



FINAL BUDGET OUTCOME

1998-99

CIRCULATED BY
THE HONOURABLE PETER COSTELLO, M.P.,
TREASURER OF THE COMMONWEALTH OF AUSTRALIA, AND
THE HONOURABLE JOHN FAHEY, M.P.,
MINISTER FOR FINANCE AND ADMINISTRATION
FOR THE INFORMATION OF HONOURABLE MEMBERS

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NOTES

(a) The following definitions are used in this publication:

- underlying outlays = total outlays - net advances;
- net advances = net equity transactions + net policy lending; and
- one billion is equal to one thousand million.

(b) Figures in tables and generally in the text have been rounded. Discrepancies in tables between totals and sums of components are due to rounding:

- figures under \$100,000 are rounded to the nearest thousand;
- figures \$100,000 and over are rounded to the nearest tenth of a million;
- figures midway between rounding points are rounded up; and
- the percentage changes in statistical tables are calculated using unrounded data.

(c) Except for Appendix 1, a negative sign indicates a deficit while no sign indicates a surplus. For Appendix 1, however, the Australian Bureau of Statistics sign convention is used for presenting a deficit, where a negative sign indicates a surplus.

(d) The following notations are used:

-	nil
..	not zero, but rounded to zero
na	not applicable (unless otherwise specified)
\$m	\$ million
Dr	Debit
Cr	Credit

(e) References to the 'States' or 'each State' include the Territories, because from 1993-94 onwards general purpose funding has been on the same basis for all jurisdictions. The Australian Capital Territory and the Northern Territory are referred to as 'the Territories'. The following abbreviations are used for the names of the States, where appropriate:

NSW	New South Wales
VIC / Vic	Victoria
QLD / Qld	Queensland
WA	Western Australia
SA	South Australia
TAS / Tas	Tasmania
ACT	Australian Capital Territory
NT	Northern Territory

PART I: INTRODUCTION

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INTRODUCTION

The Commonwealth's 1998-99 Final Budget Outcome is released in accordance with the requirements of the *Charter of Budget Honesty Act 1998* (the Charter of Budget Honesty).

Consistent with the Charter of Budget Honesty, this Final Budget Outcome report presents an analysis of the 1998-99 outcome for underlying outlays, revenue and the underlying balance for both the Commonwealth budget and Commonwealth general government sectors.

Previously the primary focus of the Final Budget Outcome was on the underlying cash result for the budget sector. However, with the introduction of accrual budgeting in the 1999-2000 Budget, the primary focus of fiscal reporting has shifted from the budget sector to the general government sector. The general government sector includes non-commercial government authorities such as the Commonwealth Scientific and Industrial Research Organisation (CSIRO) and the Australian Broadcasting Corporation (ABC).

This is the last Final Budget Outcome report to be produced primarily on a cash accounting basis. Future budget outcome reports will incorporate accrual revenue and expenses, balance sheet and cash flow information.

Part II contains the general government sector cash aggregates for 1998-99 together with an analysis of the 1998-99 Final Budget Outcome. The Commonwealth Government Finance Statistics (GFS) for the general government sector for 1998-99 are included in Appendix 1 to Part II. Appendix 2 contains the Commonwealth Government Statement of Financial Transactions (CFT) for 1998-99.

Part III provides details for 1998-99 on Federal Financial Relations, updated from that contained in the *1999-2000 Budget Paper No. 3*.

Part IV outlines the GFS framework and discusses classification issues relating to Commonwealth statistics and public sector budget concepts.

The data in this document are unaudited.

CLASSIFICATIONS

The following should be noted when using the statistical data presented in this document:

- the analysis in Part II is based on the economic type and function classifications used in the 1998-99 Budget; and
- specific purpose payments in Part III have been presented in accordance with the classifications and the basis adopted for the 1999-2000 Budget.

CASH FINANCIAL INFORMATION

PART II: COMMONWEALTH BUDGET OUTCOME

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INTRODUCTION

This Part contains the general government sector cash aggregates for 1998-99 together with an analysis of the 1998-99 Final Budget Outcome and the Commonwealth Government Statement of Financial Transactions (CFT) for 1998-99.

OVERVIEW

Table 1 provides a comparison for 1998-99 of estimates and outcomes for revenue, underlying outlays and underlying budget balance for the general government sector.

Table 1: General Government Cash Aggregates 1998-99^(e)

	1997-98 Outcome(a)	1998-99 Estimate at 1998-99 Budget(a)	1998-99 Estimate at 1999-2000 Budget (b)	1998-99 Outcome (c)(d)
	\$m	\$m	\$m	\$m
Revenue	137005	144321	146800	146521
<i>Per cent of GDP</i>	24.2	24.3	24.7	24.7
Less Underlying Outlays	135715	141543	143917	142331
<i>Per cent of GDP</i>	24.0	23.9	24.3	24.0
Equals Underlying Balance	1291	2778	2883	4190
<i>Per cent of GDP</i>	0.2	0.5	0.5	0.7
<i>Memorandum items:</i>				
Add Net advances	-15154	-15991	-5511	-6948
Equals Headline balance	16444	18769	8394	11137

- (a) Consistent with the treatment applied prior to the 1999-2000 Budget, underlying outlays and the underlying balance in these columns exclude payments by the Commonwealth in respect of accumulated public trading enterprises superannuation liabilities.
- (b) Derived estimates using data from the new accrual accounting system.
- (c) Outcomes obtained from the previous cash accounting system which has now closed following the completion of the 1998-99 financial year.
- (d) Refer to Table 2 for related data.
- (e) These data are unaudited.

BUDGET BALANCE FOR THE GENERAL GOVERNMENT SECTOR

The budget outcome for 1998-99 was an underlying cash surplus of \$4,190 million, or 0.7 per cent of gross domestic product (GDP). This compares with a surplus of \$1,291 million reported in the 1997-98 Final Budget Outcome, an improvement of \$2,899 million or 0.5 per cent of GDP.

The increased surplus has been achieved despite the inclusion in underlying outlays of \$1,298 million of public trading enterprises (PTE) related superannuation payments in 1998-99. The inclusion of these payments is consistent with recent revisions in national accounting standards by the Australian Bureau of Statistics (ABS).

The budget outcome for 1998-99 compares with an expected underlying cash surplus of \$2,883 million at the time of the 1999-2000 Budget, an improvement of \$1,307 million or 0.2 per cent of GDP. The improvement in the outcome compared to the 1999-2000 Budget estimate is predominantly due to lower than anticipated outlays.

OUTLAYS

On a Commonwealth general government sector basis, total underlying outlays in 1998-99 were around \$1.6 billion (1.0 per cent) lower than the revised estimate in the 1999-2000 Budget.

Underspends were approximately \$0.6 billion and included:

- A \$0.2 billion net underspend in the Family and Community Services Portfolio. This net underspend was mainly due to lower than expected Newstart Allowance and Childcare Assistance payments.
- A \$0.1 billion net underspend in the Education, Training and Youth Affairs Portfolio. This underspend was mainly due to end of year spending on training programmes being slightly lower than expected at Budget.

These underspends were partly offset by overspends in the order of \$0.4 billion including:

- A net overspend of \$0.2 billion in the Health and Aged Care Portfolio, largely due to higher than forecast spending on demand driven health programmes.
- Higher than expected payments of approximately \$0.1 billion relating to the Commonwealth's accumulated PTE superannuation liabilities.

Slippages were approximately \$0.15 billion including:

- A \$0.05 billion slippage in the Agriculture, Fisheries and Forestry Portfolio, due to a number of factors including continuing negotiations with the States on the Forest Industry Structural Adjustment Package.
- A \$0.1 billion slippage in the Education, Training and Youth Affairs Portfolio, primarily due to an increase in the lag between the commencement of new apprentices and subsequent payment of incentives under the Support for New Apprenticeships programme.

