement and \$876 million for other general revenue assistance. This is an increase of \$3.7 billion from \$64.5 billion in 2017–18. General revenue assistance to the States is estimated to represent 14.0 per cent of total Commonwealth expenditure in 2018–19.

Box 1.1 of this Budget Paper provides information on Australia's system for distributing the GST among the States. Part 3 contains further details of general revenue assistance to the States.

Box 1.1: Australia's system for distributing the GST

The GST is distributed to the States so that each State has the capacity to provide its citizens with a comparable level of government services – such as schools, hospitals, transport, housing and infrastructure. This method of distribution, known as horizontal fiscal equalisation (HFE), is based upon the principle that no Australian should be materially disadvantaged – in terms of their access to government services – simply because of the State in which they live.

GST distribution is based on the GST sharing relativities recommended by the Commonwealth Grants Commission (the Commission) after assessing the States' relative fiscal capacities. This takes into account the many natural differences between jurisdictions – such as their population, geography, resource endowments and demographics. These differences mean that the States can face very different costs in providing services to their citizens, and can have very different capacities to raise their own revenues.

Despite recent significant reductions in its GST share, the Northern Territory continues to be the major beneficiary of the GST distribution process. The high costs it faces in delivering services to a remote population, coupled with its relatively low ability to raise its own revenue, means it needs a relatively high level of GST per person to have the capacity to deliver services at a comparable standard to other States.

In contrast, Western Australia will continue to receive the lowest share of GST per person in 2018–19, despite a recovery in its relativity compared to recent years. Whilst the Commission's calculations recognise that Western Australia also faces high costs in delivering services across a very large State, this is more than offset by the very high level of revenue it can collect, particularly from mining royalties.

In response to ongoing suggestions that the current approach to HFE does not sufficiently recognise differences between States' individual circumstances, the Government has tasked the Productivity Commission with conducting an inquiry into the impacts of the current system on national productivity, efficiency and economic growth. The Productivity Commission will report to the Government by 15 May 2018.

Total payments to the States

Total Commonwealth payments to the States are shown in Table 1.1.

Table 1.1: Commonwealth payments to the States, 2017–18 to 2021–22

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18									
Payments for specific purposes(a)	17,491	12,644	12,678	6,846	4,329	1,296	969	1,211	57,947
GST entitlement	17,791	15,268	15,110	2,285	6,374	2,417	1,266	2,928	63,440
Other general revenue assistance(c)	50	25	-	29	-	-	40	259.6	1,052
Total payments to the States	35,332	27,937	27,787	9,160	10,704	3,714	2,275	4,398	122,439
2018-19									
Payments for specific purposes(a)	17,541	14,135	12,872	6,084	3,882	1,334	851	1,246	58,554
GST entitlement	18,442	17,261	14,794	3,315	6,887	2,488	1,328	2,805	67,320
Other general revenue assistance(c)	50	25	-	33	-	-	40	-	876
Total payments to the States	36,032	31,422	27,666	9,432	10,769	3,821	2,220	4,050	126,751
2019-20									
Payments for specific purposes(a)	17,061	13,439	12,628	6,961	3,618	1,241	892	1,159	57,592
GST entitlement(b)	~	~	~	~	~	~	~	~	69,790
Other general revenue assistance(c)	-	-	-	35	-	-	41	-	747
Total payments to the States	17,061	13,439	12,628	6,996	3,618	1,241	933	1,159	128,129
2020-21									
Payments for specific purposes(a)	17,209	13,985	13,367	6,386	3,546	1,241	941	1,103	58,473
GST entitlement(b)	~	~	~	~	~	~	~	~	73,510
Other general revenue assistance(c)	-	-	-	33	-	-	41	-	677
Total payments to the States	17,209	13,985	13,367	6,419	3,546	1,241	982	1,103	132,660
2021-22									
Payments for specific purposes(a)	17,723	14,663	14,035	6,271	3,795	1,324	995	1,132	60,556
GST entitlement(b)	~	~	~	~	~	~	~	~	77,270
Other general revenue assistance(c)	-	-	-	29	-	-	42	-	625
Total payments to the States	17,723	14,663	14,035	6,300	3,795	1,324	1,037	1,132	138,451

(a) State allocations for a 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) State allocations are dependent upon the GST sharing relativities for that financial year. These relativities are not forecast beyond the Budget year.

(c) 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 figures.

For 2018–19, total payments to the States are estimated to be 6.7 per cent of GDP. Payments for specific purposes are estimated to be 3.1 per cent of GDP and general revenue assistance is estimated to be 3.6 per cent of GDP.

Table 1.2: Total Commonwealth payments to the States as a proportion of GDP

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National SPPs	4,377	2,471	1,712	1,563	1,587
National Health Reform funding	20,690	21,189	22,301	23,468	24,692
Quality Schools funding(a)	18,348	19,518	20,798	22,184	23,552
National Housing and Homelessness funding	-	1,536	1,565	1,596	1,562
National Partnership payments(b)	14,532	13,840	11,216	9,662	9,164
GST entitlement	63,440	67,320	69,790	73,510	77,270
Other general revenue assistance	1,052	876	747	677	625
Total	122,439	126,751	128,129	132,660	138,451
Per cent change from previous year	-	3.5	1.1	3.5	4.4
Per cent of GDP	6.7	6.7	6.4	6.4	6.4

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

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

Chart 1.2: Total Commonwealth payments to the States, 2018–19

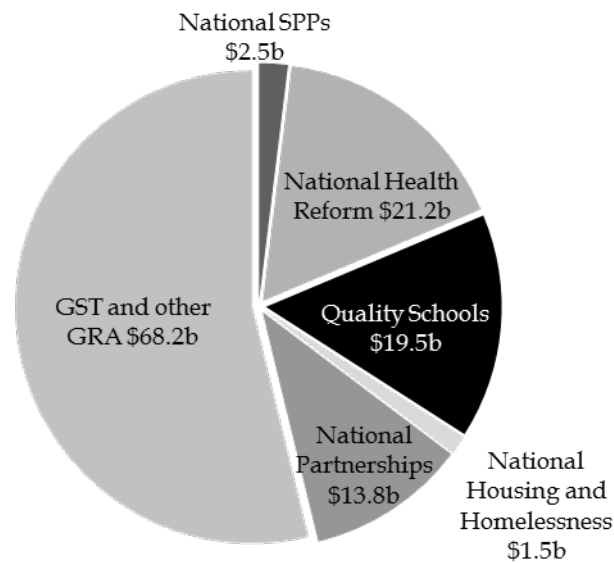


Table 1.3 provides information on the Commonwealth's financial contributions to State expenditure in key sectors in 2016-17. It shows that Commonwealth financial assistance in 2016-17 effectively supported 46 per cent of States' expenditure.

Table 1.3: 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
2016-17				
Education	19,612	12,759	60,738	53.3
Health	19,779	16,048	71,510	50.1
Social security and welfare	2,113	5,091	18,524	38.9
Housing and community amenities	1,792	2,972	11,370	41.9
Agriculture, forestry and fishing	400	623	2,407	42.5
Transport and communication	7,394	5,267	24,371	51.9
Other functions(b)	4,038	17,795	61,398	35.6
Payments for specific purposes	55,128			
General revenue assistance		60,554		
Total			250,318	46.2

(a) Functional data is consistent with Government Financial Statistics and sourced from the Australian Bureau of Statistics and the Commonwealth's 2016-17 Final Budget Outcome.

(b) 'Other functions' includes additional functions not elsewhere itemised but does not include General Revenue Assistance (GRA).

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

MEASURES AFFECTING PAYMENTS TO THE STATES

Table 1.4 lists all measures in the 2018–19 Budget that impact payments to the States. Details of the measures are available in Budget Paper No. 2, *Budget Measures 2018–19*, arranged by portfolio. Information on the payments affected is available in Parts 2 and 3 of this Budget Paper.

Table 1.4: Measures affecting payments to the States

Payment	Section of Budget Paper 3	Measure title	Section of Budget Paper 2
National Health Reform Funding	Part 2 – Health	Supporting Our Hospitals – National Health Agreement – public hospital funding	Expenses – Health
Essential vaccines	Part 2 – Health	National Immunisation Program – new and amended listings	Expenses – Health
Health Innovation Fund	Part 2 – Health	Supporting Our Hospitals – National Health Agreement – public hospital funding	Expenses – Health
Comprehensive palliative care across the life course	Part 2 – Health	Ageing Package – healthy ageing and high quality care	Expenses – Health
Western Australian Hospital Infrastructure Package	Part 2 – Health	Infrastructure Investment Programme – Western Australian infrastructure investments and GST top – up payment	Expenses – Infrastructure, Regional Development and Cities
National School Chaplaincy	Part 2 – Education	National School Chaplaincy Programme – continuation	Expenses – Education and Training
Universal Access to Early Childhood Education	Part 2 – Education	National Partnership Agreement on Universal Access to Early Childhood Education – extension	Expenses – Education and Training
Skilling Australians Fund	Part 2 – Skills and Workforce development	Skilling Australians Fund Levy – refund and exemption provisions	Revenue – Home Affairs
Skilling Australians Fund	Part 2 – Skills and Workforce development	Skilling Australians Fund Levy – refund and exemption provisions	Expenses – Home Affairs
Remote Housing	Part 2 – Affordable Housing	Remote Indigenous Housing in the Northern Territory	Expenses – Prime Minister and Cabinet
Infrastructure Investment Program	Part 2 – Infrastructure	Western Sydney City Deal	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Tasmanian infrastructure investments	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Federal Interstate Registration Scheme Closure	Expenses – Infrastructure, Regional Development and Cities

Part 1: Australia's Federal Relations

Payment	Section of Budget Paper 3	Measure title	Section of Budget Paper 2
Infrastructure Investment Program	Part 2 – Infrastructure	Launceston City Deal – Tamar River	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure, Regional Development and Cities Portfolio – other priorities	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Roads of Strategic Importance	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Urban Congestion Fund	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Outback Way	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Australian Capital Territory infrastructure investments	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Northern Territory infrastructure investments	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Victorian infrastructure investments	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – New South Wales infrastructure investments	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – South Australian infrastructure investments	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Major Project Business Case Fund	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Western Australian infrastructure investments and GST top-up payment	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Programme – Queensland infrastructure investments	Expenses – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Bilateral Asset Recycling Agreement with South Australia – termination	Expenses – Treasury
Kamay 250 th Anniversary	Part 2 – Environment	250 th Anniversary of James Cook's Voyage – commemoration	Expense – Communications and the Arts
National Forestry Industry Plan	Part 2 – Environment	Australian Agriculture and Export Growth Plan – National Forestry Industry Plan	Expenses – Agriculture and Water Resources

Budget Paper No. 3

Payment	Section of Budget Paper 3	Measure title	Section of Budget Paper 2
Pest and Disease preparedness and response programs	Part 2 – Environment	Australian Agriculture and Export Growth Plan – Tasmania fruit fly outbreak response	Expenses – Agriculture and Water Resources
World Heritage Sites	Part 2 – Environment	Australian Heritage Grants Program – establishment	Expenses – Environment and Energy
Hydrogen Energy Supply Chain project	Part 2 – Environment	Australian Technology and Science Growth Plan – Hydrogen Energy Supply Chain project – pilot	Expenses – Industry, Innovation and Science
GST entitlement	Part 3 – GST Payments	Visas for General Practitioners – targeting areas of doctor shortages	Expenses – Home Affairs
GST entitlement	Part 3 – GST Payments	Pathway to Permanent Residency for Retirement Visa Holders – establishment	Revenue – Home Affairs
GST entitlement	Part 3 – GST Payments	Reforms to combat illegal phoenixing	Revenue – Treasury
GST entitlement	Part 3 – GST Payments	Levelling the playing field for online hotel bookings	Revenue – Treasury
GST entitlement	Part 3 – GST Payments	Indirect Tax Concession Scheme – diplomatic and consular concessions	Revenue – Treasury
GST entitlement	Part 3 – GST Payments	A firm stance on tax and superannuation debts	Revenue – Treasury
GST entitlement	Part 3 – GST Payments	Black Economy Package – new and enhanced ATO enforcement against the Black Economy	Revenue – Treasury
GST entitlement	Part 3 – GST Payments	Black Economy Package – further expansion of taxable payments reporting	Revenue – Treasury
GST entitlement	Part 3 – GST Payments	Black Economy Package – combatting illicit tobacco	Revenue – Home Affairs
Snowy Hydro Limited tax compensation	Part 3 – Other General Revenue Assistance	Snowy Hydro Limited Acquisition	Expenses – Environment and Energy
Commonwealth assistance to the Northern Territory	Part 3 – Other General Revenue Assistance	Funding to Boost Services in the Northern Territory	Expenses – Treasury

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 areas of State and local government activity, including health, education, skills and workforce development, community services, housing, Indigenous affairs, infrastructure and the environment.

Funding for public hospitals under the National Health Reform Agreement is the largest single specific purpose payment, estimated at \$21.2 billion in 2018–19.

Schools funding under the *Australian Education Act 2013* is estimated to be \$19.5 billion in 2018–19, comprising funding for government schools of \$7.7 billion and non-government schools of \$11.8 billion.

In 2018–19, the Commonwealth supports the States in two service delivery sectors through National Specific Purpose Payments (National SPPs) – Skills and Workforce Development and Disability Services. The States are required to spend each National SPP in the relevant sector. From 2018–19, the National Affordable Housing SPP will be combined with new funding for homelessness under the National Housing and Homelessness Agreement.

The National SPPs are indexed each year by growth factors specified in the *Intergovernmental Agreement on Federal Financial Relations* (the Intergovernmental Agreement). Funding is distributed among the States by share of population. National SPPs are estimated to be \$2.5 billion in 2018–19.

Under the Intergovernmental Agreement, National Partnership payments to the States are the key vehicle to facilitate reforms or support the delivery of particular 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 under National Partnerships are aligned with the achievement of milestones and are made after the States have achieved the outcomes or outputs specified in the relevant agreement. National Partnership payments are estimated to be \$13.8 billion in 2018–19.

National Partnerships and other Commonwealth-State agreements are publicly available on the Federal Financial Relations website at: www.federalfinancialrelations.gov.au. Details of the appropriation mechanisms for all payments to the States and the terms and conditions applying to them are set out in Appendix E, available online.

