

2001-02 BUDGET PAPER No. 3

**FEDERAL  
FINANCIAL RELATIONS  
2001-02**

CIRCULATED BY  
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ON THE OCCASION OF THE BUDGET 2001-02

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## Preface

This Budget Paper presents information on the Commonwealth Government's financial relations with State, Territory and local governments.

### **Relationship with other Budget Papers and terminology**

*Budget Paper No. 3* is one of a series of Budget Papers, the purpose of which is to provide information supplementary to that in the Budget Speech. A full list of the series is printed on the inside cover of this Paper.

Chapter 4 of this Paper examines budget trends in the States and Territories. This is intended to provide an overview of fiscal developments in the States and Territories and supplement information provided in Statement 8 of *Budget Paper No. 1*.

### **Style conventions**

The following style conventions are employed in this Paper.

- The Australian Capital Territory and the Northern Territory are referred to as 'the Territories'. References to the 'States' or 'each State' include the Territories.
- The State and local government sector is denoted as the 'State/local sector'. References to the 'State/local sector' include the Territories unless otherwise stated.
- Figures in tables, and generally in the text, have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage changes in tables are based on the underlying unrounded amounts.
- The following notations are used in the tables.

na not applicable

0 zero

- nil

\$m \$ million

## Chapter 1: Overview and Recent Developments

On 1 July 2000, a new system of Commonwealth-State financial relations commenced as part of *The New Tax System*.

This Chapter provides an overview of this new system, outlines the total payments from the Commonwealth to the States in 2000-01 and 2001-02, and discusses key developments since the 2000-01 Budget.

### **OVERVIEW OF COMMONWEALTH-STATE FINANCIAL RELATIONS**

A key element of *The New Tax System* is to provide all goods and services tax (GST) revenue to the States. This is a landmark reform of Commonwealth-State financial relations. The reforms provide the States with a secure, broad-based revenue source with which to fund community services, such as schools, hospitals and the police.

The new system of Commonwealth-State financial relations:

- provides all GST revenue to the States, to be spent according to their own budgetary priorities;
  - this provides the States with a robust and growing tax base, ensuring that they will be better off in the medium and long term;
- provides for the abolition of a range of narrow and inefficient State taxes, such as Financial Institutions Duty and stamp duty on quoted marketable securities, which are to be abolished from 1 July 2001;
- introduced a new First Home Owners Scheme; and
- established a Ministerial Council for Commonwealth-State Financial Relations (the Ministerial Council).

In addition, the Commonwealth has made a commitment to provide assistance to the States in the transitional years to ensure that each individual State will be no worse off than it would have been had the reforms not been implemented.

The reforms to Commonwealth-State financial arrangements required the passage of legislation by both the Commonwealth Parliament and by the States. The *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999* and the *A New Tax System (Commonwealth-State Financial Arrangements — Consequential Provisions) Act 1999* give effect to the Commonwealth's commitments.

The legislation builds on (and incorporates as a Schedule) the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (the

Intergovernmental Agreement), endorsed by Commonwealth, State and Territory Heads of Government in June 1999.

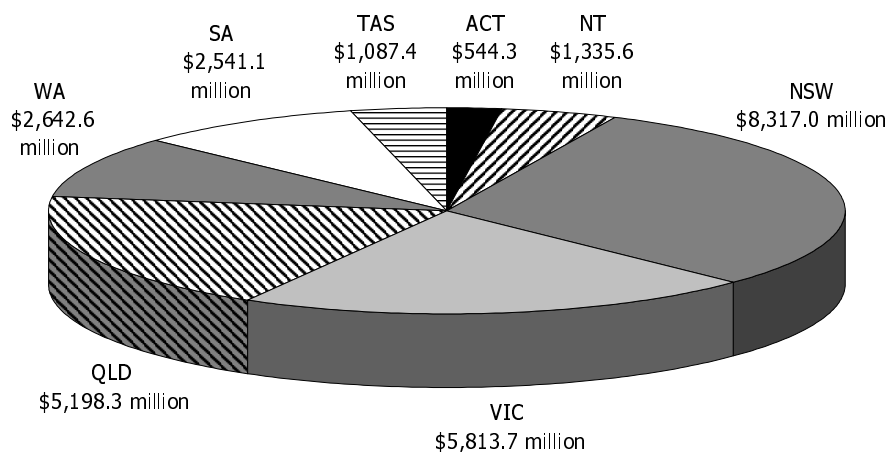
The States have also enacted legislation to meet their commitments.

## **GST REVENUE PROVISION AND COMMONWEALTH PAYMENTS TO THE STATE/LOCAL SECTOR**

It is estimated that the States will receive around \$27.5 billion in GST revenue in 2001-02, which can be spent by the States according to their own priorities.

Chart 1 illustrates the estimated GST revenue provision to each State in 2001-02.

**Chart 1: GST revenue provision to the States, 2001-02 (estimated)**



In addition to providing all GST revenue to the States, the Commonwealth will also make payments totalling \$23.8 billion to the State/local sector in 2001-02, comprising:

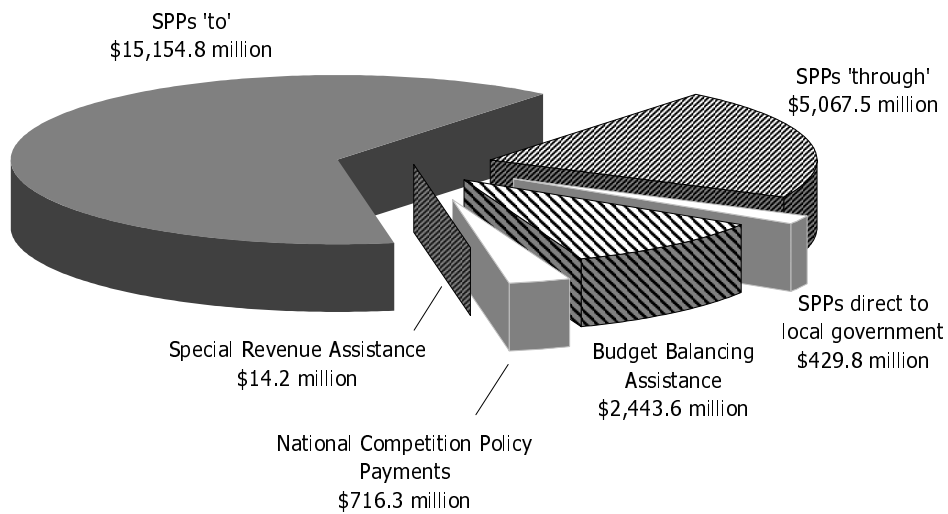
- general revenue assistance:
  - Budget Balancing Assistance;
  - National Competition Policy Payments; and
  - Special Revenue Assistance; and
- Specific Purpose Payments (SPPs):
  - Specific Purpose Payments 'to' the States;



- Specific Purpose Payments 'through' the States; and
- Specific Purpose Payments direct to local government.

Specific Purpose Payments account for the majority of Commonwealth payments to the State/local sector in 2001-02, as illustrated in Chart 2.

**Chart 2: Commonwealth payments to the State/local sector, 2001-02 (estimated)**



Tables 1 and 2 summarise the estimated GST revenue provision and Commonwealth payments to each State in 2000-01 and 2001-02 respectively.

The provision of GST revenue to the States and Commonwealth payments to the State/local sector are discussed in greater detail in Chapters 2 and 3.

**Table 1: GST revenue provision and total Commonwealth payments to the State/local sector, 2000-01 (estimated)**

2000-01	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
(1) Provision of GST revenue to the States	7,196.9	5,063.6	4,636.1	2,343.1	2,264.6	982.4	467.5	1,225.9	24,180.0
(2) General revenue assistance (2.1)+(2.2)+(2.3)	1,206.9	815.3	575.0	272.4	316.1	115.2	68.9	62.3	3,432.2
(2.1) Budget Balancing Assistance	1,051.0	700.7	489.1	227.0	280.2	104.0	47.9	57.6	2,957.5
(2.2) National Competition Policy Payments	155.9	114.7	85.9	45.5	35.9	11.2	7.5	4.7	461.2
(2.3) Special Revenue Assistance	na	na	na	na	na	na	13.5	na	13.5
(3) Total Specific Purpose Payments (3.1)+(3.2)+(3.3)(a)	6,373.8	4,577.2	3,463.0	2,321.7	1,512.6	528.4	322.6	356.2	19,534.4
(3.1) Specific Purpose Payments 'to' the States(a)	4,726.5	3,148.5	2,686.8	1,805.8	1,178.9	418.4	226.4	299.2	14,569.2
(3.2) Specific Purpose Payments 'through' the States	1,568.3	1,347.7	728.9	479.8	315.2	100.3	93.6	53.6	4,687.3
(3.3) Specific Purpose Payments direct to local government	79.1	81.0	47.3	36.1	18.5	9.7	2.6	3.4	277.9
(4) Total Commonwealth payments to the State/local sector (2)+(3)	7,580.7	5,392.6	4,038.1	2,594.2	1,828.7	643.6	391.5	418.5	22,966.5
(5) GST revenue and total Commonwealth payments (1)+(4)	14,777.6	10,456.2	8,674.2	4,937.2	4,093.3	1,626.0	859.1	1,644.3	47,146.5

(a) This figure does not include State splits for FBT transitional grants for public hospitals since indicative estimates of the distribution to each State are not currently available.

**Table 2: GST revenue provision and total Commonwealth payments to the State/local sector, 2001-02 (estimated)**

2001-02	NSW \$m	VIC \$m	QLD \$m	WA \$m	SA \$m	TAS \$m	ACT \$m	NT \$m	Total \$m
(1) Provision of GST revenue to the States	8,317.0	5,813.7	5,198.3	2,642.6	2,541.1	1,087.4	544.3	1,335.6	27,480.0
(2) General revenue assistance (2.1)+(2.2)+(2.3)	1,325.1	759.1	347.7	251.7	281.1	93.0	65.0	51.5	3,174.1
(2.1) Budget Balancing Assistance	1,084.1	580.6	213.0	181.0	225.7	75.7	39.4	44.2	2,443.6
(2.2) National Competition Policy Payments	241.0	178.5	134.6	70.7	55.4	17.3	11.5	7.4	716.3
(2.3) Special Revenue Assistance	na	na	na	na	na	na	14.2	na	14.2
(3) Total Specific Purpose Payments (3.1)+(3.2)+(3.3)(a)	6,729.0	5,050.8	3,630.4	2,274.3	1,595.6	512.0	348.4	430.5	20,652.0
(3.1) Specific Purpose Payments 'to' the States(a)	4,917.0	3,472.3	2,762.9	1,694.1	1,225.0	391.4	242.0	369.0	15,154.8
(3.2) Specific Purpose Payments 'through' the States	1,689.0	1,463.3	790.1	521.5	339.8	106.2	101.4	56.2	5,067.5
(3.3) Specific Purpose Payments direct to local government	123.0	115.2	77.4	58.6	30.8	14.4	5.0	5.3	429.8
(4) Total Commonwealth payments to the State/local sector (2)+(3)	8,054.1	5,809.9	3,978.0	2,526.0	1,876.7	604.9	413.5	482.1	23,826.2
(5) GST revenue and total Commonwealth payments (1)+(4)	16,371.1	11,623.6	9,176.3	5,168.6	4,417.7	1,692.4	957.8	1,817.7	51,306.2

(a) This figure does not include State splits for FBT transitional grants for public hospitals since indicative estimates of the distribution to each State are not currently available.

## **KEY DEVELOPMENTS SINCE THE 2000-01 BUDGET**

The introduction of *The New Tax System* on 1 July 2000 has significantly reformed Commonwealth-State financial relations. Key developments since the 2000-01 Budget are highlighted below.

- As the States receive all GST revenue, the Commonwealth commenced monthly payments of GST revenue to the States in July 2000. Total GST payments to the States are estimated at \$24.2 billion for 2000-01.
  - As a consequence, the States commenced payments to the Commonwealth meeting the agreed costs incurred in administering the GST (the payments in 2000-01 reflect costs incurred in 1999-2000 and 2000-01). The payments reflect a substantial increase in the Australian Taxation Office's workload as a result of a higher than anticipated number of GST registrations. The payments are expected to decrease in 2001-02 and subsequent years.
- A new First Home Owners Scheme commenced on 1 July 2000. Under the Scheme, a grant of \$7,000 is available to eligible applicants who are buying or building their first home. The Scheme is administered by the States on the basis of principles agreed by all jurisdictions in the Intergovernmental Agreement.
  - In addition to this ongoing Scheme, the Commonwealth announced a new initiative on 9 March 2001 to double the grant to \$14,000 for first home owners who enter into contracts between 9 March 2001 and 31 December 2001 inclusive to build or purchase new but previously unoccupied homes. The \$14,000 grant is also available for owner-builders who commence building their home between these dates. The Commonwealth is fully funding the extension to the Scheme.
- On 1 July 2000, accommodation taxes were abolished, and Financial Institutions Duty and stamp duty on quoted marketable securities will be abolished from 1 July 2001.

## **The Ministerial Council for Commonwealth-State Financial Relations**

The Ministerial Council, comprising the Commonwealth Treasurer and all State and Territory Treasurers, was established to oversee the implementation and operation of the Intergovernmental Agreement. The Ministerial Council met on 30 March 2001 to consider expected payments to the States, as well as issues related to tax reform and the administration of the GST.

## Chapter 2: GST Revenue Provision and Commonwealth Payments of General Revenue Assistance to the States and Territories

This Chapter provides details of the provision of goods and services tax (GST) revenue to the States, and general revenue assistance payments to be made to the States in 2000-01 and 2001-02. It also discusses the composition of payments and the impact of horizontal fiscal equalisation.

### **PROVISION OF GST REVENUE TO THE STATES AND TERRITORIES IN 2000-01 AND 2001-02**

The *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999* (the Act) provides that the States receive all GST revenue. Monthly payments of GST revenue to the States commenced in July 2000.

The distribution of GST revenue among the States is based on horizontal fiscal equalisation principles (discussed in detail later in this Chapter).

Tables 3 and 4 show the estimated provision of GST revenue to the States in 2000-01 and 2001-02 respectively. This revenue will be distributed, in accordance with the Act, using GST relativities recommended in the Commonwealth Grants Commission (CGC) *Report on State Revenue Sharing Relativities 2001 Update*, after accounting for a technical issue raised by Western Australia at the 30 March 2001 Ministerial Council meeting.

- Tables 3 and 4 show the per capita relativities applied to the States' populations (as at 31 December of each year) in order to arrive at a weighted population share for each State. A State's share of the GST revenue is equal to its weighted population share of the combined GST revenue and unquarantined Health Care Grants (HCGs), less the unquarantined HCGs it receives.

**Table 3: Distribution of GST revenue, 2000-01 (estimated)**

	Projected population as at 31 December 2000	Per capita relativities	Weighted population (1) x (2)	Share of weighted population (%)	GST revenue/HCCs pool according to (4)		Unquarantined HCCs (\$m)	Distribution of GST revenue (5) - (6)	
					(a)	(3)		(4)	(5)
NSW	6,497,259	0.90913	5,906,853	30.7	9,299.7	2,102.9	7,196.9		
VIC	4,795,911	0.87049	4,174,793	21.7	6,572.8	1,509.2	5,063.6		
QLD	3,596,572	1.01830	3,662,389	19.0	5,766.1	1,130.0	4,636.1		
WA	1,896,120	0.98365	1,865,118	9.7	2,936.4	593.4	2,343.1		
SA	1,500,353	1.18258	1,774,287	9.2	2,793.4	528.9	2,264.6		
TAS	470,231	1.51091	710,477	3.7	1,118.6	136.2	982.4		
ACT	311,294	1.11289	346,436	1.8	545.4	77.9	467.5		
NT	197,364	4.16385	821,794	4.3	1,293.8	68.0	1,225.9		
Total	19,265,104	na	19,262,148	100.0	30,326.3	6,146.3	24,180.0		

(a) Total weighted population differs from the total population in column 1 as the per capita relativities are calculated by the CGC using population numbers for the period 1994-95 to 1998-99 and are then rounded.

(b) Includes the GST growth dividend.

**Table 4: Distribution of GST revenue, 2001-02 (estimated)**

	Projected population as at 31 December 2001	Per capita relativities	Weighted population (1) x (2)	Share of weighted population (%)	GST revenue/HCGs pool according to (4)	Unquarantined HCGs (\$m)	Distribution of GST revenue (5) - (6)
NSW	6,562,944	0.92032	6,040,009	31.0	10,555.5	2,238.5	8,317.0
VIC	4,851,865	0.87539	4,247,274	21.8	7,422.5	1,608.9	5,813.7
QLD	3,656,130	1.00269	3,665,965	18.8	6,406.6	1,208.4	5,198.3
WA	1,924,075	0.97516	1,876,281	9.6	3,279.0	636.4	2,642.6
SA	1,505,083	1.17941	1,775,110	9.1	3,102.2	561.1	2,541.1
TAS	469,468	1.50095	704,648	3.6	1,231.4	144.0	1,087.4
ACT	313,325	1.14633	359,174	1.8	627.7	83.4	544.3
NT	200,360	4.02166	805,780	4.1	1,408.2	72.5	1,335.6
Total	19,483,250	na	19,474,240	100.0	34,033.1	6,553.1	27,480.0

(a) The per capita relativities adopted to take account of a technical issue raised by Western Australia in respect of the data supplied for stamp duties paid on corporate reconstructions.

(b) Total weighted population differs from the total population in column 1 as the per capita relativities are calculated by the CGC using population numbers for the period 1995-96 to 1999-2000 and are then rounded.

(c) Includes the GST growth dividend.

## **GENERAL REVENUE ASSISTANCE**

In 2001-02, general revenue assistance will take the form of Budget Balancing Assistance (BBA), National Competition Policy Payments (NCPPs) and Special Revenue Assistance (SRA). As with GST revenue, general revenue assistance is 'untied', that is, it is not required to be spent by the States in a specified area.

As outlined in Tables 1 and 2, the total level of general revenue assistance to the States in 2000-01 is estimated to be \$3,432.2 million. In 2001-02 it is estimated to be \$3,174.1 million.

### **Budget Balancing Assistance**

Under the Act, the Commonwealth has guaranteed that in each of the transitional years following the introduction of tax reform, each State's budgetary position will be no worse off than had the reforms to Commonwealth-State financial relations not been implemented.

The amount of funding each State would have had available to it under the previous system of financial relations is known as the Guaranteed Minimum Amount (GMA) and is calculated for each transitional year, commencing in 2000-01.

To meet its guarantee, the Commonwealth pays the States transitional assistance (known as BBA) to cover any shortfall of GST revenue below the GMA.

Tables 5 and 6 show the latest estimates of the GMA, GST revenue and BBA for each State in 2000-01 and 2001-02 respectively. These estimates have been updated for policy, parameter and estimate changes since they were discussed at the 30 March 2001 Ministerial Council meeting.

On the basis of current estimates, the States will receive total BBA of \$2,957.5 million in 2000-01 and \$2,443.6 million in 2001-02. In both years, BBA will be paid as a grant. The final quantum of BBA paid in a year is determined by the Treasurer's GMA determination and the Commissioner of Taxation's GST revenue determination, as outlined in the Act.

In 2001-02, BBA will take into account the revenue forgone by the States from the abolition of Financial Institutions Duty and stamp duty on quoted marketable securities, of \$1,195.9 million and \$675.1 million respectively.



**Table 5: Guaranteed Minimum Amount components, GST revenue provision and Budget Balancing Assistance, 2000-01 (estimated)**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Guaranteed Minimum Amount:</b>									
<b>State revenues forgone</b>									
Financial Assistance Grants	5,207.3	3,654.3	3,432.9	1,605.6	1,796.4	823.3	369.6	1,135.3	18,024.6
Revenue replacement payments	2,109.6	1,412.3	1,279.4	878.7	551.7	188.2	93.7	119.7	6,633.4
Accommodation taxes	72.4	na	na	na	na	na	na	7.0	79.4
<b>plus Reduced revenues</b>									
Gambling taxes	481.7	366.8	181.9	53.3	71.3	19.4	18.4	12.5	1,205.3
<b>plus Interest costs</b>									
Interest costs	3.3	7.5	11.7	2.3	4.0	2.2	1.2	3.0	35.2
<b>plus Additional expenditures</b>									
First Home Owners Scheme	287.7	232.0	205.8	110.5	100.0	30.2	21.0	8.9	996.1
Additional First Home Owners Scheme(a)	18.4	15.3	9.4	7.3	5.9	1.7	1.4	0.6	60.0
GST administration costs(b)	335.1	247.3	185.5	97.8	77.4	24.2	16.1	10.2	993.5
<b>plus Other items</b>									
Wholesale sales tax payments	38.0	5.0	18.0	19.0	12.7	13.0	4.0	3.0	112.7
<b>minus Reduced expenditures</b>									
Off-road diesel subsidies	116.1	48.6	101.5	145.8	31.5	1.9	0.0	3.4	448.8
Savings from tax reform	147.3	100.4	83.6	50.1	36.4	12.2	8.5	12.5	451.0
<b>minus Growth dividend</b>									
Remaining State taxes	42.2	27.2	14.3	8.5	6.8	1.7	1.3	0.9	103.0
<b>Total Guaranteed Minimum Amount (1)</b>	<b>8,247.9</b>	<b>5,764.3</b>	<b>5,125.2</b>	<b>2,570.1</b>	<b>2,544.8</b>	<b>1,086.4</b>	<b>515.5</b>	<b>1,283.4</b>	<b>27,137.5</b>
<b>GST revenue provision (2)</b>	<b>7,196.9</b>	<b>5,063.6</b>	<b>4,636.1</b>	<b>2,343.1</b>	<b>2,264.6</b>	<b>982.4</b>	<b>467.5</b>	<b>1,225.9</b>	<b>24,180.0</b>
<b>Budget Balancing Assistance (1) - (2)</b>	<b>1,051.0</b>	<b>700.7</b>	<b>489.1</b>	<b>227.0</b>	<b>280.2</b>	<b>104.0</b>	<b>47.9</b>	<b>57.6</b>	<b>2,957.5</b>

(a) Fully funded by the Commonwealth.

(b) Includes the GST administration costs for 1999-2000 totalling \$377.4 million, and 2000-01 totalling \$616.0 million.

**Table 6: Guaranteed Minimum Amount components, GST revenue provision and Budget Balancing Assistance, 2001-02 (estimated)**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
<b>Guaranteed Minimum Amount:</b>									
<b>State revenues forgone</b>									
Financial Assistance Grants	5,286.4	3,718.4	3,629.3	1,673.3	1,927.8	884.5	400.6	1,211.3	18,731.5
Revenue replacement payments	2,338.0	1,565.0	1,420.3	982.9	609.5	207.3	103.8	132.5	7,359.5
Accommodation taxes	72.0	na	na	na	na	na	na	8.1	80.1
Financial Institutions Duty	587.6	342.2	na	129.3	85.5	21.1	17.4	12.9	1,195.9
Marketable Securities Duty	375.3	205.0	34.5	24.0	14.7	2.4	17.6	1.6	675.1
<b>plus Reduced revenues</b>									
Gambling taxes	573.9	389.8	211.4	58.0	79.3	22.5	20.5	13.7	1,369.1
<b>plus Interest costs</b>									
Interest costs	2.9	3.4	4.3	0.9	1.1	0.5	0.4	0.7	14.2
<b>plus Additional expenditures</b>									
First Home Owners Scheme(a)	300.0	236.6	222.0	118.1	80.0	16.8	21.9	9.1	1,004.5
GST administration costs	174.2	128.8	97.0	51.1	40.0	12.5	8.3	5.3	517.2
<b>plus Other items</b>									
Wholesale sales tax payments	38.0	5.0	18.0	19.0	12.7	13.0	4.0	3.0	112.7
<b>minus Reduced expenditures</b>									
Off-road diesel subsidies	133.2	55.8	117.2	168.1	35.9	2.1	0.0	3.9	516.2
Savings from tax reform	157.1	107.4	89.2	53.4	38.8	13.0	9.0	13.2	481.0
<b>minus Growth dividend</b>									
Remaining State taxes	56.9	36.7	19.2	11.5	9.2	2.3	1.8	1.3	139.0
<b>Total Guaranteed Minimum Amount (1)</b>	<b>9,401.1</b>	<b>6,394.2</b>	<b>5,411.3</b>	<b>2,823.6</b>	<b>2,766.8</b>	<b>1,163.1</b>	<b>583.7</b>	<b>1,379.8</b>	<b>29,923.6</b>
<b>GST revenue provision (2)</b>	<b>8,317.0</b>	<b>5,813.7</b>	<b>5,198.3</b>	<b>2,642.6</b>	<b>2,541.1</b>	<b>1,087.4</b>	<b>544.3</b>	<b>1,335.6</b>	<b>27,480.0</b>
<b>Budget Balancing Assistance (1) - (2)</b>	<b>1,084.1</b>	<b>580.6</b>	<b>213.0</b>	<b>181.0</b>	<b>225.7</b>	<b>75.7</b>	<b>39.4</b>	<b>44.2</b>	<b>2,443.6</b>

(a) This excludes the additional First Home Owners Scheme, which is to be fully funded by the Commonwealth via a Specific Purpose Payment in 2001-02.

