



Budget

2019-20

Federal Financial Relations Budget Paper No. 3 2019-20

Circulated by

The Honourable Josh Frydenberg MP
Treasurer of the Commonwealth of Australia

and

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Minister for Finance and the Public Service
of the Commonwealth of Australia

For the information of honourable members
on the occasion of the Budget 2019-20

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FOREWORD

This Budget Paper presents information on the Australian Government's financial relations with state, territory and local governments. This includes an overview of major Australian Government reforms and new developments, as well as information on payments to the states and analysis of fiscal developments in the public sector.

NOTES

- (a) The following definitions are used in this Budget Paper:
- Budget year refers to 2019–20, while the forward years refer to 2020–21, 2021–22 and 2022–23; and
 - one billion is equal to one thousand million.
- (b) Except where otherwise indicated, payments to the states in this Budget Paper are reported in expense terms, not cash terms.
- (c) Figures in tables and the text have generally been rounded. Discrepancies in tables between totals and sums of components reflect rounding unless otherwise noted.
- Estimates of \$100,000 and over are generally rounded to the nearest tenth of a million.
 - Estimates midway between rounding points are rounded up.
 - Percentage changes in tables are based on the underlying unrounded amounts.
- (d) Tables use the following notations:
- | | |
|-----|-------------------------------|
| - | nil |
| na | not applicable |
| \$m | millions of dollars |
| \$b | billions of dollars |
| nfp | not for publication |
| * | unquantifiable |
| .. | not zero, but rounded to zero |
| ~ | allocation not yet determined |

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- (e) This Budget Paper uses the following conventions.
- The Australian Capital Territory and the Northern Territory of Australia are referred to as ‘the territories’.
 - References to the ‘states’ or ‘each state’ include state governments and territory governments.
 - Local governments are instrumentalities of state governments. Consequently, payments made to the state government sector include payments made to the local government sector unless otherwise specified.
 - The following abbreviations are used, where appropriate:

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

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

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

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

Budget Paper No. 3, *Federal Financial Relations 2019-20*, is one of a series of Budget Papers that provides information to supplement the Budget Speech. A full list of the series is printed on the inside cover of this paper.

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PART 1: AUSTRALIA'S FEDERAL RELATIONS

OVERVIEW

In 2019–20, the Australian Government will provide the states with \$127.4 billion in total payments, including payments of \$58.3 billion for specific purposes like schools and hospitals and general revenue assistance of \$69.1 billion.

The Australian Government will:

- provide a record \$100 billion in funding for its infrastructure plan over the next decade. New major transport projects and initiatives include:
 - a new fast rail plan for Australia including a \$2 billion contribution to the Melbourne-Geelong fast rail project;
 - a \$3 billion increase to the Urban Congestion Fund including \$500 million for a new Commuter Car Park Fund;
 - \$2.2 billion for the Road Safety Package; and
 - an additional \$1 billion for the next phase of the Roads of Strategic Importance initiative.
- permanently boost the size of the GST pool to be distributed among the states each year. In 2021-22, the Australian Government will inject \$600 million into the GST pool, followed by a further \$250 million in 2024-25, with both of these amounts to grow each and every year in line with the underlying growth of the GST;
- provide \$1.5 billion in GST top-up payments to Western Australia and the Northern Territory for 2019-20, and an estimated \$2.3 billion in total until 2021-22, to support the transition to the new horizontal fiscal equalisation system passed by the Parliament in 2018;
- support public hospitals through increased funding of \$1.4 billion from 2019-20 to 2021-22 reflecting revised activity estimates from the states;
- invest \$291.6 billion in schools over the next 10 years. This is an increase in Australian Government funding per student of 46 per cent over the next 10 years. The Government is addressing the findings of the Review to Achieve Educational Excellence in Australian Schools (Gonski 2.0) and is working with the states to lift student outcomes across Australian schools;
- as part of the broader \$1.3 billion Community Health and Hospitals Program, provide \$425.3 million over five years from 2018-19 for a range of initiatives that will contribute to improved health services across Australia;

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- provide \$449.5 million for universal access to early childhood education, to extend Australian Government funding for preschool services in the 2020 school year;
- provide \$300 million to Queensland for grant assistance to primary producers impacted by the North Queensland floods;
- provide \$56 million to the Marinus Link project which will support a second electricity transmission interconnector between Tasmania and the mainland, to unlock and share the benefits of pumped hydro storage potential in Tasmania; and
- provide an additional \$30.5 million over three years from 2020-21 for legal assistance services, bringing total Australian Government funding to \$1.2 billion.

AUSTRALIAN GOVERNMENT FUNDING TO THE STATES

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

In aggregate, the states are estimated to receive Australian Government payments of \$127.4 billion in 2019–20.

Total payments to the states in 2019–20 are estimated to be 25.4 per cent of total Australian Government expenditure and account for about 44.6 per cent of total state revenue. Australian Government payments effectively support about 46 per cent of state expenditure, as shown in Table 1.3.

Payments for specific purposes

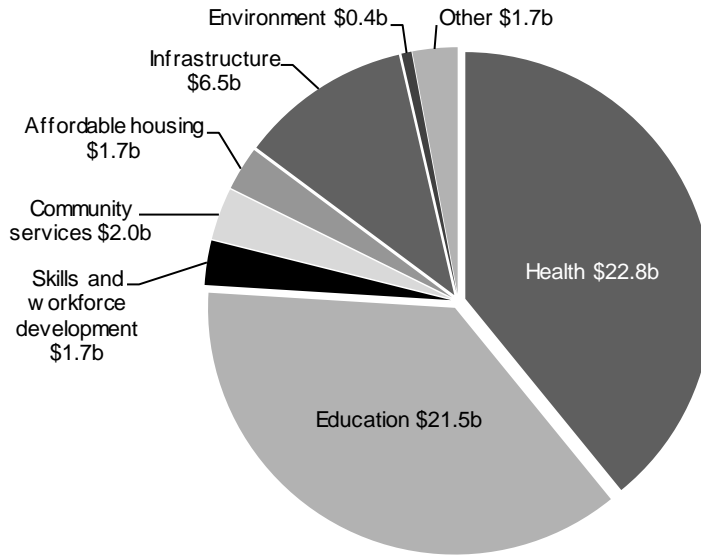
In 2019–20, the Australian Government will provide the states with \$58.3 billion in payments for specific purposes. Payments for specific purposes are estimated to make up 11.6 per cent of total Australian Government expenditure in 2019–20.

National Specific Purpose Payments (National SPPs), National Health Reform, the National Housing and Homelessness Agreement and Quality Schools funding are expected to total \$46.8 billion in 2019–20, an increase of \$1.3 billion or 2.9 per cent compared to 2018–19.

National Partnership payments are expected to be \$11.5 billion in 2019–20. This includes new agreements for the Community Health, Hospitals and Infrastructure projects and disaster risk reduction.

Part 2 of this Budget Paper provides further information on payments to the states for specific purposes. Chart 1.1 illustrates estimated specific purpose payments to the states in 2019–20 by function.

Chart 1.1: Payments for specific purposes 2019–20, by sector



General revenue assistance

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

In 2019–20, the states are expected to receive \$69.1 billion in general revenue assistance, comprising \$67.2 billion for the GST entitlement and \$1.9 billion for other general revenue assistance. This is an increase of \$1.9 billion (2.9 per cent) from \$67.1 billion in 2018–19. General revenue assistance to the states is estimated to represent 13.8 per cent of total Australian Government expenditure in 2019–20.

Part 3 contains further details of general revenue assistance to the states.

Payments to the states

Total Australian Government payments to the states are shown in Table 1.1.

Table 1.1: Australian Government payments to the states, 2018–19 to 2022–23

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19									
Payments for specific purposes(a)	17,582	14,212	14,469	6,207	4,462	1,443	966	1,254	60,870
GST entitlement(b)	17,953	16,810	14,441	3,216	6,716	2,449	1,308	2,739	65,630
Other general revenue assistance(c)	50	25	-	468	-	-	40	-	1,504
Total payments to the states	35,585	31,046	28,910	9,891	11,178	3,892	2,314	3,993	128,004
2019-20									
Payments for specific purposes(a)	17,492	13,874	12,564	6,712	3,964	1,229	944	1,220	58,305
GST entitlement(b)	18,714	17,266	14,214	3,581	6,759	2,475	1,410	2,781	67,200
Other general revenue assistance(c)	-	-	-	847	-	-	41	252	1,853
Total payments to the states	36,206	31,140	26,777	11,140	10,723	3,704	2,394	4,253	127,358
2020-21									
Payments for specific purposes(a)	18,528	14,674	13,972	6,568	3,958	1,360	1,000	1,184	61,994
GST entitlement(b)	~	~	~	~	~	~	~	~	70,010
Other general revenue assistance(c)	-	-	-	585	-	-	41	-	1,246
Total payments to the states	18,528	14,674	13,972	7,153	3,958	1,360	1,041	1,184	133,250
2021-22									
Payments for specific purposes(a)	18,853	15,494	14,907	7,070	4,050	1,430	1,049	1,200	64,726
GST entitlement(b)	~	~	~	~	~	~	~	~	74,130
Other general revenue assistance(c)	-	-	-	319	-	-	42	-	937
Total payments to the states	18,853	15,494	14,907	7,389	4,050	1,430	1,091	1,200	139,792
2022-23									
Payments for specific purposes(a)	19,976	17,090	15,345	7,463	4,286	1,583	1,110	1,308	68,944
GST entitlement(b)	~	~	~	~	~	~	~	~	78,021
Other general revenue assistance(c)	-	-	-	23	-	-	43	-	586
Total payments to the states	19,976	17,090	15,345	7,486	4,286	1,583	1,153	1,308	147,552

(a) State allocations for a number of programs have yet to be determined. These payments are not reflected in state totals. As a result, total payments for specific purposes may not equal the sum of the state figures.

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

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

For 2019–20, total payments to the states are estimated to be 6.4 per cent of GDP. Payments for specific purposes are estimated to be 2.9 per cent of GDP and general revenue assistance is estimated to be 3.4 per cent of GDP.

Table 1.2: Total Australian Government payments to the states as a proportion of GDP

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
<i>Payments for specific purposes</i>					
National SPPs	2,475	1,712	1,564	1,590	1,616
National Health Reform funding	21,708	22,535	23,622	24,815	26,183
Quality Schools funding	19,706	20,944	22,578	23,984	25,436
National Housing and Homelessness funding	1,536	1,565	1,598	1,566	1,591
National Partnership payments(a)	15,445	11,550	12,631	12,772	14,119
Total payments for specific purposes	60,870	58,305	61,994	64,726	68,944
Per cent change from previous year	8.5	-4.2	6.3	4.4	6.5
Per cent of GDP	3.1	2.9	3.0	3.0	3.0
<i>General revenue assistance</i>					
GST entitlement	65,630	67,200	70,010	74,130	78,021
Other general revenue assistance	1,504	1,853	1,246	937	586
Total general revenue assistance	67,134	69,053	71,256	75,067	78,608
Per cent change from previous year	4.6	2.9	3.2	5.3	4.7
Per cent of GDP	3.5	3.4	3.4	3.5	3.5
Total payments to the states	128,004	127,358	133,250	139,792	147,552
Per cent change from previous year	6.4	-0.5	4.6	4.9	5.6
Per cent of GDP	6.6	6.4	6.4	6.4	6.5

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

Chart 1.2: Total Australian Government payments to the states, 2019–20

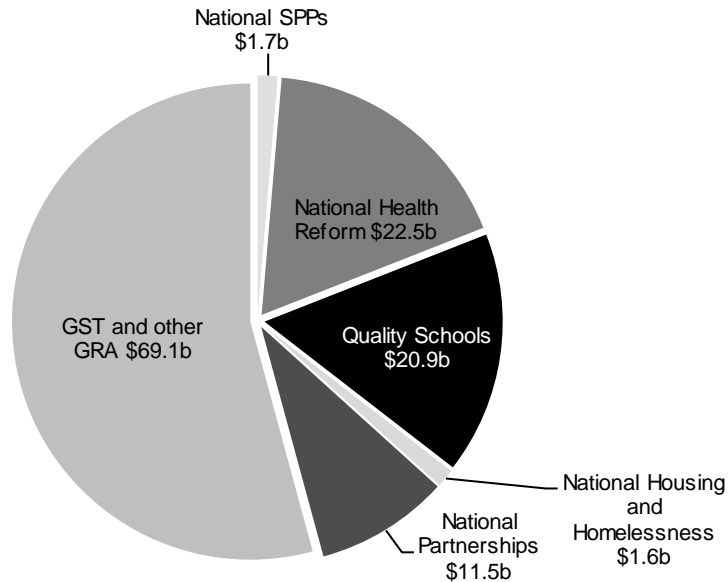


Table 1.3 provides information on the Australian Government's financial contributions to state expenditure in key sectors in 2017–18. It shows that Australian Government financial assistance in 2017–18 effectively supported 46 per cent of states' expenditure.

Table 1.3: Australian Government's contribution to state expenditure

	Australian Government tied payments \$million	State spending supported by general revenue assistance(b) \$million	Total state spending \$million	State spending supported by Australian Government revenue per cent
2017-18				
Education	20,607	12,658	61,298	54.3
Health	20,437	17,439	76,498	49.5
Housing and community amenities	2,128	1,889	8,199	49.0
Transport	6,974	6,261	27,100	48.8
Social protection	2,555	6,328	22,898	38.8
Other functions(a)	3,408	19,622	66,487	34.6
Payments for specific purpose	56,107			
General revenue assistance		64,197		
Total			262,480	45.8

Source: Australian Government and state government Final Budget Outcomes for 2017-18.

Note that 2017-18 data on an ABS Classification of the Functions of Government (COFOG-A) basis is unavailable for the Australian Government and Victoria. Australian Government and Victorian expense by purpose data has been adjusted to align with COFOG-A.

- (a) 'Other functions' includes additional functions not elsewhere itemised but does not include general revenue assistance.
- (b) General revenue assistance (GRA) is provided to the States without conditions, to spend according to their own budget priorities. For illustrative purposes GRA is allocated to expense functions based on the ratio of discretionary spending in each function as a share of states' total discretionary spending.

MEASURES AFFECTING PAYMENTS TO THE STATES

Table 1.4 lists all measures in the 2019–20 Budget that affect payments to the states. Details of the measures are available in Budget Paper No. 2, *Budget Measures 2019-20*, arranged by portfolio. Information on the payments affected is available in Parts 2 and 3 of this Budget Paper.

Table 1.4: Measures affecting payments to the states

Payment	Section of Budget Paper 3	Measure title	Section of Budget Paper 2
Community Health, Hospitals and Infrastructure projects	Part 2 – Health	Fighting Cancer – additional infrastructure and services	Expense – Health
Community Health, Hospitals and Infrastructure projects	Part 2 – Health	Guaranteeing Medicare – improved access to diagnostic imaging	Expense – Health
Community Health, Hospitals and Infrastructure projects	Part 2 – Health	Guaranteeing Medicare – strengthening primary care	Expense – Health
Community Health, Hospitals and Infrastructure projects and Grace’s Place	Part 2 – Health	Prioritising Mental Health – caring for our community	Expense – Health
Community Health, Hospitals and Infrastructure projects	Part 2 – Health	Supporting Our Hospitals – additional infrastructure and services	Expense – Health
Community Health, Hospitals and Infrastructure projects	Part 2 – Health	Supporting Our Hospitals – Community Health and Hospitals Program	Expense – Health
Universal Access to Early Childhood Education	Part 2 – Education	National Partnership Agreement on Universal Access to Early Childhood Education – further extension	Expense – Education and Training
Skilling Australians Fund and Skills for Tasmania	Part 2 – Skills and Workforce Development	Skills Package – Strengthening our Modern and Adaptive Skills System	Expense – Education and Training
Remote Housing South Australia	Part 2 – Affordable Housing	Remote Housing in South Australia	Expense – Prime Minister and Cabinet
Adelaide City Deal	Part 2 – Infrastructure	Adelaide City Deal	Expense – Infrastructure, Regional Development and Cities
Albury Wodonga Regional Deal	Part 2 – Infrastructure	Albury Wodonga Regional Deal	Expense – Infrastructure, Regional Development and Cities

Part 1: Australia's Federal Relations

Payment	Section of Budget Paper 3	Measure title	Section of Budget Paper 2
Drought Communities Program and National Partnership for the National Water Infrastructure Development Fund – Capital Component	Part 2 – Infrastructure and Part 2 – Environment	Assistance for Farmers and Farm Communities in Drought – additional funding	Expense – Infrastructure, Regional Development and Cities
Barkly Regional Deal	Part 2 – Infrastructure	Barkly Regional Deal	Expense – Infrastructure, Regional Development and Cities
Geelong City Deal	Part 2 – Infrastructure	Geelong City Deal – additional funding	Expense – Infrastructure, Regional Development and Cities
Hinkler Regional Deal	Part 2 – Infrastructure	Hinkler Regional Deal	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Australian Capital Territory infrastructure investments	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – New South Wales infrastructure investments	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Northern Territory infrastructure investments	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Princes Highway	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Queensland infrastructure investments	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Road Safety and Upgrade Package	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Roads of Strategic Importance – next priorities	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – South Australian infrastructure investment	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Tasmanian infrastructure investments	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Urban Congestion Fund – next priorities	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Victorian infrastructure investments	Expense – Infrastructure, Regional Development and Cities