Underlying outlays were also around \$1.2 billion lower than estimated at the 1999-2000 Budget due to classification and other differences. The largest of these differences arises from the classification of \$650 million in sale proceeds for assets previously held by the National Transmission Agency. These sale proceeds were classified as net advances in the 1999-2000 Budget; they are now classified as an offset to outlays.

REVENUE

On a Commonwealth general government sector basis, total revenue in 1998-99 was around \$280 million (0.2 per cent) lower than the revised estimate in the 1999-2000 Budget.

- Indirect tax¹ exceeded expectations by around \$50 million, largely due to greater than expected sales tax collections.
- Income tax² was around \$20 million less than expected at Budget, with small shortfalls in Pay As You Earn (PAYE) and company tax collections mainly offset by greater than expected superannuation funds tax and lower than anticipated individual refunds.
- The remaining shortfall, in the order of \$300 million, is predominantly due to differences in classifications for non-taxation revenue applied at Budget compared to outcomes. This is mainly due to classification differences between the 1999-2000 Budget (which was prepared under the new accrual framework) and the 1998-99 Final Budget Outcome (which is prepared consistent with the GFS framework).

¹ To achieve consistency with the treatment adopted in the 1999-2000 Budget, the outcome for indirect tax (see Table 3) must be adjusted for the Diesel Fuel Rebate Scheme.

² To achieve consistency with the treatment adopted in the 1999-2000 Budget, the outcome for income tax (see Table 3) must be adjusted for interest on over-payments, and must exclude Child Support Agency Revenue.

Commonwealth Government Finance Statistics

From late 1999 onwards the ABS is changing its recording of GFS from a cash to an accrual basis. The GFS tables in the 1999-2000 Budget were presented on this new accrual basis. However, the general government GFS table presented in this appendix is on a cash basis, consistent with GFS tables in the 1998-99 Budget.

The GFS table in this appendix fulfils reporting requirements of the Charter of Budget Honesty and partially fulfils those under the cash based Uniform Presentation Framework (UPF). UPF requirements to provide GFS tables on PTE and public financial enterprises (PFE) data will be fulfilled in the near future. However, the format of these remaining GFS tables will be on an accrual basis, consistent with the 1999-2000 Budget.

The ABS sign convention is adopted, where a negative balance represents a surplus. This is in contrast to the presentation of the budget balance elsewhere in this document where a negative balance represents a deficit. Consistent with ABS practice, the current and capital deficits, in relation to the headline deficit, are separated.

Table 2: Economic Transactions of the Commonwealth General Government Sector^{(a)(b)(c)(d)}

	1998-99 \$m
Outlays	
Current outlays	
Final consumption expenditure	28827
Interest payments	7654
Subsidies paid to public trading enterprises	301
Personal benefit payments	60726
Current grants	38795
Other transfer payments	2627
<i>Total current outlays</i>	<i>138930</i>
Capital outlays	
Expenditure on new fixed assets	862
<i>Plus Expenditure on second hand assets (net)</i>	<i>-1427</i>
<i>Equals Gross fixed capital expenditure</i>	<i>-565</i>
Expenditure on land and intangible assets (net)	70
Capital grants	2602
Advances paid (net)	-6948
Other capital outlays	-4
<i>Total capital outlays</i>	<i>-4845</i>
Total outlays	134085
Total outlays (excluding net advances paid)(c)	141033
Revenue	
Taxes, fees and fines	141105
Interest received from public trading enterprises	92
Interest received from other enterprises	661
Other revenue	4662
Total revenue	146521
Financing and deficit measures	
Borrowing (net)	-7856
Increase in provisions (net)	-1298
Other financing transactions (net)	-3281
Total financing	-12436
<i>Less Increase in provisions (net)</i>	<i>-1298</i>
<i>Equals Deficit</i>	<i>-11137</i>
<i>Of which</i>	
Current deficit	-6293
Capital deficit	-4845
<i>Less Advances paid (net)</i>	<i>-6948</i>
<i>Equals Deficit adjusted for net advances</i>	<i>-4190</i>

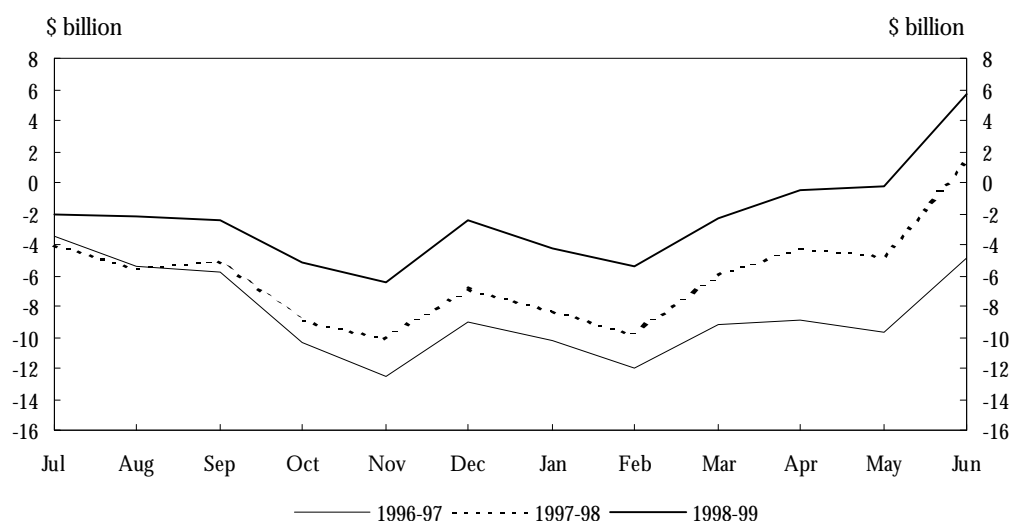
- (a) The ABS sign convention is adopted, where a negative balance represents a surplus.
- (b) These data are for the Commonwealth general government sector and are not directly comparable to data in Table 3 which are for the budget sector.
- (c) Consistent with the cash-based GFS presentation total outlays in this table excludes provisions (PTE superannuation payments). Consistent with the treatment adopted in the 1999-2000 Budget total outlays in Table 1 includes provisions.
- (d) These data are unaudited.

Commonwealth Government
Statement of Financial Transactions
Underlying Basis³

The following pages contain the CFT for the budget sector which is required to be released under Section 54 of the *Financial Management and Accountability Act 1997*. These data are presented on a budget sector basis and excludes general government activities conducted outside the Commonwealth Public Account (CPA). An explanation of the various Commonwealth sectors is provided in Part IV. This reporting requirement ceases with the 30 June 1999 CFT, in accordance with the *Financial Management and Accountability Amendment Act 1998*.

The cumulative underlying balance for 1998-99 compared to the previous two years is shown in Chart 1.

**Chart 1: Budget Sector Underlying Balances —
Cumulative Actual Monthly Balances
for Years Ended 30 June**



³ Consistent with the International Monetary Fund (IMF) Special Data Dissemination Standards (SDDS):

- In accordance with the IMF's SDDS, quarter ahead notice of the date of release of the data on central government operations, which is contained in the CFT, is given on the IMF's Data Dissemination Bulletin Board at <http://dsbb.imf.org>.
- Quarterly data on debt guaranteed by the Commonwealth (central) government that meets the coverage and timeliness requirements of the SDDS are published on the DOFA website at <http://www.dofa.gov.au>. In accordance with the IMF SDDS, quarter ahead notice of the approximate date of release of the data on debt guaranteed by the Commonwealth (central) government, is given on the IMF's Data Dissemination Bulletin Board at <http://dsbb.imf.org>.