## National Competition Policy Payments

At the April 1995 Council of Australian Governments meeting, the Commonwealth and the States concluded the *Agreement to Implement the National Competition Policy and Related Reforms*. Under that Agreement, the States are eligible for three tranches of ongoing NCPPs. The NCPPs commenced in July 1997 at an annual level of \$200 million, and increased in July 1999 to \$400 million in 1994-95 prices. The third tranche commences in July 2001 at an annual level of \$600 million in 1994-95 prices. The Agreement specifies that the NCPPs be paid quarterly and be distributed to the States on an equal per capita basis.

Each State's NCPPs are subject to that State making satisfactory progress with the implementation of specified reform conditions in the Agreement. Prior to the scheduled payment of NCPPs in 2001-02, the National Competition Council will assess whether each State has met these conditions and provide a report for consideration by the Commonwealth.

Subject to satisfactory progress in the areas to be reviewed by the National Competition Council, the Commonwealth will provide the States with NCPPs estimated to total \$716.3 million in 2001-02.

Table 7 shows the allocation of NCPPs covering 2000-01 to 2004-05.

**Table 7: National Competition Policy Payments, 2000-01 to 2004-05 (estimated)**

	NSW \$m	VIC \$m	QLD \$m	WA \$m	SA \$m	TAS \$m	ACT \$m	NT \$m	Total \$m
2000-01	155.9	114.7	85.9	45.5	35.9	11.2	7.5	4.7	461.2
<b>2001-02</b>	<b>241.0</b>	<b>178.5</b>	<b>134.6</b>	<b>70.7</b>	<b>55.4</b>	<b>17.3</b>	<b>11.5</b>	<b>7.4</b>	<b>716.3</b>
2002-03	246.0	182.0	138.0	72.5	56.1	17.4	11.7	7.5	731.2
2003-04	252.3	186.6	142.5	74.7	57.1	17.7	12.0	7.8	750.7
2004-05	258.0	190.7	146.9	76.8	58.1	17.9	12.3	8.0	768.7

## Special Revenue Assistance

In 2001-02, SRA comprises funding to the Australian Capital Territory for special fiscal needs. The level of these payments will reflect the recommendations of the CGC in its *Report on State Revenue Sharing Relativities 2001 Update*.

Special Revenue Assistance is provided to the Australian Capital Territory in recognition of the fact that certain functions (for example, the Family Court) are not directly funded by the Commonwealth, in contrast to the funding arrangements in other States. In 2001-02, SRA will amount to \$14.2 million, an increase of \$0.7 million. The increase reflects an expected increase in the consumer price index (CPI) adjusted to remove the impact of indirect tax reform, and increases in superannuation and debt charges related to the provision of police services in the Australian Capital Territory.

Special Revenue Assistance to the Australian Capital Territory also includes an amount for additional police service costs, which used to be paid as a separate transitional allowance. This amount is included as the Australian Capital Territory is not able to influence the terms and conditions of the Australian Federal Police.

Table 8 provides estimates of SRA to the Australian Capital Territory from 2000-01 to 2004-05.

**Table 8: Special Revenue Assistance to the Australian Capital Territory, 2000-01 to 2004-05 (estimated)**

	2000-01	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m	\$m
Special Revenue Assistance to the ACT	13.5	14.2	14.5	14.9	15.3

### **REVENUE REPLACEMENT PAYMENTS UNDER 'SAFETY NET' ARRANGEMENTS, AND MIRROR TAXES**

The Commonwealth collects revenue on behalf of the States under 'safety net' arrangements for petroleum, alcohol and tobacco products, and mirror taxes at Commonwealth places.

In accordance with the Intergovernmental Agreement, taxation of petroleum, alcohol and tobacco under the 'safety net' arrangements ceased on 1 July 2000. However, due to collections being received which relate to taxable dealings that occurred before 1 July 2000, lagged payments continue to be made in 2000-01.

Table 9 shows estimated revenue replacement payments under 'safety net' arrangements for 2000-01.

**Table 9: Revenue replacement payments, 2000-01**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Tobacco</b>									
Share	0.32492	0.21803	0.19065	0.11100	0.08988	0.03226	0.01456	0.01870	1.00000
Amount (\$m)	20.9	14.1	12.3	7.2	5.8	2.1	0.9	1.2	64.5
<b>Petroleum</b>									
Share	0.30039	0.20153	0.19593	0.17118	0.07549	0.02453	0.01291	0.01804	1.00000
Amount (\$m)	76.2	51.2	49.7	43.4	19.2	6.2	3.3	4.6	253.8
<b>Alcohol</b>									
Share	0.33796	0.22332	0.19314	0.11147	0.07857	0.02415	0.01569	0.01569	1.00000
Amount (\$m)	39.8	26.3	22.7	13.1	9.3	2.8	1.8	1.8	117.7
<b>Total (\$m)</b>	<b>137.0</b>	<b>91.5</b>	<b>84.8</b>	<b>63.7</b>	<b>34.2</b>	<b>11.1</b>	<b>6.1</b>	<b>7.6</b>	<b>436.0</b>

Table 10 summarises estimates of 'safety net' surcharge collections and accrued mirror taxes on behalf of the States, from 2000-01 to 2004-05.

**Table 10: 'Safety net' surcharge collections and accrued mirror taxes on behalf of the States, 2000-01 to 2004-05**

	2000-01	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m	\$m
'Safety Net' surcharge collections	436.0	na	na	na	na
Mirror taxes	213.6	207.4	215.6	226.5	237.9
Total	649.6	207.4	215.6	226.5	237.9

### **Mirror tax arrangements**

Following the High Court decision in *Allders International Pty Ltd v Commissioner of State Revenue* (Victoria), invalidating State taxes on Commonwealth places, the Commonwealth introduced taxes in 1998 to mirror State payroll taxes, Financial Institutions Duty, debits tax and stamp duties on activities on or in Commonwealth places. State land taxes were subsequently added to the list of mirror taxes. All mirror tax revenues are remitted to the States to ensure that they are not financially disadvantaged by the *Allders* decision.

The administrative arrangements for collecting, and ensuring compliance with, the mirror taxes are contained in bilateral arrangements between the Commonwealth Treasury and State Treasuries.

### **HORIZONTAL FISCAL EQUALISATION**

All GST revenue is provided to the States and distributed on the basis of horizontal fiscal equalisation (HFE) principles, in accordance with the provisions of the Act. General revenue assistance provided to the States by the Commonwealth is also partly distributed on the basis of HFE principles.

### **Objectives of horizontal fiscal equalisation**

The objective of HFE is to improve equity for all Australians. The principle of HFE is that all State governments can provide services at the same standard if they make the same effort to raise revenue from their own sources and operate at the same level of efficiency.

The HFE principles are embodied in the per capita relativities recommended by the CGC. The CGC is an independent statutory authority established by the *Commonwealth Grants Commission Act 1973*.

## **The assessment process**

In its assessment of per capita relativities, the CGC takes account of differences in the per capita capacities of the States to raise revenues and differences in the per capita amounts required to be spent by the States in providing an average standard of government services.

A State's actual per capita expenditure or revenue generally differs from the average of all States when:

- influences that are beyond a State's control (referred to as 'disabilities') affect the cost at which it can provide services or its capacity for raising revenue; or
- a State's policies, practices and operating efficiency differ from those of other States.

Horizontal fiscal equalisation requires that only those factors beyond a State's control be taken into account in determining a State's relative needs.

The Commonwealth consults with the States concerning the CGC's terms of reference, with a view to reinforcing the CGC's position as an independent arbiter in relation to HFE. Terms of reference for the CGC define the general approach to be followed, as well as any specific conditions or limitations on the extent to which HFE is to apply.

The CGC undertakes both annual updates and five-yearly methodology reviews. Annual updates essentially revise the data upon which the CGC's assessments are based. Methodology reviews are aimed at improving the CGC's methods of assessment and involve substantial consultation with the States and the Commonwealth. The CGC completed its most recent methodology review in February 1999, and the results of the next methodology review are due to be released in early 2004 (see Box 1).

### **Box 1: Commonwealth Grants Commission's 2004 Methodology Review**

- The CGC has commenced a new methodology review which is expected to be completed in February 2004.
- The terms of reference for the 2004 review were developed in consultation with the States, and give the CGC a wide-ranging brief to review aspects of its methodology. Any subsequent methodology improvements may produce a redistribution of funding among the States.
- Issues under consideration by the CGC as part of the 2004 review include:
  - whether the allowances for special circumstances granted to the Australian Capital Territory continue to be necessary; and
  - improving methods of assessment, for example in the area of depreciation and debt charges.
- The CGC expects to release preliminary relativities in mid-2003 ahead of a further round of consultations with the States and the Commonwealth. The CGC's final recommendations, including the recommended per capita relativities for 2004-05, are expected to be released in February 2004.

### **2001 update of relativities**

In its *Report on State Revenue Sharing Relativities 2001 Update*, the CGC analysed State financial data for the period 1995-96 to 1999-2000 to form the basis of its recommendations on two sets of relativities:

- GST relativities that apply to the distribution of GST revenue; and
- Financial Assistance Grants (FAGs) relativities that contribute to the calculation of the GMA for each State.

The Ministerial Council meeting on 30 March 2001 resolved to adopt the recommended relativities for 2001-02 after adjustment for minor technical issues.

The GST relativities and FAGs relativities for 2000-01 and 2001-02 are illustrated in Table 11.



**Table 11: GST relativities and Financial Assistance Grants relativities, 2000-01 and 2001-02**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
GST relativities								
2000-01	0.90913	0.87049	1.01830	0.98365	1.18258	1.51091	1.11289	4.16385
<b>2001-02(a)</b>	<b>0.92032</b>	<b>0.87539</b>	<b>1.00269</b>	<b>0.97516</b>	<b>1.17941</b>	<b>1.50095</b>	<b>1.14633</b>	<b>4.02166</b>
FAGs relativities								
2000-01	0.89642	0.85780	1.01079	0.92399	1.23481	1.62565	1.14522	4.85767
<b>2001-02(a)</b>	<b>0.88284</b>	<b>0.84543</b>	<b>1.01882</b>	<b>0.92429</b>	<b>1.27328</b>	<b>1.68695</b>	<b>1.18924</b>	<b>4.93364</b>

(a) These amended relativities take account of a technical issue raised by Western Australia in respect of the data supplied for stamp duties paid on corporate reconstructions.

The GST relativities are all closer to 1 than the FAGs relativities. This reflects the fact that fiscal equalisation requires a fixed dollar amount of funding (around \$2.1 billion) to be redistributed. Since the GST pool (approximately \$27.5 billion in 2001-02) is greater than the FAGs pool (approximately \$18.7 billion in 2001-02) a smaller proportion of GST funding is redistributed among the jurisdictions.

### Effect of horizontal fiscal equalisation

One way of viewing the effect of HFE is to compare the GMA for each State with the amount that would be received on the basis of an equal per capita distribution. While HFE only applies to the FAGs forgone component of GMA, FAGs forgone is the largest component of the GMA. In 2001-02, around \$2,148 million (or 7.2 per cent) of the total GMA is to be distributed among the States as a result of the application of the CGC's relativities to the pool of FAGs forgone, compared with an equal per capita distribution. The comparison is shown in Table 12.

**Table 12: Effect of horizontal fiscal equalisation, 2001-02**

	GMA distributed under HFE	Equal per capita distribution	Difference	Population	Per capita redistribution
	(\$m)	(a) (\$m)	(1) - (2) (\$m)	(million)	(3) ÷ (4) (\$)
	(1)	(2)	(3)	(4)	(5)
NSW	9,401.1	10,425.7	-1,024.6	6.6	-156.1
VIC	6,394.2	7,340.9	-946.7	4.9	-195.1
QLD	5,411.3	5,297.0	114.3	3.7	31.3
WA	2,823.6	3,000.2	-176.6	1.9	-91.8
SA	2,766.8	2,285.8	480.9	1.5	319.5
TAS	1,163.1	729.0	434.1	0.5	924.7
ACT	583.7	484.4	99.3	0.3	316.8
NT	1,379.8	360.6	1,019.2	0.2	5,086.9
Total	29,923.6	29,923.6	0.0	19.5	na

(a) The FAGs forgone component of the GMA has been distributed on an equal per capita basis in these calculations.

Some jurisdictions receive relatively less funding under HFE because their fiscal capacity is relatively strong — these 'donor' States are New South Wales, Victoria and Western Australia. The other jurisdictions (the 'recipient' States) receive relatively more funding because their fiscal capacity is not as strong.

Another way of viewing the effect of HFE is to consider the distribution of funding that might occur were Australia to have a unitary system of government, rather than the current federal system. It is, of course, not possible to quantify this approach. Nevertheless, it would seem likely that under a unitary system of government, the government would seek to provide a minimum level of services to all areas. This is a similar outcome to that which HFE seeks to achieve in the current federal system.

## Chapter 3: Specific Purpose Payments, and General Purpose Assistance to Local Government

This Chapter provides a broad overview of the nature and purpose of Specific Purpose Payments (SPPs). It also discusses general purpose assistance to local government in 2000-01 and 2001-02.

### **SPECIFIC PURPOSE PAYMENTS**

#### **Nature and purpose**

Specific Purpose Payments are payments for policy purposes that relate to particular functional activities (for example, health and education). Specific Purpose Payments are made under section 96 of the Constitution, which states that the Commonwealth Parliament may grant financial assistance to any State on such terms as it sees fit.

Specific Purpose Payments can be classified into three groups:

- Specific Purpose Payments paid **'to'** the States — payments direct to State governments, totalling \$15,154.8 million in 2001-02;
- Specific Purpose Payments **'through'** the States — payments to State governments to be passed on to local government, other bodies and individuals, totalling \$5,067.5 million in 2001-02. The main payments in this category relate to non-government schools and local government general purpose assistance; and
- Specific Purpose Payments made **direct** to local government, totalling \$429.8 million in 2001-02. The main payments in this category relate to child care programmes administered by local governments on behalf of the Commonwealth and funding for aged and disabled persons' homes and hostels.

Indexation arrangements and the distribution of SPPs among the States vary for each SPP. In most cases, SPPs are subject to conditions reflecting Commonwealth policy objectives or national policy objectives agreed to between the Commonwealth and the States. It is because of the conditions attached to SPPs that they are sometimes referred to as 'tied grants'. Such conditions may include:

- general policy requirements on States (for example, public hospital treatment to Medicare patients as a condition of receiving Health Care Grants);
- a requirement that a payment be expended for a specific purpose (for example, housing assistance for homeless people);

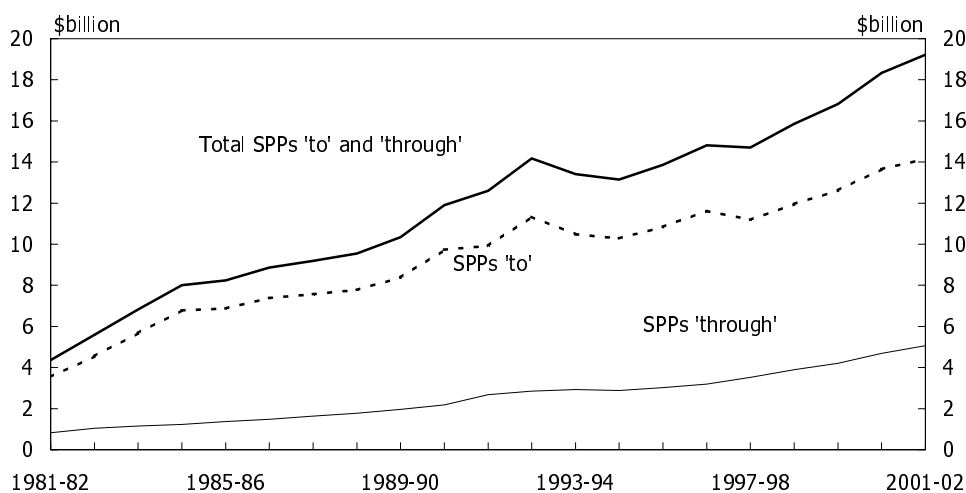
- meeting broad Commonwealth-State agreements covering principles and programme delivery mechanisms (for example, the Commonwealth-State Housing Agreement); and
- conditions of joint expenditure programmes, including project approval, matching funding arrangements and performance information.

Specific Purpose Payments also include some payments that are not subject to conditions. These typically relate to revenue sharing arrangements or compensation (either for the transfer of responsibilities or for other Commonwealth action). For example, compensation payments are made to the States for revenue forgone as a result of the national system of companies and securities regulation.

Specific Purpose Payments 'to' and 'through' are estimated to total around \$20,222.2 million in 2001-02. This is an increase of \$981.4 million or 5.1 per cent on 2000-01 (after removing the \$112.7 million and \$97.0 million cost of the Natural Disaster Relief Programme in 2000-01 and 2001-02 respectively). Specific Purpose Payments 'to' the States are expected to increase by around \$601.3 million in 2001-02 or 4.2 per cent on 2000-01 after abstracting from SPPs associated with natural disaster relief.

Chart 3 shows the trend in the level of SPPs from 1981-82 to 2001-02. It contains adjustments for a number of classification changes and one-off factors, so as to allow comparisons on a more consistent basis.

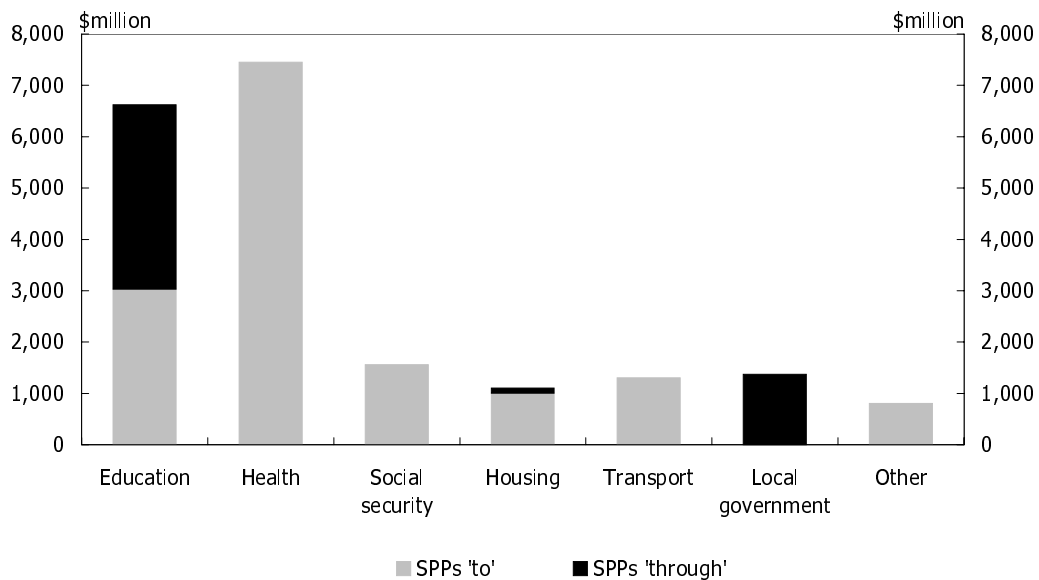
**Chart 3: Specific Purpose Payments to the States, 1981-82 to 2001-02<sup>(a)</sup>**



(a) Chart 3 incorporates the reclassification of funding under higher education from SPPs through the States to grants to the multi-jurisdictional sector. It also contains adjustments for reclassifications such as: payments under the *Vocational Education and Training Funding Act 1992*; the transfer in 1989-90 of nominated housing advances into Commonwealth-State Housing Agreements grants; and significant changes in the structure of hospital funding.

Chart 4 illustrates the composition of major SPPs ('to' and 'through' the States) in 2001-02.

**Chart 4: Composition of estimated Specific Purpose Payments 'to' and 'through' the States, 2001-02**



More detailed information on SPPs, including estimated State splits for 2000-01 and 2001-02 and data on repayments of advances, advances and interest payments, is contained in Appendix B.

## **GENERAL PURPOSE ASSISTANCE TO LOCAL GOVERNMENT**

General purpose assistance to local government has been provided by the Commonwealth since 1974-75. Under current arrangements, the Commonwealth provides general purpose assistance to local government in the form of local government financial assistance grants and local government untied road funding. This assistance is paid to the States as an SPP on the condition that the funds are passed on to local government. Both forms of funding can be spent by local government on any purpose.

General purpose assistance is provided to local government authorities under the *Local Government (Financial Assistance) Act 1995* (the Act). Under the Act, the Treasurer is responsible for determining the annual increase in Commonwealth general purpose assistance paid to local government. The Act previously provided for general purpose assistance to be increased each year by an escalation factor that reflected the underlying movement in general revenue assistance provided to the States. The escalation factor reflected the percentage increase in the States' Financial Assistance

Grants (FAGs) pool in the current year, which in turn reflected indexation for population growth and the consumer price index (CPI). As a result of the cessation of FAGs from 1 July 2000, the Act was amended with effect from that date to remove the link to FAGs and to provide for the Treasurer to determine the escalation factor with reference to population growth and the CPI.

The Commonwealth will provide total payments of \$1,322.5 million in local government general purpose assistance in 2000-01. These payments have been based on the estimated escalation factor of 1.0389 and take into account an underpayment of \$1.7 million in 1999-2000. In June 2001, the Treasurer will determine the final 2000-01 escalation factor on the basis of the Australian Statistician's determination of population, and ongoing CPI (which excludes the estimated impact of the indirect tax reform measures in *The New Tax System*). This is consistent with the decision in the 2000-01 Budget that the ongoing CPI estimate will be used for indexation purposes for most Commonwealth expenses, including SPPs. The current estimate for the 2000-01 escalation factor is 1.0463.

General purpose assistance to local government is estimated to be \$1,383.5 million in 2001-02 (after allowing for an estimated payment of \$9.4 million to adjust for the difference between the escalation factor used to calculate payments in 2000-01 and the factor to be determined by 30 June 2001). In 2001-02, general purpose assistance to local government will again utilise an escalation factor based on estimates of population growth and CPI increases, excluding the estimated impact of the indirect tax reform measures in *The New Tax System*. The final escalation factor for 2001-02 will be determined by the Treasurer in June 2002.

As in the past, the interstate distribution of local government financial assistance grants for 2001-02 will be on an equal per capita basis, using the State populations at 31 December in the previous financial year. Untied local government road funding is distributed between the States on the basis of historical shares. State Grants Commissions determine the intrastate distribution of these payments to local governments. The financial assistance grants are distributed, as far as practicable, on a horizontal fiscal equalisation basis, while the identified road grants are distributed on relative road needs.

Table 13 sets out the payments of general purpose assistance to local government in 2000-01 and 2001-02.

