

PART 4: FEDERAL FINANCIAL RELATIONS

This part provides information concerning goods and services tax (GST) revenue, general revenue assistance, general purpose assistance to local government and Specific Purpose Payments to the States and Territories (the States) in 2004-05. The information supplements material provided in Budget Paper No. 3, *Federal Financial Relations 2005-06*.

Under *The New Tax System*, which came into effect on 1 July 2000, Commonwealth-State financial relations have been substantially reformed. All GST revenue collected is paid to the States. This provides the States with access to a secure, growing and broad-based revenue source. Subject to the *Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations* (the IGA), the States can spend the GST revenue according to their own budget priorities.

The implementation of *The New Tax System* has also enabled the abolition of a range of narrow and inefficient state taxes. This includes accommodation (bed) taxes, which were abolished on 1 July 2000, financial institutions duty and stamp duty on quoted marketable securities, which were abolished on 1 July 2001, and bank account debits tax, which ceased to be levied in any State on 1 July 2005.

The new system of Commonwealth-State financial relations has also provided for the introduction of the First Home Owners Scheme.

In addition, the Australian Government has made a commitment to provide assistance to the States in the transitional years to ensure that each individual State will be no worse off than it would have been had the reforms not been implemented. To meet this guarantee, the Australian Government pays the States Budget Balancing Assistance (BBA) to cover any shortfall of GST revenue below the Guaranteed Minimum Amount (GMA), which is a calculation of the amount of funding each State would have had available to it under the previous system of financial relations. For the first time, in 2004-05, each State received more revenue from the GST than the amount of revenue it would have received under the previous system of financial arrangements. Hence, the payment of BBA was not required.

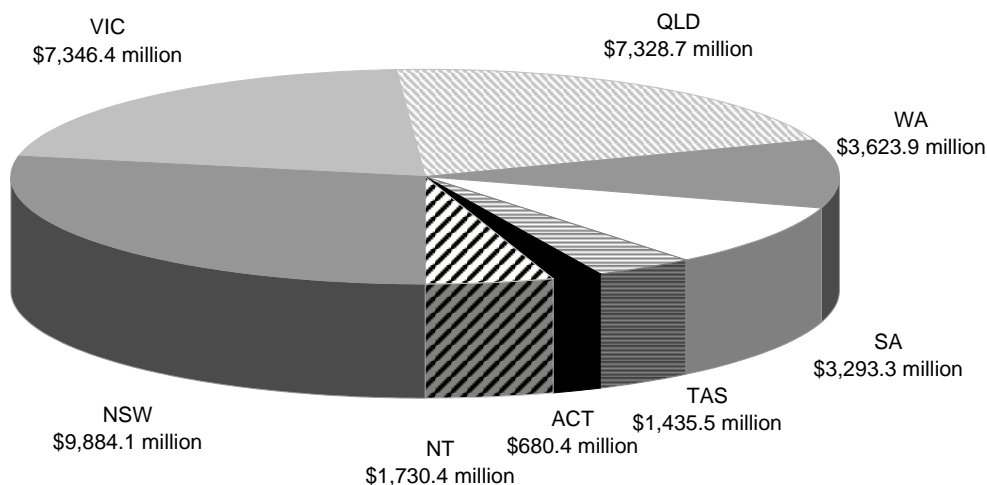
GST REVENUE PROVISION

The *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999* (the Act) provides that the States receive all GST revenue. The GST revenue pool is distributed to the States on the basis of recommendations of the Commonwealth Grants Commission (CGC), which applies the principles of Horizontal Fiscal Equalisation to help determine State revenue shares. Budget Paper No. 3, *Federal Financial Relations 2005-06*, provides more detail on Horizontal Fiscal Equalisation.

Under the Act, the Commissioner of Taxation (the Commissioner) is required to make a determination by 20 June each year of the estimated GST revenue collections for the year. In accordance with the Commissioner's determination of GST revenue on 15 June 2005, a total of \$35,322.7 million in GST revenue was provided to the States in 2004-05. This reflects a GST revenue estimate for 2004-05 of \$35,350 million less a \$27.3 million adjustment for the difference between the Commissioner's determination of 2003-04 GST collections and the 2003-04 GST outcome. The Commissioner's estimate of GST for 2004-05 was broadly consistent with both the estimate at Budget and the final GST revenue outcome as reported in Appendix A and in Note 18 in Part 3.