Table 2.1: Total payments for specific purposes by category, 2017–18 to 2021–22

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2017-18									
National Specific Purpose									
Payments	1,408	1,136	882	460	307	93	48	44	4,377
National Health Reform funding	6,068	5,041	4,855	2,263	1,352	419	403	290	20,690
National Housing and Homelessness funding	-	-	-	-	-	-	-	-	-
Quality Schools funding	5,715	4,557	3,926	1,792	1,250	425	294	352	18,348
National Partnership payments(b)	4,300	1,911	3,015	2,331	1,420	360	224	526	14,532
Total payments for specific purposes	17,491	12,644	12,678	6,846	4,329	1,296	969	1,211	57,947
2018-19									
National Specific Purpose									
Payments	485	810	625	325	105	65	25	31	2,471
National Health Reform funding	6,446	5,325	4,733	2,252	1,346	419	386	282	21,189
National Housing and Homelessness funding	477	396	314	164	107	33	26	20	1,536
Quality Schools funding	6,054	4,864	4,165	1,930	1,324	447	308	371	19,518
National Partnership payments(b)	4,078	2,740	3,034	1,413	1,000	370	107	542	13,840
Total payments for specific purposes	17,541	14,135	12,872	6,084	3,882	1,334	851	1,246	58,554
2019-20									
National Specific Purpose									
Payments	492	402	308	332	106	32	26	15	1,712
National Health Reform funding	6,781	5,583	4,997	2,387	1,401	434	411	308	22,301
National Housing and Homelessness funding	485	406	319	167	109	33	26	20	1,565
Quality Schools funding	6,410	5,203	4,468	2,082	1,401	468	321	392	20,798
National Partnership payments(b)	2,893	1,846	2,536	1,993	602	275	108	424	11,216
Total payments for specific purposes	17,061	13,439	12,628	6,961	3,618	1,241	892	1,159	57,592
2020-21									
National Specific Purpose									
Payments	500	410	312	161	106	32	26	15	1,563
National Health Reform funding	7,130	5,852	5,275	2,530	1,458	449	439	335	23,468
National Housing and Homelessness funding	493	417	325	170	110	34	27	20	1,596
Quality Schools funding	6,801	5,572	4,785	2,245	1,485	490	337	414	22,184
National Partnership payments(b)	2,285	1,734	2,670	1,279	387	235	112	319	9,662
Total payments for specific purposes	17,209	13,985	13,367	6,386	3,546	1,241	941	1,103	58,473

Table 2.1: Total payments for specific purposes by category, 2017–18 to 2021–22 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2021-22									
National Specific Purpose									
Payments	508	419	317	162	107	32	26	15	1,587
National Health Reform funding	7,495	6,134	5,567	2,682	1,517	465	468	365	24,692
National Housing and									
Homelessness funding	493	404	318	163	107	32	26	19	1,562
Quality Schools funding	7,188	5,960	5,063	2,416	1,571	513	353	434	23,552
National Partnership									
payments(b)	2,038	1,746	2,770	847	494	282	122	299	9,164
Total payments for specific purposes	17,723	14,663	14,035	6,271	3,795	1,324	995	1,132	60,556

(a) As State allocations for a number of programs have not yet been 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.

Table 2.2: Total payments for specific purposes by sector, 2017–18 to 2021–22

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
Health	21,282	21,515	22,412	23,606	24,748
Education	18,909	20,062	21,213	22,277	23,642
Skills and workforce development	1,795	1,810	1,832	1,901	1,885
Community services	3,195	4,698	1,659	1,038	1,080
Affordable housing	2,056	1,650	1,680	1,711	1,677
Infrastructure	7,174	6,336	5,567	5,021	4,546
Environment	637	656	282	222	181
Contingent	109	18	10	..	..
Other(a)	2,790	1,809	2,937	2,697	2,797
Total payments for specific purposes	57,947	58,554	57,592	58,473	60,556

(a) Includes financial assistance grants for local government.

Table 2.3: Payments for specific purposes by sector and category, 2017–18 to 2021–22

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
<i>Health</i>					
National Health Reform funding	20,690	21,189	22,301	23,468	24,692
National Partnerships	592	326	111	138	56
Total health payments	21,282	21,515	22,412	23,606	24,748
<i>Education</i>					
Quality Schools funding	18,348	19,518	20,798	22,184	23,552
National Partnerships	562	544	415	93	91
Total education payments	18,909	20,062	21,213	22,277	23,642
<i>Skills and workforce development</i>					
National Skills and Workforce					
Development SPP	1,495	1,517	1,539	1,563	1,587
National Partnerships	300	293	293	338	298
Total skills and workforce development payments	1,795	1,810	1,832	1,901	1,885
<i>Community services</i>					
National Disability SPP	1,522	954	173	-	-
National Partnerships	1,674	3,743	1,486	1,038	1,080
Total community services payments	3,195	4,698	1,659	1,038	1,080
<i>Affordable housing</i>					
National Affordable Housing SPP					
National Housing and Homelessness funding	-	1,536	1,565	1,596	1,562
National Partnerships	695	114	115	115	115
Total affordable housing payments	2,056	1,650	1,680	1,711	1,677
<i>Infrastructure</i>					
National Partnerships	7,174	6,336	5,567	5,021	4,546
<i>Environment</i>					
National Partnerships	637	656	282	222	181
<i>Contingent payments</i>					
National Partnerships	109	18	10	..	..
<i>Other</i>					
National Partnerships(a)	2,790	1,809	2,937	2,697	2,797
Total payments for specific purposes	57,947	58,554	57,592	58,473	60,556

(a) Includes financial assistance grants for local government.

Further information on each of these payments is contained in this Part. Total payments to the States for specific purposes, categorised by functions, are set out in Appendix B, which is available online.

HEALTH

In 2018–19, the Commonwealth will provide funding of \$21.5 billion to support State health services, including \$21.2 billion in National Health Reform funding and \$325.6 million in National Partnership payments, as detailed in Table 2.4.

Table 2.4: Payments to support State health services

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Health Reform funding	20,690.0	21,189.2	22,301.4	23,468.0	24,691.8
National Partnership payments					
Health services	71.6	67.8	60.5	54.4	32.0
Health infrastructure	332.5	35.0	12.2	-	-
Indigenous health	16.7	15.9	16.3	15.6	7.4
Other health payments	170.9	206.9	21.5	68.2	16.6
Total	21,281.7	21,514.7	22,412.0	23,606.3	24,747.8

National Health Reform funding

In 2018–19, National Health Reform funding is estimated to be \$21.2 billion. This is an increase of \$2.2 billion, or 3.6 per cent, from 2017–18.

National Health Reform funding^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18									
Hospital services	5,944.2	4,940.5	4,777.0	2,222.0	1,325.2	410.5	396.5	286.1	20,302.1
Public health	124.0	100.1	77.8	40.6	27.1	8.2	6.5	3.8	388.0
Total	6,068.3	5,040.6	4,854.7	2,262.5	1,352.2	418.7	403.0	290.0	20,690.0
2018-19									
Hospital services	6,315.7	5,219.5	4,651.5	2,209.3	1,317.3	410.7	378.8	277.8	20,780.5
Public health	130.7	106.0	81.8	42.5	28.3	8.5	6.8	4.0	408.7
Total	6,446.4	5,325.5	4,733.3	2,251.8	1,345.5	419.2	385.7	281.8	21,189.2
2019-20									
Hospital services	6,642.7	5,470.7	4,910.8	2,342.6	1,371.1	425.0	404.2	303.7	21,870.8
Public health	137.8	112.4	86.2	44.5	29.5	8.9	7.2	4.2	430.7
Total	6,780.5	5,583.1	4,996.9	2,387.2	1,400.6	433.9	411.4	307.8	22,301.4
2020-21									
Hospital services	6,984.6	5,733.1	5,183.8	2,483.7	1,426.7	439.8	431.2	331.2	23,014.1
Public health	145.3	119.1	90.7	46.7	30.9	9.3	7.6	4.3	453.9
Total	7,129.9	5,852.2	5,274.5	2,530.4	1,457.6	449.1	438.8	335.5	23,468.0
2021-22									
Hospital services	7,342.0	6,007.3	5,471.2	2,632.8	1,484.3	455.1	460.0	360.4	24,213.1
Public health	153.4	126.3	95.6	49.0	32.3	9.7	8.0	4.5	478.7
Total	7,495.3	6,133.6	5,566.8	2,681.8	1,516.6	464.8	468.0	364.9	24,691.8

(a) National Health Reform funding in 2017–18 includes an adjustment of \$774.6 million related to services provided in previous years.

Budget Paper No. 3

From 2017–18 to 2019–20, National Health Reform funding is linked to growth in public hospital activity and the national efficient price determined by the Independent Hospital Pricing Authority. Over this period, the Commonwealth will fund 45 per cent of the efficient growth in activity based services, with growth in total Commonwealth funding capped at 6.5 per cent a year.

At the meeting of the Council of Australian Governments in February this year, the Government committed to a new public hospital agreement that will provide \$130.2 billion over five years from 2020–21. Under this agreement, the Government will continue to fund 45 per cent of the efficient growth in activity based services, with growth in total Commonwealth funding capped at 6.5 per cent a year.

A new measure associated with National Health Reform funding is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

Final entitlement to National Health Reform funding, 2015–16

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform	5,349.0	4,244.2	3,707.0	1,951.8	1,239.3	366.3	340.7	204.3	17,402.5

In April 2018, the Treasurer determined final entitlements for 2015–16 National Health Reform funding having regard to advice from the Administrator of the National Health Funding Pool and the Independent Hospital Pricing Authority.

National Partnership payments for health

A total of \$325.6 million will be provided to the States in 2018–19 under the following categories:

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

Health services

In 2018–19, the Commonwealth is estimated to provide \$67.8 million to support the delivery of health services in the States.

2.4.1 Health services

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Partnership payments					
Additional assistance for public hospitals	-	4.0	6.7	8.9	12.0
Comprehensive palliative care across the life course	-	-	9.9	10.5	11.0
Expansion of the BreastScreen Australia program	14.7	14.9	15.2	15.4	-
Hummingbird House	0.8	0.8	0.8	-	-
Management of Torres Strait / Papua New Guinea cross-border health issues	9.4	4.8	4.9	-	-
Mosquito control and cross border liaison in the Torres Strait	1.0	1.0	1.0	-	-
National Bowel Cancer Screening Program – participant follow-up function	6.4	8.0	8.9	9.1	9.0
OzFoodNet	1.8	1.8	1.8	-	-
Royal Darwin Hospital – equipped, prepared and ready	16.0	16.3	-	-	-
Vaccine-preventable diseases surveillance	0.8	0.9	0.9	-	-
Victorian Cytology Service	10.2	10.3	10.5	10.6	-
Improving Health Services in Tasmania					
Improving patient pathways through clinical and system redesign	0.6	-	-	-	-
Subacute and acute projects	10.0	5.0	-	-	-
Total	71.6	67.8	60.5	54.4	32.0

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	4.0	-	-	4.0
2019-20	-	-	-	-	-	6.7	-	-	6.7
2020-21	-	-	-	-	-	8.9	-	-	8.9
2021-22	-	-	-	-	-	12.0	-	-	12.0

(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 if growth in National Health Reform funding is lower than growth in CPI and population in a given year.

National Partnership on comprehensive palliative care across the life course^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	~	~	~	~	~	~	~	~	9.9
2020-21	~	~	~	~	~	~	~	~	10.5
2021-22	~	~	~	~	~	~	~	~	11.0

(a) State allocations from 2019–20 have not yet been determined.

The Commonwealth will provide funding for new and innovative approaches to improve palliative and end-of-life care coordination for older Australians living in residential aged care.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership on expansion of the BreastScreen Australia program^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	~	~	~	~	~	14.7
2018-19	~	~	~	~	~	~	~	~	14.9
2019-20	~	~	~	~	~	~	~	~	15.2
2020-21	~	~	~	~	~	~	~	~	15.4
2021-22	-	-	-	-	-	-	-	-	-

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

The Commonwealth is providing funding to improve the early detection of breast cancer by continuing existing arrangements to expand the target age range of the BreastScreen Australia program from women 50 to 69 years of age to women 50 to 74 years of age. This builds on the existing BreastScreen Australia program, which commenced in 1991.

National Partnership on Hummingbird House

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	0.8	-	-	-	-	-	0.8
2018-19	-	-	0.8	-	-	-	-	-	0.8
2019-20	-	-	0.8	-	-	-	-	-	0.8
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding 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 management of Torres Strait/Papua New Guinea cross-border health issues

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	9.4	-	-	-	-	-	9.4
2018-19	-	-	4.8	-	-	-	-	-	4.8
2019-20	-	-	4.9	-	-	-	-	-	4.9
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is contributing to 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.

National Partnership on mosquito control and cross border liaison in the Torres Strait

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	1.0	-	-	-	-	-	1.0
2018-19	-	-	1.0	-	-	-	-	-	1.0
2019-20	-	-	1.0	-	-	-	-	-	1.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to assist in mosquito detection and elimination in the Torres Strait. Funding also supports employment of a communication officer to improve communication and coordination between Australia and Papua New Guinea and reduce the spread of communicable diseases in the Torres Strait.

National Partnership on the National Bowel Cancer Screening Program — participant follow-up function^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	2.0	1.5	1.2	0.6	0.4	0.2	0.2	0.1	6.4
2018-19	~	~	~	~	~	~	~	~	8.0
2019-20	~	~	~	~	~	~	~	~	8.9
2020-21	~	~	~	~	~	~	~	~	9.1
2021-22	~	~	~	~	~	~	~	~	9.0

(a) State allocations from 2018–19 have not yet been determined.

This initiative funds the follow-up of participants who return a positive bowel cancer screening test result and are not recorded as having attended a consultation with a health professional.

National Partnership on OzFoodNet

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
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
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for a collaborative initiative with State health authorities to undertake enhanced surveillance of foodborne disease. The initiative aims to develop a better understanding of the causes and incidence of foodborne disease in the community and to build an evidence base for policy formulation. OzFoodNet coordinates investigations into foodborne disease outbreaks, particularly those that cross state and country borders.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	16.0	16.0
2018-19	-	-	-	-	-	-	-	16.3	16.3
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding 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 vaccine-preventable diseases surveillance

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
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
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to improve surveillance reporting of nationally notifiable vaccine-preventable diseases. The program facilitates national monitoring, analysis and timely reporting of data to provide an evidence base for policy formulation.

National Partnership on the Victorian Cytology Service

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	10.2	-	-	-	-	-	-	10.2
2018-19	-	10.3	-	-	-	-	-	-	10.3
2019-20	-	10.5	-	-	-	-	-	-	10.5
2020-21	-	10.6	-	-	-	-	-	-	10.6
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to the Victorian Cytology Service which supports the early detection of pre-cancerous cervical conditions by processing cervical screening tests 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.

Improving patient pathways through clinical and system redesign component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	0.6	-	-	0.6
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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.

Subacute and acute projects component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	10.0	-	-	10.0
2018-19	-	-	-	-	-	5.0	-	-	5.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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 2018–19, the Commonwealth is estimated to provide \$35.0 million to support the development of health-related infrastructure.

Table 2.4.2 Health infrastructure

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Partnership payments					
Hospital infrastructure					
National cancer system	4.5	2.1	-	-	-
Regional priority round	70.6	31.9	12.2	-	-
Albury-Wodonga Cardiac Catheterisation					
Laboratory	0.5	1.0	-	-	-
Proton Beam Therapy Facility	68.0	-	-	-	-
Western Australia Hospitals Infrastructure package	188.9	-	-	-	-
Total	332.5	35.0	12.2	-	-

National cancer system

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	4.5	-	-	-	-	4.5
2018-19	-	0.5	-	1.6	-	-	-	-	2.1
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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

Regional priority round

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	13.9	0.5	13.4	10.0	-	18.0	-	14.9	70.6
2018-19	1.9	-	4.0	8.4	-	17.5	-	0.1	31.9
2019-20	-	-	-	-	-	10.0	-	2.2	12.2
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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

National Partnership on the Albury–Wodonga Cardiac Catheterisation Laboratory

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	0.5	-	-	-	-	-	-	0.5
2018-19	-	1.0	-	-	-	-	-	-	1.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

Part 2: Payments for specific purposes

The Commonwealth is providing funding for a new laboratory that 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 the Proton Beam Therapy Facility

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	68.0	-	-	-	68.0
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding to support the establishment of a Proton Beam Therapy Facility in Adelaide. The technology will be used as an alternative to conventional radiotherapy to treat people with certain types of cancer and for research.