**Table 13: General purpose assistance to local government, 2000-01 and 2001-02 (estimated)**

	NSW \$m	VIC \$m	QLD \$m	WA \$m	SA \$m	TAS \$m	ACT \$m	NT \$m	Total \$m
<b>2000-01</b>									
Financial Assistance Grants	309.7	227.6	170.0	90.0	71.9	22.6	14.9	9.3	916.0
Identified road grants	117.9	83.8	76.2	62.1	22.3	21.5	13.0	9.5	406.5
Total general purpose assistance(a)	427.7	311.4	246.2	152.1	94.2	44.1	28.0	18.9	1322.5
<b>2001-02</b>									
<b>Financial Assistance Grants</b>	<b>323.2</b>	<b>238.6</b>	<b>178.9</b>	<b>94.3</b>	<b>74.6</b>	<b>23.4</b>	<b>15.5</b>	<b>9.8</b>	<b>958.3</b>
<b>Identified road grants</b>	<b>123.4</b>	<b>87.7</b>	<b>79.7</b>	<b>65.0</b>	<b>23.4</b>	<b>22.5</b>	<b>13.6</b>	<b>10.0</b>	<b>425.2</b>
<b>Total general purpose assistance(a)</b>	<b>446.6</b>	<b>326.2</b>	<b>258.6</b>	<b>159.3</b>	<b>98.0</b>	<b>45.9</b>	<b>29.1</b>	<b>19.8</b>	<b>1383.5</b>

(a) Total general purpose assistance is the actual cash payment that the State receives on behalf of local government. It is equal to the estimated entitlement for a given year adjusted for an over or under payment from the previous year.





## Chapter 4: Fiscal Developments in the States and Territories and Loan Council Arrangements

This Chapter provides an overview of recent fiscal developments in State non-financial public sector finances. The Chapter also sets out the Loan Council Allocations nominated by the Commonwealth and each State for 2001-02 and endorsed by the Australian Loan Council at its meeting on 30 March 2001. It also reports the Commonwealth's 2001-02 Budget Loan Council Allocation estimate.

### **FISCAL DEVELOPMENTS IN THE STATES AND TERRITORIES**

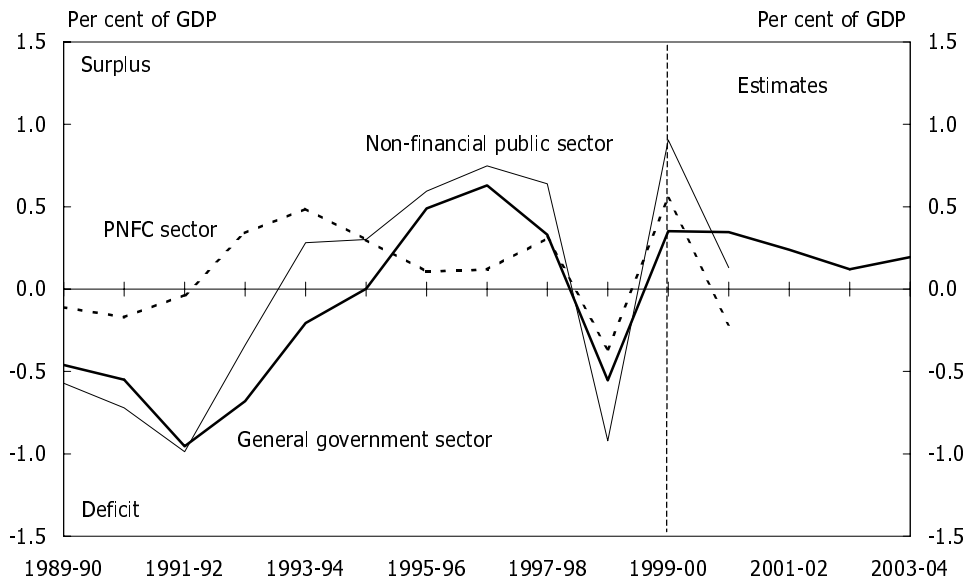
#### **State cash surplus by sector**

The State non-financial public sector — comprising the general government and public non-financial corporations (PNFC) sectors of all States — is expected, on a Government Finance Statistics basis, to record a cash surplus of 0.1 per cent of Gross Domestic Product (GDP) in 2000-01. This compares with a cash surplus of 0.9 per cent of GDP in 1999-2000.

The deterioration in the position of the State non-financial public sector is attributable to a decline in both the general government and PNFC sectors. The cash surplus in the general government sector is forecast to fall from 0.4 per cent of GDP in 1999-2000 to 0.3 per cent in 2000-01. Similarly, the PNFC sector is forecast to fall from a surplus of 0.6 per cent of GDP to a deficit of 0.2 per cent of GDP in 2000-01.

In the forward estimate years, the general government sector surplus is expected to average around 0.2 per cent of GDP. Trends in the cash surplus of the State general government, PNFC and non-financial public sectors are illustrated in Chart 5.

**Chart 5: State cash surplus by sector<sup>(a)(b)</sup>**



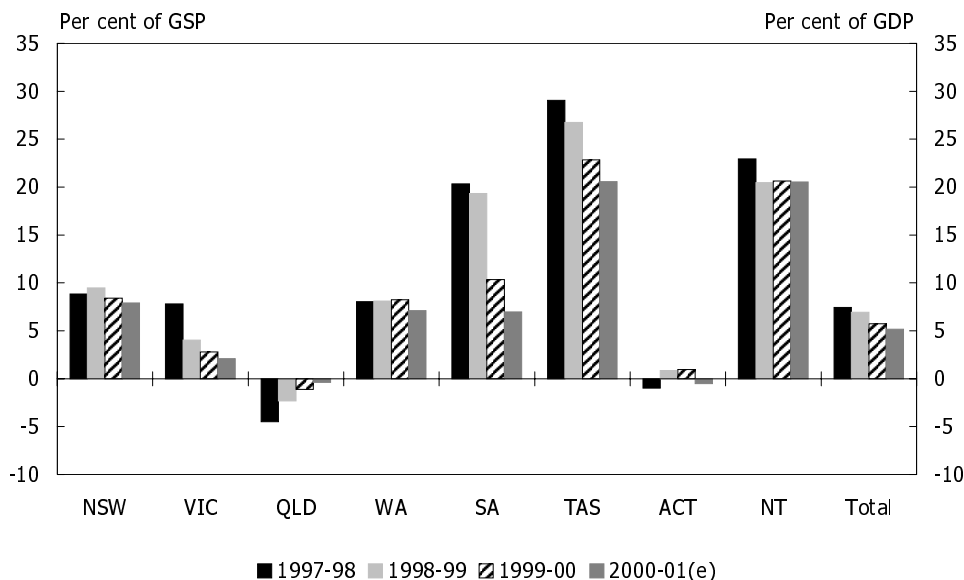
- (a) Estimates from 2001-02 to 2003-04 are only available for the general government sector.  
 (b) Data are sourced from the *ABS 1997-98 Government Finance Statistics, 2000-01 Government Financial Estimates, State 1999-2000 budget outcomes, 2000-01 mid-year reports and 2001-02 State Budgets* where available.

### State net debt

The ratio of aggregate State net debt to GDP has been declining steadily since the early 1990s. This has largely resulted from States adopting medium-term fiscal strategies to reduce debt levels through expenditure restraint and, less importantly, through revenue increases and asset sales.

Chart 6 illustrates recent trends in the net debt to Gross State Product (GSP) ratio of each State, along with the aggregate State net debt to GDP ratio.

**Chart 6: State non-financial public sector net debt  
(as at end of financial year)<sup>(a)</sup>**



(a) Data are sourced from the *ABS 1997-98 Government Finance Statistics, 2000-01 Government Financial Estimates*, State 1999-2000 budget outcomes, 2000-01 mid-year reports and 2001-02 State Budgets where available.

(e) Estimates.

## Fiscal developments in individual States and Territories

Key fiscal developments in each State are outlined below. Developments are reported in both accrual and cash terms, where possible, and are based on Australian Bureau of Statistics (ABS) publications, Commonwealth Treasury forecasts, State 1999-2000 budget outcomes, 2000-01 State mid-year reports and 2001-02 State Budgets where available. Forthcoming Budgets in most jurisdictions may lead to revisions to the outlook.

Jurisdictions that have not yet implemented the accrual reporting requirements in their budget documents have until the 2002-03 budget year to implement reporting on an accrual basis, and are expected to continue reporting on a cash basis in the interim.

**New South Wales** is expected to further improve its non-financial public sector position in 2000-01. In accrual terms, the general government sector fiscal balance is expected to be in surplus by 0.2 per cent of GSP in 2000-01. Fiscal surpluses are projected for the general government sector for the three years after 2000-01.

New South Wales expects to record a non-financial public sector fiscal surplus of 0.2 per cent of GSP in 2000-01, up from 0.1 per cent in 1999-2000. The improvement largely mirrors the PNFC sector, which is expected to move from a deficit of 0.3 per cent of GSP in 1999-2000 to a balanced position in 2000-01.

In cash terms, the general government sector is expected to record a surplus of 0.5 per cent of GSP in 2000-01, down from 0.8 per cent in 1999-2000. Cash surpluses are expected to continue through the forward period.

State non-financial public sector net debt as a percentage of GSP is expected to decline from 8.4 per cent in 1999-2000 to 7.9 per cent in 2000-01, with cash surpluses used to retire debt.

In accrual terms, the **Victorian** general government sector expects to record a fiscal surplus of 0.4 per cent of GSP in 2000-01, down from a 0.8 per cent surplus in 1999-2000. The general government fiscal balance is projected to move into deficit in 2001-02 and beyond as spending on infrastructure increases. The PNFC sector in 2000-01 is expected to record a small deficit, while the non-financial public sector is forecast to move into a deficit position in later years.

The cash surplus in the general government sector is expected to decrease from 1.2 per cent of GSP in 1999-2000 to 0.7 per cent in 2000-01, with forecast deficits in the out years with an increase in capital spending.

Proceeds from Victoria's privatisation programme previously contributed in substantially reducing Victoria's net debt position. Continuing to use its surpluses to retire debt, Victoria's non-financial public sector net debt is expected to fall further in 2000-01, moving from 2.8 per cent of GSP in 1999-2000 to 2.1 per cent.

**Queensland's** general government sector is expected, in accrual terms, to record a fiscal deficit of 0.7 per cent of GSP in 2000-01, up from 0.1 per cent in 1999-2000. Queensland is forecasting that a decrease in capital investment (after strong growth in recent years) will contribute to the fiscal balance moving into surplus over the forward period.

Fiscal deficits in both the PNFC sector and the general government sector will result in the State non-financial public sector recording a deficit of 1.5 per cent of GSP in 2000-01, as compared to a deficit of 0.4 per cent of GSP in 1999-2000. This position is expected to steadily improve as the PNFC and general government sectors move into surplus in the forward years.

The general government sector, on a cash basis, is expected to record a surplus of 0.2 per cent of GSP in 2000-01, after a deficit of 1.1 per cent of GSP in 1999-2000.

Queensland has consistently recorded a negative net debt position in its non-financial public sector. Negative net debt is expected to fall from 1.1 per cent of GSP in 1999-2000 to negative net debt of 0.4 per cent of GSP in 2000-01, before increasing again in 2002-03 and 2003-04.

**Western Australia** expects, on an accrual basis, a general government fiscal deficit of 0.6 per cent of GSP in 2000-01, up from 0.4 per cent in 1999-2000. The sector is projected to remain in deficit over the forward period.

Western Australia's PNFC sector is expected to increase its deficit from 0.1 per cent of GSP to 0.3 per cent of GSP in 2000-01. Similarly, the State non-financial public sector is forecast to move from a deficit of 0.5 per cent of GSP to 0.9 per cent of GSP in 2000-01.

In cash terms, Western Australia's general government sector is expected to remain in deficit in 2000-01 at 0.6 per cent of GSP. Large ongoing capital works programmes have contributed to several cash deficits in the past, and are projected to contribute to further deficits in the forward estimate years.

Western Australia's combined general government and PNFC net debt as a proportion of GSP is anticipated to decrease from 8.2 per cent to 7.1 per cent in 2000-01, with proceeds from the recent privatisation of State assets directed towards retiring debt. Net debt is projected to increase over the forward period.

**South Australia's** general government sector, in accrual terms, is expected to remain in fiscal deficit for the foreseeable future. The deficit is estimated at 0.7 per cent of GSP in 2000-01, down from a deficit of 1.1 per cent in 1999-2000.

The total non-financial public sector in South Australia is expected to record a surplus of 1.9 per cent of GSP in 2000-01, compared with a surplus of 7.5 per cent in 1999-2000. The 1999-2000 and 2000-01 surpluses include proceeds from the long-term lease of electricity assets.

The general government sector is expected to record a small cash deficit in 2000-01, decreasing from a deficit of 0.6 per cent of GSP in 1999-2000. The sector is expected to record modest cash deficits over the forecast period to 2003-04.

South Australia's net debt position is expected to improve substantially again in 2000-01, as further proceeds from the lease of electricity assets will be used to reduce debt. Net debt in the public non-financial sector is expected to move from 10.3 per cent of GSP to 7.0 per cent in 2000-01.

**Tasmania** has experienced a considerable turnaround in its budget position in recent years and the general government sector, after an expected cash surplus of 0.5 per cent of GSP in 2000-01, is projected to remain in surplus over the forecast period through to 2003-04.

A cash surplus of 0.3 per cent of GSP is expected for the PNFC sector in 2000-01, down from a surplus of 0.2 per cent of GSP in 1999-2000. The State non-financial public sector is expected to remain in surplus in 2000-01, albeit down from 1.4 per cent of GSP in 1999-2000 to 0.8 per cent.

Although high relative to other States, Tasmania's non-financial public sector net debt to GSP ratio is continuing to fall. Successive cash surpluses and privatisation proceeds have contributed to improving Tasmania's net debt position. State non-financial public sector net debt as a proportion of GSP is expected to fall from 22.8 per cent in 1999-2000 to 20.6 per cent in 2000-01.

In accrual terms, the **Australian Capital Territory's** general government sector is expected to move from a fiscal surplus of 0.8 per cent of GSP in 1999-2000 to a surplus of 0.2 per cent in 2000-01. The fiscal balance in the PNFC sector is forecast to move from a surplus of 0.1 per cent of GSP in 1999-2000 to a surplus of 0.3 per cent in 2000-01.

As a result of the combined developments in the general government and PNFC sectors, the Australian Capital Territory's total non-financial public sector is expected to record a fiscal surplus of 0.5 per cent of GSP in 2000-01.

The general government sector, in cash terms, is expected to fall from a cash surplus of 1.5 per cent of GSP to 1.0 per cent in 2000-01. The general government sector is projected to record surpluses in the forward years.

Net debt in the Australian Capital Territory as a proportion of GSP is expected to move from 1.0 per cent in 1999-2000 to a negative net debt position of 0.5 per cent in 2000-01.

In cash terms, the **Northern Territory's** general government deficit of 1.5 per cent of GSP in 1999-2000 is expected to fall to a deficit of 1.3 per cent of GSP in 2000-01. The fiscal balance of the general government sector is forecast to steadily improve from 2000-01 onwards, with cash deficits continuing to decrease in the forward estimate years.

Due to the PNFC sector moving to a deficit of 0.6 per cent of GSP in 2000-01, the non-financial public sector is set to record a higher deficit in 2000-01 of 1.9 per cent of GSP, up from 1.2 per cent in 1999-2000.

State non-financial public sector net debt in the Northern Territory was 20.6 per cent of GSP in 1999-2000, and is expected to move to 20.5 per cent of GSP in 2000-01.

## **THE AUSTRALIAN LOAN COUNCIL**

The Australian Loan Council is a Commonwealth-State Ministerial Council that coordinates total public sector borrowing under a voluntary agreement. The Loan Council comprises the Commonwealth Treasurer as Chairman, and State and Territory Treasurers. The Loan Council was established in 1927 under the *Financial Agreement between the Commonwealth and the States*, and continues under the *Financial Agreement between the Commonwealth, States and Territories*, which came into effect in 1995.

The present Loan Council arrangements emphasise transparency of public sector financing rather than the adherence to strict borrowing limits. Essentially, they are designed to enhance the role of financial market scrutiny of borrowings by the public sector and to facilitate informed judgments about each government's financial performance.

These arrangements, supported by the accrual uniform presentation framework (UPF), comprise three main stages:

- Loan Council Allocation (LCA) nominations;
- Budget time LCA updates; and
- Loan Council Allocation outcomes.

### **Loan Council Allocation nominations**

The Loan Council traditionally meets once a year to consider jurisdictions' LCA nominations for the forthcoming year. The nominations draw from information presented in their mid-year budget updates and cover estimates for:

- the general government cash deficit/surplus;
- the PNFC sector cash deficit/surplus;
- net cash flows from investments in financial assets for policy purposes; and
- memorandum items.

These nominations are considered by the Loan Council, having regard to each jurisdiction's fiscal position and the macroeconomic implications of the aggregate figure. Loan Council Allocations are on a headline rather than underlying basis as they seek to measure a government's call on financial markets.

In making their LCA nominations to the Loan Council, the Commonwealth and the States also provide information on government contingent exposures under infrastructure projects with private sector involvement. These exposures, which are measured as a government's contractual liabilities in the event of termination of a project, are not included as a component of the LCA as they are unlikely to be realised, and are thus materially different from actual borrowing undertaken to finance the public sector deficit. Government outlays under these projects, such as equity contributions and ongoing commercial payments to the private sector, continue to be included in the annual total public sector balance, and hence the LCA.

### ***Loan Council Allocation nominations for 2001-02***

The Loan Council met on 30 March 2001 to consider LCA nominations for 2001-02. These nominations are set out in Table 14. In aggregate, they represent a surplus of \$13.5 billion. The Loan Council observed that after several years of strong economic growth in Australia the outlook has moderated, and highlighted the importance of maintaining sound fiscal strategies. Against this background, the Loan Council considered that the aggregate of LCA nominations is consistent with current macroeconomic policy objectives.

**Table 14: Loan Council Allocations — 2001-02 nominations (a)(b)**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Commonwealth	Aggregate
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
General government sector cash deficit(+)/surplus(-)	-1,456	-167	-642	396	31	-66	-152	57	-4,738	
PNFC sector cash deficit(+)/surplus(-)	302	-12	644	90	-18	14	-20	-13	1,936	
Non-financial public sector cash deficit(+)/surplus(-)(c)	-1,147	-201	2	486	13	-52	-172	44	-2,802	
<i>minus</i> Net cash flows from investments										
in financial assets for policy purposes	22	73	0	15	1	0	19	16	8,873	
<i>plus</i> Memorandum items(d)	320	252	-112	-92	-114	20	-10	0	-898	
<b>Loan Council Allocation</b>	<b>-849</b>	<b>-22</b>	<b>-110</b>	<b>379</b>	<b>-103</b>	<b>-32</b>	<b>-201</b>	<b>28</b>	<b>-12,573</b>	<b>-13,483</b>
2001-02 Tolerance limit	823	484	438	296	172	51	47	42	4,144	

(a) Loan Council Allocation nominations for 2001-02 reflect current best estimates of non-financial public sector deficits/surpluses. Nominations have been provided on the basis of policies announced up to and included in jurisdictions' mid-year reports. Nominations are based on preliminary estimates of general government finances provided by jurisdictions for the purposes of their mid-year reports, and projected bottom lines for each jurisdiction's PNFC sector.

(b) The LCAs of Tasmania and the Northern Territory are not strictly comparable with those of other jurisdictions, as Tasmania and the Northern Territory continue to report on a cash basis, while other jurisdictions report on an accrual basis.

(c) The sum of the surpluses of the general government and PNFC sectors may not directly equal the non-financial public sector surplus due to intersectoral transfers. Memorandum items are used to adjust the non-financial public sector deficit/surplus to include in LCAs certain transactions — such as operating leases — that have many of the characteristics of public sector borrowings but do not constitute formal borrowings. They are also used, where appropriate, to deduct from the non-financial public sector deficit/surplus certain transactions that the Loan Council has agreed should not be included in LCAs — for example, the funding of more than emerging costs under public sector superannuation schemes, or borrowings by entities such as statutory marketing authorities. Where relevant, memorandum items include an amount for gross new borrowings of government home finance schemes.



## Budget time Loan Council Allocation updates

As noted above, LCA nominations for all jurisdictions are prepared prior to the beginning of the financial year. The actual call on financial markets may vary from the nomination primarily because of changes in economic parameters and policy measures. Updated information will be provided to financial markets through publication by each jurisdiction of its budget time LCA and a mid-year update of its expected LCA outcome.

A tolerance limit of 2 per cent of total non-financial public sector revenue applies between the LCA approved by the Loan Council and the budget time LCA, and later between the budget time LCA and the LCA outcome. Tolerance limits recognise that LCAs are nominated at a very early stage of budget processes and that estimates are likely to change as a result of policy and parameter changes before and after budgets are brought down. If a jurisdiction expects to exceed the upper or lower bound of the tolerance limit around its LCA estimate, it is obliged to report this situation.

### ***Commonwealth Loan Council Allocation Budget update for 2001-02***

The Commonwealth's budget time LCA estimate for 2001-02 is a \$7.8 billion surplus. The budget time LCA estimate exceeds the lower bound of the nominated LCA by more than the 2 per cent tolerance level. The components of the Commonwealth's budget time LCA for 2001-02 are shown in Table 15.

Jurisdictions are required to disclose government termination liabilities under infrastructure projects with private sector involvement that operate for 10 years or longer and involve gross project liabilities of at least \$5 million. The Commonwealth plans no such projects in 2001-02.

**Table 15: Commonwealth budget time Loan Council Allocation for 2001-02**

	Budget time estimate
	\$m
General government sector cash deficit(+)/surplus(-)	-1,520
PNFC sector cash deficit(+)/surplus(-)	-3,710
Non-financial public sector cash deficit(+)/surplus(-)	-5,231
<i>minus</i> Net cash flows from investments	
in financial assets for policy purposes	3,124
<i>plus</i> Memorandum items	586
<b>Loan Council Allocation</b>	<b>-7,768</b>

## Loan Council Allocation outcomes

Jurisdictions are required under the accrual UPF to publish their LCA outcomes in their final budget outcome reports, if not published earlier.



## Appendix A: GST Revenue

### GST REVENUE

The goods and services tax (GST) is levied on a broad range of goods and services across the economy at a rate of 10 per cent. Some goods and services (such as basic food, education and health services) are GST-free. For some other goods and services (such as financial supplies and residential accommodation), GST does not apply to the final sale, however the GST that has been paid on the inputs is not refundable.

The introduction of the GST was a part of *The New Tax System*, which included reduced personal and company taxes, a reduction in petroleum and diesel excise, the abolition of wholesales sales tax (WST) and the abolition of some State taxes.

**Table A1: Reconciliation of GST cash revenue**

	2000-01 \$m	2001-02 \$m	2002-03 \$m	2003-04 \$m
<b>GST revenue at 2000-01 Budget</b>	<b>24,053</b>	<b>28,029</b>	<b>29,083</b>	<b>30,737</b>
<i>Changes from 2000-01 Budget to MYEFO</i>				
Effect of policy decisions	-	-	-	-
Effect of parameter and other variations	2,250	-	-	-
Total variations	2,250	-	-	-
<b>GST revenue at 2000-01 MYEFO</b>	<b>26,303</b>	<b>28,029</b>	<b>29,083</b>	<b>30,737</b>
<i>Changes from MYEFO to 2001-02 Budget</i>				
Effect of policy decisions	-85	-790	-90	-20
Effect of parameter and other variations	-2,038	241	177	113
Total variations	-2,123	-549	87	93
<b>GST revenue at 2001-02 Budget</b>	<b>24,180</b>	<b>27,480</b>	<b>29,170</b>	<b>30,830</b>

Estimated GST revenue in 2001-02 has been revised down by around \$550 million since the *Mid-Year Economic and Fiscal Outlook 2000-01* (MYEFO). This is primarily due to the impact of new policy decisions, including the decision to allow full input tax credits for motor vehicles purchased after Budget night.

Forecast GST cash revenue in 2000-01 has also been revised downwards by around \$2.1 billion. This significant revision mainly reflects a reassessment of the net effect of transitional factors on GST revenue in the first year.

Recent collections data suggests that the boost to first year GST revenue from one-off transitional factors identified at MYEFO, while still substantial, will not be as large as anticipated. In particular, the WST credits on existing stock that taxpayers are entitled to claim in their initial GST returns have now totalled almost \$2 billion — around \$1 billion higher than anticipated at MYEFO.

- As part of the introduction of *The New Tax System*, businesses were able to claim credits against GST for WST paid on goods acquired before 1 July 2000 and sold from 1 July 2000. This credit could be used to offset a GST liability and could be claimed until January 2001.