The final provision of GST revenue to the States in 2004-05 is illustrated in Chart 1.

Chart 1: GST revenue provision to the States and Territories



The calculation of the distribution of GST revenue to the States is shown in Table 31. The distribution differs marginally from estimates shown in Budget Paper No. 3, *Federal Financial Relations 2005-06*, reflecting final determinations made under the Act.

The 2004-05 GST revenue was distributed, in accordance with the Act, using GST relativities recommended by the CGC.

Table 31 shows the per capita relativities applied to the States' populations (as at 31 December 2004) in order to arrive at a weighted population share for each State. A State's share of GST revenue is equal to its weighted population share of the combined GST revenue and unquarantined Health Care Grants (HCGs), less the unquarantined HCGs it receives.

Table 31: GST revenue provision to the States and Territories

Population as at 31 December 2004	Per capita relativities	Weighted population (1) x (2)	Share of Weighted Population (%)	GST revenue/HCGs pool according to (4) (\$m)	Unquarantined HCGs (\$m)	Distribution of GST revenue (5) - (6) (\$m)
NSW	0.86750	5,864,327	29.0	12,418.4	2,534.3	9,884.1
VIC	0.86534	4,328,654	21.4	9,166.4	1,820.1	7,346.4
QLD	1.05504	4,135,194	20.5	8,756.8	1,428.1	7,328.7
WA	1.03054	2,059,449	10.2	4,361.1	737.2	3,623.9
SA	1.20407	1,851,773	9.2	3,921.3	628.0	3,293.3
TAS	1.55939	754,670	3.7	1,598.1	162.6	1,435.5
ACT	1.12930	366,194	1.8	775.5	95.0	680.4
NT	4.26538	856,463	4.2	1,813.7	83.3	1,730.4
Total	na	20,216,723	100.0	42,811.3	7,488.6	35,322.7

GENERAL REVENUE ASSISTANCE

In 2004-05, general revenue assistance to the States comprised National Competition Policy Payments, Compensation for GST Deferral and Special Revenue Assistance.

Budget Balancing Assistance

As previously noted, the Australian Government has guaranteed that in each of the transitional years following the introduction of tax reform, each State's budgetary position will be no worse off than had the reforms not been implemented. This is given effect to by the payment of transitional assistance in the form of Budget Balancing Assistance (BBA).

In June 2005, it was determined that no State required BBA in 2004-05 as each State's share of GST revenue exceeded its Guaranteed Minimum Amount (GMA). Total GST revenue payments to the States exceeded their combined GMAs by \$2,001.2 million. This is consistent with the Budget estimate, which also showed that no State would require BBA in 2004-05.

The calculation of State GMAs and BBA entitlements for 2004-05 is shown in Table 32.

Table 32: Guaranteed Minimum Amount components, GST revenue provision and Budget Balancing Assistance to the States and Territories

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
State revenues forgone									
Financial Assistance Grants	5,183.7	4,112.6	4,702.9	2,124.1	2,221.2	1,039.9	441.8	1,407.9	21,234.0
Revenue Replacement Payments	2,650.5	1,773.4	1,607.1	1,106.6	688.5	233.5	117.9	149.3	8,326.9
Financial Institutions Duty	737.0	410.2	na	155.8	103.7	24.8	20.5	18.2	1,470.2
Marketable Securities Duty	483.0	250.7	28.0	31.1	16.5	0.8	25.4	1.1	836.6
Marketable Securities Duty Needs	-29.1	12.4	13.8	3.9	2.4	2.8	-7.5	1.1	0.0
Accommodation taxes	88.0	na	na	na	na	na	na	9.5	97.5
plus Reduced revenues									
Gambling taxes	621.7	408.2	270.0	68.7	102.1	28.9	23.5	19.8	1,542.8
plus Interest costs									
Interest costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
plus Additional expenditures									
First Home Owners Scheme	271.0	256.6	165.2	124.7	65.1	18.1	13.7	9.2	923.6
GST administration costs	196.6	145.5	114.0	58.1	44.7	14.1	9.4	5.8	588.3
plus Other items									
Wholesale sales tax payments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
minus Reduced expenditures									
Off-road diesel subsidies	145.1	60.7	143.2	184.4	38.6	2.3	0.0	4.1	578.7
Savings from tax reform	191.2	131.5	108.4	64.6	47.1	15.9	10.7	15.7	585.0
Low alcohol beer subsidies	25.9	17.9	5.0	8.2	4.8	1.8	1.0	1.3	66.0
minus Growth dividend									
Remaining State taxes	122.9	79.3	41.5	24.7	19.9	5.1	3.9	2.7	300.0
minus Compensation payments									
Compensation for GST deferral	63.7	47.0	44.9	22.3	20.1	8.2	4.0	9.2	219.4
plus Adjustments									
2003-04 GMA adjustment	22.0	17.1	1.8	5.4	4.4	-0.2	-0.3	0.6	50.7
Total Guaranteed Minimum Amount (1)	9,675.6	7,050.4	6,559.7	3,374.0	3,118.1	1,329.4	624.8	1,589.5	33,321.5
GST revenue provision (2)	9,884.1	7,346.4	7,328.7	3,623.9	3,293.3	1,435.5	680.4	1,730.4	35,322.7
Budget Balancing Assistance (1)-(2) (a)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