**Table: 3 Commonwealth Government Statement of Financial Transactions
1998-99 Underlying Basis (\$ million)^{(f)(g)(h)(i)}**

	Budget estimate 1998-99	Month of June 1999		12 months to 30.06.99	12 months to 30.06.98
Underlying Outlays					
General Public Services					
Legislative and Executive Affairs	612	105.9	Cr	630.7	527.5
Financial and Fiscal Affairs	1964	29.7		1932.1	1729.0
Foreign Economic Aid	1811	226.8		1773.7	1720.0
General Research	1256	93.2		1257.3	1225.3
General Services	48	334.1	Cr	104.3	265.0
Govt Superannuation Benefits	1651	15.5	Cr	1689.2	1595.9
Defence	10981	1586.1		11202.0	10473.2
Public Order and Safety	1010	78.0		963.4	999.2
Education	9536	569.2		9736.2	10756.4
Health	22273	2143.3		23343.2	20658.3
Social Security and Welfare	53458	4268.6		52778.8	50187.0
Housing and Community Amenities	1330	127.7		1196.2	1028.9
Recreation and Culture	1335	116.3		1360.4	1287.4
Fuel and Energy	27	4.5		18.6	56.1
Agriculture, Forestry and Fishing	2073	188.8		1976.4	1990.7
Mining & Mineral Resources, other than Fuels:					
Manufacturing; and Construction	1741	215.4		1688.5	1649.0
Transport and Communication	1435	210.5		1304.4	1070.0
Other Economic Affairs					
Tourism and Area Promotion	102	3.3		94.8	90.9
Labour and Employment Affairs	2737	322.2		2232.8	2557.8
Other Economic Affairs	342	26.1		350.8	305.9
Other Purposes					
Public Debt Interest	7745	273.2		7507.6	8400.5
General Purpose Inter-Govt Transactions	18405	1599.8		18410.4	17842.0
Natural Disaster Relief	37	31.6		53.2	76.3
Contingency Reserve	288	-		-	-
Asset Sales	46	639.8	Cr	582.2	178.9
Total Underlying Outlays	141570	11018.8		140814.4	135783.7
Revenue					
Taxation Revenue					
Income Tax					
Individuals -					
PAYE (a)	70996	5664.9		71156.8	65705.5
Other Individuals (a) (b) (c)	11590	2622.9		13102.8	12118.5
Prescribed Payments System (a) (d)	2710	231.1		2793.8	2523.7
Refunds (a) (e)	10406	212.5	Dr	10324.9	9525.4
Total Individuals	74890	8306.4		76728.5	70822.3
Companies (b)	19900	4474.1		20733.5	19406.1
Superannuation Funds (b)	2950	827.8		3916.2	3093.4
Withholding Tax	1190	91.2		1219.6	1136.8
Petroleum Resource Rent Tax	960	-		418.9	907.2
Fringe Benefits Tax	3320	125.0	Dr	3288.9	3168.0
Total Income Tax	103210	13574.4		106305.6	98533.8
Indirect Tax					
Sales Tax	15090	1205.9		15161.9	14084.8
Excise Duty					
Petroleum Products, Crude Oil and LPG	11110	1055.2		11005.2	10911.1
Other	2650	279.0		2613.7	2662.8
Customs Duty - Imports	3670	341.5		3633.9	3637.0
Total Indirect Tax	32520	2881.6		32414.7	31295.7
Other Taxes, Fees and Fines	2442	268.2		2383.2	2389.8
Total Taxation Revenue	138172	16724.2		141103.5	132219.3
Non-Tax Revenue					
Interest	1100	231.9		681.8	1139.3
Dividends and Other	4986	87.4	Dr	4658.7	3609.8
Total Non-Tax Revenue	6086	144.5		5340.5	4749.1
Total Revenue	144258	16868.7		146444.1	136968.5
Underlying Balance	2688	5849.9	Cr	5629.7	1184.8
<i>Memorandum items:</i>					
Net Advances	16027	5876.0	Cr	7075.2	15282.7
Headline Balance	18715	11725.9	Cr	12704.9	16467.5

**Table: 3 Commonwealth Government Statement of Financial Transactions
1998-99 Underlying Basis (\$ million)^{(f)(g)(h)(i)} — continued**

	Budget estimate 1998-99	Month of June 1999	12 months to 30.06.99	12 months to 30.06.98
Financing Transactions				
Domestic Financing				
Treasury Bonds		2500.2 Dr	3735.5 Dr	8111.7 Dr
Treasury Adjustable Bonds		-	-	3697.6 Dr
Treasury Indexed Bonds	100.0		429.5	695.7
Treasury Notes		1470.1 Dr	3217.9 Dr	2909.3 Dr
Australian Savings Bonds		.. Dr	0.4 Dr	0.4 Dr
Use of Cash Balances	15644.0		1012.4 Dr	3360.7
Other Loans and Financing Transactions		23417.8 Dr	4035.2 Dr	5018.2 Dr
Total Domestic Financing		11644.1 Dr	11571.9 Dr	15680.8 Dr
Overseas Financing		81.9 Dr	1133.0 Dr	786.7 Dr
Total Financing Transactions	18715 Dr	11725.9 Dr	12704.9 Dr	16467.5 Dr

.. Not zero, but rounded to zero.

(a) These figures include the Medicare levy.

(b) Includes tax on realised capital gains.

(c) Includes Child Support Reserve receipts (estimated at \$518m in 1998-99).

(d) Includes Reportable Payments System payments by individuals (estimated at \$1m in 1998-99).

(e) Includes refunds of Child Support Reserve receipts (estimated at \$12m in 1998-99).

(f) Cr - Credit.

(g) Dr - Debit.

(h) Excludes payments by the Commonwealth in respect of accumulated public trading enterprises superannuation liabilities.

(i) These data are unaudited.

Note: Totals may not add due to rounding.

Peter J. Boxall
Secretary to the Department of Finance
and Administration
September 1999

John Fahey
Minister for Finance
and Administration
September 1999

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ACCRUAL FINANCIAL INFORMATION

PART III: FEDERAL FINANCIAL RELATIONS

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INTRODUCTION⁴

This part provides information concerning general purpose payments, revenue replacement payments, state fiscal contributions and specific purpose payments to the States in 1998-99. The information is prepared on an accrual basis and supplements material provided in *Budget Paper No. 3, Federal Financial Relations, 1999-2000*.

GENERAL REVENUE ASSISTANCE

In 1998-99, general revenue assistance to the States comprised financial assistance grants (FAGs), national competition payments (NCPs) and special revenue assistance (SRA). In contrast to most specific purpose payments, general revenue assistance is not required to be spent by the States in a specified area.

As shown below in Table 4, the level of FAGs in 1998-99 was \$16,780.1 million. This is more than the Budget estimate of \$16,772.5 million, due to higher than expected population growth.

Table 4: Level of Financial Assistance Grants

	\$m
1998-99 Base FAGs (a)	16361.3
Plus Adjustment for CPI (b)	197.6
Plus Per Capita Terms Adjustment (c)	221.2
Equals 1998-99 FAGs	16780.1

(a) The amount set by the *States Grants (General Purposes) Act 1994* (the Act) as base assistance for 1998-99.

(b) The adjustment is based on an index factor calculated by dividing the sum of CPI index numbers for four quarters to the March quarter 1999 (486.0) by the sum of CPI index numbers for the four quarters to the March quarter 1998 (480.2).

(c) This adjustment is based on an index factor calculated by dividing the estimated total population of 18,868,634 at 31 December 1998 by the estimated population of 18,619,879 at 31 December 1997.

Table 5 shows the distribution of FAGs for 1998-99. This distribution differed from the estimates shown in *1999-2000 Budget Paper No. 3* because:

- the 31 December 1997 and 31 December 1998 population determinations made by the Statistician on 8 June 1999 differed from the population estimates at the time of the 1999-2000 Budget; and

⁴ Details on the Commonwealth Loan Council Allocation will be addressed in the Mid-Year Economic and Fiscal Outlook publication expected to be released in November 1999.

- the final determination of unquarantined health care grants (HCGs) for 1998–99 made by the Minister for Health and Aged Care also differed from the 1999-2000 Budget time estimates.

