

EXECUTIVE SUMMARY

- The 2015-16 Budget is focused on building jobs, growth and opportunity, while making progress in restoring Australia's budget position.
- In 2015-16, the Commonwealth will provide the states with \$107.7 billion in total payments, including payments for specific purposes of \$50.0 billion and general revenue assistance of \$57.7 billion. This contribution represents approximately 24.8 per cent of total Commonwealth expenditure in 2015-16. Total payments to the states from 2014-15 to 2017-18 have increased by \$268 million since the *Mid-Year Economic and Fiscal Outlook 2014-15*.
- The GST entitlement to the states is projected to increase by over \$3 billion in each year over the forward estimates, in part due to policy decisions to extend the Australian Taxation Office's GST compliance programme and apply GST to digital products and services imported by consumers. These measures are discussed in Budget Paper No. 2, *Budget Measures 2015-16*.
- This Budget is delivering on the Infrastructure Growth Package, through a substantial programme of transport infrastructure investment, with total infrastructure funding of \$33.3 billion from 2014-15 to 2018-19.
- This investment includes the \$5 billion Asset Recycling Initiative, which creates an incentive for the states to unlock funds from existing state-owned assets to invest in additional infrastructure that will support economic growth and enhance productivity. To date the Commonwealth has committed to provide \$2 billion to New South Wales and \$60 million to the Australian Capital Territory for investment in crucial infrastructure projects.
- This Budget includes decisions to continue funding for critical frontline services to reduce homelessness rates, improve access to legal assistance and provide high-quality early childhood education. This will provide certainty to service providers and ensure services continue to be delivered.
- The Commonwealth will also continue to work closely with the states in the development of the Reform of the Federation White Paper and the White Paper on the Reform of Australia's Tax System.