In addition, the estimated proportion of GST revenue relating to sales in 2000-01 but collected in 2001-02 has been revised upwards since MYEFO. This arises mainly because a greater share of GST revenue than originally expected is being paid by quarterly rather than monthly payers, and only three quarterly payments are being made in 2000-01. In addition, more GST collected on imports is being recognised in activity statement collections than initially estimated. This overall revision has led to a downwards revision to GST revenue in 2000-01, but has little impact on expected GST revenue in 2001-02.

Abstracting from transitional factors — which have been difficult to identify and estimate — the underlying GST base appears to be close to initial expectations.

## GST MEASURES

The Government has introduced a number of measures to improve GST collection arrangements and to bring forward the provision of input tax credits for motor vehicles. The revenue costs of these measures, which are predominantly transitional, are effectively borne by the Commonwealth rather than the States through the provisions of the funding guarantee under the new financial arrangements with the States.

**Table A2: GST revenue measures since the 2000-01 Budget**

	2001-02	2002-03	2003-04	2004-05
	\$m	\$m	\$m	\$m
Allowing entities with substituted accounting periods to lodge GST returns quarterly	-80.0	-5.0	-5.0	-5.0
Allowing full input tax credits for motor vehicles	-570.0	-80.0	-	-
Flexible administration of GST errors	-	-	-	-
GDP-adjusted method for calculating GST remittances	-140.0	-5.0	-15.0	-15.0
<b>Total impact of GST revenue measures</b>	<b>-790.0</b>	<b>-90.0</b>	<b>-20.0</b>	<b>-20.0</b>

***Allowing entities with substituted accounting periods to lodge GST returns quarterly***

*Revenue (\$m)*

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-80.0	-5.0	-5.0	-5.0

*Explanation*

Entities using substituted accounting periods will be able to lodge GST returns on a quarterly basis, subject to the existing \$20 million annual turnover threshold and election rules, from the first quarterly period of the 2001-02 income year. Previously, entities using substituted accounting periods were required to submit their GST returns monthly. The measure was introduced into Parliament on 5 April 2001 and will take effect on 1 July 2001.

*Further Information*

Further details may be found in the Explanatory Memorandum to the Taxation Laws Amendment Bill (No. 3) 2001.

***Allowing full input tax credits for motor vehicles***

*Revenue (\$m)*

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-570.0	-80.0	-	-

*Explanation*

GST registered businesses will be entitled to full input tax credits for motor vehicles, including trucks, acquired after midnight Budget night, 22 May 2001.

*Further information*

Under *The New Tax System*, WST, generally 22 per cent on vehicles, was replaced with 10 per cent GST, leading to lower tax. GST registered businesses are able to claim back the GST they pay on inputs used to make taxable and GST-free supplies. Businesses able to claim input tax credits would go from 22 per cent WST to no tax at all. The Government was concerned to minimise the disruption to the market that could have occurred if businesses were to defer purchasing motor vehicles in anticipation of these cost reductions. Accordingly, the *A New Tax System (Goods and Services Tax Transition) Act 1999* included provisions to phase in input tax credits for all motor vehicles. Input tax credits for new vehicle purchases were denied for the first 12 months of the GST, 50 per cent input credits were to be allowed in the second year of operation from 1 July 2001 and full input tax credits were to be available from the third year onwards.

The measure will pull forward the start date for full input tax credits from 1 July 2002 to midnight Budget night, 22 May 2001. The measure should reduce the cost of motor vehicles to businesses by around 9.1 per cent, compared to prices before 1 July 2000.

***Flexible administration of GST errors***

*Revenue (\$m)*

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-	-	-	-

*Explanation*

This measure ensures that the Commissioner of Taxation has the discretion to provide taxpayers with simpler ways to correct errors in GST returns. It reinforces existing practice whereby taxpayers have been remedying GST errors made in a Business Activity Statement (BAS) by making a compensating change in the next BAS. This avoids the need for taxpayers to submit an amended BAS for an earlier period. The measure was announced on 5 April 2001 and has effect from 1 July 2000.

***GDP-adjusted method for calculating GST remittances***

*Revenue (\$m)*

	2001-02	2002-03	2003-04	2004-05
Australian Taxation Office:	-140.0	-5.0	-15.0	-15.0

*Explanation*

GST-registered taxpayers with turnover of \$2 million or less generally have the option to pay quarterly GST instalments worked out for them by the Australian Taxation Office (ATO) using the GDP-adjusted method. Furthermore, certain primary producers and special professionals (such as authors, entertainers and sportspersons) who opt for the GDP-adjusted method pay two GST instalments in respect of each income year, with the instalments corresponding with the third and fourth quarters of the income tax year.

This measure was announced on 22 February 2001 and applies to tax periods ending on or after 22 February 2001.

*Further information*

Taxpayers who choose this option will pay quarterly instalments but will only have to submit one annual GST return, due not later than the time they submit their annual income tax return (or 28 February 2002 for the current year). Those taxpayers will receive customised instalment forms from the ATO that reduce information reporting requirements, particularly in respect of other taxes that do not apply. For the 2000-01

year, where it is not yet possible to base the third and fourth instalments on an annual GST amount, the instalments will be an amount equal to the second quarter BAS.

For cases where previous years' adjusted payments are not suitable, provisions to vary the instalments advised by the ATO are available. To ease the transition to this system for taxpayers who elect to vary their payments, there will be a one-off 25 per cent margin for error instead of 15 per cent in the September 2001 quarter.

Further details may be found in the Explanatory Memorandum to the Taxation Laws Amendment Bill (No. 3) 2001.





## Appendix B: Commonwealth Specific Purpose Payments to Other Levels of Government, Repayments of Advances, Advances and Interest Payments

This Appendix provides information on estimated Commonwealth Specific Purpose Payments (SPPs) to the States and local government, together with details of repayments and interest on advances (loans) to the States. The majority of these advances were funded from borrowings made on behalf of the States.

Consistent with the reporting of other financial data in the 2001-02 Budget Papers, data in this Appendix has been prepared on an accrual accounting basis. In addition, the tables also report payments made by the Commonwealth general government sector rather than the more limited Commonwealth budget sector. This has the main effect of including payments to the States and local government made by the Australian National Training Authority.

### **Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05**

This Table provides information on Commonwealth SPPs to the States together with details of repayments, advances and interest on advances. The majority of these advances were funded from borrowings made on behalf of the States under State Governments' Loan Council programme.

Details are classified as follows:

- Specific Purpose Payments
  - current;
  - capital;
- repayments of advances (including repayments to the Debt Sinking Funds);
- details of new advances made; and
- interest on Commonwealth advances.

Specific Purpose Payment information is presented on a function basis, which aggregates payments directed toward like objectives and purposes. Specific Purpose Payments are further divided into those paid 'to' the States (by far the larger group by number) and those judged to be paid 'through' the States to other groups. Payments in the latter group are indicated within the Table by (\*) and separate totals for 'to' and 'through' are provided in the summary at the end of the Table.

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05**

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000)**

<i>Function</i> Payment title Description	2000-01	2001-02	2002-03	2003-04	2004-05
<b>SPECIFIC PURPOSE PAYMENTS - CURRENT PURPOSES</b>					
<b>Public Order and Safety</b>					
<b>Legal aid</b> Funding is provided to State legal aid commissions for the provision of legal assistance in Commonwealth matters.	61,250	65,844	68,673	71,699	73,332
<b>Film and literature classifications</b> Payment to States for participation in the new Cooperative National Censorship Scheme as per the intergovernmental agreement signed on 28 November 1995. Classification decisions are made in accordance with the <i>Classification (Publications, Films and Computer Games) Act 1995</i> and the National Classifications Code. Complementary enforcement arrangements are in place with all States.	619	623	638	654	0
<b>Commonwealth Heads of Government meeting - payment to Queensland Police</b> Payment to Queensland Police for security arrangements relating to Commonwealth Heads of Government meeting (CHOGM) Brisbane 2001.	2,424	2,621	0	0	0
<b>Public Order and Safety - Total</b>	<b>64,293</b>	<b>69,088</b>	<b>69,311</b>	<b>72,353</b>	<b>73,332</b>
<b>Education</b>					
<b>Advanced English for Migrants Programme (AEMP)</b> AEMP provides advanced English as a second language training to help job seekers obtain employment and overcome barriers to vocational education and training. AEMP courses are provided through the Technical and Further Education (TAFE) system or by other approved providers.	2,357	0	0	0	0
<b>Government schools</b> Provides supplementary assistance to State education authorities through per capita general recurrent grants which can be applied to staff salaries, teacher professional development, curriculum development and maintenance and general operational provisions.	1,291,444	1,349,210	1,424,918	1,504,502	1,595,093

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b><i>Education (continued)</i></b>					
<b>* Non-government schools</b>	3,046,567	3,284,927	3,559,495	3,878,708	4,132,314
Provides supplementary assistance to non-government schools and systems through per capita general recurrent grants which can be applied to staff salaries; teacher professional development, curriculum development and maintenance and general operational provisions.					
<b>Vocational Education and Training Funding Act(e)</b>	920,779	1,001,788	1,056,815	1,121,799	1,149,540
Funds provided under this Act are used to promote a nationally identifiable and consistent vocational education and training system.					
<b>Targeted and Joint Programmes Government Schools</b>	318,814	334,996	333,454	350,573	369,702
Provides assistance for the improvement of literacy, numeracy and education outcomes for educationally disadvantaged students, to promote the study of other languages, and to assist in the transition from school to work.					
<b>* Targeted Programmes Non-government Schools</b>	159,555	167,177	165,551	173,060	182,400
Provides assistance for the improvement of literacy, numeracy and education outcomes for educationally disadvantaged students, to promote the study of other languages, and to assist in the transition from school to work.					
<b>Indigenous Education Strategic Initiatives Programme - Government</b>	102,036	103,759	107,551	109,834	111,567
Provides supplementary recurrent funding to education providers in the preschool, school and vocational education and training sectors, as well as project based funding aimed at improving indigenous education outcomes.					
<b>* Indigenous Education Strategic Initiatives Programme - Non-government</b>	50,503	46,857	52,487	55,240	55,577
Provides supplementary recurrent funding to education providers in the preschool, school and vocational education and training sectors, as well as project based funding aimed at improving indigenous education outcomes.					
<b>Education - Total</b>	<b>5,892,055</b>	<b>6,288,714</b>	<b>6,700,271</b>	<b>7,193,716</b>	<b>7,596,193</b>
<b>Health</b>					
<b>Blood transfusion services</b>	71,292	80,968	69,320	67,831	67,831
To provide funds for the Australian Red Cross Blood Service towards its recurrent costs in providing a national blood transfusion service.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<b>Description</b>					
<b>Health (continued)</b>					
<b>Health Programme Grants</b>	36,867	25,198	28,049	31,273	35,999
Health Programme Grants provide alternative funding to Medicare benefits, with the aim of improving access to approved health services and/or where fee for service is inappropriate, by reimbursing service costs to State governments.					
<b>Health Care Grants(a)</b>	6,211,996	6,605,119	7,008,419	7,403,072	7,849,250
Grants to the States under the Australian Health Care Agreements to assist with the provision of public hospital services free of charge to eligible persons.					
<b>National Health Development Fund(a)(b)</b>	86,489	66,576	61,823	50,560	50,560
Grants under the Australian Health Care Agreements to assist States to improve the performance of the health system.					
<b>Highly specialised drugs</b>	280,726	311,541	349,143	383,363	379,991
Provides access to certain drugs under the Pharmaceutical Benefits Scheme which, because of special needs in clinical administration or monitoring, cannot safely be provided through community pharmacies and must be supplied through hospitals to outpatients.					
<b>Youth health services</b>	2,169	2,269	2,287	2,258	2,305
Funding is provided on a matched basis to develop and implement innovative primary health care services for homeless and at risk youth.					
<b>National public health</b>	149,751	171,603	194,079	154,059	157,509
Payments to the States, under the new broadbanded and other arrangements for public health, for subsidies for health promotion and disease prevention (covering areas such as women's health, AIDS control, drug strategies and cancer screening).					
<b>Essential vaccines</b>	95,720	86,902	86,158	83,977	85,650
Funds for essential vaccines for immunisation under the Public Health Outcome Funding Agreements and for selected new vaccines recommended by the National Health and Medical Research Council for inclusion in the Standard Vaccination Schedule.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b>Health (continued)</b>					
<b>Repatriation general hospitals</b>	13,160	13,474	13,757	14,046	14,342
To provide funds for payments of a non-treatment nature (eg staff transfer costs such as accrued leave credits, income maintenance, superannuation differential etc) to State governments in accordance with agreements reached on integration of repatriation general hospitals.					
<b>Fringe benefit tax (FBT) transitional grants for public and not-for-profit hospitals(f)</b>	78,727	72,024	64,417	0	0
The FBT cap to apply to public and not-for-profit hospitals will be \$17,000 of grossed up taxable value per employee. To assist with the transition to this cap grants are to be provided to public and not-for-profit hospitals from 2000-01 to 2002-03, reducing to zero in 2003-04. (An indicative estimate of the SPP 'to' the States is shown here).					
<b>Health - Total</b>	<b>7,026,897</b>	<b>7,435,674</b>	<b>7,877,452</b>	<b>8,190,439</b>	<b>8,643,437</b>
<b>Social Security and Welfare</b>					
<b>Aged care assessment</b>	41,729	43,635	45,520	47,455	49,378
Funds are provided to enable aged care assessment teams to conduct holistic assessments of frail aged clients and refer them to appropriate residential or community care services.					
<b>Home and community care</b>	563,724	611,888	662,224	716,695	775,653
Funds are provided on a matched basis for the provision of appropriate community care services to help frail aged people and people with a disability live independently in their homes as long as possible.					
<b>Disabilities services</b>	427,764	501,165	409,979	418,178	426,543
Under the terms of the Commonwealth-State Disability Agreements, the Commonwealth will continue to provide funds to States and Territories to assist in the provision of accommodation support and other services for people with disabilities.					
<b>Children's services</b>	12,848	11,515	10,847	10,178	10,433
Funds are provided to ensure access to affordable quality child care in programmes administered by State governments on behalf of the Commonwealth.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b>Social Security and Welfare (continued)</b>					
<b>Supported Accommodation Assistance</b>	157,683	162,256	166,216	169,540	173,101
This is a jointly funded Commonwealth-State programme to assist people who are homeless and in crisis. Under the renegotiated Commonwealth-State agreements, recurrent annual funding is provided under the <i>Supported Accommodation Assistance Act 1994</i> .					
<b>Unattached humanitarian minors</b>	187	228	200	210	215
To assist humanitarian minors without parents in Australia and the families providing their care, through early intervention, counselling and assistance by State welfare agencies.					
<b>Exceptional circumstances (EC) administration</b>	8,207	0	0	0	0
Funds are to support the administrative costs of the State rural assistance authorities, including the issuing of EC certificates under the <i>Farm Household Support Act 1992</i> to eligible farmers in EC areas across Australia.					
<b>Extension of fringe benefits</b>	164,480	170,857	176,828	183,079	189,761
This funding compensates the States for the extra costs resulting from the liberalisation of access to the Commonwealth's Pensioner Concession Card in 1993. In return, the States agree to provide a core group of concessions to all cardholders.					
<b>National Illicit Drugs Strategy</b>	1,131	4,753	4,875	0	0
This initiative will provide funding to State and Territory governments to provide services to families where the young person is suffering from the effect of illicit drug use. In most cases, State and Territory governments will purchase services from community based organisations.					
<b>Native Title</b>	0	11,000	11,000	11,000	11,000
For expenditure under part 9 of the <i>Native Title Act 1993</i> . Funding is to assist States and Territories implement a consistent framework for dealing with native title issues and meeting native title compensation costs.					
<b>Transition to Independent Living Allowance</b>	0	0	897	2,560	2,560
Provides a one-off payment for young people leaving supported care, to defray up-front costs associated with setting themselves up in independent living arrangements.					
<b>Social Security and Welfare - Total</b>	<b>1,377,753</b>	<b>1,517,297</b>	<b>1,488,586</b>	<b>1,558,895</b>	<b>1,638,644</b>

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<i>Description</i>					
<b><i>Housing and Community Amenities</i></b>					
<b>Assistance for housing</b>	5,500	2,750	0	0	0
The <i>States Grants (Housing) Act 1971</i> provides for payments to offset the cost of interest on funds borrowed by the States in 1971-72 and 1972-73 for public housing. The total amount payable to each State is in accordance with the Act.					
<b>Assistance for water and sewerage</b>	8,271	8,477	8,649	8,829	9,016
To compensate the ACT Government for additional costs resulting from the national capital planning influences on the provision of water and sewerage services. The level of funding is based upon the findings of the Commonwealth Grants Commission in its second and third reports on financing in the ACT.					
<b>Natural Heritage Trust of Australia - Bushcare(c)</b>	65,237	0	0	0	0
To reverse the long term decline in the quality and extent of Australia's native vegetation cover by the year 2001.					
<b>Natural Heritage Trust of Australia - Coasts and Clean Seas Initiative(c)</b>	20,849	0	0	0	0
To accelerate activities in the national interest to achieve the conservation, sustainable use and repair of Australia's coastal and marine environments.					
<b>Natural Heritage Trust of Australia - National Rivercare Programme(c)</b>	20,075	0	0	0	0
To ensure progress towards the sustainable management, rehabilitation and conservation of rivers outside the Murray-Darling Basin and to improve the health of these river systems.					
<b>Natural Heritage Trust of Australia - Endangered Species Programme(c)</b>	1,884	0	0	0	0
To protect and conserve Australia's threatened species and ecological communities so they can survive, flourish and retain their potential for evolutionary development in the wild.					
<b>Natural Heritage Trust of Australia - National Feral Animal Control Programme(c)</b>	1,277	0	0	0	0
To ensure effective management of the impact of feral animals on the natural environment and on primary production.					
<b>Natural Heritage Trust of Australia - air pollution in major cities</b>	1,770	500	0	0	0
To reduce the impact of air pollution in urban areas and, in doing so, to contribute to the development of sustainable urban environments.					



**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b><i>Housing and Community Amenities (continued)</i></b>					
<b>Oceans Policy</b>	1,128	0	0	0	0
To set in place a framework for integrated and ecosystem-based planning and management for Australia's marine environment.					
<b>Newcastle Structural Adjustment Fund</b>	735	0	0	0	0
Assistance for the generation of sustainable private sector employment in the Newcastle region following the closure of BHP Steel in Newcastle.					
<b><i>Housing and Community Amenities - Total</i></b>	<b>126,726</b>	<b>11,727</b>	<b>8,649</b>	<b>8,829</b>	<b>9,016</b>
<b><i>Recreation and Culture</i></b>					
<b>Natural Heritage Trust of Australia - National Wetlands Programme(c)</b>	1,469	0	0	0	0
To promote the conservation, repair and wise use of wetlands across Australia.					
<b>Natural Heritage Trust of Australia - National Reserve System Programme(c)</b>	602	0	0	0	0
To assist with the establishment and maintenance of a comprehensive, adequate and representative system of reserves.					
<b>Natural Heritage Trust of Australia - World Heritage Area Management and Upkeep(c)</b>	6,371	0	0	0	0
To meet Australia's national and international obligations to protect, conserve and present Australia's world heritage properties.					
<b>Management of World Heritage Properties</b>	5,230	5,300	0	0	0
Advise and implement policies and programmes for the management and upkeep of world heritage properties, and to establish best-practice management for those properties. Funding is provided for specific projects identified through Commonwealth-State agreements and exchanges of letters.					
<b>Payments to the Sydney Organising Committee for the Olympic Games (SOCOG) for Games related services</b>	64,249	0	0	0	0
Subject to the successful conclusion of negotiations with the NSW Government, the Commonwealth has made a provisional allocation, between 1998-99 and 2000-01, to assist SOCOG to purchase further services for the Games.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<b>Description</b>					
<b><i>Recreation and Culture (continued)</i></b>					
<b>Contemporary Music Package - State Pilots</b>	400	0	0	0	0
The package is about initiatives that will result in ongoing benefits for the contemporary music industry, enhancing its long term viability. Pilot projects are being undertaken in Tasmania and South Australia, with each State receiving \$1 million over 1998-99 and 1999-2000.					
<b>Brisbane Goodwill Games 2001</b>	3,000	0	0	0	0
Funding will cover the costs of the Goodwill Games Volunteer Programme. The volunteer workforce is expected to be over 5,000 people, drawn mostly from Brisbane and surrounding areas.					
<b>Melbourne Commonwealth Games 2006</b>	0	0	0	60,000	30,000
Provides funding to the Victorian Government to assist in the upgrading of the Melbourne Cricket Ground, one of the major facilities to be used during the Commonwealth Games.					
<b><i>Recreation and Culture - Total</i></b>	<b>81,321</b>	<b>5,300</b>	<b>0</b>	<b>60,000</b>	<b>30,000</b>
<b><i>Agriculture, Forestry and Fishing</i></b>					
<b>Natural Heritage Trust of Australia - National Weeds Programme(c)</b>	499	0	0	0	0
To reduce the detrimental impact of nationally significant weeds on the sustainability of Australia's productive capacity and natural ecosystems.					
<b>Natural Heritage Trust of Australia - National Landcare Programme(c)</b>	5,556	0	0	0	0
To develop and implement resource management practices which enhance our soil, water and biological resources and which are efficient, sustainable, equitable, and consistent with the principles of ecologically sustainable development.					
<b>Natural Heritage Trust of Australia - Farm Forestry Programme(c)</b>	8,400	0	0	0	0
To encourage the incorporation of commercial tree growing and management into farming systems for the purpose of wood and non-wood production, increasing agricultural productivity and sustainable natural resource management.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<i>Description</i>					
<b><i>Agriculture, Forestry and Fishing (continued)</i></b>					
<b>Natural Heritage Trust of Australia - Murray-Darling 2001(c)</b>	10,658	0	0	0	0
To contribute to the rehabilitation of the Murray-Darling Basin, with a view to achieving a sustainable future for the Basin, its natural systems and its communities.					
<b>Tasmanian Wheat Freight - shipping</b>	1,222	1,200	1,200	1,200	1,200
The Government has decided to extend the Tasmanian Wheat Freight Scheme (TWFS). This will assist the economic sustainability of the cereal processing and related baking, intensive animal, feedlot and aquaculture industries in Tasmania. The subsidy will be reviewed at the end of 1999-2000.					
<b>Exotic Disease Preparedness</b>	256	349	360	366	364
The Wildlife and Exotic Diseases Preparedness Programme supports investigations into the role of wildlife species in the maintenance and spread of emerging animal diseases and incursions of major exotic diseases of animals.					
<b>National Landcare Programme (NLP)</b>	33,887	36,190	36,877	37,578	38,296
The NLP aims to achieve efficient, sustainable and equitable management of natural resources in Australia. Current purpose payments mainly assist community landcare group activities and projects which support community landcare, although some State agency projects are also supported. This funding is managed in conjunction with Natural Heritage Trust allocations to the NLP.					
<b>Farm Business Improvement Programme (FarmBis)</b>	11,177	0	0	0	0
FarmBis provides a framework for promoting a positive approach to change and build on the farm sector's culture of continuous improvement to help farmers improve the productivity, profitability and sustainability of their businesses.					
<b>Rural Adjustment Scheme</b>	10,474	8,141	1,915	302	0
To provide support to farm business enterprises to improve farm productivity, profitability and sustainability, and to eligible farm business enterprises where incomes have been adversely affected by exceptional circumstances such as extreme drought.					
<b>Natural Heritage Trust of Australia - National River Health Programme(c)</b>	1,193	0	0	0	0
To guide and monitor activities to reverse the degradation of Australia's inland waters.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<b>Description</b>					
<b><i>Agriculture, Forestry and Fishing (continued)</i></b>					
<b>Natural Heritage Trust of Australia - Waterwatch Australia(c)</b>	2,594	0	0	0	0
To coordinate and support networks of community members who are working towards the goal of healthy waterways.					
<b>Natural Heritage Trust of Australia - Waste Management Awareness(c)</b>	140	0	0	0	0
To promote benefits and practicalities entailed in effective waste management and recycling, with the emphasis on community-based activities.					
<b>Natural Heritage Trust of Australia - Fisheries Action Programme(c)</b>	1,782	0	0	0	0
To help achieve the repair of Australian aquatic environments and assist in the conservation and sustainable use of fish resources in fresh water, estuarine and marine environments.					
<b>Great Artesian Basin Sustainability Initiative(d)</b>	5,505	7,426	7,657	6,035	0
Commonwealth contribution to assist with the implementation of the Great Artesian Basin Management Plan. Grants will be made to States and Territories to assist bore rehabilitation. Supplementary incentives will also be made available for the replacement of open drains with piping.					
<b>Citrus Market Diversification</b>	211	0	0	0	0
The Citrus Market Diversification Programme was established by the Commonwealth Government in 1994 to help the citrus industry improve its international competitiveness and long term growth prospects.					
<b>Forest Industry Structural Adjustment Package</b>	3,230	43,530	19,794	0	0
The Forest Industry Structural Adjustment Package is an industry development programme to assist the native forest timber industry become more efficient, sustainable and internationally competitive. It also provides structural adjustment assistance to eligible forest industry workers and businesses who have been adversely affected by the Regional Forest Agreement process.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b><i>Agriculture, Forestry and Fishing (continued)</i></b>					
<b>Skilling farmers for the future</b>	0	15,913	31,922	52,325	0
A new programme to integrate and enhance the existing successful FarmBis and Property Management Planning Programmes and incorporate the wild catch fishing industry. It will facilitate farmer self reliance and promote a positive approach to change and a culture of continuous improvement by providing financial assistance to improve skills in business and resource management.					
<b>Natural Heritage Trust of Australia - FarmBis - Adv Property Mgmt Planning</b>	5,224	0	0	0	0
To provide businesses with business and land management skills through training and education.					
<b>West 2000 Plus</b>	1,374	1,400	1,400	1,700	0
To provide support over three years to NSW for projects to improve the Natural Resource Base management and farm productivity in the Western Division.					
<b>War Service Land Settlement Scheme</b>	3,646	2,606	2,763	2,815	0
To reimburse South Australia for the operation and maintenance of the Loxton Irrigation Scheme, to meet Commonwealth obligations for this element of the War Service Land Settlement Scheme.					
<b>Farm Assistance</b>	1,000	1,000	0	0	0
The Central North-East South Australian Farm Assistance Programme is intended to address the longer term structural issues faced by the region. The focus of the programme will be to develop the region's economic capacity and self reliance by facilitating sound business decisions, encouraging sustainability and promoting innovation.					
<b>Queensland Trawling Industry Restructure Package</b>	10,000	0	0	0	0
Commonwealth contribution towards a structural adjustment package for the East Coast Trawl Fishery in the Great Barrier Reef World Heritage Area. Funding is intended to achieve a significant reduction in fishing effort in the World Heritage Area and contribute to the protection of world heritage values.					
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>118,028</b>	<b>117,755</b>	<b>103,888</b>	<b>102,321</b>	<b>39,860</b>

