



# Budget 2020–21

## Federal Financial Relations Budget Paper No. 3 2020–21

Circulated by

The Honourable Josh Frydenberg MP  
Treasurer of the Commonwealth of Australia

and

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Minister for Finance  
of the Commonwealth of Australia

For the information of honourable members  
on the occasion of the Budget 2020–21

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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.

## Notes

- (a) The following definitions are used in this Budget Paper:
- Budget year refers to 2020–21, while the forward years refer to 2021–22, 2022–23 and 2023–24.
  - 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| nfp | not for publication           |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 |

*Budget Paper No. 3*

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

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

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

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

*Budget Paper No.3* normally includes *Part 4, Developments in the Consolidated Non-Financial Public Sector* to provide a perspective on the financial position of all levels of government in Australia. Part 4 has not been included in the 2020-21 Budget as there is no consistent and comprehensive, and publicly available data set that accounts for the impact of the COVID-19 pandemic to inform the analysis. The data sets that would normally underpin this analysis are still available in *Appendix C, Supplementary Tables*.

*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](http://www.budget.gov.au).

*Budget Paper No. 3, Federal Financial Relations 2020-21*, 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 2020-21, the Australian Government will provide the states with \$131.4 billion in total payments, including payments of \$69.4 billion for specific purposes like schools and hospitals and general revenue assistance of \$61.9 billion. It will also provide significant financial support as part of the Australian Government's COVID-19 response (see Box 1.1).

**Box 1.1: COVID-19 Response**

The Australian Government is helping states manage the health impacts of the COVID-19 pandemic and deliver the services Australians need to get through this challenging period. The Australian Government is providing:

- \$3.1 billion over two years from 2019-20 to support state health services diagnose and treat patients with, or suspected of having, COVID-19 and minimise the spread of COVID-19 in the Australian community
- \$1.7 billion over two years from 2019-20 to guarantee the viability of private hospitals
- \$1.5 billion over two years to local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies
- \$500 million – to be matched by the states – as part of the \$1 billion JobTrainer Fund to provide up to 340,700 additional low and no fee training places of identified skills need and employment growth for young people and job seekers
- \$130 million over two years from 2019-20 to support states to respond immediately to increases in domestic, family and sexual violence as a result of COVID-19, and to ensure services can continue to support those who need it most
- \$40 million – also to be matched by the states – to establish a new \$80 million National Infection Control Fund for around 80,000 fee-free, or very low cost, nationally accredited infection control short course training places to frontline workers
- \$59 million to support the delivery of efficient and effective legal assistance services to respond to increased demand as a result of COVID-19.

The Australian Government's unprecedented economic support package continues to provide temporary and timely support to individuals, businesses and the broader community, and has kept Australians in work, and businesses in business. This package includes the JobKeeper Payment, the Coronavirus Supplement and Economic Support Payments for individuals and households, the cash flow boost and the SME Guarantee Scheme for businesses and dedicated sectoral support to those industries most affected by the COVID-19 pandemic.

Through its payments to the states, the Australian Government is:

- delivering more doctors, more nurses and more services across public hospitals in every state through record funding of \$133.6 billion from 2020-21 to 2024-25, an increase of 30 per cent over the previous five years
- increase its payments to support state infrastructure services to \$48.8 billion from 2020-21 to 2023-24, including a \$2 billion Road Safety Program and an additional \$1 billion for the Local Roads and Community Infrastructure Program
- investing almost \$100 billion in schools over the four years from 2020-21 to 2023-24
- providing \$453 million over two years from 2020-21 to further extend the Universal Access to Early Childhood Education agreement for the 2021 calendar year
- supporting jobs in the residential construction sector via the \$680 million HomeBuilder program
- permanently boosting the size of the GST pool to be distributed among the states each year. From 2021-22, the Australian Government will inject \$600 million annually into the GST pool, followed by a further \$250 million annually from 2024-25, with both of these amounts to grow each and every year in line with the underlying growth of the GST
- providing \$1.5 billion in GST top-up payments in 2020-21, and an estimated \$4.5 billion from 2019-20 to 2021-22, to support the transition to the new horizontal fiscal equalisation system passed by the Parliament in 2018.

The Reserve Bank of Australia (RBA) has established a government bond buying program that has supported state borrowing. Since the start of the program, the RBA has purchased over \$11 billion of state government bonds.

## **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 that can be spent according to states' own budget priorities.

In aggregate, the states are estimated to receive Australian Government payments of \$131.4 billion in 2020–21.

Total payments to the states in 2020–21 are estimated to be 19.6 per cent of total Australian Government expenditure. Australian Government payments effectively support about 46 per cent of state expenditure, as shown in Table 1.3.

### **Payments for specific purposes**

In 2020–21, the Australian Government will provide the states with \$69.4 billion in payments for specific purposes. This is an increase of \$5.7 billion or 8.9 per cent compared with 2019–20. Payments for specific purposes are estimated to make up 10.4 per cent of total Australian Government expenditure in 2020–21.

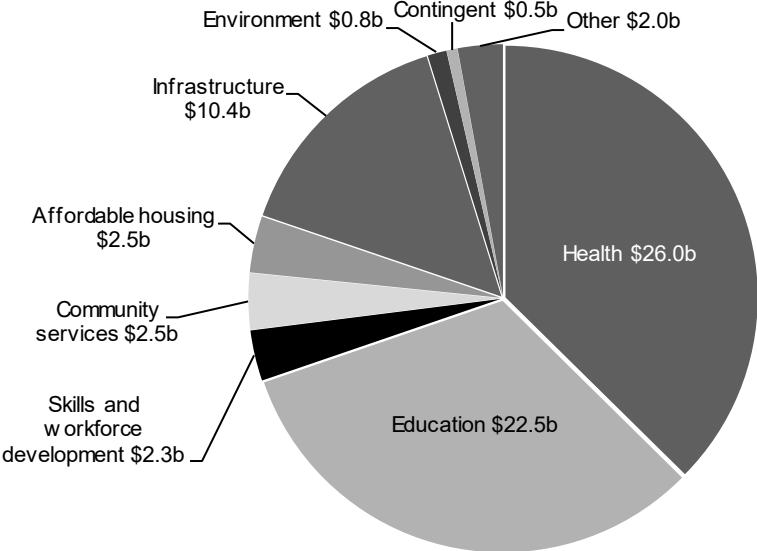
National Specific Purpose Payments (National SPPs), National Health Reform, the National Housing and Homelessness Agreement and Quality Schools funding are expected to total \$50.5 billion in 2020–21.

National Partnership payments are expected to be \$19.0 billion in 2020–21. This is an increase of \$6.3 billion or almost 50 per cent compared with 2019–20. This includes new agreements supporting the COVID-19 Response, the JobTrainer Fund and the HomeBuilder program.

The conditions for the payments to states for specific purposes are outlined in written agreements between the Commonwealth and the states. The Council on Federal Financial Relations (CFFR) is responsible these agreements and has recently established the new Federation Funding Agreement (FFA) framework. The FFA framework consolidates all existing National Partnerships and Project Agreements into five new FFAs (Health; Environment; Infrastructure; Education and Skills; and Affordable Housing, Community Services and Other). For more information, see Box 1.2.

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 2020–21 by function.

Chart 1.1: Payments for specific purposes 2020–21, by sector



**Box 1.2: Federation Funding Agreements**

On 29 May 2020, National Cabinet asked the Council on Federal Financial Relations (CFFR), which comprises the Treasurers of the Commonwealth and all states and territories, to take responsibility for all Commonwealth-State funding agreements and to commence a review of the stock of existing agreements with a view to consolidation and rationalisation. CFFR's aim will be to limit the proliferation of agreements and make sure that the negotiation and administration of agreements is as efficient as possible.

Following the review, on 28 August 2020, CFFR established the new Federation Funding Agreement (FFA) framework and consolidated all existing National Partnerships and Project Agreements into five new FFAs (Health; Environment; Infrastructure; Education and Skills; and Affordable Housing, Community Services and Other).

There are now nine overarching agreements in place, including the five new FFAs and the four major National Agreements (the National Schools Reform Agreement, the National Health Reform Agreement, the National Agreement for Skills and Workforce Development, and the National Housing and Homelessness Agreement).

The new FFA framework will mark the start of a new period in federal financial relations. The new framework, with CFFR as its gatekeeper, will benefit all jurisdictions by reducing the number of existing agreements, streamlining new agreements, and reducing the administrative burden associated with agreements.

In Budget Paper No. 3, *Federal Financial Relations 2020-21*, agreements previously referred to as National Partnerships or Project Agreements are now simply described as funding agreements. Further changes to how funding agreements are presented in future Budget updates may be made once all jurisdictions have signed up to the new FFA framework. The payments associated with these agreements are, however, still referred to as National Partnership payments, as defined in the *Federal Financial Relations Act 2009*.

**General revenue assistance**

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

In 2020–21, the states are expected to receive \$61.9 billion in general revenue assistance, including \$59.9 billion for the GST entitlement. General revenue assistance to the states is estimated to represent 9.2 per cent of total Australian Government expenditure in 2020–21.

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, 2020–21 to 2023–24**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2020-21</b>									
Payments for specific purposes(a)	21,027	16,213	15,201	7,607	4,350	1,578	1,080	1,436	69,449
GST entitlement(b)	17,509	15,063	12,701	2,791	5,606	2,401	1,159	2,691	59,920
Other general revenue assistance(c)	-	-	-	1,547	-	-	41	-	2,006
<b>Total payments to the states</b>	<b>38,536</b>	<b>31,276</b>	<b>27,902</b>	<b>11,945</b>	<b>9,956</b>	<b>3,978</b>	<b>2,280</b>	<b>4,127</b>	<b>131,375</b>
<b>2021-22</b>									
Payments for specific purposes(a)	21,735	17,020	16,248	8,363	4,562	1,615	1,115	1,619	72,601
GST entitlement(b)	~	~	~	~	~	~	~	~	66,140
Other general revenue assistance(c)	17	8.5	-	1,495	-	-	42	-	1,894
<b>Total payments to the states</b>	<b>21,751</b>	<b>17,028</b>	<b>16,248</b>	<b>9,858</b>	<b>4,562</b>	<b>1,615</b>	<b>1,157</b>	<b>1,619</b>	<b>140,635</b>
<b>2022-23</b>									
Payments for specific purposes(a)	21,794	18,056	16,781	8,452	4,500	1,746	1,145	1,342	74,314
GST entitlement(b)	~	~	~	~	~	~	~	~	70,752
Other general revenue assistance(c)	664	545	416	-	118	19	75	-	2,055
<b>Total payments to the states</b>	<b>22,458</b>	<b>18,601</b>	<b>17,197</b>	<b>8,452</b>	<b>4,619</b>	<b>1,766</b>	<b>1,220</b>	<b>1,342</b>	<b>147,120</b>
<b>2023-24</b>									
Payments for specific purposes(a)	22,466	19,447	17,313	8,103	4,986	1,869	1,178	1,259	77,223
GST entitlement(b)	~	~	~	~	~	~	~	~	74,587
Other general revenue assistance(c)	698	577	441	-	136	32	78	-	2,134
<b>Total payments to the states</b>	<b>23,164</b>	<b>20,024</b>	<b>17,755</b>	<b>8,103</b>	<b>5,123</b>	<b>1,902</b>	<b>1,257</b>	<b>1,259</b>	<b>153,944</b>

(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 2020–21, total payments to the states are estimated to be 6.7 per cent of GDP. Payments for specific purposes are estimated to be 3.6 per cent of GDP and general revenue assistance is estimated to be 3.2 per cent of GDP.

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

\$million	2020-21	2021-22	2022-23	2023-24
<i>Payments for specific purposes</i>				
National SPPs	1,561	1,575	1,593	1,615
National Health Reform funding	25,418	25,192	26,651	28,241
Quality Schools funding	21,914	24,407	25,899	27,160
National Housing and Homelessness funding	1,595	1,553	1,572	1,594
National Partnership payments(a)	18,961	19,875	18,598	18,613
<b>Total payments for specific purposes</b>	<b>69,449</b>	<b>72,601</b>	<b>74,314</b>	<b>77,223</b>
Per cent change from previous year	8.9	4.5	2.4	3.9
Per cent of GDP	3.6	3.6	3.5	3.5
<i>General revenue assistance</i>				
GST entitlement	59,920	66,140	70,752	74,587
Other general revenue assistance	2,006	1,894	2,055	2,134
<b>Total general revenue assistance</b>	<b>61,926</b>	<b>68,034</b>	<b>72,807</b>	<b>76,721</b>
Per cent change from previous year	-0.2	9.9	7.0	5.4
Per cent of GDP	3.2	3.4	3.5	3.5
<b>Total payments to the states</b>	<b>131,375</b>	<b>140,635</b>	<b>147,120</b>	<b>153,944</b>
Per cent change from previous year	4.4	7.0	4.6	4.6
Per cent of GDP	6.7	7.0	7.0	7.0

(a) Total for 2020-21 includes \$1.8 billion for the COVID-19 public health response.

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

**Chart 1.2: Total Australian Government payments to the states, 2020–21**

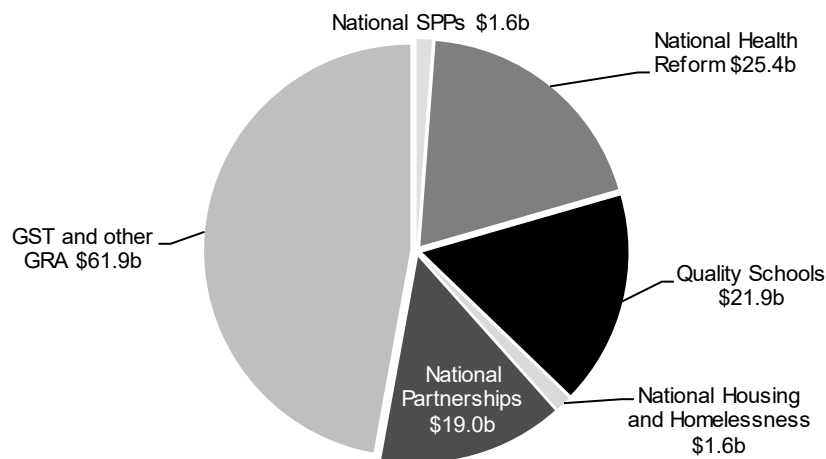


Table 1.3 provides information on the Australian Government's financial contributions to state expenditure in key sectors in 2018–19. It shows that Australian Government financial assistance in 2018–19 effectively supported 45.6 per cent of states' expenditure.

**Table 1.3: Australian Government's contribution to state expenditure**

	Commonwealth tied payments \$million	State spending supported by general revenue assistance (b) \$million	Total state spending \$million	State spending supported by Commonwealth revenue per cent
<b>2018-19</b>				
Education	21,941	14,284	68,667	52.8
Health	22,176	17,944	80,874	49.6
Housing and community amenities	1,970	1,254	6,072	53.1
Transport	6,023	6,583	27,557	45.7
Social protection	3,399	6,727	25,404	39.9
Other functions (a)	4,782	19,849	69,713	35.3
Payments for specific purpose	60,291			
General revenue assistance		66,641		
<b>Total</b>			<b>278,287</b>	<b>45.6</b>

Source: Australian Government Final Budget Outcome, 2018-19 and Australian Bureau of Statistics, Government Finance Statistics.

(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 2020–21 Budget that affect payments to the states. Details of the measures are available in Budget Paper No. 2, *Budget Measures 2020-21*, arranged by portfolio. Information on the payments affected is available in Parts 2 and 3 of this Budget Paper.