National Partnership on Western Australia Hospitals Infrastructure package

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	188.9	-	-	-	-	188.9
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding to support expansions to the Joondalup Health Campus and Osborne Parks Hospital facilities and refurbishment work to the Royal Perth Hospital that will improve health access and patient care for people in Western Australia.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

Indigenous health

In 2018–19, the Commonwealth is estimated to provide \$15.9 million to the States for programs to improve the health of Indigenous people.

2.4.3 Indigenous health

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Partnership payments					
Addressing blood-borne viruses and sexually transmissible infections in the Torres Strait	2.2	1.1	1.1	-	-
Improving trachoma control services for Indigenous Australians	5.1	5.1	5.2	5.3	-
Northern Territory remote Aboriginal investment - health component	6.2	6.4	6.7	7.0	7.4
Rheumatic fever strategy	3.1	3.2	3.2	3.3	-
Total	16.7	15.9	16.3	15.6	7.4

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
2017-18	-	-	2.2	-	-	-	-	-	2.2
2018-19	-	-	1.1	-	-	-	-	-	1.1
2019-20	-	-	1.1	-	-	-	-	-	1.1
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to undertake disease prevention activities, testing and treatment, and sexual health checks, and to deliver a culturally appropriate sexual health education campaign.

National Partnership on improving trachoma control services for Indigenous Australians

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	0.5	1.6	1.3	-	-	1.8	5.1
2018-19	..	-	0.3	1.6	1.3	-	-	1.8	5.1
2019-20	..	-	0.3	1.7	1.4	-	-	1.9	5.2
2020-21	..	-	0.3	1.7	1.4	-	-	1.9	5.3
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding 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 — health component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	6.2	6.2
2018-19	-	-	-	-	-	-	-	6.4	6.4
2019-20	-	-	-	-	-	-	-	6.7	6.7
2020-21	-	-	-	-	-	-	-	7.0	7.0
2021-22	-	-	-	-	-	-	-	7.4	7.4

The Commonwealth is providing funding to supplement primary health care services in remote Northern Territory communities and position the Northern Territory for the long-term sustainability of its services to Aboriginal people. The funding includes support for the provision of integrated oral and hearing health services to children in remote communities.

This National Partnership supports the Northern Territory to improve outcomes in schooling, health, community safety and job creation for Indigenous Australians. Other elements of the National Partnership are discussed in the Community Services, Education and Affordable Housing sections of this Part.

National Partnership on rheumatic fever strategy

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	0.9	0.9	0.4	-	-	0.9	3.1
2018-19	-	-	0.9	0.9	0.4	-	-	0.9	3.2
2019-20	-	-	0.9	0.9	0.4	-	-	0.9	3.2
2020-21	-	-	1.0	1.0	0.4	-	-	1.0	3.3
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding to programs that support, register and control acute rheumatic fever and rheumatic heart disease in Indigenous children.

Other health payments

In 2018–19, the Commonwealth is estimated to provide \$206.9 million to the States for other health-related National Partnerships.

2.4.4 Other health National Partnership payments

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Partnership payments					
Encouraging more clinical trials in Australia	2.5	1.5	1.5	1.5	-
Electronic recording and reporting of controlled drugs	4.0	-	-	-	-
Essential vaccines	53.3	17.3	16.6	16.7	16.6
Health Innovation Fund	-	50.0	-	50.0	-
National Coronial Information System	0.4	0.4	0.4	-	-
Public dental services for adults	107.8	134.8	-	-	-
Suicide prevention	3.0	3.0	3.0	-	-
Total	170.9	206.9	21.5	68.2	16.6

National Partnership on encouraging more clinical trials in Australia^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	~	~	~	~	~	2.5
2018-19	~	~	~	~	~	~	~	~	1.5
2019-20	~	~	~	~	~	~	~	~	1.5
2020-21	~	~	~	~	~	~	~	~	1.5
2021-22	-	-	-	-	-	-	-	-	-

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

The Commonwealth is providing funding to increase the number and value of clinical trials to deliver health benefits, provide jobs and improve the nation's innovative capacity.

National Partnership on electronic recording and reporting of controlled drugs^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	~	~	~	~	~	4.0
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

(a) State allocations for 2017–18 have not yet been determined.

The Commonwealth will provide funding to support the incorporation of State system enhancements into the national electronic recording and reporting of controlled drugs system.

National Partnership on essential vaccines^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	16.5	12.2	11.5	6.7	3.4	1.1	0.8	1.1	53.3
2018-19	5.5	3.4	4.0	2.1	1.1	0.4	0.2	0.6	17.3
2019-20	5.2	3.3	3.9	2.0	1.0	0.4	0.2	0.5	16.6
2020-21	5.2	3.3	3.9	2.0	1.0	0.4	0.2	0.5	16.7
2021-22	5.2	3.3	3.9	2.1	1.0	0.4	0.2	0.5	16.6

(a) 2017–18 figures include expenses for services provided in 2016–17.

The Commonwealth is providing funding to improve the health of Australians through the cost-effective delivery of the National Immunisation Program. In 2017–18 this National Partnership provides funding to the States for the purchase of some essential vaccines that had not yet transitioned to centralised purchasing arrangements. From 2018–19 all essential vaccines are purchased through Commonwealth arrangements.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership on the Health Innovation Fund^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	36.7	-	-	13.3	-	-	-	-	50.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	~	~	~	~	~	~	~	~	50.0
2021-22	-	-	-	-	-	-	-	-	-

(a) State allocations for 2020–21 have not yet been determined.

The Commonwealth will provide funding to support the delivery of projects in health prevention and the better use of health data.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership on the National Coronial Information System

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	0.4	-	-	-	-	-	-	0.4
2018-19	-	0.4	-	-	-	-	-	-	0.4
2019-20	-	0.4	-	-	-	-	-	-	0.4
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

This National Partnership is providing funding to support the administration, maintenance and improvement of Australia's national coronial data base.

National Partnership on public dental services for adults^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	~	~	~	~	~	107.8
2018-19	~	~	~	~	~	~	~	~	134.8
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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

The Commonwealth is providing funding to support the improved oral health of patients who rely on the public dental system.

National Partnership on suicide prevention^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	~	~	~	~	~	3.0
2018-19	~	~	~	~	~	~	~	~	3.0
2019-20	~	~	~	~	~	~	~	~	3.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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

The Commonwealth will provide funding to assist in reducing the risk of suicide by funding infrastructure projects, such as barriers, fencing and lighting, at identified locations.

EDUCATION

In 2018–19, the Commonwealth will provide funding of \$20.1 billion to support State education services, including \$19.5 billion in Quality Schools funding and \$544.4 million through National Partnership payments, as detailed in Table 2.5.

Table 2.5: Payments to support State education services

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
Quality Schools funding	18,347.8	19,518.1	20,798.0	22,183.8	23,551.6
National Partnership payments					
MoneySmart Teaching	1.3	1.3	1.3	1.3	-
National quality agenda for early childhood education and care	20.3	-	-	-	-
National School Chaplaincy Program	60.6	61.4	61.4	61.4	61.4
Northern Territory remote Aboriginal investment(a)					
Children and schooling component	45.5	37.5	37.3	30.2	29.3
Online safety program in schools	3.8	-	-	-	-
School Pathways Program	1.2	1.2	1.2	-	-
Schools Security Program	3.0	11.4	5.7	-	-
Universal access to early childhood education	425.8	431.5	308.1	-	-
Total	18,909.3	20,062.5	21,213.0	22,276.8	23,642.3
<i>Memorandum item – payments for non-government schools included in payments above</i>					
Quality Schools funding	11,229.3	11,829.2	12,452.8	13,145.3	13,820.6
National Partnership payments					
Online safety program in schools	1.1	-	-	-	-
Schools Security Program	3.0	-	-	-	-
Total	11,233.4	11,829.2	12,452.8	13,145.3	13,820.6

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

Quality Schools funding

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

In 2018–19, the Commonwealth will provide \$19.5 billion in Quality Schools 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.

Quality Schools funding

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18(a)									
Government schools(b)	2,269.1	1,622.8	1,619.3	661.2	465.7	187.3	95.9	197.2	7,118.5
Non-government schools(c)(d)(e)	3,446.3	2,933.7	2,306.6	1,130.7	784.3	237.4	198.3	154.4	11,229.3
Total	5,715.4	4,556.5	3,925.9	1,791.9	1,250.0	424.7	294.2	351.6	18,347.8
2018-19									
Government schools(b)	2,426.7	1,766.2	1,738.1	742.6	508.5	195.8	107.0	204.0	7,688.9
Non-government schools(c)(d)(e)	3,627.2	3,097.5	2,427.2	1,187.4	815.4	250.7	200.9	167.3	11,829.2
Total	6,053.9	4,863.7	4,165.3	1,930.0	1,324.0	446.5	308.0	371.2	19,518.1
2019-20									
Government schools(b)	2,600.4	1,932.1	1,889.2	832.6	554.7	204.6	119.7	211.9	8,345.1
Non-government schools(c)(d)(e)	3,809.6	3,270.8	2,578.5	1,249.4	846.4	263.1	201.2	179.6	12,452.8
Total	6,410.0	5,202.9	4,467.8	2,082.0	1,401.1	467.7	320.8	391.5	20,798.0
2020-21									
Government schools(b)	2,787.3	2,105.7	2,044.6	929.6	603.3	214.3	133.2	220.6	9,038.5
Non-government schools(c)(d)(e)	4,013.4	3,466.1	2,740.7	1,315.9	881.4	276.1	203.8	192.9	13,145.3
Total	6,800.7	5,571.7	4,785.3	2,245.5	1,484.6	490.4	336.9	413.6	22,183.8
2021-22									
Government schools(b)	2,973.7	2,289.7	2,184.6	1,031.8	653.7	223.7	147.2	226.8	9,731.0
Non-government schools(c)(d)(e)	4,214.3	3,670.5	2,878.3	1,384.2	917.2	289.2	205.8	207.1	13,820.6
Total	7,188.0	5,960.2	5,062.9	2,416.0	1,570.9	512.9	353.0	433.9	23,551.6

(a) Includes additional funding for students with disability.

(b) Includes funding for the NT to accelerate evidence based reforms to improve student outcomes for some of our most vulnerable children.

(c) Includes capital funding.

(d) Includes special circumstances funding, other prescribed purpose funding, targeted adjustment assistance for schools currently funded above 80 per cent of their schooling resource standard with negative growth during transition, non-government school reform support. As State allocations cannot yet 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 figures.

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

The Government has implemented a new needs-based funding model for schools which delivers a consistent Commonwealth approach for all schools in all States.

National Partnership payments for education

In addition to Quality Schools funding, the Commonwealth will provide funding for State education services through a number of National Partnerships.

National Partnership on MoneySmart Teaching^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	0.1	~	0.1	~	~	1.3
2018-19	~	~	~	0.1	~	0.1	~	~	1.3
2019-20	~	~	~	0.1	~	0.1	~	~	1.3
2020-21	~	~	~	0.1	~	0.1	~	~	1.3
2021-22	-	-	-	-	-	-	-	-	-

(a) State allocations from 2017–18, except for Western Australia and Tasmania, have not yet been determined.

The Commonwealth supports the delivery of professional learning to teachers in primary and secondary schools and the development of materials to improve financial literacy education in schools.

National Partnership on the national quality agenda for early childhood education and care

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	6.9	5.4	3.8	1.5	1.6	0.3	0.5	0.3	20.3
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth has invested in the National Quality Framework which supports an integrated 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 Program^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	11.1	12.6	18.1	7.6	7.5	2.2	1.0	0.5	60.6
2018-19	~	~	~	~	~	~	~	~	61.4
2019-20	~	~	~	~	~	~	~	~	61.4
2020-21	~	~	~	~	~	~	~	~	61.4
2021-22	~	~	~	~	~	~	~	~	61.4

(a) State allocations from 2018–19 have not yet been determined.

This program supports the emotional wellbeing of students through the provision of pastoral care services in participating schools.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership — Northern Territory remote Aboriginal investment — children and schooling component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	45.5	45.5
2018-19	-	-	-	-	-	-	-	37.5	37.5
2019-20	-	-	-	-	-	-	-	37.3	37.3
2020-21	-	-	-	-	-	-	-	30.2	30.2
2021-22	-	-	-	-	-	-	-	29.3	29.3

The Commonwealth will provide funding to improve student attendance, educational attainment, Indigenous workforce development and teacher housing in remote and very remote schools.

This National Partnership supports the Northern Territory to improve outcomes in schooling, health, community safety and job creation for Indigenous Australians. Other elements of this National Partnership are discussed in the Health, Community Services and Affordable Housing sections of this Part.

National Partnership on online safety programs in schools^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	1.2	0.9	0.7	0.4	0.3	0.1	0.1	0.1	3.8
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

(a) Includes government and non-government schools. State allocations are indicative estimates only.

The Commonwealth has funded the delivery of online safety programs in schools by providers that have been certified, approved or recognised by the eSafety Commissioner.

National Partnership on the School Pathways Program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	0.6	0.6	-	-	-	1.2
2018-19	-	-	-	0.6	0.6	-	-	-	1.2
2019-20	-	-	-	0.6	0.6	-	-	-	1.2
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

This program assists in providing a career path for young people to enter the defence industry. It focuses on increasing the number of students undertaking subjects relevant to the defence industry in participating schools.

National Partnership on the Schools Security Program^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18(b)	1.5	0.9	-	0.2	..	-	-	-	3.0
2018-19	~	~	~	~	~	~	~	~	11.4
2019-20	~	~	~	~	~	~	~	~	5.7
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

(a) State allocations from 2018–19 have not yet been determined.

(b) Total includes unallocated funding.

The Commonwealth is assisting government and non-government schools that face a risk of attack, harassment or violence stemming from racial or religious intolerance. Funding is available for security measures such as fencing, lighting and CCTV cameras.

National Partnership on universal access to early childhood education

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	132.2	108.2	88.6	47.0	28.0	8.9	7.8	5.1	425.8
2018-19	124.9	120.9	88.0	46.3	28.2	9.3	9.1	4.8	431.5
2019-20	90.2	86.7	61.9	33.0	19.9	6.4	6.5	3.4	308.1
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

Part 2: Payments for specific purposes

The Commonwealth is supporting preschool participation for all Australian children in the year before full-time school for 600 hours per year, or 15 hours per week. The funding is designed to top up arrangements States already have in place for preschool provision. The funding supports increased participation for Indigenous and disadvantaged children, and also aims to ensure national consistency in terms of quality and the availability of hours per week.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

SKILLS AND WORKFORCE DEVELOPMENT

In 2018–19, the Commonwealth will provide funding of \$1.8 billion to support State skills and workforce development services, including \$1.5 billion through the National Skills and Workforce Development SPP and \$293.4 million through a National Partnership payment, as detailed in Table 2.6.

