PART 1: AUSTRALIA’S FEDERAL RELATIONS

OVERVIEW

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

The Australian Government will:

• provide a record $100 billion in funding for its infrastructure plan over the next decade. New major transport projects and initiatives include:
  – a new fast rail plan for Australia including a $2 billion contribution to the Melbourne-Geelong fast rail project;
  – a $3 billion increase to the Urban Congestion Fund including $500 million for a new Commuter Car Park Fund;
  – $2.2 billion for the Road Safety Package; and
  – an additional $1 billion for the next phase of the Roads of Strategic Importance initiative.

• permanently boost the size of the GST pool to be distributed among the states each year. In 2021-22, the Australian Government will inject $600 million into the GST pool, followed by a further $250 million in 2024-25, with both of these amounts to grow each and every year in line with the underlying growth of the GST;

• provide $1.5 billion in GST top-up payments to Western Australia and the Northern Territory for 2019-20, and an estimated $2.3 billion in total until 2021-22, to support the transition to the new horizontal fiscal equalisation system passed by the Parliament in 2018;

• support public hospitals through increased funding of $1.4 billion from 2019-20 to 2021-22 reflecting revised activity estimates from the states;

• invest $291.6 billion in schools over the next 10 years. This is an increase in Australian Government funding per student of 46 per cent over the next 10 years. The Government is addressing the findings of the Review to Achieve Educational Excellence in Australian Schools (Gonski 2.0) and is working with the states to lift student outcomes across Australian schools;

• as part of the broader $1.3 billion Community Health and Hospitals Program, provide $425.3 million over five years from 2018-19 for a range of initiatives that will contribute to improved health services across Australia;
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• provide $449.5 million for universal access to early childhood education, to extend Australian Government funding for preschool services in the 2020 school year;

• provide $300 million to Queensland for grant assistance to primary producers impacted by the North Queensland floods;

• provide $56 million to the Marinus Link project which will support a second electricity transmission interconnector between Tasmania and the mainland, to unlock and share the benefits of pumped hydro storage potential in Tasmania; and

• provide an additional $30.5 million over three years from 2020-21 for legal assistance services, bringing total Australian Government funding to $1.2 billion.