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b><i>Mining and Mineral Resources (other than fuels), Manufacturing and Construction</i></b>					
<b>Regional Minerals Programme</b>	4,000	0	0	0	0
To provide resources for infrastructure development to implement the Western Tasmania Study under the Regional Minerals Programme.					
<b>Enterprise Development Programme</b>	1,276	703	0	0	0
To improve the capacity of the Business Information Service and reduce business 'red tape' through joint initiatives with State and Territory governments.					
<b><i>Mining and Mineral Resources (other than fuels), Manufacturing and Construction - Total</i></b>					
	<b>5,276</b>	<b>703</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Transport and Communication</i></b>					
<b>Interstate road transport</b>	27,100	27,100	27,100	27,100	27,100
Under the <i>Interstate Road Transport Act 1985</i> , the Commonwealth makes payments to the States and Territories which equal total revenue received from the States and Territories from registrations made under the Federal Interstate Registration Scheme (FIRS). Payment of amounts equal to penalties arising from prosecutions under the Act are also made by the Commonwealth.					
<b>Petroleum Products Freight Subsidy Scheme</b>					
The <i>States Grants (Petroleum Products) Act 1965</i> provides for grants to be made to the States and the Northern Territory to enable them to subsidise the cost of transporting eligible petroleum products to remote areas of Australia.	3,500	3,500	3,500	3,500	3,500
<b>Roads to Recovery - Unincorporated Areas</b>					
	0	2,000	2,000	2,000	2,000
<b><i>Transport and Communication - Total</i></b>					
	<b>30,600</b>	<b>32,600</b>	<b>32,600</b>	<b>32,600</b>	<b>32,600</b>

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b>Other Purposes</b>					
<b>Debt Redemption Assistance</b>	53,400	34,400	29,800	35,293	53,746
Covers the payment of compensation to the States under the <i>Financial Agreement Act 1994</i> , for the additional interest costs of replacing maturing Commonwealth debt with their own borrowings, rather than by the Commonwealth borrowing on their behalf, and for the lower, formula-based, Commonwealth sinking fund contributions which have resulted from the debt redemption arrangements.					
<b>* Financial Assistance Grants for local government</b>	921,346	951,750	986,870	1,021,706	1,058,692
<i>Financial Assistance Grants</i>					
Provides untied general purpose assistance to local government authorities. The grants are distributed between the States and Territories on an equal per capita basis.					
<i>Identified Local Road Grants</i>	408,829	422,319	437,903	453,361	469,773
Provides untied assistance to local government authorities in place of Specific Purpose Payments formerly passed on to local government by the States for expenditure on local roads.					
<b>Compensation - companies regulation</b>	139,266	147,900	150,709	155,081	158,649
Under the terms of the Corporations Agreement, the Commonwealth is obliged to compensate the six States and the Northern Territory for revenue forgone following the commencement of the national scheme for the regulation of companies and securities.					
<b>Natural Disaster Relief</b>	6,840	8,170	8,610	8,175	8,175
Reimbursement of part of the expenditure incurred by the States on personal hardship and distress payments made to persons adversely affected by natural disaster.					
<b>Royalties</b>	461,650	258,600	235,700	211,367	204,400
Reimbursement to the Western Australian Government for royalties under the <i>Petroleum (Submerged Lands) Act 1967</i> and for the cost of the Barrow Island Resource Royalty, and reimbursement to the Northern Territory Government in lieu of uranium royalties.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b>Other Purposes (continued)</b>					
<b>ACT National Capital influences</b>	20,572	21,086	21,508	21,959	22,420
Funding assists the ACT Government to meet the additional municipal costs flowing from Canberra's role as the national capital. The level of funding is based upon the findings of the Commonwealth Grants Commission in its second and third reports on financing in the ACT.					
<b>Other Purposes - Total</b>	<b>2,011,903</b>	<b>1,844,225</b>	<b>1,871,100</b>	<b>1,906,942</b>	<b>1,975,855</b>
<b>TOTAL CURRENT</b>	<b>16,734,852</b>	<b>17,323,083</b>	<b>18,151,857</b>	<b>19,126,095</b>	<b>20,038,937</b>
	<b>SPECIFIC PURPOSE PAYMENTS - CAPITAL PURPOSES</b>				
<b>Education</b>					
<b>Government schools</b>	224,739	240,107	244,624	249,817	256,060
Provides supplementary assistance to State education authorities for the provision, maintenance and upgrading of school facilities, which can include, amongst other things, land or building purchases, capital works or the provision of equipment.					
* <b>Non-government schools</b>	90,156	94,392	96,171	98,211	100,666
Provides supplementary assistance to non-government schools and systems, as well as hostels for rural students, for the provision, maintenance and upgrading of school facilities, which can include, amongst other things, land or building purchases, capital works or the provision of equipment.					
<b>Education - Total</b>	<b>314,895</b>	<b>334,499</b>	<b>340,795</b>	<b>348,028</b>	<b>356,726</b>
<b>Health</b>					
<b>Blood transfusion services</b>	6,970	5,612	5,759	5,951	6,097
To provide funds for the Australian Red Cross Blood Service towards the cost of its approved capital programme in providing a national blood transfusion service.					
<b>Federation Fund - Queensland Institute of Medical Research</b>	10,000	10,000	0	0	0
Commonwealth contribution to the cost of establishing the Comprehensive Cancer Research Centre at the Queensland Institute of Medical Research.					
<b>Health - Total</b>	<b>16,970</b>	<b>15,612</b>	<b>5,759</b>	<b>5,951</b>	<b>6,097</b>



**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<b>Description</b>					
<b><i>Social Security and Welfare</i></b>					
<b>Home and community care</b>	3,403	3,694	3,996	4,326	4,681
Funds are provided on a matched basis for the provision of appropriate community care services to help frail aged people and people with a disability live independently in their homes as long as possible.					
<b>Crisis accommodation assistance</b>	39,655	39,655	39,655	39,655	39,655
To provide funds to the States under the Commonwealth-State Housing Agreement for the acquisition of accommodation for use under the Supported Accommodation Assistance Programme.					
<b><i>Social Security and Welfare - Total</i></b>	<b>43,058</b>	<b>43,349</b>	<b>43,651</b>	<b>43,981</b>	<b>44,336</b>
<b><i>Housing and Community Amenities</i></b>					
<b>Housing assistance for indigenous people</b>	91,000	91,000	99,937	100,848	100,769
To assist Aboriginal and Torres Strait Islander people on low to moderate incomes to have access to affordable, appropriate and secure rental housing, including public and community-owned rental housing.					
<b>Community housing</b>	63,990	63,990	63,990	63,990	63,990
To develop community housing which provides appropriate and affordable rental accommodation for low to moderate income earners.					
<b>Commonwealth-State Housing Agreement (CSHA) Block Assistance/Base Funding</b>	843,055	833,575	824,189	725,230	716,031
The Commonwealth, through the CSHA, provides funds to the States primarily for the provision of public rental housing for low to moderate income households. States are required to contribute to housing assistance in amounts as set in the CSHA.					
<b>Social Housing Subsidy Programme</b>	2,130	2,130	2,130	2,130	2,130
Provides matching funding to States for up to 20 years to subsidise the recurrent costs of financing rental accommodation for low and moderate income earners. Funds are committed to NSW and the ACT and future funding to other States was removed in the 1996-97 Budget.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<i>Description</i>					
<b><i>Housing and Community Amenities (continued)</i></b>					
<b>Housing Fund - development of the Tuggeranong Homestead</b>	225	20	0	0	0
The project aims to conserve and restore the culturally significant elements of the Tuggeranong Homestead complex. The objective will be to ensure that these elements are conserved so as to prevent further deterioration as well as ensure their optimal attractiveness to adapted uses within the context of the work of the interim Tuggeranong Homestead Authority.					
<b>Federation Fund - Centennial Moore Park Trust</b>	4,700	60	0	0	0
The project will conduct a four element capital improvement plan on Federation Drive, Federation Landscape, Federation Valley and the Avenues of Trees.					
<b>*Federal Flood Mitigation Programme</b>	9,350	10,054	9,600	9,600	9,600
Provides funding to States and Territories to assist in addressing the problem of repeated flooding in rural towns and regional centres.					
<b>*Additional \$7000 First Home Owners Scheme</b>	0	90,000	0	0	0
The Commonwealth is funding an additional \$7,000 First Home Owners Scheme grant for all eligible first home owners contracting between 9 March and 31 December 2001 to buy or build a new home.					
<b><i>Housing and Community Amenities - Total</i></b>	<b>1,014,450</b>	<b>1,090,829</b>	<b>999,846</b>	<b>901,798</b>	<b>892,520</b>
<b><i>Recreation and Culture</i></b>					
<b>Sugar Coast Environment Rescue Package</b>	907	0	0	0	0
To protect the identified critical habitat of the Mahogany Glider.					
<b>National disaster memorials</b>	50	0	0	0	0
To provide funding, in conjunction with State and Territory governments, to commemorate the impact of major disasters on the community and the human effort in dealing with such disasters.					
<b>Natural Heritage Trust of Australia - National Reserve System Programme(c)</b>	7,382	0	0	0	0
To assist with the establishment and maintenance of a comprehensive, adequate and representative system of reserves.					
<b><i>Recreation and Culture - Total</i></b>	<b>8,339</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b><i>Fuel and Energy</i></b>					
<b>Photovoltaic Rebate Programme (PVRP)</b>	0	8,656	3,441	0	0
To provide rebates to householders and community groups who install photovoltaic equipment to make electricity from sunlight for domestic use.					
<b>Renewable remote power generation</b>	2,524	43,600	35,050	34,750	47,476
To provide a rebate for the installation of renewable energy generation technologies in areas of Australia currently reliant on diesel for electricity generation. Funding is based on the relevant amount of diesel fuel excise paid in each State or Territory by public electricity generators.					
<b><i>Fuel and Energy - Total</i></b>	<b>2,524</b>	<b>52,256</b>	<b>38,491</b>	<b>34,750</b>	<b>47,476</b>
<b><i>Agriculture, Forestry and Fishing</i></b>					
<b>Natural Heritage Trust of Australia - Murray-Darling 2001(c)</b>	22,273	0	0	0	0
To contribute to the rehabilitation of the Murray-Darling Basin, with a view to achieving a sustainable future for the Basin, its natural systems and its communities.					
<b>Natural Heritage Trust of Australia - National Landcare Programme(c)</b>	30,664	0	0	0	0
To develop and implement resource management practices which enhance our soil, water and biological resources and which are efficient, sustainable, equitable, and consistent with the principles of ecologically sustainable development.					
<b>Sugar</b>	1,789	0	0	0	0
To enhance the economic performance of the Australian sugar industry by providing funding for infrastructure projects including providing better export facilities for the NSW industry.					
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>54,726</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Transport and Communication</i></b>					
<b>Building IT strengths - Tasmania 'Intelligent Island'</b>	0	20,000	0	0	0
Building on existing Tasmanian government initiatives to further develop an internationally competitive IT & T sector, the Commonwealth will provide \$40 million towards redeveloping Tasmania as an 'Intelligent Island'. The programme will be overseen by a board comprising representatives of the Commonwealth and Tasmanian Governments, industry and the Tasmanian tertiary education sector.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<i>Description</i>					
<b><i>Transport and Communication (continued)</i></b>					
<b>Alice Springs Darwin Railway</b>	10,000	55,000	5,050	8,850	0
The Commonwealth has agreed to provide an additional \$65 million towards the construction of an Alice Springs to Darwin rail link. This is in addition to the \$100 million to be provided under the Federation Funds - Northern Territory.					
<b>Wyndham Port loading facilities</b>	550	0	0	0	0
To facilitate the development of the Western Australian sugar industry by contributing to improved loading facilities at the port of Wyndham.					
<b>Road programmes</b>	847,500	1,037,484	1,063,066	1,002,657	1,010,709
The Commonwealth funds the National Highway System and contributes to the capital cost of declared Roads of National Importance. Funds are appropriated under the <i>Australian Land Transport Development Act 1988</i> and administered through a reserved money fund.					
<b>Road safety blackspots - States</b>	39,066	48,846	0	0	0
Funding is available for the treatment of road sites where casualty crashes are occurring. State Transport agencies manage programmes of works. Funds are appropriated under the Australian Land Transport Development Act 1988 and administered through a reserved money fund.					
<b>Federation Funds Projects - Northern Territory</b>	45,000	55,000	0	0	0
Alice Springs to Darwin - the Commonwealth has agreed to contribute \$100 million from its Centenary of Federation Fund toward the construction of an Alice Springs to Darwin rail link matching the \$100 million committed by both the Northern Territory and South Australia.					
<b>Federation Funds Projects - Tasmania</b>	11,014	630	0	0	0
ABT Railway - the Commonwealth has agreed to provide \$20.45 million from its Centenary of Federation Fund for the re-establishment of the ABT Railway between Queenstown and Strahan on Tasmania's West Coast.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b><i>Transport and Communication (continued)</i></b>					
<b>Federation Funds Projects - Queensland</b>					
Brisbane Light Rail - the Commonwealth has agreed to provide \$65 million from its Centenary of Federation Fund toward the estimated \$235 million cost of constructing a light rail network that meets Brisbane commuter needs.	0	13,900	31,100	0	0
<b>Federation Funds Projects - New South Wales/Victoria</b>					
The Commonwealth has agreed to fund \$22 million to both Victoria and New South Wales for the replacement of three key crossings of the Murray River at Echuca, Robinvale and Corowa.	3,450	41,000	0	0	0
<b>* Payment to Tasmania for track upgrading</b>					
In negotiations leading to Tasmania's agreement to sell the Tasmanian operations of the Australian National Railways Commission (AN), it was agreed that the Commonwealth would provide funding to upgrade rail infrastructure in Tasmania. The selection of projects for funding was on the basis of their expected contribution to the enhancement of rail operations in the State, including rail's competitive position.	1,000	0	0	0	0
<b><i>Transport and Communication - Total</i></b>	<b>957,580</b>	<b>1,271,860</b>	<b>1,099,216</b>	<b>1,011,507</b>	<b>1,010,709</b>
<b><i>Other Purposes</i></b>					
<b>Sinking Fund on State Debt</b>					
Contributions to the Debt Retirement Reserve Trust Account (DRRTA) by the Commonwealth on behalf of the six States and the Northern Territory in accordance with the <i>Financial Agreement Act 1994</i> .	3,244	1,918	1,500	1,411	584
<b>Natural Disaster Relief</b>					
Reimbursement under a funding formula of part of the expenditure incurred by States to restore/replace public assets damaged by natural disasters.	105,854	88,829	68,389	68,824	68,824
<b><i>Other Purposes - Total</i></b>	<b>109,098</b>	<b>90,747</b>	<b>69,889</b>	<b>70,235</b>	<b>69,408</b>
<b>TOTAL CAPITAL</b>	<b>2,521,640</b>	<b>2,899,152</b>	<b>2,597,647</b>	<b>2,416,250</b>	<b>2,427,272</b>

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<i>Description</i>					
<b>REPAYMENTS</b>					
<b>Supplementary contributions</b>	459,808	142,760	28,421	291,300	73,751
Debt Retirement Reserve Trust Account (DRRTA) receipts of supplementary contributions from the States and the Northern Territory, payable under the provisions of the <i>Financial Agreement Act 1994</i> , to enable the redemption of Commonwealth Government securities maturing on their behalf.					
<b>Payments to Debt Sinking Funds</b>	13,093	7,739	6,051	5,697	2,358
Debt Retirement Reserve Trust Account (DRRTA) receipts of contributions from the six States and the Northern Territory and from the Commonwealth on their behalf payable under the provisions of the <i>Financial Agreement Act 1994</i> .					
<b>Total</b>	<b>472,901</b>	<b>150,499</b>	<b>34,472</b>	<b>296,997</b>	<b>76,109</b>
<b>Repayments of Commonwealth Government Loans</b>					
<b>ACT debt repayments</b>	17,312	4,647	4,647	4,647	4,647
Servicing of remaining notional debt held against assets transferred from the Commonwealth to the ACT Government, on self-government, for public transport (land and buildings), electricity, water supply and sewerage.					
<b>Loan Council - housing nominations</b>	14,851	15,520	16,219	16,949	17,712
Principal repayments by the six States and the Northern Territory of advances made to them under the various States (Works and Housing) Assistance Acts.					
<b>Repayments of Commonwealth Government Loans - Total</b>	<b>32,163</b>	<b>20,167</b>	<b>20,866</b>	<b>21,596</b>	<b>22,359</b>
<b>Defence</b>					
<b>Housing for servicemen</b>	1,122	1,196	1,275	1,361	1,453
Principal repayments by the States of advances to finance the construction, maintenance and upgrade of public housing for use by service personnel.					
<b>Defence - Total</b>	<b>1,122</b>	<b>1,196</b>	<b>1,275</b>	<b>1,361</b>	<b>1,453</b>

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<b>Description</b>					
<b><i>Housing and Community Amenities</i></b>					
<b>CSHA Loans</b>	56,096	58,301	60,209	61,955	63,545
Principal repayments by the six States and the Northern Territory of advances made to them under the various Housing Agreements, Northern Territory Housing Agreement and Housing Assistance Act.					
<b>Other housing</b>	7,663	7,967	8,247	8,524	8,586
Repayment of the principal of loans relating to assets transferred from the Commonwealth to the Northern Territory at the time of self-government in 1978 and to the ACT at the time of self-government in 1989.					
<b>Urban water supply and treatment</b>	340	317	352	392	392
Repayment of principal on loans to SA for water quality improvement via Adelaide and Northern Towns Water Treatment and to WA for salinity mitigation via the Harding River Dam project.					
<b>Northern Territory - water and sewerage assistance</b>	136	136	136	136	0
Repayment of the principal of a loan relating to assets transferred from the Commonwealth to the Northern Territory at the time of self-government in 1978.					
<b>Growth centres</b>	228	251	276	304	247
Repayment of the principal of loans provided under the Urban and Regional Development ( <i>Financial Assistance</i> ) Act 1974 to NSW for urban expansion and redevelopment in the Bathurst-Orange area and to Victoria for the development of a growth complex in the Albury-Wodonga area.					
<b>Urban rehabilitation</b>	205	206	206	102	0
Repayment of the principal of a loan provided under the Land Commissions ( <i>Financial Assistance</i> ) Act 1973 to Victoria for the acquisition and redevelopment of land at Emerald Hill, South Melbourne.					
<b>Community facilities - Townsville</b>	31	33	36	39	43
Repayment of a loan to the Qld Government as a contribution towards the cost of developing community facilities in Townsville to assist in assimilating servicemen and their families into the community.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
<i>Description</i>					
<b><i>Housing and Community Amenities (continued)</i></b>					
<b>Captains Flat (Abatement of Pollution) Agreement</b>	6	6	6	7	8
This is a loan agreement that generates repayments of principal and interest from the NSW Government in relation to capital works undertaken at Captains Flat to prevent pollution of the Molonglo River.					
<b>Sewerage</b>	2,555	2,807	3,086	3,393	3,685
Repayment of the principal loans provided under the <i>Urban and Regional Development (Financial Assistance) Act 1974</i> to all States to undertake programmes connected with provision of sewerage facilities with particular objectives of eliminating the backlog of sewerage works.					
<b><i>Housing and Community Amenities - Total</i></b>	<b>67,260</b>	<b>70,024</b>	<b>72,554</b>	<b>74,852</b>	<b>76,506</b>
<b><i>Agriculture, Forestry and Fishing</i></b>					
<b>Dairy Adjustment Programme</b>	2	0	0	0	0
Repayments of loans to 'less than economic' dairy farms for property development and carry-on finance and grants for writing-off redundant milking plants.					
<b>Bovine Brucellosis and Tuberculosis</b>	63	217	130	244	17
Commonwealth share of principal repaid by pastoralists on loans for property maintenance and improvement essential for disease eradication under the Brucellosis and Tuberculosis Eradication Campaign.					
<b>Rural Adjustment Scheme</b>	2,398	2,019	1,791	1,462	896
Repayments of loans administered under the <i>States Grants (Rural Adjustment) Acts 1976 &amp; 1979</i> which provide assistance to help restore to economic viability those farms and farmers with the capacity to maintain viability once achieved.					
<b>War Service Land Settlement Scheme</b>	859	885	911	939	973
These repayments are of advances made to veterans of WWII or the Korea/Malaya campaigns for the purpose of providing working capital funding, paying and effecting improvements and acquiring stock, plant and equipment.					
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>3,322</b>	<b>3,121</b>	<b>2,832</b>	<b>2,645</b>	<b>1,886</b>





**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b>Housing nominations</b>	70,546	69,877	69,177	68,449	67,686
Interest received from the six States and the Northern Territory on outstanding advances made to them under the States (Works and Housing) Assistance Acts.					
<b>Interest on Commonwealth Government Loans - Total</b>	<b>76,925</b>	<b>75,619</b>	<b>74,384</b>	<b>73,122</b>	<b>71,824</b>
<b>Defence</b>					
<b>Housing for servicemen</b>	4,405	4,356	4,306	4,249	4,189
Interest payments by the States of advances to finance the construction, maintenance and upgrade of public housing for use by service personnel.					
<b>Defence - Total</b>	<b>4,405</b>	<b>4,356</b>	<b>4,306</b>	<b>4,249</b>	<b>4,189</b>
<b>Housing and Community Amenities</b>					
<b>CSHA loans</b>	101,318	99,004	96,595	94,101	91,522
Interest received from the six States and the Northern Territory on outstanding advances made to them under the various Housing Agreement, Northern Territory Housing Agreement and Housing Assistance Acts. Repayments of principal and interest are made at the end of each financial year.					
<b>Other housing</b>	15,534	15,184	14,822	14,448	14,685
Payment of interest on loans relating to assets transferred from the Commonwealth to the Northern Territory at the time of self-government in 1978 and to the ACT at the time of self-government in 1989.					
<b>Urban water supply and treatment</b>	1,210	1,174	1,138	1,098	1,098
Payment of interest on loans to SA for water quality improvement via Adelaide and Northern Towns Water Treatment and to WA for salinity mitigation via the Harding River Dam project.					
<b>Northern Territory - water and sewerage assistance</b>	650	644	637	630	0
Payment of interest on loans relating to assets transferred from the Commonwealth to the Northern Territory at the time of self-government in 1978.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b>Housing and Community Amenities (continued)</b>					
<b>Growth centres</b>	134	111	85	57	28
Payment of interest on loans provided under the Urban and Regional Development (Financial Assistance) Act 1974 to NSW for urban expansion and redevelopment in the Bathurst-Orange area and to Victoria for the purposes of developing a growth complex in the Albury-Wodonga area.					
<b>Urban rehabilitation</b>	56	39	21	4	0
Payment of interest on a loan provided under the Land Commissions ( <i>Financial Assistance Act 1973</i> , to Victoria for the acquisition and redevelopment of land at Emerald Hill, South Melbourne.					
<b>Sewerage</b>	7,974	7,716	7,430	7,117	6,816
Payment of interest on loans provided under the <i>Urban and Regional Development (Financial Assistance) Act 1974</i> to all States to undertake programmes connected with provision of sewerage facilities with particular objectives of eliminating the backlog of sewerage works.					
<b>Community facilities - Townsville</b>	16	13	10	7	3
Interest paid on a loan to the Qld Government as a contribution towards the cost of developing community facilities in Townsville to assist in assimilating servicemen and their families into the community.					
<b>Captains Flat (Abatement of Pollution) Agreement</b>	9	8	7	6	5
Interest payable under the loan agreement with the NSW Government in relation to capital works undertaken at Captains Flat to prevent pollution of the Molonglo River.					
<b>Housing and Community Amenities - Total</b>	<b>126,901</b>	<b>123,893</b>	<b>120,745</b>	<b>117,468</b>	<b>114,157</b>
<b>Agriculture, Forestry and Fishing</b>					
<b>Bovine Brucellosis and Tuberculosis</b>	9	22	15	8	3
Payment of interest on loans to pastoralists for property maintenance and improvements essential for disease eradication under the Brucellosis and Tuberculosis Eradication Campaign.					