**Table 1.4: Measures affecting payments to the states**

Payment	Section of Budget Paper 3	Measure title	Section of Budget Paper 2
National Health Reform funding COVID-19 public health response	Part 2 – Health	COVID-19 Response Package – supporting our hospitals – continuation	Payments – Health
School Pathways Program	Part 2 – Education	School Pathways Program	Payments – Defence
Remote housing	Part 2 – Affordable housing	Funding for remote Indigenous housing in Queensland	Payments – Prime Minister and Cabinet
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – road safety and upgrades	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – Australian Capital Territory	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – New South Wales	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – Northern Territory	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – Queensland	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – South Australia	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – Tasmania	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – Victoria	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – Western Australia	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Infrastructure Investment – road safety and upgrades	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program	Part 2 – Infrastructure	JobMaker Plan – Local Roads and Community Infrastructure Program – extension	Payments – Infrastructure, Regional Development and Cities
Infrastructure Investment Program and Perth City Deal	Part 2 – Infrastructure	Perth City Deal	Payments – Infrastructure, Regional Development and Cities
Public Safety Mobile Broadband	Part 2 – Infrastructure	Public Safety Mobile Broadband	Payments – Home Affairs

**Table 1.4: Measures affecting payments to the states (continued)**

<b>Payment</b>	<b>Section of Budget Paper 3</b>	<b>Measure title</b>	<b>Section of Budget Paper 2</b>
COVID-19 World and National Heritage	Part 2 – Environment	COVID-19 Response Package – Relief and Recovery Fund – additional projects	Payments – Cross Portfolio
Environmental management of the former Rum Jungle site	Part 2 – Environment	Rum Jungle Rehabilitation Project – additional funding	Payments – Industry, Innovation and Science
Implementing water reform in the Murray-Darling Basin	Part 2 – Environment	Murray-Darling Communities Investment Package	Payments – Agriculture and Water Resources
National Water Infrastructure Development Fund	Part 2 – Environment	JobMaker Plan – National Water Grid – investing in a long-term approach to water infrastructure	Payments – Infrastructure, Regional Development and Cities
On-farm emergency water infrastructure rebate	Part 2 – Environment	Drought Response, Resilience and Preparedness Plan – extended support	Payments – Agriculture and Water Resources
Sustainable rural water use and infrastructure program	Part 2 – Environment	Murray-Darling Communities Investment Package	Payments – Agriculture and Water Resources
Water for Fodder program	Part 2 – Environment	Murray-Darling Communities Investment Package	Payments – Agriculture and Water Resources
Western Australia Energy and Emissions Reduction Deal	Part 2 – Environment	JobMaker Plan – Investment in New Energy Technologies	Payments – Industry, Innovation and Science
Disaster Recovery Funding Arrangements – Northern Territory and South Australia	Part 2 – Contingent	Disaster Relief – Northern Territory and South Australia	Payments – Home Affairs
GST entitlement	Part 3 – GST Payments	Humanitarian Program 2020-21	Payments – Home Affairs
GST entitlement	Part 3 – GST Payments	Migration Program – 2020-21 planning levels	Payments – Home Affairs
GST entitlement	Part 3 – GST Payments	Additional funding to address serious and organised crime in the tax and superannuation system	Payments – 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 \$25.4 billion in 2020-21. This includes \$1.8 billion for the COVID-19 public health response.

Schools funding payments under the *Australian Education Act 2013* are estimated to be \$21.9 billion in 2020-21, comprising funding for government schools of \$9.1 billion and non-government schools of \$12.8 billion.

In 2020-21, the Australian Government is supporting the states in the Skills and Workforce Development sector by providing \$1.6 billion through a National Specific Purpose Payment (National SPP). The states are required to spend this funding in the sector.

In 2020-21, the Australian Government is providing an estimated \$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. Agreements are typically entered into for a fixed period of time, reflecting the nature of the project or reform involved.

To the fullest extent possible, National Partnership payments 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 \$19.0 billion in 2020-21.

Funding agreements and other Commonwealth-State agreements are publicly available on the Federal Financial Relations website at: [www.federalfinancialrelations.gov.au](http://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, 2020-21 to 2023-24**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)
<b>2020-21</b>									
National SPP	496	408	315	161	107	33	26	15	1,561
National Health Reform funding(b)	7,974	6,608	5,468	2,549	1,501	515	472	330	25,418
Quality Schools funding	6,660	5,611	4,823	2,184	1,405	507	355	368	21,914
National Housing and Homelessness funding	489	415	328	170	111	35	27	20	1,595
National Partnership payments(c)	5,408	3,171	4,266	2,543	1,225	489	199	704	18,961
Total payments for specific purposes	21,027	16,213	15,201	7,607	4,350	1,578	1,080	1,436	69,449
<b>2021-22</b>									
National SPP	499	412	319	162	108	33	26	15	1,575
National Health Reform funding	7,683	6,230	5,731	2,692	1,513	509	469	365	25,192
Quality Schools funding	7,457	6,110	5,287	2,503	1,715	538	379	417	24,407
National Housing and Homelessness funding	485	399	321	163	107	33	26	19	1,553
National Partnership payments(c)	5,610	3,868	4,590	2,843	1,120	501	214	803	19,875
Total payments for specific purposes	21,735	17,020	16,248	8,363	4,562	1,615	1,115	1,619	72,601
<b>2022-23</b>									
National SPP	504	419	324	164	108	33	27	15	1,593
National Health Reform funding	8,123	6,532	6,140	2,853	1,578	522	504	400	26,651
Quality Schools funding	7,904	6,513	5,582	2,678	1,828	563	401	430	25,899
National Housing and Homelessness funding	490	405	325	165	108	33	26	19	1,572
National Partnership payments(c)	4,773	4,188	4,409	2,592	879	594	188	479	18,598
Total payments for specific purposes	21,794	18,056	16,781	8,452	4,500	1,746	1,145	1,342	74,314
<b>2023-24</b>									
National SPP	510	426	329	165	109	34	27	15	1,615
National Health Reform funding	8,586	6,867	6,583	3,037	1,645	547	539	437	28,241
Quality Schools funding	8,282	6,858	5,837	2,821	1,916	585	420	441	27,160
National Housing and Homelessness funding	496	413	331	167	109	34	26	19	1,594
National Partnership payments(c)	4,592	4,882	4,234	1,912	1,207	670	166	347	18,613
Total payments for specific purposes	22,466	19,447	17,313	8,103	4,986	1,869	1,178	1,259	77,223

(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 \$1.8 billion for the COVID-19 public health response in 2020-21.

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

**Table 2.2: Payments for specific purposes by sector and category, 2020–21 to 2023–24**

\$million	2020-21	2021-22	2022-23	2023-24
<i>Health</i>				
National Health Reform funding(a)	25,418	25,192	26,651	28,241
National Partnership payments	557	282	333	259
<b>Total health payments</b>	<b>25,976</b>	<b>25,473</b>	<b>26,985</b>	<b>28,500</b>
<i>Education</i>				
Quality Schools funding	21,914	24,407	25,899	27,160
National Partnership payments	545	409	61	61
<b>Total education payments</b>	<b>22,459</b>	<b>24,816</b>	<b>25,960</b>	<b>27,222</b>
<i>Skills and workforce development</i>				
National Skills and Workforce Development SPP	1,561	1,575	1,593	1,615
National Partnership payments	700	165	5	-
<b>Total skills and workforce development payments</b>	<b>2,261</b>	<b>1,740</b>	<b>1,598</b>	<b>1,615</b>
<i>Community services</i>				
National Partnership payments	2,512	1,385	1,087	1,143
<i>Affordable housing</i>				
National Housing and Homelessness funding	1,595	1,553	1,572	1,594
National Partnership payments	922	191	111	1
<b>Total affordable housing payments</b>	<b>2,516</b>	<b>1,744</b>	<b>1,683</b>	<b>1,595</b>
<i>Infrastructure</i>				
National Partnership payments	10,399	12,631	12,754	13,014
<i>Environment</i>				
National Partnership payments	844	928	1,026	983
<i>Contingent payments</i>				
National Partnership payments	483	832	155	..
<i>Other</i>				
National Partnership payments(b)	1,999	3,052	3,066	3,152
<b>Total payments for specific purposes</b>	<b>69,449</b>	<b>72,601</b>	<b>74,314</b>	<b>77,223</b>

(a) Includes \$1.8 billion for the COVID-19 public health response in 2020-21.

(b) 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 2020-21, the Australian Government will provide funding of \$26.0 billion to support state health services, including \$25.4 billion in National Health Reform funding and \$557.3 million in National Partnership payments, as detailed in Table 2.3.

**Table 2.3: Payments to support state health services**

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Health Reform funding(a)</b>	25,418.3	25,191.5	26,651.5	28,241.2
<b>National Partnership payments</b>				
Health services	90.8	60.8	58.0	33.1
Health infrastructure	43.4	-	27.3	-
Indigenous health	16.7	8.5	1.1	1.1
Other health payments	406.4	212.4	246.8	224.4
Total National Partnership payments	557.3	281.6	333.2	258.6
<b>Total</b>	<b>25,975.7</b>	<b>25,473.1</b>	<b>26,984.7</b>	<b>28,499.8</b>

(a) Total for 2020-21 includes \$1.8 billion for the COVID-19 public health response.

### National Health Reform funding

In 2020-21, National Health Reform funding is estimated to be \$25.4 billion including \$1.8 billion for the COVID-19 public health response.

#### National Health Reform funding<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2020-21</b>									
Hospital services	7,108.1	5,770.6	5,204.7	2,455.4	1,419.6	457.1	432.9	314.3	23,162.7
Public health	141.1	116.1	89.7	45.9	30.5	9.3	7.5	4.2	444.2
COVID-19 public health response(b)	724.3	721.7	174.1	48.2	51.3	48.1	31.9	11.7	1,811.4
Total	7,973.5	6,608.4	5,468.5	2,549.5	1,501.4	514.6	472.3	330.2	25,418.3
<b>2021-22</b>									
Hospital services	7,535.5	6,108.3	5,636.2	2,643.6	1,481.0	499.5	461.2	360.8	24,726.2
Public health	147.4	121.8	94.4	48.0	31.8	9.8	7.8	4.4	465.4
COVID-19 public health response	-	-	-	-	-	-	-	-	-
Total	7,682.9	6,230.1	5,730.6	2,691.6	1,512.8	509.3	469.0	365.1	25,191.5
<b>2022-23</b>									
Hospital services	7,968.7	6,403.2	6,040.4	2,802.9	1,544.6	512.1	495.6	395.1	26,162.5
Public health	154.6	128.5	99.5	50.3	33.2	10.3	8.2	4.5	489.0
COVID-19 public health response	-	-	-	-	-	-	-	-	-
Total	8,123.3	6,531.7	6,139.9	2,853.1	1,577.8	522.3	503.8	399.6	26,651.5
<b>2023-24</b>									
Hospital services	8,423.8	6,731.5	6,477.8	2,984.5	1,610.4	535.9	530.0	432.8	27,726.7
Public health	162.3	135.8	104.8	52.7	34.7	10.8	8.6	4.7	514.5
COVID-19 public health response	-	-	-	-	-	-	-	-	-
Total	8,586.1	6,867.3	6,582.6	3,037.2	1,645.1	546.7	538.7	437.5	28,241.2

(a) Payments to states for the COVID-19 public health response complement funding under the 2020-2025 Addendum to the National Health Reform Agreement, but are made under a separate agreement.

(b) A new measure associated with this is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.



*Part 2: Payments for specific purposes*

From 2020-21 to 2024-25, 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 45.0 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.

**Final entitlements to National Health Reform funding, 2018-19**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
National Health Reform	6,513.3	5,191.9	4,667.4	2,280.7	1,397.6	436.9	400.3	280.9	21,169.0

In March 2020, the Treasurer determined final entitlements for 2018-19 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 \$557.3 million will be provided to the states in 2020-21 under the following categories:

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

## Health services

In 2020-21, the Australian Government is estimated to provide \$90.8 million to support the delivery of health services in the states.

**Table 2.3.1 Health services**

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Partnership payments</b>				
Achieving better health outcomes	1.9	0.5	0.5	-
Additional assistance for public hospitals	2.4	-	-	-
Adult mental health centres	-	4.0	4.0	4.0
Comprehensive palliative care across the life course	15.0	9.4	9.8	10.2
Expansion of the BreastScreen Australia program	15.4	-	-	-
Hummingbird House	0.8	0.8	0.8	-
Management of Torres Strait / Papua New Guinea cross-border health issues	5.1	5.2	5.3	5.4
Mosquito control and cross border liaison in the Torres Strait	0.8	0.9	0.9	0.9
National Bowel Cancer Screening Program — participant follow-up function	9.1	9.0	-	-
Mums, Dads and bubs check	6.0	7.0	7.0	-
OzFoodNet	1.9	1.9	1.9	1.9
Royal Darwin Hospital — equipped, prepared and ready	16.8	17.0	17.3	-
Specialist dementia care	3.9	4.0	9.4	9.5
Vaccine-preventable diseases surveillance	1.0	1.0	1.0	1.1
Victorian Cytology Service	10.6	-	-	-
<b>Total</b>	<b>90.8</b>	<b>60.8</b>	<b>58.0</b>	<b>33.1</b>

### Achieving better health outcomes

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	1.9	-	-	-	-	-	-	-	1.9
2021-22	0.5	-	-	-	-	-	-	-	0.5
2022-23	0.5	-	-	-	-	-	-	-	0.5
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.9</b>

The Australian Government is providing funding to improve emergency department facilities for vulnerable patients and those with mental health issues, and help children with high medical needs and their families to spend less time in hospital.

**Additional assistance for public hospitals**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	2.3	-	0.2	2.4
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	<b>2.3</b>	-	<b>0.2</b>	<b>2.4</b>

As part of 2018 Heads of Agreement for the 2020-2025 Addendum to the National Health Reform Agreement, the Australian Government agreed that the new funding arrangements for public hospitals would not leave state and territory governments any worse off than the previous block funding arrangements indexed at population growth and the increase of the Consumer Price Index.

Payments made under this program provide additional public hospital funding to some states and territories that in certain years may have received a smaller increase than the previous block funding model, or been otherwise had their funding reduced due to the new National Health Reform Agreement (NHRA) model.

The Australian Government has agreed to provide all states and territories a guaranteed minimum level of funding through the NHRA for the years 2019-20 and 2020-21. If the minimum funding guarantee is invoked for a state or territory, in either 2019-20 or 2020-21, this will remove the need to also make a payment under this program.

**Adult mental health centres**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	-	-
2021-22	-	-	-	-	4.0	-	-	-	4.0
2022-23	-	-	-	-	4.0	-	-	-	4.0
2023-24	-	-	-	-	4.0	-	-	-	4.0
<b>Total</b>	-	-	-	-	<b>12.0</b>	-	-	-	<b>12.0</b>

The Australian Government will provide \$12 million over three years from 2021-22 to establish an Adult Mental Health centre in South Australia to be located in Adelaide. The centre will provide a range of mental health support services.

**Comprehensive palliative care across the life course<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	15.0
2021-22	~	~	~	~	~	~	~	~	9.4
2022-23	~	~	~	~	~	~	~	~	9.8
2023-24	~	~	~	~	~	~	~	~	10.2
<b>Total</b>	~	~	~	~	~	~	~	~	<b>44.5</b>

(a) State splits not determined yet.

The Australian Government will provide funding to improve access to palliative care for older Australians living in Residential Aged Care Facilities, supporting new approaches, such as 'in reach' services, that will improve palliative and end-of-life care.