Table 5: Financial Assistance Grants to the States

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
(1) Population as at 31 December 1998 (000's) (a)	6384.3	4689.8	3485.2	1847.8	1490.4	471.1	308.7	191.4	18868.6
(2) Per capita relativities (b)	0.87765	0.88042	1.02186	0.98252	1.22194	1.55086	0.95145	4.81869	na
(3) Weighted populations (000's) - (1) times (2)	5603.1	4129.0	3561.4	1815.5	1821.2	730.6	293.7	922.2	18876.7
(4) Share of each State in weighted population (per cent) (c)	29.7	21.9	18.9	9.6	9.6	3.9	1.6	4.9	100.0
(5) FAGs and unquarantined HCGs according to (4) (\$m)	6578.7	4847.9	4181.4	2131.6	2138.3	857.9	344.9	1082.7	22163.3
(6) Unquarantined HCGs (\$m)	1845.6	1315.7	985.2	517.0	471.5	121.6	66.5	60.1	5383.2
(7) Total FAGs - (5) less (6) (\$m) (d)	4733.1	3532.2	3196.2	1614.6	1666.8	736.3	278.4	1022.6	16780.1

(a) The population as at 31 December 1998 was determined by the Australian Statistician in accordance with the Act.

(b) The per capita relativities recommended by the Commonwealth Grants Commission.

(c) For ease of presentation, weighted population shares rounded to one decimal place are shown. However, in calculating row (5), unrounded shares are used in accordance with the Act.

(d) The table shows the gross level of FAGs to the States. The actual payments made to some States were reduced by the amount of their fiscal contribution to the Commonwealth.

Details of NCPs in 1998-99 are shown in Table 6. NCPs are distributed between the States on an equal per capita basis and payment is subject to satisfactory progress under the *Agreement to Implement the National Competition Policy and Related Reforms*.

Table 6: National Competition Payments

NSW \$m	VIC \$m	QLD \$m	WA \$m	SA \$m	TAS \$m	ACT \$m	NT \$m	Total \$m
73.0	53.6	39.8	21.1	17.0	5.4	3.5	2.2	215.7

In 1998-99, in accordance with the recommendation of the Commonwealth Grants Commission, a SRA payment of \$25 million was made to the Australian Capital Territory for transitional allowances and special fiscal needs.

In accordance with the 1996 Premiers' Conference agreement, untied funds previously paid to the States as identified road grants were absorbed into the FAGs pool in 1997-98. Table 7 shows the equivalent amount of each State's FAGs in 1998-99.

Table 7: Addition to Financial Assistance Grants from the Absorption of Untied Identified Road Grants

NSW \$m	VIC \$m	QLD \$m	WA \$m	SA \$m	TAS \$m	ACT \$m	NT \$m	Total \$m
117.9	86.9	74.9	38.2	38.3	15.4	6.2	19.4	397.2

REVENUE REPLACEMENT PAYMENTS

The arrangements governing revenue replacement payments (RRPs) are set out in *Budget Paper No. 3, Federal Financial Relations, 1999-2000*. All revenues collected by the Commonwealth under the 'safety net' arrangements are returned to the States (less administrative costs) as RRP. The level of RRP was around \$113.7 million higher than estimated at the time of the 1999-2000 Budget, primarily due to higher than expected collections associated with tobacco products. Details of RRP made to the States in 1998-99 are set out in Table 8.

Table 8: Revenue Replacement Payments to the States^(a)

			NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
Tobacco	Share	(Per cent)	0.32492	0.21803	0.19065	0.11100	0.08988	0.03226	0.01456	0.01870	
	Amount	(\$m)	1044.2	700.7	612.7	356.7	288.8	103.7	46.8	60.1	3213.6
Petroleum	Share	(Per cent)	0.30039	0.20153	0.19593	0.17118	0.07549	0.02453	0.01291	0.01804	
	Amount	(\$m)	765.2	513.4	499.1	436.1	192.3	62.5	32.9	46.0	2547.4
Alcohol	Share	(Per cent)	0.33796	0.22332	0.19314	0.11147	0.07857	0.02415	0.01569	0.01569	
	Amount	(\$m)	334.9	221.3	191.4	110.5	77.9	23.9	15.5	15.5	990.9
Total		(\$m)	2144.3	1435.3	1303.2	903.2	559.0	190.1	95.2	121.6	6752.0

(a) Payments include a deduction for administration costs incurred by the Commonwealth of \$4,402,523 for tobacco products, \$579,482 for petroleum products and \$1,880,006 for alcohol products.

STATE FISCAL CONTRIBUTIONS

In accordance with arrangements agreed at the 1996 Premiers' Conference, the States made a contribution of \$313.4 million to the Commonwealth's deficit reduction programme in 1998–99. Table 9 shows the contribution from each State and the method of payment.

Table 9: State Fiscal Contributions

	\$m	Method of Payment
NSW	101.5	Direct payments
VIC	74.6	Direct payments
QLD	55.4	CSHA deduction (a)
WA	29.4	Deduction from FAGs
SA	23.7	CSHA deduction (a) (\$5m) and direct payments (\$18.7m)
TAS	15.6	Deduction from FAGs
ACT	10.2	CSHA deduction (a) (\$5.4m) and lump-sum payment (\$4.8m)
NT	3.0	CSHA deduction (a)
Total	313.4	

(a) Payments provided under the Commonwealth-State Housing Agreement.

LOCAL GOVERNMENT GENERAL PURPOSE ASSISTANCE

Table 10 provides details of Commonwealth payments to local government authorities in 1998–99 for each of the six States and the Northern Territory, and an analogous payment made to the Australian Capital Territory.

In 1998–99, local government general purpose assistance was increased on the basis of an annual escalation factor determined by the Treasurer. The factor reflects the underlying real per capita growth in general revenue assistance to the States. A preliminary factor of 1.0298 was determined in May 1998 and a final factor of 1.0256 was determined in June 1999, reflecting a lower than expected CPI outcome. This has resulted in an overpayment to local government of around \$5.1 million in 1998-99 for which there will be an adjustment in 1999-2000, as provided for under the *Local Government (Financial Assistance) Act 1995*.

Table 10: General Purpose Assistance for Local Government

	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Financial Assistance Grants	287.9	211.2	156.6	82.7	67.7	21.5	14.1	8.6	850.4
Identified Road Funding	109.5	77.8	70.7	57.7	20.7	20.0	12.1	8.8	377.4
Total General Purpose Assistance (a)	397.4	289.0	227.3	140.4	88.4	41.5	26.2	17.5	1227.8

(a) Total general purpose assistance was the actual payment that the State received on behalf of local governments in 1998-99. It is equal to the estimated entitlement for 1998-99, adjusted for an overpayment from 1997-98.

SPECIFIC PURPOSE PAYMENTS

Consistent with the 1999-2000 Budget Papers, data on specific purpose payments have been prepared on an accrual basis rather than the cash basis of previous years. In relation to specific purpose payments, the main difference between the two accounting treatments relates to the time at which payments are recognised. The change in treatment has had the most significant impact on payments in the education function which under cash were effectively treated on a calendar year basis. Under accruals the expense is allocated across the relevant financial years.

In addition, Tables 11 and 12 report payments made by the Commonwealth general government sector rather than the more limited Commonwealth budget sector. This change involves the inclusion of payments to the States and local government made by the Australian National Training Authority.

Tables 11 and 12 provide information on Commonwealth specific purpose payments to the States together with details of repayments and interest on advances and loans to the States. The majority of these advances were funded from borrowings made on behalf of the States under the State Governments' Loan Council programme.

Details are classified as follows:

- specific purpose payments
 - current;
 - capital;
- repayments of advances (including repayments to the Debt Sinking Fund);
- details of new advances made; and
- interest on Commonwealth advances.

