



Australian Government
Commonwealth Grants Commission

New issues in the 2026 Update

March 2026

New issues in the 2026 Update

Summary of Commission decisions

Data issues

- Use the 2023 Australian Curriculum, Assessment and Reporting Authority (ACARA) data without adjustment in the regression model for the schools assessment.
- Include non-admitted patient (NAP) allied health services relating to violence, abuse and neglect services, and genetic counselling in the community and public health activity proxy and exclude allied health services relating to long COVID.
- Continue scaling emergency department (ED) activity data in the community and public health activity proxy for the 2023–24 assessment year.
- The Commission will retain the urban transport regression coefficients derived using only 2022–23 state net expenses data and increase the urban population blending ratios by 5 percentage points as follows:
 - increase the blending ratio to 40% urban population and 60% urban centre characteristics model in the recurrent assessment
 - increase the blending ratio to 30% urban population squared and 70% urban centre characteristics model in the investment assessment.

Assessment issues

- Exclude Commonwealth spending on government schools from all calculations from 2024–25 and continue the 2025 Review approach in 2022–23 and 2023–24.

Commonwealth payments

- Apply the treatment of Commonwealth payments as listed in Table A-1 and Table A-2 at Appendix A.

Background

1. In each annual update, the Commission identifies new issues that might affect the GST distribution. A discussion paper seeking state and territory (state) views on new issues was released on 1 October 2025. For the 2026 Update, the new issues fall into the following categories:
 - data issues – how the latest available data, data corrections or changes to data availability are incorporated into assessments
 - assessment issues – relating to how changed state circumstances are incorporated into assessments
 - treatment of Commonwealth payments, including new payments and major changes in payment arrangements.
2. This paper outlines the Commission’s decisions on each of the new issues raised in the discussion paper after considering state comments.

Data issues

Schools – changes in state funding

Issue

3. Each year, the Commission recalculates the schools regression with the latest available data to determine the relative cost of different groups of students. Including the 2023 ACARA data produced some larger annual changes in coefficients than had been estimated previously.
4. The Commission consulted the states on the use of the 2023 ACARA data without adjustment.

State views

5. All states broadly supported using the 2023 ACARA data without adjustment.
6. New South Wales and South Australia said the Commission should investigate the ACARA data to ensure they remain fit for purpose into the future. Western Australia and the ACT said the changes in coefficients raised questions as to the policy neutrality of the regression model and whether it is capturing the drivers of costs.

Commission decision

7. While the inclusion of the 2023 ACARA data led to larger changes in coefficients, the Commission’s investigations found that several states had faster growth in funding for schools with higher proportions of First Nations students. This means the assessment continues to reflect the average of how states fund their schools. As such, it remains policy neutral and fit for purpose.
8. The Commission will use the 2023 ACARA data without adjustment.

Health – community health activity proxy

9. The community and public health assessment uses a proxy measure of activity based on a combination of ED triage 4 and 5 activity and selected NAP activity.¹
10. Two issues arose with the data used to calculate the proxy:
 - 3 new categories of NAP services
 - coverage of ED triage 4 and 5 activity data.

Non-admitted patient clinic categories

Issue

11. The 2023–24 data on NAP activity from the Independent Health and Aged Care Pricing Authority (IHACPA) include 3 new Tier 2 clinic categories for services provided by allied health personnel and/or clinical nurse specialists (Table 1). The Commission sought state views on whether these new categories should be included in its proxy for community and public health activity.

Table 1 New allied health non-admitted patient service classifications

Tier 2	Non-admitted patient service
40.65	Violence, abuse and neglect services
40.66	Genetic counselling
40.67	Long COVID

Source: IHACPA, [Tier 2 non-admitted services 2023–24](#), 2023, accessed 5 August 2025.

State views

12. All states except the Northern Territory supported including NAP allied health services relating to violence, abuse and neglect services, and genetic counselling in the proxy for community and public health activity in the 2026 Update. The Northern Territory did not support including the 2 new classifications on data quality grounds. It said the uneven distribution of activity suggested the data were not fit for purpose.
13. All states supported excluding NAP allied health services relating to long COVID from the proxy for the 2026 Update.

Commission decision

14. Under the 2025 Review method, the Commission will update the community and public health proxy each year. NAP services are included in the proxy if they are similar to community and public health services. This is on the assumption that if service types and access levels are similar then socio-demographic usage patterns will be similar.
15. NAP allied health services relating to violence, abuse and neglect, and genetic counselling are commonly provided in community health settings. The Commission does not consider the uneven distribution of activity for these 2 new types of services to be grounds for excluding them from the proxy. States can differ in how they deliver (and report on) some allied health services. Comparable services may be delivered as NAP services in some states and as community health services in others. To ensure the proxy is comprehensive, the Commission considers it appropriate to include activity for the 2 types of services in its proxy where they are reported as NAP activity. The

¹ For the list of non-admitted patient services included in the proxy see Commonwealth Grants Commission, [2025 Methodology Review](#), Review Outcomes, Health chapter, Attachment A, 2025, accessed 5 August 2025.