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Payment	Section of Budget Paper 3	Measure title	Section of Budget Paper 2
Infrastructure Investment Program	Part 2 – Infrastructure	Infrastructure Investment Program – Western Australian infrastructure investments	Expense – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	Population Package	Expense – Cross Portfolio
Marinus Link	Part 2 – Environment	Climate Solutions Package	Expense – Environment and Energy
Disaster Risk Reduction	Part 2 – Environment	Natural Disaster Resilience Funding	Expense – Home Affairs
Grants assistance to primary producers impacted by the Queensland floods	Part 2 – Environment	North Queensland Flood Recovery Package	Expense – Cross Portfolio
Yellow crazy ant control	Part 2 – Environment	Practical Environment Restoration	Expense – Environment and Energy
Pest and disease preparedness and response programs	Part 2 – Environment	Red Imported Fire Ants Eradication Program – acceleration	Expense – Agriculture and Water Resources
Disaster Recovery Funding Arrangements	Part 2 – Contingent	Disaster Recovery Funding Arrangements – Funding for Northern Queensland Floods	Expense – Home Affairs
National mechanism for Commonwealth legal assistance	Part 2 – Other	Expensive Commonwealth Criminal Cases Fund – additional funding	Expense – Attorney-General's
National mechanism for Commonwealth legal assistance	Part 2 – Other	Family Advocacy and Support Services – Dedicated Men's Support Workers	Expense – Attorney-General's
Family law information sharing	Part 2 – Other	Fourth Action Plan (2019-22) to reduce violence against women and their children	Expense – Social Services
Financial Assistance Grants	Part 2 – Other	Local Government Financial Assistance Grants – prepayment	Expense – Infrastructure, Regional Development and Cities
National mechanism for Commonwealth legal assistance	Part 2 – Other	Single National Mechanism for Commonwealth Legal Assistance	Expense – Attorney-General's

Part 1: Australia's Federal Relations

Payment	Section of Budget Paper 3	Measure title	Section of Budget Paper 2
GST entitlement	Part 3 – GST Payments	Better Distribution of Medical Practitioners	Expense – Home Affairs
GST entitlement	Part 3 – GST Payments	Extension of Temporary Graduate visa period for regional graduates	Revenue – Home Affairs
GST entitlement	Part 3 – GST Payments	Increasing Work and Holiday Visa Cap for Indonesia	Revenue – Home Affairs
GST entitlement	Part 3 – GST Payments	Indirect Tax Concession Scheme – diplomatic, consular and international organisation concessions	Revenue – Treasury
GST entitlement	Part 3 – GST Payments	Tax Integrity – increasing engagement and on-time payment of tax and superannuation liabilities	Revenue – Treasury

PART 2: PAYMENTS FOR SPECIFIC PURPOSES

OVERVIEW

The Australian Government provides payments to the states for specific purposes in policy areas for which the states have primary responsibility. These payments cover most areas of state and local government activity, including health, education, skills and workforce development, community services, housing, Indigenous affairs, infrastructure and the environment.

Funding for public hospitals under the National Health Reform Agreement is the largest single specific purpose payment to the states, estimated at \$22.5 billion in 2019-20.

Schools funding payments under the *Australian Education Act 2013* are estimated to be \$20.9 billion in 2019-20, comprising funding for government schools of \$8.3 billion and non-government schools of \$12.6 billion.

In 2019-20, the Australian Government supports the states in two service delivery sectors through National Specific Purpose Payments (National SPPs) – Skills and Workforce Development and Disability Services. The states are required to spend each National SPP in the relevant sector.

In 2019-20, the Australian Government is estimated to provide \$1.6 billion under the National Housing and Homelessness Agreement. Funding will support access to affordable safe and sustainable housing, which includes preventing and addressing homelessness.

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

To the fullest extent possible, payments under National Partnerships are aligned with the achievement of milestones and are made after the states have achieved the outcomes or outputs specified in the relevant agreement. National Partnership payments are estimated to be \$11.5 billion in 2019-20.

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

Table 2.1: Total payments for specific purposes by category, 2018–19 to 2022–23

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2018-19									
National SPPs	485	811	628	324	105	66	26	31	2,475
National Health Reform funding	6,737	5,050	5,216	2,267	1,320	414	413	291	21,708
Quality Schools funding	6,113	4,896	4,225	1,954	1,375	455	330	353	19,706
National Housing and Homelessness funding	476	395	314	164	108	33	26	20	1,536
National Partnership payments(b)	3,772	3,059	4,087	1,498	1,555	475	171	560	15,445
Total payments for specific purposes	17,582	14,212	14,469	6,207	4,462	1,443	966	1,254	60,870
2019-20									
National SPPs	492	402	308	331	105	32	26	15	1,712
National Health Reform funding	6,849	5,864	4,906	2,375	1,398	425	412	306	22,535
Quality Schools funding	6,457	5,230	4,508	2,101	1,465	473	344	364	20,944
National Housing and Homelessness funding	484	406	320	166	109	34	27	20	1,565
National Partnership payments(b)	3,210	1,972	2,521	1,739	886	265	135	516	11,550
Total payments for specific purposes	17,492	13,874	12,564	6,712	3,964	1,229	944	1,220	58,305
2020-21									
National SPPs	500	411	313	159	106	33	27	15	1,564
National Health Reform funding	7,212	5,876	5,346	2,521	1,450	442	441	333	23,622
Quality Schools funding	6,933	5,662	4,863	2,291	1,586	499	364	378	22,578
National Housing and Homelessness funding	493	418	326	169	110	34	27	20	1,598
National Partnership payments(b)	3,390	2,307	3,123	1,427	707	352	140	437	12,631
Total payments for specific purposes	18,528	14,674	13,972	6,568	3,958	1,360	1,000	1,184	61,994
2021-22									
National SPPs	508	421	318	160	107	33	27	15	1,590
National Health Reform funding	7,593	6,164	5,597	2,660	1,503	462	464	372	24,815
Quality Schools funding	7,344	6,058	5,132	2,459	1,703	521	378	387	23,984
National Housing and Homelessness funding	494	406	319	162	107	33	26	19	1,566
National Partnership payments(b)	2,913	2,445	3,541	1,629	630	382	153	408	12,772
Total payments for specific purposes	18,853	15,494	14,907	7,070	4,050	1,430	1,049	1,200	64,726

Table 2.1: Total payments for specific purposes by category, 2018–19 to 2022–23 (continued)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
2022-23									
National SPPs	517	430	323	162	108	33	28	15	1,616
National Health Reform funding	7,992	6,466	5,973	2,815	1,558	481	492	404	26,183
Quality Schools funding	7,787	6,472	5,391	2,625	1,824	543	400	393	25,436
National Housing and Homelessness funding	502	415	324	163	107	33	27	19	1,591
National Partnership payments(b)	3,179	3,307	3,332	1,698	689	493	164	477	14,119
Total payments for specific purposes	19,976	17,090	15,345	7,463	4,286	1,583	1,110	1,308	68,944

(a) As state allocations for a number of programs have not yet been determined, these payments are not included in state totals. As a result, total payments may not equal the sum of state totals.

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

Table 2.2: Payments for specific purposes by sector and category, 2018–19 to 2022–23

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
<i>Health</i>					
National Health Reform funding	21,708	22,535	23,622	24,815	26,183
National Partnerships	470	269	211	165	296
Total health payments	22,179	22,804	23,833	24,980	26,478
<i>Education</i>					
Quality Schools funding	19,706	20,944	22,578	23,984	25,436
National Partnerships	534	544	408	91	61
Total education payments	20,240	21,488	22,986	24,074	25,498
<i>Skills and workforce development</i>					
National Skills and Workforce					
Development SPP	1,517	1,539	1,564	1,590	1,616
National Partnerships	162	160	134	133	5
Total skills and workforce development payments	1,679	1,699	1,697	1,723	1,620
<i>Community services</i>					
National Disability SPP	958	173	-	-	-
National Partnerships	3,402	1,820	1,329	1,372	1,104
Total community services payments	4,360	1,993	1,329	1,372	1,104
<i>Affordable housing</i>					
National Housing and Homelessness funding					
Homelessness funding	1,536	1,565	1,598	1,566	1,591
National Partnerships	297	115	115	115	111
Total affordable housing payments	1,832	1,680	1,712	1,680	1,702
<i>Infrastructure</i>					
National Partnerships	6,084	6,528	6,822	7,341	8,843
<i>Environment</i>					
National Partnerships	970	384	460	357	416
<i>Contingent payments</i>					
National Partnerships	475	11	2	..	..
<i>Other</i>					
National Partnerships(a)	3,050	1,717	3,151	3,197	3,283
Total payments for specific purposes	60,870	58,305	61,994	64,726	68,944

(a) Includes financial assistance grants for local government.

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

HEALTH

In 2019–20, the Australian Government will provide funding of \$22.8 billion to support state health services, including \$22.5 billion in National Health Reform funding and \$269.5 million in National Partnership payments, as detailed in Table 2.3.

Table 2.3: Payments to support state health services

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Health Reform funding	21,708.3	22,534.6	23,622.5	24,815.2	26,182.5
National Partnership payments					
Health services	75.7	79.8	85.1	59.7	38.2
Health infrastructure	93.9	24.6	2.7	27.3	-
Indigenous health	18.1	16.3	15.6	7.4	-
Other health payments	282.5	148.7	107.5	70.2	257.7
Total National Partnership payments	470.2	269.5	211.0	164.6	295.9
Total	22,178.5	22,804.1	23,833.5	24,979.8	26,478.4

National Health Reform funding

In 2019–20, National Health Reform funding is estimated to be \$22.5 billion. This is an increase of \$826.3 million, or 3.8 per cent, from 2018–19.

National Health Reform funding

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19									
Hospital services	6,608.6	4,946.3	5,135.1	2,226.0	1,292.3	405.8	406.7	286.8	21,307.5
Public health	128.1	103.9	80.4	41.5	27.7	8.5	6.8	3.9	400.8
Total	6,736.6	5,050.2	5,215.5	2,267.4	1,320.1	414.2	413.4	290.8	21,708.3
2019-20									
Hospital services	6,713.7	5,753.8	4,821.6	2,331.9	1,369.1	416.0	404.6	302.0	22,112.8
Public health	134.8	110.1	84.6	43.3	28.9	8.8	7.1	4.1	421.8
Total	6,848.5	5,864.0	4,906.1	2,375.2	1,398.0	424.9	411.8	306.1	22,534.6
2020-21									
Hospital services	7,070.5	5,759.2	5,257.4	2,475.9	1,419.6	433.2	433.8	328.8	23,178.4
Public health	142.0	116.7	89.0	45.2	30.2	9.2	7.6	4.3	444.1
Total	7,212.4	5,876.0	5,346.4	2,521.1	1,449.7	442.5	441.4	333.0	23,622.5
2021-22									
Hospital services	7,443.8	6,040.4	5,503.3	2,613.2	1,471.6	451.9	456.0	367.1	24,347.4
Public health	149.6	123.8	93.7	47.2	31.5	9.7	8.0	4.4	467.9
Total	7,593.5	6,164.2	5,597.0	2,660.5	1,503.1	461.6	464.0	371.5	24,815.2
2022-23									
Hospital services	7,834.6	6,334.8	5,874.3	2,765.8	1,525.2	471.3	483.9	399.7	25,689.6
Public health	157.7	131.2	98.6	49.3	32.8	10.1	8.4	4.6	492.9
Total	7,992.3	6,466.0	5,972.9	2,815.1	1,558.1	481.4	492.4	404.3	26,182.5

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From 2018-19 to 2019-20, National Health Reform funding is linked to growth in public hospital activity, the national efficient price and national efficient cost determined by the Independent Hospital Pricing Authority. Over this period, the Australian Government will fund 45 per cent of the efficient growth in activity based services, with growth in total Australian Government funding capped at 6.5 per cent a year.

The Australian Government has committed to a new health and hospitals agreement from 2020-21 to 2024-25. Health Ministers are developing the agreement for the approval of Council of Australian Government before the end of 2019.

Final entitlements to National Health Reform funding, 2016-17

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform	5,922.8	4,626.9	4,094.2	2,055.0	1,257.7	389.5	364.7	242.5	18,953.3

In September 2018, the Treasurer determined final entitlements for 2016-17 National Health Reform funding in accordance with advice from the Administrator of the National Health Funding Pool.

Final entitlements to National Health Reform funding, 2017-18

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform	6,149.3	4,878.7	4,347.6	2,152.3	1,300.5	412.1	373.2	263.4	19,877.0

In March 2019, the Treasurer determined final entitlements for 2017-18 National Health Reform funding in accordance with advice from the Administrator of the National Health Funding Pool.

National Partnership payments for health

A total of \$269.5 million will be provided to the states in 2019-20 under the following categories:

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

Health services

In 2019–20, the Australian Government is estimated to provide \$79.8 million to support the delivery of health services in the states.

Table 2.3.1 Health services

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Partnership payments					
Additional assistance for public hospitals	11.7	6.7	18.9	18.7	-
Comprehensive palliative care across the life course	-	9.9	10.5	11.0	11.5
Expansion of the BreastScreen Australia program	14.9	15.2	15.4	-	-
Hummingbird House	0.8	0.8	-	-	-
Improving Health Services in Tasmania Subacute and acute projects	5.0	-	-	-	-
Management of Torres Strait / Papua New Guinea cross-border health issues	4.8	4.9	-	-	-
Mosquito control and cross border liaison in the Torres Strait	1.0	1.0	-	-	-
National Bowel Cancer Screening Program – participant follow-up function	8.0	8.9	9.1	9.0	-
OzFoodNet	1.8	1.8	-	-	-
Royal Darwin Hospital – equipped, prepared and ready	16.3	16.5	16.8	17.0	17.3
Specialist dementia care	0.2	2.8	3.9	4.0	9.4
Vaccine-preventable diseases surveillance	0.9	0.9	-	-	-
Victorian Cytology Service	10.3	10.5	10.6	-	-
Total	75.7	79.8	85.1	59.7	38.2

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

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	11.7	-	11.7
2019-20	-	-	-	-	-	6.7	-	-	6.7
2020-21	-	-	-	-	-	18.9	-	-	18.9
2021-22	-	-	-	-	-	18.7	-	-	18.7
2022-23	-	-	-	-	-	-	-	-	-

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

The Australian Government will provide funding to Tasmania and the Australian Capital Territory if growth in National Health Reform funding is lower than growth in CPI and population in a given year.

National Partnership on comprehensive palliative care across the life course

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	3.2	2.6	2.0	1.0	0.7	0.2	0.2	0.1	9.9
2020-21	3.3	2.7	2.1	1.1	0.7	0.2	0.2	0.1	10.5
2021-22	3.5	2.8	2.2	1.1	0.8	0.2	0.2	0.1	11.0
2022-23	3.7	3.0	2.3	1.2	0.8	0.2	0.2	0.1	11.5

The Australian Government will provide funding to improve palliative and end-of-life care coordination for older Australians living in residential aged care.

National Partnership on expansion of the BreastScreen Australia program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	4.8	3.8	3.0	1.6	1.1	0.3	0.2	0.2	14.9
2019-20	4.9	3.8	3.0	1.6	1.1	0.3	0.2	0.2	15.2
2020-21	4.9	3.9	3.1	1.7	1.1	0.3	0.3	0.2	15.4
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on Hummingbird House

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	0.8	-	-	-	-	-	0.8
2019-20	-	-	0.8	-	-	-	-	-	0.8
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding for the operation of a dedicated respite and hospice care facility for children with life-limiting conditions and their families and carers.

National Partnership on improving health services in Tasmania — subacute and acute projects component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	5.0	-	-	5.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	4.8	-	-	-	-	-	4.8
2019-20	-	-	4.9	-	-	-	-	-	4.9
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is contributing to the costs of treating Papua New Guinean nationals who travel through the Torres Strait treaty zone and access healthcare facilities in the Queensland health and hospitals network.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	1.0	-	-	-	-	-	1.0
2019-20	-	-	1.0	-	-	-	-	-	1.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on the national bowel cancer screening program — participant follow-up function

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	2.5	1.9	1.6	0.8	0.6	0.3	0.2	0.1	8.0
2019-20	2.8	2.2	1.8	1.0	0.7	0.3	0.2	0.1	8.9
2020-21	2.8	2.2	1.8	1.0	0.7	0.3	0.2	0.1	9.1
2021-22	2.8	2.2	1.8	1.0	0.7	0.3	0.2	0.1	9.0
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on OzFoodNet

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.2	1.8
2019-20	0.4	0.3	0.3	0.2	0.2	0.2	0.1	0.2	1.8
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	16.3	16.3
2019-20	-	-	-	-	-	-	-	16.5	16.5
2020-21	-	-	-	-	-	-	-	16.8	16.8
2021-22	-	-	-	-	-	-	-	17.0	17.0
2022-23	-	-	-	-	-	-	-	17.3	17.3

The Australian Government is providing funding to maintain the National Critical Care and Trauma Response Centre at the Royal Darwin Hospital in a state of readiness to respond to major health incidents in the region.

National Partnership on specialist dementia care^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	0.2	-	-	-	-	0.2
2019-20	~	~	~	0.3	~	~	~	~	2.8
2020-21	~	~	~	~	~	~	~	~	3.9
2021-22	~	~	~	~	~	~	~	~	4.0
2022-23	~	~	~	~	~	~	~	~	9.4

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

The Australian Government will provide funding to deliver a program which will deliver intensive, specialised care for people with very severe behavioural and psychological symptoms of dementia.