(a) Where the difference between the GMA and GST revenue is less than zero, the amount is zero.

National Competition Policy Payments (NCPPs)

NCPPs are distributed between the States on an equal per capita basis. Payment is subject to each State achieving satisfactory progress in implementing specified reforms under the *Agreement to Implement the National Competition Policy and Related Reforms*. Out of a maximum level of payments in 2004-05 of \$777.9 million, the National Competition Council (NCC) recommended permanent deductions of \$26.3 million and suspensions of \$114.1 million. The payments made to the States in 2004-05, as set out in Table 33, reflect that the permanent deductions and suspensions recommended by the NCC were agreed to by the Australian Government and applied accordingly. Actual payments to the States of \$724.4 million also included adjustments finalising 2003-04 competition payments.

Table 33: National Competition Policy Payments

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2004-05	233.5	201.9	143.2	53.6	50.4	19.8	13.6	8.5	724.4

Compensation payments for GST revenue deferred

The Australian Government is compensating the States for the deferral of GST revenue as a result of the Australian Government's decision to allow certain small businesses and non-profit organisations to pay GST annually. As part of these arrangements, \$219.4 million has been paid to the States in 2004-05 as an advance from their 2005-06 GST entitlements.

Consistent with the requirements of the *A New Tax System (Commonwealth-State Financial Arrangements) Act 1999*, the Australian Government will deduct this advance from GST payments to the States in 2005-06. However, the Australian Government will pay a grant in 2005-06 to compensate for the estimated impact of the measure on GST revenue collections in 2004-05 and 2005-06, ensuring that the full financial impact of the measure is felt by the Australian Government and that the measure will have no impact on State budgets.

Table 34: Compensation for GST deferral

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2004-05	63.7	47.0	44.9	22.3	20.1	8.2	4.0	9.2	219.4

Special Revenue Assistance

In 2004-05, in accordance with the recommendations of the CGC, Special Revenue Assistance of \$14.2 million was paid to the Australian Capital Territory.

FINANCIAL ASSISTANCE GRANTS TO LOCAL GOVERNMENT

Table 35 provides details of the Australian Government payments to local government authorities in 2004-05 for each of the six States and the Northern Territory, and an analogous payment made to the Australian Capital Territory.

In 2004-05, local government Financial Assistance Grants were increased on the basis of an annual escalation factor determined by the Treasurer. The payments made to the States in 2004-05 and shown in Budget Paper No. 3, *Federal Financial Relations 2005-06*, were based on an estimated escalation factor of 1.0310, estimated in June 2004, and take into account an overpayment of \$7.4 million in 2003-04.

On 29 June 2005, the Treasurer determined the final 2004-05 escalation factor to be 1.0360 on the basis of the Australian Statistician's determination of population and the All Groups Consumer Price Index number. The difference between the estimate and the final escalation factor for 2004-05 has resulted in an underpayment of \$7.5 million in 2004-05 for which there will be an adjustment in 2005-06, as provided for under the *Local Government (Financial Assistance) Act 1995*.