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

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Skills and Workforce Development SPP	1,495.5	1,516.9	1,538.8	1,562.8	1,586.9
National Partnership payments					
Skilling Australians Fund	300.0	293.4	293.4	338.3	298.2
Total	1,795.5	1,810.3	1,832.2	1,901.1	1,885.1

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.

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. It also aims to achieve a more demand-driven and client-focused system, and to drive the next wave of innovation and productivity.

National Skills and Workforce Development SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	478.1	385.8	299.7	156.3	104.3	31.6	25.0	14.8	1,495.5
2018-19	485.2	393.6	303.7	157.7	104.9	31.7	25.3	14.8	1,516.9
2019-20	492.4	401.6	307.9	159.1	105.5	31.8	25.7	14.8	1,538.8
2020-21	500.4	410.1	312.4	160.7	106.3	32.0	26.1	14.9	1,562.8
2021-22	508.4	418.7	317.0	162.3	107.0	32.1	26.4	14.9	1,586.9

The National Skills and Workforce Development SPP is the funding associated with the *National Agreement for Skills and Workforce Development*.

The total amount of the payment is indexed each year by a composite of Wage Cost Index 1 (85 per cent) and Wage Cost Index 6 (15 per cent) – see Appendix A. The growth factor is estimated to be 1.43 per cent in 2018–19.

National Partnership payment on the Skilling Australians Fund

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

National Partnership on the Skilling Australians Fund^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	~	~	~	~	~	300.0
2018-19	~	~	~	~	~	~	~	~	293.4
2019-20	~	~	~	~	~	~	~	~	293.4
2020-21	~	~	~	~	~	~	~	~	338.3
2021-22	~	~	~	~	~	~	~	~	298.2

(a) State allocations have not yet been determined.

The *National Partnership on the Skilling Australians Fund* will support the training of Australians through a range of projects focused on skills priorities. These include training in occupations in high demand that currently rely on skilled migration, future growth industries, and rural and regional areas. There will also be a strong focus on apprenticeships and traineeships.

From 2018–19, the revised National Partnership will provide States with an annual amount of guaranteed funding and access to a further amount determined by the revenue paid into the Skilling Australians Fund. States’ access to the Fund will be dependent on meeting eligibility criteria defined by the Commonwealth, including matching Commonwealth funding, achieving specified outcomes, and providing up-to-date data on performance and spending.

This revenue will be drawn from a levy which will be paid by businesses employing foreign workers on certain skilled visas. Levy revenue estimates are reflected in the table above.

Two new measures associated with this National Partnership are listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

COMMUNITY SERVICES

In 2018–19, the Commonwealth will provide funding of \$4.7 billion to support State community services, including \$954.4 million through the National Disability SPP and \$3.7 billion through National Partnership payments, as detailed in Table 2.7.

Table 2.7: Payments to support State community services

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Disability SPP	1,521.8	954.4	173.3	-	-
National Partnership payments					
Family advocacy and support services	7.0	7.0	-	-	-
Home and Community Care	202.8	-	-	-	-
National Occasional Care Program	1.5	-	-	-	-
Northern Territory remote Aboriginal investment					
Community safety component	63.0	53.7	44.4	34.7	36.0
Pay equity for the social and community services sector	347.7	128.7	33.3	-	-
Payments from the DisabilityCare Australia Fund	640.1	3,384.7	1,379.0	1,003.0	1,043.9
Specialist disability services	324.9	167.8	28.2	-	-
Transition to NDIS in Western Australia	84.6	-	-	-	-
Women's Safety Package Technology Trials	2.0	1.3	0.9	-	-
Total	3,195.3	4,697.6	1,659.1	1,037.7	1,079.9

National Disability Agreement

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

The Commonwealth is also working with the States to implement the National Disability Insurance Scheme (NDIS) which is fundamentally changing 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). The NDIA will be responsible for administering the NDIS in every State.

From 2020–21, the National Disability SPP funding for Western Australia will be redirected to support a full scheme NDIS.

National Disability SPP^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	494.7	399.2	310.2	161.8	107.9	32.7	-	15.3	1,521.8
2018-19	-	416.7	321.6	167.0	-	33.5	-	15.7	954.4
2019-20	-	-	-	173.3	-	-	-	-	173.3
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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

The Intergovernmental Agreement defines the annual 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 is estimated to be 3.8 per cent in 2018-19.

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 Family Advocacy and Support Services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	1.7	1.2	1.1	0.7	0.6	0.6	0.6	0.5	7.0
2018-19	1.7	1.2	1.1	0.7	0.6	0.6	0.6	0.5	7.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth will support the establishment and operation of Family Advocacy and Support Services by legal aid commissions. They will provide integrated duty lawyer and family violence support services at locations across Australia.

National Partnership on Home and Community Care

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	202.8	-	-	-	-	202.8
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

This program provides Western Australia with funding for basic community care services that support older people, younger people with a disability, and their carers to remain living in their own homes and communities. The Commonwealth and Western Australia are transitioning Home and Community Care responsibilities for older people to the Commonwealth.

National Partnership on the National Occasional Care Program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	1.2	-	-	0.3	-	-	-	1.5
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth supports occasional child care providers who are not approved for the purposes of Child Care Benefit, particularly in rural, regional and remote areas. This National Partnership will cease on 30 June 2018 with the implementation of the *Jobs for Families Child Care Package*.

National Partnership on Northern Territory remote Aboriginal investment — community safety component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	63.0	63.0
2018-19	-	-	-	-	-	-	-	53.7	53.7
2019-20	-	-	-	-	-	-	-	44.4	44.4
2020-21	-	-	-	-	-	-	-	34.7	34.7
2021-22	-	-	-	-	-	-	-	36.0	36.0

The Commonwealth will provide funding to the Northern Territory to make communities safer, improve child safety and address alcohol-related harm.

The National Partnership will support the Northern Territory to improve outcomes in schooling, health, community safety and job creation for Indigenous Australians. Other elements of this National Partnership are discussed in the Health, Education and Affordable Housing sections of this Part.

National Partnership on Pay Equity for the Social and Community Services Sector

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	59.8	92.5	92.1	61.0	24.4	10.3	3.4	4.2	347.7
2018-19	-	45.8	48.5	27.3	-	5.2	-	1.9	128.7
2019-20	-	-	-	33.3	-	-	-	-	33.3
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is funding its share of the wage increases arising from Fair Work Australia's 2012 decision to grant an Equal Remuneration Order for the Social, and Community and Disability Services Sector. This includes funding for the Commonwealth's share of the wage increases for in-scope programs funded through existing National SPPs and National Partnerships.

National Partnership on Payments from the DisabilityCare Australia Fund^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	241.9	110.7	116.4	11.6	88.1	9.8	57.7	3.9	640.1
2018-19	1,181.3	990.9	775.1	49.7	240.1	92.0	15.8	39.9	3,384.7
2019-20	315.2	244.0	197.4	501.2	72.7	22.5	16.3	9.7	1,379.0
2020-21	326.2	252.5	204.3	94.4	75.2	23.3	16.8	10.0	1,003.0
2021-22	337.7	261.4	211.5	103.6	77.9	24.1	17.4	10.4	1,043.9

(a) Funding amounts are indicative estimates only. Negotiations are continuing with the States on drawdown arrangements.

This program will reimburse the States for their NDIS expenditure. Under the *DisabilityCare Australia Fund Act 2013*, a proportion of the funding held in the DisabilityCare Australia Fund has been allocated to the States over a 10 year period.

National Partnership on Specialist Disability Services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	153.8	74.0	43.8	-	32.4	11.9	3.0	6.1	324.9
2018-19	-	76.6	45.4	27.3	-	12.3	-	6.3	167.8
2019-20	-	-	-	28.2	-	-	-	-	28.2
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is funding specialist disability services for people aged 65 years and over (50 years and over for Indigenous Australians), in participating States. This funding is delivered under 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 program.

National Partnership on the Transition to NDIS in Western Australia

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	84.6	-	-	-	-	84.6
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth supported Western Australia to make progressive changes to roles, responsibilities and governance in delivering disability services from 1 July 2017.

National Partnership on the Women's Safety Package — Technology Trials

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	0.4	0.8	0.2	-	0.1	0.3	-	0.2	2.0
2018-19	0.1	0.5	0.1	-	0.1	0.4	-	..	1.3
2019-20	0.2	..	-	-	0.2	0.4	-	..	0.9
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

Budget Paper No. 3

This program will support a series of trials to test new technologies or innovative uses of existing technologies to improve the safety of women and children affected by family and domestic violence.

AFFORDABLE HOUSING

In 2018–19, the Commonwealth will provide funding of \$1.6 billion to support State affordable housing services, including \$1.5 billion through the *National Housing and Homelessness Agreement* and \$114.1 million through National Partnerships, as detailed in Table 2.8.

Table 2.8: Payments to support State affordable housing services

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Affordable Housing SPP	1,360.0	-	-	-	-
National Housing and Homelessness Agreement	-	1,535.8	1,564.9	1,596.0	1,562.5
National Partnership payments					
First Home Owners Boost	0.1	-	-	-	-
Homelessness	117.2	-	-	-	-
National Regulatory System for Community Housing	0.6	0.5	-	-	-
Northern Territory remote Aboriginal investment Remote Australia strategies component	50.9	3.5	3.5	3.7	3.7
Remote Housing	526.6	110.0	110.0	110.0	110.0
Social Impact Investments					
Youth at risk of homelessness	-	-	0.5	0.5	0.5
Vulnerable priority groups	-	-	0.5	0.5	0.5
Total	2,055.5	1,649.9	1,679.5	1,710.8	1,677.3

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.

National Affordable Housing SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	434.8	350.8	272.6	142.2	94.8	28.7	22.7	13.5	1,360.0
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The National Affordable Housing SPP is the funding associated with the *National Affordable Housing Agreement*. This funding supports 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.

From 1 July 2018, the *National Affordable Housing Agreement* and National Affordable Housing SPP will be replaced by the *National Housing and Homelessness Agreement*.

National Housing and Homelessness Agreement^{(a)(b)}

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	476.8	395.5	313.6	164.2	107.4	32.9	25.8	19.7	1,535.8
2019-20	484.7	405.7	319.2	166.9	108.7	33.3	26.4	20.0	1,564.9
2020-21	493.3	416.6	325.2	169.9	110.2	33.7	27.0	20.3	1,596.0
2021-22	493.3	404.2	318.2	163.2	106.6	32.1	25.6	19.2	1,562.5

(a) Funding includes \$121.1 million in 2018–19, \$125.0 million in 2019–20, \$129.1 million in 2020–21 and \$121.8 million in 2021–22 for homelessness.

(b) Funding includes \$40.2 million in 2018–19, \$48.3 million in 2019–20, \$56.7 million in 2020–21 for the Social, Community and Disability Services Industry Equal Remuneration Order 2012.

The *National Housing and Homelessness Agreement* (NHHA) will contribute to improving access to affordable, safe and sustainable housing across the housing spectrum, including to prevent and address homelessness, and to support social and economic participation. The NHHA will ensure better outcomes for housing and homelessness funding.

The NHHA maintains the current level of funding under the National Affordable Housing SPP associated with the *National Affordable Housing Agreement* and the *National Partnership Agreement on Homelessness*. Commonwealth funding is ongoing and indexed by Wage Cost Index 1 (see Appendix A online), providing greater certainty for the sector. The Commonwealth's contribution to homelessness funding will be matched by the States. Until 30 June 2021, Commonwealth funding includes supplementation to assist with increases in wage costs arising from Fair Work Australia's Social, Community and Disability Services Industry Equal Remuneration Order 2012. This was previously paid under the *National Partnership on Pay Equity for the Social and Community Services Sector* for housing services and under the *National Partnership on Homelessness* for homelessness services.

National Partnership payments for affordable housing

The Commonwealth will provide a total of \$114.1 million in 2018–19 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
2017-18	-	..	0.1	-	-	-	-	-	0.1
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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 First Home Owners Boost closed to new applicants in December 2009. Payments made in 2017–18 reflect extensions that the States granted to some applicants with exceptional circumstances.

National Partnership on Homelessness

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	30.3	23.2	29.4	15.4	9.0	2.9	1.6	5.4	117.2
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The program prioritises funding to frontline homelessness services, focusing on women and children experiencing domestic violence, and homeless youth. From 1 July 2018, new funding for homelessness will be provided under the *National Housing and Homelessness Agreement*.

National Regulatory System for Community Housing^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	~	~	~	~	~	0.6
2018-19	~	~	~	~	~	~	~	~	0.5
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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

The Commonwealth will support the review of the National Regulatory System for Community Housing to promote a nationally consistent approach to the regulation of community housing and to provide certainty for community housing providers and confidence to potential investors.

National Partnership on Northern Territory remote Aboriginal investment — remote Australia strategies component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	50.9	50.9
2018-19	-	-	-	-	-	-	-	3.5	3.5
2019-20	-	-	-	-	-	-	-	3.5	3.5
2020-21	-	-	-	-	-	-	-	3.7	3.7
2021-22	-	-	-	-	-	-	-	3.7	3.7

The remote Australia strategies component will provide funding to improve public housing in remote communities by investing in housing works and removing asbestos from community buildings. This funding will also support a sustainable, professional and accredited Aboriginal interpreter service.

The National Partnership supports the Northern Territory to improve outcomes in schooling, health, community safety and job creation for Indigenous Australians. Other elements of this National Partnership are discussed in the Health, Education and Community Services sections of this Part.

This funding complements the funding to be provided under the *National Partnership on Remote Housing*.

National Partnership on Remote Housing

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	186.2	178.7	17.3	-	-	144.5	526.6
2018-19	-	-	-	-	-	-	-	110.0	110.0
2019-20	-	-	-	-	-	-	-	110.0	110.0
2020-21	-	-	-	-	-	-	-	110.0	110.0
2021-22	-	-	-	-	-	-	-	110.0	110.0

The Commonwealth is supporting significant reform in the provision of housing for Indigenous people in remote communities to address overcrowding, homelessness, poor housing conditions and severe housing shortages.

This funding supports the delivery of new houses, housing refurbishments and housing-related infrastructure. It also provides incentives to States for progress against agreed outcomes that establish more sustainable housing systems in remote Indigenous communities.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnerships on Social Impact Investments

Youth at risk of homelessness^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	~	~	~	~	~	~	~	~	0.5
2020-21	~	~	~	~	~	~	~	~	0.5
2021-22	~	~	~	~	~	~	~	~	0.5

(a) State allocations from 2019–20 have not yet been determined.

The Commonwealth will provide funding to state and territory governments to trial social impact investments which aim to help young people at risk of homelessness.

Vulnerable priority groups^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	~	~	~	~	~	~	~	~	0.5
2020-21	~	~	~	~	~	~	~	~	0.5
2021-22	~	~	~	~	~	~	~	~	0.5

(a) State allocations from 2019–20 have not yet been determined.

The Commonwealth will provide funding to state and territory governments to trial social impact investments which aim to assist other vulnerable priority groups.

INFRASTRUCTURE

In 2018–19, the Commonwealth will provide funding of \$6.3 billion to support State infrastructure projects, as detailed in Table 2.9.