National Partnership on vaccine-preventable diseases surveillance

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.2	0.2	0.2	0.1	0.1	..	..	0.1	0.9
2019-20	0.2	0.2	0.2	0.1	0.1	..	..	0.1	0.9
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on the Victorian Cytology Service

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	10.3	-	-	-	-	-	-	10.3
2019-20	-	10.5	-	-	-	-	-	-	10.5
2020-21	-	10.6	-	-	-	-	-	-	10.6
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding to the Victorian Cytology Service which supports the early detection of pre-cancerous cervical conditions by processing cervical screening tests undertaken by general practitioners and other health professionals across Australia.

Health infrastructure

In 2019–20, the Australian Government is estimated to provide \$24.6 million to support the development of health-related infrastructure.

Table 2.3.2 Health infrastructure

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Partnership payments					
Albury-Wodonga Cardiac Catheterisation Laboratory	1.0	-	-	-	-
Expansion of Clare Holland House	4.0	-	-	-	-
Fussell House accommodation	4.0	2.7	-	-	-
Grace's Place	-	4.1	2.0	-	-
Health infrastructure projects	41.7	17.1	-	-	-
Proton beam therapy facility	40.7	-	-	27.3	-
Redevelopment of Strathalbyn residential aged care facility	2.5	0.7	0.7	-	-
Total	93.9	24.6	2.7	27.3	-

National Partnership on the Albury-Wodonga cardiac catheterisation laboratory

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	1.0	-	-	-	-	-	-	1.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding for a new laboratory that will enable local residents suffering from heart conditions to access quality care, without the need to travel long distances to capital cities.

National Partnership on the expansion of Clare Holland House

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	4.0	-	4.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding to expand Clare Holland House which will increase palliative care facilities in the Australian Capital Territory.

National Partnership on the Fussell House accommodation

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	4.0	-	-	-	-	-	-	-	4.0
2019-20	2.7	-	-	-	-	-	-	-	2.7
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding for the development of the Fussell House accommodation facility which will house veterans and their families who receive treatment at the National Centre for Veterans' Healthcare.

National Partnership on Grace's Place

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	4.1	-	-	-	-	-	-	-	4.1
2020-21	2.0	-	-	-	-	-	-	-	2.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government will provide funding to New South Wales to assist with the construction of Grace's Place, a residential trauma recovery centre for children and young people aged between 3 and 18 years impacted by homicide.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on health infrastructure projects

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	1.9	-	16.5	5.7	-	17.5	-	0.1	41.7
2019-20	-	0.5	-	4.4	-	10.0	-	2.2	17.1
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding for infrastructure projects and funding to improve access to essential health services for Australians living in rural, regional and remote areas.

National Partnership on the proton beam therapy facility

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	40.7	-	-	-	40.7
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	27.3	-	-	-	27.3
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is funding the establishment of a proton beam therapy facility in Adelaide. The technology will be used as an alternative to conventional radiotherapy to treat people with certain types of cancer and for research.

National Partnership on the redevelopment of Strathalbyn residential aged care facility

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	2.5	-	-	-	2.5
2019-20	-	-	-	-	0.7	-	-	-	0.7
2020-21	-	-	-	-	0.7	-	-	-	0.7
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government will provide funding for additional residential aged care services at the Strathalbyn and District Aged Care Facility.

Indigenous health

In 2019–20, the Australian Government is estimated to provide \$16.3 million to the states for programs to improve the health of Indigenous Australians.

Table 2.3.3 Indigenous health

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Partnership payments					
Addressing blood-borne viruses and sexually transmissible infections in the Torres Strait	1.1	1.1	-	-	-
Improving trachoma control services for Indigenous Australians	5.1	5.2	5.3	-	-
Northern Territory remote Aboriginal investment - health component	6.4	6.7	7.0	7.4	-
Rheumatic fever strategy	5.4	3.2	3.3	-	-
Total	18.1	16.3	15.6	7.4	-

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	1.1	-	-	-	-	-	1.1
2019-20	-	-	1.1	-	-	-	-	-	1.1
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on improving trachoma control services for Indigenous Australians

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	..	-	0.3	1.6	1.3	-	-	1.8	5.1
2019-20	..	-	0.3	1.7	1.4	-	-	1.9	5.2
2020-21	..	-	0.3	1.7	1.4	-	-	1.9	5.3
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding for trachoma control activities in jurisdictions where trachoma, an infectious disease which can lead to blindness, is endemic.

National Partnership on Northern Territory remote Aboriginal investment — health component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	6.4	6.4
2019-20	-	-	-	-	-	-	-	6.7	6.7
2020-21	-	-	-	-	-	-	-	7.0	7.0
2021-22	-	-	-	-	-	-	-	7.4	7.4
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government provides funding to supplement primary health care services in remote Northern Territory communities and position the Northern Territory for the long-term sustainability of its services to Indigenous Australians. The funding includes support for the provision of integrated oral and hearing health services to children in remote communities.

This National Partnership supports the Northern Territory to improve schooling for Aboriginal children, to make communities safer and healthier, and increase access to interpreter services and job opportunities for Aboriginal Australians. Other components of the National Partnership are discussed in the Community Services, Education and Affordable Housing sections of this Part.

National Partnership on rheumatic fever strategy

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	1.8	1.8	0.8	-	-	0.9	5.4
2019-20	-	-	0.9	0.9	0.4	-	-	0.9	3.2
2020-21	-	-	1.0	1.0	0.4	-	-	1.0	3.3
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding to programs that register and control acute rheumatic fever and rheumatic heart disease in Indigenous children.

Other health payments

In 2019–20, the Australian Government is estimated to provide \$148.7 million to the states for other health-related National Partnerships.

Table 2.3.4 Other health National Partnership payments

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Partnership payments					
Community Health, Hospitals and Infrastructure projects	69.9	20.2	40.0	54.0	241.3
Encouraging more clinical trials in Australia	1.5	1.5	1.5	-	-
Electronic recording and reporting of controlled drugs	3.2	-	-	-	-
Essential vaccines	15.5	15.9	16.0	16.2	16.4
Health Innovation Fund	50.0	-	50.0	-	-
National Coronial Information System	0.4	0.4	-	-	-
Public dental services for adults	136.1	107.8	-	-	-
Suicide prevention	6.0	3.0	-	-	-
Total	282.5	148.7	107.5	70.2	257.7

National Partnership on Community Health, Hospitals and Infrastructure projects

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	9.9	3.5	8.1	8.2	30.0	9.4	0.8	0.1	69.9
2019-20	2.8	-	3.5	3.5	-	7.4	2.3	0.7	20.2
2020-21	2.8	4.5	7.3	12.5	-	9.0	1.5	2.5	40.0
2021-22	1.0	5.0	14.2	20.3	3.0	9.0	1.5	-	54.0
2022-23	48.3	58.3	47.1	41.8	11.1	5.0	9.0	20.7	241.3

The Australian Government is providing funding to all states for vital health infrastructure and services to ensure Australians can access the care they need, where they need it.

New measures associated with this National Partnership are listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on encouraging more clinical trials in Australia

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.3	0.2	0.3	0.2	0.1	0.1	0.2	0.1	1.5
2019-20	0.3	0.2	0.3	0.2	0.1	0.1	0.2	0.1	1.5
2020-21	0.3	0.2	0.3	0.2	0.1	0.1	0.2	0.1	1.5
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	~	~	~	~	~	~	~	~	3.2
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

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

National Partnership on essential vaccines

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	5.0	3.6	2.7	1.7	1.1	0.5	0.5	0.5	15.5
2019-20	4.4	3.5	3.2	1.9	1.2	0.6	0.5	0.5	15.9
2020-21	4.5	3.5	3.2	1.9	1.2	0.6	0.6	0.5	16.0
2021-22	4.5	3.6	3.2	2.0	1.2	0.6	0.6	0.5	16.2
2022-23	4.5	3.6	3.3	2.0	1.2	0.6	0.6	0.5	16.4

The Australian Government is providing funding to improve the health of Australians through the cost-effective delivery of the National Immunisation Program.

National Partnership on the Health Innovation Fund^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	36.7	-	-	13.3	-	-	-	-	50.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	~	~	~	~	~	~	~	~	50.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

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

National Partnership on the National Coronial Information System

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	0.4	-	-	-	-	-	-	0.4
2019-20	-	0.4	-	-	-	-	-	-	0.4
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding for the administration, maintenance and improvement of Australia’s national coronial data base.

Part 2: Payments for specific purposes

National Partnership on public dental services for adults

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	34.4	26.9	49.5	9.7	9.4	3.4	1.4	1.4	136.1
2019-20	34.4	26.9	21.7	9.7	9.4	3.4	1.0	1.4	107.8
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on suicide prevention^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	1.3	0.8	-	-	-	0.3	0.3	-	6.0
2019-20	1.3	0.5	-	-	-	0.5	-	-	3.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

(a) Totals include unallocated funding.

The Australian Government is providing funding to assist in reducing the risk of suicide by funding infrastructure projects, such as barriers, fencing and lighting, at identified locations.

EDUCATION

In 2019–20, the Australian Government will provide funding of \$21.5 billion to support state education services, including \$20.9 billion in Quality Schools funding and \$544.2 million through National Partnership payments, as detailed in Table 2.4.

Table 2.4: Payments to support state education services

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
Quality Schools funding	19,706.3	20,944.1	22,578.2	23,983.6	25,436.1
National Partnership payments					
MoneySmart teaching	2.5	1.3	1.3	-	-
National school chaplaincy program	61.4	61.4	61.4	61.4	61.4
Northern Territory Remote Aboriginal investment(a)					
Children and schooling component	37.5	37.3	30.2	29.3	-
School pathways program	1.2	1.2	-	-	-
Universal access to early childhood education	431.5	442.9	314.7	-	-
Total National Partnership payments	534.1	544.2	407.6	90.7	61.4
Total	20,240.5	21,488.3	22,985.9	24,074.3	25,497.5
<i>Memorandum item – payments for non-government schools included in payments above</i>					
Quality Schools funding	12,019.9	12,616.3	13,581.0	14,309.0	15,049.1

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

Quality Schools funding

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

In 2019–20, the Australian Government will provide \$20.9 billion in Quality Schools funding to government and non-government schools in all states. This includes recurrent funding, capital funding, special circumstances funding for non-government schools, funding for non-government school reform support funding, and other prescribed purpose funding.

Quality Schools funding

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19									
Government schools(a)	2,428.7	1,768.8	1,734.8	739.7	515.7	198.7	107.3	192.8	7,686.5
Non-government schools(b)(c)(d)	3,684.2	3,127.2	2,489.8	1,214.1	859.4	256.0	222.6	160.6	12,019.9
Total	6,112.9	4,896.0	4,224.7	1,953.8	1,375.0	454.7	329.9	353.4	19,706.3
2019-20									
Government schools(a)	2,601.1	1,933.1	1,881.9	826.2	561.8	207.7	119.9	196.1	8,327.8
Non-government schools(b)(c)(d)	3,855.8	3,296.5	2,626.6	1,274.3	903.4	265.0	224.2	167.5	12,616.3
Total	6,456.9	5,229.6	4,508.5	2,100.5	1,465.2	472.7	344.1	363.7	20,944.1
2020-21									
Government schools(a)	2,784.3	2,102.8	2,031.8	918.1	609.6	217.2	133.1	200.3	8,997.2
Non-government schools(b)(c)(d)	4,148.4	3,559.3	2,831.6	1,373.3	975.9	282.1	231.2	177.6	13,581.0
Total	6,932.7	5,662.1	4,863.3	2,291.5	1,585.5	499.4	364.3	377.9	22,578.2
2021-22									
Government schools(a)	2,972.4	2,281.9	2,165.6	1,014.3	664.9	226.7	146.8	201.9	9,674.5
Non-government schools(b)(c)(d)	4,372.0	3,775.6	2,966.1	1,445.0	1,038.0	294.5	231.5	184.7	14,309.0
Total	7,344.4	6,057.5	5,131.7	2,459.3	1,702.9	521.2	378.3	386.6	23,983.6
2022-23									
Government schools(a)	3,175.2	2,475.5	2,301.6	1,113.7	722.9	235.9	161.6	200.4	10,386.9
Non-government schools(b)(c)(d)	4,611.4	3,996.9	3,089.8	1,511.3	1,101.3	306.6	238.0	192.1	15,049.1
Total	7,786.6	6,472.4	5,391.4	2,625.0	1,824.2	542.5	399.6	392.5	25,436.1

(a) Includes funding for the Northern Territory to accelerate evidence based reforms to improve outcomes for vulnerable students.

(b) Includes capital funding.

(c) Includes special circumstances funding and prescribed circumstances funding. Where state allocations cannot be determined, a national allocation is included in the total for each year only. As a result, the total for each year does not equal the sum of state figures.

(d) Includes funding for non-government school reform support, and from 2020-21 the choice and affordability fund.

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

National Partnership payments for education

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

National Partnership on MoneySmart teaching^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	~	~	~	0.3	0.3	0.3	0.1	~	2.5
2019-20	~	~	~	0.1	0.1	0.1	0.1	~	1.3
2020-21	~	~	~	0.1	0.1	0.1	0.1	~	1.3
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

(a) State allocations will be determined on signing of the agreement.

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

National Partnership on the national school chaplaincy program^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	11.3	12.8	18.4	7.7	7.6	2.2	1.0	0.5	61.4
2019-20	11.3	12.8	18.4	7.7	7.6	2.2	1.0	0.5	61.4
2020-21	11.3	12.8	18.4	7.7	7.6	2.2	1.0	0.5	61.4
2021-22	11.3	12.8	18.4	7.7	7.6	2.2	1.0	0.5	61.4
2022-23	~	~	~	~	~	~	~	~	61.4

(a) State allocations for 2022-23 have not yet been determined.

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

National Partnership on the Northern Territory Remote Aboriginal investment — children and schooling component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	37.5	37.5
2019-20	-	-	-	-	-	-	-	37.3	37.3
2020-21	-	-	-	-	-	-	-	30.2	30.2
2021-22	-	-	-	-	-	-	-	29.3	29.3
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government provides funding to improve student attendance, educational attainment, Indigenous workforce development and teacher housing in remote and very remote schools.

This National Partnership supports the Northern Territory to improve schooling for Aboriginal children, to make communities safer and healthier, and increase access to interpreter services and job opportunities for Aboriginal Australians. Other components of this National Partnership are discussed in the Health, Community Services and Affordable Housing sections of this Part.

National Partnership on the school pathways program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	0.6	0.6	-	-	-	1.2
2019-20	-	-	-	0.6	0.6	-	-	-	1.2
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on universal access to early childhood education

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	124.9	120.9	88.0	46.3	28.2	9.3	9.1	4.8	431.5
2019-20	131.2	126.0	86.6	46.9	28.6	9.4	9.4	4.8	442.9
2020-21	95.7	91.6	57.6	32.6	20.2	6.9	6.7	3.3	314.7
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019–20*.

SKILLS AND WORKFORCE DEVELOPMENT

In 2019–20, the Australian Government will provide funding of \$1.7 billion to support state skills and workforce development services, including \$1.5 billion through the National Skills and Workforce Development SPP and \$160.4 million through National Partnership payments, as detailed in Table 2.5.

Table 2.5: Payments to support state skills and workforce development services

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Skills and Workforce Development SPP	1,516.9	1,538.6	1,563.9	1,589.6	1,615.5
National Partnership payments					
Skills for Tasmania	-	2.3	4.6	4.6	4.7
Job Ready Generation Package - North-West Tasmania	3.2	-	-	-	-
Skilling Australians Fund	158.5	158.1	129.0	128.7	-
Total National Partnership payments	161.7	160.4	133.6	133.4	4.7
Total	1,678.5	1,699.0	1,697.5	1,723.0	1,620.2

National Agreement for Skills and Workforce Development

The National Agreement for Skills and Workforce Development identifies the long-term objectives of the Australian Government and the states in the areas of skills and workforce development.

The Agreement seeks to deliver a vocational education and training system with improved quality and greater transparency for students, employers and governments, greater access to training opportunities, improved outcomes for disadvantaged students, and greater efficiency. It also aims to achieve a more demand-driven and client-focused system, and to drive the next wave of innovation and productivity.

National Skills and Workforce Development SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	484.8	393.4	304.3	157.0	105.0	32.0	25.6	14.9	1,516.9
2019-20	491.8	401.7	308.4	158.0	105.5	32.2	26.1	14.9	1,538.6
2020-21	500.0	411.1	313.3	159.2	106.2	32.5	26.6	15.0	1,563.9
2021-22	508.4	420.5	318.3	160.5	106.9	32.9	27.1	15.1	1,589.6
2022-23	516.8	430.1	323.3	161.7	107.7	33.2	27.7	15.2	1,615.5

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

The total amount of the payment is indexed each year by a composite of Wage Cost Index 1 (85 per cent) and Wage Cost Index 6 (15 per cent) – see Appendix A. The growth factor is estimated to be 1.43 per cent in 2019–20.

National Partnership payments for skills and workforce development

In addition to the National Skills and Workforce Development SPP, the Australian Government will provide funding through a number of National Partnerships as detailed below.

National Partnership on skills for Tasmania

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	2.3	-	-	2.3
2020-21	-	-	-	-	-	4.6	-	-	4.6
2021-22	-	-	-	-	-	4.6	-	-	4.6
2022-23	-	-	-	-	-	4.7	-	-	4.7

The Australian Government will provide fee-free training and support for training materials to encourage Tasmanians to train in areas of priority skills needs.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on job ready generation package — north-west Tasmania

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	3.2	-	-	3.2
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government supports the delivery of training, workforce planning and job matching initiatives in north-west Tasmania that are focused on meeting the skill needs of industry in the region.