**Expansion of the BreastScreen Australia program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	4.9	3.9	3.1	1.7	1.1	0.3	0.3	0.2	15.4
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4.9</b>	<b>3.9</b>	<b>3.1</b>	<b>1.7</b>	<b>1.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>15.4</b>

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.

**Hummingbird House**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	0.8	-	-	-	-	-	0.8
2021-22	-	-	0.8	-	-	-	-	-	0.8
2022-23	-	-	0.8	-	-	-	-	-	0.8
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.4</b>

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.

**Management of Torres Strait/Papua New Guinea cross-border health issues**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	5.1	-	-	-	-	-	5.1
2021-22	-	-	5.2	-	-	-	-	-	5.2
2022-23	-	-	5.3	-	-	-	-	-	5.3
2023-24	-	-	5.4	-	-	-	-	-	5.4
<b>Total</b>	<b>-</b>	<b>-</b>	<b>21.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21.1</b>

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.

Part 2: Payments for specific purposes

**Mosquito control and cross border liaison in the Torres Strait**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	0.8	-	-	-	-	-	0.8
2021-22	-	-	0.9	-	-	-	-	-	0.9
2022-23	-	-	0.9	-	-	-	-	-	0.9
2023-24	-	-	0.9	-	-	-	-	-	0.9
<b>Total</b>	-	-	<b>3.5</b>	-	-	-	-	-	<b>3.5</b>

The Australian Government is providing funding to assist with surveillance and control of, and efforts to eliminate, the *Aedes Alboquitus* mosquito in the Torres Strait. Funding also supports increasing community awareness of strategies to reduce the risk of acquiring dengue fever, zika virus and other mosquito borne diseases.

**National bowel cancer screening program — participant follow-up function**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
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	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5.6</b>	<b>4.4</b>	<b>3.6</b>	<b>2.0</b>	<b>1.3</b>	<b>0.6</b>	<b>0.4</b>	<b>0.3</b>	<b>18.2</b>

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.

**Mums, Dads and bubs check<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	6.0
2021-22	~	~	~	~	~	~	~	~	7.0
2022-23	~	~	~	~	~	~	~	~	7.0
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	~	~	~	~	~	~	~	~	<b>20.0</b>

(a) State splits not determined yet.

The Australian Government will provide funding over three years from 2020-21 to deliver a national perinatal screening program providing a Mum, Dads and Bubs check before leaving hospital.

**OzFoodNet**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	1.9
2021-22	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	1.9
2022-23	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	1.9
2023-24	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	1.9
<b>Total</b>	<b>1.5</b>	<b>1.1</b>	<b>1.1</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>0.6</b>	<b>0.6</b>	<b>7.6</b>

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.

**Royal Darwin Hospital — equipped, prepared and ready**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	16.8	16.8
2021-22	-	-	-	-	-	-	-	17.0	17.0
2022-23	-	-	-	-	-	-	-	17.3	17.3
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51.1</b>	<b>51.1</b>

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 Australia and the region.

**Specialist dementia care<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	0.3	0.7	0.7	0.3	0.3	~	0.2	~	3.9
2021-22	0.3	0.8	0.8	0.3	0.3	~	0.3	~	4.0
2022-23	0.3	0.8	0.8	0.3	0.3	~	0.3	~	9.4
2023-24	~	~	~	~	~	~	~	~	9.5
<b>Total</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>26.8</b>

(a) Totals include unallocated funding.

(b) All state allocations from 2020–21 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.

**Vaccine-preventable diseases surveillance**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	0.2	0.2	0.2	0.1	0.1	..	..	0.1	1.0
2021-22	0.2	0.2	0.2	0.1	0.1	..	..	0.1	1.0
2022-23	0.3	0.2	0.2	0.1	0.1	..	..	0.1	1.0
2023-24	0.3	0.2	0.2	0.1	0.1	..	..	0.1	1.1
<b>Total</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>4.2</b>

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.

**Victorian Cytology Service**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	10.6	-	-	-	-	-	-	10.6
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>10.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.6</b>

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 in Victoria.

**Health infrastructure**

In 2020-21, the Australian Government is estimated to provide \$43.4 million to support the development of health-related infrastructure.

**Table 2.3.2 Health infrastructure**

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Partnership payments</b>				
Grace's Place	2.0	-	-	-
Proton beam therapy facility	40.7	-	27.3	-
Redevelopment of Strathalbyn residential aged care facility	0.7	-	-	-
<b>Total</b>	<b>43.4</b>	<b>-</b>	<b>27.3</b>	<b>-</b>

**Grace's Place**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	2.0	-	-	-	-	-	-	-	2.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2.0</b>	-	-	-	-	-	-	-	<b>2.0</b>

The Australian Government will provide funding to New South Wales Government 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.

**Proton beam therapy facility**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	40.7	-	-	-	40.7
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	27.3	-	-	-	27.3
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>68.0</b>	-	-	-	<b>68.0</b>

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.

**Redevelopment of Strathalbyn residential aged care facility**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	0.7	-	-	-	0.7
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>0.7</b>	-	-	-	<b>0.7</b>

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



## Indigenous health

In 2020-21, the Australian Government is estimated to provide \$16.7 million to the states for programs to improve the health of Indigenous Australians.

**Table 2.3.3 Indigenous health**

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Partnership payments</b>				
Addressing blood-borne viruses and sexually transmissible infections in the Torres Strait	1.1	1.1	1.1	1.1
Improving trachoma control services for Indigenous Australians	5.3	-	-	-
Northern Territory Remote Aboriginal investment — health component	7.0	7.4	-	-
Rheumatic fever strategy	3.3	-	-	-
<b>Total</b>	<b>16.7</b>	<b>8.5</b>	<b>1.1</b>	<b>1.1</b>

### Addressing blood-borne viruses and sexually transmissible infections in the Torres Strait

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	1.1	-	-	-	-	-	1.1
2021-22	-	-	1.1	-	-	-	-	-	1.1
2022-23	-	-	1.1	-	-	-	-	-	1.1
2023-24	-	-	1.1	-	-	-	-	-	1.1
<b>Total</b>	-	-	<b>4.5</b>	-	-	-	-	-	<b>4.5</b>

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.

### Improving trachoma control services for Indigenous Australians

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	..	-	0.3	1.7	1.4	-	-	1.9	5.3
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	..	-	<b>0.3</b>	<b>1.7</b>	<b>1.4</b>	-	-	<b>1.9</b>	<b>5.3</b>

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

**Northern Territory Remote Aboriginal investment — health component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	7.0	7.0
2021-22	-	-	-	-	-	-	-	7.4	7.4
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	<b>14.4</b>	<b>14.4</b>

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

**Rheumatic fever strategy**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	1.0	1.0	0.4	-	-	1.0	3.3
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>1.0</b>	<b>1.0</b>	<b>0.4</b>	-	-	<b>1.0</b>	<b>3.3</b>

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 2020-21, the Australian Government is estimated to provide \$406.4 million to the states in other health-related National Partnership payments.

**Table 2.3.4 Other health National Partnership payments**

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Partnership payments</b>				
Community Health, Hospitals and Infrastructure projects	153.6	173.6	222.8	200.5
Encouraging more clinical trials in Australia	1.5	-	-	-
Essential vaccines	17.9	19.6	19.9	19.8
Health Innovation Fund	115.2	16.7	1.7	1.7
Lymphoedema garments and allied therapy	2.0	2.0	2.0	-
National Coronial Information System	0.4	0.4	0.4	0.4
Public dental services for adults	107.8	-	-	-
Suicide prevention	3.0	-	-	-
Veteran Wellbeing Centre Program	5.1	-	-	-
<b>Total</b>	<b>406.4</b>	<b>212.4</b>	<b>246.8</b>	<b>222.4</b>

### Community Health, Hospitals and Infrastructure projects

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	32.8	20.2	35.5	12.5	3.0	5.5	15.0	29.1	153.6
2021-22	32.5	42.5	57.2	20.3	5.4	9.0	6.5	0.2	173.6
2022-23	26.5	86.2	34.6	41.8	13.0	12.0	8.8	-	222.8
2023-24	80.5	52.2	11.4	33.4	7.0	12.0	4.0	-	200.5
<b>Total</b>	<b>172.3</b>	<b>201.0</b>	<b>138.7</b>	<b>107.9</b>	<b>28.4</b>	<b>38.5</b>	<b>34.2</b>	<b>29.3</b>	<b>750.4</b>

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.

### Encouraging more clinical trials in Australia

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	0.3	0.2	0.3	0.2	0.1	0.1	0.2	0.1	1.5
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>1.5</b>

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.

**Essential vaccines**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	5.2	4.2	3.4	1.9	1.3	0.6	0.6	0.5	17.9
2021-22	5.7	4.6	3.8	2.1	1.5	0.7	0.6	0.6	19.6
2022-23	5.8	4.7	3.9	2.1	1.5	0.7	0.6	0.6	19.9
2023-24	5.8	4.7	3.9	2.1	1.5	0.7	0.6	0.6	19.8
<b>Total</b>	<b>22.6</b>	<b>18.2</b>	<b>15.0</b>	<b>8.2</b>	<b>5.8</b>	<b>2.8</b>	<b>2.4</b>	<b>2.2</b>	<b>77.3</b>

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

**Health Innovation Fund<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	15.9	36.0	10.1	5.2	5.1	1.1	16.3	15.5	115.2
2021-22	-	-	-	-	1.7	-	-	15.0	16.7
2022-23	-	-	-	-	1.7	-	-	-	1.7
2023-24	-	-	-	-	1.7	-	-	-	1.7
<b>Total</b>	<b>15.9</b>	<b>36.0</b>	<b>10.1</b>	<b>5.2</b>	<b>10.2</b>	<b>1.1</b>	<b>16.3</b>	<b>30.5</b>	<b>135.3</b>

(a) Total for 2020-21 includes unallocated funding.

The Australian Government will provide funding to support the delivery of projects to improve health outcomes, including through prevention and the better use of health data.

**Lymphoedema garments and allied health therapy program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	0.6	0.5	0.4	0.2	0.1	..	..	..	2.0
2021-22	0.6	0.5	0.4	0.2	0.1	..	..	..	2.0
2022-23	0.6	0.5	0.4	0.2	0.1	..	..	..	2.0
2023-24	0.6	0.5	0.4	0.2	0.1	..	..	..	2.0
<b>Total</b>	<b>2.6</b>	<b>2.1</b>	<b>1.6</b>	<b>0.8</b>	<b>0.6</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>8.0</b>

The Australian Government is providing funding to contribute to improved access to specialised compression garments by eligible patients.

Part 2: Payments for specific purposes

**National Coronial Information System**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	0.4	-	-	-	-	-	-	0.4
2021-22	-	0.4	-	-	-	-	-	-	0.4
2022-23	-	0.4	-	-	-	-	-	-	0.4
2023-24	-	0.4	-	-	-	-	-	-	0.4
<b>Total</b>	-	<b>1.7</b>	-	-	-	-	-	-	<b>1.7</b>

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

**Public dental services for adults**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	34.4	26.9	21.7	9.7	9.4	3.4	1.0	1.4	107.8
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>34.4</b>	<b>26.9</b>	<b>21.7</b>	<b>9.7</b>	<b>9.4</b>	<b>3.4</b>	<b>1.0</b>	<b>1.4</b>	<b>107.8</b>

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

**Suicide prevention**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	1.4	1.1	-	-	-	0.5	-	-	3.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.4</b>	<b>1.1</b>	-	-	-	<b>0.5</b>	-	-	<b>3.0</b>

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.

**Veteran Wellbeing Centre Program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	3.0	-	2.1	-	-	-	5.1
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>3.0</b>	-	<b>2.1</b>	-	-	-	<b>5.1</b>

The Australian Government is providing funding to develop a network of six Veteran Wellbeing Centres across Australia in partnership with Ex-Service Organisations and state and territory governments. A Veteran Wellbeing Centre is being constructed by the South Australian Government as part of the reactivation of the Repat in Daw Park, Adelaide. The Queensland Government is similarly constructing a Veteran Wellbeing Centre at Oonoonba, Townsville. Veteran Wellbeing Centres are also under development in Perth, Nowra, Wodonga and Darwin but establishment for these centres will not be led by state governments.

## Education

In 2020–21, the Australian Government will provide funding of \$22.5 billion to support state education services, including \$21.9 billion in Quality Schools funding and \$544.8 million through National Partnership payments, as detailed in Table 2.4.

**Table 2.4: Payments to support state education services**

\$million	2020-21	2021-22	2022-23	2023-24
<b>Quality Schools funding</b>	21,913.8	24,406.7	25,898.8	27,160.2
<b>National Partnership payments</b>				
MoneySmart teaching	1.3	-	-	-
National school chaplaincy program	61.4	61.4	61.4	61.4
Northern Territory Remote Aboriginal investment(a)				
Children and schooling component	30.2	29.3	-	-
School pathways program	1.2	1.2	-	-
Universal access to early childhood education	450.6	317.2	-	-
Total National Partnership payments	544.8	409.1	61.4	61.4
<b>Total</b>	<b>22,458.6</b>	<b>24,815.8</b>	<b>25,960.3</b>	<b>27,221.6</b>
<i>Memorandum item – payments for non-government schools included in payments above</i>				
Quality Schools funding	12,844.4	14,656.8	15,450.1	16,131.7

(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 2020–21, the Australian Government will provide \$21.9 billion in Quality Schools funding to government and non-government schools in all states. This includes recurrent funding, capital funding, funding for non-government school reform support funding, Choice and Affordability Fund funding and other prescribed purpose funding.

**Quality Schools funding**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2020-21</b>									
Government schools(a)	2,807.6	2,126.2	2,034.3	920.3	616.5	217.1	130.1	217.3	9,069.4
Non-government schools(b)(c)(d)	3,852.7	3,485.2	2,788.7	1,263.4	789.0	290.0	224.8	150.4	12,844.4
<b>Total</b>	<b>6,660.4</b>	<b>5,611.5</b>	<b>4,823.0</b>	<b>2,183.7</b>	<b>1,405.5</b>	<b>507.1</b>	<b>354.9</b>	<b>367.7</b>	<b>21,913.8</b>
<b>2021-22</b>									
Government schools(a)	2,993.3	2,307.0	2,168.7	1,016.6	671.4	226.0	142.6	224.2	9,749.9
Non-government schools(b)(c)(d)	4,464.0	3,803.5	3,118.7	1,486.0	1,043.5	312.3	236.5	192.3	14,656.8
<b>Total</b>	<b>7,457.3</b>	<b>6,110.5</b>	<b>5,287.4</b>	<b>2,502.6</b>	<b>1,714.9</b>	<b>538.3</b>	<b>379.1</b>	<b>416.6</b>	<b>24,406.7</b>
<b>2022-23</b>									
Government schools(a)	3,184.6	2,494.3	2,303.8	1,118.1	728.9	235.5	155.6	227.9	10,448.7
Non-government schools(b)(c)(d)	4,719.3	4,018.2	3,278.7	1,560.1	1,098.9	327.7	245.2	201.9	15,450.1
<b>Total</b>	<b>7,904.0</b>	<b>6,512.6</b>	<b>5,582.4</b>	<b>2,678.2</b>	<b>1,827.8</b>	<b>563.2</b>	<b>400.8</b>	<b>429.8</b>	<b>25,898.8</b>
<b>2023-24</b>									
Government schools(a)	3,348.9	2,652.7	2,419.4	1,196.5	769.6	243.8	166.5	231.1	11,028.5
Non-government schools(b)(c)(d)	4,933.6	4,205.2	3,417.7	1,624.3	1,146.5	341.0	253.7	209.7	16,131.7
<b>Total</b>	<b>8,282.5</b>	<b>6,857.9</b>	<b>5,837.1</b>	<b>2,820.8</b>	<b>1,916.1</b>	<b>584.8</b>	<b>420.2</b>	<b>440.7</b>	<b>27,160.2</b>

(a) Includes funding for the Northern Territory to accelerate evidence based reforms to improve outcomes for vulnerable students and includes Literacy Support for Tasmanian Students.