Table 2.9: Payments to support State infrastructure services

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Partnership payments					
Infrastructure Investment Program					
Black Spot Projects	100.0	85.0	70.0	60.0	60.0
Bridges Renewal Program	46.5	85.0	96.3	80.0	83.5
Developing Northern Australia					
Improving Cattle Supply Chains	5.6	64.4	30.0	-	-
Northern Australia Roads	86.5	231.7	198.5	71.4	-
Heavy Vehicle Safety and Productivity Program	46.4	60.0	70.0	45.0	62.2
Major Projects Business Case Fund	-	10.0	15.0	25.0	25.0
National Rail Program	513.3	71.4	135.7	213.2	333.4
Rail Investment Component	269.4	752.7	840.6	663.5	263.7
Road Investment Component	3,666.6	3,694.6	2,979.5	2,962.7	2,762.6
Roads of Strategic Importance	-	25.0	105.0	170.0	230.0
Roads to Recovery	699.6	364.5	399.7	399.7	399.7
Urban Congestion Initiative	-	-	50.0	50.0	100.0
Infrastructure Growth Package					
Asset Recycling Initiative	898.2	369.6	-	-	-
New Investments	411.2	81.3	65.0	3.6	-
Western Sydney Infrastructure Plan	328.1	386.9	479.3	243.7	206.0
Other National Partnership Payments					
Interstate Road Transport	82.0	-	-	-	-
Launceston City Deal - Tamar River	-	-	8.8	8.8	10.3
Murray-Darling Basin Regional Economic Diversification Program	5.1	17.6	-	-	-
Supporting Drought-Affected Communities Program	13.4	10.1	-	-	-
Western Sydney City Deal	-	18.5	22.0	24.5	10.0
WiFi and Mobile Coverage on Trains	2.0	8.0	2.0	-	-
Total	7,173.9	6,336.4	5,567.3	5,021.1	4,546.2
<i>Memorandum item – payments direct to local governments included in payments above</i>					
Infrastructure Investment Program					
Roads to Recovery	664.7	350.2	378.8	378.8	378.8
Supporting Drought-Affected Communities Program	13.4	10.1	-	-	-
Total	678.1	360.3	378.8	378.8	378.8

National Partnership payments for infrastructure

Infrastructure Investment Program

The Commonwealth is providing funding for road and rail infrastructure through the Infrastructure Investment Program under the *National Partnership on Land Transport Infrastructure Projects*. The Commonwealth has established a 10-year funding allocation for this program.

The program 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 fuel excise indexation, announced in the 2014–15 Budget.

The Infrastructure Investment Program includes several components that involve payments to the States, detailed in the tables below.

Black Spot Projects

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	30.0	22.8	20.7	12.5	7.3	3.0	1.6	2.1	100.0
2018-19	25.5	19.3	17.6	10.6	6.2	2.6	1.4	1.8	85.0
2019-20	21.0	15.9	14.5	8.7	5.1	2.1	1.1	1.5	70.0
2020-21	19.2	13.7	12.2	6.6	4.8	1.6	1.0	1.0	60.0
2021-22	19.2	15.7	12.0	4.1	6.2	1.2	1.0	0.6	60.0

These projects improve the safety of road sites that have been identified as high-risk areas for serious crashes. Funding is aimed at improving sites that have a record of at least three accidents involving casualties over a five-year period and can demonstrate a benefit-to-cost ratio greater than two.

Bridges Renewal Program^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	11.0	5.4	20.5	4.0	2.9	2.8	-	-	46.5
2018-19	35.7	8.5	23.4	8.3	2.9	2.6	1.2	2.3	85.0
2019-20	30.7	11.0	26.1	9.4	5.8	3.6	1.1	8.6	96.3
2020-21	37.3	15.1	16.4	3.5	5.3	1.1	0.9	0.5	80.0
2021-22	26.7	21.9	16.7	5.7	8.6	1.7	1.4	0.8	83.5

(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 program 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
2017-18	-	-	4.5	-	-	-	-	1.2	5.6
2018-19	-	-	38.3	6.5	-	-	-	19.7	64.4
2019-20	-	-	14.6	6.2	-	-	-	9.2	30.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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

The Commonwealth is providing funding to Queensland, Western Australia and the Northern Territory for road infrastructure projects that will improve the resilience and productivity of the northern cattle supply chains.

Developing Northern Australia — Northern Australia Roads^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	29.4	42.4	-	-	-	14.7	86.5
2018-19	-	-	55.6	82.9	-	-	-	93.3	231.7
2019-20	-	-	87.2	41.3	-	-	-	69.9	198.5
2020-21	-	-	48.4	8.3	-	-	-	14.7	71.4
2021-22	-	-	-	-	-	-	-	-	-

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

The Commonwealth is providing 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. Projects include links to roads connecting communities and regional towns to ports and airports.

Heavy Vehicle Safety and Productivity Program^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	13.3	6.0	14.4	4.5	6.3	0.5	-	1.4	46.4
2018-19	32.8	7.8	8.1	1.9	1.2	0.5	-	7.6	60.0
2019-20	30.1	11.1	13.4	6.8	3.3	0.7	0.5	4.1	70.0
2020-21	14.4	11.8	9.0	3.1	4.6	0.9	0.8	0.4	45.0
2021-22	19.9	16.4	12.4	4.2	6.4	1.3	1.0	0.6	62.2

(a) Some amounts in each year remain unallocated. These 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 funding projects that improve the safety of the road environment, enhance the capacity of existing roads and improve connections to freight networks.

Major Projects Business Case Fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	5.0	5.0	-	-	-	-	10.0
2019-20	-	-	10.0	5.0	-	-	-	-	15.0
2020-21	6.4	5.2	4.0	6.4	2.1	0.4	0.3	0.2	25.0
2021-22	6.4	5.3	4.0	6.3	2.0	0.4	0.3	0.2	25.0

The Commonwealth is providing funding to support the development of business cases for road and rail infrastructure projects. Funding will support a range of scenarios relating to business case development, including supporting joint State, Territory and Commonwealth planning processes.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Rail Program^{(a)(b)}

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	513.3	-	-	-	-	513.3
2018-19	35.0	13.0	10.0	13.4	-	-	-	-	71.4
2019-20	15.0	30.0	40.0	35.7	10.0	-	-	-	135.7
2020-21	-	55.0	75.0	63.2	10.0	-	-	-	213.2
2021-22	-	110.0	75.0	103.4	30.0	-	-	-	333.4

(a) Because some State allocations are yet to be finalised, in some cases the national total does not equal the sum of the State subtotals.

(b) The Commonwealth's \$5 billion investment in the Melbourne Airport Rail Link will be provided as equity or otherwise as agreed, but consistent with the principles of conservative Budget management, this investment has initially been reported as grant funding.

The Commonwealth has established a National Rail Program to improve urban and regional passenger services. This investment will reduce congestion in capital cities, revitalise regional economies and provide families and businesses with more affordable options on where to live and invest.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

Rail Investment Component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	37.2	30.6	3.7	183.0	15.0	-	-	269.4
2018-19	-	533.5	66.4	95.7	43.9	13.2	-	-	752.7
2019-20	-	391.0	80.0	349.2	5.5	15.0	-	-	840.6
2020-21	-	282.0	27.0	339.6	-	15.0	-	-	663.5
2021-22	-	248.7	-	-	-	15.0	-	-	263.7

The rail investment component of the Infrastructure Investment Program delivers the Commonwealth's rail investment outside the National Rail Program. It funds projects across Australia, including the Victorian Regional Rail Program.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

Road Investment Component^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	1,195.5	313.5	1,122.2	474.1	422.1	108.5	1.5	29.2	3,666.6
2018-19	993.8	230.4	1,253.4	682.8	382.4	101.7	3.7	46.4	3,694.6
2019-20	730.4	206.6	1,232.5	471.7	212.3	70.3	6.1	49.7	2,979.5
2020-21	601.8	299.9	1,577.3	293.8	66.2	54.0	20.8	48.9	2,962.7
2021-22	367.2	267.0	1,697.9	137.5	134.7	61.1	25.8	43.3	2,762.6

(a) Some amounts in 2018–19 and beyond remain unallocated. These have been notionally allocated to all States on an equal per-capita basis. In some cases, the national total does not equal the sum of the State subtotals.

The road investment component of the Infrastructure Investment Program delivers the majority of the Commonwealth's investment in road infrastructure. It targets nationally significant projects that will improve the efficiency and safety of Australia's road network. Funding is provided for road construction projects and network maintenance, as well as transport development, innovation projects and grants to land transport research bodies.

New measures associated with this component of the Infrastructure Investment Program are listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

Roads of Strategic Importance Initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	4.8	-	7.2	2.5	-	10.0	0.2	0.4	25.0
2019-20	14.3	-	21.6	47.4	-	20.0	0.7	1.0	105.0
2020-21	24.0	4.0	42.7	74.6	1.6	20.0	1.2	1.9	170.0
2021-22	25.6	5.4	58.3	84.7	2.1	50.0	1.3	2.5	230.0

The Commonwealth is providing \$3.5 billion in funding over 10 years to upgrade key routes to improve access for businesses and communities to essential services, markets and employment opportunities.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

Roads to Recovery^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	196.6	142.4	142.4	102.4	63.0	22.8	9.7	20.4	699.6
2018-19	85.4	75.5	85.8	63.3	32.6	11.2	1.5	9.3	364.5
2019-20	111.5	81.4	81.4	58.5	35.9	13.0	6.4	11.6	399.7
2020-21	111.5	81.4	81.4	58.5	35.9	13.0	6.4	11.6	399.7
2021-22	111.5	81.4	81.4	58.5	35.9	13.0	6.4	11.6	399.7

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

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

Urban Congestion Fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	16.0	13.0	10.0	3.4	5.2	1.0	0.8	0.5	50.0
2020-21	16.0	13.1	10.0	3.4	5.1	1.0	0.8	0.5	50.0
2021-22	32.0	26.4	20.0	6.7	10.2	2.0	1.7	0.9	100.0

The Urban Congestion Fund will support projects to remediate pinch points, improve traffic safety and flow and increase network efficiency for commuter and freight movements in major urban areas. The Commonwealth will contribute \$1.0 billion over nine years.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

Infrastructure Growth Package

The Commonwealth announced the Infrastructure Growth Package, comprising the Asset Recycling Initiative, New Investments, and the Western Sydney Infrastructure Plan, in the 2014–15 Budget.

Asset Recycling Initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	847.8	-	-	-	-	-	30.2	20.2	898.2
2018-19	335.2	-	-	-	-	-	14.2	20.2	369.6
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

Under the Asset Recycling Initiative, the Commonwealth is providing funding to encourage States to divest assets and reinvest the proceeds into new productive infrastructure. States are required to complete all asset divestments and commence construction on agreed projects by 30 June 2019.

New Investments

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	4.5	12.9	248.1	-	137.9	1.5	-	6.3	411.2
2018-19	9.7	2.2	8.5	4.5	35.0	0.7	-	20.8	81.3
2019-20	37.0	-	-	-	28.0	-	-	-	65.0
2020-21	3.6	-	-	-	-	-	-	-	3.6
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing additional funding to expedite investment in high-quality economic infrastructure. This includes additional funding for significant road projects and the National Highway Upgrade Program.

Western Sydney Infrastructure Plan

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	328.1	-	-	-	-	-	-	-	328.1
2018-19	386.9	-	-	-	-	-	-	-	386.9
2019-20	479.3	-	-	-	-	-	-	-	479.3
2020-21	243.7	-	-	-	-	-	-	-	243.7
2021-22	206.0	-	-	-	-	-	-	-	206.0

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. This includes infrastructure to support the new airport at Badgerys Creek.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

Other National Partnership payments

Interstate Road Transport

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	37.8	22.0	7.8	3.3	9.9	0.4	0.4	0.4	82.0
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

Budget Paper No. 3

The Commonwealth provided funding under the *Interstate Road Transport Act 1985* equal to the total revenue received from heavy vehicle registrations under the Federal Interstate Registration Scheme. The legislation for this has been repealed and therefore the scheme will cease on 30 June 2018.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

Launceston City Deal – Tamar River

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	8.8	-	-	8.8
2020-21	-	-	-	-	-	8.8	-	-	8.8
2021-22	-	-	-	-	-	10.3	-	-	10.3

The Commonwealth will provide \$47.5 million over five years from 2019–20 towards 12 projects to reduce pollution and improve the health of the Tamar River in Launceston, Tasmania, as part of the Launceston City Deal.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership for the Murray-Darling Basin Regional Economic Diversification Program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	3.2	1.9	-	-	-	-	-	5.1
2018-19	12.6	3.2	1.9	-	-	-	-	-	17.6
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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. Relevant projects seek to encourage sustainable economic development through joint government, private and community sector investment.

Supporting Drought-Affected Communities Program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	3.7	2.7	7.1	-	-	-	-	-	13.4
2018-19	3.7	1.8	4.6	-	-	-	-	-	10.1
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

Part 2: Payments for specific purposes

The Commonwealth is supporting local infrastructure projects that provide employment for people whose work opportunities have been affected 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, and provide long-lasting benefits to communities and the agricultural industries on which they depend.

Western Sydney City Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	18.5	-	-	-	-	-	-	-	18.5
2019-20	22.0	-	-	-	-	-	-	-	22.0
2020-21	24.5	-	-	-	-	-	-	-	24.5
2021-22	10.0	-	-	-	-	-	-	-	10.0

The Commonwealth is providing funding from 2017–18 to support infrastructure projects and liveability initiatives under the Western Sydney City Deal.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership on WiFi and Mobile Coverage on Trains

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	2.0	-	-	-	-	-	-	-	2.0
2018-19	8.0	-	-	-	-	-	-	-	8.0
2019-20	2.0	-	-	-	-	-	-	-	2.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

This program will establish mobile and internet connectivity along the train route between Hornsby and Wyong.

ENVIRONMENT

In 2018–19, the Commonwealth will provide funding of \$656.2 million to support State environment projects, as detailed in Table 2.10.

Table 2.10: Payments to support State environment services

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Partnership payments					
Assistance for pest animal and weed management in drought-affected areas	4.0	2.0	-	-	-
Development of Business Cases for Constraints Measures and Potential Implementation	10.0	20.0	30.0	60.0	60.0
Environmental management of the former Rum Jungle Mine site	6.1	4.0	-	-	-
Great Artesian Basin Sustainability Initiative	0.4	-	-	-	-
Hydrogen Energy Supply Chain Pilot Project	10.0	10.0	17.5	12.5	-
Implementation of the National Insurance Affordability Initiative	-	5.0	-	-	-
Implementing water reform in the Murray-Darling Basin	20.0	20.0	20.0	-	-
Kamay 250th Anniversary Project	25.0	-	-	-	-
Management of Established Pest and Weeds	1.6	5.0	-	-	-
Management of the World Heritage values of the Tasmanian Wilderness	1.7	-	-	-	-
Mechanical fuel load reduction trials	-	0.5	-	-	-
National fire danger rating system	0.5	0.2	-	-	-
National Forestry Industry Plan	-	-	-	1.8	1.8
Natural disaster resilience(a)	48.2	15.1	nfp	nfp	nfp
Pest and disease preparedness and response programs	49.4	28.4	26.5	27.4	29.8
South Australian River Murray Sustainability Program					
Irrigation efficiency and water purchase	13.0	8.5	-	-	-
Irrigation industry assistance	25.0	10.0	-	-	-
Sustainable Rural Water Use and Infrastructure Program	379.9	412.1	75.3	30.9	-
Water Infrastructure Development Fund					
Feasibility studies	16.0	15.7	-	-	-
Capital component	26.5	90.1	103.4	80.0	80.0
World Heritage Sites	-	9.5	9.5	9.5	9.5
Total	637.3	656.2	282.2	222.0	181.0

(a) Funding amounts are not published for 2019–20 and beyond 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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	1.5	-	1.0	1.0	0.5	-	-	-	4.0
2018-19	0.5	-	1.0	0.3	0.3	-	-	-	2.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is assisting drought-affected farm businesses with the installation of water-related infrastructure as well as managing the impacts of pest animals and weeds.