Table 35: Financial Assistance Grants to local government

	NSW \$m	VIC \$m	QLD \$m	WA \$m	SA \$m	TAS \$m	ACT \$m	NT \$m	Total \$m
General Purpose Assistance	358.2	263.3	205.3	105.0	81.7	25.6	17.2	10.6	1,066.8
Untied local road funding	137.3	97.6	88.7	72.4	26.0	25.1	15.2	11.1	473.4
Total Financial Assistance Grants(a)	495.5	360.9	293.9	177.3	107.7	50.7	32.4	21.7	1,540.2

(a) Total Financial Assistance Grant is the actual cash payment that the State receives on behalf of local government. It is equal to the estimated entitlement for a given year adjusted for an overpayment or underpayment from the previous year. The information presented in this table differs from that in Table 36, which is prepared on an accrual basis.

SPECIFIC PURPOSE PAYMENTS (SPPs)

Tables 36 and 37 provide information on Australian Government SPPs 'to' and 'through' the States, and direct to local government, respectively.

Table 36 presents SPPs on a functional basis, and includes SPPs for current and capital purposes. Payments are aggregated according to like purposes and are further divided into those paid to the States and those paid through the States to be passed on to local government and other bodies. Payments through the States are indicated in the table with an asterisk and separate totals for payments to the States and payments through the States are presented in the summary at the end of the table.

Australian Government advances (loans) to the States, including new advances, interest on advances and repayments by the States are also detailed in Table 36. The majority of these advances were funded from borrowing made on behalf of the States under previous Australian Loan Council arrangements.

Table 37 presents information on Australian Government SPPs paid direct to local government authorities for both current and capital purposes.

Tables 36 and 37 provide information prepared on an accrual basis.

Table 36: Specific Purpose Payments to and through the States, repayments of advances, advances and interest payments, 2004-05 (\$'000)

<i>Function</i>	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
SPECIFIC PURPOSE PAYMENTS - CURRENT PURPOSES									
<i>Payment title</i>									
Public Order and Safety									
Legal aid	1,074	0	0	13,412	12,750	4,612	3,828	3,814	39,490
Film and literature classifications	92	91	92	91	92	90	90	87	725
Gun Buyback Scheme	3,697	1,124	2,141	0	514	267	201	445	8,389
Public Order and Safety - total	4,863	1,215	2,233	13,503	13,356	4,969	4,119	4,346	48,604
Education									
Government schools	554,235	405,763	346,877	166,716	121,409	46,598	26,950	21,326	1,689,874
*Non-government schools	1,520,880	1,195,545	867,601	449,710	364,688	94,621	88,939	38,435	4,620,419
Vocational Education and Training Funding Act	382,230	277,084	193,365	111,880	94,945	29,930	25,536	14,127	1,129,097
Targeted programmes - government schools and joint	145,428	89,395	63,278	33,789	34,161	11,019	4,215	8,549	389,834
*Targeted Programmes - non-government schools	76,776	54,681	30,659	16,966	16,982	3,551	3,156	3,441	206,212
Indigenous Education Strategic Initiatives									
Programme - government	1,373	666	21,847	704	4,883	2,592	667	9,230	41,962
Australian Technical Colleges	7,435	896	2,012	2,325	285	271	82	1,393	14,699
Education - total	2,688,357	2,024,030	1,525,639	782,090	637,353	188,582	149,545	96,501	8,092,097
Health									
Hepatitis C Settlement Fund	1,547	0	0	-30	273	-15	2	127	1,904
Health Programme Grants	0	2,199	0	0	0	0	0	600	2,799
Health Care Grants	2,663,381	1,926,373	1,522,082	795,671	665,522	178,762	104,556	98,313	7,954,660
Highly specialised drugs	178,859	118,356	78,410	37,751	27,913	10,020	6,190	4,746	462,245
Youth health services	810	600	421	217	198	60	55	57	2,418
National public health	67,110	52,385	35,066	16,313	16,605	6,650	4,805	5,279	204,213
Essential vaccines	105,432	48,848	52,477	30,980	20,640	6,861	4,234	3,273	272,745
Repatriation general hospitals	0	18	0	0	1,108	105	0	0	1,231
Supporting Western Sydney - Positron Emission Tomography scanner Westmead	4,000	0	0	0	0	0	0	0	4,000
Strengthening Cancer Care - Royal Children's Hospital in Melbourne	0	10,000	0	0	0	0	0	0	10,000
Royal Darwin Hospital - Equipped, Prepared and Ready	0	0	0	0	0	0	0	1,700	1,700
Assistance to Tsunami Victims	782	422	673	189	730	0	20	1	2,817
Health - total	3,021,921	2,159,201	1,689,129	881,091	732,989	202,443	119,862	114,096	8,920,732