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

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
SPECIFIC PURPOSE PAYMENTS - CURRENT PURPOSES									
<i>Public Order and Safety</i>									
Legal Aid	31,100	-	-	8,250	9,000	3,720	3,006	2,011	57,087
Confiscated Assets Trust Fund	-	-	-	868	-	-	-	-	868
Gun Buyback Scheme	29,500	23,694	7,500	-	2,000	2,311	-	860	65,865
Film and Literature Classifications	76	76	76	76	76	76	75	76	607
Human Rights: Co-operative Arrangements with the States	-	370	-	259	288	-	-	-	917
<i>Public Order and Safety - Total</i>	60,676	24,140	7,576	9,453	11,364	6,107	3,081	2,947	125,344
<i>Education</i>									
Advanced English for Migrants Program (AEMP)	2,111	1,687	526	455	348	60	146	74	5,407
Government Schools	375,349	262,239	212,904	117,390	84,534	32,629	19,794	13,908	1,118,747
* Non-Government Schools	785,126	637,364	430,621	230,656	177,877	51,419	53,193	21,500	2,387,756
Vocational Education and Training Funding Act (a)	292,241	213,627	140,703	82,913	72,516	27,296	16,456	9,376	855,128
Targeted and Joint Programmes Government Schools	106,559	71,089	48,767	27,270	24,613	8,352	3,842	6,245	296,737
* Targeted Programmes Non-Government Schools	48,665	40,319	18,287	10,861	10,213	2,051	2,212	1,227	133,835
Indigenous Education Strategic Initiatives Programme - Government	10,554	2,212	9,998	13,957	8,269	1,305	361	19,885	66,541
* Indigenous Education Strategic Initiatives Programme - Non-Government	9,201	1,756	6,798	13,982	2,247	739	902	11,255	46,880
<i>Education - Total</i>	1,629,806	1,230,293	868,604	497,484	380,617	123,851	96,906	83,470	4,911,031

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

Function									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Health									
Blood Transfusion Services	19,724	12,861	8,957	5,568	4,618	1,322	941	495	54,486
Health Program Grants	-	3,918	-	14,548	31,962	-	2,682	1,133	54,243
Hospital Funding/Base Medicare	-	-	-	694	-	-	-	-	694
Health Care Grants (b)	1,904,603	1,366,005	1,045,890	569,599	477,644	127,813	71,060	81,273	5,643,887
Other Medicare	1	37	6,604	-	1	911	-	-	7,554
Aged Care Assessment	3,263	2,587	1,671	1,169	1,057	424	70	344	10,585
National Health Development Fund	-	-	-	-	-	-	-	-	-
Medicare Related Payments	-	357	-	-	-	-	-	-	357
Magnetic Resonance Imaging (MRI)	1,411	1,129	805	564	565	282	255	-	5,011
Highly Specialised Drugs	86,813	59,806	36,136	14,514	15,245	4,268	4,052	2,332	223,168
Home and Community Care	27,555	44,086	20,132	17,290	12,511	4,244	636	118	126,572
Youth Health Services	717	531	373	193	175	54	49	-	2,092
National Public Health	49,086	33,841	25,066	15,321	13,371	6,086	3,778	3,696	150,245
University Departments of Rural Health	1,500	1,500	1,500	1,500	1,500	114	-	1,500	9,114
National Youth Suicide Strategy	788	504	725	247	157	118	-	86	2,625
Transfer Pathology Laboratories	10	152	17	-	-	-	-	-	179
Repatriation General Hospital	130	3,011	-	-	315	28	-	-	3,484
Essential Vaccines	11,634	8,604	5,971	3,289	2,955	998	504	431	34,386
Health - Total	2,107,235	1,538,929	1,153,847	644,496	562,076	146,662	84,027	91,408	6,328,680

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Social Security and Welfare</i>									
Aged Care Assessment	9,407	7,166	4,614	2,756	2,526	890	209	430	27,998
Home and Community Care	128,307	97,140	61,900	31,067	32,131	8,952	4,668	2,952	367,117
Disabilities Services	111,251	73,584	66,323	23,978	42,408	13,040	4,251	3,256	338,090
Children's Services	565	834	404	268	21,066	196	50	38	23,421
Supported Accommodation Assistance	44,244	29,135	20,408	14,219	13,322	5,862	3,742	3,298	134,230
Unattached Humanitarian Minors	-	71	18	13	22	-	-	-	124
Exceptional Circumstances (EC) Administration	151	483	675	-	-	2	-	-	1,311
Extension of Fringe Benefits	52,825	37,764	26,369	13,278	15,023	4,825	1,072	736	151,891
Native Title	-	-	-	-	-	-	-	-	-
Victorian Gas Emergency Assistance Fund	40	8,244	-	-	-	-	-	-	8,284
<i>Social Security and Welfare - Total</i>	346,790	254,421	180,710	85,578	126,498	33,768	13,992	10,710	1,052,466
<i>Housing and Community Amenities</i>									
Assistance for Housing	1,848	1,348	424	627	941	314	-	-	5,500
Assistance for Water and Sewerage	-	-	-	-	-	-	7,997	-	7,997
Remote Sensing of Landcover	-	-	-	-	-	-	-	-	-
Tasmanian Regional Forest Agreement	-	-	-	-	-	8,400	-	-	8,400
Natural Heritage Trust - Bushcare	11,391	6,294	7,933	7,407	4,752	3,060	387	2,068	43,292
Natural Heritage Trust of Australia - Coasts and Clean Seas Initiative	3,014	1,169	1,726	2,375	1,198	2,215	-	758	12,455

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Natural Heritage Trust of Australia - National Rivercare Programme	292	150	212	210	210	55	70	135	1,334
Natural Heritage Trust of Australia - Endangered Species Programme	119	279	344	1,178	311	580	22	36	2,869
Natural Heritage Trust of Australia - National Feral Animal Control Programme	164	102	-	105	80	287	-	63	801
Natural Heritage Trust of Australia - Air Pollution in Major Cities	-	-	-	122	70	-	-	-	192
<i>Housing and Community Amenities Total</i>	16,828	9,342	10,639	12,024	7,562	14,911	8,476	3,060	82,840
<i>Recreation and Culture</i>									
Natural Heritage Trust of Australia - National Wetlands Programme	511	135	177	169	175	119	40	100	1,426
Natural Heritage Trust of Australia - National Reserve System Programme	-	78	2,400	60	15	21	-	211	2,785
Natural Heritage Trust of Australia - World Heritage Area Management and Upkeep	2,060	-	4,241	534	404	2,005	-	-	9,244
Management of World Heritage Properties	-	-	-	-	-	5,000	-	-	5,000
* Payments to the Sydney Organising Committee for the Olympic Games (SOCOG) for Games related services	-	-	-	-	-	-	-	-	-
Upgrade Tasmanian Sporting Facilities	-	-	-	-	-	10,000	-	-	10,000
Inveresk Woodchopping Stadium	-	-	-	-	-	60	-	-	60
Contemporary Music Package - State Pilots	-	-	-	-	300	300	-	-	600
<i>Recreation and Culture - Total</i>	2,571	213	6,818	763	894	17,505	40	311	29,115

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Agriculture, Forestry and Fishing</i>									
Natural Heritage Trust of Australia - National Weeds Programme	25	-	143	-	-	-	-	-	168
Natural Heritage Trust of Australia - National Landcare Programme	1,812	578	5,586	152	2,197	2,308	146	1,078	13,857
Natural Heritage Trust of Australia - Farm Forestry Programme	888	1,085	1,071	826	225	321	29	79	4,524
Natural Heritage Trust of Australia - Murray Darling 2001	6,966	460	-	-	2,224	-	-	-	9,650
Tasmanian Wheat Freight Subsidy	-	-	-	-	-	1,200	-	-	1,200
Bovine Brucellosis and Tuberculosis	16	-	362	868	-	-	-	2,388	3,634
Exotic Disease Eradication	150	-	41	-	-	-	-	56	247
Sustainable Forest Management	1,599	-	-	-	-	-	-	-	1,599
National Landcare Program (NLP)	11,900	10,412	5,992	10,426	5,056	980	196	2,423	47,385
Rural Adjustment Scheme	13,119	10,302	14,295	-	3,416	1,355	-	186	42,673
Natural Heritage Trust of Australia - National River Health Programme	2,549	1,494	3,332	3,389	1,042	1,463	109	460	13,838
Natural Heritage Trust of Australia - Waterwatch Australia	237	399	328	270	306	290	111	143	2,084
Natural Heritage Trust of Australia - Waste Management Awareness	150	-	-	-	-	-	-	60	210
Natural Heritage Trust of Australia - Riverworks Tasmania	-	-	-	-	-	-	-	-	-
Natural Heritage Trust of Australia - Fisheries Action Program	184	106	215	201	98	162	45	32	1,043
Natural Heritage Trust of Australia - National Land and Water Resources Audit	-	77	165	107	127	-	-	-	476