Commission notes that the 2 new NAP classifications represent less than 1% of the total proxy and the proxy is applied at the national average level only.²

16. The 2025 Review methodology specified that COVID-19 NAP services would be excluded from the proxy indicator for the 2025 Review and 2026 Update, given COVID-19 expenses were separately assessed in a temporary health expense component. Consistent with this, the Commission considers NAP allied health services for long COVID should also be excluded from the proxy.
17. The Commission will include NAP allied health services relating to violence, abuse and neglect services, and genetic counselling in its proxy for community and public health activity. It will not include long COVID allied health services in the proxy for the 2026 Update but will include them from the 2027 Update when the temporary COVID-19 component is discontinued.

Coverage of the ED triage 4 and 5 data

Issue

18. The community and public health assessment proxy includes ED triage 4 and 5 activity data. The assessment requires patient-level information such as age, Indigenous status and socio-economic status. However, some hospitals, particularly small and medium hospitals in more remote areas, report only aggregate data without patient demographics.
19. To minimise potential urban or non-Indigenous bias, ED activity data have been scaled each year such that presentations from hospitals without demographic information (predominantly block-funded hospitals) are assigned the demographic profile of hospitals in the same remoteness category. NAP activity data used in the proxy were similarly scaled until 2020–21. From 2021–22, state submission of aggregate NAP data to IHACPA became optional, meaning scaling was no longer feasible.
20. Coverage of ED triage 4 and 5 improved markedly in the 2023–24 IHACPA activity data.³ The share of patient-level data for block-funded hospitals increased from 79% in 2022–23 to 92% in 2023–24. The Commission sought state views on whether to cease scaling the ED part of the community and public health activity proxy from 2023–24.

State views

21. Four states supported ceasing the scaling of the ED part of the proxy. While South Australia did not object to the use of unscaled ED data in the proxy for 2023–24, it said the appropriateness of using unscaled ED data should be reconsidered in future assessment years.
22. Western Australia, Tasmania and the Northern Territory said the ED data should continue to be scaled. They said ceasing scaling would disadvantage states with larger regional and remote populations. Western Australia said removing scaling for ED data would exacerbate the impact of no longer scaling NAP data from 2021–22, since the factors that led to reporting gaps in the NAP data would likely contribute to gaps in the ED data. The Northern Territory said a reduction in the size of the scaling adjustment was not, in principle, a sound reason to remove the adjustment.

² A low-level discount (12.5%) is also applied to the community and public health assessment (excluding the ambulatory mental health part).

³ IHACPA activity data are lagged by one year, since data for the final assessment year arrive too late to be incorporated in an update. 2023–24 activity data will be first used in the assessment in the 2026 Update.

Commission decision

23. The Commission's decision to cease scaling NAP activity data from 2021–22 reflected the changes in reporting to IHACPA that meant scaling was no longer feasible. There have been no equivalent changes to ED data reporting.
24. The ED data (and previously the NAP data) were scaled to minimise potential urban or non-Indigenous bias. While the increase in the availability of patient-level data for block-funded hospitals in 2023–24 reduces the potential for bias, it does not remove it.
25. On balance, the Commission considers potential bias from ceasing scaling outweighs the risk that the ED component of the proxy will receive a disproportionate weight if scaling is retained. Retaining the scaling adjustment only marginally increases the ED share of the proxy in 2023–24 (54.1% compared to 53.5% without scaling).
26. The Commission will scale ED activity data in the proxy for 2023–24, consistent with the approach in earlier assessment years.

Transport – regression re-estimation

Issue

27. As part of the 2025 Review, the Commission decided to re-estimate the urban transport regression with updated data to reflect post-COVID-19 urban transport patterns. Where COVID-19 impacts lingered in key data, the Commission consulted on options and used judgement to implement workable solutions.
28. For passenger numbers, the Commission determined 2021 Census actual passenger number data were not fit for purpose due to the impacts of COVID-19 on urban transport patterns. The Commission decided to use 2016 Census actual passenger number data adjusted by an index based on the Bureau of Infrastructure and Transport Research Economics data to estimate 2022–23 equivalents. Recognising that the use of older base data was not optimal, the Commission increased blending in the recurrent urban transport assessment to give urban population a weight of 35%, up from its previous 25%.⁴ The additional 10% weight is to be removed once fit-for-purpose 2026 Census data become available in late 2027.
29. The Commission also consulted with states on using updated state net expense data. As 2020–21 and 2021–22 expense data were affected by state responses to COVID 19, the Commission decided to use 2022–23 and 2023–24 data to update the regression. The Commission considered that using 2 years of state net expense data in the regression model would mitigate variability, improve reliability and contemporaneity, and better reflect urban transport spending needs.
30. At the time of the 2025 Review, only 2022–23 data were available. The Commission decided to temporarily use that single year of data when re-estimating the regression model as it provided a more accurate representation of state expense needs post COVID-19 than the 2020 Review coefficients. The Commission also decided that, to improve the reliability of the assessment, it would re-estimate the model using 2022–23 and 2023–24 data as part of the 2026 Update. This was supported by most states.
31. Having received the 2023–24 data for the 2026 Update, the Commission noted differences in approach between the states and compared with the 2022–23 data. This

⁴ The Commission did not change the blending ratio for urban transport investment (25% urban population squared and 75% regression model). This is because investment expenditure is less affected by short term disruptions to passenger numbers than recurrent expenses.

did not reflect changing transport provision, raising concerns with using the 2023–24 data.

