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| Federal Financial Relations (National Specific Purpose Payments) Determination 2011-12  |
| I, WAYNE MAXWELL SWAN, Treasurer, make this Determination under Part 3 of the *Federal Financial Relations Act 2009.* |
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|  WAYNE MAXWELL SWAN | Dated: 20 October 2012 |

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## Part 1 — preliminary

### Name of Determination

1. This determination may be cited as the *Federal Financial Relations (National Specific Purpose Payments) Determination 2011-12.*

### Commencement

1. This determination commences on the day on which this determination is made*.*

### Definitions

1. The following definitions are used throughout this determination:

***Act*** means the *Federal Financial Relations Act 2009*.

## PArt 2 — National Specific purpose payments

### National specific purpose payment for healthcare

1. In accordance with subsection 10(3) of the Act[[1]](#footnote-1), the indexation factor applied to the healthcare national specific purpose payment from the previous financial year is the product of:
* a health specific cost index (a five year average of the Australian Institute of Health and Welfare health price index growth rate);
* growth in population estimates weighted for hospital utilisation; and
* a technology factor (Productivity Commission derived index of technology growth).
1. For the purposes of paragraph 10(2)(b) of the Act[[2]](#footnote-2), the 2011-12 total amount for the healthcare national specific purpose payment indexed in accordance with subsection 10(3) is $12,548,131,580.01.
2. In accordance with subsection 10(4) of the Act[[3]](#footnote-3), the amounts specified in Table 1 are to be paid for the 2010-11 financial year to the States specified in that table for the purpose of expenditure on healthcare.

### Table 1: National specific purpose payment for healthcare, 2011-12


### National specific purpose payment for schools

1. In accordance with subsection 11(4) of the Act, the indexation factor applied to the government schools national specific purpose payment from the previous financial year is the product of:
* growth in average government schools recurrent cost; and
* growth in full-time equivalent enrolments in government schools.
1. For the purposes of paragraph 11(2)(c), the 2011-12 total amount for the government schools national specific purpose payment indexed in accordance with 11(4) of the Act is $3,755,800,459.34.
2. In accordance with subsection 11(5) of the Act, the amounts specified in Table 2 are to be paid for the 2011-12 financial year to the States specified in that table for the purpose of expenditure on schools.

### Table 2: National specific purpose payment for schools, 2011-12


### National specific purpose payment for skills and workforce development

1. In accordance with subsection 12(4) of the Act, the indexation applied to the skills and workforce development national specific purpose payment from the previous financial year is the sum of:
* 85 per cent Wage Cost Index 1 (comprising safety net wage adjustment weighted by 75 per cent and all groups CPI weighted by 25 per cent); and
* 15 per cent Wage Cost Index 6 (comprising safety net wage adjustment weighted by 40 per cent and all groups CPI weighted by 60 per cent).
1. For the purposes of paragraph 12(2)(c) of the Act, the 2011-12 total amount for the skills and workforce development national specific purpose indexed in accordance with 12(4) of the act is $1,363,132,006.61.
2. In accordance with subsection 12(5) of the Act, the amounts specified in Table 3 are to be paid, for the 2011-12 financial year, to the States specified in that table for the purpose of expenditure on skills and workforce development.

### Table 3: National specific purpose payment for skills and workforce development, 2011-12


### National specific purpose payment for disability services

1. In accordance with subsection 13(4) of the Act, the indexation applied to the disability services national specific purpose payment will be a rolling five year average of nominal Gross Domestic Product year-on-year growth. In recognition that the disability services specific purpose payment incorporates funding amounts for the former Disabilities Assistance Package (DAP) which already included a growth rate, the DAP component is excluded from this indexation.
2. For the purposes of paragraph 13(2)(c) of the Act, the 2011-12 total amount for the disability services national specific purpose payment adjusted in accordance with 13(4) of the Act is $1,204,968,215.84.
3. In accordance with subsection 13(5) of the Act, the amounts specified in Table 4 are to be paid, for the 2011-12 financial year, to the States specified in that table for the purpose of expenditure on disability services.

### Table 4: National specific purpose payment for disability services, 2011-12(a)

(a) Includes an adjustment to achieve budget neutrality.

### National specific purpose payment for housing services

1. In accordance with subsection 14(4) of the Act, the indexation applied to the housing services national specific purpose payment from the previous financial year will be Wage Cost Index 1 (comprising safety net wage adjustment weighted by 75 per cent and all groups CPI weighted by 25 per cent).
2. For the purposes of paragraph 14(2)(c) of the act, the 2011-12 total amount for the housing services national specific purpose payment indexed in accordance with 14(4) is $1,242,602,574.48
3. In accordance with subsection 14(5) of the Act, the amounts specified in Table 5 are to be paid, for the 2011-12 financial year, to the States specified in that table for the purpose of expenditure on housing services.

### Table 5: National specific purpose payment for housing services, 2011-12

1. Subsection 10(3) of the *Federal Financial Relations Act 2009* was repealed on 25 June 2012 due to new arrangements for the National Health Reform. Schedule 2 of the *Federal Financial Relations Amendment (National Health Reform) Act 2012* contains an application provision (item 7) stating that this amendment applies in relation to financial assistance for the financial year starting on 1 July 2012 and each later financial year. [↑](#footnote-ref-1)
2. See footnote 1. [↑](#footnote-ref-2)
3. See footnote 1. [↑](#footnote-ref-3)