(b) Includes capital funding.

(c) Includes prescribed circumstances funding.

(d) Includes funding for non-government school reform support and 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 National Partnership payments.

#### MoneySmart teaching

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	0.1	0.1	0.1	0.9	-	1.3
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.9</b>	-	<b>1.3</b>

The Australian Government is supporting 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 school chaplaincy program<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
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
2023-24	~	~	~	~	~	~	~	~	61.4
<b>Total</b>	<b>22.5</b>	<b>25.6</b>	<b>36.7</b>	<b>15.5</b>	<b>15.2</b>	<b>4.4</b>	<b>2.0</b>	<b>1.0</b>	<b>245.7</b>

(a) State allocations for 2022-23 and 2023-24 have not yet been determined.

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

#### Northern Territory Remote Aboriginal investment — children and schooling component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	30.2	30.2
2021-22	-	-	-	-	-	-	-	29.3	29.3
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	<b>59.5</b>	<b>59.5</b>

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

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

*Budget Paper No. 3*

**School pathways program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	0.6	0.6	-	-	-	1.2
2021-22	-	-	-	0.6	0.6	-	-	-	1.2
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.2</b>	<b>1.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.4</b>

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.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Universal access to early childhood education**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	138.0	130.2	83.1	46.5	28.7	9.9	9.6	4.7	450.6
2021-22	98.6	90.0	59.5	32.5	19.8	6.9	6.8	3.3	317.2
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>236.5</b>	<b>220.2</b>	<b>142.6</b>	<b>79.0</b>	<b>48.5</b>	<b>16.8</b>	<b>16.4</b>	<b>8.0</b>	<b>767.8</b>

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.

## Skills and workforce development

In 2020–21, the Australian Government will provide funding of \$2.3 billion to support state skills and workforce development services, including \$1.6 billion through the National Skills and Workforce Development SPP, \$500.0 million – to be matched by the states – towards the \$1 billion JobTrainer Fund, and \$200.0 million through other National Partnership payments, as detailed in Table 2.5.

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

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Skills and Workforce Development SPP</b>	1,560.6	1,575.0	1,593.2	1,615.3
<b>National Partnership payments</b>				
Energising Tasmania	4.6	4.6	4.7	-
JobTrainer Fund	500.0	-	-	-
National Infection Control Training Fund	31.6	-	-	-
Revitalising TAFE campuses across Australia	25.0	25.0	-	-
Skilling Australians Fund	138.8	135.8	-	-
Total National Partnership payments	700.0	165.4	4.7	-
<b>Total</b>	<b>2,260.6</b>	<b>1,740.4</b>	<b>1,597.9</b>	<b>1,615.3</b>

### 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.

#### National Skills and Workforce Development SPP

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	495.8	407.8	315.0	161.1	107.0	32.8	26.2	14.8	1,560.6
2021-22	498.9	412.4	319.4	162.4	107.5	33.1	26.5	14.7	1,575.0
2022-23	503.6	418.7	324.0	163.8	108.2	33.4	26.8	14.7	1,593.2
2023-24	509.5	426.5	329.2	165.5	109.1	33.8	27.1	14.6	1,615.3
<b>Total</b>	<b>2,007.8</b>	<b>1,665.4</b>	<b>1,287.6</b>	<b>652.8</b>	<b>431.8</b>	<b>133.1</b>	<b>106.6</b>	<b>58.9</b>	<b>6,344.0</b>

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 2020–21.

The Australian Government has established the National Skills Commissioner as a new statutory office. The National Skills Commission will support the National Skills Commissioner as a critical new part of Australia’s economic infrastructure, providing independent, national leadership on skills, the labour market and workforce development issues.

### 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 National Partnership payments as detailed below.

#### Energising Tasmania

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	4.6	-	-	4.6
2021-22	-	-	-	-	-	4.6	-	-	4.6
2022-23	-	-	-	-	-	4.7	-	-	4.7
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	<b>13.9</b>	-	-	<b>13.9</b>

The Australian Government is providing fee-free training and support for training materials to encourage Tasmanians to train in areas of priority skills needs for the energy sector.

#### JobTrainer Fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	159.3	130.3	100.5	51.7	34.5	10.5	8.4	4.8	500.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>159.3</b>	<b>130.3</b>	<b>100.5</b>	<b>51.7</b>	<b>34.5</b>	<b>10.5</b>	<b>8.4</b>	<b>4.8</b>	<b>500.0</b>

The JobTrainer Fund is providing a rapid increase in free or low training places for job seekers and young people, including school leavers, in areas of identified skills need and/or employment growth, to support them into employment as Australia emerges from the COVID-19 pandemic. The Australian Government will go 50:50 with the states on the \$1 billion Fund.

#### National Infection Control Training Fund

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	12.8	10.4	8.0	-	-	-	-	0.4	31.6
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>12.8</b>	<b>10.4</b>	<b>8.0</b>	-	-	-	-	<b>0.4</b>	<b>31.6</b>

The Australian Government has provided funding to accelerate the take up of infection prevention and control training in customer-facing businesses to keep safe from COVID-19 and support Australia's economic recovery. The Australian Government's total contribution towards the fund over the two years from 2019-20 was \$40 million.

**Revitalising TAFE campuses across Australia**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	5.0	4.8	6.4	2.0	2.0	2.0	2.0	0.8	25.0
2021-22	5.0	5.7	4.2	2.0	2.5	5.0	0.6	-	25.0
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10.0</b>	<b>10.5</b>	<b>10.6</b>	<b>4.0</b>	<b>4.5</b>	<b>7.0</b>	<b>2.6</b>	<b>0.8</b>	<b>50.0</b>

The Australian Government is providing funding to improve vocational education infrastructure, ensuring TAFEs are equipped to deliver training to the standards expected by students and industry.

**Skilling Australians Fund**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	78.5	-	-	32.2	16.7	5.0	4.1	2.3	138.8
2021-22	76.9	-	-	31.6	16.2	4.9	4.0	2.3	135.8
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>155.4</b>	<b>-</b>	<b>-</b>	<b>63.8</b>	<b>32.9</b>	<b>9.9</b>	<b>8.1</b>	<b>4.6</b>	<b>274.6</b>

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 funding agreement provides signatory states with an annual amount of guaranteed funding and a further amount determined by the revenue paid into the 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.

## Community services

In 2020-21, the Australian Government will provide funding of \$2.5 billion to support state community services as detailed in Table 2.6.

**Table 2.6: Payments to support state community services**

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Partnership payments</b>				
COVID-19 Domestic Violence Support	97.5	-	-	-
NDIS Strategic Investment in QLD	8.9	7.6	-	-
Northern Territory Remote Aboriginal investment				
Community safety implementation plan	34.6	35.7	-	-
Pay equity for the social and community services sector	33.3	-	-	-
Payments from the DisabilityCare Australia Fund	2,338.1	1,342.0	1,086.7	1,143.4
<b>Total</b>	<b>2,512.5</b>	<b>1,385.3</b>	<b>1,086.7</b>	<b>1,143.4</b>

### National Partnership payments for community services

The Australian Government provides National Partnership payments to the states, as detailed below.

#### COVID-19 Domestic Violence Support

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	30.8	24.4	19.7	10.6	7.0	2.1	1.6	1.2	97.5
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>30.8</b>	<b>24.4</b>	<b>19.7</b>	<b>10.6</b>	<b>7.0</b>	<b>2.1</b>	<b>1.6</b>	<b>1.2</b>	<b>97.5</b>

The Australian Government will provide funding to ensure the safety of women and their children experiencing, or at risk of experiencing, domestic, family and sexual violence during the COVID-19 pandemic.

This funding agreement supports the states to respond immediately to increases in domestic, family and sexual violence as a result of COVID-19, and to ensure services can continue to support those who need it most.

**NDIS Strategic Investment in QLD**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	8.9	-	-	-	-	-	8.9
2021-22	-	-	7.6	-	-	-	-	-	7.6
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>16.5</b>	-	-	-	-	-	<b>16.5</b>

This funding agreement provides strategic investments to support the NDIS in Queensland through increasing the number of NDIS participants in Queensland.

**Northern Territory Remote Aboriginal investment — community safety implementation plan**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	34.6	34.6
2021-22	-	-	-	-	-	-	-	35.7	35.7
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	<b>70.3</b>	<b>70.3</b>

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

**Pay equity for the social and community services sector**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	33.3	-	-	-	-	33.3
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>33.3</b>	-	-	-	-	<b>33.3</b>

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

**Payments from the DisabilityCare Australia Fund<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	618.0	252.5	693.0	649.2	75.2	23.3	16.8	10.0	2,338.1
2021-22	630.0	261.4	211.5	109.3	77.9	24.1	17.4	10.4	1,342.0
2022-23	349.8	270.5	218.9	113.1	80.6	25.0	18.0	10.8	1,086.7
2023-24	361.9	280.0	226.6	135.9	83.4	25.9	18.7	11.1	1,143.4
<b>Total</b>	<b>1,959.6</b>	<b>1,064.4</b>	<b>1,350.0</b>	<b>1,007.5</b>	<b>317.2</b>	<b>98.3</b>	<b>71.0</b>	<b>42.3</b>	<b>5,910.2</b>

(a) Funding amounts for WA are indicative estimates only. Negotiations are continuing on drawdown arrangements.

This funding agreement 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.



## Affordable housing

In 2020–21, the Australian Government will provide funding of \$2.5 billion to support state affordable housing services, including \$1.6 billion through the National Housing and Homelessness Agreement (NHHA), \$680.0 million through HomeBuilder and \$241.9 million through other National Partnership payments, as detailed in Table 2.7.

**Table 2.7: Payments to support state affordable housing services**

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Housing and Homelessness Agreement</b>	1,594.5	1,553.2	1,571.9	1,593.9
<b>National Partnership payments</b>				
HomeBuilder	680.0	-	-	-
Northern Territory Remote Aboriginal investment				
Remote Australia strategies component	3.7	3.7	-	-
Remote housing	237.2	185.0	110.0	-
Social Impact Investments				
Vulnerable priority groups	0.5	1.1	0.5	0.5
Youth at risk of homelessness	0.5	1.1	0.5	0.5
Total National Partnership payments	921.9	190.8	111.1	1.1
<b>Total</b>	<b>2,516.5</b>	<b>1,744.1</b>	<b>1,682.9</b>	<b>1,595.0</b>

### National Housing and Homelessness Agreement

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	489.3	414.6	327.6	170.3	110.9	34.5	27.1	20.2	1,594.5
2021-22	485.3	399.0	320.7	163.4	107.1	33.1	25.7	19.0	1,553.2
2022-23	490.1	405.2	325.4	165.0	107.9	33.4	26.0	19.0	1,571.9
2023-24	496.0	412.7	330.5	166.7	108.8	33.7	26.3	19.1	1,593.9
<b>Total</b>	<b>1,960.7</b>	<b>1,631.5</b>	<b>1,304.2</b>	<b>665.4</b>	<b>434.7</b>	<b>134.7</b>	<b>105.1</b>	<b>77.3</b>	<b>6,313.5</b>

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 supports state and territory governments to deliver 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 \$921.9 million in 2020-21 through National Partnership payments to support state affordable housing services. Further details are provided below.

#### HomeBuilder<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	680.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	~	~	~	~	~	~	~	~	<b>680.0</b>

(a) State allocations for 2020-21 are not available as this is a demand-driven program.

The Australian Government has established a time-limited grant program to support residential construction sector jobs by encouraging the commencement of new home builds and rebuilds of existing homes this calendar year.

HomeBuilder provides eligible owner-occupiers (including first home buyers) with a tax-free grant of \$25,000 to build a new home or rebuild an existing home where a contract was entered into between 4 June 2020 and 31 December 2020 and building commenced within three months of the contract date.

#### Northern Territory Remote Aboriginal investment — remote Australia strategies component

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	3.7	3.7
2021-22	-	-	-	-	-	-	-	3.7	3.7
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	<b>7.3</b>	<b>7.3</b>

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

This funding complements the funding provided under the agreement on remote housing.

**Remote housing**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	100.0	-	-	-	-	137.2	237.2
2021-22	-	-	-	-	-	-	-	185.0	185.0
2022-23	-	-	-	-	-	-	-	110.0	110.0
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>100.0</b>	-	-	-	-	<b>432.2</b>	<b>532.2</b>

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 funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Social impact investments**

**Vulnerable priority groups<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	0.5
2021-22	~	~	~	~	~	~	~	~	1.1
2022-23	~	~	~	~	~	~	~	~	0.5
2023-24	~	~	~	~	~	~	~	~	0.5
<b>Total</b>	~	~	~	~	~	~	~	~	<b>2.7</b>

(a) State allocations from 2020-21 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<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	0.5
2021-22	~	~	~	~	~	~	~	~	1.1
2022-23	~	~	~	~	~	~	~	~	0.5
2023-24	~	~	~	~	~	~	~	~	0.5
<b>Total</b>	~	~	~	~	~	~	~	~	<b>2.7</b>

(a) State allocations from 2020-21 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 2020–21, the Australian Government will provide funding of \$10.4 billion to support state infrastructure projects, as detailed in Table 2.8.

**Table 2.8: Payments to support state infrastructure services**

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Partnership payments</b>				
Infrastructure Investment Program				
Black Spot Projects	137.0	137.0	117.8	110.0
Bridges Renewal Program	89.7	108.5	91.1	91.1
Developing Northern Australia				
Improving Cattle Supply Chains	9.1	0.1	3.5	-
Northern Australia Roads	90.9	70.2	5.0	5.6
Heavy Vehicle Safety and Productivity Program	77.4	87.2	69.3	69.3
Major Projects Business Case Fund	70.5	76.3	51.8	25.8
National Rail Program	854.2	1,349.9	1,807.3	1,632.8
Rail investment component	696.5	1,031.0	1,054.4	1,401.0
Road investment component	4,784.1	6,010.7	6,454.1	7,469.7
Roads of Strategic Importance	489.6	950.7	887.8	737.5
Roads to Recovery	591.7	499.5	499.5	476.7
Urban Congestion Fund	483.3	1,234.8	1,237.1	580.1
Infrastructure Growth Package				
New investments	7.5	4.9	-	..
Western Sydney Infrastructure Plan	541.7	173.3	314.8	253.0
Other payments				
Adelaide City Deal	10.8	27.0	23.0	90.0
Albury Wodonga Regional Deal	3.2	-	-	-
Barkly Regional Deal	8.4	6.8	4.5	-
Darwin City Deal	45.0	27.3	-	-
Drought Communities Program — Extension	109.7	20.7	-	-
Geelong City Deal	81.8	56.6	32.7	4.5
Hinkler Regional Deal	10.8	-	-	-
Launceston City Deal	8.8	12.4	16.3	7.6
Local Roads and Community Infrastructure	924.3	574.7	-	-
Perth City Deal	36.8	77.8	63.7	59.0
Public Safety Mobile Broadband	8.0	-	-	-
Townsville City Deal	175.0	75.0	20.0	-
Western Sydney City Deal	42.8	18.1	-	-
WiFi and Mobile Coverage on Trains	10.0	-	-	-
<b>Total</b>	<b>10,398.7</b>	<b>12,630.7</b>	<b>12,753.6</b>	<b>13,013.9</b>
<i>Memorandum item — payments direct to local governments included in payments above</i>				
Drought Communities Program	109.7	20.7	-	-
Infrastructure Investment Program				
Roads to Recovery	562.0	472.5	472.5	452.5
Local Roads and Community Infrastructure	894.9	559.3	-	-
<b>Total</b>	<b>1,566.6</b>	<b>1,052.5</b>	<b>472.5</b>	<b>452.5</b>

## 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 funding agreement 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<sup>(a)(b)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	42.9	34.7	27.1	14.8	8.4	3.8	2.2	3.1	137.0
2021-22	42.9	34.7	27.1	14.8	8.4	3.8	2.2	3.1	137.0
2022-23	33.5	32.0	23.8	14.2	7.8	2.9	1.7	1.8	117.8
2023-24	34.7	29.0	22.4	11.3	7.4	2.3	1.8	1.0	110.0
<b>Total</b>	<b>154.1</b>	<b>130.5</b>	<b>100.5</b>	<b>55.1</b>	<b>32.0</b>	<b>12.8</b>	<b>8.0</b>	<b>9.0</b>	<b>501.9</b>

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

(b) Funding in 2020-21 and 2021-22 has been adjusted to reflect historical experience including the timing of states claiming payments against milestones. The adjustment has been unwound over 2022-23 and 2023-24.

