

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

2017 - 2018

Division/Agency: Commonwealth Grants Commission

Question No: 151

Topic: GST Distribution

Reference: Hansard page 71 (31 May 2017)

Senator: Smith, Dean

Question:

Senator SMITH: Mr Willcock, on notice, can you provide me with a list of those payments that have been quarantined from the GST distribution arrangements for the last four years? And what was the value of the payments that have been quarantined? In addition to that, can you also advise whether, technically, it is available to the Commonwealth Treasurer to change the relativity recommendation that is made by the Commonwealth Grants Commission to the federal Treasurer?

Mr Willcock: We can certainly provide you with the list of quarantined payments, because payments quarantined as a result of directions to us are in terms of reference from the Treasurer, so we simply need to look at our terms of reference: we can get that. The role of the commission is to make a recommendation to the Treasurer on how to share out the GST pool a way that achieves horizontal fiscal equalisation. The commission's job finishes with the making of that recommendation. What then happens to the commission's recommendation is, frankly, up to the Treasurer. And what, if any, constraints there would be for the Treasurer in the circumstances that you postulate—

Senator SMITH: Yes, but there is no legislative restraint, is there?

Mr Willcock: Not that I am aware of.

Answer:

The following payments were quarantined by terms of reference in the Commission's 2016 and 2017 Updates for the years 2012-13 to 2015-16:

- any reward payments
- Assistance for Tasmania to implement national policy reforms
- Assisting preparation towards the launch of the National disability insurance scheme (NDIS)
- Caring for our country
- Centenary of Canberra 2013 — A gift to the national capital
- Health care grants for the Torres Strait
- Improving health services in Tasmania
- Northern Territory remote Aboriginal investment
- Pilot of drought reform measures in Western Australia
- Roads to recovery
- Royal Darwin Hospital — equipped, prepared and ready

- Royal Victorian Eye and Ear Hospital redevelopment
- Sinking fund on State debt
- South Australian River Murray Sustainability Programme
- Stronger Futures in the Northern Territory
- Tasmanian Forests Intergovernmental Agreement
- Victorian cytology service
- Western Australia infrastructure projects.
- 50% of the \$1.5 billion for WestConnex
- 50% of the \$3 billion for the East-West link
- 50% of the 2.9 billion for the Western Sydney Infrastructure plan
- 50% of the \$0.6 billion for the Toowoomba Second Range Crossing
- 50% of the \$0.9 billion for the Perth Freight Link/Roe Highway
- 50% of the \$0.4 billion for the North-South Road Corridor
- 50% of the \$0.1 billion for the Northern Territory Roads Package
- the \$5 billion Asset Recycling Initiative
- States' drawdowns from DisabilityCare Australia Fund during the transition phase for the National Disability Insurance Scheme.

Table 1 provides a summary of the total of payments quarantined for each State in 2012-13 to 2015-16 and the per capita amounts (for relative comparison across States). Tables 2 to 5 show the amounts of each quarantined payment for each State for each of those years.

Table 1 **Quarantined payments, 2012-13 to 2015-16**

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
Quarantined payments	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
2012-13	188	118	107	86	53	91	6	147	795
2013-14	457	889	132	89	50	72	12	221	1 924
2014-15	292	129	100	554	113	30	14	220	1 451
2015-16	360	132	236	546	189	40	12	372	1 886
Quarantined payments	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc	\$pc
2012-13	26	21	23	35	32	177	16	614	35
2013-14	61	154	28	35	30	140	32	911	83
2014-15	39	22	21	215	67	58	37	906	61
2015-16	47	22	49	210	111	77	31	1 524	79