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

<i>Function</i>	2000-01	2001-02	2002-03	2003-04	2004-05
<b>Payment title</b>					
Description					
<b><i>Agriculture, Forestry and Fishing (continued)</i></b>					
<b>Rural Adjustment Scheme</b>	647	470	314	176	70
Payment of interest on loans under the <i>States Grants (Rural Adjustment) Acts 1976 &amp; 1979</i> to provide assistance to help restore to economic viability those farms and farmers with the capacity to maintain viability once achieved.					
<b>War Service Land Settlement Scheme</b>	408	375	344	311	276
Payment of interest on loans to veterans of WWII or the Korea/Malaya campaigns which were for the purpose of providing working capital funding, paying and effecting improvements and acquiring stock, plant and equipment.					
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>1,064</b>	<b>867</b>	<b>673</b>	<b>495</b>	<b>349</b>
<b><i>Transport and Communication</i></b>					
<b>Railway projects</b>	484	455	423	391	359
Payment of interest on loans provided by the Commonwealth to upgrade and standardise railways in mainland Australia.					
<b><i>Transport and Communication - Total</i></b>	<b>484</b>	<b>455</b>	<b>423</b>	<b>391</b>	<b>359</b>
<b><i>Other Purposes</i></b>					
<b>Natural Disaster Relief</b>	204	399	500	601	520
Interest payable by the States in respect of loans made by the Commonwealth to them under NDRA.					
<b><i>Other Purposes - Total</i></b>	<b>204</b>	<b>399</b>	<b>500</b>	<b>601</b>	<b>520</b>
<b>TOTAL INTEREST</b>	<b>262,957</b>	<b>243,147</b>	<b>232,975</b>	<b>216,396</b>	<b>202,682</b>
<b>SUMMARY OF SPECIFIC PURPOSE PAYMENTS</b>					
<b>Total Specific Purpose Payments</b>	<b>19,256,492</b>	<b>20,222,235</b>	<b>20,749,504</b>	<b>21,542,345</b>	<b>22,466,209</b>
<b>Total 'to'</b>	<b>14,569,186</b>	<b>15,154,759</b>	<b>15,441,427</b>	<b>15,852,459</b>	<b>16,457,187</b>
<b>Total 'through'</b>	<b>4,687,306</b>	<b>5,067,476</b>	<b>5,308,077</b>	<b>5,689,886</b>	<b>6,009,022</b>

**Table B1: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 to 2004-05 (\$'000) (continued)**

\* Items so marked are classified as payments 'through' the States.

- (a) The 1998-2003 Australian Health Care Agreements expire on 30 June 2003. The estimates for 2003-04 and 2004-05 are indicative only.
- (b) Distributions are dependent upon the agreement of National Health Development Fund (NHDF) strategic plans under the Australian Health Care Agreements. Under these arrangements: (i) New South Wales, Queensland and the Northern Territory have agreed NHDF strategic plans; (ii) As Victoria has proposed amendments to its NHDF strategic plan and Tasmania has still to submit a plan for the balance of its allocation, the allocations for 2001-02 and beyond for these States are indicative only and do not represent a commitment on the part of the Commonwealth; and (iii) NHDF allocations for Western Australia, South Australia and the Australian Capital Territory are indicative only and do not represent a commitment on the part of the Commonwealth. The final distributions to these jurisdictions are dependent upon the agreement of NHDF strategic plans.
- (c) Natural Heritage Trust: There are no estimates available at this time as funding is determined on a merit selection basis.
- (d) The split between the current and capital component has not yet been determined.
- (e) The funds allocated to the States and Territories as per the Authority's Directions and Resource Allocations, which is agreed by the ANTA Ministerial Council. These funds include supplementation for the 1998 and 1999 calendar years but not the outyears. The amount of supplementation is determined and approved each year by Parliament as an amendment to the Vocational Education and Training Funding Act.
- (f) The FBT cap to apply to public and not-for-profit hospitals will be \$17,000 of grossed up taxable value per employee. To assist with the transition to this cap grants are to be provided to public and not-for-profit hospitals from 2000-01 to 2002-03, reducing to zero in 2003-04. (An indicative estimate of the SPP to the States is shown here).



**Tables B2 and B3: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01 and 2001-02**

Table B2 provides estimates for 2000-01 of each State's share of the items included in Table B1.

Table B3 provides budget estimates for 2001-02 of each State's share of the items included in Table B1. As in other years, the distribution of assistance for these years under some programmes is dependent upon the recipient government undertaking to participate in particular programmes or approve particular projects. For a few programmes, final decisions on the distribution of payments among the States have still to be taken by the Commonwealth; for others, the final distribution for 2001-02 will not be settled before further data becomes available. In most cases, provisional or notional estimates of the distribution are included. This does not commit the Commonwealth to a particular project or indicate that a State has agreed to participate in the programme.

Specific Purpose Payments 'through' the States are indicated in the Tables by (\*).

A summary of total payments 'to' and 'through' the States is provided at the end of each Table.

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2000-01**

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances, advances and interest payments, 2001-02**



**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000)**

<i>Function</i> Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>SPECIFIC PURPOSE PAYMENTS - CURRENT PURPOSES</b>									
<b><i>Public Order and Safety</i></b>									
Legal aid	33,373	0	0	8,883	9,474	3,837	3,562	2,121	61,250
Film and Literature Classifications	78	78	77	78	77	77	77	77	619
Commonwealth Heads of Government meeting - payment to Queensland Police	0	0	2,424	0	0	0	0	0	2,424
<b><i>Public Order and Safety - Total</i></b>	<b>33,451</b>	<b>78</b>	<b>2,501</b>	<b>8,961</b>	<b>9,551</b>	<b>3,914</b>	<b>3,639</b>	<b>2,198</b>	<b>64,293</b>
<b><i>Education</i></b>									
Advanced English for Migrants Programme (AEMP)	932	745	231	201	154	25	44	25	2,357
Government schools	429,544	302,704	249,983	135,871	96,956	36,265	23,997	16,124	1,291,444
* Non-government schools	1,032,461	960,133	430,988	295,940	198,910	49,695	59,779	18,661	3,046,567
Vocational Education and Training Funding Act(e)	322,273	230,195	156,532	82,870	73,662	27,623	18,416	9,208	920,779
Targeted and Joint Programmes Government Schools	116,096	73,024	59,288	26,698	26,261	8,546	3,181	5,720	318,814
* Targeted Programmes Non-Government Schools	57,713	46,750	23,406	12,788	12,467	2,340	2,447	1,644	159,555
Indigenous Education Strategic Initiatives									
Programme - Government	23,925	6,543	21,473	16,419	9,244	2,462	594	21,376	102,036
* Indigenous Education Strategic Initiatives Programme - non-government	12,901	2,184	8,459	9,215	2,199	778	1,183	13,584	50,503
<b><i>Education - Total</i></b>	<b>1,995,845</b>	<b>1,622,278</b>	<b>950,360</b>	<b>580,002</b>	<b>419,853</b>	<b>127,734</b>	<b>109,641</b>	<b>86,342</b>	<b>5,892,055</b>
<b><i>Health</i></b>									
Blood transfusion services	23,527	17,111	12,832	7,842	6,416	1,425	1,426	713	71,292
Health Programme Grants	0	5,498	0	8,876	20,354	0	0	2,139	36,867
Health Care Grants (a)	2,120,687	1,522,245	1,152,001	598,575	532,989	137,490	78,962	69,047	6,211,996
National Health Development Fund(a)(b)	46,670	8,570	11,341	7,667	7,000	3,108	2,133	0	86,489
Highly specialised drugs	106,677	75,796	47,724	19,651	16,843	5,614	5,614	2,807	280,726
Youth health services	723	546	376	194	177	55	49	49	2,169
National public health	51,123	36,696	27,771	14,430	12,849	3,314	1,903	1,665	149,751
Essential vaccines	32,677	23,456	17,751	9,223	8,213	2,119	1,217	1,064	95,720
Repatriation general hospitals	5,714	4,340	0	0	2,273	833	0	0	13,160

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

<i>Function</i> Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Health (continued)</b>									
Fringe benefit tax transitional grants for public and not-for-profit hospitals(f)	0	0	0	0	0	0	0	0	78,727
<b>Health - Total(f)</b>	<b>2,387,798</b>	<b>1,694,258</b>	<b>1,269,796</b>	<b>666,458</b>	<b>607,114</b>	<b>153,958</b>	<b>91,304</b>	<b>77,484</b>	<b>7,026,897</b>
<b>Social Security and Welfare</b>									
Aged care assessment	13,815	10,262	7,031	4,128	3,919	1,415	342	817	41,729
Home and community care	173,571	156,772	104,458	54,399	49,889	14,601	6,427	3,607	563,724
Disabilities services	141,207	95,121	82,880	32,720	50,273	15,565	5,698	4,300	427,764
Children's services	1,618	1,187	801	421	8,416	279	71	55	12,848
Supported Accommodation Assistance	50,800	33,766	26,058	15,273	14,950	6,690	5,690	4,456	157,683
Unattached humanitarian minors	56	78	19	15	19	0	0	0	187
Exceptional circumstances (EC) administration	1,013	6,614	0	0	0	580	0	0	8,207
Extension of fringe benefits	57,202	40,894	28,554	14,379	16,268	5,225	1,161	797	164,480
National Illicit Drugs Strategy	228	229	183	224	165	33	37	32	1,131
Native Title	0	0	0	0	0	0	0	0	0
Transition to Independent Living Allowance	0	0	0	0	0	0	0	0	0
<b>Social Security and Welfare - Total</b>	<b>439,510</b>	<b>344,923</b>	<b>249,984</b>	<b>121,559</b>	<b>143,899</b>	<b>44,388</b>	<b>19,426</b>	<b>14,064</b>	<b>1,377,753</b>
<b>Housing and Community Amenities</b>									
Assistance for housing	1,846	1,348	424	627	941	314	0	0	5,500
Assistance for water and sewerage	0	0	0	0	0	0	8,271	0	8,271
Natural Heritage Trust of Australia - Bushcare(c)	11,539	10,344	13,078	9,910	7,362	9,777	371	2,856	65,237
Natural Heritage Trust of Australia - Coasts and Clean Seas Initiative(c)	5,250	3,593	3,582	3,974	1,401	2,390	95	564	20,849
Natural Heritage Trust of Australia - National Rivercare Programme(c)	2,557	1,466	3,588	3,607	1,346	6,882	54	575	20,075
Natural Heritage Trust of Australia - Endangered Species Programme(c)	240	487	358	50	136	478	21	114	1,884
Natural Heritage Trust of Australia - National Feral Animal Control Programme(c)	392	248	131	132	0	229	52	93	1,277

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

<i>Function</i> <i>Payment title</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b><i>Housing and Community Amenities (continued)</i></b>									
Natural Heritage Trust of Australia - Air Pollution in Major Cities(c)	25	25	25	1,550	70	25	25	25	1,770
Oceans Policy	463	0	201	220	235	9	0	0	1,128
Newcastle Structural Adjustment Fund	735	0	0	0	0	0	0	0	735
<b><i>Housing and Community Amenities - Total</i></b>	<b>23,047</b>	<b>17,511</b>	<b>21,387</b>	<b>20,070</b>	<b>11,491</b>	<b>20,104</b>	<b>8,889</b>	<b>4,227</b>	<b>126,726</b>
<b><i>Recreation and Culture</i></b>									
Natural Heritage Trust of Australia - National Wetlands Programme(c)	464	423	21	157	171	134	18	81	1,469
Natural Heritage Trust of Australia - National Reserve System Programme(c)	0	8	8	170	210	206	0	0	602
Natural Heritage Trust of Australia - World Heritage Area Management and Upkeep(c)	1,061	0	4,094	347	189	680	0	0	6,371
Management of World Heritage Properties	0	0	0	0	0	5,230	0	0	5,230
Payments to the Sydney Organising Committee for the Olympic Games (SOCOG) for Games related services	64,249	0	0	0	0	0	0	0	64,249
Contemporary Music Package - State Plots	0	0	0	0	200	200	0	0	400
Brisbane Goodwill Games 2001	0	0	3,000	0	0	0	0	0	3,000
Melbourne Commonwealth Games 2006	0	0	0	0	0	0	0	0	0
<b><i>Recreation and Culture - Total</i></b>	<b>65,774</b>	<b>431</b>	<b>7,123</b>	<b>674</b>	<b>770</b>	<b>6,450</b>	<b>18</b>	<b>81</b>	<b>81,321</b>
<b><i>Agriculture, Forestry and Fishing</i></b>									
Natural Heritage Trust of Australia - National Weeds Programme(c)	45	0	142	70	0	0	1	241	499
Natural Heritage Trust of Australia - National Landcare Programme(c)	304	1,500	1,665	177	341	1,507	0	62	5,556
Natural Heritage Trust of Australia - Farm Forestry Programme(c)	2,296	1,392	926	1,230	1,104	1,373	21	58	8,400

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

<i>Function</i> Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b><i>Agriculture, Forestry and Fishing (continued)</i></b>									
Natural Heritage Trust of Australia - Murray-Darling 2001(c)	5,987	1,065	1,751	0	1,855	0	0	0	10,658
Tasmanian Wheat Freight Subsidy	0	0	0	0	0	1,222	0	0	1,222
Exotic Disease Eradication	159	0	41	0	0	0	0	56	256
National Landcare Programme (NLP)	9,791	4,018	4,865	6,905	5,820	1,148	27	1,313	33,887
Farm Business Improvement Programme (FarmBis)	2,836	3,188	2,774	0	2,056	211	0	112	11,177
Rural Adjustment Scheme	3,722	2,481	2,129	0	2,031	111	0	0	10,474
Natural Heritage Trust of Australia - National River Health Programme(c)	331	85	109	93	352	37	11	175	1,193
Natural Heritage Trust of Australia - Waterwatch Australia(c)	398	422	405	336	324	441	103	165	2,594
Natural Heritage Trust of Australia - Waste Management Awareness(c)	0	140	0	0	0	0	0	0	140
Natural Heritage Trust of Australia - Fisheries Action Programme(c)	308	145	354	185	100	413	90	187	1,782
Great Artesian Basin Sustainability Initiative(d)	2,708	0	1,573	0	1,224	0	0	0	5,505
Citrus Industry Market Diversification	35	12	27	0	137	0	0	0	211
Forest Industry Structural Adjustment Package	70	0	0	3,160	0	0	0	0	3,230
Skilling farmers for the future	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - FarmBis - Adv Property Management Planning(c)	1,990	404	1,491	0	1,004	251	0	84	5,224
West 2000 Plus	1,374	0	0	0	0	0	0	0	1,374
War Service Land Settlement Scheme	0	0	0	0	3,645	1	0	0	3,646
Farm Assistance Package for Central/NE South Australia	0	0	0	0	1,000	0	0	0	1,000
Queensland Trawling Industry Restructure Package	0	0	10,000	0	0	0	0	0	10,000
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>32,354</b>	<b>14,852</b>	<b>28,252</b>	<b>12,156</b>	<b>20,993</b>	<b>6,715</b>	<b>253</b>	<b>2,453</b>	<b>118,028</b>

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

<i>Function</i> Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b><i>Mining and Mineral Resources (other than fuels), Manufacturing and Construction</i></b>									
Regional Minerals Programme	0	0	0	0	0	4,000	0	0	4,000
Enterprise Development Programme	216	213	179	107	292	79	135	55	1,276
<b><i>Mining and Mineral Resources (other than fuels), Manufacturing and Construction - Total</i></b>	<b>216</b>	<b>213</b>	<b>179</b>	<b>107</b>	<b>292</b>	<b>4,079</b>	<b>135</b>	<b>55</b>	<b>5,276</b>
<b><i>Transport and Communication</i></b>									
Interstate road transport	12,450	7,244	2,565	1,072	3,364	135	135	135	27,100
Petroleum Products Freight Subsidy Scheme	447	0	1,083	417	127	0	0	1,426	3,500
Roads to Recovery - Unincorporated Areas	0	0	0	0	0	0	0	0	0
<b><i>Transport and Communication - Total</i></b>	<b>12,897</b>	<b>7,244</b>	<b>3,648</b>	<b>1,489</b>	<b>3,491</b>	<b>135</b>	<b>135</b>	<b>1,561</b>	<b>30,600</b>
<b><i>Other Purposes</i></b>									
Debt Redemption Assistance	9,973	5,296	4,680	9,639	7,195	9,461	1,999	5,157	53,400
* Financial Assistance Grants for local government									
<i>Financial Assistance Grants</i>									
<i>Identified Local Roads Grants</i>	311,580	228,988	170,938	90,496	72,241	22,692	15,029	9,382	921,346
Compensation - companies regulation	118,614	84,286	76,600	62,510	22,468	21,665	13,109	9,577	408,829
Natural Disaster Relief	46,278	40,457	22,784	14,024	10,431	3,231	0	2,061	139,266
Royalties	1,850	35	3,225	710	0	0	0	1,020	6,840
ACT National Capital influences	0	0	0	459,150	0	0	0	2,500	461,650
<b><i>Other Purposes - Total</i></b>	<b>488,295</b>	<b>359,062</b>	<b>278,227</b>	<b>636,529</b>	<b>112,335</b>	<b>57,049</b>	<b>50,709</b>	<b>29,697</b>	<b>2,011,903</b>
<b>TOTAL CURRENT</b>	<b>5,479,187</b>	<b>4,060,850</b>	<b>2,811,457</b>	<b>2,048,005</b>	<b>1,329,789</b>	<b>424,526</b>	<b>284,149</b>	<b>218,162</b>	<b>16,734,852</b>

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

<i>Function</i> Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>SPECIFIC PURPOSE PAYMENTS - CAPITAL PURPOSES</b>									
<b>Education</b>									
Government schools	76,307	52,479	42,582	22,720	17,628	6,295	3,879	2,849	224,739
* Non-government schools	29,543	24,873	15,509	8,557	6,796	2,083	2,052	743	90,156
<b>Education - Total</b>	<b>105,850</b>	<b>77,352</b>	<b>58,091</b>	<b>31,277</b>	<b>24,424</b>	<b>8,378</b>	<b>5,931</b>	<b>3,592</b>	<b>314,895</b>
<b>Health</b>									
Blood transfusion services	1,393	1,401	1,394	1,443	997	251	56	35	6,970
Federation Fund - Qld Institute of Medical Research	0	0	10,000	0	0	0	0	0	10,000
<b>Health - Total</b>	<b>1,393</b>	<b>1,401</b>	<b>11,394</b>	<b>1,443</b>	<b>997</b>	<b>251</b>	<b>56</b>	<b>35</b>	<b>16,970</b>
<b>Social Security and Welfare</b>									
Home and community care	1,047	947	631	329	301	88	38	22	3,403
Crisis accommodation assistance	13,410	9,856	7,357	3,895	3,109	977	647	404	39,655
<b>Social Security and Welfare - Total</b>	<b>14,457</b>	<b>10,803</b>	<b>7,988</b>	<b>4,224</b>	<b>3,410</b>	<b>1,065</b>	<b>685</b>	<b>426</b>	<b>43,058</b>
<b>Housing and Community Amenities</b>									
Housing assistance for indigenous people	17,777	3,638	25,227	15,862	8,342	696	0	19,458	91,000
Community housing	21,640	15,904	11,872	6,285	5,017	1,576	1,044	652	63,990
Commonwealth-State Housing Agreement (CSHA)									
Block Assistance/Base Funding	272,635	198,463	156,804	81,038	67,395	24,877	23,108	18,735	843,055
Social Housing Subsidy Programme	1,995	0	0	0	0	0	135	0	2,130
Federation Fund - Development of the Tuggeranong Homestead	0	0	0	0	0	0	225	0	225
Federation Fund - Centennial Moore Park Trust	4,700	0	0	0	0	0	0	0	4,700
* Federal flood mitigation	5,438	443	3,026	288	100	55	0	0	9,350
* Additional \$7000 First Home Owners Scheme	0	0	0	0	0	0	0	0	0
<b>Housing and Community Amenities - Total</b>	<b>324,185</b>	<b>218,448</b>	<b>196,929</b>	<b>103,473</b>	<b>80,854</b>	<b>27,204</b>	<b>24,512</b>	<b>38,845</b>	<b>1,014,450</b>