32. The Commission sought state views on whether to use 2022–23 and 2023–24 data to calculate the model coefficients as intended in the 2025 Methodology Review, or whether it should alter the method to overcome the identified 2023–24 data concerns.

State views

33. Most states supported retaining the 2025 Review regression model coefficients based on 2022–23 data only, with the exception of Queensland. Western Australia and the Northern Territory also raised broader concerns with the assessment approach.
34. Queensland said the changes in its net expense data in 2023–24 compared with 2022–23 reflected extensive efforts to improve data quality, including by better allocating regional expenses to regional areas, as opposed to past practice where the expenses of smaller regions were included in larger urban area totals. Queensland also noted that its higher expenses were driven by significant increases in labour, maintenance and interest costs. Queensland suggested not including 2023–24 data would result in the regression being based on less reliable, more outdated data.
35. Queensland recommended the 2023–24 data be incorporated in the regression but suggested that an option for the Commission could be to apply a discount to the parts of the data subject to significant variation.
36. Western Australia considered the impact of incorporating 2023–24 data on the regression coefficients indicated the model was unsound and raised concerns about the sensitivity of the model to new data and an increase in sample size.
37. Western Australia also noted the high growth in passenger numbers between years far exceeded growth in urban area populations. It considered that this supported the recommendation that available capacity on public transport would better reflect supply. Western Australia recommended the blending ratio be increased to at least 50:50 to address the limitations of the method and to recognise increased uncertainty about the robustness of the model.
38. The Northern Territory supported retaining the 2025 Review regression model coefficients. However, it said freezing the regression coefficients was a highly unsatisfactory result and suggested the Commission consider additional discounting for the urban transport regression.

Commission decision

39. In the 2025 Methodology Review, the Commission decided it would re-estimate the transport regression in the 2026 Update with 2 years of data to enhance the reliability and contemporaneity of the model. This decision aligned with a variety of state concerns about only using a single year of data, including that the relevant year (2022–23) may still contain the lingering impacts of COVID-19.
40. The Commission acknowledges the efforts all states have made to provide 2023–24 data. Some of the data, however, vary significantly between states and when compared with the 2022–23 data. Given comparability concerns, the Commission will not update the urban transport regression with 2023–24 state net expense data for the 2026 Update, as was intended in the 2025 Methodology Review. This approach is supported by most states.
41. The inability to include 2023–24 state net expense data means the anticipated improvement to the urban transport regression has not been realised in the 2026 Update. Further, the regression will be based on only one year of data (2022–23) and will be less contemporaneous than anticipated at the time of the 2025 Methodology Review.

42. Under the Terms of Reference for the 2026 Update, the Commission may introduce new data or make method changes to overcome data problems. The Commission has not yet been able to identify new, more reliable data to replace the 2023–24 state net expense data. Therefore, consistent with the terms of reference, the Commission will alter the urban transport method for the 2026 Update to address the impacts of the data problems.
43. With only a single and less contemporaneous year to estimate the regression coefficients, the Commission considers that the regression model is less reliable than anticipated in the 2025 Review. To address this in the 2026 Update, a further reweighting of the blending ratio in the recurrent assessment and an additional weighting in the investment assessment is warranted to reduce the model's impact. This approach is consistent with the views of some states that recommended the regression be given less weight by increasing the blending ratio or applying discounts.
44. For the 2026 Update, the Commission will retain the urban transport regression coefficients derived using only 2022–23 state net expense data. The urban population blending ratio will be increased by 5 percentage points to 40% urban population and 60% urban centre characteristics model in the recurrent assessment and to 30% urban population squared and 70% urban centre characteristics model in the investment assessment.
45. The Commission will continue to work with states through the Data Working Group to try and resolve the identified data problems. If issues are resolved, the Commission is open to revisiting the coefficients and the implications for the blending ratios in a future update, in consultation with the states.
46. The Commission also notes the broader urban transport assessment is subject to consideration as part of the Commission's forward work program.