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

**Bridges Renewal Program<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	39.4	17.7	19.1	8.3	3.1	1.0	0.8	0.4	89.7
2021-22	34.7	28.7	21.7	11.0	7.3	2.2	1.9	1.0	108.5
2022-23	29.1	24.3	18.2	9.1	6.1	1.9	1.6	0.9	91.1
2023-24	28.7	24.1	18.6	9.3	6.2	1.9	1.5	0.8	91.1
<b>Total</b>	<b>132.0</b>	<b>94.7</b>	<b>77.6</b>	<b>37.7</b>	<b>22.6</b>	<b>7.0</b>	<b>5.7</b>	<b>3.2</b>	<b>380.5</b>

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

(b) Funding in 2020-21 and 2021-22 has been adjusted to reflect historical experience including the timing of states claiming payments against milestones. The adjustment has been unwound over 2022-23 and 2023-24.

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.

**Developing Northern Australia — Improving Cattle Supply Chains<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	8.1	0.5	-	-	-	0.5	9.1
2021-22	-	-	0.1	-	-	-	-	-	0.1
2022-23	-	-	3.5	-	-	-	-	-	3.5
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>11.7</b>	<b>0.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>12.7</b>

(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<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	43.4	21.6	-	-	-	26.0	90.9
2021-22	-	-	28.6	11.9	-	-	-	29.7	70.2
2022-23	-	-	5.0	-	-	-	-	-	5.0
2023-24	-	-	5.6	-	-	-	-	-	5.6
<b>Total</b>	<b>-</b>	<b>-</b>	<b>82.5</b>	<b>33.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55.7</b>	<b>171.7</b>

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

(b) Funding in 2020-21 and 2021-22 has been adjusted to reflect historical experience including the timing of states claiming payments against milestones. The adjustment has been unwound over 2022-23 and 2023-24.

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.

Part 2: Payments for specific purposes

**Heavy Vehicle Safety and Productivity Program<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	27.6	12.9	18.4	11.5	2.3	2.0	0.4	2.2	77.4
2021-22	37.3	11.9	23.8	8.7	2.3	2.2	0.6	0.3	87.2
2022-23	22.2	18.5	13.9	6.9	4.6	1.4	1.2	0.7	69.3
2023-24	21.9	18.3	14.1	7.1	4.7	1.4	1.2	0.6	69.3
<b>Total</b>	<b>108.9</b>	<b>61.6</b>	<b>70.2</b>	<b>34.3</b>	<b>13.9</b>	<b>7.1</b>	<b>3.4</b>	<b>3.8</b>	<b>303.3</b>

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

(b) Funding in 2020-21 and 2021-22 has been adjusted to reflect historical experience including the timing of states claiming payments against milestones. The adjustment has been unwound over 2022-23 and 2023-24.

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.

**Major Projects Business Case Fund<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	13.5	17.1	32.1	7.8	-	-	-	-	70.5
2021-22	10.5	20.8	34.6	10.5	-	-	-	-	76.3
2022-23	16.5	2.0	23.7	9.7	-	-	-	-	51.8
2023-24	4.7	1.8	11.2	8.0	0.1	..	..	..	25.8
<b>Total</b>	<b>45.2</b>	<b>41.7</b>	<b>101.4</b>	<b>36.0</b>	<b>0.1</b>	<b>..</b>	<b>..</b>	<b>..</b>	<b>224.4</b>

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

(b) Funding in 2020-21 and 2021-22 has been adjusted to reflect historical experience including the timing of states claiming payments against milestones. The adjustment has been unwound over 2022-23 and 2023-24.

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.

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 2020-21*.

**National Rail Program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	523.5	80.0	155.4	95.3	-	-	-	-	854.2
2021-22	722.2	170.0	185.6	272.1	-	-	-	-	1,349.9
2022-23	1,159.9	100.0	205.8	341.6	-	-	-	-	1,807.3
2023-24	898.0	355.0	97.7	282.1	-	-	-	-	1,632.8
<b>Total</b>	<b>3,303.5</b>	<b>705.0</b>	<b>644.5</b>	<b>991.1</b>	-	-	-	-	<b>5,644.2</b>

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 2020-21*.

**Rail investment component**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	10.4	578.1	0.4	42.8	28.9	36.0	-	-	696.5
2021-22	-	739.6	0.6	239.9	10.1	41.0	-	-	1,031.0
2022-23	-	912.4	4.0	110.0	-	28.0	-	-	1,054.4
2023-24	-	1,315.0	-	80.0	-	6.0	-	-	1,401.0
<b>Total</b>	<b>10.4</b>	<b>3,545.1</b>	<b>5.0</b>	<b>472.7</b>	<b>39.0</b>	<b>110.9</b>	-	-	<b>4,182.9</b>

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.

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 2020-21*.



Part 2: Payments for specific purposes

**Road investment component<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	1,251.2	612.5	1,778.6	516.1	406.4	89.6	33.8	96.0	4,784.1
2021-22	1,267.3	845.2	2,283.7	841.6	413.0	57.0	78.1	224.9	6,010.7
2022-23	1,152.7	1,176.0	2,520.5	875.8	258.1	216.4	79.3	175.2	6,454.1
2023-24	1,369.7	1,634.9	2,615.5	615.7	678.0	302.4	61.0	192.6	7,469.7
<b>Total</b>	<b>5,040.9</b>	<b>4,268.7</b>	<b>9,198.3</b>	<b>2,849.2</b>	<b>1,755.4</b>	<b>665.4</b>	<b>252.2</b>	<b>688.6</b>	<b>24,718.7</b>

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

(b) Funding in 2020-21 and 2021-22 has been adjusted to reflect historical experience including the timing of states claiming payments against milestones. The adjustment has been unwound over 2022-23 and 2023-24.

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 2020-21*.

**Roads of Strategic Importance initiative<sup>(a)(b)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	74.1	30.9	76.4	129.0	34.0	72.0	-	73.2	489.6
2021-22	139.6	110.2	146.2	245.8	49.0	155.3	-	104.6	950.7
2022-23	139.9	115.3	158.8	239.0	19.0	137.2	-	78.7	887.8
2023-24	151.2	60.7	140.9	138.8	7.0	174.2	-	64.7	737.5
<b>Total</b>	<b>504.8</b>	<b>317.1</b>	<b>522.3</b>	<b>752.6</b>	<b>109.0</b>	<b>538.7</b>	<b>-</b>	<b>321.1</b>	<b>3,065.6</b>

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

(b) Funding in 2020-21 and 2021-22 has been adjusted to reflect historical experience including the timing of states claiming payments against milestones. The adjustment has been unwound over 2022-23 and 2023-24.

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.

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 2020-21*.

### Roads to Recovery<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	177.4	113.1	121.8	80.2	54.8	16.9	9.2	18.2	591.7
2021-22	138.2	101.9	102.4	72.4	45.1	16.3	8.3	15.0	499.5
2022-23	138.2	101.9	102.4	72.4	45.1	16.3	8.3	15.0	499.5
2023-24	132.8	100.2	99.7	64.5	44.2	16.2	7.3	11.8	476.7
<b>Total</b>	<b>586.5</b>	<b>417.0</b>	<b>426.3</b>	<b>289.5</b>	<b>189.2</b>	<b>65.7</b>	<b>33.2</b>	<b>60.1</b>	<b>2,067.4</b>

(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.

### Urban Congestion Fund<sup>(a)(b)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	65.9	70.7	88.2	134.2	107.9	16.4	-	-	483.3
2021-22	202.1	396.8	202.2	317.8	104.8	11.1	-	-	1,234.8
2022-23	112.9	546.4	198.9	232.0	137.5	9.5	-	-	1,237.1
2023-24	125.7	239.1	128.3	62.0	24.0	1.0	-	-	580.1
<b>Total</b>	<b>506.5</b>	<b>1,253.0</b>	<b>617.6</b>	<b>746.0</b>	<b>374.2</b>	<b>38.0</b>	<b>-</b>	<b>-</b>	<b>3,535.3</b>

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

(b) Funding in 2020-21 and 2021-22 has been adjusted to reflect historical experience including the timing of states claiming payments against milestones. The adjustment has been unwound over 2022-23 and 2023-24.

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.

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 2020-21*.

### Infrastructure Growth Package

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

#### New investments

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	0.7	4.4	-	-	2.4	7.5
2021-22	1.7	-	-	3.2	-	-	-	-	4.9
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	..	-	-	-	-	-	..
<b>Total</b>	<b>1.7</b>	<b>-</b>	<b>..</b>	<b>4.0</b>	<b>4.4</b>	<b>-</b>	<b>-</b>	<b>2.4</b>	<b>12.5</b>

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.

Part 2: Payments for specific purposes

**Western Sydney Infrastructure Plan**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	541.7	-	-	-	-	-	-	-	541.7
2021-22	173.3	-	-	-	-	-	-	-	173.3
2022-23	314.8	-	-	-	-	-	-	-	314.8
2023-24	253.0	-	-	-	-	-	-	-	253.0
<b>Total</b>	<b>1,282.8</b>	-	-	-	-	-	-	-	<b>1,282.8</b>

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 payments**

**Adelaide City Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	10.8	-	-	-	10.8
2021-22	-	-	-	-	27.0	-	-	-	27.0
2022-23	-	-	-	-	23.0	-	-	-	23.0
2023-24	-	-	-	-	90.0	-	-	-	90.0
<b>Total</b>	-	-	-	-	<b>150.8</b>	-	-	-	<b>150.8</b>

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

**Albury Wodonga Regional Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	3.2	-	-	-	-	-	-	3.2
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>3.2</b>	-	-	-	-	-	-	<b>3.2</b>

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

**Barkly Regional Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	8.4	8.4
2021-22	-	-	-	-	-	-	-	6.8	6.8
2022-23	-	-	-	-	-	-	-	4.5	4.5
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	<b>19.7</b>	<b>19.7</b>

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

Budget Paper No. 3

**Darwin City Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	45.0	45.0
2021-22	-	-	-	-	-	-	-	27.3	27.3
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	<b>72.3</b>	<b>72.3</b>

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

**Drought Communities Program — Extension<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	35.3	10.4	13.7	9.5	20.0	2.9	-	0.7	109.7
2021-22	1.1	1.4	0.7	4.1	0.3	0.3	-	0.3	20.7
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>36.4</b>	<b>11.8</b>	<b>14.4</b>	<b>13.5</b>	<b>20.3</b>	<b>3.2</b>	-	<b>1.0</b>	<b>130.4</b>

(a) Totals include unallocated funding.

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.

**Geelong City Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	81.8	-	-	-	-	-	-	81.8
2021-22	-	56.6	-	-	-	-	-	-	56.6
2022-23	-	32.7	-	-	-	-	-	-	32.7
2023-24	-	4.5	-	-	-	-	-	-	4.5
<b>Total</b>	-	<b>175.6</b>	-	-	-	-	-	-	<b>175.6</b>

The Australian Government is providing 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.

Part 2: Payments for specific purposes

**Hinkler Regional Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	10.8	-	-	-	-	-	10.8
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>10.8</b>	-	-	-	-	-	<b>10.8</b>

The Australian Government will provide funding to support projects at the Port of Bundaberg, including the construction of new common use infrastructure, as part of the Hinkler Regional Deal.

**Launceston City Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	8.8	-	-	8.8
2021-22	-	-	-	-	-	12.4	-	-	12.4
2022-23	-	-	-	-	-	16.3	-	-	16.3
2023-24	-	-	-	-	-	7.6	-	-	7.6
<b>Total</b>	-	-	-	-	-	<b>45.0</b>	-	-	<b>45.0</b>

The Australian Government is providing \$45 million over 4 years from 2020-21 towards 12 projects to reduce pollution and improve the health of the Tamar River in Tasmania, as part of the Launceston City Deal

**Local Roads and Community Infrastructure**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	270.7	207.5	187.6	120.8	76.0	26.3	15.0	20.4	924.3
2021-22	173.2	136.3	116.4	69.7	44.6	14.9	9.4	10.2	574.7
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>443.9</b>	<b>343.8</b>	<b>304.1</b>	<b>190.6</b>	<b>120.6</b>	<b>41.1</b>	<b>24.5</b>	<b>30.5</b>	<b>1,499.1</b>

The Australian Government is providing \$1.5 billion over two years to support local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies to help communities bounce back from the COVID-19 pandemic.

Budget Paper No. 3

**Perth City Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	36.8	-	-	-	-	36.8
2021-22	-	-	-	77.8	-	-	-	-	77.8
2022-23	-	-	-	63.7	-	-	-	-	63.7
2023-24	-	-	-	59.0	-	-	-	-	59.0
<b>Total</b>	-	-	-	<b>237.3</b>	-	-	-	-	<b>237.3</b>

The Australian Government is providing \$237.3 million from 2020-21 to 2023-24 to support projects under the Perth City Deal, including the Edith Cowan University Cultural and Creative Industries Education CBD Campus, the Perth Cultural Centre Rejuvenation, Perth Concert Hall Redevelopment, Homelessness Housing Projects and the Perth CBD Transport Plan. The Australian Government will provide a total of \$327.5 million over 11 years from 2020-21 to support these projects.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Public Safety Mobile Broadband**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	8.0	-	-	-	-	-	-	-	8.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8.0</b>	-	-	-	-	-	-	-	<b>8.0</b>

The Australian Government is providing \$8.0 million in 2020-21 to support the delivery of a proof of concept trial for a Public Safety Mobile Broadband (PSMB). The PSMB is an important part of Australia's ability to prepare for and respond to natural disasters and emergencies at the national scale.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Townsville City Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	175.0	-	-	-	-	-	175.0
2021-22	-	-	75.0	-	-	-	-	-	75.0
2022-23	-	-	20.0	-	-	-	-	-	20.0
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>270.0</b>	-	-	-	-	-	<b>270.0</b>

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

Part 2: Payments for specific purposes

**Western Sydney City Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	42.8	-	-	-	-	-	-	-	42.8
2021-22	18.1	-	-	-	-	-	-	-	18.1
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>60.9</b>	-	-	-	-	-	-	-	<b>60.9</b>

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 does not include funding for the Sydney Metro-Western Sydney Airport rail project announced at the July Update.