Table 2 Quarantined payments, 2012-13

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Assisting preparation towards the launch of NDIS	0.0	0.0	0.0	0.0	0.0	0.6	0.5	0.0	1.1
Caring for the country	35.3	27.5	23.0	24.1	17.3	12.4	1.4	3.7	144.7
Centenary of Canberra 2013 - A gift to the National Capital	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	2.0
Changed roles and responsibilities - adjustment to achieve budget neutrality	2.9	0.0	0.0	0.0	0.0	0.0	0.3	0.0	3.2
Closing the Gap – Northern Territory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4	0.4
Health care grants for Torres Strait	0.0	0.0	5.3	0.0	0.0	0.0	0.0	0.0	5.3
Improving Health in Tasmania	0.0	0.0	0.0	0.0	0.0	20.7	0.0	0.0	20.7
Pilot of drought reform measures in Western Australia	0.0	0.0	0.0	7.8	0.0	0.0	0.0	0.0	7.8
Reward payments									
Essential vaccines	2.7	1.8	1.9	1.0	0.5	0.2	0.1	0.3	8.6
Seamless national economy	26.6	6.9	17.2	2.9	6.1	1.9	1.6	0.9	64.1
Roads to Recovery - Local government	108.0	73.8	59.8	49.9	28.9	14.0	0.0	7.1	341.5
Royal Darwin Hospital - equipped, prepared and ready	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.8	14.8
Sinking fund on State debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stronger Futures in the Northern Territory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	119.9	119.9
Tasmanian Forests Intergovernmental Agreement	0.0	0.0	0.0	0.0	0.0	40.7	0.0	0.0	40.7
Victorian Cytology services	0.0	8.1	0.0	0.0	0.0	0.0	0.0	0.0	8.1
50% of major road payments									
WestConnex - NSW	12.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	12.5
Total	188.1	118.0	107.2	85.7	52.9	90.5	5.9	147.0	795.3

Table 3 Quarantined payments, 2013-14

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Assistance to Tasmania to implement national policy reforms	0.0	0.0	0.0	0.0	0.0	30.0	0.0	0.0	30.0
Assisting preparation towards the launch of NDIS	0.0	0.0	0.0	0.0	0.0	0.7	6.4	0.0	7.1
Centenary of Canberra 2013 - A gift to the National Capital	0.0	0.0	0.0	0.0	0.0	0.0	1.0	0.0	1.0
Changed roles and responsibilities - adjustment to achieve budget neutrality	0.0	0.0	0.0	0.0	- 21.1	- 9.2	0.0	- 1.6	- 31.9
Closing the Gap – Northern Territory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.8	4.8
Health care grants for Torres Strait	0.0	0.0	4.5	0.0	0.0	0.0	0.0	0.0	4.5
Improving Health in Tasmania	0.0	0.0	0.0	0.0	0.0	24.7	0.0	0.0	24.7
Pilot of drought reform measures in Western Australia	0.0	0.0	0.0	1.2	0.0	0.0	0.0	0.0	1.2
Reward payments									
Essential vaccines	2.7	1.5	1.7	0.8	0.6	0.2	0.1	0.3	8.0
National health reform - National elective surgery target	7.2	5.1	1.8	2.2	1.1	0.0	0.7	0.2	18.4
National health reform - National emergency access target	0.0	0.0	0.0	5.3	3.1	0.0	0.0	0.0	8.4
Seamless national economy	22.2	0.0	11.5	1.4	4.1	1.6	0.5	0.6	41.8
Smarter schools - Improving teacher quality	56.0	44.1	34.5	16.9	12.8	4.2	3.1	2.1	173.8
Youth attainment and transitions - Year 12	10.2	7.2	0.0	4.8	3.9	0.7	0.5	1.0	28.2
Roads to Recovery - Local government	108.5	73.0	78.2	56.7	22.6	10.3	0.0	7.4	356.7
Royal Darwin Hospital - equipped, prepared and ready	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0	15.0
South Australian River Murray sustainability programme	0.0	0.0	0.0	0.0	23.5	0.0	0.0	0.0	23.5
Sinking fund on State debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stronger Futures in the Northern Territory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	191.2	191.2
Tasmanian Forests Intergovernmental Agreement	0.0	0.0	0.0	0.0	0.0	8.8	0.0	0.0	8.8
Victorian Cytology services	0.0	8.5	0.0	0.0	0.0	0.0	0.0	0.0	8.5
50% of major road payments									
WestConnex - NSW	250.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	250.0
East-West link - VIC	0.0	750.0	0.0	0.0	0.0	0.0	0.0	0.0	750.0
Total	456.9	889.5	132.1	89.4	50.4	71.9	12.3	221.1	1 923.6