Assessment issues

Schools – Better and Fairer Schools Agreement

Issue

47. The Better and Fairer Schools Agreement 2025 (BFSA) commenced on 1 January 2025, replacing the National Schools Reform Agreement. The Supplementary Terms of Reference for the 2025 Review directed the Commission on the treatment of this payment (outlined below). The Commission sought state views on how to implement those directions.
48. The Supplementary Terms of Reference for the 2025 Review stated:

The Commission will ensure that the GST distribution process will not have the effect of unwinding the recognition of educational disadvantage, or the differential funding proportions, embedded in the Better and Fairer Schools Agreement (BFSA) funding arrangements. The Commission will also ensure that no state receives a windfall gain through the GST distribution from non-participation in BFSA funding arrangements.
49. Those terms of reference mean the differences in schooling resource standard funding proportions should no longer be unwound.⁵ The Commission's preliminary view was to give effect to the terms of reference requirement by excluding the Commonwealth

⁵ By not unwinding the differential funding proportions, no state can receive a windfall gain through non-participation. The Commission will continue to not unwind the recognition of educational disadvantage.

funding for government schools and the associated expenses (the standard 'no impact' approach to Commonwealth payments).

50. The BFSA began in January 2025. Therefore, states received Quality Schools funding in the first half of 2024–25, which was replaced by the BFSA funding in the second half of the year. The 2026 Update will be based on data for 2022–23, 2023–24 and 2024–25.
51. On practicality grounds, the Commission was not inclined to split the data for 2024–25 and apply the Quality Schools and BFSA treatments to the splits. Its preliminary view was to apply the BFSA treatment to the entire funding for 2024–25.

State views

52. Most states supported excluding Commonwealth spending on state schools from 2024–25 and continuing the 2025 Review approach for 2022–23 and 2023–24.
53. Western Australia proposed an equal per capita approach with a wage costs adjustment, continuing the approach since the 2015 Review. It said this would meet the requirements of the Supplementary Terms of Reference for the 2025 Review.
54. South Australia said applying a wage cost adjustment would be inconsistent with the supplementary terms of reference, since the differential funding proportions (once adjusted for wages) would differ from the proportions in the funding agreement.
55. Most states supported or did not comment on the proposed approach for the transition year (not splitting the 2024–25 funding). New South Wales and the ACT favoured splitting the 2024–25 payment between Quality Schools and BFSA.

Commission decision

56. The Commission supports the South Australian view that to ensure the differential funding proportions are not unwound, no adjustments (including wage costs) should be applied to the Commonwealth funding of government schools.
57. The BFSA and the previous Quality Schools payment are classified to the same payment in Final Budget Outcome. Therefore, splitting the 2024–25 payments is not practical.
58. The Commission will exclude Commonwealth spending on government schools from all calculations from 2024–25 and continue the 2025 Review approach for the 2022–23 and 2023–24 assessment years.

Treatment of Commonwealth payments

59. The Terms of Reference for the 2026 Update require the Commission to prepare its assessments on the basis that certain Commonwealth payments to the states do not directly influence the GST revenue sharing relativities. Of the new payments listed in the terms of reference, only the payment to South Australia to support the Whyalla Steelworks falls within the assessment period for the 2026 Update.⁶
60. Payments commencing in 2024–25 that were quarantined by previous terms of reference include:
 - Supplementary Terms of Reference for the 2025 Review
 - National Firearms Register

⁶ Department of the Treasury, [2026 Update of GST Revenue Sharing Relativities - Terms of Reference](#), Australian Government, 2026.

- Growing regions
 - Regional Precincts and Partnership Program
 - Urban Precincts and Partnership Program
 - Thriving suburbs program
 - Launceston Northern Heart Centre.
 - Terms of Reference for the 2025 Review
 - Brisbane 2032 Olympic and Paralympic Games.
61. The Commission determined the treatment of all other payments by applying its 2025 Review guideline:
- payments which support state services, and for which expenditure needs are assessed, will impact the GST relativities.
62. The Commission consulted states on the treatment of all new payments. Payments for which states raised issues with the proposed treatment are discussed below.
63. Table A-1 and Table A-2 show the treatment of Commonwealth payments that commenced in 2024–25, as listed in the Commonwealth’s *Final Budget Outcome, 2024–25*.

Housing Australia Future Fund – Remote Indigenous Housing

Issue

64. This payment provides funding for repairs, maintenance and improvements to housing in remote First Nations communities in Queensland, Western Australia, South Australia and the Northern Territory.
65. The Commission’s preliminary view was that the payment supports social housing maintenance, which is a state service for which needs are assessed and, therefore, should impact the GST relativities.

State views

66. Western Australia said similar payments were quarantined by previous terms of reference. It said this payment should be treated consistently with those previous payments as no impact.

Commission decision

67. Previous terms of reference quarantined payments under the National Partnership on remote housing. Those payments were primarily for capital works or capacity building. Payments for remote Indigenous housing under the Housing Australia Future Fund are primarily for recurrent expenses. The Commission does not consider previous terms of reference directions apply to the Housing Australia Future Fund – Remote Indigenous Housing payment. It has treated the payment as impact.

Primary Health Care Services in remote Northern Territory

Issue

68. This payment provides funding for the delivery of culturally appropriate, comprehensive primary health care for First Nations people in regional and remote Northern Territory communities where no Aboriginal Community Controlled Health Organisations (ACCHOs) operate.