Table 36: Specific Purpose Payments to and through the States, repayments of advances, advances and interest payments, 2004-05 (\$'000)(continued)

<i>Function</i> Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Social Security and Welfare									
Aged care assessment	18,432	12,560	8,958	5,173	5,086	1,385	482	807	52,883
Home and community care	247,836	201,241	161,275	78,775	67,619	20,307	9,329	5,476	791,858
Disabilities services	188,210	129,555	107,991	45,743	62,669	19,697	7,830	5,927	567,622
Children's services	1,007	936	484	547	8,002	227	0	412	11,615
Supported accommodation assistance	56,270	37,400	28,957	17,245	16,563	7,416	5,908	4,929	174,688
Unaccompanied humanitarian minors	215	170	245	11	574	0	0	0	1,215
Extension of fringe benefits	66,318	47,410	33,105	16,670	18,862	6,058	1,347	923	190,693
Social Security and Welfare - total	578,288	429,272	341,015	164,164	179,375	55,090	24,896	18,474	1,790,574
Housing and Community Amenities									
Assistance for water and sewerage	0	0	0	0	0	0	9,051	0	9,051
Natural Heritage Trust of Australia - Bushcare	11,799	11,700	9,968	9,636	7,824	4,029	827	3,203	58,986
Natural Heritage Trust of Australia - Coastcare	2,623	4,445	12,412	5,756	1,492	2,756	0	2,749	32,233
Natural Heritage Trust of Australia - Landcare	11,560	7,033	6,566	3,587	4,415	2,525	473	2,209	38,368
Natural Heritage Trust of Australia - Rivercare	9,943	3,526	4,831	1,567	1,165	8,177	238	1,200	30,647
Housing and Community Amenities - total	35,925	26,704	33,777	20,546	14,896	17,487	10,589	9,361	169,285
Recreation and Culture									
Natural Heritage Trust of Australia - Bushcare	857	30	6,369	436	100	6,574	20	0	14,386
Natural Heritage Trust of Australia - Coastcare	65	0	1,410	160	152	128	0	0	1,915
2004 Olympic/Paralympic Welcome Home Parade	261	0	0	0	0	0	0	0	261
Recreation and Culture - total	1,183	30	7,779	596	252	6,702	20	0	16,562
Fuel and Energy									
Snowy Hydro Ltd - company tax compensation	30,360	15,180	0	0	0	0	0	0	45,540
Fuel and Energy - total	30,360	15,180	0	0	0	0	0	0	45,540
Agriculture, Forestry and Fishing									
Natural Heritage Trust of Australia - Bushcare	762	384	378	524	391	266	49	86	2,840
Natural Heritage Trust of Australia - Coastcare	599	278	216	177	229	115	49	108	1,771
Natural Heritage Trust of Australia - Landcare	977	1,568	1,161	647	320	171	49	76	4,969
Natural Heritage Trust of Australia - Rivercare	223	224	359	313	185	157	0	76	1,537
Exotic Disease Preparedness	117	70	13	60	0	0	40	0	300
Exceptional circumstances assistance	57,760	9,863	33,890	4,279	760	0	0	0	106,552
National Landcare Programme (NLP)	6,572	4,845	6,541	3,968	3,737	1,658	160	1,593	29,074

Table 36: Specific Purpose Payments to and through the States, repayments of advances, advances and interest payments, 2004-05 (\$'000)(continued)