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Natural Heritage Trust of Australia - FarmBis - Advanced PMP (Property Management Planning)	1,189	798	-	-	179	120	-	59	2,345
<i>Agriculture, Forestry and Fishing - Total</i>	40,784	25,711	31,530	16,239	14,870	8,199	636	6,964	144,933
<i>Mining and Mineral Resources; other than Fuels; Manufacturing; and Construction</i>									
Enterprise Development Program	662	454	377	333	522	213	240	94	2,895
* Textiles, Clothing & Footwear Development	776	870	372	136	263	192	31	38	2,678
<i>Mining and Mineral Resources; other than Fuels; Manufacturing; and Construction - Total</i>	1,438	1,324	749	469	785	405	271	132	5,573
<i>Transport and Communication</i>									
Interstate Road Transport	8,731	5,080	1,798	811	2,289	95	95	95	18,994
* AN - Payments for regional assistance	-	-	-	-	-	-	-	200	200
* Petroleum Products Freight Subsidy Scheme	363	-	1,601	67	173	-	-	1,827	4,031
<i>Transport and Communication - Total</i>	9,094	5,080	3,399	878	2,462	95	95	2,122	23,225
<i>Total Other Economic Affairs</i>									
Training for Aboriginals Programme	1,016	-	132	-	-	413	-	-	1,561
<i>Total Other Economic Affairs - Total</i>	1,016	-	132	-	-	413	-	-	1,561

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

Function									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Other Purposes									
Debt Redemption Assistance	63,684	5,569	3,629	2,445	3,123	2,116	-	1,127	81,693
* Financial Assistance Grants for Local Government									
-Financial Assistance Grants	287,903	211,249	156,615	82,687	67,694	21,536	14,105	8,637	850,426
-Identified Local Roads Grants	109,484	77,798	70,703	57,699	20,738	19,997	12,100	8,840	377,359
Compensation - Companies Regulation	44,355	38,776	21,837	13,441	9,998	3,097	-	1,975	133,479
Natural Disaster Relief	450	12	5,172	225	-	-	-	866	6,725
Royalties	-	-	-	170,102	-	-	-	2,192	172,294
ACT National Capital Influences	-	-	-	-	-	-	19,890	-	19,890
Other Purposes - Total	505,876	333,404	257,957	326,599	101,552	46,746	46,095	23,637	1,641,866
TOTAL CURRENT	4,722,114	3,422,856	2,521,960	1,593,983	1,208,679	398,661	253,619	224,761	14,346,634
SPECIFIC PURPOSE PAYMENTS - CAPITAL PURPOSES									
Education									
Government Schools	75,009	50,976	40,828	22,227	17,354	6,186	3,893	2,782	219,255
* Non-Government Schools	28,445	24,190	14,526	7,928	6,338	2,088	2,001	680	86,196
* Indigenous Education Strategic Initiatives Programme	1,873	107	3,884	1,899	214	203	13	1,635	9,828
Education - Total	105,327	75,273	59,238	32,054	23,906	8,477	5,907	5,097	315,279

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Health									
Home and Community Care	-	-	182	211	30	10	-	-	433
Blood Transfusion Services	2,530	2,356	766	706	749	195	77	121	7,500
Health - Total	2,530	2,356	948	917	779	205	77	121	7,933
Social Security and Welfare									
Home and Community Care	-	-	5,491	391	79	250	-	-	6,211
Children's Services	-	-	160	-	350	-	-	-	510
Crisis Accommodation Assistance	13,417	9,856	7,325	3,884	3,132	990	649	402	39,655
Social Security and Welfare - Total	13,417	9,856	12,976	4,275	3,561	1,240	649	402	46,376
Housing and Community Amenities									
NT Indigenous Health Infrastructure	-	-	-	-	-	-	-	10,000	10,000
Housing Assistance for Indigenous People	17,777	3,638	25,227	15,862	8,342	696	-	19,458	91,000
Community Housing	21,651	15,905	11,819	6,267	5,054	1,598	1,047	649	63,990
Commonwealth-State Housing Agreement (CSHA) Block Assistance/Base Funding (c)	256,461	188,181	84,094	73,653	55,306	23,171	12,295	10,621	703,782
Social Housing Subsidy Program	2,112	-	-	-	-	-	135	-	2,247
Tasmanian Regional Forest Agreement	-	-	-	-	-	300	-	-	300
Housing and Community Amenities - Total	298,001	207,724	121,140	95,782	68,702	25,765	13,477	40,728	871,319

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Recreation and Culture</i>									
Natural Heritage Trust of Australia - National Reserve System Programme	2,108	390	3,321	1,538	384	-	-	-	7,741
Queensland Sugar Coast Environment Rescue Package	-	-	240	-	-	-	-	-	240
<i>Recreation and Culture - Total</i>	2,108	390	3,561	1,538	384	-	-	-	7,981
<i>Agriculture, Forestry and Fishing</i>									
Natural Heritage Trust of Australia - Murray Darling 2001	3,587	12,908	3,024	-	1,462	-	-	-	20,981
Natural Heritage Trust of Australia - National Landcare Programme	9,401	4,423	2,010	5,144	6,251	-	-	377	27,606
Sugar	1,000	-	1,072	-	-	-	-	-	2,072
National Landcare Program (NLP)	2,481	3,014	-	-	-	-	-	-	5,495
Tasmanian Regional Forest Agreement	-	-	-	-	-	25,400	-	-	25,400
<i>Agriculture, Forestry and Fishing - Total</i>	16,469	20,345	6,106	5,144	7,713	25,400	-	377	81,554
<i>Transport and Communication</i>									
Adelaide Airport Runway	-	-	-	-	-	-	-	-	-
Road Programs	315,489	107,596	196,111	87,287	100,700	31,366	12,599	25,319	876,467
Road Safety Blackspots - States	11,999	8,928	6,499	4,072	2,953	1,193	448	554	36,646
Federation Fund Projects - Tasmania	-	-	-	-	-	446	-	-	446
Federation Fund Projects - Queensland	-	-	-	-	-	-	-	-	-
Federation Fund Projects - New South Wales/Victoria	-	-	-	-	-	-	-	-	-
* Payment to Tasmania for Track Upgrading	-	-	-	-	-	1,614	-	-	1,614

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Transport and Communication - Total</i>	327,488	116,524	202,610	91,359	103,653	34,619	13,047	25,873	915,173
<i>Tourism</i>									
Tasmanian Regional Forest Agreement	-	-	-	-	-	1,000	-	-	1,000
Inveresk Redevelopment	-	-	-	-	-	1,659	-	-	1,659
<i>Tourism - Total</i>	-	-	-	-	-	2,659	-	-	2,659
<i>Other Purposes</i>									
Sinking Fund on State Debt	797	191	1,042	888	986	956	-	323	5,183
Natural Disaster Relief	-	-	37,316	-	-	-	-	4,093	41,409
<i>Other Purposes - Total</i>	797	191	38,358	888	986	956	-	4,416	46,592
TOTAL CAPITAL	766,137	432,659	444,937	231,957	209,684	99,321	33,157	77,014	2,294,865
REPAYMENTS									
Supplementary Contributions	1,085	-	26,404	2,748	1,232	6,135	-	2,657	40,263
Payments to Debt Sinking Funds	3,216	772	4,206	3,585	3,979	3,857	-	1,302	20,917
Total	4,301	772	30,610	6,334	5,211	9,992	-	3,960	61,179