National Partnership on the Skilling Australians Fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	93.8	-	-	30.5	20.3	6.1	4.9	2.9	158.5
2019-20	93.9	-	-	30.3	20.1	6.1	4.9	2.8	158.1
2020-21	76.8	-	-	24.7	16.3	4.9	4.0	2.3	129.0
2021-22	76.9	-	-	24.6	16.2	4.9	4.0	2.3	128.7
2022-23	-	-	-	-	-	-	-	-	-

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

The National Partnership provides signatory states with an annual amount of guaranteed funding and a further amount determined by the revenue paid into the

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Skilling Australians Fund. The revenue in the Fund is drawn from a levy which is paid by businesses employing foreign workers on certain skilled visas.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019–20*.

COMMUNITY SERVICES

In 2019-20, the Australian Government will provide funding of \$2.0 billion to support state community services, including \$172.9 million through the National Disability SPP and \$1.8 billion through National Partnership payments, as detailed in Table 2.6.

Table 2.6: Payments to support state community services

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Disability SPP	958.2	172.9	-	-	-
National Partnership payments					
Northern Territory remote Aboriginal investment					
Community safety implementation plan	53.7	44.4	34.7	36.0	-
Pay equity for the social and community services sector	195.9	33.3	-	-	-
Payments from the DisabilityCare Australia Fund	2,976.1	1,713.3	1,294.7	1,336.2	1,103.5
Specialist disability services	167.8	28.2	-	-	-
Transition to NDIS in Western Australia	7.0	-	-	-	-
Women's Safety Package Technology Trials	1.7	0.9	-	-	-
Total National Partnership payments	3,402.2	1,820.1	1,329.4	1,372.2	1,103.5
Total	4,360.4	1,993.0	1,329.4	1,372.2	1,103.5

National Disability Agreement

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

The Australian Government is also working with the states to implement the National Disability Insurance Scheme (NDIS), which is fundamentally changing the nature of disability care and support in Australia. When the NDIS reaches full scheme in a state, the National Disability SPP will be redirected to the National Disability Insurance Agency (NDIA). The NDIA will be responsible for administering the NDIS in every state.

From 2020-21, National Disability SPP funding for Western Australia will be redirected to support the NDIS.

National Disability SPP^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	418.1	323.4	166.9	-	34.0	-	15.8	958.2
2019-20	-	-	-	172.9	-	-	-	-	172.9
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

The Intergovernmental Agreement on Federal Financial Relations 2009 defines the annual growth factor for the National Disability SPP as the rolling five-year average of year-on-year growth in nominal gross domestic product. The growth factor is estimated to be 4.5 per cent in 2019-20.

National Partnership payments for community services

In addition to the National Disability SPP, the Australian Government provides funding through National Partnerships as detailed below.

National Partnership on Northern Territory remote Aboriginal investment — community safety implementation plan

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	53.7	53.7
2019-20	-	-	-	-	-	-	-	44.4	44.4
2020-21	-	-	-	-	-	-	-	34.7	34.7
2021-22	-	-	-	-	-	-	-	36.0	36.0
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding to the Northern Territory to make remote communities safer, improve child and family safety and address alcohol-related harm through this implementation plan.

This National Partnership supports the Northern Territory to improve schooling for Aboriginal children, to make communities safer and healthier, and increase access to interpreter services and job opportunities for Aboriginal Australians. Other components of this National Partnership are discussed in the Health, Education and Affordable Housing sections of this Part.

National Partnership on pay equity for the social and community services sector

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	31.9	45.8	48.4	59.6	-	5.2	0.9	4.0	195.9
2019-20	-	-	-	33.3	-	-	-	-	33.3
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is funding its share of the wage increases arising from the Fair Work Commission's 2012 decision to grant an Equal Remuneration Order for the Social, and Community and Disability Services Sector. This includes funding for the

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Australian Government's share of the wage increases for in-scope programs funded through existing National SPPs and National Partnerships.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	547.0	1,101.6	838.6	49.7	295.3	101.8	-	42.2	2,976.1
2019-20	607.0	244.0	197.4	512.8	72.7	22.5	47.2	9.7	1,713.3
2020-21	618.0	252.5	204.3	94.4	75.2	23.3	16.8	10.0	1,294.7
2021-22	630.0	261.4	211.5	103.6	77.9	24.1	17.4	10.4	1,336.2
2022-23	349.8	270.5	218.9	129.9	80.6	25.0	18.0	10.8	1,103.5

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

This National Partnership partially reimburses the states for expenditure incurred in relation to the *National Disability Insurance Scheme Act 2013*. Under the *DisabilityCare Australia Fund Act 2013*, a proportion of the funding held in the DisabilityCare Australia Fund has been allocated to the states over a 10 year period.

National Partnership on specialist disability services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	76.6	45.4	27.3	-	12.3	-	6.3	167.8
2019-20	-	-	-	28.2	-	-	-	-	28.2
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is funding specialist disability services for people aged 65 years and over (50 years and over for Indigenous Australians), in participating states. This funding is delivered under individual bilateral agreements for the transition to a NDIS.

Once the NDIS reaches full scheme in a state, funding will be redirected to the Australian Government Department of Health through the implementation of a new Australian Government Continuity of Support program.

National Partnership on the transition to the NDIS in Western Australia

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	7.0	-	-	-	-	7.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

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National Partnership on the women's safety package technology trials

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.5	0.5	0.1	-	0.1	0.4	-	..	1.7
2019-20	0.2	..	-	-	0.2	0.4	-	..	0.9
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

AFFORDABLE HOUSING

In 2019–20, the Australian Government will provide funding of \$1.7 billion to support state affordable housing services, including \$1.6 billion through the National Housing and Homelessness Agreement (NHHA) and \$114.9 million through National Partnerships, as detailed in Table 2.7.

Table 2.7: Payments to support state affordable housing services

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Housing and Homelessness Agreement	1,535.8	1,564.9	1,597.6	1,565.6	1,590.6
National Partnership payments					
National Regulatory System for Community Housing	0.8	0.3	-	-	-
Northern Territory remote Aboriginal investment					
Remote Australia strategies component	27.3	3.5	3.7	3.7	-
Remote Housing	268.5	110.0	110.0	110.0	110.0
Social Impact Investments					
Vulnerable priority groups	-	0.5	0.5	0.5	0.5
Youth at risk of homelessness	-	0.5	0.5	0.5	0.5
Total National Partnership payments	296.6	114.9	114.7	114.8	111.1
Total	1,832.4	1,679.8	1,712.3	1,680.3	1,701.7

National Housing and Homelessness Agreement

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	476.4	395.3	314.1	163.5	107.5	33.2	26.0	19.7	1,535.8
2019-20	484.2	406.0	319.8	165.9	108.7	33.7	26.7	20.0	1,564.9
2020-21	493.1	417.6	326.1	168.5	110.1	34.3	27.5	20.4	1,597.6
2021-22	493.5	406.1	319.5	161.6	106.5	32.8	26.2	19.3	1,565.6
2022-23	501.6	415.0	324.4	162.9	107.3	33.1	26.8	19.5	1,590.6

The NHHA is contributing to improving access to affordable, safe and sustainable housing across the housing spectrum, including to prevent and address homelessness, and to support social and economic participation. The NHHA will ensure better outcomes for housing and homelessness funding.

Australian Government funding under the NHHA is ongoing and indexed by Wage Cost Index 1 (see Appendix A), providing greater certainty for the sector. The Australian Government's contribution to homelessness funding will be matched by the states. Until 30 June 2021, Australian Government funding includes supplementation to assist with increases in wage costs arising from the Fair Work Commission's Social, Community and Disability Services Industry Equal Remuneration Order 2012.

National Partnership payments for affordable housing

The Australian Government will provide a total of \$114.9 million in 2019-20 through National Partnerships to support state affordable housing services. Further details on these National Partnerships are provided below.

National Regulatory System for Community Housing

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.8	-	-	-	-	-	-	-	0.8
2019-20	0.3	-	-	-	-	-	-	-	0.3
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is supporting the review of the National Regulatory System for Community Housing to promote a nationally consistent approach to the regulation of community housing and to provide certainty for community housing providers and confidence to potential investors.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	27.3	27.3
2019-20	-	-	-	-	-	-	-	3.5	3.5
2020-21	-	-	-	-	-	-	-	3.7	3.7
2021-22	-	-	-	-	-	-	-	3.7	3.7
2022-23	-	-	-	-	-	-	-	-	-

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

This National Partnership supports the Northern Territory to improve schooling for Aboriginal children, to make communities safer and healthier, and increase access to interpreter services and job opportunities for Aboriginal Australians. Other components of this National Partnership are discussed in the Health, Education and Community Services sections of this Part.

This funding complements the funding provided under the National Partnership on remote housing.

National Partnership on remote housing

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	121.0	37.5	-	-	110.0	268.5
2019-20	-	-	-	-	-	-	-	110.0	110.0
2020-21	-	-	-	-	-	-	-	110.0	110.0
2021-22	-	-	-	-	-	-	-	110.0	110.0
2022-23	-	-	-	-	-	-	-	110.0	110.0

The Australian Government is supporting significant reform in the provision of housing for Indigenous Australians in remote communities, particularly in the Northern Territory. This will help address overcrowding, homelessness, poor housing conditions and severe housing shortages.

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

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnerships on social impact investments

Vulnerable priority groups^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	~	~	~	~	~	~	~	~	0.5
2020-21	~	~	~	~	~	~	~	~	0.5
2021-22	~	~	~	~	~	~	~	~	0.5
2022-23	~	~	~	~	~	~	~	~	0.5

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

The Australian Government will provide funding to state governments to trial social impact investments which aim to assist vulnerable priority groups.

Youth at risk of homelessness^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	~	~	~	~	~	~	~	~	0.5
2020-21	~	~	~	~	~	~	~	~	0.5
2021-22	~	~	~	~	~	~	~	~	0.5
2022-23	~	~	~	~	~	~	~	~	0.5

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

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

INFRASTRUCTURE

In 2019–20, the Australian Government will provide funding of \$6.5 billion to support state infrastructure projects, as detailed in Table 2.8.

Table 2.8: Payments to support state infrastructure services

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Partnership payments					
Infrastructure Investment Program					
Black Spot Projects	85.0	120.0	110.0	110.0	110.0
Bridges Renewal Program	85.0	121.3	105.0	108.5	85.0
Developing Northern Australia					
Improving Cattle Supply Chains	42.6	51.1	0.7	-	-
Northern Australia Roads	155.7	210.5	116.0	19.3	-
Heavy Vehicle Safety and Productivity Program	60.0	95.0	70.0	87.2	65.0
Major Projects Business Case Fund	10.0	40.0	50.0	15.0	25.0
National Rail Program	146.0	231.0	386.4	644.7	1,364.9
Rail investment component	554.9	547.2	391.3	610.3	338.1
Road investment component	3,664.4	3,117.3	3,376.8	3,720.3	4,774.8
Roads of Strategic Importance	12.3	70.8	292.8	400.5	780.5
Roads to Recovery	364.5	499.6	499.6	499.6	499.6
Urban Congestion Fund	40.0	720.0	720.0	720.0	400.0
Infrastructure Growth Package					
Asset Recycling Initiative	420.0	-	-	-	-
New investments	105.4	52.4	4.1	-	-
Western Sydney Infrastructure Plan	195.9	485.8	428.7	220.1	270.0
Other National Partnership payments					
Adelaide City Deal	-	4.0	10.0	27.0	23.0
Albury Wodonga Regional Deal	-	3.2	-	-	-
Barkly Regional Deal	-	5.7	9.8	6.9	-
Darwin City Deal	-	2.3	5.0	10.0	15.0
Drought Communities Program	93.2	15.0	-	-	-
Geelong City Deal	4.6	26.5	52.2	56.6	32.7
Hinkler Regional Deal	-	11.0	15.0	20.0	25.0
Interstate Road Transport	6.4	-	-	-	-
Launceston City Deal - Tamar River	-	8.8	8.8	10.3	14.2
Murray-Darling Basin Regional Economic Diversification Program	17.6	-	-	-	-
Townsville City Deal	5.0	55.0	140.0	50.0	20.0
Western Sydney City Deal	7.8	32.3	30.0	5.0	-
WiFi and Mobile Coverage on Trains	8.0	2.0	-	-	-
Total	6,084.2	6,527.8	6,822.2	7,341.2	8,842.7
<i>Memorandum item – payments direct to local governments included in payments above</i>					
Drought Communities Program	93.2	15.0	-	-	-
Infrastructure Investment Program					
Roads to Recovery	343.3	473.5	473.5	473.5	473.5
Total	436.5	488.5	473.5	473.5	473.5

National Partnership payments for infrastructure

Infrastructure Investment Program

The Australian Government is providing funding for road and rail infrastructure through the Infrastructure Investment Program under the National Partnership on land transport infrastructure projects. The Australian Government has established a 10-year funding allocation for this program.

The program assists economic and social development regionally and nationally by providing funding to improve the performance of land transport infrastructure.

A portion of Australian Government funding for road infrastructure is sourced from the additional net revenue received from the reintroduction of fuel excise indexation, announced in the 2014–15 Budget.

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

Black Spot Projects^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	24.0	20.6	17.6	9.6	6.2	3.3	1.4	2.3	85.0
2019-20	34.6	29.3	24.9	14.4	8.6	3.9	1.7	2.7	120.0
2020-21	34.2	26.0	22.5	12.7	8.3	2.8	1.6	1.9	110.0
2021-22	34.2	26.0	22.5	12.7	8.3	2.8	1.6	1.9	110.0
2022-23	34.2	26.0	22.5	12.7	8.3	2.8	1.6	1.9	110.0

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

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

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Bridges Renewal Program^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	34.8	9.2	22.8	8.3	2.9	3.4	1.2	2.3	85.0
2019-20	38.7	17.6	31.1	11.9	7.6	4.2	1.5	8.9	121.3
2020-21	45.3	21.8	21.4	7.7	5.2	1.6	1.3	0.7	105.0
2021-22	34.7	28.7	21.7	11.0	7.3	2.2	1.9	1.0	108.5
2022-23	27.2	22.6	17.0	8.5	5.7	1.7	1.5	0.8	85.0

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

The Australian Government is providing funding to upgrade bridges across the nation. This program renews and replaces bridges serving local communities and facilitates higher productivity vehicle access.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Developing Northern Australia — Improving Cattle Supply Chains^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	27.5	4.0	-	-	-	11.1	42.6
2019-20	-	-	24.6	8.7	-	-	-	17.8	51.1
2020-21	-	-	0.7	-	-	-	-	-	0.7
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

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

Developing Northern Australia — Northern Australia Roads^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	46.0	55.3	-	-	-	54.5	155.7
2019-20	-	-	71.7	47.7	-	-	-	91.2	210.5
2020-21	-	-	57.9	19.6	-	-	-	38.5	116.0
2021-22	-	-	14.7	4.6	-	-	-	-	19.3
2022-23	-	-	-	-	-	-	-	-	-

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

The Australian Government is providing funding to Queensland, Western Australia and the Northern Territory for infrastructure projects that are essential to the movement of people and freight in order to support economic development in the region. Projects include links to roads connecting communities and regional towns to ports and airports.

Heavy Vehicle Safety and Productivity Program^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	31.2	7.6	8.1	2.2	2.7	0.6	-	7.6	60.0
2019-20	35.9	12.3	24.4	8.2	7.6	1.1	0.4	5.0	95.0
2020-21	25.7	11.1	16.5	9.8	2.3	2.0	0.4	2.2	70.0
2021-22	37.3	11.9	23.8	8.7	2.3	2.2	0.6	0.3	87.2
2022-23	20.8	17.3	13.0	6.5	4.3	1.3	1.1	0.6	65.0

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

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

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Major Projects Business Case Fund^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	5.0	5.0	-	-	-	-	-	10.0
2019-20	8.0	13.0	14.0	5.0	-	-	-	-	40.0
2020-21	8.0	8.0	24.0	10.0	-	-	-	-	50.0
2021-22	5.0	..	5.0	5.0	-	..	..	-	15.0
2022-23	3.0	4.8	11.6	5.3	0.2	0.1	0.1	..	25.0

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

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

National Rail Program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	27.0	-	2.0	2.0	115.0	-	-	-	146.0
2019-20	33.0	15.0	48.0	40.0	95.0	-	-	-	231.0
2020-21	41.1	75.3	75.0	185.0	10.0	-	-	-	386.4
2021-22	172.2	135.0	90.0	247.5	-	-	-	-	644.7
2022-23	659.9	280.0	135.0	290.0	-	-	-	-	1,364.9

The Australian Government has established a national rail program to improve urban and regional passenger services. This investment will reduce congestion in capital cities, revitalise regional economies and provide families and businesses with more affordable options on where to live and invest.