69. The Commission's preliminary view was that the payment supports primary health care services, a state responsibility for which needs are assessed, and therefore should impact GST relativities.

State views

70. The Northern Territory said that the payment funds delivery of primary health care services in very remote First Nations communities on behalf of the Commonwealth. It noted that:

- the services represent a Commonwealth function delivered in areas of market failure
- the services are the same as those provided by ACCHOs but are delivered only in locations where no ACCHOs operate, with the Northern Territory serving as provider of last resort and transitioning services to Aboriginal community control when feasible⁷
- the service is not a usual state service as in other states this would be delivered by non-government providers
- the payment replaces a prior Commonwealth Own-Purpose Expense.

Commission decision

71. The Commission accepts that the services funded under this agreement are the same as those delivered by ACCHOs. It also notes that this is not a usual state service as in other states the service would be delivered by non-government organisations. Therefore, the Commission will treat the payment as no impact.

Safer Local Roads and Infrastructure Program (SLRIP)

Issue

72. The SLRIP is a funding program open to all state governments and local government authorities for investment in roads and bridges. It consolidates the previous Bridges Renewal Program and Heavy Vehicle Safety and Productivity Program into a single funding stream. Both of these programs were previously treated as having an impact on GST relativities.

73. The Commission's preliminary view was that the payment is for investment in roads and bridges, a state function for which needs are assessed, and therefore should continue to impact GST relativities.

State views

74. Victoria said that if adequate data are available, the Commission should split the treatment of the payment into state (impact) and local government (no impact).

Commission decision

75. The Commission notes this payment consolidates 2 payments that were treated as impact. Since there has been no substantive change to the purpose or nature of the programs being consolidated, there is no basis to split the payment. The Commission will treat the SLRIP as impact.

⁷ Where this occurs, the Commonwealth will provide equivalent Commonwealth funding for that clinic through alternative means. See The Council on Federal Financial Relations, [Comprehensive Primary Health Care Delivery - NT Health](#), Australian Government, 2024, p 3.

Appendix A: Treatment of Commonwealth payments that commenced in 2024–25

Table A-1 Treatment of Commonwealth payments commenced in 2024–25, Final Budget Outcome, 2024–25

Commonwealth payment	Description	2024–25 \$m	Treatment	Reason for treatment
Health				
Bentley Hospital Surgicentre	Funding to deliver a new Bentley Hospital Surgicentre, which will separate non-complex elective surgery from emergency surgery.	15.6	Impact	Investment in hospital infrastructure is a state service, and needs are assessed.
Expansion of the Flinders Medical Centre	Funding for an expansion of the Flinders Medical Centre, delivering 160 extra beds for the south of Adelaide.	59.5	Impact	Investment in hospital infrastructure is a state service, and needs are assessed.
Health and Medical Research Centre for Launceston	Funding to develop a medical research centre within the Launceston General Hospital.	0.4	Impact	Medical research contributes to community health services. Community health is a state service, and needs are assessed.
Integration and Empowerment Services and Wanneroo Seniors Club	Funding, through the Western Australian Government, to facilitate Integration and Empowerment Services and Wanneroo Senior Citizens Club organisations to support delivery of services for National Disability Insurance Scheme clients and Senior Australians.	0.2	No impact	Delivery of community social welfare programs is a state service. However, needs are not assessed (other welfare).
Access to Eflornithine	Funding to reimburse the cost of purchasing and transporting the medicine eflornithine for eligible patients.	0.8	No impact	The affordable access to medicines is a service typically provided by the Commonwealth through the Pharmaceutical Benefits Scheme.
Eliminating cervical cancer in Australia	Funding to expand cervical screening services to improve access to reach under-screened populations.	5.2	Impact	Cervical screening services is a community health service. Community health is a state service, and needs are assessed.
Supporting older Australian patients	Funding to invest in state initiatives that address long stay older patient challenges through avoiding hospital presentation and admission; where hospital admission is necessary, reducing the length of the hospital stay;	168.6	No impact	The payment predominantly funds aged care, which is a Commonwealth responsibility.