Function Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Agriculture, Forestry and Fishing (continued)									
Regional Assistance	3,395	0	370	20	0	0	0	0	3,785
Forest Industry Structural Adjustment Package	12,318	0	0	0	0	24,000	0	0	36,318
Skilling Farmers for the Future	0	648	63	986	-14	111	0	126	1,920
Eradication of Red Imported Fire Ant	0	0	15,531	0	0	0	0	0	15,531
National Action Plan for Salinity and Water Quality	25,010	24,851	16,327	10,532	9,656	500	28	500	87,404
Agricultural Development Partnerships	0	0	0	183	1,033	0	0	0	1,216
Plant Disease and Eradication	0	0	4,063	0	1,040	0	0	250	5,353
Agriculture, Forestry and Fishing - total	107,733	42,731	78,912	21,689	17,337	26,978	375	2,815	298,570
Transport and Communication									
Interstate road transport	21,271	12,377	4,382	1,831	5,602	231	231	231	46,156
*Supplementary funding to SA councils for local roads	0	0	0	0	4,250	0	0	0	4,250
Petroleum Products Freight Subsidy Scheme	512	18	1,318	0	247	0	0	1,436	3,531
Gold Coast light rail	0	0	147	0	0	0	0	0	147
Upgrade to Eyre Peninsula Rail System	0	0	0	0	15,000	0	0	0	15,000
Transport and Communication - total	21,783	12,395	5,847	1,831	25,099	231	231	1,667	69,084
Other Purposes									
Debt Redemption Assistance	9,611	4,995	6,316	3,072	3,743	2,824	0	1,352	31,913
*Financial Assistance Grants for local government									
<i>General Purpose Assistance</i>	359,779	264,347	206,599	105,386	82,075	25,775	17,317	10,715	1,071,993
<i>United Local Roads Grants</i>	138,008	98,067	89,124	72,731	26,142	25,207	15,253	11,143	475,675
Compensation - companies regulation	53,084	46,407	26,135	16,087	11,965	3,706	0	2,364	159,748
Natural Disaster Relief	37,561	661	15,068	11,377	0	0	2,655	352	67,674
Royalties	0	0	0	506,160	0	0	0	2,757	508,917
ACT National Capital influences	0	0	0	0	0	0	22,508	0	22,508
Special Revenue Assistance to the ACT	0	0	0	0	0	0	14,200	0	14,200
Other Purposes - total	598,043	414,477	343,242	714,813	123,925	57,512	71,933	28,683	2,352,628
TOTAL CURRENT	7,088,456	5,125,235	4,027,573	2,600,323	1,744,582	559,994	381,570	275,943	21,803,676
SPECIFIC PURPOSE PAYMENTS - CAPITAL PURPOSES									
Education									
Government schools	85,488	61,016	50,708	26,262	19,139	6,972	4,174	3,245	257,004
*Non-government schools	33,672	26,775	17,900	9,798	7,602	2,134	2,264	4,838	104,983
Education - total	119,160	87,791	68,608	36,060	26,741	9,106	6,438	8,083	361,987

Table 36: Specific Purpose Payments to and through the States, repayments of advances, advances and interest payments, 2004-05 (\$'000)(continued)

Function Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Social Security and Welfare									
Crisis accommodation assistance	13,469	9,923	7,701	3,949	3,071	963	647	399	40,122
Social Security and Welfare - total	13,469	9,923	7,701	3,949	3,071	963	647	399	40,122
Housing and Community Amenities									
Housing assistance for indigenous people	17,987	3,680	27,900	18,364	9,025	696	0	24,631	102,283
Community housing	21,735	16,013	12,428	6,372	4,956	1,553	1,044	643	64,744
CSHA Block Assistance/Base Funding	241,180	177,681	137,897	70,708	54,991	21,401	16,777	13,138	733,773
Social Housing Subsidy Programme	1,926	0	0	0	0	0	118	0	2,044
*Federal flood mitigation	4,630	485	3,632	1,534	341	156	0	475	11,253
*Disaster Mitigation Package	2,877	863	2,304	2,092	811	247	1,043	263	10,500
*Additional First Home Owners Scheme	0	0	0	0	35	0	0	0	35
*Bushfire Mitigation Package	1,582	1,115	636	650	502	275	240	0	5,000
Housing and Community Amenities - total	291,917	199,837	184,797	99,720	70,661	24,328	19,222	39,150	929,632
Fuel and Energy									
*Photovoltaic Rebate Programme (PVRP)	1,160	974	302	58	2,099	69	0	4	4,666
Renewable Remote Power Generation	0	0	524	0	77	0	0	268	869
Fuel and Energy - total	1,160	974	826	58	2,176	69	0	272	5,535
Agriculture, Forestry and Fishing									
Natural Heritage Trust of Australia - Landcare	0	0	0	0	0	0	49	0	49
Great Artesian Basin Sustainability Initiative	3,000	0	4,000	600	100	0	0	0	7,700
Agriculture, Forestry and Fishing - total	3,000	0	4,000	600	100	0	49	0	7,749
Transport and Communication									
Alice Springs Darwin Railway	0	0	0	0	0	0	0	12,500	12,500
Auslink(a)	533,097	241,578	258,595	116,651	86,130	31,885	1,419	37,096	1,306,451
Federation Fund Projects - QLD	0	0	9,886	0	0	0	0	0	9,886
Federation Fund Projects - NSW/MC	20,462	0	0	0	0	0	0	0	20,462
Transport and Communication - total	553,559	241,578	268,481	116,651	86,130	31,885	1,419	49,596	1,349,299
Other Purposes									
Sinking Fund on State Debt	274	5	189	0	85	41	0	0	594
Other Purposes - total	274	5	189	0	85	41	0	0	594
TOTAL CAPITAL	982,539	540,108	534,602	257,038	188,964	66,392	27,775	97,500	2,694,918