**WiFi and Mobile Coverage on Trains**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	10.0	-	-	-	-	-	-	-	10.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10.0</b>	-	-	-	-	-	-	-	<b>10.0</b>

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

## Environment

In 2020–21, the Australian Government will provide funding of \$844.1 million to support state environment projects, as detailed in Table 2.9. This includes \$59.7 million for the Recycling Infrastructure funding agreement.

**Table 2.9: Payments to support state environment services**

\$million	2020-21	2021-22	2022-23	2023-24
<b>National Partnership payments</b>				
COVID-19 World and National Heritage	32.7	-	-	-
Development of business cases for constraints measures and implementation	40.0	63.4	50.0	36.5
Disaster risk reduction	20.9	20.9	20.9	20.9
Environmental assessment systems upgrade	3.6	7.5	-	-
Environmental management of the former Rum Jungle site	1.3	2.3	-	-
Environment Restoration Fund	4.3	2.2	1.2	-
Fishing and Camping Facilities Program	10.0	5.0	5.0	-
Forestry Industries Bushfire Salvage Transport Assistance	15.0	-	-	-
Future Drought Fund				
Farm Business Resilience	20.0	-	-	-
Regional Drought Resilience Planning	10.0	-	-	-
Great Artesian Basin Sustainability Initiative	7.3	7.5	8.0	4.0
Horticulture Netting Trial Scheme	23.6	-	-	-
Hydrogen energy supply chain pilot project	12.5	-	-	-
Implementing water reform in the Murray-Darling Basin	5.0	20.0	20.0	20.0
Lindenow Valley water security scheme	9.0	-	-	-
Management of established pest and weeds	4.6	4.5	2.9	-
National forestry industry plan	1.8	1.8	-	-
National Water Infrastructure Development Fund				
Capital	178.9	452.3	635.4	686.4
Feasibility studies	58.4	37.0	12.0	4.0
On-farm Emergency Water Infrastructure Rebate	61.9	-	-	-
Pest and disease preparedness and response programs	61.9	26.4	26.6	36.8
Recycling Infrastructure	59.7	59.7	49.7	19.6
Securing Forestry Resources for Economic Security	10.0	-	-	-
Sustainable rural water use and infrastructure program	144.0	205.2	184.9	154.6
Water Efficiency Program	2.0	-	-	-
Water for Fodder program	5.0	-	-	-
Western Australia Energy and Emissions Reduction Deal	28.5	-	-	-
World Heritage Sites	9.5	9.5	9.5	-
Yellow crazy ant control	3.0	3.0	-	-
<b>Total</b>	<b>844.1</b>	<b>928.0</b>	<b>1,026.0</b>	<b>982.8</b>



## National Partnership payments for the environment

### COVID-19 World and National Heritage

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	3.4	3.4	6.1	5.1	5.7	7.5	-	1.6	32.7
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3.4</b>	<b>3.4</b>	<b>6.1</b>	<b>5.1</b>	<b>5.7</b>	<b>7.5</b>	<b>-</b>	<b>1.6</b>	<b>32.7</b>

The Australian Government will provide funding to support the domestic tourism industry and regional communities by funding on-ground projects to improve infrastructure at iconic World and National Heritages sites, whilst also providing an economic boost through job creation and lasting benefits for our tourism industry, in all Australian states, and the Northern Territory.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

### Development of business cases for constraints measures and implementation<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	40.0
2021-22	~	~	~	~	~	~	~	~	63.4
2022-23	~	~	~	~	~	~	~	~	50.0
2023-24	~	~	~	~	~	~	~	~	36.5
<b>Total</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>189.9</b>

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

The Australian Government supports proposals to ease or remove constraints to the delivery of water to the environmental assets of the Murray-Darling Basin.

### Disaster risk reduction

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	5.4	3.3	4.8	2.5	1.7	1.0	1.0	1.0	20.9
2021-22	5.4	3.3	4.8	2.5	1.7	1.0	1.0	1.0	20.9
2022-23	5.4	3.3	4.8	2.5	1.7	1.0	1.0	1.0	20.9
2023-24	5.4	3.3	4.8	2.5	1.7	1.0	1.0	1.0	20.9
<b>Total</b>	<b>21.7</b>	<b>13.4</b>	<b>19.2</b>	<b>10.0</b>	<b>6.7</b>	<b>4.2</b>	<b>4.2</b>	<b>4.2</b>	<b>83.5</b>

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.

**Environmental assessment systems upgrade**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	..	-	-	3.0	0.3	-	-	0.3	3.6
2021-22	0.3	0.3	0.3	6.0	-	0.3	0.3	-	7.5
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>9.0</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>11.1</b>

The Australian Government will provide funding to support activities to establish new and interoperable environmental assessment systems. The activities include developing an online environmental assessment portal, an environmental assessment system and a biodiversity data repository.

**Environmental management of the former Rum Jungle site**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	-	-	-	1.3	1.3
2021-22	-	-	-	-	-	-	-	2.3	2.3
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.5</b>	<b>3.5</b>

The Australian Government is continuing to fund the program of work established to improve the management of the Rum Jungle mine site, including undertaking hazard reduction works, and ongoing engagement activities, including with the site's traditional owners.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Environment Restoration Fund**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	0.3	0.9	-	-	3.1	-	-	-	4.3
2021-22	-	0.3	-	-	1.9	-	-	-	2.2
2022-23	-	0.3	-	-	0.9	-	-	-	1.2
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>0.3</b>	<b>1.5</b>	<b>-</b>	<b>-</b>	<b>5.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.6</b>

The Australian Government will be providing funding to protect Australia's water, soil, plants and animals and support their productive and sustainable use.

**Fishing and Camping Facilities Program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	2.1	1.7	1.9	1.6	0.9	0.9	0.1	0.7	10.0
2021-22	1.1	0.9	0.9	0.8	0.4	0.5	0.1	0.4	5.0
2022-23	1.1	0.9	0.9	0.8	0.4	0.5	0.1	0.4	5.0
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4.2</b>	<b>3.5</b>	<b>3.8</b>	<b>3.2</b>	<b>1.7</b>	<b>1.9</b>	<b>0.3</b>	<b>1.4</b>	<b>20.0</b>

The Australian Government is providing funding for local councils to improve, maintain or build new boating, marine rescue, fishing and camping facilities (such as boat ramps).

**Forestry Industries Bushfire Salvage Transport Assistance**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	10.0	5.0	-	-	-	-	-	-	15.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>10.0</b>	<b>5.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15.0</b>

The Australian Government is providing funding for grants which will be provided to cover the additional costs of salvage log haulage to processing mills and/or storage facilities to forestry entities impacted by the 2019-20 bushfires and COVID-19 pandemic (for storage assistance).

**Future Drought Fund**

The Future Drought Fund provides secure, continuous funding for drought resilience initiatives. It will help Australian farms and communities prepare for impacts of drought.

**Farm Business Resilience<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	20.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>20.0</b>

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

The Australian Government will work with state and territory governments to provide farm businesses with training to develop strategic management skills and support the development of a Farm Business Plan. Participants will develop a plan, tailored to their business and situation, and have the opportunity for professional assessment and feedback on the plan. Funding will be provided from the Future Drought Fund.

**Regional Drought Resilience Planning<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	10.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	~	~	~	~	~	~	~	~	<b>10.0</b>

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

The Australian Government will work with state and territory governments to support group partnerships with local councils and regional stakeholders to develop Regional Drought Resilience Plans for agriculture – identifying and guiding innovative actions to build resilience to future droughts. Funding will be provided from the Future Drought Fund.

**Great Artesian Basin Sustainability initiative**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	2.6	-	2.4	-	2.3	-	-	0.1	7.3
2021-22	2.7	-	2.7	-	2.1	-	-	0.1	7.5
2022-23	2.6	-	2.7	-	2.6	-	-	0.1	8.0
2023-24	1.3	-	1.3	-	1.3	-	-	0.1	4.0
<b>Total</b>	<b>9.1</b>	-	<b>9.1</b>	-	<b>8.3</b>	-	-	<b>0.3</b>	<b>26.8</b>

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.

**Horticulture Netting Trial Scheme<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	14.6	-	-	-	23.6
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	~	~	~	~	<b>14.6</b>	-	-	-	<b>23.6</b>

(a) Totals include unallocated funding.

The Australian Government is supporting the delivery of funds to primary producers of horticultural crops to purchase and install protective netting to reduce the impact of adverse weather conditions and animal predation, and to reduce the water usage on those same farms.

**Hydrogen energy supply chain pilot project**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	12.5	-	-	-	-	-	-	12.5
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>12.5</b>	-	-	-	-	-	-	<b>12.5</b>

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.

**Implementing water reform in the Murray-Darling Basin<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	2.4	1.7	0.5	-	0.4	-	0.1	-	5.0
2021-22	~	~	~	~	~	~	~	~	20.0
2022-23	~	~	~	~	~	~	~	~	20.0
2023-24	~	~	~	~	~	~	~	~	20.0
<b>Total</b>	<b>2.4</b>	<b>1.7</b>	<b>0.5</b>	-	<b>0.4</b>	-	<b>0.1</b>	-	<b>65.0</b>

(a) State allocations from 2021-22 have not yet been determined.

The Australian Government is providing funding for a new funding agreement with Basin jurisdictions for new and ongoing activities required to implement the Basin Plan.

Measures associated with this funding agreement are listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Lindenow Valley water security scheme**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	9.0	-	-	-	-	-	-	9.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>9.0</b>	-	-	-	-	-	-	<b>9.0</b>

The Australian Government is supporting the delivery of grants to eligible Irrigators within the Lindenow Valley of East Gippsland Victoria, for the construction of on-farm water storage facilities, or bores and pumping facilities, to increase water security and improve resilience to drought.

**Management of established pest and weeds<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	3.0	~	~	~	4.6
2021-22	~	~	~	~	3.0	~	~	~	4.5
2022-23	~	~	~	~	1.0	~	~	~	2.9
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	~	~	~	~	<b>7.0</b>	~	~	~	<b>12.0</b>

(a) State allocations for the skills and capacity component have not been determined.

This program will support the delivery of wild dog exclusion fencing in SA and support the states to deliver projects that will build the skills and capacity of landholders and communities to better manage established pest animals and weeds.

**National forestry industry plan<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	1.8
2021-22	~	~	~	~	~	~	~	~	1.8
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	~	~	~	~	~	~	~	~	<b>3.5</b>

(a) State allocations from 2020-21 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 Water Infrastructure Development Fund**

The Australian Government is providing funding for water infrastructure through the funding agreement for the National Water Infrastructure Development Fund – Capital Component and the funding agreement for the National Water Infrastructure Development Fund – Feasibility Component.

**Capital<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	60.0	50.2	40.7	~	8.0	20.0	~	~	178.9
2021-22	147.0	39.1	66.2	53.5	~	20.0	~	~	452.3
2022-23	120.0	12.9	128.0	89.5	~	20.0	~	~	635.4
2023-24	70.0	4.8	123.1	23.5	~	20.0	~	~	686.4
<b>Total</b>	<b>397.0</b>	<b>107.0</b>	<b>357.9</b>	<b>166.5</b>	<b>8.0</b>	<b>80.0</b>	~	~	<b>1,952.9</b>

(a) State allocations are indicative estimates only to be determined on the signing of agreements. State allocations for the balance have not yet been determined.

The Australian Government provides funding to long-term regional economic growth and development by providing secure and affordable water through the construction of economically viable water infrastructure.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Feasibility studies<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	33.5	0.4	22.0	0.7	~	~	~	0.4	58.4
2021-22	1.5	0.2	23.6	~	~	~	~	1.6	37.0
2022-23	~	~	2.0	~	~	~	~	~	12.0
2023-24	~	~	~	~	~	~	~	~	4.0
<b>Total</b>	<b>35.0</b>	<b>0.6</b>	<b>47.6</b>	<b>0.7</b>	-	-	-	<b>2.0</b>	<b>111.4</b>

(a) State allocations are indicative estimates only to be determined on the signing of agreements. State allocations for the balance have not yet been determined.

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.

**On-farm Emergency Water Infrastructure Rebate<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	61.9
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>61.9</b>

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

The 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.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Pest and disease preparedness and response programs<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	4.1	54.1	0.7	-	-	-	3.0	61.9
2021-22	-	-	26.1	0.2	-	-	-	0.1	26.4
2022-23	-	-	26.6	-	-	-	-	-	26.6
2023-24	-	-	36.8	-	-	-	-	-	36.8
<b>Total</b>	<b>-</b>	<b>4.1</b>	<b>143.6</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.1</b>	<b>151.7</b>

(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.

**Recycling Infrastructure<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	4.5	~	59.7
2021-22	~	~	~	~	~	~	4.0	~	59.7
2022-23	~	~	~	~	~	~	1.0	~	49.7
2023-24	~	~	~	~	~	~	1.0	~	19.6
<b>Total</b>	~	~	~	~	~	~	<b>10.5</b>	~	<b>188.9</b>

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

The Australian Government will provide funding for improved recycling outcomes by addressing critical infrastructure gaps in Australia's waste management and resource recovery system.

**Securing Forestry Resources for Economic Security<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	10.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	<b>10.0</b>

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

The Australian Government is providing funding for state-based grants that will support storage of unprocessed and processed wood products sourced from forests affected by the 2019-20 bushfires. This supports forestry industries during the COVID-19 pandemic.

**Sustainable rural water use and infrastructure program<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	50.6	45.0	4.9	-	19.8	-	~	-	144.0
2021-22	124.9	5.0	44.7	-	10.5	-	~	-	205.2
2022-23	97.8	-	41.1	-	25.9	-	~	-	184.9
2023-24	87.7	-	28.1	-	38.8	-	-	-	154.6
<b>Total</b>	<b>361.0</b>	<b>50.1</b>	<b>118.9</b>	-	<b>95.1</b>	-	~	-	<b>688.7</b>

(a) Totals include unallocated funding.

The Australian Government is providing funding for this program under a number of arrangements, including water management partnership agreements under the Intergovernmental Agreement on Murray-Darling Basin Reform 2008 and individual funding 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, implement supply measures and improve the health of wetlands and freshwater ecosystems.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.



Part 2: Payments for specific purposes

**Water Efficiency Program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	2.0	-	-	-	-	-	-	-	2.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2.0</b>	-	-	-	-	-	-	-	<b>2.0</b>

The Australian Government will provide funding for state-led efficiency measures in the Murray-Darling Basin under the Water for the Environment Special Account.

**Water for Fodder program**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	-	5.0	-	-	-	5.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	<b>5.0</b>	-	-	-	<b>5.0</b>

The Australian Government will fund South Australia to produce 40 gigalitres of water from the Adelaide Desalination Plant at the actual marginal cost of production and to transfer water allocations from entitlements held by the state to irrigators in the Southern Murray-Darling Basin under the Water for Fodder program.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Western Australia Energy and Emissions Reduction Deal**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	-	28.5	-	-	-	-	28.5
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	<b>28.5</b>	-	-	-	-	<b>28.5</b>

The Australian Government will support two key projects in Western Australia which will deliver reliable and affordable energy solutions, emissions reductions and support economic recovery:

- The South West Interconnected System Big Battery project will enable the Western Australian Government to install and commission a transmission connected Battery Energy Storage Solution with a total capacity of 100 MW / 200 MWh.
- The Western Australia based microgrids program for remote communities will extend an existing program to deliver solutions across remote Indigenous communities and regional towns.