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

<i>Function</i> Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Recreation and Culture</b>									
Sugar Coast Environment Rescue Package	0	0	907	0	0	0	0	0	907
National disaster memorials	0	0	50	0	0	0	0	0	50
Natural Heritage Trust of Australia - National Reserve System Programme(c)	1,408	570	3,603	1,136	285	380	0	0	7,382
<b>Recreation and Culture - Total</b>	<b>1,408</b>	<b>570</b>	<b>4,560</b>	<b>1,136</b>	<b>285</b>	<b>380</b>	<b>0</b>	<b>0</b>	<b>8,339</b>
<b>Fuel and Energy</b>									
Photovoltaic Rebate Programme (PVRP)	0	0	0	0	0	0	0	0	0
Renewable Remote Power Generation	50	0	475	635	610	56	0	698	2,524
<b>Fuel and Energy - Total</b>	<b>50</b>	<b>0</b>	<b>475</b>	<b>635</b>	<b>610</b>	<b>56</b>	<b>0</b>	<b>698</b>	<b>2,524</b>
<b>Agriculture, Forestry and Fishing</b>									
Natural Heritage Trust of Australia - Murray-Darling 2001(c)	7,407	12,073	1,292	0	1,362	0	139	0	22,273
Natural Heritage Trust of Australia - National Landcare Programme(c)	5,872	5,796	2,299	3,821	3,340	9,073	0	463	30,664
Sugar	0	0	1,789	0	0	0	0	0	1,789
<b>Agriculture, Forestry and Fishing - Total</b>	<b>13,279</b>	<b>17,869</b>	<b>5,380</b>	<b>3,821</b>	<b>4,702</b>	<b>9,073</b>	<b>139</b>	<b>463</b>	<b>54,726</b>
<b>Transport and Communication</b>									
Building IT Strengths - Tas 'Intelligent Island'	0	0	0	0	0	0	0	0	0
Alice Springs Darwin Railway	0	0	0	0	0	0	0	10,000	10,000
Wyndham Port loading facilities	0	0	0	550	0	0	0	0	550
Road programmes(d)	312,819	97,872	248,208	80,576	44,814	33,555	3,639	26,017	847,500
Road safety blackspots - States	10,911	7,578	9,475	4,092	3,704	1,638	868	800	39,066
Federation Fund Projects - Northern Territory	0	0	0	0	0	0	0	45,000	45,000
Federation Fund Projects - Tasmania	0	0	0	0	0	11,014	0	0	11,014
Federation Fund Projects - Queensland	0	0	0	0	0	0	0	0	0
Federation Fund Projects - New South Wales/Victoria	450	3,000	0	0	0	0	0	0	3,450
* Payment to Tasmania for track upgrading	0	0	0	0	0	1,000	0	0	1,000
<b>Transport and Communication - Total</b>	<b>324,180</b>	<b>108,450</b>	<b>257,683</b>	<b>85,218</b>	<b>48,518</b>	<b>47,207</b>	<b>4,507</b>	<b>81,817</b>	<b>957,580</b>

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b>Other Purposes</b>									
Sinking Fund on State Debt	562	187	863	401	519	546	0	166	3,244
Natural Disaster Relief	30,150	250	60,894	5,990	0	0	0	8,570	105,854
<b>Other Purposes - Total</b>	<b>30,712</b>	<b>437</b>	<b>61,757</b>	<b>6,391</b>	<b>519</b>	<b>546</b>	<b>0</b>	<b>8,736</b>	<b>109,098</b>
<b>TOTAL CAPITAL</b>	<b>815,514</b>	<b>435,330</b>	<b>604,257</b>	<b>237,618</b>	<b>164,319</b>	<b>94,160</b>	<b>35,830</b>	<b>134,612</b>	<b>2,521,640</b>
	<b>REPAYMENTS</b>								
Supplementary Contributions	45,162	19,037	43,851	116,937	77,211	109,034	0	48,576	459,808
Payments to Debt Sinking Funds	2,270	754	3,483	1,618	2,095	2,203	0	670	13,093
<b>Total</b>	<b>47,432</b>	<b>19,791</b>	<b>47,334</b>	<b>118,555</b>	<b>79,306</b>	<b>111,237</b>	<b>0</b>	<b>49,246</b>	<b>472,901</b>
	<b>Repayments of Commonwealth Government</b>								
	<b>Loans</b>								
ACT Debt Repayments	0	0	0	0	0	0	17,312	0	17,312
Loan Council - Housing Nominations	4,633	0	1,705	2,955	2,774	1,242	0	1,542	14,851
<b>Repayments of Commonwealth Government</b>	<b>4,633</b>	<b>0</b>	<b>1,705</b>	<b>2,955</b>	<b>2,774</b>	<b>1,242</b>	<b>17,312</b>	<b>1,542</b>	<b>32,163</b>
	<b>Defence</b>								
Housing for servicemen	609	0	375	125	13	0	0	0	1,122
<b>Defence - Total</b>	<b>609</b>	<b>0</b>	<b>375</b>	<b>125</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,122</b>
	<b>Housing and Community Amenities</b>								
CSHA loans	28,814	0	7,781	7,429	8,426	3,219	0	427	56,096
Other housing	0	0	0	0	0	0	5,431	2,232	7,663
Urban water supply and treatment	0	0	0	55	285	0	0	0	340
Northern Territory - water and sewerage assistance	0	0	0	0	0	0	0	136	136
Growth centres	228	0	0	0	0	0	0	0	228
Urban rehabilitation	0	205	0	0	0	0	0	0	205
Community facilities - Townsville	0	0	31	0	0	0	0	0	31
Captains Flat (Abatement of Pollution) Agreement	6	0	0	0	0	0	0	0	6
Sewerage	2,042	0	510	3	0	0	0	0	2,555
<b>Housing and Community Amenities - Total</b>	<b>31,090</b>	<b>205</b>	<b>8,322</b>	<b>7,487</b>	<b>8,711</b>	<b>3,219</b>	<b>5,431</b>	<b>2,795</b>	<b>67,260</b>



**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b><i>Agriculture, Forestry and Fishing</i></b>									
Dairy Adjustment Programme	2	0	0	0	0	0	0	0	2
Bovine Brucellosis and Tuberculosis	0	0	0	0	0	0	0	63	63
Rural Adjustment Scheme	2,168	0	0	0	0	0	0	230	2,398
War Service Land Settlement Scheme	398	424	0	0	32	5	0	0	859
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>2,568</b>	<b>424</b>	<b>0</b>	<b>0</b>	<b>32</b>	<b>5</b>	<b>0</b>	<b>293</b>	<b>3,322</b>
<b><i>Transport and Communication</i></b>									
Railway projects	96	96	0	746	0	0	0	0	938
<b><i>Transport and Communication - Total</i></b>	<b>96</b>	<b>96</b>	<b>0</b>	<b>746</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>938</b>
<b><i>Other Purposes</i></b>									
Natural Disaster Relief	287	0	410	0	0	0	0	4,034	4,731
<b><i>Other Purposes - Total</i></b>	<b>287</b>	<b>0</b>	<b>410</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,034</b>	<b>4,731</b>
<b>TOTAL REPAYMENTS</b>	<b>86,715</b>	<b>20,516</b>	<b>58,146</b>	<b>129,868</b>	<b>90,836</b>	<b>115,703</b>	<b>22,743</b>	<b>57,910</b>	<b>582,437</b>
	<b>ADVANCES</b>								
<b><i>Other Purposes</i></b>									
Natural Disaster Relief	1,250	250	2,500	400	250	250	0	100	5,000
<b><i>Other Purposes - Total</i></b>	<b>1,250</b>	<b>250</b>	<b>2,500</b>	<b>400</b>	<b>250</b>	<b>250</b>	<b>0</b>	<b>100</b>	<b>5,000</b>
<b>TOTAL ADVANCES</b>	<b>1,250</b>	<b>250</b>	<b>2,500</b>	<b>400</b>	<b>250</b>	<b>250</b>	<b>0</b>	<b>100</b>	<b>5,000</b>
	<b>INTEREST</b>								
Interest on Loan Council and Northern Territory Government Borrowings	11,372	3,607	16,338	3,170	7,639	9,286	0	1,562	52,974
<b>Total</b>	<b>11,372</b>	<b>3,607</b>	<b>16,338</b>	<b>3,170</b>	<b>7,639</b>	<b>9,286</b>	<b>0</b>	<b>1,562</b>	<b>52,974</b>
<b><i>Interest on Commonwealth Government Loans</i></b>									
ACT Government Debt	0	0	0	0	0	0	6,379	0	6,379
Housing nominations	22,079	0	7,962	13,634	13,347	5,864	0	7,660	70,546
<b><i>Interest on Commonwealth Government Loans - Total</i></b>	<b>22,079</b>	<b>0</b>	<b>7,962</b>	<b>13,634</b>	<b>13,347</b>	<b>5,864</b>	<b>6,379</b>	<b>7,660</b>	<b>76,925</b>
<b><i>Defence</i></b>									
Housing for servicemen	2,541	0	1,449	310	105	0	0	0	4,405
<b><i>Defence - Total</i></b>	<b>2,541</b>	<b>0</b>	<b>1,449</b>	<b>310</b>	<b>105</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,405</b>

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b><i>Housing and Community Amenities</i></b>									
CSHA loans	47,823	0	13,253	12,687	19,598	6,402	0	1,555	101,318
Other housing	0	0	0	0	0	0	11,173	4,361	15,534
Urban water supply and treatment	0	0	0	4	1,206	0	0	0	1,210
Northern Territory - water and sewerage assistance	0	0	0	0	0	0	0	650	650
Growth centres	134	0	0	0	0	0	0	0	134
Urban rehabilitation	0	56	0	0	0	0	0	0	56
Sewerage	6,331	0	1,633	10	0	0	0	0	7,974
Community facilities - Townsville	0	0	16	0	0	0	0	0	16
Captains Flat (Abatement of Pollution) Agreement	9	0	0	0	0	0	0	0	9
<b><i>Housing and Community Amenities - Total</i></b>	<b>54,297</b>	<b>56</b>	<b>14,902</b>	<b>12,701</b>	<b>20,804</b>	<b>6,402</b>	<b>11,173</b>	<b>6,566</b>	<b>126,901</b>
<b><i>Agriculture, Forestry and Fishing</i></b>									
Bovine Brucellosis and Tuberculosis	0	0	0	0	0	0	0	9	9
Rural Adjustment Scheme	586	0	0	0	0	0	0	61	647
War Service Land Settlement Scheme	194	205	0	0	8	1	0	0	408
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>780</b>	<b>205</b>	<b>0</b>	<b>0</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>70</b>	<b>1,064</b>
<b><i>Transport and Communication</i></b>									
Railway projects	53	53	0	378	0	0	0	0	484
<b><i>Transport and Communication - Total</i></b>	<b>53</b>	<b>53</b>	<b>0</b>	<b>378</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>484</b>
<b><i>Other Purposes</i></b>									
Natural Disaster Relief	65	0	65	0	0	0	0	74	204
<b><i>Other Purposes - Total</i></b>	<b>65</b>	<b>0</b>	<b>65</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>74</b>	<b>204</b>
<b>TOTAL INTEREST</b>	<b>91,187</b>	<b>3,921</b>	<b>40,716</b>	<b>30,193</b>	<b>41,903</b>	<b>21,553</b>	<b>17,552</b>	<b>15,932</b>	<b>262,957</b>
<b>SUMMARY OF SPECIFIC PURPOSE PAYMENTS</b>									
Total Specific Purpose Payments	6,294,701	4,496,180	3,415,714	2,285,623	1,494,108	518,686	319,979	352,774	19,256,492
Total 'To' (f)	4,726,451	3,148,523	2,686,788	1,805,829	1,178,927	418,378	226,380	299,183	14,569,186
Total 'Through'	1,568,250	1,347,657	728,926	479,794	315,181	100,308	93,599	53,591	4,687,306

**Table B2: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2000-01 (\$'000) (continued)**

\* Items so marked are classified as payments 'through' the States.

- (a) The 1998-2003 Australian Health Care Agreements expire on 30 June 2003. The estimates for 2003-04 are indicative only.
- (b) Distributions for States and Territories other than Victoria, Queensland and the Northern Territory are indicative only and do not represent a commitment on the part of the Commonwealth. The final distribution for States and Territories other than Victoria, Queensland and the Northern Territory will depend on agreement of Strategic Plans with those States and Territories under the Australian Health Care Agreements.
- (c) Natural Heritage Trust: There are no estimates available at this time as funding is determined on a merit selection basis.
- (d) The split between the current and capital component has not yet been determined.
- (e) The funds allocated to the States and Territories as per the Authority's Directions and Resource Allocations, which is agreed by the ANTA Ministerial Council. These funds include supplementation for the 1998 and 1999 calendar years but not the outyears. The amount of supplementation is determined and approved each year by Parliament as an amendment to the Vocational Education and Training Funding Act.
- (f) This table does not include state splits for FBT transitional grants for public hospitals since indicative estimates of the distribution to each State are not currently available.

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000)**

<i>Function</i> Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>SPECIFIC PURPOSE PAYMENTS - CURRENT PURPOSES</b>									
<b><i>Public Order and Safety</i></b>									
Legal aid	36,572	0	0	9,784	10,088	3,956	3,179	2,265	65,844
Film and literature classifications	79	78	78	79	78	77	77	77	623
Commonwealth Heads of Government meeting - payment to Queensland Police	0	0	2,621	0	0	0	0	0	2,621
<b><i>Public Order and Safety - Total</i></b>	<b>36,651</b>	<b>78</b>	<b>2,699</b>	<b>9,863</b>	<b>10,166</b>	<b>4,033</b>	<b>3,256</b>	<b>2,342</b>	<b>69,088</b>
<b><i>Education</i></b>									
Advanced English for Migrants Programme (AEMP)	0	0	0	0	0	0	0	0	0
Government schools	448,761	316,245	261,163	141,946	101,293	37,887	25,070	16,845	1,349,210
* Non-government schools	1,112,925	1,035,143	464,758	319,541	214,436	53,577	64,433	20,114	3,284,927
Vocational Education and Training Funding Act(e)	350,625	250,447	170,304	90,161	80,143	30,054	20,036	10,018	1,001,788
Targeted and Joint Programmes Government Schools	122,203	76,754	62,101	27,950	27,695	8,979	3,318	5,996	334,996
* Targeted Programmes Non-government Schools	60,467	49,003	24,487	13,416	13,078	2,450	2,560	1,716	167,177
Indigenous Education Strategic Initiatives									
Programme - Government	24,430	6,687	21,837	16,611	9,385	2,518	606	21,685	103,759
* Indigenous Education Strategic Initiatives Programme - Non-Government	11,977	1,978	7,910	8,493	2,044	726	992	12,737	46,857
<b><i>Education - Total</i></b>	<b>2,131,388</b>	<b>1,736,257</b>	<b>1,012,560</b>	<b>618,118</b>	<b>448,074</b>	<b>136,191</b>	<b>117,015</b>	<b>89,111</b>	<b>6,288,714</b>
<b><i>Health</i></b>									
Blood transfusion services	26,718	19,432	14,575	8,907	7,288	1,620	1,619	809	80,968
Health Programme Grants	0	2,057	0	7,150	15,394	0	0	597	25,198
Health Care Grants(a)	2,247,565	1,615,793	1,231,079	641,808	565,369	145,348	84,492	73,665	6,605,119
National Health Development Fund(a)(b)	18,830	19,287	9,963	7,667	7,000	1,696	2,133	0	66,576
Highly specialised drugs	118,386	84,116	52,962	21,808	18,692	6,231	6,231	3,115	311,541
Youth health services	735	619	382	197	180	56	50	50	2,269

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

<i>Function</i>	<b>NSW</b>	<b>VIC</b>	<b>QLD</b>	<b>WA</b>	<b>SA</b>	<b>TAS</b>	<b>ACT</b>	<b>NT</b>	<b>Total</b>
<b>Payment title</b>									
<b>Health (continued)</b>									
National public health	58,584	42,051	31,823	16,535	14,724	3,798	2,181	1,907	171,603
Essential vaccines	29,667	21,295	16,116	8,373	7,456	1,924	1,105	966	86,902
Repatriation general hospitals	5,852	4,443	0	0	2,327	852	0	0	13,474
Fringe benefit tax transitional grants for public and not-for-profit hospitals (f)	0	0	0	0	0	0	0	0	72,024
<b>Health - Total(f)</b>	<b>2,506,337</b>	<b>1,809,093</b>	<b>1,356,900</b>	<b>712,445</b>	<b>638,430</b>	<b>161,525</b>	<b>97,811</b>	<b>81,109</b>	<b>7,435,674</b>
<b>Social Security and Welfare</b>									
Aged care assessment	14,300	11,040	7,226	4,246	4,080	1,492	409	842	43,635
Home and community care	188,401	170,166	113,383	59,047	54,152	15,848	6,975	3,916	611,888
Disabilities services	165,864	112,938	96,423	39,713	56,563	17,592	6,904	5,168	501,165
Children's services	1,484	1,062	715	376	7,517	249	62	50	11,515
Supported Accommodation Assistance	52,373	34,810	26,865	15,749	15,416	6,904	5,547	4,592	162,256
Unattached humanitarian minors	69	94	23	19	23	0	0	0	228
Exceptional circumstances (EC) administration	0	0	0	0	0	0	0	0	0
Extension of fringe benefits	59,422	42,479	29,661	14,935	16,899	5,427	1,207	827	170,857
National Illicit Drugs Strategy	1,383	1,021	847	560	435	145	183	179	4,753
Native Title	2,000	0	3,000	2,000	2,000	0	0	2,000	11,000
Transition to Independent Living Allowance	0	0	0	0	0	0	0	0	0
<b>Social Security and Welfare - Total</b>	<b>485,296</b>	<b>373,610</b>	<b>278,143</b>	<b>136,645</b>	<b>157,085</b>	<b>47,657</b>	<b>21,287</b>	<b>17,574</b>	<b>1,517,297</b>
<b>Housing and Community Amenities</b>									
Assistance for housing	923	674	212	314	470	157	0	0	2,750
Assistance for water and sewerage	0	0	0	0	0	0	8,477	0	8,477
Natural Heritage Trust - Bushcare(C)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - Coasts and Clean Seas Initiative(C)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - National Rivercare Programme(C)	0	0	0	0	0	0	0	0	0

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b><i>Housing and Community Amenities (continued)</i></b>									
Natural Heritage Trust of Australia - Endangered Species Programme(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - National Feral Animal Control Programme(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - Air Pollution in Major Cities(c)	0	0	0	500	0	0	0	0	500
Oceans Policy	0	0	0	0	0	0	0	0	0
Newcastle Structural Adjustment Fund	0	0	0	0	0	0	0	0	0
<b><i>Housing and Community Amenities - Total</i></b>	<b>923</b>	<b>674</b>	<b>212</b>	<b>814</b>	<b>470</b>	<b>157</b>	<b>8,477</b>	<b>0</b>	<b>11,727</b>
<b><i>Recreation and Culture</i></b>									
Natural Heritage Trust of Australia - National Wetlands Programme(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - National Reserve System Programme(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - World Heritage Area Management and Upkeep(c)	0	0	0	0	0	0	0	0	0
Management of World Heritage Properties	0	0	0	0	0	5,300	0	0	5,300
Payments to the Sydney Organising Committee for the Olympic Games (SOCOG) for Games related services	0	0	0	0	0	0	0	0	0
Contemporary Music Package - State Pilots	0	0	0	0	0	0	0	0	0
Brisbane Goodwill Games 2001	0	0	0	0	0	0	0	0	0
Melbourne Commonwealth Games 2006	0	0	0	0	0	0	0	0	0
<b><i>Recreation and Culture - Total</i></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,300</b>	<b>0</b>	<b>0</b>	<b>5,300</b>
<b><i>Agriculture, Forestry and Fishing</i></b>									
Natural Heritage Trust of Australia - National Weeds Programme(c)	0	0	0	0	0	0	0	0	0

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b><i>Agriculture, Forestry and Fishing (continued)</i></b>									
Natural Heritage Trust of Australia - National Landcare Programme(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - Farm Forestry Programme(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - Murray-Darling 2001(c)	0	0	0	0	0	0	0	0	0
Tasmanian Wheat Freight Subsidy	0	0	0	0	0	1,200	0	0	1,200
Exotic Disease Eradication	53	53	53	33	33	33	38	53	349
National Landcare Programme (NLP)	10,026	5,604	4,982	7,071	5,959	1,176	28	1,344	36,190
Farm Business Improvement Programme (FarmBis)	0	0	0	0	0	0	0	0	0
Rural Adjustment Scheme	2,734	2,902	1,133	258	724	390	0	0	8,141
Natural Heritage Trust of Australia - National River Health Programme(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - Waterwatch Australia(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - Waste Management Awareness(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - Fisheries Action Programme(c)	0	0	0	0	0	0	0	0	0
Great Artesian Basin Sustainability Initiative(d)	2,800	0	4,032	0	594	0	0	0	7,426
Citrus Industry Market Diversification	0	0	0	0	0	0	0	0	0
Forest Industry Structural Adjustment Package	33,007	7,261	0	3,262	0	0	0	0	43,530
Skilling farmers for the future	3,640	2,984	3,580	2,586	2,586	358	0	179	15,913
Natural Heritage Trust of Australia - FarmBis - Adv Property Management Planning(c)	0	0	0	0	0	0	0	0	0
West 2000 Plus	1,400	0	0	0	0	0	0	0	1,400

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b><i>Agriculture, Forestry and Fishing (continued)</i></b>									
War Service Land Settlement Scheme	0	0	0	0	2,605	1	0	0	2,606
Farm Assistance Package for Central/NE South Australia	0	0	0	0	1,000	0	0	0	1,000
Queensland Trawling Industry Restructure Package	0	0	0	0	0	0	0	0	0
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>53,660</b>	<b>18,804</b>	<b>13,780</b>	<b>13,210</b>	<b>13,501</b>	<b>3,158</b>	<b>66</b>	<b>1,576</b>	<b>117,755</b>
<b><i>Mining and Mineral Resources (other than Fuels), Manufacturing and Construction</i></b>									
Regional Minerals Programme	0	0	0	0	0	0	0	0	0
Enterprise Development Programme	123	118	98	58	160	43	73	30	703
<b><i>Mining and Mineral Resources (other than fuels), Manufacturing and Construction - Total</i></b>	<b>123</b>	<b>118</b>	<b>98</b>	<b>58</b>	<b>160</b>	<b>43</b>	<b>73</b>	<b>30</b>	<b>703</b>
<b><i>Transport and Communication</i></b>									
Interstate road transport	12,450	7,244	2,565	1,072	3,364	135	135	135	27,100
Petroleum Products Freight Subsidy Scheme	447	0	1,083	417	127	0	0	1,426	3,500
Roads to Recovery - Unincorporated Areas	950	50	0	0	1,000	0	0	0	2,000
<b><i>Transport and Communication - Total</i></b>	<b>13,847</b>	<b>7,294</b>	<b>3,648</b>	<b>1,489</b>	<b>4,491</b>	<b>135</b>	<b>135</b>	<b>1,561</b>	<b>32,600</b>
<b><i>Other Purposes</i></b>									
Debt Redemption Assistance	9,954	5,243	4,852	3,334	5,175	4,090	0	1,752	34,400
* Financial Assistance Grants for local government									
<i>Financial Assistance Grants</i>									
<i>Identified Local Roads Grants</i>	320,983	236,931	177,681	93,674	74,122	23,231	15,378	9,750	951,750
Compensation - companies regulation	122,528	87,067	79,127	64,573	23,209	22,380	13,542	9,893	422,319
Natural Disaster Relief	49,147	42,965	24,196	14,894	11,078	3,431	0	2,189	147,900
Royalties	2,165	40	3,880	855	0	0	0	1,230	8,170
ACT National Capital influences	0	0	0	256,000	0	0	0	2,600	258,600
<b><i>Other Purposes - Total</i></b>	<b>504,777</b>	<b>372,246</b>	<b>289,736</b>	<b>433,330</b>	<b>113,584</b>	<b>53,132</b>	<b>50,006</b>	<b>27,414</b>	<b>1,844,225</b>
<b>TOTAL CURRENT</b>	<b>5,733,002</b>	<b>4,318,174</b>	<b>2,957,776</b>	<b>1,925,972</b>	<b>1,385,961</b>	<b>411,331</b>	<b>298,126</b>	<b>220,717</b>	<b>17,323,083</b>