New measures associated with this component of the Infrastructure Investment Program are listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Rail investment component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	469.4	17.8	34.4	20.3	13.2	-	-	554.9
2019-20	-	427.1	-	75.1	30.0	15.0	-	-	547.2
2020-21	-	311.9	-	60.5	3.9	15.0	-	-	391.3
2021-22	-	248.7	-	316.7	-	45.0	-	-	610.3
2022-23	-	285.1	-	-	-	53.0	-	-	338.1

The rail investment component of the Infrastructure Investment Program delivers the Australian Government's rail investment outside the national rail program. It funds projects across Australia, including the Victorian regional rail program.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Road investment component^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	1,028.6	216.2	1,221.8	575.9	494.6	87.3	1.0	39.0	3,664.4
2019-20	679.5	279.8	1,190.4	487.7	349.4	55.5	7.9	67.0	3,117.3
2020-21	687.2	384.8	1,574.7	380.9	185.0	69.6	17.2	77.5	3,376.8
2021-22	424.0	644.4	2,100.9	290.4	73.7	63.9	36.0	87.0	3,720.3
2022-23	439.7	1,243.4	1,821.1	610.3	248.9	197.2	56.0	158.3	4,774.8

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

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

New measures associated with this component of the Infrastructure Investment Program are listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Roads of Strategic Importance initiative^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	5.0	-	1.1	0.4	-	5.0	-	0.8	12.3
2019-20	15.0	-	14.7	15.4	-	15.8	-	9.9	70.8
2020-21	48.3	40.3	40.4	85.5	5.4	53.6	0.7	18.5	292.8
2021-22	53.4	43.1	84.2	116.0	6.5	71.4	0.8	25.2	400.5
2022-23	131.8	98.5	210.8	148.8	36.3	71.1	0.5	82.7	780.5

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

The Australian Government is providing \$4.5 billion in funding over 12 years to upgrade key routes to improve access for businesses and communities to essential services, markets and employment opportunities.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Roads to Recovery^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	98.3	68.8	84.2	58.3	29.3	10.4	5.0	10.2	364.5
2019-20	139.3	101.7	101.7	73.1	44.9	16.3	8.0	14.5	499.6
2020-21	139.3	101.7	101.7	73.1	44.9	16.3	8.0	14.5	499.6
2021-22	139.3	101.7	101.7	73.1	44.9	16.3	8.0	14.5	499.6
2022-23	139.3	101.7	101.7	73.1	44.9	16.3	8.0	14.5	499.6

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

The Australian Government is providing funding for the roads to recovery program for road construction and maintenance projects at a local level. Decisions on projects to be funded are made locally and reported to the Australian Government.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Urban Congestion Fund^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	10.5	10.7	9.9	3.9	3.9	1.0	..	..	40.0
2019-20	207.0	186.1	161.8	70.9	67.4	16.2	6.6	3.8	720.0
2020-21	165.7	157.7	158.8	83.4	123.9	23.5	4.5	2.5	720.0
2021-22	156.0	171.4	172.2	54.6	146.5	12.9	4.1	2.3	720.0
2022-23	94.4	143.5	79.0	29.5	39.7	6.1	5.1	2.8	400.0

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

The Urban Congestion Fund supports projects to remediate pinch points, improve traffic safety and flow and increase network efficiency for commuter and freight movements in major urban areas.

A new measure associated with this component of the Infrastructure Investment Program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Infrastructure Growth Package

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

Asset Recycling Initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	335.2	-	-	-	-	-	44.4	40.4	420.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

New investments

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	14.2	3.8	7.4	0.7	63.4	0.7	-	15.1	105.4
2019-20	37.0	2.7	1.1	3.2	2.7	-	-	5.7	52.4
2020-21	3.6	0.5	-	-	-	-	-	-	4.1
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

Western Sydney Infrastructure Plan

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	195.9	-	-	-	-	-	-	-	195.9
2019-20	485.8	-	-	-	-	-	-	-	485.8
2020-21	428.7	-	-	-	-	-	-	-	428.7
2021-22	220.1	-	-	-	-	-	-	-	220.1
2022-23	270.0	-	-	-	-	-	-	-	270.0

The Australian Government is providing \$2.9 billion over 10 years to enhance capacity and improve transport infrastructure in Sydney's western suburbs. This includes infrastructure to support the new Western Sydney airport at Badgerys Creek.

Other National Partnership payments

Adelaide City Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	4.0	-	-	-	4.0
2020-21	-	-	-	-	10.0	-	-	-	10.0
2021-22	-	-	-	-	27.0	-	-	-	27.0
2022-23	-	-	-	-	23.0	-	-	-	23.0

Part 2: Payments for specific purposes

The Australian Government will provide funding to support projects under the Adelaide City Deal, including the development of a new innovation and cultural precinct in the city centre.

A new measure associated with this city deal is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Albury Wodonga Regional Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	1.6	1.6	-	-	-	-	-	-	3.2
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government will provide funding to support an Albury Wodonga Regional Deal.

A new measure associated with this regional deal is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Barkly Regional Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	5.7	5.7
2020-21	-	-	-	-	-	-	-	9.8	9.8
2021-22	-	-	-	-	-	-	-	6.9	6.9
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government will provide funding to deliver a range of economic, social and cultural initiatives in the Barkly region.

A new measure associated with this regional deal is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Darwin City Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	2.3	2.3
2020-21	-	-	-	-	-	-	-	5.0	5.0
2021-22	-	-	-	-	-	-	-	10.0	10.0
2022-23	-	-	-	-	-	-	-	15.0	15.0

The Australian Government will provide funding to support projects under the Darwin City Deal, including an education and civic precinct in Darwin's city centre.

Drought Communities Program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	46.1	5.1	25.0	-	17.0	-	-	-	93.2
2019-20	7.0	1.0	-	-	5.0	2.0	-	-	15.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is supporting local infrastructure projects that provide employment for people whose work opportunities have been affected by drought. Funding will be provided to local government areas for projects that stimulate local community spending, use local resources, businesses and suppliers, and provide long-lasting benefits to communities and the agricultural industries on which they depend.

A new measure associated with this program is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Geelong City Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	4.6	-	-	-	-	-	-	4.6
2019-20	-	26.5	-	-	-	-	-	-	26.5
2020-21	-	52.2	-	-	-	-	-	-	52.2
2021-22	-	56.6	-	-	-	-	-	-	56.6
2022-23	-	32.7	-	-	-	-	-	-	32.7

The Australian Government will provide funding to support projects under the Geelong City Deal, including the Shipwreck Coast Master Plan, Great Ocean Road projects and projects in the Geelong city centre.

A new measure associated with this city deal is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Hinkler Regional Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	11.0	-	-	-	-	-	11.0
2020-21	-	-	15.0	-	-	-	-	-	15.0
2021-22	-	-	20.0	-	-	-	-	-	20.0
2022-23	-	-	25.0	-	-	-	-	-	25.0

The Australian Government will provide funding to support projects in the Hinkler region.

A new measure associated with this regional deal is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Interstate Road Transport^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	~	~	~	~	~	~	~	~	6.4
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

(a) The scheme ceased on 30 June 2018 with residual amounts continuing until 30 September 2018.

The Australian Government provided funding under the *Interstate Road Transport Act 1985* equal to the total revenue received from heavy vehicle registrations under the Federal Interstate Registration Scheme. The legislation for this was repealed and the scheme ceased on 30 June 2018.

Launceston City Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	8.8	-	-	8.8
2020-21	-	-	-	-	-	8.8	-	-	8.8
2021-22	-	-	-	-	-	10.3	-	-	10.3
2022-23	-	-	-	-	-	14.2	-	-	14.2

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

Murray-Darling Basin Regional Economic Diversification Program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	12.6	3.2	1.9	-	-	-	-	-	17.6
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

Townsville City Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	5.0	-	-	-	-	-	5.0
2019-20	-	-	55.0	-	-	-	-	-	55.0
2020-21	-	-	140.0	-	-	-	-	-	140.0
2021-22	-	-	50.0	-	-	-	-	-	50.0
2022-23	-	-	20.0	-	-	-	-	-	20.0

The Australian Government will provide funding to support projects under the Townsville City Deal, including stage two of the Haughton pipeline and the port of Townsville channel capacity upgrade.

Western Sydney City Deal

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	7.8	-	-	-	-	-	-	-	7.8
2019-20	32.3	-	-	-	-	-	-	-	32.3
2020-21	30.0	-	-	-	-	-	-	-	30.0
2021-22	5.0	-	-	-	-	-	-	-	5.0
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding under the Western Sydney City Deal to deliver improved community facilities and urban amenities, and to cut development costs and boost housing supply.

This is in addition to funding of \$3.5 billion for transport infrastructure in Western Sydney, listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

WiFi and Mobile Coverage on Trains

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	8.0	-	-	-	-	-	-	-	8.0
2019-20	2.0	-	-	-	-	-	-	-	2.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

ENVIRONMENT

In 2019–20, the Australian Government will provide funding of \$384.4 million to support state environment projects, as detailed in Table 2.9.

Table 2.9: Payments to support state environment services

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Partnership payments					
Assistance for pest animal and weed management in drought-affected areas	2.0	-	-	-	-
Development of business cases for constraints measures and potential implementation	10.0	20.0	40.0	40.5	50.0
Disaster risk reduction	-	20.9	20.9	20.9	20.9
Environmental management of the former Rum Jungle mine site	2.5	5.3	-	-	-
Grants assistance to primary producers impacted by the north Queensland floods	300.0	-	-	-	-
Great Artesian Basin sustainability initiative	2.5	10.0	6.0	6.0	8.0
Hydrogen energy supply chain pilot project	10.0	17.5	12.5	-	-
Implementation of the national insurance affordability initiative	5.0	-	-	-	-
Implementing water reform in the Murray-Darling Basin	20.0	20.0	-	-	-
Management of established pest animals and weeds	7.2	1.0	1.0	1.0	1.0
Marinus Link	56.0	-	-	-	-
Mechanical fuel load reduction trials	0.5	-	-	-	-
Murray-Darling basin water infrastructure program	-	0.8	15.4	13.2	-
National fire danger rating system	0.2	-	-	-	-
National forestry industry plan	-	-	1.8	1.8	-
National Water Infrastructure Development Fund					
Feasibility studies	22.9	15.2	10.0	5.0	-
Capital	90.1	128.2	150.0	185.0	230.0
Natural disaster resilience	15.1	-	-	-	-
On-farm emergency water infrastructure rebate	19.9	19.7	9.7	-	-
Pest and disease preparedness and response programs	63.0	38.0	38.9	31.7	37.0
Prepared communities	5.0	-	-	-	-
Preparing Australia package	9.4	-	-	-	-
South Australian River Murray sustainability program					
Irrigation efficiency and water purchase	24.0	-	-	-	-
Irrigation industry assistance	7.5	-	-	-	-
Sustainable rural water use and infrastructure Program	287.9	75.3	141.7	40.0	60.0
World Heritage sites	9.5	9.5	9.5	9.5	9.5
Yellow crazy ant control	-	3.0	3.0	3.0	-
Total	970.2	384.4	460.3	357.5	416.4

National Partnership payments for the environment

National Partnership on assistance for pest animal and weed management in drought-affected areas

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.5	-	1.0	0.3	0.3	-	-	-	2.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on the development of business cases for constraints measures and potential implementation^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	~	~	~	~	~	~	~	~	10.0
2019-20	~	~	~	~	~	~	~	~	20.0
2020-21	~	~	~	~	~	~	~	~	40.0
2021-22	~	~	~	~	~	~	~	~	40.5
2022-23	~	~	~	~	~	~	~	~	50.0

(a) State allocations from 2018–19 have not yet been determined. Arrangements for the implementation program for constraints measures are yet to be agreed.

The Australian Government supports the development of business cases for proposals to ease or remove constraints to the delivery of water to the environmental assets of the Murray-Darling basin.

National Partnership on disaster risk reduction^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	~	~	~	~	~	~	~	~	20.9
2020-21	~	~	~	~	~	~	~	~	20.9
2021-22	~	~	~	~	~	~	~	~	20.9
2022-23	~	~	~	~	~	~	~	~	20.9

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

The Australian Government is providing funding to the states to reduce the risk and impact of disasters on Australians in line with the priorities of the National Disaster Risk Reduction Framework. The funding forms part of a broader \$130.5 million package over five years from 2019-20 to support resilience to disasters triggered by natural hazards.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	2.5	2.5
2019-20	-	-	-	-	-	-	-	5.3	5.3
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on grants assistance to primary producers impacted by the north Queensland floods

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	300.0	-	-	-	-	-	300.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government will provide funding to assist primary producers impacted by the north and far north Queensland monsoon trough (25 January – 14 February 2019) to rebuild their farm enterprises through grants to purchase on-farm infrastructure and to restock or replant.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on the Great Artesian Basin sustainability initiative^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	~	~	2.5	~	~	~	~	~	2.5
2019-20	~	~	6.4	~	~	~	~	~	10.0
2020-21	~	~	~	~	~	~	~	~	6.0
2021-22	~	~	~	~	~	~	~	~	6.0
2022-23	~	~	~	~	~	~	~	~	8.0

(a) State allocations have not yet been determined.

The Australian Government provides funding to continue the capping of uncontrolled bores and piping open bore drains to reduce water loss and recover groundwater pressure.

National Partnership on the hydrogen energy supply chain pilot project

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	10.0	-	-	-	-	-	-	10.0
2019-20	-	17.5	-	-	-	-	-	-	17.5
2020-21	-	12.5	-	-	-	-	-	-	12.5
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on the implementation of the national insurance affordability initiative

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	5.0	-	-	-	-	-	5.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	9.4	6.8	2.0	-	1.5	-	0.3	-	20.0
2019-20	9.4	6.8	2.0	-	1.5	-	0.3	-	20.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on the management of established pest animals and weeds

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	1.1	1.6	2.0	1.0	0.8	0.2	..	0.5	7.2
2019-20	-	-	1.0	-	-	-	-	-	1.0
2020-21	-	-	1.0	-	-	-	-	-	1.0
2021-22	-	-	1.0	-	-	-	-	-	1.0
2022-23	-	-	1.0	-	-	-	-	-	1.0

Part 2: Payments for specific purposes

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

The Australian Government will provide separate funding to assist with management of prickly acacia weeds as a result of the flood in Queensland.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on the Marinus Link

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	56.0	-	-	56.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding to support progress towards the delivery of the definition and approvals phase of a second electricity transmission interconnector from Tasmania to the mainland, the Marinus Link. This is required to progress the project to a final investment decision.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on mechanical fuel load reduction trials

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.5	-	-	-	-	-	-	-	0.5
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

National Partnership on Murray-Darling basin water infrastructure program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	0.1	0.1	-	-	0.4	-	0.2	-	0.8
2020-21	0.3	4.2	-	-	0.4	-	10.5	-	15.4
2021-22	-	3.2	-	-	-	-	10.0	-	13.2
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government will provide funding for state-led efficiency measures under the Water for the Environment Special Account in the Murray-Darling basin. This will contribute to 450GL of additional water for the environment.

National Partnership on a national fire danger rating system

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	0.2	-	-	-	0.2
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding to develop a prototype national fire danger rating system and associated social research to assist the states in communicating fire danger information to the public.

National Partnership on the national forestry industry plan^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	~	~	~	~	~	~	~	~	1.8
2021-22	~	~	~	~	~	~	~	~	1.8
2022-23	-	-	-	-	-	-	-	-	-

(a) State allocations have not yet been determined.

The Australian Government will support the states to offer advice on the establishment of new farm forestry assets, private native forestry and Indigenous forestry areas' suitability for sustainable harvesting of forest products.

National Partnership on the National Water Infrastructure Development Fund

This program facilitates long-term economic and regional development by enhancing the knowledge base underpinning water infrastructure planning and decision-making, undertaking the detailed planning required to inform water infrastructure investment decisions and expediting the construction of water infrastructure.

Feasibility studies component^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	~	~	~	~	~	~	~	~	22.9
2019-20	~	~	~	~	~	~	~	~	15.2
2020-21	~	~	~	~	~	~	~	~	10.0
2021-22	~	~	~	~	~	~	~	~	5.0
2022-23	-	-	-	-	-	-	-	-	-

(a) State allocations have not yet been determined.

The Australian Government provides funding to support delivery of feasibility studies that inform investment decisions on water infrastructure.

Capital component^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	~	~	~	~	~	~	~	~	90.1
2019-20	~	~	~	~	~	~	~	~	128.2
2020-21	~	~	~	~	~	~	~	~	150.0
2021-22	~	~	~	~	~	~	~	~	185.0
2022-23	~	~	~	~	~	~	~	~	230.0

(a) State allocations have not yet been determined.

The Australian Government provides funding to partially fund the capital construction costs of a small number of high-priority water infrastructure projects.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on natural disaster resilience

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	6.8	-	-	6.3	2.1	-	-	-	15.1
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

The National Partnership is a joint funding arrangement that provides the flexibility for states to address their specific natural disaster risk priorities. This arrangement recognises that the Australian Government and the states have a mutual interest in reducing the impact of, and increasing resilience to, natural disasters.

National Partnership for on-farm emergency water infrastructure rebate

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	5.0	2.0	6.0	1.6	2.0	~	0.8	1.0	19.9
2019-20	5.0	2.0	6.0	1.4	2.0	~	0.8	1.0	19.7
2020-21	2.0	1.0	2.0	1.6	1.0	~	0.8	1.0	9.7
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

This Australian Government will provide funding for one-off rebates to eligible primary producers to improve water infrastructure that addresses animal welfare and improves drought resilience for primary producers.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.4	0.8	51.2	2.4	0.1	-	-	8.1	63.0
2019-20	0.3	0.4	35.3	1.0	0.1	-	-	1.0	38.0
2020-21	0.3	0.4	36.1	1.0	0.1	-	-	1.0	38.9
2021-22	0.3	0.4	29.0	1.0	0.1	-	-	1.0	31.7
2022-23	0.3	0.4	34.3	1.0	0.1	-	-	1.0	37.0

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

This program contributes to the eradication of exotic animal, plant and environment pests and diseases which, if allowed to establish themselves and spread, would have serious economic and environmental impacts. The Australian Government is involved owing to the potential implications for biodiversity, market access issues for agricultural products and the need to protect nationally significant environmental assets.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnerships on prepared communities

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	1.3	0.8	1.2	0.6	0.4	0.3	0.3	0.3	5.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government provides funding to deliver on high priority state initiatives to improve community preparedness for, and resilience to, disasters.