Table 4 Quarantined payments, 2014-15

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Asset Recycling Initiative	0.0	0.0	0.0	0.0	0.0	0.0	7.9	0.0	7.9
Assisting preparation towards the launch of NDIS	0.0	0.0	0.0	0.0	0.0	0.6	3.7	0.0	4.3
Centenary of Canberra 2013 - A gift to the National Capital	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	2.0
Changed roles and responsibilities - adjustment to achieve budget neutrality	0.0	0.0	8.4	0.0	0.0	0.0	0.0	0.0	8.4
Health care grants for Torres Strait	0.0	0.0	4.5	0.0	0.0	0.0	0.0	0.0	4.5
Improving Health in Tasmania	0.0	0.0	0.0	0.0	0.0	17.8	0.0	0.0	17.8
Reward payments									
Essential vaccines	3.0	1.8	2.0	1.1	0.6	0.2	0.1	0.3	9.0
National health reform - National elective surgery target	8.5	0.0	0.0	0.9	4.1	0.0	0.7	0.2	14.5
National health reform - National emergency access target	28.6	0.0	16.7	0.0	0.0	0.0	0.0	0.0	45.2
Royal Victorian Eye and Ear Hospital redevelopment	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	50.0
Roads to Recovery - Local government	96.5	68.4	55.5	43.2	25.9	11.1	0.0	3.9	304.7
Royal Darwin Hospital - equipped, prepared and ready	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.3	15.3
South Australian River Murray sustainability programme	0.0	0.0	0.0	0.0	48.5	0.0	0.0	0.0	48.5
Sinking fund on State debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Stronger Futures in the Northern Territory	0.0	0.0	0.0	0.0	0.0	0.0	0.0	195.0	195.0
Victorian Cytology services	0.0	8.9	0.0	0.0	0.0	0.0	0.0	0.0	8.9
Western Australia infrastructure projects	0.0	0.0	0.0	499.1	0.0	0.0	0.0	0.0	499.1
50% of major road payments									
Western Sydney Infrastructure Plan - NSW	30.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	30.1
WestConnex - NSW	125.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	125.0
Roe Highway - WA	0.0	0.0	0.0	9.5	0.0	0.0	0.0	0.0	9.5
Toowoomba second range crossing - QLD	0.0	0.0	12.5	0.0	0.0	0.0	0.0	0.0	12.5
North-south road corridor - SA	0.0	0.0	0.0	0.0	33.8	0.0	0.0	0.0	33.8
Northern Territory roads package - NT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3	5.3
Total	291.7	129.1	99.6	553.7	112.9	29.7	14.4	220.0	1 451.2

Table 5 Quarantined payments, 2015-16

	NSW	Vic	Qld	WA	SA	Tas	ACT	NT	Aust
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Asset Recycling Initiative	0.0	0.0	0.0	0.0	0.0	0.0	3.9	0.0	3.9
Assisting preparation towards the launch of NDIS	0.0	0.0	0.0	0.0	0.0	0.6	0.0	0.0	0.6
Centenary of Canberra 2013 - A gift to the National Capital	0.0	0.0	0.0	0.0	0.0	0.0	8.0	0.0	8.0
Health care grants for Torres Strait	0.0	0.0	4.6	0.0	0.0	0.0	0.0	0.0	4.6
Improving Health in Tasmania	0.0	0.0	0.0	0.0	0.0	27.6	0.0	0.0	27.6
Northern Territory remote Aboriginal Investment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	335.6	335.6
Reward payments									
Essential vaccines	2.4	1.7	1.7	0.9	0.5	0.2	0.1	0.3	7.8
Royal Victorian Eye and Ear Hospital redevelopment	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	50.0
Roads to Recovery - Local government	96.8	71.2	71.2	51.2	24.1	11.4	0.0	5.6	331.5
Royal Darwin Hospital - equipped, prepared and ready	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.5	15.5
South Australian River Murray sustainability programme	0.0	0.0	0.0	0.0	84.0	0.0	0.0	0.0	84.0
Sinking fund on State debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Victorian Cytology services	0.0	9.3	0.0	0.0	0.0	0.0	0.0	0.0	9.3
Western Australia infrastructure projects	0.0	0.0	0.0	490.0	0.0	0.0	0.0	0.0	490.0
50% of major road payments									
Western Sydney Infrastructure Plan - NSW	35.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	35.4
WestConnex - NSW	225.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	225.0
Roe Highway - WA	0.0	0.0	0.0	3.5	0.0	0.0	0.0	0.0	3.5
Toowoomba second range crossing - QLD	0.0	0.0	158.3	0.0	0.0	0.0	0.0	0.0	158.3
North-south road corridor - SA	0.0	0.0	0.0	0.0	80.7	0.0	0.0	0.0	80.7
Northern Territory roads package - NT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.7	14.7
Total	359.7	132.2	235.8	545.6	189.3	39.8	12.0	371.7	1886.2