

SOUTH AUSTRALIA SUBMISSION

From: Collins, Mark (DTF)

Sent: Thursday, 6 August 2009 12:07 PM

Subject: Treatment of Commonwealth Payments

Priscilla

At the recent State visit to SA, we were asked to respond to the following questions regarding Commonwealth Payments:

What Commonwealth payments are missing from Attachment 1;

- We have reviewed the list, Commonwealth Budget Paper no. 3 and Commonwealth Treasury payment schedules and have not identified any obvious omissions. Commonwealth Treasury would be able to provide a definitive list of all Commonwealth payments to the States.

Whether your proposed treatment is appropriate;

The attached document is the listing of Commonwealth payments provided in the Draft Report - SA's position on each payment is provided in the far right column.

SA agrees with the CGC position on most payments except the following:

- Essential vaccines - while this is paid as an NP to States it should have an impact on relativities as essentially this program has not changed, notwithstanding the original Commonwealth plan to take over the purchase of vaccines;
- Health infrastructure - these payments are provided to fund targeted, State specific projects - in keeping with our previously stated general position, this funding should not be redistributed.
- Nation Building Program - it is our understanding that these payments will not have a recurrent and capital component in the future. Also, these payments are project specific and it is not appropriate to redistribute funding.
- Seamless National Economy - the upfront, facilitation component that was allocated on a per capita basis should have an impact on relativities but the reward component should not.
- Indigenous economic participation - it is unclear why you are proposing this be treated as "no-impact" when you are proposing that the remote service delivery NP be impacting.

Whether any payments should be split and have different parts treated differently.

- Refer to comments on the Seamless National Economy above.

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