National Partnerships on the Preparing Australia package

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	7.4	2.0	-	-	-	-	-	-	9.4
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government will provide funding to invest in critical emergency management capabilities under the Preparing Australia package to enhance Australia's natural disaster preparedness and community resilience.

National Partnership on the South Australian River Murray sustainability program

The three components of this National Partnership support the Murray-Darling basin water reforms by contributing to a healthy working river system, strong communities

and sustainable food and fibre production, while providing certainty for affected communities and water users.

Irrigation efficiency and water purchase components

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	24.0	-	-	-	24.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is providing funding for South Australia to deliver a grants program to support more efficient delivery and use of water by irrigation water providers and irrigators. The program also enables South Australian irrigators to sell their water entitlements to the South Australian Government for return to the environment. In total, these two components aim to return 36 gigalitres (the long-term average annual yield) of ‘gap bridging’ water to the Australian Government.

Irrigation industry assistance component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	7.5	-	-	-	7.5
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

Sustainable rural water use and infrastructure program

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	75.4	123.8	13.7	-	38.0	21.2	15.9	-	287.9
2019-20	45.1	20.7	-	-	8.8	-	0.6	-	75.3
2020-21	71.8	61.0	-	-	8.3	-	0.7	-	141.7
2021-22	35.0	4.1	-	-	0.8	-	-	-	40.0
2022-23	55.0	4.1	-	-	0.8	-	-	-	60.0

The Australian Government is providing funding for this program under a number of arrangements, including the National Partnership on water for the future, water management partnership agreements under the Intergovernmental Agreement on Murray-Darling Basin Reform 2008, the Intergovernmental Agreement on Implementing Water Reform in the Murray-Darling Basin 2013, and Project Agreements outside of the Murray-Darling basin.

The program funds most of the water recovery to ‘bridge the gap’ under the Murray-Darling basin plan. It also aims to improve the efficiency and productivity of rural water management and usage, deliver substantial and lasting water returns to

the environment, secure a long-term sustainable future for irrigated agriculture, and improve the health of wetlands and freshwater ecosystems.

National Partnership on World Heritage sites

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
2019-20	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
2020-21	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
2021-22	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5
2022-23	0.8	-	3.1	0.4	0.1	5.1	-	-	9.5

The Australian Government provides funding to assist addressing critical threats such as feral animals and weeds, and changed fire regimes, to conserve and restore the biodiversity of World Heritage sites.

National Partnership on yellow crazy ant control

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	3.0	-	-	-	-	-	3.0
2020-21	-	-	3.0	-	-	-	-	-	3.0
2021-22	-	-	3.0	-	-	-	-	-	3.0
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government will provide funding to ensure a more concerted approach to yellow crazy ant control activities in and adjacent to the Wet Tropics of Queensland World Heritage Area.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

CONTINGENT PAYMENTS

Contingent payments arise where the Australian Government has committed to provide compensation when an event occurs or has otherwise guaranteed a state's financial position. Payments to the states will only arise if the relevant event occurs.

Table 2.10: Contingent payments to the states

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Partnership payments					
Disaster Recovery Funding Arrangements	475.0	11.0	1.8	..	-
Hepatitis C settlement fund	0.2	0.2	0.2	0.2	0.2
Total	475.1	11.2	2.0	0.2	0.2

Disaster Recovery Funding Arrangements — expense estimates

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.6	2.6	462.4	3.9	0.1	4.0	-	1.4	475.0
2019-20	..	..	7.8	2.5	-	0.2	-	0.5	11.0
2020-21	-	..	1.8	-	-	..	-	-	1.8
2021-22	-	-	-	-	-	..	-	-	..
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government provides funding under the Disaster Recovery Funding Arrangements (DRFA) to assist the states in relief and recovery efforts following natural disasters.

The Australian Government recognises a liability equal to the present value of future payments expected to be made to the states under the DRFA. This is regardless of whether a state has completed relevant reconstruction work or submitted a claim to the Australian Government.

The estimated expenses in the table above reflect expected Australian Government costs associated with disasters that have occurred in 2018-19, the unwinding of the discount on the provision, and any change in the discount rate.

Estimated payments to the states in response to recent natural disasters include: the Bega Valley and Eurobodalla bushfires in New South Wales in August 2018; and tropical cyclones impacting Western Australia in January and February 2018 and Queensland and the Northern Territory in March 2018. Payments are also being made in relation to severe weather events (including storms and flooding) that impacted Western Australia in January 2017, Tasmania in May 2018 and Queensland in February 2018 and January 2019.

Current estimates for the DRFA are based on the information available at the time of preparation. Preliminary estimates of the cost of a disaster and the timing of expenditure are subject to change. The total cost of relief and recovery from these events may not be completely realised for some years. Estimates of all natural disasters are regularly reviewed and revised by the states as new information becomes available, and this, or the occurrence of future natural disasters, can significantly affect

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the estimated DRFA liability and payments. More information is available in Budget Paper No. 1, *Statement 8: Statement of Risks 2019-20*.

Disaster Recovery Funding Arrangements — cash estimates

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	26.8	51.4	359.4	46.5	2.4	22.1	-	31.9	540.5
2019-20	1.2	1.6	365.9	148.6	-	12.4	-	27.7	557.5
2020-21	-	0.7	109.6	-	-	1.2	-	-	111.5
2021-22	-	-	-	-	-	0.5	-	-	0.5
2022-23	-	-	-	-	-	-	-	-	-

Estimated cash payments for the DRFA illustrate when the Australian Government expects to reimburse the states for costs incurred in relation to past disasters.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

Hepatitis C settlement fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	0.2	-	-	-	-	-	-	-	0.2
2019-20	0.2	-	-	-	-	-	-	-	0.2
2020-21	0.2	-	-	-	-	-	-	-	0.2
2021-22	0.2	-	-	-	-	-	-	-	0.2
2022-23	0.2	-	-	-	-	-	-	-	0.2

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

OTHER NATIONAL PARTNERSHIP PAYMENTS

The Australian Government makes payments to the states to support a range of other services, as detailed in Table 2.11.

Table 2.11: Payments to support other state services

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
National Partnership payments					
Financial assistance to local governments	2,504.0	1,275.0	2,655.8	2,764.4	2,883.0
Family advocacy and support services	7.0	9.7	-	-	-
Family law information sharing	-	2.7	2.8	2.8	-
Financial assistance for police officers	2.9	4.6	5.1	2.2	0.4
Legal assistance services	265.9	270.0	-	-	-
National Mechanism for Commonwealth legal assistance					
Legal aid commissions	-	-	226.4	229.8	233.2
Community legal centres	-	-	45.4	52.7	53.5
Aboriginal and Torres Strait Islander Legal Services	-	-	75.5	82.7	84.1
Domestic Violence Units and Health Justice Partnerships	-	-	9.9	10.1	10.2
Expensive Commonwealth criminal cases	-	-	8.1	8.2	8.4
Family advocacy and support services	-	-	9.9	10.0	-
Support for legal assistance services	-	-	10.0	10.2	10.3
Social and Community Services Sector supplementation	-	-	12.3	-	-
North Queensland stadium	50.0	20.0	-	-	-
North Queensland strata title inspection scheme	3.5	5.3	2.9	-	-
Provision of fire services (a)	21.8	22.6	23.3	24.2	nfp
Sinking fund on state debt	..	..	..	..	..
Small business regulatory reform	129.4	107.5	63.2	-	-
South Sydney Rabbitohs' Centre of Excellence	6.0	-	-	-	-
Supplementary funding to South Australia for local roads	60.0	-	-	-	-
Total	3,050.5	1,717.4	3,150.5	3,197.2	3,283.2
<i>Memorandum item – payments direct to local governments included in payments above</i>					
Supplementary funding to South Australia for local roads	60.0	-	-	-	-

(a) Funding amounts are not published for 2022-23 as negotiations are yet to be finalised.

Financial assistance to local governments

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19									
General purpose assistance	554.4	448.6	347.8	180.4	120.5	36.6	29.1	17.1	1,734.4
Local road component	223.3	158.7	144.2	117.7	42.3	40.8	24.7	18.0	769.6
Total	777.6	607.3	492.0	298.1	162.8	77.4	53.8	35.1	2,504.0
2019-20									
General purpose assistance	282.2	229.0	177.2	91.4	61.1	18.6	14.9	8.6	883.1
Local road component	113.7	80.8	73.4	59.9	21.5	20.8	12.6	9.2	391.9
Total	395.9	309.8	250.6	151.3	82.7	39.4	27.5	17.8	1,275.0
2020-21									
General purpose assistance	588.0	480.3	368.8	188.9	126.1	38.5	31.2	17.8	1,839.5
Local road component	236.8	168.3	152.9	124.8	44.9	43.3	26.2	19.1	816.3
Total	824.8	648.6	521.7	313.7	170.9	81.8	57.3	36.9	2,655.8
2021-22									
General purpose assistance	612.2	503.3	383.6	194.9	130.0	39.8	32.6	18.3	1,914.8
Local road component	246.5	175.2	159.2	129.9	46.7	45.0	27.2	19.9	849.6
Total	858.7	678.5	542.8	324.8	176.7	84.9	59.8	38.3	2,764.4
2022-23									
General purpose assistance	638.6	528.3	399.8	201.6	134.3	41.3	34.1	18.9	1,996.9
Local road component	257.1	182.7	166.0	135.5	48.7	47.0	28.4	20.8	886.1
Total	895.7	711.0	565.8	337.1	183.0	88.2	62.5	39.7	2,883.0

This program provides untied financial contributions to local governments to be spent according to local priorities. In 2018-19, these financial contributions will total \$2.5 billion, recognising that \$1.3 billion will be brought forward from 2019-20 to be paid in 2018-19.

The Financial Assistance Grant program consists of two components: a general purpose component and a local road component. The general purpose component is the larger component and is distributed between the states on a per capita basis, while the local road component is distributed between the states according to fixed historical shares.

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

A new measure associated with this financial assistance is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on family advocacy and support services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	1.7	1.2	1.1	0.7	0.6	0.6	0.6	0.5	7.0
2019-20	2.3	1.6	1.4	1.0	0.8	1.0	0.7	0.8	9.7
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is supporting the operation of family advocacy and support services by legal aid commissions. They are providing integrated duty lawyer and family violence support services at locations across Australia.

National Partnership on family law information sharing^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	~	~	~	~	~	~	~	~	2.7
2020-21	~	~	~	~	~	~	~	~	2.8
2021-22	~	~	~	~	~	~	~	~	2.8
2022-23	-	-	-	-	-	-	-	-	-

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

The Australian Government will support the placement of state family safety officials (such as child protection or policing officials) in the family law courts across Australia. These co-located officials will facilitate information sharing between the family law, child protection and family violence legal systems. They will also foster a more coordinated response to safety issues, to promote the safety and wellbeing of families and children.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on financial assistance for police officers

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	2.9	-	-	-	-	-	-	-	2.9
2019-20	4.6	-	-	-	-	-	-	-	4.6
2020-21	5.1	-	-	-	-	-	-	-	5.1
2021-22	2.2	-	-	-	-	-	-	-	2.2
2022-23	0.4	-	-	-	-	-	-	-	0.4

The Australian Government will provide transitional funding for the equal sharing of the costs of reimbursing New South Wales police officers who incur an additional tax liability from making voluntary superannuation contributions that exceed the statutory cap on concessional contributions. Funding will cover liabilities incurred from 2016-17 to 2019-20 with reimbursements made in arrears over a five year period. The funding will also contribute to the cost-sharing of any fringe benefits tax that results from reimbursing police officers in these situations.

National Partnership on legal assistance services

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	78.8	61.1	53.3	31.3	20.3	7.5	6.0	7.5	265.9
2019-20	79.8	62.1	54.2	32.0	20.6	7.6	6.1	7.6	270.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government provides funding to the states for the provision of legal assistance services to disadvantaged persons through legal aid commissions and

community legal centres. The amounts in the table include funding for the Australian Government's share of wage increases arising from Fair Work Commission's 2012 Equal Remuneration Order in the Social and Community Services sector.

From 2020-21, the Australian Government will deliver legal assistance funding to states through the National Mechanism for Commonwealth legal assistance.

National Partnership on the National Mechanism for Commonwealth legal assistance^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	-	-	-
2019-20	-	-	-	-	-	-	-	-	-
2020-21	~	~	~	~	~	~	~	~	397.5
2021-22	~	~	~	~	~	~	~	~	403.7
2022-23	~	~	~	~	~	~	~	~	399.8

(a) State allocations from 2020-21 have not yet been determined.

Through the Legal Assistance Package, the Australian Government intends to create a new, single National Mechanism for Commonwealth Legal Assistance Funding from 1 July 2020. The National Mechanism will integrate new and existing Commonwealth legal assistance funding currently allocated across the Attorney General's, Treasury and Social Services portfolios.

Subject to negotiations, the National Mechanism will be a unified administrative system that provides quarantined funding to legal aid commissions, community legal centres and Aboriginal and Torres Strait Islander Legal Services, delivered via the states and territories.

A new measure associated with this National Partnership is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

National Partnership on the North Queensland stadium

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	50.0	-	-	-	-	-	50.0
2019-20	-	-	20.0	-	-	-	-	-	20.0
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government is supporting the delivery of the North Queensland stadium, including site master planning and services infrastructure within the stadium site to allow for a future entertainment centre. This project is included in the Townsville city deal.

National Partnership on the North Queensland strata title inspection scheme

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	3.5	-	-	-	-	-	3.5
2019-20	-	-	5.3	-	-	-	-	-	5.3
2020-21	-	-	2.9	-	-	-	-	-	2.9
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

This scheme will improve the information available to owners of strata title properties about a property's susceptibility to weather damage and ways to make properties more resilient. The Queensland Government will develop and administer the assessment program for strata properties in North Queensland.

National Partnership on provision of fire services^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	4.8	3.4	3.3	1.5	1.2	0.3	5.2	2.2	21.8
2019-20	5.0	3.5	3.4	1.6	1.2	0.3	5.3	2.3	22.6
2020-21	5.2	3.6	3.5	1.6	1.2	0.3	5.5	2.3	23.3
2021-22	5.3	3.7	3.6	1.7	1.3	0.4	5.7	2.4	24.2
2022-23	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp

(a) Funding amounts are not published for 2022-23 as negotiations are yet to be finalised.

The Australian Government contributes to the provision of standard fire services to Australian Government-owned property in the states.

Sinking fund on state debt

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	-	-	..
2019-20	-	-	-	-	-	-	..
2020-21	-	-	-	-	-	-	..
2021-22	-	-	-	-	-	-	..
2022-23	-	-	-	-	-	-	..

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

National Partnership on small business regulatory reform^(a)

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	~	~	~	~	~	~	~	~	129.4
2019-20	~	~	~	~	~	~	~	~	107.5
2020-21	~	~	~	~	~	~	~	~	63.2
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

(a) State allocations are yet to be finalised.

The Australian Government provides funding to deliver reforms that drive Australia's economic performance, including reforms that reduce the regulatory burden on small businesses.

National Partnership on the South Sydney Rabbitohs' Centre of Excellence

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	6.0	-	-	-	-	-	-	-	6.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

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

Supplementary funding to South Australia for local roads

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	-	-	-	-	60.0	-	-	-	60.0
2019-20	-	-	-	-	-	-	-	-	-
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-

The Australian Government provides supplementary funding to South Australia for local roads. South Australia will receive \$60 million for this purpose in 2018–19.

A new measure associated with this supplementary funding is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2019-20*.

PART 3: GENERAL REVENUE ASSISTANCE

OVERVIEW

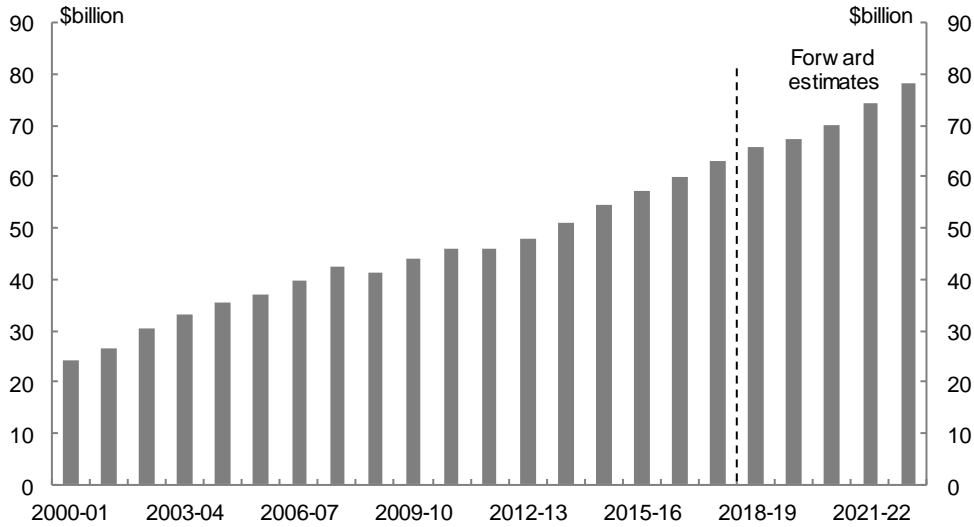
General revenue assistance is provided to the states without conditions, to spend according to their own budget priorities. The main form of general revenue assistance is the GST entitlement. Other general revenue assistance includes payments in relation to municipal services in the Australian Capital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

The Australian Government has taken action to grow the GST pool for the states, and ensure a fairer distribution. Since the *2015-16 Budget*, the Australian Government has introduced new GST revenue measures that have increased the GST entitlements for the states by about \$9.6 billion over the four years to 2022-23. Many of these were compliance and integrity measures, such as extending the GST compliance program for four years and applying GST to digital products and services imported by consumers.