Commonwealth payment	Description	2024-25 \$m	Treatment	Reason for treatment
	supporting earlier discharge; and improving the transition out of hospital to other appropriate care.			
Primary Health Care Services in remote Northern Territory	Funding for the delivery of culturally appropriate, comprehensive primary health care for First Nations people in regional and remote Northern Territory communities where there is no Aboriginal Community Controlled Health Organisation.	46.3	No Impact	The payment predominantly funds the state government to provide services that are usually the responsibility of the Commonwealth and non-government providers.
Yass Maternity Care Centre	Funding for developing a women's and family maternity care centre at Yass.	2.9	Impact	Maternity health services are a state function, and needs are assessed.
Canoe Slalom World Championship 2025	Contribution to a range of event planning activities such as marketing and promotion, broadcast production, sports presentation, technology/performance systems, venue branding, International Canoe Federation development programme, test events, post event legacy impact and evaluation reports.	0.8	No Impact	While recreational services are a state function, needs for international events are not assessed.
Short-term workforce reforms - Kruk Review Implementation	Removing regulatory and transitional barriers for overseas health professionals to work in Australia.	1.3	No Impact	Regulation of international health professionals is a Commonwealth responsibility.
Education				
Operational Support for Manjali School	Funding to support the operation of the Manjali Studio School, a new secondary boarding school in the Kimberley region of Western Australia for First Nations students, which opened in 2025.	2.7	No impact	Commonwealth funded support for non-government schools is not assessed.
Better and Fairer Schools Funding	Funding, in a joint agreement with states, to support state education services to improve educational outcomes of Australian students. The BFSF will go to government and non-government schools in all states including recurrent funding, capital funding, choice and affordability funding, and other prescribed purpose funding.	31,026.7	No impact	See paragraphs 47 to 58 in the main document. Includes \$19,325.4 million for non-government schools which will be treated out of scope.
Skills and Workforce Development				
Degree Apprenticeship Pilot Program	Support for the delivery of the Degree Apprenticeships Pilot program.	1.0	Impact	Post-secondary education is a state function, and needs are assessed.

Commonwealth payment	Description	2024-25 \$m	Treatment	Reason for treatment
Turbocharging TAFE Centres of Excellence	Funding for TAFE Centres of Excellence to support agreed national skills and training priorities.	14.7	Impact	Demand to meet workforce challenges through further education in each state is a usual state function, and needs are assessed.
Community				
Far North Queensland Connect Project	Funding to Queensland to explore a model to integrate care and support services, strengthen local community workforces, and build inclusive communities across Far North Queensland. The initiative aims to increase National Disability Insurance Scheme plan utilisation, workforce capability and efficient integration of resources.	4.6	No Impact	Delivery of community social welfare programs is a state service. However, needs are not assessed (other welfare).
Outcomes Fund	A commitment of \$100 million over 10 years to support social impact investing projects addressing entrenched disadvantage focusing on supporting families and children, people facing concentrated unemployment and people facing or experiencing homelessness.	1.7	No Impact	Delivery of community social welfare programs is a state service. However, needs are not assessed (other welfare).
Port Augusta Safety and Wellbeing Partnership	Funding to support the Port Augusta Safety and Wellbeing Partnership. The Partnership aims to better coordinate investment in community services between the Australian Government and South Australia to improve the safety and wellbeing of people in Port Augusta and Davenport.	3.0	Impact	First Nations community engagement and development is a normal state function, and needs are assessed.
Affordable Housing				
Housing Australia Future Fund - Remote Indigenous Housing	Funding for repairs, maintenance and improvements to housing in remote First Nations communities in Queensland, Western Australia, South Australia and the Northern Territory.	75.0	Impact	The payment supports social housing maintenance. This is a state service, and needs are assessed.
Infrastructure				
Hunter region - supporting clean energy	Funding to support the Hunter region and the Port of Newcastle to become hydrogen ready.	11.9	Impact	Hydrogen business development is a form of business development. This is a state function, and needs are assessed.
Active Transport Fund	Funding to encourage an increase in active transport through the upgrade of existing and construction of new bicycle and walking pathways.	0.1	Impact	Community infrastructure is a state service, and needs are assessed.

Commonwealth payment	Description	2024-25 \$m	Treatment	Reason for treatment
Safer Local Roads and Infrastructure Program (SLRIP)	<p>The SLRIP program aims to address current and emerging priorities in road infrastructure needs.</p> <p>The SLRIP consolidated the previous Bridges Renewal Program and Heavy Vehicle Safety and Productivity Program into a single funding stream.</p>	147.6	Impact	Investment in bridges and roads is a state service, and needs are assessed.
Armstrong Creek Stadium	Funding for the Victorian Government's Regional Sports Infrastructure Program, for a new multi-sport facility in Armstrong Creek.	5.5	Impact	Recreational infrastructure is a state service, and needs are assessed.
Australian Opal Centre - Lightning Ridge	Funding for a national museum being developed at the outback opal mining town of Lightning Ridge, Australia, to house the world's greatest public collection of Australian opal and precious opalised fossils from the Age of Dinosaurs.	2.8	Impact	Tourism development is a state service, and needs are assessed.
Busselton Jetty Village and Marine Discovery Centre	Funding for a marine discovery experience on the Busselton foreshore.	7.4	Impact	Tourism development is a state service, and needs are assessed.
Darwin Cyclone Tracy Memorial	Funding for the construction of a permanent sculpture and a separate permanent memorial in Darwin to honour those who died and those whose lives were irrevocably changed by Cyclone Tracy impacting Darwin in December 1974.	0.6	Impact	Recreational and cultural services is a state function, and needs are assessed.
National Capital Functions Program	The Australian Government is providing funding to the ACT Government for delivery of services that fulfil Commonwealth responsibilities of diplomatic and treaty obligations and relevant legislative provisions. This includes registration of diplomatic vehicles and licences, electronic registration of certain deaths abroad, French teaching under the French-Australian program for the purpose of meeting the Commonwealth's obligations and facilitating International Baccalaureate membership at Narrabundah College.	1.6	No impact	Fulfilling diplomatic and treaty obligations is a responsibility of the Commonwealth.
Regional Roads Australian Mobile Program - Pilot Program	Funding to improve multi-carrier mobile coverage on highways and major roads in regional and remote Australia.	18.5	No Impact	Telecommunications is a Commonwealth responsibility.