National Partnership on the Development of Business Cases for Constraints Measures and Potential Implementation^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	~	~	~	~	~	10.0
2018-19	~	~	~	~	~	~	~	~	20.0
2019-20	~	~	~	~	~	~	~	~	30.0
2020-21	~	~	~	~	~	~	~	~	60.0
2021-22	~	~	~	~	~	~	~	~	60.0

(a) State allocations from 2017–18 have not yet been determined. Arrangements for the Implementation Program for Constraints Measures are yet to be agreed.

This program supports the development of business cases for 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
2017-18	-	-	-	-	-	-	-	6.1	6.1
2018-19	-	-	-	-	-	-	-	4.0	4.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is continuing to fund the program of work established to improve the management of the Rum Jungle Mine site and to further develop a rehabilitation strategy, in partnership with stakeholders, including the site’s traditional owners.

National Partnership on the Great Artesian Basin Sustainability Initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	0.4	-	-	-	-	-	0.4
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

Budget Paper No. 3

This National Partnership continues the capping of uncontrolled bores and piping open bore drains to reduce water loss and recover groundwater pressure.

National Partnership on the Hydrogen Energy Supply Chain Pilot Project

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	10.0	-	-	-	-	-	-	10.0
2018-19	-	10.0	-	-	-	-	-	-	10.0
2019-20	-	17.5	-	-	-	-	-	-	17.5
2020-21	-	12.5	-	-	-	-	-	-	12.5
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is supporting a pilot project to demonstrate the feasibility of a hydrogen energy supply chain (HESC) based on gasification of brown coal to produce liquid hydrogen for use in Japan. The pilot will inform the commercial viability of a long-term HESC from Australia to Japan.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership on the Implementation of the National Insurance Affordability Initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	5.0	-	-	-	-	-	5.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is funding the construction of a flood levee in Roma and improving flood defences in Ipswich to reduce flood risk and insurance premiums.

National Partnership on Implementing Water Reform in the Murray-Darling Basin

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
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
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is supporting the cooperative implementation of the *Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin*. The agreement aims to ensure continuing progress in restoring the Basin's rivers to health, securing strong regional communities, and supporting sustainable food and fibre production.

National Partnership on the Kamay 250th Anniversary Project

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	25.0	-	-	-	-	-	-	-	25.0
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding for the construction of a new commemorative monument and upgrade of infrastructure as part of the Kamay Botany Bay National Park, Kurnell Master Plan, to commemorate the 250th anniversary of Captain James Cook's landing at Kurnell.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership on the Management of Established Pests and Weeds^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	~	~	~	~	~	~	~	~	1.6
2018-19	~	~	~	~	~	~	~	~	5.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

(a) State allocations have not yet been determined.

This program builds the skills and capacity of landholders, the community and industry to manage established pest animals and weeds.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	1.7	-	-	1.7
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is supporting the management of the World Heritage values of the areas added to the Tasmanian Wilderness in 2013 and the development of cultural heritage evaluations.

National Partnership on Mechanical Fuel Load Reduction Trials

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	0.5	-	-	-	-	-	-	-	0.5
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

This program supports research into the effectiveness of mechanical fuel removal in forests where conservation values could be compromised by burning.

National Partnership on a National Fire Danger Rating System

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	0.5	-	-	-	-	-	-	-	0.5
2018-19	-	-	-	-	0.2	-	-	-	0.2
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding to develop a prototype national fire danger rating system and associated social research to assist the States in communicating fire danger information to the public.

National Partnership on the National Forestry Industry Plan^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	~	~	~	~	~	~	~	~	1.8
2021-22	~	~	~	~	~	~	~	~	1.8

(a) State allocations have not yet been determined.

The Commonwealth will support the States to offer advice on the establishment of new farm forestry assets (right trees in the right place at the right scale), private native forestry and Indigenous forestry areas' suitability for sustainable harvesting of forest products.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership on Natural Disaster Resilience^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	10.2	10.4	15.0	1.6	3.1	2.6	2.6	2.6	48.2
2018-19	6.8	-	-	6.3	2.1	-	-	-	15.1
2019-20	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2020-21	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
2021-22	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp

(a) Funding amounts are not published for 2019–20 and beyond as negotiations are yet to be finalised.

The Commonwealth is providing the States with funding to strengthen community resilience and minimise the impact of a range of natural disasters in Australia.

The 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.

National Partnership on Pest and Disease Preparedness and Response Programs^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	0.3	0.4	26.5	1.2	0.1	20.0	-	1.0	49.4
2018-19	0.3	0.4	24.4	1.0	0.1	-	-	2.4	28.4
2019-20	0.3	0.4	23.8	1.0	0.1	-	-	1.0	26.5
2020-21	0.3	0.4	24.6	1.0	0.1	-	-	1.0	27.4
2021-22	0.3	0.4	27.0	1.0	0.1	-	-	1.0	29.8

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

This program contributes to the eradication of 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.

In 2017–18, the Commonwealth will provide separate funding to assist with the management of the fruit fly outbreak in northern Tasmania.

A new measure associated with this is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

National Partnership on the South Australian River Murray Sustainability Program

The three 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
2017-18	-	-	-	-	13.0	-	-	-	13.0
2018-19	-	-	-	-	8.5	-	-	-	8.5
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for South Australia to deliver a grants program to support more efficient delivery and use of water by irrigation water providers and irrigators. The program also enables South Australian irrigators to sell their water entitlements to the South Australian Government for return to the environment. In total, these two components aim to return 36 gigalitres (the 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
2017-18	-	-	-	-	25.0	-	-	-	25.0
2018-19	-	-	-	-	10.0	-	-	-	10.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

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

Sustainable Rural Water Use and Infrastructure Program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	62.2	181.5	33.2	-	48.1	17.9	37.0	-	379.9
2018-19	172.4	131.9	29.6	-	36.6	24.5	17.2	-	412.1
2019-20	54.7	10.0	10.6	-	-	-	-	-	75.3
2020-21	11.4	19.5	-	-	-	-	-	-	30.9
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding for the Sustainable Rural Water Use and Infrastructure Program. This funding is provided under a number of arrangements, such as the *National Partnership on Water for the Future*, Water Management Partnership Agreements under the *Intergovernmental Agreement on Murray-Darling Basin Reform 2008*, the *Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin 2013*, and Project Agreements outside of the Murray-Darling Basin, including the *Interim Great Artesian Basin Infrastructure Investment Program* and *Tasmania Irrigation Tranche II*.

The program funds most of the water recovery to 'bridge the gap' under the Murray-Darling Basin Plan. It also aims to improve the efficiency and productivity of rural water management and usage, deliver substantial and lasting water returns to the environment, secure a long-term sustainable future for irrigated agriculture, and improve the health of wetlands and freshwater ecosystems.

National Partnership on the Water Infrastructure Development Fund

This program facilitates long-term economic and regional development by 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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	1.3	1.8	7.9	2.1	0.5	-	-	2.5	16.0
2018-19	1.0	0.1	12.7	1.7	-	-	-	0.2	15.7
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

Part 2: Payments for specific purposes

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

Capital Component^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	15.0	-	-	11.5	-	-	-	26.5
2018-19	-	24.0	-	40.0	26.1	-	-	-	90.1
2019-20	~	~	~	~	~	~	~	~	103.4
2020-21	~	~	~	~	~	~	~	~	80.0
2021-22	~	~	~	~	~	~	~	~	80.0

(a) State allocations from 2019–20 have not yet been determined.

The Commonwealth will provide funding of up to \$220 million to partially fund the capital construction costs of a small number of high-priority water infrastructure projects.

National Partnership on World Heritage Sites

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
2019-20	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
2020-21	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
2021-22	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5

The Commonwealth will provide funding to assist addressing critical threats such as feral animals and weeds, and changed fire regimes, to conserve and restore the biodiversity of World Heritage properties.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

CONTINGENT PAYMENTS

Contingent payments arise where the Commonwealth has committed to provide compensation when an event occurs or otherwise guaranteed 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	2017-18	2018-19	2019-20	2020-21	2021-22
National Partnership payments					
Hepatitis C settlement fund	0.2	0.2	0.2	0.2	0.2
Natural Disaster Relief and Recovery Arrangements	108.9	17.5	9.5	0.1	-
Total	109.0	17.6	9.7	0.3	0.2

Hepatitis C settlement fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	0.2	-	-	-	-	-	-	-	0.2
2018-19	0.2	-	-	-	-	-	-	-	0.2
2019-20	0.2	-	-	-	-	-	-	-	0.2
2020-21	0.2	-	-	-	-	-	-	-	0.2
2021-22	0.2	-	-	-	-	-	-	-	0.2

The Commonwealth is contributing to out of court settlement costs for people who contracted Hepatitis C through the blood supply service between 1985 and 1991.

Natural Disaster Relief and Recovery Arrangements (NDRRA)

NDRRA expense estimates

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	2.8	2.5	75.9	23.6	0.2	1.8	-	2.1	108.9
2018-19	0.3	0.4	13.4	2.6	..	0.1	-	0.6	17.5
2019-20	-	..	8.6	0.8	-	-	-	..	9.5
2020-21	-	-	0.1	-	-	-	-	-	0.1
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing funding under the NDRRA to assist the States in relief and recovery efforts following natural disasters.

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 relevant reconstruction work or submitted a claim to the Commonwealth.

The estimated expenses in the table above reflect expected Commonwealth costs associated with disasters that have occurred in 2017-18, the unwinding of the discount on the provision, and any change in the discount rate.

Part 2: Payments for specific purposes

They include estimated payments to the States in response to recent natural disasters including the bushfires in New South Wales in September 2017 and Tasmania in October 2017. Payments are also being made in relation to a cyclone that impacted Western Australia in January 2018 and severe weather events (including storms and flooding) that impacted Queensland between October 2017 and March 2018, Victoria in November 2017 and the Northern Territory in January 2018.

While current estimates for the NDRRA are based on information available at the time of preparation, preliminary estimates of the cost of a disaster and the timing of expenditure are subject to change and the total cost of relief and recovery from these events may not be completely realised for some years. Estimates of all natural disasters are regularly reviewed and revised by the States as new information becomes available, and this, or the occurrence of future natural disasters, can in turn significantly affect the estimated NDRRA liability and payments. More information is available in Budget Paper No. 1, Statement 9.

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
2017-18	117.1	39.0	173.5	9.9	6.2	53.4	..	38.1	437.4
2018-19	14.0	17.6	234.6	87.0	0.2	5.6	-	27.4	386.5
2019-20	-	1.9	404.7	37.0	-	-	-	2.2	445.8
2020-21	-	-	5.2	-	-	-	-	-	5.2
2021-22	-	-	-	-	-	-	-	-	-

OTHER NATIONAL PARTNERSHIP PAYMENTS

The Commonwealth makes payments to the States to support a range of other services, as detailed in Table 2.12.

Table 2.12: Payments to support other State services

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
National Partnership payments					
Developing Demand-driver Infrastructure for the Tourism Industry	19.0	-	-	-	-
Financial assistance to local governments – Financial Assistance Grant program	2,413.4	1,229.0	2,559.6	2,660.4	2,770.3
Financial assistance for					
New South Wales police	0.1	2.9	4.6	5.1	2.2
Legal assistance services	261.5	265.9	270.0	-	-
North Queensland Stadium	50.0	35.0	5.0	-	-
North Queensland Strata Title Inspection Scheme	0.8	3.5	5.3	2.9	-
Provision of Fire Services	21.1	21.8	22.6	23.3	24.2
Sinking fund on State debt	..	..	..	..	..
Small Business Regulatory Reform	-	225.0	70.0	5.0	-
South Sydney Rabbitohs' Centre of Excellence	4.0	6.0	-	-	-
Supplementary funding to South Australia for local roads	20.0	20.0	-	-	-
Total	2,789.9	1,809.1	2,937.1	2,696.8	2,796.6
<i>Memorandum item – payments direct to local governments included in payments above</i>					
Supplementary funding to South Australia for local roads	20.0	20.0	-	-	-
Total	20.0	20.0	-	-	-

National Partnership on Developing Demand–driver Infrastructure for the Tourism Industry

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	7.3	3.7	2.0	1.8	1.0	1.4	0.9	0.8	19.0
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is funding 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 program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18									
General purpose component	533.3	437.7	334.1	168.8	117.3	35.4	28.4	16.7	1,671.7
Local road component	215.2	152.9	139.0	113.4	40.8	39.3	23.8	17.4	741.8
Total financial assistance to local governments	748.5	590.6	473.1	282.2	158.1	74.7	52.2	34.0	2,413.4
2018-19									
General purpose component	272.1	219.6	170.6	89.0	59.4	18.0	14.2	8.4	851.3
Local road component	109.6	77.9	70.8	57.8	20.8	20.0	12.1	8.8	377.7
Total financial assistance to local governments	381.7	297.5	241.4	146.7	80.1	38.0	26.3	17.3	1,229.0
2019-20									
General purpose component	567.1	460.0	355.0	184.3	122.6	37.0	29.6	17.3	1,772.9
Local road component	228.2	162.2	147.4	120.3	43.2	41.7	25.2	18.4	786.7
Total financial assistance to local governments	795.3	622.2	502.4	304.6	165.8	78.7	54.8	35.7	2,559.6
2020-21									
General purpose component	589.7	480.9	368.7	190.6	126.4	38.1	30.7	17.8	1,842.7
Local road component	237.2	168.6	153.2	125.0	44.9	43.3	26.2	19.2	817.7
Total financial assistance to local governments	826.9	649.5	521.9	315.6	171.3	81.4	57.0	36.9	2,660.4
2021-22									
General purpose component	614.4	503.5	383.6	197.3	130.5	39.2	32.0	18.3	1,918.9
Local road component	247.0	175.5	159.5	130.2	46.8	45.1	27.3	19.9	851.5
Total financial assistance to local governments	861.4	679.1	543.1	327.5	177.3	84.4	59.3	38.2	2,770.3

This program provides untied financial contributions to local governments to be spent according to local priorities. In 2017–18, these financial contributions will total \$2.4 billion, recognising that \$1.2 billion will be brought forward from 2018–19 to be paid in.