In addition to these measures, the Australian Government has also reformed the system of horizontal fiscal equalisation (HFE) to provide a fairer and more sustainable way to distribute the GST among the states. From 2021-22, the system will transition to a more stable and predictable equalisation standard that will reduce volatility in states' GST payments. To support the states' transition to this new system, the Australian Government is also providing transitional GST top-up payments to the states, which is expected to provide an additional \$2.3 billion in GST support to the states up to 2021-22. As was noted when the reforms were legislated in 2018, the reforms are expected to deliver an additional \$9 billion in extra untied funding to the states over the first ten years to 2028-29, and an additional \$1 billion per year in perpetuity once fully implemented in 2026-27 (see Table 5 in the *Productivity Commission inquiry into horizontal fiscal equalisation: Government interim response*). Further detail on the new GST system can be found in Box 3.1.

Overall, the Government's action has supported significant growth in the GST pool for the states. The states' GST entitlements are estimated to increase every year over the forward estimates and reach \$78 billion by 2022-23. This represents a 62 per cent increase on the states' entitlements since 2012-13, and a 220 per cent increase on the entitlements since the GST was introduced in 2000-01 (Chart 3.1).

Chart 3.1: Growth in the states' GST entitlements



In 2019–20, the states are expected to receive \$69.1 billion from the Australian Government in total general revenue assistance – \$67.2 billion for the GST entitlement and \$1.9 billion for other general revenue assistance. The GST entitlement represents a 2.4 per cent increase on the \$65.6 billion the states are expected to receive in 2018–19. Total general revenue assistance to the states is estimated to represent 13.8 per cent of total Australian Government expenditure in 2019–20.

Estimated total general revenue assistance provided to the states by the Australian Government is shown in Table 3.1. Table 3.2 shows a breakdown by state for 2018–19 and 2019–20.

Table 3.1: General revenue assistance

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
GST entitlement	65,630.0	67,200.0	70,010.0	74,130.0	78,021.5
Other payments					
ACT municipal services	40.1	40.7	41.4	42.0	42.7
Compensation for reduced royalties	34.4	32.6	29.2	25.9	22.9
Royalty payments	920.5	713.7	619.6	575.9	520.9
Snowy Hydro Limited tax compensation	75.0	-	-	-	-
Transitional GST top-up payments(a)	434.0	1,066.3	556.1	292.9	-
Total other payments	1,504.0	1,853.3	1,246.3	936.6	586.5
Total	67,134.0	69,053.3	71,256.3	75,066.6	78,608.0

(a) The Government will pay Western Australia \$434 million of its 2019-20 top-up payment in 2018-19. Estimates beyond 2019-20 reflect the forecast GST relativities presented in the final report of the Productivity Commission Inquiry into Horizontal Fiscal Equalisation, and the Government's interim response.

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

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018-19	18,002.6	16,834.6	14,440.8	3,684.3	6,715.7	2,448.8	1,348.1	2,738.6	67,134.0
2019-20	18,713.8	17,265.9	14,213.6	4,428.1	6,759.0	2,475.3	1,450.8	3,033.1	69,053.3

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

Box 3.1: A new and fairer GST distribution system

The Australian Government has reformed Australia's system of horizontal fiscal equalisation to provide a fairer and more sustainable way to distribute the GST among the states. Legislation was passed by the Parliament in 2018.

From 2021-22, the system will progressively transition over six years to a more stable and predictable equalisation standard, based on the fiscal capacity of the stronger of New South Wales or Victoria. This change will reduce volatility in states' GST payments, making it more predictable for the states and easier for them to manage their budgets.

During the transition phase, the Australian Government has guaranteed that each state will get the cumulative better of the old or the new system. From 2022-23, the horizontal fiscal equalisation system will also include a relativity floor of 0.7, permanently increasing to 0.75 in 2024-25.

As part of these reforms, the Australian Government is also boosting the GST pool to be distributed among the states each year with additional funding. In 2021-22, the Australian Government will inject \$600 million into the GST pool, followed by a further \$250 million in 2024-25, with both of these amounts to grow each and every year in line with the underlying growth of the GST.

To support the states transition to this new system, the Australian Government is also providing short-term top-up payments, until 2021-22, to ensure that no state has an effective relativity below 0.7 (or 4.66024 for the Northern Territory).

As was noted when these reforms were legislated in 2018, all states are expected to be better off under these new arrangements.

Further detail on the GST payments and the top-up payments can be found under 'GST Payments' and 'Other General Revenue Assistance' respectively below.

GST payments

Under the *Federal Financial Relations Act 2009*, the states are entitled to receive payments from the Australian Government equivalent to the revenue raised from the GST in any given financial year, subject to some minor adjustments, as discussed below. From 2021-22, the states' GST entitlements will also be boosted each year by additional Australian Government funding, as discussed below.

The Australian Government makes monthly payments (advances) to the states throughout the year based on GST estimates for that year. Estimates of the GST are

used, as the actual amount of GST revenue for the financial year is unknown until after the end of the financial year. Once the amount of GST revenue is known, the Treasurer makes a determination of the GST entitlement for that year. A balancing adjustment payment is then made to each state to ensure the states receive the GST to which they are entitled. These balancing adjustments (referred to as the 'prior year balancing adjustment') are made in the following financial year.

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

Calculating the GST payments

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

- Some GST revenue accrued during a financial year is not remitted to the ATO by 30 June of that year because it is not due to be paid until Business Activity Statements (BAS) are lodged the following financial year.
- Penalties owed to the ATO, other than general interest charge (GIC) penalties, are not included in the GST to be paid to the states, as defined in the *Federal Financial Relations Act 2009*.
- Some GST collected by Australian Government agencies is not remitted to the ATO by 30 June in each financial year because it is not due to be paid until the next BAS is lodged.
- From 2021-22, the Australian Government will also boost the states' GST entitlement each year with additional funding. In 2021-22, the Australian Government will inject \$600 million into the GST pool, followed by a further \$250 million in 2024-25. Each year, these amounts will grow in line with the underlying growth of the GST and be distributed to the states in the same way as the GST revenue.

In 2017-18, the states' GST entitlement was \$316.5 million lower than the advances paid during that year. A prior year balancing adjustment has been made to states' GST payments in 2018-19 to reflect this.

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

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

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
GST revenue	68,065	69,630	72,620	76,290	80,240
less Change in GST receivables	2,282	2,266	2,467	2,611	2,691
GST receipts	65,783	67,364	70,153	73,679	77,549
less Non-GIC penalties collected	120	140	140	150	160
less GST collected by Commonwealth agencies but not yet remitted to the ATO	33	24	3	-1	-1
plus GST pool boost	-	-	-	600	631
GST entitlement	65,630	67,200	70,010	74,130	78,021
plus Prior year balancing adjustment	-317				
GST payments to the States(a)	65,313	67,200	70,010	74,130	78,021

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

Table 3.4 provides a reconciliation of the GST entitlement estimates since the 2018-19 Budget and the 2018-19 Mid-Year Economic and Fiscal Outlook (MYEFO). The reconciliation accounts for policy decisions and parameter and other variations. The GST entitlement in 2019-20 has been revised down by \$1.8 billion since the 2018-19 MYEFO.

Table 3.4: Reconciliation of the GST entitlement estimates since the 2018-19 Budget and 2018-19 MYEFO

\$million	2018-19	2019-20	2020-21	2021-22
GST entitlement at 2018-19 Budget	67,320	69,790	73,510	77,270
Changes between 2018-19 Budget and MYEFO				
Effect of policy decisions	-15	653	786	1,496
Effect of parameter and other variations	-675	-1,433	-1,696	-1,746
Total variations	-690	-780	-910	-250
GST entitlement at 2018-19 MYEFO	66,630	69,010	72,600	77,020
Changes between 2018-19 MYEFO and 2019-20 Budget				
Effect of policy decisions	-2	9	13	14
Effect of parameter and other variations	-998	-1,819	-2,603	-2,904
Total variations	-1,000	-1,810	-2,590	-2,890
GST entitlement at 2019-20 Budget	65,630	67,200	70,010	74,130

The states' GST entitlement is expected to reach \$78 billion by 2022-23 – a 62 per cent increase from \$48 billion in 2012-13. The increase in GST to date has been underpinned by solid growth in household consumption and dwelling investment. Continued household consumption growth is expected to drive the forecast increases in GST. The increase in GST entitlements includes the revenue measures the Australian Government has introduced since the 2015-16 Budget, which have increased the states' GST entitlements by an estimated \$9.6 billion over the four years to 2022-23. Many of these have been compliance measures to protect the base and integrity of the GST for the states. These measures include:

- GST – applying to digital products and services imported by consumers (2015-16 Budget)

Budget Paper No. 3

- *GST – compliance programme – three year extension (2015-16 Budget)*
- *Applying GST to low value goods imported by consumers (2016-17 Budget)*
- *Combatting fraud in the precious metals industry (2017-18 Budget)*
- *Improving the collection of GST on property transactions (2017-18 Budget)*
- *Tax Integrity Package – Black Economy Taskforce: extension of the taxable payments reporting system to contractors in the courier and cleaning industries (2017-18 Budget)*
- *Tax Integrity Package – Black Economy Taskforce: one year extension of funding for ATO audit and compliance activities (2017-18 Budget)*
- *A firm stance on tax and superannuation debts (2018-19 Budget)*
- *Black Economy Package – Combatting illicit tobacco (2018-19 Budget)*
- *Black Economy Package – Further expansion of taxable payments reporting (2018-19 Budget)*
- *Black Economy Package – New and enhanced ATO enforcement against the Black Economy (2018-19 Budget)*
- *Levelling the playing field for online hotel bookings (2018-19 Budget)*
- *Reforms to combat illegal phoenixing (2018-19 Budget)*
- *GST – compliance program – four year extension (2018-19 MYEFO)*
- *Tax Integrity – increasing engagement and on-time payment of tax and superannuation liabilities (2019-20 Budget)*

Specific policy decisions taken since the 2018–19 MYEFO that affect the GST entitlement are shown in Table 3.5. These decisions are estimated to increase the amount of the GST entitlement by \$51.1 million over the five years to 2022–23.

Table 3.5: Policy decisions since the 2018–19 MYEFO that affect the GST entitlement

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
Indirect Tax Concession Scheme — diplomatic, consular and international organisation concessions	-1.8	..	..	..	..
Extension of Temporary Graduate visa period for regional graduates	-	-	-	1.0	3.5
Increasing Work and Holiday Visa Cap for Indonesia	-	0.9	2.6	3.7	4.4
Better Distribution of Medical Practitioners	-	..	-1.0	-2.0	-2.0
Tax Integrity — increasing engagement and on-time payment of tax and superannuation liabilities	-	8.0	10.9	11.4	11.5
Total	-1.8	8.9	12.5	14.1	17.4

Detailed information on specific policy decisions taken since the 2018–19 MYEFO is included in Budget Paper No. 2, *Budget Measures 2019–20*.

Distribution of the GST among the states

The Australian Government distributes the GST among the states based on the GST revenue sharing relativities recommended by the Commonwealth Grants Commission (the Commission). Further information on the Commission's relativities is included in Box 3.2.

The detailed calculation for the distribution of the GST entitlement in 2018–19 and 2019–20 is shown in Table 3.6. This method of calculation is prescribed in legislation in the *Federal Financial Relations Act 2009*.

Table 3.6: Calculation of GST entitlements

	Estimated 31 December population (1)	GST relativities (2)	Adjusted population (1) x (2) (3)	Share of adjusted population (4)	Share of GST pool \$million (5)
2018-19					
NSW	8,047,504	0.85517	6,881,984	27.4%	17,952.6
VIC	6,530,704	0.98670	6,443,846	25.6%	16,809.6
QLD	5,051,640	1.09584	5,535,789	22.0%	14,440.8
WA	2,607,034	0.47287	1,232,788	4.9%	3,215.9
SA	1,742,682	1.47727	2,574,412	10.2%	6,715.7
TAS	531,230	1.76706	938,715	3.7%	2,448.8
ACT	424,673	1.18070	501,411	2.0%	1,308.0
NT	246,544	4.25816	1,049,824	4.2%	2,738.6
Total	25,182,011	na	25,158,769	100%	65,630.0
2019-20					
NSW	8,189,290	0.87013	7,125,747	27.8%	18,713.8
VIC	6,689,940	0.98273	6,574,405	25.7%	17,265.9
QLD	5,136,342	1.05370	5,412,164	21.2%	14,213.6
WA	2,630,460	0.51842	1,363,683	5.3%	3,581.3
SA	1,756,128	1.46552	2,573,641	10.1%	6,759.0
TAS	536,817	1.75576	942,522	3.7%	2,475.3
ACT	433,858	1.23759	536,938	2.1%	1,410.1
NT	248,143	4.26735	1,058,913	4.1%	2,780.9
Total	25,620,978	na	25,588,012	100%	67,200.0

Box 3.2: The Commonwealth Grants Commission's GST relativities

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

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

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

In contrast, Western Australia will receive the lowest share of GST per person in 2019–20. Whilst the Commission's calculations recognise that Western Australia also faces high costs in delivering services across a very large state, this is more than offset by the very high level of revenue it can collect, particularly from mining royalties.

In recognition of the unique circumstances affecting the Northern Territory and Western Australia, the Australian Government will provide an additional \$1.5 billion in GST top-up payments to these states for 2019-20 (\$1.2 billion to Western Australia and \$252 million to the Northern Territory), building on the \$1.7 billion in top-up payments already provided since 2014-15. The Australian Government will continue to offer top-up payments until 2021-22 to support the states' transition to the new HFE system.

GST administration

States compensate the Australian Government for the agreed costs incurred by the ATO in administering the GST, including costs incurred by the Department of Home Affairs. The GST administration budget for the ATO is estimated to be \$646.6 million for 2019-20, as shown in Table 3.7.

Table 3.7: Reconciliation of the GST administration budget

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
Administration budget at 2018-19 Budget	599.2	530.8	496.9	499.0	na
Total variations from 2018-19 Budget					
to 2018-19 MYEFO(a)	-	116.3	115.6	116.0	na
Administration budget at 2018-19 MYEFO	599.2	647.1	612.5	615.0	na
Changes from 2018-19 MYEFO					
to 2019-20 Budget					
Parameter variations	-	-0.5	-0.5	..	3.4
Other variations	-	-	-	-	-
Total variations	-	-0.5	-0.5	..	3.4
Administration budget at 2019-20 Budget	599.2	646.6	612.0	615.0	618.0
less Prior year adjustment	-				
equals State government payments(b)	599.2	646.6	612.0	615.0	618.0

(a) These figures represent the costs of the GST compliance program — four year extension as announced in the 2018-19 MYEFO.

(b) The GST administration costs for 2018-19 were capped at the 2016-17 Budget estimate as the ATO reviews its methodologies.

OTHER GENERAL REVENUE ASSISTANCE

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

Table 3.8: Other general revenue assistance

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
ACT municipal services	40.1	40.7	41.4	42.0	42.7
Compensation for reduced royalties	34.4	32.6	29.2	25.9	22.9
Royalty payments	920.5	713.7	619.6	575.9	520.9
Snowy Hydro Limited tax compensation	75.0	-	-	-	-
Transitional GST top-up payments(a)	434.0	1,066.3	556.1	292.9	-
Total other general revenue assistance	1,504.0	1,853.3	1,246.3	936.6	586.5

(a) The Government will pay Western Australia \$434 million of its 2019-20 top-up payment in 2018-19. Estimates beyond 2019-20 reflect the forecast GST relativities presented in the final report of the Productivity Commission Inquiry into Horizontal Fiscal Equalisation, and the Government's interim response.

Australian Capital Territory municipal services

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

Compensation for reduced royalties

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

Royalty payments

Western Australia

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

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

Northern Territory

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

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

Snowy Hydro Limited tax compensation

Until June 2018, Snowy Hydro Limited was jointly owned by the Australian Government, New South Wales and Victoria (with shareholdings of 13 per cent, 58 per cent and 29 per cent, respectively). The Australian Government provided compensation payments to New South Wales and Victoria, in the form of general revenue assistance, for Australian Government income taxes paid by Snowy Hydro Limited. Under the Snowy Hydro Tax Compensation Deed between the then shareholders, payments were made in proportion to each state's shareholding. The Australian Government now has full ownership of Snowy Hydro Limited and from 2019-20 payments to New South Wales and Victoria will no longer be required.

Transitional GST top-up payments

To assist the states in transitioning to the new horizontal fiscal equalisation system, the Australian Government will provide short-term top-up payments, until 2021-22, to ensure that no state has an effective GST relativity below 0.7 (or 4.66024 for the Northern Territory).

These payments will be made in accordance with the bilateral agreements between the Australian Government and the relevant state.