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Repayments of Commonwealth Government Loans</i>									
ACT Debt Repayments	-	-	-	-	-	-	2,600	-	2,600
Loan Council - Housing Nominations	4,243	416,764	1,561	2,706	2,541	1,138	-	1,412	430,364
<i>Repayments of Commonwealth Government Loans - Total</i>	4,243	416,764	1,561	2,706	2,541	1,138	2,600	1,412	432,964
<i>Defence</i>									
Housing for Servicemen	-	8,103	644	112	21	-	-	-	8,880
<i>Defence - Total</i>	-	8,103	644	112	21	-	-	-	8,880
<i>Housing and Community Amenities</i>									
CSHA Loans	26,609	976,687	7,188	6,861	7,734	2,962	-	392	1,028,434
Other Housing	-	-	-	-	-	-	4,984	2,039	7,023
Urban Water Supply and Treatment	-	-	-	87	230	-	-	-	317
NT - Water and Sewerage Assistance	-	-	-	-	-	-	-	136	136
Growth Centres	188	-	-	-	-	-	-	-	188
Urban Rehabilitation	-	205	-	-	-	-	-	-	205
Community Facilities - Townsville	-	-	26	-	-	-	-	-	26
Captains Flat (Abatement of Pollution) Agreement	20	-	-	-	-	-	-	-	20
Sewerage	1,689	-	422	3	-	-	-	-	2,114
<i>Housing and Community Amenities - Total</i>	28,506	976,892	7,636	6,951	7,964	2,962	4,984	2,567	1,038,463

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Agriculture, Forestry and Fishing</i>									
Dairy Adjustment Programme	30	-	141	-	-	-	-	-	171
Bovine Brucellosis and Tuberculosis	-	-	-	-	-	-	-	197	197
Rural Adjustment Scheme	3,059	111	2,158	16	16	-	-	353	5,713
War Service Land Settlement Scheme	370	394	-	-	116	9	-	-	889
Brigalow Lands Development Scheme	-	-	267	-	-	-	-	-	267
Softwood Forestry	-	-	-	879	-	-	-	-	879
<i>Agriculture, Forestry and Fishing - Total</i>	3,459	505	2,566	895	132	9	-	550	8,116
<i>Transport and Communication</i>									
Railway Projects	96	96	2,217	794	-	-	-	-	3,203
<i>Transport and Communication - Total</i>	96	96	2,217	794	-	-	-	-	3,203
<i>Other Purposes</i>									
Natural Disaster Relief	2,158	-	642	-	-	-	-	-	2,800
<i>Other Purposes - Total</i>	2,158	-	642	-	-	-	-	-	2,800
TOTAL REPAYMENTS	42,763	1,403,132	45,876	17,792	15,869	14,101	7,584	8,489	1,555,605

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ADVANCES									
<i>Other Purposes</i>									
Natural Disaster Relief	-	-	350	-	-	-	-	285	635
Other Purposes - Total	-	-	350	-	-	-	-	285	635
TOTAL ADVANCES	-	-	350	-	-	-	-	285	635
INTEREST									
Interest on Loan Council and NT Government Borrowings	22,958	4,288	14,948	39,344	37,632	39,781	-	14,494	173,445
Total	22,958	4,288	14,948	39,344	37,632	39,781	-	14,494	173,445
<i>Interest on Commonwealth Government Loans</i>									
ACT Government Debt	-	-	-	-	-	-	10,901	-	10,901
Housing Nominations	22,469	16,388	8,105	13,883	13,580	5,969	-	7,790	88,184
Interest on Commonwealth Government Loans - Total	22,469	16,388	8,105	13,883	13,580	5,969	10,901	7,790	99,085
<i>Defence</i>									
Housing for Servicemen	-	9,934	2,971	320	212	-	-	-	13,437

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Defence - Total</i>	-	9,934	2,971	320	212	-	-	-	13,437
<i>Housing and Community Amenities</i>									
CSHA Loans	50,028	29,232	13,845	13,255	20,291	6,659	-	1,591	134,901
Other Housing	-	-	-	-	-	-	11,631	4,554	16,185
Urban Water Supply and Treatment	-	-	-	30	1,311	-	-	-	1,341
NT - Water and Sewerage Assistance	-	-	-	-	-	-	-	664	664
Growth Centres	176	-	-	-	-	-	-	-	176
Urban Rehabilitation	-	92	-	-	-	-	-	-	92
Sewerage	7,046	-	1,879	11	-	-	-	-	8,936
Community Facilities - Townsville	-	-	20	-	-	-	-	-	20
Captains Flat (Abatement of Pollution) Agreement	11	-	-	-	-	-	-	-	11
<i>Housing and Community Amenities - Total</i>	57,261	29,324	15,744	13,296	21,602	6,659	11,631	6,809	162,326
<i>Agriculture, Forestry and Fishing</i>									
Dairy Adjustment Programme	2	-	15	-	-	-	-	-	17
Bovine Brucellosis and Tuberculosis	-	-	-	-	-	-	-	14	14
Rural Adjustment Scheme	992	-	790	-	-	-	-	152	1,934
Brigalow Land Development Scheme	-	-	114	-	-	-	-	-	114
Softwood Forestry	-	-	-	50	-	-	-	-	50
War Service Land Settlement Scheme	222	235	-	-	21	2	-	-	481
<i>Agriculture, Forestry and Fishing - Total</i>	1,216	235	919	50	21	2	-	166	2,610

Table 11: Estimated Specific Purpose Payments to the States, Repayments of Advances, Advances and Interest Payments

Function									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Transport and Communication									
Railway Projects	68	63	172	453	-	-	-	-	756
Transport and Communication - Total	68	63	172	453	-	-	-	-	756
Other Purposes									
Natural Disaster Relief	122	-	38	-	-	-	-	-	160
Other Purposes - Total	122	-	38	-	-	-	-	-	160
TOTAL INTEREST	104,094	60,232	42,897	67,346	73,047	52,411	22,532	29,260	451,819
SUMMARY OF SPECIFIC PURPOSE PAYMENTS									
Total Specific Purpose Payments	5,488,251	3,855,516	2,966,897	1,825,940	1,418,363	497,982	286,776	301,775	16,641,499
Total 'To'	4,216,415	2,861,863	2,263,490	1,420,025	1,132,606	398,143	202,219	245,936	12,740,696
Total 'Through'	1,271,836	993,653	703,407	405,915	285,757	99,839	84,557	55,839	3,900,803

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

- (a) These funds include supplementation for the 1998 calendar year but not for 1999. The amount of supplementation is determined and approved each year by Parliament as an amendment to the Vocational Education and Training Funding Act. In addition to the figures paid to the States/Territories listed above, is an amount of \$15m allocated for Industry based Skill Centres and Skill Centres for School Centres. This money is paid through the States on approval of proposals submitted to the Australian National Training Authority.
- (b) Commonwealth Own Purpose Outlays for Mental Health and Palliative Care were included in the estimate for this program in the 1999-2000 Budget Paper No. 3. However, actual payments for Mental Health and Palliative Care of \$1,131,000 and \$797,000 respectively, have been excluded for the purposes of this document.
- (c) The amount shown for 1998-99 is less the amount some States chose to use as part of their State Fiscal Contributions.