The Financial Assistance Grant program 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 program is paid through State governments to local governments. State grants commissions determine the intrastate distribution of the grants 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 for New South Wales Police

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	0.1	-	-	-	-	-	-	-	0.1
2018-19	2.9	-	-	-	-	-	-	-	2.9
2019-20	4.6	-	-	-	-	-	-	-	4.6
2020-21	5.1	-	-	-	-	-	-	-	5.1
2021-22	2.2	-	-	-	-	-	-	-	2.2

The Commonwealth will provide four years of transitional funding for the equal sharing of the costs of reimbursing New South Wales police officers who incur an additional tax liability from making voluntary superannuation contributions that exceed the statutory cap on concessional contributions. The funding will also contribute to the cost-sharing of any fringe benefits tax that results from reimbursing police officers in these situations.

National Partnership on Legal Assistance Services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	77.8	60.1	52.4	30.5	20.0	7.4	5.9	7.3	261.5
2018-19	78.8	61.1	53.3	31.3	20.3	7.5	6.0	7.5	265.9
2019-20	79.8	62.1	54.2	32.0	20.6	7.6	6.1	7.6	270.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth provides funding to the States for the provision of legal assistance services to disadvantaged persons through legal aid commissions and community legal centres. The amounts in the table include funding for the Commonwealth's share of wage increases arising from Fair Work Australia's 2012 Equal Remuneration Order in the Social and Community Services sector.

National Partnership on the North Queensland Stadium

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	50.0	-	-	-	-	-	50.0
2018-19	-	-	35.0	-	-	-	-	-	35.0
2019-20	-	-	5.0	-	-	-	-	-	5.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is supporting the delivery of the North Queensland Stadium, including site master planning and services infrastructure within the stadium site to allow for a future entertainment centre. This project is included in the Townsville City Deal.

National Partnership on the North Queensland Strata Title Inspection Scheme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	0.8	-	-	-	-	-	0.8
2018-19	-	-	3.5	-	-	-	-	-	3.5
2019-20	-	-	5.3	-	-	-	-	-	5.3
2020-21	-	-	2.9	-	-	-	-	-	2.9
2021-22	-	-	-	-	-	-	-	-	-

This scheme 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 program for strata properties in North Queensland.

National Partnership on Provision of Fire Services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	4.7	3.3	3.2	1.4	1.1	0.3	5.0	2.1	21.1
2018-19	4.8	3.4	3.3	1.5	1.2	0.3	5.2	2.2	21.8
2019-20	5.0	3.5	3.4	1.6	1.2	0.3	5.3	2.3	22.6
2020-21	5.2	3.6	3.5	1.6	1.2	0.3	5.5	2.3	23.3
2021-22	5.3	3.7	3.6	1.7	1.3	0.4	5.7	2.4	24.2

The Commonwealth contributes to the provision of standard fire services to Commonwealth-owned property in the States and Territories.

Sinking fund on State debt

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	..
2018-19	-	-	-	-	-	-	..
2019-20	-	-	-	-	-	-	..
2020-21	-	-	-	-	-	-	..
2021-22	-	-	-	-	-	-	..

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 on Small Business Regulatory Reform

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	-	-	-	-	-
2018-19	71.9	57.6	45.1	23.7	15.8	4.8	3.8	2.3	225.0
2019-20	22.4	17.9	14.0	7.4	4.9	1.5	1.2	0.7	70.0
2020-21	1.6	1.3	1.0	0.5	0.4	0.1	0.1	0.1	5.0
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth will provide funding to deliver reforms that drive Australia's economic performance, including reforms that reduce the regulatory burden on small businesses.

National Partnership on the South Sydney Rabbitohs' Centre of Excellence

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	4.0	-	-	-	-	-	-	-	4.0
2018-19	6.0	-	-	-	-	-	-	-	6.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

This program supports the Centre of Excellence, which houses a community and administration centre, as well as a football development department with elite facilities.

Supplementary funding to South Australia for local roads

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	-	-	-	-	20.0	-	-	-	20.0
2018-19	-	-	-	-	20.0	-	-	-	20.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-

The Commonwealth is providing supplementary funding to South Australia for local roads. South Australia will receive \$20 million for this purpose in both 2017-18 and 2018-19.

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 2018–19, the States are expected to receive \$68.2 billion from the Commonwealth in total general revenue assistance –\$67.3 billion for the GST entitlement and \$876.5 million for other general revenue assistance. The GST entitlement represents a 6.1 per cent increase on the \$63.4 billion the States are expected to receive in 2017–18. Total general revenue assistance to the States is estimated to represent 14.0 per cent of total Commonwealth expenditure in 2018–19.

The Government has introduced measures that have increased the GST entitlement by \$1.6 billion over the five years to 2021–22.

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 for 2017–18 and 2018–19.

Table 3.1: General revenue assistance

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
GST entitlement	63,440.0	67,320.0	69,790.0	73,510.0	77,270.0
Other payments					
ACT municipal services	39.6	40.1	40.7	41.3	41.9
Commonwealth Assistance to the Northern Territory	259.6	-	-	-	-
Compensation for reduced royalties	28.9	33.0	35.2	33.4	28.9
Royalty payments	648.9	728.4	670.7	602.4	554.1
Snowy Hydro Limited tax compensation	75.0	75.0	-	-	-
Total other payments	1,052.0	876.5	746.6	677.0	624.9
Total	64,492.0	68,196.5	70,536.6	74,187.0	77,894.9

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2017-18	17,841.3	15,292.7	15,109.7	2,314.0	6,374.5	2,417.5	1,306.0	3,187.4	64,492.0
2018-19	18,491.7	17,286.4	14,794.3	3,347.8	6,887.1	2,487.7	1,368.5	2,804.5	68,196.5

(a) State splits for royalty payments 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 equivalent to the revenue raised from the GST in any given financial year, subject to 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 2016-17, the States' GST entitlement was \$605.5 million higher than the advances paid during that year. A prior year balancing adjustment has been made to States' GST payments in 2017-18 to reflect this.

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	2017-18	2018-19	2019-20	2020-21	2021-22
GST revenue	66,130	69,720	72,140	76,100	79,910
less Change in GST receivables	2,469	2,193	2,145	2,375	2,420
GST receipts	63,661	67,527	69,995	73,725	77,490
less Non-GIC penalties collected	190	190	200	210	220
less GST collected by Commonwealth agencies but not yet remitted to the ATO	31	17	5	5	0
GST entitlement	63,440	67,320	69,790	73,510	77,270
plus Prior year balancing adjustment	605				
GST payments to the States(a)	64,045	67,320	69,790	73,510	77,270

(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 2017-18 Budget and the 2017-18 *Mid-Year Economic and Fiscal Outlook* (MYEFO). The reconciliation accounts for policy decisions and parameter and other variations. The GST entitlement in 2018-19 has been revised up by \$1.5 billion since the 2017-18 MYEFO.

Table 3.4: Reconciliation of the GST entitlement estimates since the 2017-18 Budget and 2017-18 MYEFO

\$million	2017-18	2018-19	2019-20	2020-21
GST entitlement at 2017-18 Budget	62,340	65,590	67,670	71,540
Changes between 2017-18 Budget and MYEFO				
Effect of policy decisions	-60	-290	120	80
Effect of parameter and other variations	120	500	490	320
Total variations	60	210	610	400
GST entitlement at 2017-18 MYEFO	62,400	65,800	68,280	71,940
Changes between 2017-18 MYEFO and 2018-19 Budget				
Effect of policy decisions	..	224	375	459
Effect of parameter and other variations	1,040	1,296	1,135	1,111
Total variations	1,040	1,520	1,510	1,570
GST entitlement at 2018-19 Budget	63,440	67,320	69,790	73,510

Specific policy decisions taken since the 2017-18 MYEFO that affect the GST entitlement are shown in Table 3.5. These decisions increase the amount of the GST entitlement by \$1.6 billion over the five years to 2021-22.

Detailed information on policy decisions since the 2017-18 MYEFO is included in Budget Paper No. 2, *Budget Measures 2018-19*.

Table 3.5: Policy decisions since the 2017–18 MYEFO that affect the GST entitlement

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
Indirect Tax Concession Scheme — diplomatic and consular concessions
Levelling the playing field for online hotel bookings	-	-	5.0	5.0	5.0
Reforms to combat illegal phoenixing	-	-	5.0	15.0	20.0
Black Economy Package — further expansion of taxable payments reporting	-	-	40.0	55.0	55.0
Pathway to Permanent Residency for Retirement Visa Holders — establishment	-	-0.1	-0.3	-0.5	-0.8
Black Economy Package — combatting illicit tobacco	-	1.0	5.5	12.0	17.0
A firm stance on tax and superannuation debts	-	116.5	119.1	122.4	125.7
Black Economy Package — new and enhanced ATO enforcement against the Black Economy	-	106.6	191.4	241.9	273.1
Visas for General Practitioners — targeting areas of doctor shortages	-	..	-1.0	-2.0	-2.0
<i>Decisions taken but not yet announced</i>	-	-	10.0	10.0	10.0
Total	..	224.0	374.7	458.8	503.0

Distribution of the GST among the States

The Commonwealth distributes the GST among the States based on the GST revenue sharing relativities recommended by the Commonwealth Grants Commission. More information on the system for distributing the GST is included in Box 1.1 in Part 1 of this Budget Paper.

The detailed calculation for the distribution of the GST entitlement in 2017–18 and 2018–19 is shown in Table 3.6. This method of calculation is prescribed in legislation in the *Federal Financial Relations Act 2009*.

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)
2017-18					
NSW	7,920,112	0.87672	6,943,721	28.0%	17,791.3
VIC	6,390,862	0.93239	5,958,776	24.1%	15,267.7
QLD	4,965,188	1.18769	5,897,104	23.8%	15,109.7
WA	2,589,979	0.34434	891,833	3.6%	2,285.1
SA	1,727,722	1.43997	2,487,868	10.0%	6,374.5
TAS	522,790	1.80477	943,516	3.8%	2,417.5
ACT	413,624	1.19496	494,264	2.0%	1,266.4
NT	245,199	4.66024	1,142,686	4.6%	2,927.8
Total	24,775,476	na	24,759,768	100%	63,440.0
2018-19					
NSW	8,052,909	0.85517	6,886,606	27.4%	18,441.7
VIC	6,532,744	0.98670	6,445,859	25.6%	17,261.4
QLD	5,041,416	1.09584	5,524,585	22.0%	14,794.3
WA	2,617,739	0.47287	1,237,850	4.9%	3,314.9
SA	1,740,939	1.47727	2,571,837	10.2%	6,887.1
TAS	525,707	1.76706	928,956	3.7%	2,487.7
ACT	420,123	1.18070	496,039	2.0%	1,328.3
NT	245,946	4.25816	1,047,277	4.2%	2,804.5
Total	25,177,523	na	25,139,010	100%	67,320.0

(a) The 2017–18 estimates do not take into account the 2016–17 balancing adjustment of \$605.5 million which was made in 2017–18.

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 Home Affairs. The GST administration budget for the ATO is estimated to be \$599.2 million for 2018-19, as shown in Table 3.7.

Table 3.7: Reconciliation of the GST administration budget

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
Administration budget at 2017-18 Budget	631.1	599.2	472.2	474.4	na
Total parameter variations from 2017-18 Budget to 2017-18 MYEFO	-	-	0.1	-	-
Administration budget at 2017-18 MYEFO	631.1	599.2	472.3	474.4	na
Changes from 2017-18 MYEFO to 2018-19 Budget					
Portfolio investment rebalancing and cost attribution methodology review	-	-	58.5	22.5	-
Parameter variations	-	-	-	-	-
Other variations	-	-	-	-	-
Total variations	-	-	58.5	22.5	-
Administration budget at 2018-19 Budget	631.1	599.2	530.8	496.9	499.0
less Prior year adjustment	-	-	-	-	-
equals State government payments	631.1	599.2	530.8	496.9	499.0

Portfolio investment rebalancing and cost attribution methodology review refers to a change in how the ATO estimates future GST administration costs. The new methodology calculates the proportion of the ATO's historical departmental appropriation made up by GST administration costs. From 2019–20 onwards, this historical proportion is applied to the corresponding years' estimates of the ATO departmental appropriations to derive the estimates of the GST administration budget. The new methodology is designed to provide more accurate estimates of GST administration costs over the forward years.

OTHER GENERAL REVENUE ASSISTANCE

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 3.8: Other general revenue assistance

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
ACT municipal services	39.6	40.1	40.7	41.3	41.9
Commonwealth assistance to the Northern Territory	259.6	-	-	-	-
Compensation for reduced royalties	28.9	33.0	35.2	33.4	28.9
Royalty payments(a)	648.9	728.4	670.7	602.4	554.1
Snowy Hydro Limited tax compensation	75.0	75.0	-	-	-
Total other general revenue assistance	1,052.0	876.5	746.6	677.0	624.9

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

Australian Capital Territory 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. The payments also compensate the Australian Capital Territory for additional costs resulting from the national capital planning influences on the provision of water and sewerage services.

Commonwealth assistance to the Northern Territory

The Commonwealth is providing general revenue assistance to the Northern Territory to offset the reduction in the Territory's GST share.

A new measure associated with this Commonwealth assistance to the Northern Territory is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

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.

Royalty payments

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.

Royalties are shared between the Commonwealth (approximately one third) and Western Australia (approximately two thirds). These revenue sharing arrangements are set out in the *Offshore Petroleum and Greenhouse Gas Storage Act 2006*.

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.

Payments are made at a royalty rate of 1.25 per cent of the net proceeds of sales under a continuing agreement established under the 1978 Memorandum of Understanding between the Commonwealth and the Northern Territory.

Snowy Hydro Limited tax compensation

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. Snowy Hydro Limited is currently jointly owned by the Commonwealth, New South Wales and Victoria (with shareholdings of 13 per cent, 58 per cent and 29 per cent respectively). Under the Snowy Hydro Tax Compensation Deed between the shareholders, payments are made in proportion to each State's shareholding. From 2018–19 the Commonwealth will have full ownership of Snowy Hydro Limited and from 2019–20 payments to New South Wales and Victoria will no longer be required.

A new measure associated with Snowy Hydro Limited is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2018–19*.

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.

Budget Paper No. 3

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 3.9.

Table 3.9: Mirror taxes accrued on behalf of the States

\$million	2017-18	2018-19	2019-20	2020-21	2021-22
Mirror taxes	568.9	597.7	627.9	658.6	687.0
less Transfers to State Governments	568.9	597.7	627.9	658.6	687.0
Commonwealth Budget impact	0.0	0.0	0.0	0.0	0.0

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. The consolidated level includes Commonwealth, State and Local Governments, and the multi-jurisdictional sector (primarily public universities).

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 (GGS) 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 2018–19, Statement 10: Australian Government Budget Financial Statements*.

State estimates in this Part come from the most recent publicly-available State financial reports. Estimates for Victoria and the Northern Territory are based on their 2018-19 budgets. The remaining States' estimates are drawn from their 2017-18 mid-year financial reports.

Aggregate State data are only available to 2020–21, so references to the forward estimates in this Part relate to the period 2018–19 to 2020–21.

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

NET OPERATING BALANCE

The net operating balance measures, in accrual terms, the difference between recurrent expenses and revenue for a given period. It is a measure of the sustainability of the government's fiscal position over time and indicates the sustainability of the existing level of government services. For further information on the net operating balance as a budget measure see Budget Paper No. 1, *Budget Strategy and Outlook 2018–19, Statement 4: Public Investment and Productivity*.