Commonwealth payment	Description	2024-25 \$m	Treatment	Reason for treatment
Upgrades to the Qtopia Sydney Museum	Funding for the delivery of capital works to upgrade the first of the former Darlinghurst Police Station and expand Qtopia Sydney.	1.5	Impact	Investment in recreational and cultural services is a state function, and needs are assessed.
Warburton Mountain Bike Destination Project	Funding for a world-class mountain bike destination.	3.0	Impact	Tourism and recreational infrastructure are a state service, and needs are assessed.
WA Telecommunication Resilience Program Pilot	Funding for urgent upgrades to telecommunication infrastructure during the bushfire season in priority locations.	2.0	No Impact	Telecommunications is a Commonwealth responsibility.
Whyalla Airport Upgrades	Funding to support delivery of upgrades to strengthen the Whyalla Airport runway to enable larger, heavier aircraft to land safely.	10.0	No impact	While investment in airport infrastructure is a normal state service, the Commission does not assess needs related to airport infrastructure in its non-urban transport assessment.
Environment, energy and water				
Recycling modernisation fund - plastics technology stream	Funding for improved recycling outcomes by addressing critical infrastructure and technology gaps in Australia's waste management and resource recovery system.	23.7	Impact	Business development is a state function, and needs are assessed.
Reef 2050 Plan - Sustainable Fisheries	Funding to decrease risks to threatened and protected species and position reef fisheries at the forefront of best practice and sustainability.	9.0	Impact	Management of the fishing industry is a state service, and needs are assessed.
Water for the environment special account - Resilient Rivers Water Infrastructure Program	Funding for projects that contribute to enhancing the environmental outcomes of the Basin Plan. Includes improving the water efficiency of irrigation infrastructure, purchasing water for the environment and addressing detrimental impacts.	40.8	No impact	Environmental protection is a state service, but needs are not assessed.
Boosting HPAI biosecurity responses capability	Financial contributions based on states' co-investment to prepare for an incursion of high pathogenicity avian influenza (HPAI) through development of state response plans.	7.4	Impact	Internal biosecurity monitoring is a state service, and needs are assessed.
Critical Minerals National Productivity Initiative	Support for a detailed feasibility study for a common user minerals processing facility to enhance Australia's capacity to process critical minerals and strategic materials.	0.2	Impact	Business development is a state function, and needs are assessed.

Commonwealth payment	Description	2024-25 \$m	Treatment	Reason for treatment
Implementation of the live sheep exports by sea phase out	Support to implement the Commonwealth's Phase Out of Live Sheep Exports by Sea transition assistance in Western Australia.	1.0	Impact	Business development is a state function, and needs are assessed.
Investing in Australia's First Nations Culture and World Heritage	Support towards the potential World Heritage listing of Parramatta Female Factory, Trades Hall transnational listing and Flinders Ranges.	0.1	Impact	Needs are assessed for deliberative EPC assessment for service expenses.
Partnering to implement the National Soil Action Plan	Funding to deliver on-ground activities that help advance the protection and improvement of Australia's soil health.	7.1	Impact	Business development is a state function, and needs are assessed.
Restoring the upper Murrumbidgee River program	Funding to improve the health of the upper Murrumbidgee River. This includes projects that will address the decline in river health, and science and monitoring activities.	5.0	No impact	Environmental protection is a state service, but needs are not assessed.
Water for the environment special account - Sustainable Communities Program	Funding for community adjustment assistance to minimise socio-economic impacts of water purchase towards the Murray-Darling Basin Plan recovery target of 450 gigalitres per year of additional environmental water.	9.1	Impact	This payment is primarily to support basin communities. Community development and planning is a state function, and needs are assessed.
Other purposes				
Indigenous tourism fund	Funding to co-invest with the states on strategic projects that increase the supply of First Nations tourism experiences and/or create supply chain opportunities for First Nations tourism businesses.	5.8	Impact	Business development is a state function, and needs are assessed.
Commonwealth Community Safety Order Scheme (CSO)	This Schedule will support the delivery of services for the Community Safety Order Scheme, which involves Community Safety Detention Orders and Community Safety Supervision Orders.	2.8	No impact	This payment is related to the provision of Continuing Detention Orders and Extended Supervision Orders under the Community Safety Order scheme administered by the Commonwealth. This represents a Commonwealth function and is not a state service.
Delivering high priority RFIs under CSO scheme	This Schedule will support states to respond to the high-priority Requests for Information (RFIs) from the Commonwealth by the Immigration Minister and the Department of Home Affairs.	0.6	No impact	This payment relates to information requested by the Commonwealth under the Community Safety Order scheme administered by the Commonwealth. This represents a Commonwealth function and is not a state service.
National Labour Hire	Funding to progress a harmonised approach to national labour hire reform.	2.6	Impact	Industry regulation is a state function, and need are assessed.