A new measure associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**World Heritage Sites**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
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
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2.3</b>	-	<b>9.2</b>	<b>1.3</b>	<b>0.3</b>	<b>15.3</b>	-	-	<b>28.4</b>

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.

**Yellow crazy ant control**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	3.0	-	-	-	-	-	3.0
2021-22	-	-	3.0	-	-	-	-	-	3.0
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>6.0</b>	-	-	-	-	-	<b>6.0</b>

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.

## 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	2020-21	2021-22	2022-23	2023-24
<b>National Partnership payments</b>				
Disaster Recovery Funding Arrangements	482.4	831.8	155.2	-
Hepatitis C settlement fund	0.1	0.1	0.1	0.1
<b>Total</b>	<b>482.5</b>	<b>831.9</b>	<b>155.3</b>	<b>0.1</b>

### Disaster Recovery Funding Arrangements — expense estimates

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	368.9	21.3	-179.2	156.8	28.5	41.3	0.8	44.1	482.4
2021-22	573.5	22.8	181.9	1.5	49.6	2.4	-	-	831.8
2022-23	108.4	14.7	17.0	-	15.1	0.1	-	-	155.2
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,050.7</b>	<b>58.8</b>	<b>19.7</b>	<b>158.3</b>	<b>93.2</b>	<b>43.8</b>	<b>0.8</b>	<b>44.1</b>	<b>1,469.5</b>

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 2019-20, 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 Black Summer bushfires that occurred in New South Wales, Victoria, Queensland, South Australia, Tasmania and the Australian Capital Territory over the 2019-20 bushfire season. Payments are also being made in relation to severe weather events (including storms and flooding) that impacted Queensland in January 2019 and February 2020.

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

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the occurrence of future natural disasters, can significantly affect the estimated DRFA liability and payments. More information is available in Budget Paper No. 1, *Statement 9: Statement of Risks 2020-21*.

**Disaster Recovery Funding Arrangements — cash estimates**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	215.7	-	692.5	12.4	14.1	7.0	0.8	0.1	942.6
2021-22	457.5	8.1	174.1	1.5	38.3	5.5	-	-	685.0
2022-23	-	1.0	9.6	-	4.5	0.1	-	-	15.2
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>673.2</b>	<b>9.1</b>	<b>876.2</b>	<b>13.9</b>	<b>56.9</b>	<b>12.6</b>	<b>0.8</b>	<b>0.1</b>	<b>1,642.8</b>

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

New measures associated with this funding agreement is listed in Table 1.4 and described in more detail in Budget Paper No. 2, *Budget Measures 2020-21*.

**Hepatitis C settlement fund<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	~	~	~	~	~	~	~	~	0.1
2021-22	~	~	~	~	~	~	~	~	0.1
2022-23	~	~	~	~	~	~	~	~	0.1
2023-24	~	~	~	~	~	~	~	~	0.1
<b>Total</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>0.4</b>

(a) State allocations have not yet been determined.

The Australian Government is contributing to out of court settlement costs for eligible people who contracted Hepatitis C as a result of blood transfusions in Australia between 1985 and 1991.

## Other 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<sup>(a)</sup>**

\$million	2020-21	2021-22	2022-23	2023-24
<b>Payments</b>				
Bushfire Response Package	5.8	-	-	-
COVID-19 Legal Assistance Funding	31.1	-	-	-
COVID-19 Self-Isolation for Remote Communities	3.6	-	-	-
Family advocacy and support services	9.9	10.0	-	-
Family law information sharing	2.8	2.8	-	-
Financial assistance for police officers	5.1	2.2	0.4	-
Financial assistance to local governments	1,240.7	2,603.9	2,660.7	2,740.0
National Legal Assistance Partnership				
Aboriginal and Torres Strait Islander				
Legal Services	79.5	86.7	88.2	89.6
Community legal centres	48.5	55.9	56.7	57.6
Domestic Violence Units and Health				
Justice Partnerships	9.9	10.1	10.2	10.4
Legal aid commissions	234.3	237.8	241.4	245.3
Social and Community Services Sector				
supplementation	12.3	-	-	-
State and territory legal assistance				
administration	3.9	4.0	4.1	4.1
National Tourism Icons Package	17.5	9.7	-	-
North Queensland strata title inspection				
scheme	2.9	-	-	-
Provision of fire services	23.3	24.2	-	-
Sinking fund on state debt	..	..	..	..
Small business regulatory reform	261.0	-	-	-
Townsville Stadium	5.0	-	-	-
<b>Total</b>	<b>1,999.4</b>	<b>3,051.7</b>	<b>3,066.1</b>	<b>3,151.5</b>

(a) Total figures include other items not for publication due to ongoing negotiations with states.

### Bushfire Response Package

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	3.3	1.0	0.9	-	0.6	-	-	-	5.8
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3.3</b>	<b>1.0</b>	<b>0.9</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.8</b>

The Australian Government is providing additional funding for legal assistance services provided by legal aid commissions, community legal centres and Aboriginal and Torres Strait Islander Legal Services to help address the impact of the bushfires of 2019-20. Funding is being provided to individuals, small businesses and primary producers through the states most severely affected by the bushfires.

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

### COVID-19 Legal Assistance Funding

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	8.4	6.0	6.9	4.0	2.3	0.9	0.6	2.0	31.1
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8.4</b>	<b>6.0</b>	<b>6.9</b>	<b>4.0</b>	<b>2.3</b>	<b>0.9</b>	<b>0.6</b>	<b>2.0</b>	<b>31.1</b>

The Australian Government is providing additional funding for legal assistance services provided by legal aid commissions, community legal centres, Aboriginal and Torres Strait Islander Legal Services and Family Violence Prevention Legal Services to help address the impact of COVID-19.

### COVID-19 Self-Isolation for Remote Communities<sup>(a)</sup>

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	~	~	~	-	-	~	3.6
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>~</b>	<b>~</b>	<b>~</b>	<b>-</b>	<b>-</b>	<b>~</b>	<b>3.6</b>

(a) Funding amounts are not published for 2020-21 as negotiations have not been finalised.

The Australian Government will provide funding to reimburse states for some of the costs incurred in the provision of government funded self-isolation facilities for the duration of the Remote Travel Restrictions in the Northern Territory, Western Australia, South Australia, and Queensland, through an appropriate agreement between the Commonwealth and the relevant jurisdictions.

Part 2: Payments for specific purposes

**Family advocacy and support services**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	2.3	1.7	1.4	1.0	0.8	1.0	0.7	0.9	9.9
2021-22	2.4	1.7	1.4	1.0	0.9	1.0	0.8	0.9	10.0
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4.7</b>	<b>3.4</b>	<b>2.8</b>	<b>2.1</b>	<b>1.7</b>	<b>2.1</b>	<b>1.5</b>	<b>1.7</b>	<b>19.9</b>

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.

**Family law information sharing**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	0.8	0.3	0.7	0.3	0.2	0.3	0.3	-	2.8
2021-22	0.8	0.3	0.7	0.3	0.2	0.3	0.3	-	2.8
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.5</b>	<b>0.6</b>	<b>1.3</b>	<b>0.6</b>	<b>0.4</b>	<b>0.6</b>	<b>0.6</b>	<b>-</b>	<b>5.6</b>

The Australian Government is supporting the placement of state child protection and policing officials in the family law courts across Australia. These co-located officials are facilitating information sharing between the family law, child protection and family violence systems. They are also fostering a more coordinated response to safety issues, to promote the safety and wellbeing of families and children.

**Financial assistance for police officers**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	5.1	-	-	-	-	-	-	-	5.1
2021-22	2.2	-	-	-	-	-	-	-	2.2
2022-23	0.4	-	-	-	-	-	-	-	0.4
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.6</b>

The Australian Government is providing 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.

**Financial assistance to local government**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
<b>2020-21</b>									
General purpose assistance	273.8	224.0	172.8	88.9	59.2	18.1	14.4	8.2	859.4
Local road component	110.6	78.6	71.4	58.3	21.0	20.2	12.2	8.9	381.3
<b>Total</b>	<b>384.4</b>	<b>302.6</b>	<b>244.2</b>	<b>147.2</b>	<b>80.2</b>	<b>38.3</b>	<b>26.6</b>	<b>17.2</b>	<b>1,240.7</b>
<b>2021-22</b>									
General purpose assistance	573.0	471.3	364.1	186.2	123.7	37.9	30.2	17.1	1,803.6
Local road component	232.2	165.0	150.0	122.4	44.0	42.4	25.7	18.7	800.3
<b>Total</b>	<b>805.2</b>	<b>636.3</b>	<b>514.0</b>	<b>308.6</b>	<b>167.7</b>	<b>80.3</b>	<b>55.9</b>	<b>35.8</b>	<b>2,603.9</b>
<b>2022-23</b>									
General purpose assistance	583.8	482.5	373.8	190.0	125.8	38.7	31.0	17.3	1,842.9
Local road component	237.3	168.6	153.2	125.0	44.9	43.3	26.2	19.2	817.8
<b>Total</b>	<b>821.1</b>	<b>651.1</b>	<b>527.0</b>	<b>315.1</b>	<b>170.7</b>	<b>82.1</b>	<b>57.2</b>	<b>36.4</b>	<b>2,660.7</b>
<b>2023-24</b>									
General purpose assistance	599.8	498.8	386.0	195.1	128.9	39.8	31.9	17.5	1,897.9
Local road component	244.3	173.6	157.8	128.8	46.3	44.6	27.0	19.7	842.1
<b>Total</b>	<b>844.2</b>	<b>672.4</b>	<b>543.8</b>	<b>323.9</b>	<b>175.1</b>	<b>84.4</b>	<b>58.9</b>	<b>37.2</b>	<b>2,740.0</b>

This program provides untied financial contributions to local governments to be spent according to local priorities. A bring forward payment of \$1.3 billion from 2020-21 was provided on 25 May 2020. This cash injection gave councils immediate access to funds to help manage the cumulative impacts of drought, bushfires and the COVID-19 pandemic.

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.



Part 2: Payments for specific purposes

**National Legal Assistance Partnership 2020-25**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	106.4	74.1	85.3	49.4	28.7	11.8	8.0	24.6	388.4
2021-22	108.1	75.3	86.7	50.1	29.2	12.1	8.1	24.9	394.5
2022-23	109.9	76.4	88.1	50.7	29.6	12.3	8.3	25.2	400.6
2023-24	111.8	77.7	89.6	51.4	30.1	12.6	8.4	25.6	407.0
<b>Total</b>	<b>436.2</b>	<b>303.6</b>	<b>349.7</b>	<b>201.6</b>	<b>117.6</b>	<b>48.8</b>	<b>32.8</b>	<b>100.2</b>	<b>1,590.6</b>

From 1 July 2020 and over five years, the National Legal Assistance Partnership 2020-25 provides funding to all states for legal assistance services delivered by legal aid commissions, community legal centres and Aboriginal and Torres Strait Islander Legal Services.

The National Legal Assistance Partnership 2020-25 contributes to an integrated, efficient, effective and appropriate legal assistance services that are focused on improving outcomes and keeping the justice system within reach for vulnerable people facing disadvantage, within available resources.

**National Tourism Icons Package**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	5.9	7.6	-	4.0	-	-	17.5
2021-22	-	-	1.0	5.9	-	2.9	-	-	9.7
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6.9</b>	<b>13.5</b>	<b>-</b>	<b>6.9</b>	<b>-</b>	<b>-</b>	<b>27.2</b>

The National Tourism Icons Program was announced in the 2019-20 Budget to enhance iconic tourist attractions. The projects will provide a catalyst for developing tourism within each region, create jobs and help to diversify local economies. Projects are the Wangetti Trail in Queensland, Rottnest Island in Western Australia and Freycinet in Tasmania.

**North Queensland strata title inspection scheme**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	2.9	-	-	-	-	-	2.9
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.9</b>

This is a continuing scheme that provides bodies corporate in North Queensland with information about the existing resilience of their properties and strategies to improve that resilience if needed. The Queensland Government will continue to implement and administer the scheme.

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**Provision of fire services<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
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
2023-24	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp	nfp
<b>Total</b>	<b>10.5</b>	<b>7.3</b>	<b>7.2</b>	<b>3.3</b>	<b>2.5</b>	<b>0.7</b>	<b>11.2</b>	<b>4.8</b>	<b>47.5</b>

(a) Funding amounts are not published for 2022-23 and 2023-24 as negotiations are yet to be finalised.

The Australian Government is contributing 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
2020-21	..	..	-	-	-	-	-	-	..
2021-22	..	..	-	-	-	-	-	-	..
2022-23	..	..	-	-	-	-	-	-	..
2023-24	..	..	-	-	-	-	-	-	..
<b>Total</b>	<b>..</b>	<b>..</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>..</b>

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.

**Small business regulatory reform<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	56.9	76.8	60.1	31.6	21.1	6.4	5.0	3.0	261.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>56.9</b>	<b>76.8</b>	<b>60.1</b>	<b>31.6</b>	<b>21.1</b>	<b>6.4</b>	<b>5.0</b>	<b>3.0</b>	<b>261.0</b>

(a) Totals may not add due to rounding.

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

*Part 2: Payments for specific purposes*

**Townsville Stadium**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	-	-	5.0	-	-	-	-	-	5.0
2021-22	-	-	-	-	-	-	-	-	-
2022-23	-	-	-	-	-	-	-	-	-
2023-24	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>5.0</b>	-	-	-	-	-	<b>5.0</b>

The Australian Government is providing funding for the North Queensland Stadium, the lead commitment of the Townsville City Deal. The funding is capped at \$100 million, as agreed with the Queensland Government in December 2016, with payments to be made against completed project milestones. The final milestone payment of \$5 million will be made once all outstanding obligations under the funding agreement are met.



## Part 3: General revenue assistance

### Overview

General revenue assistance is provided to the states without conditions to spend according to their own budget priorities. In 2020-21, the states are expected to receive \$61.9 billion from the Australian Government in total general revenue assistance. The main form of general revenue assistance is the GST entitlement, which in 2020-21 is estimated to be \$59.9 billion.

The Australian Government's reform of horizontal fiscal equalisation (HFE) and integrity measures have injected significant additional funds into the GST pool for the states. Further, the Australian Government's focus on supporting the recovery from COVID-19, restoring business and consumer confidence and getting Australians back into jobs will help grow GST collections in the years to come. The states' GST entitlements are estimated to increase every year over the forward estimates and reach \$74.6 billion by 2023-24. This represents a 55 per cent increase on the states' entitlements since 2012-13, and a 206 per cent increase on the entitlements since the GST was introduced in 2000-01.

Total general revenue assistance to the states is estimated to represent 9.2 per cent of total Australian Government expenditure in 2020-21.

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 2020-21.

**Table 3.1: General revenue assistance**

\$million	2020-21	2021-22	2022-23	2023-24
GST entitlement	59,920	66,140	70,752	74,587
Other general revenue assistance(a)	2,006	1,894	2,055	2,134
<b>Total</b>	<b>61,926</b>	<b>68,034</b>	<b>72,807</b>	<b>76,721</b>

(a) More detail about other general revenue assistance payments is provided in Table 3.8.

**Table 3.2: General revenue assistance by state<sup>(a)</sup>**

\$million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
2020-21	17,509	15,063	12,701	4,337	5,606	2,401	1,200	2,691	<b>61,926</b>

(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.

### 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 is made to each state's payments to ensure they 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 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 to calculate the amount of GST paid to the states in any given year.