Table 36: Specific Purpose Payments to and through the States, repayments of advances, advances and interest payments, 2004-05 (\$'000)(continued)

Function Payment title	REPAYMENTS										Total
	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total		
Supplementary Contributions	0	0	66,962	0	0	7,216	0	0	0	0	74,178
Payments to Debt Sinking Funds	1,106	19	763	0	343	165	0	0	0	0	2,396
Total	1,106	19	67,725	0	343	7,381	0	0	0	0	76,574
Repayments of Australian Government Loans											
ACT Debt Repayments	0	0	0	0	0	0	0	4,646	0	0	4,646
Loan Council - Housing Nominations	5,525	0	2,033	3,524	3,309	1,482	0	0	1,839	0	17,712
Repayments of Australian Government Loans - total	5,525	0	2,033	3,524	3,309	1,482	4,646	1,839	1,839	0	22,358
Defence											
Housing for servicemen	794	0	485	156	19	0	0	0	0	0	1,454
Defence - total	794	0	485	156	19	0	0	0	0	0	1,454
Housing and Community Amenities											
CSHA loans	32,058	0	8,776	8,393	10,006	3,802	0	0	510	0	63,545
Other housing	0	0	0	0	0	0	6,231	0	2,218	0	8,449
NT - water and sewerage assistance	0	0	0	0	0	0	0	0	136	0	136
Growth centres	247	0	0	0	0	0	0	0	0	0	247
Captains Flat (Abatement of Pollution) Agreement	8	0	0	0	0	0	0	0	0	0	8
Sewerage	2,981	0	744	5	437	0	0	0	0	0	4,167
Community facilities Townsville	0	0	43	0	0	0	0	0	0	0	43
Housing and Community Amenities - total	35,294	0	9,563	8,398	10,443	3,802	6,231	2,864	2,864	0	76,595
Agriculture, Forestry and Fishing											
Rural Adjustment Scheme	841	0	0	0	0	0	0	0	28	0	869
War Service Land Settlement Scheme	461	491	0	0	0	9	0	0	0	0	961
Agriculture, Forestry and Fishing - total	1,302	491	0	0	0	9	0	0	28	0	1,830
Transport and Communication											
Railway projects	96	96	0	381	0	0	0	0	0	0	573
Transport and Communication - total	96	96	0	381	0	0	0	0	0	0	573
Other Purposes											
Natural Disaster Relief	1,266	0	1,764	0	0	0	0	0	329	0	3,359
Other Purposes - total	1,266	0	1,764	0	0	0	0	0	329	0	3,359
TOTAL REPAYMENTS	45,383	606	81,570	12,459	14,114	12,674	10,877	5,060	5,060	0	182,743

Table 36: Specific Purpose Payments to and through the States, repayments of advances, advances and interest payments, 2004-05 (\$'000)(continued)