**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
	<b>SPECIFIC PURPOSE PAYMENTS - CAPITAL PURPOSES</b>								
<b>Education</b>									
Government schools	81,523	56,067	45,494	24,274	18,834	6,726	4,145	3,044	240,107
* Non-government schools	30,929	26,043	16,238	8,959	7,116	2,181	2,148	778	94,392
<b>Education - Total</b>	<b>112,452</b>	<b>82,110</b>	<b>61,732</b>	<b>33,233</b>	<b>25,950</b>	<b>8,907</b>	<b>6,293</b>	<b>3,822</b>	<b>334,499</b>
<b>Health</b>									
Blood transfusion services	1,122	1,128	1,122	1,162	803	202	45	28	5,612
Federation Fund - Qld Institute of Medical Research	0	0	10,000	0	0	0	0	0	10,000
<b>Health - Total</b>	<b>1,122</b>	<b>1,128</b>	<b>11,122</b>	<b>1,162</b>	<b>803</b>	<b>202</b>	<b>45</b>	<b>28</b>	<b>15,612</b>
<b>Social Security and Welfare</b>									
Home and community care	1,138	1,027	684	356	327	96	42	24	3,694
Crisis accommodation assistance	13,410	9,856	7,357	3,895	3,109	977	647	404	39,655
<b>Social Security and Welfare- Total</b>	<b>14,548</b>	<b>10,883</b>	<b>8,041</b>	<b>4,251</b>	<b>3,436</b>	<b>1,073</b>	<b>689</b>	<b>428</b>	<b>43,349</b>
<b>Housing and Community Amenities</b>									
Housing assistance for indigenous people	17,777	3,638	25,227	15,862	8,342	696	0	19,458	91,000
Community housing	21,640	15,904	11,872	6,285	5,017	1,576	1,044	652	63,990
Commonwealth-State Housing Agreement (CSHA)									
Block Assistance/Base Funding	269,429	196,107	155,045	80,107	66,652	24,643	22,953	18,639	833,575
Social Housing Subsidy Programme	1,995	0	0	0	0	0	135	0	2,130
Federation Fund - development of the Tuggeranong Homestead	0	0	0	0	0	0	20	0	20
Federation Fund - Centennial Moore Park Trust	60	0	0	0	0	0	0	0	60
* Federal flood mitigation	3,821	1,105	3,821	502	302	302	0	201	10,054
* Additional \$7000 First Home Owners Scheme(h)	25,367	25,983	16,053	12,386	5,530	1,320	2,351	1,010	90,000
<b>Housing and Community Amenities - Total</b>	<b>340,089</b>	<b>242,737</b>	<b>212,018</b>	<b>115,142</b>	<b>85,843</b>	<b>28,537</b>	<b>26,503</b>	<b>39,960</b>	<b>1,090,829</b>

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b>Recreation and Culture</b>									
Sugar Coast Environment Rescue Package	0	0	0	0	0	0	0	0	0
National disaster memorials	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - National Reserve System Programme(c)	0	0	0	0	0	0	0	0	0
<b>Recreation and Culture - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fuel and Energy</b>									
Photovoltaic Rebate Programme (PVRP)	2,308	2,238	2,348	465	822	365	76	34	8,656
Renewable Remote Power Generation	250	0	7,700	20,900	2,200	1,550	0	11,000	43,600
<b>Fuel and Energy - Total</b>	<b>2,558</b>	<b>2,238</b>	<b>10,048</b>	<b>21,365</b>	<b>3,022</b>	<b>1,915</b>	<b>76</b>	<b>11,034</b>	<b>52,256</b>
<b>Agriculture, Forestry and Fishing</b>									
Natural Heritage Trust of Australia - Murray-Darling 2001(c)	0	0	0	0	0	0	0	0	0
Natural Heritage Trust of Australia - National Landcare Programme(c)	0	0	0	0	0	0	0	0	0
Sugar	0	0	0	0	0	0	0	0	0
<b>Agriculture, Forestry and Fishing - Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transport and Communication</b>									
Building IT Strengths - Tas 'Intelligent Island'	0	0	0	0	0	20,000	0	0	20,000
Alice Springs Darwin Railway	0	0	0	0	0	0	0	55,000	55,000
Wyndham Port loading facilities	0	0	0	0	0	0	0	0	0
Road programmes(d)(g)	347,460	225,722	235,448	101,832	55,566	23,432	11,103	27,921	1,037,484
Road safety blackspots - States	16,102	11,183	9,495	5,465	3,963	1,293	602	743	48,846
Federation Fund Projects - Northern Territory	0	0	0	0	0	0	0	55,000	55,000
Federation Fund Projects - Tasmania	0	0	0	0	0	630	0	0	630
Federation Fund Projects - Queensland	0	0	13,900	0	0	0	0	0	13,900
Federation Fund Projects - New South Wales/Victoria	0	41,000	0	0	0	0	0	0	41,000
* Payment to Tasmania for track upgrading	0	0	0	0	0	0	0	0	0
<b>Transport and Communication - Total</b>	<b>363,562</b>	<b>277,905</b>	<b>258,843</b>	<b>107,297</b>	<b>59,529</b>	<b>45,355</b>	<b>11,705</b>	<b>138,664</b>	<b>1,271,860</b>

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b>Other Purposes</b>									
Sinking Fund on State Debt	429	131	730	69	297	234	0	28	1,918
Natural Disaster Relief	38,200	280	32,649	7,200	0	0	0	10,500	88,829
<b>Other Purposes - Total</b>	<b>38,629</b>	<b>411</b>	<b>33,379</b>	<b>7,269</b>	<b>297</b>	<b>234</b>	<b>0</b>	<b>10,528</b>	<b>90,747</b>
<b>TOTAL CAPITAL</b>	<b>872,960</b>	<b>617,412</b>	<b>595,183</b>	<b>289,719</b>	<b>178,880</b>	<b>86,223</b>	<b>45,311</b>	<b>204,464</b>	<b>2,899,152</b>
<b>REPAYMENTS</b>									
Supplementary contributions	0	0	45,924	16,083	40,602	30,319	0	9,832	142,760
Payments to Debt Sinking Funds	1,732	530	2,946	277	1,197	944	0	113	7,739
<b>Total</b>	<b>1,732</b>	<b>530</b>	<b>48,870</b>	<b>16,360</b>	<b>41,799</b>	<b>31,263</b>	<b>0</b>	<b>9,945</b>	<b>150,499</b>
<b>Repayments of Commonwealth Government Loans</b>									
ACT debt repayments	0	0	0	0	0	0	4,647	0	4,647
Loan Council - housing nominations	4,842	0	1,781	3,088	2,899	1,298	0	1,612	15,520
<b>Repayments of Commonwealth Government Loans - Total</b>	<b>4,842</b>	<b>0</b>	<b>1,781</b>	<b>3,088</b>	<b>2,899</b>	<b>1,298</b>	<b>4,647</b>	<b>1,612</b>	<b>20,167</b>
<b>Defence</b>									
Housing for servicemen	650	0	400	132	14	0	0	0	1,196
<b>Defence - Total</b>	<b>650</b>	<b>0</b>	<b>400</b>	<b>132</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,196</b>
<b>Housing and Community Amenities</b>									
CSHA loans	29,915	0	8,079	7,708	8,796	3,356	0	447	58,301
Other housing	0	0	0	0	0	0	5,641	2,326	7,967
Urban water supply and treatment	0	0	0	0	317	0	0	0	317
Northern Territory - water and sewerage assistance	0	0	0	0	0	0	0	136	136
Growth centres	251	0	0	0	0	0	0	0	251
Urban rehabilitation	0	206	0	0	0	0	0	0	206
Community facilities - Townsville	0	0	33	0	0	0	0	0	33
Captains Flat (Abatement of Pollution) Agreement	6	0	0	0	0	0	0	0	6
Sewerage	2,242	0	561	4	0	0	0	0	2,807
<b>Housing and Community Amenities - Total</b>	<b>32,414</b>	<b>206</b>	<b>8,673</b>	<b>7,712</b>	<b>9,113</b>	<b>3,356</b>	<b>5,641</b>	<b>2,909</b>	<b>70,024</b>

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b><i>Agriculture, Forestry and Fishing</i></b>									
Dairy Adjustment Programme	0	0	0	0	0	0	0	0	0
Bovine Brucellosis and Tuberculosis	0	0	0	0	0	0	0	217	217
Rural Adjustment Scheme	1,826	0	0	0	0	0	0	193	2,019
War Service Land Settlement Scheme	413	440	0	0	30	2	0	0	885
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>2,239</b>	<b>440</b>	<b>0</b>	<b>0</b>	<b>30</b>	<b>2</b>	<b>0</b>	<b>410</b>	<b>3,121</b>
<b><i>Transport and Communication</i></b>									
Railway projects	96	96	0	377	0	0	0	0	569
<b><i>Transport and Communication - Total</i></b>	<b>96</b>	<b>96</b>	<b>0</b>	<b>377</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>569</b>
<b><i>Other Purposes</i></b>									
Natural Disaster Relief	331	0	795	0	0	0	0	313	1,439
<b><i>Other Purposes - Total</i></b>	<b>331</b>	<b>0</b>	<b>795</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>313</b>	<b>1,439</b>
<b>TOTAL REPAYMENTS</b>	<b>42,304</b>	<b>1,272</b>	<b>60,519</b>	<b>27,669</b>	<b>53,855</b>	<b>35,919</b>	<b>10,288</b>	<b>15,189</b>	<b>247,015</b>
	<b>ADVANCES</b>								
<b><i>Other Purposes</i></b>									
Natural Disaster Relief	1,250	250	2,500	400	250	250	0	100	5,000
<b><i>Other Purposes - Total</i></b>	<b>1,250</b>	<b>250</b>	<b>2,500</b>	<b>400</b>	<b>250</b>	<b>250</b>	<b>0</b>	<b>100</b>	<b>5,000</b>
<b>TOTAL ADVANCES</b>	<b>1,250</b>	<b>250</b>	<b>2,500</b>	<b>400</b>	<b>250</b>	<b>250</b>	<b>0</b>	<b>100</b>	<b>5,000</b>
	<b>INTEREST</b>								
Interest on Loan Council and Northern Territory Government	9,075	2,448	13,980	1,171	4,409	6,022	0	453	37,558
<b>Total</b>	<b>9,075</b>	<b>2,448</b>	<b>13,980</b>	<b>1,171</b>	<b>4,409</b>	<b>6,022</b>	<b>0</b>	<b>453</b>	<b>37,558</b>
<b><i>Interest on Commonwealth Government Loans</i></b>									
ACT Government debt	0	0	0	0	0	0	5,742	0	5,742
Housing nominations	21,870	0	7,885	13,501	13,221	5,809	0	7,591	69,877
<b><i>Interest on Commonwealth Government Loans - Total</i></b>	<b>21,870</b>	<b>0</b>	<b>7,885</b>	<b>13,501</b>	<b>13,221</b>	<b>5,809</b>	<b>5,742</b>	<b>7,591</b>	<b>75,619</b>
<b><i>Defence</i></b>									
Housing for servicemen	2,515	0	1,433	304	104	0	0	0	4,356
<b><i>Defence - Total</i></b>	<b>2,515</b>	<b>0</b>	<b>1,433</b>	<b>304</b>	<b>104</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,356</b>

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>Payment title</b>									
<b><i>Housing and Community Amenities</i></b>									
CSHA loans	46,651	0	12,938	12,385	19,229	6,265	0	1,536	99,004
Other housing	0	0	0	0	0	0	10,928	4,256	15,184
Urban water supply and treatment	0	0	0	0	1,174	0	0	0	1,174
Northern Territory - water and sewerage assistance	0	0	0	0	0	0	0	644	644
Growth centres	111	0	0	0	0	0	0	0	111
Urban rehabilitation	0	39	0	0	0	0	0	0	39
Sewerage	6,125	0	1,581	10	0	0	0	0	7,716
Community facilities - Townsville	0	0	13	0	0	0	0	0	13
Captains Flat (Abatement of Pollution) Agreement	8	0	0	0	0	0	0	0	8
<b><i>Housing and Community Amenities - Total</i></b>	<b>52,895</b>	<b>39</b>	<b>14,532</b>	<b>12,395</b>	<b>20,403</b>	<b>6,265</b>	<b>10,928</b>	<b>6,436</b>	<b>123,893</b>
<b><i>Agriculture, Forestry and Fishing</i></b>									
Bovine Brucellosis and Tuberculosis	0	0	0	0	0	0	0	0	22
Rural Adjustment Scheme	427	0	0	0	0	0	0	43	470
War Service Land Settlement Scheme	179	189	0	0	6	1	0	0	375
<b><i>Agriculture, Forestry and Fishing - Total</i></b>	<b>606</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>65</b>	<b>867</b>
<b><i>Transport and Communication</i></b>									
Railway projects	49	49	0	357	0	0	0	0	455
<b><i>Transport and Communication - Total</i></b>	<b>49</b>	<b>49</b>	<b>0</b>	<b>357</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>455</b>
<b><i>Other Purposes</i></b>									
Natural Disaster Relief	88	7	205	15	7	7	0	70	399
<b><i>Other Purposes - Total</i></b>	<b>88</b>	<b>7</b>	<b>205</b>	<b>15</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>70</b>	<b>399</b>
<b>TOTAL INTEREST</b>	<b>87,098</b>	<b>2,732</b>	<b>38,035</b>	<b>27,743</b>	<b>38,150</b>	<b>18,104</b>	<b>16,670</b>	<b>14,615</b>	<b>243,147</b>
<b>SUMMARY OF SPECIFIC PURPOSE PAYMENTS</b>									
Total Specific Purpose Payments	6,605,962	4,935,586	3,552,959	2,215,691	1,564,841	497,554	343,437	425,181	20,222,235
Total 'To' (f)	4,916,965	3,472,333	2,762,884	1,694,147	1,225,004	391,387	242,033	368,982	15,154,759
Total 'Through'	1,688,997	1,463,253	790,075	521,544	339,837	106,167	101,404	56,199	5,067,476

**Table B3: Estimated Specific Purpose Payments to the States, repayments of advances and interest payments, 2001-02 (\$'000) (continued)**

\* Items so marked are classified as payments 'through' the States.

- (a) The 1998-2003 Australian Health Care Agreements expire on 30 June 2003. The estimates for 2003-04 are indicative only.
- (b) Distributions for States and Territories other than Victoria, Queensland and the Northern Territory are indicative only and do not represent a commitment on the part of the Commonwealth. The final distribution for States and Territories other than Victoria, Queensland and the Northern Territory will depend on agreement of Strategic Plans with those States and Territories under the Australian Health Care Agreements.
- (c) Natural Heritage Trust: There are no estimates available past the current year (2000-01) at this time as funding is determined on a merit selection basis.
- (d) The split between the current and capital component has not yet been determined.
- (e) The funds allocated to the States and Territories as per the Authority's Directions and Resource Allocations, which is agreed by the ANTA Ministerial Council. These funds include supplementation for the 1998 and 1999 calendar years but not the outyears. The amount of supplementation is determined and approved each year by Parliament as an amendment to the Vocational Education and Training Funding Act.
- (f) This table does not include state splits for FBT transitional grants for public hospitals since indicative estimates of the distribution to each State are not currently available.
- (g) The figures do not include the balance of the additional \$400m funding at this time as projects to be funded have yet to be determined.
- (h) Distribution to States and Territories are indicative only, as payments will depend on the number of applications approved in each jurisdiction.



**Tables B4, B5 and B6: Estimated Specific Purpose Payments direct to local government authorities**

These tables provide information on Commonwealth SPPs to local government authorities on a functional basis.

Table B4 provides information on estimated Commonwealth SPPs to local government authorities for the years 2000-01 to 2004-05.

Table B5 provides estimates of the distribution of the SPPs direct to local government authorities among the States for 2000-01.

Table B6 provides an indicative distribution of SPPs direct to local government authorities among the States for 2001-02. The actual distribution of some payments may change in light of factors such as revisions to estimates and national priorities.



**Table B4: Estimated Specific Purpose Payments direct to local government authorities, 2000-01 to 2004-05**

**Table B5: Estimated Specific Purpose Payments direct to local government authorities, 2000-01**

**Table B6: Estimated Specific Purpose Payments direct to local government authorities, 2001-02**

**Table B4: Estimated Specific Purpose Payments direct to Local Government Authorities, 2000-01 - 2004-05 (\$'000)**

Payment Title	2000-01	2001-02	2002-03	2003-04	2004-05
Description					
<b>DIRECT PAYMENTS - CURRENT</b>					
<b>Aged care services</b>	65,456	71,984	75,871	78,526	82,039
To assist in the provision of appropriate residential and community care services for the frail aged.					
<b>Disability services</b>	1,243	1,297	1,334	1,374	1,415
Payments to local government authorities in order to provide services for people with disabilities.					
<b>Children's services</b>	46,890	48,328	50,035	51,833	51,998
Funds are provided to ensure access to affordable quality child care in programmes administered by local governments on behalf of the Commonwealth.					
<b>Local Government Incentive Programme(a)</b>	3,734	0	0	0	0
To develop local government's contribution to the social, cultural and economic well-being of the community, particularly in rural Australia.					
<b>Roads to Recovery Programme</b>	150,000	300,000	300,000	300,000	150,000
<b>TOTAL CURRENT</b>	<b>267,323</b>	<b>421,609</b>	<b>427,240</b>	<b>431,733</b>	<b>285,452</b>
<b>DIRECT PAYMENTS - CAPITAL</b>					
<b>Aged care services</b>	3622	2647	1563	1605	1266
To assist in the provision of appropriate residential and community care services for the frail aged.					
<b>Children's services</b>	931	544	531	319	319
For constructing community child care centres under Commonwealth/State National Child Care Strategies.					
<b>Upgrade of Rockhampton Airport's runway</b>	6,000	0	0	0	0
To upgrade Rockhampton Airport's runway to take heavily-laden B767 wide-bodied twin-jet and B747 jumbo jet aircraft and support increased use of the airport by the military.					
<b>Natural Heritage and Water Park, Goondiwindi</b>	0	5,000	0	0	0
To enable the construction of a Natural Heritage and Water Park at Serpentine Lagoon, Goondiwindi, as an alternate water skiing and recreational area to Boobera Lagoon.					
<b>TOTAL CAPITAL</b>	<b>10,553</b>	<b>8,191</b>	<b>2,094</b>	<b>1,924</b>	<b>1,585</b>
<b>TOTAL DIRECT PAYMENTS</b>	<b>277,876</b>	<b>429,800</b>	<b>429,334</b>	<b>433,657</b>	<b>287,037</b>

(a) Includes the Local Government Development Programme: 2000-01 \$0.191 million.

**Table B5: Estimated Specific Purpose Payments Direct to Local Government Authorities, 2000-01 (\$'000)**

Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>DIRECT PAYMENTS - CURRENT</b>									
Aged care services	17,627	27,037	4,793	8,938	5,214	1,563	0	284	65,456
Disability services	164	504	575	0	0	0	0	0	1,243
Children's services	16,684	20,336	3,895	3,549	352	1,947	0	127	46,890
Local Government Incentive Programme(a)	935	572	620	373	457	278	105	394	3,734
Roads to Recovery Programme	42,500	31,250	31,250	22,500	12,500	5,000	2,500	2,500	150,000
<b>TOTAL CURRENT</b>	<b>77,910</b>	<b>79,699</b>	<b>41,133</b>	<b>35,360</b>	<b>18,523</b>	<b>8,788</b>	<b>2,605</b>	<b>3,305</b>	<b>267,323</b>
<b>DIRECT PAYMENTS - CAPITAL</b>									
Aged care services	730	1202	103	690	0	897	0	0	3622
Children's services	506	142	95	60	2	18	0	108	931
Upgrade of Rockhampton Airport's Runway	0	0	6,000	0	0	0	0	0	6,000
Natural Heritage and Water Park, Goondiwindi	0	0	0	0	0	0	0	0	0
<b>TOTAL CAPITAL</b>	<b>1,236</b>	<b>1,344</b>	<b>6,198</b>	<b>750</b>	<b>2</b>	<b>915</b>	<b>0</b>	<b>108</b>	<b>10,553</b>
<b>TOTAL DIRECT PAYMENTS</b>	<b>79,146</b>	<b>81,043</b>	<b>47,331</b>	<b>36,110</b>	<b>18,525</b>	<b>9,703</b>	<b>2,605</b>	<b>3,413</b>	<b>277,876</b>

(a) Includes the Local Government Development Programme.

**Table B6: Estimated Specific Purpose Payments Direct to Local Government Authorities, 2001-02 (\$'000)**

Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	<b>DIRECT PAYMENTS - CURRENT</b>								
Aged care services	19,848	30,255	5,166	9,443	5,399	1,729	0	144	71,984
Disability services	180	523	594	0	0	0	0	0	1,297
Children's services	17,192	20,965	4,013	3,658	362	2,008	0	130	48,328
Local Government Incentive Programme(a)	0	0	0	0	0	0	0	0	0
Roads to Recovery Programme	85,000	62,500	62,500	45,000	25,000	10,000	5,000	5,000	300,000
<b>TOTAL CURRENT</b>	<b>122,220</b>	<b>114,243</b>	<b>72,273</b>	<b>58,101</b>	<b>30,761</b>	<b>13,737</b>	<b>5,000</b>	<b>5,274</b>	<b>421,609</b>
	<b>DIRECT PAYMENTS - CAPITAL</b>								
Aged care services	525	882	75	506	0	659	0	0	2,647
Children's services	296	83	55	35	1	11	0	63	544
Upgrade of Rockhampton Airport's Runway	0	0	0	0	0	0	0	0	0
Natural Heritage and Water Park, Goondiwindi	0	0	5,000	0	0	0	0	0	5,000
<b>TOTAL CAPITAL</b>	<b>821</b>	<b>965</b>	<b>5,130</b>	<b>541</b>	<b>1</b>	<b>670</b>	<b>0</b>	<b>63</b>	<b>8,191</b>
<b>TOTAL DIRECT PAYMENTS</b>	<b>123,041</b>	<b>115,208</b>	<b>77,403</b>	<b>58,642</b>	<b>30,762</b>	<b>14,407</b>	<b>5,000</b>	<b>5,337</b>	<b>429,800</b>

(a) Includes the Local Government Development Programme.

## Appendix C: Parameter Estimates and Further Information

### PARAMETER ESTIMATES USED IN THIS PAPER

Table C1 sets out the population series used in this Paper.

**Table C1: Population by State**

	Population by State ('000s)								Total
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	
2000-01	6,497	4,796	3,597	1,896	1,500	470	311	197	19,265
<b>2001-02</b>	<b>6,563</b>	<b>4,852</b>	<b>3,656</b>	<b>1,924</b>	<b>1,505</b>	<b>469</b>	<b>313</b>	<b>200</b>	<b>19,483</b>

The population series that underlie per capita estimates in this Paper for 2000-01 and 2001-02 are projections for 31 December 2000 and 31 December 2001 respectively. These projections were prepared by the Australian Bureau of Statistics (ABS) and are on the basis of assumptions agreed to by the Commonwealth Treasury.

Table C2 sets out the parameters used in this Paper, rounded to the nearest quarter.

**Table C2: Parameters**

	Parameters (per cent)		
	CPI	Population	Real per capita
2000-01(a)	5 1/4	1	6 1/4
2000-01(b)	3 1/4	1	4 1/4
<b>2001-02(a)</b>	3	1 1/4	4 1/4
<b>2001-02(b)</b>	2 3/4	1 1/4	4

(a) Unadjusted for the impact of indirect tax reform.

(b) Adjusted for the impact of indirect tax reform.

The parameters for population in 2000-01 and 2001-02 are based on the estimated annual growth in the Australian population to 31 December 2000 and 31 December 2001 respectively.

The first consumer price index (CPI) parameters listed for 2000-01 and 2001-02 are based on estimated year-average growth in the headline CPI in the year to the March quarter 2001 and the year to the March quarter 2002 respectively, *including* the estimated impact of indirect tax reform. The second CPI parameters listed for 2000-01 and 2001-02 are based on estimated year-average growth in the headline CPI in the year to the March quarter 2001 and the year to the March quarter 2002 respectively, *excluding* the estimated impact of indirect tax reform.

The choice of CPI parameter to be used in calculating payments that are subject to indexation is determined by legislation or other arrangements, and is reported in the description that accompanies the relevant payment in this Paper.

## **FURTHER INFORMATION**

A number of ABS publications also provide information that is relevant to analysing Commonwealth financial relations with other levels of government, including:

- *Government Financial Estimates, Australia* (Cat. No. 5501.0);
- *Taxation Revenue, Australia* (Cat. No. 5506.0);
- *Government Finance Statistics, Australia* (Cat. No. 5512.0)
- *Government Finance Statistics — Concepts, Sources and Methods* (Cat. No. 5514.0);
- *Information Paper: Developments in Government Finance Statistics, Australia* (Cat. No. 5516.0); and
- *Information Paper: Accruals Based Government Finance Statistics, Australia* (Cat. No. 5517.0).

Some of the data presented in this Paper are drawn from Commonwealth Grants Commission's *Report on State Revenue Sharing Relativities 2001 Update*, State and Territory 1999-2000 budget outcomes, 2000-01 mid-year budget updates and State and Territory 2001-02 Budgets where available.

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