- 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 boost the states' GST entitlement each year with additional funding. From 2021-22, the Australian Government will inject \$600 million annually into the GST pool, followed by a further \$250 million annually from 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 2019-20, the states' expected GST entitlement (to be finalised following a Determination by the Treasurer) was \$5.2 billion lower than the advances paid during that year. A prior year balancing adjustment will be made to states' GST payments in 2020-21 to reflect this.

Table 3.3 reconciles GST revenue, GST entitlement and GST payments to the states.

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

\$million	2020-21	2021-22	2022-23	2023-24
GST revenue	62,970	67,720	72,560	76,560
<i>less</i> Change in GST receivables	2,989	2,118	2,379	2,589
GST receipts	59,981	65,602	70,181	73,971
<i>less</i> Non-GIC penalties collected	50	60	70	60
<i>less</i> GST collected by Commonwealth agencies but not yet remitted to the ATO	11	2	1	1
<i>plus</i> GST pool boost	-	600	642	677
GST entitlement	59,920	66,140	70,752	74,587
<i>plus</i> Prior year balancing adjustment	-5,174			
GST payments to the States(a)	54,746	66,140	70,752	74,587

(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 reconciles the GST entitlement estimates since the *2019-20 Budget* and the *2019-20 Mid-Year Economic and Fiscal Outlook (MYEFO)*. The reconciliation accounts for policy decisions, and parameter and other variations. The GST entitlement in 2020-21 has been revised down by \$7.7 billion since the *2019-20 MYEFO*.

**Table 3.4: Reconciliation of the GST entitlement estimates since the 2019-20 Budget and 2019-20 MYEFO**

\$million	2020-21	2021-22	2022-23
GST entitlement at 2019-20 Budget	70,010	74,130	78,021
Changes between 2019-20 Budget and MYEFO			
Effect of policy decisions	13	25	40
Effect of parameter and other variations	-2,413	-2,715	-2,950
Total variations	-2,400	-2,690	-2,910
GST entitlement at 2019-20 MYEFO	67,610	71,440	75,111
Changes between 2019-20 MYEFO and 2020-21 Budget			
Effect of policy decisions	-31	18	-15
Effect of parameter and other variations	-7,659	-5,318	-4,344
Total variations	-7,690	-5,300	-4,359
GST entitlement at 2020-21 Budget	59,920	66,140	70,752

The states' GST entitlement is expected to reach \$74.6 billion by 2023-24 – a 55 per cent increase from \$48 billion in 2012-13. The COVID-19 pandemic has had a significant impact on GST revenue. This is due to record falls in consumption of services, with the portions of discretionary consumption that are subject to GST particularly affected. Consumption that is subject to GST is expected to fall in 2020-21 due to ongoing health and travel restrictions, before rebounding from 2021-22.

Decisions taken by the Australian Government since the *2015-16 Budget* have increased GST receipts by an estimated \$9.4 billion over the four years to 2023-24.

This includes changes made to ensure the GST base adapts to the modern economy, such as applying GST to digital products and services imported by consumers (*2015-16 Budget*) and low value goods imported by consumers (*2016-17 Budget*). Between

their introduction and 31 December 2019, these two measures have already added more than \$1.5 billion to the states' GST entitlements.

Additionally, the Australian Government has introduced measures to ensure the integrity of the GST system, and ensure taxpayers meet their GST obligations. This includes improving the collection of GST on property transactions (*2017-18 Budget*), the Australian Government's Black Economy Package (*2018-19 Budget*), providing the ATO with funding to improve GST compliance (*2018-19 MYEFO*) and introducing measures to combat avoidance of tax liabilities through illegal phoenixing (*2019-20 MYEFO*).

Specific policy decisions taken since the *2020 July Economic and Fiscal Update* that affect the GST entitlement are shown in Table 3.5. These decisions are estimated to decrease the amount of the GST entitlement by \$73.2 million over the four years to 2023–24.

**Table 3.5: Policy decisions since the 2020 July Economic and Fiscal Update that affect the GST entitlement**

\$million	2020-21	2021-22	2022-23	2023-24
Additional funding to address serious and organised crime in the tax and superannuation system	-	0.6	1.7	1.5
Migration Program — 2020-21 planning levels	..	-10.0	-20.0	-25.0
Humanitarian Program 2020-21	-1.0	-3.0	-7.0	-11.0
<b>Total</b>	<b>-1.0</b>	<b>-12.4</b>	<b>-25.3</b>	<b>-34.5</b>

Detailed information on specific policy decisions taken since the *2020 July Economic and Fiscal Update* is included in Budget Paper No. 2, *Budget Measures 2020-21*.

### 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).

The detailed calculation for the distribution of the GST entitlement in 2020-21 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)
<b>2020-21</b>					
NSW	8,156,982	0.91808	7,488,762	29.2%	17,509.0
VIC	6,711,505	0.95992	6,442,508	25.1%	15,062.8
QLD	5,178,203	1.04907	5,432,297	21.2%	12,700.9
WA	2,654,150	0.44970	1,193,571	4.7%	2,790.6
SA	1,766,151	1.35765	2,397,815	9.4%	5,606.2
TAS	541,120	1.89742	1,026,732	4.0%	2,400.5
ACT	430,637	1.15112	495,715	1.9%	1,159.0
NT	241,347	4.76893	1,150,967	4.5%	2,691.0
<b>Total</b>	<b>25,680,095</b>	<b>na</b>	<b>25,628,367</b>	<b>100%</b>	<b>59,920.0</b>

In 2018, the Australian Government reformed the system of 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 the new system, the Australian Government is providing an additional \$4.5 billion in transitional GST top-up payments over the three years to 2021-22 to ensure that no state has an effective GST relativity below 0.7, or 4.66024 for the Northern Territory. From 2022-23, the new HFE system will include a relativity floor of 0.7, permanently increasing to 0.75 in 2024-25. Further, the Australian Government has guaranteed through legislation that each state will receive at least the cumulative better of the old or the new HFE system for the six years from 2021-22 to 2026-27.

## GST administration

States compensate the Australian Government for the 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 \$621.5 million for 2020-21, as shown in Table 3.7.

**Table 3.7: Reconciliation of the GST administration budget**

\$million	2020-21	2021-22	2022-23	2023-24
Administration budget at 2019-20 Budget	612.0	615.0	618.0	na
Total variations from 2019-20 Budget to 2019-20 MYEFO	-	-	-	na
Administration budget at 2019-20 MYEFO (a)	612.0	615.0	618.0	na
Changes from 2019-20 MYEFO to 2020-21 Budget				
<i>Uplift for indirect costs (b)</i>	76.3	73.7	70.2	-
<i>ATO transition out of COVID-19 (c)</i>	-62.3	-	-	-
<i>Parameter variations</i>	-10.5	-19.0	-22.6	-7.6
<i>Home Affairs variations</i>	6.0	6.0	6.1	-
Total variations	9.5	60.7	53.7	-7.6
Administration budget at 2020-21 Budget less Prior year adjustment	621.5	675.7	671.7	487.4
equals State government payments	621.5	675.7	671.7	487.4

(a) GST administration costs for 2019-20 were capped at the estimate as per Schedule B of the *GST Performance Administration Agreement* and will move to a full cost recovery arrangement from 2020-21 as endorsed by the Council on Federal Financial Relations.

(b) Moving to full cost recovery has made increasing indirect costs more evident. Increases relate to investment in technology to improve the resilience of ATO IT security and data storage, information technology sustainment and data analytics.

(c) ATO resources diverted to support COVID-19 stimulus work will gradually return to GST business as usual activities during the 2020-21 year.

## 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	2020-21	2021-22	2022-23	2023-24
ACT municipal services	41.2	41.9	42.5	43.2
Compensation for reduced royalties	14.9	9.4	2.7	1.6
Royalty payments	403.5	323.2	215.1	169.5
Transitional GST top-up payments(a)	1,546.6	1,494.8	-	-
HFE transition payments(a)	-	25.2	1,794.7	1,920.1
<b>Total other general revenue assistance</b>	<b>2,006.2</b>	<b>1,894.5</b>	<b>2,055.0</b>	<b>2,134.4</b>

(a) Estimates of the transitional GST top-up payments and HFE transition payments for 2021-22 and later years are based on current GST relativities, and adjusted to take into account the transition to the new HFE system. These differ from the GST relativities presented in the *Productivity Commission inquiry into horizontal fiscal equalisation: Government 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 that 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.

### **Transitional GST top-up payments**

To assist the states in transitioning to the new HFE system, the Australian Government is providing short-term top-up payments until 2021-22 to ensure that no state has an effective GST relativity below 0.7 or below 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.

## HFE transition payments

To assist the states in transitioning to the new HFE system from 2021-22, the Australian Government has guaranteed through legislation that each state will receive at least the cumulative better of the old or the new HFE system for the six years to 2026-27.

These payments will be made based on the GST revenue sharing relativities recommended by the Commission under the new HFE system compared with the relativities the Commission advises that it would have recommended under the previous HFE system.

## 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	2020-21	2021-22	2022-23	2023-24
Mirror taxes	618.6	661.5	693.8	719.0
less Transfers to state governments	618.6	661.5	693.8	719.0
Australian Government budget impact	-	-	-	-

## 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 2020-21, Statement 2: Economic Outlook* (BS2), provides information on the forecasting approach used in the 2020-21 Budget.

### Population

Population data are used to distribute funding between the states and in the calculation of annual growth factors. The population projections are produced by the Treasury Centre for Population (the Centre).

#### Estimates of state populations

State population projections are constructed using the latest demographic data and incorporate assumptions regarding fertility, mortality, net overseas migration and net interstate migration.

The Centre estimates population and components of change on a financial year basis. Population for the mid-point of the financial year (31 December, Table A.1) is the simple average of the population at the beginning and end of the financial year (Table A.2).

**Table A.1: Population by state, at 31 December<sup>(a)</sup>**

million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(b)	Australia
2020	8.157	6.712	5.178	2.654	1.766	0.541	0.431	0.241	25.680	25.685
2021	8.159	6.733	5.215	2.666	1.769	0.544	0.432	0.238	25.757	25.762
2022	8.186	6.785	5.265	2.686	1.777	0.548	0.434	0.235	25.915	25.920
2023	8.251	6.882	5.327	2.716	1.789	0.552	0.438	0.234	26.189	26.194

(a) Estimates provided are based on the latest release of ABS data, and have been used to update GST entitlements and macroeconomic parameters.

(b) 'Total' is the sum of the states and territories shown, and excludes Jervis Bay Territory, Christmas Island, the Cocos (Keeling) Islands and Norfolk Island.

**Table A.2: Population by state, at 30 June**

million	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total(a)	Australia
2018-19	8.087	6.596	5.094	2.623	1.753	0.535	0.426	0.246	25.359	25.364
2019-20	8.158	6.705	5.162	2.649	1.766	0.540	0.430	0.243	25.652	25.657
2020-21	8.156	6.718	5.195	2.659	1.767	0.542	0.431	0.240	25.708	25.713
2021-22	8.163	6.748	5.236	2.673	1.772	0.546	0.433	0.236	25.806	25.811
2022-23	8.209	6.822	5.293	2.698	1.783	0.550	0.436	0.234	26.025	26.030
2023-24	8.293	6.943	5.361	2.734	1.795	0.554	0.440	0.234	26.354	26.359

(a) 'Total' is the sum of the states and territories shown, and excludes Jervis Bay Territory, Christmas Island, the Cocos (Keeling) Islands and Norfolk Island.

### Fertility

Assumptions about the fertility rate are based on *A Projection of Australia's Future Fertility Rates* (Table A.3). The total fertility rate is assumed to decline to 1.58 babies per woman in 2021-22 before rising to 1.69 in 2023-24. In the near term, the total fertility rate is assumed to be influenced by the impacts of COVID-19 (see Box 5 in BS2). Projected state fertility rates are assumed to move in line with the national fertility rate.

**Table A.3: Total fertility rate, for years ending 30 June**

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Total fertility rate, Australia	1.66	1.69	1.61	1.58	1.65	1.69

### Mortality

Assumptions about life expectancy at birth are based on life tables produced by the Australian Government Actuary and the Australian Bureau of Statistics (Table A.4). Life expectancies are informed by future mortality rates, which are assumed to improve at the same average annual rate that has been observed over the past 30 years. Projected state mortality rates are assumed to move in line with the national mortality rates.

**Table A.4: Life expectancy at birth, for years ending 30 June**

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Male life expectancy at birth, Australia	81.1	81.3	81.5	81.6	81.8	82.0
Female life expectancy at birth, Australia	85.1	85.3	85.4	85.5	85.6	85.7

### Net overseas migration

Forecasts for net overseas migration (NOM) are produced by the Centre (Table A.5). The forecasts incorporate information from detailed data on international arrivals and departures together with offshore visa grant data provided by the Department of Home Affairs, along with assumptions regarding international travel restrictions (see Box 1 in BS2).

**Table A.5: Net overseas migration, for years ending 30 June**

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Net overseas migration, Australia	239,700	154,100	-71,600	-21,600	95,900	201,100

### Interstate migration

Assumptions about future net internal migration (NIM) are produced by the Centre (Table A.6). Assumptions are modelled using historical interstate movements data supplied by the Australian Bureau of Statistics up to the June 2020 release of *Australian Demographic Statistics* (December 2019 reference quarter). Assumptions are also informed by analysis of economic factors associated with interstate migration, and account for the impact of COVID-19 through fewer total movements over the period.

**Table A.6: Net interstate migration by state, for years ending 30 June**

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT
2018-19	-22,100	12,200	22,800	-6,500	-4,000	2,000	-200	-4,400
2019-20	-21,000	11,600	21,700	-6,100	-3,800	1,900	-200	-4,200
2020-21	-14,300	-1,200	22,000	-3,700	-2,200	2,200	300	-3,100
2021-22	-15,500	-1,300	23,800	-4,000	-2,300	2,300	400	-3,300
2022-23	-17,000	1,800	21,300	-2,300	-3,000	1,200	300	-2,400
2023-24	-18,600	5,000	18,900	-500	-3,600	0	200	-1,400

### Wage cost indices

Table A.7 shows estimated growth in the wage cost indices used in this Budget Paper, rounded to the nearest quarter of a per cent.

**Table A.7: Wage cost indices**

Per cent	2019-20	2020-21	2021-22	2022-23	2023-22
Wage cost index — 1	1 1/4	1 1/4	1 1/4	1 1/4	1 1/4
Wage cost index — 6	1/4	1/4	1/4	1/4	1/4

### Data sources

The information in 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 2020–21, Statement 11: Historical Australian Government Data*, for more information.

State data for 2019-20 onwards are from the most recent publicly available state financial reports (states' 2019-20 mid-year financial reports). State data for years prior to 2019-20 are sourced from the ABS. Where ABS data are not available, estimates from states' annual financial reports have been used.

### Further information

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

- *Australian Demographic Statistics*
- *Overseas Arrivals and Departures, Australia*
- *Population Projections, 2017–2066*
- *Migration, Australia*

*Budget Paper No. 3*

- *Births, Australia*
- *Life tables*
- *Deaths, Australia*
- *Taxation Revenue, Australia*
- *Government Finance Statistics, Australia*
- *Australian System of Government Finance Statistics – Concepts, Sources and Methods*
- *Information Paper: Developments in Government Finance Statistics*
- *Information Paper: Accruals Based Government Finance Statistics*
- McDonald, P (2020), *A Projection of Australia's Future Fertility Rates*, Centre for Population Research Paper, Australian Government, Canberra.

Commonwealth Grants Commission publications provide information about the distribution of GST revenue. In relation to the 2020-21 financial year, the most relevant publication is the *Report on GST Revenue Sharing Relativities – 2020 Review*.