Commonwealth payment	Description	2024-25 \$m	Treatment	Reason for treatment
Support to Host Giant Pandas in South Australia	Funding to host 2 giant pandas in the Adelaide Zoo.	0.8	Impact	Recreational and cultural services is a state function, and needs are assessed.

Table A-2 Treatment of city and regional deals commenced in 2024–25

Commonwealth payment	Description	2024–25 \$m	Treatment	Reason for treatment
Adelaide				
Australian Defence Technologies Academy	Contribution to a \$60 million Australian Defence Technologies Academy to drive sovereign research and development of defence capabilities in South Australia.	2.0	No impact	Universities and defence are a Commonwealth responsibility.
Albury-Wodonga				
Stage 3 Splash Park development. Oddie Creek	Funding for a splash park that will offer families an alternative to risky river activities and meet community aspirations for accessible and vibrant recreational spaces.	2.0	Impact	Investment in recreational and cultural services is a state function, and needs are assessed.
Detailed design for an Aboriginal Aged Care Facility	Detailed design for proposed facility to include low, medium and high care option for First Nations community members with a focus on holistic and culturally safe care.	0.5	No Impact	Aged care, including residential aged care, is a Commonwealth responsibility.
Enabling & other infrastructure to support the Albury Wodonga Regional Hospital Development	Funding for a major new regional hospital and improved health services for the Albury, Wodonga and border communities.	6.5	Impact	Investment in hospital infrastructure and health services are a state function, and needs are assessed.
Wodonga Creek Precinct development	Funding for the Wodonga Creek precinct development, linking the Wodonga central business area, Belvoir Park and Gateway Island through to Albury by connecting to the existing Wodonga pathways network.	2.0	Impact	Investment in recreational and cultural services (cycle track) is a state function, and needs are assessed.
Essential health worker housing	The funding will secure approximately 120 dwellings across regional New South Wales to support the recruitment and retention of more than 500 health workers and their families by providing a range of accommodation options.	3.5	Impact	The recruitment and retention of health-related staff is a function of state health services, and needs are assessed.
Barkly				
Social and Affordable Housing Private-Public Partnership	This project will deliver new dwellings in Tennant Creek, a portion of which will be available as affordable rental prioritised for eligible local people. The remaining dwellings will be provided as social housing aimed at women and children fleeing family violence and older women experiencing homelessness.	1.0	Impact	Social housing provision is a state function, and needs are assessed.

Commonwealth payment	Description	2024-25 \$m	Treatment	Reason for treatment
Geelong				
City Arrivals	This project aims to make Geelong a greener, more pedestrian and bike-oriented city with new facilities and improved access.	0.2	Impact	Investment in recreational and cultural services is a state function, and needs are assessed.
Twelve Apostles	Investment in improved infrastructure, services and amenities to provide a better, safer and more connected visitor experience on the Shipwreck Coast.	29.3	Impact	Investment in the tourism industry is a state function, and needs are assessed.
South East Queensland (SEQ)				
SEQ Innovation Economy Fund	Investment in capital projects that promote and grow SEQ's innovation economy with the aim to deliver more high value, knowledge-intensive jobs.	10.0	Impact	Investment in business development is a state function, and needs are assessed.
SEQ Rail Corridor Digital Connectivity	Delivering improved digital connectivity on selected commuter rail corridors.	2.5	Impact	Urban transport investment is a state function, and needs are assessed.
Dunwich Ferry Terminal Upgrade	Upgrade of the Ferry Terminal at Junner Street, Dunwich.	1.0	No Impact	Non-urban transport investment is a state function, but needs are not assessed.
SEQ Liveability Fund	Projects to improve community facilities including playgrounds, community amenities, sports fields, aquatic centre and open space recreation.	35.0	Impact	Investment in recreational and cultural services is a state function, and needs are assessed.
Resource Recovery Infrastructure	Developing waste processing infrastructure in SEQ that will increase resource recovery rates, facilitate organics recycling and progress the region towards a circular economy.	7.0	No Impact	Sanitation is a local government responsibility.
Resilient Rivers Initiative	This partnership-based project will invest in capital works to improve the health of the region's rivers and waterways.	2.5	No Impact	Environmental protection is a state service, but needs are not assessed.
Blue Heart Sunshine Coast	This partnership-based project is committed to sustainable and adaptive floodplain management in the Maroochy River catchment.	2.0	No Impact	Environmental protection is a state service, but needs are not assessed.
Bromelton State Development Area Business Case	Developing a business case to determine what infrastructure planning, sequencing, prioritisation and capital investment is required to activate the 15,610 ha State Development Area.	0.8	Impact	Investment in business development is a state function, and needs are assessed.

Source: Department of Infrastructure.