<i>Function</i> Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
ADVANCES									
Other Purposes									
Natural Disaster Relief	651	0	11	0	0	0	0	0	662
Other Purposes - total	651	0	11	0	0	0	0	0	662
TOTAL ADVANCES	651	0	11	0	0	0	0	0	662
INTEREST									
Interest on Loan Council and NT Government Borrowings	5,981	54	2,662	0	1,757	670	0	0	11,124
Total	5,981	54	2,662	0	1,757	670	0	0	11,124
Interest on Australian Government Loans									
ACT Government Debt	0	0	0	0	0	0	4,140	0	4,140
Housing nominations	21,187	0	7,634	13,065	12,811	5,625	0	7,363	67,685
Interest on Australian Government Loans - total	21,187	0	7,634	13,065	12,811	5,625	4,140	7,363	71,825
Defence									
Housing for servicemen	2,424	0	1,378	286	102	0	0	0	4,190
Defence - total	2,424	0	1,378	286	102	0	0	0	4,190
Housing and Community Amenities									
CSHA loans	42,875	0	11,918	11,408	18,020	5,818	0	1,473	91,512
Other housing	0	0	0	0	0	0	10,139	3,922	14,061
NT - water and sewerage assistance	0	0	0	0	0	0	0	623	623
Growth centres	28	0	0	0	0	0	0	0	28
Sewerage	5,407	0	1,111	9	0	5	0	0	6,532
Community facilities - Townsville	0	0	3	0	0	0	0	0	3
Captains Flat (Abatement of Pollution) Agreement	5	0	0	0	0	0	0	0	5
Housing and Community Amenities - total	48,315	0	13,032	11,417	18,020	5,823	10,139	6,018	112,764
Agriculture, Forestry and Fishing									
Rural Adjustment Scheme	74	0	0	0	0	0	0	1	75
War Service Land Settlement Scheme	132	138	0	0	0	0	0	0	270
Bovine Brucellosis and Tuberculosis	0	0	0	0	1,097	0	0	0	1,097
Agriculture, Forestry and Fishing - total	206	138	0	0	1,097	0	0	1	1,442

Table 36: Specific Purpose Payments to and through the States, repayments of advances, advances and interest payments, 2004-05 (\$'000)(continued)

Function Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Transport and Communication									
Railway projects	34	34	0	292	0	0	0	0	360
Transport and Communication - total	34	34	0	292	0	0	0	0	360
Other Purposes									
Natural Disaster Relief	277	0	285	0	0	0	0	32	594
Other Purposes - total	277	0	285	0	0	0	0	32	594
TOTAL INTEREST	78,424	226	24,991	25,060	33,787	12,118	14,279	13,414	202,299
SUMMARY OF SPECIFIC PURPOSE PAYMENTS									
Total Specific Purpose Payments	8,070,995	5,665,343	4,562,175	2,857,361	1,933,546	626,386	409,345	373,443	24,498,594
Total 'To'	5,931,631	4,022,491	3,343,418	2,198,436	1,428,019	474,351	281,133	304,129	17,983,608
Total 'Through'	2,139,364	1,642,852	1,218,757	658,925	505,527	152,035	128,212	69,314	6,514,986

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

(a) Roads to Recovery funding for unincorporated areas beyond 2004-05 will be sourced from the AusLink Strategic Roads to Recovery programme. Under this programme \$150 million over 5 years will be allocated for local land transport infrastructure of strategic regional importance, including \$30 million for roads in unincorporated areas.

Table 37: Specific Purpose Payments direct to local government authorities, 2004-05 (\$'000)

Payment title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
DIRECT PAYMENTS - CURRENT									
Disability services	391	0	278	0	0	0	0	0	669
Children's services	18,808	19,224	8,984	3,028	1,861	2,419	0	5,368	59,692
Roads to Recovery Programme	70,889	58,481	44,898	40,213	19,912	7,441	6,170	1,918	249,922
Strengthening Tasmania	0	0	0	0	0	555	0	0	555
TOTAL CURRENT	90,088	77,705	54,160	43,241	21,773	10,415	6,170	7,286	310,838
DIRECT PAYMENTS - CAPITAL									
Children's Services	140	143	67	22	14	18	0	40	444
TOTAL CAPITAL	140	143	67	22	14	18	0	40	444
TOTAL DIRECT PAYMENTS	90,228	77,848	54,227	43,263	21,787	10,433	6,170	7,326	311,282