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

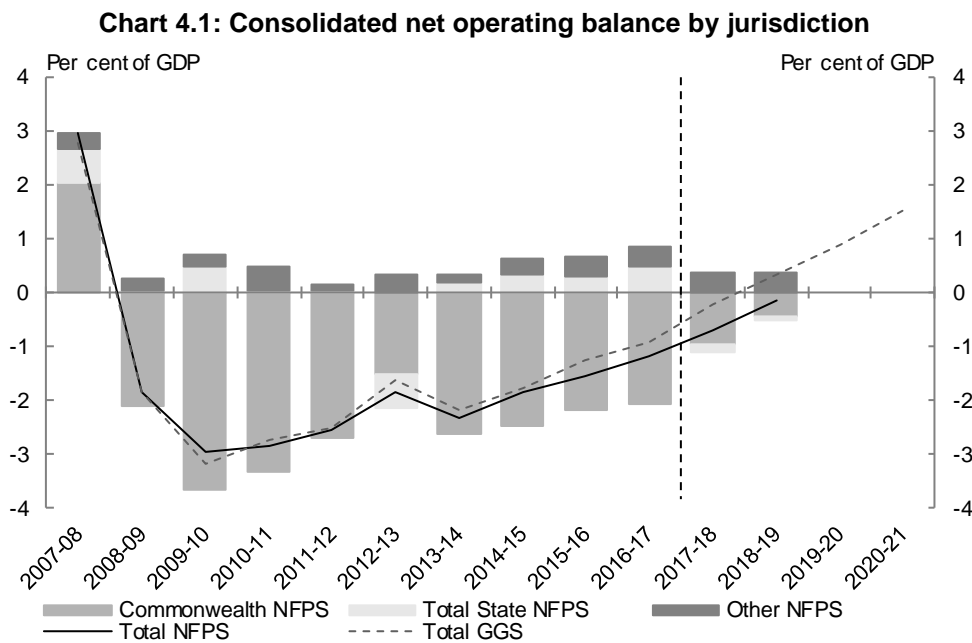
The Commonwealth is expecting the NFPS to record a net operating deficit of 0.4 per cent of GDP in 2018–19.

In aggregate, the States are expecting the NFPS to record a net operating deficit of 0.1 per cent of GDP in 2018–19. The States are expecting NFPS revenue as a proportion of GDP to be 16.3 per cent in 2018–19.

The consolidated NFPS net operating balance is expected to improve from a deficit of 0.7 per cent of GDP in 2017–18 to a deficit of 0.1 per cent of GDP in 2018–19.

The consolidated general government sector is expected to record a net operating surplus of 0.3 per cent of GDP in 2018–19, improving to a surplus of 1.5 per cent of GDP in 2020–21.

A breakdown of the consolidated NFPS net operating balance by jurisdiction is shown in Chart 4.1.



Note: Consolidated NFPS numbers beyond 2018–19 have not been calculated as Commonwealth data is not available for the PNFC sector. ‘Other NFPS’ includes Local Governments, the multi-jurisdictional sector and adjustments for transfers between jurisdictions.
 Source: ABS cat. no. 5512.0, most recent State estimates and Treasury.

FISCAL AND CASH BALANCES

The fiscal balance is an accrual term that measures the difference between a government’s revenue and its capital and recurrent expenditure. The difference between the fiscal balance and the net operating balance is the effect of investment in non-financial assets, including infrastructure.

Part 4: Developments in the Consolidated Non-Financial Public Sector

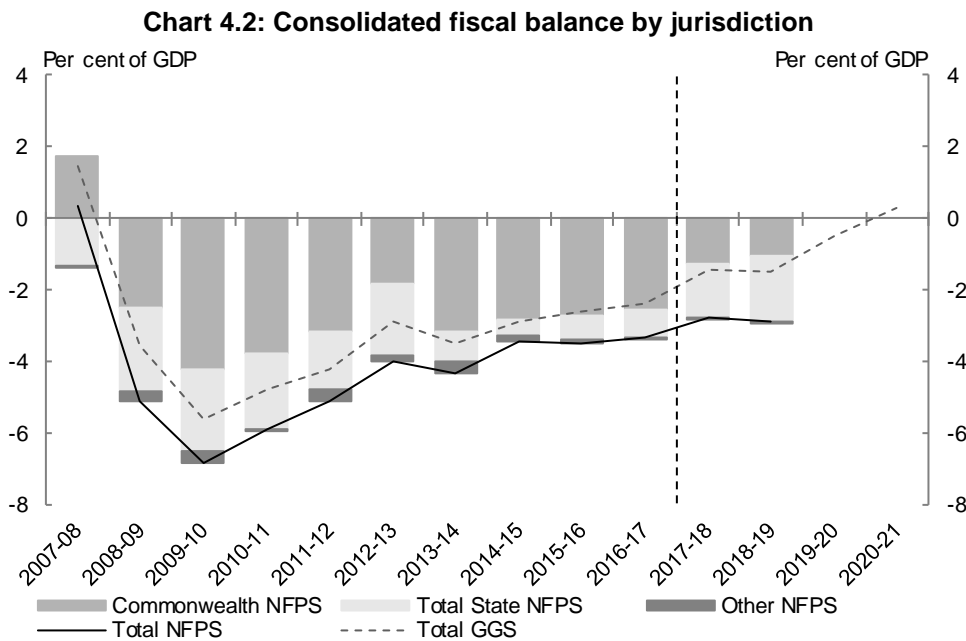
The fiscal balance of the Commonwealth NFPS is expected to remain in deficit at 1.0 per cent of GDP in 2018–19.

In aggregate, States' fiscal balance for the NFPS is expected to decline to a deficit of 1.9 per cent of GDP in 2018–19.

A fiscal deficit of 2.9 per cent of GDP is expected in the consolidated NFPS sector for 2018–19.

The consolidated general government sector fiscal balance is expected to improve across the forward estimates, from a deficit of 1.5 per cent of GDP in 2018–19 to a surplus of 0.3 per cent of GDP by 2020–21.

A breakdown of the consolidated NFPS fiscal balance by jurisdiction is shown in Chart 4.2.



Note: Consolidated NFPS numbers beyond 2018–19 have not been calculated as Commonwealth data is not available for the PNFC sector. 'Other NFPS' includes Local Governments, the multi-jurisdictional sector and adjustments for transfers between jurisdictions.
Source: ABS cat. no. 5512.0, most recent State estimates and Treasury.

The cash balance is the equivalent of the fiscal balance but measured on a non-accrual basis, capturing both recurrent and capital payments and receipts as they occur.

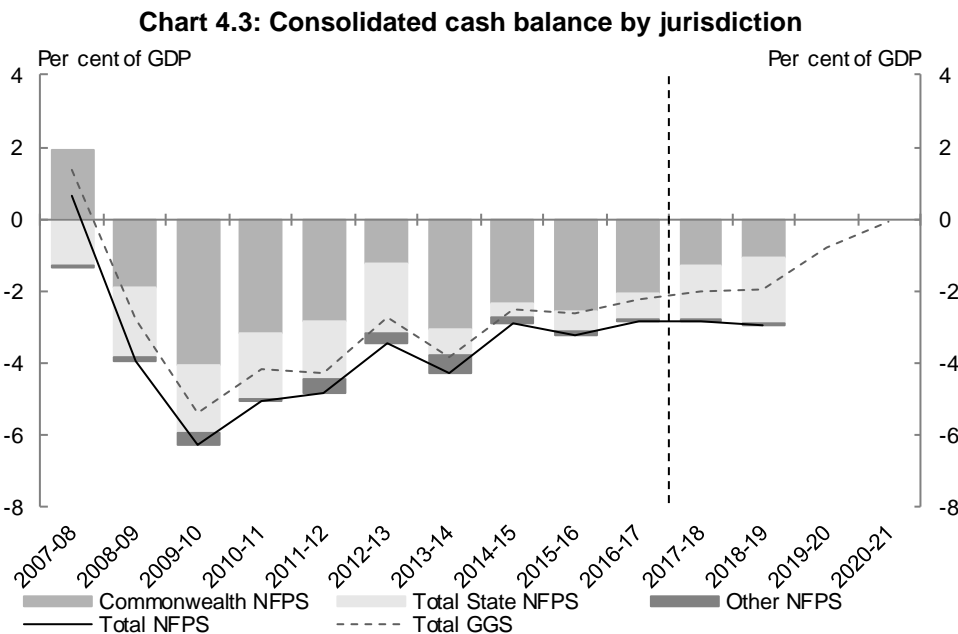
The underlying cash balance of the Commonwealth NFPS is expected to remain in deficit in 2018–19 at 1.1 per cent of GDP.

The aggregate State NFPS cash balance is expected to be a deficit of 1.9 per cent of GDP in 2018–19.

The consolidated NFPS cash deficit is expected to increase to 3.0 per cent of GDP in 2018–19.

The consolidated general government sector cash balance is expected to be a deficit of 1.9 per cent of GDP in 2018–19, before improving to a deficit of 0.1 per cent of GDP in 2020–21.

A breakdown of the consolidated NFPS cash balance by jurisdiction is shown in Chart 4.3.



Note: Consolidated NFPS numbers beyond 2018–19 have not been calculated as Commonwealth data is not available for the PNFC sector. ‘Other NFPS’ includes Local Governments, the multi-jurisdictional sector and adjustments for transfers between jurisdictions.
 Source: ABS cat. no. 5512.0, most recent State estimates and Treasury.

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.

Commonwealth NFPS net debt as a proportion of GDP is expected to increase to 19.6 per cent in 2018–19.

Part 4: Developments in the Consolidated Non-Financial Public Sector

Aggregate State NFPS net debt as a proportion of GDP is expected to reach 9.7 per cent in 2018–19.

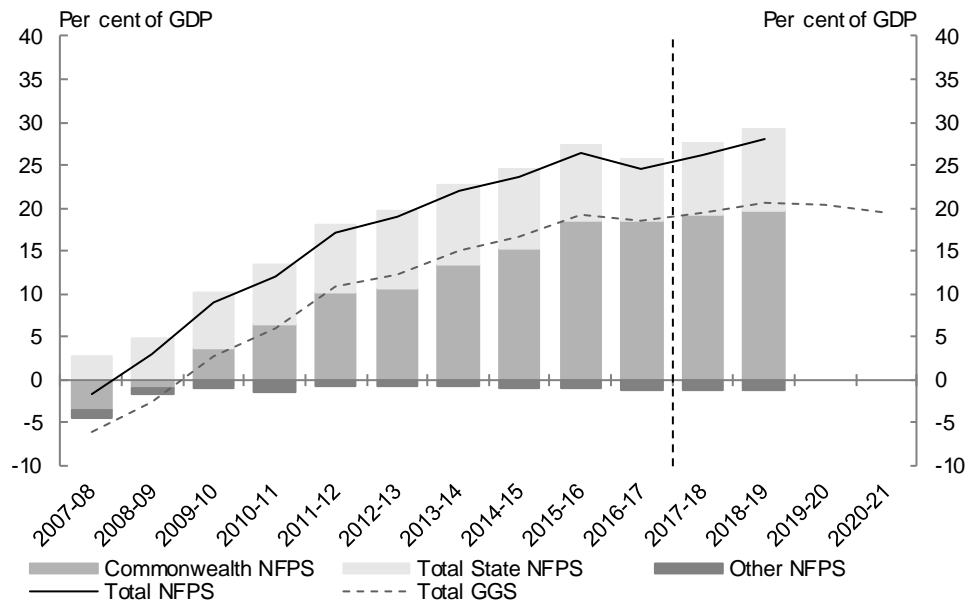
Consolidated NFPS net debt is expected to increase to 28.0 per cent of GDP in 2018–19.

Consolidated general government sector net debt is expected to increase to 20.6 per cent of GDP in 2018–19 before declining to 19.4 per cent of GDP in 2020–21.

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

A breakdown of consolidated NFPS net debt by jurisdiction is shown by Chart 4.4.

Chart 4.4: Consolidated net debt by jurisdiction (as at end of financial year)



Note: Consolidated NFPS numbers beyond 2018–19 have not been calculated as Commonwealth data is not available for the PNFC sector. 'Other NFPS' includes Local Governments, the multi-jurisdictional sector and adjustments for transfers between jurisdictions.

Source: ABS cat. no. 5512.0, most recent State estimates and Treasury.

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 2018–19, Statement 2: Economic Outlook*, provides information on the forecasting approach used in the 2018–19 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
2017	7.920	6.391	4.965	2.590	1.728	0.523	0.414	0.245	24.775
2018	8.053	6.533	5.041	2.618	1.741	0.526	0.420	0.246	25.178
2019	8.187	6.676	5.119	2.646	1.754	0.529	0.427	0.247	25.584
2020	8.323	6.821	5.197	2.673	1.768	0.532	0.433	0.247	25.995
2021	8.458	6.966	5.275	2.701	1.781	0.535	0.440	0.248	26.403

The State populations for 2017 to 2021 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 2018–19 Budget, the Treasury fertility assumption is that the total fertility rate will equal 1.817 babies per woman in 2017, and is assumed to rise to 1.900 babies by 2020 and remain stable for the remainder of the projection period. This assumption is consistent with that in the *2015 Intergenerational Report*.

Mortality

The mortality assumptions are based on the medium assumptions used in the ABS *Population Projections, Australia, 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 2016 and then continue to increase at declining rates over the projection period.

Net overseas migration

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

Table A.2: Net overseas migration

	2017	2018	2019	2020	2021
Net overseas migration, Australia	242,600	234,600	231,400	227,400	221,400

State shares of net overseas migration are estimated by using a weighted average of the three most recent observed years – 2014, 2015 and 2016 – 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
2018	-10,623	15,340	11,551	-7,475	-5,756	62	-18	-3,081	-
2019	-10,623	15,340	11,551	-7,475	-5,756	62	-18	-3,081	-
2020	-10,623	15,340	11,551	-7,475	-5,756	62	-18	-3,081	-
2021	-10,623	15,340	11,551	-7,475	-5,756	62	-18	-3,081	-

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 – 2014, 2015 and 2016 – with weights of one, two and four respectively. Due to data lags, the 2017 observation includes an assumption for the December quarter based on weighted averages of arrivals and departures for December quarters 2014 to 2016.

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	2017-18	2018-19	2019-20	2020-21	2021-22
Wage cost index - 1	1 1/4	1 1/2	1 1/2	1 1/2	1 1/2
Wage cost index - 6	1 1/2	1 1/2	1 3/4	2	1 3/4

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 2018–19, Statement 11: Historical Australian Government Data*, for more information.

State data for 2017–18 onwards are from the most recent publicly available State financial reports. Estimates for Victoria and the Northern Territory are based on their 2018–19 budgets. The remaining States' estimates are drawn from their 2017–18 mid-year financial reports. State data for years prior to 2017–18 are sourced from the ABS. Where ABS data is not available estimates from States' annual financial reports have been used.

The 2018–19 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 2018–19, Statement 11: 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 2018–19 financial year, the relevant publication is the *Report on GST Revenue Sharing Relativities – 2018 Update*.