Table 12: Estimated Specific Purpose Payments Direct to Local Government Authorities

<i>Function</i>									
Payment Title	NSW	VIC	QLD	WA	SA	TAS	ACT	NT	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
DIRECT PAYMENTS - CURRENT									
Aged Care Services	11,834	20,403	3,491	6,698	3,780	1,085	-	65	47,356
Disability Services	162	499	555	-	-	1	-	-	1,216
Children's Services	48,242	59,515	12,540	10,644	910	6,585	-	446	138,882
Training for Aboriginals Programme - Local Government	-	-	280	-	-	19	-	-	299
Local Government Incentive Programme (a)	435	317	79	188	168	178	277	377	2,019
Wollongong Flood Relief	100	-	-	-	-	-	-	-	100
Crookwell Fire Relief	50	-	-	-	-	-	-	-	50
Commonwealth Government Contribution to Cyclones Elaine and Vance Trust Fund DTRS	-	-	-	5,000	-	-	-	-	5,000
TOTAL CURRENT	60,823	80,735	16,944	22,530	4,858	7,867	277	888	194,922
DIRECT PAYMENTS - CAPITAL									
Aged Care Services	38	106	664	64	21	29	-	-	922
Children's Services	1,833	512	342	216	8	66	-	391	3,367
Drainage Repair - Fairfield/Bankstown	1,967	-	-	-	-	-	-	-	1,967
Provision of health services for Kosovar evacuees	288	747	-	500	-	500	-	-	2,035
TOTAL CAPITAL	4,126	1,365	1,006	780	29	595	-	391	8,291
TOTAL DIRECT PAYMENTS	64,949	82,099	17,951	23,309	4,887	8,462	277	1,280	203,213

(a) This programme has replaced the Local Development Programme. The expenditure is an estimate of the total actual expenditure.

GENERAL INFORMATION

PART IV: COMMONWEALTH STATISTICS AND

BUDGET CONCEPTS

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INTRODUCTION

In presenting budget statistics, the standards established by the ABS in its *Government Finance Statistics: Concepts, Sources and Methods* (Cat. No. 5514.0) are generally adopted. This standard draws on features of the 1968 United Nations publication *A System of National Accounts* (SNA) and the 1986 International Monetary Fund (IMF) publication *A Manual on Government Finance Statistics*. The IMF standard is currently being revised.

The Commonwealth, States and Territories have an agreed framework — the Uniform Presentation Framework (UPF) — for the consistent presentation of government financial information on a GFS basis. The data provided in Appendix 1 of Part II are consistent with this framework.

SECTORAL CLASSIFICATIONS

As shown in Table 13, the Commonwealth non-financial public sector may be viewed in two ways:

- budget/non-budget sectors; and
- general government/public trading enterprises (PTE)/public financial enterprises (PFE) sectors.

Data presented in this document are mainly presented on a general government sector basis. This is consistent with the presentation of data in the 1999-2000 Budget.

The primary function of the general government sector is to provide public services that are mainly non-market in nature, are mainly for the collective consumption of the community, or involve the transfer of income, and are financed mainly through taxes and other compulsory levies. Examples of agencies that belong to the Commonwealth general government sector are: Commonwealth departments, such as Department of Finance and Administration (DOFA), Department of Family and Community Services (DFACS), and Department of Veterans' Affairs; and authorities, such as the Australian Broadcasting Corporation (ABC) and the Commonwealth Scientific and Industrial Research Organisation (CSIRO).

Part II, Appendix 2 presents data on a budget sector basis consistent with the 1998-99 Budget and associated monthly reporting. Historically, the statements have mainly presented transactions between the Commonwealth budget sector and other sectors of the economy, including transactions with non-budget Commonwealth entities. The Commonwealth budget sector consists of those departments and agencies whose day-to-day transactions are recorded in the Official CPA, whether via the Consolidated Revenue Fund, Loan Fund, Commercial Activities Fund, or the Reserved Money Fund.

The difference between the general government and budget sectors lies with Commonwealth general government authorities, such as CSIRO and the ABC, that

operate outside the CPA through their own bank accounts and are thus excluded from the budget sector. However from 1999-2000, with the introduction of devolved banking, all general government agencies will be able to operate outside the CPA through their own bank accounts. Therefore, in future years no distinction will be made between the budget sector and the general government sector.

Table 13: Commonwealth Public Sector

	Budget Classification	GFS Classification
Commonwealth Public Sector	Budget Sector (eg DOFA, DFACS)	General Government Sector (includes budget sector and non-budget general government entities)
	Non-budget Sector — Non-budget general government sector (eg ABC, CSIRO) — PTE sector (eg Australia Post) — PFE sector (eg Reserve Bank of Australia)	

OUTLAYS, REVENUE AND FINANCING TRANSACTIONS

Government transactions can be viewed from an economic perspective and categorised into underlying outlays, revenue, net advances and financing transactions. Underlying outlays exclude net advances (ie net policy lending and net equity transactions) from headline outlays. For the general government sector, underlying outlays measure the net cost of providing goods and services generally allocated through collective political choice rather than through the operation of the market.

User charges are offset against relevant payments in calculating underlying outlays. The alternative treatment of classifying user charges as revenue would increase both underlying outlays and revenue and inflate the reported cost of providing public goods and services.

Revenue is the primary means of funding government activities, with any shortfall funded through borrowings or a rundown of financial assets (financing transactions). It comprises tax receipts (net of refunds) and non-tax receipts (interest, dividends etc) but excludes receipts from user charging, sale of assets and repayments of advances (loans and equity). Revenue therefore measures the value of the resources, other than borrowings, raised by a government to fund outlays.

The difference between total underlying outlays and revenue is the level of the reported underlying balance. The difference between headline outlays and revenue is the headline balance.

Financing transactions do not affect the balance and are referred to as below-the-line transactions. (Underlying outlays and revenue transactions are referred to as above-the-line transactions.) Financing transactions are undertaken to finance the deficit or invest the surplus. They consist of borrowings and changes in holdings of financial assets such as cash or investments (excluding advances).

CONSISTENCY WITH EXTERNAL REPORTING STANDARDS

This document has been developed to accord with public sector accounting standards and GFS concepts and methodology. The Charter of Budget Honesty requires that departures from these external reporting standards be identified.

General government sector data consistent with the current GFS cash standard are provided in Appendix 1, Part II. However, the recent ABS reclassification of net advances from capital outlays to financing transactions has not been incorporated in these tables.⁵ Consequently, these tables show a separate adjustment for net advances to derive outlays and deficit estimates comparable to those provided in ABS GFS.

The budget sector data published in this document departs from GFS and public sector accounting standards in the following respects:

- As indicated above, budget sector data are not equivalent to general government data, as they omit non-budget agencies such as the ABC.
- Exclusion of net advances (paid) from outlays in ABS GFS is consistent with the exclusion of net advances (paid) in the underlying budget outlays data, but not in the headline budget outlays data.
- The treatment of finance leases in budget sector data differs from that set out in *Australian Accounting Standard 17*. Under that standard, the asset and liability associated with a finance lease are brought to account in the financial records of the lessee. A finance lease is recognised where substantially all of the risks and benefits of ownership pass to the lessee.

SAFETY NET REVENUES

The ABS has decided that the Commonwealth taxes introduced to replace the State franchise fees invalidated by the High Court decision on 5 August 1997 should be treated as State and Territory taxes for the purposes of GFS. This reflects the fact that the safety net arrangements represent a State and Territory tax imposed and collected by the Commonwealth at the request, and on behalf of, the States and Territories. This classification has been used in this document. These taxes are netted out of the

⁵ The ABS reclassification of net advances to financing transactions was first reflected in the *1996-97 Government Finance Statistics, Australia* (Cat. No. 5512.0) published by the ABS in April 1998.

Commonwealth sector and attributed to the relevant State and Territory sectors. The safety net arrangements have no net impact on budget revenue apart from administrative costs. Any refunds by the States and Territories to producers or wholesalers are treated as corrective (negative tax) transactions.

ACRONYMS

ABC	Australian Broadcasting Corporation
ABS	Australian Bureau of Statistics
CFT	Commonwealth Government Statement of Financial Transactions
CPA	Commonwealth Public Account
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DFACS	Department of Family and Community Services
DOFA	Department of Finance and Administration
FAGs	financial assistance grants
GDP	Gross Domestic Product
GFS	Government Finance Statistics
HCGs	health care grants
IMF	International Monetary Fund
NCPs	national competition payments
PFE	public financial enterprises
PTE	public trading enterprises
RRPs	revenue replacement payments
SDDS	Special Data Dissemination Standards
SRA	special revenue assistance
UPF	Uniform Presentation Framework