MIRROR TAX ARRANGEMENTS

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

All mirror tax revenues are credited to the Australian Government and simultaneously appropriated to the states, with no net impact on the Australian Government's budget position, as shown in Table 3.9.

Table 3.9: Mirror taxes accrued on behalf of the states

\$million	2018-19	2019-20	2020-21	2021-22	2022-23
Mirror taxes	607.3	636.1	665.5	698.4	726.7
less Transfers to state governments	607.3	636.1	665.5	698.4	726.7
Australian Government budget impact	-	-	-	-	-

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

INTRODUCTION

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

It discusses trends in key fiscal indicators including the net operating balance, fiscal balance, cash balance and net debt, at the Australian Government level, state level and the consolidated level. The consolidated level includes the Australian, state and local governments, and the multi-jurisdictional sector (primarily public universities).

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

For further information on the fiscal indicators and the institutional structure of the public sectors see Budget Paper No. 1, *Budget Strategy and Outlook 2019–20, Statement 10: Australian Government Budget Financial Statements*.

State estimates in this Part come from the most recent publicly-available state financial reports.

Aggregate state data are only available to 2021–22, so references to the forward estimates in this Part relate to the period 2019–20 to 2021–22.

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

NET OPERATING BALANCE

The net operating balance measures, in accrual terms, the difference between recurrent expenses and revenue for a given period. It is a measure of the sustainability of the government's fiscal position over time and indicates the sustainability of the existing level of government services.

The Australian Government is expecting the NFPS to record a net operating surplus of 0.3 per cent of GDP in 2019–20.

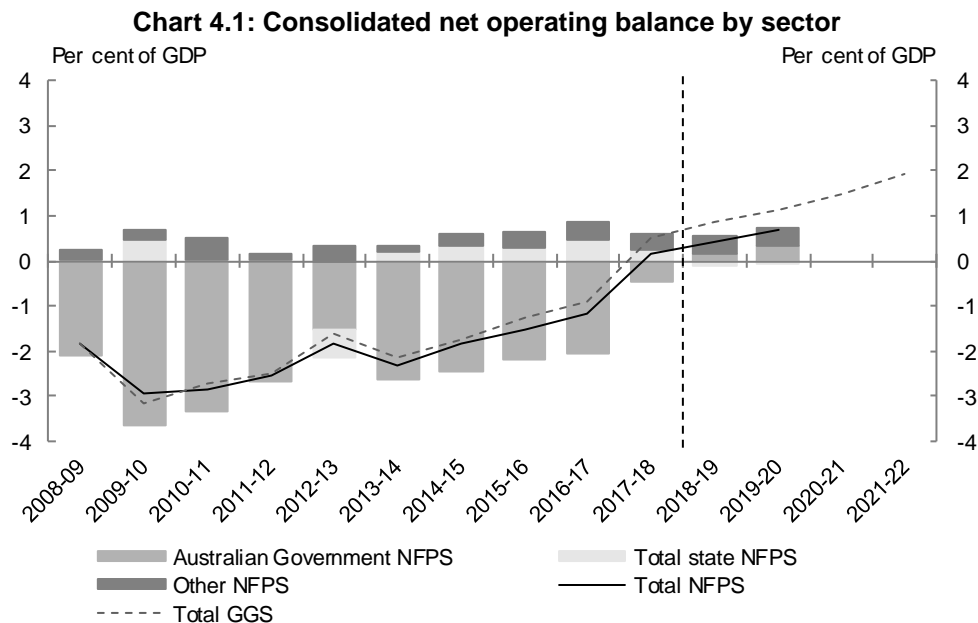
¹ Due to inter-sectoral transfers, NFPS does not always equal the sum of the general government and PNFC sectors.

In aggregate, the states are expecting the NFPS to record a net operating balance which is just below zero per cent of GDP in 2019–20. The states are expecting NFPS revenue as a proportion of GDP to be 16.0 per cent in 2019–20.

The consolidated NFPS net operating surplus is expected to improve from 0.4 per cent of GDP in 2018–19 to 0.7 per cent of GDP in 2019–20.

The consolidated general government sector is expected to record a net operating surplus of 1.1 per cent of GDP in 2019–20, improving to 1.9 per cent of GDP in 2021–22.

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



Note: Consolidated NFPS numbers beyond 2019–20 have not been calculated as Australian Government data is not available for the PNFC sector. ‘Other NFPS’ includes local governments, the multi-jurisdictional sector and adjustments for transfers between jurisdictions.
 Source: ABS cat. no. 5512.0, most recent state estimates and Treasury.

FISCAL AND CASH BALANCES

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

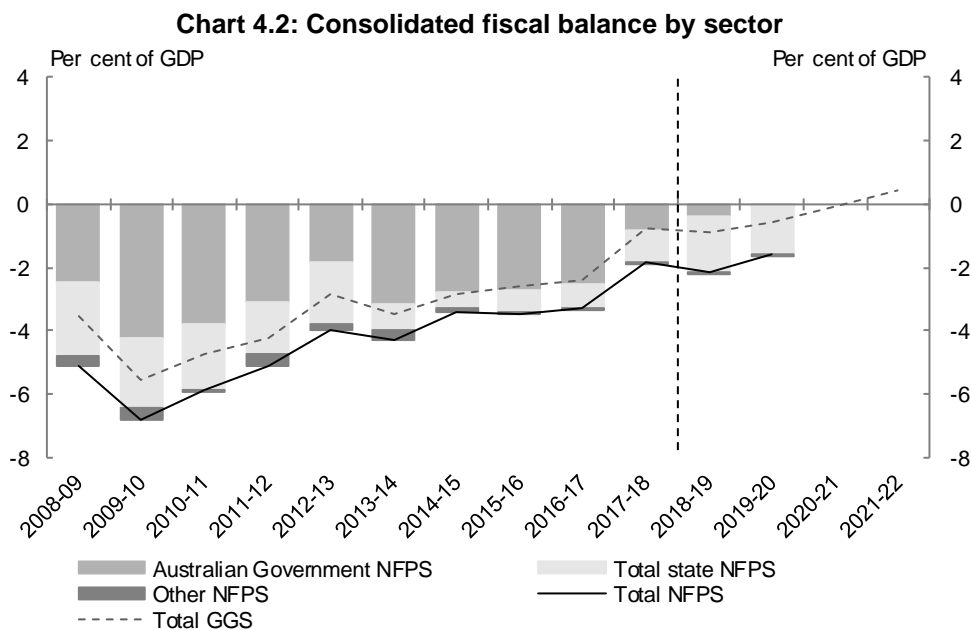
The fiscal balance of the Australian Government NFPS is expected to improve from a deficit of 0.4 per cent of GDP in 2018–19 to just below zero per cent of GDP in 2019–20.

In aggregate, states' fiscal balance for the NFPS is expected to improve from a deficit of 1.7 per cent of GDP in 2018-19 to a deficit of 1.6 per cent of GDP in 2019-20.

A fiscal deficit of 1.6 per cent of GDP is expected in the consolidated NFPS sector for 2019-20.

The consolidated general government sector fiscal balance is expected to improve across the forward estimates, from a deficit of 0.6 per cent of GDP in 2019-20 to a surplus of 0.5 per cent of GDP by 2021-22.

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



Note: Consolidated NFPS numbers beyond 2019-20 have not been calculated as Australian Government data is not available for the PNFC sector. 'Other NFPS' includes local governments, the multi-jurisdictional sector and adjustments for transfers between jurisdictions.

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

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

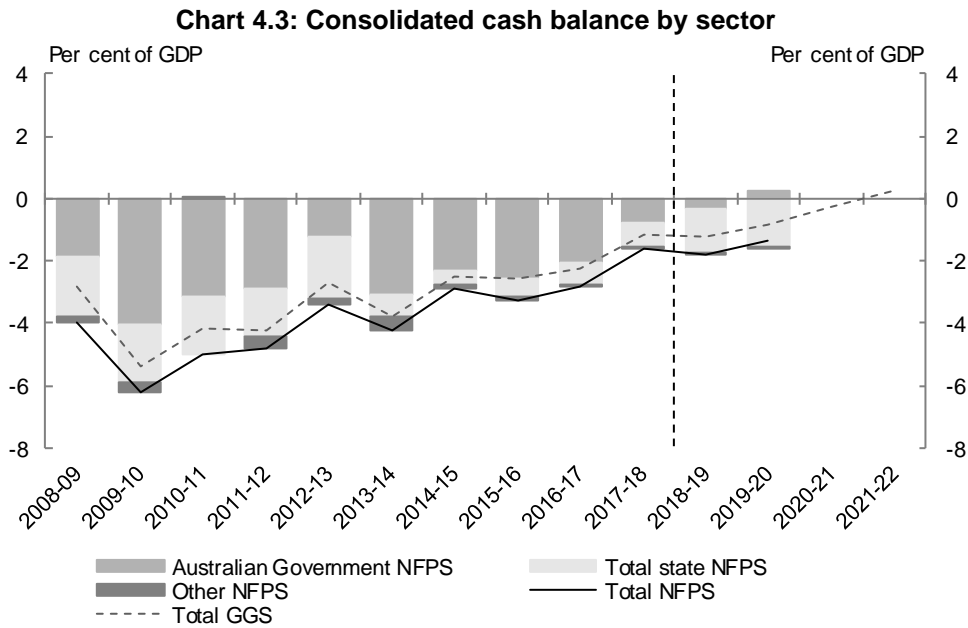
The underlying cash balance of the Australian Government NFPS is expected to improve from a deficit of 0.3 per cent of GDP in 2018-19 to a surplus of 0.2 per cent of GDP in 2019-20.

The aggregate state NFPS cash balance is expected to remain in deficit of 1.5 per cent of GDP in 2019-20.

The consolidated NFPS cash deficit is expected to improve from a deficit of 1.8 per cent of GDP in 2018-19 to a deficit of 1.3 per cent of GDP in 2019-20.

The consolidated general government sector cash balance is expected to improve from a deficit of 0.8 per cent of GDP in 2019-20 to a surplus of 0.3 per cent of GDP in 2021-22.

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



Note: Consolidated NFPS numbers beyond 2019-20 have not been calculated as Australian Government data is not available for the PNFC sector. 'Other NFPS' includes local governments, the multi-jurisdictional sector and adjustments for transfers between jurisdictions.
Source: ABS cat. no. 5512.0, most recent state estimates and Treasury.

NET DEBT

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

Australian Government NFPS net debt as a proportion of GDP is expected to decrease to 19.4 per cent in 2019-20.

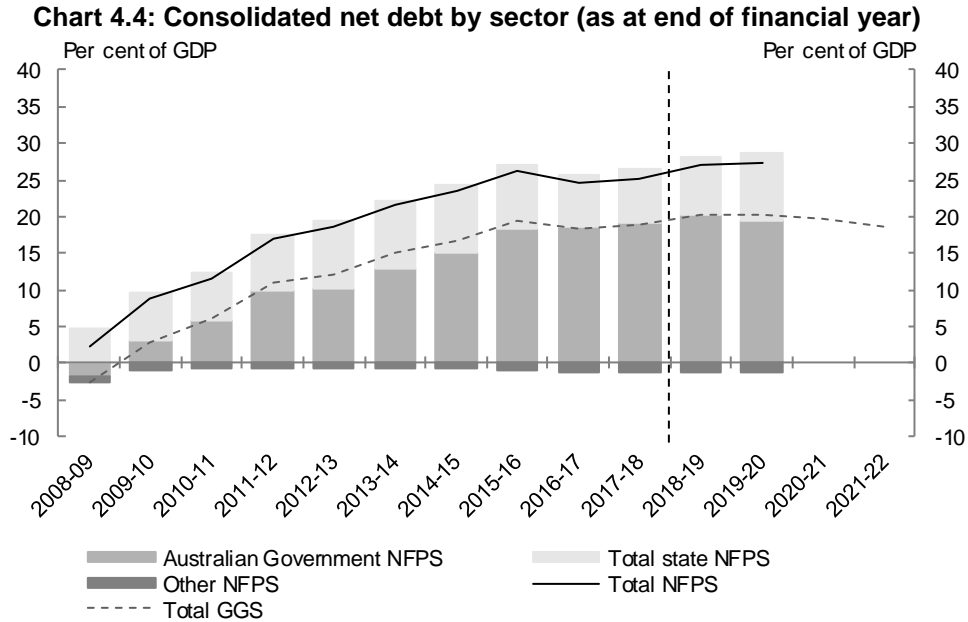
Aggregate state NFPS net debt as a proportion of GDP is expected to increase to 9.2 per cent of GDP in 2019-20.

Consolidated NFPS net debt is expected to increase to 27.4 per cent of GDP in 2019-20.

Consolidated general government sector net debt is expected to decrease from 20.3 per cent of GDP in 2019-20 to 18.6 per cent of GDP in 2021-22.

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

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



Note: Consolidated NFPS numbers beyond 2019-20 have not been calculated as Australian Government data is not available for the PNFC sector. 'Other NFPS' includes local governments, the multi-jurisdictional sector and adjustments for transfers between jurisdictions.
 Source: ABS cat. no. 5512.0, most recent state estimates and Treasury.

APPENDIX A: PARAMETERS AND FURTHER INFORMATION

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

Budget Paper No. 1, *Budget Strategy and Outlook 2019–20, Statement 2: Economic Outlook*, provides information on the forecasting approach used in the 2019–20 Budget.

POPULATION

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

Estimates of state populations

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

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

million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2018	8.048	6.531	5.052	2.607	1.743	0.531	0.425	0.247	25.182
2019	8.189	6.690	5.136	2.630	1.756	0.537	0.434	0.248	25.621
2020	8.335	6.853	5.223	2.654	1.770	0.543	0.443	0.250	26.070
2021	8.483	7.017	5.311	2.677	1.784	0.548	0.453	0.251	26.525
2022	8.632	7.183	5.399	2.700	1.798	0.554	0.462	0.253	26.981

The state populations for 2018 to 2022 are Treasury estimates as at 31 December in the relevant year. They are constructed using the latest demographic data available from the Australian Bureau of Statistics (ABS) and assumptions on fertility, mortality, net overseas migration and interstate migration.

Fertility

The total fertility rate is assumed to be 1.781 babies per woman in 2018, and is assumed to rise to 1.900 babies by 2021 and remain stable for the rest of the projection period. These assumptions are consistent with those in the *2015 Intergenerational Report*.

Mortality

The mortality assumptions are based on the medium assumptions used in the ABS *Population Projections, Australia, 2017-2066* (cat. no. 3222.0). Life expectancy is projected to improve over time, but at a declining rate. The difference between life expectancies across the states and territories is assumed to persist.

Net overseas migration

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

Table A.2: Net overseas migration

	2018	2019	2020	2021	2022
Net overseas migration, Australia	259,600	271,700	271,300	267,600	263,800

State shares of net overseas migration are estimated by using a weighted average of the three most recent observed years – 2015, 2016 and 2017 – with weights of one, two and four respectively.

Interstate migration

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

Table A.3: Net interstate migration

million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2019	-16,000	16,800	18,400	-12,000	-6,500	1,500	700	-2,900	-
2020	-16,000	16,800	18,400	-12,000	-6,500	1,500	700	-2,900	-
2021	-16,000	16,800	18,400	-12,000	-6,500	1,500	700	-2,900	-
2022	-16,000	16,800	18,400	-12,000	-6,500	1,500	700	-2,900	-

Similar to state shares of net overseas migration, these estimates of migration are based on a weighted average of the three most recent observed years – 2015, 2016 and 2017 – with weights of one, two and four respectively. Due to data lags, the 2018 observation includes assumptions for the September and December quarters based on weighted averages of arrivals and departures for the respective September and December quarters in 2015 to 2017.

WAGE COST INDICES

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

Table A.4: Wage cost indices

per cent	2018-19	2019-20	2020-21	2021-22	2022-23
Wage cost index - 1	1 1/2	1 1/2	1 1/2	1 1/2	1 1/2
Wage cost index - 6	1 1/2	1 1/2	2	2	1 3/4

DATA SOURCES

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

Australian Government data are sourced from the Australian Government Final Budget Outcomes, ABS, and Australian Government Consolidated Financial Statements. See Budget Paper No. 1, *Budget Strategy and Outlook 2019–20, Statement 10: Historical Australian Government Data*, for more information.

State data for 2017-18 onwards are from the most recent publicly available state financial reports (states' 2017-18 final budget outcomes, 2018-19 mid-year financial reports and *NSW 2019 Pre-election Budget Update*). State data for years prior to 2017-18 are sourced from the ABS. Where ABS data is not available, estimates from states' annual financial reports have been used.

FURTHER INFORMATION

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

- *Australian Demographic Statistics* (cat. no. 3101.0);
- *Overseas Arrivals and Departures, Australia* (cat. No 3401.0);
- *Population Projections, 2017–2066* (cat. no. 3222.0);
- *Taxation Revenue, Australia* (cat. no. 5506.0);
- *Government Finance Statistics, Australia* (cat. no. 5512. 0);
- *Australian System of Government Finance Statistics – Concepts, Sources and Methods* (cat. no. 5514.0);
- Information Paper: *Developments in Government Finance Statistics* (cat. no. 5516.0); and
- Information Paper: *Accruals Based Government Finance Statistics* (cat. no. 5517.0)

Commonwealth Grants Commission publications provide information about the distribution of GST revenue. In relation to the 2019-20 financial year, the most relevant publication is the *Report on GST Revenue Sharing Relativities – 2019 Update*.